



***“TOOLS FOR SUCCESS” WEBINAR SERIES
FOR ASSETS FOR INDEPENDENCE
GRANTEES***

**Putting Savers on the Fast Track:
Strategies for Express IDAs
February 15, 2012**

Connecting to Audio

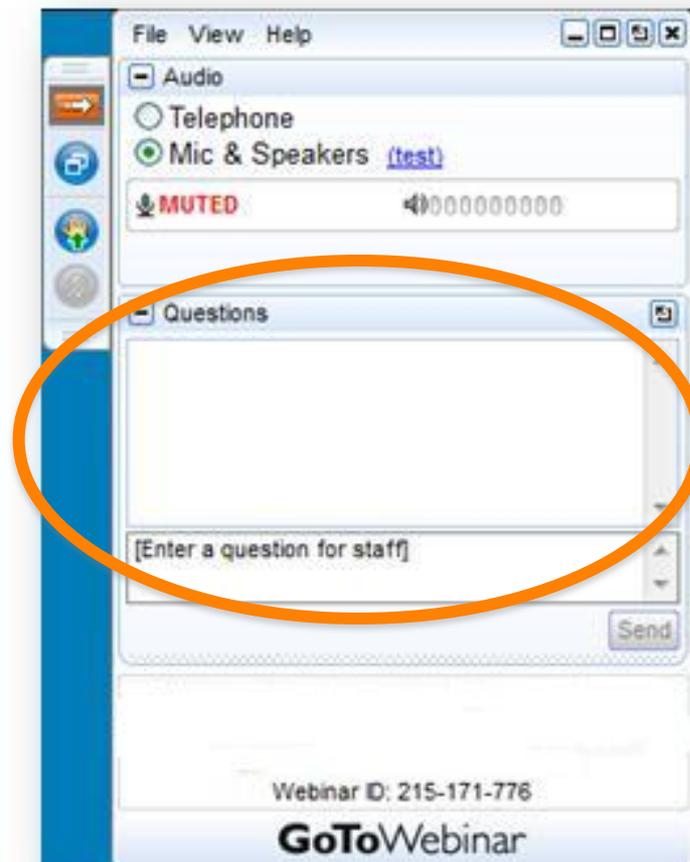
- Having trouble dialing in?
 - Just listen on your computer!
 - Connect your speakers or a headset to your computer.
- **Having technical difficulties? Contact webinars@cfed.org**

Housekeeping

- This webinar is being recorded.
- A transcript and link to the recording will be available 1 week after the webinar.
- The webinar will last for 1 hour.
- **Having technical difficulties? Contact webinars@cfed.org**

Housekeeping

- All webinar attendees are muted to ensure sound quality.
- Use the question box in your webinar Control Panel to ask questions at any time.





Not an AFI grantee yet?

- Assets for Independence (AFI), which is administered through the Office of Community Services (OCS) at the U.S. Department of Health and Human Services, provides federal funding to community-based nonprofits and government agencies for Individual Development Accounts (IDAs).
- To learn more about applying, visit www.idaresources.org
- Upcoming Orientation Session:
 - AFI Program Overview and Grant Application Process (webinar)
 - Tuesday, February 28, 2:00 – 3:30 p.m. EST
 - Register at www.idaresources.org

Your Guest Speakers

- **Kasey Meehan**

IDA Program Coordinator

United Way of

Southeastern Pennsylvania



- The United Way of Southeastern Pennsylvania (UWSEPA) believes that every individual should have access to the resources they need in order to build financial stability. UWSEPA helps people develop skills and get jobs that pay a family sustaining wage and ensures that they build the assets they need to become financially stable.

Your Guest Speakers

- **Emmanuel Mpfayokurera**
Training and IDA Coordinator
ECDC/Enterprise Development Group



- ECDC Enterprise Development Group serves as a bridge toward self-sufficiency for refugees, immigrants and low-income people in the Washington, D.C. metropolitan area by providing business and consumer loans, small business assistance, asset-building services and incentives and guidance in developing savings plans.

Your Moderator

- **Denise DeVaan**
Senior Consultant
ICF International



- ICF International partners with its clients to conceive and implement solutions and services that protect and improve the quality of life. We pride ourselves in providing lasting solutions to society's most challenging management, technology, and policy issues.

Your Co-moderator

- **Johanna Barrero**
AFI Resource Center



- The AFI Resource Center provides training and technical assistance to AFI grantees, their project partners, and other organizations that are providing asset building services across the nation.

Today we will talk about...

- Strategies for recruiting accountholders who are able to save quickly
- Simple program design changes that can help accountholders achieve their asset purchase goals in a shorter period of time – often in a year or less
- Fast-track saving strategies that have worked for other AFI grantees

Why and when should you consider fast-track saving strategies

Denise DeVaan
ICF International

AFI Grantees

- Can be single site projects or network projects (one grantee with sub-grantees to implement IDAs).
- Awarded an AFI grant for a five-year period of time.
- Use a variety of designs to enroll savers, secure enough deposits in IDAs to encumber the match and use fully all AFI/other funds within five years.

Challenges Arise...

- However, **challenges occur that can derail plans and may require an expedited savings/match process.**

Organizational Challenges

- Change in management or staffing and changes in commitment to the AFI grant.
 - In a network project, some of the partners do not meet expected enrollment, savings/match targets.
 - Change-over in key staff. No back-up. Too much time lags.

Funding Challenges

- Commitments for the non-AFI contribution or operations fall through.

Savers' Challenges

- Enrolled savers lose jobs.
- Target market of savers is in crisis, unable to plan, think, work towards long-term goals.

Results

- Too much time has passed, too many match funds remain, cannot spend the AFI grant within 5 years.
- By the time new savers are enrolled, new non-Federal contribution for match is raised or new staff are hired, too much time has passed and match is unspent.

A Solution: Express IDA's

- Today we will hear about successful strategies to increase savings and use all AFI and other match funds in a short period of time used by the United Way of Southeastern Pennsylvania and ECDC Enterprise Development Group, a sub-grantee of the VIDA Program (run by the Virginia Department of Housing and Community Development).

Panel Discussion:

What challenges has your AFI project experienced?

IDA Program Design



United Way
of Southeastern Pennsylvania

A network program:

- UWSEPA is the AFI grantee
- Currently work with 8 partner agencies





IDA Program Design



United Way
of Southeastern Pennsylvania

Goal	Savings Goal	Match Rate	Financial Education Hours	Asset Counseling Hours	Amount of Match
Education	\$200 - \$1,000	4:1	6 hrs	2 hrs	\$800 - \$4,000
Homeownership	\$2,000	2:1	6 hrs	5 hrs	\$4,000

Outcomes



United Way
of Southeastern Pennsylvania

- 272 participants have graduated:
 - 201 Education graduates
 - 71 Homeownership graduates
- Current Cycle:
 - Together, 111 graduates have saved \$99,405 which UWSEPA has matched with \$298,215
 - 180 participants are currently enrolled and saving

Challenges



- Drawdown limits number of slots available until Years 4 and 5.
- Turnover in partner agencies:
 - Moved from 18 → to 12 → to 8
- Unused match dollars leave funds on the table.

Challenges

- Economic recession and troubled housing market (foreclosure crisis).
 - Increase in level of program attrition:
 - Discouraged savers (gave up the dream or were unable to save).
 - Less-ready savers referred by social services programs were more likely to drop out of the program.
- Banks and mortgage companies tightened their lending criteria.

Challenges

- Approaching the final year of the grant.
- Had to focus on participants who were being more successful, particularly those saving for education and small business.

Panel Discussion:

**What Express IDA strategies
have you used that worked?**

Strategies that worked



- Re-allocate slots throughout the grant cycle:
 - Benchmarks
 - Unused Match Money
- Partner with agencies where IDAs align.
- Design change.

Strategies that worked

- Recruit at VITA sites:
 - We encourage our partners to recruit for IDA participants during tax season.
 - Great enrollment source for IDA participants.
 - Lump sum deposits.

Strategies that worked

- Increase match rate
- Work with faith based organizations to reach out to the community and recruit new savers.
- Conduct quality recruitment: Recruit savers that are more likely to save and exit the program on schedule
 - Check credit report and verify income (review tax returns for the past two years).
 - Require pre-approval letter from bank or mortgage company.
 - Require business plan, fund and location research for small business savers.

Strategies that worked

- Go over the savings process and timeline during orientation and one-on-one meetings with clients:
 - Explain the timeframe for saving and purchasing the asset (at least 3 months before the end of the program).
- Require participants to take the financial management class before enrollment or right after enrollment.
- Require clients to take the Asset Goal Training (such as first-time homebuyer training) right away.

Strategies that worked

- Refer clients to a VITA site to have their tax returns done.
- Get commitment from participants to save a portion of their EITC or tax refund into their IDAs.

Panel Discussion:

**What lessons did you learn
that others might benefit from?**

Lessons learned



United Way
of Southeastern Pennsylvania

- Do more, with less:
 - Work with agencies with the capacity to offer IDAs at a larger scale
- At partner level:
 - Pre-screening for homeownership (credit) and education (have participants write an essay; start their education counseling and show progress before enrolling)

Lessons learned

- Focus on quality recruitment of savers who are able to finish on time:
 - Savers that are credit ready.
 - Discuss early on the exit strategy and schedule.
 - Those who are less ready to purchase an asset can enroll in the next grant cycle.

Lessons learned

- Maintain effective and timely communication with savers throughout the saving process
 - Call clients if they're falling behind in their saving schedule.
 - Motivate savers and encourage them to share their experiences.
- Offer support and mentoring opportunities
 - Homeownership clubs.
 - Meetings with alumni who successfully saved and purchased an asset with their IDAs.

Lessons learned

- Partner with other organizations in the community offering:
 - Downpayment assistance programs.
 - Micro-enterprise development services (SBA microloan intermediaries).

Questions for the Guest Speakers

Contact Information

For general questions about the AFI program,
visit www.idaresources.org.

- **Kasey Meehan**
IDA Coordinator
United Way of Southeastern Pennsylvania
kmeehan@uwsepa.org
- **Denise DeVaan**
Senior Consultant
ICF International
dDevaan@icfi.com
- **Emmanuel Mpfayokurera**
Training and IDA Coordinator
ECDC Enterprise Development Group
empfayokurera@ecdcus.org
- **Johanna Barrero**
AFI Resource Center
johanna.barrero@idaresources.org

Upcoming “Tools for Success” Webinars

- **Fundraising Strategies for IDA Programs**
February 21, 2012
- Visit www1.gotomeeting.com/register/610029281 to register now!