

YMCA Foster Youth IDA Program Description

What is an Individual Development Account (IDA) and what do I have to do?

An IDA is a special bank account that earns two dollars in matching funds for every dollar you save. As you save in your IDA the matching funds are deposited in a separate account held by the YMCA. You will be able to use the savings from your IDA and the matching funds to purchase specific assets (see below).

While saving in your IDA you will work with a case manager to set a savings goal. You will be required to attend three classes that are offered through the YMCA:

- Financial education classes where you will learn how to best save and budget your money
- Asset-specific training where you will learn to comparison shop and make your purchase
- A housing workshop to learn about your rights as a tenant and how to develop great rental history. Classes will be offered at the YMCA on a regular basis after school and on weekends.

Am I eligible?

- Current or past foster youth
- Ages 15-20
- Current resident of King County



What can I use my IDA to purchase?

- **Housing** – rent, move in costs, security deposit, damage deposit, or up to \$500 for approved home furnishings
- **Automobile** – **A car may be purchased if needed to get to work**, vehicle tabs, emissions, registration fees, insurance or vehicle inspection by a mechanic before you purchase the car.
- **Education** – tuition or school supplies that are listed on a syllabus or course instruction at an educational institution or training provider approved by the Washington state education and training coordinating board.
- **Computer** – computer, laptop, and/or software needed to use the computer for postsecondary education or training. IDAs cannot be used to purchase games or non-necessity entertainment items such as web cams, microphones, and sound cards unless approved by a case manager.
- **Health Insurance** – health care premiums or monthly payments. IDAs cannot be used to pay off old medical bills or co-pays.

The maximum amount you can save and be matched is \$1500 of your own money and \$3000 of matching funds. Below are the maximum amount of savings you can have matched for each asset.

	Match Rate	Your Savings	Matching funds	Total Accumulation
Housing	2 to 1	\$1,500	\$3,000	\$4,500
Automobile	2 to 1	\$1,500	\$3,000	\$4,500
Education	2 to 1	\$1,500	\$3,000	\$4,500
Computer	2 to 1	\$500	\$1,000	\$1,500
Health Insurance	2 to 1	\$1,500	\$3,000	\$4,500



If you have any questions about the IDA program, please call IDA Case Managers
Jessica and Becky at 206-749-7592



How long will this take?

1) Applying:

January 2010	<ul style="list-style-type: none"> • Complete the IDA application which includes essay questions about your goals and plans for saving to purchase an asset • If you have questions or need help with the application, contact Jessica or Becky, the IDA Case Managers at the YMCA, at 206-749-7592 or jrojas@seattleyymca.org
February 5th	<ul style="list-style-type: none"> • Turn your application in to YMCA Young Adult Services by October 30th
February 2010	<ul style="list-style-type: none"> • A selection committee made up of representatives from the IDA Program will rate applications based on a variety of factors, including feasibility of asset purchase plan and the completeness and quality of essay responses. The committee will also work to ensure a diversity of participants in the program. • Applicants will be contacted by February 12th and told if they have been accepted into the program or not. Those that have not may be placed on a waiting list.

2) Enrolling:

February 18 th and 20 th	<ul style="list-style-type: none"> • If you are accepted into the program, you MUST attend a program orientation on either Thursday, February 18th or Saturday, February 20th. At orientation, you will sign up for a time to open your IDA at a bank with an IDA case manager in the next few weeks. This is MANDATORY, so bring your schedule with you to orientation.
---	---

3) Saving:

March – August 2010	<ul style="list-style-type: none"> • You will be required to make a deposit of at least 10 dollars every month • You must save for a minimum of 6 months
March 2010 – December 2012 at the latest	<ul style="list-style-type: none"> • While you are saving, you must attend classes through the YMCA. <ul style="list-style-type: none"> ▪ Financial education ▪ Asset-specific training ▪ A housing class series • Classes will be offered at the YMCA on a regular basis after school or on weekends. • You must attend all required trainings before making your purchase

4) Purchasing:

September 2010 – December 2012 at the latest	<ul style="list-style-type: none"> • When you have completed all the requirements of the IDA program, you may make your purchase • You will work with your IDA case manager to withdraw 1/3 of the money needed for your purchase from your IDA and give it to the vendor (landlord, college, car dealer, etc.) • The YMCA will send the other 2/3 of the matching money needed directly to the vendor • The YMCA needs 2 weeks to process a check, but can provide the vendor with a good faith letter to hold your purchase. • You may use your money for more than one asset. For example, you may save \$500 of your own money to buy a computer. You may continue saving and spend up to \$1000 for another asset such as education or housing • When you have reached your savings goal, you will graduate from the program • Enjoy your new purchase!
--	---



If you have any questions about the IDA program, please call IDA Case Managers
Jessica and Becky at 206-749-7592



Ways to Save Money: Past Savings, Jobs and Incentives

You may deposit money into your IDA from savings that you already have, from a job, or from IDA program incentives.

Following is a list of incentives for which you can earn money to deposit into your savings account. You can accumulate a maximum of \$200 in incentives in a calendar year or up to \$375 over the life of the program.

<u>Incentive</u>	<u>Amount</u>
Complete intake survey at account opening	\$ 20
Participation on approved board or youth advisory group (annual)	\$ 40
Participation in IDA Focus Group	\$ 25
Participation in YMCA Volunteer Event	\$ 25
Meeting with your IDA Case Manager once a month (for 3 consecutive months) to review goals	\$ 25
Publicly Speaking about IDA or ILP Programs	\$ 50
Sharing your IDA Story and Picture for Publication	\$ 25
Attending a Parenting Class	\$ 20
Completion of financial education curriculum	\$ 50
Attending a Money Management course (outside of program requirements)	\$ 25
Creating an up-to-date resume (every 6 months)	\$ 20
SAVINGS CHALLENGE: Saving at least \$10 per month for 6 consecutive months	\$ 60
Turning in quarterly grades of GPA 2.0 or higher	\$20-\$50 (depends on GPA)
School attendance rate of at least 95% (quarterly)	\$ 50
Completion of GED	\$ 75
High School Diploma	\$100
Completion of AA/College Degree	\$100

Frequently Asked Questions

Do I have to attend the housing workshop or other trainings again if I have already attended them in the past? No, if we confirm your past attendance of a required YMCA class or workshop, you will not need to take it again.

Can IDAs be used to repay debt or back expenses? No.

If I'm 20 now, but I'll turn 21 while in the program, am I still eligible? Yes, you are eligible if the application deadline is before your 21st birthday. You may continue in the program even if you turn 21 after applying.

If I have to leave the program before reaching my saving goal, what happens to the money? If you need to exit the program before reaching your goal and making a purchase, you can withdraw the money you saved in your IDA (including money you earned through incentives), but you will not be able to use the matching funds you earned while in the program.

Do I have to save a total of \$1,500 to start spending? No, you can start spending after at least 6 months in the program, making at least 4 deposits and attending all required trainings.

Can I save for more than one thing? Yes, for example, you can save \$500 and earn \$1000 in matching funds towards the purchase of a computer, then save up to \$1000 more and earn \$2000 more in matching funds towards tuition. In total, you can save a maximum of \$1500 in your IDA to earn a maximum of \$3000 in matching funds.