

Global Social Work Congress 2004 : Reclaiming Civil Society



Welfare Effects of Assets Building and Economic Literacy on Poor Families in Taipei, Taiwan

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Two General Theoretical Perspectives



- 1. Saving and asset accumulation are shaped by institutions, not merely individual preferences.
- 2. Assets have multiple positive effects, not merely deferred consumption.

Taipei Family Development Accounts



- 1. Matched savings between July 17th, 2000 and July 17th, 2003
- 2. An assets-based anti-poverty program.
- 3. Designed as experimental.
- 4. Targeted at poor families.

Features of TFDAs



- 1. low income household.
- 2. matched savings at 1:1.
- 3. financial education.
- 4. investment plan.
- 5. stay employed.

Reasoning for the TFDAs



- 1. assets inequality > income inequality
- 2. fast increase in the working poor
- 3. Income maintenance vs. social development
- 4. assets have long-term welfare effects

Intended use of TFDAS



- 1. Higher education
- 2. Micro enterprise
- 3. Home purchase

Participants across years



- 7/16,2000 : 184 enrolled.
- 9/30,2000 : 100 participated.
- 6/30,2001 : 75 stayed.
- 6/30,2002 : 72 stayed.
- 6/30,2003 : 69 completed.

Participants characteristics



- 1. 61(88%) are females
- 2. 59(84%) are between 31-50 years old.
- 3. 44(64%) are high school graduates.
- 4. 66(96%) are single parents.

The changes in saving patterns across years



| Deposit Levels | 12..31.2000 | 6.30.2001 | 6.30.2002 | 6.30.2003 |
|----------------|-------------|-----------|-----------|-----------|
| NT\$2,000 | 21 | 8 | 6 | 4 |
| NT\$3,000 | 7 | 7 | 2 | 3 |
| NT\$4,000 | 47 | 60 | 64 | 62 |
| Participants | 75 | 75 | 72 | 69 |

Total Savings/per account



- Lowest : NT 74,108(\$ 2,180)
- NT 150,813(\$ 4,436)
- Highest : NT 251,629 (\$ 7,401)
- NT 405,039(\$ 11,913)
- Average : NT 286,019(\$ 8,412)
- Median : NT 299,672(\$ 8,814)
- Sum : NT 19,735,311(\$ 58,044)

Monthly savings



- Lowest : NT 2,058(\$ 61)
- NT 4,189(\$ 123)
- Highest : NT 6,989(\$ 206)
- NT 11,251(\$ 331)
- Average : NT 3,987(\$ 117)
- NT7,945(\$ 234)
- Median : NT 8,324(\$ 245)

Savings for purposes



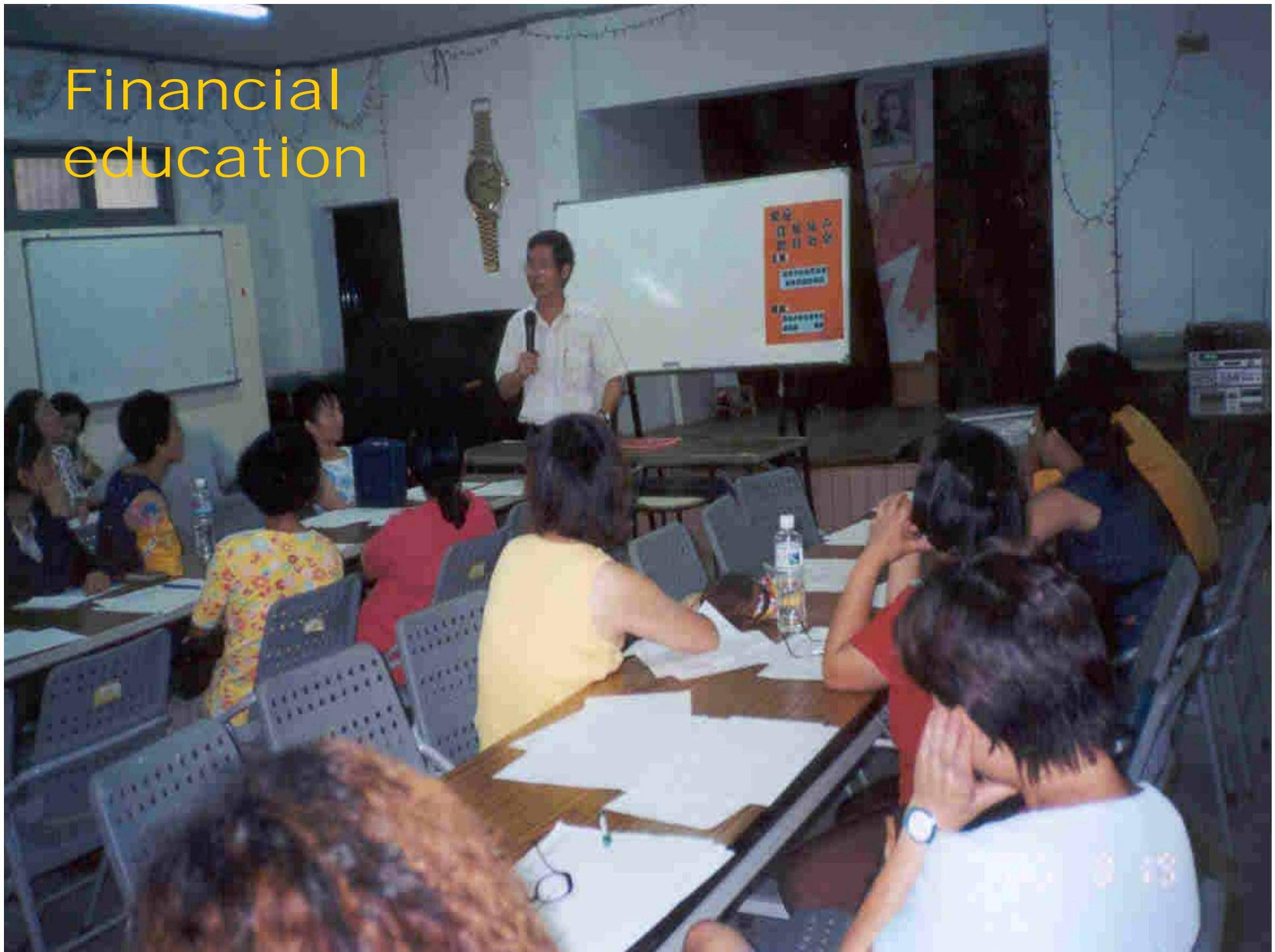
| Saving goals | Mean (Matched) | Mean |
|------------------|-------------------|------------------|
| Higher education | 279,145 | 141,120 |
| Micro enterprise | 286,695 | 142,234 |
| Home purchase | 301,109 | 151,633 |
| | F=1.672 P=.196 | F1.026 P=.364 |

Goal achieved



| Savings goal | 6.30,2003 | 6.30,2004 |
|------------------|-----------|-----------|
| Higher education | 31 | 28 |
| Micro enterprise | 25 | 23 |
| Home purchase | 13 | 12 |
| total | 69 | 63 |

Financial education



Felt impacts



- ➡ Learning is a good thing.
- ➡ Be realistic in goal achieved.
- ➡ Build social networking.
- ➡ Improve family cohesion.
- ➡ Be empowered.

Findings



- The Poor do save.
- They do respond to institution.
- They learn a lot from classes.
- They build networking.
- They stay employed.

Policy Impacts



- 1. Build evidence of welfare effects.
- 2. More assets-based programs are on the way.
- 3. More discussion on assets-based welfare ideas.
- 4. Possible integrated into social assistance system for the poor.



THE END~