



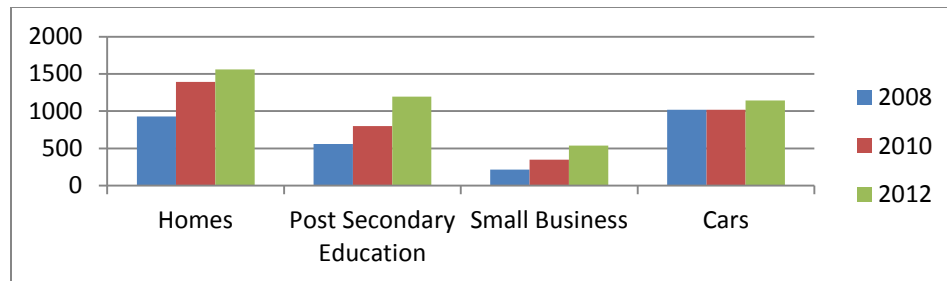
“Individual Development Accounts (IDAs) in Texas: Their Continued Success but the Growing Challenges from 2008-2012”

By Woody Widrow and Lauren Gates

The following is a brief summary of data collected from 2008-2012 to demonstrate the successes and challenges for Texas IDA programs over the past five years.

Matched-Savings Programs Help Move Families and Communities Toward Financial Stability

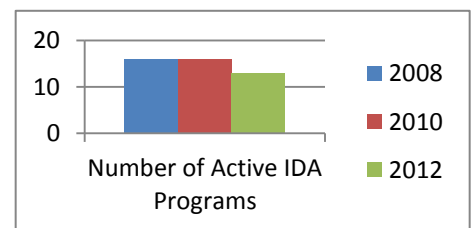
- In the last five years, IDA programs in Texas have continually helped families and individuals purchase an asset and move toward financial stability. Data shows an increasing number of asset purchases in Texas from 2008-2012, adding significantly to the cumulative amount of assets purchased since 2000 to more than 4,400.



- Cumulatively, IDA program participants have used \$5.8 million of their savings, combined with \$11.6 million in match money, resulting in over \$17.4 million returned to the Texas economy through IDA asset purchases.
- Of the 16 IDA programs operating during 2008-2012, over 80% offered other asset-building services and programs to their clients.
- IDA programs provide financial education and asset-specific classes that help clients make good financial choices. In fact, out of the over 1,500 first-time homeowners that purchased a home through an IDA program in Texas, only one of those homes has gone into foreclosure.

Texas IDA Programs Face Many Challenges to Maintain Their Programs

- Over the five year period, the number of new IDA programs seemed stable. Each year there were several new IDA programs that emerged, but recently a few of the existing programs closed out grants and ended their programs due to lack of accessible funding.



- One of the main challenges for new groups starting an IDA program and for existing groups to maintain an IDA program is the lack of non-federal match money available in Texas. The Assets for Independence (AFI) program requires a 1:1 match of non-federal monies in order to draw down any awarded federal funds. This has proven to be difficult for most groups in Texas, so fewer programs are taking advantage of bringing federal dollars into the Texas economy.
- A third major challenge is that the cost of operationally running an IDA program is now requiring a broader approach. IDA programs are beginning to integrate their programs into other related asset-building activities to help cover some of the operating costs. AFI grants only allow 15% of the funding amount to be used toward administrative costs, which leaves groups to raise support to cover the rest of the costs.