



# “Individual Development Accounts: Helping Individuals, Families, and Communities Create Economic Opportunity and Build Wealth”

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## Quick Glance at Survey Results

Current Number of IDA programs in Texas	16
Number of Asset Purchases in Texas	2,720
Total amount of savings by IDA participants	\$4 million
Total amount of match money provided	\$8 million
Total amount of savings and match for asset purchases	\$12 million
Number of current IDA participants	1,360
Amount of current IDA savings	\$1 million
IDA Program Requirements	Consistent savings and financial education

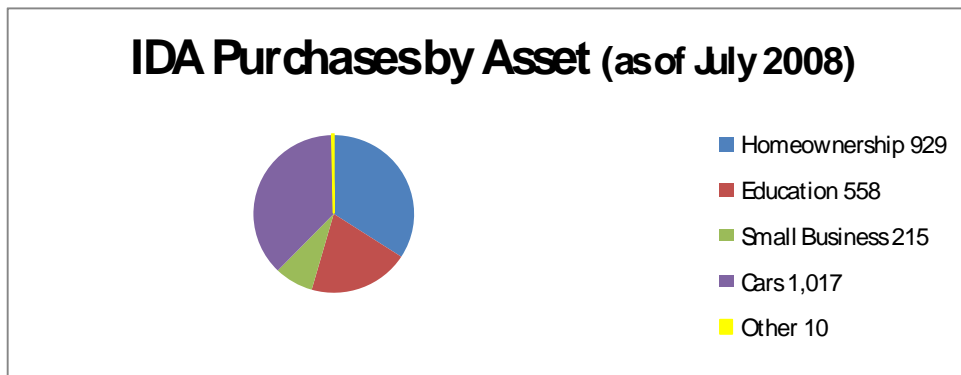
## IDAs Build Wealth

Based on research from three surveys conducted in 2004, 2006, and 2008 by RAISE Texas, 27 organizations in Texas that are either currently running an IDA program or have completed their IDA program were contacted. Out of the 27 organizations, 16 currently have an active IDA program. These surveys were designed to update program information from each of the organizations and to better understand the impact and challenges of IDA programs in Texas. IDA programs have successfully helped to create economic opportunity for low-to-moderate income individuals, families, and communities throughout the state, by offering participants the chance to open a bank account, establish a consistent pattern of savings, attend financial and asset-specific education classes, and ultimately, build wealth through the purchase of an asset. The following information outlines the details of the surveys and the results that were submitted from the various programs around the state.

The 27 organizations surveyed have provided asset-building services in different areas of Texas. The areas served by one or more IDA programs are: Abilene, Austin, Arlington, Beaumont and the Golden Triangle area (which is now part of a Houston IDA program), the Brownsville area (Cameron County), Dallas, Fort Worth, El Paso, Houston, McAllen, Midland, Rio Grande City, the Rio Grande Area, San Antonio, Waco, Amarillo, and San Juan.

## Survey Findings

Despite the different locations, the results of our surveys show that every IDA program in the state of Texas has made a major impact in the lives of their participants. To date, IDA programs in Texas have helped over 2,720 individuals and families purchase an asset. The breakdown by asset is shown in the chart below.



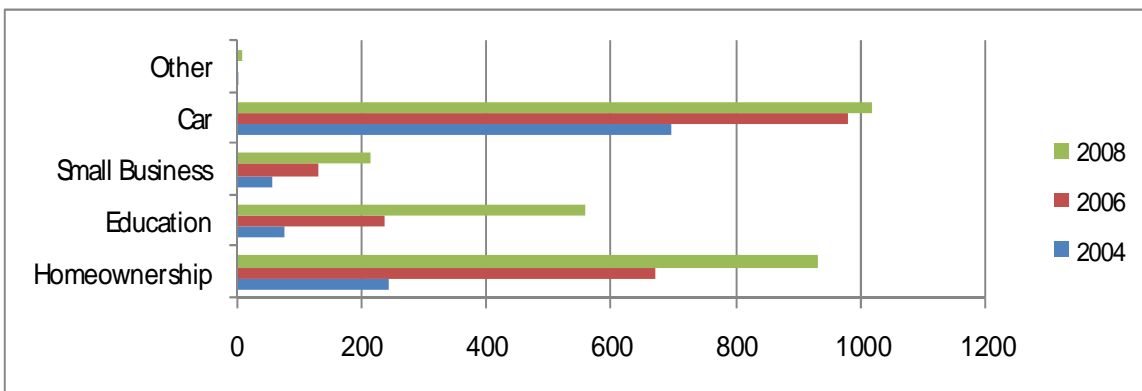
Participants in the IDA programs in Texas have cumulatively saved \$4,910,732.73 as of July 31, 2008. Of the money saved by participants, \$3,923,589.12 was used to purchase assets. The IDA programs provided \$8,292,677.84 of match money toward these purchases making a total of \$12,216,266.96 in savings and match funds used for asset purchases. In addition to these funds, some of the IDA programs were able to help their participants take advantage of over \$50,000,000 in additional leverage dollars, including other down payment assistance funds, reduced pricing on vehicles, small business loans and grants, etc.

Currently there are over 1,360 IDA accounts active in Texas. The active IDA accounts hold approximately \$987,000 in savings. While continuing to save, these IDA participants are taking financial education and asset-specific classes, and working to improve their credit score.

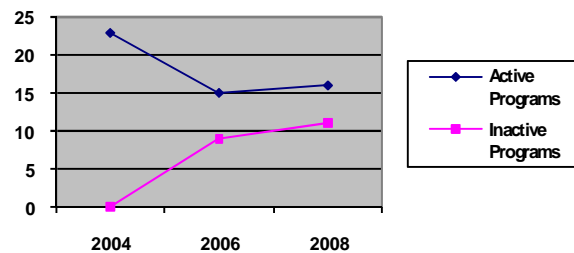
### Trends and Challenges for IDA Programs in Texas

Over the past four years, there have been a number of trends and challenges shown by the results of the IDA surveys.

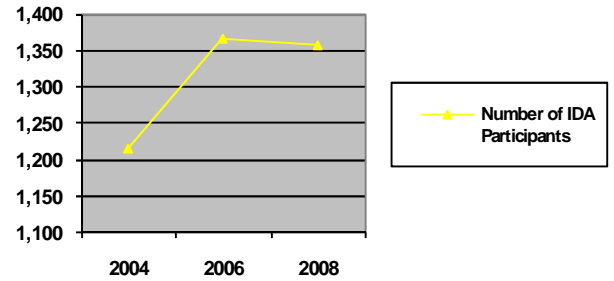
First, the number of asset purchases has increased over the last four years in every asset category. In the past two years, the amount of education purchases have more than doubled showing a trend in more individuals focusing on saving towards post-secondary education. Homeownership has also continued to increase, showing that low-to-moderate income families are willing and able to save money and purchase a home. The chart below shows the trends of all of the assets from 2004-2008.



Second, one of the main challenges shown in the survey results is the difficulty experienced by the organizations to obtain the resources necessary to keep their IDA programs funded and running. There has been a steady increase in the number of inactive IDA programs in the state of Texas over the past four years, but not in the number of new or existing active programs. The chart depicts the number of active and inactive programs. The availability of resources and funding is crucial for organizations that offer IDA programs, in order to continue to expand the programs and products to serve a larger population.



Third, a major concern is that the number of individuals and families enrolled in IDA programs in Texas has failed to increase substantially over the past two years. Despite the steady increase in the number of IDA participants between 2004 and 2006, the number of individuals and families enrolled in these programs between 2006 and 2008 has leveled off. This statistic shows that the inability to raise the necessary match money to continue running the IDA programs is directly affecting the enrollment rates and the number of Texans that these successful programs will be able to help in the future.



Finally, the information from the surveys show the discrepancy between the number of IDA programs offered in major metropolitan areas at 17 and the number of programs offered in small cities and rural areas at 10. This discrepancy increases when looking at the current number of active programs in Texas versus the number of inactive programs. Out of the 27 organizations surveyed, 16 are currently active in the state of Texas. Of the 16 active programs, only five are located in small cities and rural areas.

### **Survey Conclusions and Goals**

Available statewide IDA funding would allow more organizations to keep their IDA programs active in the state of Texas. Not only would these funds help provide match money helping individuals and families purchase an asset, but it would also provide the necessary operating dollars to allow organizations to continue to manage and market their IDA programs.

Having IDA funding available statewide would also allow IDA programs in Texas to leverage more federal funds to support more Texas families and their communities. The Assets for Independence Program (AFI), a federal funded IDA program, provides grants to local groups that can raise an equal amount of non-federal funds. Due to a lack of local and state public funds and private dollars, Texas has not received its fair share of these federal monies, which instead have gone to programs in other states.

IDA programs are an important tool in the fight against poverty. RAISE Texas' surveys are similar to those completed around the country. All show that low- and moderate-income individuals and families can save their money, invest in the financial stability of themselves, and expand their support in their local communities through this program. Additional public and private funding will help to establish more IDA programs and expand the existing IDA programs to reach more Texans.

IDA programs are a great way to encourage individuals and families to take advantage of financial literacy classes and homebuyer education to prevent many of the problems that have occurred in the housing market over the past few years. Financial literacy classes and asset-specific classes are a requirement for most IDA programs, so all participants are taking part in these classes.

For more information and details of the IDA survey, or to get involved in the asset-building work of RAISE Texas, visit our website at [www.raisetexas.org](http://www.raisetexas.org).