

Building Pathways to Prosperity: *The Oregon Individual Development Account (IDA) Initiative*

The Oregon Individual Development Account (IDA) Initiative believes in an Oregon with a strong middle class, where opportunity and prosperity are shared widely. We know that today too few Oregonians have access to living wage jobs, higher education, and the training to develop new skills. Too few Oregonians have the financial resiliency and resources to withstand life's twists and turns. Nearly three in ten Oregonians are considered asset poor, meaning they don't have enough savings to survive a loss of income for three months.

The Oregon IDA Initiative is a proven approach that provides access to financial education and matching funds to help Oregonians achieve their dream of owning a home, starting a micro enterprise, or continuing their education. This successful collaborative effort provides the skills and funds to help rebuild Oregon's middle class, and in the process, rebuild Oregon.

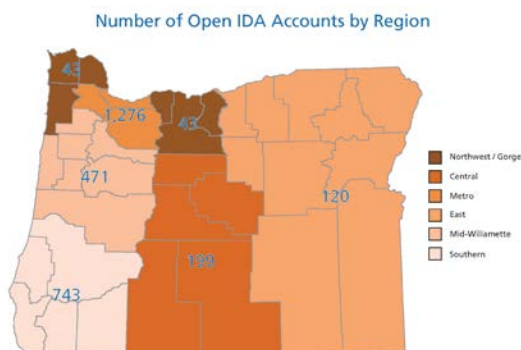


What are IDAs?

Individual Development Accounts, or IDAs, are matched savings accounts that build the financial management skills of qualifying Oregonians with lower incomes while they save towards a defined goal. IDAs open up pathways of opportunity and create models of economic success in Oregon communities.

How does the Oregon IDA Initiative work?

Individuals enroll with one of the Initiative Partners, and develop both a goal for saving and a plan for making the most of the IDA opportunity. Individuals must be 12 or older, residents of Oregon, and have low incomes and limited net worth.



Every dollar saved by a participant is matched by the Initiative, typically three dollars for every one dollar saved. When the savings goal is reached and all parts of the plan are completed, IDA participants may benefit from matched funds to help them purchase a home, fulfill an educational goal, develop and launch a microenterprise, restore a home to habitable condition, or purchase equipment to support an employment goal.

Oregonians in 34 of 36 counties across Oregon participate through a strong network of Initiative Partners. The IDA Initiative serves a wide range of Oregonians. Participants have ranged in age from 12 to 88, with an average age of 37 years old. More than two thirds are women (68%).

The Oregon IDA Initiative was started in 1999, and has more than 2,800 successful graduates. The Initiative has empowered Oregonians to save over \$9,660,000 towards the purchase of a lifelong asset. As of June 2013, more than 2,800 Oregonians are currently saving and working with an Initiative Partner.

How is the Initiative funded?

In Oregon, the IDA Initiative is funded through a unique state tax credit. Individuals and businesses make donations to the Oregon IDA Initiative through Neighborhood Partnerships, a nonprofit 501(c)(3) organization. Those contributions, up to \$100,000 per taxpayer per year, are eligible for a 75% State of Oregon tax credit. Donations are then used all across Oregon to help IDA participants. In 2012, ten million dollars was raised to benefit Oregon's communities.

Participants benefit. Contributors benefit. Oregon benefits.

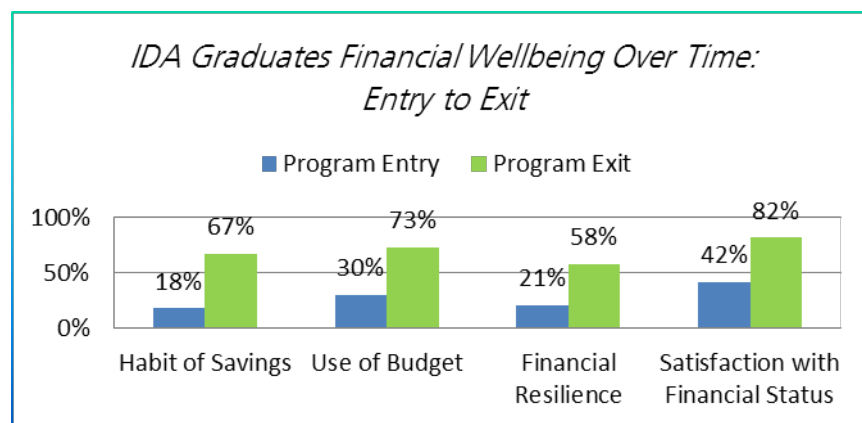
It's easy to donate to the Initiative and qualify for the IDA 75% Tax Credit. Instructions are on the web at www.oregonidainitiative.org.

A Proven and Effective Strategy

The goals of the Oregon IDA Initiative are to create financial health and resilience to rebuild Oregon's middle class. Independent evaluation findings show the Initiative is effective, and has allowed participants to achieve outcomes for themselves and their families that many could not have envisioned on their own.

The evaluation shows that IDA Participants and Graduates:

- ❖ Save for a home (34%), start or expand a small business (28%), and save for continuing their education (36%). A smaller number save in other categories, including assistive technology, employment related equipment and home renovation.
- ❖ 65% of IDA participants graduate successfully from the IDA Initiative and receive matching funds to realize their goal.
- ❖ IDA Participants and Graduates improve their ability to save money, their use of a budget, their financial resilience, their satisfaction with their financial status, and their ability to pay bills on time as a result of the program.
- ❖ Many graduates report decreased personal debt and increased income.
- ❖ Even participants who were unable to complete the program and receive matching funds report improved financial skills, satisfaction, and habits.



This proven and effective approach is independently evaluated by the Portland State University Regional Research Institute. Reports and more information are available on the website at www.oregonidainitiative.org.