

Individual Development Accounts (IDAs)—matched savings accounts that reward the monthly savings of working-poor families who are building towards purchasing an asset, most commonly a first home, paying for post-secondary education, or starting a small business—have been in federal law since 1998. Since then, bills to bring IDAs, as well as newer forms of matched savings accounts (e.g., KIDS Accounts), to scale have progressed in both houses of Congress.

105th Congress

1998 October 27 Assets for Independence Program Created at Health and Human Services: Public Law 105-285, Community Opportunities, Accountability, and Training and Educational Services Act of 1998 signed into law, creating the first federally-funded, targeted IDA program authorizing \$125 million to establish a federal IDA demonstration. Section 407(b)(2) authorizes IDAs as part of the reauthorization of the Community Services Block Grant.

Lead sponsors: Senators Coats (R-IN), Kennedy (D-MA), Dodd (D-CT), and Jeffords (then R-VT)
House Reports: No. 105-788 (Comm. of Conference).
Senate Reports: No. 105-256 (Comm. on Labor and Human Resources).
Congressional Record: Vol. 144 (1998).

106th Congress

1999 \$840 million IDA tax credit passed the Senate Finance Committee as part of major tax overhaul bill introduced by Senator Moynihan (D-NY), the Taxpayer Refund Act of 1999. IDAs, however, were dropped in conference committee with the House because House had not considered the provision. Overall bill was vetoed by President Clinton.

October The Office of Refugee Resettlement (ORR) makes first round of grants to provide IDAs to refugees. The objectives of the ORR IDA Program are to increase the ability of low-income refugees to save; promote their participation in the financial institutions of this country; assist refugees in advancing their education; increase home ownership; and assist refugees in gaining access to capital. Up to \$2,000 per individual refugee and \$4,000 per refugee household is available with no more than a \$1 to \$1 match. Sixteen grantees received 5.3 million in FY 2000.

Assets for Independence Act (AFIA) funded: U.S. Department of Health and Human Services received \$10 million for first year of AFIA.

2000 IDA tax credit legislation introduced in both houses of Congress as stand-alone legislation, titled the Savings for Working Families Act. Senators Santorum (R-PA) and Lieberman (D-CT) introduced S. 2023 and S. 895. Representatives Pitts (R-PA) and Stenholm (D-TX) introduced H.R. 4106.

Bills were later incorporated into President Clinton's and Speaker Hastert's (R-IL) New Markets/American Community Renewal initiative, which was signed into law in late 2000. However, the IDA provision was removed in the final hours of the House-Senate conference committee by retiring House Ways and Means Chairman Bill Archer (R-TX)—based on a philosophical opposition to providing tax credits to individuals who do not pay substantially into the income tax system. Then-Senate Majority Leader Lott (R-MS) asked IDA sponsor Senator Santorum (R-PA) to let go of the provision; in return, Lott offered help with IDAs in the coming year. (The provision was pulled out so late in the process that the Senate Finance Committee's New Markets press release the next morning contained the IDA provision.)

June 30 AFIA amendments signed into law: Congress and President Clinton approved an important set of amendments to AFIA (S. 3214) (Public Law 105-285, Title IV), which CFED helped draft based on input from the IDA field. Amendments expanded eligibility for AFIA-funded IDAs and aligned AFIA program with current IDA practice.

AFIA funded at \$10 million.

107th Congress

2001 March 21 Senators Lieberman (D-CT) and Santorum (R-PA) introduced the Savings Opportunity and Charitable Giving Act of 2001 (S. 592), which included the IDA tax credit. The bill had 27 cosponsors.

March 29 J.C. Watts (R-OK) and Tony Hall (D-OH) introduced the Community Solutions Act (H.R. 7), which included IDA Tax Credit. The bill had 44 cosponsors.

June 13 Representatives Pitts (R-PA) and Stenholm (D-TX) introduced the Savings for Working Families Act of 2001 (H.R. 2160), a stand-alone version of the IDA tax credit. The bill had 52 cosponsors.

June 13 Senators Santorum (R-PA), Lieberman (D-CT), Johnson (D-SD) and Stabenow (D-MI) introduced the Savings for Working Families Act of 2001 (S. 1025), a stand-alone version of the IDA tax credit.

July 19 The Senate passed The Community Solutions Act of 2001 (S. 592).

The Office of Refugee Resettlement IDA program announced 13 new grantees for FY 2001 and provided \$10 million in new and continuation funding.

AFIA fully funded at \$25 million.

2002 February 8 Senators Santorum (R-PA) and Lieberman (D-CT) introduced the Charity Aid, Recovery and Empowerment (CARE) Act (S. 1924), which included the IDA Tax Credit. The bill had 27 co-sponsors.

July 19 The House passed the Community Solutions Act of 2001 (H.R. 7) by a vote of 233-198. Ways and Means Chairman Bill Thomas (R-CA) changed the IDA provision during House-Senate committee consideration from an IDA tax credit to double-funding for the IDA discretionary program, AFIA.

AFIA fully funded at \$25 million.

108th Congress

2003 January President Bush included the CARE Act as a top priority during the State of the Union Address.

January 30 Senators Santorum (R-PA) and Lieberman (D-CT) introduced the Charity Aid, Recovery, and Empowerment Act of 2003 (S. 272/S. 256).

April 9 The Charity Aid, Recovery and Empowerment (S. 476) passed by the Senate 95-5 [Recorded vote number 128].

May 7 Representative Blunt (R-MO) introduced the Charitable Giving Act of 2003 (H.R. 7), which included the IDA Tax Credit. The bill had 87 co-sponsors.

September 17 The Charitable Giving Act of 2003 (H.R. 7) passed the House by a vote of 408-13.

The Office of Refugee Resettlement IDA program issued grants to 20 new grantees. With new and continuation funding totaling \$18.4 million, ORR continued to fund new and existing grantees.

2004 July 22 Senators Santorum (R-PA) and Corzine (D-NJ) introduced the America Saving for Personal Investment, Retirement, and Education (ASPIRE) Act of 2004 (S. 2751) to create IDA-like accounts for children, or "KIDS Accounts."

July 22 Representatives Ford (D-TN), English (R-PA), Petri (R-WI), and Kennedy (D-RI) introduced the ASPIRE Act of 2004 (H.R. 4939).

109th Congress

2005 January 24 IDAs included in Senate Republican priorities for 109th Congress, in the Marriage, Opportunity, Relief, and Empowerment Act of 2005 (S. 6), CARE Act provision Title III, Subtitle E.

April 21 Senators Santorum (R-PA), Corzine (D-NJ), Schumer (D-NY), and DeMint (R-SC) introduced the America Saving for Personal Investment, Retirement, and Education (ASPIRE) Act of 2005 (S. 868).

April 21 Representative Ford (D-TN) introduced the America Saving for Personal Investment, Retirement, and Education (ASPIRE) Act of 2005 (H.R. 1767).

April 27 Senators Lieberman (D-CT) and Santorum (R-PA) introduced the Savings for Working Families (S. 922) as a stand-alone bill.

July 24 Senate Appropriators created a \$1.5 million earmark for Marriage Development Accounts—matched savings accounts for married couples and youth in the District of Columbia (S. 1446, Committee Report 109-106).

September 28 Senators Santorum (R-PA) and Lieberman (D-CT) introduced S. 1780, a revised CARE Act including the Savings for Working Families Act (S. 922) as Title V.

2006 February 14 The Savings for Working Families of 2006 (H.R. 4751) introduced by Representatives Pitts (R-PA), English (R-PA), Hart (R-PA), Tubbs Jones (D-OH), McIntyre (D-NC), and Harman (D-CA). It gained a record-high 68 co-sponsors. The bill remains highly bi-partisan, with 35 Democrats and 33 Republicans supporting the bill. It is identical to S. 922.

The Office of Refugee Resettlement IDA program awarded eight new grantees \$1.6 million in new funding.

110th Congress

2007 March 14 The Savings for Working Families Act of 2007 (H.R. 1514 & S. 871) was introduced by Representatives Tubbs Jones (D-OH), Pitts (R-PA), Emanuel (D-IL), English (R-PA), McIntyre (D-NC), and Brady (R-TX). The Senate version was introduced by Senators Lieberman (D-CT), Bunning (R-KY), Kerry (D-MA), Snowe (R-ME), Lincoln (D-AR), and Collins (R-ME). The bill had 100 cosponsors in the House and 27 in the Senate. The bill remains bipartisan with 75 Democrats, 51 Republicans, and one Independent.

April 18 Senators Bingaman (D-NM) and Smith (R-OR) introduced the Automatic IRA Act of 2007; Congressman Neal (D-MA) and English (R-PA) introduced the House version on May 3, 2007. The bipartisan legislation would extend payroll-based retirement saving opportunities to a majority of the 75 million employees currently without access to a retirement plan. Employers who do not sponsor a retirement plan would enable direct-deposit payroll deductions to an IRA and receive temporary tax credits to offset administrative costs. The proposed law would apply to employees in business for more than two years and with more than 10 employees.

May 23 The Beginning Farmer and Rancher Opportunity Act of 2007 (S. 1460) introduced by Senators Harkin (D-IA), Grassley (R-IA), Brown (D-OH) and Baucus (D-MT). The legislation would

match the savings of beginning farmers towards the purchase of farming or ranching equipment, supplies, training, livestock, land, building or other necessary items. Business assistance is also provided to savers. *The Food, Conservation and Energy Act of 2008*, enacted as P.L. 110-234 on May 14, 2008, authorized \$25 million in Federal funding for five years.

June 14 Senator Rahm Emanuel (D-IL) introduced the Retirement Savings for Working Americans Act (H.R. 2724) which would provide a 50% match to households earning less than \$30,000 for a single or \$60,000 for joint filers who save up to \$2,000 in a retirement or 529 College Savings Account or Coverdell. The bill also provides an annual match (up to \$500) on eligible investments made by low-income taxpayers.

August 2 Senators Clinton (D-NY) and Smith (R-OR) introduced The New Saver's Act (S. 1967). The bill proposes to increase opportunities for low-wealth families to access the financial services industry; expand the Saver's Credit; create a Young Saver's Account; and promote the use U.S. savings bonds.

September 19 The Creating Access to Rides Act (H.R. 3599), introduced by Representative Moore (D-WI), expands IDAs to assist low-income families in purchasing dependable and affordable automobiles

October 3 Representatives Kennedy (RI), Cooper (TN), Emanuel (D-IL), English (R-PA), and Petri (WI) introduce The ASPIRE Act of 2007 (H.R. 3740).

November 13 The Focusing Investments and Resources for a Safe Transition Act, also known as the FIRST Act (S. 2341), was introduced by Senators Clinton (D-NY), Landrieu (D-LA), and Rockefeller (D-WV). The bill is cosponsored by Senators Boxer (D-CA), Isakson (R-GA), and Johnson (D-SD). The FIRST Act provides a matching account program for eligible foster youth to assist them in achieving self-support for housing, education, vocational training and specified other purposes after leaving foster care.

AFIA funded at \$24 million

2008

The Office of Refugee Resettlement (ORR) awarded 22 grants in 19 states totaling \$4.6 million to help refugees build wealth, attain financial self-reliance and ease their integration into American Society. The grants range from \$180,000 to \$280,000 over a 60-month project period.

May Republican leaders in the House endorsed the Savings for Working Families Act (SWFA) as part of the broad GOP legislative agenda. The Republican plan touted the bill to create matched savings accounts for low-income families as a significant measure to grow small businesses to strengthen American families' financial stability.

May 22 The Beginning Farmer and Rancher IDA (BFRIDA) program was authorized in the 2008 Farm Bill, *The Food Conservation and Energy Act of 2008* (P.L. 110-234), to provide savings incentives

and financial education to 4,000 agricultural entrepreneurs. BFRIDA provides IDA Savers with a 2:1 match ratio, up to \$6,000, to be used for the purchase of farming or ranching equipment, supplies, training, livestock, land, building, etc. Funding is yet to be appropriated.

The 2008 Farm Bill (P.L. 110-234) exempted tax-preferred savings accounts in asset limits for Food Stamps. Exempting accounts such as IRAs, Coverdells, and 529 College Savings Accounts, reformed what had been a strong savings disincentive for working families.

July 31 Senator Menendez (D-NJ) introduced the Saver's Bonus Act of 2007 (S. 3372). The bill promotes savings by providing a match for eligible tax filers who contribute to designated savings products such as IRAs 401(k)s, 529 College Savings Plans, Coverdells, CDs and savings bonds. The bill also facilitates tax filers' ability to receive the match by including the option to open a bank account during the Federal income tax filing process.

September 11 As part of the Assets Learning Conference, CFED hosted the first-ever CFED Advocacy Day. More than 350 Assets Advocates marched on to Capitol Hill to visit with Representatives, Senators and staff members from nearly 250 Congressional offices! Advocates thanked lawmakers for their support of asset-building legislation, shared stories of the success and impact of programs and urged them to support other measures to advance economic opportunity for all Americans.

AFIA funded at \$24 million

111th Congress

2009 April President Obama's FY 2010 budget request included \$24 million for the Assets for Independence Program. The president's request also included \$5 million – full funding – for the Beginning Farmer and Rancher Individual Development Account program.

May 6 The Savings for Working Families Act of 2009 (S. 985/H.R.2277) was introduced by Senators Lincoln (D-AR), Bunning (R-KY), Lieberman (ID-CT), Kerry (D-MA), Snowe (R-ME) and Collins (R-ME) and Representatives Pomeroy (D-ND), Pitts (R-PA), Schwartz (D-PA) and Brady (R-TX). The bipartisan, bicameral legislation expanded the IDA tax credit proposal to provide funding for at least 2.7 million accounts (previously 900,000) and increase funding to nonprofits to provide financial education from \$20 million to \$120 million.