

Individual Development Accounts (IDAs) are special savings accounts that match the deposits of low- and moderate-income people. They are a social innovation that has been proven to expand economic opportunity by creating assets for low-income households. For every dollar saved in an IDA, savers receive a corresponding match which serves as both a reward and an incentive to further the saving habit. Savers agree to complete financial education classes and use their savings for an asset-building purpose – typically for post-secondary education or job training, home purchase, or to capitalize a small business. IDAs are offered through partnerships between financial institutions (such as banks and credit unions) and local nonprofit organizations, or program sponsors.

CFED was an early leader in the development and testing of IDAs, and in promoting the first generation of federal and state policy strategies to expand the reach of IDAs. In recent years, CFED has continued to provide leadership in the field by publishing research on IDAs, providing field services and other direct support to IDA practitioners, connecting potential accountholders to local IDA programs, and advocating for IDAs at the federal and state levels. To inform the IDA field and to gauge the powerful, life-changing impact of asset building, CFED also conducts regular surveys of IDA programs across the country.

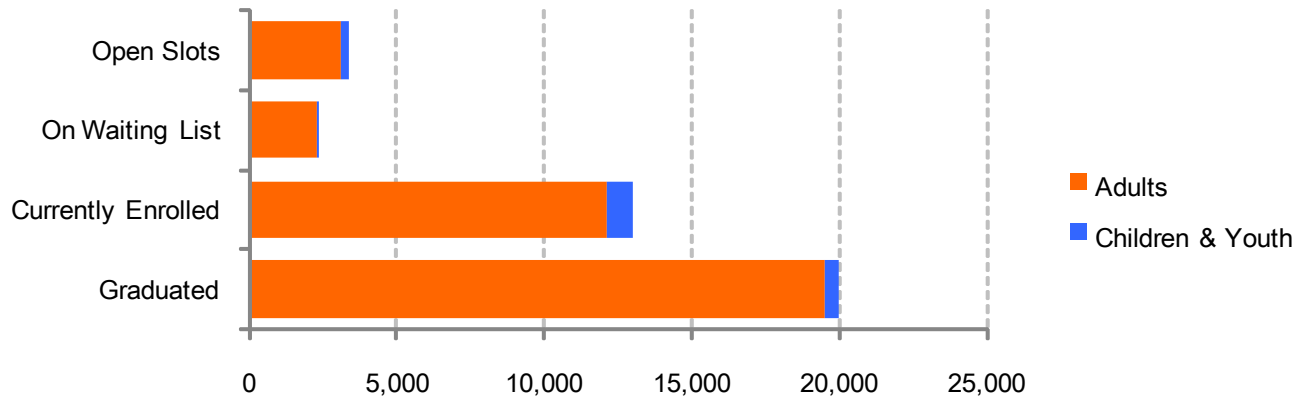
This report to the field will spotlight key findings of the 2010-2011 IDA Program Survey. These survey results paint a picture of key aspects of the IDA field, with information on accountholders, common asset purchases, and funding sources, as well as the unmet needs and resources of the field. It should be noted that this survey is a sample of IDA programs and does not include responses from every IDA program in the United States.

In addition to CFED's IDA Program Survey, other sources of data about IDA programs are available, most notably the AFI Report to Congress. IDA programs that receive funding from the Assets for Independence (AFI) program are required to report outputs and outcomes to the Office of Community Service. The results of this reporting are summarized in the [AFI Report to Congress](#). The vast majority of IDA programs receive AFI funding, so the AFI Report to Congress represents a fairly comprehensive survey of the field.

CFED collected data for the 2010-2011 IDA Program Survey by circulating it broadly among the IDA community, including posting the survey to the IDANetwork listserv, e-mailing practitioners directly, working with IDA collaboratives to complete the survey on behalf of member programs, and asking the field to help disseminate the survey. To incentivize completion, CFED entered practitioners who complete the survey into a drawing for gift cards from Amazon.com. However, completing the survey is voluntary, and as a result, the survey does not include responses from all active IDA programs.

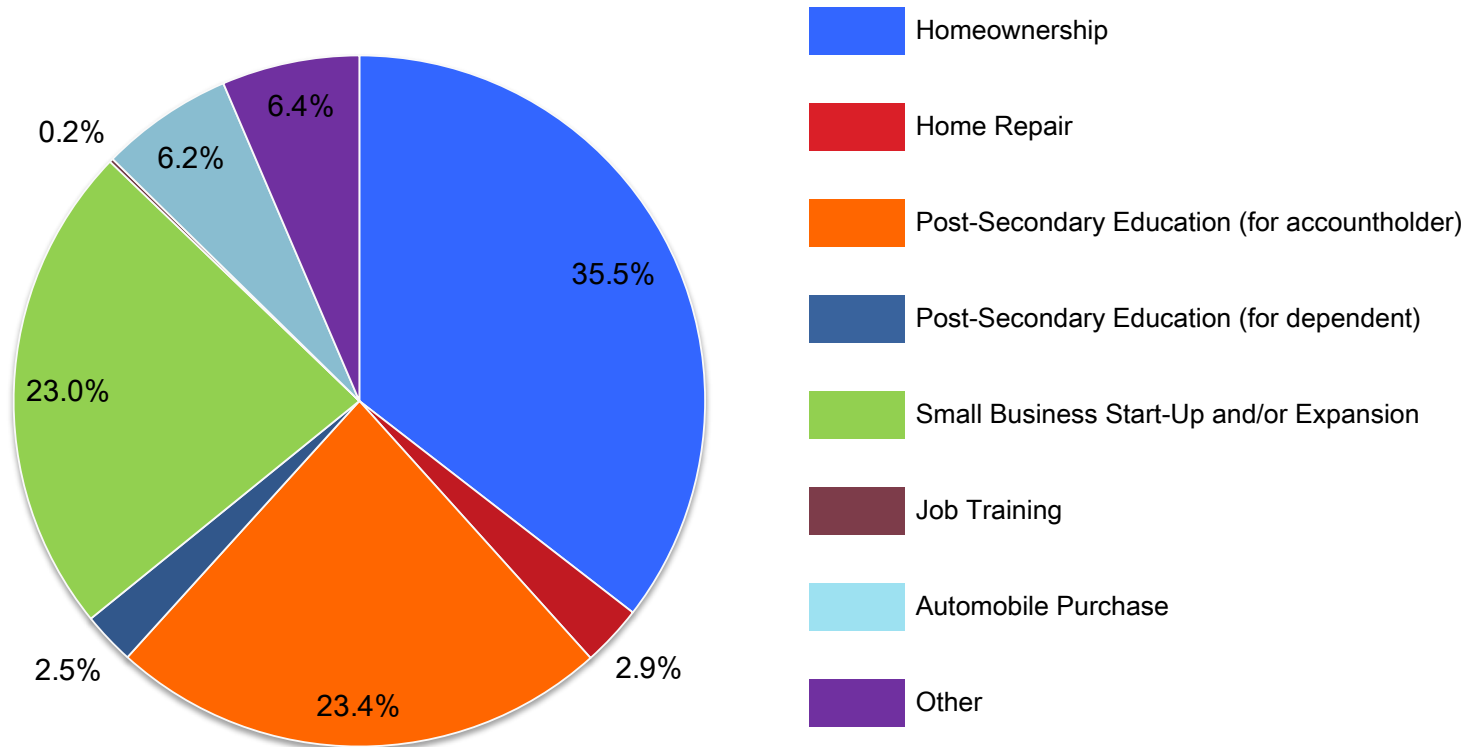
Accountholder Information Over 100 IDA programs completed the 2010-2011 IDA Program Survey, including 17 collaboratives representing 275 IDA-providing organizations. Therefore, the survey represents responses from over 350 IDA programs. To date, almost 20,000 participants have graduated from the responding IDA programs, while approximately 13,000 accountholders are currently enrolled in IDA programs. 2.5% of participants who graduated are children or youth, and 7.2% of current accountholders are children or youth.

Chart 1: Number and Categories of Individuals in IDA Programs



As seen in Chart 2 below, homeownership is the most common use for IDAs, making up 35.5% of all asset purchases. Accountholders have also frequently used their IDAs to fund postsecondary education or to start or expand a small business, making up 25.9% and 23.0% of all asset purchases, respectively.¹ Other asset purchases included automobiles, 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



¹This is not surprising given that the federal Assets for Independence program, the largest source of funding for IDAs nationally, allows IDAs to be used for homeownership, small business, and education.

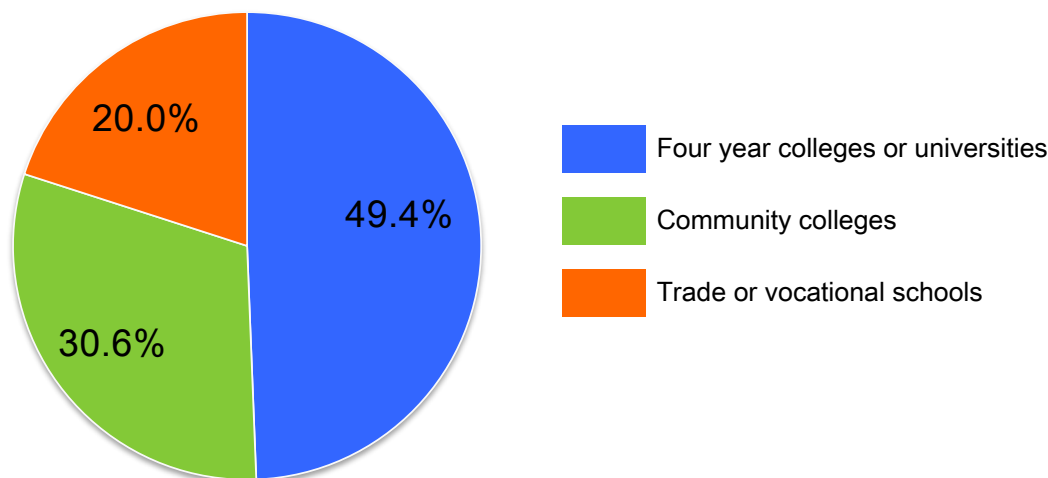
Program Target Population 52.7% of respondents report that their program serves a specific population or target group. Specific target groups include immigrants (8.2% of programs), people with disabilities (10.9% of programs), women (15.5% of programs), and children and youth under 18 (10.0% of programs). Other specific target groups include homeless individuals and families, ex-offenders, survivors of domestic violence, families of migrant farm workers, refugees, and residents of public housing projects.

Follow-Up with Program Graduates 52.4% of responding IDA programs track graduates after they exit the program. Those who track their graduates do 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. Approximately four out of every 10 programs also report offering additional services to program graduates as needed, including counseling, networking, providing referrals, workshops, continuing education, and tax preparation.

Homeownership 90% of responding IDA programs offer IDAs for homeownership. Of these, 48% have policies or guidelines that restrict the types of mortgages accountholders can use to purchase a home with IDA funds. Research suggests that these restrictions may help steer IDA participants toward lower-cost, higher-quality prime mortgages, and ultimately help them maintain successful homeownership and avoid foreclosure.²

Education 74% of responding IDA programs offer IDAs for postsecondary education and/or job training. The majority of these programs track the type of postsecondary education that accountholders plan to attain. The majority of accountholders are pursuing postsecondary education from four-year colleges or universities, followed by community college and then trade or vocational school.

Chart 3: Postsecondary Education Pursuits



Microenterprise/Small Business 75% of responding IDA programs offer IDAs for small business and microenterprise. Respondents estimate that approximately 2,757 jobs have been created in their communities through microenterprises or small businesses started with IDAs.

Other Allowable IDA Uses 18% of responding IDA programs offer IDAs for home repair, 22% offer IDAs for automobiles, and 4% offer IDAs for retirement. Other uses include computers, assistive technology, credit building and repair, debt remediation, rent payments, major household appliances, medical expenses and expenses related to attaining U.S. citizenship.

² Rademacher, I., et al. *Weathering the Storm: Have IDAs Helped Low-Income Homebuyers Avoid Foreclosure?* Washington, DC: CFED and The Urban Institute, April 2010.

Funding Sources IDA programs can receive funding from a variety of public and private sources.

Approximately 82% of responding programs receive some form of **federal funding**. The majority of this funding comes from the Assets for Independence program, which requires a dollar-for-dollar non-federal match. In addition, a smaller number of programs receive grants from the Office of Refugee Resettlement. Approximately 10% of programs reported that their receipt of federal funding had decreased over the past year, while 7.5% of programs reported that they had increased their federal funding.

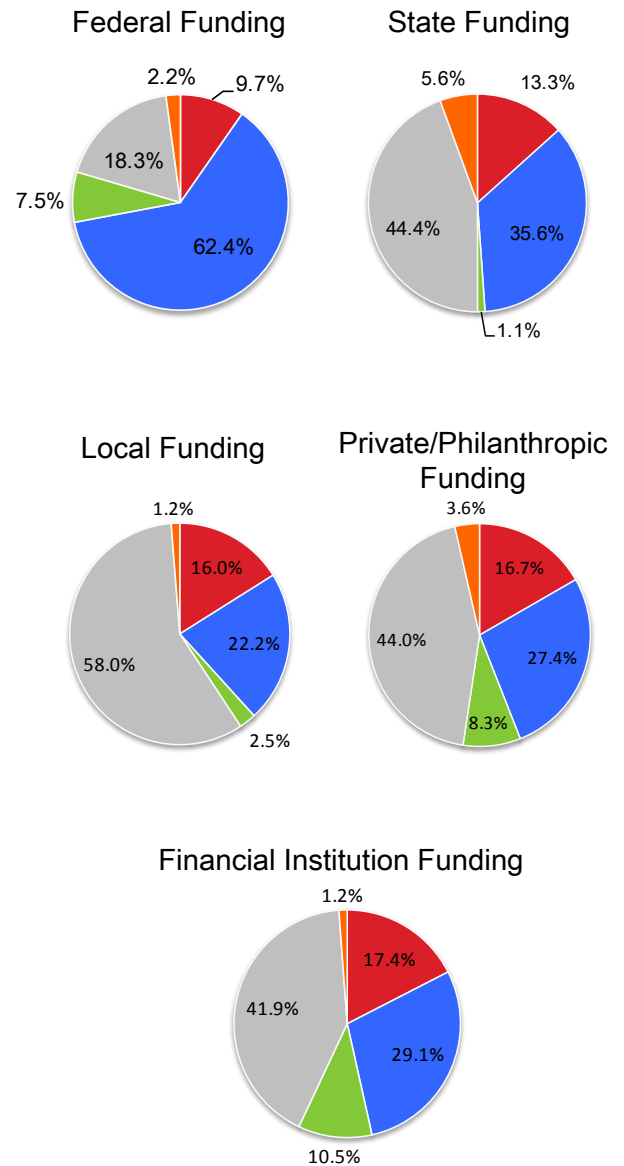
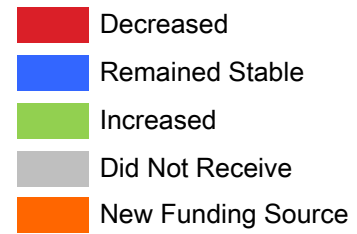
Approximately 56% of responding programs receive some form of **state funds**. Sources include various state agencies and departments related to housing, community and economic development, commerce, health and human services, labor, workforce development and rehabilitation services. Approximately 13% of programs report that state funding decreased over the past year; only 1.1% of programs reported that state funding increased. CFED’s Special Report on [Recent Progress on the 12 Scorecard Policy Priorities](#) finds that nine states reduced or eliminated state funding for IDAs in 2010. Of these, eight states reduced funding and one (Massachusetts) totally eliminated funding, bringing the number of states with funded IDA programs down to 20. Total state funding for IDAs declined from \$26 million in 2009 to just under \$20 million in 2010; however, the lion’s share of this decline (\$3.7 million) results from a policy change in one state, Missouri.

Approximately 42% of responding IDA programs receive some form of **local funding**. The main source of this local funding is Community Development Block Grants (CDBG) from city or county governments. CDBG funds are the only federal funds that may be used toward the AFI program’s nonfederal match requirement. Approximately 16% of programs report that local funding decreased over the past year, while 2.5% of programs report that local funding increased.

Approximately 56% of responding programs receive **private/philanthropic funding**. Sources include local United Way offices, community foundations, national foundations, churches, colleges and universities, local companies, and individual donors. Approximately 17% of programs report that private/philanthropic funding decreased over the past year, while 8% of programs reported that private/philanthropic funding increased.

Approximately 58% of responding programs receive funding from **financial institutions**. Sources include local and national banks and credit unions. Approximately 17% of programs report that financial institution funding decreased over the past year, while 10.5% of programs report that financial institution funding increased.

Charts 4-8: Funding Sources



Additional Resources and Technical Assistance IDA programs were asked to rank which of four additional resources their programs needed in order to be successful. 49.0% of organizations listed “Non-federal match funds” as the number one most needed resource, while 24.0% of organizations ranked “Program staff” as the number one most needed resource.

Table 1: Additional Resource Needs Ranked (with 1 being the most needed and 4 being the least needed)*

		Non-federal match funds	Program staff	Lower match to obtain federal funds	Technical assistance and training
Rank	1	49.0%	24.0%	6.3%	9.4%
	2	20.8%	14.6%	30.2%	16.7%
	3	11.5%	24.0%	15.6%	24.0%
	4	8.3%	13.5%	25.0%	33.3%

*Percentages may not add up to 100 because some programs did not rank each of the four resources.

IDA programs also indicated the types of technical assistance that would benefit their organizations, citing fundraising training, IDA-specific training for new staff, and assistance with program design/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.