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**Incentives, Financial Education
and Saving Behaviors among
the Poor
in Taipei Family Development
Accounts**

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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

Taipei City Government + Polaris Securities Group



Features of TFDAs

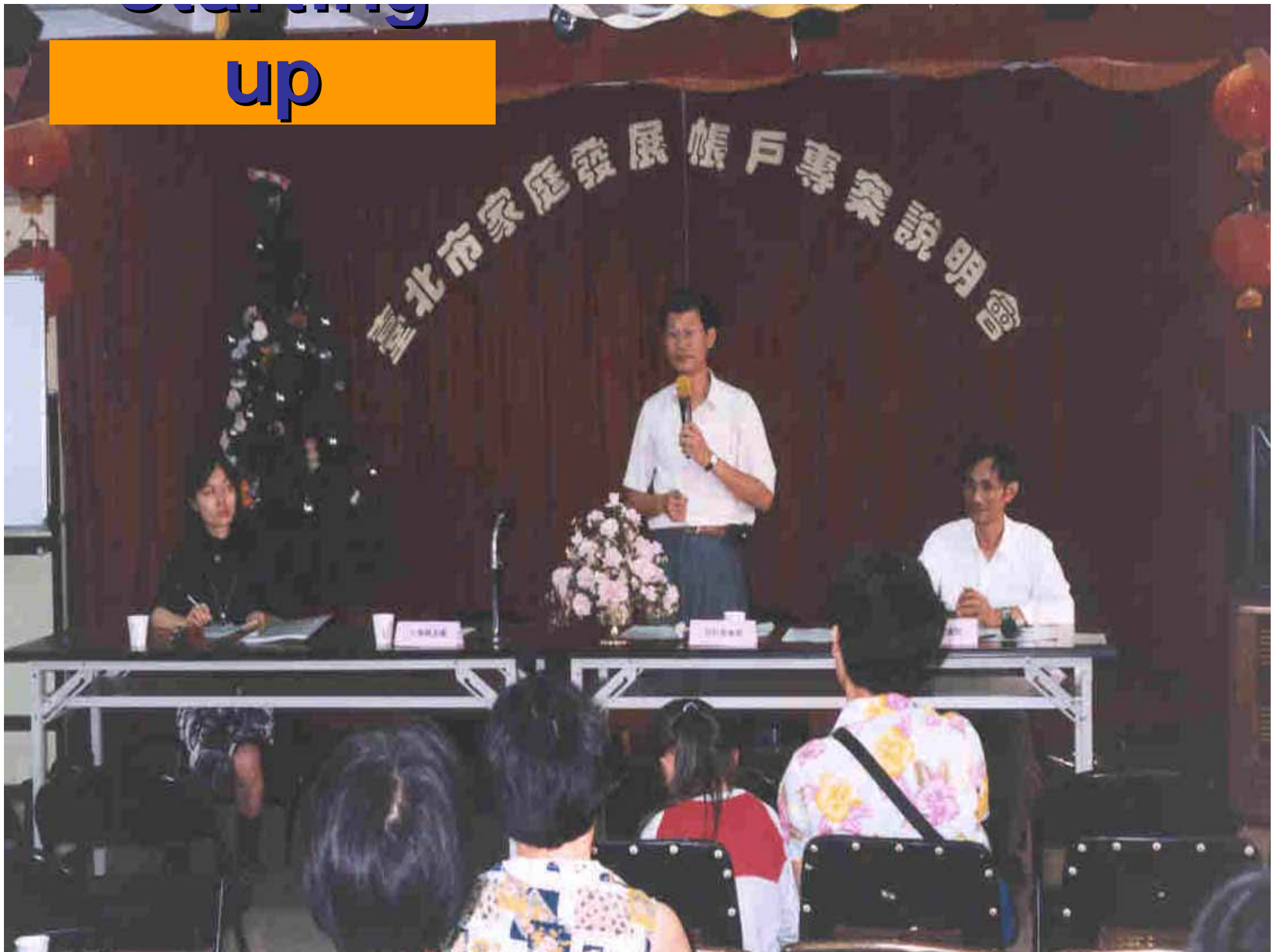
- 1. low income household.
- 2. matched savings at 1:1.
- 3. financial education.
- 4. investment plan.
- 5. stay employed.

Intended use of TFDAs

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

Starting

up



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.



這是我們





台北銀行
TAIPEIBANK

活期儲蓄存款存摺

戶名: 王秀梅

小姐

帳號

單位別 科目 存戶號碼

4 1 1 2 1 0 2 5 0 5 4 9

家庭發展帳戶

市南分行

總分支機構代號 012-4117



| 日期 | 摘要 | 支 出 | 存 入 | 結 餘 | 代辦行 |
|----|----------|--------------|-------------|--------------|-----|
| 1 | 帳號: | 411210250549 | 摺號: 0 承前頁: | \$0.00 | |
| 2 | 890714存現 | | \$1,000.00 | \$1,000.00 | |
| 3 | 891221利息 | | \$22.00 | \$1,022.00 | |
| 4 | 891230存現 | | \$12,000.00 | \$13,022.00 | 北投 |
| 5 | 900621利息 | | \$289.00 | \$13,311.00 | |
| 6 | 900627存現 | | \$24,000.00 | \$37,311.00 | 北投 |
| 7 | 901221利息 | | \$631.00 | \$37,942.00 | |
| 8 | 901227存現 | | \$24,000.00 | \$61,942.00 | 北投 |
| 9 | 910621利息 | | \$706.00 | \$62,648.00 | |
| 10 | 910628存現 | | \$24,000.00 | \$86,648.00 | 北投 |
| 11 | 911221利息 | | \$737.00 | \$87,385.00 | |
| 12 | 911231存現 | | \$24,000.00 | \$111,385.00 | 石牌 |

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|----|----------|--|-------------|--------------|----|
| 13 | 920609存現 | | \$24,000.00 | \$135,385.00 | 北投 |
| 14 | 920621利息 | | \$700.00 | \$136,085.00 | |

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人工登錄明細(機器故障時使用)

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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)

Investment Plan

我的計畫書內容

一、我為什麼想要選擇這個使用用途（理由與原因）：

高等教育 小本創業 首度購屋

詳細說明：我有四個小孩都是女生，避免社會問題的發生，希望小孩能受高等教育擁有智慧及能力，在未來人生當中能做正確的判斷，尤其在作抉擇時，避免錯誤的發生。

2. 小孩子們很乖，功課不錯，有能力考上好的學校，不希望因為經濟問題而讓她們遺憾終身。

3. 很清楚明白高學歷、高知識會有較好的工作機會及較好的未來，所以無論如何一定要讓小孩有就學的機會，增加她們的謀生能力及經濟能力。

4. 避免貧困的延續，希望小孩子能因此計畫而改變她們的一生。

5. 最後也是最重要，希望藉由高等教育，培養出正確的人生觀及價值觀，在她未來的人生路上碰到瓶頸時，能快樂的渡過。

二、我選擇這個使用用途對我們家未來發展的影響是什麼？

詳細說明：

1. 小孩子較有希望，覺得人生較美好。

2. 每個小孩對自己未來的目標有些夢想和看法，也比較願意去拼。

3. 對教育基金的提撥比較具體化，自己也懂得較多後顧之憂，任何費用都可以省，唯有教育費不能省，這這方案也帶會資金的比例分配。

4. 子女的學歷高，條件也會較優，在擇偶時較有機會，有好的生活品質，減少社會成本。

5. 子女都能受高等教育，也較心安，對得起她們，這輩子也免了遺憾。

Home
purchase



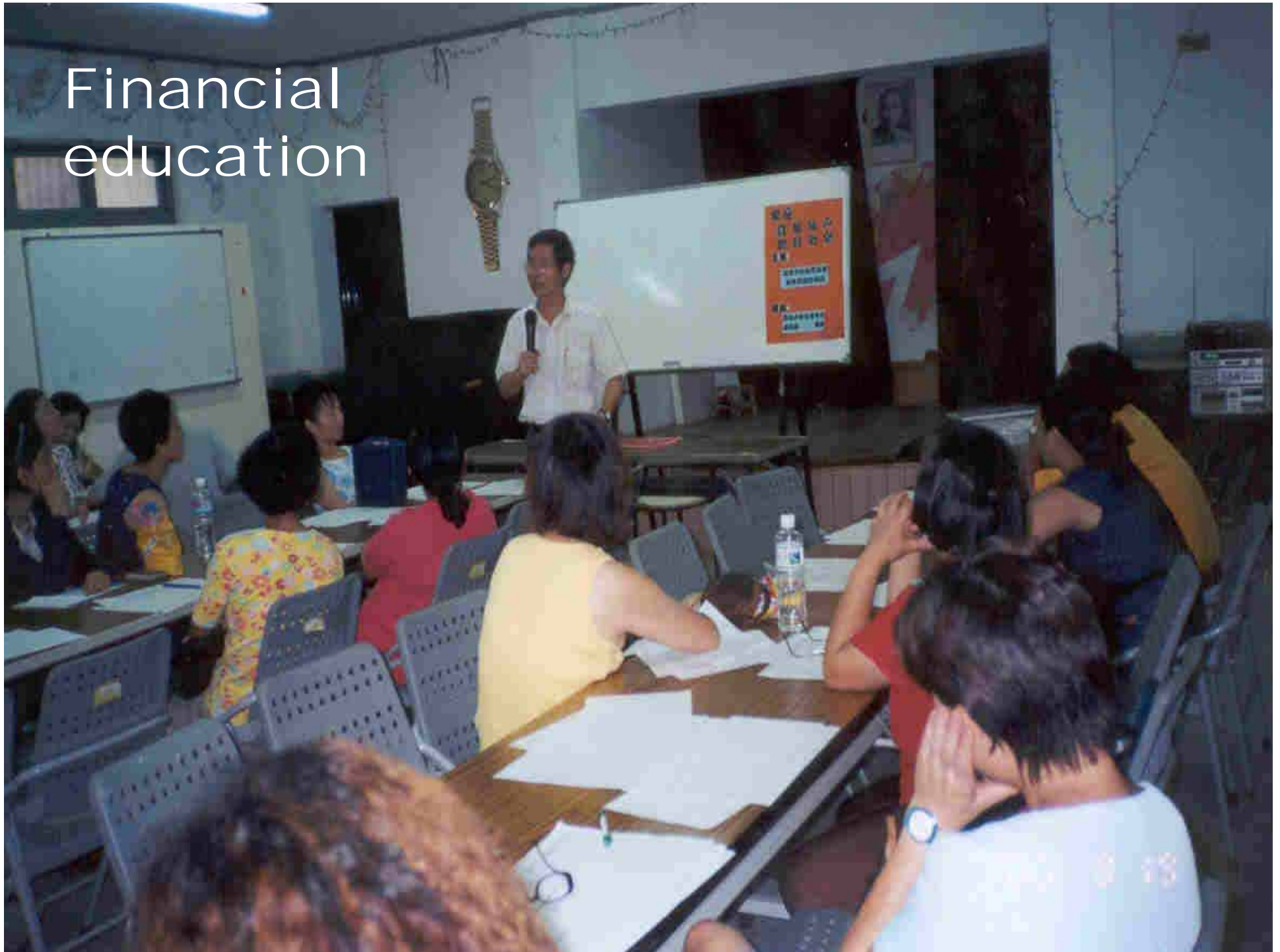
Savings for purposes

| 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 | 4.30,2004 |
|------------------|-----------|-----------|
| Higher education | 31 | 26 |
| Micro enterprise | 25 | 21 |
| Home purchase | 13 | 10 |
| total | 69 | 57 |

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 were on the way.
- 3. More discussion on assets-based welfare ideas.
- 4. Possible integrated into social assistance system for the poor.

THE END ~