2011-07-01

Exploring Financial Knowledge, Behaviors, and Economic Socialization in an Incarcerated Population: A Mixed Methods Analysis

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A thesis submitted to the faculty of
Brigham Young University
in partial fulfillment of the requirements for the degree of

Master of Science

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August 2011

ABSTRACT

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Using a mixed method design, this study explored financial knowledge, behaviors, and economic socialization in a sample of men (N = 155) incarcerated in a Midwestern county jail. A financial knowledge assessment, adapted from the FLLIP assessment (Zhan, Anderson, & Scott, 2006), was administered as well as a survey of financial behaviors and criminal history characteristics. Based on responses to the quantitative survey, a theoretical sample of participants (n = 12) was selected to participate in in-depth, qualitative interviews regarding economic socialization to the formal economy, particularly banks. Quantitative analyses revealed that the mean financial knowledge score for the sample was 59%, with Whites (M = .68; n = 46) scoring significantly higher than non-Whites (M = .55; n = 108). Factors related to financial knowledge were explored through bivariate and partial (controlling for age and race) correlational analyses. Hierarchical linear regression was conducted to determine the demographic factors, criminal history characteristics, and financial behaviors that predicted financial knowledge. Results revealed that having filed a tax return was the strongest predictor of financial knowledge. Qualitative analysis, using a grounded theory methodology, revealed that the majority of the men were distrustful of banks and other financial institutions. There appeared to be two pathways to distrust of banks: (1) anti-bank socialization through family and peers, which was solely experienced by the older Black men in the sample and (2) usage problems, which was the predominant pathway for the White men.

Keywords: bank distrust, banks, economic socialization, federal taxes, financial behaviors, financial education, financial knowledge, formal economy, grounded theory, jail, juvenile detention, mixed methods, offenders

ACKNOWLEDGEMENTS

I entered graduate school with very specific plans for my thesis research and the fact that I was able to accomplish precisely what I set out to do is a testament to the assistance and dedication of so many people. First and foremost, I thank Dr. Randy Day, who believed in me and my ideas (even when they took longer than expected to come to fruition) enough to connect me with all the right people to make this project a reality. I also thank my committee members, Drs. Bahr, Israelsen, and Ward, who were always encouraging even while offering constructive criticism. I express appreciation to Dr. Justin Dyer who is undoubtedly one of the best people I have ever worked with from both a professional and personal standpoint, and his wife Aislin who offered practical assistance and friendship when this research took me to an unfamiliar city. I thank all the University of Illinois undergrads I was able to work with, but especially Brandon Lesch who will no doubt remain a lifelong friend.

I thank so many friends and family, especially my parents and grandparents. It's impossible to overstate how much support they offered, from babysitting to editing to dinners, not to mention unending love. I thank Kirsten Allen because only a true friend would format statistical tables for me. I also thank my baby girl, Addison, not because she helped with this thesis (she mostly hindered it—in wonderful ways, of course), but because she will always be the most important legacy of my grad school years. Most especially, I thank Neal, my partner in this—not everyone would move cross-country and go into jails with me—and *everything*.

Most of all, I thank the men I met in the jail who shared their experiences with me, especially those 12 I spent so much time with. They are the reasons I persisted even when life threw some curveballs—I never stopped wanting to tell their amazing, heart-breaking, beautiful stories. I suspect I never will. They were all seeking a better life. I pray they found it.

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Chapter 1: Introduction

In 2009, more than 2 million adults were incarcerated in the United States, with another 5 million under correctional supervision through probation or parole (U. S. Bureau of Justice Statistics, n.d.). Since an estimated 95% of all prisoners will eventually return to the community, an annual outflow of nearly 700,000 individuals, recidivism is arguably the greatest challenge facing the U.S. criminal justice system (Perez, Ro, & Treadwell, 2009; Petersilia, 2003). During the 1980s and 1990s, rehabilitative correctional programs were largely dismantled as a result of a correctional philosophy that emphasized punishment over rehabilitation as well as the belief that programs were ineffectual and costly (Gendreau, 1996; Petersilia, 2003). More recently, there has been renewed interest in reentry preparation, both in response to the ever-increasing numbers of offenders leaving custody and in light of mounting evidence that correctional programming can be both successful and cost-effective (Petersilia, 2004; Seiter & Kadela, 2003; Zhang, Roberts, & Callanan, 2006). Providing correctional programming to reduce re-offending is now considered a core part of the business of correctional agencies, both public and private (Casey, Day, Howells, & Ward, 2007). While correctional programming has typically been focused on educational and vocational training as well as mental health and drug treatment (Gaes & Kendig, 2003), there are increasing calls for programming related to daily living skills, including financial knowledge and management skills (Gaes & Kendig, 2003; McMurran, Theodosi, Sweeney, & Sellen, 2008; Monster & Micucci, 2005; Rossman, 2003; Sorbello, Eccleston, Ward, & Jones, 2002). Although some life skills programs already teach financial knowledge and skills, only one published study has attempted to assess incarcerated individuals' financial knowledge, particularly in the context of the formal economy. Koenig (2007) administered a financial knowledge assessment to 17 currently incarcerated men in an attempt to tailor a financial literacy curriculum to their specific backgrounds and needs. In light of the growing number of financial curricula targeted to incarcerated populations (e.g., Federal Bureau of Prisons personal finance and consumer skills curriculum, curricula created by local extension services, and for-profit correctional programming), further research into offenders' knowledge level and experiences with the formal economy is necessary to ensure that interventions are tailored to their specific needs and interests.

While financial knowledge and experiences with the formal economy have been largely overlooked within the incarcerated population, multiple studies suggest their salience because of the multi-dimensional impact money has on offenders' lives. First, previous studies have found that financial problems are one of the most commonly-cited stressors that inmates and their families face (e.g., Carlson & Cervera, 1992). Second, money is essential to daily maintenance and crucial for obtaining housing, which many believe is the greatest challenge facing newly-released inmates (Halsey, 2007; Petersilia, 2003). Third, studies indicate that in addition to caring for their own needs, a majority of incarcerated individuals are parents and feel a responsibility to financially provide for their children (Shannon & Abrams, 2007; Travis & Waul, 2003). Fourth, the highest re-arrest rates are generally among those offenders whose original convictions were motivated by money (Petersilia, 2003). Fifth, financial difficulties are typically intensified by the costs of incarceration, such as attorney fees, phone calls, and court fines (Arditti, Lambert-Shute, & Joest, 2003). Sixth, money is symbolic of success within society (Shapiro, 2007) and an inability to navigate society's financial systems may contribute to feelings of strain and reduce former convicts' investment in legitimate society (Agnew, 2005). Finally, predatory lending agencies tend to target those of lower income, which is the background from which many prisoners come, who may not understand the long-term, detrimental effects of these agencies' practices (Caskey, 2001). Clearly, the multi-dimensional impact of money merits further study within the incarcerated population.

Because of the dearth of studies in this area, the current study is exploratory and seeks to assess the financial knowledge level of incarcerated individuals; determine what financial behaviors they have participated in; analyze the demographic factors, criminal history characteristics, and financial behaviors that relate to their financial knowledge; and investigate how they have been socialized economically, particularly to the formal economy. To answer these questions, I surveyed 155 adult males incarcerated in two sites of a Midwestern county jail. The participants completed a financial knowledge assessment and answered questions related to previous financial experiences and behaviors. In addition, 12 participants were selected for a second in-depth interview regarding their perceptions of money and economic socialization. While the findings from this study are not necessarily generalizable to the larger incarcerated population, I hope it will stimulate new directions for research and practice so that financial education in jails/prisons can be further tailored to the specific needs and experiences of incarcerated individuals.

Chapter 2: Literature Review

Financial Education in Correctional Settings

In the mid-1970s, the topic of financial education emerged in the correctional education literature, generally under the label of *consumer education* or *consumer and home economics*. From programs for juvenile offenders (Spencer & Siler, 1974) to independent living programs for incarcerated women (Thomas, 1981), correctional educators and agencies began to recognize the need for consumer education for offenders as preparation for release back into the community. In 1982, Ryan reported on the development and piloting of the Individualized Adult Life Skills System, based on a needs assessment of offenders held in Georgia correctional institutions. The needs assessment revealed that 88% of the offenders did not graduate from high school, but this educational deficiency was deemed "secondary to the need for development of basic life skills" including personal financial management (Ryan, 1982, p.28). When piloting the life skills system, offenders and staff agreed that the consumer education module would be most useful for pre-release preparation.

Despite these promising efforts to introduce consumer education, occupational and vocational training tended to dominate correctional programming, leading one scholar to decry the "possibly fatal" assumption that

> if prisoners are given a wage earning skill they will be able to return to society as rehabilitated productive members ready to assume a role of responsible citizen. This attitude ignores, possibly overlooks the importance of the ability and skill of handling and managing the money that is earned. (Brooks, 1980, p. 4)

Brooks (1980) argued that "consumer education [was] the other side of the coin" and merited greater attention (p. 4). Although he lamented the fact that there were "no systematic studies of the consumer competencies among prison residents," he offered several arguments for the centrality of financial management training (p. 4). First, surveys had already indicated that money was listed by offenders as their major concern. Second, financial anxiety may be compounded by removal (through incarceration) from economic activity within an ever-changing marketplace. Third, economic/property crimes (e.g., robbery, burglary) may reflect an inability to navigate the economy and marketplace, leading the offender to resort "to violence or some other unlawful means to resolve the failing or inadequacies felt as a consumer" (p. 5). In spite of these calls for an increase in both research into offenders' consumer competencies and consumer education programs, the topic of financial education was largely abandoned during the 1980s and 1990s.

More recently, there has been renewed interest in teaching financial literacy and management skills. While some scholars specifically highlight the need to teach financial management in the context of basic life skills programs (Rossman, 2003; Sorbello et al., 2002), others are simply calling for expansion in the types of outcomes that reentry programs both emphasize and measure. For example, Petersilia (2004) stated:

> If we wish to truly measure reintegration, we need to build into our evaluations measures of attachment to a variety of social institutions. . . . There are many outcomes that reentry programs strive to improve upon, and these are virtually never measured in traditional recidivism-only outcome evaluations. (p. 7)

Although she particularly addresses questions of employment, church/community participation, and support/treatment group attendance, I submit that knowledge of and participation in the formal economy should be among the measures of reintegration that we begin to monitor.

While scholarly interest in the topic of financial education is still fairly new, a quick Google search demonstrates the diverse groups already conducting financial education in correctional settings: Cooperative Extension programs (e.g., Virginia Cooperative Extension, n.d.), nonprofit organizations (e.g., Amen Prison Ministries, n.d.), banks and financial institutions (e.g., Lucas, 2011), for-profit corrections companies (e.g., Correctional Programs, n.d.), and governmental corrections agencies (e.g., Ohio Department of Rehabilitation and Correction). Indeed the Federal Bureau of Prisons (BOP) has a far more consistent and comprehensive prerelease program than state prison systems; a program that includes courses in personal finance and consumer skills (e.g., Federal Bureau of Prisons, 2009; Petersilia, 2003).

Despite these important, preliminary steps, no large-scale studies offer a picture of what levels of financial knowledge offenders possess nor what specific needs they perceive in this area. This is not surprising in light of the difficulty in studying and generalizing about such a diverse population (Gaes & Kendig, 2003; Frase, 1998; Petersilia, 2003), but building a needs-assessment literature around the topic of financial education would help new and existing programs and curricula to be empirically-based. At this point, only one recent study has attempted to assess financial knowledge among an incarcerated population. To prepare to teach a financial literacy class in a medium-security prison in Wisconsin, Koenig (2007) conducted a financial knowledge assessment with 17 men who voluntarily agreed to participate in the class. The assessment, adapted from the Jump$tart Coalition for Personal Financial Literacy's survey (see Jump$tart Coalition, n.d.), was administered as a pretest prior to the class with student scores ranging from 37% to 90%. Most students scored well in the credit and payroll sections; had average scores in the areas of insurance, privacy, cars, budgeting, credit cards, and housing; and low scores on savings, retirement, and interest. In addition to the assessment, which Koenig used to tailor the instruction to the students' needs, she explored the students' experiences in the following domains: *financial problems*, *savings or debt*, *banking*, *retirement*, *housing*, and *automobile ownership and financing*. Of note in her findings about their financial experiences, while the majority of students reported that they had experienced some financial difficulties, some reported that they had never had any financial problems. Though the majority of students had either a checking or savings account, most reported that they held a zero or negative balance in savings. Not surprisingly, the majority of offenders had debt of some kind (i.e. court and restitution fees, child support, medical bills), a finding that is well-supported in other research (e.g., Cammett, 2006). Only four of the men had ever had a bank loan or credit card. Only two men had started saving for retirement or owned their own home.

Financial Problems

Although Koenig's (2007) study was the first published financial knowledge assessment among an incarcerated population, other studies have examined some of the financial experiences she explored, particularly financial problems. Indeed, there is no shortage of studies indicating that financial problems contribute to offending and thus present a prominent criminogenic need (Hollin & Palmer, 2006; Home Office, 2002; Moffitt, Caspi, Harrington, & Milne, 2002; Peck & Theodore, 2008; Sorbello et al., 2002; Salisbury & Van Voorhis, 2009; Tyler & Johnson, 2004). It is not only researchers that interpret financial issues as a significant criminogenic need. In a survey of more than 1,000 mothers in prison, 54% cited "having no money" as the reason for offending, which was the most common response. Additionally, 38% reported the "need to support children" as the reason for offending (Home Office, 2002). In a more recent assessment of programming needs and desires of offenders, Monster and Micucci (2005) found that property offenders, in particular, expressed desires for a financial management program (which was not currently available at the Canadian facility in which they were incarcerated). Similarly, male offenders incarcerated in the United Kingdom expressed finance-related concerns, such as how to save or open a bank account (McMurran et al., 2008). This preponderance of evidence has led socioeconomic strain to be included in offender risk/needs assessment instruments as a predominant criminogenic need (e.g., Level of Service Inventory-Revised, Andrews & Bonta, 1995), with recent studies suggesting that difficulties in the financial domain are even more germane for female offenders (Heilbrun, DeMatteo, Fretz, Erickson, Yasuhara, & Anumba, 2008; Salisbury & Van Voorhis, 2009).

In other studies of offenders and their families, which are not particularly focused on criminogenic needs, financial problems also tend to feature prominently. For example, Carlson and Cervera (1992) found that financial problems were one of the most commonly-cited stressors faced by inmates and their families. Similarly, a 1999 evaluation of a community reentry and aftercare program found that nearly a third of the clients in the Opportunity to Succeed Program (OPTS) had trouble finding a place to live, with the majority citing financial constraints as the reason (Rossman, Gouvis, Buck, & Morley, 1999). In another study of the effect of prisoner reentry on local communities, Rose and Clear (2003) found that the most important impact was financial; community respondents reported that recently-released prisoners returned with limited financial means but many financial needs. In a 2002 study, Moffitt and associates compared three groups of men – childhood-onset delinquents, adolescent-onset delinquents, and aggressive children who were not delinquent as adolescents – and found that all reported financial problems and "difficulty making ends meet," with the childhood-onset/life-course persistent delinquents reporting the highest level of difficulties.

Despite the fact that financial issues are addressed in some studies as well as in prominent risk assessment instruments, some conceptual problems are apparent. For example, in Moffitt et al. (2002) participants responded to just two financial items: “lacks enough money to make ends meet” and “poor money manager.” While both would indicate financial problems and may often be co-occurring, they also represent two distinct phenomena: the first, difficulty in obtaining needed income and the second, difficulty managing income and expenses. Although these two phenomena could stem from the same root cause, they may also stem from different causes (e.g., the first may derive from educational and employment barriers while the second may be rooted in impulsive behavior). Similarly, in Salisbury and Van Voorhis’ (2009) study of gendered pathways to offending, the researchers used five items to assess socioeconomic strain: whether participants had (1) an automobile, (2) checking, or (3) savings accounts; (4) were unable to pay bills without assistance; or (5) had ever been homeless (p. 550). Although responses to such questions give a quick snapshot of the financial position of the respondents, each item is difficult to interpret without exploring the larger context. For example, asking whether an offender has a checking or savings account tells us something important since we have little data on such questions within an incarcerated population. However, it leaves unanswered many important, related questions that would help us understand the causes of not having such accounts: Is it due to lack of knowledge about how to create bank accounts? Is it due to lack of access to mainstream financial institutions? Is it due to discomfort (despite knowledge and/or access) with financial institutions? Is it due to lack of money to put into the account? Each of these questions is particularly relevant to low-income populations as studies have shown that low-income individuals often face barriers to using financial institutions (Beverly & Sherraden, 1999; Johnson & Sherraden, 2007). Although these types of causal questions have not been explored with an incarcerated population, it is likely that they take on even greater significance, considering the additional barriers a criminal record can impose (Henderson, 2005). Again, the issues of knowledge, access, and discomfort may be co-occurring and have similar root causes, but without further exploration, it is impossible to know. In short, further study is required to sort out important conceptual issues regarding the financial problems of offenders: What exactly are we assessing? Are we confounding distinct phenomena due to the specific questions we are asking? Are we asking the questions most relevant to their experiences?

Multi-dimensional Impact of Money

Because the existing literature regarding offenders' financial problems offers a compelling argument for further study of financial knowledge and experiences with this population, it is worth exploring the research that already supports the multi-dimensional impact of money on offenders' lives. The following does not represent an exhaustive literature review on each topic, but a sampling of studies that support the salience of each of these dimensions and informed the questions asked in the current study.

Firstly, money is essential to daily maintenance (shelter, food, etc.) and an immediate hurdle faced by newly-released offenders. Offenders without money or savings may be provided with a small amount of "gate money," approximately $50 within the Illinois Department of Corrections, for example (Peck & Theodore, 2008), and a bus ticket back to their former neighborhood. These provisions often do not account for the crucial need for housing, which many believe is the greatest challenge facing newly-released offenders (Halsey, 2007; Hirsch et al., 2002; Petersilia, 2003; Rose & Clear, 2003). Ex-offenders are typically barred from public housing and will have only temporary access to emergency shelters or halfway houses (Dickson-

Gomez, Convey, Hilario, Weeks, & Corbett, 2009; Peck & Theodore, 2008). Many must depend on family or friends, despite the fact that those relationships have often been strained by incarceration. In an evaluation of a reentry aftercare program, Rossman and associates (1999) found that almost one-third of clients had difficulty finding housing after their release, most citing financial problems, such as insufficient funds for deposits, rent, or utilities, as the reason. In a more recent study of victimization and offending among 40 homeless youth, one of the most common reasons for offending was simply to get money to buy food (Tyler & Johnson, 2004). Clearly, many former offenders struggle to provide for the basic provisions of life.

Secondly, most studies find that in addition to providing for personal needs, a majority of incarcerated individuals are also parents and feel a responsibility to financially provide for their children (Rossman et al., 1999; Shannon & Abrams, 2007; Travis & Waul, 2003). In a study of 151 recently-released offenders, 67% of which were parents to children 18 or younger, 24% indicated that they were fully financially supporting all of their children, while only 9% reported that they did not provide financially for any of their children (Rossman et al., 1999). Financially providing for children is not simply incidental to the lives of offenders, but integral to the identity of incarcerated parents (Buston, 2010) and often cited as the reason for offending (Braman, 2007; Home Office, 2002; Shannon & Abrams, 2007). As one offender succinctly explained, “Right or wrong, I do what I have to do to provide” (Braman, 2007, p. 149).

Thirdly, the highest re-arrest rates are generally among those inmates whose original convictions were motivated by money, which may be tied to the issue of providing basic necessities for self and family (Petersilia, 2003). Although the relationship between motivation for offending and recidivism needs further examination (Gudjonsson & Sigurdsson, 2007), the preceding accounts of offending for financial provision demonstrate that this is clearly a plausible factor.

Fourthly, the financial difficulties that offenders and their families often face before incarceration are typically only intensified by incarceration. In one study of family members visiting an incarcerated individual, fully two-thirds of the 56 participants responded that they were “somewhat worse off” or “much worse off” financially since the incarceration (Arditti et al., 2003). Families often report not only loss of the income of the incarcerated family member, but a host of incarceration-related expenses: attorney fees, bail, collect calls, putting money on the inmate’s books, and transportation costs associated with jail/prison visits (Arditti et al., 2003; Braman, 2007; Brooks, 1980). In addition to the increased financial stress on family members, the incarcerated individual often receives criminal fines and restitution fees that may not take into account financial means (Hillsman & Greene, 1988). Similarly, child support obligations may continue to accrue regardless of ability to earn income, leaving the offender with mounting debt (Cammett, 2006). Additionally, offenders will often have public benefits terminated upon incarceration, restricting their access to housing, medical care, Temporary Assistance for Needy Families (TANF), and food stamps, which may have been critical to their financial well-being (Hirsch et al., 2002; Perez et al., 2009).

Fifthly, money is symbolic of success within society (Brooks, 1980; Shapiro, 2007), and thus an inability to navigate and succeed within the formal economy may contribute to feelings of strain, which in turn can reduce former offenders’ investment in legitimate society (Agnew, 2005). Although Merton’s (1938) theory of strain has been criticized (see Young, 1999), research continues to suggest that it remains a compelling explanation for some crimes. Indeed, many studies indicate that criminal activities, particularly those related to the underground and drug economies, are a response to alienation from legitimate labor markets (Copes, Hochstetler, & Williams, 2008; Dembo, Hughes, Jackson, & Mieczkowski, 1993; Halsey, 2007; Hannon & DeFina, 2010; Padilla, 1992). For example, Dembo and associates (1993) surveyed 34 youth drug dealers about their reasons for selling crack cocaine. Fully 97% agreed that legal jobs paid too little, while 38% indicated that legal jobs were not available. More recently, Halsey (2007) conducted in-depth interviews with 25 young repeat offenders. Although Halsey found that many types of "currency" (e.g., quality and quantity of drugs, stolen car parts) were integral to the young men's lives, money was the currency that "most find nearly impossible to acquire through legitimate means and for sustained periods" (p. 1238). Ironically, for many of the young offenders, prison represented their first opportunity to be "employed" for a lengthy period of time. Similarly, in their study of hustlers' identity maintenance, Copes et al., (2008) find that despite the hustlers' success in the underground economy they are "separated (by some combination of agency and structure) from legitimate means of achieving mainstream social prestige" (p. 256). Clearly, barriers to navigating and participating in the formal economy, which are generally intensified by incarceration, are certainly relevant to many offenders' experiences.

Finally, predatory lending agencies tend to target low-income populations, who may not understand the long-term, detrimental effects of these agencies' practices (Caskey, 2001). Former convicts may be even more susceptible to unscrupulous business practices because they are increasingly restricted from access to more traditional credit channels and financial services (Henderson, 2005; Peck & Theodore, 2008). For example, government assistance agencies as well as private lenders participating in government-sponsored programs regularly inquire about clients' criminal histories, a practice which courts have upheld (Henderson, 2005). Thus former offenders may be targeted by predatory lending agencies while having fewer options to avoid such businesses. Clearly, money exerts a multi-dimensional impact on the lives of incarcerated individuals. Yet there continue to be gaps in our understanding that merit further study.

Purpose of the Study

Because only one study has specifically focused on incarcerated individuals' financial knowledge and experiences within the formal economy, this is an exploratory study.   Using a quantitative survey administered to 155 adult males incarcerated in a Midwestern county jail, I addressed the following research questions:

1. What level of financial knowledge do incarcerated individuals possess?
2. What financial behaviors have they employed?
3. What demographic factors, financial behaviors, and criminal history characteristics relate to inmates' financial knowledge?

Based on their quantitative survey responses, 12 participants were selected for in-depth, semi-structured interviews regarding their economic socialization and financial experiences. Through the qualitative interviews, I addressed the following question:

4. How are incarcerated individuals economically socialized to the formal economy and what are their experiences within it, particularly with regard to banks?

By beginning to answer these questions, financial education efforts can be more thoroughly rooted in the perceived needs and experiences of incarcerated individuals.

Chapter 3: Method

The current study utilized a mixed methods approach to collect both quantitative and qualitative data. The quantitative component, while generating useful data in its own right, was also critical for selecting a theoretical sample of in-depth interview participants that varied in levels of financial knowledge as well as other related factors. Despite the utility of the quantitative data, a qualitative methodology is more appropriate for this study for two reasons. Firstly, a qualitative methodology is ideal for exploring new areas of study because it generates thick description from participants' lived experiences (Creswell, 2007). Due to the relative dearth of studies examining jails and even fewer addressing inmates' financial knowledge and experiences, this study was exploratory in nature. Secondly, while quantitative studies seek to produce generalizable findings, qualitative studies are designed to examine unique groups that may not be easily compared to a larger population. Most previous criminal justice research has examined prisons because they house a more stable and uniform population (Western, Pattillo, & Weiman, 2004)—offenders who have been sentenced to terms of incarceration of at least one year. Jail populations, on the other hand, are strikingly diverse and variable, holding some individuals for 48 hours or less while other offenders serve one-year sentences. In addition to the diversity of the offender population, jails are essentially atypical in function, size, location, and administration (Frase, 1998) because they are generally locally-operated, making it impossible to generalize results to all jails or jailed populations.

Setting

While comparing jails is difficult because of their inherent diversity, some available data can help contextualize the county jail in this study. The jail consisted of two nearby sites, both located in a moderately large metropolitan area in one of the largest counties in the Midwestern state in which the jail was located. This county jail was not among the largest jails in the U.S., which typically hold average daily populations of at least 1000 individuals, but was one of the approximately 13% of jails that house an average daily population between 250 and 1000 individuals (Stephan, 2001). According to the jail administration's 2005 counts, the jail processes between 500 and 660 prisoners each month. In terms of jail population nationwide (during 2008 when these interviews were conducted), approximately 87% were male, 43% were White, 39% were Black or African American, and 16% were Hispanic or Latino (Minton & Sabol, 2009). Although the precise demographic composition of this county jail during the period of the study was not available, the male-to-female ratio was similar to the national demographics, at approximately 85% male. However, in terms of race/ethnic origin, this county jail differed substantially from the national population, with a much smaller percentage of Hispanics/Latinos and a larger percentage of Blacks.

Procedure

While it is not easy to conduct research with incarcerated individuals because they are a federally-protected, vulnerable population, I was fortunate to have a co-investigator who was already acquainted with the jail's administrators. The administrators made a separate room (typically the library or programs room) available to us during three-hour blocks several times each week. Although the interview room was visible to a guard at all times, no guard ever remained in the room during the interviews, and we were generally allowed to have the door closed to ensure privacy. Because of the jail administrators' willingness to facilitate our research efforts, the more substantial hurdle was gaining Institutional Review Board (IRB) approval. The IRB approval took approximately six months to obtain and necessitated some specific safety measures. The primary safety measure was that two interviewers were required to be present at each interview, with one of those two being male. My co-investigator, a doctoral student, and I trained a team of undergraduate students both in safety precautions (e.g., what to do in the event of a lockdown at the jail) and ethical interviewing procedures. Although I administered a substantial number of the initial, quantitative surveys, the primary aim was to prepare the undergraduate researchers so that they could conduct the majority of the initial interviews.

Following the initial surveys, it was important to enter the data as quickly as possible in order to facilitate selection of participants for the follow-up, in-depth interviews (see the next section for further details about the selection process). Although I led all the in-depth, qualitative interviews, I gave the male undergraduates, who were required to accompany me, a copy of the interview guide and I encouraged them to ask relevant questions at any time. Because I had previous experience interviewing men in jail at a much larger, inner-city jail as a legal intern at a prisoner rights group, this jail setting was not intimidating for me. Indeed, in comparison to the interviews I had been accustomed to while investigating assault claims and similarly intense subjects, these interviews were enjoyable, even fun. Even when discussing difficult subjects, most of the in-depth interview participants were willing and open, particularly the self-described "hustlers" who viewed talking as among their most important currencies. Although my IRB approval did not allow me to ask specific questions about past or current criminality, most participants offered some information spontaneously. To ensure each participant's comfort with the process, at the conclusion of each interview, I asked the interviewee if he would like to have any sensitive portions deleted from the recording (no participant answered affirmatively). Although these interviews differed markedly from my previous jail interviewing experiences when I was working in a legal capacity, the commonality was the gratitude that many of the men expressed for having someone visit them, listen to them, and show genuine interest in their situation.

Participants

The sample consisted of 155 adult males in two county jail sites in a Midwestern county. Men in the jail were recruited for the study if they had sufficient mental capacity; spoke English sufficiently well to understand the questions; and were not placed in desegregation (i.e. not considered a threat to those around them). Additionally, they had to have either no release date or a projected release date at least four weeks away, which allowed the greatest chance that a follow-up survey could be conducted with each man. Men could decline to participate in any part of the study as well as refuse to answer any particular question. The initial survey was read to the men and took from one to two hours to complete. Participants received a five dollar credit to their jail accounts as compensation for their time.

Following the initial survey, a subset of participants was selected to participate in open-ended, in-depth interviews, based on their responses to the quantitative survey. I selected participants for the qualitative portion using a multi-step process. First, I divided the participants into three groups by tertiles, so that I had low, middle, and high financial knowledge groups. Second, I conducted some preliminary statistical analyses, primarily correlations, to determine which characteristics appeared to be related to financial knowledge. This preliminary analysis revealed that (1) age; (2) race; (3) whether they served time in juvenile detention; and (4) whether they had ever filed a tax return were all significantly correlated with financial knowledge. Third, I selected participants from each financial knowledge group (low, middle, and high) that represented diverse backgrounds on the previously-identified correlated variables.

Because my primary interest was in those who might have the greatest need for financial education, I oversampled from the low and middle groups.

In total, twenty-two men were selected to participate in the in-depth interviews: twelve participated, two declined, and eight had either been moved or released before they could be re-interviewed, a testament to the constant fluctuations occurring in the jail. The final qualitative sample included five from the low financial knowledge group, four from the middle group, and three from the high group. The in-depth interviews were digitally recorded and lasted between forty minutes and two hours. Participants received an additional five dollars for participating in this portion of the study.

Quantitative sample characteristics. Participants ranged in age from 18 to 62, with a mean age of 31.0 years (*SD* = 11.0). Approximately 64.5% were Black or African American, 29.7% were White, 1.3% were Hispanic or Latino, and 3.9% identified as biracial or other. In terms of education, 29.7% did not finish high school, 45.2% finished high school or earned a GED, and 25.2% had some post-secondary education. More than 69% of participants had never been married, while 9.6% were married or remarried and 17.3% were divorced or separated. Immediately prior to this incarceration, 60% reported that they had been employed by someone else, while 10.3% had been self-employed and 29.7% had been unemployed. Participants had been in the jail an average of 46.9 days (*SD* = 60.5), with a range from 1 day to 375 days. The majority, about 78.1%, were awaiting trial while 21.3% had already been convicted and were either awaiting sentencing or completing their sentence in the jail.

Nearly 20% of the sample declined to give their monthly income prior to jail; however, this is common in many social science studies in which as many as 30% of participants decline to answer income questions (Acock, 2005). Using *Stata 11.1* to conduct single imputation using expectation maximization, monthly income was imputed using all demographic and criminal history characteristics, financial knowledge scores, and financial behavior variables. Participants reporting their pre-jail monthly income were compared with those who declined on all demographic, criminal history, and financial variables. The two groups did not differ significantly in terms of age, race, education, or marital history. However, those declining to give their pre-jail monthly income had lower mean financial knowledge scores, were more likely to have served time in juvenile detention, and less likely to be employed before coming to jail, to have a checking or savings account, to have accessed their credit scores, and to have filed a tax return. Taken as a whole, this suggests that those who declined to give their income were likely engaged in illegal, money-making activities prior to jail. After imputation, the participants' mean reported pre-jail monthly income was \$1,700 (*SD* = \$1,368), with a range from \$0 to \$8,000 per month.

Qualitative sample characteristics. Participants in the in-depth interviews ranged in age from 19 to 49, with exactly half younger than the mean age (*M* = 31.0) for the whole sample and half older than the mean age. Of the 12 participants, seven were Black or African American while five were White. Seven of the men had not finished high school, four obtained a GED, and one had a bachelor's degree. In terms of marital status, seven had never been married, two were currently married, and three were divorced or separated. The participants' monthly income before coming to jail ranged from \$0 to \$6,000 per month, with a mean of \$2,254 (*SD* = \$1,679). Participants had been in the jail an average of 61.7 days (*SD* = 82.0), with a range from 4 days to 300 days. Eight of the men were awaiting trial while one was convicted and awaiting sentencing and three were convicted and completing their sentences in the jail.

Measures and Instruments

Financial knowledge assessment. To measure financial knowledge, I adapted a previously-published assessment (Zhan, Anderson, & Scott, 2006) created to test the knowledge of participants in the Financial Links for Low-Income People (FLLIP) program. The original assessment consisted of 39 true-false and 9 multiple choice questions in five major content areas that were "previously indicated by the literature as important to the financial well-being of low-income persons" (p. 58). Although the majority of the true-false items were used verbatim, pilot-testing demonstrated that the multiple choice questions were difficult to follow when read aloud (as required by the IRB approval). Consequently, four multiple choice questions were transformed into true-false questions, while the remaining five were eliminated. The final knowledge assessment consisted of 43 true-false questions (see Appendix B for adapted financial knowledge assessment), which were coded as a correct response (1) or an incorrect response (0) and then transformed into percentage of correct responses. The five content areas represented were:

1. *Banking practices*, which included 6 items such as "All banks provide the same interest rates on their savings accounts" and "Banks often allow direct deposit of paychecks into checking or savings accounts."
2. *Predatory lending practices*, which included 7 items such as "Payday loans usually have low interest rates" and "Buying an item through rent-to-own plans usually costs less overall than buying the same item with a bank loan."
3. *Savings and investing*, which included 10 items such as "Investments usually are less risky than savings accounts" and "Compounding means additional interest you receive when you re-invest earlier interest you have earned."

4. *Credit use and interest rates,* which included 8 items such as "Credit bureaus keep track of how people pay their bills" and "Loans that allow no interest for a certain period often have very high interest rates later."
5. *Public and work-related benefits,* which included 10 items such as "Employers will sometimes contribute to your savings when you invest in retirement plans" and "The Earned Income Tax Credit (EITC) is a government payment that rewards people for working."

Financial behaviors checklist. The checklist consisted of 11 items asking whether participants had ever participated in a variety of financial behaviors, such as having a checking account, receiving public assistance, filing a federal tax return, or having debt. Men responded *yes* (1) or *no* (0) to whether they had ever participated in these behaviors, as well as described what type of debt and approximately how much debt if they responded affirmatively to the debt question. For a complete list of the financial behaviors questions, see Appendix C.

Criminal history characteristics. Participants responded to the following five items regarding their criminal history:

1. How old were you the first time you were arrested?
2. Did you ever spend time in a juvenile detention center or correctional facility for a crime you committed before you were 18? (0=*no*, 1=*yes*)
3. How many times have you been convicted in a court of law as an adult?
4. How many times have you been sentenced to prison or jail for a crime?
5. How many times have you had your parole or probation revoked and been sent back to prison or jail?

Qualitative interview guide. In preparation for the in-depth interviews, I created an interview guide (see Appendix D for final interview guide), based upon the recommendations of Lofland, Snow, Anderson, and Lofland (2006). Lofland et al. (2006) state that "the emphasis is on obtaining narratives or accounts in the person's own terms," and thus encourage trying "to adopt the perspective of the people you will be interviewing" when constructing your interview guide (p. 101-102). In order to do this, I first composed broad, open-ended questions about the relevant topics. Second, I organized these questions into a global design that began with less sensitive questions (e.g., Where did you grow up?) and, after building rapport, moved to more sensitive or personal questions (e.g., Can you tell me about your earliest memories of or experiences with money?). Third, I organized the questions in a temporal manner (i.e. questions about childhood, adolescence, and then adulthood) so that the ordering would be intuitive to the participants. Finally, I added probes, or more specific questions to ask if information was not offered spontaneously, in order to ensure that I covered all the relevant dimensions of a particular topic. Despite the careful construction of the interview guide, each interview was intended to be unique and tailored to the responses of the participant.

Analysis Plan

Quantitative data analysis. Data from the initial survey was input in the statistical software package *SPSS 16.0*, which was used to conduct all analyses except the previously-mentioned imputation conducted in *Stata 11.1*. Next, I devised a four-step analysis process to explore my research questions. First, I conducted descriptive analyses to determine the mean percentages of correct responses on the overall financial knowledge assessment and in the five content areas. I also conducted descriptive analyses on the financial behaviors checklist to determine participants' past financial experiences. Second, I conducted independent samples *t*-

tests and Pearson chi-square tests to examine how race related to participants' overall financial knowledge and previous financial behaviors. Third, I conducted bivariate and partial correlation analyses to examine factors that related to participants' overall financial knowledge. Finally, I created a hierarchical, simultaneous-method linear regression model to determine which factors predicted financial knowledge (Cohen, 2003). Overall financial knowledge was regressed on all demographic factors, criminal history characteristics, and financial behaviors (entered in blocks) that were significantly correlated with financial knowledge in the correlational analyses. I used preliminary results from these statistical analyses to select a theoretical sample of participants for the qualitative portion of the study.

Qualitative data analysis. The in-depth interviews were transcribed from the digital recordings. Following transcription, the recordings were destroyed and interviewees were referred to only by pseudonyms. The transcripts were transported into *NVivo 9* for coding and analysis. I used a grounded theory methodology to guide coding and analysis. Grounded theory is a systematic method of generating a theory or explanation inductively from data by using multiple layers of coding (LaRossa, 2005). Although I adhered more closely to Corbin and Strauss' (2008) systematic approach to grounded theory, I was also guided by some aspects of Charmaz's (2005, 2006) constructivist approach, particularly the emphasis on the reflexivity of the researcher and the tentative and incomplete nature of the conclusions. I analyzed the data in stages, beginning with open coding in which categories were developed by segmenting information and properties of each category were identified. Next, during axial coding I arranged the data in new ways and created a broader coding paradigm, which identified the central phenomenon as well as the context, causal conditions, strategies, and consequences of the phenomenon. Finally, during selective coding, I connected the categories together, allowing a “story line” to develop. Throughout the coding process, memoing allowed me to think reflexively about how my personal values were represented in my coding schema as well as generating ideas about the evolving theory.

Chapter 4: Results

Quantitative Results

Financial knowledge assessment scores. Table 1 presents the mean financial knowledge scores (overall and in the five content areas) for the full sample as well as subdivided by race. Because the sample only included eight individuals that did not identify as either White or Black/African American, race was recoded into White and non-White for all analyses, with the non-White group including Black/African Americans, Hispanics, and biracial/other individuals. The mean score on overall financial knowledge for the full sample was 59% (SD = .18). Among the specific content areas, participants scored highest in banking practices (M = .75, SD = .24), followed by credit use and interest rates (M = .66, SD = .20); predatory lending practices (M = .60, SD = .28); public and work-related benefits (M = .53, SD = .22); and savings and investing (M = .52, SD = .24).

Independent-samples t-tests were conducted to explore whether financial knowledge mean scores differed for Whites and non-Whites. Because Levene's test for equality of variances was significant, equal variances were not assumed. Table 1 indicates the significant results for the independent-samples t-tests. Whites had significantly higher mean scores in overall financial knowledge, $t(98.49) = -4.54$, $p = .00$, as well as in each content area except public and work-related benefits.

Financial behaviors checklist. Table 2 presents the percentage of respondents that had ever participated in each financial behavior for the full sample as well as subdivided by race. A series of Pearson chi-square tests were conducted to assess whether participation in each financial behavior differed by race. Whites and non-Whites differed significantly on just four of the financial behaviors: whether they had ever had a savings account, Pearson $\chi^2(1, n = 154)$ =

9.45, p = .00; accessed their credit score/report, Pearson $\chi^2(1, N = 155) = 6.02$, p = .01; owned their own home, Pearson $\chi^2(1, N = 155) = 14.33$, p = .00; and filed a tax return, Pearson $\chi^2(1, N = 155) = 10.47$, p = .00. The differences were particularly striking on the home ownership question, with Whites more likely to have owned a home (*P* = .41) than the hypothesized proportion (*P* = .22) while non-Whites were less likely (*P* = .14) than hypothesized. However, this may in part be explained by the age differences between Whites (*M* = 34.6, *SD* = 12.0) and non-Whites (*M* = 29.5, *SD* = 10.2) within the sample.

Correlated factors. Correlation coefficients were computed between financial knowledge and all demographic factors, criminal history characteristics, and financial behaviors. Using the Bonferroni approach to control for Type I error across the 22 correlations, a *p* value of less than .002 (.05/22 = .002) was required for significance. After determining that age and race were both significantly correlated with financial knowledge, partial correlation coefficients were then computed holding constant age and race. A *p* value of less than .003 (.05/20 = .003) was required for significance based on the Bonferroni approach across the 20 partial correlations. See Table 3 for a complete list of means, standard deviations, bivariate correlations, and partial correlations.

Bivariate correlations revealed that age, race, educational level, marital history, and pre-jail employment status were all significantly related to financial knowledge scores. However, none of the partial correlations was significant. Of the criminal history characteristics, the only factor that was significantly correlated (negatively) with financial knowledge was whether or not the participant had served time in juvenile detention, but this significance did not persist after controlling for age and race.

The bivariate correlations revealed five financial behaviors that were significantly related to financial knowledge: having had a (1) checking account, (2) savings account, and (3) credit card; (4) having accessed one's credit score or report; and (5) having filed a federal tax return. Although having accessed the credit score/report was no longer significant in the partial correlations, the other four were: checking account (r = .426, p < .003), savings account (r = .398, p < .003); credit card (r = .283, p < .003), and tax return (r = .450, p < .003). In particular, the partial correlations with having had a checking account, savings account, and filing a tax return were moderately large in magnitude.

Predictive factors. Finally, a hierarchical, simultaneous-method multiple regression analysis was conducted to determine which factors were most predictive of overall financial knowledge. The demographic factors, criminal history characteristics, and financial behaviors that were significantly related to financial knowledge in the bivariate correlational analyses were entered into the regression analysis in blocks. Table 4 presents a summary of the regression results. Results for Model 1 indicated that demographic factors alone accounted for a significant amount of the variance in financial knowledge, R^2 = .26, adjusted R^2 = .23, F(5, 147) = 10.20, p < .001. Having served time in juvenile detention, the only criminal history characteristic added in Model 2, did predict significantly over and above the demographic factors, R^2 change = .02, F(1, 146) = 4.29, p < .05. The final model including financial behaviors also predicted over and above the demographic and criminal history characteristics alone, R^2 change = .16, F(5, 141) = 7.94, p < .001. Together the demographic factors, criminal history characteristics, and financial behaviors accounted for 39% (R^2 = .44, adjusted R^2 = .39) of the variance in overall financial knowledge, with having filed a tax return being the strongest predictor.

Qualitative Results

Based on the quantitative analysis, a theoretically-based sample of 12 men was selected from the larger sample to participate in in-depth, qualitative interviews (see Table 5 for the demographic and criminal history characteristics and Table 6 for the financial history characteristics of the qualitative sample). While the focus of the current study was on socialization to institutions within the formal economy, I also asked questions about their past experiences with and future intentions toward employment so that I could understand the opportunity structure they perceived (Cloward & Ohlin, 1960). As previously mentioned, almost 30% of the quantitative sample was unemployed prior to coming to jail, with 17% indicating that they were actively looking for work. By contrast, the unemployment rate in this Midwestern state was approximately 7.3% in 2008, while the nationwide unemployment rate was about 7.2% (U.S. Bureau of Labor Statistics, 2009).

Despite the high percentage of unemployed men within the quantitative sample, the qualitative interviewees as a whole were quite optimistic about their employment prospects. As David succinctly put it, "Oh, I can get a job." Indeed, ten of the 12 men said that they would be able to get a job without much difficulty after leaving jail. However, it is worth noting that five of the men (Buford, Jacob, Jeff, Jordan, and Rob) intended to move—at least temporarily—in order to get the types of work they wanted. Rob, who was certain he could find work after moving to the state of Kansas, explained his intentions in this way:

> I give myself a reasonable amount of time to find work and it's gonna be exactly 5 days. That's as long as it ever took me to find work, except when I got out and got paroled over here to [this county], nothing was happening here, there was no work.

He further explained why he wanted to get out of this particular county:

> Most of the people here are, are addicts or alcoholics and their money coming in to provide for their addictions probably down state here and the poorer counties, like [this] county. It's like, I've heard that's the poorest county in the state and we're living in [this] county. There the people at the bar, nobody's talking about working. It's because nobody works; they all make and sell meth.

Rob was not alone in feeling that the options were limited in this particular county. Jacob felt that moving would be difficult because of how little money he currently had but expressed that there was "definitely uncertainty because you know, cause with the economy, it's like this town here just doesn't have the high-paying jobs, you know." Buford similarly hoped to move out of state, back to Louisiana to get a job on the same oil rig he had previously worked on, because the city in which the jail was located penalized you for having a criminal record, whereas "down there, they prefer you to have a record."

Despite these concerns about the local economy, five of the men (Bryant, Christopher, Darryl, David, and Michael) felt that they would have few problems getting jobs locally once released, while Andy was planning to start full-time school rather than find a job. Charmelle was the only man who spoke about being quite worried about his job prospects because "I got felonies in my background and all that." Though most of the other men mentioned that felony convictions could sometimes serve as a barrier to finding employment, on the whole, they still expressed a great deal of confidence in being able to find legitimate employment post-release, whether in the local economy or by moving to other states.

Although the focus of the in-depth interviews was not the opportunity structure of the local economy, the men's perceptions provided important context to further understand their experiences within the formal economy. The in-depth interviews were guided by the overarching research question: *How are incarcerated individuals economically socialized to the formal economy and what are their experiences within it, particularly with regard to banks?* I explored the ways each of the men was taught about or socialized to banks and other financial institutions with a series of questions: *How did your family or friends interact with banks, credit unions, or financial institutions? Did they use banks? Do you remember any attitudes towards banks that were expressed to you?*

Only three men (Rob, Andy, and Charmelle) did not express distrust toward banks, although each described different childhood memories of banks. Andy did not remember his mother using banks or encouraging him to use them, nor did he recall any family members or friends expressing negative attitudes toward banks. When I asked if he was aware of banks in his local area, he stated, “I just know they exist.” He was, however, one of the few interviewees that had received financial education. At the age of 21, he had taken a class through the Urban League that taught “how to invest my money and get interest.” The educators had specifically “put some banks out there” to use, but he said that he “ain't never go through wit' it.” At 23 years old, his only personal experience with banks was “to go and get change.”

Charmelle, by contrast, remembered walking to the bank with his grandmother because it “was right down the street from my house, exactly like, maybe like a block and a half away.” He further recalled:

> When she would walk to the bank, I probly get all the loose change in the house, couch or something, all throughout the house. It'd be a big ziplock bag and while she's doing whatever she's doing in the bank, I'd turn the change in and get dollars. Probly 11, 12 dollars, something like that, but I was a kid.

He also explained that he knew about direct deposit "at a young age" because his grandmother "never got to cash the check, it was always went straight to the bank." Despite these experiences, he did not recall specific encouragement to get a bank account, nor did he remember his own mother using banks. However, he willingly used banks once he entered the workforce, relying on direct deposit and trying to "keep my money in there as long as I can without touching it."

Rob similarly remembered his family members using banks as well as opening an account for him dedicated to college savings. As an adult, Rob had periodically opened bank accounts and had good experiences with them: "So I was putting money up though. Cause if it's up to me I would spend all of it." But he "only had a little experience with banks" because of his lengthy incarcerations (he had recently completed a 10-year prison sentence). Still, he planned to use banks more in the future, stating, "As soon as I get out there and get some steady work going outside, I need a bank."

Anti-bank socialization. Of the nine men who expressed distrust toward banks, four (Bryant, Buford, Darryl, and Jordan) stated that they had been taught to distrust banks by either family members or friends. Jordan, for example, explained that his grandmother was the only close family member who used banks and she did not like them because

> Just to go get money you got to spend money, you know what I'm sayin. It's your own banking account, why you got to spend something, money just to get some out your saving account or your banking account. It didn't make sense.

Jordan said that despite these objections his grandmother still kept some of her money in the bank in order to draw interest but also relied on money kept at home. Although Darryl could not pinpoint exactly who had taught him to distrust banks, he stated, "I had to pick it up from somebody, someone close to me. I would wanna say my mother." However, he realized that his mother may have changed because "lately she's got more faith in the bank than anybody." Darryl suggested that this was a common process as people aged: "I think early on, I think everybody was more, money in pocket type, you know. As they got older, they start, uh, money in the bank type of people." Darryl summed up where he thought his distrust of banks stemmed from, explaining, "I guess it's like lack of knowledge and you know, fear from family members."

In contrast to Jordan and Darryl, Buford and Bryant both felt that their peers had a greater influence on their distrust of banks. Buford, who was primarily raised by his great-grandparents, said that his great-grandmother was very pro-bank: "She loves her bank. They like family to her." However, his friends and cousins, many of whom were drug dealers, were opposed to banks. Buford explained that the "first thing [they would be] worrying about would be the feds coming" but that in general, "who needs somebody else to hold their money. That's crazy!" Bryant also observed his grandmother using banks, but it was "because her money was legit." His aunt, who also helped raise him, was closer "to the streets than [his] grandmother" and so she did not use banks, saying, "*Nah, I'm not answerin' that and I'm not puttin' [money] in that*." He said that the prevailing attitude in his neighborhood of "drug dealers and stuff" was that "there wasn't no bank. What? Whoa, takes their money to the bank, yeah right!" Although his initial impulse had been to open a bank account, his "older buddies" set him straight by explaining, "Uh, no, man. You can't, know what I mean. You can't account for that." As a consequence of this anti-bank socialization, of the four men, only Jordan had ever had a bank account and it was simply through joining a girlfriend's account and thus he "didn't get a strong experience of it."

Pro-bank socialization. While four of the men who expressed distrust toward banks were overtly taught to avoid them, five were raised in environments more positive toward bank use. Four (Christopher, David, Jacob, and Jeff) of them, all White, recalled their parents encouraging them to use banks to save their money. Christopher expressed that his parents "was always, they was into the banks and stuff," although they never set up a bank account for him. Jacob also remembered his parents using "banks, checkbooks, you know, right in paying the bills." Additionally, Jacob explained that after his parents' divorce, his mother had depended on bank loans "at Christmas time to buy presents and spent the rest of the year paying those off." David and Jeff both remembered their parents not only encouraging bank use, but setting up accounts for them. David remembered his parents taking him to the bank when he was young to set up his own account, but that he "burnt that up . . . when [he] was like 15, 16." Jeff similarly explained that when he got his first job at 13, his dad "set up a bank account for me. . . . I would give him some of my pay to save." Jeff also recalled being influenced by his friends: "I think a lot of it came from my buddies was doing the same thing, so we was all the time comparing our bank books and stuff."

Michael also expressed distrust toward banks despite not being raised to view banks that way. Although Michael remembered that his grandmother had used a bank, he was unsure how she felt about banks, having entered the foster care system at the age of nine. While living in group homes, he was taught to use banks: "They gave us like money management packets. Banking packets and stuff like that to read over." Though he learned about how to use banks from the packets, he had not opened an account until his girlfriend "made" him, explaining that "she told me I needed to get one. So I got it."

Because the environment that these five participants experienced from family, friends, and foster care did not explain their distrust toward banks, I asked about their own experiences with banks and financial institutions. I explored their attitudes and experiences with a few questions: *What experiences have you had with banks or financial institutions? Have you been interested in using banks? How did you feel about your experiences with having a bank account? Have you felt comfortable using banks?*

Usage problems. While all five men who described being raised in pro-bank environments had used banks before, they each reported having experienced problems with banking. The most common problem mentioned was fees being charged. Jacob's experience was fairly typical when he described a time he was on the road for his job as a truck driver:

> I'll see if there's any money in the bank and I'm irresponsible too, maybe just swipe my ATM card, pushed 20 and gave me $20 dollars. I did this . . . but I get back in town, I found out I didn't have no money in the bank. They let me overdraw on there and charged me 25 dollars for each one of these transactions as if you wrote a bad check. And I go, *no, I refuse to pay this*. . . . I'm dumbfounded, you know, it's like, I'm upset. How can you charge somebody? Don't give it to me. It should have came up insignificant funds, then like, you know, but I was irresponsible to check my balance, maybe but, they don't give me money I don't have.

Although Michael felt that using a bank had been beneficial in some ways ("You don't spend [money] as soon"), he similarly had problems when he went over on a debit card and felt that he had been "tricked." David was less inclined to see the benefits of bank use, instead expressing that "they take your money" and your "money's safer with you than away." Although Jeff did not cite specific problems with fees ("Just mighta had a bad experience with a bank or two"), he felt that as he got older he liked to “keep [his] own money” and “pay in cash.” Additionally, Jeff expressed that it was difficult “keeping my wife to leave [the bank account] alone. . . . I'd have to get secret bank accounts, you know, that she didn't know about.”

Christopher clearly had the most negative view of banks and cited a variety of reasons for distrusting banks. Initially, he explained:

> It's my money if I want it, I want it there when I need it, you know. Instead of having to wait a certain time to go to the bank. Then having to explain to them all these numbers about, *This is my money*, you know, and then “Oh, you can't have it cause this and that.” *No, no, you better* . . . It just caused problems with me because they better give me my money [laughs loudly].

When I asked further questions about going to the bank, he explained that he had grown up in rural Wyoming and so the banks were “pretty far away. About 25 miles.” He acknowledged that the distance probably “had something to do with it, you know. Not being able to travel.” He also described negative experiences using an ATM card: “That sucked cause $300 a day is all you could pull and sometimes that just ain't enough.” However, his distrust did not simply stem from these access issues; he believed that putting money in a bank was “just giving it to other people.” He further explained that

> My old lady, she does them uh, them uh, CDs they call them, whatever they are. Okay she does that. She's like telling me about it, well, okay you pay $1000 on a CD okay, and then go you to cash it back in you only get $750 bucks out of it, *well, sorry sweetheart, but aren't you losing a little bit of money there*. . . . I am not going to dump my money into something that I am going to lose it. If I am going to dump my money into something, I want to get more money out of it than I put in it.

Although Christopher could acknowledge some benefits to bank use, such as being able to access money while traveling, his negative experiences far outweighed the positive. Thus, based on this sample, there appeared to be two distinct pathways to distrust of banks: family/peer socialization and usage problems. Figure 1 presents a graphical depiction of these pathways.

Alternatives to bank use. Although not all of the Black men in the qualitative sample were taught to distrust banks, none reported being taught to use banks by their immediate families, while all of the White men were either encouraged to do so or specifically taken to the bank to open an account. Despite this, all of the men, both White and Black, discussed alternatives to bank use that they had used to help them both save and grow their money. A summary of the alternatives to banking that the men mentioned is presented in Table 7.

The most predominant theme was the importance of hiding money. Christopher, who was encouraged to use banks by his parents but had a deep distrust for them, explained about his hiding places: “In my house. And I hide some in my car. I hide some in my wallet. [Laughs] Kind of just hide it from myself. That way I don’t spend it. It works.” Other locations to hide money that the men had used were shoeboxes (Charmelle), tin cans (Andy), “inside my coat” (Jordan), and “a hiding spot . . . outside in the park” (Bryant). Jordan also explained a technique for “putting up” money he had recently been taught by a work mentor:

> I’m working side by side with him, he also, like give me $20 dollars, a whole $20 dollar bill, and be like put that in the back of your wallet, don't spend that. . . . But I didn't understand what he was saying about don't break it, because once you broke it, a solid bill such as that, a $20, or a $5, even a $5 dollar bill can last you a long time if you just don't break it, you know what I’m saying. So, when I break the $20 dollar bill, I notice

> that every time I broke it, I wouldn't have nothing left for the next day so I would see what I could buy with the little change I got in my pocket, *I stretch this*.

Jordan, who said that for most of his life he "can't budget nothing," felt that he was finally learning to save by putting a solid bill in the back of his wallet and not breaking it. Interestingly, Andy, who had never had a bank account, used language traditionally associated with banks to describe his process of hiding money. He explained that he "started a savings account" at home around the age of eight or nine. Although he said that he chose to start saving on his own, he did explain that he was influenced by seeing his mom "depositing things" at home. Despite the common practice of hiding money or carrying it on you, a couple of the participants expressed some drawbacks to these methods. Charmelle, who had recently opened his first bank account, felt that keeping money in the bank was "easier than keeping it in my closet in the shoebox and me going in and out" because he was less tempted to take cash out of the bank. He concluded, "The shoebox is TOO easy." Christopher also expressed that sometimes he had too much money hiding in his wallet, particularly when traveling: "There's been times I'm walkin' around with 18 grand in my pocket. . . . It's kinda dangerous walking around with all that money." Christopher also felt that he was unprepared for retirement because "my investing is stuffed in the coffee can buried in the backyard type shit. That is my investing." Despite these perceived drawbacks to hiding money, Christopher remained insistent that he would not consider using banks, reiterating that "I don't trust 'em to this day. Never will."

Another theme that emerged when the participants discussed alternatives to using banks was the significance of "putting up" money with a trustworthy person, always a woman. Rob explained that growing up, his mom had managed the money and so he initially did "the same thing" with his kids' mom, giving her all the money to hold. Christopher, who had a number of different hiding places in the past, stated:

> Now my old lady, I just give her the money and she spits it back for me. She hides it from me. Kinda hides it from herself too sometimes cause she doesn't know where. [laughs] But that's good cause then we don't spend it, you know.

Buford and Bryant, both self-described drug dealers, said that this was also a common method among drug dealers. As Buford expressed, drug dealers "always put stuff in their mama or in a woman, cause they less obvious." But Bryant shared one drawback to such an arrangement: that the woman might change her mind, particularly if the money was illegally obtained. This happened to Bryant when his auntie who "got off in the church" declared that "*he ain't bringin that [money] in here*," knowing that the money was derived from illegal activities.

A final alternative to banks that participants felt would help them grow their money was to invest in a "business . . . or start a company up" (Christopher). Previous research has indicated that many incarcerated individuals are interested in entrepreneurship and self-employment (for review, see Fletcher, 2005), and this was certainly the case in my sample. All but one participant (Michael) were either engaged in self-employed work (Christopher, David, Jeff, and Darryl) or expressed an interest in education so that they could start their own businesses. Although not all saw these businesses as alternatives to bank use, some clearly did. Christopher refused to use banks or the stock market ("I am not going to dump my money into something that I am going to lose it") but felt that starting up a mechanic shop was "more my style." Bryant, who was raised around drug dealers, explained that he was taught to avoid banks because you "can't account for" illegal money. Instead, when you earned money you "gave it to somebody that [you] know can do something with it. Silent partners in something." While

Darryl was considering starting a savings account to overcome his discomfort with banks, his entrepreneurial impulses remained strong. He explained that he always took the money he earned and "invested it in something else and you know, and that started off and it just kept on going and that was how I made a living, you know." Although these business ventures were generally situated in the informal economy, they were not always illegal activities: "I used to sell peanuts, uh. I've always had, you know, a drive to hustle and make things happen." The majority of those interested in starting new businesses were strongly oriented toward construction and real estate, or as Andy explained, "Buying [houses], fix them up, and then sell 'em again." However, it is worth noting that these interviews were conducted during the summer of 2008, in the midst of the US housing and financial crisis. Although some of the participants acknowledged economic trouble on the outside ("It's kinda bad out there right now" – Darryl), none seemed to indicate that they knew about the rapid changes taking place in the real estate market.

Stock market. Although the stock market is not necessarily an alternative to bank use, many of the men were far more focused on stock investing than banking. As Buford explained, "I really want to learn more about the stock stuff. That's my main thing. Cause I can come up with 10 Gs, easy, but if I, when I do, I wanna just go and invest it in something." Buford had already planned out how he would get started in the stock market:

> I wanna get one of those like little computer programs where you can like, play with fake money first, know what I'm sayin, to see what I'm doing. Yeah, but I was thinking about going to one of them places like AG Edwards and talking with one of them people to like, really sit me down and show me basically, like, groom me, because I know I could do it.

Jordan, also a self-described drug dealer, and Buford, both of whom had been used to handling large sums of cash, were unique in expressing large-scale plans for making money through investing. Buford stated, “It’s just I need, if I start with like, I ain't, $10,000 ain’t a lot of money, but if I can just start with that, I, I believe, I’ll be able to be a millionaire.” Jordan similarly expressed:

> I want to learn how you make a billion out of a dollar. Serious. For a short period of time in a year, it could be done. . . . I’m saying you have to invest it, but it’s all, it’s about calculation. Getting to the exact point, at the right time. Then you go buy you some bonds, 500 dollar bonds, 1000 dollar bonds, and you go put them in some share or whatever and invest it. But you want to make sure it’s the right investment.

Darryl also wanted to get more involved in the stock market, although he spoke about his plans in more modest terms: “I would like to actually learn how to deal with the stock market. . . . I can tell when something grew and something fell, but you know, like to know if it’s a good investment.”

Although others expressed interest in getting involved with the stock market, Jacob, the oldest interviewee at age 49 and the only college graduate, was the only man who discussed personal experiences with the stock market. While his parents had “definitely not” taught him about the stock market or invested in it, he had been surrounded by wealthier peers who had introduced him to investing. However, his experiences were not necessarily positive: “A buddy of mine up in college, we spent 5,000 dollars and like six months later, I mean, you know, a stock broker's taking our money and like six months later that 5,000's gone.” He had also lost the tax-advantaged retirement funds that he started at an early age, explaining,

> My mind's always been there, you know, the 401ks, the, you know, I've had an IRA, I’ve had . . . everything you know. But times like now, when things get bad, it's like you cash

> ‘em in, which you should have rolled it over, if you had another job or something like that, but whenever I get out, you know, I don't have nothing.

Despite being “depressed” that he did not have more money or investments at his age, he still believed it was the key to being wealthy:

> It wasn't just their jobs or their, you know . . . they invested, they did this, they did that. You always heard whether it was like land, houses, stock market, um, it seemed like a lot of ‘em always had that second, you know, income, from somewhere. You know, if it was rental property, they're getting income from that. If it was stocks, they're getting dividends.

He felt that he was very fortunate to “grow up as poor as I was and be around the wealthy people as I was, learning a lot of these things.”

Future intentions toward banking. Since all of the interviewees mentioned some alternative to bank use and most expressed some discomfort with banks, I determined their future intentions with regard to banks by asking: *Would you say that using a bank is something you are interested in doing now?* Christopher was the only participant that maintained he would not be using banks. He summed up his feelings, saying, “I don't trust banks. I don't. I refuse to put my money in the bank.” The other 11 men intended to use banks, often in spite of their discomfort or bad experiences. Some wanted to start using banks in a very limited way, like Darryl who explained:

> I don’t think I’m ready to start like, uh, the only thing I think I would probably do is like a savings account or something right now so I could try to figure out what’s going on. I think it’s like you know, some more different ways you know that banks do business but that would be about the only way that I would go right now.

But most felt that it was important to either begin or continue to use banks. As Jeff concluded, “It's necessary in today's society to have a bank account.” Jordan similarly felt that “you got to have a bank account today” because it offered some important benefits. In the next section, I discuss the benefits that the men perceived in using banks.

Benefits of banking. A summary of the perceived benefits of banking is presented in Table 8. Interest was the most frequently mentioned benefit to bank use. Despite being socialized to negatively view banks, Jordan acknowledged that people should have a bank account “cause it draw interest, so, it pays off.” Charmelle explained that since he had started a bank account, he “learn a little something about interest, and you know, building, building while your money, growing while it's in the bank.” He further expressed that interest was one of the key financial topics that other inmates needed to learn about because “a lot of people, they don't know about it.” Darryl stated that he had been one of those who did not understand the benefit of interest early on because

> I didn’t have enough knowledge about them. You know, uh, the percentages on, on, you know. Like if you put 10 dollars in, how much it would grow, you know. I just didn’t have no insight, uh. . . . I learned like percentages, uh, but I didn’t take them as real percentages, you know, as far as, you know, in the bank . . . at that time. But now I see them as, it’s strictly real percentages.

Even Christopher, who had the most negative perceptions of banks, acknowledged that bank accounts could be “kinda good cause you got interest.” However, he still felt that you had to have a very large amount “to get any interest that's worth noticing,” so interest was not enough of an incentive for him to use banks.

Another predominant theme was the benefit of using banks in order to save and manage money. As previously mentioned, Charmelle believed that hiding his money at home made it too easy to access, whereas when his money was in the bank he often did not "feel like going to get it out the bank, you know what I'm sayin, so I just fall back." Michael and Rob also emphasized this benefit of bank use because they had trouble with excessive spending when they did not put their money in the bank. As Michael stated, "I'm a spender. Cause if it's in my face, I'll spend it." Michael was also comfortable using online banking and bill paying systems and felt that they helped him keep track of his money. In short, by putting his money in the bank, he believed that you "don't spend it as soon."

Another related benefit mentioned by four of the men was direct deposit. Despite his many frustrations with banks, Christopher had found direct deposit useful because

> I did a lot of over the road work. I was always in other states, so the company that I worked through, they just direct-deposited my check into an account. And then I had a card where I could go to the ATM and pull money out.

Michael also felt that direct deposit was "pretty decent" because

> It's like you ain't gotta, less on gas, I ain't gotta keep on driving up there on the day I don't work. And you get it the night before so I can pay all my bills. Know bills get paid on time.

Michael felt that the combination of direct deposit and online banking had been very beneficial to helping him manage his money successfully, which was important because, having grown up in foster care, he had "nobody to complain to" or receive help from if he failed to make good financial decisions.

Credit and loans. Another perceived benefit of using banks was their assistance with credit and loans. Because I conceived of credit as a distinct aspect of the formal economy, I initially attempted to explore their experiences with credit separately from their banking experiences. However, it soon became clear that for some of them, banking and credit were inextricably linked. For example, when I asked Buford what his great-grandmother had taught him about banks, he replied, “The only thing grandma tell me, keep good credit.” Similarly, when I asked about his experiences with banks, Darryl described a time when “they” said, “*We have free phones* and I go apply for a free phone then I don’t want the phone anymore and I just blew my credit, you know.” He further explained that he had no knowledge “of how the banking system worked or the credit system.”

By and large, the qualitative interview participants had minimal experiences with credit. Fewer than half (Buford, David, Jacob, Jordan, and Michael) had reported ever having a credit card, while only three (Charmelle, Jacob, and Rob) had accessed their credit score or report. Christopher, for example, was not sure if he “even [had] any credit” because “they don’t ever send me no credit card applications or anything.” But he further explained, “I am glad I don't have a credit card though, that could be trouble.” When I asked why, he expressed that he had never had a credit card but “I had a Sears card one time, and that didn’t go very well.” Although he did not offer any more information about the Sears card, he later explained that he “always had a problem with spending money” and just “blew it on whatever,” sometimes up to $1,000 per day. Michael, at age 19, had already had a credit card but wanted to learn more about how to have “a perfect credit score.” Although he had never accessed his credit score, he explained, “I know how to access it, but um, I don’t like . . . they can give me any number and I don't what it means.”

Jordan and Jacob both mentioned loans as one of the benefits of bank use. Jordan discussed detailed plans for his future after leaving jail, which hinged on his confidence in obtaining a bank loan. He explained:

> Just bout all, my plans are simple, easy. I tell you, you could do this tomorrow, in two months for real, I could get a loan, if I get a loan, I could get the tuckpoint [a type of brick masonry] business started and then get the apartments at the same time.

After receiving a bank loan to start his construction business, he would use the business profits to invest in rental property. He felt that "real life experience" had prepared him for this venture because although he had only had minimal experience with banks, his aunt

> Pretty much allow me to experience a lot of things. Being with her, losing two houses, back to back. Yeah, I'm pretty much learn, pretty much all the mistakes, it takes to lose, and I already experienced what it takes to gain too.

In short, he felt that he had learned a lot from owning "two houses and a gang of cars" with his aunt and now he was ready to "go out there and see what I do" when on his own. The oldest interviewee, Jacob, was by far the most experienced with credit and loans, both from his growing up years and adulthood. Although he said his mom "definitely couldn't afford" credit cards, she depended on "access to the bank and taking out loans at Christmas time" to buy gifts. He did not think that he would be able to do what his mother did because

> I think my credit's bad, and you know, it's like I don't think I could go into a bank and get 500 dollars, 1,000 dollars, or whatever she was getting. I know towards the end it had to definitely be 1,000 to be able to do that, so you know, that's good credit.

While he did not elaborate on specifically why his credit was bad, he later said that he "had three different houses with three different women and it's like I lost them all." Despite some of the problems he had encountered with credit and banks, Jacob remained willing to use financial institutions, explaining that he was currently using a credit union.

Taxes. The final aspect of the formal economy that I explored in the interviews was taxes. Participants had far less to say on the topic of taxes, though this was in part due to the IRB (Institutional Review Board) limitations on the research. As previously mentioned, my IRB approval did not allow me to ask specific questions about past or current criminality. Filing tax returns and paying taxes was considered an area that could produce incriminating statements and thus I was limited in the direct questions I could ask about the topic—for the most part I had to rely on information they spontaneously volunteered. In addition, most participants had far less experience with taxes than with banks. Four of the men (Andy, Bryant, Charmelle, and Darryl) had never filed a federal income tax return before. Two more (Jordan and Buford) had only filed tax returns two or three times, although they were both well into adulthood. Two more (Jeff and Christopher) had filed tax returns before but admitted that the majority of their earnings was "under the table" and in cash. However, Jeff was planning to change that method of operating because "I've been worried about putting into Social Security and stuff, which I probably need to start doing a little bit better job of taking care of that." He and Christopher both expressed that they were starting to think about retirement preparation, although Jeff had previously had a 401k but "lost it."

Michael, the youngest interviewee at 19, expressed that learning to file his own "tax thing" was the main financial area in which he needed more education so that he did not need to "keep going to people for help for that." Although he thought the money management packets he had been given while in the foster care system "probably did try to teach" about taxes, he "wouldn't listen to 'em." Jordan had also been getting help to file his tax returns. He explained that he "messed with" Jackson Hewitt because

> I don't want them to talk about, *Oh you owe this money*, because I know how to cheat on income tax, to get more money. But it comes back on you after a while and they catches on to that. But the tricky thing about it, they waiting until you get a certain amount before they come get you. They ain't gonna come get you for a measly $1500 or $2500. They gonna come get you when you probably get oh, 400, 500. 4,000 or 5,000 dollar more. I feel, I do my own taxes, but I give it to them, you know what I'm sayin.

Interestingly, because Jordan had most recently been doing free-lance construction work, he was saving his income tax money in cash. In fact, before coming to jail he had put "probably a 100 or 200 dollar . . . [his] whole income tax money" inside his coat to keep from spending it. He explained that that money, along with a "rebate check" (a 2008 economic stimulus check), was all the money he had on the outside. When I asked Jordan if he felt comfortable dealing with the tax system, he exclaimed, "You tripping. Yeah, that's good. Why you got to work—you get that right back." He seemed to be aware of some of the public benefits that were available through filing a tax return.

Although Jordan was the most enthusiastic about taxes, Jacob also had some positive feelings about the tax system. He explained how he had instructed his children, who were having financial difficulties and struggled to save money, that they should

> Take 10, 20, 30 dollars—whatever you think you can afford and have an extra out in your federal income tax. And then at the end of the year, you have a lump sum, two, three, four thousand dollars coming back. . . . If you can't save, I thought it was a good idea.

Like Jordan, Jacob also expressed relief that he had a $300 stimulus check waiting for him when he was released.

Chapter 5: Discussion

Key Findings and Financial Education Implications

Financial knowledge. Because no large-scale studies have assessed financial knowledge in an incarcerated population, it is impossible to compare the financial knowledge levels of this sample with other incarcerated populations. Yet the scores were roughly comparable to the pre-training scores of the low-income population surveyed by Zhan et al. (2006) (it is worth noting, however, that their sample was about 90% female and 19% Hispanic, which is quite different from this sample). Similar to the sample presented in Zhan et al. (2006), the mean scores were highest in banking practices and lowest in savings and investing. Koenig (2007) also found that prison inmates scored low in knowledge of savings, although her sample included only 17 men. This low knowledge of savings and investing is not surprising in light of the low-income backgrounds of many incarcerated individuals and previous research suggesting that low-income households may lack access to institutions that promote saving behaviors (Beverly & Sherraden, 1999). Savings and investing are clearly areas that financial educators working with an incarcerated population should emphasize, particularly considering that some incarcerated individuals express interest in learning more about saving and investing when asked about their perceived financial education needs (Call, Dyer, & Day, in preparation). Knowledge of public and work-related benefits was another area in which the participants scored low. At least two factors may contribute to this lack of knowledge: first, many incarcerated individuals have only intermittent employment histories in the formal economy (Peck & Theodore, 2008). Second, having a criminal history often limits access to public benefits (Hirsch et al., 2002; Perez et al., 2009). Yet it is important to address this knowledge gap because it may limit the incentives incarcerated individuals perceive for legitimate employment. For example, the Federal Earned

Income Tax Credit (EITC) has been shown to increase the purchasing power and savings potential of low-income families (Mammen & Lawrence, 2006), a public benefit with which many in this sample were unfamiliar. However, it is also worth mentioning that the EITC is relatively small for individuals who do not have a qualifying child. While more than 70% of the participants were fathers, many were noncustodial parents, which would likely reduce the size of the applicable credit.

With regard to correlates and predictors of financial knowledge, race was certainly among the most notable. The non-Whites in the sample, almost 93% of which were Black or African American, scored significantly lower on overall financial knowledge as well as virtually every content area. This is not surprising in light of the fact that other research shows that historically there have been barriers to participation in the formal economy and that in some aspects, this discrimination still persists (e.g., Better, 2002). Additionally, within this sample, non-Whites had participated in fewer financial behaviors within the formal economy (discussed further in the next section), which may also explain their more limited knowledge. Taken together, these findings suggest that as financial educators assess the needs of their target audience they should be particularly sensitive to racial differences in knowledge and experiences that may be present.

Since serving time in juvenile detention was also negatively related to financial knowledge scores as well as a negative predictor of financial knowledge in the second regression model, it is important to further explore this relationship. Because some studies suggest that financial understanding is more indirectly socialized than overtly taught (Beutler, Dickson, & Xiao, 2008), it may be particularly detrimental to financial knowledge to remove individuals from society and financial experiences during the formative teenage years. Indeed Rob suggested that long-term juvenile detention may undercut the teaching of sound financial practices when he explained:

> I never really had to save money because these people [the state] been paying for me one way or other. I mean it sucks to say it like that but that's just truth. I never really had to pay for much. If they're going to provide for me.

Despite this inherent conflict, it may be particularly important to target financial education so that individuals, especially those who will spend a large portion of their adolescence incarcerated, will be more thoroughly prepared for reentry into society and the adult world. Innovative approaches to financial education in juvenile detention centers, such as token economies to simulate behaviors on the outside like paying rent and buying groceries, could be implemented to introduce youth offenders to the financial world from which they are largely removed.

By far the strongest and most consistent predictor of financial knowledge in this study was whether individuals had ever filed a federal tax return. This was similarly one of the strongest predictors of pre-training financial knowledge in the Zhan et al. (2006) study. However, it is unclear why this relationship appears so strong. At least three possibilities exist: first, it may be a function of the assessment tool because some of the questions were specifically about tax credits and tax preparation. Second, there may be some inherent educational value in preparing and filing a tax return. Third, the tax return question may be a proxy for having had legitimate employment in the formal economy—having had legitimate employment may be a causal variable that both enhances financial knowledge and prompts individuals to file a tax return. Although this study did include a question about pre-jail employment, which was not a significant predictor of financial knowledge, it is likely that this single variable was not expansive enough to detect an employment effect because it only examined the period immediately before their current incarceration. The qualitative interviews suggest that employment in the formal economy is closely tied to both financial knowledge and filing a tax return, as evidenced by the fact that those who had not filed income tax returns or had only done so once or twice were primarily self-described hustlers and drug dealers. However, even those who had legal employment often worked "under the table" in informal employment and thus did not always file tax returns, a finding which is in line with other studies of employment among formerly-incarcerated individuals (e.g., Dickson-Gomez et al., 2009). Clearly, more exploration is needed to understand the causal mechanisms surrounding the relationship between financial knowledge, legitimate employment, and filing a tax return.

Financial behaviors. Perhaps the most troubling result from the financial behaviors checklist was the small percentage (less than 18%) of individuals that had received any type of financial education. A greater percentage of respondents had purchased their own home than had participated in financial education, which suggests that some may have been involved in more sophisticated financial transactions than they were prepared to fully understand. In fact, both of the men that discussed home ownership in the qualitative interviews indicated that they had lost multiple homes, although they did not offer further details. This need for increased financial education is certainly pressing and receiving more national attention in light of the recent housing and financial crisis (The White House, 2008, 2010).

Although incarcerated men scored highest in knowledge of banking practices of the five content areas (see Table 1), more than 20% of the sample had never had a bank account, with the majority of those being Black. This percentage of "unbanked" participants is lower than the percentage in the U.S. population as a whole, with the 2007 *Survey of Consumer Finances* indicating that approximately 90% of all families had a checking account (Bucks, Kennickell, Mach, & Moore, 2009). However, it is similar to the percentage of the unbanked within minority groups found in some recent studies (for review, see Caskey, 2005).

Additionally, based on the qualitative interviews, even those who had used bank accounts at some point described having very little experience with it, like Jordan and Rob. Overall, this supports the notion that there is a difference between financial knowledge and capability (Johnson & Sherraden, 2007). Financial educators should be attuned to help participants move from the knowledge of sound financial practices to implementation of these practices. However, with regard to banks and other financial institutions, the qualitative interviews clearly demonstrated that the topic needs to be approached with sensitivity to the ways that incarcerated individuals perceive banks as well as their past experiences with them.

Banking perceptions and experiences. From a financial education perspective, the qualitative portion of the study offers both hopeful and discouraging signs. The majority of the participants clearly viewed banks in a distrustful manner, a distrust that appeared to arise through two distinct pathways: anti-bank socialization (solely among the Black participants) and usage problems. However, it is worth noting that the three youngest Black men described quite different socialization to banks than did the four older Black men. Michael, Charmelle, and Andy, the three youngest interviewees, shared similar family experiences with regard to banks: they felt that they were neither taught to distrust or avoid banks nor actively encouraged to use banks. This was in sharp contrast to the four older Black men who reported being raised in anti-bank families or environments. Although further research should continue to explore whether perceptions of banks are shifting within low-income and Black communities, this may be a promising sign that anti-bank attitudes are not entrenched in these communities.

The second pathway of usage problems was particularly marked by frustrations over fees. Some of the men felt, for example, that they had been "tricked" into excessive overdraft fees, a common complaint that has come under federal government scrutiny in the last several years (Sidel, 2010). This suggests that financial educators must be sensitive to the usage problems incarcerated men may have experienced as well as track regulatory changes that may ameliorate past difficulties. Despite these sometimes negative experiences, the men still overwhelmingly expressed that they intended to use banks or other financial institutions when they were released from jail, again a hopeful sign for financial educators. Still, it is worth noting that one participant, Christopher, was adamant about not using banks while still expressing a desire to learn more about handling his finances. Although it is difficult to know how many individuals would express similar sentiments as Christopher did, financial educators should be prepared with suggestions for saving and managing money that do not necessarily involve banks or financial institutions so that they can help even those whose distrust is too deeply entrenched to be altered.

Directions for Future Research

In many ways, the current study creates as many questions as it answers. Because of the limited research to date, exploration in many directions is still needed. I highlight just a few below, along with discussion of how they relate to limitations in the current study.

First, because the financial knowledge assessment adapted for this study was originally created as a pre-and post-test for a financial management training curriculum for low-income individuals (Zhan et al., 2006), it is uncertain if the content areas assessed match the perceived financial education needs of incarcerated individuals. Since motivation plays a critical role in educational success (Mart, 2011), it is important that financial education is tailored to the expressed needs and desires of those participating. Future research should directly ask incarcerated individuals whether they are interested in financial education and if so, what perceived needs they want to address. Although specific needs assessments are likely already occurring on a small scale when a practitioner begins a new class, similar to Koenig's (2007) process, it remains important to build a broader needs-assessment literature to further inform financial education efforts that are already underway.

Although assessing perceived financial education needs is critical, it would also be beneficial to aim for an assessment tool that could be administered on a national level to assess financial knowledge and skills among offenders. Gaes and Kendig (2003) cite the National Adult Literacy Survey as an example of a successful national assessment tool administered to offenders, but stress the importance of developing tests that would focus on broader topics as well, such as financial knowledge. Although there are some financial knowledge assessment tools that are intended for national use (e.g., Jump$tart Coalition Survey, used in Koenig, 2007), it is questionable whether they are specifically tailored to a low-income population. The financial knowledge assessment adapted for this study was selected precisely because it was created with a low-income population in mind, particularly in its inclusion of the public and work-related benefits section. However, this financial knowledge assessment also includes some state-specific questions, which likely has both drawbacks in decreasing easy replication and benefits in tailoring to specific regions, states, or municipalities.

Second, as previously mentioned, the current study was not able to explore employment history in relation to financial knowledge and behaviors in as much detail as is necessary. Because my IRB approval prohibited specific questions that could lead to incriminating admissions, only spontaneously offered information about informal or illegal economic activity was collected. Yet since a number of the men did volunteer information about drug dealing and hustling activities spontaneously, it was clear that these had an important impact on their financial decision-making. For example, Buford and Bryant were both explicit about why bank use was discouraged in the communities in which he grew up: you don't want to give "the feds" an avenue for examining your money. Further research should also attempt to tease out the differences in financial knowledge and experiences between those who have had legitimate employment in the formal economy; those who rely on legal, but informal employment; and those who have primarily relied on illegal activities for income (Naylor, 1996). On a related note, future studies should also consider how the type of crime committed (both for the current incarceration and previous offenses) may relate to financial knowledge and experiences, in light of previous research demonstrating that many crimes are motivated by money (e.g., Home Office, 2002).

Third, as mentioned in the literature review, previous studies have often lumped multiple, independent issues under the broader label of financial problems, such as Moffitt et al. (2002) who asked participants (1) whether they lacked money to make ends meet and (2) whether they were poor money managers. Future studies should seek to further untangle these issues by asking incarcerated individuals generally about their experiences with and perceptions of money as well as specifically whether they feel their primary difficulty (if indeed they feel that they have had financial difficulties) has been obtaining enough money or managing their money. Although the current study did not address these issues directly, some of the men, like Charmelle and Michael, did indicate that they had a tendency to mismanage their money by spending impulsively.

Fourth, impulsivity and self-control was another important topic suggested by the qualitative data but beyond the scope of this study. Previous research suggests that incarcerated individuals, particularly repeat offenders, exhibit lower levels of self-control and higher levels of impulsivity than comparison groups (Agnew, 2005; DeLisi & Vaughn, 2008). Personal finance research has also indicated that these same traits impact financial decision-making (Rettig & Schulz, 1991; Spinella, Yang, & Lester, 2007). Thus this could be a particularly potent consideration in future studies of incarcerated individuals and their financial behaviors and decision-making. In fact, some statements made by participants in the qualitative study suggested that impulsivity played an important role in their financial activities as well as feelings about bank use. For example, Christopher expressed not wanting to "wait a certain time" to get his money out of the bank, while elsewhere in the interview he discussed his impulsive spending habits. It is possible that his strong aversion to bank use was in no small part due to impulsive tendencies that made him want to have immediate and ready access to his money. On the flip side, Michael and Charmelle both appreciated using banks because it helped them to not spend their money impulsively, a tendency they both perceived in themselves. These statements point to the importance of future studies integrating measures of impulsivity and/or self-control when examining financial behaviors of incarcerated individuals.

Fifth, although this study begins to examine economic socialization, particularly in relation to banks and financial institutions, there is much more to explore when considering such a complex topic. In exploring the economic socialization of incarcerated individuals, Bronfenbrenner and Morris' (1998) bioecological model of human development may serve as a useful heuristic tool because of its focus on multiple components that impact the socialization process, including the characteristics of the person, the proximal processes they experience, the environmental context by which they are surrounded, and the time period in which the processes take place (research designs corresponding to the bioecological model are often referred to as

Person-Process-Context-Time [PPCT] models). Although the current study was not explicitly guided by the bioecological model, it certainly suggests its utility as the qualitative participants spontaneously discussed the influence of each of these components on their financial experiences.

Additionally, some potential mechanisms of socialization were not fully addressed in the current study. For example, as previously mentioned, employment history could be an important socialization factor; however, it could not be fully addressed because of the study's limitations. The findings in the current study also suggest that experiences in juvenile detention could exert a significant influence on economic socialization and financial knowledge. Future research should explore the influence of juvenile detention in more detail, asking questions like: *What mechanisms for economic socialization exist within juvenile detention since it removes young people from the traditional methods of adolescent economic socialization?* Related questions could be asked about adult incarceration as well, further exploring the economies that exist within the jail/prison environment. Although some research has examined prison economies (e.g., Copes, Higgins, Tewksbury, & Dabney, 2011), few studies have linked these micro-economies to their impact on financial knowledge and behaviors upon community reentry.

Sixth, it is worth reiterating that this study was conducted solely with men incarcerated in a county jail as opposed to prison. Although some findings from the current study echoed those of Koenig's (2007) study within a medium-security prison, no comparable studies with a state or federal prison population exist. Future research should explore financial knowledge, behaviors, and economic socialization within a prison population in order to tailor financial education to each population. It is possible that few differences between prison and jail populations would appear in terms of financial knowledge and experiences because they are inherently overlapping groups, with convicted offenders moving from jail to prison, typically if their sentences are longer than one year. However, it is also possible that some meaningful differences would emerge due to the fact that the income level of the accused offender contributes to whether he or she will remain in jail or be released on bond (Lauritsen & Sampson, 1998). For example, "white-collar" offenders may never serve time in jail because of their financial resources but comprise a proportion of the prison population (although variation in definition and classification of white-collar crime makes it difficult to determine what proportion) (Shover, 1998). Considering there are nearly one million more individuals incarcerated in prisons than jails, it is important to explore these questions within the prison population as well (West, 2010).

Conclusion

In this study, I examined the financial knowledge, behaviors, and experiences of men incarcerated in a county jail. Although the findings are not generalizable to a larger population, which in many ways is impossible in light of the diversity and rapid changes within jails (Frase, 1998), these findings certainly suggest useful avenues for further exploration as well as some suggestions for current practitioners and educators. Above all, these findings suggest that financial education programs, which are already taking place in prisons and jails across the country, should be sensitive to the previous experiences of incarcerated men, particularly negative socialization and experiences that may reduce their receptivity to traditional financial practices within the formal economy.

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Appendix A: Tables and Figures

Table 1

Financial Knowledge Mean Scores

	Overall financial knowledge	Banking practices	Predatory lending practices	Savings and investing	Credit use and interest rates	Public and work-related benefits
Full sample						
	0.59 (0.18)	0.75 (0.24)	0.60 (0.28)	0.52 (0.24)	0.66 (0.20)	0.53 (0.22)
White (*n* = 46)						
	0.68 (0.15)**	0.84 (0.19)**	0.76 (0.24)**	0.62 (0.23)*	0.75 (0.18)**	0.57 (0.18)
Non-white (*n* = 108)						
	0.55 (0.18)**	0.70 (0.24)**	0.53 (0.28)**	0.49 (0.23)*	0.63 (0.20)**	0.51 (0.23)

Note. Standard deviations presented in parentheses. Asterisks indicate significant differences between the White and non-White groups based on independent-sample *t*-tests: *$p < .01$; **$p < .001$.

Table 2

Financial Behaviors of Participants

	Full sample		Whites		Non-Whites	
	Percent reporting *yes*	Percent reporting *no*	Percent reporting *yes*	Percent reporting *no*	Percent reporting *yes*	Percent reporting *no*
Checking account	71.6	28.4	76.1	23.9	69.7	30.3
Savings account	69.0	30.3	87.0**	13.0	61.5**	37.6
Credit card	40.0	60.0	43.5	56.5	38.5	61.5
Accessed credit score/report	35.5	64.5	50.0*	50.0	29.4*	70.6
Used currency exchange	54.8	45.2	54.3	45.7	55.0	45.0
Owned home	21.9	78.1	41.3***	58.7	13.8***	86.2
Used public assistance	43.9	56.1	32.6	67.4	48.6	51.4
Created budget	57.4	42.6	50.0	50.0	60.6	39.4
Received financial education	17.4	82.6	19.6	80.4	16.5	83.5
Filed tax return	71.0	29.0	89.1**	10.9	63.3**	36.7
Have debts	49.7	49.7	56.5	41.3	46.8	53.2
	n = 64		n = 24		n = 40	
Average amount of debt	$16,800 ($38,381)		$25,929 ($50,905)		$11,322 ($27,737)	

Note. Standard deviations presented in parentheses. Asterisks indicate significant differences between the White and non-White groups based Pearson chi-square tests: *p< .05; **p< .01; ***p< .001

Table 3

Bivariate and Partial Correlations with Financial Knowledge

	Mean	Standard deviation	Bivariate correlation	Partial correlation (controlling for age and race)
Demographic Factors				
Age	31.0	11.0	.331*	---
Race (0=non-White, 1=White)	0.3	0.5	.325*	---
Educational level (1=did not finish high school, 2=diploma/GED, 3=post-secondary)	2.0	0.7	.308*	.260
Marital history (0=never married, 1=ever married)	0.3	0.5	.312*	.123
Pre-jail employment status (0=not employed, 1=employed by someone else, 2=self-employed)	0.8	0.6	.167*	.124
Pre-jail monthly income	1,700	1,372	.213	.152
Criminal History Characteristics				
Age at first arrest	17.3	7.0	.236	.136
Served time in juvenile detention (0=no, 1=yes)	0.4	0.5	-.318*	-.238
Number of convictions	3.7	4.5	.245	.069
Number of sentences	2.1	2.9	.111	-.064
Number of parole/probation revocations	0.9	1.4	.053	-.038
Financial Behaviors Checklist				
Checking account	0.7	0.5	.447*	.426*
Savings account	0.7	0.5	.469*	.398*
Credit card	0.4	0.5	.335*	.283*
Accessed Credit score/report	0.4	0.5	.305*	.226
Currency exchange	0.6	0.5	.183	.155
Own home	0.2	0.4	.238	.088
Public assistance	0.4	0.5	.103	.089
Budget personal finance	0.6	0.5	.054	.091
Financial education program	0.2	0.4	-.024	-.018
Filed federal tax return	0.7	0.5	.538*	.450*
Have debt	0.5	0.5	.211	.145

*p < .002 for bivariate correlations and p< .003 for partial correlations.

Table 4

Summary of Hierarchical Regression Analysis Predicting Financial Knowledge (n = 152)

	Model 1			Model 2			Model 3		
Variable	*B*	*SE B*	β	*B*	*SE B*	β	*B*	*SE B*	β
Age	0.00	0.00	.13	0.00	0.00	.08	0.00	0.00	.03
Race	0.08	0.03	.23**	0.09	0.03	.23**	0.07	0.03	.17*
Educational level	0.06	0.02	.24***	0.05	0.02	.20**	0.02	0.02	.07
Marital history	0.06	0.03	.15	0.06	0.03	.15	0.03	0.03	.08
Pre-jail employment status	0.04	0.02	.12	0.03	0.02	.12	0.02	0.02	.05
Juvenile detention				-0.59	0.03	-.16*	-0.04	0.03	-.12
Checking account							0.06	0.04	.14
Savings account							0.04	0.04	.10
Credit card							0.03	0.03	.07
Accessed credit score/report							0.02	0.03	.06
Filed a tax return							0.10	0.03	.26**
R^2		.26			.28			.44	
Adjusted R^2		.23			.25			.39	
F for change in R^2		10.20***			4.29*			7.94***	

*p < .05; **p < .01; ***p < .001.

Table 5

Demographic and Criminal History Characteristics of Participants

	Demographic characteristics						Criminal history characteristics					
Pseudonym	Age	Race	Marital status	Level of education	Pre-jail employment status	Pre-jail monthly income	Number of days in jail	Age at first arrest	Juvenile detention	Total convictions	Total sentences	Total parole or probation revocations
Michael	19	B		GED	E	800	21	10	Y	1	0	0
Andy	23	B			S	0*	21	12	Y	2	4	7
Charmelle	24	B			U	1100	11	14	Y	4	2	1
David	26	W			U	4000	4	13	Y	8	5	1
Buford	26	B		GED	E	3500	90	13	Y	1	1	4
Christopher	29	W	D	GED	E	1200	56	16	Y	8	4	3
Rob	32	W		GED	E	1600	7	12	Y	4	7	4
Jeff	32	W	M		S	6000	30	20	N	4	0	0
Bryant	33	B	M		U	1636*	300	12	Y	4	4	1
Jordan	34	B			S	3500	90	15	Y	7	3	2
Darryl	38	B	S		U	1712*	89	14	Y	5	5	2
Jacob	49	W	D	BA	U	2000	21	34	N	0	0	0

Note. An asterisk denotes an imputed value. *Marital status*: M - married; S - separated; D - divorced; blank - never married; *Level of education*: indicates highest degree achieved; blanks indicate no degree completion; *Pre-jail employment status*: E - employed by someone else; S - self-employed; U - unemployed.

Table 6

Financial History of Qualitative Participants

Pseudonym	Overall financial knowledge level	Checking account	Savings account	Credit card	Viewed credit score	Used currency exchange	Owned home	Used public assistance	Created budget	Received financial education	Filed tax return	Have debt	Amount of debt
Michael	49%	1	1	1	0	1	0	0	1	1	1	0	
Andy	37%	0	0	0	0	0	0	0	0	1	0	0	
Charmelle	42%	1	1	0	1	1	0	1	1	0	0	1	2100
David	49%	1	1	1	0	0	0	0	0	0	1	1	3000
Buford	60%	0	0	1	0	0	0	0	0	0	1	1	1000
Christopher	60%	0	1	0	0	1	1	1	1	0	1	ND	ND
Rob	79%	1	1	0	1	1	1	1	1	0	1	1	7000
Jeff	93%	1	1	0	0	1	0	1	0	0	1	0	
Bryant	70%	0	0	0	0	1	0	1	1	0	0	0	
Jordan	60%	0	1	1	0	0	1	1	0	1	1	1	3500
Darryl	21%	0	0	0	0	1	0	1	1	0	0	1	2000
Jacob	67%	1	1	1	1	0	1	0	1	0	1	1	17500

Note. Yes is indicated by 1; no by 0. ND indicates that the information was not disclosed.

Figure 1

Two Pathways to Bank Distrust

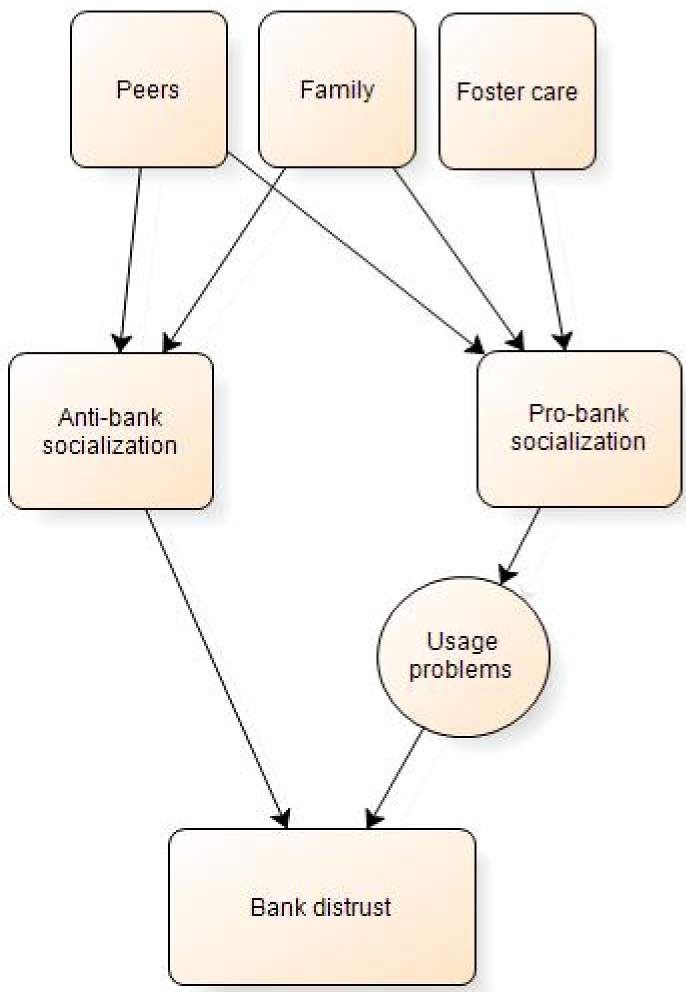

Table 7

Alternatives to Bank Use

Topic	Number of participants reporting	Participant(s) reporting
Hiding	9	Andy, Bryant, Buford, Charmelle, Christopher, Darryl, David, Jordan, Michael
House	7	Andy, Bryant, Christopher, Darryl, David, Jordan, Michael
Pocket/Wallet	2	Christopher, Jordan
Shoe box	2	Andy, Charmelle
Car	1	Christopher
Old Can	1	Andy
Park	1	Bryant
Invest in business/company	6	Andy, Bryant, Buford, Christopher, Darryl, Jacob
Illegal activities/Drugs	3	Bryant, Buford, Darryl
Women	4	Bryant, Buford, Christopher, Rob
Girlfriend	3	Buford, Christopher, Rob
Mother/Grandmother	2	Bryant, Buford
Investing/Stock Market	3	Buford, Darryl, Jordan
On Person	2	David, Jeff

Table 8

Perceived Benefits of Banking

Topic	Number of participants reporting	Participants reporting
Interest	6	Andy, Buford, Charmelle, Christopher, Darryl, Jordan
Credit/Loans	5	Buford, Darryl, Jacob, Jordan, Michael
Saving/Managing	4	Charmelle, Christopher, Michael, Rob
Direct deposit	4	Charmelle, Christopher, Jordan, Michael
Online banking and bill pay	3	Darryl, Jeff, Michael
Currency exchange	2	Andy, Charmelle
Debit card	2	Christopher, Jeff
Financial advice	2	Darryl, Jacob

Appendix B: Adapted Financial Knowledge Assessment

FINANCIAL KNOWLEDGE

Next I am going to read many statements to you. Some of these statements are true and others are false. Please tell me whether you think the statement is true or false. If you really have no idea whether the statement is true or false, you can just say "Don't Know." It's okay if you don't know the answers.

We'll start with some questions about banks and other financial institutions.

1. All banks provide the same interest rates on their savings accounts.

   ☐ True

   ☐ False

   ☐ Don't know

2. You do not need to record ATM deposits and withdrawals in your checkbook.

   ☐ True

   ☐ False

   ☐ Don't know

3. Rapid refund services usually charge a higher fee for preparing your tax returns than government and community programs do.

   ☐ True

   ☐ False

   ☐ Don't know

4. In choosing where to open a bank account, you should not consider fees for services.

   ☐ True

   ☐ False

   ☐ Don't know

5. Buying an item through rent-to-own plans usually costs less overall than buying the same item with a bank loan.

   ☐ True

   ☐ False

   ☐ Don't know

6. Door-to-door salesmen have the best deals on insurance.

   ☐ True

   ☐ False

   ☐ Don't know

7. Banks often allow direct deposit of paychecks into checking or savings accounts.

- ☐ True
- ☐ False
- ☐ Don't know

8. Predatory lending means taking unfair advantage of consumers who need to borrow money.

- ☐ True
- ☐ False
- ☐ Don't know

9. Currency exchanges usually charge less than banks for cashing checks and other financial services.

- ☐ True
- ☐ False
- ☐ Don't know

10. Payday loans usually have low interest rates.

- ☐ True
- ☐ False
- ☐ Don't know

11. You may use a debit card to withdraw more money than you have in your bank account as long as you pay it back later.

- ☐ True
- ☐ False
- ☐ Don't know

12. A debit card is used to take money from your bank account electronically.

- ☐ True
- ☐ False
- ☐ Don't know

13. Pawnbrokers often take advantage of people who have little money.

- ☐ True
- ☐ False
- ☐ Don't know

Now I'll ask you about saving and investing.

14. You should save three or more months of living expenses before you begin investing.

    ☐ True

    ☐ False

    ☐ Don't know

15. You can build large savings over time by making small reductions in your weekly spending.

    ☐ True

    ☐ False

    ☐ Don't know

16. A mortgage payment is money that you invest in stocks and bonds.

    ☐ True

    ☐ False

    ☐ Don't know

17. Compounding means additional interest you receive when you re-invest earlier interest you have earned.

    ☐ True

    ☐ False

    ☐ Don't know

18. The rate of return on your money is the amount that you earn on your savings and investments.

    ☐ True

    ☐ False

    ☐ Don't know

19. Investments usually are less risky than savings accounts.

    ☐ True

    ☐ False

    ☐ Don't know

20. Tax deferred savings accounts allow you to save money while putting off some tax payments until a later date.

    ☐ True

    ☐ False

    ☐ Don't know

21. In the long run, savings accounts usually have a higher rate of return than investments.

- ☐ True
- ☐ False
- ☐ Don't know

22. You can count on regular growth in your money when you invest in the stock market.

- ☐ True
- ☐ False
- ☐ Don't know

Next I'll ask you about credit and interest rates. Remember, it's okay to say you don't know if you have no idea.

23. Credit bureaus keep track of how people pay their bills.

- ☐ True
- ☐ False
- ☐ Don't know

24. Creditors will sometimes reduce your minimum payments or interest if you talk with them.

- ☐ True
- ☐ False
- ☐ Don't know

25. Paying all bills on time is the best way to establish a good credit record.

- ☐ True
- ☐ False
- ☐ Don't know

26. Loans that allow no interest for a certain period often have very high interest rates later.

- ☐ True
- ☐ False
- ☐ Don't know

27. Using credit is a good way to pay overdue bills.

- ☐ True
- ☐ False
- ☐ Don't know

28. Knowing the annual percentage rate or APR for a loan is a good way to compare loans with different repayment periods.

☐ True

☐ False

☐ Don't know

29. A loan with a 3% monthly charge is a better deal than a loan with a 20% APR.

☐ True

☐ False

☐ Don't know

30. Taking out a small loan or opening a department store charge account can help you build a good credit rating.

☐ True

☐ False

☐ Don't know

Now I'll just ask you a few more financial questions to finish this section.

31. If you get health care insurance through your job, you can pay to continue your health insurance for at least 18 months when you lose your job.

☐ True

☐ False

☐ Don't know

32. If you buy disability insurance, you will receive the same amount of money you got while working if you become disabled.

☐ True

☐ False

☐ Don't know

33. Employers will sometimes contribute to your savings when you invest in retirement plans.

☐ True

☐ False

☐ Don't know

34. In Illinois, there is a program to help low-income parents pay for child care.

☐ True

☐ False

☐ Don't know

35. The Child Tax Credit is a government benefit you can receive if you have a child under 17.

- ☐ True
- ☐ False
- ☐ Don't know

36. The Earned Income Tax Credit (EITC) is a government payment that rewards people for working.

- ☐ True
- ☐ False
- ☐ Don't know

37. You must owe income taxes in order to receive the Earned Income Tax Credit (EITC).

- ☐ True
- ☐ False
- ☐ Don't know

38. Choosing a smaller deductible can help you save money on insurance.

- ☐ True
- ☐ False
- ☐ Don't know

39. You can lose public assistance if you receive the Earned Income Tax Credit (EITC).

- ☐ True
- ☐ False
- ☐ Don't know

40. It is legal to drive a car in Illinois without automobile insurance.

- ☐ True
- ☐ False
- ☐ Don't know

41. Family leave benefits allow employees to take unpaid time off from work after they have a child.

- ☐ True
- ☐ False
- ☐ Don't know

42. You can only receive Medicaid if you also receive cash assistance from the government.

- ☐ True
- ☐ False

☐ Don’t know

43. Envelope budgeting is a system for setting aside the amount of money you will spend for different purposes.

☐ True

☐ False

☐ Don’t know

Appendix C: Financial Behaviors Checklist

FINANCIAL BEHAVIORS

The next group of questions asks about your past and current financial experiences.

44. Have you ever had a checking account?

☐ Yes ☐ No

45. Have you ever had a savings account?

☐ Yes ☐ No

46. Have you ever had a credit card?

☐ Yes ☐ No

47. Have you ever accessed your credit score or credit report?

☐ Yes ☐ No

48. Have you ever used a currency exchange, such as a payday lending agency, check cashing service, or pawn broker?

☐ Yes ☐ No

49. Have you ever owned your own home?

☐ Yes ☐ No

50. Have you ever received public assistance?

☐ Yes ☐ No

51. Have you ever created a budget for your personal finances?

☐ Yes ☐ No

52. Have you ever participated in a financial education program?

☐ Yes ☐ No

For some people, the next few questions may touch on illegal activities, so we remind you to carefully consider your responses.

53. Have you ever filed a federal tax return?

☐ Yes ☐ No

54. Do you have any debts?

☐ Yes

a. If yes, what type of debt? ________________________________

b. If yes, approximately how much? ________________________________

☐ No

Appendix D: Qualitative Interview Guide

Bolded questions indicate that by IRB requirement, I had to state the following before the question: *For some people, the next question may touch on illegal activities, so we remind you to carefully consider your responses.*

1. Where did you grow up? What was it like?
2. What was your family like growing up?
    a. Did you have a lot of extended family around?
    b. Did you have a lot of friends?
    c. What did you spend your time doing?
    d. Did you ever spend time in a juvenile detention center? What was that like?
3. Can you tell me about your earliest memories of or experiences with money?
    a. How was money handled in your family (e.g., allowance, jobs, conflicts, etc.)?
    b. Was money discussed in your family when you were growing up?
    c. Did you have any role models in regards to earning or handling money?
    d. What did you learn about money/earning money from your family members?
    e. What did you learn about money/earning money from your friends?
    f. How did your family or friends interact with banks, credit unions, or financial institutions?
        i. Were they owned by locals, people in the community?

ii. Did they have confidence in them?

iii. Did they have any problems with them?

1. Did they feel that they didn't treat minority groups very well?

4. **How did you first start earning your own money?** How old were you?

a. What type of paid work have you done in the past?

5. How do you feel about money/financial matters?

a. What do you think of when you think about money?

b. Can you think of any significant experiences you've had with money?

c. What experiences have you had with financial institutions? Have you been able to benefit from any financial institutions? Why/why not?

d. Has money been a stressful thing in your life?

e. Have you struggled to get enough money?

f. What strategies have you used to make ends meet/stretch your money? Barter/selling items?

g. Do you like spending money?

h. How important is it to you to be good with your money?

i. Do you feel confident about managing your money? Is there any area you don't feel confident in?

j. Would you say that money important to you?

k. Are there any family members or friends that you feel have influenced your feelings about money?

l. What experiences have you had with money during your time in jail?

m. Do you talk about money or finances with others in jail?

6. Have you ever taken a class on financial management? If so, when and where did you take the class?

   a. What did you learn from the class?

   b. Did you use what you learned (e.g., budgeting)?

   c. Do you remember what you learned?

7. Have you ever wanted to learn more about managing your money? If so, what would you like to know?

   a. Of all the things to know about money, is there anything that you think would help keep people out of jail?

   b. Could the jail do anything to help you learn about finances?

   c. How do you feel about learning in jail?

   d. Has the jail offered classes (in any area) that have been beneficial to you?

8. What do you envision happening when you're released from jail?

   a. How do you feel about leaving jail and going back home?

   b. Is there a certain type of job that you would like to get when you leave here? Do you think there's anything that makes it difficult for you to get that job?

c. What will you be working for when you leave jail?

d. Are there things that you would like to do differently than you've done before? How will you do that?

e. How often do you think about what you're going to do when you leave here?

f. Is that something that you talk about with others here?

9. How do financial matters affect your feelings about leaving jail?

a. Do you expect to have money?

b. How much money do you think you will need for the life that you envision?

c. How will you deal with money when you leave jail?

d. What resources or strategies do you plan on using when you are released?

e. Do you think knowing more about dealing with money would help you as you leave jail and help to stay out of jail?