



# United Way Financial Stability Partnership™ FastFacts

step 3: Gain and Sustain Assets

## Individual Development Accounts (IDAs)

### What Is It

Individual Development Accounts (IDAs) are matched savings accounts that help lower-income and lower-wealth individuals and families accumulate savings for investments in long-term assets such as a house and/or home repairs, post-secondary education, a small business, or a car. The match incentive is similar to an employer match to a retirement savings plan and is provided by a variety of sources, including the government and the social sector. The Assets for Independence (AFI) program, administered by the federal government, is currently the largest source of funding for IDA programs.

### Why Is It Important

IDA programs have demonstrated that lower-income individuals and families can save if given the appropriate incentives and a vehicle through which to save. Often, IDA programs include supportive services such as financial education and budget counseling, which helps individuals and families increase their financial literacy while working to obtain long-term assets. By

combining a means to accumulate assets with financial education, IDA programs represent a strategy that helps families achieve financial independence.

### The Role of United Way

More than fifty United Ways are actively engaged in IDA programs in their communities, often providing financial support and oversight to a collaborative of community-based organizations that administer the accounts. United Ways have also played a role in integrating additional program supports into IDA programs to help individuals and families achieve their goal of homeownership, including down payment assistance grants and low cost loans for home mortgages.

### Resources

- The New America Foundation's asset building website: <http://www.assetbuilding.org/AssetBuilding/>
- The Office of Community Services in the Department of Health and Human Services:

<http://www.acf.hhs.gov/assetbuilding/>

- The AFI Project Builder: A Guide to Planning an AFI/IDA Project provides information about the AFI program and covers major topics on planning an AFI project. It is available at <http://www.acf.hhs.gov/assetbuilding/guide05/ProjectBuilder-PagePDF.html>
- CFED's website provides additional resources on IDAs: <http://www.cfed.org/focus.m?parentid=31&siteid=374&id=374>

### For More Information

For more information about United Way's Financial Stability Partnership™, and financial stability strategies, visit the Knowledge Café at <http://online.unitedway.org/café>, join the financial stability listserv or send an email to [fsp@uwa.unitedway.org](mailto:fsp@uwa.unitedway.org).