



Individual Development Accounts (IDAs)

Individual Development Accounts (IDAs) are dedicated savings accounts where contributions from lower income participants are matched by private and public funds. Savings are put toward a specific goal that will help increase the participants' employability and asset base. The accounts are generally held at banks or credit unions, and they are often managed by community organizations. Economic literacy training in the basics of money management is frequently provided for participants.

The organizations administrating IDA's tend to be mature organizations with strong partnerships with community leaders and businesses that demonstrate corporate citizenship.

All IDA programs are pilot projects; one is operating for one-year and two for three-year periods.

The average matching ratio is 3:1. Credit unions and a national bank host accounts.

Operational links are present between the organization and low-income citizens. For example, one implementing organization is a community health centre in a low-income neighbourhood.

Account-holder education is a core component in establishing an IDA program. Staff must be able to facilitate a financial literacy curriculum which itself often requires training.

In Canada, is a real exchange process between organizations with demonstrated success and those looking to establish new programs in the field of individual development accounts.

**CEDTAP support ranges from :
\$7,000 - \$14,000**

CEDTAP offers a variety of technical services to organizations at different phases of development. The types of technical service accessed in this cluster include facilitation skills training and development, and the establishment of standardized policies and procedures for added efficiencies and stability.



Case Studies:

Saskatoon Credit Union, Saskatoon, Saskatchewan

With a proven track record in micro-lending and affordable housing programs for low-income citizens, the Saskatoon Credit Union established an organizing committee in late 2001 to research IDAs. A successful financial curriculum developer and eventual CEDTAP TA provider, the Mennonite Central Committee of Alberta (Calgary) addressed the committee of interested community partners, which included the Saskatoon Community Foundation and the United Way.

The impetus to move forward was sparked.

The goal of the IDA project is to educate approximately 20 low-income citizens about financial-management skills, help them save toward a targeted asset and match the individual's contribution by a ratio of 3:1 or 2:1. This is a first-of-its kind program for Saskatchewan.

South-East Ottawa Centre for a Healthy Community, Ottawa, Ontario

In an urban community of immigrants from the Middle East and North Africa and single-parent, female-headed households, The South-East Ottawa Centre (South-East CHC) has been operating a fully integrated community and health resource centre since 1985.

The centre received community buy-in from the municipality and the Ottawa Community Foundation to develop the "Dare to Dream" IDA program, a first-of-its kind in Ottawa. Based on the successful American model "Learn\$ave" program delivered by the Corporation for Enterprise Development (CFED), the program uses restricted asset-based, accelerated savings accounts to raise the savings of low-income families. The Citizens Bank of Canada manages the accounts.

The CEDTAP Contribution



CEDTAP and the Saskatoon Credit Union both believe in strengthening the success rate of this program through increased training from those who have experience. CEDTAP provides the funding necessary for the program to learn from an experienced financial curriculum developer, the Mennonite Central Committee of Alberta (Calgary).

CEDTAP support supports the training of 15 South-East CHC IDA facilitators. This resource pool of capable community facilitators is the front-line response to inquire about the IDAs. SEDI, a non-profit leader in the field of self-employment and savings programs in Canada, adapts successful financial literacy curriculum, tools, and training materials to this Ottawa-based program.



Other Community Partners:

2001-2003

Mennonite Central Committee, *British Columbia*