



**Dear *IDA Insights* Readers:**

I hope that you have all enjoyed your summer! In this issue of *IDA Insights*, you will find news on the latest asset building legislation, a review of the IDA Learning Conference scheduled for September, the IDA Success Story, and Foundation for the Mid South news. Be sure to check out our new website periodically for up-to-date news in addition to the quarterly e-newsletter.

If you have any ideas for future *IDA Insights* issues, or would like to feature news from your IDA program, please contact Denise Barrett at 601.863.0495 or at [dbarrett@fndmidsouth.org](mailto:dbarrett@fndmidsouth.org).

Kindest regards,  
Mid South IDA Initiative Staff

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### **FMS Adopting a New Look**

The Foundation for the Mid South is adopting a new and innovative look with their web page design. Chris Crothers, Communications Officer for the Foundation for the Mid South, is leading this effort to provide web surfers with an unforgettable web page experience. Currently the page is slated to provide information about FMS initiatives, partners, staff, latest news/events, highlights/handouts from previous conferences, and grants. This information plus other new material such as the biographies and pictures of the staff are being added to the developing web page.

This web page makeover is designed to have a modernized look both visually as well as technically. One of the changes includes adding a navigation bar that will be stationary throughout the entire web page experience allowing access to any page without using the back button and thus providing a user-friendly interface.

With the new design, the webmaster can make updates locally thus giving more control as to how often information can be changed and added. The new web page is planned for release during the month of September. Check [www.fndmidsouth.org](http://www.fndmidsouth.org) for further details.

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## **Corporation for Enterprise Development Hosts IDA Learning Conference September 21 – 23, 2004 · New Orleans, LA**

The 2004 IDA Learning Conference is expected to be the largest convening of the asset building movement to date. The conference, being held in New Orleans, is expected to draw nearly 900 individuals representing community based organizations, financial institutions, funders, public sector officials, researchers, and account holders. The conference begins on Tuesday, September 21 and adjourns on Thursday, September 23. Please make plans to attend this exciting conference by registering at [www.idaconference.org](http://www.idaconference.org).

Forty-eight workshops in the tracks of assets policy, IDA initiatives and operations, new technologies, products, and markets, and research and evaluation will be offered. In addition, pre-conference sessions and plenary sessions are planned that will showcase lessons and innovations in the field. Since the conference is being held in our own backyard, it is a wonderful opportunity to show off the achievements and successes of the region and also learn from others throughout the country and world!

The Mid South IDA Initiative will be featured in a workshop on Managing Collaboratives, which falls under the IDA Initiatives and Operations track for emerging issues and approaches. Many Mid South IDA programs will be highlighted throughout the conference, including the IDA Collaborative of Louisiana, the Arkansas Assets Coalition, Healthy Connections in Mena, Arkansas, and the Texas IDA Network. Entergy Corporation, the Mid South's largest corporate funder and one of the largest contributors to IDAs in the nation, will be recognized in the closing plenary entitled "Forging our Paths, the Road to Sustainability." Additionally, there will be a convening of Mid South IDA programs' staff and partners on Wednesday, September 22, from 4:30 – 5:30 p.m. Be sure to check your conference materials to confirm the location for the Mid South IDA Initiative time-to-talk session.

The 2004 IDA Learning Conference is sure to be a wonderful opportunity to network with other individuals in the field, learn from experienced practitioners, and overall work to further improve IDA programs. It will also undoubtedly be a whole lot of fun. We hope to see you there!

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## **IDA Policy Update: The ASPIRE Act: A Fair Shot at the American Dream**

Public and private colleges and universities raise the tuition each year to meet the fiscal demands of their institution. As a result, parents and students are frightened when thinking of financing higher education. This is especially a burden for students of low-income families. While some families take steps into securing their child's education through college savings plans, other households are unable to start a savings plan for their child's college education due to financial limitations.

According to bill S.2751 in the Senate and H.R.4939 in the House, known as the ASPIRE Act, saving money for a child's education will no longer be an option reserved for upper class Americans, but every citizen in the United States regardless of their socioeconomic status will have the opportunity to adequately plan for college. The ASPIRE Act, which stands for America Saving for Personal Investment, Retirement, and Education, proposes to give every child born after December 31, 2005 a tax free savings account at birth. Once a Social Security number has been established for a newborn child, a \$500 deposit will be made into a Kids Investment and Development Savings Account, also called a Kids Account. In addition, households below the national median income would receive an additional \$500 as well as a dollar for dollar match on deposits that are made by family, the student, and/or friends up to \$500 each year. Volunteer contributions to the account could not exceed \$1,000 and the account and all its funds can grow tax-free. The money that is accumulated can be taken out once the child is 18 years of age and can be used towards post secondary education, homeownership, or retirement. It is estimated that the average low-income kid could accumulate nearly \$20,000 by age 18!

The Act also stipulates that the Secretary of the Treasury and the Financial Literacy and Education Commission will work to develop programs that provide adequate financial education to account holders and their guardians. This will ensure that the accounts are used to the optimum benefit of those who need it most.

The ASPIRE Act was introduced in the Senate by Sen. Santorum (R-PA) and Sen. Corzine (D-NJ) and in the House by Rep. Ford (D-TN), Rep. Petri (R-WI), Rep. Kennedy (D-RI), and Rep. English (R-PA). Senator Santorum had these words to say regarding the proposed legislation, "The bipartisan legislation that I introduced with Senator Corzine will equip families with the resources they need to move one step closer to living in financial security and dignity". "This legislation will go a long way in helping our nation's children to understand the importance of saving and money management so they can appreciate the value of building assets over the long term." Likewise, Senator Corzine commented that, "Every American child should grow up knowing that when they reach adulthood, they will have the ability to invest in themselves and in their own education". "This proposal will promote savings, enhance financial literacy and help realize the American ideal of equal opportunity."

The proposal is estimated to cost \$3.25 billion the first year and \$37.5 billion over 10 years. All Kids Account beneficiaries will be required to pay back the initial \$500 deposit at age 30, which will help to fund the next generation of accounts. The ASPIRE Act was introduced in the current 108<sup>th</sup> Congress, but it is not expected to be enacted this year.

Additions, retractions, and suggestions are being gathered to introduce revised legislation that will be well received by more lawmakers in the next year.

More information and frequently asked questions about the ASPIRE Act can be found at [http://www.assetbuilding.org/AssetBuilding/Download\\_Docs/Doc\\_File\\_1021\\_1.pdf](http://www.assetbuilding.org/AssetBuilding/Download_Docs/Doc_File_1021_1.pdf)  
[http://www.assetbuilding.org/AssetBuilding/Download\\_Docs/Doc\\_File\\_1022\\_1.pdf](http://www.assetbuilding.org/AssetBuilding/Download_Docs/Doc_File_1022_1.pdf)

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## **IDA Success Story: Tammy Cagle**

Tammy Cagle and her husband enrolled in Economic Opportunity Agency's IDA Program in 2001 with the goal of saving for new siding for their Springdale, Arkansas home. One year later, Tammy reached her savings goal and her savings were matched, allowing the family to renovate and increase the value of their existing home. The siding that was installed on their home significantly reduced the energy bills, allowing the Cagles to save even more money. Siding isn't the only positive result that the Cagle's received from participating in the IDA Program, Tammy raves about the many benefits gained.

Tammy and her husband attended all of the financial education classes together and she says that their joint effort made it much easier to stay motivated and on track. The couple could hardly save before, but after learning about budgeting in the financial education classes, Tammy and her husband manage to save \$200 - \$400 every month! Now the Cagle's find it easy to live within their means and they are prepared for an emergency or loss of income. The program also helped Tammy to pay off some credit cards and she no longer has any consumer debt. The Cagle's have never had bad credit, but Tammy finds that now they have excellent credit that provides them with lower rates and more options.

The family continues to save today, with a goal of adding on a bathroom and further increasing the value of their home. Tammy is trying to pass on the same savings habits that she has developed to her children ages 21 and 15. Her oldest son has recently entered the workforce and Tammy sat down with him to develop a budget and taught him to pay himself and save the rest.

Tammy and her husband are both employed by EOA and they find that they have also developed professionally because of the IDA Program. Tammy is better equipped to help clients budget and save because she has been through it and she practices it today. Tammy wishes that she could sit down and budget everyone. She is frustrated that not everyone can have the same opportunity that her family has had. A friend of hers in St. Louis, for example, has to travel out of his way to participate in an IDA program. Tammy calls herself IDA's biggest promoter and hopes that one day everyone in the U.S.A. can open an IDA.

With more wonderful stories like this one, IDAs might soon become a reality for everyone. Congratulations to the Cagle's and best wishes for a bright financial future!

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