

Philadelphia Family Financial Stability Summit

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Mission, Services, & Philosophy

- **Mission**

- To promote social and economic self-sufficiency for economically disadvantaged women and their families.

- **Services**

- Microenterprise Training
 - Microenterprise is a business with:
 - 1-5 employees
 - Capital needs under \$35,000
- Access to Capital
- Incentive Savings Program

- **Philosophy**

- Asset-Building Strategy



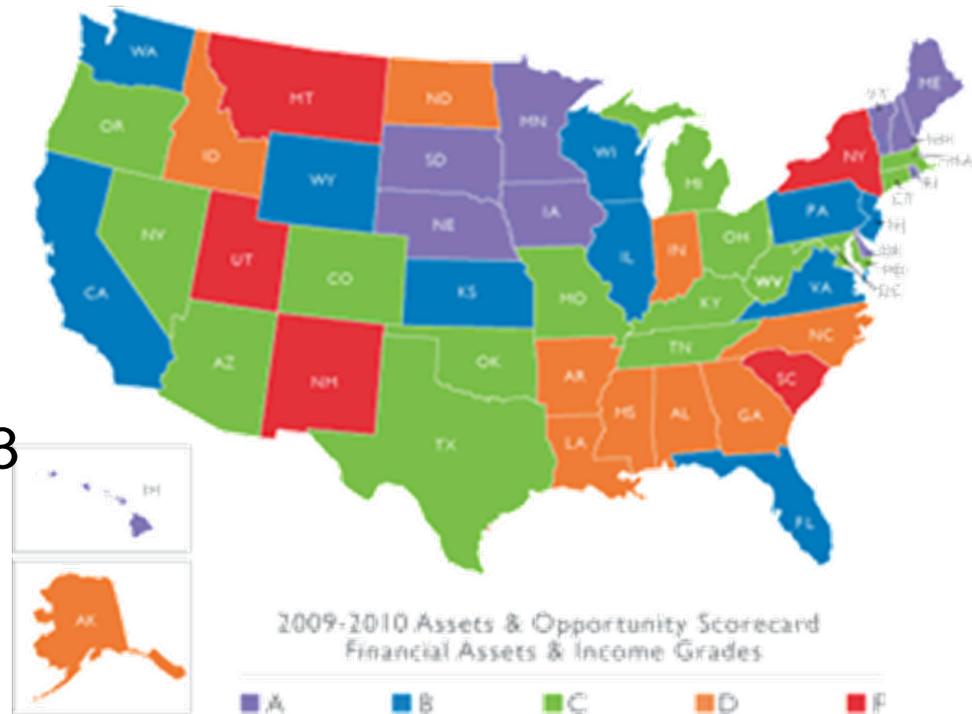
Financial Disparity in America

- **Income Poverty:**

- 12.3% of Americans live below federal income poverty line

- **Asset Poverty:**

- 27.3% of families with children have less than 3 months' savings
- 37.2% of minority population have zero or negative assets



Overview of IDAs

What is an IDA?

- Incentive savings account
- IDAs used for specific purposes
 - Purchase a home
 - Post-secondary education for parents or their children
 - Starting a small business
- Depending on the program, savers can earn up to \$8 for every \$1 they save
- Families save for 6 months to 3 years, depending upon the IDA program

Overview of IDA's

- Education Requirements
 - Education Purchase a home
 - Financial education
 - Asset Specific Training
- Accounts held at Financial Institution

What is Assets for Independence (AFI)?

- U. S. Dept. of Health & Human Services helps families save to purchase long-term assets and improve their financial situation
- 85,000 accounts
- 1:1 matching funds
- (AFI) offers \$2000 in matched savings
 - State and/or private sources may provide additional matching funds

AFI – Income Eligibility

- Temporary Assistance for Needy Families (TANF)
- EITC eligible or 200% of federal poverty level.
- Household assets under \$10,000
 - Excludes house or one car.
- Earned Income

How Savings and Assets Benefit Your Families

- Provides economic stability, creates better retention so they stay in your programs
- Helps families become self-sufficient
- Provides hope
- Teaches personal discipline
- Control over life

Pennsylvania Family Savings Account Program

- WORC developed program in partnership with PA Governor's Office in 1997.
- One of largest statewide IDA Programs in nation.
- One-to-one match up to \$2,000.
- Savings can be used for:
 - Business start-up or expansion
 - Home purchase/home improvement
 - Education for themselves or child
 - Other (car, debt/credit repair)
- Basic Financial Education Classes.

WORC's Family Savings Account Program – 6/30/2010

– 956 graduates and 415 active savers

- Home purchases: 281
- Home Improvement: 162
- Education: 136
- Business: 66
- Retirement: 51
- Car: 249
- Computer: 11



– Economic Impact \$35.9 million (21 to 1 leverage)

- \$1.8 million saved
- \$1.7 million Matched

– Leveraged with

- \$ 3 million in personal savings and other resources

National Research

- Current research on the outcomes and impact of asset-building IDA programs show IDA savers are:
 - Twice as likely to attend college.
 - 35% more likely to own home.
 - 84% more likely to own a business.
 - More than half who previously received public assistance no longer receive assistance
 - Low incidence of foreclosure

FSA Success Story – Samantha B.

- Saved \$2,000
- Matched \$2,000
- Purchased home –
in August 2006 - \$145,000
 - \$800 from OHCD first-time
home buyer program
 - \$1,000 from PHA



Useful Websites

Program	Website
IDA Programs	www.idanetwork.org
CFED	cfed.org
AEO	microenterpriseworks.org
Opportunities Finance Network	opportunityfinance.net
Credit Builders' Alliance	www.creditbuildersalliance.org
Center for Social Development	www.csd.wustl.edu.org