



The Road Less Traveled: Innovative Solutions in Rural IDA Programs

Wednesday March 28, 2012

Johanna: Hello everyone, and welcome to the webinar **The Road Less Traveled: Innovative Solutions in Rural IDA Programs**. This webinar is the eleventh in a series of “Tools for Success” webinars designed for Assets for Independence grantees and sub-grantees. My name is Johanna Barrero, and I’d like to welcome you to our conversation today.

Before we start today’s presentation, I’d like to begin with a few housekeeping items.

If you’re having trouble dialing in you can listen through your computer using speakers or connecting a headset to your computer.

If you’re having technical difficulties such as trouble connecting to the visual portion of the webinar, send us an e-mail and we’ll send you the Power Point file as an attachment so that you can follow along. The e-mail address is webinars@cfed.org.

Today’s webinar is being recorded, so you will be able to review it on demand. You will receive a follow up email in one to two weeks with details on how to access the recording. We will also send a copy of the PowerPoint presentation that is being used today.

We have a number of participants registered today, so your phone lines have been muted to ensure sound quality.

We encourage you to send questions at any time during this presentation by using the Questions box in your GoToWebinar Control Panel as you see on your screen. We will try to answer as many of your questions as we can during the presentation.

We realize that some of you on this call may not be AFI grantees, so we want to provide you with information about the program. The Assets for Independence Program, or AFI for short, is the largest source of funding for IDA programs nationally.

To learn more about AFI, including how to apply, visit www.idaresources.org

There is an upcoming Orientation webinar that may be of interest to you:

AFI Program Overview and Grant Application Process

This will take place on Tuesday, April 26, 2:00 – 3:30 p.m. EDT

You can register at www.idaresources.org

Now that we’ve gotten those housekeeping items out of the way, I’d like to hand it over to Angela Duran, our moderator today, to introduce our guest speakers for today’s webinar.

Angela? Is your line muted? Ok, so while Angela is trying to get back with us let me just introduce her. She is the regional consultant with the AFI Resource Center. The AFI Resource Center provides training and technical assistance to AFI grantees and other organizations that provide asset building services across the nation.

Our first guest speaker today is Janet Topolsky. She is the Co-Director of the Community Strategies Group at Aspen Institute. The Aspen Institute Community Strategies Group helps community leaders connect with and motivate each other and I will let Janet tell us a little bit more about what they do. Janet?

Janet: I'd be happy to do that. We do a lot of work around the country, working with leaders at the community level who are taking on hefty community and economic development challenges. We do that through peer learning and a whole range of activities including one on one work with community groups and leaders. We do a lot of work around rural family economic success through a project we call ruFES (Rural Family Economic Success). We have a ruFES network through which we send alerts. We also do a lot of work around rural work force and rural community philanthropy.

Johanna: Thank you Janet. Our next sparker is Karen Smith and she is Director of Outreach Services at the Montana Credit Unions for Community Development. Karen, can you tell us about your organization and what you do?

Karen: Montana Credit Unions for Community Development is the nonprofit, charitable arm of the Montana Credit Union Network which is the trade association for Montana's credit unions. We work with our credit unions to implement programs to improve the social and economic well-being of Montanans. We have four core areas that we focus on; the IDA programs, a lot of consumer and financial education efforts, free tax services through our VITA sites and working with credit unions to offer affordable alternatives to payday lending.

Johanna: Thank you Karen. Let's see, Angela do we have you back?

Angela: Yes, sorry I got disconnected but I'm here. Sorry everyone and I am glad to be here. Thanks to my colleagues for introducing themselves. I just wanted to do a quick summary of what we hope to accomplish today. First, we're going to talk about the issues and challenges facing rural IDA programs. But we also want to talk about the opportunities. We're going to spend time talking about innovative delivery systems for IDAs in rural settings, we will give you examples of how we can use technology to address the challenges we have and then we'll talk about how we can use partnerships and maybe even nontraditional types of partnerships to help build our programs. But before we get going we'd like to take a few minutes to get a better sense of who is on the line today. So you should see on the screen here shortly a poll. There you go. And the question is:

What is the population size of the communities you serve? Just click the right button that applies to you.

Answers:

Less than 2,500	9%
2,500 - 10,000	18%

10,001 – 25,000	19%
25,001 – 50,000	22%
More than 50,000	31%

We have a good breakdown. There are a few people even from the smallest communities of less than 2,500. But we see a relatively even breakdown with the other areas, so that's great.

The next instapoll question is; think about the geographic area that you serve and think about it in terms of square miles. So if you serve a 300 by 300 mile area, that'll be the last option. So if you could once again pick the area that describes the area you serve.

What is the square mileage of the area that you serve?

Answers:

Less than 500 miles	23%
501-2,500 miles	28%
2,501-10,000 miles	14%
10,001 – 40,000	14%
More than 40,000 miles	20%

Once again, we see a relatively good breakdown. As you can see a full fifth of you are serving the very large geographic areas. So we've got a good sense of what we've got on the phone call.

Now I'd like to turn it over to our first speaker, Janet and she is going to talk about some of the issues facing rural IDA programs.

Janet: Thanks, Angela. Let me mention that Angela, herself, back when she worked at the Good Faith Fund, was an amazing IDA innovator so we will hear from her later as well as from Karen about programs that have done amazing work. I'm going to cover some rural x factors in IDA programs. I want to start with just a brief review of what IDAs are. Although I know that CFED has invited AFI grantees, some of you may not have even gotten started yet so I will briefly talk about the program and about some typical rural challenges. Starting with the brief review of IDAs; what is an IDA? It is a dedicated savings account where low income people save money regularly and the money is matched by funds that an IDA program collects from a variety of different funders. And the match for the savings varies from place to place and is set by each IDA program. There are allowable assets that a person can buy with an IDA; there are only certain things you can buy. A lot of people use IDA to buy homes, it is used by a lot of first time homebuyers; about a third of account holders use their IDA to either start a business or to expand a business or to buy capital like machinery or something they need for a business. Finally, another allowable asset is education. A lot of people save for their own education for training that will help them advance in a job or to fund their children's education. Those are the assets that are allowed under AFI. Some IDA programs actually allow their account holders or they get permission for their account holders to save for the purchase of other assets like an automobile or a home repair or retirement. AFI funds don't allow that. But sometimes programs find other funds to fund those. I'll talk about that later.

It's important to realize that the IDA field is very young. The concept was created by Michael Sherraden, who is a professor at Washington University at St Louis. The manuscript he wrote for

his book "Assets and the Poor" landed on the desk of Bob Friedman who founded CFED. I was working at CFED at the time and read the manuscript where he created this idea before it was published in the early 1990s. In 1996 there were only 4 IDA programs and there was this big demonstration about IDAs that was assembled and managed by CFED and the evidence from that led to the creation of the AFI program and now there are hundreds of IDA programs serving thousands. Any IDA program has 4 key players; the account holder, the low income people saving; the program organizer and that's probably people like you; the people or organizations that provide the match and financial institutions. Account holders are low income families and they have to set a goal for what asset they want to purchase, they have to participate in financial education classes, that's a requirement. They have to save regularly and once they have enough savings they can purchase the asset with their savings and their match. Program organizers, people who actually assemble and run the programs are usually working in a non-profit organization although they can also be from a government agency. If you're putting together or assembling or organizing a program, you recruit the account holders, you have to secure the match, you have to find a financial institution partner that will hold the funds for you as they're being saved, you have to provide for financial education for all of the account holders and other supportive services they might need. You have to ensure procedures are well-organized, you have to monitor account holder progress, authorize the release of funds and document results. It's a lot to do. It's quite varied in the kinds of skills that you might need to do these things and it's fairly labor intensive but it has a great payoff and a great reward.

The people who provide matches; lots of different organizations provide matches. Everyone on this call is interested in the AFI federal program and there are other federal government programs that can be tapped for match funds as well. Sometimes there are state appropriations, sometimes financial institutions themselves through their charitable arms will provide the match, private, community, family and corporate foundations often provide match, businesses can provide them and individuals can offer match. The match providers often will put restrictions on their match; what type of account holder they will match, some people only want to provide matches for children. You can set different kinds of qualifications for the eligible asset you'll use for the match funds. In other words, they can require that match funds only be used for business, or that it can only be used for cars or education. What will you allow as a match provider and what are the reporting requirements?

Financial institutions are the folks that hold the money until it is used for the purchase so every program needs a partnership with a financial institution. Sometimes the financial institution partners help with financial education or with tracking results but they're really an important partner and you want one that's part of the program and thinks about making it easier for account holders and helping them get ahead. So that's the basics of an IDA program. Now I want to talk about some typical challenges that are experienced by any kind of program serving rural people.

There are some really unique challenges when you're trying to run any kind of program in a rural place that urban places don't face. I want to talk about them in general but I'll also get into specifics in relation to IDAs although both Angela and Karen will go into a lot more detail. So the first thing we should talk about are a few rural realities. Defining rural; what the heck does rural mean in the context of program services to people? Angela just did that instapoll and you see that it was spread between less than 500 and more than 50,000 square miles. So there's no one definition of rural. It's important to understand that the federal government itself has dozens of

definitions of rural. And Tom Vilsack, the Secretary of the Department of Agriculture spoke at a conference and he said to this audience of rural people that just within the USDA, they use more than 15 definitions of rural. It doesn't really matter, it's whether you think it's rural or not and what the rural challenges you have that you're facing. For our purposes, I think CFED is thinking of any population center from 50 to 50,000. It's important to note that the numbers don't tell you the whole story. There are many different types of rural within and across regions. So you can have rural that's frontier which I always forget the official definition but it's like less than 50 or 120 people per square mile. Then there is micropolitan which is around 50,000 people. So density can vary. The number of people in a rural county in Montana is very different than the number of people in a rural county in North Carolina. Density can be very different in different types of rural. You can have many different kinds of economies in rural settings, as well. Some economies are in severe decline and people are leaving towns and trying to save their towns and in other parts of the country you can find some booming rural economies, whether because it's a high amenity place or because there is a boom in the economy, for example, in the places where you have the shale oil that's been discovered. You can have very different industries. Some rural places have tourism based economies; some have natural resource bases, manufacturing bases, etc. Therefore you have to have different job types. People vary a lot across rural by diversity, class, education, skills, culture and attitude. You can go to some rural place in the country where there is a very "can do" attitude and other places where it is a "it will never work here" attitude. That can even be within one state, you can find some communities that are "can do" and some that are "can't do". And, also, across America you're going to have different systems in rural places. Government varies by state and where the locusts and decisions are made about local use of resources varies a great deal by state. You have some rural places where there is a huge nonprofit infrastructure like California and other places where there are no nonprofits around that could carry an IDA program. Professional services; what's available? Are banks available?

So saying rural; I hate to repeat this but "if you've seen one rural place, you've seen one rural place." There are some challenges that tend to cluster in rural places but they really vary from rural place to rural place. I'm saying this to encourage you to think about your place and not about just rural in general but your place and which of these challenges are most important for you. So when it comes to IDAs it is important to know that rural practitioners are a significant minority in the field but they're important because if you look at racial class in the US, poverty is higher in racial class in rural as opposed to urban America. IDA rules aren't crafted with rural places in mind. So some rural areas are served by regional programs based in larger cities.

I want to talk about a few more challenges. First of all, a typical rural challenge is density and distance. When you have low density, which means small numbers of people are in an area, this makes recruiting harder. You have fewer people across larger distance and it's hard to find people who might be account holders. The other issue is it's difficult to reach critical mass to support a whole program. When running an IDA program, you really want to have a critical mass of people to justify the expenses of your program. Having a small number can make that much harder. The plus side is that it can be easier to spread the word when it has caught on. If someone has an IDA account in your rural place and they succeed, other people will know about it very soon. The large distances are really tough for account holders because it makes it tougher for account holders to get to important meetings or trainings that are part of the IDA program both in terms of time and how much it costs to get there and whether they even have a vehicle in the first place. A lot of programs are addressing this through the internet which I know that

our other speakers will address. It only works if account holders have good broadband access, easy computer access and know who to use these things.

The next challenge has to do with organizational infrastructure. What local organizations in your place can even organize and manage all the aspects of an IDA program? I already went through all the different things of an IDA program needs to do. Now you can partner to do some of these things but keep in mind you have to also arrange and maintain all the partnership relationships which is a lot of work. So these are labor intensive programs and since a program running an IDA might be doing other things as well, that can make it quite challenging. Financial institution infrastructure is another challenge. You need that partner and there are fewer financial institutions serving rural areas. Some of them are very conservative and risk averse, they only do what they've always done and IDAs don't look like anything they've ever done before. Some of them, especially since there's been so much consolidation in the financial institution world, are now owned by far away parent companies they need permission from. This can be a challenge but if you find one that gets it they can be your best friend. They like this program once it starts working. They get accountholders from this program.

Another challenge is match and program funding sources. You're likely to have fewer big funders in a rural place. Many of them are already funding a lot of other stuff in the community and IDAs don't look like anything they've ever done before. But if you have a local IDA story, a funder will get it and, once they get it, they will be very supportive and you can get creative about funding sources.

Here's another significant challenge; sometimes the assets that your program will allow don't match the actual needs of rural people and this is so critical and a real example is the car. Rural account holders need a reliable car before any of the other allowable assets makes sense. If they don't have a car they can't maintain a job and therefore can't save. Having a car reduces all their transportation time and makes family life easier. Now, for a lot of IDA programs, some states won't allow car purchases or match providers won't allow car purchases. If you think that's what you need you really have to advocate to whoever the match provider is to change the regulation or find alternative match sources to add cars to your programs. For a lot of rural IDA programs, when they allow car purchase it really attracts accountholders because they want to buy cars and once they have a car they will likely come back to build IDAs for other purposes. So in meeting the rural challenges we suggest that you look for leverage wherever you can and I know that Angela and Karen will talk more about this. Use technology when it works, don't forget about using the mail. We know of an IDA program in Iowa that would collect all the Earned Income Tax Credit information, all the tax data for someone who wanted to file for EITC and they would send it to a big city in Iowa and they would process it and send it back. There are ways you can use low technology as well as high technology to do program work. Partner with another organization nearby or in your state on pieces that make sense, engage volunteers when you can and engage local donors as much as you can. Once you get local people to understand what a difference this can make for people in their communities they will give to this. If people will give money to buy a band uniform, they will give money to help their neighbors by matching their savings over time, if they understand how the program works. I suggest that you use community foundations. If you want to know more I will be happy to talk to anyone about it offline. With that, I'm finished except for my final slide.

Don't simply replicate, know the situation of your people and place and partner and adapt and innovate so the program works based on your challenges. Thank you

Angela: Thank you. If you have a question you can go to the question box on the right side of your screen and type it in and when we get to Q and A, we will answer as many as we can. Now we have a quick instapoll we'd like to do. If everyone would take a quick minute and select the one area that is the biggest challenge for your IDA savers either in a current program or one you hope to open.

What are the main challenges your IDA savers face?

Answers:

Lack of access to reliable transportation	43%
Have to travel a long distance to financial institution	7%
Have to travel a long distance for trainings	26%
Have to travel a long distance to educational institution	8%
No access to internet at home	15%

And the answer is.... Transportation.

And number two, distance. So these two answers are definitely very much related. Very nice to see that the travel distance to the financial institution is not as big of an issue and that the access to the internet is getting smaller and smaller, the lack of that is. Hopefully we can address some of these issues. I am going to talk through 4 topics that I have seen primarily in the rural South. That's where I've done most of my work. The first is related to financial institutions. Janet talked about that and I want to go into more detail.

Often in rural areas the national and regional banks don't have branches. You may even prefer to work with a local bank anyway because you know they're focused on your community. Maybe they have a broad approach to economic development or you know the people who work there. The upside of working with local banks is that they may have more flexibility to customize the product to meet the needs of the IDA. They may be more easily able to waive fees or offer a higher interest rate. Their product development staff, and it may just be one person, they may be in your town and you can sit down with them and it's not talking to somebody on the phone halfway across the country. Similarly, one of the big things with IDA programs is needing to be able to access the data, the savings information and the withdrawals. Being able to work with that local bank on how you can get access to that information, they may have more flexibility. But there are some challenges with working with small rural banks. Depending on how many communities you're working in, you may need to work with multiple banks, that takes more time you have to develop and maintain those relationships, turnover happens and you're also going to have to develop an agreement.

A final issue about financial institutions that can be a challenge is that local banks, if you're working with many of them, some may do quarterly bank statements and some may do monthly statements. They may have different interest rates and that will be a problem when you're trying to make a product that looks the same across your market. It can also be a problem that you may not have much information technology to do what you need to do.

The next issue is about assets and there are some real opportunities in rural areas when it comes to assets. Of course there are challenges. The first one is that houses in general tend to be more affordable. In some of the communities I've worked in the past you could get a nice 4 bedroom home for about \$80,000. At the same time, depending on the community and how old it is and how low income it is, the housing stock may be limited. Another issue is around assets related to higher education. In quite a few states where I work there are community colleges throughout the states. For example, in Louisiana there are 16 different community colleges all around the state so as the previous instapoll showed, many people live pretty close to a local institution. Community colleges tend to be cheaper than 4 year schools and often you can transfer credits from a community college to a 4 year school. But even a 20 or 30 minute drive can be a challenge especially with today's gas prices. Finally, small town and rural areas really have long been havens for small businesses. Chains often choose not to locate in smaller communities which creates an opportunity to fill that void and meets a community need and technology is making it easier and easier for all kinds of small business to locate in rural areas. At the same time, in a rural area, there may not be enough market to help you generate profit. The next issue is marketing and this is another area where there are some pros and cons. On the positive side marketing can be cheap, an ad in the local paper or the local radio station may cost very little. I've been in communities where the local bulletin board on the cable channel is the best thing and it's free. Your staff probably know most of the people in town and they run into them at Walmart or other local stores and really as Janet was saying the best form of marketing is truly word of mouth and the one degree of separation. Most of the people in a rural area help the word spread quickly and, related to that, is the market penetration that over time, if you are helping people throughout your community buy houses, over time you serve a big percentage of the market which means you have a better likelihood of changing the community and having a bigger impact than people working in more urban areas. But there are challenges and if you have limited marketing resources and you have to spread them over five or 10 different communities then cheap advertising isn't so cheap anymore. And in the most isolated areas it can be difficult to reach people.

So the last thing I'll say a little bit more about is distance. Geography and distance, instapolls show them to be the biggest issue and it truly has been implicit in everything I've said so far. There are a few more specific things I wanted to talk about. One is staffing. There is the issue if you're having to cover multiple communities; it costs gas money. You might have to rent office space in multiple communities, there are multiple phone bills, etc. Then the staff could just not be there when the participant stops by. But as broadband becomes more available it eliminates some of these challenges, it's still an issue but we're making progress. With broadband at home there is more that can be done in terms of video conferencing or financial education. There are online options for financial education. I know this year, the VITA program used Skype as a way to help people file their taxes in rural areas. So the more people use things like that, you can do one on one face to face counseling without having to leave your organization.

Another issue is the limited number of partners that you have. I've just recently done some site visits in some big cities where they have partners and they're all on one street. That's not something that we in rural areas have the opportunity to do. It may be there are more non-traditional partners like Chambers of Commerce or local economic development agencies or even the USDA. That was one of the best things I've found about working in rural areas is that USDA has a 1% mortgage product. I think I will stop there and just remind people; if you have

questions please type those into the blue box on the right side and I will now pass it over to Karen.

Karen: Great, thanks Angela. Again, I'm Karen Smith and I'm with Montana Credit Unions for Community Development. As I mentioned earlier, we work for the trade association for Montana's credit unions so we work with 56 credit unions across Montana and I was feeling a little country last week when I put my slides together. This next slide shows a picture of the landscape here in Montana and it gives you an idea of how rural we are. We're not quite to a million in population so it breaks down to about not quite 7 people per square mile and we've got an urban deer situation here in Helena. I had to throw in that there are 3 deer for every person in Montana. We heard Janet reference frontier counties earlier. Basically, it's those sparsely populated areas that are isolated from services and center. So 46 of our 56 counties are considered frontier. Over 65% of our population is in a rural community and over half of our residents drive at least 5 to 30 miles to access services.

So the roles we play in Montana as a state wide organization; we're involved with 5 different programs. We started our first IDA program in 2004 with just 3 credit unions helping 8 families save for their first home. Today we increased from 3 to 28 credit unions and from 8 families to over 200 families and these families have their savings matched at a rate up to 8 to 1 to buy a home, go to school or start a small business. So we just have a breakdown; our first one is building securities through assets and financial education, our BSAFE program is geared towards survivors of domestic violence. The rural Montana saves program is targeted to those 46 out of our 56 counties across the state. Our Montana student saves is geared towards helping enrolled students pursue their post-secondary education and this is an area where we're focusing the majority of our efforts is with our education IDAs. In 2012 we launched our matched education savings account program (MESA); we started with 2 schools in Montana and have expanded to 5 post-secondary schools and are hoping to expand so that every school in Montana has a MESA program. Our first time homebuyer is the only program that is not statewide. It's just in a single community and ironically it's been in our capital and it's been the most difficult to recruit and enroll participants in.

We couldn't do this alone, all of our program success is due to the partnerships that we've been able to foster with other organizations across the state and so as a state wide organization we really focus on managing and developing the programs, the IDA programs, providing the oversight and supervision. We've really worked through our credit unions to be the face of the program. Our participants rarely know that we even exist and that's very intentional because we want their local credit union to be the face of the program or the school that's offering the IDA program. We've focused a lot of our efforts on the data management and tracking progress, producing monthly statements, etc. We do everything for the IDA program except for that face to face coaching, opening the accounts and providing the education for the participants. We really focus on the capacity building, we try to make it as easy as possible for a credit union and partner to deliver the IDA program in their communities from the training to having all the policies and procedures down so all they have to do is turn around and offer that program at their office. Another role we play is the fundraising. I'll talk a little later about the partners and potential partners you may have in your community. That's a big piece of our efforts as we work on these statewide IDA programs. I encourage you to consider looking at your local credit unions. They are not for profits. The core of the credit union philosophy is people helping people. They've been providing financial education since they first started and it's the core of

their social mission and so implementing these types of asset building outreach programs is just what credit unions do.

They do great jobs providing that direct service. With our credit unions, they're the primary contact, communication with applicants and participants. They'll take the applications, they'll send them to us, we approve them, process that and then once accepted the participant goes in and opens the account with the credit union and they discuss the financial education, do the pretest. Another aspect credit unions can do is provide the 1 on 1 counseling and coaching for participants, sitting down pulling their credit reports, making sure they're in a situations they can help clean their reports, correct any errors that need to be taken care of and working with them on that aspect.

Moving on to look at our different partner organizations. Some of them such as the schools with our MESA program may be part of the base of the program. If that IDA program is through their University of Montana colleges they are able to provide some case management especially when it comes to the asset specific training portion for the IDA program. They are also there for helping them to fill out their FASFA forms, applying for financial aid, helping with the job training. A lot of these organizations are able to use some of these discretionary funds or have a goal to help individuals purchase their assets and have the funds to help. Of course the participants are savers they're engaged consumers, and with the financial education they become more savvy consumers that are using the services available to them. So really looking at the IDAs, one organization alone isn't able to do the work, that's why we have the way we have them set up in Montana. It takes a collaborative effort with everyone working together. One of the pieces, as far as doing the recruitment and outreach, marketing, everybody plays a role in that. We've had great success in the rural communities. Some of the smaller newspapers are always looking for content they've been great about putting in the press rereleases, getting info on the radio stations and then just reaching out to other organizations in the community to share information on what's available and really trying to share the resources available to the individuals in the communities.

One of your biggest challenges with our rural IDAs is our financial education because you have the majority are statewide programs but we may have just one participant in a rural community that is participating in an IDA program and it may be a small credit union in a small community that doesn't have the resources to provide a financial education work shop, an in person workshop. So early on you need to identify a way to provide that financial education in a different format and so we've combined technology and that one-ton-one time by incorporating self-study online curriculum that participants can go at their own pace. We're able to get all the materials, all the topics that are relevant and then we supplement that with our monthly IDA statements by including a lot of the FTC pieces, resources from our Montana state extension services on topics from identity theft to developing a spending plan to a estate planning, just a wide range of supplemental resources to expand on their knowledge. And then we've implemented financial counseling and coaching this past year by focusing on training our partners and our credit union staff to be certified financial counselors and coaches to supplement that online self-study curriculum and provide that one on one. A lot of our rural communities don't necessarily have a counseling agency or some place to turn to help with their financial situations and so we feel that it is a great opportunity for our credit unions and partners to be able to provide this service and focus on helping our participants through the coaching to empower them to make changes in their financial behaviors.

I think the financial education has been the biggest challenge for us and we've been able to find a solution. Right now we use moneyskills.org, while it's not the ideal curriculum, the way it's set up is terrific because we are able to set up the participants so they have a unique username and password and we can monitor their activity and it's set up like for a teacher with a grade book and we make sure that everybody has at least a 70 percent or better on the modules. They are 32 modules in the money skill curriculum. We've broken it down and have them do 21 of the modules and they take about 20 minutes each. If somebody doesn't get a 70 percent or better I can monitor that and reset the module and require them to retake it. If they're still struggling to pass that's when the credit union or partner steps in and provides some of that one on one counseling on that topic or issue that they're having difficulty with.

Moving on to the next slide "leveraging resources". This is where great opportunities can be found. With our programs being statewide and the fact that we're located in Helena Montana, in the heart of the state, we just can't make it to every community and be there for each participant and so having our credit unions as the face of the program gives us leverage. Most of the organizations we work with are state wide organizations that are serving the same communities that we are reaching out to. Organizations like rural employment opportunities that are working in rural counties to help with job training and helping individuals pursue their education. The student assistance foundation is a statewide organization whose goal is to help students pursue their post-secondary education affordably so they've been a terrific partner for us with our MESA program to be able to reach students, schools, administrators, etc. As I mentioned earlier, our MESA programs are expanding so we have been leveraging resources with the colleges and universities ranging from using their discretionary scholarship funds to their business development funding that they have. We've got one of our universities that has leveraged money from a private donor and for some of these schools that have private funders, it's a great investment for them. They want to help low income students and here is a way for them to double their money through AFI funding. We just partnered with our statewide GEAR UP program targeting low income high schools across the state and numerous community organizations being able to help us market and get the word out. Some of them are training to be financial coaches to help us with that component of our program. As far as lessons learned, I think, we were established in 2003 and we certainly wouldn't be where we are at without leveraging resources and partnering with organizations to be able to deliver these IDA programs in the rural communities across the state.

Angela: We want to try to squeeze in some questions. Johanna, do we have questions?

Johanna: Our first question is for Karen; do you target high schools for your MESA program?

Karen: We have been primarily targeting enrolled students, most of the colleges we've been working with have added parameters for their program and have required them to be enrolled and are using it as a retention tool. Hopefully I'll find out this week if we got funded through AFI in the least grant cycle and we will begin targeting high school students with our GEAR UP Program.

Angela: I know the MESA program in Oregon does target high schools and Thomas Jensen is a terrific resource on that.

Johanna: Do you know if homeownership IDAs can be used to buy manufactured homes?

Karen: I think it depends if the, and I could be wrong, that the piece of land that it is going on has to be owned and not rented. If that's the case, then I believe that it can be an allowable purchase.

Janet: I think that's the case, it may also have to do with whether the financing for the manufactured home is a mortgage or not. In some cases manufactured homes are only bought, sort of like a car, they're bought with a regular commercial loan but with mortgages they might be more likely to be the target for an IDA. A program that may know about that would be the New Hampshire Community Loan Fund in New Hampshire that actually does a lot of work on cooperative ownership of manufactured housing parks in rural and urban areas. They have a program at the NHCLF and a national program that's a partnership with CFED called ROC USA. My guess is the staff of that program would know for sure whether you could use an IDA or not.

Johanna: What are some good funding sources in rural communities?

Angela: Community foundations and local banks are a possibility. Sometimes local rotary clubs, those kinds of things. The thing that seems to be getting some real traction that I've heard a lot about lately is higher education. There is a program in Fort Smith, Arkansas, in a town of about 50,000, that's tapped into the foundation of what used to be a local community college and is now a 4 year school. Those are some things I know about. Karen or Janet, anything you want to add?

Janet: I'd like to mention some details on community foundations. A community foundation is a locally based foundation that raises money from local donors for local purposes. It's like an amalgamation of individual funds and so if you have a local community foundation or an affiliate of a community foundation you can have donors contribute or have your donors contribute to a fund at the community foundation. The community foundation is a nonprofit and it can set up a specific fund that is specifically for match or for program dollars for your program and you can have many donors contribute to that fund. The plus of it is they get all the charitable benefits from giving to a nonprofit while contributing match. If you don't know a lot about community foundations there are a lot of sources of information about them. They're really not adequately tapped for the purposes of IDA match and I think it's a great way to go.

Johanna: What organizations do you partner with in the more remote areas to provide homeownership training?

Karen: We only have one homeownership IDA program and its in one of your larger communities but we have a statewide organization NeighborWorks Montana that has homeownership classes and events across the sates so we work through them. If we have them in more rural communities, we have them work with the local HUD.

Janet: In a lot of rural places you will find community action programs or community action agencies which are generally nonprofits or government agencies that distribute a lot of low income energy dollars and a lot of federal funding flows through them. Many of them have a lot of activity in homeownership and you might go to them to see if your local community action

agency does homeownership work because they could be a good source of homeownership training.

Johanna: Thank you all for your great insights. This is all the time we have for questions today. If your question didn't get answered and you'd like to follow up, please contact us by email at webinars@cfed.org

Before you leave today, we'd like to ask you to respond to the evaluation question on your screen. It will only take a few seconds and will help us assess the quality of this webinar. Please take a moment to submit your feedback before you sign off. We'll give you a minute to respond.

EVALUATION INSTAPOLL

Please rate this webinar's overall quality in terms of its helpfulness and relevance to your work.

Answers:

Very high

High

Moderate

Low

Very low

Thank you for responding to our evaluation poll. Here is our speakers' contact information, should you want to contact any of them.

Again, if your question didn't get answered and you'd like to follow up, please contact us by email at webinars@cfed.org

We've reached the end of our time today. I'd like to thank our moderator Angela Duran, our guest speakers Janet Topolsky and Karen Smith and all of you for joining us for this very interesting discussion today.

Thank you very much, everyone and have a great rest of the day.