Supporting Research

Research informing The Job Foundation's Financial Stewardship Mentoring Program comes from four main sources: 1) Youth Financial Education research; 2) Anti-poverty research highlighting the efficacy of the Savings-Linked Conditional Cash Transfer Model (SLCCT); 3) Educational research which shows the positive impacts of the Conditional Cash Transfer model (CCT); and 4) Child research which informs the care, teaching, and mentoring of students. An improvement to the internationally popular Conditional Cash Transfer model (CCT) is known as the Savings-Linked Conditional Cash Transfer model (SLCCT) and was called for in May of 2011 by The New America Foundation at a colloquium they held in New York City. The SLCCT model is similar to the CCT model but includes the additional requirement to save a portion or all of the conditional cash transfer. The Job Foundation's Financial Stewardship Mentoring Program is a Savings-Linked Conditional Cash Transfer program and is arguably the first SLCCT in the world to target children.

Research targeting the impact of financial education on children is limited. However, the available research indicates highly positive outcomes for children who receive ongoing financial education from an early age. This has led to increased efforts in recent years to financially educate youth. For example, there are now 17 states requiring a financial literacy course in high school https://www.councilforeconed.org/wp-content/uploads/2018/02/2018-SOS-Layout-18.pdf.

Yet, it has been found that waiting until adolescence to teach vital financial skills and knowledge is too little too late. During early childhood, a person's personality is being shaped and lifelong habits are developed. A proactive approach to financial education is much more effective than trying to correct bad habits later on in life for this reason. Furthermore, an article from the Journal of Central Banking Theory and Practice states that "The objective of improved financial education is changed behaviour and thus it is not just the knowledge of financial concepts that matters but a change in habits and behaviour" (Fabris & Luburić, 2016).http://www.cbcg.me/repec/cbk/journl/vol5no2-3.pdf. Evidence of these changes in habits and behavior were exhibited in a study done by the Institute for Public Policy Research which found that children who attended financial literacy lessons will be an average of $40,000 richer than their peers who did not attend such lessons (Fabris & Luburić, 2016).

Conditional Cash Transfer programs provide resources (cash) to financially stressed families provided they meet certain criteria, such as bringing children to the doctor, ensuring students attend school, ensuring students are eating nutritious meals, etc. The focus of most CCTs is "to reduce consumption poverty and to encourage investments in the education and health of children," (Fiszbein, Schady, Ferreira, Grosh, Kelleher, Olinto, and Skoufias, 2009, p.12). A 2009 comprehensive report of CCT programs worldwide by the World Bank notes "solid evidence of their positive impacts in reducing short-term poverty and increasing the use of education and health services," (Fiszbein, et. al., 2009, p.27). Additionally, CCTs have proven to be extremely effective at reducing consumption poverty and motivating families to engage in desired behaviors such as increasing school attendance and receiving medical care (Lund, Noble, Barnes & Wright, 2009). While one can easily measure adherence to the conditions required for the transfer of cash, for these increases in health and education related behaviors to translate into increased health and economic power, it is believed that CCT programs are enhanced by supplemental services such as workfare, tutoring and more. (Fiszbein, et. Al., 2009, p. 30). Indeed, the ability of lower income families to climb higher on the social economic ladder may be subject to social conditions, which may impede or hasten their success. It therefore is imperative that services be comprehensive and long-term, much in the way The Job Foundation walks with families for 10 years or more.

In terms of educational research, Harvard University economist Dr. Roland Fryer of Harvard EdLabs was the first to examine the impacts of financially rewarding urban disadvantaged youth for their academic achievements. This research was released in the Spring of 2010 and highlights the unique opportunity of The Job Foundation method. Harvard economist Dr. Roland Fryer (2010) conducted research on the effects of offering cash to low income students for academic achievement, a strategy which is essentially a conditional transfer of cash. Some $6.3 million dollars were distributed to roughly 38,000 students in 261 schools. These schools operate in four low-performing school districts: Chicago, Dallas, New York City, and Washington D.C. Financial incentives were administered during the school years 2007-2008 and 2008-2009. All experiments were randomized with different criteria for incentives in each city. Fourth and seventh grade students in NYC were paid for their performance on ten assessments. Ninth graders in Chicago were paid every five weeks for grades in five core courses. In Dallas, second grade students received $2 per book they read if they passed a short comprehension quiz. In D.C., sixth, seventh, and eighth graders were paid for their attendance, behavior, and three other helpful practices chosen differently by each school. The greatest gains were found in Dallas, where the students were the youngest and were rewarded for performance on assignments. The effect was a "large and statistically significant increase in reading comprehension….and language," (Fryer, 2010, p. 6). In Chicago, where students were paid for report card grades, incentives had a modest but statistically significant impact with treated ninth graders "increase[ing] attendance and students pass[ing], on average, almost one more course," (Fryer, 2010, p.28). In Washington D.C., where good behavior was rewarded, those with "previously bad behavior show[ed] large treatment effects," (Fryer, 2010,p.7). However, the effect of paying students for achievement on tests in New York was "statistically zero (Fryer, 2010, p.19). In cities where incentives led to significant increases on standardized tests (Dallas and Washington D.C.), "boys gained more from the experiment than girls" (Fryer, 2010, p.6).

Although many feared these interventions would lead to widespread academic apathy and decline once the incentives were removed, a one-year follow up in Dallas showed that treated students continue to out-perform peers who were not incentivized. (Dallas was the only city to report follow-up data at the time of publication.) Other critics believed that payment for academics would interfere with intrinsic motivation. The researchers used the Intrinsic Motivation Inventory (Ryan, 1982) to evaluate this possibility, and found no impact on intrinsic motivation (Fryer, 2010). Unfortunately, there was no evaluation of other psychological impacts although there were subjective reports of students being more enthused (Fryer, 2010). The study also did not address how students used their money and what effect this had on family economic stability.

While much more could be researched, it appears that incentives for assignments, behavior, and report card grades had an academic-increasing effect "similar [to] gains in achievement [in] other popular education reforms…such as Head Start, lowering class size, offering bonuses to effective teachers, etc.," (p.7) and these effects were realized at a lower cost than other reforms (Fryer, 2010). The results of this ground-breaking study point toward the potential for financial academic incentives to impact students in low performing schools, and those most positively impacted were "boys, blacks, and Hispanics," (Fryer, 2010, p. 31).

Finally, The Job Foundation's Financial Stewardship Mentoring Program is unique in its whole child, whole family, whole community caring approach. Program delivery, in addition to its financial and academic inputs, also includes emotional intelligence education and is delivered through a love-based lens as proposed by Heather Forbes and Bryan Post in their 2006 book, *Beyond Consequences, Logic, and Control*. More recently, this approach has been known as "Trauma-Informed" and is widely accepted amongst educators, therapists, and researchers. This approach is honored throughout the program and is seen, for example, in the bridges that are built between lower income and higher income persons, who generally do not know each other very well but through the program get to know each other quite well. When it becomes understood (through shared experiences, commitment, and time) how stressful financial disadvantage is, it is easier for both groups to appreciate and respect each other. A love-based, emotionally focused approach, tempered with boundaries and high expectations for student behavior and achievement, recognizes that the enemy is fear, not each other and not a student's negative response to dysregulated fear (ie. acting out or under-performing). However, humans have a fear response for a reason. There are things that really are problematic and financial disadvantage in even one household is a problem for all of society. With this view in mind, the culture of the organization is not one of merely equipping students to cope with financial hardship but rather putting an end to it.

Neuroscience tells us that under chronic and overwhelming stress, the Fight/Flight/Freeze Response can become overly activated, paving the way for behavior, thoughts, and feelings that represent either a "Hyper" or "Hypo" activation of the body's natural "Alarm System." If the person's body chemistry tends toward "hyper" arousal, they will tend to exhibit aggression towards others and/or self-- verbally and/or physically. If they tend toward a "hypo" arousal response, the person is likely to become withdrawn, depressed, or simply less likely to take action, even if it appears that their actions could improve their situation. Additionally, this stress response, dubbed by some mental health experts as "The Stress Model" causes the thinking region of the brain (the prefrontal cortex) to experience a diminished ability to process information. Thus, a positive response to a child who misbehaves or who underachieves academically needs is to offer help and community support to help them regulate their stress response. Children need this approach much more than a punishment or lecture. The child's stress response (and his/her parents' and his/her community members') is soothed and regulated with the knowledge that financial assets are being built, a community is committed to seeing them succeed, and they have the tools they need to build their own success story. This caring, diverse, and committed group of parent/guardians, volunteers, staff, and donors provide stable shoulders upon which Job students can stand and grow up feeling secure. They are therefore more likely to behave in a manner that is in keeping with pro-social values and learn in a way that translates into achievement.

Additionally, since each student in the program is paired with a mentor, mentoring research also informs our practices. Each Job student is paired with a caring "Mentoring Tutor" who also encourages them in life and academics. According to the National Mentoring Partnership,

"Research confirms that quality mentoring relationships have powerful positive effects on young people in a variety of personal, academic, and professional situation….and mentoring has significant positive effects on two early warning indicators that students may be falling off track: high levels of absenteeism….and recurring behavior problems" (Mentor: The National Mentoring Partnership; Home page).

Research findings in support of youth mentoring are extensive. Eby, Allen, Evans, Ng, and DeBois (2009) made a comprehensive review of mentoring research and found that while mentoring is impactful, to make a large difference in a child's life, programs should consider providing additional services to compliment the mentoring relationship and increase the likelihood of positive outcomes. Their review of literature also suggests that "…academic mentoring may have the most utility in terms of improving performance and attitudes toward school and decreasing withdrawal behavior…" whereas "youth mentoring" has been shown to impact attitudes toward school with less impact on actual performance. The Job Foundation's comprehensive, four- pronged approach (education, financial asset building, leadership development, and mentoring) empowers students as they achieve their financial, academic, and life goals.

The Job Foundation's Financial Stewardship Mentoring program is strongly supported and informed by these findings. For more information on The Job Foundation and the vision "All Children Achieving Financial Success," or to donate or volunteer, visit www.thejobfoundation.org, send email to jennifer@thejobfoundation.org or call 319-464-2389.

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