Select and Collect Indicator Data
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CFED empowers low- and moderate-income households to build and preserve assets by advancing policies and programs that help them achieve the American Dream, including buying a home, pursuing higher education, starting a business and saving for the future. As a leading source for data about household financial security and policy solutions, CFED understands what families need to succeed. We promote programs on the ground and invest in social enterprises that create pathways to financial security and opportunity for millions of people.

Established in 1979 as the Corporation for Enterprise Development, CFED works nationally and internationally through its offices in Washington, DC; Durham, North Carolina; and San Francisco, California.

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We do this through the products we create, the education and resources we provide broadly to consumers, and the more personalized, hands-on opportunities we help enable through partnerships in our local communities. Through our partnership with non-profit online education innovator Khan Academy, we provide BetterMoneyHabits.com, a free education resource aimed at empowering people to be more confident in their financial decision making.

The program pairs Khan Academy’s expertise in online learning with our financial know-how to deliver unbiased and easy-to-understand information on a wide range of personal finance topics including budgeting, savings and credit. Learn more at bankofamerica.com/about and BetterMoneyHabits.com.
Financial capability programs aim to change the lives of their participants and improve the financial health of the larger community. Indicators are the data you use to measure changes that result from your program. Having the right indicators is essential to assess whether or not you are on track with your goals and to help demonstrate your program’s potential impact on clients.

This guide is the third in a three-part series, **Tracking Financial Capability**:

- **Guide #1**: Identify and Prioritize Your Expected Outcomes
- **Guide #2**: Build Your Logic Model
- **Guide #3**: Select and Collect Indicator Data

This series is designed for frontline organizations that plan to provide, or are already providing, services to help clients manage their financial resources more effectively and become more financially secure. The three guides in this series will help you establish processes to track your programs to ensure they are being implemented as planned and resulting in the outcomes you set out to achieve. These guides will help you clearly state up front what you hope to achieve as a result of these services, how you plan to bring about these changes in your clients’ lives, and how you will collect data to track your progress.

Indicators are the data that help you assess whether or not you are on track to achieve the desired results identified in your logic model. They are also useful to communicate your program’s potential impact to funders and stakeholders. Programs that consistently collect and review data to track key indicators are likely to be better prepared to participate in formal evaluations (see box on the next page, Performance Tracking vs. Impact Evaluation), which determine whether or not a program is making a difference in their participants’ lives. This guide will help you to select and collect data to track your program’s progress in building financial capability. The process is broken down into four steps:

1. Define your key indicators.
2. Plan how you will collect the relevant data.
3. Set target benchmarks for your indicators.
4. Collect the data and review your indicators periodically.
Step 1: Define Your Key Indicators

Indicators are the specific measures you will use to determine if you are implementing your program as designed. They provide evidence that a certain condition or result exists. All areas of the logic model can be measured by indicators.

- **Input indicators** measure the resources available to the program (e.g., number of financial coaches).
- **Activity indicators** measure the ways in which the program’s services or goods are provided (e.g., number of financial coaching marketing flyers distributed).
- **Output indicators** measure the quantity of goods and services produced or the efficiency of production (e.g., number of clients that attend first financial coaching session, average length of coaching session).
- **Outcome indicators** measure the change in condition that is achieved by participants, agency or program (e.g., percentage of clients who pay their bills on time).

Some programs will track more than a hundred indicators, but for most programs, tracking a handful of key indicators is more efficient and productive. There are many methods available to define key indicators, and your organization may already have a specific means to accomplish this step.

If your organization is looking for some guidance on how to define key indicators, here are a few tips to help you get started. Looking at your logic model, focus on defining indicators for elements that:

- Can be affected by your program directly.
- Can be accomplished by clients within a realistic timeframe.
- Are most relevant to your program’s objectives.
- Are meaningful to those who will use the data.
- Can be measured by data that is easy and economically efficient to collect, analyze and report accurately.

For most financial capability programs, indicators that measure outputs and short-term outcomes are most likely to fit these selection criteria and should be the primary focus on your data collection efforts, especially when you have limited staff and resources to collect data.

**Defining Clear Indicators**

It is important that your indicators be defined clearly and carefully. This ensures that program staff share a common understanding of what the indicator is measuring and that the indicator is measured consistently over time.

For example:

\[
\text{the percentage of clients who regularly save in a deposit account} = \frac{\text{the number of clients who make a deposit into their savings account at least once a month}}{\text{the total number of clients who completed a financial coaching session}}
\]

The definition clearly explains what is meant by “regularly save”—someone who makes a deposit at least once a month. Then this group is divided by the total number of clients who complete a financial coaching session to ensure that only individuals who have participated in coaching and linked to savings accounts (i.e., those who have been encouraged to save by the program) are counted by the indicator.

**Step 2: Plan How You Will Collect the Relevant Data**

Once you have defined the indicators to track, you will need to plan how you will collect the data for your indicators. There are three questions to ask when operationalizing data collection for tracking:

1. From where should I source the data?
2. When are the data collected?
3. Who is responsible for collecting the data?

For example, if you want to know the number of clients who make a deposit at least once a month, you will need client bank account transaction data, which is collected in real time by the partner financial institution.

**From Where Should I Source the Data?**

As indicators are typically a composite of multiple pieces of data, you will need to identify the source for each individual data point. As most financial capability programs are looking to measure something about their clients, data sources are typically the administrative data collected through program, product or service delivery. Common data sources for financial capability indicators include:

- Client intake forms.
- Attendance sheets.
- Workshop evaluations.
- Pre- and post-tests.
- Questions asked during routine in-person interviews or check-ins with clients.
- Client account statements.
- Individual interviews with clients that are conducted separately from service delivery.
- Website traffic logs.

The availability of data can be a major constraining influence on your work, as you cannot assess aspects of performance for which you cannot collect data. As you explore different data sources, keep in mind that data collection instruments need to be valid and credible; that is, they need to measure what they claim to measure. They also need to take into consideration the different cultural perspectives of program clients (e.g., language skills and education levels). Finally, you consider what resources and tools you will need for collecting, storing and analyzing your data (such as database programs or statistical software). You may collect evaluations at the end of every workshop, but if the data from the evaluation is never entered into a database or spreadsheet for analysis, the data are not useful for tracking performance.

### Third-Party Data Sources: Opportunities and Challenges

Financial capability programs often provide access to financial products (e.g., checking or savings accounts) and credit-repair or -building activities. Outcome indicators related to these activities, such as greater number of clients saving regularly or improved credit scores, can be collected by asking clients to self-report the information on a survey or during a check-in, but they could also be collected directly from account statements or credit reports. The benefit of collecting the data directly from these sources is that it requires less follow-up with clients and the data will be free of bias that may be present in self-reported data.

However, there are challenges to collecting data from financial institution partners, credit bureaus or other third-party providers. The first hurdle is gaining access to the data, and programs often have to negotiate with partners about what data can be shared, how often, in what format, and, with some partners that provide proprietary data (such as credit bureaus), the cost of providing the data. These negotiations can be a difficult and lengthy process, but these relationships may be worth exploring as you design your performance tracking plan. Once you explore the possibilities, you can decide if the benefits of these data collection strategies outweigh the costs.

### When are the Data Collected?

Once you know where your data will come from, it’s important to note how often the data will be collected. Depending on the type of data you are using, it may be routinely collected (e.g., in real time, daily, weekly, monthly) or collected on an ad hoc basis (e.g., when a special survey is fielded). Note that data collection timing may differ from the data reporting cycle. For example, your financial institution partner may be collecting deposit transaction data from clients on a real-time basis, but only reporting to you once a month.
Who is Responsible for Collecting the Data?

The people responsible for data collection are typically people on staff (or in partner organizations) who have the most direct experience with the client when the data are collected. When working with the staff members who will collect the data, be sure to provide training and ongoing technical assistance on how to collect and record the data accurately. The data that you ultimately report are only as good as the data that are collected, and you want your results to be accurate and consistently reported over time.

It can be helpful to have staff who will ultimately do the data collection to be involved in the design of the indicators so that they understand the purpose of the data collection. They can also help design a data collection process that fits into ongoing operations with as little disruption to their work as possible. Data collection methods should not be cumbersome for clients or front-line staff. If your original plan is found to be inefficient once you put it into action, reduce the amount of information collected or identify alternative data collection methods.

To help keep track of your indicators and how data is being collected, it can be helpful to create an indicator tracking sheet (see the Appendix for a sample sheet). Such a sheet can line up your key indicators, the relevant data needed for the indicator, sources for the data, who is responsible for collecting the data and the frequency of data collection. It can also be used to line up target benchmarks for your indicators and to track your program’s progress.

Step 3: Set Target Benchmarks for Your Indicators

In order to determine whether or not your program is performing as expected, you will need to set a target or benchmark for each indicator. A target is a program performance goal that you would like to attain within a given timeframe. Finding the right target can be tricky at the beginning of a program as it may be hard to determine what is “right” at such an early stage. Another option is to look at the performance of a similar program outside of your organization. Selecting program goals based on the results of similar programs at other organizations is called benchmarking. The target benchmark can be recorded in your indicator tracking sheet (see Appendix).

Step 4: Collect the Data and Review Your Indicators Periodically

Finally, once you’ve got your indicators, a plan to get the relevant data and goals against which to benchmark your performance, you are ready to put your plan into action. But that is not the end of the process. Remember that tracking your program’s performance is an ongoing endeavor, so make sure you have a plan specifying when and how frequently you will want to check in on your program’s progress. At those pre-determined times, you can pull the data you’ve been collecting, use it to create the relevant indicators and compare your program’s progress against the target benchmarks you set. Your actual progress on indicators can be recorded in your indicator tracking sheet to keep all your tracking information in one place (see Appendix).
What’s Next?

The series on Tracking Financial Capability ends with this third installment. If you’ve followed the recommendations in these briefs, you are in a great place to measure your program’s performance over time. For some organizations, this method of systematic performance tracking is sufficient to improve and sustain their program. Others may decide to add on more advanced data management and analysis techniques or conduct more rigorous impact evaluations. Whatever path you choose moving forward, congratulations on taking time to thoughtfully take steps that further your efforts to support building financial capability.

If you have not yet selected your program outcomes, see the first guide in this series, *Identify and Prioritize Your Expected Outcomes*. If you have not yet mapped out your program process and outcomes in a logic model, see the second guide in this series, *Build Your Logic Model*. 
## Appendix

This indicator tracking sheet highlights key indicators for a program, how data for the indicators will be collected and performance targets for the indicators. It also features a space for indicators to be tracked when it comes time to review how the program is doing. This sample indicator tracking sheet follows the logic model example provided in the second guide of this series, *Build Your Logic Model*. It only focuses on indicators for outputs and short-term outcomes because those are likely the most important to your program’s success, but you can use the same approach for all components of your logic model.

### FIGURE 1: Sample Indicator Tracking Sheet

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Indicator Definition</th>
<th>Unit of Measure</th>
<th>Source for Data Collection</th>
<th>Responsible for Data Collection</th>
<th>Frequency of Data Collection</th>
<th>Target</th>
<th>Actuals End of June, Year 1</th>
<th>Actuals End of Dec, Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outputs</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td># of clients who attended first session</td>
<td># of clients who attended their first financial coaching session</td>
<td># of clients total</td>
<td>Appointment Log</td>
<td>Financial Coach</td>
<td>Daily</td>
<td>100 in year 1</td>
<td>56</td>
<td>103</td>
</tr>
<tr>
<td>Attendance Rate (% of clients who attended first session)</td>
<td>% of clients who attended their first session</td>
<td>% of clients who made appointments</td>
<td>Appointment Log</td>
<td>Financial Coach</td>
<td>Daily</td>
<td>65%</td>
<td>60%</td>
<td>75%</td>
</tr>
<tr>
<td>Retention Rate (% of those attending the first session that attend subsequent sessions)</td>
<td>% of clients who attended 2+ sessions</td>
<td>% of clients who attended first session</td>
<td>Appointment Log</td>
<td>Financial Coach</td>
<td>Daily</td>
<td>50%</td>
<td>50%</td>
<td>55%</td>
</tr>
<tr>
<td>% of clients rating the coaching satisfactory or better</td>
<td># of clients rating the coaching sessions 3 or higher on a scale of 5</td>
<td>% of clients total</td>
<td>Session Evaluation</td>
<td>Financial Coach</td>
<td>End of Session</td>
<td>90%</td>
<td>88%</td>
<td>94%</td>
</tr>
<tr>
<td>Indicators</td>
<td>Indicator Definition</td>
<td>Unit of Measure</td>
<td>Source for Data Collection</td>
<td>Responsible for Data Collection</td>
<td>Frequency of Data Collection</td>
<td>Target</td>
<td>Actuals End of June, Year 1</td>
<td>Actuals End of Dec, Year 1</td>
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<tr>
<td>Short-Term Outcomes</td>
<td>% increase of clients confident in their financial management abilities (FMA)</td>
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<td></td>
<td>% of clients report 4 or 5 on FMA confidence on post-test ÷ % of clients report 4 or 5 on FMA confidence at intake</td>
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<tr>
<td></td>
<td>% change in proportion of clients confident in FMA</td>
<td></td>
<td>Pre- and post-tests</td>
<td>Financial Coach</td>
<td></td>
<td>50%</td>
<td>80%</td>
<td>80%</td>
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<td></td>
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<td></td>
<td></td>
<td>Start and end of coaching engagement</td>
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<td></td>
<td>% increase of clients who know how to establish financial goals</td>
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<td>% of clients pass financial goals questions on post-test ÷ % of clients pass financial goals questions on pre-test</td>
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<td></td>
<td>% change in proportion of clients passing fin goals questions</td>
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<td>Pre- and post-tests</td>
<td>Financial Coach</td>
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<td>50%</td>
<td>75%</td>
<td>80%</td>
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<td>Start and end of coaching engagement</td>
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<td></td>
<td>% increase of clients who know how to access a credit report in past year</td>
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<td>% of clients access credit report at program exit ÷ % of clients access credit report at intake</td>
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<td></td>
<td>% change in proportion of clients who accessed a credit report in past year</td>
<td></td>
<td>Intake and program exit assessments</td>
<td>Financial Coach</td>
<td></td>
<td>50%</td>
<td>80%</td>
<td>80%</td>
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<td>Start and end of coaching engagement</td>
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<td></td>
<td>% increase of clients who know how to manage money (MM)</td>
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<td></td>
<td>% of clients pass MM questions on post-test ÷ % of clients pass MM questions on pre-test</td>
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<td></td>
<td>% change in proportion of clients passing MM questions</td>
<td></td>
<td>Pre- and post-tests</td>
<td>Financial Coach</td>
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<td>50%</td>
<td>35%</td>
<td>40%</td>
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<td>Start and end of coaching engagement</td>
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<td>% increase of clients who are able to follow a spending plan or budget</td>
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<td>% of clients using a budget at program exit ÷ % of clients using a budget at intake</td>
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<td></td>
<td>% change in proportion of clients passing budget questions</td>
<td></td>
<td>Intake and Close-Out Tests</td>
<td>Financial Coach</td>
<td></td>
<td>50%</td>
<td>35%</td>
<td>30%</td>
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<td></td>
<td>Start and end of coaching engagement</td>
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