

# Working Papers

**Individual Development Accounts:  
Creative Savings For Families  
And Communities**

**Karen Edwards**

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**Center for Social Development**



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**INDIVIDUAL DEVELOPMENT ACCOUNTS:  
CREATIVE SAVINGS FOR FAMILIES  
AND COMMUNITIES**

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## INTRODUCTION

A new direction in anti-poverty policy has emerged in the United States. This new direction is centered around asset building and stakeholding. In contrast to many of the precepts of the welfare state, which emphasize income and consumption, asset-based policy promotes savings and investment.

Asset-based policy consists of two major thrusts. The first is *removing barriers to asset building*, such as the "asset limits" that characterize means-tested welfare policy. At the federal level, asset limits were roundly criticized during the Bush Administration by then HUD Secretary Jack Kemp. President Clinton has endorsed asset building strategies. In the space of a few years, political leaders in both parties have come to view restrictive asset limits as unsound policy. Today, almost all proposals for welfare reform call for increases in general asset limits to promote savings among welfare recipients. At least 40 states have proposed or implemented demonstrations to increase welfare asset limits in one way or another.

The second thrust in asset-based anti-poverty policy is *promoting asset accumulation*. In this category are all institutional and financial incentives to assist poor people in building assets. These can include a wide range of special accounts, financial services, educational programs, and asset building subsidies. At this writing, at least fifteen states have proposed some type of restricted asset account in welfare reform.

Taking the long view, asset-based policy has appeared in many forms, dating back as far as the Homestead Act. In modern social policy, the United States promotes asset accumulation for the non-poor through the tax system, especially through home mortgage interest tax deductions and tax deferments for retirement pension accounts. By and large, these measures for asset accumulation are not available to the poor. The poor are unlikely to own homes or have retirement accounts, and even if they do, their marginal tax rates are often zero, thereby yielding no tax benefits.

Imagine a domestic policy built on individual savings accounts, which could be used for a wide range of social and economic purposes, including retirement, education, housing, medical care, insurance, business ownership, and other investments. If U.S. domestic policy substantially shifts in this direction -- income and consumption could be balanced with savings and investment.

For the moment, our focus is on anti-poverty applications. This emphasis is strategic for two reasons: (1) income-based policy is a trap for the poor, and (2) until we show that asset-based policy can be successful for the poor, prospects for a broader asset-based policy will be limited.

Asset-based innovations have roots in the microenterprise movement, especially the work of Robert Friedman (*The Safety Net As Ladder: Transfer Payments and Economic Development*, Washington: Council of State Policy and Planning Agencies, 1988). An overall rationale for asset-based policy and proposal for Individual Development Accounts are offered by Michael Sherraden (*Assets and the Poor: A New American Welfare Policy*, Armonk, NY: M.E. Sharpe,

1991). In another application of asset-based policy, savings clubs have been designed and implemented by Kathryn Keeley and Chris Weiss (*Savings Groups: A Tool for Community Organizations*, Battle Creek, MI: Kellogg Foundation, 1993). Melvin Oliver and Thomas Shapiro discuss assets and race in *Black Wealth/White Wealth* (New York: Routledge, 1995).

One mechanism for asset accumulation is the Individual Development Account (IDA). IDAs are like IRAs but with some important differences. IDAs can be opened as early as birth, and used for such development purposes as education, home ownership, or starting a business. A key anti-poverty feature of IDAs is that poor households are assisted in building assets through matched deposits.

The emergence of IDAs has been primarily a local and state phenomenon. Experiments have taken root in places ranging from Tupelo to Chicago. At the national level, both the Department of Housing and Urban Development and the Department of Commerce have initiated asset building anti-poverty programs. Still other proposals would provide federal support for IDA demonstrations in the states. The 1996 welfare reform act allows states to use block grant funds for IDAs.

In many cases, IDAs are attached to job training, welfare reform, self-sufficiency, microenterprise, or other development programs. This report focuses only on IDA program characteristics. However, the reader will note that IDAs are a very flexible policy tool that can be adapted to a wide range of development programs.

This report covers a selection of IDA and similar savings programs already underway or slated for start-up in the near future. These programs have been approved (most are fully funded) and are among the first IDA experiments in the country. Several states have passed IDA legislation for programs not included in this report, because program planning is still in the early planning stages, including Texas and Tennessee. Indeed, community-based IDA programs are developing at such a rate that this report may be quickly outdated.

A new policy direction does not emerge solely because "its time has come." Many people and organizations have worked hard to bring IDAs into experimentation. It would be impossible to acknowledge everyone, but it is important to know that most of the programs and proposals covered in this report have been influenced by the work of the Corporation for Enterprise Development (CFED), a leading innovator in both microenterprise and IDAs. Over a period of several years, key people at CFED have been Robert Friedman, Kathryn Keeley, Joyce Klein, Janet Topolsky, Cicero Wilson, Pushka Sahay, Brian Grossman, and Ray Boshara. The Joyce Foundation, the Charles Stewart Mott Foundation and the Ford Foundation have supported the IDA development work of the Center for Social Development (CSD) and CFED. At the grass roots level, Connie Evans at WSEP and Dennis West at ECI were pioneers in asset building before IDAs came along. This leadership has been invaluable in getting IDA innovations off the ground.

## **I. COMMUNITY-BASED IDA PROGRAMS**

### **Eastside Community Investments, Indianapolis Individual Development Account Demonstration**

Eastside Community Investments (ECI), is a community development corporation which operates in the Highland-Brookside/Near Eastside neighborhood of Indianapolis. From its founding in 1976, ECI has committed itself to community-based initiatives that build economic opportunity. In its first decade, ECI's mission was job creation and housing improvement in Highland-Brookside. In 1987, under the leadership of Dennis West, ECI added to its mission improving the quality of life for people who live, work, and participate in the neighborhood. In 1993, ECI's mission expanded further to encompass the creation of assets and the accumulation of wealth by residents of the Near Eastside community.

ECI had previously established IDAs in a program called "Moriah." Participants received deposits of 50 cents for every hour worked in a vocational track or attending school, up to a maximum of \$1,000. One of the results of the Moriah program was to learn how program funds can be abused if guidelines are not established and monitored. For example, the first participant to reach the \$1,000 goal bought, as his first purchase, a large pet snake!

In the current IDA program, funded by The Joyce Foundation, use of IDA funds are restricted to investments in education, home ownership, tools and materials for a career, or starting a business. Participants in ECI job training, skill development, and housing programs are encouraged to make deposits in their IDAs by receiving a nine-to-one match from program funds. This very high leverage on participant deposits is intended to promote rapid asset growth--up to \$1,000 per year. Asset building initiatives take several forms:

- Participants in ECI programs such as Basta, Day Care Cooperative, YouthBuild, and Special Needs Partnership are eligible for an initial deposit of \$250 to an IDA for commitment to their programs. Participants are then eligible for a match of nine ECI dollars to each dollar they save, to a maximum ECI matching contribution of \$675 for \$75 saved. This achieves the program savings goal of \$1,000.
- A second group of asset building participants are drawn from tenants in ECI housing in the Near Eastside. To become eligible for IDA contributions, tenants must save an initial \$100. Once they have done so, they become eligible for a \$9 to \$1 match up to a maximum ECI matching contribution of \$810 toward a \$1,000 goal.
- A third group are drawn from ECI's Home Ownership Program. To become eligible, participants must save an initial \$500. Once they have done so, ECI will match new savings at the \$9 to \$1 rate up to a maximum ECI contribution of \$450 to reach a \$1,000 goal.
- A fourth group of participants are tenants in ECI's new housing development, Ohio Street Townhomes. Those who make regular rent payments, abide by their rental agreement, and

contribute to low maintenance and management costs earn contributions to their Home Ownership Development Account (HODA) up to a maximum of \$1,000.

- The fifth group of participants in the financial assets building programs consists of members of Micro-Enterprise Program lending circle. These participants will be able to establish IDAs and have access to a loan of \$22,500 from the Eastside Community Fund for new business creation.

Altogether, in the past eighteen months, 140 participants in ECI programs have IDAs or HODAs established in their names. In this same period of time, eighteen participants graduated from ECI's first "economic literacy" course, taught by Purdue University Extension trainers. The graduates are participants in the Basta and Home Ownership programs, and five of them will become trainers for subsequent economic literacy training for ECI participants.

Duane Miller is director of the IDA program at ECI. He has established, at a local credit union, accounts for implementing the various initiatives of the IDA program. The participants may make withdrawals at any time; however, if these withdrawals do not fall within the guidelines, matching funds will be withheld from the account.

ECI is collecting data on the accounts and is planning an evaluation strategy.



## **Women's Self-Employment Project, Chicago Individual Development Account Demonstration**

The Women's Self-Employment Project (WSEP), a pioneering microenterprise program in Chicago, was granted funds by The Joyce Foundation in December 1993 to begin an asset building IDA demonstration. Under the leadership of Connie Evans, Executive Director, WSEP had initiated other asset building projects in previous years.

The first year of the IDA demonstration was devoted to research and program planning. Mary Morten, Director of Policy, ran focus groups and initiated program enrollment. During the second year matching funds were sought, and WSEP decided to offer IDAs only to women in the WSEP program who have declared their businesses through the self-employment exemption waiver, and who are transitioning off public assistance. The program officially began depositing matching funds into accounts in December 1995.

The WSEP IDA Program plan projected a total of 60 accounts to be established, in groups of 20 women per quarter. As of August 1996, 39 accounts were operational, with 21 more planned for the coming year. The total amount accumulated in the accounts in August was \$8,500.

All recipients in WSEP's IDA program are women at 50 percent of the income poverty level or below. The match rate is 2:1, and there is no limit on the amount deposited in an IDA. Accounts may be used for education or training, home mortgage or repair, business capitalization, and investment options. Economic education classes are mandatory.

Funds for deposit matches come from a mix of public and private sources: The City of Chicago, Harris Bank (where the accounts are deposited), The Joyce Foundation, the Chicago Foundation for Women, and the United Way of Chicago. Program participants receive a monthly account statement on their IDA. A WSEP staff person devotes fifty percent of her time to the IDA program.

Program evaluation is being assisted by the Center for Social Development at Washington University in St. Louis.

## **ADVOCAP, Fond du Lac, Wisconsin Individual Development Account Demonstration**

ADVOCAP is a private, non-profit, Community Action Agency whose mission is to reduce poverty by creating opportunities that develop the economic and social capacity of people and communities in Fond du Lac and Winnebago Counties in Wisconsin. ADVOCAP has nearly thirty years of experience in designing and operating projects that assist AFDC recipients, unemployed workers, high school dropouts, senior citizens, children, refugees, the homeless, persons with disabilities, and other low-income people.

In 1994 ADVOCAP received a seven month planning grant from the Joyce Foundation for an IDA Project. The goal of the project was 1) to help 50 low-income households build Individual Development Accounts to promote savings, ownership of tangible assets, further career prospects, increase education and training, facilitate self-employment and home ownership, and 2) to raise awareness of asset-building strategies, especially IDAs, among policy makers and to promote their increased use as part of welfare reform and comprehensive anti-poverty policy.

The Joyce Foundation is funding the IDA Program. ADVOCAP's IDA population is at or below 150 percent of the federal poverty level. There are currently 49 participants in the program (one more is expected to join), from a three county service area, who are also participants in four different service programs at ADVOCAP. The accounts are matched at a rate of 4:1. A program participant must save \$500 to receive the maximum match amount of \$2,000. Approved uses for IDAs are education and job training, small business capitalization, home ownership, and some emergency situations.

The program began in April 1996, and will run for four years. Accounts will accumulate the match for the first two years of the program. If program participants have not used the money in their accounts they may take the second two program years to exhaust the money. They may add more money into the account. As of August 1996 (five months into the program) there are 39 actual accounts open with the other 10 participants still developing their savings plan. There is a total amount of \$6,512 participant dollars and \$24,524 match dollars in all accounts, making \$895 the average amount in each account. Two participants have made first-time home purchases. Program participants have also paid for a total of sixteen college credits and made twenty-eight purchases related to business expansion.

Ms. Tina Potter, the full time IDA coordinator for the program, is assisted by other ADVOCAP staff members. Accounts are set up at three different banks (one in each of the three counties), and are managed by the IDA coordinator, who sends out monthly statements to participants. IDAs are set up in the participant's name, but the matching funds are set up in a separate account in ADVOCAP's name. Checks are written directly to the vendors from ADVOCAP and the participant. Participants can access their IDAs at any time, as long as enough savings (saved and match monies) exist to make the purchase, and is for an approved purchase.

The program has an educational component, which the IDA coordinator believes to be very important. A full program evaluation has been contracted to Dr. Hugh Miller and Ms. Dianne Lazear.

## **The Neighborhood Stabilization Collaborative, Lansing, Michigan Individual Development Account Demonstration**

The Community Economic Development Institute (CEDI), at Michigan State University has spearheaded a Neighborhood Stabilization Collaborative (NSC) with neighborhoods in Lansing, Michigan, and rural Ingham County. The mission of the collaborative is to promote innovative asset building initiatives among low-wealth individuals in order to improve neighborhood and community stability.

After an eight month planning period, an IDA program was established through NSC in August of 1996. Ten accounts have initially been opened in one neighborhood of the NSC, and CEDI will create ninety more IDAs from January 1997 to August 1998. This program is a joint effort of Michigan State University, the Franklin Street Community Housing Corporation, Lansing Community Microenterprise Fund, Lansing Housing Resource Center, and other neighborhood partners. Planning and operation of the IDA program is funded through a grant from the Campaign for Human Development. An AmeriCore VISTA volunteer works full time on the IDA program, aided by in-kind support through the Center for Urban Affairs at Michigan State, and the Franklin Street Community Housing Corporation, a non-profit agency in Lansing.

Matching funds are currently being sought from public sources, such as Community Development Block Grant (CBDG) funds and county and state government. Fifty IDAs could be established in a local community credit union as early as December 1996. IDA deposits will be matched on a sliding scale: participants at 60 percent of the area median income will receive a 1:1 match for one year; those at 37.5 percent of the area median income will receive a 2:1 match for two years; and those at 25 percent or less of the area median income will receive a 3:1 match for two years. Participants must also have one family member working at least twenty hours per week. The participant can save up to \$750 for a 1:1 match in the first year. A participant saving for two years can save up to \$1,000, and be matched at up to 3:1. The savings and match ceiling is \$3,000.

Uses of IDA funds will be established by the participant submitting a request, and NSC approving it. Each IDA participant will develop a plan which specifies both a targeted goal or purchase as well as a savings deposit schedule. In the case of an approved early withdrawal of funds, all withdrawals must be repaid to accomplish the targeted asset acquisition goal. A participant may withdraw his or her entire savings at any time, and discontinue the program.

All IDA participants must be enrolled in the NSC core economic education classes, and must have taken the home ownership and home maintenance courses. Those interested in starting a small business must complete the small business training course through the Lansing Community Microenterprise Fund. A program evaluation is being developed.

**The Children's Village, Dobbs Ferry, New York**  
**Work Appreciation Youth (WAY) Scholarship Accounts for Foster Children**

The Children's Village (CV) is a care facility, including a residential campus, for foster children, located in Dobbs Ferry, New York. CV offers work opportunities for the children who are residents at the facility. The children are paid for working at jobs such as the Village Store and laundry facilities, and can keep the money they earn in a "bank," located at the facility, in accounts set up in their names.

An additional possibility for savings is the Work Appreciation Youth (WAY) Scholarship Account, which is intended to assist young people who want to finish high school, obtain employment, and plan for the future. The WAY scholarship account requires a child to sign a formal contract. Deposits made into this account include a percentage of the child's savings, which are earmarked for future educational expenses. Children may apply for the account as soon as they begin working at a part-time job (usually at age thirteen or fourteen). There is no limit to the amount the child may save. The child receives regular written statements explaining the status of the account.

Matched deposits are made in this account, by an outside donor, of up to \$500 per year, on a 1:1 ratio. To be eligible to use the matched savings the child must earn a high school diploma or a GED. The child's own savings may be withdrawn from these accounts at age nineteen, even if eligibility has not been achieved. The matched funds remain in the account until the child has graduated from high school or received a GED. The child may receive the matched money for up to five years, as long as it is used for educational purposes.

If the child finishes high school as an active participant in the WAY scholarship program and pursues college or job training, additional scholarship funds may be earned. If the child enrolls in a job training program, or a two year associate degree program, he or she will receive up to \$1,000 per year for two years. If a four year college is attended, he or she will receive up to \$1,000 per year for four years, as long as good academic standing is maintained. The money is paid directly to the educational institution, or the student must verify that the money was used for that purpose. In order to receive funds from the future savings or the incentive earnings accounts, a budget outlining how the money will be used must be submitted and approved by the child's scholarship counselor.

There are currently 100 children with these accounts, and the average savings is \$500. The average seems low because the youngest children are only thirteen years old. Some children have over \$2,000 in their Way Scholarship Accounts. Donors come from the private sector, including individuals who are interested in helping children get a college education. This program has been operating for several years, and is considered a great success by the staff at Children's Village, but no formal evaluation has been attempted.

## **The Entrepreneurial Development Institute (TEDI), Washington, DC Business Development Savings Accounts for Young Entrepreneurs**

The Entrepreneurial Development Institute (TEDI) is an organization, based in Washington, DC, whose mission is to empower youth entrepreneurs both economically and personally. TEDI has developed partnerships with local banks and financial institutions to provide the youths with access to the banking system.

A master savings account is established in these financial institutions to be used for TEDI's operating expenses and program costs. From the master account, sub-accounts are established, bearing the names of the student entrepreneurs, but solely registered to TEDI. Students deposit money into these accounts, but withdrawals can only be made with a dual signature from TEDI and the student. Withdrawals require a written application by the student, and are approved by the TEDI staff. Monthly reports are made to the students on their account status. Any taxes due on the accounts are paid by TEDI, based on individual tax liability of the youths.

All accounts are set up for elementary and secondary students, who create a financial plan establishing a percentage (usually three to fifteen percent) of all earnings to go into the accounts. Each year a new group begins the program. From July 1995 to July 1996, 25 accounts were established, with account balances ranging from \$150 (elementary students) to \$15,000 (secondary students).

TEDI has also developed a Youth Microloan Fund to loan amounts from \$100 to \$2,500 to youths who have completed the TEDI program. These funds are available to participants in addition to seed money for their enterprises (usually up to \$500) provided by TEDI for the purchase of supplies, equipment, etc. Sources for these funds have included the Cooperative Assistance Fund, local banks, the Chamber of Commerce, and private individuals. These funds are established for business related purposes, but can be used for educational purposes, if the young person is of college age.

A matched IDA component has recently been added to the savings account program. TEDI has identified sources for matching funds, and is completing the development of the IDA program. TEDI is hopeful that the IDA program will be in effect during 1997. When the IDA program is established, matching funds will be post-accrued to the students.

## **Council on Adult and Experiential Learning (CAEL), Chicago Employer Funded Individual Tuition Accounts for Employees**

The Council on Adult and Experiential Learning (CAEL) was established in 1974, and is a national not-for-profit organization devoted to expanding lifelong learning opportunities for adults. With a membership of over 700 colleges, universities, corporations, labor unions, associations, and individuals, CAEL is headquartered in Chicago and also maintains offices in Denver, Philadelphia, and Cleveland. Through collaboration with its member educational institutions, industry, government and labor, CAEL promotes learning as a tool to empower people and organizations.

CAEL provides a structure for employers to set up savings accounts for individual employees, or groups of employees, for the purposes of post-secondary education or job training. These accounts are called Individual Tuition Accounts, and the participants are all employed individuals. Current programs and/or consulting projects are in place at thirty companies in twenty-one states. As part of the services that are offered in administering these accounts, local and regional networks of education and training providers represent a broad range of disciplines, from basic skills and literacy instruction to technical training and higher education at institutions, colleges and universities.

CAEL works with employers on an education/training strategy linked to the company's business strategy. They set up the educational savings accounts, and perform one-on-one educational advising with the employee. Employers make deposits in the accounts, according to a pre-determined plan set up with CAEL. These can be flexible plans, if the employer chooses, to change as the company's strategy changes. Even though these educational accounts are tied to the employees' jobs, they are not matched in a traditional sense because the employees are not required to make deposits. However, the employee may set up a savings account for additional educational funds on his or her own.

As of August 1996, 10,400 individuals participated in these accounts, in various locations across the United States, with an estimated average account balance of \$1,000 per year. Some employers have set up accounts have no caps on the amount established, as long as they are used for educational purposes. Most employers want accounts established that have caps ranging from \$400 to \$3,000. The average cap for graduate studies is \$6,500. CAEL believes that the ideal educational savings account would hold \$2,500 to \$3,000.

## **II. SELECTED STATE IDA PROGRAMS**

### **Iowa Family Investment Program Individual Development Accounts as Part of Welfare Reform**

In March 1993 the Iowa Senate approved, without dissent, a welfare reform bill designed to help welfare recipients achieve self-sufficiency. The legislation initiates plans for education, job training, job searches, and individual strategies for accumulating assets, including an IDA demonstration. The House passed the bill in late April 1993 with only one dissenting vote, and Gov. Terry Branstad signed the bill. Federal waivers of welfare programs have been received. The state welfare programs are called human investment programs, coordinated by a nine-member Council on Human Investment, headed by the Governor.

The law creates a five year demonstration of 10,000 Individual Development Accounts. Local agencies are encouraged to help in the design of IDAs in their communities. The IDA demonstration includes matching funds from grants, local agencies, financial institutions, and the private sector. To be eligible, participants must be at 200 percent of the federal poverty level or below. IDAs can be opened for each member of the family. Eligible participants can contribute up to \$2,000 per year in an IDA, with a refundable 20 percent tax credit. Interest earned on deposits is tax-deferred. Individuals may contribute to another person's IDA account, and will receive an income tax deduction if the contribution is made through a non-profit agency. Funds from an IDA may be withdrawn for educational expenses, job training costs, purchase of a primary residence, or start-up costs for a small business. Penalties will be imposed for withdrawals of funds for purposes other than those previously approved.

A request for proposals was issued early in 1995, with a deadline of July 17, 1995, and four non-profit organizations were selected to administer IDA programs. Three of these agencies are presently planning their IDA programs: Family Resource Center Development Association, in Cedar Rapids; Polk County Family Enrichment Center (FEC) in Des Moines; and South Central Iowa Community Action Program, Inc. (SCICAP). Assistance, Information and Development Center (A.I.D.) in Sioux City is not actively running their IDA program at this writing. No IDAs have been opened at this writing. A request for proposals will be issued again for selection of ten new sites for IDA program development in 1997.

Mathmatica Policy Research of Washington, D.C. has been awarded the contract for evaluating the welfare reform plan. Tom Fraker at Mathmatica is in charge of the project. The Institute for Social and Economic Development (ISED) in Iowa City, headed by John Else, is a partner in the evaluation.



## **Employment Programs as Part of Welfare Reform: Special Accounts for Education and Job Training.**

Eight states have legislated and enacted employment programs as part of “welfare reform” that use AFDC benefits to subsidize employment for welfare recipients. These states have received waivers to change welfare rules, so that they can operate the programs. Several other states are planning similar programs to be presented to their state legislatures. Three of the eight states -- Massachusetts, Mississippi, and Oregon -- are using an innovative approach to subsidize employees’ wages and benefits, requiring employers to place \$1 for every hour worked into savings accounts for the employee’s future education or job training.

**Oregon, JOBSPlus, Individual Educational Accounts.** Oregon was the first state to adopt a \$1 per hour deposit into an educational or job training account. JOBSPlus was developed by the Jeld-Wen Corporation, a private company in Portland. The original program demonstration, which began early in 1995, was limited to six counties, but it proved so successful that it was expanded to include the entire state.

In JOBSPlus the employee is hired in a six months training position. The employee is subsidized at minimum wage (although in most cases the employee is paid higher than minimum wage because the employer raises the hourly rate and makes up the difference), and is provided with health benefits by the state. After one full month of employment, the employer must deposit \$1 for every hour the employee works into a special savings account managed by the State Scholarship Commission. When the six months period is over, and the employee has obtained full-time employment for an additional six months, he or she can access the account for education or job training. The employee has five years from the program start in which to use the funds.

At the end of June 1996, 113 accounts had been established. The total amount saved in the accounts, at that time, was \$75,833. The average amount saved by each recipient was \$671, although most accounts contain about \$800.

**Mississippi, Work First, Special Savings Accounts.** Mississippi’s Work First program began in October of 1995. The employees’ wage is subsidized at \$1 less than minimum wage. The employer must then add \$1 to the employees salary to bring it up to minimum wage. However, the employer may add more than \$1 to increase the wage paid. After thirty days, the employer is also required to add \$1 for every hour worked (up to \$1,000) to an interest bearing account, held by the state, for future use by the employee for education, medical insurance, or retirement. Some employers are opting to pay in full without the wage subsidy.

The total number of accounts established during the first three quarters of the program, for the six counties in the demonstration, was 417. Data are not yet available on the total number of dollars saved in the special savings accounts.

**Massachusetts, Full Employment Program, Individual Asset Accounts.** Massachusetts's Full Employment Program began in November of 1995. The program was originally set up for the state to subsidize employers for the first nine months of participant employment at \$3.50 per hour, with the employer paying the employees at least minimum wage, and contributing \$1 into an Individual Asset Account (IAA) for education or job training for the employee. However, employers were more interested in foregoing \$1 of the subsidy, and having the state place the \$1 contribution into the accounts and maintain the accounts. The program was changed to use this method of subsidy. The state subsidy drops to \$1.50 for months 10 to 12 of employment, but \$1 is still placed in the IAA.

The employer receives a tax credit of up to \$1200 per year for each subsidized employee, and the program is capped at 2000 slots. The IAA becomes available to the employee at 12 months participation, or at least 30 weekly hours of unsubsidized employment, whichever comes first.

As of September of 1996 there were 153 IAAs, with a total balance of \$59,593 and an average balance of \$400. An additional 90 people are already qualified to access their accounts.

### **III. FEDERAL IDA PROGRAMS**

#### **Department of Housing and Urban Development (HUD) Self-Sufficiency Escrow Accounts**

Under the leadership of then HUD Secretary Jack Kemp and assistants David Caprara and Paul Fletcher, The Family Self-Sufficiency (FSS) Program, created by Section 554 of the National Affordable Housing Act, was established in 1992. The Act mandates that all public housing authorities who wish to expand their services must develop these new self-sufficiency programs. However, money was not appropriated at the federal level for program development or staffing.

When a family enters the FSS Program, through a participating state or local non-profit agency, they agree to a set of contractual goals that cover a period of five years. A contract is developed, with each family's circumstances in mind, which is completely voluntary. This five-year contract can be renewed.

If the participant is receiving Section 8 housing benefits, escrow accounts are created as part of these contracts. The family's earned income while in the program establishes the amount to be deposited in the account. For example, if a family participates in a Section 8 housing program and rents an apartment for \$500 per month, the family's payment is \$100 per month and HUD's payment is \$400 per month. If the family's income rises and they are able to pay \$200 per month, HUD would continue to pay \$400 and put the \$100 difference into an escrow account. A program participant has free access to the account when the program is completed and all contractual goals have been met, or they are no longer receiving any form of public assistance (there are a few exceptions for ill or incapacitated family members who receive SSI).

About 1200 public housing authorities across the United States are administering Family Self-Sufficiency programs. A national summary of information on the FSS program, including the Section 8 escrow accounts, is currently being prepared by HUD's Office of Policy Development and Research, and should be available in the near future. To take one example, the St. Louis County Housing Authority (SLHA) operates a "Family Self-Sufficiency Program" in St. Louis County, Missouri. SLHA received 24 allocations for self-sufficiency escrow accounts in June of 1994. About six months later they received 50 more allocations which makes 74 total account slots available for St. Louis County. Account recipients were originally chosen from a waiting list specifically set up for the Family Self-Sufficiency Program. As of August 1996 there were 32 accounts established. One account recipient has bought a home with the money from his account.

A contract outlining the specific plan and goals of the participant is worked up and signed by the participant and caseworker. St. Louis Housing Authority is using caseworkers who normally work with individuals and families, since HUD did not allocate funds for personnel or administrative costs. The caseworker is responsible for helping the participant network with organizations and programs that may provide aid in meeting contractual goals. Services offered include help in obtaining a GED, job training or technical education, daycare, etc.

FSS accounts do not have a dollar limit, and are transferred to the participants at the end of the five year contractual period, provided all the contractual goals have been met. The account can be accessed before the five year period on an emergency case-by-case basis.

No evaluation plan is in place or planned for the future. Basic identifying records on the accounts, and a monthly report on goals and goal achievements, are the only statistics kept.

## **Federal Home Loan Bank Savings Initiative of the Affordable Housing Program**

In support of the President's National Home Ownership Strategy, the Federal Housing Finance Board amended its Affordable Housing Program (AHP) regulation to permit Federal Home Loan Banks to set aside a portion of their annual AHP contributions to assist low-income households in becoming home buyers. Eight of the twelve Federal Home Loan Banks either have established, or are planning to establish, home buyer set-aside programs for 1996, for a system-wide set-aside of \$6.5 million.

The regulation provides for two program options. One option is a matched savings first-time home buyer initiative, and the other plan allows grants for loans with no requirements for a borrower savings plan.

Under the matched plan the banks may set aside up to the greater of \$1 million or 10 percent of their annual required AHP contribution to be used as matching funds for first-time home buyers' savings deposits maintained with a FHLB member. If demand for funds exceeds the supply, the FHLB may use up to \$1 million of the succeeding year's set-aside funds in the current year. Each dollar of a household's savings may be matched with up to three dollars of AHP funds, up to \$5,000 per household, for down payment and closing costs on the first-time purchase of a one to four family, owner occupied property.

Participating households must have incomes at or below 80 percent of area median income and must complete a home buyer counseling program. If a homeowner sells their home within five years of receiving the AHP funds, they must repay a portion of the funds reduced pro-rata for each year they have owned the home. If a FHLB's matched initiative requirements differ from those established they must receive approval from the Finance Board. The Federal Home Loan Banks of New York, Pittsburgh, Indianapolis, and Seattle have developed programs and received approval to use AHP set-aside funds, under the matched savings initiative.

**Federal Home Loan Bank of New York.** The New York FHLB's program conforms to the requirements of the matched initiative. They set aside \$2 million for 1996. They require a screening process, including an interview. If the interested home buyer becomes a candidate for the program, an application is submitted and, upon approval, the loan counseling process begins. The participant must complete five to eight loan counseling sessions and, within six months of application, meet all program requirements. The banks and participants work out a goal amount to be saved for a down payment and work to accomplish that goal in twelve to twenty-four months. The banks may contract with non-profit organizations for the loan counseling part of the program. There are 250 accounts established at the thirty participating banks now, with another 150 projected to be established by November of 1996. The maximum amount of the match, on a 3:1 ratio, is \$5,000.

**Federal Home Loan Bank of Pittsburgh.** The Pittsburgh FHLB's program differs from the matched initiative requirements in several ways. This program provides matching AHP assistance based on a ratio related to the borrower's income; it limits the number of households an institution may assist to 20 households per member per year; it permits households to save for a ten month period either before or after enrollment in the program; it reserves funds for each household when they enroll in the program; and it does not permit funds to be borrowed from a succeeding year. The FHLB of Pittsburgh has set aside \$1 million for this program in 1996, and will match up to \$5,000 saved by a household, based on income ratio, beginning with 3:1 for 50 percent of area median income to 1:1 for 80 percent of area median income. Accounts are just beginning to be established at member banks.

**Federal Home Loan Bank of Indianapolis.** The Indianapolis FHLB's program differs from the matched initiative requirements in that it is not limited to assisting first-time home buyers and it does not require a specific matched savings period by borrowers. Potential home buyers may receive a match of 2:1, with a maximum AHP grant per household of \$4,000. Participating member banks must agree to assist at least three households. Indianapolis FHLB has set aside \$500,000 in AHP funds for 1996 for this program. The program began in July 1996 and fourteen banks will participate in the program. The banks are currently undertaking a marketing initiative to identify potential account holders. Some accounts may already be established, but it is too early in the program for numbers to be tallied.

**Federal Home Loan Bank of Seattle.** The Seattle FHLB set aside \$370,000 for this program in 1995, and \$1 million for 1996. Their program differs from the matched initiative requirements in several ways. It sets a cap on the number of households a member bank may assist to 25 per year (this number is adjustable, depending on resources) and establishes a procedure for the establishment of a waiting list of qualified households. Seattle's program also limits AHP matching funds to a 1:1 match of a household's savings, up to a total of \$5,000 in 1995, and \$3,000 in 1996. There were 74 accounts established in 1995 and 362 in 1996, for a total of 436.

## **Job Corps Living Readjustment Accounts for Program Participants**

Jobs Corps Centers across the country, since the beginning of the program in the 1964, have been creating special savings accounts for program participants (who are low-income individuals in the age range of 19 and 24 years) in conjunction with their monthly Job Corps living stipend. The student does not choose to have the "Readjustment Account" set up, since it is done automatically, but the student knows that a percentage of money, based on his or her stipend, plus incentive bonuses will be accumulated in an account for them, and will be given to them six months after completion of the program.

Readjustment Accounts are set up for all program participants. For every \$50 the student is paid in monthly living allowance (which is received the entire time the student is in the program), seventy-five percent, or \$37.50 is deposited in the account. Bonus plans are also connected to the savings accounts. Bonuses are credited to the student for obtaining a GED, vocational training certificate, or college credit, while in the Job Corps program. The total bonus dollars possible is \$850 per student. The student must complete at least six months of the Jobs Corps program in order to receive any funds accrued in the account.

The students are not required to save any of their regular living stipend, but may choose to do so. The Readjustment Accounts are referred to as savings accounts by many of the Job Corps Center directors who want to encourage the idea of savings and building assets. The purpose of the accounts is to give the student a buffer for living expenses after leaving the Jobs Corps program, while looking for a job or adjusting to a new job.

The accounts are held at a central payroll system, called SPAMIS, in San Marcos, Texas, which sets up and maintains the accounts (determining the amount to be credited each month by monthly reports received from each Job Corps Center) for the participants. No interest is accrued on the account. The total amount in the account is issued to the student upon completing a minimum of six months of the Jobs Corps program.

There are 116 Job Corps Centers in ten districts across the United States. In the fiscal year of July 1, 1995, to June 30, 1996, a total of 45,744 students received Readjustment Allowances. The total Readjustment Allowance expenditure for the same fiscal year was \$18.5 million. The average amount received by students from their savings was \$406.

#### **IV. SLATED COMMUNITY-BASED IDA PROGRAMS**

##### **Center for Community Self-Help, Durham, North Carolina Individual Development Account Demonstration**

The Center for Community Self-Help (SH) in Durham, North Carolina, began operations in 1980, and initially provided technical and managerial assistance to help workers who were displaced or threatened with plant shutdowns form cooperative, employee-owned businesses. After four years of attempting to raise capital for these projects, it was clear that a source of credit was needed, and Self-Help Credit Union and Self-Help Ventures Fund were created in 1984 with \$77 raised at a bake sale. Today, SH manages total assets of \$75 million. It is a statewide development bank with five regional offices focused on helping minorities, women, rural residents and low-wealth individuals build wealth by buying homes and developing businesses.

SH initiated a Durham partnership to launch a local Individual Development Account (IDA) demonstration targeted to low-wealth, first-time homebuyers. The pilot is intended to provide a tool useful in generating ownership opportunities for low-wealth households, while encouraging long-term saving and investment. The Durham IDA program would be the first local IDA demonstration in North Carolina. The partnership plans to open IDAs during 1997.

The partnership consists of Durham's most active affordable housing advocates, including the Durham Affordable Housing Coalition, the Consumer Credit Counseling Services of Durham, SH, and the City of Durham. Participants will be recruited by all partners through their existing programs, including CCCS's Community Homebuyers Clubs, DAHC's homeownership counseling workshops, SH's home mortgage lending department, and the City of Durham's affordable housing programs. Funding for the IDA match monies and other program costs will come from both public and private sources.

Although program guidelines are not yet finalized, most accountholders are expected to be twelve to twenty-four months from homeownership. They may lack sufficient funds for a down payment, need to repair a flawed credit history, or need to establish a more stable employment history before being eligible for a mortgage loan. Savings goals, developed by the accountholder in consultation with program staff, will be monitored by counselors throughout the savings period and all account holders will participate in homeownership counseling. Monthly deposits in interest-bearing accounts at SH will be eligible for a match when withdrawn for an approved purpose. These purposes include down-payment on a home, mortgage principle reduction, or home loan closing costs. An additional possibility may be to use an IDA to "seed" a post-purchase maintenance reserve, in order to better prepare first-time homebuyers for the financial responsibilities of home repair and upkeep. At this writing, the partners expect that accountholders' savings will be matched up to 2:1, and that matching funds per account will not exceed \$3,000.



## **Human Solutions, Inc., Portland, Oregon Tenant Investment Plan**

Human Solutions, Inc., is a multi-service provider for very low-income families in Portland, Oregon. They have designed an incentive savings program called the Tenant Investment Plan (TIP), which includes an IDA. TIP will bridge the gap between tenants and homeowners, because without the extra incentive of matched savings, homeownership would remain a dream for most of the area's low-income tenants.

TIP will be offered to all tenants of Human Solution's affordable housing development, Ankeny Woods, which is scheduled to open in May 1997. In addition, Human Solutions hopes to extend this program to their other housing developments, The Cedars and Cedar Meadows, the following year.

Under TIP, a tenant would earn a \$1 credit toward a matching grant for each dollar he or she saves, up to \$50 per month. This grant could be used for either home ownership or education. Plan participant's will attend monthly financial education meetings with presentations and informational sessions related to investment, personal financial planning and home ownership. The meetings will also serve as a support group, giving TIP participants an opportunity to share ideas and encouragement.

For cases where a tenant uses the TIP program for home ownership, an effort is underway to increase the program's leverage by combining it with the HomeStart program from the Federal Home Loan Bank. Under this collaboration, the HomeStart grant would match both the tenant's savings and the TIP grant, resulting in a 3:1 total match. Thus, a tenant who saves \$2,000 over three to four years would actually have \$8,000 toward a down payment and closing costs.

Human Solutions is currently working with the City of Portland, the Neighborhood Partnership Fund, and the Enterprise Foundation to prepare to launch a larger program using the TIP model. The larger plan would involve six to twelve Community Development Corporations and 300 to 500 program participants in 1998.

## **The Women's Opportunities Resource Center, Philadelphia Individual Development Account Demonstration**

The Women's Opportunities Resource Center (WORC), based in Philadelphia, is a private, not-for-profit organization that provides homeownership, savings, and self-employment training to low-income women. WORC is presently working with the state of Pennsylvania to develop an IDA pilot program for Philadelphia and surrounding counties.

The Governor's Urban Development Team reviewed a proposal by WORC for a statewide asset development strategy. The Team met with WORC and suggested that they develop a statewide pilot program using the Neighborhood Assistance Act and Community Development Block Grant funds. WORC anticipates that the statewide initiative will be included in next year's budget as a line item.

WORC is building the IDA program on existing initiatives that are designed to promote self-sufficiency. Participants will save and build assets for the purpose of buying a first home, education, starting a business, home improvements, or retirement. WORC is seeking to link the IDA program with other up-and-running programs that include these purposes.

At this writing, seven diverse organizations in the Philadelphia area have agreed to work with WORC in the pilot phase of the IDA program. A few of these organizations already have matching funds for the accounts. These groups will recruit and screen participants, provide case management, counseling, and economic literacy training. They will also provide WORC with a location in which to provide economic literacy training. WORC has developed an economic literacy curriculum that addresses personal finances, credit, banking products and options, long-term investment options, retirement planning, wills and estate planning, taxes, and a summary of investment options. Also, speakers from the community will be recruited to address economically relevant issues.

IDA program participants will save \$10 per week (this figure is based upon WORC's experience with savings groups). The state will provide matches of up to \$300 per year, per participant. Other matching funds will be leveraged by participating organizations. Participants will be allowed to maintain an IDA for two years. They will also be required to prove savings ability through records of past personal bank accounts or through participation in a savings group. WORC is developing a database for storing IDA information in a central location.

The pilot phase of the IDA program is targeted to begin early in 1997 and will require participants to be at 200 percent of the poverty level or below. WORC is finalizing its proposal to the state for final review and consideration for funding.

## **New Community Corporation, Newark, New Jersey Individual Development Account Demonstration**

New Community Corporation (NCC), one of the oldest and largest Community Development Corporations in the U.S., is developing an IDA initiative in Newark's Central Ward. The IDA program will be launched as a demonstration in 1997.

NCC has developed over 3,000 units of housing, and has created over 1,400 jobs through its affiliates, including the development of a large neighborhood shopping center. NCC and its network touch the lives of 25,000 people on a daily basis. IDAs will be a vital tool for enabling low-income residents, employees, trainees, and service recipients to build financial assets, enhance their understanding of the basic financial concepts, and set and achieve future goals.

NCC was first introduced to the IDA concept in January 1996. The idea was enthusiastically received and an IDA task force was established in February. The task force, which represents most of the current initiatives and departments of NCC, identified some early design principles that will be used to guide efforts. It was decided that the targeted number of participants in the NCC IDA program will be 500. The NCC Federal Credit Union (NCCFCU) will administer the IDAs. NCC views education and job training as the cornerstone of the IDA program, and are starting to design what we call "economic literacy" sessions for participants and others. Bloomfield College, in Newark, is helping to design these modules, with sessions to be held at least monthly.

The IDA task force also agreed to hold focus groups of potential participants. Three focus groups were held during the summer months, facilitated by NCC's director of staff development. These focus groups (of five to eight people each) were composed of area residents, employees, Center for Employment Training (CET) trainees, and service recipients. A number of interesting issues were raised by potential participants including:

- Letting seniors open IDA accounts for their grandchildren's education. Many grandparents in Newark are primary caregivers.
- Using IDAs to help finance the cost of acquiring a professional license to be used to open a business such as electrician, carpenter, etc.
- Developing a guidebook on basic financial concepts that participants can use to develop their own monthly savings goals and plans.
- Varying the matching rate based on the number of family members, since it is more difficult to save on a limited income with a large family.
- Utilizing community outreach volunteers to recruit participants for the IDA program. NCC uses community health volunteers for our "Making Healthy Babies Initiative."
- Using IDA participants as volunteers to assist newer participants in the program.

The NCC IDA task force is developing final recommendations for the initial phase of the IDA program. There is a strong consensus that the IDA program will be used for education, homeownership, and business development. NCC is pursuing funding for the IDA program, and several major foundations are interested in committing resources to the initiative.

## **Ohio Community Development Corporations Individual Development Account Initiative**

In June 1996, the Ohio Community Development Corporation Association (OCDCA) hosted a conference to explore the practical and political implications of asset accumulation among low- and moderate-income Ohioans. More than 90 representatives of private industry, government, and not-for-profit groups attended. Experienced practitioners explained the benefits of IDAs, and how they can be used to save for such purposes as education, home purchase, or business start up.

At the conference, the National City Corporation committed \$25,000 to initiate a privately matched funding source for IDAs in Ohio. According to David Fynn, regulatory risk manager, "As a challenge to other private sources of funding, National City will match 25% of deposits in a program with at least a 1:1 match and 50% in a program with a 2:1 match or better."

Since the conference, OCDCA, a statewide association of community development corporations, has secured private funding in support of its policy work to capitalize on the growing momentum for IDAs. As a result, the association's staff has been able to meet with key members of the Ohio General Assembly and state administrative leaders to expand knowledge and bolster support for IDAs. The Association's goal is to design, advocate for, and implement a state-supported demonstration.

Grass roots activism surrounding IDAs is strong in Ohio. At least four separate collaboratives, representing both urban and rural Ohio, have come together to plan IDA demonstration programs. The IDA design team in Dayton includes more than fifteen professionals from CDCs, other nonprofit groups, private foundations, commercial financial institutions, county government, and others. Similar collaboratives throughout the state are also working to begin pilot projects with Ohio's working poor and lobbying Ohio policy makers to make IDAs available to welfare recipients.

OCDCA has convened a diverse statewide task force to design a comprehensive IDA program to present to Ohio policy makers. Committees have been organized to address legislative strategy, administrative blueprint, matching funds, and educational issues.

Through implementation of more than ten federal waivers, Ohio has been involved in welfare reform activities since long before the new federal mandate. As a result, the state submitted its current operating system to the Department of Health and Human Services on October 1, 1996 to draw down Temporary Assistance for Needy Families (TANF) dollars. Other reforms in Ohio's welfare system, some of which should facilitate the IDA initiative, are also planned for 1997.

**DC Groups, Washington, DC**  
**The Capital Area Asset Building Corporation's IDA Initiative**

In June 1996, at the request of the Moriah Fund, the Corporation for Enterprise Development (CFED), with offices in Washington DC, hosted a meeting for DC-based community organizations and foundations to introduce the concept of Individual Development Accounts (IDAs).

Following the meeting, fourteen community-based organizations decided to form a city-wide collaborative to implement a privately-funded individual development account program. These organizations represent a broad spectrum of social service organizations, including education and employment training agencies, community development corporations, microenterprise centers and home ownership programs. They all provide direct services to low-income people in the District and include: Marshall Heights Community Development Corporation, Wider Opportunities for Women, Manna, Goodwill Industries, the Center for Human Services, Community Family Life Services, the D.C. Private Industry Council, Capital Area Mortgage Partnership, and the Kenilworth Parkside Residential Management Corporation.

The goals of this collaborative are two-fold: (1) creating a separate not-for-profit organization, with membership from community-based organizations interested in developing IDAs, and (2) making sure that legislation is in place to support the implementation of IDA programs. In the first four months of collaboration, the group has met several times and is now completing final planning of the IDA initiative.

With assistance from the Georgetown University Harrison Center for Law and Social Policy, the collaborative incorporated as a not-for-profit organization called the Capital Area Asset Building Corporation (CAAB). The corporation's primary task is to act as a fund-raiser for the group's proposed IDA programs. This will increase the likelihood that individual IDA programs will be funded, since programs will not be competing with one another for monies from the same area foundations. CAAB will also design a standardized economic literacy curriculum, provide training for program implementation, and ensure evaluations for all programs.

On the legislative front, CAAB has been able to secure the support of Councilwoman Linda Cropp, Chair of the Committee on Health and Human Services. Mrs. Cropp has agreed to sponsor IDA legislation, and is working closely with CAAB members in drafting the bill.

CAAB is now focusing on cultivating a strong membership base and forming an asset development committee to conduct initial fundraising. Local foundations are expressing support for the IDA initiative.

## CONCLUSION

Asset-based strategies are emerging across the country in local communities and public policy. These are occurring in small and not-so-small ways, in many places, with bi-partisan support, and they are progressing rather quickly.

The idea of Individual Development Accounts was first discussed in print in 1988. The first policy reports were published in Washington in 1990. Today we have an impressive number of IDA demonstrations and proposals in non-profit organizations and at all levels of government, across the country.

Altogether, it is a very encouraging start. We can be hopeful that this new direction in domestic policy will continue to grow and evolve.

This is important for two reasons. First, asset building is a key anti-poverty strategy. If we wish to change welfare policy toward self-sufficiency, asset building must be part of the strategy. Not many people manage to spend their way out of poverty. The way out of poverty is through savings and investment.

Second, IDA demonstrations, if they prove to be successful, will lay a foundation for broader changes in social policy, moving away from consumption and toward savings. In the long run, with ever-increasing pressures on entitlement spending, the shift toward savings is all but inevitable. The danger is that poor people will be left out when this transition occurs. In humanitarian terms, this is simply unacceptable. Moreover, it would be a tragic loss for the country in reduced citizen participation and declining economic productivity. As domestic policy eventually shifts toward assets, the poor must be brought along. With this in mind, IDA demonstrations can tell us how the poor can be brought into a new domestic policy based on savings and investment.

In order to lay the foundation, it will be necessary to show (1) that poor people can save and (2) that asset accumulation has positive effects on economic well-being, psychological outlook, community involvement, active citizenship, and well-being of the next generation. If positive effects can be demonstrated, then the case for asset building for all members of society will be clear.

As we proceed, thoughtful evaluations of IDA demonstrations will be critically important.

## Appendix A

### NUMBERS OF IDAS IN SELECTED PROGRAMS

IDA PROGRAM	NUMBER OF ACCOUNTS	DOLLAR AMOUNT IN ALL ACCOUNTS	AVERAGE DOLLAR AMOUNT IN EACH ACCOUNT
Eastside Community Investments	140	\$ 112,000	\$ 800
Women's Self-Employment Project	39	\$ 8,500	\$ 220
ADVOCAP	39	\$ 31,036	\$ 795
The Children's Village	100	\$ 50,000*	\$ 500*
The Entrepreneurial Development Institute	25	\$ 62,500*	\$ 2,500*
Council on Adult and Experiential Learning	10,400	\$ 10,400,000*	\$ 1,000*
Oregon (JOBSPPlus)	113	\$ 75,833	\$ 671
Massachusetts (Full Employment)	153	\$ 59,593	\$ 400
Mississippi (Full Employment)	417	\$ 104,250*	\$ 250*
HUD Escrow Accounts	18,000*	\$ 18,000,000*	\$ 1,000*
FHLB of New York	250	\$ 250,000*	\$ 1,000*
FHLB of Seattle	436	\$ 436,000*	\$ 1,000*
Job Corps	45,744	\$ 18,500,000*	\$ 400*

\*Estimated by program officials



## APPENDIX B

### IDA SPONSORS, DIRECTORS, AND EVALUATORS

This is a partial list of people involved in planning, sponsoring, implementing, and/or evaluating Individual Development Accounts and similar asset-based programs.

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