

ERRATUM

Learning to Save, Saving to Learn: Early Impacts of the learn\$ave Individual Development Accounts Project (January 2008)

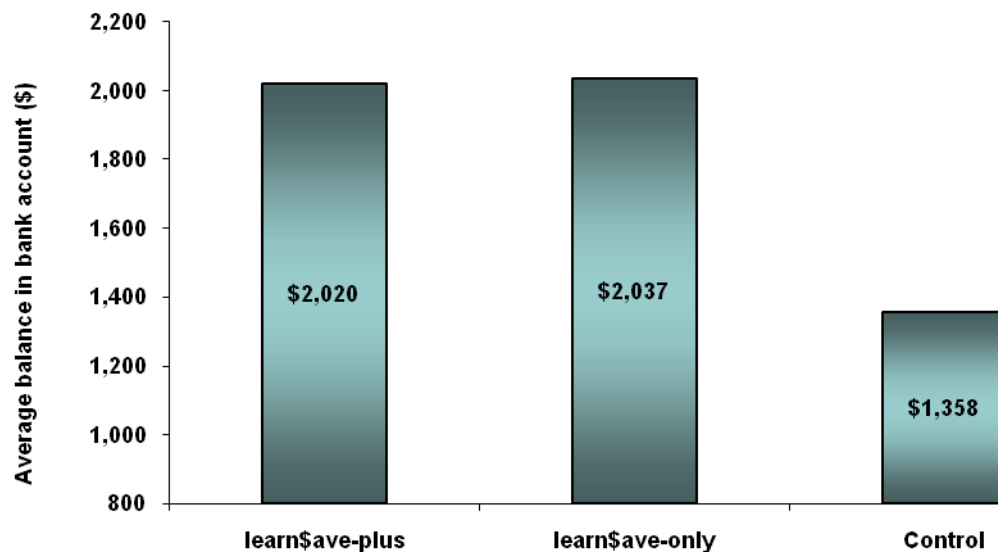
Executive Summary:

An alternative model was used to calculate the average levels adjusted to balanced characteristics. The revised levels more precisely represent a typical research sample member. This affects only the data, not the impacts.

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By month 18, members of the *learn\$ave*-only group had saved, on average, \$679 — 50 per cent — more than the control group, which did not have the matched savings credits (Figure ES.1).

Figure ES.1: Impact of *learn\$ave* on Average Balance in Bank Accounts



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As a result of *learn\$ave*, participants were more likely to have a budget (55.7 versus 44.6 per cent for the control group) (Figure ES.2).

Figure ES.2: Impact of *learn\$ave* on Budgeting Activity: Percentage of People who Said “Yes” to the Question, “Do you have a household budget?”

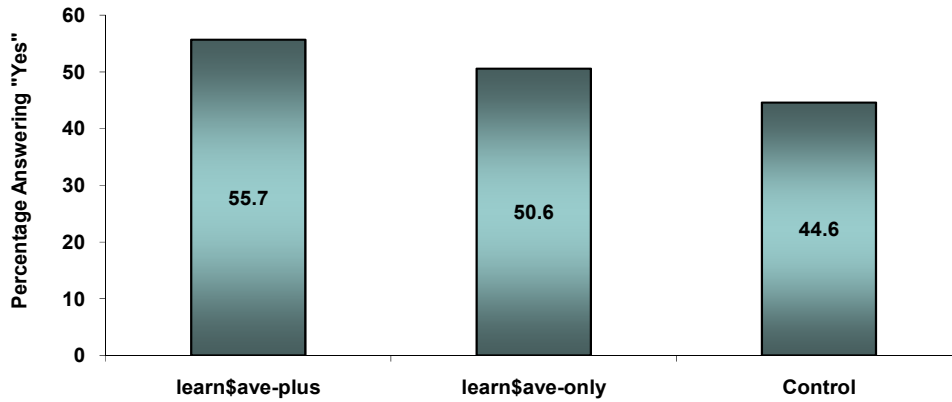
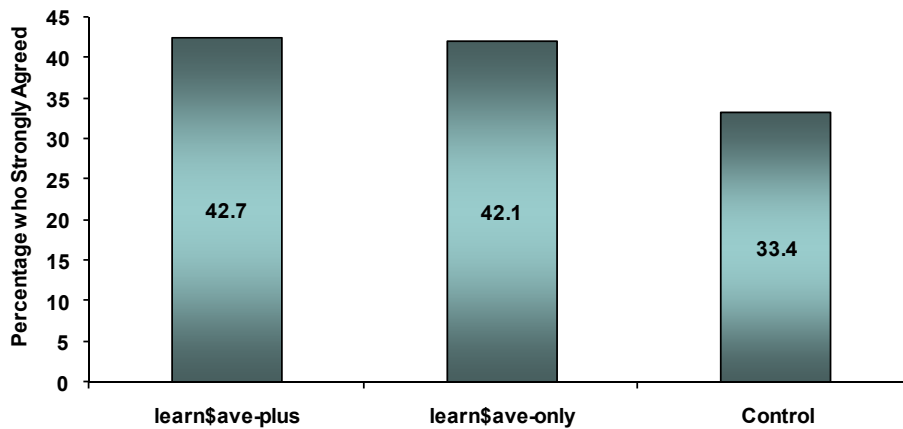


Figure ES.3: Impact of *learn\$ave* on Attitudes Towards Education: Percentage of People who Strongly Agreed With the Statement, “Getting a good job depends on my education”



Full report:

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By month 18, members of the *learn\$ave*-only group had saved, on average, \$679 — 50 per cent — more than the control group.

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The results (Table 5.2) indicate that, at 18 months, *learn\$ave*-only participants had \$2,037 on average in their accounts, which was \$679 or 50 per cent greater than the control group. Another way of looking at this is that without *learn\$ave*, participants' savings would have been 33.3 per cent lower. [...] Participants in the *learn\$ave*-only group on average had liquid assets valued at \$2,248. This was \$528 or 30.7 per cent higher than that of the control group.

Table 5.2: Impacts on Savings and Other Components of Net Worth at 18 Months (\$)

	<u>Outcome Level (Average)</u>			<u>learn \$ave-only vs. control</u>		<u>learn \$ave-only vs. learn \$ave plus</u>		<u>learn \$ave-plus vs. control</u>	
	<i>learn \$ave-only</i>	<i>learn \$ave-plus</i>	Control	Impact of financial incentive	Standard Error	Added impact of services	Standard Error	Impact of incentive plus services	Standard Error
Personal assets									
Bank accounts ¹	2,037	2,020	1,358	679 ***	176	-17	169	662 ***	180
Formal retirement savings plan ²	487	543	399	88	82	56	78	144 *	84
Homeownership saving plan	65	38	85	-20	30	-26	29	-46	30
GICs, terms deposits, bonds ³	119	174	197	-78	86	55	75	-23	87
Stocks, mutual funds	7	5	17	-10	13	-2	13	-12	13
Savings at home	86	97	148	-62 **	30	11	28	-51 *	30
Value of goods in house	3,685	3,316	4,225	-539	450	-369	388	-908 *	504
Other financial assets	324	338	337	-13	133	14	115	1	126
Personal liabilities									
Credit cards	1,127	1,102	1,202	-76	181	-25	177	-101	180
Student loans	4,767	4,464	4,224	542	402	-302	378	240	399
Installment loans	10	8	9	0	6	-2	5	-2	6
Other bank loans	158	115	166	-8	71	-42	67	-50	71
Pawnbroker, etc. loans	0	0	0	0	0	0	0	0	0
Family loans	72	101	209	-137 **	69	29	65	-109	69
Other debt	80	101	91	-11	28	21	27	10	28
Overdue utility payments ⁴	2	1	9	-7	6	-1	5	-8	6
Property									
House	11,680	10,065	10,477	1,203	2,038	-1,615	1,907	-412	2,081
Other property	124	209	507	-382 *	227	85	213	-298	227
Automobile	1,251	1,194	1,107	143	99	-56	94	87	99
Debt on property									
House	7,958	7,065	8,163	-205	1,756	-893	1,454	-1,097	1,685
Other property	-10	121	167	-176	121	131	115	-45	121
Automobile	684	425	527	157	128	-258 **	120	-102	126
Overall									
Personal assets (non-property/business)	6,809	6,531	6,765	44	500	-278	488	-234	593
Liquid assets (financial, non-pension)	2,248	2,296	1,720	528 ***	201	47	195	576 ***	201
Personal liabilities	6,215	5,892	5,912	303	464	-323	435	-20	456
Net property assets (house and car)	4,422	3,856	3,235	1,188	1,449	-567	1,302	621	1,447
Net business assets	35	198	110	-75	196	163	188	88	252
Net worth	5,052	4,693	4,198	854	1,657	-359	1,461	495	1,636
Sample size	920	915	748						

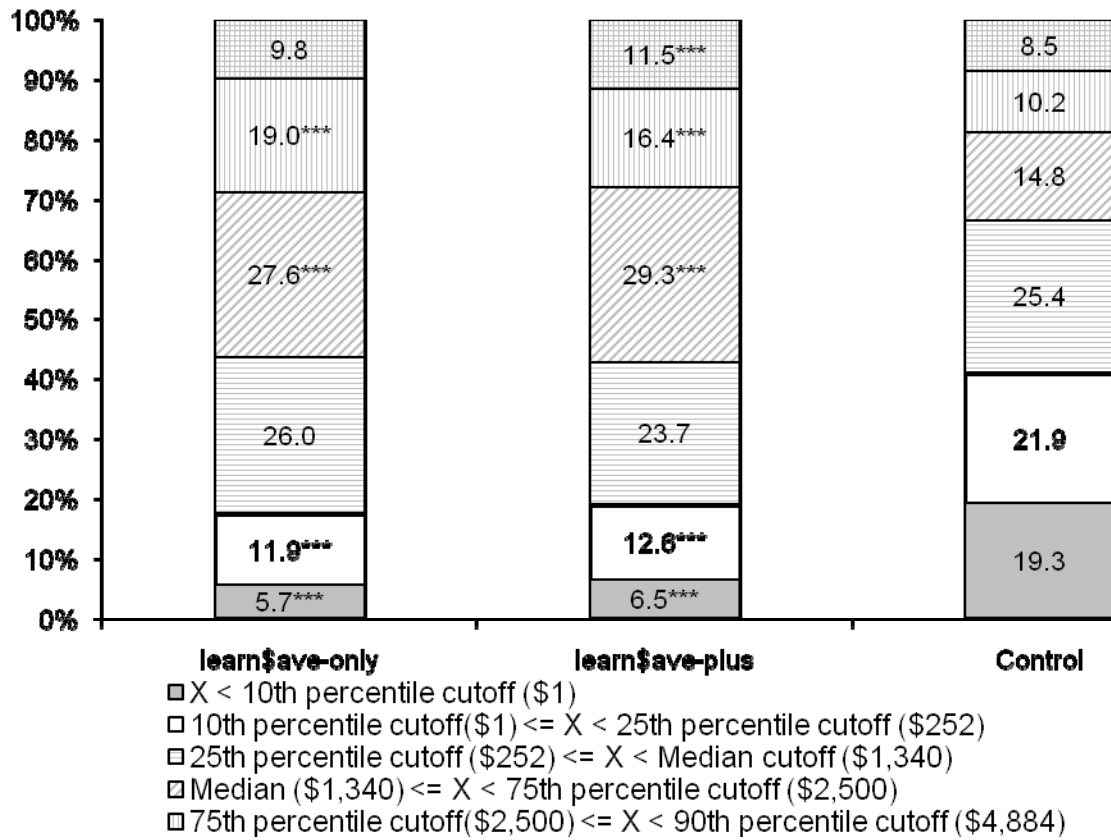
Program group participants were much less likely to purchase a computer in this period than control group participants (about 22 versus 30 per cent [Table 5.3]).

Table 5.3: Impacts on Budgeting and Hardship at 18 Months — Incidence

	<u>Outcome Levels</u>			<u>learn \$ave-only vs. control</u>		<u>learn \$ave-only vs. learn \$ave-plus</u>		<u>learn \$ave-plus vs. control</u>	
	<i>learn \$ave-only</i>	<i>learn \$ave-plus</i>	Control	Impact of financial incentive	Standard Error	Added impact of services	Standard Error	Impact of incentive plus services	Standard Error
budgetgeting (at Time of Interview)									
% who budgetget	50.6	55.7	44.6	6.0 **	2.4	5.1 **	2.2	11.1 ***	2.4
% who set financial goals	61.2	68.6	56.2	5.1 **	2.4	7.4 ***	2.2	12.4 ***	2.4
Hardship (in Previous 12 Months)									
% who had difficulty meeting expenses	32.1	30.6	33.5	-1.3	2.2	-1.6	2.1	-2.9	2.2
% who had to borrow to meet needs	23.8	24.1	25.3	-1.5	2.0	0.3	1.9	-1.2	2.0
% who used a foodbank	6.6	7.5	5.8	0.8	1.2	0.9	1.2	1.7	1.2
% who declared bankruptcy	0.2	0.6	0.9	-0.7 *	0.4	0.3	0.3	-0.4	0.4
Computer Purchase									
% who purchased a computer since last interview	21.9	22.4	30.3	-8.4 ***	2.1	0.5	2.0	-7.9 ***	2.1
Sample size	920	915	748						

As noted above, program group members have, on average, a significantly greater amount of liquid asset holdings than control group members. This increase is derived mainly from participants at the lower end of the distribution moving up. Participants in the *learn\$ave-only* group were much less likely to be in the lowest two quantiles (17.6 per cent) than control group members (41.2 per cent). Conversely, participants in the *learn\$ave-only* group were much more likely to be in the fourth quantile (27.6 per cent) than control group members (14.8 per cent).

Figure 5.1: Adjusted Distribution of Participants According to their Liquid Assets, by Research Group



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In fact, one positive and significant finding is that participants in the *learn\$ave-only* group were significantly more likely to have a budget than control group participants (50.6 versus 44.6 per cent; see Table 5.3). There was also a statistically significant difference of similar magnitude between the two program groups (*learn\$ave-plus* versus *learn\$ave-only*: 55.7 versus 50.6 per cent).

Table 6.1: Impacts on Attitudes towards Education — Percentage Distribution at 18 Months (Education Stream)

	<u>Outcome Levels</u>			<u>learn \$ave-only vs. Control</u>		<u>learn \$ave-only vs. learn \$ave-plus</u>		<u>learn \$ave-plus vs. Control</u>	
	<i>learn \$ave-only</i>	<i>learn \$ave-plus</i>	Control	Impact of financial incentive	Standard Error	Added impact of services	Standard Error	Impact of incentive plus services	Standard Error
Getting a good job depends on my education									
Strongly disagree	0.9	0.8	1.8	-1.0 *	0.7	-0.1	0.5	-1.1 *	0.6
Disagree	5.7	6.5	10.1	-4.4 ***	1.4	0.7	1.4	-3.6 **	1.4
Agree	51.4	50.1	54.6	-3.3	2.7	-1.3	2.6	-4.6 *	2.7
Strongly agree	42.1	42.7	33.4	8.6 ***	2.7	0.7	2.5	9.3 ***	2.7
I need more schooling to find a good job									
Strongly disagree	0.7	0.6	1.3	-0.6	0.5	0.0	0.5	-0.6	0.5
Disagree	9.9	10.0	14.6	-4.7 ***	1.7	0.1	1.6	-4.6 ***	1.7
Agree	52.0	55.1	51.3	0.7	2.8	3.1	2.6	3.9	2.8
Strongly agree	37.4	34.2	32.9	4.5 *	2.6	-3.1	2.5	1.4	2.6
No matter how much education I get, I will most likely end up with a low-paying job									
Strongly disagree	25.1	26.3	23.4	1.7	2.4	1.2	2.2	2.9	2.4
Disagree	61.2	59.3	55.0	6.2 **	2.8	-1.9	2.6	4.3	2.8
Agree	12.5	13.0	18.4	-5.9 ***	1.9	0.5	1.8	-5.5 ***	1.9
Strongly agree	1.2	1.4	3.1	-1.9 **	0.7	0.2	0.7	-1.7 **	0.8
It is not worth going into debt to go to school									
Strongly disagree	13.8	9.6	11.8	1.9	1.8	-4.1 **	1.7	-2.2	1.8
Disagree	61.6	66.0	56.1	5.6 **	2.8	4.4 *	2.6	10.0 ***	2.8
Agree	21.5	21.4	28.2	-6.7 ***	2.4	-0.1	2.3	-6.8 ***	2.4
Strongly agree	3.1	3.0	3.9	-0.8	1.0	-0.1	1.0	-0.9	1.0
Sample size	748	738	605						

Table 6.2: Impacts on Participation in Education and Training at 18 Months (Education Stream)

	<u>Outcome Levels</u>			<u>learn \$ave-only vs. Control</u>		<u>learn \$ave-only vs. learn \$ave-plus</u>		<u>learn \$ave-plus vs. Control</u>	
	<i>learn \$ave-only</i>	<i>learn \$ave-plus</i>	Control	Impact of financial incentive	Standard Error	Impact of services	Standard Error	Impact of incentive plus services	Standard Error
Overall (Program or Individual Course)									
Enrolled in any education in first 18 months (%)	64.0	65.3	65.6	-1.5	2.6	1.3	2.4	-0.2	2.6
Educational Programs									
Enrolled in courses toward a degree, diploma or certificate (%)	44.8	45.7	42.7	2.1	2.7	0.9	2.5	3.0	2.7
Program type (first program) (%)									
English as a second language (ESL)	3.0	4.3	3.9	-0.9	1.0	1.3	1.0	0.4	1.0
High school	3.0	1.8	1.7	1.3	0.8	-1.2	0.8	0.1	0.8
Registered apprenticeship	5.4	3.9	5.3	0.1	1.2	-1.4	1.1	-1.3	1.2
Community college	17.9	19.8	19.3	-1.4	2.1	2.0	2.0	0.5	2.2
University	15.5	15.9	12.6	2.9	1.9	0.3	1.8	3.3 *	1.9
Completed program in 18 months (%)	13.1	12.5	12.3	0.8	1.8	-0.6	1.7	0.3	1.8
Individual Courses, not Part of a Program									
Enrolled in other (non-program) education courses, seminars, etc. (%)	26.3	26.1	29.5	-3.2	2.4	-0.2	2.3	-3.4	2.4
Completed one or more courses (%)	19.1	20.2	24.5	-5.4 **	2.2	1.1	2.1	-4.3 *	2.2
Sample size	748	738	605						