

# Changing Lives: An Investment in the Mid South



“For all inhabitants of the Earth, the most basic right we all deserve is the capacity to sustain ourselves and build a future. This is the currency of hope.”

Barbara Kingsolver, author

## **T A B L E O F C O N T E N T S**

<b>1</b>	<b>Introduction</b>
<b>4</b>	<b>Mid South Individual Development Accounts (IDA) Initiative</b>
<b>6</b>	<b>Working to Break the Cycle: A Partnership</b>
<b>7</b>	<b>IDA Investment Strategy</b>
<b>10</b>	<b>Enhancing the Program: Education Is Key</b>
<b>12</b>	<b>Impact and Accomplishments</b>
<b>15</b>	<b>Program Evolution</b>
<b>17</b>	<b>Challenges</b>
<b>18</b>	<b>Moving Forward</b>
<b>19</b>	<b>Mid South IDA Statewide Collaboratives and Local Programs</b>

## Background

Since 1990, the Foundation for the Mid South (FMS) has facilitated the work of nonprofit organizations by providing them with grants to assist in their work with low-income families and communities throughout Arkansas, Mississippi, and Louisiana. Poverty rates in these states are consistently some of the highest in the country (Mississippi and Louisiana rank first and second, respectively, and Arkansas seventh). In addition, these states have the lowest numbers of household bank accounts in the country. Many low-income families have struggled for generations to build better lives for themselves. For these families, with only the most meager resources available, breaking the cycle of economic despair is an overwhelming task.

FMS explored ways to address the needs of low-income individuals throughout the region. During the process, FMS, in conjunction with its partners, determined that an inability to save and acquire assets was the root of the problem. Without the ability to save, low-income individuals are unable to move forward, and unable to reach the goals that make up the fabric of a self-reliant life—owning a home, running a small business, or obtaining an education.

In order to effectively address these issues, FMS realized that a successful program would need to be long-term, rather than the short-term solutions of the traditional public assistance model. There would be no “handouts.”

## Mid South Individual Development Accounts (IDA) Initiative

The IDA concept involves matched savings accounts that have proven to be one of the most effective tools in addressing poverty. This concept was first proposed in 1991 by Michael Sherraden in his book *Assets and the Poor: A New American Welfare Policy*. Sherraden believes that building assets, like home ownership and small businesses, is one of the most important ways for the poor to increase their economic stability and financial resources. IDAs help low-income individuals save money by providing them with institutional support and incentives, much as a 401(k) or an IRA plan does for middle- and upper-income investors.

In 2002, FMS with several partners including the regional energy company, Entergy Corporation, created the country's first multi-state IDA Initiative. FMS developed the Mid South Individual Development Accounts Initiative to grow IDAs in the region. The IDA concept focuses on those who meet low-income criteria, agree to attend financial management classes, and make periodic deposits.

Participant deposits are matched upon successful completion of the IDA program. Their savings can only be used for an allowable asset, which in most cases is education, to purchase a home, or to own a small business. Receiving financial management education is probably the most important component of the IDA program. Since asset building and financial management are typically learned through families, many low-income individuals are not exposed to these resources. As a result, their financial “knowledge” comes in the form of predatory lending practices and use of credit cards.

### Mid South IDA Initiative Goals

- Increase the number of IDA account holders in the Mid South region and build the assets of low-income people, especially in rural areas
- Attract regional and national resources aimed at improving the assets of low-income people
- Develop the capacity of local and statewide programs to improve access to IDAs, and to identify and provide matching funds
- Create learning networks across the Mid South region

## Initiative Accomplishments

When the Initiative began, there were 6 IDA programs in the region. Five years later, that number has risen to more than 60. To date, hundreds of people across the Mid South have completed an IDA program. Nearly two-thirds of those participating in IDA programs successfully completed the program after two years, saving for and successfully acquiring assets that have helped them improve their lives.

The success of IDA programs supported by the Mid South IDA Initiative can be measured most readily by the accomplishments of the participants.

### Participant Accomplishments

- More than 60% successfully completed their program after 24 months, and acquired their targeted asset.
- 50% established bank accounts after entering an IDA program.

## The Challenges

The program has not been without its challenges. The primary obstacle to the continued growth of IDAs in the region is obtaining financial support, both from private and from public resources. More funding institutions must become involved, and state funding is essential to the continued success of IDAs. Vigorous advocacy is necessary at the state level to maintain and expand existing programs, particularly in Mississippi, which provides no state funding, and in Louisiana, where state funding is sporadic.

## The Initiative Has Evolved

Since the Mid South IDA Initiative began, it has evolved to include “portable” IDAs, the Southeast Texas region, and a youth-focused IDA program.

Portable IDAs are designed to accommodate our mobile society. After weather-related disasters in the region, Woody Widrow, director of the Texas Asset Building Coalition, created the portable IDA concept for those who must relocate because of a disaster or for other reasons.

The creation of a program in Southeast Texas was a natural addition to the Mid South IDA Initiative, as it covered the existing service area of the Initiative’s largest funder—Entergy Corporation.

To educate young people about saving, the youth-focused IDA program, called youth asset development, will launch in two Mississippi schools. The program will help young people save funds and learn financial management skills.

## Summary

There is still a long way to go before the full impact of IDAs is felt in all three states. And yet what progress we have made is promising. We’ve seen that, given good coaching and an effective plan, low-income individuals will make sacrifices to save and acquire assets. We are also confident that linking banks to what is essentially an untapped market can provide entire communities with greater economic stability. Perhaps most important, the initiative will encourage growth and development in the Mid South by investing in its most valuable resource, the people themselves.

The Mid South IDA Initiative will continue to support the statewide collaboratives and encourage the participation of public and private partners to support IDAs. With the number of IDA graduates growing, there are also plans to establish an IDA participant alumni group to share how the program has made lasting changes in their lives. The conversation about asset building and the advance of other wealth-building tools will continue as the Mid South region moves forward.

## J E A N I N N E   J O H N S O N

### “Surviving the effects of two hurricanes”

In 2005, Hurricanes Katrina and Rita brought devastation and disruption into the lives of millions in the Mid South region. Jeaninne Johnson, a single mother of four in the community of Baton Rouge, was affected in an unexpected way: When people displaced by the storms relocated to her area, the rental market was stretched to the breaking point, and she was unable to find an affordable place to live.

Jeaninne Johnson knew that purchasing a home for her family would give them the stability and security they needed, but how could she afford it? The Mid City Redevelopment Alliance’s IDA program had an answer. Upon establishing her IDA account at Chase Bank, Jeaninne was able to deposit her entire income tax refund into the account. Finally, in spite of closing delays, she was able to purchase a home for her family that, she said, was better than what she had allowed herself to hope for. Just as important to her were the homeowner education and budgeting classes.

“While my home is an investment,” Jeaninne says, “taking the budgeting classes was an investment in *me*. The classes gave me the ability and knowledge to save money for unanticipated emergencies, while paying monthly expenses. I am grateful for the support, guidance, and knowledge that I’ve gained from participating in the IDA program.”



Changing lives by breaking the cycle that low-income individuals face requires an innovative investment strategy. While this is an achievable goal, it is made challenging by the fact that we live in a country where only a small percentage of Americans actually have an effective financial strategy. How can we expect those with virtually no income, and who are frequently in debt, to accomplish what the average American cannot achieve?

Toward the end of 2002, in an effort to address economic despair throughout the Mid South, the Foundation for the Mid South (FMS) and its partners began a large-scale initiative to expand IDAs throughout Mississippi, Louisiana, and Arkansas. The first multi-state IDA program in the country, it was an ambitious undertaking. Only a few IDA programs existed in Arkansas and Louisiana, and there were none in Mississippi. Since IDAs were not widely known, even among those working to alleviate poverty, education would be critical to the program's success. Partners in this Initiative — comprising funders; federal, state, and local governments; faith-based and nonprofit organizations; and policymakers — worked closely together to provide both financial and technical support.

FMS's plan was to provide technical assistance, grants for operating costs, and participant matching funds, and to support the creation of statewide programs to ensure sustainability. Initially, there was education awareness to generate interest among organizations about IDAs, training, and technical guidance to assist organizations in starting programs. The next phase involved helping to form statewide collaboratives, which served as support networks, and the continued growth of local IDA programs.

#### **Mid South IDA Initiative Objectives**

- Increase the number of IDA participants in the region, especially in rural areas
- Attract regional and national resources to implement the Initiative
- Make certain that local and statewide programs improve access to IDAs and identify and provide matching funds
- Create IDA learning networks in the region

## KARLOS PARHAM

### “The Fruits of His Labors”

Karlos Parham had always wanted to own a small business. As he considered the possibilities, he realized how little he really knew about starting a business, and was at a loss as to where to begin. Searching for solutions, he talked with a friend, who mentioned the Individual Development Accounts program at Southern Good Faith in Arkansas. After his first meeting with program staff, Karlos left feeling buoyant: He had discovered a way to develop a business plan for himself, and to receive the information and training to make sound business and financial decisions. Even better, he would be able to do all this while saving for his business.

Being able to bring a business idea to fruition, Karlos says, was a direct result of the training he received from Asset Builders’ economic skills program and the Business Development Center. Karlos emerged from the education process with a solid business plan, and a healthy foundation for his business in his IDA savings account. Karlos decided to produce organic fruits and vegetables for sale at local markets. With the savings from the program, he was able to purchase equipment and farm materials, and literally begin sowing the seeds of his future.

According to Karlos, “The Asset Builders’ IDA program helped me develop a savings plan that I continue to use to this day. The IDA program has made a positive difference in my life, and how I operate my business.”



While the Mid South IDA Initiative is a Foundation for the Mid South program, it is also the product of a remarkable and innovative collaboration with the Entergy Corporation, which has provided significant funds and support for the Initiative from the beginning with \$1.6 million, over 80% of which was granted to local IDA programs in the last five years.

All of the funding partners, which include philanthropic organizations and private funders, national and regional financial institutions, and federal, state, and local government agencies, provided more than \$15 million for operation costs and participants' savings match in the Region. A summary of funding partnerships can be found on page 23.

To effectively implement the Initiative, technical assistance was provided by more than 40 organizations, consisting of national think tanks, faith-based organizations, banks, consumer credit and community development agencies, healthcare providers, universities, and construction companies.

The support of funders has been absolutely critical to every part of the program, from providing matching funds to maintaining daily operations.

“I believe in IDAs because they are a life-changing process, not just another program. The matching funds are an incentive to the participant, but they’re not the real investment. The money management skills that the participants practice, and the financial knowledge that they earn does more than help them purchase their goal, it’s the foundation upon which they build their financial dreams for a lifetime.”

Nancy Montoya  
Regional Community Affairs Manager,  
Gulf Coast Federal Reserve Bank of Atlanta



A crucial first step in the Initiative was building an IDA infrastructure. The strategy was to provide assistance for starting and managing IDAs; to help formulate the goals and assets; and to support a sustainable statewide structure with regional connections. There are several entities that make up the infrastructure of the Initiative:

**Regional Collaborative  
(Foundation for the Mid South)**  
attracts funders, national knowledge, technical expertise, and resources to the region. FMS also conducts regional meetings and workshops, provides technical assistance, produces the learning network, and conducts regional public policy advocacy.

**Funders** provide financial support to IDA statewide and local programs to match participant savings and to assist with operation costs. These funds are invaluable to the success of IDAs.

**Statewide collaboratives** facilitate the work of the IDA local programs in their state. They serve as a support system for the local programs by providing training, education, technical support, and IDA expertise, along with public policy advocacy.

**IDA local programs** are operated by community-based nonprofits, churches, and agencies in urban and rural communities to help participants achieve their goals of purchasing and/or improving a home, furthering their education, or starting a small business. All IDA participant activities and resources are managed by the local nonprofit.

*A partial list of IDA programs can be found on pages 19–21*

**IDA participants** are eligible low-income individuals who receive financial management training, make periodic deposits into their IDA account, and receive a match to their savings to enable them to acquire their identified asset.

## The Mid South IDA Participant

IDA participants are primarily women. On average, one out of five do not have a relationship with a bank prior to enrolling in a program. The majority of participants use their savings to acquire their first home or to make home improvements; others use their funds for higher education and small business start-up or improvement — 28% and 17%, respectively. Joint accounts are opened in the name of the participant and the IDA program. When the participant is ready to make a purchase, checks are sent directly to the mortgage company, college, or business vendor(s).

The process that each participant goes through provides the opportunity and the incentive to save. The process helps people become invested in their own financial success and learn new strategies and behaviors.

### PARTICIPANT PROCESS

# 1

Prospective participant attends an **orientation** describing program goals and objectives, requirements, drawbacks, and potential benefits.

# 2

The prospective participant submits an **application**.

# 3

If program staff approve the application, the participant then **identifies an asset**.

# 4

The participant attends **financial education** classes, which provide practical, in-depth education and training in financial strategies and funds management.





5

The participant and the IDA program open a joint **IDA savings account**.

6

The participant makes **regular deposits** into the IDA account, and continues to receive coaching and support from the IDA program.

7

The participant is given **specific training** based on the asset chosen: the purchase of a home or home improvement, higher education, or the creation of a small business.

8

The participant and the IDA program make the account withdrawal after the **savings goal** is achieved.

By the conclusion of the program, in addition to having reached a savings goal, the participant has learned how to leverage small monthly savings into an asset and has developed a financial emergency contingency plan.



Because IDAs are a relatively new approach to helping low-income families, educating funders, government and local representatives, and nonprofit agencies at every stage of the Initiative's development has been critical to its success.

The IDA field is continually evolving, and a robust and far-reaching education component allows IDA programs to keep abreast of developments, as well as provide IDA participants with effective service, increase their funding base, and share their progress with lawmakers, so that public policy will support IDAs. To train and educate those involved with IDAs, the Foundation for the Mid South has hosted annual training seminars, provided train-the-trainer workshops, funded selected organization staff to attend regional and national conferences, and created an online network.

The Mid South IDA Initiative has provided several education-related activities during the last five years:

#### **Train-the-Trainer Workshops**

These workshops help IDA providers understand how to best serve participants. They are designed to increase an IDA program provider's efficacy. The training workshops focus on developing a working definition of financial literacy, understanding the role financial education plays in IDA programs, using assessment and pre/post tests, designing and delivering engaging and effective economic literacy classes, and understanding adult learning principles.

#### **Annual Training Institutes**

The Institutes are intended for community-based nonprofits with IDA programs or those contemplating starting IDA programs. The primary focus of these annual institutes is on program design, target markets, goals, outcomes, designing the account, marketing, sustaining participation, program costs, funding sources, and challenges and solutions to improve program management.

#### **Technical Assistance Advisors**

FMS provided technical assistance and resources from around the country to support IDA programs. Recognized experts help keep programs up to date and functioning smoothly.

#### **Online Learning Network**

This web-based educational resource, created by FMS and hosted on its website, links the IDA community to a broad spectrum of resources on IDAs. It includes IDA news, a quarterly newsletter, a resource directory, opinion editorials, keynote addresses, and information on events. The website also provides links to economic and social statistics in the Mid South, to assist in community planning research, grant writing, and economic development.



### Regional and National Conferences for IDA Providers

Through mini-grants from the Foundation for the Mid South, a number of IDA program providers received financial support to attend conferences to obtain knowledge and network with peers. This enabled them to continue to grow the learning network and further their professional development.

“Attending the National Assets Learning Conference was a rewarding and insightful experience ... .These workshops will enable me to inform the clients on how to manage and save a portion of their refund by using the split-refund approach.

With this information, I will be able to apply it to our IDA program.”

Barbara Smith  
Multi-County Community Services Agency  
(Meridian, MS)

"After attending the CFED Asset Learning Conference, we were able to markedly improve our outreach and education efforts with low-income residents.

The conference also gave us a better understanding of IDA program goals, best practices, and pitfalls, and helped us improve training for program staff."

Alma Thornton, Ph.D.  
Louisiana Asset Building Initiative at  
Southern University (Baton Rouge, LA)

“I appreciate the opportunity to learn the latest concepts and initiatives in the asset-building field, especially the reports on current research. During the conference I noticed that the financial services field has changed dramatically. Our curriculum needs to be updated to reflect these changes ... .The ‘layering strategies’ I learned at the conference will help IDA home buyers acquire homes in high-housing-cost communities.”

Janet Wills  
Economic Opportunity Agency of  
Washington County, Inc. (Springdale, AR)

IDA participants in the Mid South have outperformed the benchmarks of other IDA programs around the nation. There are approximately 540 IDA programs operating in the nation in comparison to 62 in the Mid South. In terms of participation, Assets for Independence (a federal program that provides grants for IDA programs) reported an average of 99 participants per program, whereas IDAs in the Mid South average 112 participants.

In addition, the number of IDA accounts in the Mid South region has almost doubled in the last five years. Because of its size and effectiveness, the Initiative has become a model that has attracted regional and national attention and resources. This recognition has helped to expand and strengthen the Initiative and IDA programs within the region.

While there is still work to be done with IDAs and asset building in the Mid South, we are achieving our goals:

**Increase the number of IDA accounts, especially in rural areas**

The number of IDA account holders has grown steadily, since the creation of the Initiative in all three states. Each program varies in size and number of participants—from 18 to 440.

The region's IDA programs are located in rural as well as urban settings. Many participants in rural areas are located approximately 100 miles from their IDA program.

**Attract regional and national resources**

Public/State funds provide the largest funding for IDA programs in the region. The Initiative has also attracted regional and national resources, such as the Entergy Corporation, Charles Stewart Mott Foundation, BancorpSouth, and the Stella Boyle Smith Trust.

The contribution of resources includes technical assistance and knowledge from more than 40 organizations.

**Develop the capacity of programs to improve access to IDAs**

In order to build the capacity of the region's existing IDA programs and to create new programs, the Initiative has systematically employed best practices from around the nation.

Each of the three states has solid statewide programs that provide education, planning, training, and policy development to the local IDA program.

**Create learning networks**

The Foundation for the Mid South has coordinated the establishment of an informal learning network within the region. Workshops and a quarterly newsletter are a part of the network.

The Initiative has hosted regional conferences and financially supported nonprofit representatives' attendance at national meetings.

**IDA Participant Accomplishments**

- 62% attended a minimum of two financial education sessions.
- 59% had an active IDA account for at least one year.
- 60% opened a savings account that was separate from their IDA account.

## Statewide Success

Strong programs and results have strengthened the case for state support for IDA programs. Advocacy has been successful in Arkansas and Louisiana.

*Arkansas Asset Building Coalition* is housed at Southern Good Faith Fund, a nonprofit affiliated with Southern Bancorp, a financial institution. The Coalition administers the program with a full-time staff and focuses on public policy advocacy. State-legislated annual funding ensures that Arkansas has an effective policy that provides continual funding for IDA programs. Because of the Coalition's exemplary efforts, Temporary Assistance for Needy Families (TANF), tax credits, and community development block grants provide ongoing funding for IDA programs. Recently, the Coalition was successful in presenting a case to the Arkansas legislature that resulted in an increase of TANF funds.

*Louisiana Asset Building Initiative* is housed at Southern University in Baton Rouge. The program was originally located at Tulane University in New Orleans, but was dropped after Hurricanes Katrina and Rita. Southern University received \$2 million in TANF dollars to support programs statewide. The work that Southern University has done provides evidence of the resilience and dedication of program staff and participants, as well as of the strength of the IDA Initiative community.

*Mississippi IDA Program* is responsible for supporting and advancing IDAs in the state. Mississippi has the lowest income rate in the country. Even without state funding or policy in place to support IDAs, there are strong IDA programs operating and impacting lives, and significant progress has been made in helping low-wealth families save.

## Statewide Success

In 2002, there were 6 IDA programs in Arkansas and Louisiana. Many programs suffered setbacks in 2005 after Hurricanes Katrina and Rita, when participants were displaced and charitable giving focused on Gulf Coast recovery. Despite the disasters, the number of IDA programs has grown to 62—21 in Arkansas; 31 in Louisiana; and 10 in Mississippi.

## Technical and Educational Success

The Initiative has attracted regional and national resources to increase the assets of those with low and modest incomes, and has enhanced the capacity of local and statewide programs to administer IDAs. In addition, support was provided for the establishment of statewide networks, and IDA program staff received financial support to attend national and regional conferences.

But buying a home or paying for an education is only part of the benefit of participating in an IDA program. Simply being able to save money—to provide for one's family and invest in the future—is a life-changing experience. The programs are a long-term investment in education and financial tools for families and communities, with the goal being that IDA participants will become self-reliant. This investment is providing low-income families with an "asset" that lasts a lifetime.

At an organizational level, the Mid South IDA Initiative itself is growing and thriving. From the beginning, FMS mobilized and connected an energetic group of funders, educators, and agencies. With this dedicated team, a thriving network of programs and resources was established to reach those who needed it most.

“Phillips County in Arkansas is one of the poorer communities. We are losing people and jobs. Because of the county's economy, we have a fairly large unbanked population ... .Our focus on IDA has resulted in 155 IDA accounts at our bank. Through homeownership, an IDA participant is providing an economic benefit to the community.

They are not coming to the bank just for cash or money orders anymore.”

Jimbo Boyd, President—First Bank of the Delta

## GERETTIA GITCHUWAY

### “Not Your Typical Student”

When Gerettia Gitchuway started college at Jackson State University in Mississippi, she was determined not to fall into the trap that often ensnares students: mounting debt from student loans and pre-approved credit cards. Gerettia has learned through her participation in the IDA program how to ignore the temptation of “free money.”

She left college after her first year to care for her son. But soon after beginning her new job at a telephone company, Gerettia learned about another option—the Individual Development Accounts program. Her participation was based on the fact that it would help her obtain a degree. The IDA program enabled Gerettia to save \$1,000 for her college education. It wasn’t always easy to make the deposits, which ranged from \$50 to \$300 per month, but she persevered. Also, mandatory overtime helped with her savings. The payoff, when it arrived, was its own reward: Gerettia returned to college.

With the training she received in financial management as part of the IDA program, Gerettia has learned to minimize expenses and student loans. She intends to repay her loans within a year after graduation, taking classes during the day and working at night to meet her goal.

“Before the IDA program,” Gerettia says, “I would have been a student who would have gotten credit cards and large student loans to pay back. I would have been so far in debt that it would have taken me five to ten years to get out of it. My plans are to have a career in elementary education, to pay back my student loans, and to save for a down payment for a house,” she says. The IDA has made possible what she always believed: that a small sacrifice now will ultimately bring the greatest rewards later.





## PROGRAM EVOLUTION

Since the Mid South IDA Initiative began, it has evolved to include an additional geographic and two program areas—Southeast Texas, a youth-focused IDA, and a “portable” IDA.

### **Southeast Texas**

The geographical area served by the Initiative was expanded to include the Beaumont, Texas area. This expansion correlated with the community service mission of the Entergy Corporation—the Initiative’s largest funder—which is “to serve all of its customers.”

The Golden Triangle IDA program is administered by the Covenant Community Capital Corporation. While the community education process took more than two years, the program and its participants have enjoyed significant progress.

### **Golden Triangle IDA Program Progress**

- None of the participants have dropped out of the program.
- 70% of participants have completed their financial education classes.
- The program has had the support of nonprofit and corporate funders.
- More than 25 program participants have purchased homes.
- 40 participants are saving to purchase a home.
- Networking and outreach efforts have resulted in matching funds from Christus Health and Capital One.

## Youth-Focused IDA Program

An important part of breaking the poverty cycle is reaching the youngest generation, and helping to provide them with the skills they will need to be financially independent. The youth asset development component of the IDA program was created to help young people become more economically secure and responsible, while exposing them to post-secondary education and entrepreneurship opportunities.

The initial phase of the program will launch at two schools in Mississippi. The schools will assist in identifying students for program participation, partner with financial institutions to provide financial literacy training and youth savings accounts, provide college preparatory resources, and connect with local nonprofit organizations for monitoring and assistance.

As with adult IDA participants, the youth in the program will save funds for an asset, such as post-secondary education, a computer, or educational software. It is our hope that the program will give young people a better understanding of how to manage their finances.



## Youth Asset Development Goals

- Increase the number of youth who have savings accounts
- Encourage the ability to save money among youth
- Increase awareness and understanding of financial literacy
- Enhance the knowledge of post-secondary opportunities

## Portable IDAs

After Hurricanes Katrina and Rita, many IDA participants and individuals eligible for IDAs were forced to relocate to other states. But they were still interested in continuing the program; if anything, their need to save money had increased as they attempted to rebuild their lives in a new place. It became clear to Woody Widrow of the Texas Asset Building Coalition that there was a need for a new kind of IDA program, one that was “portable” and that could accompany a person in the event of mandatory relocation. As the creator of portable IDAs, Woody Widrow’s vision was to allow IDA participants to defer the long-range decision about where to live, while continuing to actively contribute to a savings plan. It would be an invaluable tool for rebuilding after a disaster. Portable IDAs also address the movement of families in our society for career and family reasons.

A coalition, comprising the Texas Asset Building Coalition/Covenant, the United Way of America, and the United Way of New Orleans, with support from the Foundation for the Mid South, is working toward making portable IDAs a reality.

## C H A L L E N G E S

Since the Initiative was established, we have learned a great deal about the most effective ways to implement and expand IDAs throughout the region. To build on the success the Initiative has had in the region, increasing sustained financial support is crucial.

### Private Funding

Several financial institutions, businesses, and foundations already support IDAs through funding programs, conducting financial literacy training with participants, and maintaining participant accounts. However, in order for the program to adequately address the needs of low-income investors, more institutions, especially financial institutions and corporations, must become involved. Since all banking regulatory agencies have acknowledged that IDAs meet the criteria under the investment, lending, and service tests for Community Reinvestment Act Credit review, an opportunity exists to involve more financial institutions with IDA. Stronger institutional involvement with asset-building programs like IDAs will help invest in communities as well as change the lives of individuals. If corporations follow Entergy Corporation's lead, significant advances will be made in the asset-building field.

### State Funding

Private funds, while invaluable to the success of IDAs, tend to be unpredictable and of variable amounts. This can affect the implementation of the program, including strategic plans, program execution, and the number of participants that can be served. State funding and policies provide stability, allowing IDA programs to provide services on an ongoing (and ultimately permanent) basis. State funds ranging from tax credits and Community Development Block grants to Temporary Assistance for Needy Families (TANF) can be earmarked for IDAs. State funding can also be used to leverage available IDA federal funds.

Ongoing advocacy at the state level is required to establish and expand government funding.

By providing long-term funding for IDA programs, a state is investing in its residents, but it is also investing in its own growth and future.

### State Funding Issues

**Mississippi**, which has the lowest income rate in the country, currently has no state funding or policy in place to support IDAs. Consequently, Mississippi has not taken advantage of IDAs. A strong legislative policy will ensure stable and steady IDA funding, as in the rest of the Mid South region.

**Louisiana's** \$2 million TANF grant to support the state's IDA programs is a step in the right direction. In order for this resource to maximize its potential in Louisiana, the state's executive administration and legislature must provide funds that are more consistent.

After five years, a thorough evaluation of the Mid South IDA Initiative was conducted. The external evaluators used quantitative and qualitative methods to conduct a program assessment, which consisted of nonprofit and participant surveys, funder and government/state interviews, and participant focus groups. Their assessment enabled FMS to examine progress to date, and to strategically move forward to the next phase of the Initiative's development:

**Give a voice** to the issue and continue to support the statewide programs and the expansion of IDAs throughout the region, and encourage IDA participant graduates to tell their story.

**Advocate** vigorously for state legislative policies to support IDAs.

**Advance** other wealth-building tools, such as earned income tax credit, college savings plans both matched and unmatched, asset preservation, etc.

Preparing for the tasks ahead, the Foundation for the Mid South is heartened by the progress already made: the connections and partnerships throughout the Mid South, the dedication of the community-based organizations and their staff, the support of funders, and the progress in state legislation.

Most of all, FMS is heartened by the hard work and successes of IDA participants, who provide the most salient and persuasive argument for an initiative of this kind: that what people most need, and deserve, is the chance to make their lives better. FMS is grateful for the opportunity to provide that chance, and to encourage growth and development in the Mid South by investing in its most valuable resource, the people themselves

“IDAs need to continue so that additional funders can take it to another level. IDAs effect change. Look at it as a hand-up.

“Children begin to see their parents break the cycle ... .Even if \$20 a month is saved, when a small emergency comes up, [participants] won't feel like their world is coming to an end.”

Evelyn A. Edwards  
Vice President for Regional Community Reinvestment at  
BancorpSouth

## M I D S O U T H I D A S T A T E W I D E C O L L A B O R A T I V E S

### **Arkansas Asset Building Coalition**

Southern Good Faith Fund  
2304 W. 29th Avenue  
Pine Bluff, AR 71603  
[www.southerngoodfaithfund.org](http://www.southerngoodfaithfund.org)

### **Louisiana Asset Building Initiative**

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Post Office Box 9503  
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Baton Rouge, LA 70813  
[www.subr.edu/socialresearch/IDA/index.htm](http://www.subr.edu/socialresearch/IDA/index.htm)

### **Mississippi IDA Program**

Mississippi IDA Program  
P.O. Box 3782  
Jackson, MS 39207

### **Southeast Texas**

Covenant Community Capital Corporation/  
Texas IDA Network  
Fiscal Agent for the Golden Triangle Program  
506 West 14th Street Suite A  
Austin, TX 78701  
[www.covenantcapital.org/html/publicpolicy/idanetwork.html](http://www.covenantcapital.org/html/publicpolicy/idanetwork.html)

## M I D S O U T H I D A L O C A L P R O G R A M S

### Arkansas

#### **Black Community Developers**

3805 W. 12th Street Suite 203  
Little Rock, AR 72204

#### **Boys, Girls, Adult Community Development Center Inc.**

P.O. Box 1356  
306 Highway 49  
Marvell, AR 71603

#### **Central Arkansas Development Council**

P.O. Box 580  
Benton, AR 72018

#### **Chicot Housing Assistance**

113 Main Street  
Lake Village, AR 71653

#### **College Station Community Federal Credit Union**

P.O. Box 599  
College Station, AR 72120

#### **Crawford-Sebastian Community Development Council, Inc.**

P.O. Box 4069  
Fort Smith, AR 72914

#### **Crowley Ridge Development Council, Inc.**

P.O. Box 1497  
Jonesboro, AR 72403

#### **Economic Opportunity Agency of Washington County, Inc.**

614 E. Emma Suite M401  
Springdale, AR 72764

#### **Healthy Connections**

404 Seventh Street  
Mena, AR 72953

#### **Ozark Opportunity, Inc.**

P.O. Box 1400  
701 East Prospect  
Harrison, AR 72602

#### **South Arkansas Community Development**

406 Clay Street  
Arkadelphia, AR 71923

## Louisiana

**ACORN of New Orleans**

1015 Frenchman Street  
New Orleans, LA 70117

**ASSIST Agency**

11 North Parkerson Avenue  
Crowley, LA 70526

**Booker T Community Outreach**

1411 Sherouse Street  
Monroe, LA 71203

**Caleb Community Development Corporation, Inc.**

11021 Plank Road  
Baton Rouge, LA 70811

**Catholic Housing Services**

P.O. Box 3894  
Houma, LA 70361

**CENLA Community Action Committee**

1335 Jackson Street  
Alexandria, LA 71301

**D & A Help Agency**

309 Martin Luther King, Jr. Drive  
Farmersville, LA 71241

**Ellington Mortgage Company**

13322 Highway 90 Suite 0  
Boutte, LA 70039

**Elsenia Young Real Estate**

6544 Florida Boulevard Suite 122  
Baton Rouge, LA 70806

**Future Assets, Inc.**

P.O. Box 15282  
Monroe, LA 71207

**Greater North LA CDC**

103 4th Street  
Jonesboro, LA 71251

**Gulf Coast Recovery Outreach Center**

1181 McArthur Drive  
Alexandria, LA 71301

**Help Foundation Inc.**

22010 Highway 22 East  
Ponchatoula, LA 70454

**Integrity Homebuyers Association**

1019 Mire Street  
Gonzales, LA 70737

**Lafayette Consolidated Government**

111 Shirley Picard Street  
Lafayette, LA 70501

**Lafourche Parish Office of Community Action**

P.O. Box 320  
Raceland, LA 70301

**Lutricia Cobb Real Estate**

1901 Gerstner Memorial Drive  
Lake Charles, LA 70601

**Metro City Redevelopment**

860 North Street  
Baton Rouge, LA 70802

**Mid City Redevelopment Alliance**

419 N. 19th Street  
Baton Rouge, LA 70802

**Mt. Pleasant Community Development Corp.**

101 Preston Loop  
Monroe, LA 71201

**Neighborhood Development Association**

220 Camp Street Suite 532  
New Orleans, LA 70117

**People Organization's for Social Equality ( P.O.S.E)**

625 Veterans Boulevard  
Kenner, LA 70062

**Queensborough Neighborhood Association**

2756 Greenwood Road  
Shreveport, LA 71109

**Renaissance Development**

1755 Nicholson Drive  
Baton Rouge, LA 70802

**Renewal, Inc.**

513 Sunnyside Drive  
Monroe, LA 71202

**Scotlandville Community Development Corporation**

1920 Goudchaux Street  
Baton Rouge, LA 70807

**St. James Parish Human Resources**

5153 Canatella Street  
Convent, LA 70723

**St. Mary's Community Development Corporation**

2506 Providence Avenue  
Bastrop, LA 71220

**United Way of Greater New Orleans**

2515 Canal Street  
New Orleans, LA 70119

**Urban Restoration Enhancement Corporation**

6315 Greenwell Street Suite 1  
Baton Rouge, LA 70812

**Volunteers of America**

520 Olive Street Suite B200  
Shreveport, LA 71104

## Mississippi

**AFJC Community Action Agency, Inc.**

P.O. Box L  
Natchez, MS 39120

**Hinds County Human Resource Agency**

258 Maddox Road  
Jackson, MS 39225-2657

**Jackson County Civic Action Committee**

5343 Jefferson Avenue  
Moss Point, MS 39562

**Mercy Housing and Human Development**

1010 Ford Street  
Gulfport, MS 39507

**Multi-County Community Service Agency**

P.O. Box 905  
2900 St. Paul Street  
Meridian, MS 39301

**Pearl River Valley Opportunity**

P.O. Box 188  
Columbia, MS 39429

**Quitman County Development Organization, Inc.**

P.O. Box 386  
Marks, MS 38680

**Sacred Heart Southern Missions**

P.O. Box 190  
Walls, MS 38680

**University of Southern Mississippi Institute  
for Disabilities Studies**

P.O. Box 5163  
Hattiesburg, MS 39406

## Texas

**Covenant Community Capital Corporation/  
Texas IDA Network**

Fiscal Agent for the Golden Triangle Program  
506 West 14th Street Suite A  
Austin, TX 78701



## **A C K N O W L E D G M E N T S**

From the beginning, the Entergy Corporation believed in our vision for this non-traditional way of helping low-income individuals. We are also indebted to the Mid South IDA Advisory Board, private, nonprofit, government, and faith-based organizations, and individuals who devoted their time and resources to the Mid South IDA Initiative and programs throughout the Region, including (but not limited to) those listed on the next page. Words cannot describe our appreciation for the energy and commitment they brought to the project, and for the long hours they spent making it a reality. Also, our gratitude goes to the IDA program providers, who daily provide excellent service in their community, and to the entire team, who were steadfastly devoted to our mission, and whose partnership and support were irreplaceable as we navigated unfamiliar waters in the Mid South region.

Through its regional efforts and contributions to the national agenda, the Initiative has become a nationally recognized IDA resource. We look forward to your continued support as we expand and develop the Initiative to reach those who need it most.



**Foundations**

Annie E. Casey Foundation  
Catherine Legacy Grant  
Catholic Campaign for Human Development  
Charles and Florence King Foundation  
Charles Stewart Mott Foundation  
Christus Health Foundation  
Eugenie and Joe Jones Foundation  
F.B. Heron Foundation  
Fannie Mae Foundation  
McAuley Foundation  
Mary Reynolds Babcock Foundation  
W.K. Kellogg Foundation  
Wapack Nicholas & Pratt

**Financial Institutions**

AmSouth National Bank  
BancorpSouth  
Briton & Koontz National Bank  
Capital One Bank  
Concordia Bank & Trust  
Federal Home Loan Bank  
Hibernia National Bank  
Stella Boyle Smith Trust  
Summit Bank  
Trustmark National Bank

**Federal, State, and Local Government**

Arkansas Advocates for Children and Families  
Arkansas Department of Human Services  
Arkansas and Louisiana Department of Workforce Service  
Catherine Legacy Grant  
Catholic Campaign for Human Development  
Center for Enterprise Development  
Christus Health  
Louisiana Department of Economic Development  
Louisiana Department of Social Services  
U.S. Department of Housing and Urban Development

**Knowledge and Technical Assistance**

Americorps' Louisiana Delta Corps  
Arkansas Department of Economic Development  
Arkansas State University  
Arkansas United Methodist Church  
Broker's Home  
Center for Enterprise Development  
Consumer Credit Counseling Service of  
Greater New Orleans  
Dream Builders, Inc.  
Federal Reserve Banks of Atlanta, Dallas, and Saint Louis  
Louisiana Department of Economic Development  
Mississippi IDA Program  
Neighborhood and Housing Services  
North Louisiana Community Council  
University of Arkansas School of Social Work

**External Evaluator**

Johnny Gilleylen, Sr. – JBG & Associates Inc.

# NOTES

## Mid South Individual Development Accounts (IDA) Initiative



**M I S S I O N   S T A T E M E N T**

The Foundation for the Mid South invests in people and strategies that build philanthropy and promote racial, social, and economic equity in Arkansas, Louisiana, and Mississippi.



**Foundation For The Mid South**

134 East Amite Street  
Jackson, MS 39201

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Fax 601.355.6499

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