



## Michigan IDA Partnership

### *-A Project of Oakland Livingston Human Service Agency- Statewide Report for October-December, 2009*

#### **Introduction**

MIDAP is getting ready to celebrate nine years of success as it enters 2010. This “pilot” program has shown beyond a doubt that low-income families will save when given incentives that are similar to those provided to higher income families. Why does this matter? Because savings matter. “People don’t spend their way out of poverty, they save their way out”.

The quarterly reports document the successes. The individual story at the end of this report gives life to that success.

The original funders of MIDAP, most significantly the C.S. Mott Foundation made possible the program that exists today. Many other partners have provided significant support over the years; Michigan Department of Human Services, Michigan State Housing Development Authority, banks and credit unions. Each one helped MIDAP partners secure a number of federal Assets for Independence grants.

What next? Our objectives for the coming year include strengthening the relationships among IDA partner sites and securing stable and consistent funding with a focus on the Michigan state tax credit. Further we want to expand the vision to include other matched savings account programs that will help low-income families gain an economic tool to help them become self-sufficient.

#### **Statewide Accomplishments**

- Over 55 qualified withdrawals were processed in the state during this quarter, for 1,598 qualified withdrawals total (see below for breakdown of account type and total dollar amounts).
- In January, all five RCOs applied for another round of Assets for Independence funds. If awarded, 250 accounts will be made available this spring (50 per region). OLHSA secured the non-federal match in the amount of \$375,000.00 from the Michigan State Housing Development Authority (MSHDA). Direct Service dollars and administrative costs are provided by: MSHDA, Huntington Bank, Comerica, Charter One, Chemical Bank and Macomb County CRA (specifically for Macomb).
- Two AFIA-funded grants were successfully closed out this quarter, by United Way of Southeast Michigan and Northwest Michigan Community Action Agency. Both agencies are reporting full numbers.
- OLHSA was selected by the Michigan Housing Development Authority to serve as the official designated entity to accept IDA state tax credit contributions for the Michigan IDA program. Over \$6000.00 was received at year-end, enough for two accounts that will be randomly shared amongst the five RCOs. A marketing push by MSHDA and MIDAP will occur several times in 2010 to further educate the public about this legislation.

#### ***Accomplishments at Specific Regions:***

- Inner City Christian Federation (ICCF) covering the west region, reported that their program sites are continuing to work on building new partnerships for future recruiting, as well as program delivery to populations and geographic locations not currently served by IDAs. Additional funding will be heavily relied on to make this truly a success.

- United Way of Southeast Michigan (UWSEM) covering the Detroit region, worked with their program sites this past quarter. UWSEM conducted a review to make sure the capacity is there to fill accounts, and if not, accounts may be shifted to other program sites where there is larger demand.
- Oakland Livingston Human Service Agency (OLHSA) covering the thumb region, met with each program site this quarter. The meeting allowed for the following: advanced data training, new success story template and a new account tracker form. Program site staff asked questions and shared IDA stories from their agency.
- The Northwest Michigan Community Action Agency (NWMCAA), covering the northern region, attained a new partnership this quarter with Michigan Land Use Institute, as well as a letter of commitment for additional account support dollars.
- Community Action Agency –Jackson (CAAJ), covering the southern region, will be conducting site assessments and also reviewing with them how to identify appropriate participants, and what screening tools are used to select clients that might be most successful.

### Summary of Progress

#### **Number of IDA participants**

Statewide	Funded	Filled	Available	% filled
<b>All funds</b>	<b>2,066</b>	<b>1928</b>	<b>138</b>	<b>93</b>
Old funds (2001-06)	1,384	1369	15	99
New funds (AFI 07)	533	492	41	92
New funds (AFI 08)	149	67	82	45

#### **Asset Investments Summary Table**

As of December 31, 2009

Homeownership Accounts	1,125
Education Accounts	288
Business Accounts	182
<b>Total Asset Investments</b>	<b>1,598</b>
Total Participant Savings Used	\$1,497,571
Total Match Amount Used	\$4,614,481
Current Mortgages Leveraged	\$88,439,605

As a state, Michigan IDA numbers continue to grow. Significant number changes from last quarter:

-Total accounts filled went from 1,888 to 1,928 (up 40).

-Mortgages leveraged amounts are more accurate this quarter, due to utilizing Outcome Tracker.

### Statewide Funding Update and Plans for Expansion

MIDAP anticipates hearing word from AFIA on the five grant requests that were submitted in January, sometime in April. Until then, RCOs will spend the next quarter assessing program sites, cleaning data and updating forms and enrollment procedures.

Specific marketing plans for the IDA tax credit are beginning to unfold, with help from MSHDA staff, OLHSA and NWMCAA. A brochure will be created to educate interested donors in the tax credit and IDAs, as well as a general contact list for each region. A PowerPoint presentation and FAQ form may be necessary for RCOs as they deal with the influx of calls throughout the year.

OLHSA will continue working on fundraising efforts for MIDAP, as the 250 accounts that may be awarded this spring will not sustain program sites much past this fall or winter.

## **Current Strengths & Areas for Improvement of the Michigan IDA Partnership**

### *Strengths:*

- RCOs are spending this quarter to better position themselves and their program sites for new accounts. Inquiries remain high at each region and several sites have waiting lists.
- Despite continued economic hardships in Michigan, RCOs continue to see high graduate numbers, home purchases and business start-ups. Enthusiasm continues to grow for the program.
- Marketing the tax credit will help to reach a potentially un-tapped new audience across the state.

### *Areas for Improvement:*

- RCOs are really leaning on program site staff this quarter to clean up their account loads. Some staff let too many missed deposits accumulate, and RCOs are sometimes needed to step in and make suggestions so they can run a better program. Nothing can be more costly to an IDA program than letting a client linger for too long, especially when there are waiting lists in place.
- Though new partnerships are on the verge in many regions, RCOs report that the funding simply isn't there to bring them on board.
- More improvements need to be made in capturing IDA success stories. These have become a topic on RCO monthly calls, as well as at RCO meetings with program sites. At least two regions were able to submit reports this quarter with the new requirement of having a success story always attached (OLHSA and NWMCAA).

## **Participation in MIDAP Training and Capacity Building Services**

- CAA has been in discussions with CAA of South Central Michigan about bringing on an IDA site in Battle Creek.
- NWMCAA provided an in-house cross training for all Financial Management Services staff.
- RCOs participated in regional program site meetings, statewide RCO calls, IDA network list-serve and AFIA related emails and webinars.

## **Technical Assistance Analysis (provided to RCOs and/or Program Sites with description of type of TA provided, including any data accuracy/management issues).**

- OLHSA is experimenting with a new quarterly report template for program sites. The purpose of the new template is to capture more stimulating information from sites, and aid them in keeping their grant numbers organized.
- Four RCOs will be evaluating program site needs and performance this quarter.
- An updated master IDA program contact list for MIDAP is currently being developed, and will be ready next month.
- Plans furthered this quarter to develop the statewide website.

## **IDA Success Story**

Contributed by Northwest Michigan CAA

Deborah Moore enrolled in Mid Michigan Community Action Agency's IDA program in June of 2008. She was selected for a home by Midland County Habitat for Humanity. She is a single mother of four children, two who are still at home. She is employed by Dow Chemical Company as a computer specialist. During her enrollment she saved \$1229.17. Deborah and family will move into their new home at the end of August 09'. Below are her thoughts on the program.

---

"I would like to take this opportunity to thank Mid-Michigan Community Action Agency and all others involved with the IDA program. This program not only helped to reinforce what I already knew and practiced, it also shed some new light on information I was not aware of. For example, I learned some new things about the credit industry that I did not know and how large purchases were actually better to purchase on credit versus cash or other means just because it gives the consumer more rights when dealing with defective products and/or other merchant issues. It would be for this reason only to purchase larger items on a credit card only to pay in full when the statement arrived. I was forced to file bankruptcy a few years ago due to a marriage that had dissolved and the fact that my husband was using and abusing my good credit to build his own business that failed due to his unethical business practices. Therefore, I was totally turned off with using credit cards at all whatsoever and did not want any part of them. I still do not have one and don't want one, but I now know and understand why and how they can be used as a tool and not something to take advantage of.

I also learned some things about the effects of not having a will in place and the importance of having one to ensure that things are handled in the manner desired so the court can't take over and handle as they see fit. By having a will in place helps protect my children and protects my wishes for matters to be handled in the manner in which I desire should anything happen to me.

The monetary amount being matched to my money that I saved in the IDA account was a tremendous blessing to me especially when I am a single parent that necessitates watching my finances very closely. I have to be careful to ensure all expenses are being paid for each month and that my budgeting practices are followed very closely. I also learned the importance of making it priority to save money on a regular basis to have on hand incase of any emergency; therefore, it helped to improve my planning and preparation for budgeting purposes.

I would like to say thank you so very much for this program. It truly is a tremendous blessing and I can't say enough good things about it for extending a hand to those who are in need. Thank you!"

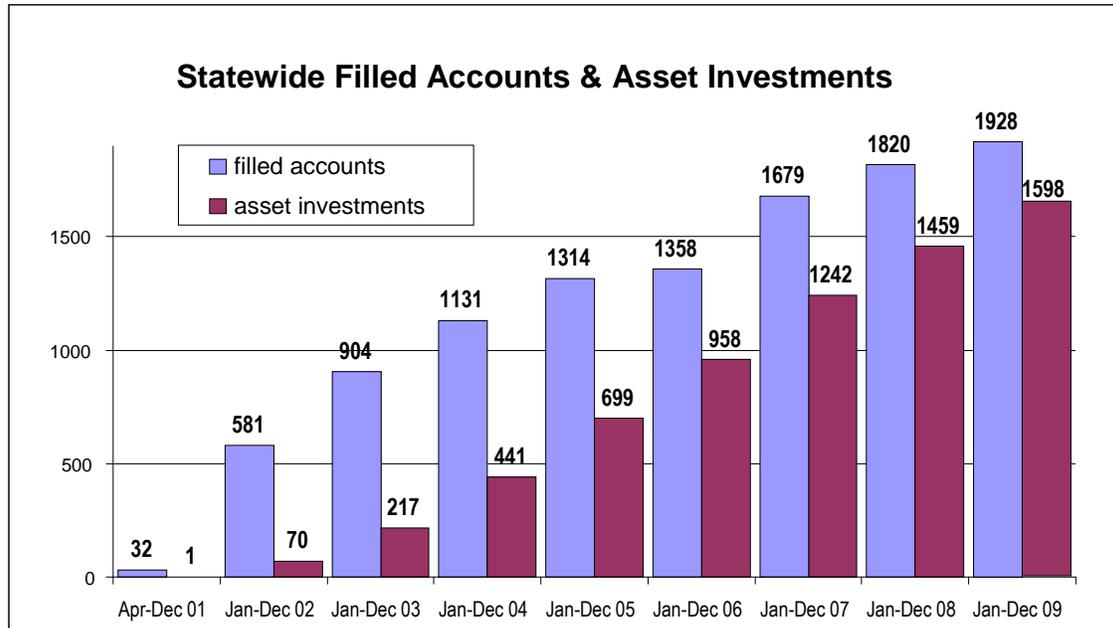
Deborah S. Moore

## **Attachments**

- **Updated State of Michigan IDA Fact Sheet**
- **Regional Reporting breakdowns (Thumb, South, West, North and Detroit)**
- **Cities of Promise breakdown**



**MICHIGAN IDA PARTNERSHIP**  
 A PROJECT OF OAKLAND LIVINGSTON HUMAN SERVICES AGENCY  
**PROGRAM STATUS UPDATE**  
 DECEMBER 2009



<b>Asset Investments Summary Table</b>	
As of December 31, 2009	
Homeownership Accounts	1,125
Education Accounts	288
Business Accounts	182
<b>Total Asset Investments</b>	<b>1,598</b>
Total Participant Savings Used	\$1,497,571
Total Match Amount	\$4,614,481
Current Mortgages Leveraged	\$88,439,605

**In addition to the quantitative impact** of the growing number of IDA Asset Investments, the program is also **having a qualitative impact** on its participants including:

- **All** participant graduates indicate they **continue to have a savings goal** after the program.
- **94%** of graduates **continue to create and use household budgets**.
- **90%** of graduates **feel more economically secure**.
- **72%** of graduates are **satisfied with their current financial situation**.

**The Michigan IDA Partnership is a success, but the future is in doubt.** The number of accounts opened, savings by participants, and asset investments demonstrate that with the right tools and support low- and moderate-income households save for their futures. The challenge now is securing sustained and continued funding of approximately \$1 million in non-federal funds, which in turn makes federal AFI support possible. Funds have been allocated by the Michigan Department of Human Services and MSHDA, and new tax credit legislation is promising, but it is not enough. Without stable support IDA program sites cannot continue to operate quality programs. The coming year will require us to reconsider the MIDAP operations and our fund-raising strategy. Your help and ideas will be needed. Please contact Susan Mosqueda at [susanm@olhsa.org](mailto:susanm@olhsa.org) or 248-209-2790, or Don Jones at [donj@olhsa.org](mailto:donj@olhsa.org) or 248-209-2620.

**Michigan IDA Partnership is sponsored in part by Michigan State Housing Development Authority**

## STATUS OF IDA ACTIVITY IN MICHIGAN FACT SHEET DECEMBER 2009

IDA (Individual Development Account) activity is strong in Michigan. The Michigan IDA Partnership (MIDAP), originally created as a partnership between the **Michigan Department of Human Services (DHS)** and the **Council of Michigan Foundations**, has created a statewide program with almost 2,100 IDA Accounts funded, of which 93% are already filled. IDAs help working poor families save toward their household dream of buying a home, attaining post-secondary education, or starting a small business.

Since 2001 Michigan has:

- Established **5 IDA Program Regional Networks** to reach a statewide goal of 2,000 IDA Accounts
- Thanks to **DHS, MSHDA, several banks** (Fifth Third, Charter One, Chase, Chemical, Comerica, Flagstar, Huntington, Mercantile, National City, and Warren), and **private funders** MIDAP received funding for 500 new accounts in 2007, increasing the number of **IDA Accounts** in Michigan from 50 to over 2000.
- Expanded the number of **IDA Program Sites from 5 to 50**
- More than **1,900 accounts** are filled, and **93% of all funds** are allocated to an IDA participant.

### OUTCOMES:

The *Independent Evaluation Report* through Year Three (3) of the project found that the **typical IDA Participant is a 33-year-old unmarried** woman with some college education, a full-time job, a **monthly household income of about \$1,700** (\$20,000 annually), and **two children** living at home. Nearly 80% of all participants plan to purchase a home, 10% intend to use their account for a business, and 10% for education. Additionally:

- **Regular savings** by participants **went from 25 to 71 percent**, and 87 percent report they expect to save regularly in the future.
- 99 percent have been **affected positively by being in their IDA Program** and 84% believe the financial management education classes have helped them save.
- 90 percent are **more aware of their credit rating**. Families showed, on average, a **12% to 23% increase in their credit score** depending on the credit score source.
- 83 percent report they are **more likely to work or stay employed** since opening their IDA

Through December 31, 2009, **1,598 IDA Participants have made an asset investment** (1,125 homes purchased, 288 education account uses and 182 business account uses). The mortgages **leveraged to date exceed \$88 million**.

**Leveraged \$3.5 million in private sector** funding, \$5.5 million from the **state of Michigan (including DHS and MSHDA funds)** and \$2.8 million in **federal Assets for Independence Act (AFIA)** funding (All 5 Regional Coordinating Organizations [RCOs] have received AFIA support).

### IDA POLICY TO CONTINUE GROWTH:

1. **Develop annual State Support for IDA Accounts through DHS and MSHDA existing budgets**
2. **Reauthorization of the federal Assets for Independence Act** with recommended changes
3. Implementation of state **IDA Tax Credit Act, PA 514**
4. Passage of the federal **Savings for Working Families Act**

For further information, including evaluations please contact:

MIDAP Program Coordinator at OLHSA:

Susan Mosqueda, 248-209-2790

Don Jones, 248-209-2620

#### Southern Region:

Community Action Agency (Jackson),

Jennifer Fitch, 517-788-6495, jfitch@caajlh.org

#### Western Region:

Inner City Christian Federation (Grand Rapids),

Sue Ortiz, 616-336-9333, sortiz@iccf.org

#### Northern Region:

Northwest Michigan CAA (Traverse City),

Karen Emerson, 231-947-3780, kemerson@nmcaa.net

#### Thumb Region:

Oakland Livingston Human Service Agency (Pontiac)

Heidi Henderson, 248-209-2691, heidih@olhsa.org

#### Detroit Region:

United Way for SEM (Detroit), Monica Esquivel,

313-226-9487, monica.esquivel@liveunitedsem.org

**IDA Regional Reports:****Southern Region****RCO: Community Action Agency (Jackson)****Number of IDA participants**

South	Funded	Filled	Available	% filled
<b>All funds</b>	<b>450</b>	<b>368</b>	<b>82</b>	<b>0.82</b>
Old funds (2001-06)	216	216	0	1.00
New funds (AFI 07)	125	121	4	0.97
New funds (AFI 08)	109	31	78	0.28

**Asset Investments**

South	Total	HO	ED	BUS
<b>All funds</b>	<b>289</b>	<b>258</b>	<b>18</b>	<b>13</b>
Old funds (2001-06)	216	186	18	12
New funds (AFI 07)	73	72	0	1
New funds (AFI 08)	1	1		

Participants who have made qualified withdrawals for Asset Investments in the Southern Region have:

accessed match funds of \$ 777,299  
 leveraged mortgages of \$23,376,944

**Attrition Rates**

South	Enrolled	filled	% Attrition
<b>All funds</b>	<b>844</b>	<b>368</b>	<b>0.56</b>
Old funds (2001-06)	618	216	0.65
New funds (AFI 07)	169	121	0.28
New funds (AFI 08)	57	31	0.46

**Funds leveraged for participants**

South	Savings	match	mortgages
<b>All funds</b>	<b>\$342,246</b>	<b>\$777,299</b>	<b>\$23,376,944</b>
Old funds (2001-06)	210,559	587,883	17,731,362
New funds (AFI 07)	110,643	186,416	5,571,583
New funds (AFI 08)	21,044	3,000	73,999

(Match is equal to all match dollars used for past qualified withdrawals. Savings is equal to those dollars saved and used for past qualified withdrawals, and also dollars saved and in an active account at quarter ending)

**Western Region**

**RCOs: City Vision, Inc. (Grand Rapids) for 2001-2006 funding,  
Inner City Christian Federation (Grand Rapids) for 2007 and forward funding**

**Number of IDA participants**

West	Funded	Filled	Available	% filled
<b>All funds</b>	<b>361</b>	<b>361</b>	<b>0</b>	<b>1.00</b>
Old funds (2001-06)	253	253	0	1.00
New funds (AFI 07)	108	108	0	1.00

**Asset Investments**

West	Total	HO	ED	BUS
<b>All funds</b>	<b>310</b>	<b>231</b>	<b>22</b>	<b>57</b>
Old funds (2001-06)	253	186	19	48
New funds (AFI 07)	57	45	3	9

Participants who have made qualified withdrawals for Asset Investments in the Western Region have:

accessed match funds of \$ 774,530  
leveraged mortgages of \$20,080,446

**Attrition Rates**

West	Enrolled	filled	% Attrition
<b>All funds</b>	<b>705</b>	<b>361</b>	<b>0.49</b>
Old funds (2001-06)	562	253	0.55
New funds (2007)	143	108	0.24

**Funds leveraged for participants**

West	savings	match	mortgages
<b>All funds</b>	<b>\$ 330,791</b>	<b>\$774,530</b>	<b>\$20,080,446</b>
Old funds (2001-06)	247,321	628,852	15,742,080
New funds (2007)	83,470	145,678	4,338,366

(Match is equal to all match dollars used for past qualified withdrawals. Savings is equal to those dollars saved and used for past qualified withdrawals, and also dollars saved and in an active account at quarter ending)

**Northern Region****RCO: Northwest Michigan Community Action Agency (Traverse City)****Number of IDA participants**

North ALL	Funded	Filled	Available	% filled
<b>All funds</b>	<b>402</b>	<b>363</b>	<b>39</b>	<b>0.90</b>
Old funds (2001-06)*	299	284	15	0.95
New funds (AFI 07)	103	79	24	0.77

\*Includes 35 completed accounts at FiveCAP, which is no longer a MIDAP funded site.

**Asset Investments**

North	Total	HO	ED	BUS
<b>All funds</b>	<b>311</b>	<b>239</b>	<b>53</b>	<b>19</b>
Old funds (2001-06)*	284	217	49	18
New funds (AFI 07)	27	22	4	1

Participants who have made qualified withdrawals for Asset Investments in the Northern Region have:

accessed match funds of \$ 897,654  
 leveraged mortgages of \$11,881,957

**Attrition Rates**

North	Enrolled	filled	% Attrition
<b>All funds</b>	<b>543</b>	<b>363</b>	0.33
Old funds (2001-06)*	426	284	0.33
New funds (2007)	117	79	0.32

**Funds leveraged for participants**

North	savings	match	mortgages
<b>All funds</b>	<b>\$ 360,892</b>	<b>\$897,654</b>	<b>\$11,881,957</b>
Old funds (2001-06)*	297,802	821,154	10,231,349
New funds (2007)	63,090	76,500	1,650,608

(Match is equal to all match dollars used for past qualified withdrawals. Savings is equal to those dollars saved and used for past qualified withdrawals, and also dollars saved and in an active account at quarter ending)

**Thumb Region****RCO: Oakland Livingston Human Service Agency (Pontiac)****Number of IDA participants**

Thumb	Funded	Filled	Available	% filled
<b>All funds</b>	<b>397</b>	<b>392</b>	5	<b>0.99</b>
Old funds (2001-06)	257	257	0	1.00
New funds (AFI 07)	100	99	1	0.99
New funds (AFI 08)	40	36	4	0.90

**Asset Investments**

Thumb	Total	HO	ED	BUS
<b>All funds</b>	<b>302</b>	<b>202</b>	<b>30</b>	<b>38</b>
Old funds (2001-06)	257	200	26	31
New funds (AFI 07)	43	32	4	7
New funds (AFI 08)	2	2		

Participants who have made qualified withdrawals for Asset Investments in the Thumb Region have:

accessed match funds of \$ 748,594  
 leveraged mortgages of \$18,958,691

**Attrition Rates**

Thumb	Enrolled	filled	% Attrition
<b>All funds</b>	<b>720</b>	<b>392</b>	<b>0.46</b>
Old funds (2001-06)	535	257	0.52
New funds (AFI 07)	144	99	0.31
New funds (AFI 08)	41	36	0.12

**Funds leveraged for participants**

Thumb	savings	match	mortgages
<b>All funds</b>	<b>\$333,563</b>	<b>\$748,594</b>	<b>\$18,958,691</b>
Old funds (2001-06)	228,272	634,730	16,318,859
New funds (AFI 07)	94,174	107,864	2,446,832
New funds (AFI 08)	11,117	6,000	193,000

(Match is equal to all match dollars used for past qualified withdrawals. Savings is equal to those dollars saved and used for past qualified withdrawals, and also dollars saved and in an active account at quarter ending)

**Detroit Region****RCO: United Way for Southeast Michigan (Detroit)****Number of IDA participants**

Detroit ALL	Funded	Filled	Available	% filled
<b>All funds</b>	<b>456</b>	<b>444</b>	<b>12</b>	<b>0.97</b>
Old funds (2001-06)*	359	359	0	1.00
New funds (AFI 07)	97	85	12	0.88

\*Includes 121 completed accounts at Michigan Neighborhood Partnership, which is no longer a MIDAP funded site.

**Asset Investments**

Detroit	Total	HO	ED	BUS
<b>All funds</b>	<b>385</b>	<b>165</b>	<b>165</b>	<b>55</b>
Old funds (2001-06)*	343	158	133	52
New funds (AFI 07)	42	7	32	3

Participants who have made qualified withdrawals for Asset Investments in the Detroit Region have:

accessed match funds of       \$ 1,416,404  
 leveraged mortgages of       \$14,141,567

**Attrition Rates**

Detroit	Enrolled	filled	% Attrition
<b>All funds</b>	<b>976</b>	<b>444</b>	<b>0.55</b>
Old funds (2001-06)*	872	359	0.59
New funds (AFI 07)	104	85	0.18

**Funds leveraged for participants**

Detroit	savings	match	mortgages
<b>All funds</b>	<b>\$ 345,384</b>	<b>\$1,416,404</b>	<b>\$14,141,567</b>
Old funds (2001-06)*	291,921	1,296,626	13,666,567
New funds (2007)	53,463	119,778	475,000

(Match is equal to all match dollars used for past qualified withdrawals. Savings is equal to those dollars saved and used for past qualified withdrawals, and also dollars saved and in an active account at quarter ending)

## Cities of Promise (COP)

All Cities of Promise IDA funds reported here relate to the 2007 funding restricted to use in these eight cities. The number of City of Promise participants in some Cities may exceed the amount of funding specifically restricted to a City of Promise.

### Number of IDA Participants

Statewide				
New funds (2007)	Funded	Active	Ever enrolled	% Attrition
All COP	132	211	286	0.26
By City				
	Funded	Active		
Benton Harbor	15	14	33	0.58
Muskegon Hghts	15	4	6	0.33
Detroit, Htrmk, HP	46	97	121	0.20
Pontiac	26	44	61	0.28
Flint	12	25	25	0.00
Saginaw	18	27	40	0.33

### Asset Investments & Funds leveraged by participants

Funds Leveraged for participants					
Cities of Promise	total savings	match	mortgages	qw save	reg save
<b>All COP</b>	<b>\$ 129,455</b>	<b>\$ 185,472</b>	<b>\$ 3,246,986</b>	<b>\$ 58,377</b>	<b>\$ 71,078</b>
Benton Harbor	11,048	28,786	935,900	9,959	1,089
Muskegon Heights	2,116	-	-		2,116
Detroit, Htrmk, HP	53,737	77,339	504,500	18,012	35,725
Pontiac	33,300	47,167	1,028,179	17,802	15,498
Flint	10,565	6,000	174,000	2,000	8,565
Saginaw	18,689	26,180	604,407	10,604	8,085

### City of Promise Qualified withdrawals

Statewide	Total	HO	ED	BUS
<b>All COP</b>	<b>61</b>	<b>42</b>	<b>9</b>	<b>10</b>
Benton Harbor	12	12	0	
Muskegon Hghts	0		0	
Detroit, Htrmk, HP	21	8	8	5
Pontiac	16	12	1	3
Flint	2	2	0	0
Saginaw	10	8	0	2

Participants who have made qualified withdrawals for Asset Investments in the Cities of Promise

have saved	\$ 58,377
accessed match funds of	\$ 185,472
leveraged mortgages of	\$ 3,997,730