

Individual Development Accounts: What's Involved in Getting Started

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What is an Individual Development Account?

- An Individual Development Account, or IDA is a special matched savings account for people of modest means
- Designed to help families and individuals establish a pattern of regular savings and ultimately purchase a “productive asset”
- Financial education is a core component of most IDA programs



IDA Programs at MCUCD

- Rural Montana Saves - for college tuition, job training, and employment related expenses in rural counties. **MATCH RATE 6 : 1**
- Montana Students Save - helps qualified, low-income families save for post-secondary education. **MATCH RATE 6 : 1**
- BSAFE – program designed to assist survivors of domestic violence save for a variety of assets. **MATCH RATE 2 : 1**

IDA Programs at MCUCD continued...

- **First-Time Homebuyers** - dedicated to helping participants save for the purchase of their first home. **MATCH RATE 3 : 1**
- **YE\$\$ (Youth Experiencing Security and Success)** - aimed at assisting youth in the Helena area save for a variety of assets. **MATCH RATE 2 : 1**



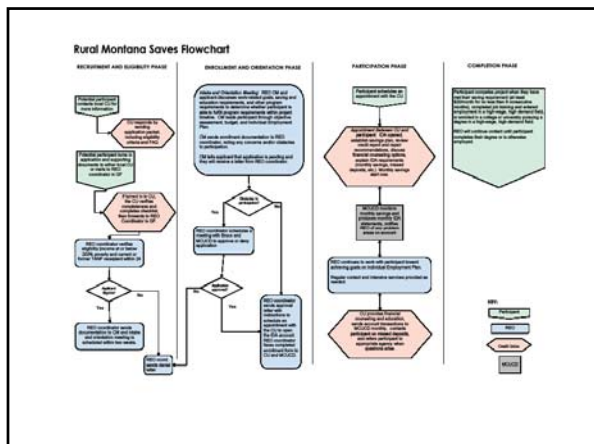
Rural Montana Saves IDA Program

- **Statewide program targeting qualified families in rural counties**
- **Assisting 50 participants through IDAs, career counseling, higher education planning, job training and free tax filing services**
- **Funding provided through the State of Montana Department of Public Health & Human Services – *Family Economic Security Services Project***

RM\$ Partners

- **Montana Credit Unions for Community Development (MCUCD)**
- **Rural Employment Opportunities (REO)**
- **Student Assistance Foundation (SAF)**
- **Partner Credit Unions**





REO: Services Delivered

- Design and implement the employment and training services component
- Conduct interview and intake process for potential participants
- Provide ongoing case management to participants
- Determine most appropriate educational program for participant

MCUCD: Services Delivered

- Design and implement the IDA and financial education component of the program
- Train CU and REO staff on program policies, procedures and forms
- Produce monthly IDA statements for participants and mail to credit unions
- Management of MIS-IDA software
- Track progress of monthly savings deposits

SAF: Services Delivered

- Evaluate post-secondary education related asset goals to determine if they meet program guidelines
- Counsel IDA participants on all financial aspects related to post-secondary education
- Provide ongoing counseling before, during and after enrollment in college
- Serve as program liaison to Montana colleges and universities

Partner Credit Union: Services Delivered

- Act as primary contact with potential and enrolled participants
- Take applications and determine if applicant appears to meet program requirements
- Open and maintain accounts for participants without fees
- Provide account transaction information to MCUCD each month
- Work with participant to develop a savings plan to access full IDA match available



Services Delivered Collaboratively

- Prepare recruitment letters to all current and past TANF recipients
- Develop and distribute recruitment materials to community
- Organize and host "kick-off" events in targeted communities
- Participate in regular conference calls to review project progress
- Jointly approve all requests for IDA disbursements

Eligibility Requirements

Eligibility for RMS is based on two factors:

- 1) The applicant or a member of the applicant's household must have received TANF benefits any time during the last 24 months

and

- 2) The applicant must be a member of a household with an Annual Household income at or below 200% of poverty

Responsibilities of RMS Participants

- Make monthly savings deposits of at least \$20.00
- Save in the program for at least 6 months
- Participate in personal finance and career training
- Work to meet individual training and employment goals
- Maintain regular contact with program representatives



Rural Minnesota Saves Can Make College or Job Training More Affordable

Receive up to \$3,000 for College, Career Training, and Employment Expenses!

Rural Minnesota Saves will help qualified, low-income families save for post-secondary education or career training in order to gain employment at high-demand, high-wage fields. If you've already completed some education, this program can help you with employment-related expenses such as a computer, childcare, books, clothing or tools. For every \$1 you save, you will earn a \$6 match. Save up to \$300, and get up to \$1,800 more in matching funds!

Your family must be eligible if:

1. You or a member of your household earned less than \$12,000 in 2007.
2. You are a Minnesota resident.
3. You are a U.S. citizen or permanent resident.
4. You are at least 18 years old and not currently in high school.
5. You are not currently receiving financial aid from any other source.
6. You are not currently receiving TANF or other public benefits.
7. You are not currently receiving any other financial assistance for education or training.

What is required of you?

1. Make monthly savings deposits of at least \$20.00.
2. Save in the program for at least 6 months.
3. Participate in personal finance and career training.
4. Participate in career counseling and other additional training and employment goals.
5. Maintain regular contact with program representatives.

When you have reached your goal, Rural Minnesota Saves will award your savings and up to \$1,800 more, up to \$3,000. Expenses eligible for matching funds are listed below.

Let us help you achieve your goals.
Call Rufus Cole at 855.521.1867 for more information or to have an application sent to you.

Expense Category	Maximum Allowable Expense
Books	\$1,000
Childcare	\$1,000
Computer	\$1,000
Employment-Related Expenses	\$1,000
Tools	\$1,000
Transportation	\$1,000
Training	\$1,000
Other	\$1,000
Total	\$7,000

Program Flyer

Ideas on How to Start an IDA Program at your Credit Union

- Research programs in your area and address an unmet need
- Partner with organizations you already have a relationship with
- Apply for grant funding through NCUA
- Offer services to existing IDA programs
- Attend the CFED Conference in Washington D.C. this September

IDA Program Resources

- CFED: www.cfed.org
- Alternatives Federal Credit Union: www.alternatives.org
- The Aspen Institute: www.aspeninstitute.org
- The Annie E. Casey Foundation: www.aecf.org
- Assets for Independence (AFI) Program: www.acf.hhs.gov/programs/ocs/afi/

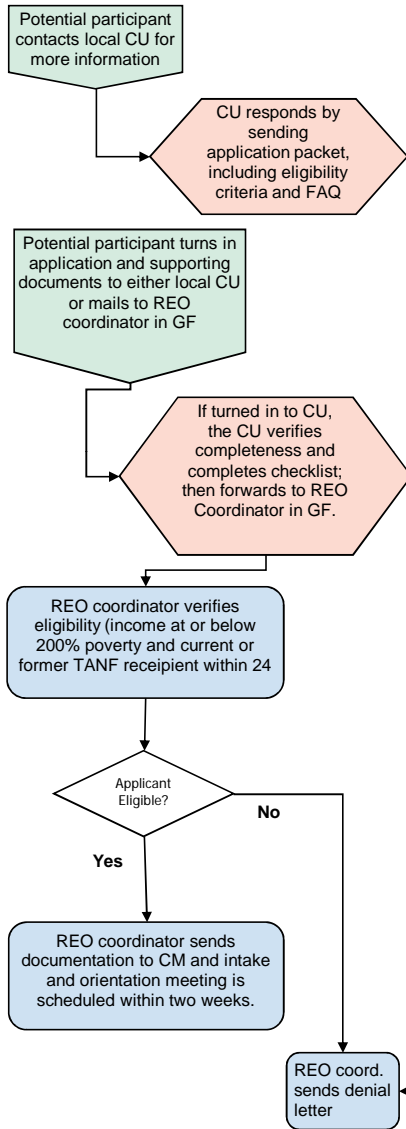
Questions?

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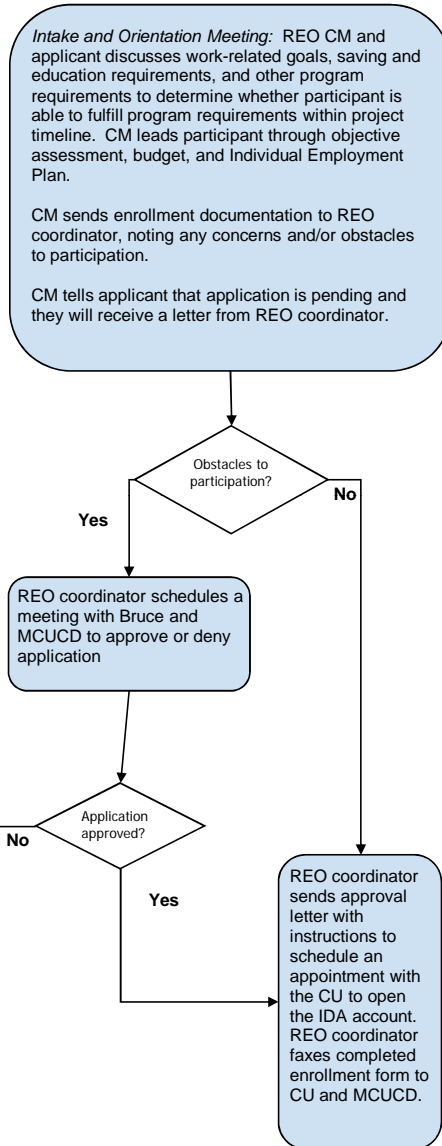


Rural Montana Saves Flowchart

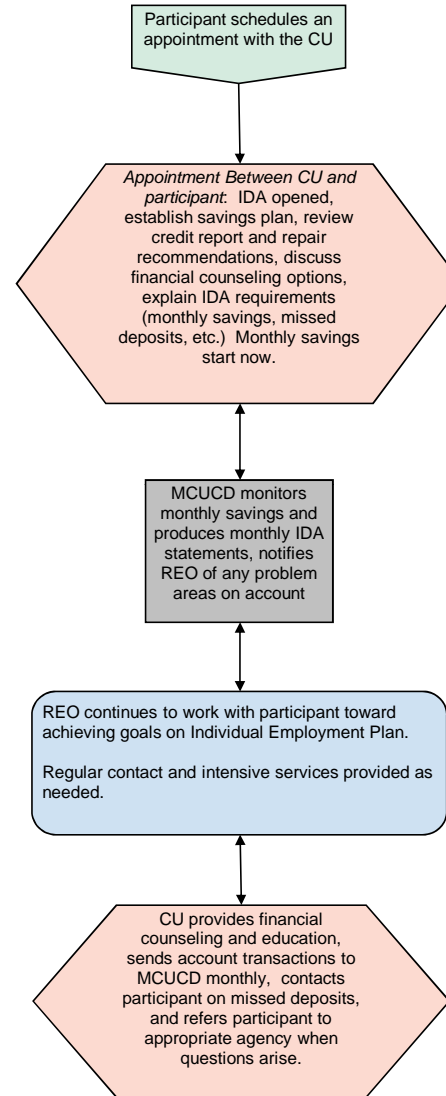
RECRUITMENT AND ELIGIBILITY PHASE



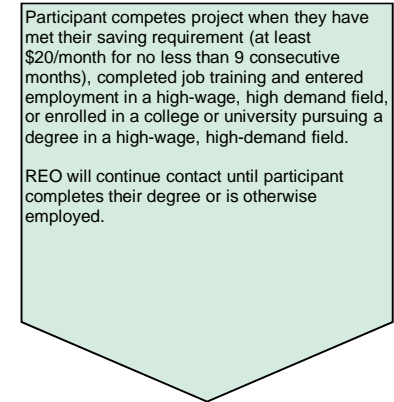
ENROLLMENT AND ORIENTATION PHASE



PARTICIPATION PHASE



COMPLETION PHASE



KEY:

