Redesigning Matched Savings to Scale:

EARN's Efforts to Improve Efficiency and Increase Autonomy

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Two years ago, New York Times journalist Nicholas Kristof published an opinion piece calling for a global microsavings movement. "Microsavings," a branch of microfinance, refers to products and services that help low-income families save small amounts. Kristof cited the old adage, "Give me a fish, and I'll eat for a day. Give me a fishing rod, and I'll eat for a lifetime." He also quoted a Somali variation, "If I buy food, I'll eat for a day. If I buy a gun, I'll eat every day." Then he put forth a bold rallying cry: "These days, there's evidence that one of the most effective tools to fight global poverty may be neither a fishing rod nor a gun, but a savings account. What we need is a savings revolution."[1]

In the United States, matched savings accounts, also known as Individual Development Accounts (IDAs), are one form of microsavings that helps families break the cycle of poverty.[2] By providing a designated match (e.g., $2 for every $1 deposited), these accounts foster regular saving behavior among people who are working but earn low to moderate wages. Match funds can only be used to attain assets that are assumed to build wealth, such as first-time homeownership, small business ownership, or higher education. Accounts are typically provided by non-profit organizations or government agencies, and are funded through a combination of public grants and private donations.

In their traditional form, matched savings accounts are resource-intensive and costly.

Despite their effectiveness, the reach of matched savings accounts has been hampered by a major drawback: in their traditional form, they are resource-intensive and costly to provide. In 2003, research by the Aspen Institute recommended designing a simplified, scalable version of matched savings accounts that could be made available to eligible consumers as easily as a 401(k) or any other mainstream financial product to make a national impact.[3]

This case study describes how EARN, a California-based nonprofit and the nation's leading provider of matched savings accounts, redesigned its matched savings program to better leverage existing resources and encourage savings among more families.

NATIONAL SAVINGS CRISIS

The Great Recession that began in 2008 has highlighted the crucial importance of savings – not only for individuals and families, but also for the sake of our national economic stability.

Approximately 17 million Americans do not have a bank account, and even fewer have savings.[4] Across all income levels, an estimated 54% of Americans do not have enough money set aside to cover a financial emergency. Low-income families are most vulnerable: 61% would not be able to cover their basic financial needs if their income were disrupted for three months.[5]

The nation's minuscule supply of matched savings accounts is failing to meet market needs.

Without savings to weather a job loss or other financial hardship, individuals tend to cope by taking on more debt than they can repay, triggering an economic downward spiral. Beyond the direct impact on the individual or family, there is another impact as mounting levels of debt go uncollected: financial institutions react by tightening access to capital, consequently delaying economic recovery.

During times of economic stress, the need for matched savings accounts becomes even more evident. There are at least 588 entities providing matched savings accounts in the U.S. for low- to moderate-income working adults.[6] Together, they have only managed to offer approximately 120,000 accounts over the past ten years.[7] This figure is minuscule in comparison to the fact that more than 57 million Americans are income-eligible for these accounts. In other words, the nation's current matched savings model is meeting only 0.2% of the market need.[8]

THE CHALLENGE

Since its founding in 2001, EARN, one of the nation's five largest matched savings providers, has opened just over 3,800 accounts. By late 2009, despite steady account growth and years of developing internal expertise and infrastructure, the organization was not able to supply more than approximately 600 new accounts per year. EARN could only serve more clients (whom it calls "Savers") by hiring more staff and continuing to incur the same operating cost per account.

EARN made a strategic decision to seek a different solution that would lower the cost of providing accounts.

In order to meet demand for the program in the Bay Area and potentially on a larger scale in the future, the organization realized it needed to reevaluate its approach. EARN made a strategic decision to seek a different solution that would lower the cost of providing accounts while maintaining – or even increasing – the impact for the Saver.

Redesigning within Constraints

Like many other matched savings programs, EARN partners with a depository institution (a bank) that holds the actual savings accounts where Savers make their deposits. Community Development Financial Institutions, or CDFIs, are one of the few exceptions, as they can both administer and hold matched savings accounts. Other than holding the accounts, EARN manages and delivers all activities related to marketing, outreach, enrollment, and administration of these accounts. EARN's redesign project assumed that it would continue to partner with an institution which would hold the accounts.

In addition, EARN's redesign scenario anticipated that the current regulatory environment for matched savings accounts would not change substantially. Most matched savings accounts are funded by the U.S. Department of Health and Human Services (HHS) through the Assets for Independence Act (AFIA, also known as AFI). Accounts funded by AFIA are subject to rules in the AFIA legislation.

EARN'S APPROACH TO SCALE

In late 2009, EARN launched an internal strategy group to address the issue of scale. Its members were primarily from the organization's direct service team, whose staff works closely with Savers to help them make deposits, reach their savings goals, and apply their savings toward the purchase of an asset. The group brainstormed, researched, tested, and implemented changes throughout 2010 and 2011.

EARN's internal strategy group sought to develop a product that met three criteria:

- Displays economies of scale. Specifically, the strategy group aimed to identify an approach that would allow EARN to open several thousand accounts per year and service the open accounts – for the same total staff time that it had previously taken to open and serve 600 accounts per year.
- Administered remotely. EARN wanted to be able to serve low-wage workers throughout California without having to open new offices, which would allow for expansion without significant capital expenditures.
- Reflects EARN's core values. EARN's redesign was sparked by a guiding principle that has existed since the organization's establishment: EARN would always seek to develop solutions that can be delivered at scale. Because millions of Americans earn low wages and live paycheck to paycheck, EARN focuses on products and services that can reach a large number of people. But, in addition to scale, EARN embraces three more core values: innovation, dignity, and prosperity. This product would need to reflect those by demonstrating that it catalyzes economic mobility without treating low-wage workers paternalistically, and by making bold changes to the status quo in order to advance the microsavings field.

Self-Assessment

One of the first tasks that EARN's internal strategy group tackled was an assessment of the organization's current practices. This evaluation identified strengths in program administration and areas for improvement by asking questions such as, "What are the core components of the matched savings experience that must be preserved in order to effectively help Savers achieve financial stability? Which high-touch program elements could be eliminated? Are processes optimized to prevent redundancy or extra steps?"

The assessment revealed three key drivers of inefficiency and complexity that were preventing the organization from achieving scale.

1. Complexity of traditional partnership model.

Early in its history, EARN had planned to achieve scale by partnering with other community-based organizations, who would take on all interactions with the Saver, such as teaching mandatory personal finance workshops, handling all customer service inquiries, and explaining program rules.

EARN had to recognize and shed long-held assumptions about how to administer the program.

However, because EARN co-branded these accounts with its partners, many Savers were confused about where to turn for help. The partnership model also created redundancies: when Savers called partner organizations with questions about their accounts, partners often had to check with EARN for the answer because of the intricacy of the rules. The partnership model turned out to add an unnecessary layer of complexity to an already complex program.

2. Attitudinal barriers.

Before EARN's strategy group could become truly innovative, they had to take an important step: recognizing and shedding long-held beliefs and assumptions about how to administer the program.

Traditionally, EARN had assumed that more face-to-face interactions and tighter controls, such as mandatory personal finance workshops and strict deposit rules, had a positive impact on Savers' financial outcomes. For instance, EARN's original decision to work with partners was largely based on the assumption that an effective, high-quality matched savings program must involve extensive, direct interactions with staff. Furthermore, at the time when the strategy group began its work, EARN required all Savers to attend a series of three personal finance workshops as part of the enrollment process. EARN's rules also specified that each Saver must receive a detailed description of the program requirements, usually in a 30- to 60-minute one-on-one conversation just before opening the account.

Olivia Beltran, a member of EARN's direct service team, expressed her team's hesitation about changing these old beliefs and practices: "Learning the rules and regulations our government funding requires had created an incredible impression in my mind. It took a great investment of time to get familiar with the requirements and the insurmountable number of forms. When the concept of re-evaluating how we did processes came up, it was difficult to imagine that we had the solution in our hands."

3. Intricacy of rules and regulations.

Shedding assumptions was especially difficult because of the rule-laden environment in which matched savings programs traditionally operate. Many of the rules exist because of a traditional assumption that low-wage workers need to be guided closely to learn positive financial behaviors. Others are based on restrictions imposed by federal funding requirements.

In 2009, EARN had over 30 rules governing Savers' program experience, including rules governing the frequency and amount of deposits. For example, under a rule intended to foster a long-term habit of savings, Savers had to deposit at least $20 but no more than $200 per month. Even experienced staff members could not remember whether a rule was required by federal grant restrictions or whether it was one that the organization had the authority to change. As recently as 2011, a staff member asked at a meeting, "The rule that says Savers in our government-funded accounts cannot miss more than three deposits per calendar year – that's a grant rule, right?" (It is not.)

On average, EARN found that it was spending almost five hours of staff time per active account for each year that the Saver was in the program.[9] This included categories such as teaching the mandatory pre-enrollment personal finance workshops, enforcing deposit rules, and processing withdrawal requests for Savers making investments.

As it takes most Savers two to four years to reach their savings goals and complete their asset investment, EARN found that this intensive, high-touch model was limiting the number of new clients that could be served without adding staff to our 5-person direct service team.

Increasing Autonomy as a New Strategy

EARN's redesign of its matched savings product was guided by an overall shift in the organization's strategy. The internal strategy group's work revealed a mismatch between the organization's strategy and internal culture on the one hand, and the outcomes it was striving to deliver for Savers on the other hand.

Jill Sturm, EARN's Financial Services Director and a member of the internal strategy group, summarized it well: "Our staff had to make a significant cultural shift by moving to a lower-touch model. It feels good to help people directly by walking them through the process, but we recognized that we could make a deeper impact and serve more people if we leveraged technology. We wanted to empower our Savers so they can ultimately transition into the financial mainstream where customers get much less hand-holding these days."

There was also another important factor at work in this shift. EARN Research Institute studies have identified a critical mechanism explaining the impact of matched savings programs on long-term savings behavior: a change in Savers' psychology.[10]

Specifically, Savers experienced an increase in financial "self-efficacy," a psychological term which refers to "the perception that one has the ability, resources, or opportunities to obtain positive outcomes or avoid negative effects through one's own actions."[11] In other words, self-efficacy is equivalent to feeling empowered.

The EARN Research Institute findings indicated that the more Savers felt they had control over their finances, the more motivated they were to keep saving and reach their financial goals. For many EARN Savers, the act of saving led to a cognitive, emotional, and social transformation whereby they experienced a measurable increase in self-esteem and independence.

The act of saving in a matched savings account leads to an increase in self-esteem and independence.

As one Saver explained, "My self-esteem is definitely higher. I myself can see that the things I set out to achieve, that through hard work and dedication, that goal actually can be achieved. It's the hard work and sacrifice that you put in."

EARN concluded that a streamlined matched savings structure would be strategically aligned with the goal of giving Savers more control over their actions in the program. The increase in Saver autonomy would correspond to a reduction in rules and requirements, which would lead to decreased operational costs for EARN, creating a virtuous cycle.

New Product Development

When the internal strategy group compared EARN's current product to the growth opportunities for matched savings, it realized that reducing complexity and reaching more Savers would require a new product model. While the organization planned to continue improving and retooling its existing federally-funded Individual Development Account program, it decided to develop a matched savings account that would not be subject to the same stringent rules and regulations.

Going forward, EARN saw the need to offer two types of matched savings accounts and employ a separate strategy for each product.

1. "Traditional" Individual Development Accounts.

EARN's original IDA product helps adults save $2,000 and receive $4,000 of match for a home, business, or education. Funded in part by federal Department of Health and Human Services grants, the program's regulations limit flexibility in implementing changes. EARN remained committed to continuous improvement for this product, but knew that modifications would be incremental.

2. Children's Education Accounts.

EARN had launched its own privately-funded matched savings accounts for children's education in 2005. The accounts allow parents to save $500 and receive $1,500 in match towards academic enrichment or college tuition. Savers and funders alike had clearly demonstrated their appetite for this product. EARN decided to seek additional private funding in order to offer more of these accounts. The Children's Education Account would become EARN's product laboratory for rigorous experimentation and innovation, developing into an advanced model for matched savings.

Pilot Project: Children's Education Accounts

EARN tested the new Children's Education Account matched savings product during a seventeen-month pilot initiative. A range of experiments included changes in eligibility requirements, enrollment procedures, savings rules, personal finance workshop requirements, customer service channels, withdrawal procedures, and permitted uses for withdrawals.

Decrease Rules

EARN's redesigned model distilled the program rules down to a core set of requirements (see Exhibit 1). The goal of this reduction was two-fold: to empower Savers and to decrease the cost of opening and servicing accounts. Key changes in the new Children's Education Account rules included the following:

1. Eliminate mandatory workshops.

EARN began identifying other channels to help Savers increase their knowledge of personal finance, such as online videos and text message notifications.

2. Allow Savers to decide on deposits.

Savers do not need to stick to a monthly deposit schedule, and they can make large deposits.

Streamline Services

In addition to rule changes, the new Children's Savings Account model also incorporated three key changes to increase efficiency:

1. Deliver services online.

EARN replaced its original partner model with an online model that allows the organization to serve Savers in a broad geographic area. Harnessing the power of technology also lowers the unit cost of offering matched savings accounts.

Many steps that used to require interactions between the Saver and a staff member – whether one-on-one or in small groups – can now be completed independently by the Saver. For instance, instead of speaking with an EARN staff member to find out if they are eligible for an account, Savers answer eligibility screening questions online. Customer service is also delivered almost entirely online via email, which allows EARN staff members to use "standard responses" (saved templates) to respond to frequently asked questions. Savers can view their account balance, submit a withdrawal request, or update their address on their own by logging in to their account online.

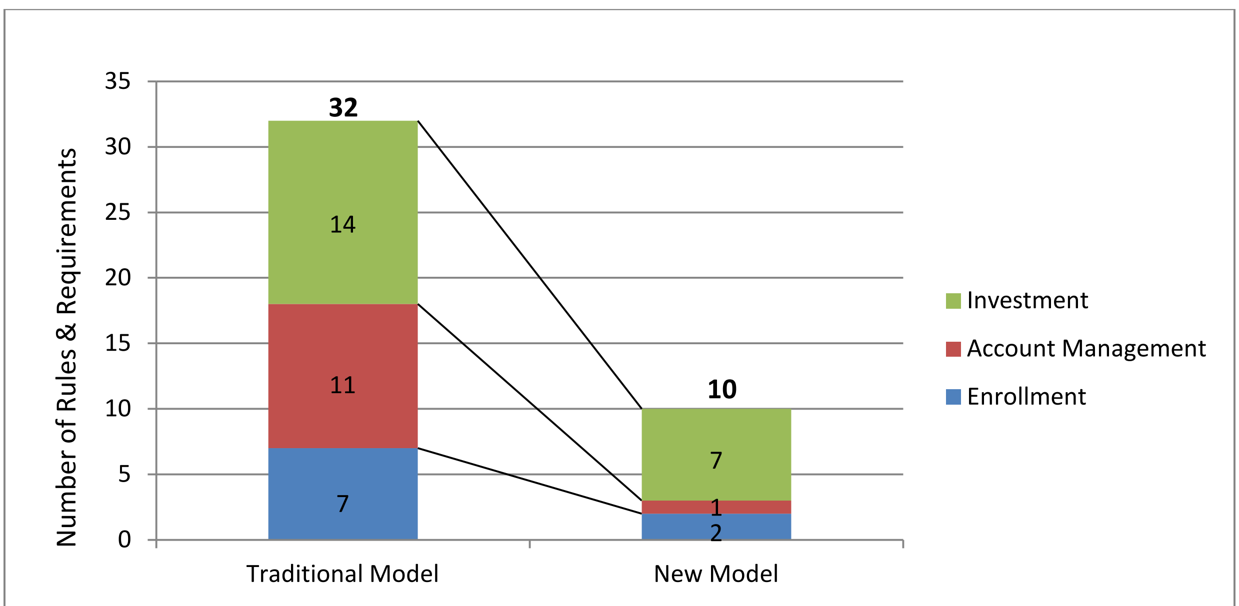
2. Implement a scalable income eligibility verification procedure.

Verification of the applicant's income documentation is one of the most time-consuming steps to open a traditional matched savings account. EARN's new model brings this procedure to scale by requiring potential Savers to self-certify their income. EARN verifies that potential Savers are accurately reporting their income by screening a sample of applicants, and closing accounts if people are ineligible.

3. Decrease the staff time associated with restricting withdrawals to certain assets.

EARN is experimenting with transferring Savers' funds to a restricted prepaid debit card which can only be spent on certain categories of purchases. This can potentially reduce or eliminate the time-consuming withdrawal process where a staff member must review and approve the Saver's request and generate a vendor payment for every transaction.[12]

Exhibit 1: New Model Has Significantly Fewer Rules and Requirements



Source: EARN Analysis

EARLY STAGE RESULTS

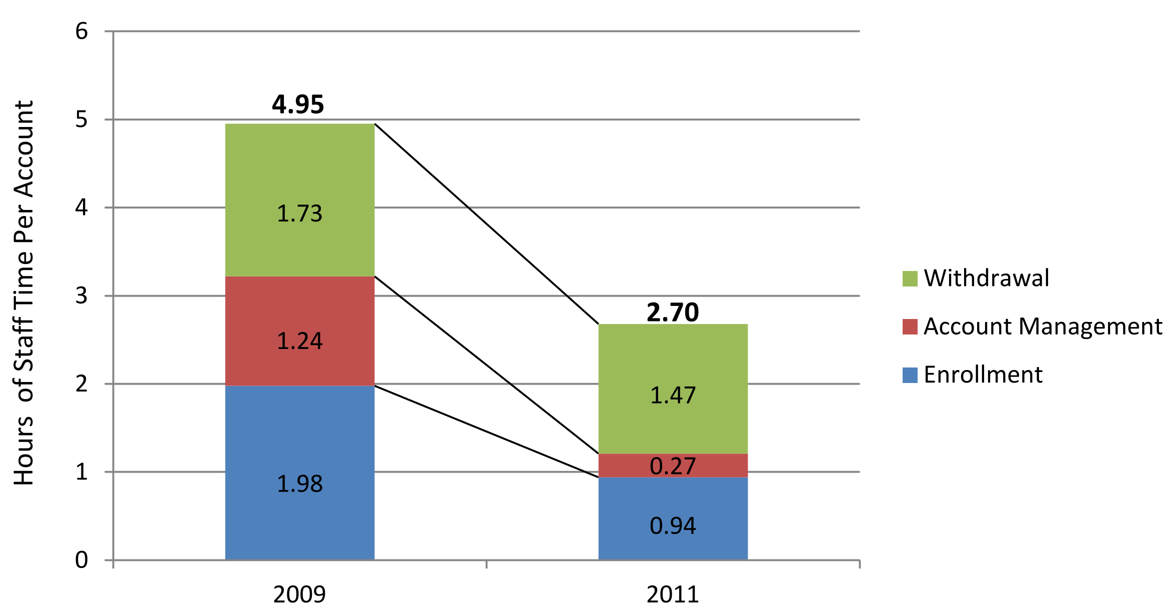
EARN is serving more Savers without having to hire additional employees.

During the pilot phase, EARN observed several benefits of the redesigned Children's Education Accounts matched savings model.

Increased Operational Efficiency: More Families at Lower Cost

Staff members' efficiency has improved significantly, especially in the enrollment process. Because most of the steps are now automated, the process of screening, registering, and enrolling accounts takes less staff time than ever before. EARN estimates that it spent 2.7 hours of staff time per Saver for each child's education accounts in 2011, down from 4.95 hours in 2009 (see Exhibit 2).[13] This new model may enable EARN to serve twice as many Savers as it did in 2009 without having to hire additional employees, and without the risk of burning out current employees and incurring staff turnover expenses.

Exhibit 2: Staff Time Per Account More Scalable in New Model



Source: EARN Analysis

Improved Service Quality

Savers can now complete their enrollment within one or two weeks, instead of having to potentially wait months to get a slot in an enrollment workshop and complete many prerequisites. They also do not have to struggle to attend mandatory workshops in person at a particular location on a particular night. The target market for this product is low-wage working parents, many of whom juggle multiple jobs; many are single parents with limited access to quality, affordable childcare.

EARN has seen that its population of low-wage workers does take the opportunity to sign up for an account online at their convenience from wherever they have access to a computer – whether it's at their home, a public library, or elsewhere.[14]

This also reduces the barrier to entry for eligible individuals who live far away and could not otherwise attend a workshop at EARN's office. They, too, are now able to sign up and save for their children's educations.

Strong Outcomes for Families

Families are continuing to use the accounts successfully. Even with less one-on-one attention, parents are reaching their savings goals and investing in their children's educations. Of the 127 accounts that EARN opened between February 2011 and August 2011, 43% have already reached their $500 savings goal. Many more who have not yet reached that goal are diligently saving: 71% have accumulated at least $200. A third of these 127 accounts have already begun investing their funds, even though their accounts have only been open for one year.[15] EARN's ongoing monitoring of savings and asset investment rates suggests that the redesigned product still provides a powerful experience that deeply impacts participants.

Even with less one-on-one attention, Savers are reaching their savings goals and making investments.

In addition, staff members have observed that Savers are better able to recall the trimmed-down account rules, which allows staff to function as Savers' partners or assistants, not as case managers charged with enforcing a bewildering array of intricate regulations. EARN believes that Savers' increased ownership over their account experience will lead to an even larger impact on their sense of self-efficacy. The EARN Research Institute is evaluating these impacts.

Employee Engagement and Morale

In pursuing this new approach, EARN observed an unintended benefit among its employees. Staff members enjoyed having the opportunity to think creatively, to change processes that had hindered efficiency, to test ideas and witness their results, and to make strategic decisions. This has led to an increased sense of empowerment and commitment, and better service for Savers.

Additionally, employees who participated on the internal strategy group honed their research, strategy, management, and technology skills, improving EARN's overall staff capability.

NOW IS THE OPPORTUNITY

The U.S. economy is finally showing signs of recovery from the Great Recession. Unfortunately, if this recovery follows the patterns of the past, it will be accompanied by a decrease in household savings: historically, families have almost always gone back to spending more and saving less after the end of a recession.[16] Spending plays an important role in economic growth, but if saving returns to pre-recession levels, working families will be ill-prepared for the inevitable next downturn.

The nation's current savings rate of 3.5% is already historically low, reflecting a downward trend that started a quarter century ago, in the 1990s. A further decrease in the household savings rate would bring the U.S. back to the negative savings rates of the mid-2000s.[17, 18]

Although saving is not easy, especially for low-wage workers whose incomes have been stagnant for decades, household savings accounts can play a key role in national economic stability and individual financial security.[19] This fact is still fresh in the minds of Americans after the recent recession. If we do not harness it quickly, we run the risk of missing a key opportunity to influence the future trajectory of the national savings rate. We have the attention of the families we seek to help. Leaders in the government, private, and non-profit sectors are still eager to identify solutions that will decrease the danger of another economic crisis. This is the time to develop products that give families the tools and motivation to save for the future, increasing individuals' self-efficacy and strengthening our nation's ability to withstand future economic downturns.

ABOUT THE AUTHORS

Iliana Montauk is a Senior Financial Services Associate at EARN. She works directly with Savers in EARN's San Francisco office. Her experience includes several years in the for-profit sector working for Google, Monitor Group, and Soar BioDynamics. Ms. Montauk graduated summa cum laude from Harvard College.

Nga Chiem is Vice President at EARN. She also oversees the EARN Research Institute, including program results and new business development – across multiple industries including finance, technology, and gaming. Ms. Chiem earned an M.B.A. from Harvard Business School and a B.A. in History and Public Policy from Brown University.

ABOUT EARN

EARN, the nation's leading provider of microsavings, is an award-winning California non-profit that gives low-income workers the power to create economic prosperity for generations to come. Since 2001, EARN has helped tens of thousands of low-wage families through innovative financial products including matched savings accounts, checking accounts for the unbanked, micro-loans, and money management coaching. EARN's powerful combination of lasting assets and financial know-how enables families to build wealth and achieve life-changing goals such as saving for college, purchasing first homes, or starting small businesses.

The EARN Research Institute evaluates the impact of EARN's work and publishes original data, sharing lessons learned and best practices. EARN uses this unique grounding in rigorous research and direct service experience to transform the financial services landscape and to champion effective public policies. EARN's ultimate vision is that millions of well-informed, low-income American families will achieve financial success through proven strategies, fair public policy, and their own hard work.

Connect with EARN at www.earn.org, twitter.com/earn and facebook.com/earnorg.

FOR FURTHER INFORMATION

Please contact:
Nga Chiem, EARN Vice President
nga@earn.org

ACKNOWLEDGEMENTS

The authors would like to thank Jill Sturm and Tatiana Siegenthaler for their programmatic guidance during the preparation of this case study; Jade Shipman and Judy Thomas for their research assistance; and Amanda Byrd, Mackenzie Donovan, and Matt Silva for their contributions to editing, design, and distribution

NOTES

[1] Nicholas D. Kristof, "Sparking a Savings Revolution," *New York Times*, December 30, 2009, accessed February 15, 2012, http://www.nytimes.com/2009/12/31/opinion/31kristof.html.
[2] The terms "Individual Development Account (IDA)" and "matched savings account" are often used interchangeably. EARN, the subject of this case study, uses IDA specifically to refer to accounts that are funded by the federal government through the Assets for Independence Act (AFIA). For clarity, because this paper focuses on accounts that are not funded through AFIA, it uses the broader term "matched savings account."
[3] "Individual Development Accounts: How to move from a program for thousands to a product for millions," The Aspen Institute, Economic Opportunities Program, November 2003, accessed February 15, 2012, http://www.aspeninstitute.org/sites/default/files/content/docs/economic%20opportunities%20program/EOPIDASCANNOV03-FINAL.PDF.
[4] "FDIC National Survey of Unbanked and Underbanked Households," Federal Deposit Insurance Corporation, December 2009, accessed February 15, 2012, http://www.fdic.gov/householdsurvey/full_report.pdf.
[5] According to a nationwide telephone survey commissioned by the EARN Research Institute and conducted in June 2010, 54% of American households across all income brackets could not meet their basic financial needs if their income were disrupted for three or more months. Among low-income families, defined in this survey as those with annual household earnings of $35,000 or less, that figure rises to 61%. The survey was conducted among a national probability sample of 1,006 adults living in private households in the continental United States. "More Than Half of American Families Do Not Have a Financial Safety Net, EARN Research Institute Poll Shows," EARN, December 7, 2010, accessed January 4, 2012, http://www.earn.org/news/press_releases/more_than_half_of_american_families_do_not_have_a_financial_safety_net.
[6] The Corporation for Enterprise Development's (CFED) online directory at www.idanetwork.org lists 588 providers of IDA accounts. "Find an IDA Program Near You," accessed February 15, 2012, http://cfed.org/programs/idas/directory_search.
[7] The Corporation for Enterprise Development (CFED) estimates that at least 120,000 Individual Development Accounts (IDAs) have been created in the U.S. in the past ten years. Inemesit Imoh, Policy Associate, CFED email to Jade Shipman, Senior Research Associate, EARN, December 22, 2011.
[8] It is difficult to estimate the exact number of people who qualify for a matched savings account. Matched savings account eligibility is usually based on several factors that vary from provider to provider. One provider may require that participants have less than $10,000 in assets, receive income from employment, and have a total income not exceeding 200% of federal poverty level; another provider may have different requirements. To provide a rough estimate of the number of people eligible for an account, we assume eligibility based on the guidance provided by AFIA: 200% of federal poverty level. (Federal poverty level for a household of one person was $10,890 in 2011.) According to the most recent U.S. Census, there are 57.63 million Americans aged 18-64 living below 200% of federal poverty level.
[9] This estimate is based on timesheet data from 2009. EARN held 1,440 accounts on average during the time period from January 1, 2009 to December 31, 2009. There were 1,346 accounts active in the first quarter and 1,552 active by the end of the fourth quarter. EARN opened 610 new accounts that year. Accounts that closed were due to Savers reaching their goal and investing their funds; needing to take out their personal savings other than for an approved asset investment; or reaching their time limit in the program.
EARN staff spent 7,120 hours servicing active accounts and opening new accounts between January 1, 2009 and December 31, 2009. More than half of this time (3,889 hours) was spent on account administration: reviewing applications, opening accounts using the bank partner's platform, entering applications and surveys into the database via manual data entry, printing account cards for Savers, printing and mailing monthly statements, filing, coordinating workshops, organizing volunteers, managing the database, sending letters to Savers who had missed excessive deposits, and processing withdrawals. The rest of this time (3,231 hours) was spent directly interacting with Savers and potential Savers: answering questions, running orientations to communicate program rules, and teaching personal finance workshops.

[10] Two studies conducted by the EARN Research Institute point to these findings. One has produced preliminary findings that will soon be finalized and published. The other was published in 2010 as William M. Lapp, "The Missing Link: Financial Self-Efficacy's Critical Role in Financial Capability," EARN, November 2010, accessed February 15, 2012, http://www.earn.org/static/uploads/files/Missing_Link_Financial_Self-Efficacy_Critical_Role_in_Financial_Capability.pdf.
[11] We borrow this definition from William Elliott III and Sondra Beverly, "The Role of Savings and Wealth in Reducing 'Wilt' between Expectations and College Attendance," Center for Social Development, Washington University in St. Louis, 2010, accessed February 15, 2012, http://csd.wustl.edu/Publications/Documents/WP10-01.pdf.
[12] Making withdrawal payments directly to vendors is expensive. EARN processed 975 withdrawals in 2009 for 518 Savers. The total time spent processing withdrawals was 607 hours, which means that, on average, a withdrawal took about 37 minutes of staff time to process. This includes only the time spent processing withdrawal paperwork and running withdrawal orientations to explain rules. It does not include time responding individually to Savers' questions about withdrawals. Many Savers make more than one withdrawal (e.g., multiple purchases for a small business or multiple semesters of school). On average, EARN spent 70 minutes per Saver on withdrawal processing in 2009. One Saver actually made 19 separate withdrawals from her account in 2009, likely costing EARN about 12 hours of staff time.
In 2010-2011, EARN made very few changes to withdrawal processes for Children's Education Accounts. The organization is currently piloting a restricted prepaid debit card for these withdrawals.
[13] EARN estimates that the total percentage of staff time spent servicing active Children's Education Accounts and opening new Children's Education Accounts in 2011 was 8%. Staff spent a total of 888 hours on these activities in 2011. EARN held an average of 331 Children's Education Accounts in 2011. There were 238 accounts open as of January 1, 2011 and 473 accounts open as of December 31, 2011. EARN opened 286 new Children's Education Accounts in 2011.
[14] EARN has experimented with online delivery for English-speaking Savers. EARN will experiment with online delivery for Spanish- and Cantonese-speaking Savers in 2012.
[15] In comparison, EARN opened 23 Children's Education Accounts between February and August 2008, before the redesign of this product. Of those 23 accounts, 26% reached their savings goal within the first 6 months and 17% made a matched withdrawal within the first 12 months of the account opening date.
[16] Robert Stammers, "Will America Keep Saving?," *Forbes*, February 15, 2012, accessed February 15, 2012, http://www.forbes.com/sites/cfainstitute/2012/02/15/will-america-keep-saving.
[17] Robert Stammers, "Will America Keep Saving?," *Forbes*, February 15, 2012, accessed February 15, 2012, http://www.forbes.com/sites/cfainstitute/2012/02/15/will-america-keep-saving.
[18] Jillian Mincer and Jonathan Spicer, "Insight: Recovery at Risk as Americans Raid Savings," Reuters, January 12, 2012, accessed February 15, 2012, http://www.reuters.com/article/2012/01/19/us-recovery-risk-idUSTRE80G08320120119.
[19] Jared Bernstein and Lawrence Mishel, "Economy's Gains Fail to Reach Most Workers' Paychecks," Economic Policy Institute, August 30, 2007, accessed February 20, 2012, http://www.epi.org/publication/bp195.