

Start-Up Evaluation Report

Downpayments on the American Dream Policy Demonstration

A National Demonstration of Individual Development Accounts

**Michael Sherraden
Deborah Page-Adams
Lissa Johnson**

**with
Edward Scanlon
Jami Curley
Min Zhan
Alfreda Bady
James Hinterlong**

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**Center for Social Development
Washington University in St. Louis**

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Michael Sherraden, Deborah Page-Adams, and Lissa Johnson
Center for Social Development, Washington University
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Executive Summary

The “American Dream Demonstration” (ADD) is a nationwide demonstration of individual development accounts (IDAs), a matched savings program for those with low-income. ADD is scheduled to run for four years (1997-2001), with an additional two years of evaluation (to 2003). A projected 2,000 people will have IDAs at 13 sites around the country. ADD may be the largest policy demonstration in the country at the present time, outside of “welfare reform.”

The Corporation for Enterprise Development (CFED) in Washington, DC, has designed and is guiding ADD. The Center for Social Development (CSD) at Washington University in St. Louis has designed the evaluation.

This first annual evaluation report covers the initial start-up period of ADD, through June 30, 1998. The ADD evaluation is occurring in the context of growing interest in asset building and IDAs. This growing interest makes ADD a timely project, with considerable interest in the evaluation results.

The evaluation plan for ADD calls for multiple research methods, including (1) implementation assessment, (2) monitoring for basic program and participant data at all IDA sites, (3) experimental design survey, (4) in-depth interviews to supplement the experimental survey, (5) community level evaluation, (6) and return on investment (or cost-benefit) analysis. In addition to these methods, we have added (7) participant case studies, and (8) a brief cross-sectional survey. These multiple methods are designed to look at ADD from as many perspectives as possible, and to gather timely data as the demonstration progresses, in order to inform IDA policy and program development outside of ADD.

Abt Associates, of Cambridge, Massachusetts, is undertaking the experimental design survey at one of the ADD sites, and will report on basic policy impacts (CSD will report on more specific questions about savings behavior and effects of assets). A research team conducted by the United Way of Atlanta is doing the community level evaluation. CSD is undertaking the other evaluation components in ADD.

This report on the start-up period draws on two evaluation methods: implementation assessment and monitoring.

Implementation assessment, based on case studies of all 13 sites, has identified the following key strengths of IDA programs:

- Innovative program designs.
- Pre-existing key components of the IDA program.
- Strong community partnerships.

On the other hand, the biggest problems in early implementation efforts have been:

- Fundraising and other resource concerns.
- Specifying IDA program designs.

- Managing organizational relationships with community partners.

As the national demonstration began, staff sentiments about program implementation included:

- Enthusiasm for the asset-building potential of IDAs in the lives of low-income participants *and* for related changes at organizational, community, and policy levels.
- Realistic concerns about the challenges involved in new programs, developing best IDA practices, and confronting the “devil in the details.”
- Recognition of the need to balance economic development strategies and social services in order to implement IDAs.

Being an ADD site is not like running a typical program. Common challenges among IDA staff have been:

- Balancing the programmatic and public policy agendas in the ADD demonstration.
- Being responsive to the demands of evaluation.

Among the organizations that have started-up their IDA programs most successfully, we have identified the following characteristics:

- A sponsoring organization that (1) is large and stable, and (2) has a history of effective anti-poverty work, and with (3) local funding secured before the ADD kick-off meeting in September 1997.
- An IDA program (1) with a good program plan, (2) a simple IDA design, and (3) two or three full-time staff working on IDAs, with no turnover.
- Specific IDA program components that include (1) simultaneous saving and economic education (rather than saving after economic education), (2) flexible implementation of pre-saving program requirements, and (3) one-on-one relationships with IDA participants.

A management information system for individual development accounts (MIS IDA) was created to assist with program management and, at the same time, create a data base to monitor the 13 ADD sites. Data from MIS IDA are reported to CSD electronically or on disk. Key points from MIS IDA data are summarized below.

IDA program characteristics:

- Diverse organizational types (5 community development, 3 social service, 2 financial, 2 collaborative, 1 housing).
- Typical permissible uses of IDAs include home purchase, microenterprise development, post-secondary education, and job training.
- Match rates vary from 1:1 to 7:1; 2:1 is most common.
- Match funds held in a separate account at all 13 sites.
- Accounts earn interest at all 13 sites.
- Funding partners come from all sectors, but non-for-profit funders are most common.
- Marketing activities are frequent.
- Staff size for IDA programs varies from 1 to 3 FTEs, with a median of 1.25 FTEs.

IDA participant characteristics:

- Gender: 75% female, 25% male.
- Age: 3% teens, 20% twenties, 42% thirties, 26% forties, 9% over fifty.
- Race/ethnicity: 46% Caucasian, 37% African American, 11% Latino, 6% other.
- Residence: 81% urban or suburban, 19% small town or rural.
- Marital Status: 42% single, never married; 29% married; 29% divorced, separated, or widowed.
- Number of children in household: 22% none, 27% one, 24% two, 16% three, 11% four or more.
- Education level: 14% not high school grads, 61% high school grads, 18% college grads.
- Employment status: 60% full-time or more, 24% part-time.
- Income: median \$1,241/month.
- Number of income sources: 2% none, 61% one, 29% two, 8% three or more.
- Types of income sources: 79% formal employment, 25% government assistance, 14% self-employment, 12% child support.
- Types of assets: 69% vehicle, 67% checking account, 47% savings account, 21% home, 10% financial securities, 10% business, 2% rental property or land.
- Value of all assets: median \$1,000; mean \$12,740.
- Value of assets minus home and car: median \$50; mean \$1,903.
- Types of liabilities: 22% past due household bills, 20% car loan, 17% past due credit card debt, 16% debt to family or friend, 11% home mortgage, 3% business or property loan.
- Value of all liabilities: median \$0; mean \$7,331.
- Value of liabilities minus home mortgage and car loans: median \$0; mean \$1,412.

IDA accounts and savings patterns (as of June 30, 1998):

- 533 IDA participants; 453 accounts open; 440 participants had made at least one deposit.
- Most accounts (55%) had opened within the previous three months (program start-up).
- The most common intended use of IDAs is home purchase (51%), followed by microenterprise (13%), and post-secondary education (12%).
- Most participants (69%) have made one deposit during the latest month.
- Median value of deposits is \$30 in the latest month.
- Few participants (2%) have made withdrawals during the latest month.
- Median savings balance (participant savings only) is \$80.
- Median IDA balance (participant savings + interest + matching funds) is \$224.

Looking at savings balances and IDA balances by participant characteristics, we find few significant differences, except for age (older participants are saving more than younger participants). Notably, there are no statistically significant differences by gender, marital status, employment status, educational level, or monthly income. These results are too preliminary to draw conclusions, but the overall pattern, if it were to continue, would suggest that the IDA program itself, more than individual characteristics, may be determining amounts of savings.

Introduction: Start-Up Evaluation

The Downpayments on the American Dream Policy Demonstration (known as “The American Dream Demonstration” or ADD) is the first major study of individual development accounts (IDAs). This evaluation report on ADD covers the start-up period, from September 1997 through June 1998. It is a very preliminary report on how ADD is doing, but important nonetheless as “first light” on the demonstration.

ADD Start-Up

The first official year of ADD was July 1, 1997, through June 30, 1998. But like many other applied research projects, ADD took a bit longer to get underway. The first official meeting of the ADD sites was in September 1997 and few of the 13 IDA programs had enrolled participants at that time. Most did not begin until early 1998. At a March 1998 meeting, the 13 sites reported a total of 266 IDAs open, and estimated that they would have a total of 820 by June 30, 1998. As shown in this report, there were in fact a total of 533 enrolled participants on June 30, 1998, and 453 of these had actually opened an account by that date. More than half of the accounts open on June 30, 1998, had been opened during the preceding three months.

Overall, this is a portrait of slower than expected start-up, followed by a rapid rise in numbers of IDA participants. We anticipate that this growth will continue into 1999 and then level off, having reached the target program size in the 13 IDA programs.

Implementation Assessment

Assessment of the implementation of IDAs is necessary if we are to (1) ascertain whether the IDA program has actually been implemented, to what extent, and in what form, and (2) learn what challenges and problems the IDA programs encounter and how those problems are solved or not solved. Implementation assessment can inform us about how IDA programs get off the ground and about “best practices” during the early period.

Every six months we have asked IDA programs to fill out an open-ended “guided narrative” that assesses many aspects of program implementation and administration. After reviewing this information, we have undertaken a face-to-face interview with a representative from each of the 13 programs. Deborah Page-Adams of the University of Kansas, a Center for Social Development (CSD) faculty associate, has led the implementation assessment team. Ed Scanlon, now at Washington University in Seattle, and Freda Bady and Lissa Johnson of CSD have helped carry out the interviews. The implementation information in this report covers data collection at two points, September 1997 and March 1998.

Monitoring and MIS IDA

A word on the origins of monitoring in ADD may be useful. At the First National IDA Conference, held in Chicago in November of 1995, we had assembled a panel of experts on microenterprise, to hear their perspectives on starting up a new field in community

development and public policy (microenterprise emerged in the United States approximately a decade ahead of IDAs; thus we were attempting to learn from this experience). The first thing they told us is that we should not take for granted that basic data on IDAs and participants would be collected by the programs. Many microenterprise programs, they said, did not have good data on numbers of participants, amounts of loans, status of businesses, and so on. At the time, we had not considered basic program monitoring to be part of the evaluation challenge; we just assumed that programs would keep track of participants, accounts, and savings patterns. Based on the experiences of microenterprise programs, we decided that we had to design and implement an IDA monitoring system. The monitoring data in this report are a direct result of that advice more than three years ago.

To accomplish this, we formed a committee in early 1996 to find out what data from IDA programs and participants should be monitored. We formed a committee to help us and Karen Edwards played a key role in gathering this information and revising the first paper version of the monitoring instrument. Soon after, CSD initiated the development of software that could be used by IDA programs for management purposes, with the capability to download data to a central place for analysis and reporting. Margie Dewese Boyd was our first programmer. Later, Lissa Johnson and Jim Hinterlong brought their programming expertise to the task, and created in 1997 version 1.0 of the Management Information System for Individual Development Accounts (MIS IDA). This version of MIS IDA was used by the ADD community partners to manage their programs and, at the same time, collect the data that appears in this report. Our strategy in creating MIS IDA has been to make a management information system so good that IDA programs would want to use it. MIS IDA can generate many different types of management reports, participant account statements, letters to participants, reports to funders, and so on, all at the push of a button. At the same time, a database on IDA program features, participant characteristics, savings amounts and patterns, and uses of IDAs is being collected by MIS IDA. This database can then be sent to a central location and merged with other databases from other IDA programs for analysis.

The good news is that MIS IDA works. Version 1.0 of MIS IDA has collected the monitoring data in this report, sent to CSD via email or disk. It is important to note that monitoring data collected in this manner is timely and fully comparable across sites. To our knowledge, this is the first time that a policy demonstration, at the outset, has created its own monitoring software to track and report on the progress of the demonstration across multiple sites.

An important caveat is that MIS IDA data are self-reported from IDA programs, and it should not be assumed that this happens flawlessly. We have tried to identify data entries that do not make sense and we have contacted ADD sites to get them clarified and corrected, but some data errors undoubtedly remain.

The ADD partners have given us a great deal of advice about improving MIS IDA. During 1998 CSD, with the assistance of System Services Enterprises, Inc., has added more features and more flexibility to MIS IDA. Version 2.01 of MIS IDA is the current standard, and is now being used in ADD and other IDA programs around the country.

Asset Building and Individual Development Accounts

Individual Development Accounts (IDAs) are special savings accounts that are designed to help people build assets for increased self-sufficiency and long-term economic security. Account holders receive matching funds as they save for purposes such as buying a first home, going to a college, or starting a small business. IDAs can begin as early as birth and they are progressive (that is, low-wealth individuals and families receive greater matching funds). Funding for IDAs can come from public, non-profit, and/or private sources (funding partnerships are common).

IDAs were introduced by Sherraden (1988, 1991), who suggested that (1) saving and asset accumulation is largely a matter of structures and incentives (not merely personal preferences), and (2) assets may have a wide range of positive psychological, social, and economic impacts (in addition to deferred consumption). IDAs are a conceptually simple community development and public policy mechanism, adaptable to a wide range of applications and circumstances.

A brief history of asset building proposals and IDA policy development is summarized below:

- Asset building as an anti-poverty policy emerged with key publications in the 1980s and 1990s: *The Safety Net As Ladder* (Friedman, 1988), *Assets and the Poor* (Sherraden, 1991), and *Black Wealth/White Wealth* (Oliver and Shapiro, 1995).
- The first policy reports on IDAs were published in 1989 and 1990, creating a policy discussion that has built over the past decade. IDA proposals do not fit into a stereotypical “liberal” or “conservative” mold, and typically they have bipartisan support.
- An important impact of this discussion is that welfare asset limits (restrictions on asset holding by those who receive means-tested benefits) have begun to change. Almost all states have raised welfare asset limits during the 1990s.
- The first IDAs were initiated by innovators in community organizations in the early 1990s.
- Today, perhaps two hundred community IDA programs are operating or in the planning stages.
- Ten foundations are funding a demonstration and evaluation of IDAs known as the “Downpayment on the American Dream Policy Demonstration” at 13 sites around the country (the subject of this report).

- United Ways have started multi-site IDA programs in Atlanta and St. Louis, and perhaps elsewhere.
- The Eagle Staff Fund of First Nations Development Institute has launched IDA projects at several sites in Indian Country.
- IDAs were included as a state option in the 1996 federal “welfare reform” law. Two provisions of the law are noteworthy: (1) States can use of Temporary Assistance to Needy Families (TANF) resources to fund IDAs. (2) Any money in an IDA is exempt from asset limits in all federal means-tested programs. The latter is an important policy precedent.
- At least 25 states have included IDAs in TANF plans, although few of these have used TANF funds for IDAs to date.
- Several states have allocated state funds for IDAs (Illinois, Indiana, Minnesota, North Carolina, Oklahoma, Pennsylvania, Vermont, Virginia).
- Federal legislation for IDAs, “The Assets for Independence Act,” with \$125 million in funding over 5 years, was signed into law in October 1998.
- Building on the principles and early successes of IDA programs, President Clinton proposed Universal Savings Accounts (USAs) in his 1999 State of the Union Address. USAs would be matched savings accounts for low-income workers, to be funded with 11 percent of the budget surplus (estimated \$33 billion per year) over the next 15 years.

Virtually all of the above IDA policy and community innovations have been guided directly or indirectly by the work of the Corporation for Enterprise Development (CFED) in Washington, and the Center for Social Development (CSD) at Washington University in St. Louis.

Other asset building developments in home ownership programs, individual training accounts, and other asset-based initiatives have grown over the past decade as well. Asset building themes are also appearing in the private sector (at this writing two major US banks are planning IDA programs). There are also increasing proposals in the federal government for Children’s Savings Accounts, expanded and progressive IRAs, and similar asset building measures. At the moment, this overall policy direction is in a period of rapid innovation.

At the same time, key questions for research in asset-based policy are being identified. The first question, the “policy impact” question, is: Do IDAs enable the poor to accumulate assets and use them to meet life goals? Two additional questions related to IDAs may in fact be more fundamental, connecting to existing bodies of social science knowledge. These questions have been identified and later specified as working propositions (Sherraden, 1997). The second question is: How can the poor save? In brief, there is reason to believe that the poor save not only because of personal preferences, but also because of institutional factors -- information, incentives, access, facilitation (Sherraden, 1991; Beverly, 1997;

Beverly and Sherraden, forthcoming). The third question is: What are the effects of asset holding? In brief, asset holding appears to have multiple and generally positive effects on individuals, families, and communities, in addition to deferred consumption (Sherraden, 1991; Page-Adams and Sherraden, 1997; Boshara, Scanlon, and Page-Adams, 1998). These last two questions, have the potential to alter the way saving and asset holding are understood, and provide an intellectual foundation for asset-based policy. However, at a great deal more empirical and theoretical work will be necessary.

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“The American Dream Demonstration”

The first large scale test of Individual Development Accounts (IDAs) as a social and economic development tool for low-wealth households and communities was initiated by the Corporation for Enterprise Development in September 1997 in the form of a national policy demonstration. The national IDA demonstration, officially called the Downpayments on the American Dream Policy Demonstration (know as “The American Dream Demonstration” or ADD) involves 13 organizations selected through a competitive process to design, implement, and administer IDA initiatives in their local communities. The name of the demonstration was chosen by the Corporation for Enterprise Development in recognition of the potential of IDAs to “help restore to poor people and distressed communities a reasonable opportunity to realize the American Dream of good jobs, safe homes, and small businesses.” The IDA programs that are part of ADD will together establish approximately 2,000 IDAs in low-income communities across the country, with each site starting 50 to 150 accounts and one site eventually expanding to 500 accounts. The demonstration will operate from 1997 through 2001, and an additional two years of post-program evaluation to 2003.

The 13 IDA Programs in ADD

ADVOCAP, Inc., Fond Du Lac, Wisconsin. ADVOCAP is a community action agency whose mission is to create opportunities for people and communities to reduce poverty. Operating revenues of 6.5 million dollars support 180 staff positions and operation of agency services across seven different departments, servicing three counties. ADVOCAP provides emergency services as well as permanent solutions based on asset development approaches. Asset development models include a business development program, established in 1985, a first-time home ownership program, established in 1990, and one of the first IDA programs, established in 1995. The IDA program services a target population of rural residents who are former welfare recipients and/or working poor. Participants are primarily referrals from other ADVOCAP programs. Participant savings are matched on a 2:1 basis. Assets may be used for business development, home purchase, or career advancement goals.

Alternatives Federal Credit Union (AFCU), Ithaca, New York. AFCU is a community development credit union whose mission is to provide a full range of banking services and financial resources for small businesses, non-profit organizations and under-served segments of the community. AFCU stresses customer service and provides alternative financial options including flexible mortgages, community lending partnerships, and youth credit union. AFCU partnered with Ithaca Housing Authority's Family Self-Sufficiency Program to develop and implement its IDA program. The IDA program services a target population of single parents and youth. Participant savings are matched on a 3:1 basis. Assets may be used for post-secondary education, small business capitalization, home purchase, or home maintenance.

Bay Area IDA Collaborative, San Francisco, California. The Bay Area IDA Collaborative is comprised of 11 community-based organizations in the San Francisco Bay

area which collectively serve a significant portion of the low-income population in the area. The East Bay Asian Local Development Corporation (EBALDC) is a Community Development Corporation and is the lead organization for the Collaborative. EBALDC has expanded its mission from serving the Asian/Pacific Islander community to building strong communities among the East Bay's diverse low-income population. Services include affordable housing, community organizing and planning, and economic development. The IDA program services low-income minority residents of the communities served by member organizations. Participant savings are matched based on the asset being purchased with a range of 1:1 to 4:1, with home purchase receiving the highest match rate. Assets may be used for business start-up, education/training, or first-time home purchase.

Capital Area Asset Building Corporation (CAAB), Washington, DC. CAAB is a non-profit corporation comprised of seven community-based organizations whose goal is to bring an asset-based economic development system to scale in the disadvantaged neighborhoods of the District of Columbia. The collaborative was created to: build capacity by devising a centralized, systemic approach to implementing IDAs in the District; craft a collaborative fundraising strategy to minimize competition among community-based organizations by leveraging scarce resources; and join forces in advocacy activities to help pass asset accumulation legislation for low-income residents. The IDA program services clients of the collaborative member organizations. Participant savings will be matched depending on the asset to be purchased with an average match rate of 2.4:1. Assets may be used for business capitalization, education/training, or home purchase.

Central Texas Mutual Housing Association (CTMHA), Austin, TX. CTMHA is a community-based non-profit organization whose mission is to provide great affordable housing where families are proud of where they live, can improve their lives, and pursue their dreams. Since 1986, CTMHA has developed 1,255 units of affordable housing in eight rental communities with Resident Associations at all properties. With a staff of 27, CTMHA has created several resident service programs for low-income families in Central and North Texas. Counseling and training is offered in both the English and Spanish languages. The IDA program services property residents. Participant savings are matched on a 2:1 basis. Assets may be used for business capitalization, education, or home purchase.

Central Vermont Community Action Council, Inc. (CVCAC), Barre, Vermont. CVCAC is a community action agency whose focus is on community economic development and developmental family services. CVCAC provides advocacy and programmatic services for economically disadvantaged families and individuals in 56 towns in rural north central Vermont. The 111 member professional staff provides services to approximately 6,000 persons annually. CVCAC has partnered with several community agencies in implementing its IDA program. The IDA program services clients of CVCAC, clients of the Department of Social Welfare (TANF recipients), and young adults (ages 16-24). Participant savings range in match rates from 1:1 to 2:1. Assets may be used for business capitalization, education, and home purchase.

Near Eastside Community Federal Credit Union/John H. Boner Center, Indianapolis, Indiana. The Near Eastside Community Federal Credit Union (NECFCU) and the John H. Boner Center (JHBCC) partnered together to create the Near Eastside IDA program. The NECFCU is a low-income community development credit union and holds the accounts for IDA participants. The JHBCC is a neighborhood community center that has been providing social services since 1972. The IDA program services youth and adults involved in the JHBCC programs. Participant savings are matched on a 3:1 basis. Assets may be used for microenterprise, education, or home purchase.

Heart of America Family Services (HAFS), Family Focus Center, Kansas City, Missouri. HAFS is a 117-year-old non-profit organization dedicated to supporting and strengthening families in need through information, education, and intervention. Its programs serve 60,000 people annually from more than 14 locations. The Family Focus Center is one of HAFS' community-based programs that provides neighborhood-based family support, including an IDA program, to a primarily Latino population in Kansas City's Westside. The Family Focus Center has partnered with other neighborhood organizations and the University of Kansas School of Social Welfare to implement the program. Counseling and training is offered in both the English and Spanish languages. The IDA program services the neighborhood area and clients at the Family Focus Center. Participant savings are matched on a 2:1 basis. Assets may be used for business capitalization, education, or home purchase.

Human Solutions, Inc., Portland, Oregon. Human Solutions is a non-profit community housing organization whose focus is to provide housing and related services to homeless and low-income families in East Portland and East Multnomah County. Since 1992, the organization has also purchased and developed over 150 units of low-income housing, and manages market rate housing owned by others for homeless families. The IDA program services residents of Human Solutions' rental properties. Participant savings are matched on a 1:1 basis. Assets may be used for microenterprise, education, and home purchase.

Mountain Association for Community Economic Development (MACED), Berea, Kentucky. In 1976, MACED was created by ten community development organizations in Central Appalachia to provide technical assistance to community-based groups in the region. MACED's core programs are business development, sustainable communities, and research/demonstration. MACED developed the "Pathways to Prosperity" IDA program for residents of Owsley County (Kentucky's poorest county). Several local community organizations partnered with MACED in implementing the IDA program including: the Central Appalachian Peoples Federal Credit Union, and the Owsley County Action Team, a citizen group that participates in MACED's Sustainable Communities Initiative. The IDA program services low-income residents of Owsley County. Participant savings are matched on a 6:1 basis. Assets may be used for microenterprise, education, home purchase, and home improvements.

Community Action Project of Tulsa County (CAPTC), Tulsa, Oklahoma. CAPTC is a community-based, comprehensive anti-poverty agency whose mission is to "help individuals and families in economic need achieve self-sufficiency through emergency aid, medical care, housing, community development, education, and advocacy in an atmosphere of respect." Recent examples of new programs that have grown significantly in response to client demand have been CAPTC's affordable housing and Earned Income Tax Credit (EITC) programs. CAPTC's IDA program focuses on those who are making the effort toward achieving self-sufficiency but not yet able to escape poverty level incomes. The IDA program targets working poor households with children who fall within the income range to qualify for the maximum EITC refunds. Many of the IDA participants are clients of other CAPTC services. Participants can save up to \$750 per year with match rates ranging from 1:1 to 2:1. Assets may be used for microenterprise, education, home purchase, and retirement account.

Shorebank, Chicago, Illinois. Shorebank, founded in 1972, is a community development financial institution whose mission is to increase opportunities in underserved communities by identifying and supporting investment in local assets. Three local affiliates will be involved in the IDA program of which Shorebank Neighborhood Institute (SNI), Shorebank's non-profit affiliate, has primary responsibility for the implementation of the program. SNI's primary focus is on human and social capital development, as well as targeted enterprise development. SNI works with Shorebank Development Corporation (SDC) in providing resident services to those who are low-income and live in SDC properties. The IDA program services low-income residents of SDC properties and clients in other SNI programs. Participant savings are matched based on the type of asset being purchased. Match rates range from 1:1 to 2:1. Assets may be used for business development, education/training, and home purchase.

Women's Self-Employment Project (WSEP), Chicago, Illinois. WSEP is a microenterprise development organization that provides entrepreneurial training, business development, and financial services to low- and moderate-income women. WSEP's mission is to raise the income and degree of economic self-sufficiency of women through a strategy of self-employment, and to serve as a catalyst for developing viable options for alleviating poverty. In 1995, WSEP initiated an IDA demonstration with welfare recipients; it was one of the first IDA programs in the country. Expansion of the program now includes a partnership with the Chicago Housing Authority (CHA) and includes residents within the targeted CHA programs. The IDA program services residents of CHA HOPE 6 developments, graduates of WSEP programs, and employees of WSEP participant businesses. Participant savings are matched on a 2:1 basis. Assets may be used for business capitalization, education/training, home purchase, home repair, and investment options (such as IRAs).

Table 1. The 13 IDA Programs in ADD

Sponsoring Organization	Location	Type of Community	Type of Organization	Participants/ Targeted Groups	Previous IDA Experience
ADVOCAP	Fond du Lac, WI	Small city and rural area	Community Action Agency	Former AFDC/TANF recipients; working poor people	YES
Alternatives Federal Credit Union	Ithaca, NY	Small city and rural area	Community Development Credit Union	Single parents; youth	NO
Bay Area IDA Collaborative	San Francisco, CA	Urban	Collaborative of 11 Community Based Organizations	Asian American; African American; Latino	NO
John H. Boner Center / NECF Credit Union	Indianapolis, IN	Urban	Social Service Org. / Comm. Development Credit Union	Neighborhood residents; youth	YES
CAAB Corporation	Washington, DC	Urban	Collaborative of 7 Community Based Organizations	TANF recipients; youth; African American; Latino; Asian American	NO
Central Texas Mutual Housing Association	Austin, TX	Urban	Not-for-Profit Housing Organization	Rental property residents; youth	NO
Central Vermont Community Action Council	Barre, VT	Small towns and rural areas	Community Action Agency and Community Development Corporation	TANF recipients; youth	NO
Community Action Project of Tulsa County	Tulsa, OK	Urban	Community Based Anti-Poverty Organization	Working poor families with children	NO
Heart of America Family Services	Kansas City, MO	Urban	Community Based Family Services Agency	Latino; African American	NO
Human Solutions	Portland, OR	Urban	Not-for-Profit Housing Organization	Rental property residents	NO
MACED	Berea, KY	Small towns and rural areas	Association of Community Development Organizations	Very low-income; youth; African American	NO
Shorebank Corporation	Chicago, IL	Urban	Community Development Bank with Not-for-Profit Affiliate	Rental property residents; Shorebank customers	NO
Women's Self-Employment Project	Chicago, IL	Urban	Microenterprise Development Organization	Low-income, self-employed women; public housing residents	YES

ADD Evaluation Plan

Multi-Year, Multi-Site Research on Individual Development Accounts

The American Dream Demonstration (ADD) is the first systematic test of individual development accounts (IDAs). The purpose of ADD is to find out whether IDAs are successful, in what ways, and for whom. Because IDAs are new and there is much to learn, evaluation is central to the purpose of ADD. The ADD evaluation is multi-faceted, indeed, it may be one of the most thorough and comprehensive evaluations of a social or economic demonstration. The evaluation has been designed by the Center for Social Development, with the advice of an expert Evaluation Advisory Committee. The evaluation will employ multiple evaluation methods, each with a different purpose, and will follow IDA participants over six years (1997-2003).

Purposes of the ADD Evaluation

The ADD evaluation is intended to yield information in the following areas:

- An answer to the question: Do IDAs work?
- Best IDA program designs and practices.
- Models to guide state and federal IDA policy.
- Knowledge about saving and asset accumulation.

Research Questions

The ADD evaluation seeks answers to the following questions:

- What are good design features for an IDA program?
- What are the barriers and facilitators in starting and operating a successful IDA program?
- What is the pattern of savings in IDAs?
- What affects savings behavior (how do people save) in an IDA program?
- What are IDA savings used for?
- What is the impact of IDAs on asset accumulation and using assets to meet life goals (education, home ownership, starting a business, etc.).
- What are the additional effects (social, psychological, and economic) of asset holding for IDA participants and their families?
- What is the financial return of an IDA program to participants and society?
- What are the community level effects of an IDA program?

Features of the ADD Evaluation

The evaluation incorporates carefully designed procedures to enhance the quality of the evaluation, including:

- Guidance from an expert Evaluation Advisory Committee.

- Research designs that follow as much as possible from theoretical statements, and explicitly seek alternative explanations.
- Multiple methods of evaluation, each designed for different purposes.
- Analyses that are based insofar as possible on hypothesis-testing, but also allow for emergence of unanticipated findings.

Plan for ADD Evaluation

The following evaluation methods comprised the original research design:

Assessment of IDA program implementation. Purpose: specifying IDA programs-as-implemented so that results of different programs can be meaningfully compared, and lessons learned for other IDA programs. Method: case studies using program records, guided narratives, interviews and focus groups of staff and participants. Intensive case study during years 1 and 2. Analysis: pattern matching and time series comparisons. Evaluator: CSD. In this component of the evaluation, CSD will work closely with CFED, which will be providing technical assistance to the demonstration sites during implementation.

Monitoring/management information system. Purposes: tracking program level performance, and collecting basic individual level data on all participants. Method: periodic monitoring of IDA participation and use of savings (“MIS IDA” monitoring software has been created), semi-annually or annually across four years of demonstration. Analysis: tabulation of results by program, by participants, with statistical analysis of individual level data. Designed and carried out by CSD.

Experimental design survey. Purpose: individual level data on IDA participation and use, savings behavior, and effects of asset accumulation. Method: random large sample survey with control group (1100 subjects altogether) designed to test “treatment effects” of IDA participation. Location: at one large site. Three waves of survey (years 2, 4, and 6). Analysis: statistical. (CSD designed and pre-tested the questionnaire. Data collection by another research organization, which will analyze and report on basic policy impacts, including savings amounts and patterns, asset accumulations, and uses of assets for achieving life goals. CSD will analyze and report on more particular questions regarding savings behaviors and effects of asset accumulation.

In-depth interviews. Method: purposeful small sample interviews (40 to 100 subjects), guided but open ended, to add detail, examples, and understanding to fixed format survey results. Years 3 and 5. Analysis: qualitative analysis program. In-depth interviews will be designed and carried out by CSD.

Assessment of community level effects. Purpose: to assess community impacts, such as improved neighborhood conditions and citizen participation. *Method one:* undertake community level assessment with social indicators and visual assessments. Analysis: pre and post differences in IDA community vs. comparison community. *Method two:* use individual level survey questions to evaluate community participation and involvement. Analysis: Statistical. Community level assessment has been designed by a research

consortium in Atlanta and CSD, and is being carried out in Atlanta; and survey results will be analyzed by CSD.

Return on investment (or benefit cost) analysis. Purpose: evaluating IDA program results in financial terms. Method: identify program level costs, and identify outcomes for participants and society that have clear financial returns (using data from program monitoring and survey instruments). Calculations during year 5 (first follow-up year). Analysis: return on investment analysis, or alternatively, benefit-cost analysis. To be carried out by CSD.

Evaluation Progress

Assessment of IDA program implementation. We have prepared a research design and instruments for case studies of IDA implementation. The primary case study instrument, which is a written “guided narrative,” has been used with all ADD sites, along with interviews with representatives from all sites. Two rounds of data collection (both guided narratives and interviews) have occurred, in September 1997 and March 1998. Deborah Page-Adams is the main researcher, assisted by interviewers Ed Scanlon, Freda Bady and Lissa Johnson.

Monitoring/management information system (MIS IDA). After being advised about the importance of basic program monitoring at the 1995 IDA conference, CSD initiated an IDA Monitoring Task Force during 1996 and, through this process, we created and pre-tested a monitoring instrument. During 1997, the monitoring instrument was adapted to user-friendly software, and again pre-tested. Known as “MIS IDA,” the software is designed to record basic program information on numbers of accounts, patterns of savings, use of savings, etc. Development of MIS IDA has been led by Lissa Johnson and Jim Hinterlong at CSD. The monitoring instrument is the backbone of the management information system and retrieval of both program level and individual level data in the IDA demonstration. Long before the more definitive data from the experimental design, we will have a good idea whether IDAs are “working” to create savings and enable families to meet life goals.

MIS IDA will be the source of basic ADD data on numbers of participants, amounts and patterns of savings, and uses of savings. These data will go a long way in determining how well IDAs are working and for whom. We anticipate that MIS IDA will make these data regularly available.

In response to feedback from Version 1.0 of MIS IDA, CSD embarked during 1998 on a considerable upgrading of MIS IDA’s flexibility and capabilities. In July 1998, representatives of ADD came to St. Louis for training on Version 2.0 of MIS IDA. The training went well; feedback from sites was positive. Version 2.01 is now in use.

Experimental design survey. The experimental design survey (with random assignment of the IDA and control groups) has been designed by CSD, and a survey instrument has been developed by CSD that has gone through many rounds of revisions. The CSD team has consisted of many people, including Michael Sherraden, Deborah Page-Adams, Sandy Beverly, and Esther Cho. The survey was planned to be carried out independently by another research organization, which will report on the basic policy impacts of IDAs. The survey will occur at a “large” site, with 500 IDA participants and 600 controls. The survey is to begin in the second year of the demonstration, and it will occur in three waves (years two, four, and six).

Careful selection of the large site and evaluator have been a priority. CSD developed two RFP processes, in close cooperation with CFED. The first was to select the evaluator for the experimental site. Following a review process using the Evaluation Advisory Committee,

the ADD Review Board made the final selection of Abt Associates. Greg Mills at Abt Associates heads the study.

The second RFP was designed to select the large site. CSD initiated the RFP process, and review and selection was coordinated by CFED. Only one proposal was received, but this is somewhat misleading. In fact, the 13 ADD sites had deliberated extensively among themselves regarding which site would be best able to undertake the large site experimental design study. The proposal from CAPTC in Tulsa was, in the view of both CFED and CSD, a sound proposal and probably the best choice among the ADD sites. The Review Board approved the final selection of CAPTC.

Representatives from Abt Associates, CAPTC, CFED, and CSD met in St. Louis in July 1998 to plan and make arrangements for the experimental design survey. Abt Associates has since visited CAPTC in Tulsa to continue planning. CSD worked with Abt Associates on final edits and revisions of the Wave One questionnaire. Data collection began in the fall of 1998. By December 1998, a total 48 IDA participants and 58 controls had been interviewed and assigned. Baseline interviews are scheduled to be completed by May 1999.

In-depth interviews. In-depth interviews will begin in early 2000 with a purposeful subsample of the experimental survey sample. A preliminary instrument for in-depth interviews has been designed at CSD by Margaret Sherraden and during the coming year it will be refined and pre-tested. We have consulted with Kathy Edin, a member of the Evaluation Advisory Committee, in our design work for this part of the evaluation. The original plan was to carry out in-depth interviews in years two and four, but CSD has decided to move this component of the evaluation to years three and five (when the fixed-format survey will not be occurring).

Assessment of community level effects. A CSD team prepared a preliminary design and plan for a community level evaluation. The design calls for (1) visual assessment and rating of community characteristics, (2) use of social indicators such as crime, school attendance, and various types of community participation, and (3) interviews with key informants regarding community level effects of IDAs.

Community level evaluation requires a concentration of IDAs within an identified geographical area (unless IDAs reach a certain concentration, we would anticipate no measurable community level effects). Because no appropriate site for this evaluation exists within ADD, we have looked elsewhere. The Atlanta United Way is using IDAs for homeownership as a neighborhood revitalization strategy, concentrating on specific neighborhoods. Following a year of discussion with Martha Taylor Greenway of the Atlanta United Way, we are nearing agreement regarding a community level evaluation at that site. An evaluation team has been formed, led by James Emshoff, a researcher at Georgia State University, with other researchers from Emory University and The Atlanta Project. Team members have prior experience with community level evaluation. In August 1998, Michael Sherraden and Shanta Pandey of CSD visited Atlanta and met with the team to plan methodology. Community level evaluation is not very common and does not have well-developed research protocols. However, the team is knowledgeable and thoughtful and we

anticipate a solid effort to identify community level effects that may result from IDAs. CSD will use ADD funds to contract with Atlanta United Way for a portion of the costs. Support will also come from Annie E. Casey Foundation neighborhood research funds that are available for the project.

Return on investment analysis. A framework and design for the ROI has been completed by Shirley Porterfield at CSD, so that we know what program cost information to collect in MIS IDA, and what data on participant costs and outcomes to collect in the experimental design survey. These data will be collected during the demonstration; the analysis and report will not take place until the fifth year of ADD.

During 1998, CSD initiated two additional components of the ADD evaluation:

“Snap shot” survey. Wave two data from the experimental design survey (which will give some idea of how IDA participants are doing compared to controls) will not be collected until year four of ADD (2001), and this is a long time to wait for impact data. As an interim measure, CSD plans to undertake a limited cross-sectional survey of IDA participants who are not at the large site. This “snap shot” survey will ask participants about their IDAs, saving behavior, and effects of asset accumulation. Esther Cho, Sandy Beverly, and Michael Sherreaden of CSD have prepared and revised the instrument for this survey; we are pre-testing it now. In cooperation with the ADD sites, we hope to administer the brief survey in late 1999 or early 2000.

Participant case studies. Case studies are similar to in-depth interviews, but they are more extensive. Case studies are long interviews, seeking a more extended biography of the IDA participant and in what ways IDAs have affected the person’s life. Both successful and unsuccessful IDA participants are being interviewed. One of the purposes of the case studies is to have examples that can be interwoven into a future book on ADD, to detail and bring to life the quantitative data. Margaret Sherraden, faculty associate at CSD, and graduate students are undertaking multiple interviews with twelve to fifteen IDA participants at several of the ADD sites (in rural Vermont; Washington, DC; Chicago; Kansas City; and Oakland, CA).

Promoting IDA Evaluations beyond ADD

Many other IDA sites are beginning to think about evaluation using CSD materials or technical assistance. As an early strategy for building evaluation capacity, CSD distributed copies of the *IDA Evaluation Handbook* (1995) on request to over 200 local programs and state governments, and many more copies of the *Handbook* were downloaded from CSD’s website.

Another major CSD initiative is to promote the widespread use of “MIS IDA” (management information system for individual development accounts). MIS IDA can greatly facilitate IDA program development and help standardize the field on IDA design principles that are, as much as we know at present, “best practices.”

To build the knowledge foundation for productive evaluations, CSD continues to gather studies and data on savings behavior and effects of asset holding. Selected research projects are underway. CSD is committed to knowledge-building in this area and this work will continue.

Implementation

It would help us if we knew, from other's experiences, just what to prioritize -- what tasks can be held off on and what tasks are absolutely critical now. That would help us stay focused on implementation rather than over-planning . . . at this point. We constantly feel the need to balance the detail of our work with a vision of where we are ultimately going with IDAs.

-- IDA Program Coordinator

The purpose of the implementation assessment is to describe and analyze the design, implementation, and administration of IDA programs in the demonstration. The implementation assessment addresses several questions including: How do organizations get IDA programs up and running? What strengths and capacities are required to get IDA programs started? What challenges and obstacles do programs face in IDA implementation? What lessons about IDA initiatives can be learned from the collective implementation experience?

Given the growth in IDA activity nationwide, the lessons we learn about design, implementation, and administration may be helpful in developing asset building policies and programs. This report offers some preliminary suggestions about best practices in IDA program design, implementation, and administration. At this early stage, however, caution is urged because it is likely that the most important lessons about IDA implementation will become clear only as the demonstration continues to unfold.

Case Study Methods

Information for this initial implementation assessment report came from (1) program documents from the thirteen sites in the national demonstration (2) guided narratives completed by IDA staff in the fall of 1997 and in the spring of 1998 and (3) follow-up interviews with IDA staff during the national demonstration meetings in September 1997 and in March 1998. These sources of information are described briefly below. The *IDA Evaluation Handbook* (1995) was used in planning the implementation assessment and provides a more detailed introduction to case study methodology in IDA evaluation.

Guided narrative. IDA staff completed and submitted the first two of four guided narratives about their IDA programs during the fall of 1997 and the spring of 1998. This first guided narrative instrument included open-ended questions on the earliest steps involved in getting an IDA program up and running. Several of the questions addressed various capacities of sponsoring organizations and IDA programs. The second guided narrative instrument asked respondents to specify design features of their IDA programs and to share information about initial implementation experiences and emergent administrative issues.

Follow-up interviews. We also interviewed IDA staff from each of the thirteen sites during the September 1997 and March 1998 national demonstration meetings. During the

interviews, which typically lasted 60 to 90 minutes, we “filled in the blanks” when guided narratives were less than complete, clarified responses, and asked for more in-depth information as needed.

The information we gathered was analyzed using qualitative methods and particularly the pattern matching strategy described by Yin (1984). Some responses were quantified to help detail common implementation experiences. We read and analyzed the materials, paying attention to working hypotheses about successful IDA program implementation developed by Sherraden and colleagues (1995) as well as themes that emerged as the research progressed. Passages from the program documents, guided narratives, and interviews that were typical of patterns we identified are used in this report to illustrate lessons that we are learning from the national IDA demonstration about asset-building initiatives in low-income communities. Some words and phrases in the passages have been altered in minor ways to avoid identifying individual programs and to keep the focus on what we can learn from the aggregate IDA implementation experience.

Findings

The thirteen programs that comprise the national IDA demonstration are a diverse group of community development corporations, social service agencies, microenterprise organizations, community action agencies, community development financial institutions, and housing agencies located in large cities, small towns, and rural areas throughout the country. There is an IDA demonstration site in most regions of the country.

The participant groups targeted by IDA programs are diverse. None of the participants in national demonstration programs have household incomes greater than 200 percent of the federal poverty level, and several IDA programs in the demonstration have targeted welfare recipients and other very low-income participants. Further, a number of IDA programs in the demonstration serve African American, Asian American, and Latino communities.

The programs that are part of ADD have differing levels of prior IDA knowledge and experience. Some of the programs learned about IDAs just as the Corporation for Enterprise Development issued a request for proposals. Other programs had initiated small IDA pilots before they applied to the national demonstration. Only three of the programs had previous experience getting IDA programs up and running.

Strengths and Problems

At the beginning of the national demonstration, programs identified some common strengths, capacities, problems, and challenges in their early IDA implementation efforts (see Table 2).

Key strengths and capacities identified by IDA staff were:

- Innovative program designs.
- Pre-existing key components of the IDA program.
- Strong community partnerships.

Less often mentioned strengths and capacities were explicit goals for changes at the institutional, community, and policy levels; creative plans for funding; strong organizational history and leadership; and effective economic education curricula.

The biggest problems in early implementation efforts were:

- Fundraising and other resource concerns.
- Specifying IDA program designs.
- Managing organizational relationships with community partners.

Other problems and challenges included staffing and managing the work load; recruiting and working one-on-one with participants; barriers to change at the institutional, community, and policy levels to better facilitate asset building; and the need to enhance economic education offerings.

One pattern that emerges from this analysis is that some of the most often cited strengths of IDA programs are also mentioned frequently as problem areas. For example, while staff of the IDA programs identified their innovative program designs as important strengths, many of them also see specifying their designs as central challenges. Similarly, there are elements of relationships with community partners that programs report as both strengths and challenges. And program staff note barriers to affecting change at the institutional, community, and policy levels almost as often as they identify their change-making capacity as a strength.

A comment illustrating this pattern of strengths that are also challenges is from a staff member from an IDA program with a complex inter-organizational design. The staff person had earlier identified this design as one of her program's key strengths. Later, she said:

Inter-organizational efforts are (pause) dynamic and can take full days. The agreements need to be customized because each is slightly different. And this does add to the complexity.

Similar sentiments were expressed by the IDA coordinator from another site who acknowledged the strength of having the local housing authority on board as a partner, but also noted great frustration with the complicated and lengthy process of getting partnership details finalized.

In fact, specifying IDA program designs and developing working relationships with organizational partners proved to be the most time consuming tasks for staff members in the early weeks and months of the national demonstration. This work contributed to slower than expected IDA start up for a number of programs, and appeared to be especially problematic for those sites with formal, complex interorganizational designs. Relationships with multiple organizational partners may end up being central to the successful design, implementation, administration of IDAs. But in the early stages of getting IDAs up and running, such complex designs appear to delay start up.

Table 2. Reported Strengths and Problems of IDA Programs at Start of the American Dream Demonstration, September 1997

Strengths	Numbers of Programs	Problems	Numbers of Programs
Innovative program designs	11	Fundraising and resource concerns	10
Pre-existing key components	8	Specifying program designs	7
Strong community partnerships	8	Managing organizational relationships	7
Explicit goals for change at institutional, community, and policy levels	4	Staffing and managing work load	5
Innovative funding plans	3	Recruiting participants and one-on-one work with participants	4
Strong organizational history and leadership	3	Barriers to change at institutional, community, and policy levels	3
Effective economic education curriculum	2	Ineffective economic education curriculum	3

Note: IDA program representatives were asked during group discussions and individual interviews to identify three initial strengths and capacities and three problems and challenges.

Despite the frustration inherent in such delays, IDA staff people described strengths of their programs with a great deal of enthusiasm. They most often discussed challenges in a way that suggested that this enthusiasm was being tempered by realistic concerns about working out the details of their new IDA programs. For example, a recognition that the process can be complex:

We want the program to be inclusive, especially the design of the IDA program. It is important that the people most affected by the program have a say in how it's done. While inclusion is important, it's not always easy. For example, when we held a large public information meeting, refreshments of cookies and soft drinks were provided. One participant pointed out later that the cookies and soft drinks seemed to reflect stereotypes about poor people's palates. Clearly there is a great deal of sensitivity about poor people in our community. Stereotypes can be a barrier; language can be a barrier; super sensitivity can be a barrier; personalities can be a barrier.

-- IDA Program Coordinator

Enthusiasm about Impacts of IDAs

As the national demonstration began, IDA staff expressed almost uniform enthusiasm for the asset building potential of IDAs in the lives of low-income participants and for related changes at organizational, community, and policy levels.

Participants. One program coordinator described the larger effects of an earlier IDA initiative:

Our early participants have been able to realize their dreams of owning a home developing a business, or attending college. The stories of success are prevalent and well known around the community because IDA participants are residents within our community. They are our neighbors, and they are our friends.

Another IDA Program Coordinator said:

We have a man in our program who is hoping to reunite himself with his family and he's excited about IDAs. He's never done anything like this before. For a long period of time he did no planning, had no thoughts about the future. But now he comes to every economic literacy session and he brings his IDA deposit slips. He said to me the other day, "You know, I never knew I had this much control over my life." He seems to be feeling so good most of the time now. I see him bubbling. And this guy is still having problems. He's paying off the IRS and making child support payments. But he's working to bring his family back together. He has bills, but he still makes his IDA deposits. He has this little personal savings account now and he's excited because he's got some control.

Staff. One respondent expressed the excitement of staff members about the new program:

Our staff have shown great enthusiasm about the program, offering to become involved in any way suitable. They've expressed the 'perfect fit' IDAs will have with our mission . . . there's a staggering degree of energy and enthusiasm for implementing such a . . . progressive program.

Organization. IDA program staff also discussed the capacity of asset building to affect changes at organizational, community, and policy levels. One IDA coordinator explained how an earlier asset building initiative strengthened her organization:

We started exploring ways to implement asset-building strategies for poor people in the mid-1980s. As an organization, we became interested in ways in which poor people could "own" things: we wanted to develop homeownership strategies which helped poor people move from "renters" to "homeowners"; we wanted to help poor people create self-employment rather than only rely on conventional employment strategies; etc. Similarly, we acknowledged that our organization itself was "poor" -- we owned very few assets; we rented most of our facilities; we decided that we must develop our own assets; we wanted to own rather than rent our own facilities; we wanted to develop our own financial assets. . . . Our asset-building programming has helped poor people "own" things. Similarly, our asset-based strategies have increased the net worth of the organization.

Community. Several people also expressed enthusiasm for the potential of IDAs as a community building strategy. At one site, the idea of asset building struck a chord with low-income staff members and ultimately resulted in strengthening both the program and the larger community:

The staff was receptive to the IDA idea. Some were glad about instituting the program, and others wanted to know how they could get in on the program. As they were helping others, they saw advantages to getting matched money for their own savings. Our organization started matching savings in the accounts of those staff members who wanted to buy houses within the community. This was a way of investing the staff in the program and in the community.

Local economy. A program coordinator from another site described IDAs as a tool in the sponsoring organization's on-going work to build local economies and to help people develop lasting connections with the economic mainstream:

IDAs are a natural extension of our work to restore healthy markets and communities by supporting entrepreneurship, self-sufficiency, and investment by local residents. Whether the focus is on business development or human development, our programming takes an asset-based approach to community revitalization.

Anti-poverty policy. Many program staff people involved in the national demonstration were also enthusiastic about the potential of IDAs as an anti-poverty policy approach. One IDA coordinator with a long history of policy advocacy writes:

Our organization has always taken what we have learned from having our feet on the ground in particular communities and used that knowledge to build programs and affect policies on a broader level. Historically, we have continually built our own capacity in order to take on the next challenge. Now our county is one of three in the state with the goal of having 100 percent of welfare recipients moving toward self-sufficiency within five years. The IDA program is one avenue to help TANF recipients along the way to self-sufficiency. We are working closely with the state department for families and children on the county welfare reform plan.

Evaluation. A number of IDA staff people also expressed excitement about the rather extensive evaluation of the national demonstration. One person wrote that his program was “comfortable with, and enthusiastic about, the evaluation” reflecting the hope of many that what we learn from the national demonstration will shape new asset-based anti-poverty policies for low-income individuals, households, and communities:

This is definitely the most expansive project in the history of our organization. We will have to tap into a lot of resources from community partners – other non-profits that are going to offer some of the educational and support services. This program is going to be more far reaching than any of our other programs has been to date. We need to find leadership for some parts of the program from outside of our organization. I think a lot of the success of the program will be based on how successful we are in gaining and developing the right leadership for the educational and support services. The resources and leadership for providing affordable housing in our agency is very well grounded and established, but IDAs are moving us – moving us much further beyond that.

The Devil in the Details

The early enthusiasm for the asset building potential of IDAs was tempered soon after by concerns about the implementation challenges involved in designing new programs, developing best IDA practices, and confronting the “devil in the detail.”

Internal organizational support. IDA program staff uniformly expressed concerns about the numerous design features yet to be specified in finalizing plans, policies, and procedures for their asset building initiatives. One coordinator spoke of communication within her organization regarding program details:

IDAs are a funny program to manage because the devil is in the detail. So there’s a lot to communicate. I’m figuring out how much to say to administration until the details get ironed out.

This internal communication theme emerged again in discussions with staff from other IDA sites about building support for IDA initiatives within large, multi-purpose organizations:

All staff were very supportive and positive about IDAs, expressing that they thought it was a great opportunity for participants to get established economically. Some agency administrators expressed concern that this was “just another income transfer” program. . . . I think some key players may see IDAs as a “give-away” program. We need to find ways to share both the big picture and the details to help upper administration overcome those perceptions.

Staff people from a number of other programs indicated critiques of the same nature and found it necessary to emphasize the key role that participants’ savings played in leveraging matching dollars.

Recruitment. Early in the demonstration, recruiting participants emerged as a relatively common implementation challenge. One IDA staff person described the problem that many programs were facing:

It has been more difficult to recruit and retain participants than we originally anticipated. One of the main barriers to participation that we have identified is the fear of losing benefits. . . . We are currently researching ways to help alleviate this fear and making individual visits with everyone who has attended meetings but is not currently part of the program. From these interviews, we hope to have a fuller understanding of the reasons why people do not participate and how we can help them to do so.

An IDA coordinator for another site noted that many participants experience “time poverty” and said:

Much of our recruitment has involved one-on-one “selling” of the program. Some people are skeptical that they can succeed, and so they need the extra encouragement to sign up. Others are so pressed for time, busy juggling family and work, that they don’t stop to focus on the marketing materials sent to them in the mail and instead need a personal phone call from someone they know and trust to convince them to take the time to participate. Finally, IDAs are such a new way of thinking that many people don’t fully grasp the concept the first time they hear about it at an information session or read about it in a brochure.

A similar early lesson learned by one of the other IDA programs in the demonstration was articulated this way:

Personal outreach and community awareness presentations are best for spreading the word about new IDA programs. Flyers and other written materials haven’t worked for us as well.

Overall, IDA programs that are part of ADD have adapted rapidly to solve initial recruitment problems. By the end of the first year of the demonstration, six of the 13 sites had either loosened their income and asset eligibility guidelines or had reduced the number of orientation sessions that were required before participants could open an account. Several sites had also increased the number of neighborhoods, communities, or organizations from which they were recruiting participants. One program had initiated innovative recruitment strategies including providing IDA information over free spaghetti dinners for potential participants, “donuts and IDA information to go” for early morning commuters, and banners and buttons advertising the IDA program. For example, one IDA marketing theme was, “Triple your money!” Such adaptations illustrate the perceived need to use a number of different approaches and strategies in order to get IDAs up and running.

Balancing Economic Development, Social Services, and Public Policy

As the national demonstration was launched, staff members from several of the programs noted the importance of balancing economic development, social services, and public policy efforts in order to successfully implement IDAs. Achieving this balance came up in discussions of both strengths and challenges:

One of our greatest strengths is having a talented staff with a wide variety of experiences in community services and economic development. Educational backgrounds of our IDA development team include psychology, social work and public policy.

One of our biggest challenges will be finding and hiring a coordinator who has the people skills to do IDAs and who can also do the policy aspects of the work.

Some of the earliest stories of IDA program implementation highlight the difficulty of separating social services from public policy from household economic development. For example:

The economic literacy program identified five participants who could save money if they quit smoking, but Medicaid refused to pay for “patches.” Our sponsoring organization bought them all “patches” and two have already stopped smoking and are saving money.

One sponsoring organization in the demonstration was a community action agency that had historically used a social service approach in its work with individuals and families. Attempts to integrate IDAs into their economic development programs were more successful than attempts to integrate IDAs into their social service programs. While acknowledging that the participants of the social service programs often had complex problems, the IDA coordinator also believed that the nature of the helping approach played a role in the organization’s challenges with IDA implementation:

We believed that case management provided through our host programs would provide a more holistic approach to working with IDA participants. We also believed existing relationships with familiar staff would benefit participant's IDA activities. After several months of operation, however, we found that things went most smoothly when goals were similar between the host program and the IDA program. In other words, we think we're beginning to notice a pattern -- IDA participants who are achieving their asset-building goals are coming from our homeownership and business development programs. They seem to have more focused goals. Participants from our early childhood education and transitional housing programs are having more trouble -- more complex problems in their lives. And they're more used to working with staff members in those programs around day-to-day challenges rather than long-term economic development goals.

On the other hand, there are perhaps as many potential problems in programs that heavily emphasize economic development but do not have a social service orientation. In an earlier IDA pilot at one site, there were limited IDA-specific support services and few account holders ever utilized their IDAs. A staff member described plans for more balance in the future:

Previously, there was . . . no contact with IDA participants once they left the host program. In the future, we will maintain contact with participants through the end of the demonstration and continue to provide support and assistance to participants. The IDA project manager and the IDA case manager will serve as counselors and question participants about progress toward home ownership, business development, or educational goals. The IDA staff will also be liaisons between participants and the professional social workers in our organization. We feel that the combination of professional social work support, full-time case management, and a required financial literacy curriculum will significantly increase participant savings and utilization.

The perceived need to achieve and maintain balance between social service, economic development, and policy efforts in IDA programs is consistent with Herbert Rubin's findings from research on successful community-based development organizations:

The goal of all three approaches -- development, services, and advocacy -- is to enable the poor and poor communities to gain a material stake in the nation's wealth. Empowering people who have started in one-down positions requires a holistic approach that unites development work with the provision of social services (Rubin, 1997, pp. 65 and 83).

The theme of balancing economic development and social service efforts re-emerged when IDA staff articulated benchmarks of success in the first year of the demonstration. The two benchmarks most often cited were (1) opening IDA accounts and (2) offering classes and other supplemental services to participants. In the next section, we identify some characteristics of the IDA programs that reached these benchmarks early in the demonstration.

Characteristics Associated with Early Start Up

During the first year of ADD, a small group of sites consistently emerged as front-runners in getting their IDA programs up and running using five measures of early start up. These measures were:

- At least some IDAs opened by the end of calendar year 1997.
- Number of IDAs opened by the end of March 1998.
- Number of IDAs opened by the end of June 1998.
- Ratio of IDAs opened by the end of June 1998 to IDAs planned by that date as estimated from program proposal.
- Total amount of participant savings reported by the end of June 1998.

The IDA programs in ADD that achieved early start up shared several common characteristics that are detailed in Table 3. Some of the common features of front-runners were characteristics of their sponsoring organizations, while others were characteristics of the IDA program itself and even more specific program design components.

Sponsoring organizations. Turning first to characteristics of sponsoring organizations, the programs in the national demonstration that were front-runners in getting IDAs up and running had large, stable parent organizations. All of the sponsoring organizations of front-runners had extensive histories of effective anti-poverty work and service provision to low-income communities. Finally, sponsoring organizations of programs that achieved early start up had secured at least some local IDA funding before the demonstration kick-off meeting in September 1997. Previous IDA experience was not associated with early start up. In fact, none of the sponsoring organizations of front-runners had implemented earlier IDA initiatives.

In terms that emphasize a balanced economic development and social service philosophy, one sponsoring organization of a program that got IDAs up and running relatively early described itself this way:

[We are] a community-based, comprehensive anti-poverty agency . . . with a 24 year history of providing a variety of services to low income people. We help individuals and families in economic need achieve self-sufficiency through emergency aid, medical care, housing, community development, education, and advocacy in an atmosphere of respect. Our business is about people. We operate on the fundamental principle that each person, regardless of economic circumstance, deserves to be treated with dignity and respect at all time. . . . Our duty is to make our process and delivery of assistance effective, responsive, and respectful . . .

As the end of the first year of the demonstration approached, this philosophy re-emerged in a report from the IDA coordinator:

IDA staff members are very pleased with the program. We're having fun here! There are so many great candidates -- we get several calls a day asking for information, and three to four applications a day.

Table 3. Characteristics Associated with Early Start Up of IDA Programs

IDA Program Level	Characteristics
Sponsoring Organization	<ul style="list-style-type: none"> • Large, stable umbrella organization. • History of effective anti-poverty work and services to low-income people. • Local funding secured before national demonstration kick-off in September 1997.
IDA Program	<ul style="list-style-type: none"> • Clear, consistent articulation of plans for IDA program design. • Simple, straightforward account design (deposits, match rates, totals). • Staffing by 2 to 3 FTEs hired early with no turnover.
Specific Program Components	<ul style="list-style-type: none"> • Economic education classes and saving occur simultaneously. • Flexible implementation of pre-savings program requirements. • One-on-one work with participants.

As this example suggests, it may be that certain characteristics of sponsoring organizations influence day-to-day IDA implementation efforts in ways that lead to success with recruitment efforts and, ultimately, early start up.

IDA programs. At the level of the IDA program itself, common characteristics of front-runners included the clear and consistent articulation of design features beginning with the program proposal and reiterated in later guided narratives and interviews. An additional and related characteristic of front-runners was a simple straightforward account structure (i.e., deposits, match rates, totals). Even when modifications were made to solve problems, the new design was simpler rather than more complex and the change was clearly and consistently articulated:

The only major adjustment made to the program since the initial planning has been the match rate structure. Originally, we had planned different match rates depending on the asset use. When we ran focus groups and began to create marketing materials, however, it became clear that this structure was too confusing and difficult to explain clearly. It also became clear that this structure would add a layer of administrative complexity to the program. So we decided to have the same match rate structure for all participants.

The advantages of simple and straightforward account designs were also noted by staff members from another IDA program that simplified their original design and ended up with a consistent 2:1 match rate:

Now we can easily explain that every dollar that a participant saves leverages a one dollar match from our local funder and a one dollar match from our national funder. It's almost elegant in its simplicity and it helps us make the point that it is the IDA participants themselves that are ultimately responsible for building the assets in this community.

A comparison of front-runners and programs that have experienced delays in getting IDAs up and running suggests the importance of keeping program and account designs simple. Sites that got IDAs up and running relatively late in the first year of the demonstration frequently had savings amounts and/or match rates that varied for different groups of participants or for different IDA purposes. It may be that the ability to easily articulate design features to potential participants and to the larger community is central to successful IDA implementation.

As important as clarity and simplicity may be, it appears as though the pivotal program characteristic associated with early start up of IDAs involves staffing patterns. The front-runners in the national demonstration all had the equivalent of two to three full-time IDA staff people. Some of the front-runner programs supplemented the work of one key paid staff member with that of VISTA volunteers or graduate student interns. These IDA staff people started working early in programs that experienced little to no staff turnover in the

first year of the demonstration. Further, the FTEs were deployed through only two or three key positions. Programs that experienced delays in start up had:

- Fewer IDA staff people;
- Responsibilities for getting IDAs up and running assigned in small measure to several people in several positions; and/or
- Staff turnover during the first year of the demonstration.

At this point in the demonstration, having a relatively large and stable staff appears to be critical to early start up of IDA programs.

Specific program components. Some programs in the national IDA demonstration designed their economic education components to precede the opening of accounts. Other sites designed simultaneous economic education and savings components, or had participants attend economic education classes after they had begun to save. While the amount of time required of participants in economic education activities did not differentiate front-runners from other programs, the sites that had IDAs up and running relatively early in the demonstration had:

- Participants attending economic education classes and savings simultaneously; or
- Savings preceding economic education classes.

It may be that “economic education first” approach simply delayed opening up accounts. Since our measures of early start up in this analysis are all based on the presence or number of accounts by certain dates during the first year of the demonstration, programs with “economic education first” designs may just appear to be at a disadvantage at this early stage in the implementation assessment. On the other hand, it may be that a simultaneous approach to economic education and savings appeals to participants or is otherwise advantageous in getting IDAs up and running.

While initial orientation or introductory sessions are often required for potential IDA participants, “savings first” and “simultaneous savings” strategies appear to have some advantages over “economic education first” approaches once participation begins. One program in the demonstration ties economic education classes and savings together in an explicit way by having participant bring proof that they have deposited \$12.50 prior to each of eight initial classes.

A related characteristic of IDA programs that achieved early start up in the first year of ADD was the flexible implementation of pre-saving requirements. All of the front-runners had reduced the number of introductory sessions, orientation classes, and/or individual meetings with potential participants that they had originally planned to require by the end of the first year of the demonstration. One program reports:

Requiring potential participants to attend two to three orientation meetings is a great way to ensure that you end up with a reliable and serious group of participants, but taking this approach means that only seven of ten applicants who were pre-approved end up becoming participants.

Beyond the delays inherent in pre-savings requirements and “economic education first” designs, a comment by a staff member in one front-runner program suggested that too much emphasis on preliminary components or economic education . . .

may send a mixed message about the strengths and capacities that participants bring to asset building. We very much want to avoid giving the impression that we think participants “need” lots of help in the area of economic literacy.

A second program component that was associated with early start up of IDA programs in the national demonstration is one-on-one work with participants. This sometimes takes the form of case management and sometimes is a less intensive type of personal contact with participants. But none of the front-runners had an “account management with referral for supplemental services” design.

One-on-one work with participants may end up being important to their success in building assets, but it would be premature to assume that such program components are central to successful IDA design, implementation, and administration. Even at this point in the demonstration, however, it is clear that individual contact with participants is a positive aspect of running IDA programs for staff members. As one staff person said:

Hearing the participants’ stories is important for me. One woman came in who makes \$6.00 an hour at the nursing home -- folding laundry and changing sheets and stuff -- she came in and she hopes to buy a home. There is no way she can do that earning 6 bucks an hour. I feel she is typical of what IDAs are all about, that with that IDA she can fulfill her dream. She has begun the program and has deposited her first amount. Another participant is an immigrant from Peru who came here alone and left his family there worked at restaurant jobs and repairing shoes. I asked him, “What do you hope to get out of the IDA program?” He said, “This program gives me hope and thanks for the hope, and this hope makes me more energetic.”

In fact, the absence of one-on-one work with participants may contribute to staff turnover in some cases. A staff member who had decided to leave one IDA site reported:

I could stay . . . but I find it too administrative. . . . I think that participants (and all of us!) could use tools, emotional tools to help them move from point A to point B. It won’t be easy to move into these changes in their lives. So I hope others are thinking of ways to incorporate this into their programs, and also to design some follow-up. We need to make sure people succeed, so even though they buy a house, for example, we need to make sure they stay in the house.

A program coordinator from another IDA site expressed similar sentiments:

We recognize that personal transformation -- for participants and for staff -- is essential to success and can take a long time. Though the metamorphosis that occurs when low-income people and project staff begin to move from a

present, crisis-oriented focus to a transformative future is by definition difficult and fraught with risk, we know that it is absolutely possible. We have learned . . . that a variety of personal and programmatic supports, sustained over time, do lead to enormous changes. We are totally committed, as policy advocates and program developers, to an approach that relies wholly neither on financial incentives nor on personal supports, but which recognizes that both must coexist or there is no long-term gain -- for anyone.

While the centrality of one-on-one work with participants to successful implementation of IDAs remains to be determined, at this early point in the national demonstration it is clear that individual work with participants is associated with early IDA start up.

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