INNOVATION

Asset Building
THROUGH CREDIT PILOT

CLIENT GAINS IN CREDIT SCORES AND FINANCIAL CAPABILITY

LUZ I. GOMEZ AND ILGAR ALISULTANOV, WITH ASSISTANCE FROM JOYCE KLEIN

FIELD at the Aspen Institute

Citi Foundation

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FIELD at the Aspen Institute works to advance the U.S. microenterprise field through knowledge and innovation. In its work, FIELD engages deeply with leaders in the microenterprise industry and provides them and their organizations with tools — including research and data, grants, peer learning, and leadership development programs — that support their efforts to innovate, scale and improve their performance. FIELD also disseminates knowledge from its work with leaders broadly, through publications, webinars and presentations.

The work and learning from the ABC project would not have been possible without the work and openness of the pilot partners. FIELD would like to thank Justine PETERSEN, and in particular Sheri Flanigan-Vazquez and Kristin Schell, for their partnership in this effort. We'd also like to acknowledge the generosity and openness of the project teams from the pilot sites: the Mission Economic Development Agency, Pacific Asian Consortium for Employment, Latino Economic Development Center, Champlain Valley Office of Economic Opportunity, Central Vermont Community Action and Local Development Corporation of East New York.

Introduction

The Context

The Asset Building through Credit Pilot sought to explore a central question: Can a secured card teamed with financial education and coaching help entrepreneurs build their credit and their businesses? This question is important, because an entrepreneur's personal and business finances are often closely linked. Despite the existence of business credit rating products like Dun & Bradstreet, many small-business owners primarily leverage personal credit ratings to secure the financing needed to start or expand their businesses. Indeed, one study indicated that nine out of 10 community banks made commercial credit decisions based exclusively on the business owner's personal credit score.[1] Even alternative lenders, such as microfinance institutions, rely on an individual's FICO[2] score as an important indicator to extend credit for loans below $50,000.

In this environment, business owners with low or nonexistent personal credit scores often face roadblocks to building and managing their businesses. Sizable client segments served by microenterprise development organizations (MDOs) have weak personal credit profiles. For example, recent immigrants with thin or no credit files often launch small operations. Other entrepreneurs may have blemishes on their credit profiles resulting in low scores, especially in the wake of the Great Recession.

While some businesses can manage for some time without access to affordable financing — operating largely on a cash basis — without access to credit, they may at some point confront a financial challenge or be unable to respond to a business opportunity. A recent study by CFED underscores this point: Microbusinesses (particularly those owned by low-income individuals) often lack sufficient liquidity to cover business expenses at the time they arise. Without access to some form of affordably priced credit, smoothing gaps in cash flow becomes a complicated endeavor and can drive financial insecurity.[3] Ultimately, the cost of a low credit score and lack of access to credit grows for that entrepreneur.

Client *Insight*

Juan* was a pilot participant and the owner of a small-scale construction firm in Los Angeles. His business faltered and nearly shuttered during the housing crash. The slow business environment severely impacted his personal credit profile; until then, he had used personal credit lines to manage his business purchases. Although business has recovered during the last two years, he wanted to address his credit issues, which posed a barrier to future growth. With new projects in the queue, he was unable to even secure a contractor's credit card for building supplies.

*Real client names are not used in order to protect privacy of the pilot participants.

[1] Rebel A. Cole, "Credit Scores and Credit Market Outcomes: Evidence from the Survey of Small Business Finances and the Kauffman Firm Survey." SBA Office of Advocacy January 2014, 9.

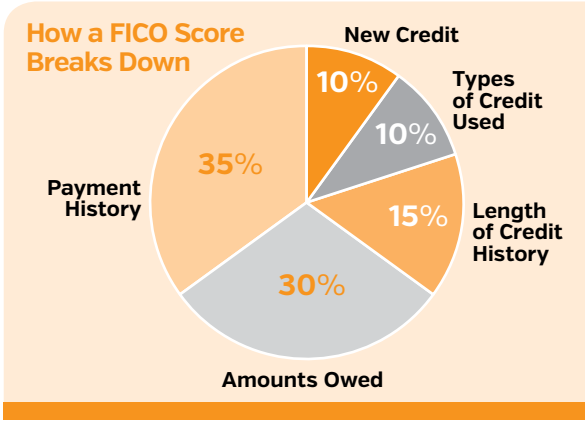
[2] The FICO score is the most widely used credit score model used in the United States. The model uses data based on consumer credit files of the three national credit bureaus.

[3] Lauren Williams and Kasey Wiedrich, "In Search of Solid Ground: Understanding the Financial Vulnerabilities of Microbusiness Owners." Washington, D.C.: CFED, April 2014.

The Pilot

Before, and certainly after, the recession, MDOs developed a variety of approaches to help entrepreneurs and would-be business owners to build credit. They include tracking client credit scores (often as part of a financial education process), reporting borrower loan performance to credit bureaus, and offering credit-builder loans or referrals to other products — such as secured credit cards — that can help their clients to improve their credit scores. Data collected by FIELD for the 2012 U.S. Microenterprise Census showed that 101 organizations (47 percent of those reporting) reported providing some level of credit counseling services, and 29 organizations (13 percent of those reporting) provided credit builder-type term loans.

Building credit focuses on the importance of adding *active* lines of credit that are managed well. Having a mix of both revolving and installment debt is also important to building a score. While many microenterprise organizations provide small installment loans for credit building purposes, to FIELD's knowledge, offering a revolving line such as a secured card to build credit is not prevalent in the microenterprise lending marketplace.



Through the Asset Building through Credit Pilot, FIELD worked with six organizations to offer a secured credit card paired with credit education and coaching. The pilot included an evaluation aimed at understanding the extent to which the secured card built credit — by examining changes over time in the credit scores of clients who received a card. In addition, the evaluation sought to understand if there were indications of improved *financial capability* among the pilot participants. The concept of financial capability moves beyond providing financial education and increased client knowledge regarding financial topics, to focus on whether clients illustrate *positive financial behaviors through the use* of financial products. In the case of the secured credit card offered as part of the pilot, FIELD sought to understand whether clients were using the card in ways that maximized its credit building capabilities, and also whether they evidenced positive payment behaviors.

Financial capability is the capacity, based on knowledge, skill and access, to manage financial resources effectively.

"If financial literacy is what you know, financial capability is what you do."

Center for Financial Services Innovation

About the Asset Building through **Credit Pilot Program**

The Asset Building through Credit Pilot Program — a collaborative program facilitated by FIELD at the Aspen Institute with six microenterprise organizations, a financial institution and the Citi Foundation — was designed to assess whether a secured credit card teamed with financial coaching could create positive credit-building behaviors and be a useful tool for assisting clients to progress toward their business development goals. Why a secured credit card? Although positive performance on any product helps build an individual's credit, practitioners have learned that progress toward a good score accelerates when someone has at least three active trade lines that include a combination of installment and revolving credit. For microentrepreneurs with limited or no credit, and eager to build their businesses, time is of the essence. Adding a credit card to the arsenal of financial products a microlender can offer helps clients achieve positive change much more quickly. And, a secured card can be offered by microenterprise organizations focused on training and technical assistance that do not offer other financial products.

Between its launch in 2011 and completion of the pilot in July 2013, the program tested a methodology designed to enable many nonprofits to deliver secured credit cards for their clients and coach them successfully in their use. During the pilot, the participating programs delivered 206 secured credit cards and tracked the initial effects of their use on credit scores.

This report summarizes an evaluation of client outcomes from the pilot in terms of credit behavior and scores, use of microenterprise services, and business formation. FIELD conducted the evaluation in collaboration with the pilot sites and pilot partner Justine PETERSEN, a microlender based in St. Louis, Missouri, that had developed a process for delivering a secured card to its clients. The data demonstrate the value that a secured credit card can present for many aspiring entrepreneurs, and the changes they experienced are detailed in this report.

Pilot Sites and Locations

1. **Brooklyn, N.Y.** Local Development Corporation of East New York (LDCENY)
2. **Los Angeles** Pacific Asian Consortium in Employment (PACE)
3. **San Francisco** Mission Economic Development Agency (MEDA)
4. **Vermont** Champlain Valley Office of Economic Opportunity Inc. (CVOEO) and Central Vermont Community Action Council (CVCAC)
5. **Washington, D.C.** Latino Economic Development Center (LEDC)

Methodological Summary

In the following report, we explore the changes to client credit scores after 12 months of using a secured card. We also examine the credit behaviors with the card (in terms of on-time payment and the level of charges incurred), and look at factors that contribute to an increase in credit scores and positive credit behaviors. Specifically, we hypothesize that loans and financial education affect credit behaviors, such as making payments on time and keeping low outstanding balances on cards. Credit behaviors, in turn, affect credit scores. These relationships can be expressed as a set of simultaneous equations and estimated by controlling for non-treatment group. Unfortunately, despite our efforts, we were not able to get access to comparable control group data. As a result, the findings reported throughout the paper are based on before-and-after analysis of one-group data and should be interpreted within this context. We use multivariate regression of simultaneous equations[4] and correlational analysis.

While we present longitudinal information on changes to credit scores achieved by clients and identify factors affecting these changes, we are careful not to fully attribute the effects to program services, as we are aware of the limitations of one-group evaluation. Further research is needed to shed more light on the effectiveness of program services on improving credit scores.

In addition to collecting data on client credit profiles and other measures at the time of card application, and three, six and 12 months after application, the evaluation design included site visits to all pilot sites. FIELD interviewed each organization's leadership and staff, and held focus groups or individual discussions with recipients of the card. Insights from those interviews are woven throughout the analysis to fill in details regarding card use and customer experiences. We find evidence that the products and skills clients received were used to build their businesses and credit profiles.

We find evidence that the **products and skills** clients received were used to **build their businesses** and **credit profiles.**

[4] The multivariate regressions were estimated via limited information maximum likelihood using PROC SYSLIN in SAS ETS.

Key *Findings*

Twelve months of card use and engagement with pilot organizations revealed the following client outcomes and customer insights. These outcomes and insights offer lessons for the delivery of a secured credit card as a tool for building credit:

■ Overall, **71 percent of participants experienced improved credit scores.** Ninety-two percent of participants who started without a credit score had established a score at 12 months; the median score for this group was 677. Participants who entered the pilot with an existing credit score experienced modest increases over a 12-month period – a mean improvement of 13 points, and median of 12 points – partly because 39 percent of individuals in that group experienced a decline in their credit scores. For the 60 percent of individuals who were able to increase their existing scores, the mean increase was 48 points, and the median 40 points. **Across all participants, 42 percent of participants moved from a subprime to a prime credit score.** Given the challenges experienced by low-income and minority entrepreneurs in accessing credit, these improved scores could represent a substantial asset with which to move their businesses forward.

■ To maximize the value of the secured credit card, pilot participants were counseled to always pay on time, and to keep the balance of charges on the card at or below 30 percent of the credit limit. Credit report data indicated that **the majority of cardholders paid on time, but most did not keep balances low.** Clients who began without a credit score were more likely to adhere to the message of maintaining a low balance on the card. These insights have implications for counseling and delivery of the card to different segments of customers. For instance, it appears that clients who come with low existing scores may need more intensive guidance and reinforcement regarding use of the card than clients with zero scores.

■ **A significant number of participants had increased access to credit and lower debt-to-income (DTI) ratios 12 months after applying for the secured credit card.** The group had an average of 2.8 trade lines (compared to one at application) and an average DTI of 17 percent (versus 27 percent at application).[5] This represents a strong credit building base that programs can build upon to reinforce positive use of financial products going forward.

■ **A significantly higher percentage of clients who started businesses after receiving the secured credit card had also received other program services,** such as credit builder or business loans, business training and/or technical assistance, group-based credit education, and one-on-one financial advising.[6] This suggests that embedding a credit building product within an organization's wider suite of services supports the goal of helping entrepreneurs successfully launch their businesses.

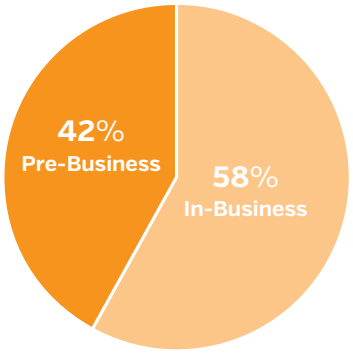
■ **The level of credit or financial education did not have a significant effect on credit scores or credit behavior** during the period measured.[7] Because the secured card program teamed the card with credit education for all clients, and no control group was identified, the analysis was only able to test the relationship between the level of credit education (number of hours) provided, not whether the provision of education had an effect (as compared to provision of the card alone). Research with experimental controls, particularly over a longer term, would be useful to confirm and expand these findings. This preliminary finding, however, suggests that organizations may want to carefully consider the number of hours dedicated to education as they seek to balance the client outcome from this type of program with the organizational need for efficiency and sustainability. The report offers recommendations for allocating coaching time to different client segments, in addition to citing several cost-reduction strategies used by organizations during the pilot.

[5] For more detailed results see Appendix, Chart 1.

[6] See Appendix, Chart 2.

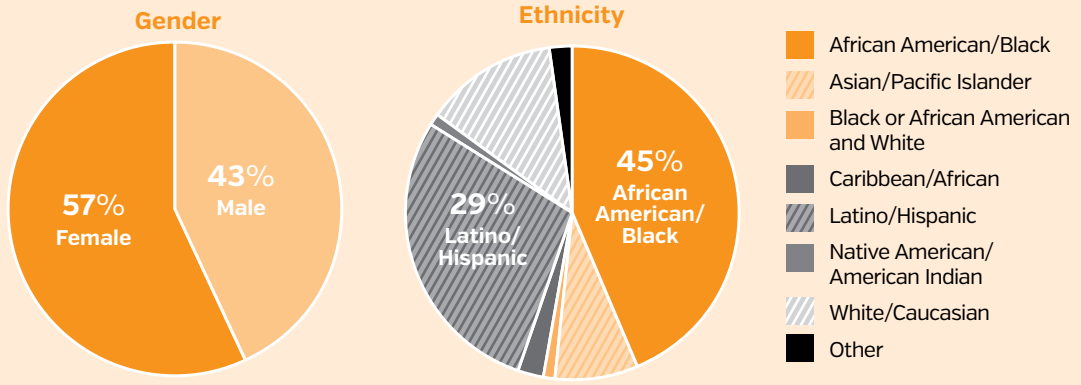
[7] See Appendix, Chart 3.

Profile of the Cardholders Served at Intake



The analysis of cardholder outcomes is based on data from 385 individuals who received the secured card as part of the program.[8] A substantial portion of participants, 42 percent, were in the pre-business stage of planning to launch a business. Slightly more than half of the participants — 57 percent — were female, and the primary ethnic or racial groups served were African American/black and Latino/Hispanic, at 45 and 29 percent, respectively. Participants predominately lived in urban locations, as they were assisted by organizations serving St. Louis, greater Los Angeles, San Francisco, Brooklyn and Washington, D.C. However, some rural residents received cards through the pilot site in Vermont.

Cardholder Profiles



The household profile of the secured card recipients indicated that most lived in fairly small households (mean of 2.4 and median of two individuals), with modest incomes between 150 and 200 percent of the 2013 Federal Poverty Level[9] (participants had a mean household income of $31,393 and a median of $26,000). The Debt-to-Income (DTI)[10] ratios of applicants were fairly low, with a mean and median of 26 and 27 percent, respectively.

Household Characteristics

	Mean	Median
HH Size	2.4	2
Gross HH Income	$31,393	$26,000
Debt to Income Ratio	26%	27%

[8] Data from Justine PETERSEN (JP) clients who received secured credit cards during the pilot period were also included in the outcomes analysis. Although Justine PETERSEN was not an official pilot site, the pilot was based on its experience in delivering a secured card, and JP was a partner with FIELD in the pilot. JP clients received the same secured card. Because of the inclusion of JP's client data, aggregate data presented in this section differ slightly from those presented in the first pilot publication, the *Asset Building through Credit Pilot: Initial Findings.*

[9] The 2013 Federal Poverty Guideline for a family of two was $15,510.

[10] DTI was calculated by comparing monthly rent or mortgage payments and payments on all active lines of credit to monthly income.

The pilot organizations provided credit coaching and education together with assistance in applying for card, though the nature of these services varied across the programs. The credit support took the form of one-on-one assistance, teaching basic credit fundamentals in a classroom setting, or both. After the client applied for and received the card, the coach checked in with the client at three, six and 12 months. At that time, the coach would run a soft inquiry on their credit, and call or meet with the client to discuss his or her progress. Data from the check-ins were also used as the source for this outcomes research.

Card *Delivery*

How the process worked:

- Pre-screened for card and credit report pulled
- Credit coaching and education
- Assistance with card application
- Check-in at three, six and 12 months

An average of **12.4 hours** was spent with clients over a 12-month period.

On average, about one-third of the credit coaching and education took place in the initial stages of a client's participation in the program, with a mean of 4.6 hours of coaching/education and a median of four hours provided at the time of initial intake. Participating programs spent an average of 12.4 total hours with each client over a 12-month period.

Longitudinal Data at 12 Months

Secured card cancellations

A total of 55 pilot participants (14 percent of the total) either canceled the card (i.e., they were not satisfied with some aspect of the card, needed access to the security deposit) or had the card canceled by the bank (due to poor payment performance) during the 12-month period. Anecdotal information from counselors suggests that many of these cancellations were initiated by clients.

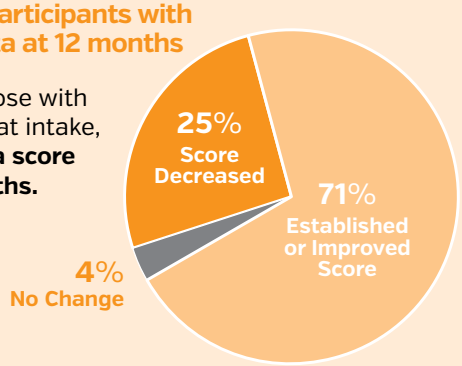
Because it was not feasible to collect additional data regarding card use on these clients after the cancellations, tests were run to assess whether this created bias in the group for which 12-month longitudinal data was available. These tests involved examining whether there were differences between the descriptive statistics at baseline on the credit score, household income, household size and gender of clients with cancelled cards, and clients who held the card for the 12-month period. No statistical differences in terms of measurable variables were observed.

Changes to scores

Two hundred and twenty-three of the program's participants had 12 months of data to analyze. The chart to the right illustrates the movement in credit scores for this set of participants. It is important to note that participants entered the

All Pilot Participants with Score Data at 12 months

Among those with *no scores* at intake, **92% had a score at 12 months.**



pilot with two distinct credit profiles — some entered the program without a credit score, and others had existing credit profiles and scores. These overall findings show that after 12 months with the secured card, **almost three-quarters of participants improved their scores — either by establishing a credit score, or improving an existing one.**

In examining the actual credit scores and the numeric changes in scores, the outcomes for these groups were analyzed separately. Given the way that credit scores are calculated, the numeric changes for clients who are able to establish a new credit score differ dramatically from those who come in with an existing score. These differences would obscure and perhaps overstate the findings from the research if these two groups were analyzed together.

Among those with no scores at the time they received the secured card, **92 percent had a score at 12 months.** The credit scores at 12 months for the 92 percent of participants who were able to establish scores were a mean of 665 and median of 677. While these pilot participants still had "thin" files,[11] this group was off to a strong start with respect to building credit. Many surpassed the low "prime" credit threshold that generally ranges from 620 to 640.[12]

Several no-score participants in the pilot did not have social security numbers (which are important in that they help to facilitate the process of reporting to and retrieving credit information from credit bureaus). Although the majority of those cardholders were able to successfully report data and obtain a credit score, six still had no score after 12 months with the secured card. Counselor research into the issue showed that erroneous reporting of the full client names and/or the inability to match addresses to client names was hindering the credit reporting process. In these cases, counselors worked to assist the clients in resolving the issue with the credit bureau.

Participants who had an *existing credit score* at the time they obtained the secured card experienced more modest improvements in their scores, although the majority (60 percent) increased their credit scores. Forty percent experienced a decline or saw no change in their scores. **Among the entire group, participants experienced a mean increase of 13 points and a median increase of 12 points.** The average scores are brought down considerably by the 39 percent of the group whose scores decreased. Among the 60 percent who did improve their scores, the increases were more substantial — 48 points (mean) and 40 points (median). For the group who improved their scores over the 12-month pilot period, the *actual credit scores* were 632 (mean) and 633 (median). The average baseline credit score among the group was 584.

[11] A common definition of a "thin file" is having less than or equal to 3 active credit lines on a credit report. http://www.bankrate.com/finance/financial-literacy/build-a-credit-score-from-scratch-1.aspx

[12] What is considered a "prime" credit score will vary by lending institution and the level of risk it finds acceptable. MyFICO.com has six stratifications within the prime credit range from 620 to 850. http://www.bankrate.com/finance/debt/high-credit-score-can-save-you-plenty-1.aspx

Scores at 12 months

	Mean	Median	N
No score at intake	665	677	69
Existing score at intake **(all)**	598	597	148
Existing score at intake **(increased scores only)**	632	633	89

Score Changes at 12 months

	Mean	Median	N
Existing score at intake **(all)**	13	12	146
Existing score at intake **(increased scores only)**	48	40	89

It is important to consider these score changes relative to the demographic and financial profiles of the customers. Several recent studies have highlighted the challenges that minority microentrepreneurs face in securing credit. One 2012 study noted that minority microbusiness owners were more likely than non-minority owners to have attempted to borrow money, but also more than twice as likely to have been denied credit (42 percent of minority business owners versus 18 percent of non-minority businesses).[13] A more recent study found that 22 percent of Hispanic business owners had applied for and been denied a loan in the past, compared to only 9 percent of white business owners.[14] Given these challenges, the score increases achieved by pilot participants could represent a substantial asset for advancing their businesses.

Given the **challenges faced by minority and low-income microentrepreneurs,** the **score increases** achieved by pilot participants could **represent a substantial asset** for advancing their businesses.

Score distribution and movement to prime scores

The chart below shows the credit score distribution of the pilot participants at baseline compared to 12 months. It illustrates the movement from subprime scores (score less than 620 points) to "prime" (620-679) or "high prime" (680+) scores. Among 180 clients who had a subprime score at intake, 42 percent were in the prime or high-prime category at the end of the 12-month pilot period (indicated below with the orange shading). Excluding clients who joined the program without a score (and experienced the most dramatic improvements in credit scores), 24 percent of cardholders moved from subprime to the prime categories.

Credit Score Distribution

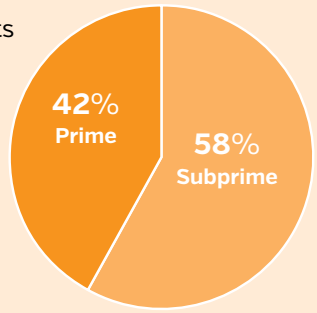
		at 12 months				
	Score	Zero	350-579	580-619	620-679 (Prime)	680+ (High Prime)
at Base	Zero	6	7	11	17	34
	350-579	0	49	10	10	2
	580-619	0	12	9	12	1
	620-679	0	3	3	15	9
	680+	0	0	1	1	11

[13] Research produced for the Association for Enterprise Opportunity, National Association for the Self-Employed and Small Business Majority, "Opinion Poll: The Role of Micro Businesses in Our Economy" (October 9, 2012), 9.

[14] Lauren Williams and Kasey Wiedrich, "In Search of Solid Ground: Understanding the Financial Vulnerabilities of Microbusiness Owners." Washington, D.C.: CFED, April 2014, 13.

Movement from Subprime to Prime Scores

42 percent of clients who started in the subprime category moved to prime categories by 12 months.



Notably, 69 percent of those clients who began with a credit score between 350 and 579 remained in that category at 12 months. Justine PETERSEN worked with a substantial number of these particularly difficult credit cases, and its clients experienced lower increases in credit scores compared to all other pilot program clients.[15] However, JP's clients also had significantly lower credit scores at intake (a mean score of 563, versus a mean of 608 points for participants from the other sites) and lower debt-to-income ratios (likely due to the lack of access to credit because of their low scores).[16]

A relatively small number of clients (10 clients, or 9 percent) moved from subprime scores into the category just below prime. These findings illustrate challenges that clients with low existing scores faced in breaking out of the subprime category during a 12-month time frame. It could be, however, that a longer period with the card could improve results.

Characteristics of clients who moved out of subprime categories

To better understand the characteristics of pilot participants who were able to increase their scores (scores of 580 and above) versus those whose scores stayed in subprime categories (between 350 and 579), we examined differences in payment behaviors and demographic/financial characteristics between these two groups of clients.

First, we compared *payment behavior* over 12 months for the 350-579 and the 580+ group. Statistical tests showed that at 12 months, indicators of good payment behavior, illustrated through both lower outstanding balances and few to no late payments, were significantly higher for the 580+ group.[17]

We also analyzed changes in *card behavior* from three to 12 months to understand whether improvements in behavior during this time period revealed different outcomes for the groups. The data indicated that the group whose scores increased into the prime category experienced significantly less growth over time in the number of late payments. In terms of the change in outstanding balances, however, there was no difference between the two groups.[18] While we cannot definitely conclude that fewer late payments caused an increase in credit scores, we do observe a strong correlation.

580+ Group *Profile*

Better payment behavior overall in terms of fewer late payments and lower outstanding balances.

When looking at **changes in behavior over 12 months,** there was a strong correlation between **fewer late payments** and increase in scores.

Household incomes were higher among this group.

[15] See Appendix, Chart 4.

[16] See Appendix, Chart 5.

[17] See Appendix, Chart 6.

[18] See Appendix, Chart 7.

Finally, we compared the demographic and financial profiles of these two groups of card holders. The results showed that household incomes were higher for those able to move into the 580+ group. This finding suggests that **clients with more challenging financial positions face greater hurdles to maintaining positive financial behaviors, and underscores the potential difficulty of breaking out of the subprime category.**

The above finding dovetails with a recent study highlighting the financial vulnerabilities of microbusinesses. The study noted that lower-income entrepreneurs are more likely to have no or poor credit histories, and that they often lack sufficient liquidity or savings to fall back on in the face of financial challenges or emergencies.[19]

Recognizing that the lives of low-income entrepreneurs are often very complex, counselors should be especially focused on monitoring and supporting clients with lower incomes and limited financial resources. In addition, it could be that providing access to savings mechanisms in tandem with the secured card might assist clients to make on-time payments (and therefore improve the chances of increasing their scores).

Other Savings Mechanisms to Support Low-Income Clients

- Many of MEDA's clients also used Mission Asset Fund's Lending Circles. The Cestas Populares program formalizes the savings activity that happens in traditional peer lending circles, organizing members into groups that provide zero-fee, zero-interest credit building social loans.
- CVOEO identified a Tracker Loan which was offered by a local credit union to allow clients to save money and build credit. The client makes 12 small monthly payments into a savings account. Because the client makes an up-front pledge to make these payments, they are reported as an installment loan to the credit bureaus.

Performance and payment behavior on secured card

Although all the pilot sites had varying degrees of experience working with credit reports, the sites were trained prior to launch by the partner and manager of the secured card processing platform, Justine PETERSEN. The training had a central focus on coaching cardholders on the three "golden rules" for building credit with a secured credit card: always making payments on time; maintaining a low balance (below 30 percent of the credit limit); and using the card only for the purpose of building credit, and not for consumption. On the latter, clients were coached to use the card solely to pay for existing expenses (such as purchasing gas or paying monthly cell phone fees) rather than to purchase new items. Again, while all organizations had some experience in credit counseling, these specific messages were new to many counselors at the sites.

3 Key Credit-Building Behaviors on Secured Credit Cards

- Always make your payment on time
- Keep your balance low (under 30%)
- Don't use the card to consume (use it only as a credit-building tool)

[19] Lauren Williams and Kasey Wiedrich, 13.

Snapshot Data: Clients with at Least One Late Payment

	N	#	%
Late at 3 months	383	7	2%
Late at 6 months	341	61	18%
Late at 12 months	219	43	20%

The chart at left illustrates the payment behavior on the secured card at three, six and 12 months. One can see the trend of increasing numbers of late payments by months six and 12. By month 12, 20 percent of clients had made at least one late payment, or conversely, 80 percent of clients had made all payments on time.

National credit card data provide a benchmark for the pilot findings regarding late payments (although the national data aggregates information for customers in both the subprime and prime categories, and is more heavily weighted with prime borrowers). The national data show that the 90+ day delinquency rate averaged 2.25 percent from 2007-2013.[20] In contrast, the 90+ delinquency rate for pilot participants, nearly all of whom were in the subprime categories at intake, was 6 percent at 12 months. Given the credit quality at intake of pilot participants, 6 percent delinquency (at 90+ days) is relatively strong payment performance for the group.

U.S. 90+ Day Credit Card Delinquency

United States	Q4 2013	Q4 Average (2007-2013)
Credit Card Delinquency Rate	1.48%	2.25%

Data from TransUnion

90+ Day Delinquency for Pilot Participants

	At 3 months	At 6 months	At 12 months
	n=383	n=341	n=219
90+ days	1%	2%	6%

The ratio of the outstanding balance[21] on the card to the credit limit is another indicator of how well the card was managed for credit building purposes. As the chart below details, by month 12, only 19 percent of pilot participants had an outstanding balance below 30 percent of their card limit. In fact, a substantial portion, 34 percent, was slightly over the limit at the 12-month check-in period. Interestingly, pilot participants who did not have credit scores at intake behaved differently from those with existing scores on this metric, as clients with no scores had maintained significantly lower outstanding balances relative to their credit limit at three, six and 12 months.

Outstanding Balances

	At 3 months	At 6 months	At 12 months
	n=382	n=337	n=218
30% or Lower	42%	22%	19%
31% to 100%	42%	46%	47%
More than 100%	16%	33%	34%

Counselors at the pilot sites coached participants to use the card solely to pay a relatively small existing monthly bill or expense (for example, a phone or utility bill, or to purchase gas). However, conversations with clients who had the secured card, conducted during

[20] A TransUnion report indicated that there were far fewer subprime credit cards in the marketplace after the recession. See http://finance.yahoo.com/news/transunion-credit-card-delinquency-rate-143155676.html

[21] A credit card issuer reports the outstanding balance appearing on a customer's last billing statement to the credit bureaus each month. Even if the balance is paid in full each month, the balance appearing on the credit report will usually be the balance appearing on the last statement. Outstanding balance is not the same as "carrying a balance" on a card, which would indicate that a customer continued to carry outstanding debt on the credit card, because they made only partial payments toward what was owed on the card. Accessed from MyFICO.com.

site visits to pilot organizations, revealed that some participants were challenged in adhering to this rule given the small size of the credit line. The majority of clients received a $300 line of credit (the minimum available for the secured card), which would require clients to keep their balances below $100 in order to stay below 30 percent of their credit limit.

Our empirical analysis shows that on-time payment histories result in higher credit scores. We did not find any effects of outstanding balance on changes in credit scores. However, given how scores can fluctuate from month to month based on what can be a number of factors affecting the credit report, we caution against drawing the conclusion that outstanding balances do not matter. In fact, FIELD and Justine PETERSEN would still recommend that coaches working with clients to build credit via a secured card continue to emphasize maintaining a low balance, because as customers gain access to additional active lines of credit, strong overall management of debt levels will have a long-term positive effect on the client's financial well-being.

The data results do have implications for efficient delivery of services to different profiles of clients. **The data suggest that clients who come to the secured card without a credit score seem to need less guidance** — or are perhaps more amenable to adhering to credit building principles regarding low balances (and timely payments). This may be because they are building new behaviors, rather than trying to improve existing ones. **Conversely, it appears that clients who come with low existing scores may need more intensive guidance and reinforcement regarding use of the card, especially during the first six months of card use.**

Training hours, credit scores and payment behavior

The hours spent delivering credit coaching and education varied significantly across the pilot sites. However, the three sites that processed higher volumes of secured card applicants provided an average of nine, 12 and 15 hours of training per client, respectively, during the 12-month pilot period. As noted earlier, a substantial portion of that training happened at intake, or as clients first applied for the secured card.

Client *Insight*

The experiences of Mateo and Agnes illustrate the choices clients make in using the secured card. Mateo, the owner of a security video installation business, mentioned using the entire credit line to save money on bulk inventory purchases – purchases he could not make without the card. In his view, the purchase would increase his profits in the short run, and that had greater value than increasing his score.

New York-based Agnes was confronted with a family emergency when her aunt became ill in Georgia and had to immediately buy a plane ticket to see her. Having access to the card helped her to purchase the ticket quickly (and less expensively), but she did reach the credit limit on her card.

Although these clients paid their balances in full by the end of the month, by exceeding the 30 percent recommended limit, they did not maximize the card's credit building capabilities. However, these and other clients with whom FIELD spoke made their choices deliberately, and valued these other benefits more highly than the goal of improving their credit scores.

Given that all of the sites provided some level of credit coaching, although the intensity of those services varied across the programs, we sought to test whether *the level of credit and financial education* (measured in terms of the number of hours) had an effect on credit scores or payment behaviors. Within the period measured, the level of education provided did not have a significant effect on credit scores or credit behaviors. Additional research should be done with the use of experimental controls, and during a longer term, to confirm these findings and also to explore the effectiveness of credit education and coaching more generally, in the implementation of a secured card program.

This preliminary finding — that more hours of credit education and assistance do not translate into a reduction in the number of late payments or a decrease in outstanding balances — can help to inform questions of sustainability in offering a financial product combined with education. As our initial report on the pilot identified, staff cost is an organization's largest expense in delivering a secured card.[22] During the course of the pilot, organizations began experimenting with reducing the costs of delivering the card by, for example, using classroom sessions that enabled clients to hear about basic credit concepts prior to meeting individually with a counselor.[23] Again, this does not mean that credit education and coaching does not make a difference in generating strong credit outcomes. Rather, additional research that compares these results to other sets of clients who receive a secured card in the absence of training or coaching would help to illuminate the value of these services.

Progress toward business goals

The pilot also sought to understand whether entrepreneurs — particularly those who had yet to launch their ventures — progressed toward their business goals during the pilot period. As noted earlier, participants with 12 months of longitudinal data included a mix of would-be and existing entrepreneurs, with 106 (48 percent) at the pre-business stage. Thirty-two percent of pre-business clients started their businesses between intake and 12 months. We found that a significantly higher percentage of clients who started businesses received other microenterprise services, such as credit builder or business loans, business training and technical assistance, and group-based credit education and one-on-one financial advising.

This suggests that among participants with 12 months of longitudinal data, those with a more robust relationship with the program were more likely to launch their businesses. **This reinforces the notion that while personal credit is one important aspect of moving a business forward, other business development or access to credit products can also be helpful in supporting business launch.** Anecdotally, programs experienced this as well. The financial education coordinator at LEDC, for instance, noted that the customers who had the most difficulty managing their cards and launching their businesses were those who did not engage with other LEDC program and business services.

[22] For more details, see *Asset Building through Credit Pilot: Initial Findings,* 20.

[23] Ibid, 21.

Financial profile of participants at 12 months

Pilot participants also experienced improvements in other aspects of their credit profiles, in addition to their credit scores. These findings have implications for coaching provided to clients. The data show that participants achieved significant improvements in their access to credit, measured in terms of lines of active credit. Among all participants with 12 months of data, the average number of trade lines increased from one at baseline to 2.8 at 12 months. This is a positive finding, as having 2.8 trade lines puts participants at the threshold of moving beyond a "thin" credit file. Again, this finding could have implications for the coaching and message provided by counselors. The peer learning and training for counselors provided during the pilot included a focus on developing content to help secured card clients prepare for credit card offers that would likely arrive as they improved their scores. Conversations with the counselors revealed that many pilot participants began receiving credit offers within the 12-month pilot period. **Coaching and educational content that focused on understanding and comparing pricing and costs for credit cards, and evaluating product attributes could help support and reinforce positive use of credit, and provide targeted information during a critical (and teachable) moment.**

The debt-to-income ratio of pilot participants was significantly lower at 12 months, compared to the base. The group started with relatively low DTIs as applicants were screened to have a debt-to-income ratio of less than 50 percent. After 12 months of card use, the average DTI had dropped from 27 to 17 percent. This is a strong base of improvement that can be reinforced through counseling, with clients being encouraged to maintain low to moderate debt levels as they seek to continue to build credit. As the credit score outcomes of the majority of cardholders reveal, a client does not need numerous lines and substantial debt to build credit — even a small $300 revolving line that is managed well can provide a strong base.

Conclusion

The goals of the Asset Building through Credit Pilot were to offer a secured credit card, combined with credit education, which could be a means to build credit and support the business development goals of entrepreneurs. The pilot evaluation sought to understand the outcomes on credit scores and credit behaviors.

Overall, the changes to credit scores were positive: almost three-quarters of participants strengthened or improved their scores. Participants who started the program without a credit score, in particular, experienced substantial gains in their scores. The financial profile of the group at 12 months showed that the majority of entrepreneurs had established a strong financial base with which to continue to build credit. Certainly, 12 months is a relatively short period to assess a complete shift in credit behaviors. However, the outcomes demonstrated by participants at 12 months show indications of stronger financial capability, in that a substantial portion of participants put the coaching messages that they learned into practice with the positive use of the line of credit. The data also begin to reveal lessons regarding efficient delivery of the card, which in turn have implications for organizations seeking to offer similar products sustainably over the long term.

The data also suggest areas for future research. Specifically, research that uses a control group, and that examines the effects of training over a longer period, could produce further insights into the design of credit building services. Additional research into the financial capability for microentrepreneurs will be critical to preparing clients not only to access credit, but also to develop the tools to manage it effectively.

This pilot sought to look at financial tools that would help to build credit and financially capable customers. Given the need — an estimated 50 million Americans with “thin” or no credit files — the field is ripe for further product development by both nonprofits and financial institutions seeking to offer creative solutions.

Appendix

Chart 1

Variable	N	Minimum	Maximum	Mean	Median	Paired T test		
Number of active trade lines at Base	197	0	11	1.0	0	DF	t Value	Pr > |t|
Number of active trade lines at 12M	197	1	10	2.8	2	196	14.25	<.0001

Variable	N	Minimum	Maximum	Mean	Median	Paired T test		
Debt to income ratio at Base	178	0	0.66	0.27	0.29	DF	t Value	Pr > |t|
Debt to income ratio at 12M	178	0	1.39	0.17	0.11	177	-6.77	<.0001

Chart 2

New Business				Difference of Proportions Chi-Square test			
Credit Builder Loans	**Yes**	**No**	**Total**	Statistic	DF	Value	Prob
No	65	19	84	Chi-Square	1	16.6118	<.0001
	90%	56%					
Yes	7	15	22				
	10%	44%					

New Business				Difference of Proportions Chi-Square test			
Business Loans	**Yes**	**No**	**Total**	Statistic	DF	Value	Prob
No	68	11	79	Chi-Square	1	46.9019	<.0001
	94%	32%					
Yes	4	23	27				
	6%	68%					

New Business				Difference of Proportions Chi-Square test			
Business Training	**Yes**	**No**	**Total**	Statistic	DF	Value	Prob
No	42	11	53	Chi-Square	1	6.2353	0.0125
	58%	32%					
Yes	30	23	53				
	42%	68%					

New Business				Fisher's Exact Test	
Business TA	**Yes**	**No**	**Total**	Cell (1,1) Frequency (F)	22
No	22	0	22	Left-sided Pr <= F	1
	31%	0%		Right-sided Pr >= F	0.000
Yes	50	34	84	Table Probability (P)	0.000
	69%	100%		Two-sided Pr <= P	0.000

New Business				Difference of Proportions Chi-Square test			
Credit Education	**Yes**	**No**	**Total**	Statistic	DF	Value	Prob
No	33	3	36	Chi-Square	1	14.1043	0.0002
	46%	9%					
Yes	39	31	70				
	54%	91%					

New Business				Fisher's Exact Test	
Financial Advice	**Yes**	**No**	**Total**	Cell (1,1) Frequency (F)	6
No	6	0	6	Left-sided Pr <= F	1
	8%	0%		Right-sided Pr >= F	0.092
Yes	66	34	100	Table Probability (P)	0.092
	92%	100%		Two-sided Pr <= P	0.174

Chart 3

Limited-Information Maximum Likelihood Estimation using Proc SYSLIN in SAS

Dependent Variable is Change in Credit Scores

Data n	Base to 12 Months (Zero Credit Score at Base) 63				Base to 6 Months (Zero Credit Score at Base) 109			
Variable	**Parameter Estimates**	**St. Error**	**t Value**	**Pr > |t|**	**Parameter Estimates**	**St. Error**	**t Value**	**Pr > |t|**
Intercept	**753***	95.99	7.85	<.0001	**419***	110.43	3.79	0.0003
Female	19.07	46.16	0.41	0.6812	58.88	54.95	1.07	0.2865
Minority	-77.65	71.98	-1.08	0.2855	19.20	88.76	0.22	0.8292
Household Size at Base	15.20	17.30	0.88	0.3834	23.12	21.53	1.07	0.2854
Household Income at Base	**-41.7*****	24.84	-1.68	0.099	-25.32	24.62	-1.03	0.3062
Monthly Obligations at Base	6.66	8.93	0.75	0.4585	5.04	10.54	0.48	0.6337
Had Business at Base	-41.03	45.70	-0.9	0.3733	-47.79	58.86	-0.81	0.4188
Change in Outstanding Balance	-15.91	63.50	-0.25	0.8031	-105.03	216.35	-0.49	0.6284
Change in the number of late payments	-11.85	57.36	-0.21	0.8371	-20.28	118.19	-0.17	0.8641
Change in Trade Lines	-4.45	18.23	-0.24	0.8081	**50.8****	23.15	2.2	0.0304

*Significant at 99%, **Significant at 95%, ***Significant at 90%

Dependent Variable is Change in Outstanding Balance

Data n	Base to 12 Months (Zero Credit Score at Base) 63				Base to 6 Months (Zero Credit Score at Base) 109			
Variable	**Parameter Estimates**	**St. Error**	**t Value**	**Pr > |t|**	**Parameter Estimates**	**St. Error**	**t Value**	**Pr > |t|**
Intercept	-0.58	0.82	-0.71	0.4831	0.04	0.17	0.23	0.8154
Female	0.26	0.31	0.83	0.4119	**-0.11*****	0.07	-1.69	0.0935
Minority	0.52	0.55	0.96	0.3424	0.13	0.11	1.22	0.2266
Household Size at Base	0.01	0.12	0.08	0.9333	-0.01	0.03	-0.44	0.6626
Household Income at Base	-0.03	0.17	-0.18	0.8579	0.03	0.03	0.97	0.3359
Monthly Obligations at Base	0.02	0.06	0.30	0.765	-0.01	0.01	-0.7	0.4863
Had Business at Base	-0.25	0.33	-0.77	0.4469	-0.01	0.08	-0.07	0.9473
Total hours of financial education	0.00	0.03	-0.13	0.8963	0.00	0.01	0.1	0.9178
Credit Builder Loans	-0.05	0.33	-0.14	0.8887	**0.16****	0.07	2.28	0.0249
Business Loans	-0.30	0.43	-0.7	0.4895	0.11	0.09	1.19	0.2384
Business TA	0.58	0.53	1.08	0.2854	-0.02	0.09	-0.26	0.7974
Business Training	-0.68	0.43	-1.6	0.1165	-0.01	0.08	-0.19	0.8516
Financial Goals Set	0.43	0.52	0.82	0.4141	0.02	0.12	0.16	0.8726

*Significant at 99%, **Significant at 95%, ***Significant at 90%

Dependent Variable is Change in Late Payments

Data n	Base to 12 Months (Zero Credit Score at Base) 63				Base to 6 Months (Zero Credit Score at Base) 109			
Variable	**Parameter Estimates**	**St. Error**	**t Value**	**Pr > |t|**	**Parameter Estimates**	**St. Error**	**t Value**	**Pr > |t|**
Intercept	-0.25	0.86	-0.29	0.7751	0.47	0.37	1.26	0.2108
Female	-0.20	0.33	-0.62	0.5401	0.20	0.14	1.37	0.1747
Minority	0.95	0.57	1.66	0.1026	0.05	0.23	0.22	0.8249
Household Size at Base	0.01	0.13	0.1	0.9204	0.01	0.06	0.24	0.8086
Household Income at Base	-0.02	0.18	-0.09	0.9265	0.00	0.07	-0.01	0.9931
Monthly Obligations at Base	-0.05	0.07	-0.72	0.4735	-0.02	0.03	-0.75	0.4574
Had Business at Base	0.50	0.34	1.44	0.1561	0.06	0.17	0.36	0.7186
Total hours of financial education	-0.01	0.03	-0.52	0.6062	-0.02	0.01	-1.29	0.1992
Credit Builder Loans	-0.19	0.35	-0.55	0.585	0.06	0.16	0.39	0.6949
Business Loans	-0.09	0.45	-0.19	0.8503	0.19	0.20	0.94	0.3474
Business TA	-0.10	0.56	-0.18	0.861	-0.08	0.20	-0.4	0.6933
Business Training	-0.40	0.45	-0.9	0.3747	-0.02	0.17	-0.12	0.9058
Financial Goals Set	0.54	0.54	0.99	0.3262	-0.16	0.25	-0.64	0.5231

*Significant at 99%, **Significant at 95%, ***Significant at 90%

Dependent Variable is Change in Credit Scores								
Data n	Base to 12 Months (Non- Zero Credit Score at Base) 127				Base to 6 Months (Non- Zero Credit Score at Base) 223			
Variable	**Parameter Estimates**	**St. Error**	**t Value**	**Pr > |t|**	**Parameter Estimates**	**St. Error**	**t Value**	**Pr > |t|**
Intercept	37.33	25.57	1.46	0.1471	6.75	19.02	0.36	0.7229
Female	2.77	10.50	0.26	0.7924	4.67	8.60	0.54	0.5875
Minority	12.98	13.31	0.98	0.3313	4.14	11.49	0.36	0.7189
Household Size at Base	-4.36	3.56	-1.23	0.2227	0.80	2.79	0.29	0.7757
Household Income at Base	-0.39	3.73	-0.1	0.9174	1.42	2.89	0.49	0.6228
Monthly Obligations at Base	-0.11	1.10	-0.1	0.9178	0.54	0.91	0.59	0.5557
Had Business at Base	-12.00	9.94	-1.21	0.2299	-6.08	8.85	-0.69	0.4928
Change in Outstanding Balance	12.95	41.61	0.31	0.7561	-8.12	49.62	-0.16	0.8702
Change in the number of late payments	**-28.34*****	16.51	-1.72	0.0886	**-67.98***	20.04	-3.39	0.0008
Change in Trade Lines	-2.85	2.34	-1.22	0.2255	-0.35	2.44	-0.14	0.885

*Significant at 99%, **Significant at 95%, ***Significant at 90%

Dependent Variable is Change in Outstanding Balance								
Data n	Base to 12 Months (Non- Zero Credit Score at Base) 127				Base to 6 Months (Non- Zero Credit Score at Base) 223			
Variable	**Parameter Estimates**	**St. Error**	**t Value**	**Pr > |t|**	**Parameter Estimates**	**St. Error**	**t Value**	**Pr > |t|**
Intercept	0.20	0.17	1.15	0.2515	0.07	0.14	0.55	0.586
Female	0.03	0.07	0.41	0.6794	0.07	0.05	1.4	0.1627
Minority	0.03	0.09	0.37	0.7137	0.04	0.07	0.57	0.5707
Household Size at Base	**0.04*****	0.02	1.71	0.0892	0.01	0.02	0.74	0.4606
Household Income at Base	-0.02	0.02	-0.91	0.3673	-0.03	0.02	-1.48	0.1415
Monthly Obligations at Base	0.01	0.01	1.18	0.2402	0.00	0.01	0.81	0.4183
Had Business at Base	0.08	0.07	1.25	0.2136	0.07	0.05	1.36	0.1741
Total hours of financial education	0.01	0.00	1.2	0.2315	0.00	0.00	0.65	0.517
Credit Builder Loans	0.02	0.09	0.23	0.8181	**0.13****	0.06	1.97	0.0496
Business Loans	-0.05	0.07	-0.7	0.4854	0.03	0.06	0.5	0.6151
Business TA	-0.06	0.10	-0.61	0.54	-0.06	0.07	-0.81	0.4177
Business Training	**-0.19***	0.07	-2.64	0.0095	-0.04	0.06	-0.64	0.5203
Financial Goals Set	0.05	0.09	0.53	0.5939	0.00	0.08	0.02	0.986

*Significant at 99%, **Significant at 95%, ***Significant at 90%

Dependent Variable is Change in Late Payments								
Data n	Base to 12 Months (Non- Zero Credit Score at Base) 127				Base to 6 Months (Non- Zero Credit Score at Base) 223			
Variable	**Parameter Estimates**	**St. Error**	**t Value**	**Pr > |t|**	**Parameter Estimates**	**St. Error**	**t Value**	**Pr > |t|**
Intercept	0.41	0.53	0.78	0.4367	0.34	0.27	1.26	0.2098
Female	-0.09	0.21	-0.45	0.656	0.09	0.10	0.87	0.3834
Minority	-0.14	0.27	-0.51	0.6123	-0.20	0.13	-1.48	0.1412
Household Size at Base	0.06	0.07	0.88	0.3795	0.03	0.03	1.05	0.2931
Household Income at Base	0.08	0.07	1.02	0.3111	0.03	0.03	0.97	0.3312
Monthly Obligations at Base	-0.03	0.02	-1.15	0.253	-0.02	0.01	-1.64	0.1029
Had Business at Base	-0.11	0.21	-0.52	0.6057	0.00	0.11	0.05	0.9627
Total hours of financial education	-0.01	0.01	-1.00	0.3215	0.00	0.01	-0.49	0.6228
Credit Builder Loans	0.18	0.27	0.66	0.5084	0.12	0.13	0.91	0.3617
Business Loans	0.26	0.23	1.13	0.2629	**0.25****	0.12	2.15	0.0326
Business TA	-0.21	0.31	-0.66	0.5096	-0.07	0.15	-0.46	0.6427
Business Training	0.18	0.22	0.84	0.4036	**-0.21*****	0.11	-1.86	0.0649
Financial Goals Set	0.18	0.28	0.64	0.5215	-0.04	0.16	-0.26	0.7915

*Significant at 99%, **Significant at 95%, ***Significant at 90%

Chart 4

	Change in Credit Scores from Base to 12 Months: Non-zero at Base						Unpaired T test				
	N	Mean	Std Dev	Std Err	Minimum	Maximum	Method	Variances	DF	t Value	Pr > |t|
Other Programs	83	24	55	6	-104	201	Pooled	Equal	146	2.81	0.0056
JP	65	-2	55	7	-131	115	Satterthwaite	Unequal	138.01	2.82	0.0056

Chart 5

	Credit Scores at Base: Non-zero Credit Score at Base						Unpaired T test				
	N	Mean	Std Dev	Std Err	Minimum	Maximum	Method	Variances	DF	t Value	Pr > |t|
Other Programs	88	608	72	8	488	808	Pooled	Equal	155	4.29	<.0001
JP	69	563	52	6	474	724	Satterthwaite	Unequal	154.22	4.46	<.0001

	Debt to Income Ratio at Base (Non-zero Credit Score at Base)						Unpaired T test				
	N	Mean	Std Dev	Std Err	Minimum	Maximum	Method	Variances	DF	t Value	Pr > |t|
Other Programs	88	0.30	0.14	0.01	0.00	0.66	Pooled	Equal	155	2.57	0.0111
JP	69	0.24	0.14	0.02	0.00	0.49	Satterthwaite	Unequal	142.75	2.56	0.0116

Chart 6

	Balance at 12 Months						Unpaired T test				
Score at 12 Months:	N	Mean	Std Dev	Std Err	Minimum	Maximum	Method	Variances	DF	t Value	Pr > |t|
350- 579	48	0.97	0.28	0.04	0.26	1.49	Pooled	Equal	68	2.21	0.0308
580 +	22	0.81	0.29	0.06	0.18	1.21	Satterthwaite	Unequal	38.647	2.16	0.0374

	# of Late Payments at 12 M						Unpaired T test				
Score at 12 Months:	N	Mean	Std Dev	Std Err	Minimum	Maximum	Method	Variances	DF	t Value	Pr > |t|
350- 579	48	1.15	1.60	0.23	0.00	5.00	Pooled	Equal	68	3.2	0.0021
580 +	22	0.05	0.21	0.05	0.00	1.00	Satterthwaite	Unequal	50.552	4.68	<.0001

Chart 7

	Change in Balance from 3 Months to 12 Months						Unpaired T test				
Score at 12 Months:	N	Mean	Std Dev	Std Err	Minimum	Maximum	Method	Variances	DF	t Value	Pr > |t|
0- 579	48	0.34	0.35	0.05	-0.33	1.11	Pooled	Equal	68	-0.61	0.5429
580 +	22	0.39	0.33	0.07	-0.01	0.88	Satterthwaite	Unequal	42.77	-0.62	0.5365

	Change in # of Late Payments from 3 Months to 12 Months						Unpaired T test				
Score at 12 Months:	N	Mean	Std Dev	Std Err	Minimum	Maximum	Method	Variances	DF	t Value	Pr > |t|
0- 579	48	1.15	1.60	0.23	0.00	5.00	Pooled	Equal	68	3.2	0.0021
580 +	22	0.05	0.21	0.05	0.00	1.00	Satterthwaite	Unequal	50.552	4.68	<.0001

For More Information

For more information on the Asset Building through Credit Pilot Program and other credit-building resources visit:

http://fieldus.org/Projects/SecureCard.html

http://fieldus.org/Projects/FinancialEd.html

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