

Can Financial Education Reduce Food Insecurity? Evidence from an Asset-Building Program for Families in Poverty

Purpose

This study examines food insecurity among children of participants in a federally funded, intensive financial education program in the United States, the Individual Development Account (IDA) program. The goal was to evaluate the effectiveness of program participation in reducing food insecurity. The characteristics of IDA program families match closely the demographics of food insecure households: female-headed, single-parent families; African American and Hispanic families; families with lower educational attainment and a higher number of children.

Impact

Our first finding is that food insecurity is high among IDA program families: 21% of current and former IDA program families report high or very high food insecurity for their children, compared to 9.9% of the general population.

Food insecurity is not lower among those who successfully complete the program, despite intensive training in financial management, budgeting, and saving provided in the IDA program.

Ohio State Colleges/Units Involved

College of Education and
Human Ecology
Department of Human Sciences
Consumer Sciences
Human Development and
Family Study

Community Partners Involved

CASA of Oregon
Utah IDA Network
Prosperity Works New Mexico
United Way of Central Alabama
Economic and Community
Development Institute, Ohio
Covenant Community Capital,
Houston, Texas
Capital Area Asset Builders,
Washington, DC

Examining predictors of children's food insecurity, we find a higher financial literacy score to increase the odds of children's food insecurity. Other factors such as frugal behavior, lower material deprivation, and higher subjective well-being are, as expected, associated with lower odds of children's food insecurity.



THE OHIO STATE
UNIVERSITY

How you can get involved:

- Connect the research team to community-based savings and debt management programs for replicating this research and designing field experiments that examine causes of food insecurity among children in financially-distressed families.
- Provide real-life expertise for our designing and implementing RCTs to assess the causes of food insecurity among children in financially-distressed families. There is a great need for better understanding parent knowledge about the harm of children food hardship, parents' financial prioritizing strategies, and the psychological burdens of making food-related decisions.
- Collaborate with the research team in obtaining funding to better understand the causes of food hardship among children.

To get involved, contact:

Caezilia Loibl, Ph.D., CFP
Associate Professor/
OSU State Extension Specialist
College of Education and
Human Ecology
loibl.3@osu.edu

