

ASSET Initiative

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U.S. Department of Health and Human Services
Administration for Children and Families

ASSET The ASSET logo graphic consists of a stylized figure of a person standing on a globe, with three circular icons (a person, a gear, and a person) arranged in a vertical line to the right of the figure.

Agenda

- What are assets and why do they matter?
- ASSET Initiative
- Assets for Independence program
- Asset Building Activities in Region VI
- Asset Building Ideas from Other Regions

What are Assets?

- Savings (3-6 month nest egg) to protect against loss of income/emergencies
- Matched Savings (Individual Development Accounts)
 - First home
 - Higher education and training
 - Develop or expand small business
- Good credit report and score, access to credit
- Human capital
- Property, equipment, land

Financial Assets Matter

- Move past paycheck to paycheck
 - Toward long-term financial stability
- Stronger, Healthier Families
- Enhanced Self-Esteem
- Long-term Thinking and Planning
- More Community Involvement
- Hope for the Future

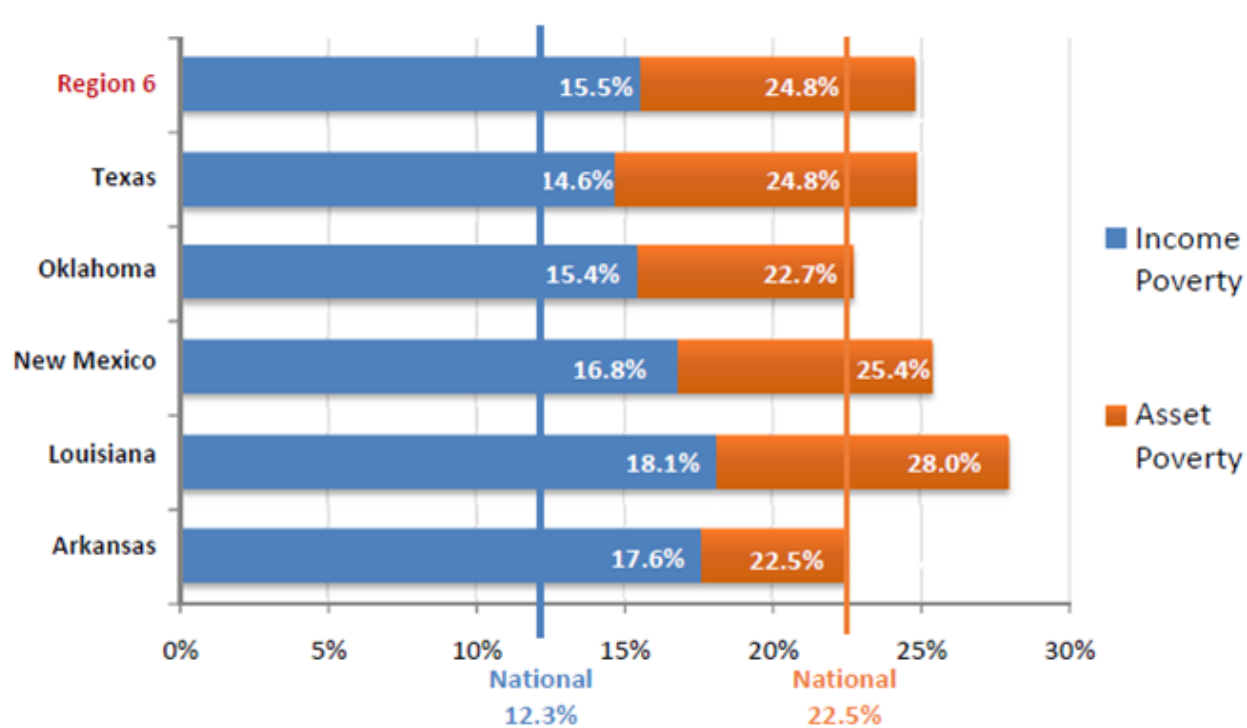


Income and Asset Poverty

- Income Poverty:
 - 100% of poverty established in 1960s
- Asset Poverty:
 - Insufficient net worth to live at Federal poverty level for three months without income. Family of three - \$4600
 - Use Income AND Asset Poverty to assess true picture of financial instability

Income and Asset Poverty in Region VI

Rates of Household Income Poverty & Asset Poverty in Region VI



Source: CFED's 2009-2010 Assets & Opportunity Scorecard.

Indicators of Financial Security in Region VI

Table 1: Indicators of Financial Security in Region 6 (State Rank in Parentheses)						
Measure	AR	LA	NM	OK	TX	Nat'l
Income Poverty	17.6% (49)	18.1% (50)	16.8% (46)	15.4% (44)	14.6% (41)	12.3%
Asset Poverty	22.5% (28)	28.0% (46)	25.4% (40)	22.7% (30)	24.8% (37)	22.5%
Un/Underbanked Households	32.4% (45)	31.7% (43)	33.1% (46)	31.6% (42)	35.8% (49)	25.6%
Median Credit Card Debt	\$2,489 (8)	\$2,473 (5)	\$2,689 (17)	\$2,499 (10)	\$2,714 (19)	\$2,960
Uninsured Low-Income Parents	38.7% (35)	47.4% (49)	45.8% (46)	43.2% (45)	56.9% (51)	37.2%
Housing Cost Burden – Renter	41.6% (17)	42.4% (23)	42.1% (20)	38.8% (10)	43.5% (29)	45.6%
Foreclosure Rate (Q2 2010)	2.1% (10)	3.4% (32)	3.1% (25)	3.0% (21)	2.0% (8)	4.6%
Low-Wage Jobs	36.1% (48)	34.8% (45)	36.6% (49)	32.2% (41)	32.2% (41)	22.2%
Four-Year Degree by Income	7.2 (48)	6.9 (47)	4.7 (27)	5.3 (34)	6.3 (42)	5.0
Head Start Coverage	19.9% (34)	21.7% (27)	24.2% (24)	29.5% (11)	13.9% (49)	20.3%

Note: The number in parenthesis is the state rank, where 1 is the best in the country and 51 is the worst.

Source: Data for each measure except Un/Underbanked Households is from CFED's 2009-2010 Assets & Opportunity Scorecard. Data for Un/Underbanked Households is from the FDIC's 2009 National Survey of Unbanked and Underbanked Households.

The ASSET Initiative

- Collaboration across ACF Programs to bring asset building tools & practice to ACF grantees and families served in programs.
- Incorporates lessons learned from Assets for Independence Demonstration Program and related research
- Families move past paycheck to paycheck existence, toward financial stability

ASSET Initiative Goals

Increase the availability of asset-building opportunities -- Increase the availability of effective financial education, AFI projects and other asset-building strategies

Bring AFI to more communities -- Expand the reach of the AFI - IDA program by actively promoting collaborations among AFI grantees and other ACF grantees

ASSET Initiative Goals

Coordinate asset building across ACF programs

-- Demonstrate a collaborative cross-agency approach for achieving goals and producing strong outcomes at ACF.

Equip staff to succeed with asset building strategies -- Strengthen ACF staff expertise on financial literacy education, IDAs and other asset-building policies and strategies.

ASSET Initiative Goals

- **Identify effective asset building practices** – Develop knowledge on effective practices for providing individual development accounts and other asset-building strategies via ACF grantees and networks.

Asset Initiative

Current Population Focus

- Financial Stability for Families with Young Children
- Building Assets for Fathers and Families
- Native Americans
- Refugee Communities
- People with Disabilities
- Survivors of Domestic Violence

Asset Building Tools in the ASSET Initiative

- Financial education
- Savings and Individual Development Accounts (IDAs)
- Getting banked
- Managing credit and debt
- Tax credits and filing assistance
- Accessing Federal and State benefits

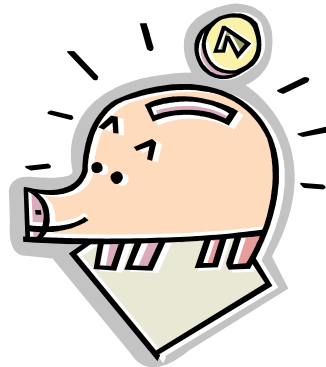
Assets for Independence Program

A 5-Year Federal Grant Program

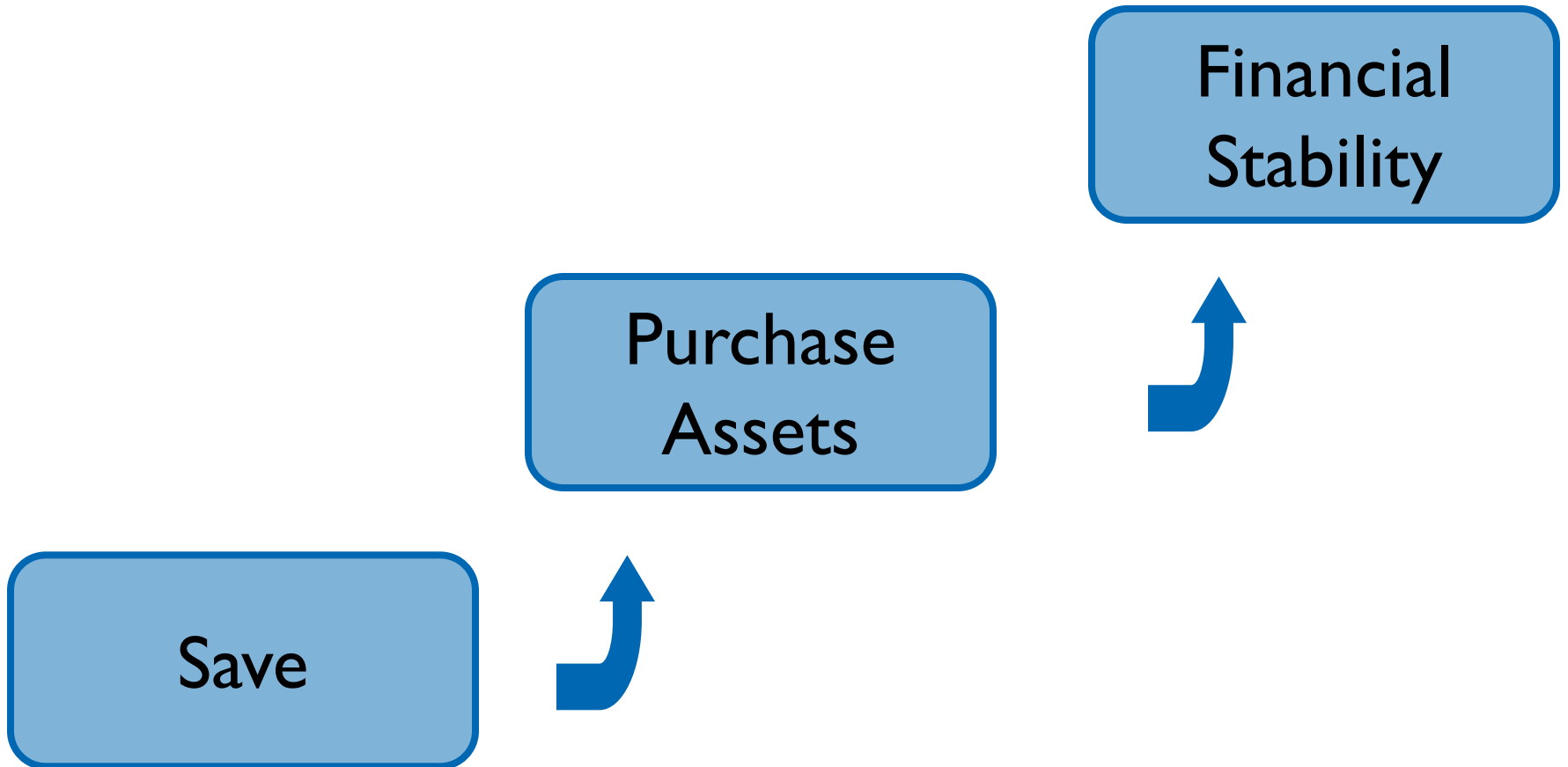


Individual Development Accounts

- Matched savings accounts in banks or credit unions
- Participants deposit earned income regularly, receive matching funds, purchase a financial asset

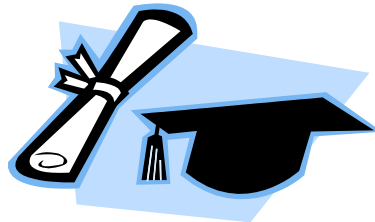
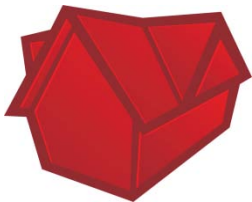


IDAs: A Hand-Up To Financial Stability



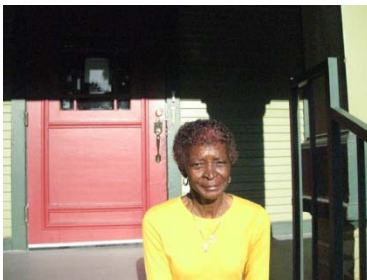
AFI IDA Participants

- Learn about financial and consumer issues
- Save in IDAs
- Purchase Financial Asset
 - First home
 - Higher education or training and/or
 - Small business



A Snapshot of AFI Participants

- 75,000 + IDA accounts and growing
- 80% of participants are women
- Many single parent households
- 46% African American; 28% White; 16% Hispanic
- IDA is first savings account for most participants



Example



- Kim wants to start a family child care home but does not have the money for start-up costs
- She needs \$2,000 for tables and chairs, toys, educational materials, and other equipment
- Opens IDA and receives financial education, debt counseling, and information on running a small business
- Receives savings match at a rate of \$3 for every \$1 saved in her IDA
- Kim saves \$500 – about \$14 per month over 3 years
- She receives \$1500 in matching funds

Example



- Kanesha wants to get a bachelor's degree in accounting and become a CPA
- She needs \$4,000 to supplement her Pell grant and Lottery Scholarship
- Opens IDA and receives financial education and debt counseling
- Receives savings match at a rate of \$3 for every \$1 saved in her IDA
- Kanesha saves \$1000 – \$21 per month over 4 years
- She receives \$3000 in matching funds

Participant Eligibility

- TANF-eligible in their state
OR



- Meet both of the following two criteria

Income: twice the poverty guidelines (about \$44,000 for family of four) OR EITC eligible

AND

Net worth: maximum \$10,000 (less one residence/one vehicle)

- Administrating agencies may apply additional eligibility rules

Flexible IDA Savings Match Structure

- IDA Savings Match Rates can range from \$1 match for \$1 earned income saved to \$8 match for \$1 earned income saved
- Maximum Federal Contribution
 - \$2000 per individual
 - \$4000 per household



AFI Projects

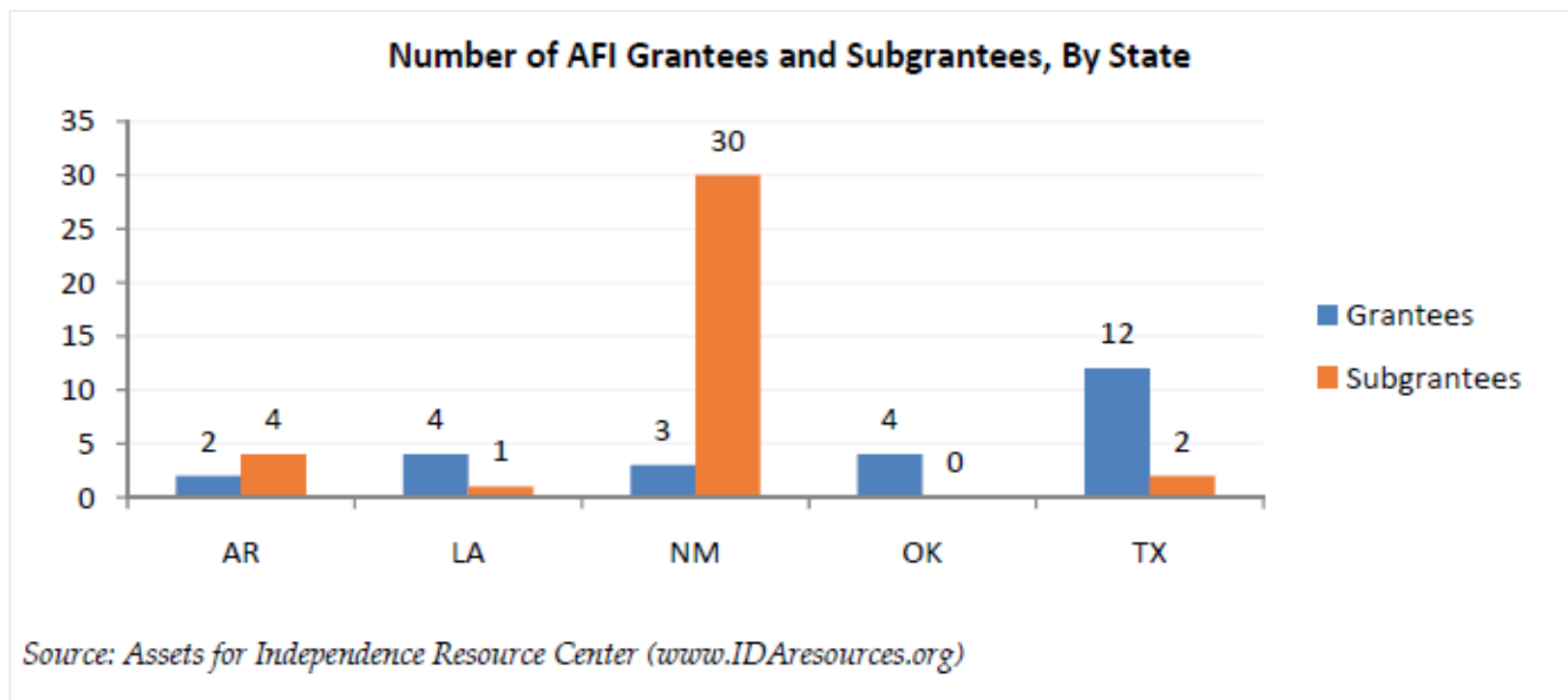
- 400 projects throughout the nation
- Projects partner with financial institution
- Projects located within multi-purpose non-profits
- State, local or Tribal governments
- Multi-site networks of organizations



Examples of AFI Project Grantees

- Community Action Agencies
- Community Development Corporations
- Community Development Financial Institutions
- Credit Unions
- Faith-Based Organizations
- Government Agencies
- Housing Finance Agencies
- State-Wide and Multi-State Associations
- United Way Organizations
- Workforce Development Agencies
- Youth Agencies

AFI Geographic Distribution, Region VI



AFI Application Overview

- Annual Review Cycles – Winter, Spring, Summer
- 2012 Deadlines – 1/25, 3/26, and 5/25
- Up to \$1,000,000 (average \$325,000)
- \$19,000,000 available in FY 2011
- 50-60 funded projects



Other Upcoming Dates

- **Webinars**

- August 30 – Buying Foreclosed Homes: Is it Right for Your Participants?
- September 6 – AFI Program Overview and Grant Application Process

- **Financial Education Train-the-Trainer**

- August 29 and 30, Los Angeles, CA
- September 7 and 8, Portland, ME
- September 12 and 13, Baton Rouge, LA
- September 28 and 29, Richmond, VA

Region VI Asset Building

- Arkansas – IDAs and VITA (funded through TANF)
- Louisiana – IDAs (funded through TANF)
- New Mexico – IDAs (funded through general revenue)
- Oklahoma – Partnership with OK Association of Community Action Agencies for EITC outreach
- Texas – Training for regional staff; VITA sites, EITC promotion, financial education (through TX Workforce Commission)

Asset Building in Other Regions

- Idaho – Currently looking at how to use IDAs and financial counseling to meet MOE requirements
- Kentucky – Governor holds a press event each year to promote VITA sites

Partnership Ideas

- Connect you to asset-building providers in your state
- Provide training for your staff on asset-building strategies and resources
- Offer webinar series starting in fall
- Provide technical assistance for the development of asset-building strategies

Let's Talk Soon

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