PATHWAYS TO HIGHER EDUCATION FOR NATIVE HAWAIIAN INDIVIDUAL DEVELOPMENT ACCOUNT PARTICIPANTS *

David W. Rothwell

This is the preprint version of the work. The definitive version is under review at the International Indigenous Policy Journal.


* I extend thanks to Jennifer Loiacono for excellent research assistance. Thanks to Jamie Omori and ALU LIKE, Bank of Hawaii, and the Hawaii Community Foundation for providing funding for the wave 2 survey and to Bob Agres and HACBED for the opportunity to learn about and work in asset-based community development. Finally, mahalo to IDA participants.

1 Assistant Professor, McGill University School of Social Work 3506 University Street, Suite 300, Montreal, Quebec H3A 2A7; david.rothwell@mcgill.ca, http://www.mcgill.ca/socialwork/faculty/rothwell
Abstract

As the cost of higher education rises, a growing body of theory and research suggests that asset holding in the form of savings and net worth positively influence education expectations and outcomes. Native Hawaiians, like other Indigenous peoples, have disproportionately low college enrollment and graduation rates tied to a history of colonization. Using data from an Individual Development Account (IDA) for Native Hawaiians we examine the trajectories through the program and find: (a) welfare receipt and unemployment reduces the chances of IDA enrollment, (b) net worth increases the probability of IDA graduation, and (c) IDA graduates were more likely to gain a college degree over time compared to non-graduates. The study provides empirical evidence to the debate on asset-based interventions for Indigenous peoples.

Keywords: Native Hawaiian, assets, Individual Development Account, postsecondary education, social development
Native Hawaiians face numerous contemporary social problems that are deeply rooted in the history and process of colonization. Disproportionately lower higher education rates are one of the key issues facing a fast-growing Native Hawaiian population. Matched savings programs have been implemented in several contexts to promote long-term asset accumulation. Presently, there is rather limited knowledge about how asset-based program affect Indigenous participants who aspire for higher education. This study examines enrollment, graduation, and college degree attainment outcomes for large matched savings program that served Native Hawaiians in the early 2000s.

*Background and context*

Native Hawaiians are defined here as individuals with ancestry traceable to the Hawaiian Islands prior to the arrival of Captain James Cook in 1778. The colonization process that ensued in Hawai‘i introduced a foreign political system that eventually overturned the Hawaiian monarchy. Subsequent policy changes effectively restructured Hawaiian land rights as well as the Hawaiian school system. This rapid shift left many Native Hawaiians stripped of land, language, and culture (Benham, 1996; Boutilier, 1992).

Presently, Native Hawaiian and other Pacific Islanders (NHPI) experience disproportionately high poverty rates in the United States. Census data showed that 21.5% of NHPIs nationally experienced poverty in the previous 12 months (United States Census Bureau, 2011a). In Hawai‘i, where most of the NHPI population resides, NHPIs have the highest poverty rate among the ethnic categories measured with 21.1%. This poverty rate is nearly double the rate for Whites (11.4%) and even higher compared to Asians (7.0%); United States Census Bureau, 2011b). This reality is intricately linked
with low-wage employment, large family sizes, and low educational attainment (Pobutsky, Bradbury, & Tomiyasu, 2011).

*Education and Native Hawaiians*

Native Hawaiians have a long tradition of valuing formal learning and education. Prior to colonization, parents strongly supported children’s education, largely through oral comprehension and transmission of knowledge (Chun, 2005). The education systems, like other aspects of society, changed radically with colonization. The education policy of colonization was heavily influenced by Christian values whereby schools were the instrument for assimilation (Benham, 1996, 2004; Boutilier, 1992). Educators and policy makers rationalized that Native Hawaiian children deserved universal education that would prepare them for the labor market. Education in English was seen as key part of the education process. In June of 1896, Act 57 of the Constitution of the Republic of Hawai‘i established English as the official language of the public school system. This change systematically eroded Hawaiian sovereignty (Benham, 1996, 2006; Ofahengaue Vakalahi, 2011). Since the 1960s a Native Hawaiian cultural renaissance has occurred with strong efforts to shift the education system to be more culturally responsive and rooted in Native Hawaiian context and values. The importance placed on education continues today as more than four in five households expect their children to continue studies beyond high school (Thomas, Kana‘iaupuni, Balutski, & Freitas, 2012). This value in education starts early in the life-cycle with parents highly committed to early learning (Kaomea, 2012).

Nevertheless there are serious challenges to educational achievement for Native Hawaiians. For example, the Native Hawaiian functional illiteracy rate was 30%, much
higher than the overall state average of 19% (Tibbetts, 1999). More recently, a 2005 assessment showed a gap of 10 percentile points in reading and math for Native Hawaiian students compared to state averages on achievement test scores (Kana’iaupuni, Malone, & Ishibashi, 2005). These challenges influence higher education trajectories for Native Hawaiians.

Higher education in Hawai‘i

Studies across ethnic groups reveal gaps in higher education for Native Hawaiians. Asian American and Native Hawaiian youth are overrepresented (18%) in the community college system and underrepresented (8%) in the four-year university system (Orsuwan, 2011). Additionally, higher education retention rates are low among Native Hawaiians. In 2003 the University of Hawai‘i reported that approximately 65% of Native Hawaiian youth attending community college drop out within three years. Among those who do not drop out within three years, only 15% go on to earn a degree (Hagedorn, Lester, Moon, & Tibbetts, 2006). In Hawai‘i, the ratio of four-year degree enrollment of Native Hawaiians compared to Chinese was .66:1 and .50:1 compared to Japanese (Kana’iaupuni et al., 2005). Nationally, 10.6% of adult Native Hawaiians have a bachelor’s degree, compared to 17.7% of the total U.S. population (United States Census Bureau, 2011a). In 2010, the percentage of Native Hawaiians with a graduate degree was less than half that of the Whites ((11.7%); U.S. Department of Health and Human Services, 2011).

Since Hawai‘i became a state in 1959, the federal government has engaged in a number of initiatives to address the education gap among Native Hawaiians. Among other efforts, the Native Hawaiian Education Act (NHEA) of 1988 that was reauthorized
in 2002 established a Council to coordinate, assess and make recommendations for improving education among Native Hawaiians (Thomas et al., 2012). In addition to the Council the NHEA has aimed to link Native Hawaiians to Federal, State and local supports, as well as enhance and develop innovative educational programs, while encouraging Native Hawaiian people to get involved in the development and implementation of education (Native Hawaiian Education Council, 2013).

Few studies have sought to understand the mechanisms explaining relatively low postsecondary retention and graduation rates among Native Hawaiians. A number of potential factors are worthy of consideration. Many attribute the observed education gaps to systemic factors, such as historical as well as current, economic, political and educational policies that marginalize Native Hawaiians (Benham, 2006; Castagno & Brayboy, 2008; Kawakami, 1999; Warikoo & Carter, 2009). Life events—such as family caregiving, parenthood, unexpected medical problems—play a role in disrupting the educational trajectory through higher education for Native Hawaiians as they do for other indigenous groups (Ives et al., 2012). A study by the University of Hawai’i (1988) found, “a lack of self-identification with the college, a non-supportive campus environment, and inadequate childcare” as barriers to vocational academic success (as cited in Hagedorn et al., 2006, p.25). In addition to these factors, financing higher education is a great concern. According to Thomas and colleagues (2012), a majority of university students cited paying for college as “the most challenging and stressful aspect of college enrollment” (p. 358). One respondent explained, “Pretty much I had to work and had a job all through college to pay for it… when the tuition started getting up to three, four, and five grand, then I had to work full-time” (as cited in Thomas et al., 2012, p. 358).
Evidence suggests that the costs of attending college have increased and will continue to increase much faster than inflation. Interventions to promote higher education for Native Hawaiians must address the financial aspects of university enrollment.

**Assets and Education**

Starting in the late 1980s social welfare researchers began focusing on the importance of economic resources beyond household income such as assets and net worth. Assets are typically described as financial or non-financial. Non-financial assets are real assets such as land and buildings or homes and education. Financial assets include liquid money in savings and checking account, retirement funds, investment bonds and equities. Assets have been shown to be important for educational trajectories in numerous ways. First, asset holding appear to have positive psychological impacts such as expectations that children would attend college (Kim, Sherraden, & Clancy, 2013). Others explained that asset accumulation may provide the conditions necessary to shape a college-bound identity (Oyserman, 2013). The Identity-Based Motivation (IBM) theory asserts that assets increase one’s personal expectations, either for their own future or for their children’s future. For instance, if a youth knows that they will have the resources to attend post-secondary education, then they are more likely to develop a self-image or personal identity that includes a school-focused orientation. Thus, in some scenarios, assets can make higher education more feasible and change how people, including children, plan for their future (Elliott & Sherraden, 2013; Sherraden, 1991). The empirical evidence has shown holding financial assets seems to be associated with increased chances of college enrollment: 55% of adolescents without savings failed to attend college after high school graduation compared to only 26% of similar adolescents
who had savings (Elliott & Beverly, 2011). Similarly for college graduation, Loke (2013) reported that net worth greater than zero had a positive significant relationship with college graduation.

**Individual Development Accounts**

The Individual Development Account (IDAs) is an intervention that promotes short-term savings and long-term asset development (Sherraden, 1991). Funds accrued in IDAs can be used to purchase a home, pay for post-secondary education, or invest in small businesses. IDAs were introduced in legislation passed under the Assets for Independence Act (AFIA) in 1998 which included over $150 million dollars annually to support IDA-type programs. IDA programs are usually administered by community-based non-profits with accounts owned at local financial institutions. IDA-style matched saving mechanisms have been implemented in several countries, including Canada (learn$ave), South Korea, the United Kingdom, Singapore, and Uganda, among others (Loke & Sherraden, 2009).

In the US implementation of IDAs, participants usually work with case managers to choose a target saving goal, make monthly deposits and attend financial education classes. As in other matched-savings programs such as retirement plans, accumulated IDA savings are matched with government and philanthropic funds, usually with ratios anywhere from 1:1 to 7:1. When participants reach their target saving goal, their savings are withdrawn with the additional matched IDA subsidy, and used to purchase the identified asset goal (Schreiner & Sherraden, 2007).

IDAs offer several attractive features. The institutional structure of IDAs encourages incremental saving (Schreiner & Sherraden, 2007). This feature is guided by
the theory that institutional structures, like rules, incentives, and subsidies help individuals save beyond their usual savings thresholds (Beverly & Sherraden, 1999; Han, Grinstein-Weiss, & Sherraden, 2009). The matched subsidy increases returns and makes asset based goals more attainable by helping funds accrue faster (Schreiner & Sherraden, 2007). For education savers, the logic is that IDAs build a pool of financial assets that can ease the financial burdens of post-secondary education, e.g., tuition costs, computer and software, fees, etc. Effectively, the education savings distribute the financial responsibility between the student, family, federal and state governments (Elliott & Sherraden, 2013).

Who applies and enrolls in IDAs

IDA programs are selective in that only those aware, interested, and motivated apply to the program and enroll. There are no known studies of how IDA participants compare to the low-income population. Some have examined how enrollees compare to the general low-income population. For example, Grinstein-Weiss et al. (2010) found that, compared to a representative population of the low-income population, IDA participant were more likely to be female, Black, single, and urban residents with higher levels of education and were more likely to be employed full time (Grinstein-Weiss, Yeo, Despard, Casalotti, & Zhan, 2010). Rothwell and Han (2010) examined the differences of Native Hawaiian IDA applicants who applied and did not enroll for the entire program. They reported that children in the household and saving for education increased risk of having “second thoughts” about participation. Vehicle ownership and positive net worth was associated with a reduced probability of second thoughts.
Matched withdrawals from IDAs

Previous research has examined the process of dropping-out from the IDA program. One study defined drop-out as total saving less than $100 throughout the duration of the program (Schreiner & Sherraden, 2005). Using data from the 14 site of the ADD, Schreiner and Sherraden (2005) reported that income and welfare receipt was not related to drop-out. Compared to not owning assets, owning several types of assets reduced the risk of dropping out e.g., checking and savings accounts; home with mortgage; car ownership free and clear; financial investments (Schreiner & Sherraden, 2005). Additionally, program design features such as match rate and direct deposit reduced the likelihood of dropping out in that study. Using the same data from 14 ADD sites, others have defined drop-out as not making a matched withdrawal from the program and examined the role of bank account ownership (Yeo et al., 2010). The findings show a clear connection between participants who enrolled with a bank account compared to those without: bank account owners had higher average deposits ($22.24 compared to $19.49), more frequent deposits (.52 compared to .38), and less frequency of dropout (25% compared to 50%). In multivariate models, bank account ownership and education (college graduate v. no high school) were negatively associated with dropout (OR’s = .58 and .41, respectively). Employment status was not statistically significantly related to dropout. A recent study on the $ave NYC program also examined a similar form of dropout and referred in the paper as account closure (Manturuk, Dorrance, & Riley, 2012). The key finding was that a one point increase in financial hardship (measured by difficulty paying for food, housing, utilities or medical) was associated with a 24% increase in the hazard function for account closure.
Long-term educational outcomes

The best evidence of the long-term impact on postsecondary education comes from the longitudinal evaluation of a randomized IDA experiment. After ten years, there was a statistically significant impact on education enrollment for IDA participants compared to non-participants and a strong positive effect on increased educational attainment for men but not women (Grinstein-Weiss et al., 2013). Very little is known about the long-term outcomes of Indigenous IDA participants. Rothwell (2011) examined the long-term influence of IDA participation for Native Hawaiian IDA participants. Using a longitudinal quasi-experimental design comparing participants to non-participants he reported a strong IDA effect college degree and net worth but no influence on business ownership. There are no known studies of the long-term influence of IDAs for Indigenous education savers.

Research Questions

This study examines the chronological trajectories through a large IDA program for Native Hawaiian participants who were saving for postsecondary education. Three critical steps are examined: enrollment, graduation, and long-term education. As such, the study is guided by three research questions:

1. Among education savers within a large IDA program, what are the demographic factors associated with program enrollment (participation)?
2. Of those who enrolled, some graduated and some didn’t. What are the demographic/institutional factors associated with graduation among education savers?
3. What are the factors associated with postsecondary education graduation over the long-term?

The findings presented are important for Indigenous policymakers and other stakeholders
to understand which types of individuals may be best suited to participate in IDA programs designed to promote postsecondary education. Further, equally important, the findings fill gaps in the knowledge about which types of participants are at risk for not enrolling and not graduating within the program.

METHOD

The IDA program

The study used data collected from an IDA program that ran from 1999 to 2005. The program was administered by a non-profit community based social services program operating in five Hawaiian Islands and funded by numerous private sector, government and community partners. This particular IDA program was among a number of first generation of IDAs funded by the Assets for Independence Act (AFIA). Today, AFIA continues to be the main source of funding for national IDA programs. At the time, the IDA program under study was considerably larger than the national average with 550 opened IDA accounts compared to AFIA average of 90 accounts per program (Department of Health and Human Services, 2006).

The first stage of the program was application. In the application phase, participants met with case managers and completed background information forms. Applicants identified their asset goals as first-time home purchase, postsecondary education fees, business, or home repair. Of the 780 individuals who applied to the program, 550 eventually enrolled by opening an IDA savings account. Participants were offered individualized case management and financial literacy classes targeted for their specific saving goal. Participants were eligible for the matched withdrawal if they made at least a minimum monthly deposit of $10 and fulfilled other obligations. Participants
could miss up to three minimum monthly deposits per a year.

Education savers in the program were eligible to receive a 2:1 matched rate. Matched rates were capped at $500 per a year for two years. Upon opening an account, participants established a monthly savings goal based on the maximum match cap over the course of the program. For example, the match cap was set at $1,000 for postsecondary education. Therefore, a typical monthly savings goal would have been match cap divided by total months in program (24), i.e., $42. Based on this, and upon meeting program requirements, savings of up to $1,000 would be matched with a subsidy of $2,000, for a total matched withdrawal of $3,000 paid directly to the vendor. For the education savers, the university was the most common payee for costs associated with tuition and fees.

Participants

Participants were recruited via advertisement and referral from local social service providers on each Hawaiian Island: Hawai‘i, Kaua‘i, Moloka‘i, Maui, and O‘ahu. At the application stage participants provided proof of Hawaiian ancestry, verified by birth certificate. Eligibility was based on reported household incomes at 200% or below the Federal poverty line and assets worth approximately $10,000 or less, excluding the value of the primary residence and one vehicle. Households that received Temporary Aid for Needy Families (TANF) or were eligible for the Earned Income Tax Credit (EITC) automatically met the income eligibility criteria for the program.
Data Collection

Data was collected at the application and enrollment stages on a rolling basis between 1999 and 2003. Applicants were asked to complete a 49-item Participant Background Information Form that assessed demographic characteristics, income, assets and liabilities. At the time of application, participants signed a consent form for their information to be used in subsequent program evaluations. In 2008, a multi-modal follow-up survey of IDA participants was conducted, referred to here as Wave 2. The 2008 study was given exempt status from the University of Hawai‘i Committee on Human Studies.

Measures

We examined three outcome variables. First, enrollment was the process of officially joining the program by opening an account measured dichotomously (1/0). Of the 225 education savers who applied to the program, 87 did not enroll for reasons unknown to the program staff. The second outcome variable was matched withdrawal for postsecondary education purposes measured dichotomously (1/0). Of the 138 participants who saved in the program, 45 made matched withdrawals. Matched withdrawal is referred to here as graduation. The third outcome variable was measured over time as a gain in postsecondary degree and was measured dichotomously (1/0). Participants who gained a college degree between the time of enrollment and Wave 2 survey were represented as 1 and compared to those who did not gain a postsecondary degree over the same time interval (0).

Several independent variables were included. These variables were measured at the time of application to the program. Continuously variables included age at the time of
enrollment, household size, and years of education. An income-to-needs ratio was

calculated as total household income adjusted by the poverty threshold. Therefore, a

household living just at the poverty threshold was scored 1. When income surpassed the

poverty threshold, the income-to-needs ratio was positive and vice-versa. The benefit of

the ratio is that it includes income and poverty status in one measure while adjusting for

household size. Categorical variables included female (1/0), married (1/0), and receipt of

Temporary Aid for Needy Families (TANF). Full time employment status was dummy
coded for full-time or more.

To examine the influence of assets, a net worth variable was created. Net worth

was calculated as total financial and non-financial assets minus total debts. An inverse

hyperbolic sine (IHS) transformation was applied to the net worth variable to address

heavy skewness. The IHS is calculated via the following;

\[
ihs(x) = \log \sqrt{x^2 + 1} + x
\]

where x is reported net worth. Compared to the standard natural log transformation, the

IHS transformation maintains negative and zero values while addressing the non-
normality of the distribution (Friedline, Masa, & Chowa, 2012).

Analysis

A series of four multivariate logistic regression models were produced to address

the first two research questions on enrollment and graduation. A linear spline was

introduced for the net worth variables in models 2 and 4. The purpose of using spline

regression is to analyze the non-linear relationship between net worth and the dependent

variables. Several knots were established and compared using procedures outlined by

Royston and Sauerbrei (2007). Ultimately, two knots were chosen that divided the
distribution into three segments: the lower category from lowest net worth to -$2210 (IHS value -8.39), the middle category from -$2209 to $2000 (IHS value 8.29), and the upper category at $2001 and higher. Bivariate descriptive statistics are reported to address the third research question. Null-hypothesis significance testing was not appropriate for these bivariate relationships due to low statistical power.

RESULTS

Table 1 presents descriptive information on the sample at enrollment. Bivariate analyses (chi-square test for categorical variables; one way-analysis of variance for continuous variables) indicated statistically significant differences \( (p < .05) \) between enrollees and non-enrollees. Welfare receipt in the past was more prevalent among non-enrollees \( (n = 60; 72\%) \) compared to enrollees \( (n = 61; 48\%) \). The difference between enrollees and non-enrollees was apparent along employment: whereas 31% \( (n = 39) \) of enrollees worked full-time, 11% \( (n = 9) \) of the non-enrollees worked full-time. The distribution of net worth was considerably higher among enrollees (median = $160) compared to non-enrollees ($0; \( p = .05 \)).

Table 2 shows results from multivariate logistic regression model predicting enrollment in the IDA program. The sample size was reduced from 218 to 184 after accounting for missing variables. The first model was significantly different from zero \( (\chi^2, [df = 9, N = 184] = 30.83, p < .01) \). We found that full-time employment and receipt of TANF (welfare) were statistically significantly associated with program enrollment after application. Those who were full-time employed compared to unemployed were nearly four times \( (OR = 3.97) \) more likely to enroll. Similarly, those who had a history of
TANF receipt were less likely than those without a history to enroll \((\text{OR} = .31)\). Net worth was added in model 2 \((\chi^2, [\text{df} = 12, N = 184] = 34.74, p < .01)\). With the addition of the net worth variables, the relationships between employment status and welfare receipt remained unchanged. A one-unit change in net worth was not statistically significantly related to enrollment for any of the three groups created via the regression splines. A log-likelihood ratio test of the two models revealed no significant increase in the model’s ability to predict enrollment. Additional models were run to assess the influence of categorical asset ownership such as home ownership, stocks and investments, checking account and savings account. These variables had no meaningful relationship to the enrollment process and did not add significantly to the model (results available upon request).

A third model was run to predict graduation once enrolled in the program among the 138 education savers (Table 3). The final model was reduced to 111 observations after list-wise deletion of missing data. The model was significantly different from a null model at predicting IDA graduation \((\chi^2, [\text{df} = 9, N = 111] = 17.78, p < .05)\). Again, employed full-time was strongly related to graduation. Whereas full-time employment increased the probability of enrollment, we found that full-time employed compared to other were less likely to graduate \((\text{OR} = .22)\). A fourth model was produced that was significantly different than a null model \((\chi^2, [\text{df} = 12, N = 111] = 25.21, p < .01)\). The use of the spline regression indicated a non-linear relationship between net worth and IDA graduation. The coefficients represent the change in the slope from the preceding interval (StataCorp., 2009), therefore, net worth accumulation through the low net worth section
of the distribution was associated with a lower likelihood of graduation ($OR = .38$). A percent increase in net worth through the next segment of the distribution was associated with increased odds of matched withdrawal ($OR = 2.72$). Above the upper spline knot threshold, a percent increase in net worth was not statistically significantly associated with matched withdrawal. A log-likelihood ratio test of the difference between models revealed that model 4 was a modest improvement over model 3 ($p = .06$). Additional models assessing the influence of categorical asset variables on matched withdrawal were tested but did not yield statistically significant results (regression results not shown but available by request).

[INSERT TABLE 3 ABOUT HERE]

Next, we examined data from the 53 program participants who saved in the IDA program for education and completed the Wave 2 survey. In total 39% ($n = 15$) participants had gained a college degree after enrollment compared to 38 who did not. Descriptive analysis revealed that participants who gained college degrees were younger on average (28.15 compared to 31.55) and had higher income to needs ratios (1.38 compared to 1.09). Further, 46.67 percent ($n = 7$) of those who gained college degrees had received TANF in the past compared to 54.05 percent ($n = 20$) who did not gain a college degree. Most importantly, 60% ($n = 9$) of IDA graduates had earned a college degree compared to 40% ($n = 6$) of program non-graduates.

DISCUSSION

Like other indigenous populations, Native Hawaiians face large gaps in educational attainment. Further, Native Hawaiians actively struggle to maintain historical connections to land, language, and culture (Thomas et al., 2012). In this study, I examine
factors associated with enrollment and graduation from a matched saving program serving Native Hawaiians who saved for higher education. This is the first known study specifically on IDA-related educational outcomes for Native participants. Further, the study is unique as it follows participants on average five years after enrollment to explore factors associated with college degree attainment.

Findings raise questions about the extent that IDAs are reaching the more socio-economic challenged segments of the population. After controlling for other variables, the full-time employed and those who had never received TANF were more likely to actually enroll compared to applicants who did not work full-time and who had received TANF. It is possible that many people heard of the program and completed the initial paperwork. After the application they likely had second thoughts about participating. These findings largely align with the only other study of the full-program enrollment data (Rothwell & Han, 2010). Surprisingly, the net worth variables were not related to program enrollment.

We gain a better understanding of IDA graduation for education savers. While employment was negatively associated with graduation, the income-to-needs ratio was positively related to matched withdrawal – the higher the income-to-needs ratio the more likely to graduate from the program. This counters some previous research on IDA savings performance that found income not to be related to average monthly saving deposits or drop-out (Schreiner & Sherraden, 2005, 2007).

The examination of net worth on educational trajectories in this study is a contribution to the literature. Participants with negative net worth below -$2,000 may face difficulties to save in IDA-type programs. It is possible that participants prioritized
paying down urgent debts before setting aside money into the savings account, which is a rationale behavior in many scenarios. Further, the results for the middle of the net worth distribution indicate that households with zero net-worth plus or minus a few thousand dollars are perhaps best-positioned to take advantage of the opportunities provided in matched savings programs.

The study uses longitudinal data to examine the percent of participants gained college degrees over time. In this small sample, those who graduated from the program were much more likely to gain college degree compared to non-graduates. Due to methodological limitations (viz., sample size and selection) we cannot conclude the IDA caused the college degree gain. However, the large differences are suggestive that saving in an IDA program may play a positive influence on post-secondary education gain among some Indigenous groups.

Limitations

This study is limited by many of the methodological challenges facing applied research. The study was retrospective; as such, the administrative data used contained only basic demographic and economic variables. As a result, there is considerable variance in the models predicting enrollment and graduation that goes unexplained. Better information on psychological, social, and environmental factors is needed. Further, it would be valuable to know how he matched withdrawal was actually used; e.g., for university tuition, computer, textbooks, etc. Unfortunately, these records were included in hard copy case files but omitted from the database.
Implications

This study shows certain segments of the target population are benefitting from the IDA while others are not. To be more universally effective, matched savings programs for higher education savers need to reach persons with complex socioeconomic histories of unemployment and welfare receipt. Further, it seems programs might focus on net worth as a particularly important barrier to program graduation.

Based on over 15 years of IDA implementation and research, it has been established that, given the right institutional supports, the poor can and do save (Schreiner & Sherraden, 2007). However, additional prospective research is needed to better understand the extent to which IDAs promote asset accumulation and goal attainment over the long-term (Richards & Thyer, 2011). Given the unique histories and socio-economic exclusion, research is critically needed to examine the unique trajectories experienced by Indigenous participants.

This study provides suggestive longitudinal evidence that the IDA program benefitted Native Hawaiian education savers. Moving forward, there is a great need to understand the “black box” of this and similar intervention. Qualitative perspectives may provide great insight into this process. One recent paper explores the perceived impacts of IDA participation among Native Hawaiians with some commenting favorably on the Hawaiian-specific cultural adaptations that were made within the program (Rothwell, Bhaiji, & Blumenthal, 2013). There is a great need to better understand what may be unique about the Indigenous aspects of such asset-based programs. Which institutional features work for which populations under specific settings? Better empirical research on
matched savings can inform the active debate on Aboriginal Post-Secondary Savings Accounts proposed in Canada (Helin, 2006).

The affordability of higher education is a major barrier for many. Economic resources such as financial assets influence how people finance college. Matched savings—while not a panacea—represent one of many promising interventions to promote higher education and reduce educational disparities. To be more effective matched savings programs for Indigenous participants must better understand and address which types of participants are succeeding and which are at risk for being left behind.
References


Benham, M. (2004). Where can we collectively be that is greater than where we are now? *Hūlili: Multidisciplinary Research on Hawaiian Well-Being, 1*(1), 35–48.


