

I Individual
D Development
A Accounts

Building financial assets for Michigan's low-income citizens

The Michigan IDA Partnership is an innovative partnership between the State of Michigan Family Independence Agency (FIA) and the Council of Michigan Foundations (CMF)



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New Year Brings Announcement of New Additions to the Michigan IDA Partnership

With the start of the New Year, the Michigan IDA Partnership is pleased to announce the addition of 17 new program sites and 2 Regional Coordinating Organizations (RCOs) to our statewide initiative!

MIDAP completed its second round of funding to IDA program sites, allocating an additional 300 accounts across the state. In total, MIDAP has allocated nearly 1000 accounts since April 2001.

The applications demonstrated an increased understanding of the IDA field and a strong interest from nonprofit organizations to establish programs that build assets and self-sufficiency for low-income populations. The organizations began serving as Program Sites of the Michigan IDA Partnership in January 2002 for TANF eligible IDA accounts.

Two additional Regional Coordinating Organizations were also established. The Northwest Human Service Agency (NWHSA) in Traverse City and United Way Community Services (UWCS) in Detroit have agreed to coordinate Program Sites in Northern Michigan and the city of Detroit and Wayne County. We welcome them enthusiastically!

We would like to send a big "Thank You!" and recognize the following new Program Sites as they begin their Michigan \$aves! Programs:

- Affordable Housing Alliance of Midland, Midland
- Catholic Social Services of Wayne County, Detroit
- Community Capital Development Corporation, Flint
- Detroit Homeownership Counseling Collaborative, Detroit
- Flint Odyssey House, Inc., Flint
- Housing Services of Eaton County, Charlotte
- Gogebic-Ontonogon Community Action Agency, Ironwood
- Mid-Michigan Community Action Agency, Clare
- Mission of Peace Housing Counseling Agency, Flint
- Mt. Clemens General Hospital Family Road Care Center, Mt. Clemens
- North Central Health Center, Detroit
- Northeast Michigan Community Service Agency, Alpena
- Northern Area Association, Detroit
- P.O.W.E.R., Inc., Ann Arbor
- Saginaw Habitat for Humanity, Saginaw
- Saginaw Service Career Paths, Inc., Saginaw
- Vanguard Community Development Corporation, Detroit



VISTA Corner

VISTA Corner highlights various contributions and services AmeriCorps VISTAs provide to the Michigan IDA Program. We welcome them into our partnership and hope the experience proves to be valuable and rewarding.

If you would like to highlight your VISTA in future editions of *Asset Developments*, please contact the MIDAP office at (734) 542-3951.

When Amy Savage decided to accept an AmeriCorps VISTA position to develop an IDA program with the Forest Area Federal Credit Union, she was thrilled at how perfect the opportunity fit with her interests.

"I was looking into AmeriCorps after high school but decided to go straight to college instead. After 2 years of earning a general degree, I pursued a real estate license. I found that the IDA position dealt with assisting low-income families in acquiring housing and was eager to take it."

Amy's first task for the IDA program was to determine the program's target market. She researched the community and found that the two largest barriers for low-income families were the lack of affordable housing and the low rate of students entering college.

"Since the program was just getting started and we weren't sure the IDA savings was enough for a down payment on a home in our county, we decided to shift our focus to offering education accounts for high school students."

Amy started by working with a high school that houses a branch of the credit union.

"The idea is to allow students to deposit their savings during their lunch periods. We're trying to work with other schools to set up similar systems."

This is Amy's 6th month as an AmeriCorps VISTA and she is currently participating in a course to learn grant writing so that she can look into other funding opportunities for Forest Area's IDA program.

"Next year we want to try to provide home ownership accounts," said Amy.

Amy's interests lie mostly in IDA program start-up and development.

"I've learned so much about IDAs that I would hate to leave it all behind. I enjoy this work too much."

Amy is one of 7 AmeriCorps/VISTA volunteers serving through the MSU Center for Urban Affairs project with Community Development Credit Unions. These and numerous other volunteers are serving IDA programs throughout the state.

Foundations Step Up to Support IDAs Across the State

The generous support of Michigan's foundation community will tremendously impact the long-term sustainability for providing IDAs throughout the state of Michigan. Thus far, the Michigan IDA Partnership has been awarded 7 grants from foundations to support IDAs for specific state regions. For some foundations, an awareness of IDAs as a tool to promote self-sufficiency and financial independence existed prior to the MIDAP proposal, making their new support an easy decision.

The Grand Rapids Community Foundation supported one of the first IDA Programs in Michigan starting in 1999.

"The impact IDAs have had on participants from our community in just 3 years is incredible," says Program Officer Laurie Craft.

The foundation's decision to support IDAs was based on the direct impact the program provided for its community members. Craft commented on how IDAs could positively impact generational

poverty in communities within Grand Rapids.

"Saving is not heavily emphasized in these communities and IDAs provide an educational process that can teach them to change the way they think and develop their savings habit."

Craft noted that the time frame given to participants to save (6 months – 3 years) is powerful in developing the long-term changes these communities need. The foundation's support does not end in the grantmaking arena. Craft states that their foundation's strongest role would be in advocacy and sharing the information they have collected about the IDA program to other foundations.

"The sky's the limit for the IDA program and we are very excited to talk to other foundations that may be interested in supporting the program as well," said Craft.

Other foundations that have generously contributed to the Michigan IDA Partnership include:

- Battle Creek Community Foundation
- Jackson Community Foundation
- Fremont Community Foundation
- Bank One
- W.K. Kellogg Foundation

Save the Date!

- **April 2-4, 2002**—2002 IDA Learning Conference: International Perspectives on Asset-Building

Windsor, Ontario, Canada
The Cleary International Centre

Register online at
www.idanetwork.org.

Questions? Contact the Corporation for Enterprise Development by email at idainfo@cfed.org or by phone at 202-408-9788.

Huntington National Bank Joins IDA Partnership Opening 90% of Accounts in Western Region

With its continuing support and presence at statewide events, such as the Michigan IDA Learning Conference, and its recent appointment to the State IDA Advisory Committee, Huntington National Bank has sought to break down the barriers between low-income populations and large financial institutions and assist community agencies in their efforts to move people out of poverty.

Christine Piper, Assistant Vice President and Community Relations of Huntington National Bank in west Michigan, said the IDA program was a great way to reach out to an underserved community.

"Huntington feels that the IDA program bridges the gap between financial institutions and what we refer to as non-bankable populations. We want to reach out to low-income people and offer loan products, help clean up credit problems, and assist in balancing budgets. It was a perfect fit for us to get involved and help with the IDA movement."

Huntington provides financial literacy training and one on one counseling to all participants requesting its assistance. In addition, it has made strong efforts to train its staff about the IDA program and to get them out to IDA sites.

"It's a way to remove ourselves from the bank. We visit community agencies, make presentations, and build relationships with the participants," said Chris. "That way when the participant comes to visit our bank, they are not walking into a room full of strangers but of recognizable and welcoming faces."

Chris sees the provision of additional match money and financial literacy classes as the two major roles financial institutions could play in the IDA field.

"The biggest challenge I see in getting financial institutions involved is the lack of knowledge on how IDAs fit into the banking system."

She sees IDA participants as future customers of the bank through checking and savings accounts, loan products, and even investment tools. Currently Huntington National Bank is partnering with 9 Western region Michigan \$aves programs.

"It's great going from concepts and ideas to seeing how these partnerships come into fruition. I'm looking forward to watching our participants successfully purchase their assets and build their financial knowledge base."

To see more about the key roles that financial institutions can play visit the IDA website within the Council of Michigan Foundations home page at www.cmif.org.



Success story

Newaygo County Community Services (NCCS)

As a self-employed, single mom, Patty Bitson was struggling week-to-week. She had a large amount of debt and was unable to get ahead financially. The idea of ever owning a home seemed improbable.

Patty wanted to purchase a home for herself and her children, but was unsure how to negotiate a home purchase and, most importantly, how she would ever save enough money. After reading a newspaper advertisement and speaking with a friend, Patty found out that she could change her future through the NCCS Individual Development Accounts (IDA) program, in partnership with NCCS Center for Nonprofit Housing (CNH).

Patty began the process of owning a home by meeting with Michelle Petz, NCCS IDA Program Coordinator. During the process, Patty started with \$84 a month and as her income increased she would add

additional money each month. She saved for 6 months. Patty received personal counseling on money management, learned how to correct credit problems and centered on the goal of becoming a homeowner. She had some credit card debt that she was able to pay off and she attended the Homeownership and Economic Literacy classes through the MSU Extension in Newaygo County. Financial Management classes included four 2-hour classes and in addition she received one on one counseling from CNH, another community partner to the program. She attended four 3-hour Homeownership classes to complete her asset-specific training.

Homeownership was an idea Patty had only hoped would come true, but through hard work and sound money management skills, her dream came true.

As a homeowner, Patty realized, "I can do things for myself, feel more independent and feel more security for me and my children. I believe I've set an example to my kids that with hard work you can accomplish anything."



Home purchased by Patty Bitson on December 31st, 2001 through the NCCS IDA Program.



Building Support for State Initiatives

The Michigan IDA Partnership was asked to present at the first National-State IDA Policy Conference held in St. Louis last November where government officials, IDA programs, researchers, and advocacy organizations gathered to discuss the expanding IDA Movement. With a new total of 51 program sites and a goal to open 2000 accounts, Michigan is at the forefront of the IDA movement across the country.

Below is a snapshot of planned IDA activities in the most active states.

State	Number of Program Sites	Planned Accounts	Total Funding
Michigan	51	2000	\$10 million
California	20	2000	\$9 million
Illinois	17	1015	\$1 million
Iowa	9	1600	\$8.7 million
Louisiana	3	730	\$8.2 million
Pennsylvania	22	2015	\$15 million
28 States Total	430	18,318	\$92,248,086

By popular demand...Listserv

The Michigan IDA Partnership invites Michigan IDA Program Sites to join a listserv, set up as a resource to ask questions, share information, and provide solutions to issues facing programs in Michigan. Experience indicates that IDA programs benefit immensely from communicating regularly with other IDA Programs at similar stages of development. With this in mind, we hope this listserv will become a useful tool where Michigan programs can garner knowledge and experience from fellow IDA providers.

A monthly *Best Practices Cheat Sheet* and *MIS IDA Helpful Hints* will be sent out over the MIDA Listserv starting in February of this year to provide continuous support and resources to Michigan IDA Program Sites.

To join the Michigan IDA Listserv, contact Rupal Patel at (734) 542-3951 or write her at IDAPatel@Earthlink.net.



Michigan IDA Partnership

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Asset Developments

A complimentary, quarterly publication, *Asset Developments*, is distributed to IDA funders, potential funders, IDA providers, IDA participants, key state departments, legislators, and others who are interested in the implementation of IDAs.

Funding for the publication is provided by the Charles Stewart Mott Foundation.

Please direct any comments, questions, concerns or submissions to: Eric Muschler, CMF, P.O. Box 599, Grand Haven, MI 49417.