

Emergency Savings Project

Center for Financial Security at the University of Wisconsin-Madison in partnership with the C.S. Mott Foundation

Project Summary: Who Said Pigs Can't Fly? A grass-roots approach to emergency savings

Author: Sonya Caesar

- Operation Silver Savings Project is a micro savings project, involving piggy banks, used with students at the Community College of Baltimore County. With almost 50% of community college populations living at or below the poverty level, these groups of students are, in essence, the same people that are classified, income-wise, as: working poor, lower income, or eligible for government subsidies.
- Micro savings are smaller scale versions of savings efforts and for the purpose of this chapter, represent coin vs. dollar bill savings. The Community College of Baltimore County's micro savings project provided each student with a piggy bank and the goal was for them to save all of their leftover coins over the duration of the seven-week freshman orientation course.
- Though gathering pennies at a time may seem insignificant and considered a mere drop in the bucket, doing so consistently may plant the 'savings' seed and convert a 'non' or 'casual' saver into a habitual saver especially among groups who report "not being ever able to save much money".
- The Piggy bank has long represented an iconic symbol for saving. Introducing the piggy bank as part of the project, is an incremental approach to emergency savings. Use of this symbol, therefore, serves as 'choice architecture', meaning the physical presence of the savings receptacle serves as a 'nudge' or reminder that people should empty their pockets and fill it with their weighty coins. One notable dimension of the Operation Silver Savings micro saving project is that students report it as being fun; there is an enjoyable element of child-like whimsy though its purpose is to teach a serious, potentially life-changing topic.
- The average amount saved by more than 1, 500 Community College of Baltimore County students who completed the Operation Silver Savings Project post-survey was \$25, over the six-seven week period that the freshman orientation course lasted. Collectively, from the time of the program's inception in February, 2011 until December 2012, the group's report having saved close to \$40,000.
- Micro savings program was piloted in spring 2011 with 350+ students; it is now at maximum scale having served more than 12,000 as of fall 2012.
- The following summary (see Table.1) provides a quick portrait of the project's most pertinent research data collected from over 1,200 post-surveys from February 2011 to December 2012.

Table.1

| Theme | Percentage of Responses |
|--|-------------------------|
| <ul style="list-style-type: none"> ➤ "Micro savings Matter" and "Savings Awareness" <p><i>Student Quotes:</i></p> <ul style="list-style-type: none"> ▪ "I've learned how to save additional money without touching it" ▪ "I collect all loose change that I find in my pockets. I used to just toss them aside" ▪ "Saving all change I have and receiving change from people in my family who hate change" ▪ "I learned that small savings can turn into large savings" ▪ "That saving just one cent a day adds up" ▪ "I am now living a paycheck ahead and I am saving money by not spending as much" ▪ "I've learned how important it was to have savings, having savings could help out with situations that may come up and relieve you from stress" | 46% |
| ➤ Students who reported learning how to save money because of having the piggy bank | 75% |
| ➤ Students who indicated that overall, the program helped to change the way they think about money | 74% |
| ➤ Close to \$40,00 collectively saved by participants | |