

Episode 106 - Dr. Yunju Nam: Asset-Based Policy: A New Direction in Social Welfare Policy

[00:00:08] Welcome to living proof a podcast series of the University at Buffalo School of Social Work at www.socialwork.buffalo.edu. We're glad you could join us today. The series Living Proof examines social work research and practice that makes a difference in people's lives. I'm your host Peter Sobota. Thanks for downloading more than 300000 of our podcasts. We'd love it if you took a minute to tell us what you like or don't like about them and what you'd like to see us do next. If you're an educator and you are using our podcasts and your courses please let us know how. I know some of you are as I've seen them on course syllabi out there. So let us know. Go to our Web site at www.socialwork.buffalo.edu forward slash podcast and click the Contact Us button. We'd be thrilled to hear from Hi everyone. Gorgeous foliage tart Cortland apples from nearby Niagara County. Fresh apple cider and seasonal festivals all over town. It's fall in buffalo have manufacturing age income maintenance programs outlived their usefulness or short term safety nets. The best we can do to respond to the challenges of the new economy and turbulent financial times. In this episode our own Dr. Yunju Nam describes her research into an alternative called asset based policy. She contrasts traditional and current income maintenance responses with a paradigm shifting response that seeks to address the longer term needs of social welfare recipients and reflects what researchers are learning about the tangible and psychological benefits of Hope personal responsibility and risk taking behavior.

[00:02:02] Dr. Nam argues that our current income based safety nets assume a predictable economy and a ready supply of jobs in this approach. Loss of a job is regarded as a temporary bump in the road that can be bridged by a short term income based infusion of public support. She points out the limits of this model for the current economic reality and describes Anouar response in social policy that provides opportunities for recipients to save money over time by encouraging savings and investment not just consumption. Specifically Dr. Nam describes individual development accounts and child development accounts as more realistic responses to the poor outcomes of temporary income assistance for those struggling in or near poverty asset based programs deliver services and resources with sights set on long term financial independence and security. Our guest describes the psychological impact that asset ownership has in terms of client hope motivation and quality of life that goes far beyond our current safety nets and outdated temporary stabilization efforts. Dr. Nam outlines the various benefits promoted by this new paradigm noting that in the United States ACET inequality is far more pronounced than income inequality. Dr. Nam concludes her discussion with comments on the rural research can play an ongoing asset based social policy efforts. Dr. Yunju Nam is assistant professor here at the UB School of Social Work Research and professional interests include social welfare policy poverty and economic inequality asset building policies and programs and elderly immigrants. Dr. Nahm was interviewed by Dr. Kelly Patterson assistant professor on our faculty here at the School of Social Work greetings today I'm speaking with Dr. Yunju Nam who is an expert on asset base social policy.

[00:04:06] What is asset based social policy and why do we need asset base social policy in addition to income maintenance policy space social policy age a new approach in addressing poverty and socio economic inequality. That is to say support based social policies has been suggested and adopted to overcome the limitation of traditional income maintenance approach of the past. Although Income Maintenance approach has played and will continue to play very important role for low income family survivors it is not enough to lift them out of poverty in the current economy. Income Maintenance approach is a model for a time for Industria and are with high school graduate could get a decent job. Read the Blue Cross rate and good benefits. So when the job was stable and then high school graduate could get middle class job income maintenance. Policy prevented many families from falling into poverty at the time or economy. Difficult times for ever paper requires they could get Social Security income so they could survive. And also when

they lose a job for a short term they can live with their benefit from public option programs. But economic environment has changed and we may need a new approach in the post. In those three year information economy we need an approach to encourage higher education and risk taking. For this reason essential for long term economic development for many families able middle class families incom it's not enough to finance children's college education and in order to take risk on individual need as set to go through difficult times and invest for the new business.

[00:06:08] In addition I said although she may have positive psychological effect it may create future orientation encourage owners to plan for the future and teach them to how to manage their money says SS of frex summer and owners can use their esset for what they need for their long term development asset a social policy is likely to empower the Taghi population. Despite all of that in feminist long term economic security and development the US government has not encouraged its low income families to build assets. Until recently asset based policy had targeted only high and middle income families for good and for text based the Essop billion policies such as income tax deductions for mortgage interest and retirement saving account really benefit low income families because many low income families do not have any tax liability. The majority of lower income workers are not eligible for employment based retirement programs such as for one K.. At the same time social policy discourage it low income families from saving most social programs for low income families substests temporarily assistance to the needy families have set a limit. That is to say low income families cannot have set out or are certain labor in order to receive public assistance program benefits. In summary as separate the policy itself is now new in the United States but it truncated only high and middle income families for many decades social asset based is a new direction in social policy. It aims at empowering disadvantaged population so that they can achieve long term economic security and development by helping low income families accumulate esset for higher education homeownership a starter or retirement asset based social policy helping to move out of poverty and or lasting economic gains.

[00:08:22] Unlike income maintenance policies that meet only short term clinching are needed by expanding asset building opportunity to cover income families as the base social policy may reduce economic inequality deep rooted in America's society then what are assets and savings so important to social policy. Could you explain that a bit further. SS and savings are important for social policy. Edger social research because they are critical for long term economic development and indicators of socio economic inequality. There are various rumours of esset however have no recolonize. For many decades since SS and savings believe that just on other forms of economy services for consumption's as income maintenance social policy focus solely on low income families and Shimshon need social policymakers and Social Research hipsters Speu said. I just thought house for future quencher emissions is Kitale for low income families. Domino Theory of asset lifecycle hypothesis and first accelerate define saving as a way of balancing the function of household financial resources for consumptions. In this series individuals and families save when their current income is higher than ever and save their savings when their current income each Lordan Evariste. So does they say when they have more income than used up and then they spend their savings when their income is Lordan user for the day for for retirement or when they get tired or when they lose a job. But I said any savings are more than just a house for future consumption. As mentioned earlier SS is instrument in promoting generator capacity. Inducer and families to aldermen's economically socially and psychologically and politically. That is to say SS essential for long term economic security and development for the jemput as said ownership can help families not to make costly financial decisions for short term economic pressure.

[00:10:48] Children do not need to drop out of school and get a job to support their families when their parents are employed. When their Faymann have savings SS may promote the Bellemont or other types of assets including Khumba and kept her savings. Her family financed their children's college education which have long term positive effect on indie readers throughout their lifetime.

SS Are So arrow Peiper truth take prudent Lisk people can use their saving for new bitties investment at the same time as said also has psychological impact as it is Péter homeownership improve household stability by providing stable residence to families and also help people to manage their financial issues and motivate them to learn more about financial management. But more importantly as that may encourage future orientation by connecting people with of visa over and hopeful future when they have savings in Bangkok card people can prep for their college education. Buying a new home and new businesses young people Ridha said are likely to view their future differently from their current part without any savings in their bank account. In summary asset ownership likely to give half and future to individuals and families in addition is this a good indicator of social and economic inequality. First I said inequality is much larger than income inequality ratio of five to non-white. Income is about one point five to one ratio white to non-white. Net worth is about 10 to 1. White have one and half times income of non-white but 10 times rarest of non-white futhermore SS a pest from one generation to the next.

[00:12:56] Although high income parents are more likely to raise their children to become a high income in the future investing into their children's Kopitar the transmission of high income status is not perfect. Kids from high income families can be low income people in the future but instead transmission from one generation to another is different. Parents can be transmitted to their children perfectly rich maintain economic inequality in society white and non-white gaps in US different the history of racial discrimination racial rest get reflect the historical legacy slavery Jim Crow roar and segregation and discrimination in housing and labor market. In summary SS and savings are critical instrument for long term economic security and development. And at the same time a good indicator of inequality in the society. That's why we should pay attention to asset and savings. Dr. Nam what is the current status of US based social policy in the first two decades that United States and many other countries in the world adopted a separate social policy unit Bowsheer and progress as the building programs in the United States. They want to ration provide implicate evidence that low income families may save for their own economic development if appropriate instrument or support has been provided. The only continued demonstration is the purse social experiment that tested individual development account that is saving incentive program for low income families led by Mike crucially done and funded by Ford Foundation aided or forward saving Meritus to low income. Program participant if the low income participants say into their account then 80 depot by the same amount or some amount of saving to their individual development account. So low income participants were motivated to save for their income.

[00:15:12] Pitcher recognized the potential effectiveness of the individual development account program shown in American Dream demonstration of federal and state government instituted individual development account programs through our legislation executive order or administrative decision making for the time produced for the independent act of 1998 create the first federally funded nationwide demonstration program for Id say the separate independent act mandated the office of community service in the Department of Health and Human Services to our five year grant to ideate programs to non-profit organization government agencies or to finance institutions corroborating the local community based organizations. As for the independent act was tying the idea of ideas or development account for long term economic development among low income families. In addition there had been a legislative discussion of separate breaches of child development account such as medical savings for personnel investment retirement and education. For one case account and baby bond Tigi but the account is universal and progressive saving incentive for children whose goal is to offer setting up college for long term development for all children in the United States especially those from low income families grow Vory. Several countries have adopted the type development account as a national policy. It would improve Syncrude Canada thingo for the United Kingdom's Feustel and the UK Government introduced child trust fund in 2005 with or aim of ensuring every child has savings. At the age of 15 herping children get into the habit of saving and teaching them the benefit of savings and important of

financial management Child Trust Fund. Of course every child born after September 1st 2001 on Inish or Poucher of eldest two hundred fifty pounds for savings into a child trust account Child Trust Fund or so around family and friends to save their own money into child trust fund account with tax benefit.

[00:17:45] Research showed that Child Trust Fund was effective in boosting savings rate especially among the poor families. What role says research played in promoting asset based social policy and what research has been done to promote social policy information and a whole discussion and adoption of that base social policy has been promoted by empirical evidence from Ahmedi during demonstration and in case of other social policy issues as separate social policy has relied on research findings and will continue to do so. Policymakers often make decisions based on empirical evidence as political calculation policy and program developers use information from future research to identify program or policy pictures effective in altering its policy or program goes research has played important role in space policy management and adoption. After the army continued their demonstration there has been various research effort to promote asset based social policy. First there was a poor financed project that was supported funded by the Department of Health and Human Services and conducted by the Center for Social Development an openness to trade and I was honored to be part of this footage. This project aimed at summarizing EKG seasonality to guide future research on ESA. This project debuted existing theories concepts are more dense and data and empirical evidence on various topics related with asset and asset building. This project also identified gaps in current knowledge so that gave some questions for future Lyssiotis. This project looks at what effect of asset ownership and what the mine families asset accumulation. It also look at the various definitions of the social research and it or thought it would end with the current dataset with said information so the poor finest product profiled or Lizotte met for future researchers.

[00:20:13] So it built a foundation for future research and as Sebutinde policies at the same time there was some airport in developing as that based economic well-being measures economic well-being measures praise very important law in social research and social policy development. As you can see in case of further poverty measure it by the Social Policy and Social Research it could hamper further poverty measure determine eligibility of many Saussure public assistance programs. At the same time Federer poverty measure indicate the economic status of society because if the poverty rates goes up in the Cape many families suffer from the poverty. So did Goldman need to do more. But the pure economic well-being measures take into account as I said in measuring India which are and families it kind of therapy. So it is a Schenscher for long term policy and research agenda to develop that based economic wellbeing. Recently I said poverty measure was Dibella and it estimate how much savings or race or family need to suruh should come unemployment period. But it's not a comprehensive more confidence measure was that developed. That is basic economic security index to basic economic security index is the first economic well-being measure that estimate how much savings should be regularly made for various types of families in order to ensure long term economic security and development. The best estimate saving Armande for our retirement children's college education emergency and home ownership in that way best will guide families financial training and inform policy Bellemont by setting straight hord for minimum Sabian amount for each type of payment is or so there was a series of empirically such prosaic on the effect of asset and educational achievement among families.

[00:22:26] And this study showed that having said promote encourage ROI confirm children to stay in school and go for college. Another big project in said research is saved for Oklahoma case. This is a large social experiment to test the idea of uni Busher and progressive our children's development of. And it was conducted by Centre for Social Development with a corporation of the State Government of Oklahoma City. OK gave a college savings account to every two children in the treatment group and it also has a control group without any intervention. So by comparing the

retort between the treatment group and the control group it does show that effect of child development O'Connor on children's development. Thank you for demanding for lending us your expertise on asset based social policy. We are looking forward to hearing more about this important research in the future. It was my pleasure. Thank you for the opportunity for me to pretend my walk you've been listening to Dr. Yunju Nam and discuss asset based social welfare policy. I'm living proof. Hi I'm Nancy Smyth professor and dean at the University at Buffalo School of Social Work. Thanks for listening to our podcast. For more information about who we are our history our programs and what you do. We invite you to visit our website at www.socialwork.buffalo.edu. At UB we are living proof that it makes a difference in people's lives.