Using Focus Groups To Understand Financial Literacy

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Prepared for presentation at the Financial Literacy Research Consortium
The research reported herein was performed pursuant to a grant from the U.S. Social Security Administration (SSA) funded as part of the Financial Literacy Research Consortium.

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Focus Groups

A process of information gathering.

- Qualitative research
  - A group interview
  - Generates data
  - Participants offer data individually and collectively
    - becoming part of the policy analysis tool kit
    - rich history in marketing, communications, sociology, education
Qualitative Research As Complement

• Complement to quantitative approach
  – Greater range of insights
  – Permits triangulation or the confirmation of findings
  – Improves the overall validity of results

• Also can be exploratory
  – Forming research questions
Understanding Financial Literacy Issues for Vulnerable Populations

• Explore opinions, values, and beliefs about financial issues in a collective context.
  – Who, where and when of financial advice and information

• Gain insight from personal experiences.
  – Positive & negative perceptions

• Understand the motivation and rationale for certain behaviors or responses.
  – Explore assumptions and underpinnings

• Suggest a range of ideas to inform larger scale studies.
• Explore issues raised using survey instruments.
26 Focus Groups in 2010

- Explore financial learning objectives and approaches
  - lower income, racial minorities, and members of households who have recently faced a negative financial shock.

- Identify educational opportunities – teachable moments?
  - Preferences, perceptions, and the role of persons, problems, experiences or circumstances that impact their decision making.

- Target population: people in public programs
  - VITA: income tax preparation
  - IDAs – matched savings
  - Employment services
  - Counseling – foreclosure/bankruptcy
  - Small business development (also spanish speaking)
  - One logistics center – low wage employees NOT in services

- Chicago, Minneapolis, St. Louis, San Francisco, Des Moines, Wisconsin, Orange County, Connecticut
Recruiting

• Obtained mail lists through community-based organizations and one employer.

• Chose 30 clients from the list at random.

• Letter was sent on UW letterhead with 800 # to call Abt Associates - human subjects consent process

• The participants received cash gift cards of $50-$75.

• Confirmed 8-10 participants; 6-8 typically followed through
Analysis of Data

- First names only in the sessions.
  - The transcriptions used pseudonyms
- Transcripts coded by 3 coders
  - Also session notes; body language etc
- Code analysis: incidence and intensity of each code; re-coding and hierarchy of codes
  - N-Vivo software
- Highlight sections of text that exemplify findings
  - Not representative
  - Not generalized, but illustrative
Examples of Themes

• Media a major source of financial information

• Employment context creates conflicts

• Managing credit cards and consumer debts/fees

• Significant distrust of banks – especially unexpected fees
Examples of Themes, con’t

• Limited incomes made it “essentially impossible” to save

• Interest in thrifty strategies to cut costs and find the means to save

• Focus on behavior change over education

• Prefer 1:1 counseling over group workshops
Looking Ahead

• Focus groups seeded several projects
  – Study of Savers Credit at Tax Time
  – Assessment of counseling & education

• Dissemination focus
  – Problem behavior as key issue
  – Use of media

• Targeting teachable moments
  – Easing barriers with employers
  – First time homebuyers
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