



cfed
expanding economic opportunity

2009-2010 IDA Program Survey

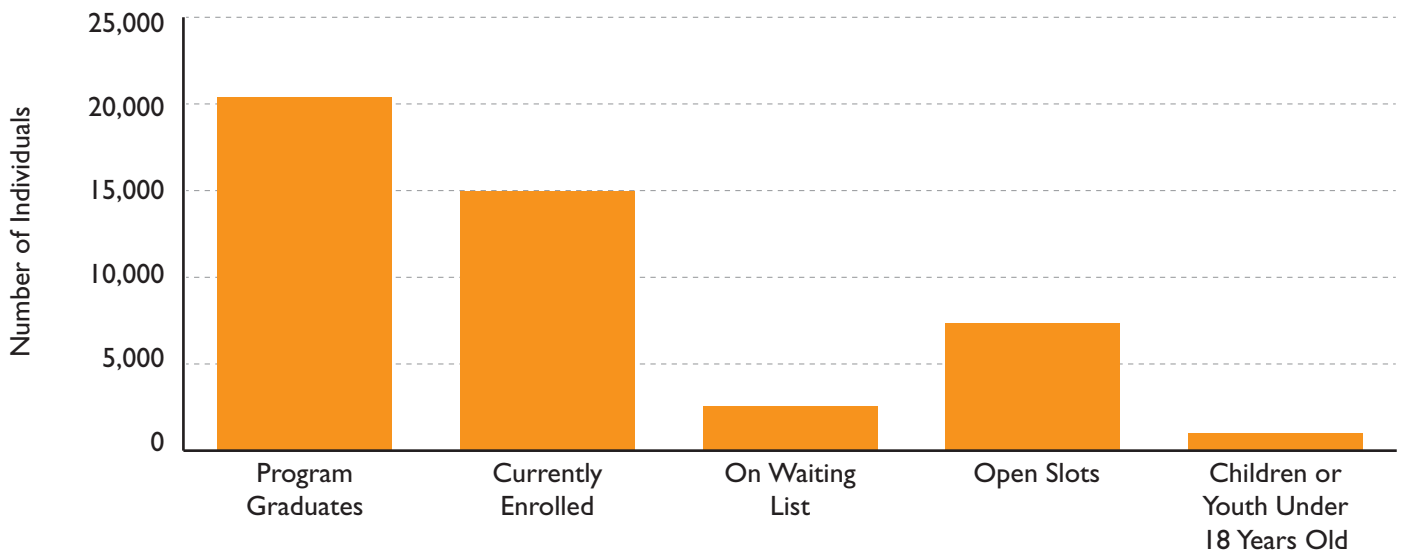
CFED was an early leader in the practice and growth of Individual Development Accounts (IDAs) as a practice, and later as a federal and state policy strategy to promote economic security. IDAs can be viewed as a social innovation that has been proven to expand economic opportunity by creating assets for low-income households. To inform the IDA field and to gauge the powerful, life-changing impact of asset building, CFED conducts regular surveys of IDA programs across the country.

This report to the field will spotlight key findings of the 2009-2010 IDA Program Survey. These survey results paint a picture of key aspects of the IDA field, with information on accountholders, common asset purchases and funding sources, as well as the unmet needs and resources of the field.

Accountholder Information

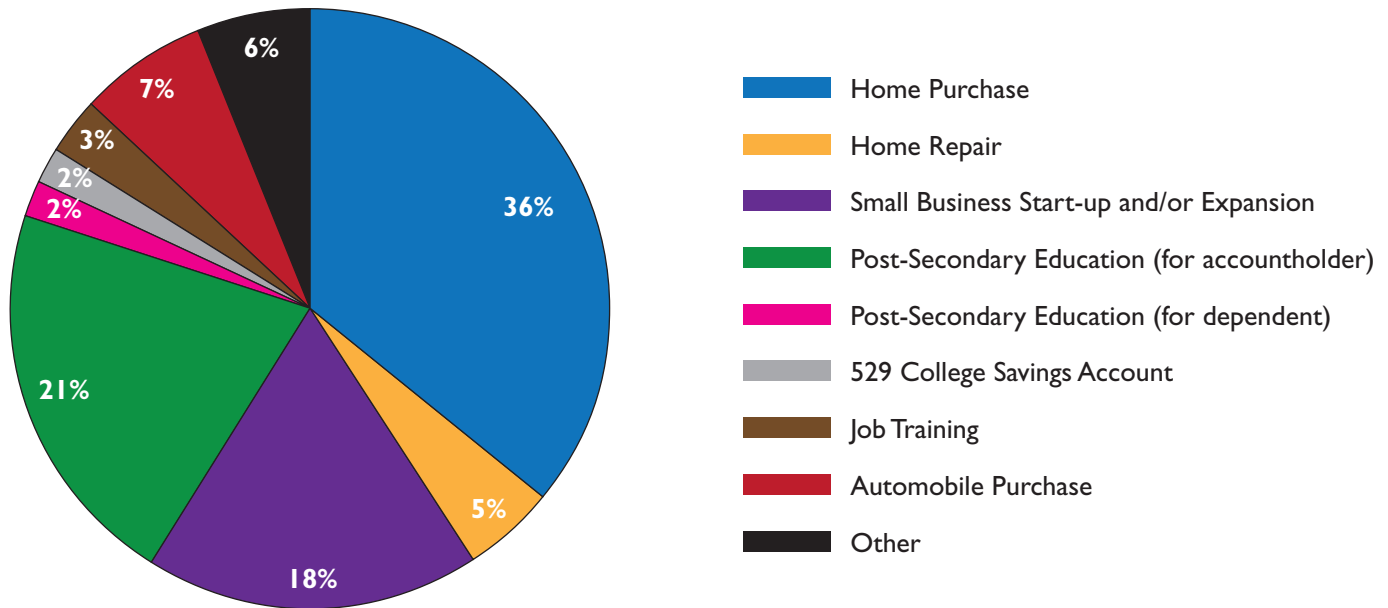
Over 300 IDA programs completed the 2009-2010 IDA Program Survey, including 13 collaboratives representing 152 organizations. To date, over 20,000 participants have graduated from the surveyed IDA programs, while approximately 15,000 accountholders are currently enrolled in IDA programs.

Chart 1: Number and Categories of Individuals in IDA programs



As seen in Chart 2 below, the most common asset purchase using an IDA, making up 36% of all asset purchases, is for a home purchase. Accountholders have also frequently used their IDAs to fund postsecondary education or to start or expand a small business, making up 21% and 18% of all asset purchases, respectively. Other asset purchases included automobile purchases, home repair and job training. Participants who withdrew from the program without making an asset purchase exited due to economic hardship, insufficient income, job loss or moving.

Chart 2: Types of Assets Purchased with IDAs



Follow-Up with Program Graduates

A majority of programs do not have the capacity to track graduates after they exit the program. Programs that do track graduates don't do so uniformly, which limits the conclusions we can make from this data. Those who tracked their graduates did so over a range as short as 6 months to as long as 10 years, using a variety of outreach mechanisms, including e-mail, phone calls, site visits, surveys, mailings, meetings, events, financial coaching and credit checks. Six out of every 10 programs also reported offering additional services to program graduates as needed, including counseling, networking, providing referrals, workshops, continuing education and tax preparation.

Homeownership

Of the programs offering IDAs for homeownership, 60% do not currently have policies or guidelines that restrict the types of mortgages accountholders can purchase with IDA funds. The programs that do have policies in place have either had the guidelines since the inception of their program or have adopted such policies in the last 3-4 years. Programs tracking information about home purchases most often track the source of downpayment assistance, then the type of loan and the interest rate.

Education

The significant majority of programs surveyed do not have any data on the number of participants that have attained a postsecondary degree or certification after using their IDAs for education. Among the programs that do collect that information and of those accountholders who used their IDAs for education, 65% obtained a degree. In order to prepare participants to pursue postsecondary education, programs most frequently offered counseling or training that included assistance with completing the Free Application for Federal Student Aid (FAFSA), pre-college curriculum, education workshops, assistance identifying loan or scholarship opportunities, referrals and SAT preparation.

Microenterprise/Small Business

Survey respondents estimate that approximately 2,484 jobs were created through microenterprise or small businesses started with IDAs.

Funding Sources

IDA programs can receive funding from a variety of public and private sources. As seen in the chart below, the vast majority of the public funding for the surveyed programs is secured from the Assets for Independence Program, housed in the office of Community Services with the U.S. Department of Health and Human Services. Other significant matching and operating funding sources include state grants or funding and local or municipal grants or funding.

Chart 3: Public Funding Sources – Operating Expenses

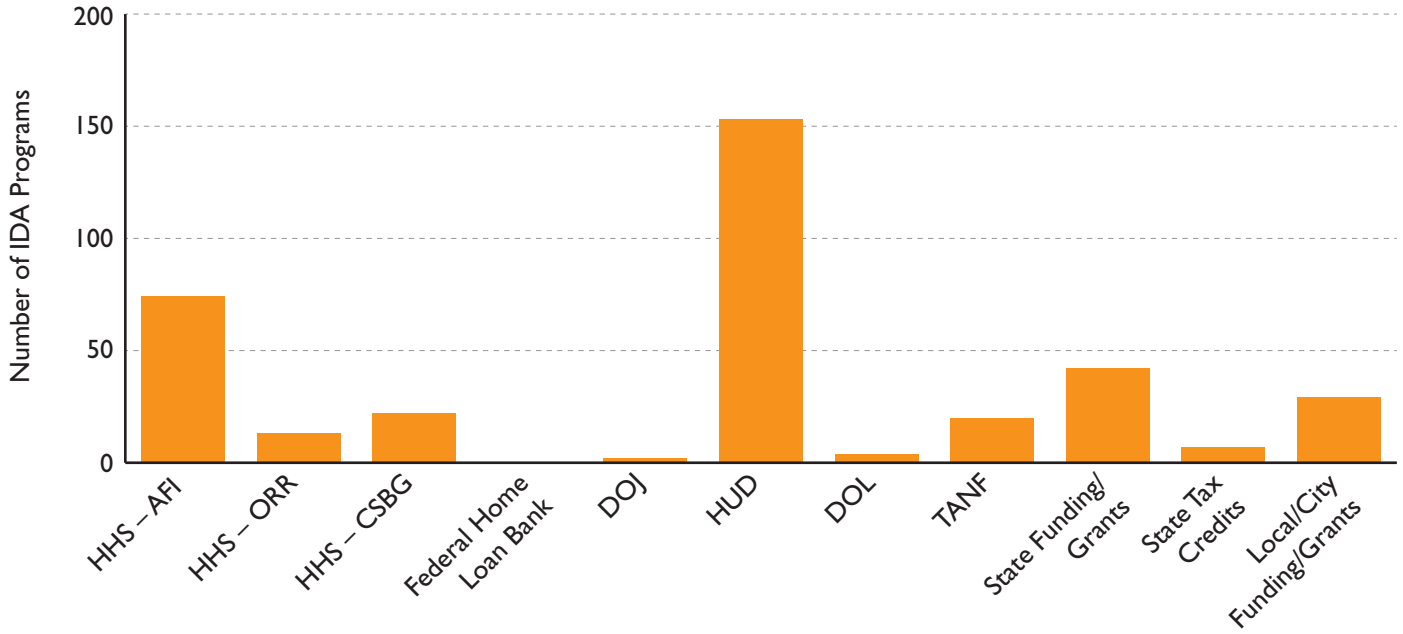
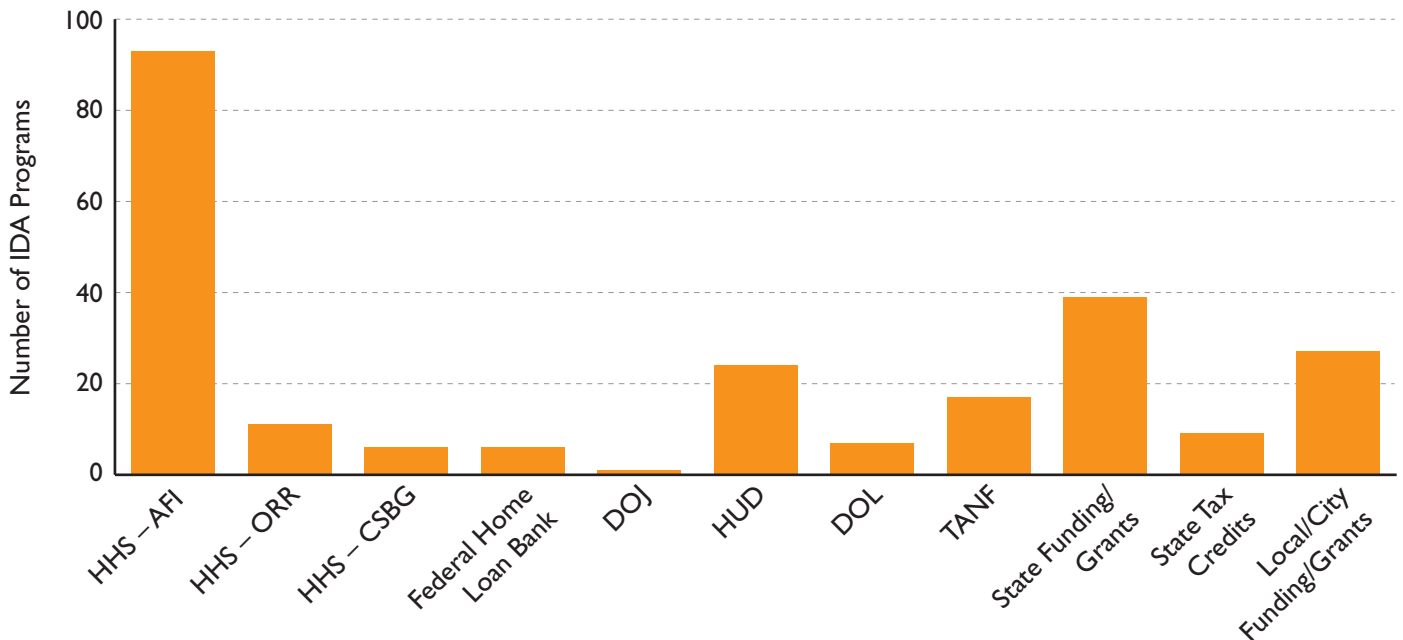


Chart 4: Public Funding Sources – Match



Although there are many sources of private funding for IDA programs, there were a few key sources most often tapped by the survey respondents. Banks and financial institutions were the most-cited private funding source for operating and matching dollars, followed closely by private foundations.

Chart 5: Private Funding Sources – Operating Expenses

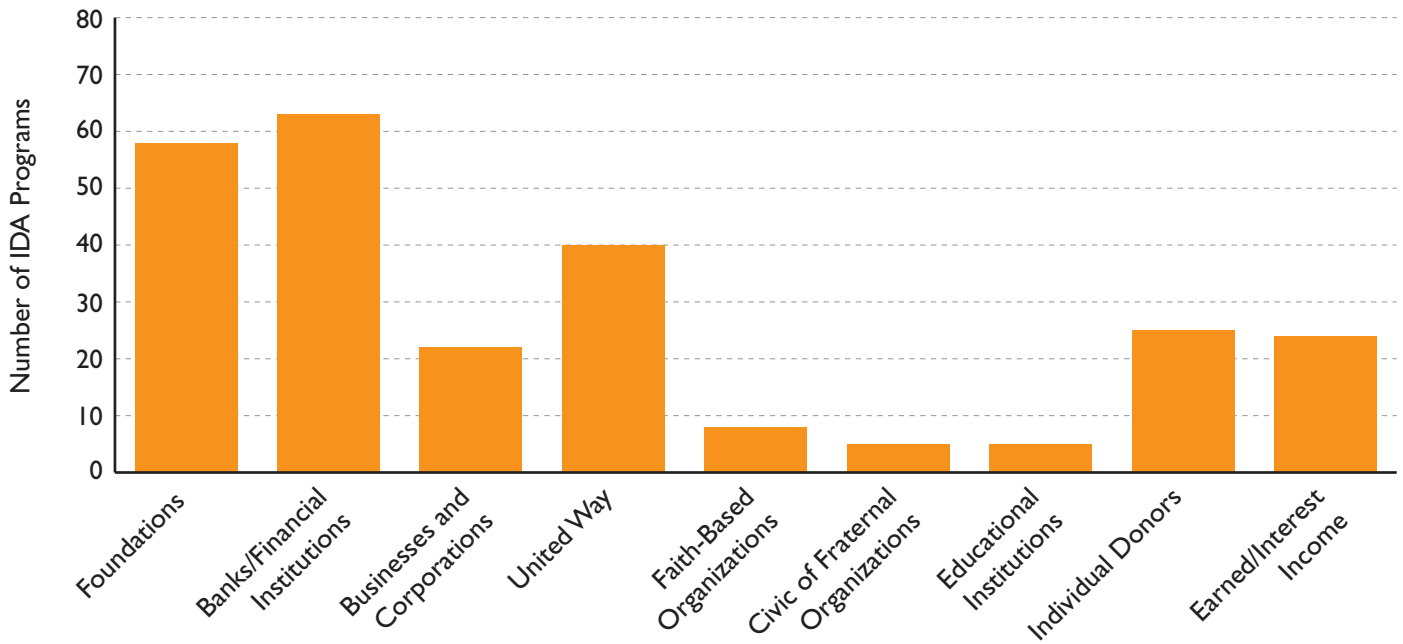
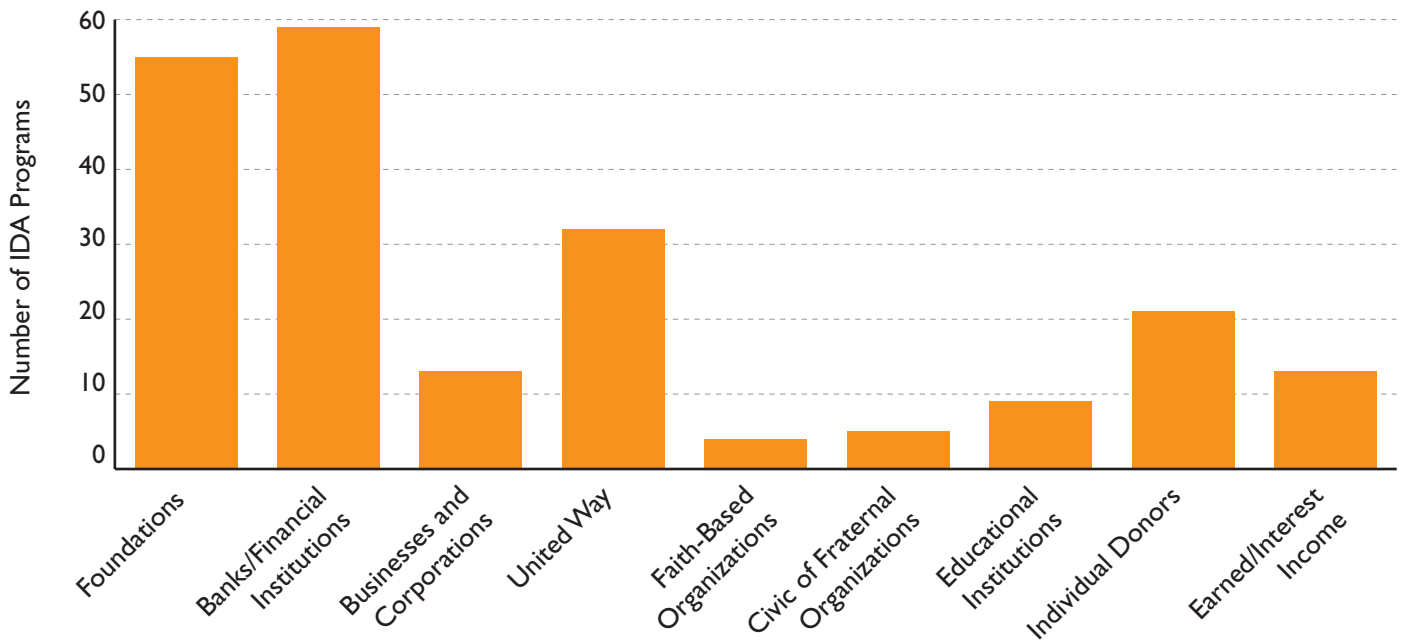
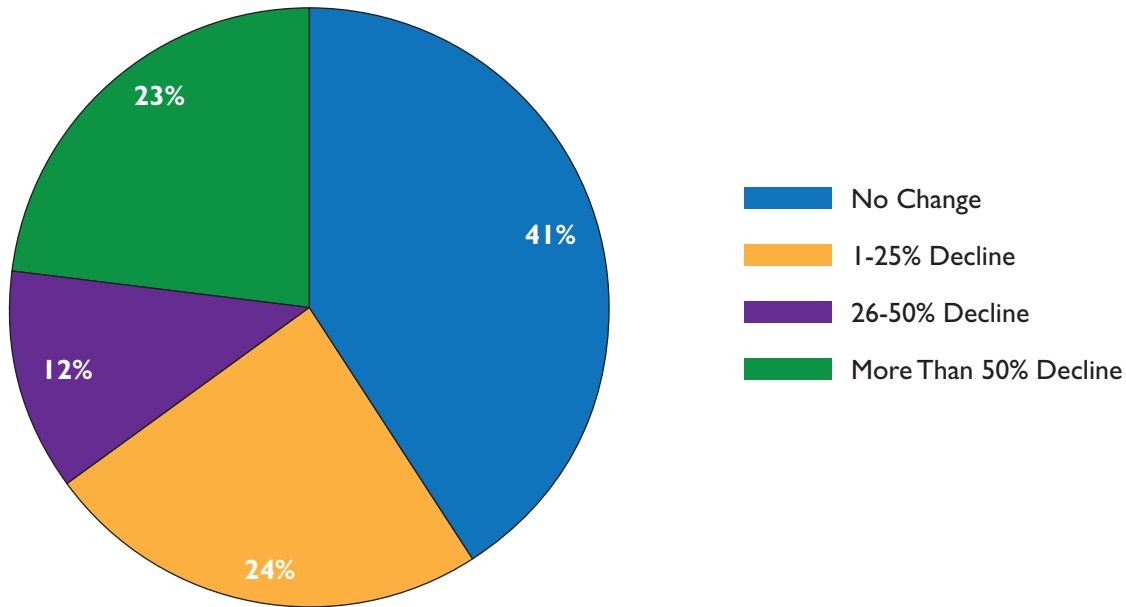


Chart 6: Private Funding Sources – Match



The economic downturn has put pressure on state and private funding for IDA programs. As seen in the chart below, more than 50% of programs have experienced some decline in state or private funding in the year prior to their participation in the survey in August 2009.

Chart 7: Extent of State or Private Funding Decline, 2008-2009



Additional Resources and Technical Assistance

The IDA programs surveyed indicated several areas where additional resources could help them be more successful. The most-cited area was the need for additional non-federal match funds, followed by the need for additional program staff. Other key areas included increased public awareness and a lower match to obtain federal funds. The IDA programs also indicated the types of technical assistance that would benefit their organizations, citing fundraising, staff training, and program design or expansion among the program's most critical technical assistance needs. As the results of this survey illustrate, the needs of the IDA field are still substantial.