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CTIDA is an e-mail newsletter containing news, information and more about Individual Development Account (IDA) Programs. It is produced by CTE under the auspices of the Connecticut Department of Labor (DOL). To subscribe or unsubscribe, please send an e-mail to [mhawe@ctecap.org](mailto:mhawe@ctecap.org).  
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July 15, 2006

Welcome to CTIDA, an e-mail newsletter about Individual Development Account Programs in Connecticut. We hope that these communications will be a useful source of information to those at all levels of involvement in IDAs -- from the planning stage to experienced practitioners, including program providers, financial institutions and community partners -- and also serve as a way to publicize the successes of our state's IDA Programs. We look for your input and feedback as to what will be useful to you as we continue to improve this newsletter to meet your needs. For comments, questions or suggestions, contact Marie Hawe at CTE, 34 Woodland Ave., Stamford, CT 06902. Phone: (203)352-4851, Fax: (203)352-2972, e-mail: [mhawe@ctecap.org](mailto:mhawe@ctecap.org).

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**1.) 2006 ASSETS LEARNING CONFERENCE**

The Corporation For Enterprise Development’s (CFED) 2006 Assets Learning Conference – “A Lifetime of Assets” – will be held from September 19-21, 2006 at the Pointe Hilton Tapatio Cliffs Resort in Phoenix, Arizona. This conference (formerly called the IDA Learning Conference) has been renamed to recognize the expanding scope of the field. Over 900 participants are expected to attend. There will be three workshop tracks: Research, Policy and Practice. Plenaries and sessions will cover a range of topics from mobilizing for advocacy to leveraging the EITC as an asset-building tool to sustaining your IDA program through diverse fundraising strategies. Other sessions will focus on specific populations and the Assets for Independence Program. For more information, go to [www.cfed.org](http://www.cfed.org).

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**2.) HOUSING TRUST FUND – IDA FUNDING UPDATE**

Acting on a proposal by Connecticut State Treasurer Denise Nappier, last session the State Legislature passed a bill authorizing the establishment of a Housing Trust Fund (HTF). In addition to providing up to \$20 million per year for gap financing, grants, loan guarantees and low- and no-interest loans to increase housing stock for Connecticut’s low-income residents, \$300,000 of the HTF will be set aside each year to fund housing IDAs.

The IDA component will be administered by the Connecticut Department of Labor. An RFP should be released in the near future. We will notify everyone as soon as more information becomes available.

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**3.) IDAs IN THE NEWS**

On Friday Evening, June 23<sup>rd</sup> the CBS Evening News aired a story on IDAs. The piece featured accountholders in the Montachusett Opportunity Council (MOC) in Fitchburg, Massachusetts. The story told about 32-year-old Maria Cruz, a single mother of four, who is a participant in the MOC IDA Program. It also featured an interview with Andrea Levere of the Corporation for Enterprise Development, who provided the national perspective on the role and impact of asset building in addressing poverty. For more on the story, go to: <http://www.cbsnews.com/stories/2006/06/23/eveningnews/main1747667.shtml>

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#### **4.) IDA SUCCESS STORIES**

TEAM, Inc., the Community Action Agency headquartered in Derby, Connecticut, operates several IDA Programs. One of them, the Connecticut IDA Initiative, allows participants to save for a vehicle if they need it for employment. TEAM's IDA program recently helped three low-income women from Seymour purchase automobiles !

Each woman saved \$500 and received a \$1,000 match from the IDA Program to make their purchase. One of them, Jenny, purchased a 1995 Pontiac Sunfire. Her new car will help Jenny, who works as a health aide for Birmingham Group, to visit her clients throughout the Valley. "The car will also help her get to classes at Gateway Community College, where she goes to school," said Jennifer Centopanti, TEAM's IDA Manager.

Another of the three women, Kate, purchased a 2001 Subaru Forester. As a housekeeper, Kate must travel to many different homes to do her work, "She even has a client in Stamford, so the car will be a big help for her," Centopanti said. The third participant, Christine, purchased a 1992 Chevy Lumina. Christine had been borrowing her sister's car to get to work and bring a daughter to and from day care. The car sharing put Christine "on the run" constantly....her day goes much more smoothly now since her new purchase!

Centopanti said that the cars will help all three women keep their current jobs, and even let one increase her work hours. "All are very excited about their new cars. All three are very happy that the IDA Program was available to them."

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#### **5.) IDA PROGRAM STATISTICS**

The Connecticut Department of Labor administers 12 IDA Programs, most of them in collaboration with the Connecticut Association For Community Action (CAFCA) and one operated by The Connection, Inc. in Middletown. To date, participants in these programs have completed 115 asset purchases: 56 homes were purchased; 27 small businesses were started; 24 participants enrolled in higher education; 5 vehicles were purchased; and 3 lease deposits were made on apartments. In addition, 27 additional participants have reached their savings goal and are entering the asset purchase phase of the program.

The total dollar value for all of the IDA programs administered and supported by the Connecticut DOL is \$2,930,000. This breaks down as follows: \$907,500 in federal funds, \$975,000 in state funds and \$1,047,500 in contributions from financial institutions or through Community Action Agencies.

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**6.) IRS EXPANDS TAXPAYERS' OPTIONS FOR DIRECT DEPOSIT OF REFUNDS**

Hoping to encourage higher savings, the IRS announced that it will create a new program to allow taxpayers who use direct deposit to divide their refunds in up to three financial accounts. Taxpayers will have the choice of selecting one, two or three accounts, such as checking, savings and retirement accounts. The program is scheduled to take effect in time for the 2007 tax-filing season. This ability to split or allocate their direct deposit refunds among multiple accounts will be available to all individual filers, whether they file Forms 1040, 1040A/EZ, 1040NR or any of the other 1040 series forms. For more information go to the IRS website at:  
<http://www.irs.gov/newsroom/article/0,,id=157853,00.html>

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**7.) NEW KIDS COUNT DATA BOOK RELEASED**

The Annie E. Casey Foundation released its 2006 National KIDS COUNT Data Book this week. The data show that the well being of Connecticut children improved between 2000 and 2004, and Connecticut moved to third best in the nation this year, up from number 11. Overall, the state improved on six of the 10 measures reported, experienced setbacks on two measures, and stayed the same on two measures of child well-being.

One important thing to keep in mind, however, is that this national report looks at *state-level data*, and it does not necessarily reflect the problems of particular cities and regions of the state. Although the numbers provide an optimistic view of children in our state, the data also demonstrate the disparities that exist between upper- and lower-income children and that more work needs to be done to eradicate these differences.

The Connecticut Association for Human Services (CAHS), will release the *2006 Connecticut KIDS COUNT Data Book* in September, which will focus on children of working poor families in Connecticut. This report will use *town-level data* to examine trends in the well being of children in the state.

To read the 2006 National KIDS COUNT Data Book on line or to order a free copy, go to the Annie E. Casey Foundation's website at:  
[www.aecf.org/kidscount/](http://www.aecf.org/kidscount/). You can also get a copy by contacting Jude Carroll at CAHS at (860) 951-2212 Ext. 240 or [jcarroll@cahs.org](mailto:jcarroll@cahs.org).

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## 8.) ASSET PURCHASE PLANS

We're all familiar with the requirement that IDA participants saving for microenterprise must develop a business plan. However, participants saving for other assets can also benefit from a well-thought out plan. Here are some suggestions for a homeownership plan and an education plan:

Homeownership Plan – Asking participants to lay out their personal home purchase process in a plan is a concrete step to ensure that they are aware of the home buying steps and have a timeline for completing them by the end of the program period. The plan can help you ensure that participants are thinking about variables such as: neighborhood location, access to public transportation, household size, quality of schools, neighborhood value appreciation, proximity to work, etc. It can also include a timeline for saving, working with banks for pre-approval, working with a certified first-time homebuyer program, house shopping, etc.

Education Plan – Preparing an education plan can help participants make certain that they meet enrollment application due dates and financial aid deadlines. The plan may include: visiting schools, collecting transcripts and references, researching scholarship opportunities, etc. As the plan develops it can describe the courses of study, projected expenses and anticipated future career opportunities.

*Thanks to Vikki Frank and Amy Shir of ISED Solutions for these ideas.*

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## 9.) WEBSITES FOR YOUTH ENTREPRENEURSHIP

For those who are working with youth on microenterprise, here are some websites that are dedicated to the subject of youth entrepreneurship:

[www.sba.gov/teens](http://www.sba.gov/teens) -- the Small Business Administration

[www.mindyourownbiz.org](http://www.mindyourownbiz.org) -- Junior Achievement and the SBA

[www.youngbiz.com](http://www.youngbiz.com) -- The YoungBiz Net

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## 10.) OTHER RESOURCES

The Connecticut Department of Labor website contains a wealth of information on Individual Development Accounts and IDA Programs in the state. Go to <http://www.ctdol.state.ct.us/ida/idahome.htm> for informational updates, copies of past IDA newsletters, requirements for program certification, announcements of funding opportunities and other useful information.

The Connecticut Association for Human Services (CAHS) has published a new handbook: "Your Family's Money II: Managing Debt and Credit." This is the second book in a series devoted to Family Economic Security. This handbook focuses on debt management, credit and protecting yourself financially. You can download a copy of the handbook by going to [www.cahs.org](http://www.cahs.org) or by calling CAHS at (860) 951-2212 Ext. 222. You can also call CAHS to get copies of the first book in the series: "Simple Ways to Build a Better Future."

If you operate an Assets For Independence (AFI) program, you might be interested in joining the AFI Program list serve. To do so, please e-mail your name, grantee organization name, grant year and e-mail address to: [AFIprogram@acf.hhs.gov](mailto:AFIprogram@acf.hhs.gov).

America Saves, a program of Consumer Federation of America (CFA), and Consumer Action, has a website with tips and tools to help folks set financial goals, develop strategies to reach those goals and save. There are also links with information on Saving for Emergencies, Saving on Auto Purchases, Saving for a Home, Savings and Investments, Saving at Work and Getting Out of Debt. Go to [www.americasaves.org](http://www.americasaves.org).

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## 11.) IDA Q and A

*Q. The Assets for Independence Program (AFI) allows participants to save for the purchase of a first home. I've heard that a participant can also use their savings and match for "reconstruction" costs. What does the term "reconstruction" mean in this context?*

A. It is true that AFI funds can be used for reconstruction of an existing home that the participant purchases for their primary residence. Reconstruction refers to very serious repairs on the house and not refurbishments or renovations of any kind. The law is interpreted to mean that participants may use their IDA savings and match to do any fix-up that is needed to make their new home livable (e.g., new roof, new windows, new carpeting, new water heater, new furnace, etc.). The reconstruction would have to happen after the closing, since it would not be allowable for anyone to fix up a house they do

not own. Reconstruction would have to be done in the context of the purchase of the home; that is, a payment to make the home livable at (or near) the time of purchase. Use of IDA funds and match for reconstruction costs would definitely be the exception to the rule, as the funding source (HHS) always recommends spending IDA funds for costs that are clearly allowable under AFI, such as down payment or closing costs.

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