



Michigan IDA Partnership
-A Project of Oakland Livingston Human Service Agency-
Statewide Report for October-December, 2011

Introduction by Karen Emerson, Northwest Michigan Community Action Agency

Tax Credits in the life of the Northern Michigan Region...

2009 - Tax Credit new legislation (Public Acts No. 450 of 2008) went into effect January 9, 2009. This allowed for an unprecedented state tax credit for Individual Development Account (IDA) contributions. IDA contributions from individuals or businesses were eligible for a Michigan tax credit of \$.75 for each \$1.00 donated. As an example: A contribution of \$1000.00 multiplied by a credit of 75% equals a credit amount of \$750.00. Letters and flyers were produced by the Tax Credit workgroup and a work plan was created. The Michigan Individual Development Account Program (MIDAP) organized a small campaign to promote the tax credit and received \$6,000.00.

2010 – The Tax Credit workgroup initiated conversations and mass mailings to partners, including service groups and financial planners. The Northern Regional Coordinating Organization (RCO) sent 200 mailings to financial planners and CPAs in the Greater Grand Traverse Area. MIDAP received over \$68,000.00 in tax credit dollars.

2011 – The Campaign continued for the tax credit, though it is the last year tax credits for IDAs are available. The Northern RCO continued the mass mailings in final quarter of 2011 and sent over 200 letters and flyers. MIDAP realizes over \$300,000.00 of the 1 million dollar cap.

The IDA tax credit received over 1/3 of the total tax credits within just three years. Current and future funding is an essential part in providing the private match dollars and support funds needed to leverage federal dollars from the Assets for Independence Program. This funding would assist each of the five regions in providing 50 accounts each year (250 state-wide) in Michigan.

Now where does MIDAP turn? Private fundraising from financial institutions, businesses, and private fundraising did not provide enough funding for direct service (case management/data tracking/education) and match (private dollars to pull down federal dollars) in the past. The tax credit provided a means to educate the general public and reach out to the financial planners and tax preparers regarding IDAs as a tool to help low to moderate income families acquire assets and help them on the road to self-sufficiency. IDAs truly are an essential tool in helping “break the cycle” of poverty.

Recently, the Grand Traverse Region Poverty Reduction Initiative held the 15th bi-annual Saturday Special Event on Feb. 4, 2012. IDAs were highlighted throughout the day in guest speaker presentations, workshops, and booths.

Wouldn't it be great if all people with earned income experiencing poverty could open an IDA for education, start-up or expansion of a business, or home purchase? We must find a way we can do this together, now that tax credits will not be a viable instrument to do so.

Statewide Accomplishments

- Thirty-three IDA clients successfully purchased their asset during this quarter, for a grand total of 1,847.
- The Michigan IDA tax credit reached over \$300,000 in 2011.
- Mortgage dollars leveraged reached over \$100 million for MIDAP IDA's.

Accomplishments at Specific Regions:

- Inner City Christian Federation (ICCF) covering the west region, will be working off its waiting list and filling accounts with these potential clients. Financial Management classes were offered this quarter and saw over 48 people graduate.
- United Way of Southeast Michigan (UWSEM) covering the Detroit region, will be bringing up to four new IDA partner sites over the next quarter.
- Oakland Livingston Human Service Agency (OLHSA) covering the thumb region, assigned the 50 new IDA accounts to 8 of its 9 program sites. These program sites have been involved with IDAs for several years, and believe that the program is worth supporting into 2012 and beyond.
- The Northwest Michigan Community Action Agency (NWMCAA), covering the northern region, mailed 200+ letters promoting the IDA tax credit to Financial Advisors and CPAs. In addition, they were able to tie pre-IDA pledge and tax program with help from the Tax Program and Poverty Reduction Initiative (PRI).
- Community Action Agency –Jackson (CAAJ), covering the southern region, will be working with program sites next quarter to allocate new accounts. A conversation occurred with Goodwill of Central Michigan Heartland to expand the program into the Battle Creek area.

Summary of Progress**Number of IDA participants**

Statewide	Funded	Filled	Available	% filled
All funds	2348	2206	142	0.94
Old funds (2001-06)	1384	1369	15	0.99
New funds (AFI 07)	533	508	25	0.95
New funds (AFI 08)	173	133	40	0.77
New funds (AFI 10)	258	196	62	0.76

Asset Investments Summary Table

As of December 31, 2011

Homeownership Accounts	1299
Education Accounts	317
Business Accounts	231
Total Asset Investments	1,847
Total Participant Savings Used	\$1,933,556
Total Match Amount Used	\$5,315,771
Current Mortgages Leveraged	\$102,510,157

Significant number changes from last quarter (cumulative totals):

	<u>Through Sept.</u>	<u>Through Dec.</u>	<u>Difference:</u>
<u>Qualified Withdrawals:</u>	1,814	1,847	+33

Special Note: On State and Regional pages later in the report (pages 4-12), numbers may have changed significantly from last quarter. This is due to a 2006 grant that has either been closed in regions, or getting ready to be closed. RCO's may have moved numbers in the following categories from one grant to another, in order to meet original goals for the 2006 grant: qualified withdrawals, match, mortgage dollars and savings.

Statewide Funding Update and Plans for Expansion

Many thanks to those who contributed to the 2011 IDA tax credit, and to those who partnered with MIDAP to spread the word about such a wonderful opportunity. During the next quarter, MIDAP will be meeting with its partners to discuss another potential round of funding to occur as early as May 2012.

Current Strengths & Areas for Improvement of the Michigan IDA Partnership

Reports from each region indicate that their program sites are experiencing high levels of enthusiasm for the IDA program. Calls continue to come in steadily, and several regions have been struggling with the idea to either expand and partner with other neighboring agencies, or reward the existing partnering agencies with greater account loads (and potentially let go smaller-performing sites) in hopes that they can stretch out further in their outreach areas.

If the funding in each region could become sustainable, decisions on how to grow and move forward would become clearer. IDAs would reach more people. Home-ownership, post-secondary education and small business development would empower more families and their communities. IDA staff could spend less time wondering how their program will run next year and more time improving their training components, such as credit repair, budget counseling and foreclosure prevention—all measurable outcomes of the IDA program.

Please continue to spread the word about the IDA program, and to advocate on its behalf. The funding dollars raised are necessary to match IDA saving dollars, and to pay for the free training components that have always been a large part of this program's strengths. As the success story indicates (page 4), IDAs do work and make a difference in ways that our clients are happy to share when asked.

Participation in MIDAP Training and Capacity Building Services

Program sites, working with their RCOs, participated in the following activities:

- completed AFIA semi-annual reporting obligations.
- marketed the IDA tax donation where applicable.
- completed and submitted the annual data reports to congress, in December.
- confirmed account needs at the program site level and began plans to distribute these accounts.
- opened reserve account for the 2011 AFIA funding.
- made plans for future annual site reviews to occur next year.
- continued with funding efforts so another round of IDAs may occur in 2012 in Michigan.

RCOs and their program sites have recently participated in the following trainings and capacity building services: AFI webinars and discussions, in-person regional meetings and or monthly conference calls, and asset building websites and list-serve opportunities.

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

ICCF reported that annual site visits will occur at all active program sites during the next quarter. These site visits allow time for both the RCO and program site to ask questions and be evaluated based on their contractual terms and obligations.

OLHSA reported that next quarter will be a continuation of spending out the 2006 AFIA grant, making sure to move clients from one project to another where it makes sense in order to meet initial grant goals.

NMCAA reported that publicity began this quarter for E-Home America to offer on-line homebuyer education.

CAA-Jackson reported that several staff issues were addressed during this quarter. In addition, various Outcome Tracker issues arose and assistance was provided in a timely manner.

UWSEM reported that plans to hire new staff are underway and should occur in March.

IDA Success Story (Contributed by: Northwest Michigan Community Action Agency)

My name is Hubert Whittaker. Two years ago, I was an inmate in Leelanau county jail for a drunk driving offense. While incarcerated I had much time to think about where I wanted to go and what I really wanted to do with my life. I had grown up in a large family that followed crop seasons as migrant workers. I was used to hard work from a very young age; we all had to work to help support the family.

In the early 1970s, my Dad became very interested in rocks and minerals and took it up as a hobby. He soon realized that his love for rocks could be turned into income to help support the family. We opened a rock shop in Northport. This business flourished both in the retail end and as a supplier for other stores in the state. It was very hard work to hunt and polish stones to keep up with demand. Through this experience, I also developed a love for the rock business.

Before going to jail, I had attempted to start my own business but had never really been able to make a go of it. It was while in jail that I made up my mind that the rock business was the direction I wanted to go. There were obstacles to overcome when I was released from jail. I spent thirty days in intensive alcohol treatment center and then into another impatient treatment center for sixty days. I had nowhere to live after this time so I moved into a transition house for three months and then to the Goodwill Inn (homeless shelter). It was at the Goodwill Inn that I became involved with the Northwest Michigan Community Action Agency.

The staff at NMCAA was able to get me involved with two programs that would be beneficial to me and my path to success. First, through one program they were able to help me with funding to get into my own apartment. After three months I was able to move into my own place. The second program through NMCAA that I became involved in was the IDA program. It is a matched savings program aimed at helping small businesses get a good start. The program matches two dollars to every one dollar I save, and required that I attend very helpful and informative workshops such as finances, budget planning, debt counseling and tax information that were offered at their office. They also put me in touch with SCORE group at the Chamber of Commerce to help with business planning.

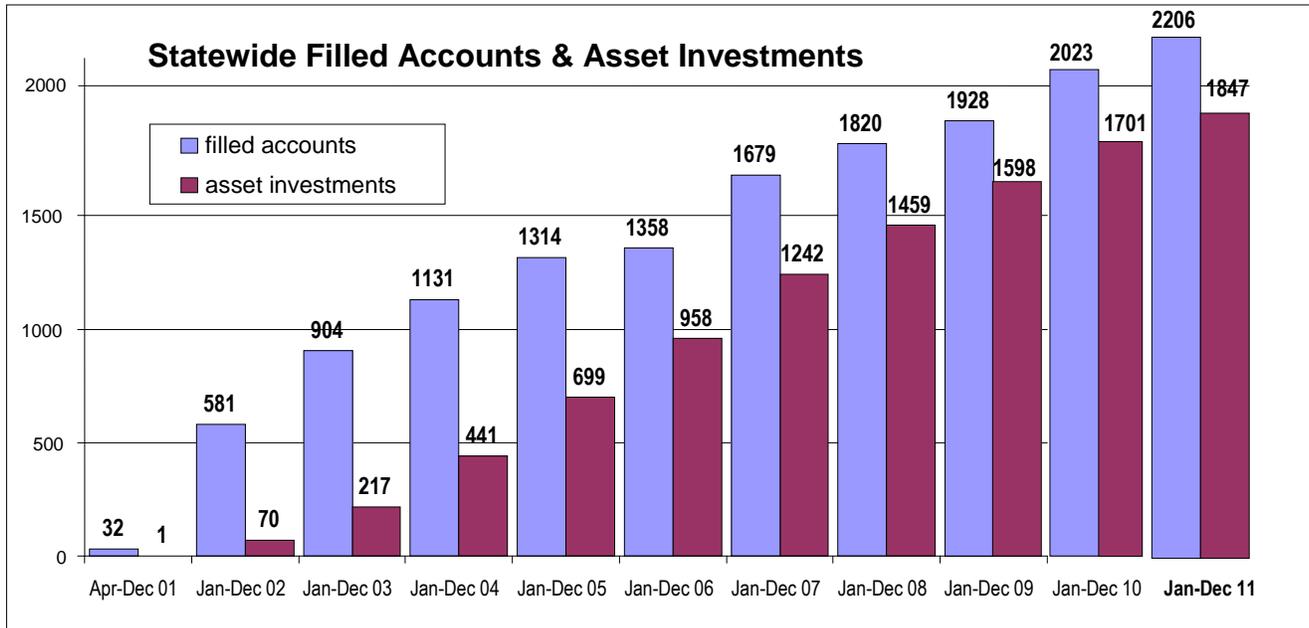
Thanks to the great help, support, and confidence I received at NMCAA I have come a long way. I have now opened a retail shop in Kingsley, Michigan. This location also has a workshop in the back so that I can produce the product to supply my own store as well as a supplier to other stores in the state. In the near future, I am looking to expand my business into other states as well as internationally. I feel very confident that with the knowledge and support that I received from NMCAA and SCORE that my business, No Stone Unturned, will be successful and prosperous business. Thank You!

Attachments

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



MICHIGAN IDA PARTNERSHIP
 A PROJECT OF OAKLAND LIVINGSTON HUMAN SERVICES AGENCY
PROGRAM STATUS UPDATE
 DECEMBER 2011



Asset Investments Summary Table	
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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 successful model for IDA collaborative programs. 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 Harding at susanh@olhsa.org or 248-209-2790, or Heidi Henderson at heidih@olhsa.org or 248-209-2691.

Michigan IDA Partnership (www.midap.info) is sponsored in part by Michigan State Housing Development Authority

STATUS OF IDA ACTIVITY IN MICHIGAN**FACT SHEET DECEMBER 2011**

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 **over 2,340 IDA Accounts** funded. IDAs help working poor families save toward buying their first-time home, attaining post-secondary education, or starting a small business. In Michigan, IDAs have helped individuals **save over \$1,933,556**.

Since 2001, MIDAP has:

- Established **5 IDA Program Regional Networks** to reach a statewide goal of 2,000 IDA Accounts
- Raised and received non-federal and federal match dollars to support statewide accounts in 2007, 2008, and now 2010. This September, **another 250 accounts** were made available in the state of Michigan
- Expanded the number of **IDA Program Sites from 5 to 50**
- More than **2,208 accounts** are filled, and **94% 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, 2011, 1,847 IDA Participants have made an asset investment (1,299 homes purchased, 317 education account uses and 231 business account uses). The mortgages **leveraged to date exceed \$102 million**.

Leveraged \$3.5 million in private sector funding, \$5.5 million from the **state of Michigan (including DHS and MSHDA funds)** and \$2.9 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. **Implementation of state IDA Tax Credit Act, PA 514**
3. **Passage of the federal Savings for Working Families Act**

For further information, including evaluations please contact:

MIDAP Program Coordinator at OLHSA:

Susan Harding, 248-209-2790

Heidi Henderson, 248-209-2691

Southern Region:

Community Action Agency (Jackson),

Toby Berry, 517-784-4800, Tberry@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), Cynthia Grayson,

313-226-9229 Cynthia.Grayson@liveunitedsem.org

FOR MORE INFORMATION, PLEASE GO TO WWW.MIDAP.INFO

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

South	Funded	Filled	Available	% filled
All funds	520	461	59	0.89
Old funds (2001-06)	216	216	0	1.00
New funds (AFI 07)	125	123	2	0.98
New funds (AFI 08)	129	91	38	0.71
New funds (AFI 10)	50	31	19	0.62

Asset Investments

South	Total	HO	ED	BUS
All funds	356	320	23	13
Old funds (2001-06)	216	186	18	12
New funds (AFI 07)	123	118	4	1
New funds (AFI 08)	17	16	1	0
New funds (AFI 10)	0	0	0	0

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

accessed match funds of \$ 959,257
 leveraged mortgages of \$27,985,807

Attrition Rates

South	Enrolled	filled	% Attrition
All funds	989	461	0.53
Old funds (2001-06)	618	216	0.65
New funds (AFI 07)	196	123	0.37
New funds (AFI 08)	138	91	0.34
New funds (AFI 10)	37	31	0.16

Funds leveraged for participants

South	Savings	match	mortgages
All funds	\$407,832	\$959,257	\$27,985,807
Old funds (2001-06)	210,559	587,883	17,731,362
New funds (AFI 07)	120,975	324,374	8,884,571
New funds (AFI 08)	66,495	47,000	1,369,874
New funds (AFI 10)	9,803	0	0

(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
All funds	419	414	5	0.99
Old funds (2001-06)	253	253	0	1.00
New funds (AFI 07)	108	108	0	1.00
New funds (AFI 10)	58	53	5	0.91

Asset Investments

West	Total	HO	ED	BUS
All funds	364	272	27	65
Old funds (2001-06)	253	186	19	48
New funds (AFI 07)	107	85	6	16
New funds (AFI 10)	4	1	2	1

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

accessed match funds of \$ 913,642
leveraged mortgages of \$23,336,080

Attrition Rates

West	Enrolled	filled	% Attrition
All funds	790	414	0.48
Old funds (2001-06)	562	253	0.55
New funds (2007)	175	108	0.38
New funds (AFI 10)	53	53	0.00

Funds leveraged for participants

West	savings	match	Mortgages
All funds	\$ 378,084	\$913,642	\$23,336,080
Old funds (2001-06)	247,321	628,852	15,742,080
New funds (2007)	114,963	275,790	7,500,000
New funds (2010)	15,800	9,000	94,000

(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)

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

North ALL	Funded	Filled	Available	% filled
All funds	454	420	34	0.93
Old funds (2001-06)*	299	284	15	0.95
New funds (AFI 07)	105	86	19	0.82
New funds (AFI 10)	50	50	0	1.00

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

Asset Investments

North	Total	HO	ED	BUS
All funds	389	264	94	31
Old funds (2001-06)*	284	217	49	18
New funds (AFI 07)	67	47	8	12
New funds (AFI 10)	1	0	0	1

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

accessed match funds of \$ 1,002,651
 leveraged mortgages of \$14,287,651

Attrition Rates

North	Enrolled	filled	% Attrition
All funds	626	420	0.33
Old funds (2001-06)*	426	284	0.33
New funds (2007)	145	86	0.41
New funds (AFI 10)	55	50	0.09

Funds leveraged for participants

North	savings	match	mortgages
All funds	\$419,568	\$1,002,651	\$14,287,651
Old funds (2001-06)*	297,802	821,154	10,231,349
New funds (2007)	90,372	179,497	4,056,302
New funds (2010)	31,394	2,000	0

(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
All funds	451	436	15	0.97
Old funds (2001-06)	257	257	0	1.00
New funds (AFI 07)	100	96	4	0.96
New funds (AFI 08)	44	42	2	0.95
New funds (AFI 10)	50	41	9	0.82

Asset Investments

Thumb	Total	HO	ED	BUS
All funds	356	268	36	52
Old funds (2001-06)	257	200	26	31
New funds (AFI 07)	69	44	10	15
New funds (AFI 08)	23	19	0	4
New funds (AFI 10)	7	5	0	2

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

accessed match funds of \$ 887,182
 leveraged mortgages of \$22,331,266

Attrition Rates

Thumb	Enrolled	filled	% Attrition
All funds	815	436	0.47
Old funds (2001-06)	535	257	0.52
New funds (AFI 07)	168	96	0.43
New funds (AFI 08)	62	42	0.32
New funds (AFI 10)	50	41	0.18

Funds leveraged for participants

Thumb	savings	match	mortgages
All funds	\$371,639	\$887,182	\$22,331,266
Old funds (2001-06)	228,272	634,730	16,318,859
New funds (AFI 07)	93,160	168,528	4,271,371
New funds (AFI 08)	29,096	64,924	1,332,956
New funds (AFI 10)	21,111	19,000	408,080

(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
All funds	504	475	29	0.94
Old funds (2001-06)*	359	359	0	1.00
New funds (AFI 07)	95	95	0	1.00
New funds (AFI 10)	50	21	29	0.42

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

Asset Investments

Detroit	Total	HO	ED	BUS
All funds	419	175	174	70
Old funds (2001-06)*	343	158	133	52
New funds (AFI 07)	75	16	41	18
New funds (AFI 10)	1	1	0	0

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

accessed match funds of \$ 1,553,039
 leveraged mortgages of \$14,569,353

Attrition Rates

Detroit	Enrolled	filled	% Attrition
All funds	1042	475	0.54
Old funds (2001-06)*	872	359	0.59
New funds (AFI 07)	145	95	0.34
New funds (AFI 10)	25	21	0.16

Funds leveraged for participants

Detroit	savings	match	mortgages
All funds	\$ 356,433	\$1,553,039	\$14,569,353
Old funds (2001-06)*	291,921	1,296,626	13,666,567
New funds (2007)	59,124	253,413	797,717
New funds (2010)	5,388	3,000	105,069

(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/QW	Ever enrolled	% Attrition
All COP	132	181	316	0.43
By City				
	Funded	Active		
Benton Harbor	15	12	34	0.65
Muskegon Hghts	15	4	8	0.50
Detroit, Htrmk, HP	46	86	134	0.36
Pontiac	26	41	68	0.40
Flint	12	15	30	0.50
Saginaw	18	23	42	0.45

Asset Investments & Funds leveraged by participants

Funds Leveraged for participants					
Cities of Promise	total savings	match	mortgages	qw save	reg save
All COP	\$ 154,724	\$ 369,367	\$ 4,804,740	\$ 112,748	\$ 41,976
Benton Harbor	11,449	27,616	935,900	9,916	1,533
Muskegon Heights	4,024	11,000	156,000	4,024	-
Detroit, Htrmk, HP	68,132	164,678	924,500	35,836	32,296
Pontiac	39,674	95,938	1,378,679	34,900	4,774
Flint	11,081	17,000	365,000	9,003	2,078
Saginaw	20,364	53,135	1,044,661	19,069	1,295

City of Promise Qualified withdrawals

Statewide	Total	HO	ED	BUS
All COP	144	89	30	25
Benton Harbor	12	12	0	0
Muskegon Hghts	4	3	0	1
Detroit, Htrmk, HP	64	28	23	13
Pontiac	35	25	4	6
Flint	9	6	3	0
Saginaw	20	15	0	5

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

have saved	\$ 154,724
accessed match funds of	\$ 369,367
leveraged mortgages of	\$ 4,804,740