

Louisiana Asset Building Initiative



Southern University
Center for Social Research

Foundation for the Mid-South

Louisiana Department of
Economic Development



Department of
Social Services

Building a Stronger Louisiana

Louisiana Statewide IDA Program

- **Presenters:**

- *Alma Thornton, Ph.D., Director, Center for Social Research and IDA Program Administrator*
- *Mary E. Joseph, IDA Program Manager*
- *William Hawn, Coordinator of Operations, Center for Social Research, Southern University and A&M College*

Overview

The Southern University Center for Social Research implements a statewide Individual Development Account Program that reduces poverty by:

- Assisting low-income families with developing savings accounts to develop personal assets by providing matching funds
- Educating participants about financial literacy, (budgeting, savings, credit recovery, etc.) and asset development, (home ownership, post—secondary education and micro-enterprise)

Background

- Program approximately 3 years old
- Initial focus – home ownership
- During last four months – added post-secondary education
- This year – added micro-enterprise

Quick Facts

- Number of Applicants – 1,464
- Number of Homes purchased – 225
- Number meeting goals and starting post-secondary education during three month pilot - 3
- Number completing Financial Education – 914
- Number completing Asset Specific Training – 920
- Number opening savings accounts – 880
- Number of homes lost/foreclosed - 0

Profile (March 2009)

- Average Age of Participants – 34.77
- Age Range – 21 years – 66 years
- Average Monthly Income - \$1,809.17
- Range of Monthly Income - \$255 - \$3,803
- Average Cost of Home - \$90,582
- Average Interest Rate – 6%
- Residents in 62 of the 64 Louisiana parishes have applied to the IDA Program or have purchased a home with program assets

Program Design

- Program Management – Regional Case Managers
- Community Partners – approximately 50 Statewide not-for-profit community-based and faith-based organizations
 - Financial Education Training
 - Home Ownership and Post-Secondary Education Training

Program Design

- Post-Secondary Education Institutions of Higher Education, Technical Schools and other training/education providers
 - Accredited
 - Program Agreement Letter
- Entrepreneur
 - Louisiana Department of Economic Development
 - Trainers
 - Business Plan
 - Approved Purchases

Program Design

- Preferred Financial Institutions
 - Custodial Accounts
 - Approximately 15 Statewide
- Client match paid directly to vendors
 - 4:1 match
 - Home Ownership: maximum savings: \$1,000
 - Post-Secondary Education: maximum savings: \$1,000
 - Entrepreneur: maximum savings: \$500

Program Design

- Capacity building - funds to community partners for assisting clients
 - Complete training and meet savings goals
 - Obtain asset
- Workshops/conferences
 - Annual partner conference
 - Annual graduate conference
- Routine Financial Education Train-the-Trainer seminars

Program Design

- Web-based data base
 - Community partner communication
 - Access Statewide asset building data
- Evaluation
 - External
 - Internal
- Advisory board

Outreach

- Monthly newsletters to partners and graduates
- Web presence
- Brochures, posters, flyers, post-cards
 - Generate in large volume
 - Distribution
 - Center for Social Research
 - Community partners
 - Financial Institutions
 - Funding Agencies
- Workshops, Community Events
- Multiple media outlets
 - Television
 - Radio
 - Newspaper

Increase Service to Clients

- Community Partners
- Additional Resources – Funding Opportunities
 - U.S. Department of Housing and Urban Development grant – entrepreneur and home ownership
 - City/Parish/State – CDBG funds
- Other partnerships
 - Statewide IDA Coalition
- Add eligible IDA activities (post-secondary education and micro-enterprise)

Success Stories

- “And you did all of that to help a divorced mom realize her dream of homeownership. Calm people, like you, are a blessing during the sometimes confusing and frustrating process called "purchasing a home". There were times when I cried and other times when I nearly lost my mind, but with spectacular women working together. We Made It! My boys are ecstatic about having their own room, my house is in a quiet, reserved neighborhood, and I simply LOVE driving into my carport knowing that I am finally HOME!”

Lynell Dixon

- Agency - Mid City Redevelopment Alliance, Inc.
- Lender - L&S Inc. dba SB Hardie Financial Services
- Area Purchased- Baton Rouge, LA



Lynell Dixon & Family

Success Stories

- Tracie Jackson and her children lost their Westwego home in Hurricane Katrina. Using the IDA program, she now owns a home in Baton Rouge. Jackson was offered the opportunity to make the first bid to buy her original home after Hurricane Katrina, "but we didn't have the money," she recalls. "I mean, we didn't have anything. I was terrified about my kids ending up on the street."

➤ **Tracey Jackson**

- Agency - LA DOTD (Federal Credit Union)
- Lender - LA DOTD (Federal Credit Union)
- Area Purchased- Baton Rouge, LA



Tracey Jackson and Family

Success Stories

- “I would like to thank the Southern University IDA Program for helping me buy my first home. The closing cost and assistance was greatly appreciated. You can't beat saving a \$1,000 and receiving \$4,000 in return, this is wonderful. The budgeting tools and tips really help me.”

Jonathan Bushnell

- Agency – Lutricia Cobb Real Estate
- Lender – JP Morgan-Chase Bank
- Area Purchased – Lake Charles, LA



Jonathan Bushnell

Key Components

- Capacity building component – dollars to not-for-profits for operations based upon client reaching goals and obtaining asset
- Three state agencies collaborating in micro-enterprise program
- Funded annual technical assistance conference and workshop
- Relationship with community partners
- Statewide awareness

Next Steps

- Expand to national collaboration of HBCUs in joint VITA – EITC – IDA outreach and effort
- Regional Asset Building Coalition (Arkansas, Mississippi and Louisiana)
- Apply for AFI
- Expand data base capabilities

Challenges

- Additional resources including identify match – apply for AFI
- State budget cuts
- Training of community partners
- Turnover of community partner representatives
- Expanding services
- Identifying more partners in rural areas

Discussion

- Your thoughts and recommendations
- Questions
- Share your experiences

Thank you

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