Large-Site IDA Programs:

Pioneering the next level of expansion

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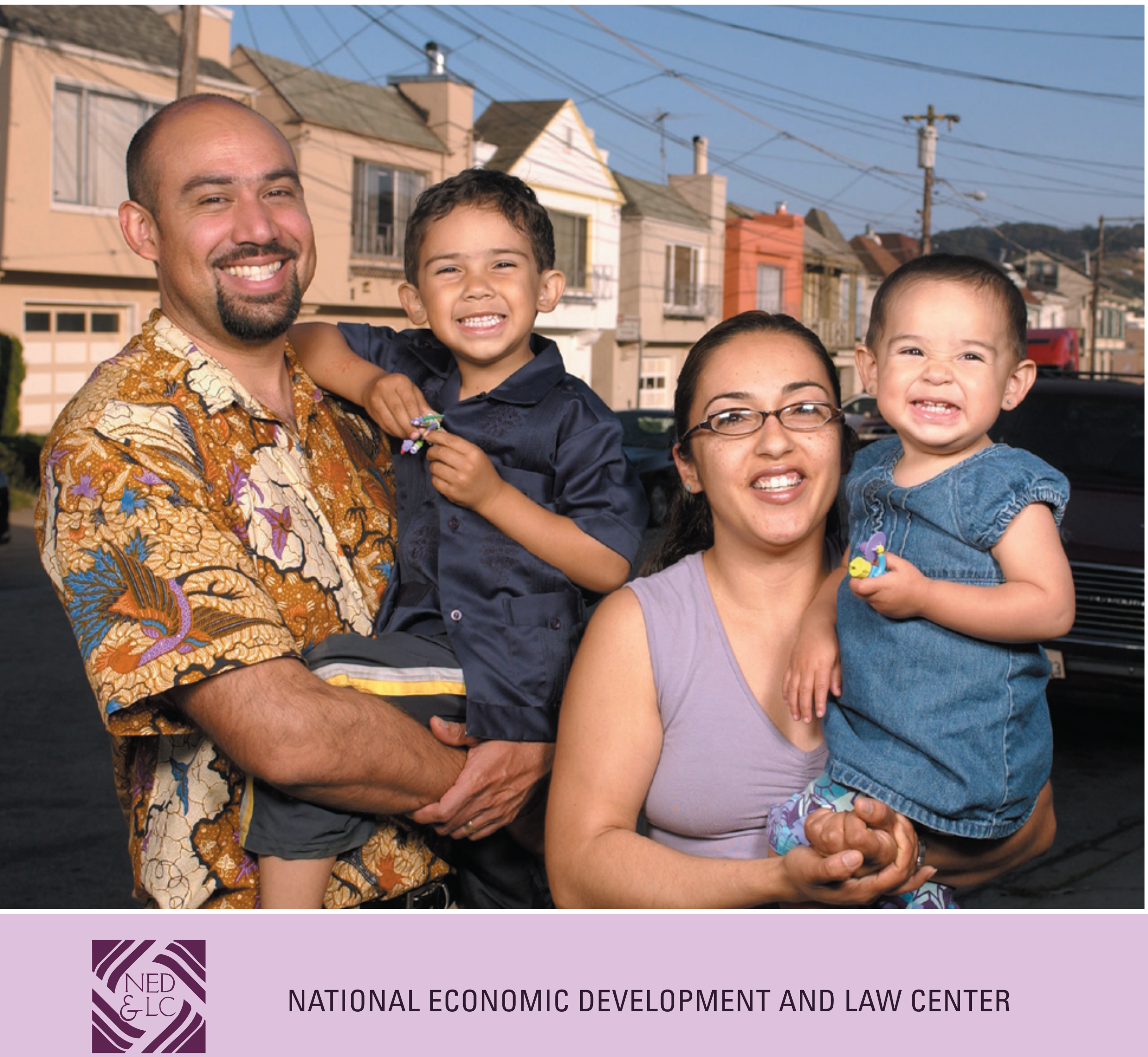

NATIONAL ECONOMIC DEVELOPMENT AND LAW CENTER

Large-Scale IDA Programs:
Pioneering the Next Level of Expansion

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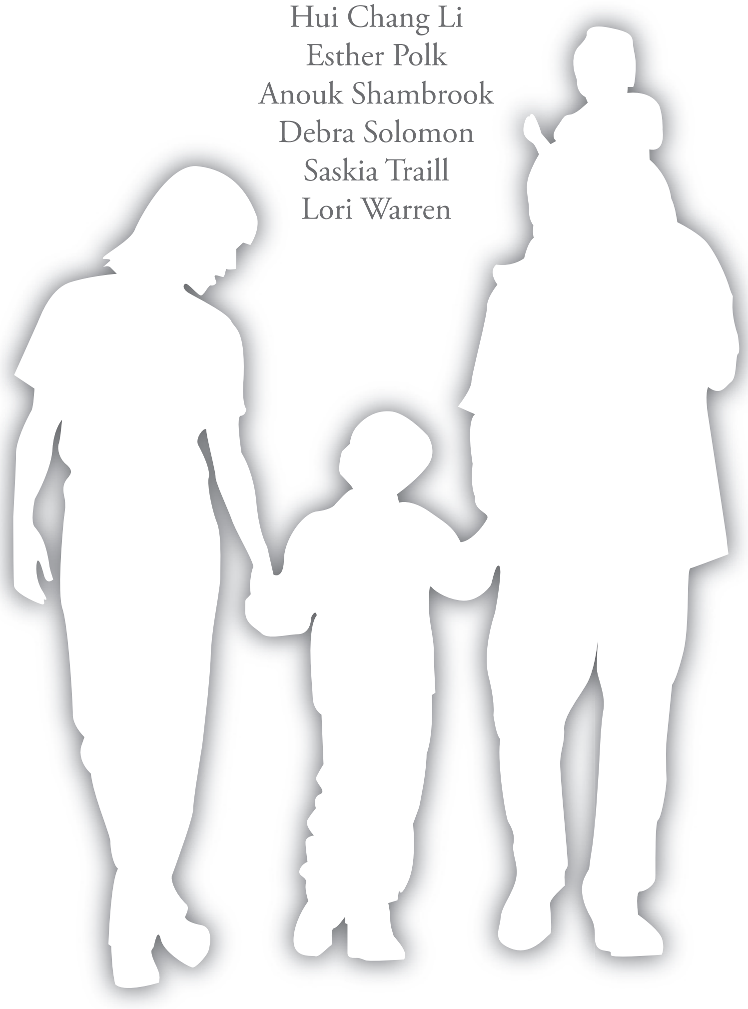

LARGE-SITE IDA PROGRAMS: PIONEERING THE NEXT LEVEL OF EXPANSION

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Background

National Economic Development & Law Center

The National Economic Development and Law Center (NEDLC), established in 1969, is a national research, consulting and legal organization dedicated to building economic health in vulnerable communities. We develop and promote innovative solutions that help people and communities become, and remain, economically secure. NEDLC works in collaboration with community organizations, private foundations, corporations, government agencies, and others to support programs that lead to good jobs, strengthen early care and education systems, and enable people and communities to build financial and educational assets.

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The cover photograph of Maria Sanchez and her family is courtesy of EARN. A first-time homebuyer, Maria saved $2,000 in her IDA and received $4,000 in matching funds from EARN to pay for closing costs on her home in Oakland, CA in 2004.

Introduction
The Mott Learning Cluster

From the Homestead Act and the G.I. bill to tax deductions for home owners, asset building has long been a part of U.S. economic policy to help middle class families. Using asset development as a strategy for alleviating poverty, however, is a relatively new concept. Widely recognized as the person responsible for this paradigm shift, Michael Sherraden wrote a groundbreaking 1991 book entitled *Assets and the Poor* in which he proposed Individual Development Accounts (IDAs) as a tool to alleviate income and asset-poverty in the U.S.[1]

Individual Development Accounts are matched savings accounts designed to help low-income and low-wealth people save regularly and acquire assets. IDA participants' savings and match funds are restricted to investments in assets such as a first-time home, a small business, and post-secondary education. Administered by non-profit organizations or public entities, the IDA is accompanied by financial education, asset-specific education, case management, and financial counseling.

To date, roughly 500 IDA programs throughout the nation have offered an estimated 30,000-50,000 accounts, funded both by private and public demonstration projects. The hope is that the number of accounts will grow to millions, so that all Americans will have the opportunity to accumulate assets and benefit from U.S. tax and asset-development policy.

The catalyst for creating an IDA Learning Cluster in 2004 was the anticipation of federal or state asset policy moving forward to exponentially expand the number of IDA accounts. One possibility at the time was the proposed federal Savings for Working Families Act (SWFA). SWFA would provide funding through the tax code to support the development of nearly one million Individual Development Accounts nationally, or potentially 20,000 accounts per state. However, many leaders in philanthropy, policy development and practice believed that the IDA service delivery structure was too costly to support this rapid level of growth. Most IDA programs had less than 100 accounts per program. Individual providers needed to increase their capacity to serve more people; the field as a whole needed to lower programmatic costs and gain economies of scale.

Within this context, the Charles Stewart Mott Foundation embarked on a field learning process to uncover promising practices among cost-efficient, "large-site" IDA models (LSMs), or those–for the purposes of this paper–with over 500 active accounts. Supported by the Mott Foundation, the National Economic Development and Law Center (NEDLC) convened five large-site non-profit IDA providers from across the country for a series of semiannual meetings between 2004 and 2006 to discuss promising practices and future growth.[2] The Foundation selected collaborative programs which were pioneering both in their number of IDA accounts, and in their innovative practices. Like a handful of others around the country, these practitioners reached an advanced stage of development and benefited from some economies of scale.

[1]Asset-poverty describes a person who can not rely on net worth—savings, home equity and other assets—to sustain expenses as defined by the federal poverty level for three months.

[2]It is important to note that these sites are among roughly a dozen IDA programs around the country which have grown to 500 plus accounts. Other sites could have contributed to this Learning Cluster but it was decided to keep the cohort small to foster trust, build relationships, and facilitate open dialogue.

The Mott Learning Cluster was comprised of:

1. **Community Action Project of Tulsa County (CAPTC)**; Tulsa, Oklahoma
2. **EARN**; San Francisco Bay Area, California
3. **Saving for the American Dream, United Way of Greater Los Angeles**; Los Angeles, California
4. **Michigan IDA Partnership (MIDAP)**; Michigan
5. **The Mid South IDA Initiative**; Mississippi, Louisiana, Arkansas and Southeast Texas

In addition to their size and innovative practices, these program models were selected because they had the following instructive characteristics:

- Each was exploring technologies, policies, partnerships, and practices to move the field toward the next level of expansion
- Each had a distinct and demonstrative program design and collaborative structure
- Each site was in a different stage of development
- Taken together, the sites represented different-sized geographic service areas (two cities, a multi-county region, a state, and the only multi-state collaborative)
- The sites provided a mix of rural and urban LSMs
- They were all funded by the Charles Stewart Mott Foundation, fostering the formation of a natural peer learning group

The specific purpose of the Learning Cluster was three-fold:

1. To share and document the strategies, innovations, promising practices and challenges of operating large-site IDA programs, so that new and smaller programs can learn from these pioneers
2. To provide the impetus and a forum for leaders of large-site IDA programs to debate and discuss how to expand access to assets for millions of low-income and low-wealth Americans
3. To strengthen and inform the field of practitioners and other stakeholders working diligently to grow asset building strategies

This paper was born out of the series of Mott Learning Cluster discussions. It describes promising practices, challenges, lesson learned, and research related to expanding IDA programs and practice. Contributing to a growing body of literature in the IDA field, it also captures the thinking and learning that transpired during these meetings, while focusing on three themes common in the discussions: 1) developing large-site IDA models 2) applying market segmentation strategies and 3) creating a standardized savings product. More details on these themes, including a case study of the five large-site programs, are expounded upon in longer papers by NEDLC.[3]

[3] These NEDLC papers are entitled: *Moving to Scale: Offering IDAs through Large-Site Models; Market Segmentation in IDA Programs: Research and Practice;* and *Developing a Standard Savings Product for IDA Growth.* They can be found at www.nedlc.org.

This paper proceeds as follows:

Section I: Large-Site IDA Models describes and analyzes lessons learned, challenges, and promising practices of the five large-site IDA initiatives in this Learning Cluster
Section II: Market Segmentation explores market segmentation as an innovative technique to help bring IDAs to more people, more effectively; it addresses how to segment the IDA market and applies research lessons on institutional and individual factors that influence savings outcomes
Section III: Developing a Standard Savings Product moves beyond the current IDA model to explore a strategy for making the IDA idea universal: creating a standard financial product that promotes asset-building and includes low-income people (unlike other asset strategies geared toward middle-income households)
Section IV: Concerns and Further Research discusses issues raised by these topics, areas of needed future research, and policy development ideas
Section V: Conclusion reviews the purpose of the Learning Cluster and reflects on next steps

IDA History in Brief

Michael Sherraden's groundbreaking 1991 book, entitled *Assets and the Poor,* in which he proposed asset building strategies as a tool to alleviate poverty and orient people toward future goals, was the impetus for IDAs. Sherraden's work sparked two national IDA pilot programs for low-income people: one was privately funded by foundations, and entitled the American Dream Demonstration (ADD); the other was federally funded and entitled the Assets for Independence Demonstration.

Spearheaded by 11 private foundations, CFED, a national economic development intermediary, led the implementation of the American Dream Demonstration from 1997 through 2002. Researchers at Washington University's Center for Social Development, including Michael Sherraden, conducted multi-year evaluation research for ADD and ultimately found that poor people, like higher-income people, can and do save toward asset accumulation, given the right incentives.[4]

Concurrent with ADD, in 1998 Congress passed the Assets for Independence Act (AFIA), which has become the main source of match funds for the roughly 30,000-50,000 IDAs offered to date. While AFIA began as a five-year demonstration, Congress has continued to appropriate IDA funds annually, totaling $160 million over eight years. Private philanthropy has supported additional program operating funds. And several states have dedicated surplus Temporary Assistance to Needy Families (TANF) dollars for IDA match and operational funds.

Over the past few years, the Savings for Working Families Act, which would enable the field to grow from thousands of account holders to a million, has been proposed several times. As of the writing of this paper, however, SWFA has not yet become law.

[4]G. Mills, R. Patterson, L. Orr, and D. DeMarco. *Evaluation of the American Dream Demonstration: Final Evaluation Report.* Cambridge, MA: Abt Associates, August 2004, p. i.

Section I
Large-Site IDA Models

This section begins with a brief description of each of the five large-sites in the Learning Cluster. It then moves to a discussion of seven critical components common to LSMs and concludes with an analysis of the functions of LSMs.

FIVE LARGE-SITE IDA MODELS

COMMUNITY ACTION PROJECT OF TULSA (Tulsa County, OK)

Name of Large-Site Model	Community Action Project of Tulsa County
Year Launched	1997
Geographic Area Served	Tulsa County, OK
Entity Responsible For:	
Providing IDA’s	CAPTC
Managing relationships with financial insitutions	CAPTC
Client account data management	CAPTC
Providing financial education	Oklahoma State Cooperative Extention
Raising IDA matching funds	CAPTC
Hosting IDA’s	Bank of Oklahoma
Policy Advocacy	CAPTC

A non-profit community-based agency serving the working poor in Tulsa County, Community Action Project of Tulsa County (CAPTC) was one of the first organizations to offer IDAs in the country through the ADD demonstration and one of the only sites to date to participate in a rigorous evaluation of the impact of IDAs. Between 1997 and 2004, CAPTC managed over 700 IDAs. In addition to its level of scale, CAPTC pioneered early adoption of market segmentation practices, which helped it maximize limited staff resources and serve more people. CAPTC also broke new ground in prompting technological innovation (by enabling electronic transfer of account activity information between its strong bank partner and CAPTC). This process saved money and staff time otherwise spent on manual data inputting. Unlike the other lead organizations in this Learning Cluster, CAPTC fulfilled all of the roles that are generally split among a central (or intermediary) organization, like CAPTC, and community-based direct service IDA providers. Rather than splitting functions among partner non-profit agencies, CAPTC incorporated all of the IDA programmatic services into its existing asset development strategies (namely, free earned income tax credit preparation for thousands of low-wage workers annually and a first-time homebuyers program).

EARN (SAN FRANCISCO BAY AREA, CA)

Name of Large-Site Model	EARN
Year Launched	2001
Geographic Area Served	S.F. Bay Area, CA
Entity Responsible For:	
Providing IDA's	Community Based Agency and EARN
Managing relationships with financial insitutions	EARN
Client account data management	EARN
Providing financial education	Community Based Agency and EARN
Raising IDA matching funds	EARN
Hosting IDA's	Citibank
Policy Advocacy	EARN, via APIC

EARN was specifically created in 2001 to build an instructive and scaleable IDA model for the field. With over 1,000 accounts to date and a highly innovative service model, EARN has been a leader in both its practice and policy framework. EARN developed a hybrid program design model, based on market segmentation: EARN directly provides IDAs for less labor-intensive segments of the working poor population, while offering back office support services and technical assistance for community partners who already specialize in providing much more labor-intensive case management services to particular demographic niches. Distinct from many other lead organizations in collaborative models, EARN directly provides IDAs. This helps EARN continuously innovate and inform its state-wide affiliate policy network: the Asset Policy Initiative of California (APIC). Despite San Francisco's expensive housing market, EARN has already been able to help 25 low-income families buy homes in the greater Bay Area.

SAVING FOR THE AMERICAN DREAM, UNITED WAY OF GREATER LOS ANGELES (LOS ANGELES COUNTY, CA)

Name of Large-Site Model	Saving For The American Dream
Year Launched	2001
Geographic Area Served	Los Angeles County, CA
Entity Responsible For:	
Providing IDA's	Community Based Agency
Managing relationships with financial insitutions	United Way of Greater Los Angeles
Client account data management	United Way of Greater Los Angeles
Providing financial education	Mainstream
Raising IDA matching funds	United Way of Greater Los Angeles
Hosting IDA's	Union Bank of California, U.S. Bank, and various other banks
Policy Advocacy	Collaborating with the California Community Economic Development Association

After an extensive planning process, the United Way of Greater Los Angeles (UWGLA) launched its county-wide IDA program in 2001 with the ambitious goal of opening 8,500 accounts in five years. UWGLA developed an innovative service delivery model: non-profit providers, often with existing asset-building programs, are responsible for IDA services to clients (e.g. recruitment, case management, asset acquisition, etc.), while UWGLA is responsible for centralized functions (e.g. fundraising, financial institution relations, data management, and technical assistance, etc.). UWGLA also contracts with a financial education provider to offer (and pay for) the same high quality financial literacy training for all of its partners. UWGLA's hybrid service delivery system enables IDA providers to play to their strengths in direct services, while UWGLA takes responsibility for other parts of the program that tend to be more difficult for community-based organizations. Like EARN, UWGLA holds master bank accounts, within which individual participant accounts are clearly identified by their respective partner agency names.

MICHIGAN IDA PARTNERSHIP (MICHIGAN)

Name of Large-Site Model	Michigan IDA Partnership (MIDAP)
Year Launched	2000
Geographic Area Served	Michigan
Entity Responsible For:	
Providing IDA's	Community Based Agency
Managing relationships with financial insitutions	Community Based Agency
Client account data management	Regional Coordination Organizations (RCO's)
Providing financial education	Community Based Agency
Raising IDA matching funds	RCO's
Hosting IDA's	Various banks
Policy Advocacy	MIDAP

In 2000, the Council of Michigan Foundations launched a new statewide IDA project, in partnership with the State of Michigan Department of Human Services (DHS). Using surplus TANF dollars, DHS offered CMF a $5 million challenge grant to seed the new initiative. In selecting its partners, MIDAP cast a wide net within the existing network of community action agencies. As a result, the number of IDA programs quickly grew from only five to over 50, offering more than 1,000 accounts statewide. MIDAP's innovative statewide structure included a central office (initially); five Regional Coordinating Organizations (RCOs), which formed regional IDA hubs across the state; and over 45 community-based IDA direct service providers. For the project's first few years, MIDAP established a central but lean office which developed policies, procedures, and performance standards; it also selected the Regional Coordinating Organizations and community-based organizations, which became the first IDA program providers in the network. Planning to purposely phase out the central, statewide role within a few years, MIDAP built strong regional hubs to take-over centralized functions (e.g. fundraising, data management, technical assistance, etc.) for eight to twelve IDA providers in their respective regions; the community organizations, in turn, provided direct services (e.g. recruitment, case management, and financial education). This regional structure fostered a broader and more comprehensive reach within a large and diverse state. It also planted the seeds for ongoing political support for IDAs throughout the legislature and enabled MIDAP to leverage more federal AFIA funding by submitting several regional applications, rather than just one central application.

MID SOUTH IDA INITIATIVE
(MISSISSIPPI, LOUISIANA, ARKANSAS, SOUTHEAST TEXAS)

With $1.2 million in seed money, the Foundation for the Mid South (FMS) launched the only multi-state IDA collaboration to date in 2002: the Mid South IDA Initiative, which includes Mississippi, Louisiana, Arkansas, and Southeast Texas. Similar to Michigan, there were only a few organizations at the time offering a small number of IDAs in pockets of Louisiana (although there was a stronger IDA presence in Arkansas). Rather than establish a new infrastructure that would directly support an ongoing association of IDA providers, FMS directed its efforts and funds toward supporting several state-level networks and providing seed funding to IDA providers that would continue to offer IDAs after the Foundation ceased to be involved.

Name of Large-Site Model	The Mid South IDA Innitiative
Year Launched	2002
Geographic Area Served	Arkansas, Louisiana, Mississippi, Southeast Texas
Entity Responsible For:	
Providing IDA's	Community Based Agency
Managing relationships with financial insitutions	Community Based Agency
Client account data management	Community Based Agency
Providing financial education	Community Based Agency
Raising IDA matching funds	Community Based Agency
Hosting IDA's	Various banks
Policy Advocacy	State-level agencies, including the Arkansas Asset Coalition and Louisiana IDA Collaborative

FMS offered training, technical assistance and peer learning opportunities, while either a state-level coordinating organization or community IDA partners brokered financial partnerships, managed client data, and connected to external resources. Rather than imposing a cookie-cutter approach for rolling out IDAs in the region, FMS tailored its support to meet the needs—and build on the strengths—of the existing non-profit infrastructure in a particular region. Finally, like some other large-site models, FMS implemented a fee-for-service schedule, in which organizations receive reimbursement for each milestone that they help participants achieve. This means that some partners simply refer clients to an IDA program, others provide case management services, and still others offer only financial education. Some organizations provide all three of these services, and each is paid according to performance measures.

CRITICAL COMPONENTS OF LARGE-SITE MODELS

Extensive interviews with key partners in each of the five LSMs revealed common promising practices, innovations, and challenges of operating large-site IDA programs. Comparisons across sites uncovered seven, critical components for an effective large-site model.

Seven Critical Components of Large-Site Models

- Philanthropic champion and/or strong lead organization with advisory groups
- Financial development and sustainability
- Strategic selection of community partner organizations
- Strategic selection of financial partners
- Use of market segmentation
- Infrastructure development
- Investment in technology

PHILANTHROPIC CHAMPION AND/OR STRONG LEAD ORGANIZATION

LSMs have a philanthropic champion and/or a strong lead organization with an advisory group. This champion/lead organization has strength in fundraising (three of the five models were actually initiated by foundations), strategic planning (all of the models built in significant time for planning), and cultivating relationships with public officials and future partner organizations. Without the backing of a strong champion with financial resources, there are limits to how large an individual, grass-roots IDA program can grow.

FINANCIAL DEVELOPMENT AND SUSTAINABILITY

LSMs need start-up funding and continued sustainability. Most of the large-site IDAs started with one major funding source, such as surplus federal TANF funds, AFIA funds, a private foundation grant, or corporate support. In the development phase, having significant funding from one source which includes planning dollars helps to build a strong infrastructure for a large-scale delivery system. In the sustainability phase, however, diversifying funding sources is essential. Potential future funding sources should be taken into account when first creating structures; otherwise, it may be difficult to grow and evolve to achieve economies of scale.

STRATEGIC SELECTION OF COMMUNITY PARTNER ORGANIZATIONS

LSMs strategically select community partner organizations to maximize resources to serve large numbers of IDA participants. Often through a "hub and spoke" structure, large-site IDA models collaborate with community partners by splitting "back-office" responsibilities (e.g. centralized account management, relationships with financial institutions, and fund development) from more decentralized "front-line" direct services (e.g. recruitment, enrollment, case management, financial education and asset purchase assistance).

LSMs evaluate the non-profit landscape in the targeted geographic region and strategically select partners. Strategies for partner selection include:

- Researching the non-profit organizational landscape to select a few direct service providers which already have capacity for asset-building programs
- Casting a wide net within the non-profit landscape, and providing training and standardization for performance measures after selection

Pre-selecting direct service providers increases up-front selection work but decreases subsequent training and changes in the system over time. On the other hand, initially including as many direct service providers as possible helps inform the larger non-profit field about IDAs and creates a potential source of cross-referrals and political support; however, doing so may require more up-front training of partners.

In selecting front-line partners, direct service providers that are already engaged in asset development are often more likely to be successful than other non-profit partners. Rather than a "stand-alone" IDA program, the IDA in these cases becomes an "add-on" product within an existing asset building infrastructure; this strategy substantially reduces costs. Whichever way partners are selected, LSMs need to continually evaluate and monitor performance of their community partners.

STRATEGIC SELECTION OF FINANCIAL PARTNERS

LSMs strategically select financial partners to develop a cost-efficient IDA delivery system and serve large numbers. Concentrating many accounts with as few financial institutions as possible helps financial institutions achieve greater efficiency and control costs, while the IDA direct service providers enjoy easier partnerships and adherence to funding regulations. In places that require partnership with multiple financial institutions to cover the entire region, a lead organization either brokers agreements with financial institutions or helps local organizations with their own agreements. Regional IDA collaboratives tend to have one primary financial partner, brokered through the lead agency, whereas statewide and multi-state models tend to have several financial partners, brokered individually through direct service community agencies.

USE OF MARKET SEGMENTATION

LSMs use market segmentation practices to reduce costs, improve the quality of service, and foster greater participant success. As described more thoroughly in Section II, leading LSMs tend to segment the IDA market into sub-groups based on common characteristics, and then customize program services to meet the specific needs of respective segments. Some IDA participants, for example, need a high level of supportive services to be successful, while others require minimal staff investment. LSMs can reduce program costs and improve service quality by identifying, early on, different market segments and strategically directing staff resources to those participants most likely to benefit from staff intervention.

Factors to Consider in Selecting A Service Delivery Model

- Geographic scope of the program
- Local funding environment
- Infrastructure of financial institutions (e.g. is there one financial institution throughout the service area or are multiple financial partners required?)
- Existing non-profit infrastructure in the target geographic region (e.g. are there already organizations focused on asset-building in the area?)
- Existing IDA landscape in the geographic region (e.g. are there IDA providers or collaboratives from which to grow or will an entirely new collaborative be born?)
- Diversity of the population and cultural/linguistic capacities of partners (e.g. are there different market segments with distinct cultural/linguistic attributes?)

INFRASTRUCTURE DEVELOPMENT

LSMs invest in cost-efficient infrastructure development. Economies of scale occur at certain thresholds which may not be reached during initial operation. Understanding what economies of scale may eventually be reached enables planners to establish structures that will be cost-effective in the long run.

INVESTMENT IN TECHNOLOGY

LSMs invest in technology to increase efficiency and reduce costs. Some collaboratives worked closely with their financial partner to develop a process for electronically transferring participant bank account data to partner organizations. This process saves considerable costs and staff time, which would otherwise be devoted to manually inputting data. LSMs also invest in listservs and common database systems to link service providers across regions, and they create on-line application and account management processes to serve large geographic areas.

FUNCTIONS OF LARGE-SITE MODELS

Large-site IDA models develop approaches in response to the direct service providers in their regions, playing to their strengths and providing functions to fill in capacity gaps within their local landscape. In doing so, LSMs foster efficiencies and improve programmatic components common to all IDA initiatives, in addition to building the IDA field as a whole.

COMMON CENTRALIZED/STANDARDIZED FUNCTIONS

LSMs help create efficiencies in program management by centralizing and/or standardizing certain common components of IDA programs such as fundraising, data management and partnering with financial institutions.

Fundraising

LSMs provide centralized fundraising efforts. In most cases, a lead organization leverages existing connections to raise significant dollars from public agencies, foundations, and corporations. These funds are then disbursed to direct service providers as operating grants and as matching funds for the IDAs.

Participation in a large-site model makes it easier for many direct service partners to access funding for their own programs because foundations often prefer to support collaborative networks serving more people (over individual programs serving fewer people). The lead organization also helps coordinate partner fundraising by offering standardized grant templates and marketing materials.

Data Management

LSMs centralize and standardize data management functions. These functions are less costly and more efficient if centralized with a lead agency and standardized across program partners. Rather than each individual provider investing in the data collection infrastructure, the lead organization purchases one management information system (which standardizes data collection and funder reporting requirements) for the collaborative. Systems may also be set-up in LSMs to streamline necessary information from financial institutions and direct service providers.

Partnering With Financial Institutions

LSMs centralize relationships with financial institutions to make their participation more effective. Lead organizations of LSMs initiate and manage partnerships with financial institutions. They work with financial partners to:

- Develop standardized systems to electronically transfer participant account data;
- Centralize account opening and withdrawals processes, and
- Establish master accounts with financial institutions

Having a central organization perform these tasks saves time and money, and enables direct service providers to focus on their strength: client services.

FIELD BUILDING FUNCTIONS

In addition to developing individual programs, LSMs build the field at large by: increasing the capacity of direct service providers; advocating for policy change; and raising public awareness of asset building programs. These functions enhance the success of IDA programs and expand them to more participants. LSMs also foster innovation for the field to become more effective in the future.

Increasing Capacity of IDA Providers

LSMs build capacity of nonprofits through the following types of assistance:

- **LSMs provide funding for operating support.** Many large-site lead agencies recognize that new direct service provider partners require operating support and are able to provide seed funding for capacity building of smaller partner agencies
- **LSMs convene advisory committees to build a large-scale infrastructure for IDAs.** These advisory committees, comprised of diverse stakeholders, serve many functions, including: oversight and expertise in developing a strategic plan for expansion; advocacy for IDAs in their respective fields; and a structure for funders to remain involved in the implementation of large-site IDA delivery
- **LSMs help standardize policies and procedures.** Large-site lead agencies equip partners with manuals containing forms and templates to standardize policies and procedures. Standardizing these forms and practices reduces costs, since each direct service provider does not have to create these materials for their own program. Providing quality standards also helps to manage performance and assess effectiveness
- **LSMs provide opportunities for peer learning and trainings.** Lead or intermediary organizations of LSMs convene members and direct service partners of the collaborative to provide trainings and opportunities for partners to learn from one another. These opportunities help to build the field at large
- **LSMs develop mechanisms to evaluate the direct service providers with which they partner.** By supplying standard forms for partner providers, lead organizations can more easily assess the performance of direct service providers and provide assistance as needed

Advancing Policy Change

Lead organizations and their partner providers recognize the need for policy change to grow IDAs and other asset building strategies. As a result, LSMs usually engage in policy advocacy. Given their strong networks, geographic and demographic diversity, LSMs are particularly well-suited to advocate for necessary policy changes. LSMs advance policy changes that promote asset building at the local and the statewide level, through the following types of activities:

LSMs advocate for specific policy changes, such as:

- Securing long-term funding for IDAs, (e.g. a line item in the state budget)
- Aligning state and federal funding streams, so that they do not conflict as practitioners use public funding to implement IDA programs
- Excluding savings in IDAs from means testing for public benefits

LSMs cultivate relationships with key public agencies and/or city, county, state, or federal legislators. Developing these relationships is one way in which IDA funding becomes a part of city and state budgets and helps move some officials to become champions for IDAs in their communities.

LSMs harness the power of coordinated advocacy. Lead organizations with political and financial contacts call upon community partners with diverse constituencies to promote policy change. Local direct service providers, in turn, rely on lead organizations to provide policy information and to link their smaller programs to a larger policy and advocacy framework.

LSMs work within existing local, state and national networks, as well as start new policy networks. These existing networks help market IDAs in other fields, (e.g. local corporations, professional and civic groups, and funders) which, in turn, can expand IDAs and foster new champions. New networks help address policy issues and integrate IDA programs into other asset development strategies.

LSMs test new approaches and can move innovative practices and policies to the larger field. Some LSMs specifically include program innovation in efforts to model a scaleable IDA system. And, because LSMs are more able to connect with the field at large, they can transfer knowledge about what is working or not working in their programs and in doing so contribute to a broader Learning Cluster.

Raising Public Awareness

LSMs play a role in raising awareness of IDAs. This marketing function contributes to the number and quality of partners who provide direct services to participants. It also affects fundraising efforts throughout the geographic region covered, and fosters advocacy and public will around policy change. Lastly, marketing also helps to recruit participants to IDA programs. Many LSMs view marketing and raising public awareness around asset building as a critical function of their work.

SECTION CONCLUSION

This section has described the structure and development of five LSMs and extracted some promising practices from these models, including critical components and functions of LSM. Understanding these strategies, innovations and functions informs smaller IDA practitioners and the field at large. The following section describes one best practice in greater depth: market segmentation in IDA programs.

This section is designed to:

1. Equip the IDA field with lessons from practitioners who have applied market segmentation techniques to their programs; and

2. Apply lessons from researchers who have studied factors which impact people's ability to save

DEFINITION: WHAT IS MARKET SEGMENTATION?

In a one-size-fits-all model, IDA programs offer the same basic bundle of services to *all* of their clients, regardless of differential participant needs or backgrounds.[5] **In contrast, a market segmentation approach promotes a "configurable" IDA program: a set of mix-and-match modules used to build the appropriate program at the client or provider level.** In a segmented market scenario, IDA providers offer varying bundles of services to different segments of clients, based on the particular needs/demands of the client group.

Market segmentation usually involves a two-part process in which program providers:

1. Divide IDA participants into groups, or segments, based on common characteristics which are thought to impact a person's propensity to save and purchase an asset; and

2. Customize IDA product/services to meet the respective groups' needs: specifically the type and level of services required

For the purposes of this paper, the IDA **"market" is defined as those eligible for federal IDA funds:** working people whose incomes do not exceed 200% of the federal poverty line and whose net assets do not exceed $10,000, excluding one car and an owner-occupied house. (For a family of four, 200% of the 2006 federal poverty line equals $40,000 in annual household earnings and $19,600 for a single adult.)

Benefits of Market Segmentation

- Clients are served more efficiently
- Services are targeted and thereby per unit costs are reduced
- Customer preferences for both type and level of service are better satisfied
- By distributing "high-touch" and "low-touch" participants among staff, no one case manager is overwhelmed
- Attrition rates may decrease because case managers can be proactive with participants who would otherwise drop-out from the program without focused staff attention

[5] In part, this uniformity of service is a function of federal funding of IDA programs, which requires that all program participants receive financial education and asset-specific training as a pre-condition for receiving federal match dollars. Nonetheless, some IDA providers have been able to apply market segmentation within the current limitations.

PURPOSE: WHY SEGMENT THE MARKET?

Market segmentation promises significant potential benefits to the IDA field. For one, "high-touch," one-size-fits-all, full-service programs are costly. By customizing the IDA product and services to meet the needs of subgroups of participants, rather than requiring uniform services for all participants, programs can save money and more strategically target limited staff and financial resources. For example, EARN has found that case management is the most costly IDA expense, and market segmentation has enabled its IDA program to grow, while keeping operating costs, like case management, flat.

Second, targeted services like case management through market segmentation usually lead to more satisfied IDA customers. Universal products and services may overwhelm people with programmatic components that they do not actually need and dilute the impact of products and services for those who do need them. Third, market segmentation can lead to improved service delivery by encouraging program managers to focus limited staff resources on those people who will actually benefit from individualized attention as well as balance the distribution of "high-" and "low-touch" clients among staff, so that no one staff member is overwhelmed.[6]

HOW TO SEGMENT THE MARKET

LESSONS FROM PRACTITIONERS

Organizations

Dividing the potential IDA market into groupings has developed both intentionally by IDA program leaders and more organically by the field at large. On the intentional side, pioneering practitioners have developed case management tools to segment the market. Programmatic tools range from intake forms with "indicator" questions—specifically designed to determine participants' likelihood of success—to more intuitive assessments of a participant's likelihood for success through case managers' observations over several months. Some program managers use these techniques to identify applicants who are not yet ready for an asset-building opportunity; others use them to focus limited staff resources on irregular savers. Large-site practitioners have found that irregular savers—sometimes called "tipping point" savers—are most likely to benefit from individual staff attention.

Practitioners of market segmentation commonly use indicator questions and staff's insights to divide IDA applicants or participants into three categories: regular savers, irregular savers, and those who struggle to save. Most program managers then direct staff resources to the irregular savers— who are most likely to benefit from individual attention.

[6] Ben Mangan, EARN's Concept Paper, Productizing Asset Building Products and Services, draft

MIDAP, for example, uses answers from indicator questions to try to discourage people from entering an IDA program if they are not yet ready, enabling it to save limited resources for those who are ready. Their indicators include: evidence of motivation, personal stability, financial status, and attitude. Using these indicators, a prototypical "successful" saver, for example, is someone who demonstrates evidence of strong motivation, a high degree of personal stability, financial success, and a positive attitude.

The Assets for All Alliance[7] in San Jose, CA only enrolls participants who it assesses are most likely to succeed and then groups those enrolled participants by asset goal, with different IDA "tracks" for home buyers, entrepreneurs, and students. Each track has customized educational curricula, support services, and programmatic features (e.g. match rates, match amounts, and savings period) to better accommodate the needs of that track. The Alliance has also experimented with other forms of segmentation based on common characteristics/struggles/skills. For example, it has a "single mothers" group to help provide peer support and services for specific needs of that segment as well as a "technologically savvy" group, whose members have on-line IDAs, make deposits and withdrawals electronically, and are generally "lower-touch."

Self-Selection Process

Rather than a pre-screening selection process, some IDA practitioners rely on a participant self-selection process. EARN, for example, established a sequence of required enrollment steps, so that only participants who truly want an IDA actually enroll. Others tend to opt-out by poor attendance at the required orientation and financial management classes. Presented at the orientation with the rules, regulations, common pitfalls—as well as staff support and encouragement—EARN has found that people who are less financially stable tend to decide on their own not to proceed.

EARN, in contrast, uses a self-selection process, so that only participants who truly want an IDA tend to complete the process. Once enrolled, EARN divides its IDA participants into segments of the working poor population, such as first-time workers, immigrant workers and more established workers. Each segment has corresponding case management needs, customized by EARN's partner organizations. These different market segmentation techniques have helped IDA programs provide higher quality and more cost-efficient services.

Examples Of Indicators For Market Segmentation		
• Personal Stability • Motivation • Credit history	• Attitude • Attendance at program appointments	• Use of financial institutions • Knowledge of financial institutions • Regularity in priot savings

[7] With over 1700 IDAs in Northern California since 1999, Assets for All Alliance is one of the largest and oldest IDA collaboratives in the country.

Considerations in Applying Market Segmentation Techniques

Develop indicator tools which extract information needed to segment enrolled IDA clients into three groupings. Participants likely to save:
1) Regularly, 2) Irregularly, or 3) Rarely/not at all

Alternatively, develop indicator tools which extract information needed to identify applicants not yet ready for an asset-building program

Refer applicants not yet ready for asset building to programs which help them increase their income, reduce their debt, and address other savings/asset readiness issues

Consider using predictive indicators to segment the IDA market. Some examples include evidence of participants':
1) motivation 2) personal stability 3) attitude 4) regularity in prior savings
5) knowledge of financial institutions 6) use of financial institutions
7) attendance at program appointments and 8) credit history

Allow a few months of trial and error for staff to accurately segment clients and customize services accordingly

Limit costly case management services to those clients who are most likely to benefit from strategic staff intervention: the irregular or "tipping point" savers

Develop self-assessment tools to help homeownership and micro-enterprise savers set realistic savings goals

Consider creating asset-specific (e.g. homebuyers) or population-specific (e.g. single mothers) IDA cohorts, with customized support and educational requirements catered to the needs of the different cohorts

Consider developing a hybrid collaborative approach, whereby a lead agency provides a simple IDA product while community partners provide full wrap-around services to specialized market segments

Field

At the field level, market segmentation has developed somewhat organically. Organizations already providing supportive services for different market segments (e.g. youth, welfare recipients, refugees, homebuyers, entrepreneurs, students, etc.) add IDAs as another tool to their menu of strategies to assist their target population and/or asset-focus. People within that segment then join IDA programs through these organizations, which are already structured to serve them in other capacities. In doing so, organizations can offer IDAs in a cost-effective manner because they already have case managers on staff with specific knowledge of that group and/or asset. Once participants enter the IDA program through these organizational channels, program managers then further divide their target population into those youth, welfare recipients, refugees, homebuyers, entrepreneurs, students, etc. who are likely to save regularly, irregularly or rarely/not at all. In addition to non-profit organizations (which are the primary providers of IDAs, today) the market has been segmented—and could further segment in the future—by these other potential distribution channels:

- Employers/unions
- Public agencies
- Educational institutions
- Financial institutions
- Private sector players, e.g insurance companies, mortgage brokers, investment firms

LESSONS FROM RESEARCHERS

While practitioners have experimented with ways to segment the IDA market, researchers at the Center for Social Development (CSD) at Washington University in St. Louis have investigated what factors make a *"good"* saver. Using data from the American Dream Demonstration (ADD), they performed statistical studies to determine which *individual characteristics* (e.g. gender, age, income, race/ethnicity, etc.) and which *institutional factors* (e.g. match rate, match cap, direct deposit, financial education hours, etc.) tend to have an impact on whether and how much people save.[8] In analyzing ADD outcomes, CSD defines being a *"saver"* as a participant who has at least $100 of net savings. CSD defines *"savings"* as the average monthly net deposit of a participant. Knowing which factors affect savings can help practitioners as they develop intake and case management tools to enroll IDA applicants and implement varying degrees of case management services depending on the market segment.

Individual Characteristics

The chart on the following page aggregates CSD's findings from several studies on the relationship between individual characteristics and savings outcomes among different market segments. Practitioners can use these points to help identify likely successful IDA participants. Practitioners can use also these findings to flag participants who may need more case management services.

> Knowing which factors affect savings can help practitioners as they develop intake and case management tools to enroll IDA applicants and implement varying degrees of case management services—depending on the market segment.

[8] See the bibliography on page 26 for a complete listing of the Center for Social Development reports reviewed for this paper.

Impact Of Participant Characteristics On Savings Outcomes		
Characteristics	Impact On Savings Amount (Defined By: Average Monthly Net Deposits)	Impact On Being A Saver (Defined By: Having At Least $100 Of Net Savings)
Female	No Relationship	+
Age 14-20	-	-
Age 21-39	+	+
Age 40 & Older	-	+
Education	+	+
*Income	No Relationship	No Relationship
Employment Status	No Relationship	
Working Students	+	+
Public Assistance Recipiency	No Relationship	No Relationship
Marital Status	No Relationship	No Relationship
Additional Adult in Household	+	No Relationship
Additional Child in Household	No Relationship	No Relationship
Home Owners	+	+
Car Owners	+	+
Small Business Savers	+	
Bank Account Owners (v. people w/no bank account or savings account only)		+
'Investment' Debt (e.g. home mortgage)	+	
Credit Card Debt	-	
Health Insurance Owners	No Relationship	No Relationship

Source: Data was complied by NEDLC based on aggregated findings from the Center for Social Development's research reports on the American Dream Demonstration. See the bibliography for a complete listing of the reports.

*ADD participants earned no more than 200% of the federal poverty line, so the chart shows the impact of income among a group of already low-income participants.
"+" denotes a positive relationship. "–" denotes a negative relationship.
A blank box means no results were reported.

Applying the implications of research lessons to the relationship between individual characteristics and savings outcomes, practitioners could consider the following market segments:

- Younger populations with educational aspirations and financially supportive parent(s) may be a particularly successful market segment
- Working students may be a particularly successful market segment
- Former or current welfare recipients are as likely as other groups to take advantage of an IDA program
- People with high consumer debt tend to save less, so IDA program managers may want to help clients work on consumer debt reduction before enrolling them into an IDA program

In addition, the CSD research suggests that income may not necessarily be a useful indicator to segment the market, especially among an already low-income population.

Institutional Factors

Researchers also investigated which *institutional factors* (e.g. match rate, match cap, direct deposit, financial education hours, etc.) tend to have an impact on *whether* and how *much* ADD participants saved. Findings from the research presented below can inform program designers, funders, and policymakers to structure IDA programs in ways that make it easier for low-income people to start and continue saving.

- **Match rates:** higher match rates up to a point increased the likelihood of being a saver and reduced the risk of dropping out of the IDA program, but did not impact the total amount of average monthly net deposits
- **Savings goals:** higher savings goals increased the likelihood of being a saver and resulted in higher average monthly net deposits
- **Withdrawal restrictions:** program participants reportedly found withdrawal restrictions helpful in resisting spending and increasing savings
- **Financial education:** up to 10-12 hours of financial education had a positive impact on average net monthly savings deposits, but more than 12 hours did not seem to have any further impact on savings
- **Use of Automated Transfer:** having some wages automatically transferred to a savings account was strongly associated with an increased likelihood of being a saver and a decreased likelihood of dropping out of the program

SECTION CONCLUSION

Thus far, this paper has focused on strategies to help practitioners serve more people, more effectively within the context of an IDA program, as currently configured. The next section moves the discussions beyond ways to improve the IDA *program,* and grapples with developing a standard savings *product.* It shifts the discussion from best IDA practice to policy and product development.

SECTION III
DEVELOPING A STANDARD SAVINGS PRODUCT

As discussed earlier, today's IDAs are hosted primarily by non-profit organizations, funded by federal grants and foundations, and accompanied by financial education and case management. While IDA programs provide tremendous opportunities from which to learn, some leaders believe a new model may be needed in order to reach the broader market of asset-poor Americans." To achieve this level of scale, some leaders propose a private sector account project similar to an expanded IRA or 401(k), managed and offered through the financial services industry.

PURPOSE: WHY STANDARDIZE?

The driving assumptions behind developing a standardized financial product, or standardizing selected program components, is that, over the long run, standardization will reduce per unit costs, increase efficiency, improve and streamline service delivery, and hence allow more low-income people to benefit from IDAs. Proponents argue that standardization is critical to future growth of the IDA field because:

- The current program-based model is too costly and resource intensive for non-profit operators to offer IDAs to millions of people
- The current model is not necessarily a profit-maker for financial institutions, and financial institutions are critical for developing a standardized financial product

DEFINITION: WHAT IS STANDARDIZATION?

IDA PROGRAM VS. IDA PRODUCT

The IDA *program* is made up of a bundle of products and services, including: case management, credit counseling, financial education, asset-specific education, asset-acquisition assistance and the matched savings.[9] The IDA *product* is the matched savings account itself.

STANDARDIZING THE IDA PROGRAM

To save costs and increase efficiencies, some large-site IDA program providers have used technology and other resources to standardize certain programmatic components and procedures, including:

- Curricula for financial education and asset-specific education
- On-line applications, participant data management and asset acquisition processes
- Data collection and management
- Training tools for partner agencies
- Case management procedures
- Outreach practices
- Public awareness campaigns about IDAs and asset-building

[9] Specifically, key IDA program features are (1) matched savings (2) target savings amount (3) savings held through time (4) restricted uses of the savings (5) financial education (6) staff-participant relationships, especially prodding to do the saving (7) participant group activity and peer support (Sherraden, 2000a, p. 5).

As a *field,* some leaders suggest that greater standardization *across* programs would lead to greater efficiencies, reduced costs, and a more unified framework for advocacy. More standardization across programs could be implemented for the following programmatic elements:

- Data collection and management
- Eligibility requirements
- Definitions (e.g. of a household, assets, etc.)
- Public awareness campaigns about IDAs and asset-building
- Evaluation metrics
- Allowable asset purchases and draw-down procedures for match funding
- Training tools
- Exemptions of savings from public benefits

STANDARDIZING THE IDA PRODUCT

Standardizing the IDA may involve financial institutions engaging in the following types of activities:

- Developing a segregated product code for IDAs
- Developing an institution-wide delivery system
- Creating awareness about the IDA among all front-line staff of financial institutions
- Collecting more data about the customer
- Standardizing customer intake and screening
- Promoting IDAs as a retail product

MARKET SEGMENTATION VS. PRODUCT STANDARDIZATION

Market segmentation, as discussed in Section II, involves product identification and product development but may not involve the development of a standardized product. In other words, customizing products for given market segments may run counter to developing a uniform or standard product. For example, a standardized web-based financial education curriculum may meet the need of the "average" IDA user but not necessarily the specific needs of youth, limited English speakers, or IDA participants with higher levels of financial literacy. In order to best provide the service of financial education, a more developed model may include a minimum level of standardization that allows for customization, as needed, beyond that level. Determining that minimum level can, of course, be challenging. However, unlike programmatic services, standardizing the actual financial account product for IDAs may require relatively little customization to meet the needs of all market segments.

Another distinction between market segmentation and product standardization is that while market segmentation is a strategy for streamlining program delivery that can be applied either at the current scale or at a larger scale, product standardization is primarily a strategy for moving toward large-scale IDA activity by reducing per unit costs that allows for increased volume.

INGREDIENTS FOR STANDARDIZATION

The following six factors may help to catalyze standardization: money, new policies, time, champions, information-sharing, and stronger connections in the field.

Six Ingredients for Standardization

- Money
- New Policies
- Time
- Champions
- Information
- Connections

- **Money** may come from either financial institutions which would be the primary actor in the development of a standard account product or from the government to spur the philanthropic community, individual donors and employers. Unfortunately, financial institutions would not likely take the lead to invest in product development unless they can expect a profitable return from their investment. To influence that expectation, non-profit research organizations interested in IDA growth could intervene by performing market studies that make the business case for financial institutions to invest in developing a standard account product. Government subsidies could be designed to spur private investment into the IDA (e.g. a tax credit for employers who offer IDAs as a benefit)
- **New policies** and an improvement on existing asset polices are important for a standard account product. Specific examples include: *optimizing existing policies* that have thus far attracted financial institutional involvement (e.g. 529 Savings Accounts, 401(k) accounts); *supporting new policies* (e.g. SWFA, ASPIRE)[10] that provide a foundation for an inclusive account-based, asset-building system; and *removing policy barriers* on existing asset-restricted savings account systems
- The factor of **time** or **timing** refers to the idea that product development and "going to scale" is not a linear but an iterative process which will happen in stages and will likely take longer than anticipated
- Strategic, flexible, and committed **champions** are critical—including legislators, policy advocates, and account holders. It is important that these champions commit to the IDA idea, rather than one particular manifestation of the IDA. It is also important that champions commit to systemic change in U.S. asset-building policies over the long-haul, while also being willing to accept short-term policy advances toward the long-term goal
- More consistent and centralized sharing of **information** among practitioners, funders, policymakers, and researchers would help further standardization. Fragmentation and decentralization can hamper developing a standardized account product, specifically, and standardized IDA practices, in general
- There is a need to not only develop stronger and deeper **connections** within existing members of the IDA field but also to broaden the partnership base by incorporating new businesses and industries into the IDA field (i.e. employers, the business side of financial institutions, other investors); and by incorporating IDAs into the broader asset-building field. Linking to a common infrastructure and developing stronger networks and multi-sectoral partnerships can help facilitate new, deeper connections

[10] The proposed ASPIRE Act would create a Kids Investment and Development Account ("KIDS" Account) for every child born after 2006. Each child would receive an initial deposit of $500 from the government and children from households below the national median income would be eligible for an additional prorated supplemental contribution of up to $500. Further contributions from any source could be deposited into the account and grow tax-free until the money is withdrawn after the child reaches 18 years of age.

SECTION IV
CONCERNS AND FURTHER RESEARCH

CONCERNS

Some leaders in the field support the strategies discussed in this paper—developing large-site models, market segmentation techniques, and product standardization—to help bring IDAs to scale. Other leaders, however, have raised concerns with elements of these strategies. Examples of these kinds of concerns include:

- Developing a standardized account product for scaling IDAs could sacrifice labor intensive, "higher-touch" programmatic elements that are valuable to at least some segments of the low-income population
- Promoting market segmentation and product standardization could lead to excluding harder to serve populations, in favor of the less labor intensive and more cost-efficient segments—especially given the need to still prove the effectiveness of IDAs to policymakers
- Enabling financial institutions to serve large numbers of less labor intensive populations while non-profit providers serve smaller numbers of higher needs populations could make non-profit agencies appear inefficient, and therefore threaten their funding
- Focusing on IDA expansion tends to lead to measuring programmatic impact by the number of *participants* served, rather than by the *depth of service* provided. High-touch programs, in contrast, may benefit fewer people but often have a deeper impact (e.g. furthering behavior change, lifelong budgeting skills, or becoming "banked" for the first time, etc.). These high quality services do not easily lend themselves to measurement
- Consolidating a fragmented IDA service delivery may result in losing the strength and capacity of smaller providers built over the last decade

FOR FURTHER RESEARCH

Large-site models, market segmentation techniques and product standardization are still in the early stages of development. The field could benefit from further research in each of these areas, including investigating the following set of questions:

LARGE-SITE MODELS

- How many accounts are required to reach economies of scale?
- How many accounts can LSMs operate before reaching full capacity?
- What are the costs and benefits for each programmatic component of the large-site IDA model (e.g. recruitment, case management, financial education, etc.)?
- What is the total cost per IDA in a large-site model?
- How, if at all, is quality impacted as quantity of accounts increases?

MARKET SEGMENTATION

- *What* bundle of products and services is most effective for *which* populations?
- What are the costs and benefits of providing these products and services to different market segments (e.g. evaluation of market segmentation)?
- What are advantages and disadvantages of different IDA distributors (e.g. for-profits serving low-touch populations and non-profits serving higher-touch populations)?
- Are there *other* important determinants of savings outcomes not yet highlighted by practitioners and researchers (e.g. local factors, cost of living, unemployment rate, etc.)?

STANDARDIZATION

- *What* should be standardized in regards to other IDA *programmatic elements* (as opposed to account product elements)?
- *Who* should do the standardizing and *how* should it happen?
- How can existing account systems such as 401(k)s and 529 College Savings Accounts be leveraged and/or adapted to extend asset-building opportunities to the poor?
- What information do financial institutions need, and what can researchers supply to make the business case for IDAs?
- What research is needed to advance the argument that investments in human capital through asset-building policies are positively correlated with economic development?

Section V
Conclusion

Born out of the Mott Learning Cluster discussions between 2004 and 2006, this paper describes promising practices, lessons learned, and related research to expanding IDA programs and practice. Contributing to a growing body of literature in the IDA field, this paper captures some of the thinking and learning that transpired during these meetings—particularly around large-site IDA models, market segmentation, and a standard savings product. More details on these issues, including a case study of the five large-site programs, are expounded upon in longer papers by NEDLC.[11]

To review, the Mott Learning Cluster was comprised of the following organizations:

1. **Community Action Project of Tulsa County (CAPTC)**; Tulsa, Oklahoma
2. **EARN**; San Francisco Bay Area, California
3. **Saving for the American Dream, United Way of Greater Los Angeles**; Los Angeles, California
4. **Michigan IDA Partnership (MIDAP)**; Michigan
5. **The Mid South IDA Initiative**; Mississippi, Louisiana, Arkansas and & Southeast Texas

The purpose of the Learning Cluster was three-fold:

1. To share and document strategies, innovations, promising practices and challenges of operating large-site IDA programs so that new and smaller programs can learn from these pioneers

2. To provide the impetus and a forum for leaders of large-site IDA programs to debate and discuss how to expand access to assets for millions of low-income and low-wealth Americans

3. To strengthen and inform the field of practitioners and other interested stakeholders to grow asset building strategies

The catalyst for creating this Learning Cluster was the anticipation of the passage of Savings for Working Families Act (SWFA) which, if passed, would enable the field to grow from thousands of account-holders to roughly one million. While (as of the writing of this report) SWFA has not become law, it has once again been introduced in the U.S. House—this time with 50 bi-partisan co-sponsors. Meanwhile, other savings and asset-development strategies have surfaced—such as universal children's savings account, universal life-time savings accounts, and the ability to split tax refunds into separate accounts (which will be implemented in the 2006 tax season), among others.

While this project has concluded, individual leaders within the group continue to grapple with the issues discussed through other field networks, conferences, and peer exchanges. This paper is intended to add to that discussion and form the platform from which further discussions and groups can grow and help move the field forward.

Looking to the future, there is a desire among many leaders to broaden the debate by incorporating external stakeholders—employers, the business side of financial institutions, other investors—into the conversation of savings and asset-building in United States. Ultimately, the hope is that public policy affords *all* Americans the opportunity to save and acquire assets for themselves, their families, their communities, and future generations.

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[11] Entitled *Moving to Scale: Offering IDAs through Large-Site Models*; *Market Segmentation in IDA Programs: Research and Practice*; and *Developing a Standard Savings Product for IDA Growth.* They can be found at www.nedlc.org.

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