

Investigating offenders' post-release financial intentions

by

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B.A., University of Wyoming, 1999

M.A., University of Wyoming, 2004

AN ABSTRACT OF A DISSERTATION

submitted in partial fulfillment of the requirements for the degree

DOCTOR OF PHILOSOPHY

School of Family Studies and Human Services  
College of Human Ecology

KANSAS STATE UNIVERSITY  
Manhattan, Kansas

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## **Abstract**

Crimes are committed for a vast and varying number of reasons. Many of those who commit crime are found guilty and serve their sentences. In most situations, the offenders will complete their sentences and subsequently be released back into society. The question then arises, is the offender prepared to return to society?

There are numerous factors associated with successful reentry, but one that has not yet been addressed is financial behavior after release. This dissertation takes a first step toward understanding potential post-release financial behavior. The purpose of this primary data study was to use the theory of planned behavior as a context to examine how aspects of incarceration history—the type of crime committed (financial and non-financial), total years incarcerated, and total number of convictions—may influence financial attitude, financial subjective norms, perceptions of behavioral control, and post-release financial intentions. Use of the theory of planned behavior in this special, vulnerable population is needed to assist educators and professionals to determine what training offenders may need to succeed once back in society. This study focuses on Georgia Transitional Center participants' post-release financial intentions.

There is not much research regarding men and women who have experienced incarceration and their relationships with financial resources. Understanding the nature of Americans' financial resources is challenging. Adding incarceration to the equation further complicates the investigation, but it is a worthwhile for a more comprehensive understanding of factors that may later affect success in society. This dissertation is the first study to investigate post-release financial intentions of men and women in a work release program.

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Approved by:

Major Professor  
Maurice M. MacDonald, Ph.D.

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To My Father on High, thank you for sending your son, Jesus Christ to save me from my sins. Thank You for the gifts You have bestowed upon me and the people whom You put in my path.

## **Dedication**

This dissertation is dedicated to my husband Slade, my son Kaden, and my daughter Slaeda. This entire dissertation is due to YOUR support. For putting up with me when I was stressed, for letting me cry, for letting me vent, for tolerating me when I was cranky, for understanding that every minute I could spend on this now would free up a minute later and letting me/helping me get through some of those tough OCD moments, for letting me cancel on lunch or not visit your class so I could write, for knowing the answer to every question was “Dissertation”.

You all are my heart, my support system that never fails. This dissertation would not have been possible without your love. I love you all!

## Preface

When I was a senior in high school, I remember my church talking about going to minister at the Women's Prison in town. I clearly remember thinking, "I'll never do that!" Well, never say never.

I took a winding road to get to where I am today. I majored in Broadcasting with every intention of working for ESPN (never happened, FTR). I got my Master's in Communications and fully intended on eventually pursuing my Ph.D. in Communications. My husband found the FINRA Military Spouse Fellowship for me and I obtained my AFC® in 2009. My husband continued to serve his country and one late, late night when pulling Staff Duty at Fort Gordon, GA found this hybrid Ph.D. program in Personal Financial Planning at Kansas State University.

I was working for a non-profit National Foundation for Credit Counseling (NFCC) member agency when I got a phone call asking for someone to provide financial education to men in the local Transitional Center. Though my relationship with that NFCC member agency swiftly ended about six months after I started teaching, I asked the Transitional Center Superintendent if I could stay on as a volunteer and continue to teach financial education on a bi-weekly basis to the men who were transferring into the TC system. He graciously allowed me to continue teaching...and then let me collect data to make sure that what I was teaching was what needed to be taught...and then put in a good word for me with his boss so I could do another study...and then his boss thought I was great...and the rest, as they say, is history.

## **Chapter 1 - Introduction**

Crime is committed in anger, for love, for revenge, and for money, among many other reasons. Many of those who commit crime are caught, arraigned, and when found guilty serve their sentence of incarceration. In some situations, the criminals will, at some point, be deemed to be rehabilitated and be released back into society. However, most are simply released because they served their sentence. The question then arises, is the offender prepared to return to society?

There are opportunities for offenders to work, to obtain their General Equivalency Diploma (GED) or college education, and to obtain training to apply and interview for jobs. In some instances, there are opportunities for offenders to expand their knowledge in topic specific areas such as financial knowledge (Koenig, 2007; Mielitz, MacDonald, & Lurtz, in press). Society continues to change as the offenders serve their time. Content-specific education, such as financial literacy education, serves to assist offenders to recognize and cope with the financial changes that have occurred during an offender's time away.

There are differing viewpoints about when the transition from incarceration process begins—from the day the offender walks in the prison door, to later in the sentence as the offender approaches a date set for his or her release. The time incarcerated in prison ranges from one year to more than thirty. This time locked up is spent with numerous restrictions that people “on the outside” take for granted. The choice of where to sleep, whether to lock the door, to stay up or sleep in, when to go to the grocery store, the bar, or the bank—these are choices no longer afforded to the offender. This restriction of choice may influence behavior post-release. In fact, it is desirable for society that the changes the incarcerated person faces are enough to help them mend their ways and, once released, live a law-abiding life.

The purpose of this study was to use the theory of planned behavior (TPB) as a context to examine how aspects of incarceration history—the type of crime committed (financial and non-financial), total years incarcerated, and total number of convictions—may influence financial attitude, financial subjective norms, perceptions of behavioral control, and post-release financial intentions. Intentions studied in this dissertation concern participation in the banking system and positive financial management. The central tenets of TPB include attitude, subjective norms, and perceived behavioral control. Relevant pre-incarceration background characteristics such as objective and subjective financial knowledge, socio-economic status, race, gender, prior participation in financial education, and prior experience with the mainstream banking system were also used to thoroughly describe the sample population under investigation and as predictors.

The aspects of incarceration history served as the primary predictor variables. Financial attitudes, subjective norms, perceptions of control, and post-release financial intentions are the inter-related dependent variables of the study. From the perspective of personal finance, it is important to understand the antecedents of financial intentions to learn what support may contribute to successful reentry to society. Primary data was collected through convenience sampling at six Transitional Centers in Georgia.

### **Population: Incarcerated**

Over 1.56 million Americans were incarcerated in American state and federal prisons as of the end of 2014 (Carson, 2015). Incarcerated men and women are unable to have regular contact with their bank or credit union, loans, and savings and investment products. Monies available to prisoners can be used for telephone calls, vending machines and the “commissary” where purchases of letter writing materials, hygiene items, and other miscellaneous purchases

can be made (Prison Pro, n.d.). Cell phones are banned in prisons around the country (Roose & Harshaw, 2015) and very few incarcerated men and women are allowed even basic internet access (Branstetter, 2015). These limitations severely detract from one's ability to maintain up-to-date knowledge on available financial products and services.

Approximately 40% of State prison inmates have not graduated from high school or obtained their General Equivalency Diploma (GED); (Harlow, 2003). Using the most recently available data from the 2004 Survey of Inmates in State Correctional Facilities, Rabuy and Kopf (2015) determined incarcerated people had a median annual income of \$19,185 in 2014 dollars prior to incarceration. Additionally, the unemployment rate immediately prior to incarceration for State prison inmates between 1990 and 1997 was more than double that of national unemployment (Harlow, 2003).

Prison sentences range from one year to more than 30 years. Time spent incarcerated may detract from one's perception of control over their own life due to having little control within the prison walls. Additionally, the sentences served reflect time spans in which prisoners are away from family, friends, conveniences, as well as financial products and services. As financial products and services expand and change, the day-to-day understanding of what to do and how to do it may decrease due to lack of exposure. This lack of exposure may also impact an offender's attitudes, subjective norms, and self-efficacy and self-control regarding financial matters. Recent research indicates that offenders with more serious offense histories had a more distinct attitude change on the Criminal Sentiments Scale—Modified (CSS-M), a self-report instrument that measures attitudes related to criminal activity (Simourd, Olver, & Brandenburg, 2015). Exposure to varying types of education while incarcerated may also influence attitude. For example, financial attitudes of Transitional Center participants positively changed after a financial



education course (Mielitz, MacDonald, & Lurtz, in press). The number of times one has been incarcerated may particularly influence subjective norms due to amount of exposure to other offenders and the offender expanding his or her social circle. Perceptions of control may also be influenced, with a negative relationship between number of incarcerations and self-efficacy/control due to the lack of control experienced time and time again while incarcerated. Thus, the experience of incarceration itself may have an impact on attitudes, subjective norms, perceptions of control, and intentions.

### **Problem Statement**

Facing changes in the financial industry can be difficult even with the freedom to ask questions of qualified professionals via telephone, e-mail, or in person. Tackling the same changes in the financial system while incarcerated is even more difficult due to the lack of free and regular communication with the outside world. With the vast array of financial products and services now available, incarcerated men and women face an increasing number of financial challenges upon release simply because of the way the products, such as online banking and debit cards, have appeared and changed American society.

Factors like length of time incarcerated, type of offense, and number of offenses may affect financial intentions after release. Currently no published literature has been identified which addresses factors of incarceration that influence attitude, subjective norms, and perceptions of behavioral control regarding financial intentions. Moreover, no literature has been identified that investigates the post-release financial intentions of Transitional Center Participants. Investigating the post-release financial intentions of Transitional Center Participants (TCP) is needed to provide a more comprehensive understanding of factors that may later affect recidivistic activities.

## Research Question

How do aspects of incarceration history influence financial intentions? In addition to total years of incarceration, this question also considered the type of crime and number of incarcerations. These variables address time away from financial services, how type of offense may be associated with financial intentions, and the potential differences associated with repeated incarceration.

The subjects for this project were men and women incarcerated in Georgia preparing for reentry into society vis-à-vis the State directed work release program. Participation requirements in work-release programs vary from state-to-state, but the requirement of the remaining period of incarceration is typically two years or less. This pre-release timeframe is similar to that faced by students approaching graduation, or entry into the “real world,” who participated in the original Jump\$tart studies (Mandell & Klein, 2007) therefore Jump\$tart studies of financial knowledge were relevant as guidance.

The theory of planned behavior (TPB) suggests our attitudes—the positive or negative way we feel about a certain behavior, the norms we derive based on interaction with friends and family—whether friends and family are supportive of the behavior, and the control we believe we have over certain situations influence how we *intend* to behave. These behavioral intentions furthermore directly influence the behavior of interest. Intentions are accurate predictors of behavior when control of personal behavior is not a serious concern (Ajzen, 1991). TPB has been used in a handful of studies regarding criminal behavior intentions, including a recent study on post-release behavioral intentions of the incarcerated (e.g. Forste, Clarke, & Bahr, 2011; Kiriakidis, 2006; Pogarsky, 2004; Tolman, Edleson, & Fendrich, 1996). TPB has also been used in numerous studies on college student financial behavior (e.g., Robb, 2011; Robb & Woodyard,

2011; Shim, Barber, Card, Xiao, & Serido 2009a; Shim, Xiao, Barber, & Lyons, 2009b; Xiao, Tang, Serido, & Shim, 2011). This study is the first that has used TPB to investigate post-release financial intentions of the incarcerated. The data collection challenges for observing actual post-release behavior seem insurmountable, so the study relies on specific intentions.

This study investigates TCP post-release financial intentions. Furthermore, while studies have made a connection between financial knowledge and behavior (e.g. Robb & Woodyard, 2011; Xiao et al, 2011), none have investigated financial knowledge and behavioral intentions of TCP. This project informs personal finance and sociological literature as well as criminal justice literature and policy from the personal finance perspective. Cross-disciplinary research is needed in personal finance and criminal justice due to the scarcity of research available on how personal finance matters are associated with transition from incarceration.

## Chapter 2 - Literature Review

Numerous studies have found that one's intention to perform is positively associated with one's subsequent behavior (e.g. Nelson, 2015; Xiao, Tang, Serido, & Shim, 2011). Low income populations have been investigated about their changing financial behaviors, use of credit, financial management, and intentions to bank and save (see Fernandes, Lynch, & Netemeyer, 2014; Lyons, Chang, & Scherpf, 2006; Mielitz, Lurtz, Clady, & Archuleta, 2017; Zhan, Anderson, & Scott, 2006; Zimmerman, Canale, Britt, & Seay, 2015). Criminal behavior is frequently associated with low-to-moderate income and the socio-economic status of offenders is very low (Rabuy & Kopf, 2015). Criminologists, too, have investigated intention and criminal behavior (e.g. Forste, Clarke, & Bahr, 2011; Meisenhelder, 1977).

Incarcerated populations are special, protected populations where investigation is done to determine ways to prevent crime and decrease recidivism. Via a multi-theory approach, including TPB, Forste et al. (2011) investigated ways to predict recidivistic behavior of young offenders in England. The study found that one-fifth of respondents believed it would be difficult to stay out of trouble after release (Forste et al.). Behavioral control was measured using scores on perceived life control (1 = low to 4 = high) and self-efficacy. Of particular interest was a low average score—the offenders had an average of 1.7 for perceived life control. The study found perceptions of control was a key association of a young offender's intent to stay out of trouble.

An investigation into future offending behaviors of current offenders in Scotland (Kiriakidis, 2006) highlighted the need to expand the theory of planned behavior to include factors external to the standard TPB model. External factors measured in the Kiriakidis (2006) study were found to be significantly related to the mediating factors of attitude and perceived

behavioral control. Additionally, external factors were significantly associated with intent to reoffend in the future.

As is the case for recidivism, if it is assumed the offender's *intention* is to be more successful, then aspects of incarceration history may be used to assist in understanding the primary tenets of the theory of planned behavior—attitudes, subjective norms, and perceived behavioral control—regarding the offender's financial intentions after release. Perceived behavioral control may also be directly connected to the financial behavior itself. When one feels little control over personal (financial) behavior because of a lack of resources, intention to conduct the appropriate (financial) behavior may be low even if attitude and subjective norms toward (financial) behaviors are favorable (Madden, Ellen, & Ajzen, 1992).

The current study predicted intentions about participating in the banking system and financial management. Intentions about these behaviors are important because secure savings and financial management behaviors are of particular importance to low and moderate-income households (Lyons, Chang, & Scherpf, 2006; Perry & Morris, 2005; Zhan, Anderson, & Scott, 2006). As discussed below, studies by Mindra, Moya, Zuze, Kodongo (2017) for banking inclusion, and by Danes and Haberman (2007) on the effects of financial management, supported the choice to focus on these intentions.

### **Theory of Planned Behavior**

The theory of planned behavior (TPB) is rooted in the theory of reasoned action and suggests perceived behavioral control, when added to volitional control and rational behavior, allows for prediction of behavior (Ajzen, 1991) (Figure 2.1). TPB suggests our attitudes about a behavior, our subjective norms (how family and friends view the behavior), and our perceptions of how easy or difficult it will be to perform the behavior, can be used to predict our intentions

to save and our savings behaviors (Ajzen, 2002). TPB is useful for studying financial intention and the incarcerated because it allows researchers to use financial attitudes, subjective norms, and perceived behavioral control over financial matters to predict financial behaviors. One's attitudes about banking and financial management will impact one's intention to perform those types of behaviors. One's subjective norms, whether they will have the social support to conduct those behaviors, will influence whether the person has the intent to perform. Whether the subject has the volitional and actual control over the behavior, whether the person has the confidence and the self-control, these concepts will furthermore influence intention (Ajzen, 2002; Bandura, Adams, Hardy, & Howells, 1980). If the subject has actual control over the behavior, intention can be presumed to immediately precede the act of the behavior (Ajzen, 2002). For this study, data for intentions could feasibly be obtained. Prior studies on behavior of the (formerly) incarcerated have not included personal financial intentions.

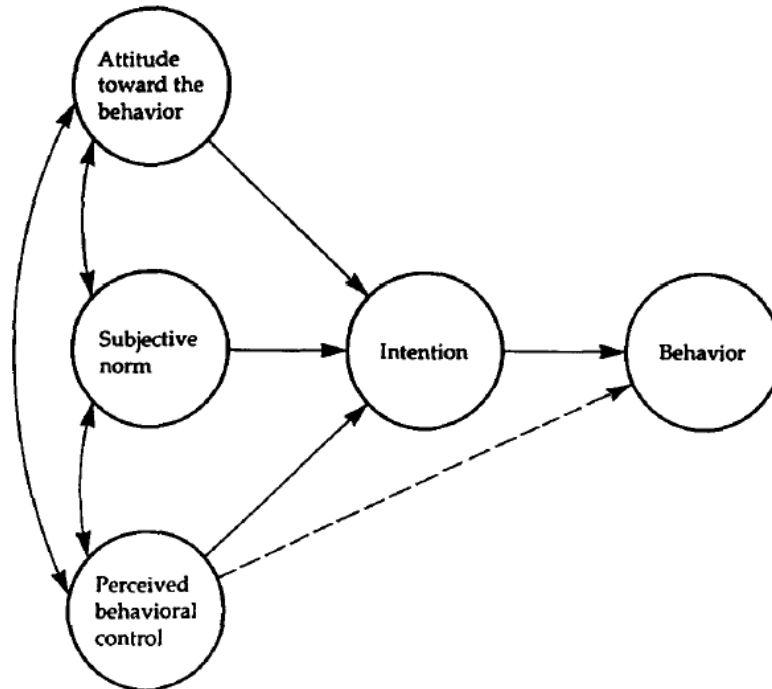


FIG. 1. Theory of planned behavior.

*Figure 2.1.* Theory of Planned Behavior. From “The Theory of Planned Behavior,” by Ajzen, 1991, *Organizational Behavior and Human Decision Processes*, 50, p. 182. Copyright 1991 by Academic Press, Inc.

The theory of planned behavior has been criticized because the theory does not account for circumstances beyond one’s volitional control. Additionally, TPB is limited in that it does not account for effects of irrational behavior, emotion, or unexpected (e.g. financial) change between the prediction of the intended behavior and whether the behavior actually occurs (Madden et al., 1992). However, TPB has been found to be effective in predicting variation between behavioral intentions and actual behavior (Madden et al., 1992). The population of interest may be subject to irrational behavior and heightened emotional status after time spent incarcerated. Incarcerated men and women have experienced a negative income shock by way of incarceration. However, TPB is appropriate because the offenders still have personal financial attitudes, have potentially maintained outside contact with family and friends which will inform their subjective norms, and

their perceptions of control may have been influenced by the lack of behavioral choice while incarcerated. Furthermore, intentions have been highly correlated with financial behavior (Shim, Xiao, Barber, & Lyons, 2009; Xiao, Tang, Serido, and Shim, 2011) and for that reason, and due to the inability to follow and collect behavior data in a timely manner, intentions were considered sufficient for this dissertation.

The current project used a model like those used by Nelson (2015) and Xiao et al. (2011) to address the influence of some aspects of incarceration history on the tenets of the theory of planned behavior to predict financial intention. The aspects of incarceration history for the current project have not been used to address financial intentions elsewhere.

To investigate factors that influenced financial behaviors of military members, Nelson (2015) considered how background factors specific to an individual's personality, social structure, and information base influenced behavioral, normative, and control beliefs. Background factors address aspects of people such as their personality, their intelligence, experiences, race, religion, income, and media use, among others (Ajzen & Fishbein, 2005). The research suggested that background factors, specific to the population under investigation, should be considered as part of the model because they shape attitudes and norms, but are not necessarily predictive, when evaluating the tenets of TPB (Ajzen & Fishbein, 2005) (Figure 2.2).



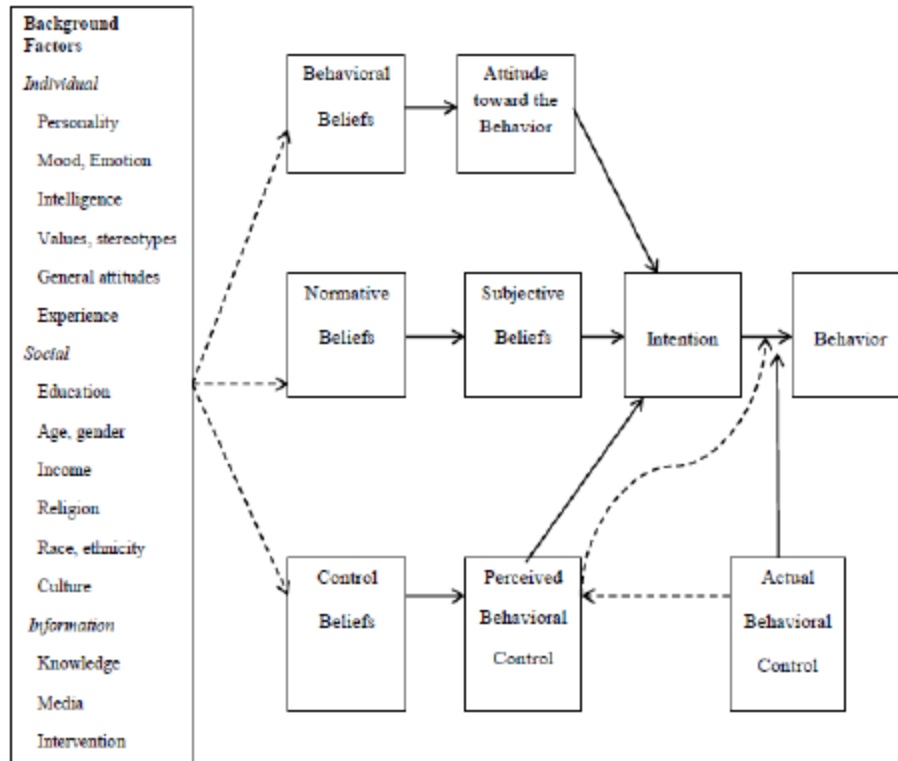


Figure 2.2. The Theory of Planned Behavior. From Ajzen, I, & Fishbein, M. (2005). The influence of attitudes on behavior. In D. Albarracin, B. T. Johnson, & M. P. Zanna (Eds.), *The handbook of attitudes* (p. 194). New York, NY: Psychology Press. As found in “Three Essays on Personal Financial Difficulties of Military Members,” by J. Nelson, 2015, Doctoral Dissertation, p. 37. Copyright Kansas State University.

In his study on financial behaviors of military members, Nelson (2015) found statistically significant evidence of the background factors on financial behaviors. Education and race were both found to be significant influences for financial behavior and monitoring spending. Education, race, and marital status, were all three predictive of monitoring income.

To contribute to the literature concerning financial well-being and students’ financial behaviors, Xiao et al. (2011), created a structural equation model (SEM) which expanded the original model of TPB to include two specific external constructs. Provided in Figure 2.3, the Xiao et al. (2011) conceptual SEM shows the external factors of parental socio-economic status (SES) and objective and subjective financial knowledge. The study suggested the external factors

exerted direct influence on the TPB variables of attitude, subjective norm, perceived control of behavior, and behavioral intention (Xiao et al., 2011).

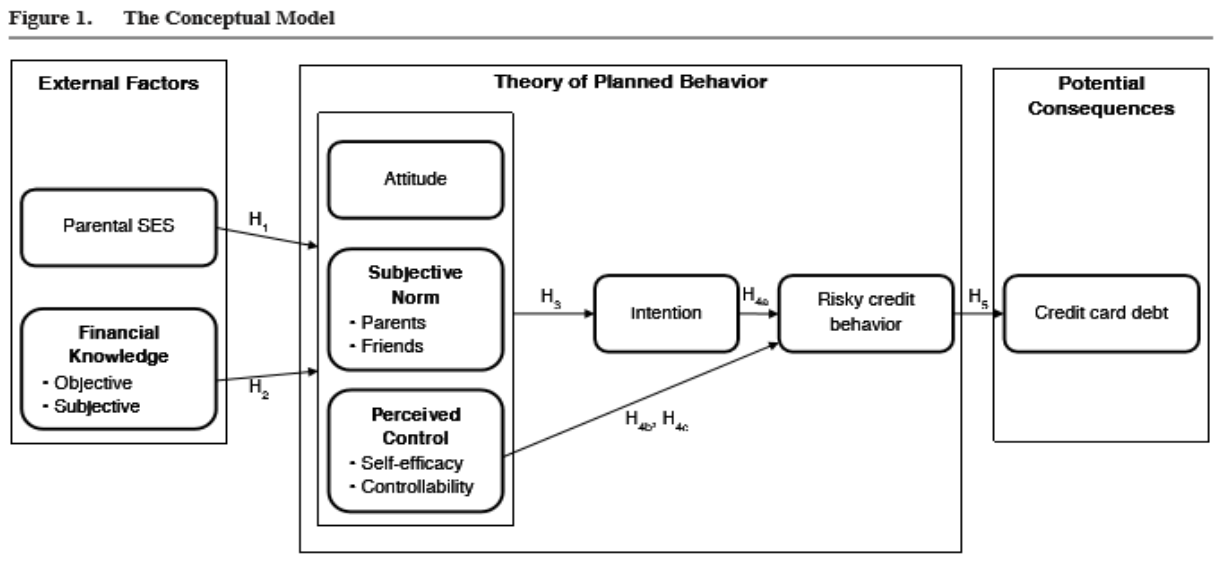


Figure 2.3. Theory of Planned Behavior including External Factors. From “Antecedents and Consequences of Risky Credit Behavior Among College Students: Application and Extension of the Theory of Planned Behavior,” by J. J. Xiao et al., *Journal of Public Policy and Marketing*, 30, p. 240. Copyright 2011 by the American Marketing Association.

A Transitional Center Participant (TCP)’s SES prior to incarceration may influence what the TCP feels he or she will be able to earn after incarceration which could influence his or her attitude regarding positive financial behaviors. Prior SES may also influence beliefs of what he or she will be able to do after release as compared to what was or was not able to be done prior to incarceration (the pre-arrest norm). Additionally, pre-incarceration SES may inform a TCP’s subjective norms, specifically his thoughts and abilities regarding meeting the expectations of loved ones. Finally, prior SES may influence how much self-control, and self-confidence in his abilities, a TCP believes he does or does not have regarding financial matters.

The Xiao et al. (2011) study found statistically significant evidence of external factors' influence on TPB variables. Parental SES was found to have a positive influence on attitude and subjective norms. Subjective knowledge positively influenced all three of the planned behavior variables. Finally, objective financial knowledge had a positive influence on attitude (Xiao et al., 2011). These findings indicate the necessity of acknowledging external, or background, factors as part of an expanded TPB model, particularly when studying a special population.

In this dissertation, financial knowledge was investigated as subjective and objective financial knowledge. Subjective financial knowledge of a TCP expresses how financially knowledgeable the TCP believes himself to be. Subjective financial knowledge may impact attitude, how the TCP views his/her ability to perform positive financial behaviors, as well as how the TCP views his/her financial opportunities as compared to others. Objective financial knowledge may have different effects on financial attitudes, norms, and perceived behavioral control (Xiao et al., 2011) and therefore required specific, separate attention.

The model for this project (Figure 2.4), included what Xiao et al. (2011) termed external factors and Nelson (2015) labeled background factors. Along with SES and other demographics, the background factors here included type of crime (financial or non-financial), length of time incarcerated, and number of offenses.

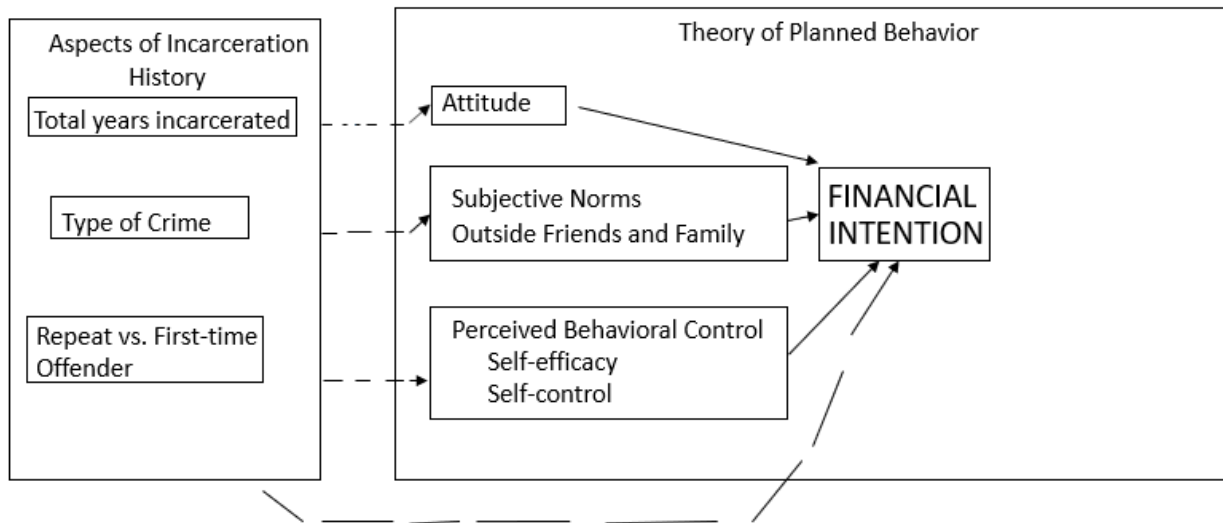


Figure 2.4. Conceptual model. (Adapted from Xiao et al., 2011)

TPB has not been used in the realm of personal financial planning and TCP intended post-release financial behavior. Use of TPB in this vulnerable population is necessary to assist re-entry specialists, researchers, and criminal justice professionals to determine what training TCPs may need in order to decrease the chances of recidivistic behavior. Additionally, use of TPB in this study expands the application of TPB in personal financial planning and criminal justice literature by broadening the use of the theory.

### Supporting Literature

The financial world, from basic banking to advanced investing practices has changed drastically in the past three decades. Attention has been drawn to Americans' financial literacy, in part, due to these changes. "Financial literacy [is] knowledge of basic economic and financial concepts, as well as the ability to use that knowledge and other financial skills to manage financial resources effectively for a lifetime of financial well-being" (Hung, Parker, & Yoong, 2009, "Towards a Composite" para 3). When the financial services landscape changes as quickly

as it has in the past 20 years, knowledge of the basic economic and financial concepts associated with financial literacy may wane with time.

Exploratory work with inmates at a county jail was conducted by Call, Dyer, Wiley, & Day (2013). Their work pursued the need for financial education from the perception of the inmates. In their sample of 12 voluntary participants, Call et al. (2013) found that over half of the inmates determined that they, themselves, needed financial education in the areas of investing and self-employment. One participant was even quoted as saying, “Most of us [are] in here because of money” (Call et al., 2013, p. 49).

### **Financial Knowledge and Behavior**

In the late 1990s and early 2000s five successive national financial literacy surveys were given to young adults preparing to graduate from high school utilizing stratified, random sampling (Mandell & Klein, 2007). The scores of the financial literacy tests were low; the average grade never exceeded 58% (Mandell & Klein, 2007). Additionally, numerous financial literacy studies have been conducted using responses of United States adults ranging from college students through those in retirement (Lusardi, 2008; Lusardi & Mitchell, 2014; Lusardi & Tufano, 2009; Shim, Barber, Card, Xiao & Serido, 2010;). Abysmal scores were found for adult Americans in all of the studies (Lusardi & Mitchell, 2014; Shim et al., 2010). One such study, the National Financial Capability Study, found that of the five questions asked, over 60% of the respondents were unable to answer more than three correctly (National Financial Capability Study, 2012). Even more problematic, some questions (in any of the studies mentioned) may have been answered correctly simply due to good guessing, not true understanding of the material in question (Lusardi & Mitchell, 2014).

Increased financial complexity may account for low knowledge levels. Basic check writing and cash withdrawals at the teller window were replaced, in many cases, by the development of Automated Teller Machines (ATM). ATM cards then gave way to debit cards and online banking. The basic bill paying with personal checks of the 80s and 90s has given way to electronic payments that can be immediately deducted from accounts, rather than waiting for an item to clear. The changes in other financial services has grown exponentially as well. “Financial markets around the world have become increasingly accessible to the ‘small investor,’ as new products and financial services grow widespread” (Lusardi & Mitchell, 2014, p. 5). When the small investor, or the common man, can make purchases on the market on a day-to-day basis, active participants are more readily able to increase their financial literacy levels. Not having contact with new and developing financial products can stunt and even reverse growth because the new replaces the old, the old becomes obsolete, and then what knowledge there was, has for all intents and purposes, just disappeared. The amplified availability of student loans, mortgages, credit cards, annuities, pension, and other investment accounts have been found difficult to master for inexperienced consumers (Lusardi & Mitchell, 2014). Involvement in financial markets and with financial products and services is necessary for continued growth and understanding of financial literacy topics.

On the other hand, limited access to financial and community institutions may be related to larger deficiencies in financial knowledge (Zhan, Anderson, & Scott, 2006), which is supported by findings that individuals with accounts at financial institutions have higher financial literacy than those who do not (Lusardi, Mitchell, & Curto, 2010; Orton, 2007). Additionally, according to research by Hogarth and Anguelov (2004), access to online banking and other e-banking services may provide for better financial management behaviors.

Barriers to responsible financial behaviors such as savings or use of a written budget may include a perceived lack of income, procrastination, or a lack of financial knowledge (Collins, & Gjertson, 2013). Financial knowledge has been connected in numerous studies to positive financial behavior (Hilgert & Hogarth, 2003; Perry & Morris, 2005). Furthermore, Perry and Morris (2005) determined that the indirect effect of knowledge on (internal) locus of control, i.e. that one's actions are associated with predictable outcomes, was a significant predictor of financial behavior. Financial knowledge has also been found to be positively associated with self-efficacy (Heckman & Grable, 2011).

The specific degree to which financial knowledge influences financial behavior (and prior intentions) has not yet been determined. Although among the general population evidence of a positive relationship between financial knowledge and financial behavior exists (Robb, 2011). One recent study using TPB investigated the connection between subjective and objective financial knowledge and risky credit card behavior (Xiao, Tang, Serido, & Shim, 2011). Financial knowledge variables were found to be positively related to attitude, subjective norms, and perceived behavior control (Xiao et al., 2011). Additionally, parental socio-economic status (SES) was found to influence both respondent attitude and subjective norms positively (Xiao et al., 2011).

In a study about financial well-being in young adulthood, positive associations were found between financial knowledge and financial attitudes; financial knowledge and financial behavioral intentions; and between financial attitudes and financial behavioral intentions (Shim, Barber, Card, Xiao, & Serido, 2010; Shim et al., 2009). Though the prison population is vastly different from that of college students, the connection between financial knowledge and behavioral intention is worth noting due to overall low financial knowledge levels throughout the

country. Shim et al. (2009) acknowledged a need for further investigation of variables which may influence perceived behavioral control. Additionally, as people—young adults or prisoners preparing to re-enter society—attempt to begin asserting their financial independence, this may be a “crucial developmental period for mastering critical life tasks related to financial behaviors” (Shim et al., 2009, p.721).

There is a great avenue for continued research in financial behavior—specifically the financial intentions and behaviors of incarcerated populations prior to and just after re-entry into society. Currently, there is no published scholarly data regarding any connection between financial literacy and post-release financial intentions or behaviors of the incarcerated. The data collected for this study, although limited, can provide a foundation on which additional research can be developed to address an important disadvantaged sub-population of the American people.

### **Financial Knowledge and the Incarcerated**

To the extent that anything has been written on financial matters and prisoners, it has been directed towards identifying financial literacy levels and/or preparing inmates to return to society with “Just-in-Time” financial literacy courses. Only in the past year has research begun to investigate how the lived financial experiences of Transitional Center Participants may differ from non-TCPs (Mielitz, Clady, Lurtz, & Archuleta, 2017; Mielitz, Lurtz, Clady, & Archuleta, 2017).

Two published studies have examined the need for financial education for incarcerated populations (Call et al., 2013; Koenig, 2007). Two more recent studies (Galchus, 2014; Galchus, 2015) investigated financial knowledge and the incarcerated in a southern state. These studies are limited in terms of sample sizes, depth of study, and generalizability of the data gathered.



In the first study of its kind, Koenig (2007) investigated bringing a financial education curriculum into the Wisconsin state prison system. In order to prepare to teach financial education in the prison system, Koenig (2007) utilized 17 volunteers from the local medium security prison. Results indicated that offenders “lacked basic financial knowledge which presented a barrier to their success upon release” (p. 43). Participant knowledge was tested with a modified version of the JumpStart Coalition’s Report on Financial Literacy (Koenig, 2007). Topics on the exam included budgeting, banking, credit, credit cards, insurance, retirement, interest rates, cars, trouble with money, housing, payroll, privacy, and savings with scores ranging from 37% to 90% on the pre-test (Koenig, 2007).

In the Call et al. (2013) project more than one-third of participants felt a need for education in budgeting/money management. Other requests for financial education included the topics of business real estate, saving, credit scores, grocery shopping, retirement, interest, banks, insurance, grants, filing taxes, and buying a home (Table 3). Perception of other inmates’ needs included financial training in saving, investing, understanding money/finances, earning money legally, spending smart, banking (checking and savings) and interest (Call et al., 2013, Table 4).

Finally, a study was conducted by the combined efforts of the Economics and Criminal Justice departments at the University of Arkansas at Little Rock (UALR). Recent publications on this study (Galchus 2014; 2015) directly addressed the lack of attention in financial knowledge and the incarcerated populations. “There is no national movement designed to promote financial literacy programs for insiders in penal institutions or for those formerly incarcerated” (Galchus, Terry, Funk, Brown, Montague, & Glidden, 2014, p. 4).

The UALR study collected 299 valid quantitative surveys from participants in re-entry financial education classes at three Arkansas’ Department of Correction facilities close to Little

Rock, AR (Galchus, 2014; 2015). The instrument in the study was compiled of questions regarding past financial behaviors as well as the financial knowledge questions from the FINRA 2012 National Financial Capability Study. Finalized data show offenders have significantly lower financial knowledge scores than non-offenders (Galchus, 2014; 2015).

In the Koenig (2007), Call et al. (2013) and Galchus (2014; 2015) studies, banking, interest, credit, and employment were discussed. These subjects, in particular, require a working relationship with a bank or credit union. Incarcerated individuals may be sensitive to the issue of banks, due to a lack of trust (Call et al., 2013), however, not developing a working relationship with a federally-insured financial institution can lead to the use of other, more unsavory financial services and products. To date, no work has investigated the post-release financial intentions of incarcerated populations. The current study will begin the needed investigation by gathering information on the financial intentions of soon-to-be released prisoners.

### **Self-Efficacy, Inclusion, and Behavior**

Applications of TPB have emphasized self-efficacy as an important aspect of behavioral control. Understanding how positively one views their ability to perform is critical to understanding how they use their personal skills and knowledge (Heckman & Grable, 2011). One's confidence in one's ability to handle financial matters may influence one's use of a mainstream financial institution. Access to and use of financial services are helpful in allowing people the opportunity to overcome income inequality and achieve financial growth (Barr, 2004; Comparato, 2015; Mindra, Moya, Zuze, Kodongo, 2017; Pandey & Raman, 2012). In a recent study, Mindra et al. (2017) investigated the influence of financial self-efficacy on financial inclusion of Ugandans. Their work provides research-based evidence that considers the relevance of financial self-efficacy in determining whether people participate in the mainstream banking

system. Poor populations frequently have barriers to banking, such as access to affordable accounts (Barr, 2004; Prina, 2015). Recently released TCPs face barriers to banking as well, such as the inability to open an account due to lack of bank-accepted identification (Mielitz, Clady, Lurtz, & Archuleta, 2017). Budgeting behaviors are also highly emphasized as necessary to financial success.

Financial management behaviors themselves are important to address. Having the access to the account is step one. Purposeful savings deposits and use of a written budget are concurrent, subsequent steps. Budgeting and savings behaviors are frequently addressed in literature that addresses financial behaviors of low to moderate income populations (e.g. Collins & Gjertson, 2013; Lyons, Chang, & Scherpf, 2006, Zimmerman, Canale, Britt, & Seay, 2015). Successful experience with use of a written budget has been connected to financial self-efficacy (Danes & Haberman, 2007; Loke, Choi, & Libby, 2015).

### **Offenders: Type of Crime and Frequency of Offense**

A criminal offense may be committed for any number of reasons—perceived needs or wants, out of anger or retribution, or social comparisons, among others. Numerous articles and books have investigated the *why* behind the crime (e.g., Agnew, 2006; Akers, 1990; Farrington & Loeber, 2013; Hay, Fortson, Hollist, Altheimer, & Schaible, 2007; Pare & Felson, 2014; Willott, Griffin, & Torrance, 2001) as well as the effects of poverty, unemployment, income, and education on crime (e.g., Huang, Laing, & Wang, 2004; Lochner, 2004, Pitner, Yu, & Brown, 2013; Willott et al., 2001, Yildiz, Ocal, & Yildirim, 2013). Studies have also investigated how the type of crime and first or repeat offenses influence future intentions (e.g., Chan, Wu, & Hung, 2010; Forste et al., 2011; Tolman, Edleson, & Fendrich, 1996).

Criminal behavior is, in many situations, connected to a lack of economic resources or an inability to meet economic needs. These needs and resources could be the hard cash itself as in cases of poverty, unemployment, and low income (Heckman & Hanna, 2015) or possibly due to a lack of financial knowledge or self-efficacy. No studies have been found which investigate how or if type of crime and first or repeat offense influence financial attitudes, perceived financial behavioral control, intentions, or financial behaviors themselves. This study will add to the literature by providing an avenue with which to investigate how these aspects of incarceration history influence financial intentions.

### **Summary**

Though investigations into financial knowledge and the incarcerated have begun, there is a need for theoretical application in order to enhance the external validity of findings, specifically construct validity as it relates to what the theory suggests should be found in the responses. In particular, TPB will provide the depth needed in this new area of research. Additionally, research framed with TPB may lead to the discovery of ways to assist Transitional Center Participants (TCP) in developing positive financial attitudes and increase their perceived control over financial matters as they return to society.

Through the lens of TPB including the aspects of incarceration history of type of crime committed, number of years incarcerated, and whether respondent is a first-time or repeat offender, this study investigated TCP financial intentions for after release. The expanded version of TPB was appropriate for this unique study because it encompasses aspects of incarceration history which have not yet been used in an investigation using TPB and financial matters. Attitude, subjective norm, and perceived behavioral control variables have been found on numerous occasions to predict intention (e.g., Madden et al., 1992, Shim et al., 2009; Shim et al.,

2010; Xiao et al., 2011). This study takes the first look at TCP post-release financial intentions and relevant aspects of incarceration history which may be useful to extend the use of TPB for this specialized population. The over-arching research question for this project is: How do aspects of incarceration history influence financial intention?

## **Hypotheses**

Several hypotheses were developed. The hypotheses, in order, are specific to the aspects of incarceration potential relationship with attitude, subjective norms, perceived behavioral control, and post-release financial intentions. Additionally, the hypotheses are about the potential relationship of offender attitude, subjective norms, and perceptions of behavioral control on post-release financial intentions. Figure 5 below depicts the connections among the variables; it simplifies by excluding some predictors, such as demographic variables and financial knowledge.

H<sub>1</sub>: Aspects of incarceration history will have an association with financial attitude.

- 1a. Total time incarcerated will have an association with attitude.
- 1b. Number of incarcerations will have an association with attitude.
- 1c. Type of crime will have an association with attitude.

H<sub>2</sub>: Aspects of incarceration history will have an association with financial subjective norms.

- 2a. Total time incarcerated will have an association with subjective norms.
- 2b. Number of incarcerations will have an association with subjective norms.
- 2c. Type of crime will have an association with subjective norms.

H<sub>3</sub>: Aspects of incarceration history will have an association with perceptions of control over financial behavior.

- 3a. Total time incarcerated will have an association with perceptions of control.
- 3b. Number of incarcerations will have an association with perceptions of control.
- 3c. Type of crime will have an association with perceptions of control.

H4: Aspects of incarceration history will have an association with post-release financial intentions.

4a1. Total time incarcerated will have an association with the post release intent to open an account.

4a2. Total time incarcerated will have an association with the post-release intent to have positive financial management behaviors.

4b1. Number of incarcerations will have an association with the post release intent to open an account.

4b2. Number of incarcerations will have an association with the post-release intent to have positive financial management behaviors.

4c1. Type of crime will have an association with the post-release intent to open an account.

4c2. Type of crime will have an association with the post-release intent to have positive financial management behaviors.

H5: Financial Attitude will have a positive association with post-release financial intentions.

H6: Financial Subjective norms have a positive association with post-release financial intentions.

H7: Perceptions of control over financial behavior will have a positive association with post-release financial intentions.

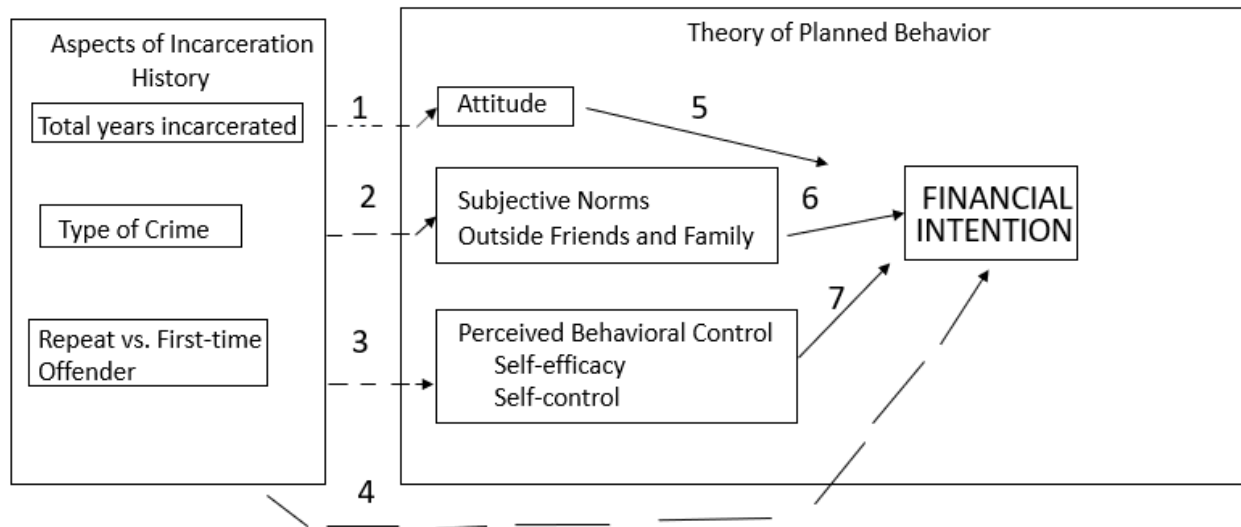


Figure 2.5. Conceptual model with hypothesis groupings (Adapted from Xiao et al., 2011)

The incarceration history variables (H1-H4) are not hypothesized to have a positive or a negative association with attitude, subjective norms, perceptions of control, and post-release intentions. This omission is purposeful. Though literature exists about how the theoretical constructs should interact, there is no prior literature addressing how experiencing incarceration, as defined by the aforementioned variables, may be associated with financial attitudes, financial subjective norms, financial perceptions of control, and financial intentions. This dissertation endeavored, for the first time, to identify whether and how these variables are connected.

## **Chapter 3 - Methods**

The aspects of incarceration history, added as pertinent background characteristics of interest to TPB, provided a framework with which to examine the data. Each aspect of incarceration history and its potential influence on the attitude, subjective norms, and perceived behavioral control were investigated. Beginning with the aspects of incarceration history was imperative. First, it was necessary because the aspects of incarceration history are a new paradigm from which to use the theory of planned behavior. Secondly, it provided a foundation from which to understand how the aspects of incarceration history held up within the model development. After the aspects of incarceration history, demographic and other background features were added to the model and together all the relevant variables were used to investigate attitude, subjective norms, and perceptions of control. Demographic features included gender and race while other background features included subjective financial knowledge, objective financial knowledge, and whether the respondent had experience with banking prior to the current incarceration. Finally, in a hierarchical fashion, aspects of incarceration history, demographic and background variables, social desirability, and attitude, norms, and perceptions of control were examined as predictors of financial intentions.

### **Survey Creation**

The survey was created based on theory and existing literature. The aspects of incarceration history were selected due to the considerable paucity of investigation regarding time incarcerated, number of times incarcerated, and type of crime on financial behaviors. The demographic variables, including socio-economic status, subjective financial knowledge, objective financial knowledge, and banking experience were drawn from prior literature (i.e. Hogarth & Anguelov, 2004; Jump\$start, n.d.; Mielitz & MacDonald, 2016; Xiao et al., 2011). The



tenets of the TPB (attitude, subjective norms, and perceptions of behavioral control) were drawn from prior literature—including seminal TPB (i.e. Ajzen, n.d., Ajzen, 2013) and empirical research (i.e. Grable & Joo, 2001; Xiao et al., 2011). Measures of social desirability, taken from the M-C Form C short-form Social Desirability Scale were included to provide a validity check for the responses (Crowne & Marlowe, 1960; Reynolds, 1982). The survey can be found in Appendix A.

## **Sample**

The sample for this study was drawn from six work-release community corrections centers in Georgia. Of the 13 work-release, or Transitional Centers (TCs), the six selected were determined based on gender of inmates as well as location convenient to the researcher. The two TCs that house women were selected in an attempt to recruit a representative number of female TC inmates. The four TCs that house men were selected based on the availability of the researcher to meet with the inmates and geographic location. All but one of the TCs were located in the northern half of Georgia.

## **Transitional Centers**

Transitional Centers (TCs) do not exist in all prison systems across the country, nor do Work Release Programs (WRP). TC and WRP programming was identified in California, Florida, Georgia, Illinois, Missouri, North Carolina, Pennsylvania, Texas, and Washington, but expectations and program design differ in each state. This dissertation was focused solely on Transitional Center residents in the state of Georgia.

Georgia Transitional Centers are designed to provide qualifying offenders with the opportunity to develop job skills and obtain training prior to their release from prison, thereby enhancing the reintegration process (Transitional Centers, n.d.). Transitional Center Participants

(TCPs) must meet specific Georgia Department of Corrections criteria to be selected to participate in the TC programming. When selected for the TC the TCP is responsible for completing pre-employment training, other classes, and work details at the Center as needed (Transitional Centers, n.d.). TCPs meet regularly with assigned counselors for one-on-one appointments regarding work, training, and transition. Furthermore, TCPs work with TC staff to secure employment. The TCP's wages are taxed, and the wages are sent directly to the TC. The income earned by the TCP is used to offset his or her room and board as well as any medical or legal costs incurred while still under Department of Corrections jurisdiction (Transitional Centers, n.d.). In many situations, the TCP is availed of a small (generally \$50) weekly spending fund which comes from their earned income. The funds not used to offset TCP costs accrue in an interest-free account until the TCP is released. Upon release, the TCP is issued a check for the remaining monies on deposit.

According to the Georgia Department of Corrections (DCOR, 2017), and effective the beginning of September, the population of the TCs was comprised of 2,091 male and 310 female residents. The mean age of TC residents was 37.66 years old. Over 62% of the TC residents were Black, just under 36% were White, and the remainder identified as Asian, Hispanic, or Other. Just under one half of the residents were employed full time prior to the current incarceration and approximately 9% were employed part time prior to the current incarceration. Almost one-quarter of the TC residents were unemployed for greater than six months prior to prison. About 14% did not report any employment information at the time of entry to prison. Just over half of the TC respondents had less than a complete high school education or GED. Slightly more than one-third of TC residents had completed their high school diploma or GED, and approximately 12% had earned some college education or higher. Almost 54% of TC residents were

incarcerated for the first time. The mean sentence length for total number of incarcerations was 17.6 years. Primary offenses that address financial crimes (Armed Robbery, Attempted Armed Robbery, Attempted Burglary, Attempted Robbery, Burglary, Financial Identity Fraud, Forgery, Credit Card Fraud, Robbery, and Theft) comprised approximately 37% of total primary offenses for TC residents (DCOR, 2017).

Data collection using surveys occurred over a 10-day period at the six Transitional Centers in mid to late September 2017. Each TC was visited once. The work-release residents were within 180 days of their Tentative Parole or Max Release Dates. At each location a minimum of three hours, up to eight hours, was spent meeting with residents who met the 180-day requirement. One respondent participated on his release date while he waited for his transportation from the TC to the bus station.

The residents were required by TC Superintendents to report to a specified classroom to meet with the researcher. Each resident was informed, either in a group setting or one-on-one, that after they heard why they were called and had listened to the request for research assistance they had the option to stay and assist, or to refuse to participate and leave the classroom. In order to entice participation each qualifying resident was provided a cold bottle of water as a thank you for reporting when they were called. Additionally, as part of the project explanation, the researcher closed the request for help with notification that everyone who completed the survey would also be given a cold can of soda and a bag of chips. The researcher also expressed that if the attendees had any financial questions she would be available to address any pertinent inquiries.

The researcher briefed the attendees at each location that the purpose of the meeting was to recruit respondents for research to complete her dissertation. This may have had some impact on the respondents' willingness to participate in the project. The men and women were also

informed that while anonymity could not be provided, confidentiality would be protected. The researcher verbally reviewed the informed consent form and answered any questions presented. Furthermore, the researcher explained that the envelope provided would also allow the respondent to have additional protection and could be sealed at the behest of the respondent. Finally, the researcher left time for any questions posed by the attendees regarding the protection of their information to confirm that regardless of participation only their attendance would be noted in case the TC staff had pertinent reason to verify attendance at the session.

The researcher collected data from 211 Transitional Center residents. Listwise deletion was used to exclude incomplete responses. The result of these omissions is an analysis sample comprised of  $n = 141$  TC respondents within 180 days of Tentative Parole Month or Max Release Date.

A table comparing some of the general statistics between the Georgia TCs and the sample who provided the most complete demographic information for this study is shown below as Table 3.1. The first two columns are the data specific to the Georgia Transitional Center residents as of September 2017. The second two columns, which reflect a sample size of  $n = 186$ , are the information taken from the most complete demographic sample for the data collected. The most prominent aspect to produce this sample of 186 was missing data ( $n = 15$ ) for Total Time Incarcerated—a combination of blank answers and respondents commenting “Don’t Know” and “Not Sure”. The other missing data ( $n = 10$ ) were listwise deleted from a combination of missing values from Education and Income reflected in the table (Table 3.1).

For clarity, the final analysis sample,  $n = 141$ , is compared to the sample used in Table 3.1 in Table 3.2. The first two columns of Table 3.2 reflect the same sample ( $n = 186$ ) on Table 3.1 and are used as an intermediary to show similarities between the largest complete

demographic sample and the final with the Georgia TC September 2017 data. The key differences exist in education, length of total time incarcerated, and number of first time offenders.

The final analysis sample reflects completely clean data—listwise deletion was used to omit all other missing responses in all of the variables used for this dissertation. From  $n = 186$  to  $n = 141$ , the largest decrease can be attributed to missing values ( $n = 27$ ) in the Parents' Education variable. Other missing values were identified and deleted in the variables of social desirability, subjective norms, and perceptions of behavioral control ( $n = 18$ ). These variables are not noted in Table 3.2 but are reflected in the multivariate analyses. A total of 70 cases were deleted due to missing data.

**Table 3.1**  
**Georgia Transitional Centers (N = 2,401) and Most Complete Demographic Sample Comparison (n = 186)**

<b>Variable</b>	<b>GA TCs<sup>1</sup> Proportion (%)</b>	<b>GA TCs<sup>1</sup> Mean</b>	<b>Sample Proportion (%)</b>	<b>Sample Mean</b>
Age		37.66 years old		35.64 years old
Male	87.10%		81.18%	
Black	62.10%		58.06%	
Marital Status <sup>2</sup>				
Married	13.79%		11.29%	
Not Married	69.55%		72.59%	
Divorced	10.83%		14.52%	
Education				
Less than High School Diploma/GED	51.86%		16.67%	
High School Diploma/GED	35.04%		59.14%	
More than High School Diploma/GED	13.10%		24.19%	
Total Time Incarcerated		17.60 years		7.644 years
Number of Times Incarcerated <sup>3</sup>				
Once	53.89%		34.95%	
Twice	19.83%		20.43%	
Three Times	11.08%		19.89%	
Four Times	5.58%		10.75%	
Five or more	9.63%		13.98%	
Employment Prior to Incarceration				
Full-time	49.71%		51.08%	
Part-time	9.17%		9.68%	
Unemployed <sup>4</sup>	35.84%		39.25%	
Financial Crime	36.94%		35.48%	

<sup>1</sup>DCOR, 2017

<sup>2</sup>Other categories were available; marital status not collected with same categories for GA DOC and the survey used. Totals may not equal 100%.

<sup>3</sup>Number of Times Incarcerated for GA TCs is GA incarcerations only. Unknown if sample incarcerations were solely in GA. GA TC Incarceration is not fully defined—could include unsealed juvenile detention lock-ups, jail, and prison. Respondents were allowed to self-define.

<sup>4</sup>Unemployed also includes “Never Worked” for GA TCs.

**Table 3.2**  
**Most Complete Demographic Sample Comparison (n = 186) and Final Analysis Sample (n = 141)**

<b>Variable</b>	<b>Sample Proportion (%)</b>	<b>Sample Mean</b>	<b>Final Analysis Proportion (%)</b>	<b>Final Analysis Mean</b>
Age		35.64 years old		35.34 years old
Male	81.18%		80.14%	
Black	58.06%		58.16%	
Marital Status				
Married	11.29%		11.35%	
Not Married	72.59%		74.47%	
Divorced	14.52%		12.77%	
Education				
Less than High School Diploma/GED	16.67%		12.77%	
High School Diploma/GED	59.14%		60.28%	
More than High School Diploma/GED	24.19%		26.95%	
Total Time Incarcerated		7.644 years		7.633 years
Number of Times Incarcerated				
Once	34.95%		38.30%	
Twice	20.43%		15.60%	
Three Times	19.89%		20.57%	
Four Times	10.75%		9.22%	
Five or more	13.98%		16.31%	
Employment Prior to Incarceration				
Full-time	51.08%		53.19%	
Part-time	9.68%		9.22%	
Unemployed	39.25%		37.59%	
Financial Crime	35.48%		33.33%	

The Georgia Transitional Centers housed over 2,400 inmates in September 2017. The average age of inmates was 37.66 years old, compared to a mean age of 35.34 years old for the final sample. This is a difference in mean age of 2.32 years. Slightly over 62% of the September TC residents were Black; the final analysis sample had just over 58% of respondents who identified as Black. Almost 70% of TC residents reported that they were unmarried at the time of their incarceration. Just over 72% of the sample reported the same marital status. On average, the TC residents as a whole had been incarcerated 10 years longer than the sample used in this study, 17.60 years and 7.64 years respectively. The final analysis sample population was slightly more educated than the average TC resident. Just over half of the TC residents had completed less than a high school education. About 17% of the final analysis sample had completed less than high school education. Just over one third of TC residents had attained their high school diploma or GED. The sample used in this study reflected almost 60% of respondents reporting they had completed their high school diploma or GED. Approximately 13% of TC residents had completed some college or more. In the sample, just under 25% had completed some college or more education. Almost 54% of TC residents had been incarcerated only once, though hardly more than one-third of the sample (34.95%) were locked up for the first time. Approximately the same percentage of TC residents and final analysis sample respondents, 49.71% and 51.08% respectively, were employed full-time prior to incarceration. Additionally, a similar percentage of TC residents and the sample had committed a financial crime, 36.94% of total TC residents and 35.48% of sample respondents. The sample for this study was overall more educated, had been incarcerated more times but had served less time on average, than TC residents throughout the Georgia TC system, effective September 2017.



## **Measures**

Due to the specialized nature of the population in question, specific aspects of incarceration history were identified to explore how the theory of planned behavior (TPB) could be used in research involving Transitional Center Participants approaching release. Aspects of incarceration history for this project included type of crime, total time incarcerated, and number of times incarcerated. Given the topic of the study overall, specific attention was directed to whether the respondent had committed a financial crime—including theft, burglary, robbery, larceny, non-identity theft, embezzlement, fraud, identity theft, and included any financial crimes listed under “other” which allowed the respondent to fill in any non-survey identified crime. Demographic variables of interest included gender, race, socio-economic status (SES), subjective and objective financial knowledge, and whether the offender had a mainstream financial institution account prior to the current incarceration.

### **Dependent Variables**

Based on the literature review, the survey collected information about post-release financial intentions including likelihood of using an alternative financial service within one year of release, intent to save money each month, intent to use a written budget each month, and intent to open a bank or credit union account after release. Preliminary review of the data indicated the need to investigate three dependent variables. Of those three, only two variables held up under rigorous investigation, Intent to Open an Account (Banking Inclusion) after release and use of savings and budgeting (Financial Management) after release. The Banking Inclusion and Financial Management intentions appeared promising due to connections with demographic and other variables in the TPB models.

The dependent variable “Intent to Use Alternative Financial Services,” was a one-to-seven Likert-type scale that asked, “How likely are you to use a pawn shop (pawn something to borrow the money), payday lender, check cashing company (or other non-bank financial company) within one year after your release?” This variable was designed to investigate respondents’ intentions regarding use of Alternative Financial Services (AFS) after release and to more thoroughly understand inmates’ intent to be part of the mainstream banking system after release. AFS providers have been found to target low-to-moderate income communities (Shobe, Christy, Givens, & Murphy-Erby, 2013). Multivariate investigation of the intent to use AFS products was not productive. The theory-specific predictor variables of attitude, subjective norms, and perceptions of behavioral control produced a significant, but low-explanatory model ( $p = .0121$ ;  $r^2 = .0472$ ) which lost more significance and explanatory power when background variables were added.

Banking inclusion and financial management were identified as two separate dependent variables via factor analysis. Banking inclusion was measured by inquiring if the respondent intended to open a bank or credit union account after release. Intent to open an account after release was scored 1 (yes) or 0 (no). A fill-in-the-blank section was provided for the respondent to explain why they did or did not intend to open an account after release. Only those who selected that they did not intend to open an account and either noted a lack of interest or trust in banking or did not provide notation that the lack of intent to open an account was due to having a current, open account, were coded as ‘0’ ( $n = 20$ ). The other respondents ( $n = 121$ ) did intend to open an account after release.

The financial management dependent variable was developed based on finding strong factor loadings for two of three financial behaviors, intent to use a written budget each month

after release and intent to save money each month after release. The third financial behavior, intent to use an alternative financial service did not load well with the budgeting and savings variables and was reviewed as its own dependent variable. The rotated factor loadings of .8630, .8480, and -.0221, for budgeting, savings, and intent to use an AFS, respectively, reflect a common component for budgeting and savings, but AFS did not load well on the same component.

The financial management composite variable was constructed by adding the scores from the two budgeting and savings Likert-type scale questions. The scores ranged from 1 (very unlikely) to 7 (very likely). The summated scales ranged from 2-14, where lower scores indicated less likelihood to use positive financial management skills after release.

### **Independent Variables**

**Aspects of Incarceration History.** Total years incarcerated was collected as a fill-in-the-blank response and was used as a continuous variable in year form. Response options for number of times incarcerated included “*once*”, “*twice*”, “*three times*”, “*four times*”, or “*five or more times*” incarcerated. This variable was coded into a dichotomous variable where ‘1’ represented a first-time offender and ‘0’ represented a repeat offender. The respondents were instructed to include Juvenile Detention if they were under lock and key, Jail, and Prison as incarceration. Type of crime was divided into two categories, financial crime (1) versus non-financial crime (0), based on the specific crime selected, or filled in, by the respondent. Non-financial crime offense was the comparison group.

**Attitude.** Financial attitudes were measured using questions from prior research (see Ajzen, n.d.; Ajzen, 2013; Xiao et al., 2013). The continuous attitude variable was measured by adding the individual scores of six attitude-specific inquiries measured with Likert-type scales.

Each inquiry ranged from 1 (*strongly disagree*) to 7 (*strongly agree*). Two of the attitude questions were reverse coded. “Using a written budget is not worth my time” and “After I am released, it will be pointless to save for emergencies because I won’t be making enough money.” The other four statements measured attitude regarding the importance of credit reports in understanding financial status, the importance of paying bills on time, the importance of having money for fun, and if helping others financially is important (Table 3.2). The complete survey used for this dissertation can be found in Appendix A. The summated scales ranged from 6-42, where lower scores indicated a negative financial attitude. Prior literature (Xiao et al., 2011) reported a strong Cronbach’s alpha ( $\alpha = .795$ ) for a shorter, 3-question, version of the scale used in this study. A replica version of the scale from Xiao et al. (2011) was tested for this model. However, when compared to the entire scale used in this study, the longer scale Cronbach’s alpha score ( $\alpha = .336$ ) surpassed the Cronbach’s alpha score of the replica scale ( $\alpha = .322$ ). Xiao’s study was focused on a broader population that includes more advantaged people than prisoners; one would expect to have a much lower Cronbach alpha even with the entire scale.

**Subjective Norms.** The financial subjective norms of the TC residents were measured with six Likert-type scale questions drawn from theoretical literature and prior research (see Ajzen, n.d.; Ajzen, 2013; Xiao et al., 2013). Subjective norms, a continuous variable, was measured by adding the individual scores of six subjective norms questions. The questions included if friends and family will think that the respondent should use a bank or credit union account after release, will it matter to friends/family whether or not the respondent pays their bills on time after release as well as whether it will matter to family/friends that the respondent uses a written budget (Table 3.2). The complete survey used for this dissertation can be found in Appendix A. The other three questions inquired about the importance to family/friends that a

savings and/or checking account is opened, that bills are paid on time, and that the respondent is financially independent after release. Each inquiry ranged from 1 (strongly disagree) to 7 (strongly agree). None of the questions required reverse coding. The summated scales ranged from 6-42, where lower scores indicated lesser external (friends and family) support for the behavior. The Cronbach's alpha for the scale was  $\alpha = .805$ .

**Perceived Behavioral Control.** Perceived behavioral control (PBC), a continuous variable, was constructed from nine Likert-type scale questions where '1' represented strong disagreement and '7' represented strong agreement. The questions used for measuring PBC were also based on prior literature and included items which measured self-efficacy to ensure attention was paid to the respondent's perceived ability to perform a behavior, and also that they perceived that they had control over particular behaviors (see Ajzen, n.d.; Ajzen, 2002; Ajzen, 2013; Xiao et al., 2013) (Table 3.2). The complete survey for this dissertation can be found in Appendix A. The summated scale values ranged from 9-63 where lower scores indicated lesser perceived control and lesser self-confidence in ability regarding financial matters after release. The statements covered subjects of confidence in ability to handle finances (i.e. set money aside in savings, reach financial goals, and use a written budget). Other questions inquired about ability to spend less than what is earned, understand the personal credit report, whether putting money in savings is within the direct control of the respondent, and the possibility of the respondent paying his or her bills on time every month. The Cronbach's alpha for the scale was  $\alpha = .849$ .

**Table 3.3**  
**Theory Specific Variables and Survey Questions**

	<b>Question Number</b>	<b>Survey Text</b>
<b>Attitude</b>	Q27	Having money for fun is important to me.
	Q28 <sup>(reverse coded)</sup>	Using a written budget is not worth my time.
	Q29	Paying my bills on time is important to me.
	Q30	Helping others, by lending or giving them money, is important to me.
	Q31	After I am released, it will be pointless to save for emergencies because I won't be making enough money.
	Q32	Checking my credit report after my release will help me get a clear understanding of where I stand financially.
	<b>Subjective Norms</b>	Q37
Q38		It will matter to my family/friends whether or not I pay my bills on time when I am released.
Q39		It will matter to my family/friends whether or not I use a written budget when I am released.
Q40		It will be important to my family/friends that I open a savings and/or checking account after I am released.
Q41		It will be important to my family/friends that I pay my bills on time each month when I am released.
Q42		When I am released it will be important to my family/friends that I am financially independent.
<b>Perceptions of Control</b>		Q45
	Q46	After I am released it will be easy for me to reach my financial goals.
	Q47	After I am released it will be easy for me to use a written budget.
	Q48	After I am released I will be able to spend less than I earn each month.
	Q49	After I am released it will be easy for me to pay all of my bills on time every month.
	Q50	After I am released, whether or not I put money into savings on a regular basis is completely up to me.
	Q51	I am very confident in my ability to handle my finances all on my own after I am released.
	Q52	I am very confident in my ability to make financial decisions after I am released.
	Q53	I am very confident in my ability to understand my credit report without any assistance after I am released.

**(Pre-incarceration) Socio-economic Status.** Pre-incarceration SES was measured based on prior literature (Coleman, 1983; Xiao et al., 2011). For this study, employment status prior to incarceration, gross income prior to incarceration, and respondent education were used to create the socio-economic status variable. On the survey the respondents were asked to respond to their employment status prior to incarceration—Full-time (30 or more hours per week), Part-time (Less than 30 hours per week), or Unemployed. Additionally, respondents were asked to provide monthly or hourly income. Some of the respondents may have reported the income they were currently earning at the Transitional Center. One respondent commented, “I don’t know, they take it.” This, among other clues, suggested that the respondents did not always understand the income reporting question. Some respondents reported both monthly and hourly income even though the question requested they report monthly or hourly. Almost without fail when both were reported monthly income was larger than the hourly wage would calculate to be, even if rounding up, for full-time employees, to 40 hours per week. This may have been due to an inclusion of monies obtained through illegal means, mis-remembering, or reporting household income, among other scenarios.

In order to keep the income reporting as consistent as possible, if only the monthly income was reported, monthly income was retained. In the case of both monthly and hourly being reported, and in the case of only hourly income being reported, the hourly reported income was multiplied by 35 if the respondent reported having been employed full-time ( $n = 75$ ) and by 25 if the respondent reported having been employed part-time ( $n = 13$ ) prior to incarceration for their current sentence. The averages, of 35 hours per week for full-time employees and 25 hours per week for part-time employees, were selected to reflect (a) the possibility that monthly

income that was reported was net, not gross, and (b) to thoroughly differentiate between the “full-time” and “part-time” employment.

The next step of the computation was to multiply the amount by the number of weeks in the year (52) and then divided by 12 to approximate a monthly income value. To calculate the monthly income as accurately as possible the following equation was used when hourly income was reported.

$$\text{Monthly income} = (\text{EmploymentHours} * \text{HourlyWage} * 52) / 12$$

Income reporting was not precise enough to support use of a continuous variable, therefore it was categorized for the SES variable. The income categories for this study were coded and scored. Each category was assigned a number to be used in the SES variable. No income was scored -1, \$1-\$2,000 per month was scored 0, and \$2,001+ per month was scored 1.

Respondent education was the other component of the SES construct variable. Education was collected as Highest Level of Education Completed Prior to Incarceration with a follow-up question “Have you completed any additional education while incarcerated?” The highest level of education identified was used in the analysis. Education categories included: (a) Completed Less than High School, (b) Some High School, (c) High School Diploma or GED, (d) Some College, or € College Degree. Categories used for scoring SES were 1 for Less than High School Diploma or GED, 2 for High School Diploma or GED, and 3 for More than High School Diploma or GED.

The income scores and the education scores were added to create the SES variable values. SES summed values ranged from 0-4. SES was used as a continuous variable.

**Financial Knowledge and Demographics.** Originally, subjective financial knowledge was to be measured using a summated 3-item scale. Two of the three questions asked



respondents to compare their financial knowledge to that of friends who are not incarcerated and then to those who are incarcerated on a scale of 1 (less knowledgeable) to 7 (more knowledgeable). This was an expansion of the Xiao et al. (2011) measurement of subjective financial knowledge as it added friends who experienced a specific life event, in addition to friends who had not experienced the life event (incarceration). The third question in the subjective knowledge scale asked the respondent to rate, on a scale of 1 (*very low*) to 7 (*very high*), their understanding of personal finance and money management concepts and practices. Prior literature suggested a nominal Cronbach's alpha, approximately  $\alpha = .596$ , should be expected. When the Cronbach's alpha test was conducted for all three questions, expanded to include friends who are incarcerated, the alpha score was negative ( $\alpha = -.320$ ). Further investigation of the subjective financial knowledge questions resulted in two additional negative Cronbach's alpha scores and one positive Cronbach's alpha score. A combination of the respondent comparing him/herself with others incarcerated and the respondent's self-reported overall understanding of personal financial matters had a negative alpha score ( $\alpha = -.813$ ). Additionally, a combination of the respondent comparing him/herself with people who were not incarcerated, and the respondent's self-reported overall understanding of personal financial matters also had a negative alpha score ( $\alpha = -1.162$ ).

There was a positive Cronbach alpha ( $\alpha = .564$ ) using the comparison of financial knowledge to those who were incarcerated and compared to those who were not incarcerated. The summated subjective financial knowledge variable based on that evidence was a two-statement scale. Values ranged from 2-14, where lower scores reflect less subjective financial knowledge.

Objective financial knowledge was measured using a 5-item scale of questions drawn from a shortened and modified version of the Jump\$tart Coalition Financial Knowledge Survey (Jumpstart.org, n.d.). The Jump\$tart Coalition has not reported a reliability score for any portion of the original financial knowledge scale. The modifications included the addition of the option “Don’t Know” as an answer, minor edits to the descriptive factors (names) included in the questions, and the budgeting question was slightly re-written to make it more relevant to the population under observation. The financial knowledge questions covered gross versus net income, budgeting, finance charges, inflation, and purchasing power. Scores for the financial knowledge questions ranged from 0 to 5, where higher scores indicated greater financial knowledge. Each question received a score of 1 (correct) or 0 (incorrect). The answer of “Don’t Know” was included in the incorrect scores. The Cronbach’s alpha for this scale was  $\alpha = .525$ .

The prior financial education question inquired, “Have you ever taken a financial education or money management class?” Three responses were available, Yes, No, Not Sure. The answer selections were coded 1 (Yes), 0 (No or Not Sure). This variable did not obtain significance in preliminary model tests and was omitted from the final model.

Whether the offender had a bank account prior to incarceration for the current sentence was a dichotomous variable. Responses were coded 1 (Yes) and 0 (No). Not having had an account prior to incarceration was the reference group.

Age was collected as a fill-in-the-blank option. It was investigated both as a continuous and categorical variable. Age did not maintain significance in more developed versions of the final model. Any impact of age appeared to be better explained as a function of total time incarcerated. Therefore, age was omitted from the final model.

Race was collected as a categorical variable. Race categories included White/Caucasian, Black/African American, Asian, Hispanic, and Other. Respondents were asked to choose the category with which they most closely identified. Race was not a significant predictor past early univariate and bivariate investigation.

Marital status was also collected as a categorical variable. Categories for marital status included Married, Single, Unmarried long-term relationship, Divorced, and Widowed. Marital status was not a significant predictor even in early investigations of the data and was omitted from the final model.

Gender was defined by the researcher based on the TC where the resident was housed. Due to the assignment of the offender to the TC based on gender, among other criteria, it was sufficient to define gender based on TC assignment. Gender was not a significant predictor in any statistical testing.

Parents' highest level of education obtained was also collected. Initially this variable was intended for use within the socio-economic status variable. The options for response included (a) Less than High School, (b) Some High School, (c) High School/GED, (d) Some College, (e) College (+), and (f) Don't Know. The option of "Don't Know" was included in anticipation of being able to retain as many responses as possible and the researcher was uncertain how many people would know their parents' highest level of education. During analysis the researcher determined "Don't Know" was comparable to having the question skipped by the respondent. Therefore, responses of "Don't Know" were omitted via listwise deletion. The inclusion of parents' education in the factor analysis for constructing the socio-economic status variable did not load on the same component as the variables used to construct the current SES variable.

Additionally, the literature has only identified adult (respondent) income, adult respondent education, and adult respondent occupation (when available) as factors to create SES.

Circumstances which led to the offense for which the offender was currently serving were collected. Each circumstance was defined as a dichotomous variable, 1 (*Yes*) and 0 (*No*). Circumstances included marital problems, work problems, discrimination, was the victim of another crime, homelessness, money, anger, revenge, sadness or sorrow, peer pressure, stress, and a fill-in-the-blank category of other. Each of the circumstances was investigated for significance at multiple levels of analysis, but none of them maintained significance past the introductory stages of model testing.

### **Social Desirability**

Though originally intended to serve solely as a general response-validity check, social desirability was also included as a predictor variable to learn how it may affect inferences from multivariate analyses. Social desirability scales are designed to “assess the impact of social desirability on self-report measures specific to the primary purpose of the investigation” (Reynolds, 1982, p. 119). Crowne and Marlowe (1960) developed the scale based on their belief that, “non-test-relevant determinants” (p. 394) influence survey results. Non-test-relevant determinants include responses to inquiries based on what respondents perceive as the appropriate, though not necessarily accurate, answer (i.e. appearing more socially acceptable by answering a particular way).

This project used the M-C Form C short-form Social Desirability Scale, which has 13 true/false questions to determine how likely it is that the respondents are providing accurate, and not socially desirable, answers. The responses were coded (1) for socially desirable, and (0) for non-socially desirable answers and then summed. The Cronbach’s alpha for the social

desirability scale is  $\alpha = .617$ . The higher the score, the more socially desirable answers provided by the respondent. A positive, statistically significant relationship between social desirability and the intervening variables of attitude, subjective norms, or perceptions of control along with the dependent intention variables would indicate the respondent was attempting to respond in a way that he or she perceived the researcher to find desirable. The relationship between social desirability and perceptions of control and the dependent intention variables was of particular interest because of the strong relationship TPB suggests perceptions of control and intentions have on behavior.

### **Analysis**

The data for this study were investigated starting at the univariate level to understand the distribution and range of values. Only the financial management intentions dependent variable required an investigation of normality to confirm meaningful parameter estimates. Though it reflected a negative skew (-.957) and was rather platykurtic (.234) the regression analysis nevertheless seemed to provide valid results. For thorough investigation of the variables, subjective financial knowledge, objective financial knowledge, SES, total time incarcerated, social desirability, attitude, subjective norms, and perceptions of behavioral control were also checked for normality. All of the continuous variables, save for one, met the criteria to be considered approximately normal,  $\pm 2$  for skewness or kurtosis values (Trochim & Donnelly, 2006). Total time incarcerated, at first analysis, was very skewed when interpreted as months. Total time incarcerated was transformed to years to provide a better measure for use in the multivariate analysis. Though still slightly skewed (skew = 2.27) and leptokurtic (kurtosis = 8.04), the transformation is more suited to the assumptions for regression analysis.

Bivariate tests conducted for this study included correlations, chi-square tests, t-tests, and analysis of variance (ANOVA) tests. Correlation coefficients were obtained to identify if any items were highly and significantly correlated to guide decisions and to obtain information about potential multi-collinearity problems. A complete correlation matrix of the variables central to this investigation can be found in Appendix B. Chi-square tests were conducted to identify any significance between the appropriate variables at the bivariate level. For example, chi-square was used to determine if Total Time Incarcerated should be used as a categorical or continuous variable. Chi-square tests were also used to check individual predictor variables and their influence on the dichotomous dependent variable, Intent to Open an Account (Open). T-tests were used to measure between-groups differences in mean financial knowledge, mean subjective financial knowledge, and mean SES. Additionally, ANOVA tests were conducted to investigate the relationship of individual predictor variables and the financial management composite variable.

The bivariate tests provided information to determine if a variable would remain or be omitted from the finalized models. Background variables such as race, education, income, age, marital status, prior financial education, number of children, employment, account prior to incarceration, use of illegal funds to support self/family, parent education, subjective financial knowledge, and financial knowledge were used in numerous bivariate regressions focused on the intervening variables. If there was no significance in any of the bivariate investigations, the item was immediately put on the “short list” and was considered for rejection for the final model. If the variable was significant in one or two, but not all of the bivariate analyses, the variable was investigated further to determine how its inclusion or omission would influence inferences about the value of the TPB and practical application of results from this study. Of the variables that

remained in the final models, most were significantly ( $p = .05$ ) correlated with one or more of the intervening (attitude, subjective norms, perceptions of control) or financial intention dependent variables.

Finally, hierarchical multivariate analyses were conducted to investigate the data. The first multivariate analyses included the intervening variables of attitude, subjective norms, and perceptions of behavioral control as dependent variables. This first step focused on those variables because they represent the core aspects of the TPB, including the investigation with the aspects of incarceration history as the primary predictor variables. After the aspects of incarceration, SES was added to multivariate models. As a third step, subjective and objective financial knowledge and prior banking account were added to the model. Finally, social desirability was added as the final predictor variable in the investigation of respondent attitude, subjective norms, and perceptions of behavioral control.

Two financial intention variables were investigated via multivariate analysis. The Open dependent variable was investigated using logistic regression analysis in a hierarchical fashion. The earliest step investigating the Open variable was again the use of the aspects of incarceration as the primary predictor variables. Next, SES was added to the multivariate model. In a third step, subjective and objective financial knowledge, having had a bank account prior to incarceration, and social desirability were added to the model. The final step for the Open financial intention model was to add the intervening variables of attitude, subjective norms, and perceptions of behavioral control.

The other financial intention was a financial management composite variable. The Financial Management variable was first investigated via factor analysis to determine which of the three continuous financial intentions loaded together. Intent to use a budget after release and

intent to save money each month loaded together (.848 and .863, respectively) and the third continuous financial intention, likely to use an AFS, did not load with the first two variables (-.022).

The Financial Management intention variable was investigated, in a hierarchical fashion, using Ordinary Least Squares (OLS) regression. The initial step of investigating the Financial Management variable was the use of the aspects of incarceration history as the primary predictor variables. Then SES was added to the multivariate model. Next, subjective and objective financial knowledge, having had a bank account prior to incarceration, and social desirability variables were added to the model. Finally, the intervening variables of attitude, subjective norms, and perceptions of behavioral control were included to complete the multivariate investigation of post-release positive financial intentions.



## Chapter 4 - Results

### Descriptive Statistics

A complete descriptive statistics table is shown below (Table 4.1). The average age of the respondents was 35.34 years ( $SD = 9.47$ ); the youngest respondent was 19 years of age, the oldest 64 years old. Over three-quarters of the respondents were male. Approximately 58% of the sample was Black. Average pre-incarceration income was almost \$1,207 per month ( $SD = \$1367.52$ ). About 13% of respondents had less than a high school diploma or General Equivalency Diploma (GED), about two-thirds of respondents had completed high school education, and just over 25% reported having education higher than high school. The average total time incarcerated (for all sentences served) was 7.63 years ( $SD = 6.44$  years). Approximately 38% of respondents were first time offenders and one-third of respondents committed a financial crime. Over half of respondents had a bank or credit union account prior to incarceration. Respondents reported low subjective financial knowledge, ( $M = 5.72$ ) out of a total of 14 ( $SD = 3.21$ ). On financial knowledge, out of 5 total points available, respondents averaged just over two questions correct ( $SD = 1.45$ ). Almost 20 respondents answered all questions incorrectly and only 10 respondents answered all five questions correct. Similar to prior research with this kind of population, financial knowledge scores were low (Mielitz & MacDonald, 2016).

The mean financial attitude was 33.43 ( $SD = 4.54$ ) on a summative scale which ranged from 20-42. The mean subjective norms score was 33.91 ( $SD = 7.66$ ) on a summative scale which ranged from 9-42. This score suggests, that upon release, friends and family will likely support positive financial behaviors. The mean perception of behavioral control was 52.25

( $SD = 9.88$ ) on a summative scale which ranged from 18-63. This score indicated that respondents feel that they have a good amount of control over their financial behaviors.

**Table 4.1**  
**Descriptive Statistics ( $n = 141$ )**

<b>Variable</b>	<b>Proportion (%)</b>	<b>Mean</b>
Age		35.34 years
Up to 27 years old	25.53	
28 – 34 years old	24.82	
35 – 41 years old	26.95	
Greater than 41 years old	22.70	
Male	80.14	
Black	58.16	
Marital Status		
Married	11.35	
Not Married	74.47	
Divorced	12.77	
Income Prior to Incarceration (range 0-\$7500)		\$1206.91/month
Education		
Less than High School Diploma/GED	12.77	
High School Diploma/GED	60.28	
More than High School Diploma/GED	26.95	
Supported Self/Family with Illegal Money	52.48	
Total Time Incarcerated		7.633 years
First Time Offender	38.30	
Financial Crime	33.33	
Account Prior to Incarceration	51.77	
Subjective Financial Knowledge (range 2-14)		5.72
Objective Financial Knowledge (range 0-5)		2.30
Attitude (range 20-42)		33.43
Subjective Norms (range 9-42)		33.91
Perceptions of Behavioral Control (range 18-63)		52.25
Intent: Open Account	85.82	
Intent: Positive Financial Management (range 2-14)		11.65

## **Preliminary Analysis of Demographic Variables**

Prior to multivariate analyses, the data were thoroughly investigated using bivariate tests. Pearson correlation tests were conducted to determine the relationship between variables. Only two correlation results reached the level of moderate correlation (Hinkle, Wiersma, & Jurs, 2003) and were significant. First, age was positively correlated with total time incarcerated ( $r(140) = .501, p < .001$ ). This correlation was sufficient to omit age and use total time incarcerated as the proxy for age over time for this investigation. Additionally, in later stages of finalizing the dependent variable models, the inclusion of age to any model with total time incarcerated did not significantly increase or decrease the predictive power of the model, nor was age a significant independent variable in any of the models. The second moderate, positively correlated variables were PBC and the dependent Financial Management Intentions ( $r(140) = .542, p < .001$ ). PBC and the dependent Open Intention were not significantly correlated. All other significant correlations were found in the .30 to .50 (low correlation) or 0 to .30 (little if any correlation) ranges (Hinkle et al., 2003).

Additional correlation results of interest include those involving social desirability. Limited work with social desirability and offenders exists. One study, conducted by Andrews and Meyer (2003) used a continuous education variable defined by number of years of total education. In the current study, education was not found to be significantly correlated with social desirability. Here, the interest was somewhat focused on social desirability, perceptions of control, and post release intentions. If social desirability was found to be significantly and positively correlated with control and/or intentions, there would be concern for the validity of the responses as a positive, significant relationship would indicate the respondents were more interested in telling the researcher what they thought she wanted to hear, rather than an accurate

representation of their actual perceptions of control and post-release intentions. Social desirability and PBC were significantly and negatively correlated ( $r(140) = -.233, p < .01$ ). Social desirability was not significantly correlated with either of the dependent variables in this study.

Results from chi-square tests suggested the variable Number of Times Incarcerated would be best used as a dichotomous variable for whether the respondent was a repeat offender due to the sketchy reports provided about specific numbers; ANOVA tests were useful for determining that neither gender nor race were useful in predicting attitude, subjective norms, or PBC. Due to this lack of significance at the intervening variable level, these “standard” demographic variables were considered for omission from final models. The rationale for including race and gender, that the lack of significance also tells an important story about the potential heterogeneity of the Georgia TC participants, outweighed the lack of significance, and therefore race and gender were included in final model analyses.

### **Model 1: Attitude**

The first multivariate analysis, an Ordinary Least Squares (OLS) regression, investigated aspects of incarceration history on attitude. This first regression analysis was completed in two stages, a preliminary stage where only the aspects of incarceration history were used to investigate attitude, and a second, final stage where the remainder of the relevant demographic variables were added to the aspects of incarceration history to complete the model. Aspects of incarceration history were used to begin the model investigation as a primary purpose of this dissertation was to investigate specifically how those variables were associated with attitude. A complete multivariate analysis is shown in Table 4.2.

**Table 4.2**  
**Predicting Attitude (*n* = 141)**

<b>Variable</b>	<b>B</b>	<b>se β</b>	<b>β</b>
Intercept	35.220***	1.594	-----
Black	0.102	0.897	0.011
Male	-0.517	1.046	-0.046
Total Time Incarcerated (years)	-0.068	0.064	-0.097
First Time Offender	-1.662*	0.811	-0.178
Financial Crime	2.779***	0.795	0.289
SES	-0.261	0.483	-0.057
Subjective Financial Knowledge	-0.423***	0.122	-0.299
Objective Financial Knowledge	-0.051	0.288	-0.016
Had Account Prior to Incarceration	0.649	0.902	0.072
Social Desirability	0.305*	0.152	0.167
<i>Adjusted R</i> <sup>2</sup> =		.116	

\**p*<.05, \*\**p*<.01, \*\*\**p*<.001

Total time incarcerated did not have a significant association with attitude at preliminary or final multivariate analyses. Hypothesis 1a is rejected. There is not a definitive significant association between total time incarcerated and financial attitude. In the preliminary multivariate analysis, an offender who was serving time for his or her first sentence was associated with a decrease in financial attitude, as compared to those who had been incarcerated for multiple offenses. In the final model, first time offense was still associated with lower financial attitude ( $\beta = -0.178$ ;  $p < .05$ ). For this sample, first time offenders had a less positive financial attitude than repeat offenders. Hypothesis 1b is supported. There is a significant association between whether or not the TCP is a first-time offender and financial attitude. Finally, serving time for a financial crime was associated with a .289-unit increase in financial attitude as compared to those who were serving time for a non-financial crime ( $p < .001$ ). For this sample, men and women who were serving time for a financial crime (e.g. theft, robbery) had a more positive financial attitude than those who were serving time for a non-financial crime. Hypothesis 1c is supported.

Of the three aspects of incarceration history, total time incarcerated is the only variable not significant. However, it is approaching significance. This borderline significance suggests that a larger sample size would be beneficial to further investigating how total time incarcerated is associated with financial attitude. These findings are the first that address any aspects of incarceration history and financial attitude.

Subjective financial knowledge was negatively associated with financial attitude ( $\beta = -0.299, p < .001$ ). Unlike prior research (e.g. Shim et al., 2009; Shim et al., 2010; Xiao et al., 2011) financial knowledge was not positively associated with financial attitude. Social desirability was positively associated with financial attitude ( $\beta = 0.167, p < .05$ ); the more concerned the respondent with portraying what they believed to be the socially correct answer, the more positive their financial attitude. The model was investigated for issues with heteroskedasticity and there were no heteroskedastic issues identified in this regression model. The final attitude model exhibited a slightly better model fit than the null model ( $R^2 = .1158, p < .001$ ). Hypothesis 1, that aspects of incarceration history would have an association with financial attitude, was partially supported.

### **Model 2: Subjective Norms**

The second multivariate analysis, conducted using OLS, investigated the association of aspects of incarceration history on subjective norms. This second regression analysis was completed in two stages, a preliminary stage where only the aspects of incarceration history were used to investigate subjective norms, and a second, final stage where the remainder of the relevant variables were added to the aspects of incarceration to complete the model. Aspects of incarceration history were used to begin the model investigation as a primary purpose of this

dissertation was to investigate specifically how those variables were associated with subjective norms. The final subjective norms multivariate analysis is shown in Table 4.3.

**Table 4.3**  
**Predicting Subjective Norms ( $n = 141$ )**

<u>Variable</u>	<u>B</u>	<u>se <math>\beta</math></u>	<u><math>\beta</math></u>
Intercept	34.743***	2.726	-----
Black	1.250	1.534	0.081
Male	-2.932	1.790	-0.153
Total Time Incarcerated (years)	-0.124	0.110	-0.105
First Time Offender	-3.521*	1.386	-0.224
Financial Crime	2.816*	1.360	0.174
SES	-0.275	0.826	-0.036
Subjective Financial Knowledge	0.033	0.209	-0.014
Objective Financial Knowledge	1.243*	0.492	0.235
Had Account Prior to Incarceration	2.021	1.542	0.132
Social Desirability	-0.288	0.260	-0.093
<i>Adjusted R<sup>2</sup></i> =		.092	

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

Total time incarcerated did not have a significant association with subjective norms in the preliminary multivariate analysis, nor in the final model. Hypothesis 2a is rejected. There is not a significant association between total time incarcerated and subjective norms. In the preliminary multivariate analysis, first time offense was associated with a standardized 0.224 decrease in support of positive financial behaviors from friends and family ( $p < .05$ ), as compared to those who were incarcerated numerous times. In the final model, first time offense was also significantly associated with a decrease in support of positive financial behaviors from friends and family. Hypothesis 2b is supported; there is an association between whether the TCP is a first-time offender and subjective norms. Finally, having committed a financial crime was significantly associated with a standardized 0.174 increase in support of positive financial behaviors from friends and family ( $p < .05$ ), as compared to those who did not commit a financial crime. Financial crime, in the final model, was also associated with a greater support of

positive financial behaviors from friends and family as compared to those who committed a non-financial crime. Hypothesis 2c is supported; there is an association between financial crime and subjective norms.

Of the three aspects of incarceration history, total time incarcerated is the only variable not significant in the subjective norms model. This is interesting because the more time the TCP has been away from family and friends the more disconnected one may assume the TCP would become, and therefore less aware in what their friends and family would think about certain financial behaviors. These findings are the first that address any aspects of incarceration history and financial subjective norms.

Objective financial knowledge had a significant association with subjective norms ( $\beta = 0.235, p = .0128$ ). This result supports findings in prior research that objective financial knowledge is positively associated with subjective norms (e.g. Shim et al., 2009; Shim et al., 2010; Xiao et al., 2011). The greater the financial knowledge, the greater support the respondent perceived they would have from friends and family when considering financial behaviors after release. This result may be because there are significant differences in the mean financial knowledge scores ( $t = -.348, p < .001$ ) between those who did and did not have an account prior to incarceration. Having had an account prior to incarceration could be due to influence from friends and family. The model was investigated for issues with heteroskedasticity and there were no heteroskedastic issues identified in this regression model. The final subjective norms model exhibited a minor improvement over the null model ( $R^2 = .0915; p = .0116$ ). Hypothesis 2, that aspects of incarceration history will have an association with financial subjective norms, is partially supported.



### Model 3: Perceptions of Behavioral Control

The final intervening variable model, via OLS regression, investigated the association of the aspects of incarceration history on Perceptions of Behavioral Control (PBC). This third regression analysis was completed as the prior regression analyses, in two steps, a preliminary stage where only the aspects of incarceration history were used to investigate PBC, and a second, final stages where the remainder of the relevant variables were added to the aspects of incarceration history to complete the model. Aspects of incarceration history were used to begin the model investigation as a primary purpose of this dissertation was to investigate specifically how those variables were associated with PBC. The final PBC model is shown in Table 4.4.

**Table 4.4**  
**Predicting Perceptions of Behavioral Control (n = 141)**

<u>Variable</u>	<u>B</u>	<u>se β</u>	<u>β</u>
Intercept	58.989***	3.392	-----
Black	0.280	1.909	0.014
Male	2.851	2.227	0.116
Total Time Incarcerated (years)	-0.318*	0.136	-0.207
First Time Offender	-1.963	1.725	-0.097
Financial Crime	4.716**	1.693	0.226
SES	-0.646	1.028	-0.066
Subjective Financial Knowledge	-0.852**	0.260	-0.277
Objective Financial Knowledge	0.788	0.613	0.116
Had Account Prior to Incarceration	1.305	1.919	0.066
Social Desirability	-0.800*	0.321	-0.201
<i>Adjusted R<sup>2</sup></i> =		.153	

\*p<.05, \*\*p<.01, \*\*\*p<.001

Contrary to the other intervening variable models, in the PBC model total time incarcerated did have a significant association in both the preliminary and final models. In the final model, for each one-year (unit) increase in time incarcerated, perception of control on financial behaviors is associated with a standardized decrease of .207 ( $p < .05$ ). Hypothesis 3a is supported. There is a statistically significant association between total time incarcerated and

PBC. Also, contrary to prior models, number of times incarcerated (first time offender versus repeat offenders) was not associated with PBC in either the preliminary or final models. In this model, Hypothesis 3b was rejected. There is no association between whether the TCP is a first-time offender and PBC. Finally, financial crime, again, was significantly associated with PBC in the preliminary and the final models. In the final model, financial crime is associated with standardized .226 increase in perception of control over financial behavior ( $p < .01$ ) when compared to those who were serving time for a non-financial crime. Hypothesis 3c is supported; there is an association between type of crime committed and perceptions of behavioral control over financial matters.

Of the three aspects of incarceration history, number of times incarcerated is the only variable not significant in the PBC model. This is interesting because it may suggest that men and women who are TC residents may equally identify with financial self-confidence and financial self-efficacy issues. These findings are the first that address any aspects of incarceration history and financial perceptions of behavioral control.

Subjective financial knowledge had a negative association with PBC ( $\beta = -0.277, p < .01$ ). The more financially knowledgeable one considered themselves to be, the lower control they felt they had over their post-release financial behaviors. This conflicts with what was expected—that the more knowledgeable one feels they are the more control they will feel they have over their behaviors. Furthermore, objective financial knowledge was not found to be associated with PBC. This contrary to what has been identified in prior literature where objective financial knowledge is positively associated with perceptions of control (Shim et al., 2009, Shim et al., 2010; Xiao et al., 2011). Social desirability was also negatively associated with PBC ( $\beta = -0.201, p < .05$ ). This finding infers that the respondents were less concerned with telling the researcher what she

wanted to hear and instead appeared to be vested in accurately accounting for how well they perceived their ability to perform certain financial behaviors after release from the prison system. The model was investigated for issues with heteroskedasticity and there were no heteroskedastic issues identified in this regression model. The final PBC model exhibited an improvement over the null model ( $R^2 = .1534, p < .001$ ). As in the prior hypotheses, Hypothesis 3, that aspects of incarceration history would have an association with PBC, was partially supported.

## Final Models

### Model 4: Intent to Open an Account

Logistic regression was used to investigate the intent to open an account after release. Investigation of this dependent variable was done in a hierarchical fashion, first with aspects of incarceration history. Next, SES was added to the model, then knowledge, experience, and social desirability in the third step, and finally the intervening variables of attitude, subjective norms, and PBC completed the model. For brevity, Table 4.5 presents the final version including all of the aforementioned predictor variables. The final version of the logistic regression model provides over 25% improvement (pseudo- $r^2$ ), as compared to the null model, in prediction of whether or not the respondent intends to open an account after release. This model accurately predicts whether or not someone will open an account 83.5% of the time.

Total time incarcerated had a significant effect on whether one intended to open an account after release. For every one-year increase in total time incarcerated, holding all else equal, the odds of intending to open an account increased by almost 19% ( $p < .05$ ). Hypothesis 4a1 was supported; there is an association between total time incarcerated and the intent to open an account after release. *Ceteris paribus*, compared to repeat offenders, first time offenders are over three times more likely to open a bank account ( $p < .10$ ). This variable is considered approaching significance, but Hypothesis 4b1 is considered rejected, there is no statistically significant association between first time offense and the intent to open an account after release. Whether someone had committed a financial crime was not a significant predictor of whether someone intended to open a bank account after release. Hypothesis 4c1 is rejected; there is no association between financial crime and intent to open an account after release. Therefore,

Hypothesis 4, that aspects of incarceration history will have an association with intent to open an account after release, is partially supported.

Pre-incarceration SES, holding all else equal, has a negative association with the intent to open an account after release. The lower pre-incarceration SES the less likely one intends to open an account after release; the odds of intending to open an account after release decreased by 74% for every unit decrease in pre-incarceration SES. This relationship is understandable, as prior literature suggests that lower income individuals are less likely to participate in mainstream banking than those with greater income (Barr, 2004; Prina, 2015). Finally, and not unexpectedly, having had an account prior to incarceration, holding all else equal, was associated with over 16 times greater odds of intending to open an account after release ( $p < .01$ ). None of the theory-specific mediating factors (i.e. attitude, subjective norms, or PBC) had a statistically significant influence on intent to open a mainstream bank account after release. This model was checked for multicollinearity, but no issues of multicollinearity were identified. Hypotheses H5, H6, and H7 were all rejected in this regression analysis. Financial attitude (H5), Financial Subjective Norms (H6), and Perceptions of Control over Financial Behaviors (H7) were not found to have a positive association with respondents' post-release intentions to open an account.

These results suggest there are omitted variables at work. TPB should be useful, but banking experience appears to have the largest magnitude of effect on intent to open an account. It is curious that having had the account prior to incarceration doesn't impact attitude which would then potentially appear as significant in this model. Most of the respondents in this sample did intend to open an account after release, so the impact of the tenets of TPB may be buried due to the small sample size.

**Table 4.5**  
**Predicting Open (n = 141)**

	<b>B</b>	<b>se B</b>	<b>Odds Ratio</b>
<u>Variable</u>			
Intercept	-4.757**	3.424	---
Total Time Incarcerated	0.171*	0.071	1.187
First Time Offender	1.233 <sup>†</sup>	0.710	3.432
Financial Crime	0.446	0.707	1.561
SES	-1.346**	0.418	0.260
Subjective Financial Knowledge	0.129	0.115	1.138
Objective Financial Knowledge	0.079	0.226	1.082
Account Prior to Incarceration	2.817**	0.861	16.718
Social Desirability	-0.058	0.142	0.944
Attitude	0.100	0.074	1.106
Subjective Norms	0.065	0.040	1.067
Perceptions of Behavioral Control	0.008	0.041	1.008
-2 Log Likelihood Pseudo R <sup>2</sup> =.252			
Concordance Ratio: 83.5%			

<sup>†</sup>p<.10, \*p<.05, \*\*p<.01, \*\*\*p<.001

### **Model 5: Predicting Intention of Positive Financial Management**

The final multivariate analysis was conducted using OLS regression. Positive Financial Management (PFM)—intent to contribute to savings and using a written budget each month—was a composite variable investigated using a hierarchical regression methodology. Due to lack of significance in the intervening variable models, the variable account prior to incarceration was omitted in this final PFM model. This omission served the purpose of meeting the limitations of the sample size and allowed gender and race to continue as variables of interest for demographic purposes.

The first step in the regression model was to use aspects of incarceration history as predictors of PFM. Secondly, the demographic variables, race, gender, SES, objective and subjective financial knowledge and social desirability were added to the PFM model. Finally, the tenets of TPB, attitude, subjective norms, and PBC were added to complete the PFM model. The

hierarchical stages applied to obtain the final PFM model are all provided in Table 4.6; here the focus is on the complete model, for Stage 3 in the table.

Total time incarcerated was significantly associated with one's intention to practice positive financial management after release. For every one-year increase in total time incarcerated, there was a standardized corresponding increase of intent to practice positive financial management ( $\beta = .167, p < .05$ ). Number of times incarcerated did not have a significant predictive relationship with financial management intentions, nor did whether the respondent committed a financial crime, therefore Hypothesis 4a2 is rejected.

The only other independent variables to have a significant relationship with the dependent financial management variable were the tenets of the TPB. These significant, positive relationships provide support for the theory as augmented here to predict post-release TPC financial management intentions. Attitude and Subjective Norms have similarly sized standardized coefficients ( $\beta = .165, p < .05$ ;  $\beta = .190, p < .05$ ) respectively. However, PBC had the strongest standardized coefficient of this model, ( $\beta = .423, p < .001$ ) which indicates that of the variables measured and for this population, perceptions of control have the strongest relationship with post-release financial management intentions.

**Table 4.6**  
**Predicting Positive Financial Management Intentions (n = 141)**

<b>Variable</b>	<b>Stage 1</b>		<b>Stage 2</b>		<b>B</b>	<b>Stage 3</b>		<b>β</b>
	<b>B</b>	<b>seB</b>	<b>B</b>	<b>seB</b>		<b>se B</b>		
Intercept	11.283***	.447	12.163***	.970	-0.086	1.959	-----	
Total Time Incarcerated	0.014	.036	0.016	.039	0.068*	0.033	0.167	
First Time Offender	-0.177	.481	-0.298	.490	0.277	0.421	0.051	
Financial Crime	0.979*	.472	1.143*	.482	0.191	0.425	0.034	
Black			0.028	.546	-0.084	0.456	-0.016	
Male			0.153	.636	0.053	0.545	0.008	
Socio-economic Status			-0.085	.253	-0.062	0.211	-0.024	
Subjective Financial Knowledge			-0.157*	.074	-0.023	0.067	-0.028	
Objective Financial Knowledge			0.141	.175	-0.031	0.150	-0.017	
Social Desirability			-0.062	.092	0.017	0.081	0.016	
Attitude					0.095*	0.047	0.165	
Subjective Norms					0.065*	0.029	0.190	
Perceptions of Behavioral Control					0.113***	0.024	0.423	
<i>Adjusted R<sup>2</sup></i> =	<i>.013</i>		<i>.023</i>			<i>.323</i>		

†p<.10 \*p<.05, \*\*p<.01, \*\*\*p<.001



The model was investigated for issues with multicollinearity and heteroskedasticity. There were no multicollinearity or heteroskedastic issues identified in this regression model. The final financial management intentions model exhibited an improvement over the null model ( $R^2 = .3226, p < .001$ ). Hypotheses H5, H6, and H7 were all supported in this regression analysis. Financial attitude (H5), Financial Subjective Norms (H6), and Perceptions of Control over Financial Behaviors (H7) were all found to have a positive association with respondents' post-release intentions to practice positive financial behaviors after release.

It is important to understand that there are two types of effects, indirect and direct, reflected in the PFM model. The indirect effects were calculated by multiplying the standardized (significant or insignificant) direct effect of the variable in the finalized PFM model by the standardized significant effect of the labeled variable in the intervening variable model(s). The aspects of incarceration have primarily an indirect effect on the PFM model, but in one instance have a direct effect on predicting PFM. Table 4.7 shows the significant direct, indirect, and combined, or net total, magnitude of the aspects of incarceration and Attitude, Subjective Norms, and PBC on predicting PFM.

**Table 4.7**  
**Direct and Indirect Effects**

	<b>Total Time</b>	<b>First Offense</b>	<b>Financial Crime</b>	<b>Attitudes</b>	<b>Norms</b>	<b>PBC</b>
Direct Effect	0.167	--	--	0.165	0.190	0.423
Indirect, Attitudes	--	-0.029	0.047	--	--	--
Indirect, Norms	--	-0.043	0.033	--	--	--
Indirect, PBC	-0.088	--	0.096	--	--	--
<i>Net Total</i>	<i>-0.079</i>	<i>-0.072</i>	<i>0.176</i>	<i>0.165</i>	<i>0.190</i>	<i>0.423</i>

As measured in this study, first offense has the least total magnitude of influence on positive financial management intentions ( $\beta = -.072$ ). Total time incarcerated, though it has a direct effect on PFM ( $\beta = .167$ ), has a net total effect of  $-.079$  on PFM, which is less than the financial crime variable as well as any of the intervening variables. The magnitude of the effect of financial crime on the PFM model ( $\beta = 0.176$ ) is greater than Attitudes as an intervening variable. Perceptions of Behavioral Control, as supported by prior literature, has the strongest magnitude of effect ( $\beta = 0.423$ ) in predicting PFM, followed by subjective norms ( $\beta = .190$ ) and attitude ( $\beta = .165$ ). That subjective norms have a stronger magnitude in predicting PFM than attitude suggests the importance of personal relationships with people on the outside as the Transitional Center Participants approach release.

## Chapter 5 - Discussion

Though transition and offender reentry has been investigated thoroughly, researchers have neglected post-release financial intentions as an area of interest. The purpose of this dissertation was to use the theory of planned behavior to frame an exploration of the post-release financial intentions of Transitional Center Participants (TCP) who were within 180 days of Tentative Parole Date or Max Release Date in a large Southern State.

I began by creating the survey for my population of interest, using TPB as the lens through which to frame my inquiries. TPB suggests our attitudes, subjective norms, and perceptions of control regarding a particular behavior influence our intentions to conduct that behavior. As suggested in the work of Kiriakidis (2006), Nelson (2015), and Xiao et al. (2011), external, background factors were used in this dissertation to expand the theory as well as more thoroughly understand the responses of those surveyed.

I collected primary data at six of the 13 Transitional Centers (TC) in Georgia. The TCs I visited were selected based on gender of the inmates as well as location. The TCs I visited were in mid to upper geographic locations in the State. I spent between three to eight hours at each TC, based on Superintendent support and TCP availability.

The data were evaluated beginning with univariate tests to understand the distribution and range of values. After univariate tests I used bivariate analyses including t-tests, chi-square, and correlations to further investigate the data and make informed decisions regarding which variables to retain and omit. Foundational demographic variables were strongly considered for omission due to lack of significance, but the lack of significance is also informative regarding the population of interest. Race and gender were retained to highlight the heterogeneity of the sample; age was omitted because the correlation with total time incarcerated suggested that total

time incarcerated was useful not only as an aspect of incarceration history, but also to express the passage of time. Use of TPB provided a base from which to investigate the data. TPB has been used in prior research regarding financial intentions (Shim et al., 2009; Xiao et al., 2011); this is the first time TPB has been used to investigate the post-release financial intentions of Transitional Center Participants.

### **Theory of Planned Behavior**

The findings of this study are mixed in terms of support for TPB in predicting intentions. The Intent to Open Account model suggests TPB is not useful in predicting the intentions to open an account of TCPs approaching release. None of the intervening variables had a significant effect on the outcome variable. On the other hand, the Financial Management Intentions model suggests TPB it is useful in predicting post-release intention. All three of the intervening variables, attitude, subjective norms, and perceptions of behavioral control each had a significant effect on the outcome variable. As in prior research (see Kiriakidis, 2006), background factors specific to the incarcerated were useful in predicting intervening factors of the TPB model and also to predict financial intentions. Additionally, this dissertation supports prior literature using TPB to frame investigation of intentions for those who have experienced incarceration. Prior studies found that attitude was useful in predicting intention not to reoffend (Kiriakidis, 2006) as was PBC (Forste et al., 2011; Kiriakidis, 2006)

This section includes interpretation and discussion of present results regarding the theoretical framework including the use of background factors such as total time incarcerated, number of times incarcerated, and type of crime to predict both intervening and final variables. It will focus first on the influence of background factors on each of the TPB intervening variables

with an emphasis on the aspects of incarceration. Then, the findings of the two intentions models that feature the TPB variables will be reviewed.

### **Intervening Variables**

**Attitude.** Two of the three aspects of incarceration were significant in predicting financial attitude. First time offenders had a more negative financial attitude than repeat offenders. However first time offender status was found to have one of the lowest standardized coefficient magnitudes. That first-time offenders have a less positive financial attitude than repeat offenders was an unexpected finding. Those who committed a financial crime have a more positive financial attitude than those who did not commit a financial crime. Financial crime, though varied offenses, may indicate a familiarity with a way to meet needs and wants regardless of circumstance. There is no identified published literature that discusses financial attitudes of men and women who have experienced incarceration, so the findings about how aspects of incarceration shape those attitudes may be useful (as discussed later) to guide educational programs for them.

Two of the other background factors had significant effects for attitudes. Subjective financial knowledge was negatively associated with financial attitude. This result is unexpected. In Xiao et al.'s (2011) study, subjective financial knowledge had a positive association with attitude. The current result may be a consequence of a lower than preferred Cronbach's alpha score ( $\alpha = .564$ ) (i.e. the subjective financial knowledge variable may not be a good measure of one's opinion of what one knows about financial matters). Social desirability had a significant positive association with financial attitude. This may be posturing on the part of the respondent—or positive thinking—but this result indicates that respondents may have been less

accurate in reporting their financial attitude and more trying to conform to what they thought the researcher wanted to hear.

**Subjective Norms.** Of the three aspects of incarceration considered in this study two were significant predictors of subjective norms. First time offenders, as compared to repeat offenders, had lower subjective norms responses—the respondents perceive less support from family and friends for the financial behaviors discussed in the survey. These lower subjective norms may be connected to a lack of confidence in what the TCP feels they know about what friends and family would actually think about the returning TCP using the banking system, paying bills, and saving. Additionally, having only served time for one offense, the offender may not be aware of how his/her pre-incarceration support system will be involved or concerned with the returning offender's financial welfare as compared to those who have been locked up and subsequently released numerous times. TCPs serving time for a financial crime had higher subjective norms responses. They perceived more support from family and friends regarding financial behaviors discussed in the survey than those who were incarcerated for another type of offense. This perception of support for positive financial behaviors from family and friends may stem from recognizing what they can do in the future to avoid committing another financial crime.

Only one of the other background factors was a significant predictor of subjective norms. Objective financial knowledge was positively associated with subjective norms. The higher the respondent's financial knowledge, the greater the perception that family and friends would be vested in the TCP's post-release financial choices. This result expands the literature as the identified literature using objective financial knowledge has either not measured objective

financial knowledge as a predictor of subjective norms (Nelson, 2015) or the results were mixed (Xiao et al., 2011).

**Perceptions of Behavioral Control.** As in the prior two intervening variable models, only two of the three aspects of incarceration history were significant in predicting perceptions of behavioral control (PBC). Total time incarcerated had a negative relationship with PBC in financial matters. For every additional year incarcerated PBC decreased. This could be attributed to the TCP feeling less confident in his/her ability to participate in the mainstream banking system having been removed from it for a longer period of time than those who had been incarcerated less time. Additionally, having had less recent “outside” experience with money may influence one’s confidence in their ability to practice positive financial behaviors such as using a written budget and contributing to savings. Having committed a financial crime, however, was associated with higher PBC. Of those who reported they were incarcerated for a financial crime, over half of them reported that they committed the crime due to a financial reason. Those who were serving time for a financial crime may feel they have more control regarding financial matters than those who were serving time for another type of offense due to a greater familiarity with what they will need to do in the future to avoid committing a similar crime in the future.

Two of the other background factors were statistically significant predictors of perceptions of behavioral control. Subjective financial knowledge had a negative association with PBC. The more people thought they knew compared to their peers inside and outside of prison, the less control they believed they had over conducting their financial lives after their release. This is contrary to the results in Xiao et al (2011), though the difference may be related to the differences in samples of interest. Additionally, social desirability had a negative

association with perceptions of control. The greater the respondent's concern with reporting in a socially desirable fashion, the lower PBC. In other words, those who reported greater PBC were reporting accurately and gave less attention to reporting what they thought the researcher wanted them to report. This is a reassuring finding and provides additional support for the validity of the PBC results. Furthermore, this is a new finding and adds to the literature about how social desirability can be used in similar models and with the current population of interest.

Aspects of incarceration history did have statistically significant associations with the intervening TPB variables. These results suggest that background factors specific to the population of interest should be considered, if not included in the model, when framing research with the TPB. Furthermore, the influence of aspects of incarceration on attitude, subjective norms, and perceptions of control expands the use of TPB for post-release intentions of the incarcerated. While Forste et al. (2011) used TPB to investigate the intention to stay out of trouble, their study did not investigate financial behaviors, as was done in the current study. Additionally, Kiriakidis (2006) used TPB, but his background factors—parental child-rearing practices—were not directly associated with incarceration and also did not investigate financial behaviors.



## Intentions

### Intent to Open an Account

One of the aspects of incarceration had a definitive association with the Intent to Open an Account after release. Total time incarcerated was positively associated with a TCP's intent to open an account after prison. This association may stem from not having an account due to length of time in prison, among other reasons. Number of offenses is not significantly associated with the intent to open an account, but, first time offenders appear to be potentially more likely to open an account after release than repeat offenders.

Other measured background factors that significantly influenced intent to open an account include socio-economic status and having had an account prior to incarceration. Pre-incarceration socio-economic status (SES) was negatively associated with intent to open an account after release. The higher the pre-incarceration SES, the less likely the TCP intended to open an account after their sentence was complete. The current finding may be somewhat explained by the correlation between pre-incarceration SES and account prior to incarceration ( $r = .578$ ;  $p < .001$ ). Previous literature has found that participation in mainstream banking is not as prevalent in low-income households (Barr, 2004; Prina, 2015). The current results do not necessarily refute prior literature, as the overall SES of the sample is low. As expected, having had an account prior to incarceration was positively associated with a soon-to-be-released TCP's intention to open an account upon completion of their sentence.

On the whole, the results for Intent to Open an Account did not support TPB. None of the intervening variables were statistically significant predictors of the intent to open an account after release. Opening an account may seem more logical and manageable than committing to a monthly habit of using a written budget and contributing to savings, so attitude about the future

behavior of opening an account may not be important. Perceptions of control in financial matters may not be influential in opening an account because it is again easier to take the money the TCP knows he/she will have and open the account shortly after release than it is to commit to consistent budgeting and savings behaviors. These results are somewhat contrary to the findings from Mindra et al. (2017) who found financial self-efficacy relevant in determining participation in the mainstream banking system. This study suggests the background factors are more important in predicting this intention than attitude, expectation of family and friends, or perceptions of control.

### **Positive Financial Management**

The model for financial management intentions was generally quite supportive of TPB. However, in predicting Positive Financial Management (PFM) after release, total time incarcerated was the only aspect of incarceration directly useful in this model. Total time incarcerated, as in the prior intention model, was positively associated with TCP's intent to have PFM (savings and budgeting) behaviors after release. The more time the individual had spent behind bars the more likely they are to use a practice PFM after their sentence is complete. No other background factors were useful in directly predicting post-release PFM intentions. However, the intervening variables of attitude, subjective norms, and PBC were useful in this model. All three intervening variables were significant predictors of the intent to practice PFM behaviors after release and thus the findings for those central elements support the TPB.

The effects of the aspects of incarceration, in particular total time incarcerated and financial crime, on the prediction of the PFM budgeting and savings behaviors is new to the literature. Greater experience of incarceration or crimes that were financial somehow produce better post-release financial management intentions. These findings support the expansion of the

TPB to include pertinent background factors. Additionally, the effects of these aspects of incarceration on PFM may be used in guiding practice and policy for re-entry training. For that purpose, it is worth noting that first-time offenders are less likely to have the best attitudes and they perceive less support from family and friends as they consider financial management after release.

### **Connecting to the Literature: Personal Financial Planning**

This research expanded the use of TPB by using it to investigate financial intentions of men and women who were within 180 days of TPM or Max Out from a Georgia Transitional Center. Furthermore, the careful attention to how background factors of aspects of incarceration history influenced TPB expanded the contribution to the literature. The use of TPB to investigate financial intentions is not new (Shim et al., 2009; Xiao et al., 2011) but it is new for the use of investigating financial intentions of TCPs who are approaching release.

Prior literature suggests financial intention is significantly associated with financial behavior (Shim et al., 2009; Xiao et al., 2011) which indicates that studying financial intentions without behavioral outcomes is still useful. In their 2009 study Shim et al. address the concept of economizing—changing of financial habits in response to a financial hardship. Economizing addresses budgeting and savings behaviors, as does this study, which further supports that the focus on intentions is valuable.

### **Connecting to the Literature: Criminal Justice**

To date the studies identified which use TPB as a framework have not investigated differences between first-time and repeat offenders. Though both the Kiriakidis (2006) and Forste et al. (2011) investigate post-release intention there is no information provided regarding any investigation into differences or similarities between first-time and repeat offenders

intentions. The current study not only investigates financial intention of offenders for the first time, but also investigated, via TPB, the differences between first-time and repeat offenders. The indirect effects of being a first-time offender on the PFM model, though small, are negative in nature. This is an addition to the literature and suggests a path for future investigation regarding how number of offenses may be associated with other financial and non-financial intentions and behaviors.

Social desirability has been used in prior research with individuals involved in court proceedings, including convicted offenders (Andrews & Meyer, 2003). The current study approached the use of social desirability from a different angle, which further expands the literature in using social desirability with a criminal justice-based population. Social desirability is useful within regression analyses to check for validity of responses. One finding in this study, the significance of social desirability in predicting PBC (and the negative association with PBC) is very useful. This result combined with the lack of significance of social desirability in the PFM model, though, opens the door to more questions. Total time incarcerated is significantly associated with PBC (negatively) but positively and significantly with PFM. Future research may provide a more thorough understanding of how total time incarcerated is associated with post-release intentions.

### **Limitations**

This area of investigation is in its infancy. To date there is no State-wide Georgia representative data set of TCPs to address the questions posed in this dissertation. A data set collected as the new TCP enters TC and connects with data as the TCP approaches their release date would allow research such as this to influence policies better and more comprehensively, which will benefit men and women who are preparing to re-enter society after serving time for

an unlawful offense. A longitudinally collected data set would furthermore allow for an understanding of any changes that took place over the TCP's time at the TC—specifically if they had financial education, which is currently required at one TC, is there evidence that the class affected financial intentions after release?

The sample, though a good effort, needs to be larger and more representative of Georgia TCPs. I went to six of the 13 TCs in Georgia due to time and financial constraints. The convenience sample is a valid way to collect data but does not always allow for a representative sample. The TCPs at the other, more southern TCs may have been able to make this data set truly representative of Georgia TCs. It is possible there were more first-time offenders, lower educated, and/or men who had been incarcerated for longer periods of time who would have participated in the study. Additionally, there are variables collected by the Georgia Department of Corrections against which this study could have been matched and used to further understand the population of interest. Variables such as intelligence quotient, reading and math levels, as well as who would be released on parole or probation would be valuable information to consider when considering post-release financial intentions. Furthermore, if age at time first incarcerated had been collected, a deeper understanding of the connection of total time incarcerated to PBC and PFM may have been possible.

This dissertation investigated financial intention, not financial behavior. Though there is prior literature which indicate a strong correlation between (financial) intention and behavior (Ajzen, 2002; Nelson, 2015; Xiao et al., 2011), further investigation is needed. In their 2011 study on intent to avoid reoffending Forste et al. emphasize that intention is just the first part; follow-up and more fully understanding the connection between intention and behavior is needed with this high-risk population. Connecting financial intention and financial behavior has been

addressed (Nelson, 2015; Shim et al., 2009; Xiao et al., 2011) but not widely addressed and not at all for the current population of interest.

Although there is voluminous literature regarding recidivism, financial behavior is a neglected factor. A primary reason for research in the cross-discipline of financial planning and criminal justice is to gain insight into how financial knowledge and financial behavior may influence recidivistic behavior. To more fully understand the implications of this dissertation, further research is needed so that researchers and policy makers can grow an understanding of how personal resources, financial behaviors, financial knowledge, other personal financial planning variables and recidivism are connected.

### **Implications**

The current study is the first of its kind to investigate post-release financial intentions of men and women in a work release program. There is a considerable shortage of information regarding men and women who have experienced incarceration and their relationships with money. Furthermore, there is a substantial lack of understanding of where the incarcerated develop and grow their attitudes regarding financial matters, how they define the expectations of family and friends regarding financial matters, as well as what may influence their perceptions of control regarding financial matters. This study highlights the need for additional research.

The investigation of the indirect and direct effects of the aspects of incarceration draws attention to those for whom training in positive financial management behaviors may be most needed. That subjective norms have a stronger magnitude than attitude in predicting PFM suggests the importance of personal relationships with friends and family on the outside as the Transitional Center Participants approach release. Investigating the connection of Subjective Norms with PBC may also be useful in future investigation using the current data. Prior research

suggests feelings of control are greater among those who have outside support while incarcerated (Forste et al., 2011).

Subjective norms, for those who are incarcerated, may be difficult to define. How do the offenders determine what they believe the expectations of family and friends are regarding post-release financial behaviors? Practical implications include encouraging family participation in re-entry training, specifically training regarding financial matters such as bill paying, savings, and goal setting. Further investigation is needed to understand how the subjective norms of TCPs are defined, identified, and how they vary based on aspects of incarceration such as type of offense and length of time incarcerated.

Overall, the results suggest an opportunity for the Transition Center counselors to guide conversation with the TCP about financially preparing for release and inquire regarding family and friend support of positive financial behaviors. The counselor could guide by discussing budgeting and savings with appropriate family members and then report back to the counselor regarding the discussion and what kind of support the TCP perceives they have after the conversation.

Additionally, though self-control and self-efficacy may be more difficult to teach, helping Transitional Center Participants who have been incarcerated for a greater number of years develop the confidence that they can find ways to budget, save, and make financial decisions is imperative to financial success after release. The counselor, again, may be a useful resource in generating some of the needed confidence simply through encouraging the TCP to ask questions.

From a policy standpoint, implementing financial literacy education classes throughout all of the TCs may be beneficial. Financial education classes may positively influence self-efficacy and behavior change regarding financial matters such as budgeting and saving and can

be useful in changing behavior in particular behaviors that can be changed in the short term (Lyons et al., 2006). With appropriate timing, providing financial education and investigating financial behavior change even while in the TC would be possible. This type of change could be measured at the TC by investigating how spending habits of the TCPs, who qualify for weekly spending money, may change after financial education. As was noted in the Lyons et al. (2006) study, further investigation is needed regarding how financial knowledge impacts financial behavior in low-income populations—this specialized prison-based population meets the low-income classification and would be an opportunity to expand the existing literature base.

Though overall total time incarcerated and first offense have a small magnitude in predicting positive financial management intentions after release, the presence of any effect of these variables is new to the literature. TCPs who are serving time for their first offense appear to have more negative attitudes and perceive less outside support than TCPs who are serving time for a second, third, or greater number of offenses. The idea that TCPs who are in for the first time have a more negative attitude toward savings and behaviors provide a target audience for financial educators who are interested in working with people who are experiencing incarceration. Financial educators can help generate changes in attitude toward savings and budgeting behaviors and can help answer questions or provide avenues for pursuing discussion with outside family and friends regarding financial topics. Further investigation into the differences between first and repeat offenders and financial subjective norms would greatly expand the criminal justice personal financial planning literature. Understanding the connection between financial subjective norms may also be useful for investigating ways to decrease recidivism.



The positive net effect of financial crime on PFM suggests that other types of offenses should be considered when evaluating PFM in order to discern which TCPs would best benefit from financial discussions and education. Further investigation into which types of financial crime provide the greatest influence on financial intention would broaden the current study. Investigating different offenses, such as drug or violent offenses, on PFM intentions would also be useful in generating tailored discussion and financial education that could be helpful for the TCPs.

Future work with the current data set could be pursued in numerous fashions. First, use of structural equation modeling or path analysis would be more advanced ways to approach financial intentions. Furthermore, Full Information Maximum Likelihood (FIML) could be used to account for variables affected by listwise deletion. With the inclusion of these data a broader, more representative story may emerge.

Prioritizing financial training is important at both the practical application and policy levels. Financial knowledge of the incarcerated is not high (Koenig, 2007; Mielitz, MacDonald, & Lurtz, in press). Financial knowledge has been directly associated with increased financial attitude (Xiao et al., 2011) and with decreased use of risky borrowing behaviors (Nelson, 2015; Xiao et al., 2011). From a policy standpoint, though, no published research has addressed financial knowledge and success after release, nor has research investigated financial intentions and behaviors with recidivism—this lack of attention to how people relate to financial resources leaves a gaping hole in the comprehensive understanding of how to decrease recidivistic behaviors. Though nationally financial knowledge is low (Lusardi & Mitchell, 2014), it is higher than that of offenders (Galchus, 2014; Galchus, 2015). Further investigation is needed to identify if there is a connection between non-law-abiding behavior and financial knowledge.

## Summary and Conclusion

As the first study to address post-release intentions, the main finding is that TPB may be useful to understand the antecedents of post-release financial intentions of Transitional Center Participants (TCP). The results support prior literature (see Kiriakidis, 2006; Forste et al., 2011) regarding the use of TPB with the special, high-risk population of people who are experiencing incarceration. In his 2006 study, Kiriakidis omitted subjective norms from the final analysis due to the failure to achieve significance in explaining variability of intentions. On the other hand, in their 2011 study Forste et al. identified that almost one-third of the variation of intent to stay out of trouble was as a result of attitudes, subjective norms, and perceptions of control. In the current PFM model, the addition of those same tenets of TPB resulted in an increase of almost 30% in explained variance.

In research specific to the personal financial planning field, Shim et al. (2009) investigated economizing behaviors which are the closest to savings and budgeting intentions identified in the literature. Their study used a structural equation model to investigate the data. Future investigation with the current data set in such a manner would be beneficial. Similar to Shim et al. (2009) this study identified statistically significant connections between TPB characteristics and financial intentions. Other research using structural equation modeling to investigate financial intentions and behaviors via TPB addressed use of credit intentions and behaviors (Xiao et al., 2011). The current study did not investigate the same credit card intentions or behaviors, but future studies could use TPB to investigate credit card and borrowing intentions of TCPs.

The analysis and discussion of results presented here has also established the benefit of including aspects of incarceration history as relevant background factors. Aspects of

incarceration history were found to have both direct and indirect effects on positive financial management intentions which suggested practical, policy, and future research implications.

Though further investigation is still needed, this dissertation suggests that men and women who have experienced incarceration have specific aspects of their lives that must be considered when preparing them to return to society and develop a new (and hopefully better) relationship with money.

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## Appendix A - Study Survey

This survey is being used to gather research data regarding financial attitude, financial subjective norms, perceptions of control, and financial intentions of those in the corrections system. My intent is to investigate this information from those who are within 180 days of release.

This survey should take approximately 30-45 minutes to complete. This survey will be read aloud to assist those who are not comfortable reading. You may proceed at your own pace. You may stop at any time. No one will be informed of your decision regarding whether you participate fully, in part, or at all. All responses will be kept confidential. Thank you very much for your help with this project.

**Please select the answer that best describes you or fill in the blank as indicated.**

### **Demographic questions**

<sup>1</sup>Age: \_\_\_\_\_

<sup>2</sup>Marital Status:      Married              Single              Unmarried, long-term relationship  
                                 Divorced              Widowed

<sup>3</sup>Race (Choose the one with which you most closely identify.)  
\_\_\_\_\_ White/Caucasian      \_\_\_\_\_ Black/African American      \_\_\_\_\_ Asian  
\_\_\_\_\_ Hispanic              \_\_\_\_\_ Other (please list: \_\_\_\_\_)

<sup>4</sup>Highest Level of Education **COMPLETED PRIOR TO INCARCERATION:**

Less than High School    Some High School    High School/GED    Some College    College(+)

<sup>5</sup>Have you completed any additional education while incarcerated?

\_\_\_\_\_ No      \_\_\_\_\_ Yes

<sup>5a</sup>If yes, what additional education have you completed?

\_\_\_\_\_ GED      \_\_\_\_\_ Some College      \_\_\_\_\_ College Degree

<sup>6</sup>Highest level of education your parents completed (please choose the highest level of education either of your parents completed)

Less than High School    Some High School    High School/GED    Some College    College(+)

Don't Know

<sup>7</sup>How many times have you been incarcerated?

\_\_\_\_\_ Once      \_\_\_\_\_ Twice      \_\_\_\_\_ Three Times      \_\_\_\_\_ Four Times      \_\_\_\_\_ Five Times +

<sup>8</sup>Total Time Incarcerated (all sentences combined): \_\_\_\_\_ yrs \_\_\_\_\_ mon

**<sup>9</sup>Employment status at the time of arrest (check one):**

- Full-time (30+ hours per week)  
 Part-time (less than 30 hours per week)  
 Not employed

**<sup>10</sup>Gross Income (before taxes) from your EMPLOYMENT at time of arrest (fill in ONE of the blanks):**

\$ \_\_\_\_\_/month      OR      \$ \_\_\_\_\_/hour

**<sup>11</sup> Although it may have been long ago and under different circumstances, have you ever supported yourself and/or your family with money from illegal activity?**

- Yes  
 No

**<sup>12</sup>Have you ever taken a financial education or money management class?**

Yes       No       Not Sure

If yes, did you take that class while at the Transitional Center? \_\_\_\_\_

**<sup>13</sup>Prior to your arrest *for this sentence* did you have a savings and/or checking account at a bank or a credit union?**

Yes       No\*

\*If no, please continue to Question 14.

**<sup>13a</sup>If yes:**

Which kind of account?     Checking only       Savings only       Both

**Did you:**

- Use online banking?       Yes     No  
Use a debit card connected to a checking account?  
 Yes     No  
Write checks?       Yes     No

**<sup>14</sup>Prior to your arrest *for this sentence* did you:**

- Ever use the ATM?       Yes     No  
Use a pre-paid debit card?       Yes     No  
Take out a loan from a bank or credit union?       Yes     No  
Have a credit card issued by a bank/credit union?       Yes     No

## OBJECTIVE FINANCIAL KNOWLEDGE

**\*\*Please choose one answer per question.\*\***

**<sup>15</sup>Your take home pay from your job is less than the total amount you earn. Which of the following best describes what is taken out of the total amount you earn?**

- a.) Social security and Medicare
- b.) Federal income tax, state income tax, social security and Medicare
- c.) Federal income tax, state income tax, sales tax, and social security
- d.) Federal income tax, state income tax, property tax, Medicare, and social security
- e.) Don't know

**<sup>16</sup>Christina just got a job with take-home pay of \$2,000 per month. She must pay \$600 for rent and \$250 for groceries each month. She also pays \$350 per month for a car payment and \$250 per month for car insurance and gas. If she budgets \$100 per month for dining out, \$50 for her cell phone plan, and \$300 for everything else, how long will it take her to save \$500?**

- a.) 4 months
- b.) 6 months
- c.) 5 months
- d.) 2 months
- e.) Don't know

**<sup>17</sup>Which of the following credit card users is likely to pay the GREATEST dollar amount in finance charges per year, if they all charge the same amount per year on their cards?**

- a.) Dennis, who pays at least the minimum amount each month and more, when he has the money.
- b.) Cherie, who generally pays off her credit card in full but, occasionally, will pay the minimum when she is short of cash.
- c.) Sonya, who always pays off her credit card bill in full on or before the due date.
- d.) Morey, who only pays the minimum amount each month.
- e.) Don't know

**<sup>18</sup>Inflation can cause difficulty in many ways. Which group would have the greatest problem during periods of high inflation that last several years?**

- a.) Older, working couples saving for retirement.
- b.) Older people living on a fixed income.
- c.) Young couples with no children who both work.
- d.) Young working couples with children.
- e.) Don't know

**19 Which type of investment would best protect the purchasing power of a family's savings in the event of a sudden increase in inflation?**

- a.) A 10-year bond issued by a corporation.
- b.) A certificate of deposit at a bank.
- c.) A twenty-five year corporate bond.
- d.) A house financed with a fixed-rate mortgage.
- e.) Don't know

**20 Do you intend to open a bank or credit union account after you are released?**

\_\_\_\_\_ Yes      \_\_\_\_\_ No

**20a If yes, why?** \_\_\_\_\_

**20b If no, why not?** \_\_\_\_\_

**21 If you intend to open an account, how long do you think it will take you to open the account?**

\_\_\_\_\_ I already have an account      \_\_\_\_\_ Within the first 30 days

\_\_\_\_\_ Within 31-60 days      \_\_\_\_\_ More than 60 days

**Please circle the number that best describes your response.**

**22 How likely are you to use a pawn shop (pawn something to borrow the money), payday lender, check cashing company (or other non-bank financial company) within one year after your release?**

Very Unlikely 1      2      3      4      5      6      7 Very Likely

**23 I intend to save money every month after I am released.**

Definitely Will Not 1 2      3      4      5      6      7 Definitely Will

**24 I intend to use a written budget each month after I am released.**

Very unlikely      1      2      3      4      5      6      7 Very likely

**25 Having money for fun is important to me.**

Strongly Disagree      1      2      3      4      5      6      7 Strongly Agree



**<sup>26</sup>Using a written budget is not worth my time.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>27</sup>Paying my bills on time is important to me.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>28</sup>Helping others, by lending or giving them money, is important to me.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**The next set of questions are about after you are released.**

**<sup>29</sup>After I am released, it will be pointless to save for emergencies because I won't be making enough money.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>30</sup>Checking my credit report after my release will help me get a clear understanding of where I stand financially.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>31</sup>Most of the people I am locked up with will be better off than I am after we are released.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>32</sup>Most of the people I am locked up with will use a written budget after we are released.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>33</sup>Most of the people I am locked up with will not open a bank or credit union account after they are released.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>34</sup>Compared to other people getting released, my financial status, once I am released, will be:**

Better                  the Same                  Worse

**<sup>35</sup>My family/friends will think that *I should* use a bank or credit union account when I am released.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>36</sup>It will matter to my family/friends whether or not I pay my bills on time when I am released.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>37</sup>It will matter to my family/friends whether or not I use a written budget when I am released.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>38</sup>It will be important to my family/friends that I open a savings and/or checking account after I am released.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>39</sup>It will be important to my family/friends that I pay my bills on time each month when I am released.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>40</sup>When I am released, it will be important to my family/friends that I am financially independent.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>41</sup>Compared to before I got locked up, it will be easier for me to put money into a savings account after I am released.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>42</sup>Compared to before I got locked up, my standard of living will be better when I am released.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>43</sup>After I am released it will be easy to set aside money for savings.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>44</sup>After I am released it will be easy for me to reach my financial goals.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>45</sup>After I am released it will be easy for me to use a written budget.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>46</sup>After I am released I will be able to spend less than I earn each month.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>47</sup>After I am released I it will be easy for me to pay all of my bills on time every month.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>48</sup>After I am released, whether or not I put money into savings on a regular basis is completely up to me.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>49</sup>I am very confident in my ability to handle my finances all on my own after I am released.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>50</sup>I am very confident in my ability to make financial decisions after I am released.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>51</sup>I am very confident in my ability to understand my credit report without any assistance after I am released.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**Getting to Know You**

**<sup>52</sup>Compared to people I'm locked up with now I'm less financially knowledgeable.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>53</sup>Compared to people on the outside now I'm less financially knowledgeable.**

Strongly Disagree    1    2    3    4    5    6    7    Strongly Agree

**<sup>54</sup>How would you rate your current overall understanding of personal-finance and money management concepts and practices?**

Very Low    1    2    3    4    5    6    7    Very High

**Please answer True or False for each of the next questions.**

- <sup>55</sup>It is sometimes hard for me to go on with my work if I am not encouraged. T F
- <sup>56</sup>I sometimes feel resentful when I don't get my way. T F
- <sup>57</sup>On a few occasions, I have given up doing something because I thought too little of my ability. T F
- <sup>58</sup>There have been times when I felt like rebelling against people in authority even when I knew they were right. T F
- <sup>59</sup>No matter who I'm talking to, I'm always a good listener. T F
- <sup>60</sup>There have been occasions when I took advantage of someone. T F
- <sup>61</sup>I'm always willing to admit it when I make a mistake. T F
- <sup>62</sup>I sometimes try to get even rather than forgive and forget. T F
- <sup>63</sup>I am always courteous, even to people who are disagreeable. T F
- <sup>64</sup>I have never been annoyed when people expressed ideas very different from my own. T F
- <sup>65</sup>There have been times when I was quite jealous of the good fortune of others. T F
- <sup>66</sup>I am sometimes irritated by people who ask favors of me. T F
- <sup>67</sup>I have never deliberately said something that hurt someone's feelings. T F

**<sup>68</sup>Primary offense for which you are currently incarcerated:**

- Assault (Simple or Aggravated)     Domestic Violence
- Drug offense     DUI/DWI     Embezzlement     Fraud
- Identity theft (including theft of personal and/or financial data)
- Murder/Attempted Murder     Rape/Attempted Rape/Sexual Assault
- Theft Crimes (Robbery, Larceny, Burglary, non-identity theft)

Other: \_\_\_\_\_

**<sup>69</sup>Which of the following circumstances led to the offense for which you are currently serving time? (Select all that apply)**

- Marital problems
- Work problems
- Discrimination
- Was the victim of another crime
- Homelessness
- Money
- Anger
- Revenge
- Sadness/Sorrow
- Peer Pressure
- Stress
- Other (please explain: \_\_\_\_\_)

## Appendix B - Correlation Table

### Heading Definitions:

Age:	Age as a continuous variable.
Black:	Race defined as Black versus non-Black.
Male:	Gender defined as Male versus Female.
Total Time:	Total time incarcerated in years.
Once:	First Time Offender versus Repeat Offender.
FinCrime:	Financial Crime versus non-financial crime.
SES:	Socio-economic status.
Subknow:	Subjective Financial Knowledge.
Finknow:	Objective Financial Knowledge.
Yesacct:	Had an account prior to current incarceration.
SD:	Social desirability.
Attitude:	Attitude.
SubNorms:	Subjective Norms.
PBC:	Perceptions of Behavioral Control.
PFM:	Dependent Variable: Positive Financial Management Intentions
Open:	Dependent Variable: Intent to Open an Account

	Age	Black	Male	TotalTime	Once	FinCrime	SES	SubKnow	FinKnow	yesacct	SD	Attitude	SubNorms	PBC	PFM	Open
Age	1															
black	-0.11418 0.1776	1														
male	-0.11773 0.1644	0.37061 <.0001	1													
TotalTime	0.50108 <.0001	0.2238 0.0076	0.28425 0.0006	1												
once	-0.29601 0.0004	0.10635 0.2094	-0.04669 0.5825	-0.31669 0.0001	1											
FinCrime	-0.02233 0.7927	0.11183 0.1868	-0.06285 0.459	0.08671 0.3066	0.09285 0.2735	1										
SES	0.18237 0.0304	-0.31357 0.0002	0.07505 0.3765	0.02752 0.7459	-0.08118 0.3386	-0.03015 0.7227	1									
SubKnow	-0.06059 0.4754	0.03003 0.7237	0.11815 0.1629	0.10542 0.2134	-0.07328 0.3878	0.14112 0.0951	-0.1433 0.09	1								
FINKNOW	0.09914 0.2422	-0.28886 0.0005	-0.05493 0.5176	0.0483 0.5695	-0.02494 0.7691	-0.02432 0.7747	0.39254 <.0001	-0.25821 0.002	1							
yesacct	0.09351 0.27	-0.21446 0.0107	0.05324 0.5306	-0.07729 0.3623	0.05964 0.4824	-0.10036 0.2364	0.57827 <.0001	-0.12785 0.1308	0.28252 0.0007	1						
SD	-0.0432 0.611	-0.01028 0.9037	0.16706 0.0477	0.10757 0.2042	-0.12729 0.1325	-0.01827 0.8297	0.1163 0.1696	0.15666 0.0636	0.08301 0.3277	0.06125 0.4706	1					
ATTITUDE	0.00552 0.9482	-0.01739 0.8378	-0.08597 0.3108	-0.04728 0.5777	-0.10754 0.2044	0.21827 0.0093	0.03595 0.6722	-0.23082 0.0059	0.06447 0.4476	0.04521 0.5945	0.11538 0.1731	1				
SubNorms	0.0346 0.6838	-0.08742 0.3026	-0.17594 0.0369	-0.05243 0.5369	-0.14332 0.09	0.1484 0.079	0.09321 0.2716	-0.05883 0.4884	0.22833 0.0065	0.12216 0.149	-0.08001 0.3456	0.2687 0.0013	1			
PBC	-0.00481 0.9549	-0.00782 0.9267	-0.02176 0.7978	-0.17295 0.0403	0.03794 0.6551	0.1503 0.0752	0.0341 0.6881	-0.30602 0.0002	0.13991 0.098	0.07481 0.378	-0.23299 0.0054	0.3276 <.0001	0.44987 <.0001	1		
PFM	0.07661 0.3665	0.02237 0.7923	-0.01309 0.8776	0.05905 0.4867	-0.02701 0.7506	0.17606 0.0368	0.01846 0.828	-0.17672 0.0361	0.10544 0.2134	0.12396 0.1431	-0.07471 0.3786	0.35436 <.0001	0.40767 <.0001	0.54206 <.0001	1	
Open	0.00174 0.9836	0.06722 0.4284	-0.10047 0.2359	0.11872 0.1609	0.0694 0.4135	0.11499 0.1745	-0.12785 0.1308	0.01569 0.8535	0.04364 0.6074	0.13647 0.1066	-0.05165 0.543	0.1197 0.1574	0.1681 0.0463	0.09286 0.2734	0.16994 0.0439	1

