

## Individual Development 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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## A Great Week for IDAs in Michigan:

The First Michigan IDA Learning Conference culminates with the announcement of \$1.4 million in new AFIA Federal Grants to Michigan

The Michigan IDA Learning Conference took place on September 19 and 20 at the Holiday Inn South in Lansing. The event was attended by over 150 participants and brought together partners from existing IDA program sites, potential IDA sites, interested practitioners, financial institutions, community development credit unions, government representatives, and foundations. The mission of the conference was to establish a learning environment in Michigan for the development and expansion of Individual Development Accounts (IDAs) as a tool to promote greater self-sufficiency for low-income Michigan residents. The conference successfully raised awareness of IDAs as an asset-building tool to Michigan's non-profit community and provided skills training to IDA program sites to ensure high quality IDA programs. In addition, workshops helped to educate financial institutions, non-profit organizations, and funding partners on the roles they can play in providing IDAs in Michigan. Attendance at the two-day event exceeded the expectations of the state IDA Advisory Committee.



*Carl Rist, CFED National IDA Advisor, addresses conference attendees at the keynote luncheon panel. Joining him (l. to r.) is Benita Melton, C.S. Mott Foundation; Eric Muschler, director of MIDAP; and Rob Collier, president of the Council of Michigan Foundations.*

The success of the Michigan IDA Partnership (MIDAP) Learning Conference was coupled with another fantastic achievement. The federal Assets for Independence Act (AFIA) announced an allocation of three awards to the West, South, and

Thumb area IDA Program Networks totaling \$1.4 million. As the conference proceeded, rumors of the awards began spreading among conference participants. The Regional Coordinating Organizations (RCOs) for these Michigan IDA Partnership Program Networks submitted applications over the summer. Each region was awarded IDA Match funds that, in combination with private funds raised, will support up to 400 accounts. The RCOs who received the awards are the Community Action Agency of Jackson, Lenawee, and Hillsdale, City Vision of Grand Rapids, and the Oakland Livingston Human Service Agency (OLHSA) of Pontiac. MIDAP will work with these organizations to leverage private matching funds for these accounts. Congratulations for leveraging additional federal support to the growing IDA program networks housed in the State of Michigan!



## VISTA Corner

This issue will provide the first of a continuing series entitled **VISTA Corner**. The Corner will highlight various contributions and service 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.

In a recent conversation with Patti Wood, Americorps/VISTA liaison at the Michigan State University Center for Urban Affairs, we found one of the ways in which the program is being utilized to build on Michigan's IDA movement. MSU Center for Urban Affairs is part of a unique collaborative between the Michigan Family Independence Agency, the Corporation for National Service, and Community Development Credit Unions in the state of Michigan. Seven VISTAs were recruited from the communities in which the Credit Unions serve to coordinate IDA Programs.

Rachel Dugal, an IDA VISTA who has been serving close to a year now at the Straits Area Federal Credit Union (FCU), has had a wonderful experience with the program. Rachel's initial responsibility was to formulate an outline for an IDA program that would support high school youth to acquire education assets. "Cheboygan is a very small city and the main concern is that our children do not attend college. We approached counselors and

principals at four area-district high schools, and they were extremely enthusiastic about partnering in any program that supports youth." The opportunity to coordinate the IDA program as a VISTA for Straits Area FCU was an obvious fit for Rachel. She has spent a tremendous amount of time with community activities including the coordination of volunteers to build a playground in the city of Cheboygan and serving on the city's Strategic Planning Team. She is currently a Den Mother for the local Cub Scout Troop.

Rachel hopes to start another project partnering with a newly formed youth center which hosts approximately 100 middle school students. She envisions an IDA Program that encourages youth to begin saving early and saving toward extra-curricular activities such as youth camps or music lessons. "I feel that the decision to focus on youth IDAs was a good fit for our community and I want to continue to increase the opportunities for our youth through the IDA Program."

## Credit Unions, Individual Development Accounts, Americorps\*VISTA: What a Great Mix! by Susan Cocciarelli

Michigan credit unions across Michigan's upper and lower peninsulas are working with a host of other community-based organizations to offer Individual Development Accounts (IDAs) to low-income members of their communities. Representing a broad range of credit unions serving church members, employee groups, communities at large, state and federally chartered, low-income designated, or targeted low-income communities, this initiative is the largest statewide IDA initiative in the United States involving community-based financial institutions designing and offering IDAs. Currently, Americorp/VISTA volunteers are assigned to seven credit unions working to develop IDA programs.

Michigan State University's Center for Urban Affairs is coordinating this IDA-Michigan Credit Union Initiative and is entering into the second year of a two-year grant from the Michigan Family Independence Agency. The Center for Urban Affairs works closely with the Michigan Credit Union League to educate credit unions on the establishment of IDAs as part of the credit union's member services.

Why Credit Unions? With more people moving off welfare yet unable to access tax and other incentives available to those

with higher incomes, community development or low-income designated credit unions offer both a compatible mission with IDAs, as well as an effective model of service delivery. A strength associated with credit unions as an IDA host organization, is their role and function as a community-based financial institution. By offering IDAs through the credit unions, lasting partnerships are created between the saver and the community anchored credit union, with its member-tailored services aimed toward building individual financial stability. Having members and potential members reach financial self-sufficiency is the goal of both credit unions and the IDA asset building strategy.

The Michigan IDA Partnership received project applications from several credit unions over the summer and is pleased to welcome five credit union-centered IDA programs into the Michigan IDA Partnership program network.

*Delta County Credit Union - Wells*

*Federal Employees Credit Union of Chippewa County - Sault Ste. Marie*

*First Community Federal Credit Union - Kalamazoo*

*Straits Area Federal Credit Union - Cheboygan*

*Westshore Community Federal Credit Union - Muskegon Heights*





# Adult Learning Techniques— Critical to the Success of Financial Management Curriculum

In early 2002, the Corporation for Enterprise Development (CFED) will release a Financial Management Curriculum that was developed from the best available curriculum from IDA programs nationally. Here we get a sneak preview of the trainers manual for that document. Our thanks to CFED and Inger Giuffrida, chief author of the text, for this special preview.

Adults have learning needs that are not compatible with the “formal learning” done in the context of a classroom with a teacher in the front of the room and the students in rows behind desks. Adults have assumed independent and responsible roles within their families, at their places of employment, or in their communities. To create an environment and a training program that are reflective of the unique characteristics of adult learners, keep these following principles in mind:

## 1. Adults need and expect to be treated with respect.

Facilitators need to acknowledge the breadth, depth, and diversity of experiences adult participants bring to their training situations. Facilitators must provide recognition for the skills and knowledge that come from various experiences (i.e. work, family life, social, volunteer and civic activities, previous education and training) and treat adult learners as their equals. Additionally, training must not disregard the behaviors, ideas, or thoughts that adults have developed no matter how ‘wrong’ these may seem. Oftentimes what may be considered ‘wrong’ in people’s perspectives may be a logical outcome given the circumstances of the individual’s life.

## 2. Adults are practical and want solutions they can implement for their real-life challenges.

Adults expect and appreciate a well-organized training that has clearly defined objectives. During the first few hours of training, it is advisable to elicit the specific goals from those participating in the training. Practical, hands-on education gives adults something to use in their lives beyond the training.

## 3. Adults are self-directed and need to be given the opportunity to reflect on and analyze their own experiences.

Providing opportunities for discussions and group leadership, as well as guiding participants to their own knowledge rather than just supplying facts, creates a self-directed learning environment.

## 4. Adults have different learning styles.

Individuals who learn best from concrete experience often may reach conclusions based on feelings and intuition rather than theory. People who are more naturally predisposed to reflective observation prefer to listen, think and watch before making judgments or learning. Adults more inclined to learn through

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## Success story

### Saginaw family becomes first in county to purchase a home under the Individual Development Account (IDA) program

Brenda Jackson, a 37-year-old Saginaw resident and aide at a Saginaw day care facility, was completing childcare training at the Saginaw Family Child Care Network (SFCCN) when she learned of the Individual Development Account program.

Each month Brenda placed \$42 into a savings account toward buying a home. The IDA program matched her savings 3:1.

“Each time, I was getting closer and I felt better,” Jackson said. “I kept thinking, ‘I’ll have the money for the closing costs of my new home.’”

After a year of saving, Jackson, her husband Tommie, 41, and their three children moved into their new home on Saginaw’s east side. Jackson attended financial literacy classes and said that instructors with the Individual Development Account program taught her how to budget her money, clear up her credit history and fill out income tax forms.

Jackson moved into a 1,100 sq. ft. home built by Habitat for Humanity volunteers with

her family. The home has four bedrooms, two full baths and a basement. Jackson and her husband are carrying on a family tradition.

“Our parents owned their own home,” she said. “That made us want to do the same.”

The Jackson family is the first in Saginaw County to buy a home under the Individual Development Account program, sponsored by the Saginaw Family Child Care Network and Michigan State University Extension. The SFCCN has received support for their IDA program from the W.K. Kellogg Foundation, the Michigan Women’s Foundation, the Michigan IDA Partnership, and Americorp/VISTA.

Within a year the program will expand to work with other agencies in providing IDAs, said Bettie Brown, Director of Saginaw Family Child Care Network.

“We’ve always wanted to own a home,” said Brenda, whose husband is a chef at a Kochville Township restaurant. “It’s a big investment.”

Thanks to the Childcare Network IDA Program, it’s an investment that will benefit the Jackson Family for years to come.





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## Adult Learning Techniques

analysis and generalizations tend to learn best from a more traditional educational environment, which includes lectures and handouts. Active experimenters are similar to those who prefer concrete experiences. Those in the first category tend to approach each experience as a special case to be solved whereas active experimenters tend to learn best by formulating their own hypotheses about a situation and then testing them out.

### 5. Adults need the support of their peers.

Oftentimes, the idea of participating in any type of educational experience may be frightening because of negative classroom experiences early on. One of the most important jobs of the facilitator is to provide a safe and supportive environment for training

and to encourage peer support and mentoring. This can be done by providing participants with information on how to give and receive feedback as well as opportunities for informal participant interaction. Interaction can be achieved by structuring breaks, using participatory training methods, and allowing participants to meet informally before or after the training.

### 6. Adults need to be able to express themselves in ways that respect their own cultures.

A training group will be comprised of people from a variety of backgrounds, ethnicities, geographic regions, religions, and socio-economic groups. Based on experiences in these contexts and their values, 'normal' expressions of emotion and thought may vary widely.

## MIDAP Benchmarks

- **November 15**—Applications due from program sites (TANF-only round)
- **January 1, 2002**—Start Date for New Sites
- **Fall 2001 (TBD)**—Advanced RCO Training
- **January 2002**—Orientation/Training for New Sites
- **February 2002**—Initial Evaluation Report
- **January-March 2002**—Existing Site Expansion Process
- **April 1, 2002**—Expansion accounts awarded
- **April 4-6, 2002**—International IDA Learning Conference, Windsor, Canada & Detroit, MI
- **July or October 2002 (TBD)**—RFP for New Program Sites
- **January-March 2003**—Existing Site Expansion Process (final round available)



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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.

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