

Financial Education

Teaching money skills for increasing reentry success

Agency: Pennsylvania Department of Banking and Securities and the Pennsylvania Department of Corrections

Trial Duration: Education 06/29/18–09/15/19; Surveys 08/03/20–03/19/21

Pracademic*: Becky MacDicken

Context

Providing financial and banking education to prison residents before they reenter society may give them useful skills for a successful transition to community living.

Key Finding

A statistically significant difference in recidivism rates across the randomized intervention and control groups was found at 6-month followup ($p=0.1$) but not at 12-month followup ($p=0.6$).

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Background

Life in the community often requires making complex financial decisions, and the need for financial education is especially pertinent for incarcerated persons who may not have recent experience navigating banking, finance, and credit. Most incarcerated people will eventually reenter society and may benefit from financial education. The Pennsylvania Department of Banking and Securities (DoBS) provided financial education at selected Pennsylvania Department of Corrections facilities, to determine whether a financial-education course would affect finance-related behaviors and recidivism rates.

Trial Design

Participants were randomized to either receive the financial-education course or not and were followed to assess recidivism at 6 and 12 months after release. Recidivism was defined as an arrest by a Pennsylvania law-enforcement agency or return to incarceration. Participants were contacted after release to complete a survey on banking and finance issues. Survey data from the INT group (possibly including some who did not attend the course) and CON group were compared using chi square tests. Significance levels for all tests were set at $p=0.1$.

Results

Of 422 reentrants who were randomly assigned to condition (INT=212, CON=210), 308 were released from prison. The 6-month follow-up (INT=161, CON=145) shows an 11.8% recidivism rate for the INT group and 19.3% for the CON group ($p=0.1$). The 12-month follow-up (INT=139, CON=129), shows the difference was no longer statistically

significant (INT=26.6%, CON=29.4%; $p=0.6$). Only 43% of participants completed the follow-up survey (INT=62, CON=36). The CON group had more positive responses than the INT group on several items. More in the CON group reported opening a bank account (83%) and a line of credit (83%) than in the INT group (58% and 61%, respectively). Also, more in the CON group (53%) reported having checked their credit report than in the INT group (44%). 50% of the survey respondents in the INT group were female, compared with 31% in the CON group, and 26% of the INT group were 32 or younger, compared with 37% of the CON group.

Recidivism results indicate that the financial-education course may have had a beneficial effect on reentrants in the first months after release, but the benefits disappeared after 12 months in the community. Future studies of the financial-education course should include additional efforts to increase survey-response rates to ensure generalizable results.

Percent of participants recidivating by time and condition



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