



# Oregon IDA Initiative:

## Building Economic Resiliency



**Impact Evaluation Report**

September 2020

Neighborhood  
Partnerships

# LETTER FROM THE DIRECTOR

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## Oregon

Governor Kate Brown

### Housing and Community Services

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Dear Oregonians,

Now more than ever, the opportunity for Oregon families to build economic resiliency is critical, as our communities recover from the effects of the coronavirus pandemic and rampant end of season wildfires. The Oregon Individual Development Account (IDA) Initiative has been a powerful tool in this effort and we know the program will make a difference in the years ahead.

We are proud to release the 2020 Impact Evaluation Report. IDA brings state agencies, non-profit and tribal partners, and private contributors together to create positive outcomes for Oregon families. IDAs provide Oregonians, 12 years and older, the opportunity to build financial skills while they save towards a defined goal which leads to overall long-term stability.

The IDA Initiative aligns with Governor Brown's state priorities in many ways. IDA supports Oregon residents, especially Oregon's youth to dream beyond high school graduation by providing matched savings for job training and college education. IDA supports family wealth building and prosperity through homeownership. IDA also strengthens community by supporting entrepreneurs to become small business owners by providing financial literacy, coaching, and incentives to develop comprehensive business plans to ensure their future success.

Governor Brown's Equity Framework on COVID-19 Response and Recovery calls on us, as agencies and as a state, to understand the ways in which the coronavirus has further exacerbated racial disparities, and to prioritize the recovery of those communities who have been most affected. The IDA Initiative is an investment in economic and community resilience. The Initiative invests in historically and currently marginalized communities, and will help mitigate the impact of the coronavirus on our state.

Addressing racial disparities is embedded in our work and central to the outcomes we hope to achieve with our Statewide Housing Plan. For too long, Oregonians who are Black, Indigenous, or People of Color face systemic barriers, which preclude access to economic opportunity and safe and stable housing. They also endure the impact of policies and discriminatory practices that limit or impede the ability to build wealth through homeownership. By addressing race first, we are more likely to achieve our goals for all Oregon communities.

Please join me in thanking our IDA partners and IDA savers for their hard work and dedication to building economic resiliency in Oregon.

Best Regards,

Margaret Solle Salazar, Executive Director

# EXECUTIVE SUMMARY

The Oregon Individual Development Account (IDA) Initiative has demonstrated effectiveness in building assets and financial stability among Oregonians with low incomes. Modest assets and wealth bring a host of benefits to Oregon families: a safety net when financial emergencies arise, the ability to self-isolate or social distance, and the confidence to plan for the future and pursue one's dreams. Through an asset such as a reduced-debt education or an appreciating home, Oregonians can grow their financial resources, live out their highest potential, and participate in a vibrant Oregon economy.

IDAs serve Oregonians who are being hardest hit by the financial hardships created by COVID-19. With a statewide network of providers, the Oregon IDA Initiative reaches Oregonians across the state, in rural and urban areas, living on low and extremely low incomes. The Initiative's culturally responsive and culturally specific providers attend to the unique needs of all savers and are well-positioned to support our Black, Indigenous, and People of Color (BIPOC) savers. IDAs address racial wealth disparities and create an Oregon where all benefit from inclusive economic growth.

Given the deep racial inequities in our culture and institutions, Oregon needs approaches that recognize the role that race plays in people's economic outcomes, and efforts that specifically focus on achieving racial equity. Communities of color are disproportionately experiencing the negative impacts of the COVID-19 crisis, because they were already vulnerable and exploited due to racist policies in all aspects of US society. By designing the IDA Initiative to meet the needs of BIPOC communities that have been most severely impacted by COVID, it is better equipped to promote the success of all Oregonians with low incomes. The Oregon IDA Initiative uses disaggregated data, a racial equity lens, and inclusive decision-making to make program improvements and funding allocation

**“It made it real for me. It helped with stability—I made that deposit every month for 3 years. I kept all my deposit receipts, I feel so great about that...For me this house represents a place of healing.”**

**Cheranda Curtis**, who purchased a condo in Portland's Overlook neighborhood



IDA saver Cheranda Curtis.

decisions, with additional efforts underway to deeply listen to and center the experiences of BIPOC communities.

In the 2018 and 2019 program years, the Oregon IDA Initiative disbursed \$12.1 million in matching funds to over 2,000 Oregon savers. On average, participants with low incomes saved \$2,500 in their IDA over the course of 32 months, and earned \$6,010 in match funds towards their asset investment. With the statutory changes made in 2020, savers can utilize their IDA to respond to immediate emergency needs in addition to building assets for the future.

After investing in their asset, evaluation data shows that IDA savers experience long-term benefits. Education savers complete post-secondary degrees and gain employment in their field of study. Microenterprise savers continue to grow or scale their businesses. Home purchase savers are stable in their homes and prepared for financial emergencies. Vehicle savers find better employment and increased incomes.

IDA savers also demonstrate improved financial capabilities in areas such as saving and budgeting, which exceed national rates when assessed a year or more after completing their IDA. With increased financial tools and resources, IDA savers experience improved resilience in the face of tough economic times.

Oregonians are navigating an economy that favors the wealthy and well-connected, created by historical and current racist policies. Our state government is positioned to reduce those headwinds by investing in asset building efforts such as IDAs. Based on its evaluation data, this report concludes that IDAs can provide needed economic opportunities to build wealth among communities of color and contribute to a more just future for all of Oregon.

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Author: Amy Stuczynski

# INTRODUCTION

## The Need for Racial Equity in Asset Building

Oregon is home to a rich diversity of individuals and communities, and all—White, Black and brown—deserve the benefits of a fair and inclusive economy. The vitality of our communities requires that people have the resources they need to participate, contribute, and unlock their full potential. As Oregon responds to the COVID-19 pandemic and growing racial inequities, we have the opportunity to build stronger communities. The Oregon IDA Initiative is one tool that can promote inclusive economic growth.

The Oregon IDA Initiative builds the savings and assets of Oregonians with lower incomes and limited net worth. These resources promote housing stability, provide the education or transportation that will lead to better wages, launch a business that can be passed onto one's children, or otherwise start an upward trajectory of mobility and opportunity. When financial challenges and economic shocks arise, assets provide a foundation of resources that can be drawn upon.

The coronavirus pandemic and accompanying economic downturn have laid bare the ways our systems, laws, and policies perpetuate inequality. Lack of access

to housing, quality education, jobs, financial institutions, and other resources in Black, Native American, Latinx, Asian, and Pacific Islander communities connect directly to the fatally disproportionate impact of COVID-19 on the health and well-being in these communities.<sup>1</sup> In a state in which more than one-third of children are Black, Indigenous, and People of Color (BIPOC),<sup>2</sup> a thriving future depends on our ability to change the structures set up to benefit the few who are wealthy and well-connected.

Beginning with the confiscation of Native American land and enslavement of Black people, White people have built wealth and passed it to subsequent generations, at the expense of people of color. Any property and freedoms attained by people of color were generally stripped through actions such as Oregon's Black exclusionary laws (forbidding Black Americans from owning homes and making contracts), the US refusal to meet its treaty obligations to Native tribes, and the internment of Japanese Americans during World War II. Programs and initiatives such as the New Deal, the GI Bill, and the Federal Housing Administration further facilitated the educational and homeownership

<sup>1</sup> Sherwood & Sabatier (2020).

<sup>2</sup> Ruffenach & Worcel (2017).

goals of White Americans while people of color were excluded through university admissions or housing rules, or realtors' and bankers' codes of ethics (i.e., redlining). With postsecondary degrees, access to bank lending, and homeownership, White families had opportunities to gain wealth and support their children's prosperity through paid tuition, down payments on a first home, or other resources—opportunities that were not made available to BIPOC families.<sup>3</sup>

Exclusionary and discriminatory policies and practices continue to perpetuate racial wealth inequality today. “Race neutral” policies such as the 2017 Tax Cuts and Jobs Act (P.L. 115-97), which reduced inheritance taxes and lowered the top individual income tax rate, among other measures, continue to support the wealth building of prosperous White households while providing few or no tax incentives to encourage savings or build assets among low- to moderate-income families.<sup>4</sup> Black and Latinx workers continue to face unemployment at rates significantly higher than White workers;

differences which cannot be explained by marital status, education, age, or location.<sup>5</sup> And in the wake of the Great Recession, banks disproportionately closed branches in Black and low-income neighborhoods, leading to a prolonged reduction in credit access for entrepreneurs of color.<sup>6</sup> These branch closures had additional material consequences when coronavirus-response measures such as the Paycheck Protection Program incentivized lending to existing bank customers, shutting out entrepreneurs with fewer connections.<sup>7</sup>

As a result of these systemic policies and practices, the typical White family owns \$147,000 in total wealth, compared to the typical Black family who owns \$3,600 or Latinx family who has assets worth \$6,600.<sup>8</sup> While the assets of Asian American households vary greatly, in Oregon, 77% of Asian households are liquid asset poor—meaning they do not have enough savings to survive at the poverty level for three months in the event of an emergency that left them without income.<sup>9</sup> And while little data on

**“To have bought a house at 27 as a Black lesbian, is phenomenal. It’s its own kind of investment. I feel safe knowing no one is going to kick me out. No more credit checks and having to have a steady job just to get an apartment—it is such a relief.”**

3 Darity Jr., Hamilton, Paul, Aja, Price, Moore & Chiopris (2018).

4 Levin & Rademacher (2014); Huang & Taylor (2019).

5 Bernstein & Jones (2020).

6 Nguyen (2014); Xu (2018).

7 Liu & Volker (2020).

8 Collins, Asante-Muhammed, Hoxie & Terry (2019).

9 2020 Prosperity Now Scorecard.

the wealth of Native Americans has been collected in the last 20 years, 47% of Native Americans in Oregon are homeowners, a rate much lower than the 64% of Whites who own homes.<sup>10</sup>

This systemic racism is unjust and results in negative ramifications for individuals, families, and communities. In addition, these inequities constrain our collective economic interest. Racial inequities artificially limit the size of the workforce, hinder education

and skill development, leave entrepreneurs under-resourced, and hold back investments in—and benefits from—homeownership.<sup>11</sup> These factors lead to racial inequities in income that cost Oregon’s GDP more than \$16 billion.<sup>12</sup> If Oregon takes steps to ensure that resources and policies explicitly benefit communities of color, our whole state would see more financially resilient individuals and communities, with benefits across the economy.

## The Research- and Community-Based Rationale for IDAs

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IDAs provide a pathway to make asset building an attainable goal for all Oregonians by strengthening relationships between savers, financial institutions, and community-based organizations; reaching BIPOC communities throughout the state; and providing financial resources. As the following section outlines, research suggests that IDAs are an effective approach. IDAs boost household financial assets, build resilience in the face of the unexpected, and bring justice to our economy.

### Building assets

Research suggests that IDAs are effective in building assets: IDAs help people with low incomes get into a stable, affordable home; increase rates of business ownership; and increase post-secondary education enrollment.<sup>13</sup> Importantly, IDAs are effective

in promoting sustainable homeownership over the long term: Research conducted during the Great Recession found that IDA homebuyers had foreclosure rates that were significantly lower than the rates of other low-income homebuyers.<sup>14</sup>

### Building resilience

In addition to building assets, randomized controlled trial research has found several ways that IDAs have built participants’ financial well-being: IDA participation reduced material hardship, defined as an inability to pay for housing, utilities, or medical care. IDA participants reduced their use of nonbank check cashing services and high-cost, alternative credit products. Finally, IDA participants increased the amount of money they put into savings.<sup>15</sup> This finding is particularly hopeful in light

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10 Oregon Statewide Housing Plan, 2019-2023, Appendices.

11 Parilla (2017); Noel, Pinder, Stewart III & Wright (2019).

12 PolicyLink/USC Equity Research Institute, National Equity Atlas (2020).

13 Mills, Patterson, Orr & DeMarco (2004); Ratcliffe, McKernan, Mills, Pergamit & Braga (2019).

14 Rademacher, Wiedrich, McKernan, Ratcliffe & Gallagher (2010).

15 Ratcliffe, McKernan, Mills, Pergamit & Braga (2019).

of research on the role that savings can play in a family's financial health, regardless of income.<sup>16</sup> Additional studies highlight the important role that IDA providers can play leveraging multiple resources and bundling services, which is associated with program participants who are five to six times more likely to attain better economic outcomes.<sup>17</sup>

## Building justice

IDAs bring resources to BIPOC communities that have been excluded from prosperity by policies, systems, and greed. The State of Oregon Equity Framework in COVID-19 Response and Recovery calls for strategies like the Oregon IDA Initiative that invest in under-resourced communities and organizations to address wealth inequalities and build economic resiliency.<sup>18</sup> The Joint Task Force on Racial Disparities in

Homeownership, Reimagine Oregon, the Urban League of Portland, and many BIPOC-led organizations have noted that IDAs are a powerful tool to address racial disparities in Oregon, and called for additional investment in IDAs.<sup>19</sup>

## About This Report

The Oregon IDA Initiative collects data to assess its program reach and participant outcomes. Data in this report is drawn from the IDA Initiative's client management system, participant feedback surveys, interviews with participants, and the National Student Clearinghouse. This report provides evaluation results with particular focus on data collected in the two most recent program years, from April 1, 2018 through March 31, 2020. Evaluation methods are described in Appendix A. Appendix B provides data tables with year-by-year breakouts for up to the last five years.

Given the difficult economic landscape posed by COVID-19, the long-term improvements in financial stability seen by IDA savers are particularly important. This evaluation demonstrates that with financial capabilities and assets, IDA savers experience long-term changes to their financial well-being and increased financial resilience which prepares them for the next emergency. In addition, the IDA Initiative is distributing resources in BIPOC communities, thus addressing racial wealth disparities.

**“The IDA program gave me a fresh start and something that I could build upon. We are slowly improving over time. Fewer expenses. More savings. Positive outlook. I would not be as well off as I am now if it were not for IDA.”**

16 Brockland, Garon, Dunn, Wilson & Celik (2019); McKernan, Ratcliffe, Braga & Cancian Kalish (2016).

17 United Way Worldwide (2011).

18 Office of Governor Kate Brown (2020).

19 Task Force on Addressing Racial Disparities in Home Ownership (2019); Reimagine Oregon (2020); Urban League of Portland (2015).

# HOW OREGON'S IDA INITIATIVE WORKS

## Structures to Promote Equity

The Oregon IDA Initiative reaches all corners of the state, focuses on equitable outcomes, and provides integrated services to contribute to state and local goals. Since 1999, the Initiative has been funded through individual and business purchases of Oregon IDA Tax credits. On behalf of Oregon's Department of Housing and Community Services and Department of Revenue, Neighborhood Partnerships, a statewide nonprofit, manages funds, oversees the IDA-related work of ten partner organizations, and collects data on reach and outcomes. The ten organizations who receive direct funding for IDA provision are listed in the sidebar:

Community and Shelter Assistance Corporation of Oregon (CASA)

DevNW (formerly NEDCO)

Immigrant and Refugee Community Organization (IRCO)

Mercy Corps Northwest

Micro-Enterprise Services of Oregon (MESO)

The Native American Youth and Family Center (NAYA)

NeighborWorks Umpqua

Portland Housing Center

Project Youth+ (formerly College Dreams)

Warm Springs Community Action Team (WSCAT)



IDA saver Andrea Wade and Saamiya El-Amin, of Honeybee Sparkling Lemonades & Syrups.

The IDA partner organizations work directly with individuals and families pursuing an asset goal. Some of the organizations work with additional local nonprofit or government agencies to create a statewide network of 80 providers with specialized approaches to serve rural and urban communities across the state, including communities impacted by the wildfires that are emerging as this report goes to press.<sup>20</sup>

In its work managing the Oregon IDA Initiative, Neighborhood Partnerships is guided by its Racial Equity Statement.<sup>21</sup>

Recognizing the deep and pervasive racial inequities in our culture and institutions, the Oregon IDA Initiative prioritizes approaches that are specifically focused to achieve racial equity. As the following paragraphs highlight, these approaches include: practicing inclusive decision making, disaggregating data by race and ethnicity, partnering with culturally specific organizations, continuing education, and setting and reporting on racial equity goals.

The Oregon IDA Initiative implements many of the community engagement practices

<sup>20</sup> A complete list of the partner organizations can be found at [oregonidainitiative.org](https://oregonidainitiative.org).

<sup>21</sup> Neighborhood Partnerships' Racial Equity Statement can be found at [neighborhoodpartnerships.org/equity-inclusion](https://neighborhoodpartnerships.org/equity-inclusion).

outlined in the State of Oregon Equity Framework in COVID-19 Response and Recovery. By listening and responding to the lived experiences of people in BIPOC communities, and using an inclusive and collaborative design and decision-making model with its partner organizations, the Initiative’s policies and program decisions are increasingly community informed and inclusive. The Initiative uses data disaggregated by race and ethnicity to examine how it contributes to the racial equity goals of the Statewide Housing Plan<sup>22</sup>

**“I felt like this experience taught me the value of consistency: making monthly deposits into my IDA and paying off past debts. I honestly never thought I would get out of this, let alone purchase a home. I am so thankful that the IDA exists and for this experience because it has provided me and my family long-term education on how to achieve goals (like purchasing a home) and the support from organizations like Hacienda CDC. Working with them has been a blessing, Thank you for this experience and opportunity for me and my family!!!”**

and is developing racial equity metrics to measure its progress.

The Initiative partners with a dozen culturally specific organizations. Culturally specific organizations—which originate in the communities they serve and have programming directed to meet the unique cultural and linguistic needs, lived experience, and strengths held by those communities—provide uniquely tailored services and a greater emphasis on systemic solutions.<sup>23</sup> The benefits of culturally specific organizations include their capacity to promote belonging, inclusion, and acceptance—critical to repairing harm and building community. Working through culturally specific organizations invested in specific BIPOC communities builds the Oregon IDA Initiative’s capacity to address racial disparities.

In addition, the Initiative expects that all provider organizations will be culturally responsive. The Initiative advances the equity efforts of its provider organizations through continuing education on racial equity, including its 2020 IDA Initiative Racial Equity Training Series facilitated by the Center for Equity and Inclusion. IDA partner organizations also set annual racial equity goals and report on their progress on a quarterly basis.

Utilizing the above-listed approaches centered on racial equity, the Oregon IDA Initiative brings intentionality to its resource distribution and program implementation to build a more just future for all of Oregon.

22 Oregon Housing and Community Services (2018).

23 Curry-Stevens, Deloney & Morton (2019).

## Program Components

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The Oregon IDA Initiative deliberately implements practices and procedures to be responsive to savers, remove barriers, and increase the reach of IDA funds. IDAs bring together the following program components to support program completion, successful asset investments, and build individuals' and families' financial well-being:

### ▶ Alignment with state and local goals:

IDAs leverage the work of other state and local service systems' efforts to meet the needs of communities of color and low-income families, including linkages to Business Oregon's Rural Opportunity Initiative and the City of Portland's N/NE Neighborhood Housing Strategy.

### ▶ Integrated programming:

IDA providers weave their financial capability programming within affordable housing sites, high schools, multigenerational wrap-around programs, and in other settings that reach individuals and families across the life span, a technique which has been shown to amplify impact.<sup>24</sup>

### ▶ Personalized support:

Trained staff at IDA providers support savers to stabilize their immediate financial lives, define long-term goals, and identify relevant resources to improve their financial standing. This includes linking savers to expertise found in HUD housing counseling agencies, Small Business Development Centers, and university outreach programs.

**“Without the IDA program, I would not have been able to finish nursing school. Becoming an RN BSN enabled me to provide for my family not only financially but in many other ways.”**

### ▶ Financial education:

Both online and in-person workshops support IDA savers in making informed decisions related to their money and asset goals. Culturally-specific curricula align with savers' lived experiences.

### ▶ Connections to financial products and services:

IDA savers establish savings accounts and develop relationships with banks and credit unions. IDA providers work with financial institutions to break down barriers to banking and credit, and guide savers as they access business loans, mortgages, auto loans, 529 college savings accounts, and retirement accounts.

### ▶ Incentivized saving:

Every dollar participants save and put towards an asset purchase are matched by the Initiative with three to five dollars (up to statutory limits of \$3,000 per year).

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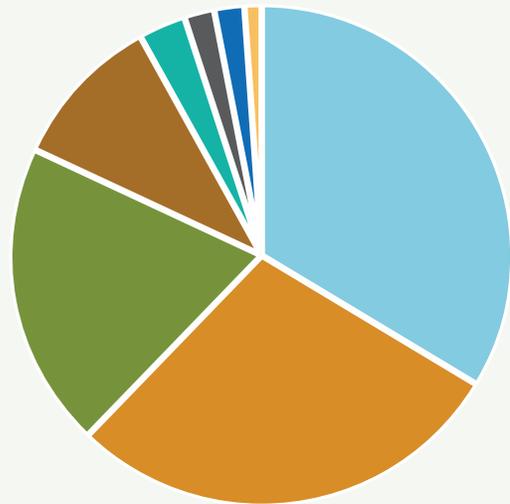
<sup>24</sup> New York City Department of Consumer Affairs Office of Financial Empowerment (2015); United Way Worldwide (2011).

## Asset Goals

Oregon households use IDAs to save for a variety of goals that build their financial wellbeing. Savers select from a variety of asset types that provide on-ramps to financial stability and asset building, based on the saver's needs.

- ▶ IDA savers are most commonly working towards purchasing a home (34%), post-secondary education (29%), starting or growing a microenterprise (20%), or purchasing a vehicle (10%).
- ▶ In addition, some IDA-providing organizations are equipped to offer IDAs for home repair, assistive technology, move-in costs associated with rental housing, or retirement savings (see Figure 1.)

Figure 1:  
**Asset goals of IDA savers**



Source: IDA Administrative Dataset, account openings in 2018 and 2019 program years (n=2,847).



**“So much stress has been alleviated.”**

**Dawn Perth**, who used a home repair IDA to improve the safety of her home in Klamath Falls

IDA saver Dawn Perth.

# WHO SAVES IN AN IDA

Through its statewide network of providers, the Oregon IDA Initiative makes IDAs accessible to Oregon residents that have been cut off from opportunities to build economic resiliency. Enrollment data show that IDAs reach households with extremely limited incomes, among Oregon’s BIPOC communities, and in both rural and urban regions of the state. IDAs serve other under-resourced households such as first generation college students and families utilizing public housing assistance. The IDA Initiative reaches communities that have been most negatively impacted by the COVID pandemic, and that are in great need for support.

**“It made it an automatic habit to save every month and has resulted in me having the biggest amount of savings in my life so far.”**

More than 2,847 Oregon residents opened an IDA in the 2018 and 2019 program years. Many more applied but were put on waiting lists or told to apply at a later date, because the need for IDAs exceeds the state funds allocated.



Beadwork by IDA saver Marjorie Kalama.

## Households with Low Incomes

Most IDA participants have incomes that are far below the eligibility thresholds.

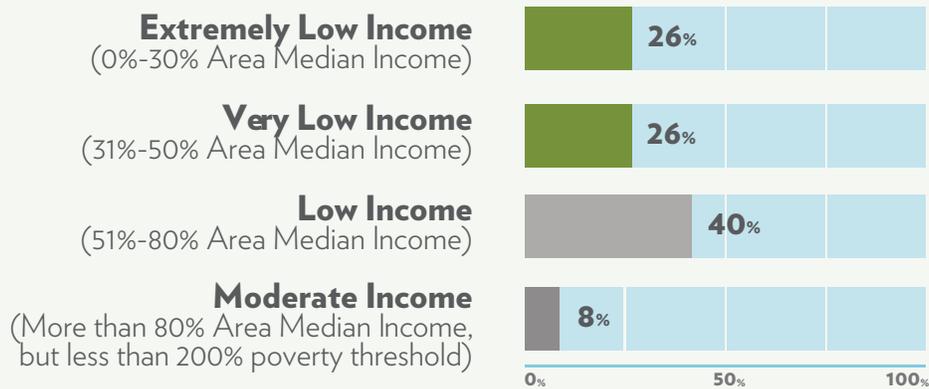
- ▶ Among participants who enrolled in 2018 and 2019, 26% are living on incomes considered “extremely low income”, 26% are living on “very low” incomes, 40% are living on “low” incomes, and 8% have “moderate” incomes (see Figure 2, which includes additional detail).



IDA saver Marjorie Kalama.

Figure 2:

### Most savers are living on extremely low or very low household incomes



Source: IDA Administrative Dataset, account openings in 2018 and 2019 program years (n=2,847), and HUD-estimated median household income by county and household size.

Note: Income eligibility is based on the saver’s household size and county of residence. It must be less than 80% of the county’s Area Median Income, 80% of Oregon’s Area Median Income, or 200% of the federal poverty threshold, whichever is greater. In most Oregon counties, a family of four would be eligible if their income was no more than \$60,300 in 2019 (80% of the State Median Income).

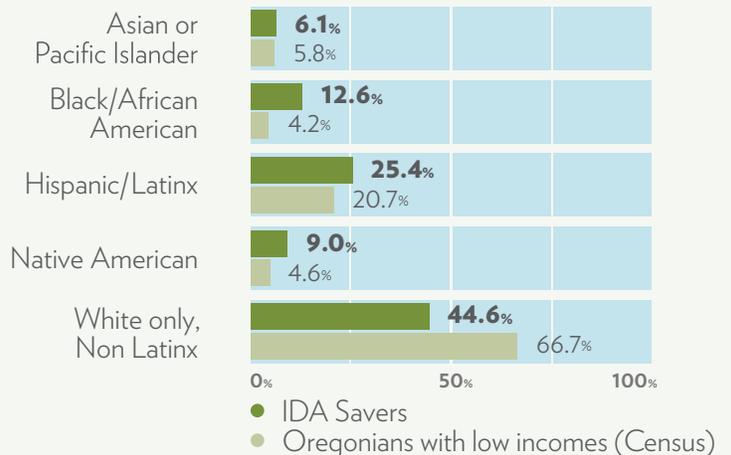
## Oregon's BIPOC Communities

IDA providers are enrolling savers from Oregon's BIPOC communities at rates that are equal to or greater than their proportion of Oregonians with low incomes. As the Initiative works to significantly increase financial security, assets, and wealth among BIPOC communities, the IDA Initiative has a solid base on which to deepen its connections with BIPOC communities, and support more just access to resources.

- ▶ Among 2,847 participants enrolled in 2018 and 2019, 173 (6.1%) were Asian or Pacific Islander, 359 (12.6%) were Black or African American, 724 (25.4%) were Hispanic or Latinx, 255 (9.0%) were Native American, 59 (2.1%) were some other race, and 1,269 (44.6%) were White alone, non-Latinx. Figure 3 illustrates the race and ethnicity of IDA savers, compared to the race and ethnicity of all Oregonians with low incomes.<sup>25</sup>
- ▶ Enrollments of savers from BIPOC communities have increased over the last 5 years (see Table 5, Appendix B). Over the last several years, the Oregon IDA Initiative has intentionally worked to support IDA providers who are successful in serving communities of color. Figure 6 shows the impact of these efforts by illustrating the degree to which IDA programs are successful in distributing matching funds to BIPOC savers.

Figure 3:

### The Oregon IDA Initiative enrolls savers from Oregon's BIPOC communities



Source: IDA Administrative Dataset, account openings in 2018 and 2019 program years (n=2,847), and 2014-2018 American Community Survey 5-year estimates.



IDA saver Natalie Davis-Eltahir, owner of Wrap Knowledge.

<sup>25</sup> Undercounting people of color is a serious problem in the Census. Acknowledging this limitation, this comparison uses the best available figures from a conventional data source, the American Community Survey, by using figures "alone or in combination, with or without Hispanic". See Curry-Stevens, Cross-Hemmer, & Coalition of Communities of Color (2010).



IDA saver Margaux Muller, owner of Margalaxy.

## Other Under-resourced Communities

IDAs reach other historically and currently excluded and under-resourced communities and populations:

- ▶ **Women:** Over two-thirds (68%) identify as female.
- ▶ **First generation students:** Among those who open an education IDA, nearly half (46%) do not have a parent with more than a high school education. An additional 15% have a parent with some college experience, but no two- or four-year degree.
- ▶ **Youth:** More than one in four savers (27%) are between ages 12 and 24.
- ▶ **Immigrants:** Nearly one in four savers (23%) was born outside of the US, in more than 80 countries around the world.
- ▶ **Families utilizing public assistance:** Among home purchase savers, more than one in five (22%) reported utilizing public housing assistance at the time of their IDA enrollment.
- ▶ IDAs also serve **youth who experienced foster care, survivors of domestic violence, veterans** and **people with disabilities**.

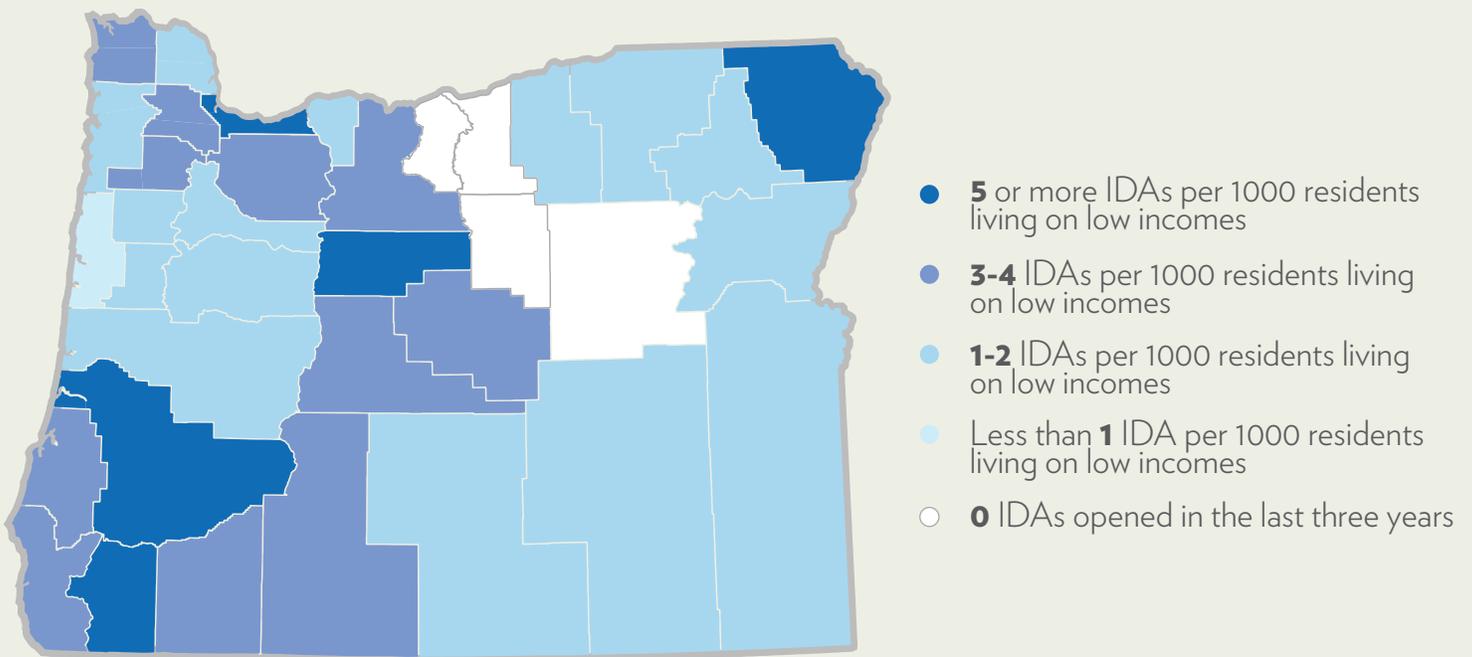
## Urban and Rural Households

IDA savers live in both rural and urban regions of the state.

- ▶ 29% of IDAs were opened by households in Oregon’s rural communities.<sup>26</sup>
- ▶ IDAs were opened by residents in 32 of Oregon’s 36 counties over the last three years.

**“IDA put me in the long term mindset. I would never think I could be a young single woman and a homeowner all on my own at the same time. I live in the town I work in now. I am a saver not a spender and plan to own a business in the next 7 years.”**

Figure 4:  
**IDA savers come from all regions of Oregon**



Source: IDA Administrative Dataset, account openings in October 2016 through September 2019 (n=4,378), and 2014-2018 American Community Survey 5-year estimates

26 About 29% of Oregon’s population is rural. Oregon State University Extension Service (2007).

# IMPACT

## Measurable Outcomes of the Oregon IDA Initiative

In addition to the Oregon IDA Initiative's robust partnerships and outreach that enrolls members of Oregon communities that have long been under-resourced and now face the greatest negative consequences of COVID, the following data show the outcomes of these efforts. In particular:

▶ **Asset Investments to Address the Racial Wealth Gap:**

The IDA Initiative is successful in supporting asset purchases by Oregonians with low incomes. The Initiative supports the asset goals of BIPOC savers at rates that can contribute to closing the racial wealth gap.

▶ **Long Term Benefits of Asset Investments:**

In the year after closing their IDA, completers demonstrate remarkable stability related to their asset purchase. Education savers are earning degrees and working in their fields of study. Microenterprise savers continue to develop their emerging small businesses. Home purchase savers are keeping up with their mortgage payments and have funds set aside for emergencies. Vehicle savers experience increased employment and income, among other benefits.

▶ **Improved Financial Capabilities:**

Savers make improvements in their savings, spending and budgeting habits that are largely sustained over the long term and at levels that exceed national rates.

These data suggest that the Oregon IDA Initiative sets people up to thrive. It has demonstrated its ability to support community resilience and recovery.

**“I bought a car for my business, and my income has increased by at least 50%. I feel comfortable saving for retirement now, because I was able to build up an emergency fund, and I feel more financially secure.”**

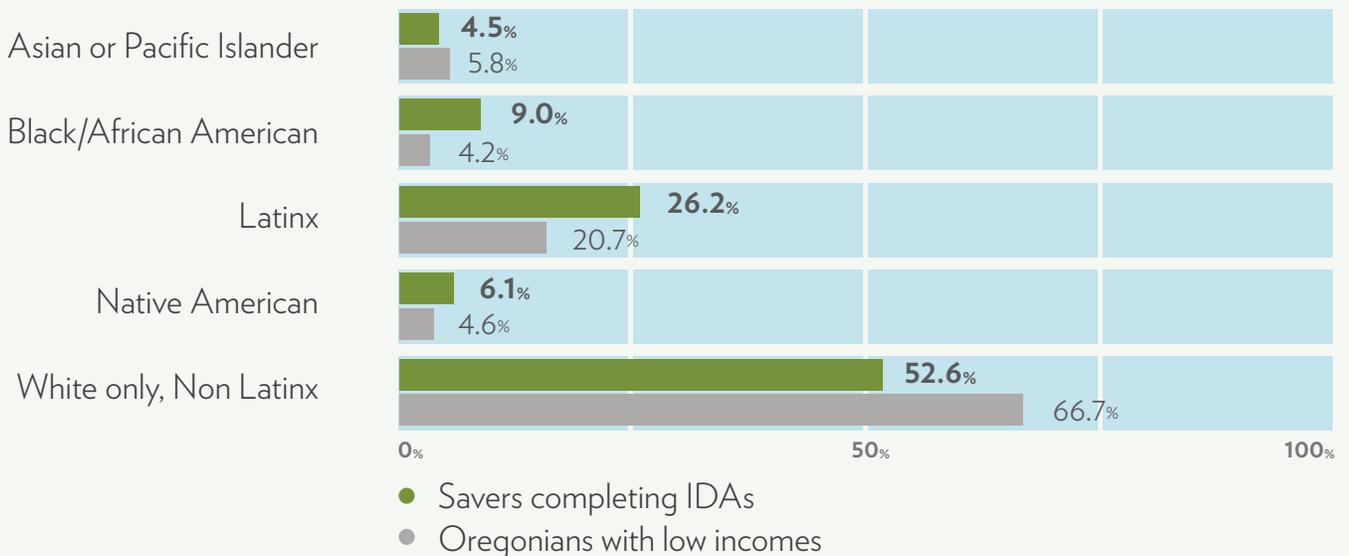
# Asset Investments to Address the Racial Wealth Gap

The IDA Initiative has a high rate of success in meeting participants where they are at and supporting their asset investments. The completion rate is among the highest completion rates reported by IDA programs across the country.

- ▶ IDAs were completed by, and thus match funds were distributed to, 77% of savers who exited the program in the 2018 and 2019 program years (2,027 of 2,651 savers).
- ▶ A total of \$12.1 million in matching funds was distributed to these savers.
- ▶ The average IDA completer deposited \$2,500 into their IDA over the course of 32 months and earned \$6,010 in match funds towards their asset purchase.

Figure 5:

**IDA match funds are distributed to Black, Latinx, and Native American savers at rates that can contribute to closing racial wealth disparities**



Source: IDA Administrative Dataset, account completions in 2018 and 2019 program years (n=2,027), and 2014-2018 American Community Survey 5-year estimates.

Note: Percentages do not add to 100%. Savers may be in more than one racial or ethnic category. A small number of savers did not provide their race or ethnicity.



IDA saver Patience Ward and Princess Ward of Kweki African Fashions.

In order to reduce racial inequities in access to assets and wealth, IDA matching funds need to go to BIPOC savers at rates that are greater than their proportion of Oregonians with low incomes. Figure 5 illustrates the distribution of IDA completers by race and ethnicity, compared to the distribution of Oregonians with low incomes by race and ethnicity. These rates suggest the IDA Initiative has been successful in promoting asset ownership among some BIPOC communities and point to areas where the Initiative could deepen its investments. While this data shows that IDAs can address racial wealth disparities, there have not been enough IDAs available to meet the need. With significantly more investment in asset building tools like IDAs, Oregon would see more widespread community-level change.

- ▶ Among the IDA completers to whom IDA matching funds have been distributed, 4.5% were Asian or Pacific Islander, 9.0% were Black, 26.2% were Latinx, and 6.1% were Native American.
- ▶ Asian and Pacific Islander (API) savers are underrepresented among IDA completers. However, recent increases in enrollments among API savers suggest that there could be an increasing number of API completers in the years ahead.
- ▶ Black savers are represented among IDA completers at rates that are twice their proportion of the population, a rate which can contribute to addressing racial wealth disparities.
- ▶ The Initiative is distributing matching funds to Latinx and Native American savers at rates that are slightly higher than their proportion of the population of Oregonians with low incomes (as measured by official data sources).

# Long-term Benefits of Asset Investments

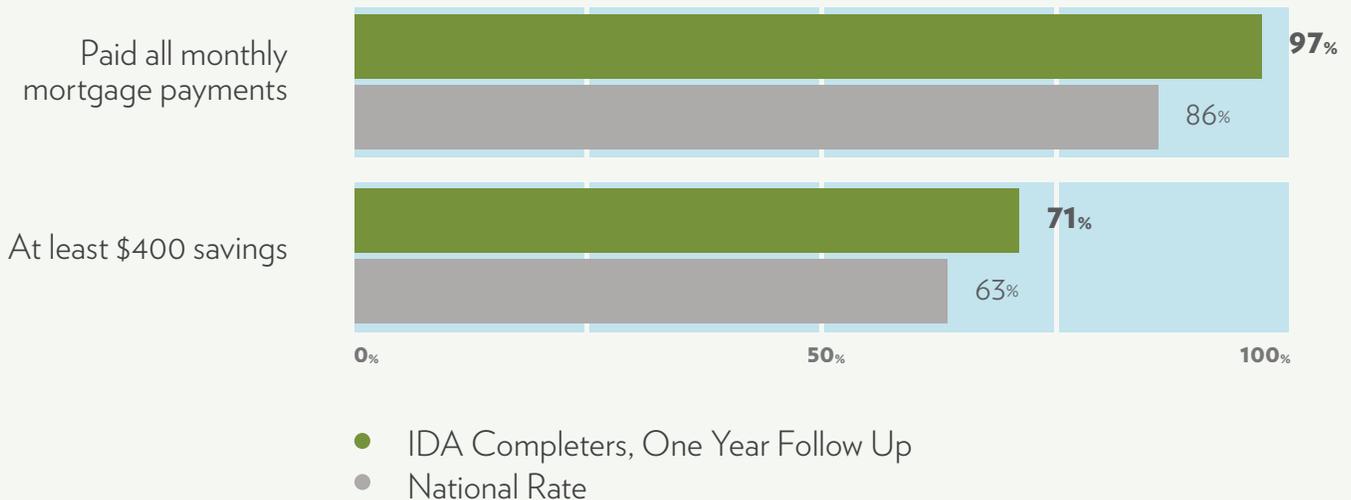
## First-time home buyers in affordable homes

IDA savers describe how the IDA made homeownership possible for them, and the financial security their home has brought. National research has found that IDA homebuyers are significantly less likely to face foreclosure in an economic downturn, which is likely due to the consumer education provided by IDA programs, as well as the impact of the matching funds.<sup>27</sup>

- ▶ 97% of savers made all of their mortgage payments in their first year of ownership (see Figure 6). By comparison, past research has found that as many as 14% of Oregon households missed a mortgage payment in a 12 month period, prior to the COVID pandemic.<sup>28</sup>
- ▶ One year after completing their IDA, 71% of homebuyers have at least \$400 in savings set aside for major maintenance needs they may encounter in the next five years, illustrating their preparedness to manage future expenses.

Figure 6:

### Home buyers are keeping up with their mortgages and have savings



Source: 2018 and 2019 Program Year Survey of Homeownership Completers at One Year Follow Up (n=114).

27 Rademacher, Wiedrich, McKernan, Ratcliffe, & Gallagher (2010).  
28 FINRA Investor Education Foundation (2018).

# Tiffany Tyler:

## A Family Home from Which to Prosper

We can live in a state where everyone—White, Black, and brown—has access to opportunity and a decent, stable, affordable place to call home. Working with community-based nonprofits, IDAs can be an important tool to promote homeownership opportunities among people of color.

Tiffany Tyler, who is African American, was born and raised in Portland in the 1980s and 90s. Her father worked for the City of Portland. She states, “In my late teen years to early twenties, I saw the displacement of people around me, and saw a shift as, over time, family and friends moved to the suburbs because of the economic change.” As Oregon’s population began growing faster than the housing supply, homes became more expensive. In addition, urban renewal efforts in North and Northeast Portland overlooked the current residents and demolished homes owned by African Americans.

Tyler got married and had two children, and she wanted her two boys to have the experience of being rooted in a home the family owned. Even after she and her husband separated, she kept her goal of homeownership in sight. However, her search for resources left her feeling as if home buying was out of her league.

Then, at Portland Housing Center, Tyler found the information she sought. She accessed one-on-one support with her



IDA saver Tiffany Tyler with her children.

financial situation, culturally specific homeownership classes inclusive of her community’s experiences, and support achieving a home loan with reasonable terms. Tyler explains, “I felt educated, encouraged, and guided.”

Portland Housing Center was able to lay out various resources, one of which was the IDA. For Tyler, who was living with family in order to save as much as she could for a down payment, the IDA made sense. “It helped me save for a house, which helped me with my savings goals too. It is an incentive to save, and to purchase. It made the process seem doable,” she states.

In summer 2018, Tyler reached her goal. “I find great pride in being able to say that I purchased a home in Portland,” she notes. “I have a teenager, and I just wanted him to see that process complete.” As she prepares her sons to go to college, Tyler feels confidence in the foundation her children have with their family home in the city to which they belong.

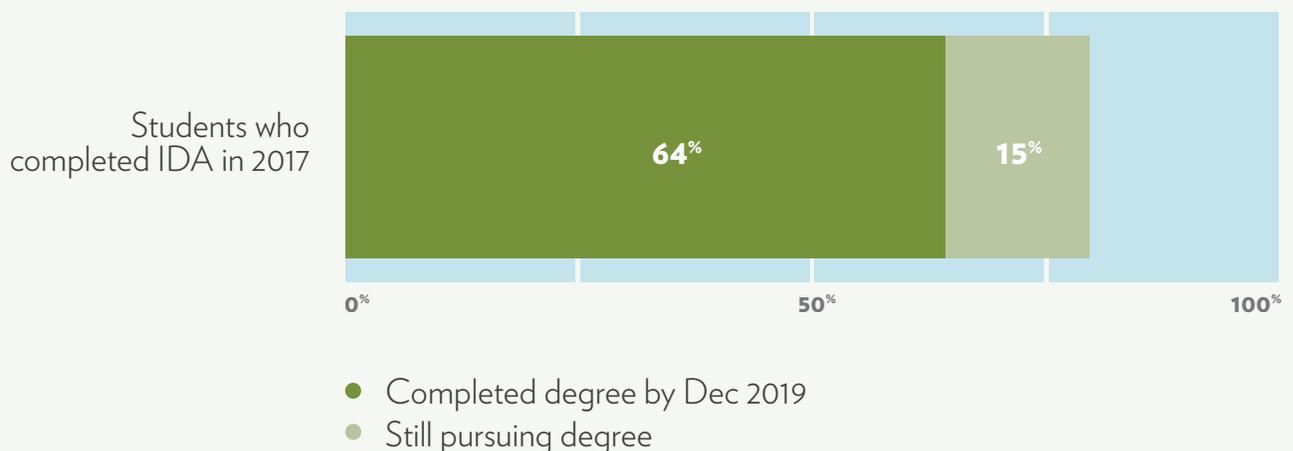
## Education savers earning degrees

Students who utilize IDA matching funds are completing their degrees. They gain employment in their fields of study. Savers speak to the financial stability brought by their ability to attain higher-paying jobs and avoid student loan debt.

- ▶ Among education savers who completed their IDA in 2017, 64% earned a degree by December 2019, and 15% were still enrolled. The remaining 21% did not have a degree and did not have a school term enrollment more than one year after completing their IDA—though it is not uncommon for students to take one or more terms off, and re-enroll at a later time. (See Figure 7).
- ▶ When surveyed one year after closing their IDA, 78% of those who completed a degree were employed in their field of study—jobs that the saver generally would not have qualified for without the degree or credential that they pursued with their IDA.

Figure 7:

### Post-secondary students are persisting and graduating



Source: 2017 IDA Administrative Dataset and National Student Clearinghouse (n=330 IDA Completers).

# Beatriz Rendon Bautista: Educational Dreams Fulfilled

When we ensure that each and every young adult—regardless of their race, ethnicity, or neighborhood—can benefit from great educational opportunities, our communities benefit from the talents and skills they develop. The share of young Oregonians with a post secondary credential remains well below the 80% goal established by the Legislature in 2011, suggesting that greater efforts are needed to support students.

Beatriz Rendon Bautista’s parents had not had the opportunity to finish high school. “They knew that they had to give up their educational dreams because of financial resources, and they didn’t want the same to happen to [their children],” she states.

According to Oregon’s Higher Education Coordinating Council, close to half of students enrolling in public colleges cannot afford the cost they are responsible for after grants, family contributions, and estimated student earnings. Once accepted to college, Rendon did not know how she would be able to pay for it, threatening to cut her potential short.

The Director of Financial Aid at Linfield College (now Linfield University) suggested that Rendon apply for the IDA. To support her ability to make deposits to her IDA, Rendon started working at an assisted living facility, helping her establish an employment history. Once her financial pressures began to ease, Rendon was able to concentrate more fully on maintaining her grades and academic progress. Professors, college staff,



IDA saver Beatriz Rendon Bautista with her siblings.

peers, and former middle school and high school teachers filled in pieces of the puzzle to mentor and support Rendon—including loaning her a scientific calculator she needed for a college math class, but couldn’t afford.

In May 2018, Rendon graduated with her Bachelors of Science in Health Education. She has been employed as the Wellness Coordinator for Linfield Student Health, Wellness and Counseling Center for over a year. Her younger sisters are now talking about *when* they want to go to college, not *if*.

“Everything I’ve learned, and taking into account how hard it is to save money, and how hard it is to earn the money you’re making, has changed my perspective,” states Rendon. Continuing to prepare for her future, she is building a healthy credit profile and saving for the unexpected. Building on her potential and increased skills, Rendon is now working with a real estate agent to pursue purchasing her family’s first home.



IDA saver Aimee Mattila, owner of AJMattila Art Studio.

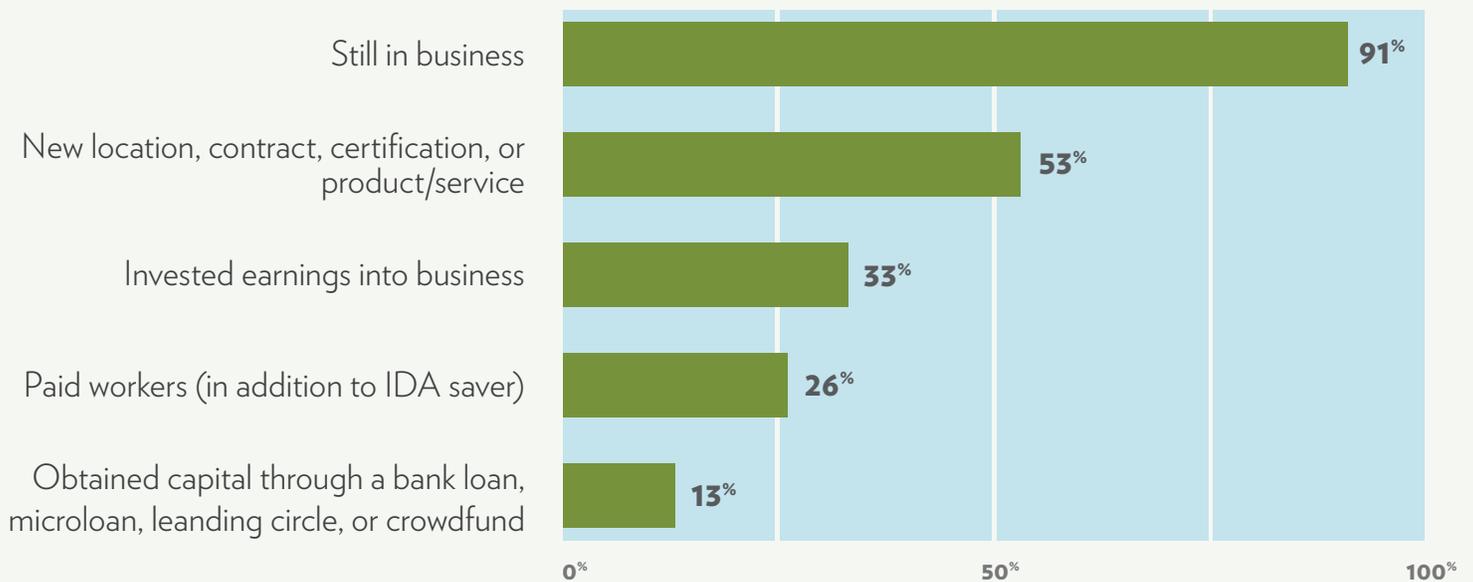
## Microenterprise growth

One year after completing their IDA for a microenterprise, savers continued to pursue and grow their emerging small business. IDA savers state that their IDA experience improved their understanding of business operations and finance, giving them confidence to make decisions as a business owner.

- ▶ When surveyed one year after completing their IDA, 91% of microenterprise savers reported that they were still operating their business.
- ▶ IDA savers are taking a variety of steps to scale their business, as further shown in Figure 8.

Figure 8:

### IDA microenterprise savers are committed to their businesses, one year after program exit



Source: 2018 and 2019 Program Year Survey of Microenterprise Completers at One Year Follow Up (n=128 IDA Completers).

# David Rose of Rose Contracting and Painting: “I Can Pass It Down to My Kids”

David Rose was an experienced residential and commercial contractor. But when he opened his business in 2009, he notes that he had very little business knowledge guiding him. “I was a fly by the seat of my pants kind of guy,” he states. “My brand, my network, marketing, all of those different areas of business—I really didn’t have a good understanding of it.”

Then in 2015 he was incarcerated for two years. “I lost everything but my business license,” he states. While incarcerated, he learned about Mercy Corps Northwest and the IDA program.

Rose notes that the opportunity to earn matching funds on his savings was an incentive to participate, stating, “anything would have helped me at the time.” But in addition, he thought that Mercy Corps’ education and resources might fit his needs.

Rose points out that Mercy Corps introduces their IDA savers to a network of different resources. Particularly helpful to Rose was an opportunity to talk to a lawyer about his credit. He also appreciated assistance in writing a business plan. He explains,

**“I never had a business plan; I didn’t know what it was. That was one thing that helped me project the future and where I wanted to go.”**

In 2017, he invested the bulk of his IDA savings in a new paint sprayer, using the rest to re-brand his company with a website



IDA saver David Rose and family.

and new logo. With his new skills and a plan to launch from, Rose Contracting and Painting is now keeping him and two workers employed over 40 hours per week. He has also donated his services to local non-profits.

“The IDA process gave me a better mindset,” states Rose. “Now I think my business is something that will last long term. I can pass it down to my kids. It won’t be just where I worked. It will grow and be something bigger.”

## Vehicles promote access to employment, education and health care

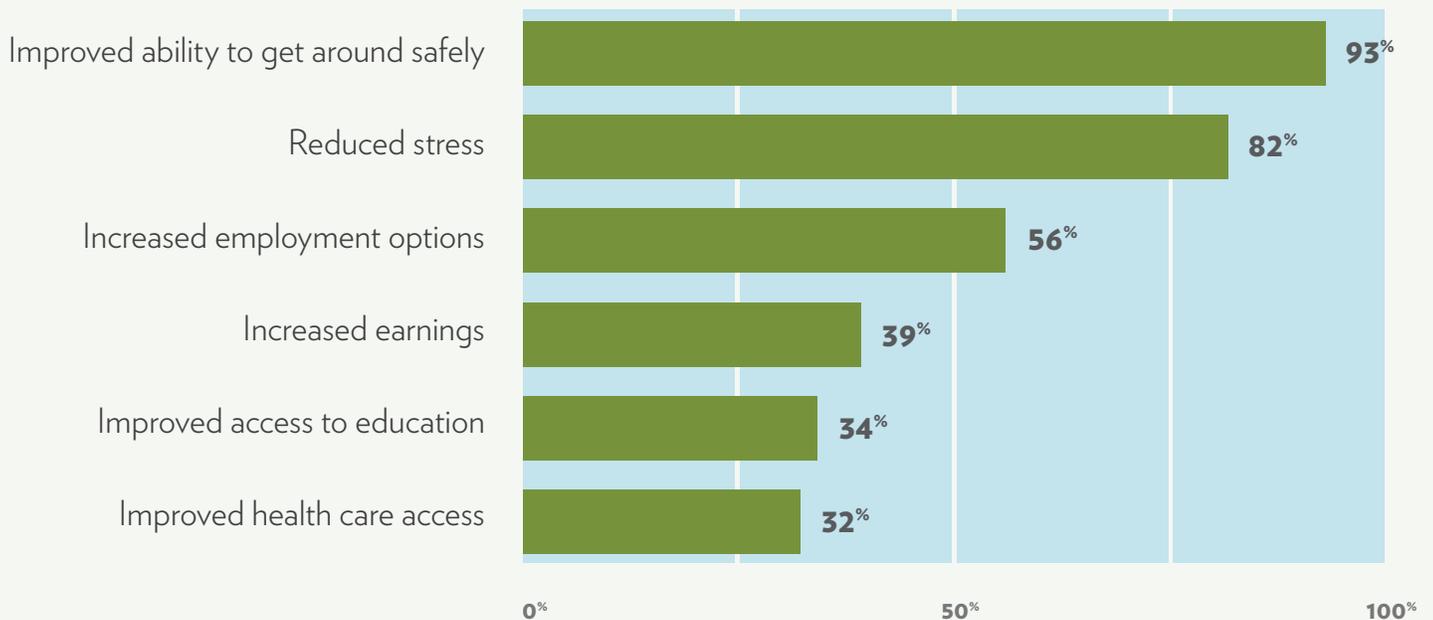
Consistent with other research,<sup>29</sup> Oregon IDA savers purchasing vehicles experienced increased access to employment and higher earnings. Oregon IDA savers also reported improved access to education, improved health care access, improved ability to get around safely, and reduced stress (see Figure 9).



IDA saver Patricia Allred.

Figure 9:

### Vehicle savers see benefits to their health and financial well-being



Source: 2018 and 2019 Program Year Survey of Vehicle Completers at One Year Follow Up (n=110).

<sup>29</sup> Pendall, Hayes, George, McDade, et al. (2014).

# James Moran and Lucinda Tufti:

## The Freedom that Mobility Brings



IDA savers Lucinda Tufti and James Moran.

Transportation is crucial to health and economic well-being. Living in a low-density, rural area—as about 1 in 3 Oregonians do—can put residents without cars at a strong disadvantage for medical treatment, work opportunities, and social connection.

“It’s been the difference that has gotten me to the treatment that saved my life,” notes James Moran as he and his partner Lucinda Tufti reflect on their experience using their IDA investment toward a vehicle. “It’s saved my life a few times.”

A forest firefighter, Moran started experiencing significant health problems in 2015. To get the medical care he needed, he was traveling to Redmond, Bend, and

Portland. Eventually he was put on dialysis three times per week.

Living on the Warm Springs reservation meant that he was traveling a minimum of 15 miles each way to medical appointments. Without a vehicle, Moran was frequently searching for friends or siblings who were available to give him a ride.

Making use of the local Ride Share program was only a possibility in cases when an appointment was scheduled more than 48 hours in advance. It was also frightening to rely on ambulance services for emergency situations. “There were a few times we had to run to the hospital. Around here it’s 40 minutes for the EMTs to show up. It’s faster to get in the car and drive there,” explains Moran.

Working with Warm Springs Community Action Team, Moran and Tufti explain how they changed their financial practices. “We still use what we were taught here to prioritize and budget,” states Moran. Tufti learned how to build her credit profile. In preparing for their vehicle purchase, they gained tools to evaluate cars and pricing, and to walk away from dealers when an offer didn’t meet their needs.

Moran explains, “This basically gave us the freedom. The freedom to where we are able to do what we need to do. Now we can do things, not just medical appointments, but work stuff and little trips to see out-of-town family. It’s allowed us a lot.”

# Financial Capabilities

Oregonians with low incomes work hard but face increasing housing and education costs, inaccessible financial systems that reduce credit access, and the undercurrent of systemic racism blocking the path to prosperity. In the midst of these challenges, research has found that families with savings and other financial capabilities will be more financially resilient than those without.<sup>30</sup> After closing their IDAs, the majority of survey respondents write about the lasting positive changes their IDA experience has brought to their financial habits and understanding. Using standardized measures of financial health, survey results show that IDA completers have made improvements in their financial capabilities, which are largely sustained one or more years after completing their IDA at levels that exceed national rates.

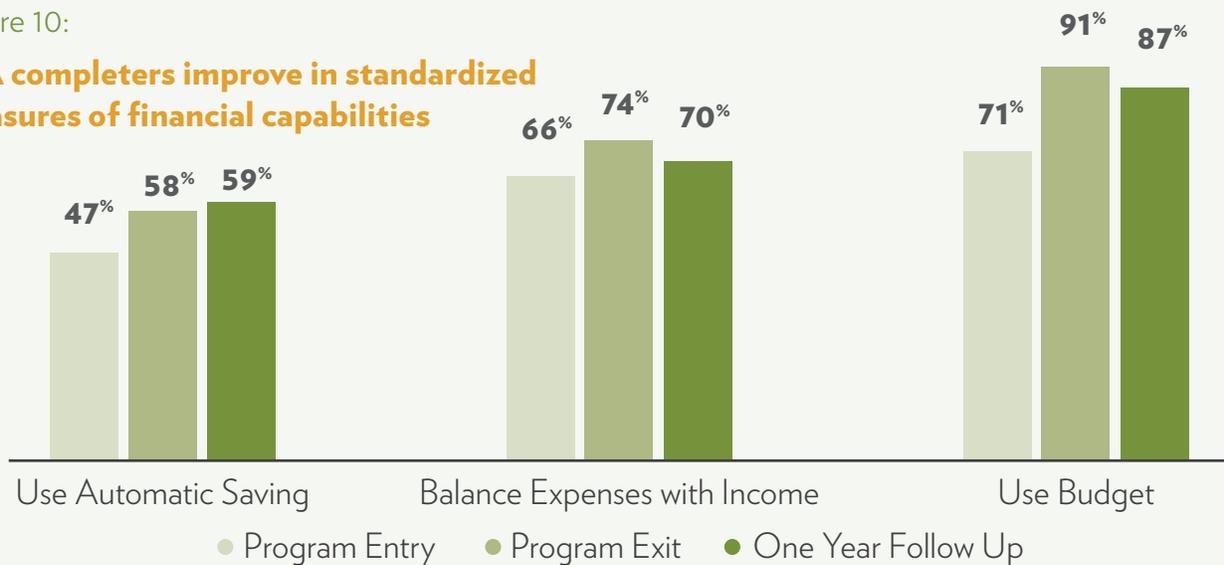
## Automatic saving

Using automatic deposit can promote regular saving for long-term stability.

- ▶ At the time of program entry, forty-seven percent (47%) of savers were using automatic saving, compared to 58% of program completers who were using automatic saving at the time of program exit. One year after IDA completion, 59% of savers were using automatic deposit (see Figure 10).
- ▶ IDA completers are using automatic deposit at a greater rate than found in the general population, which the Federal Reserve reported as 46% (see Figure 11).<sup>31</sup>

Figure 10:

### IDA completers improve in standardized measures of financial capabilities



Source: IDA Administrative Dataset and 2018 and 2019 Program Year Survey of Completers at One Year Follow Up (n=2,513 at Program Entry, n=1,462 at Program Exit, and n=788 at One Year Follow Up).

30 Brockland, Garon, Dunn, Wilson & Celik (2019); McKernan, Ratcliffe, Braga & Cancian Kalish (2016).  
31 Board of Governors of the Federal Reserve System (2018).

## Balancing expenses with income

Being able to manage expenses in light of one's earnings is a necessary precursor to not only saving but also paying bills on time, which can have ripple effects on one's credit.

- ▶ Sixty-six percent (66%) of savers who were just opening their IDA were balancing their expenses with their income, compared to 74% of IDA completers. One year after their IDA completion, 70% of program completers are balancing their expenses with their income (see Figure 10).
- ▶ The Financial Health Network found that just 64% of Americans balance expenses with income—rates that were lower among those with low incomes and those living in the West (see Figure 11).<sup>32</sup>

**“My family is on a path to becoming debt free and I am now setting long term goals for my financial future. I now have the language and skills to navigate the financial world and am passing this along to my children.”**

**“Coming from a family where my parents were bankrupt, had no retirement, and was in a constant state of poverty, I knew I wanted a different life for myself. Learning the tools to create and maintain money has been so empowering! I will forever be a life-long saver, and I have the tools to do so now.”**

## Budgeting

Holding income and other demographic variables constant, individuals who are able to and do plan ahead for financial needs are ten times more likely to be financially healthy as people who do not or cannot plan ahead.<sup>33</sup>

- ▶ Among IDA savers just opening their IDA, 71% use a budget. Among IDA completers finishing their IDA, a significantly higher share (91%) use a budget. One year after their IDA completion, 87% of savers use a budget (see Figure 10).
- ▶ Nationally, the Federal Reserve reports that slightly over half of adults follow a budget or spending plan (see Figure 11).<sup>34</sup>

<sup>32</sup> Gutman, Garon, Hogarth & Schneider (2015).

<sup>33</sup> Gutman, Garon, Hogarth & Schneider (2015).

<sup>34</sup> Board of Governors of the Federal Reserve System (2018).

## Emergency savings

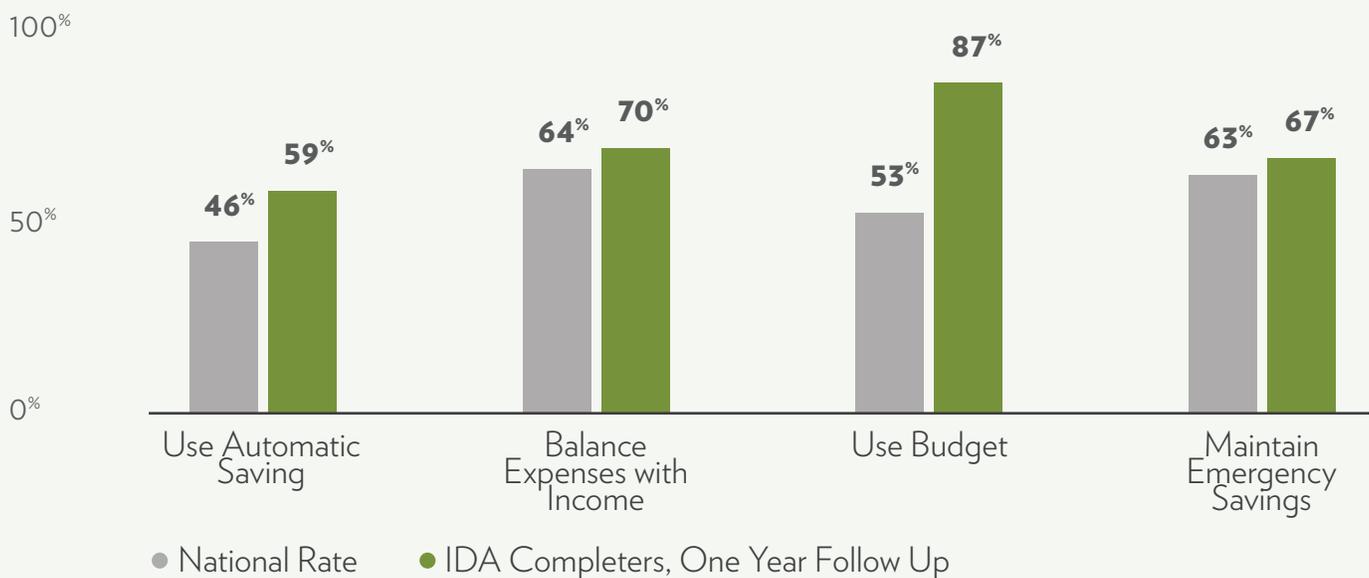
Households that have emergency savings are in a better position to manage unexpected expenses or financial setbacks without facing hardship.<sup>35</sup>

**“I would say the longer-impact has been to save and utilize my earned income instead of relying on credit cards or loans in order to achieve my goals. I’ve learned to plan and be prepared for unexpected expenses.”**

- ▶ One year after exiting the IDA program, two-thirds (67%) of IDA completers have \$400 or more available in savings to help in a financial emergency (see Figure 11).
- ▶ The most recent Federal Reserve survey, which included adults at all income levels, found that 63% could cover a \$400 unexpected expense using cash, savings, or a credit card paid off at the next statement.<sup>36</sup>

Figure 11:

### One year after completing their IDA, savers’ financial capabilities exceed national rates



Source: Board of Governors of the Federal Reserve System (May 2018), Report on the Economic Well-Being of US Households in 2017. Board of Governors of the Federal Reserve System (May 2020), Report on the Economic Well-Being of US Households in 2019, Featuring Supplemental Data from April 2020. Financial Health Network, US Financial Health Pulse 2019 Trends Report. 2018 and 2019 Program Year Survey of Completers at One Year Follow Up (n=788).

<sup>35</sup> McKernan, Ratcliffe, Braga, Cancian Kalish (2016).

<sup>36</sup> Board of Governors of the Federal Reserve System (2020).

# CONTINUOUS IMPROVEMENT

Through program monitoring, evaluation, and work plan goal setting, the Oregon IDA Initiative continues to adapt to meet the needs of Oregonians with low incomes and Oregonians from BIPOC communities.

In particular, these efforts are focused on addressing the challenges to program completion and on providing support to advance equitable outcomes.

## Challenges to Program Completion

While completion rates are high, some participants exit the program without making a matched withdrawal (“non-completers”). On average, non-completers stay in the program for nearly two years, and save \$1,400—a savings rate that is on-par with program completers. In exit surveys, more than half of program non-completers state that their IDA experience improved their credit, savings habits, or financial planning. One survey respondent stated:

**“We have incorporated saving into our monthly expenses. We tuck a little away every month, have started contributing to an IRA, and we started up an Oregon 529 Savings Plan for our daughter.”**

Despite these positive indications, participant feedback surveys and interviews point to a few themes to explain why some participants exit the program without receiving matching funds.



IDA saver Lluvia Merello, owner of Indigenous Come Up.

## Financial barriers

The most common barrier to completing the program relates to the financial barriers experienced by participants (cited by 128 of 194 survey respondents, or 66%). These barriers include a loss of employment, a lack of money available to make deposits, or a need to withdraw IDA savings for an unexpected expense (frequently a medical bill or car repair). Programs have addressed these challenges by linking savers to resources and offering savers flexibility from monthly IDA savings requirements when they face economic shocks. In addition, programs have been more widely offering matching funds at a rate of \$5 match for every \$1 saved by the participant (rather than the customary \$3:\$1). By doing so, savers can earn the maximum annual match after completing program requirements and making deposits totaling \$600 of their own funds, rather than \$1000. Particularly given the current economic landscape resulting from mandated pandemic response measures, extending the reach of savers' hard-earned dollars is a meaningful boost.

At a policy level, in 2020, the Oregon IDA Initiative worked with the Legislature to allow IDAs to be used as emergency savings.<sup>37</sup> This will allow savers to continue saving towards a life goal as they navigate crisis periods, with funds helping to avoid displacement, debt burdens, fees, and other hardships that have long lasting impacts. Yet, it's worth repeating that the financial barriers experienced by savers can be largely out of their individual control. For example, the high cost of purchasing a first home, combined with the lack of affordable homes in many parts of Oregon, calls for larger policy responses.



Hailey Gilliland, vending for IDA-supported business Young Mountain Tea.

<sup>37</sup> House Bill 2412 (2020).

## Program timelines

In both surveys and interviews, savers in microenterprise and homeownership asset classes noted that program waiting lists and the statutory savings timelines were too long, constraining their ability to inject capital into their business or resulting in increasing housing costs outpacing their ability to save. This demonstrates the impact that limited funding for IDAs has had on savers. Programs have responded by linking savers with additional sources of business capital, down payment assistance, or land trust models that make homeownership more affordable. Another potential solution could be achieved if the statutory IDA timelines were accelerated. If the statute were revised to allow savers to earn the maximum of \$3000 match in a 6-month period rather than a year, savers could more quickly reach their asset goal.

## Program complexity

Less frequently, some survey respondents note that they experienced challenges because they found the program rules to be unclear or they needed further support (cited by 34 out of 194 non-completer survey respondents, or 18%). Programs continue to address these challenges by simplifying administrative procedures (within statutory limits), providing trauma-informed training to staff, and using an equity lens in program design.

**“I feel more in control of finances. My IDA helped me get a degree without going into debt and that has been a big relief of stress on me and my son’s life.”**

## Support to Advance Racial Equity

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The Oregon IDA Initiative continues to work to create the support needed to advance racial equity in its process and outcomes. The Initiative is in the planning phases to launch an equity-centered strategic planning process which would center those most impacted (Oregonians with low incomes, low wealth, and from BIPOC communities) in defining the future directions of IDAs. It is engaging a racial equity lens as it aligns

resources and makes decisions around granting and contract management. With disaggregated data, it is evaluating how well BIPOC communities are being served by the IDA Initiative. and establishing racial equity metrics. By putting racial equity at the center of program design and decision-making, the IDA Initiative is a stronger, more effective program for all Oregon savers.

# CONCLUSION

Communities of color are disproportionately experiencing the negative impacts of the COVID-19 crisis, because they were already vulnerable and exploited, due to racist policies in all aspects of US society. IDAs serve Oregonians who are being hardest hit by the financial hardships created by COVID: people in BIPOC communities, in rural communities, and living on low incomes.

IDAs provide the means to stabilize family financial lives during a crisis and set them up to thrive thereafter. With assets and increased financial capabilities, data shows that IDA savers gain a foothold to a more stable economic future. With assets, IDA savers have increased resources to earn additional income or pursue better employment, or an affordable and stable home to depend on. With increased financial capabilities, IDA savers improve their saving, spending and budgeting habits at rates exceeding national averages. These capabilities provide a buffer and increased resiliency in the face of financial emergencies. Increased financial well-being also brings an increased sense of security, confidence, and hope for the future.

The IDA program continues to shift program and policy to prioritize the growth

of assets and wealth among Oregon's BIPOC communities. Supported by data, lived experiences, and inclusive decision-making with its statewide network, IDAs are a strategy that can reduce racial wealth disparities, creating an Oregon where all can pursue their highest potential and where we all benefit from inclusive economic growth.



**“It’s given me the stability and the knowledge that I have something that is mine and my daughter’s. I’m more willing to take risks like going back to college.”**

**Elisha Big Back**, who purchased a home in Gresham

# APPENDIX A:

## Evaluation Methods

The Oregon IDA Initiative has participated in evaluation since at least 2008, with Neighborhood Partnerships managing an internal evaluation process since 2015. The primary purposes of its evaluation efforts have been to understand who is being served and the extent to which IDA participants are achieving intended outcomes.

The evaluation uses a mixed methods design to address its research questions. This approach was chosen because of its potential to expand the comprehensiveness of the evaluation findings, enhance the validity of evaluation findings (by comparing information from different methods of data collection), and take into account a broader range of perspectives, including that of program participants.

Figure 12 illustrates the research questions this evaluation is trying to answer, the evidence gathered to address each question, and the methods and sources utilized to collect that evidence (see page 39).

Outcome Tracker is the IDA Initiative's client management system. It contains information about participants' demographics and status at enrollment; account deposits, withdrawals, match funds earned, and asset purchases; and status at program exit. This

data allows for the tabulation and analysis of the distribution of IDA participants across the state, and the demographics and characteristics of participants at time of program entry such as income, race, and ethnicity. Outcome Tracker data also allows for a calculation of the average and total amount deposited into savings and match funds earned, and the rate of program completion. On a quarterly basis, FOs review the data in Outcome Tracker for completeness and accuracy, and make efforts to obtain thorough or corrected data.



IDA savers Jay and Kathy Johnson, owners of Farm Maid Soap LLC.

Figure 12:

## Impact Evaluation Plan

Research Questions	Key Criteria and Information	Methods and Sources
Who is the Oregon IDA Initiative reaching?	Participants' race, ethnicity, income level, place of residence.	Administrative data (Outcome Tracker)
To what extent are participants able to maintain or grow upon their asset ownership after completing an IDA?	For home purchase savers, the rate of missed mortgage payments in the first year of ownership. For education savers, the rate of staying in school or earning a degree credential in the first and second year after completing an IDA. For microenterprise savers, the rate that savers are still in business, one year after completing an IDA. The rate at which microenterprise savers are supporting paid workers, or have accessed additional business capital, one year after completing an IDA.	Administrative data (National Student Clearinghouse), Participant Surveys and Interviews
To what extent are participants becoming more financially resilient through their participation in an IDA?	Participants' habits around savings, banking, spending, and budgeting; level of emergency savings. Participants' sense of self-efficacy and financial resiliency.	Administrative data (Outcome Tracker), Participant Surveys and Interviews
What are the barriers to completing an IDA?	Participants' life challenges and implications for their program participation. Participants' challenges in meeting program rules, especially around timelines, deposits, and the purchase process. How participants and program staff address the challenges.	Participant Surveys and Interviews

The National Student Clearinghouse was accessed to understand the graduation rates of IDA savers after they exit the program. The Clearinghouse collects data from 97% of currently enrolled post-secondary students in the US, and on nearly 94% of all degrees awarded in the US. Of the 383 education savers who completed their IDA in 2017, 86% were found in the National Student Clearinghouse. The remaining 14% were

not found due to a mismatch in the saver's name spelling or birthdate, because the saver enrolled in an institution that does not share records with the Clearinghouse (for example, cosmetology schools, massage training schools), or in some cases because the saver never enrolled in a post-secondary institution.



IDA saver Kelsey Crawford-McIntosh, owner of Go Forth Culture LLC.

The Participant Feedback Surveys are administered by Neighborhood Partnerships via email (or mailed if the participant doesn't have an email address). IDA savers are asked to complete surveys shortly after exiting the program and again one year later. Participants are offered \$15 as an incentive to return the surveys. This data provides information on participants' satisfaction with the program, financial capabilities, and continued asset ownership. The anonymous quotes in this report were obtained from responses to open-ended questions on the surveys. Respondents' quotes are used anonymously because, while survey respondents are informed their quotes may be used in reports, the participant feedback surveys do not seek permission to include survey respondents' names.

Data in this report are from the following surveys: For the 2018 and 2019 surveys administered shortly after exit, 944 program completers responded (47% response

rate), and 194 non-completers responded (31% response rate). For the 2018 and 2019 surveys administered one year after exit, 788 completers responded (38% response rate).

Survey respondents are diverse and reside in more than 30 counties. Education savers and savers who are Latinx are slightly underrepresented among survey respondents. Otherwise, the demographic characteristics of survey respondents are generally representative of all IDA savers in terms of their asset goals, race and ethnicity.

While the Initiative has evaluated changes in participants' financial capabilities for many years, in 2017 it adopted a standardized, validated evaluation tool: the Financial Capability Scale, developed by J. Michael Collins and Collin O'Rourke at the University of Wisconsin-Madison Center for Financial Security. This tool helps hold the Initiative to a higher benchmark grounded in research on the most important indicators of financial health.

Program providers ask IDA participants to complete the scale around the time of their IDA application and again at the time of IDA closing; this information is entered into Outcome Tracker so that providers can readily access it. The one-year follow-up participant feedback survey gathers Financial Capability Scale information over the long term. The report narrative compares the financial capabilities of three groups of savers: those who opened an IDA in the 2018 and 2019 program years, those who successfully completed an IDA in the 2018 and 2019 program years, and those who had successfully completed an IDA in the 2017 and 2018 program years (and responded to a one-year follow-up survey in 2018 and 2019). As the Initiative continues to use the Financial Capability Scale, the evaluation anticipates it will soon have sufficient data to compare changes in individuals' scores over

all three time points. In the meantime, use of the Data Tables in Appendix B allows the financial capabilities of program completers in one year to be compared with their capabilities at the time of the one-year follow-up survey the following year, more directly looking at change over time.

Neighborhood Partnerships' evaluation staff conducted semi-structured interviews with a limited number of IDA savers to gather more in-depth information about savers' experiences and outcomes. About half of the interview candidates were self-nominated by indicating an interest in an interview via the Participant Feedback Surveys, and half were nominated by the Fiduciary Organization that administered their IDA. When granted permission to do so, interview participants' names are included in this report in quotes or stories.



IDA saver Jasmine Tran, owner of Essance Skincare.

# APPENDIX B:

## Data Tables

Table 1.  
**Program Outcomes at Exit**

Sample sizes for specific measures may vary because of missing values

Program Year		2015	2016	2017	2018	2019	Total
<b>Program Completers</b>	N	1033	1140	1108	993	1034	5313
	% of exits	73%	79%	77%	74%	79%	77%
Matching funds disbursed (\$ millions)		\$5.4 M	\$6.4 M	\$6.0 M	\$5.8M	\$6.3M	\$29.9M
Average total deposits		\$2,306	\$2,436	\$2,257	\$2,398	\$2,515	\$2,381
Average account duration (in months)		28.8	28.1	28.7	31.6	31.3	29.6
Average match earned		\$5,208	\$5,581	\$5,460	\$5,876	\$6,138	\$5,649
Completers: Microenterprise	N	303	325	303	193	237	1367
	% of exits	85%	91%	92%	84%	90%	89%
Completers: Education	N	353	387	366	358	297	1763
	% of exits	75%	82%	80%	76%	81%	79%
Completers: Home Purchase	N	259	284	272	235	285	1332
	% of exits	59%	65%	60%	60%	67%	62%
Completers: Assistive Technology	N	61	85	83	78	83	392
	% of exits	80%	86%	88%	80%	92%	86%
Completers: Home Repair	N	55	50	53	70	48	276
	% of exits	87%	89%	84%	82%	91%	86%
Completers: Vehicle	N	n/a	7	30	52	70	159
	% of exits		70%	83%	93%	81%	85%
Completers: Rental	N	n/a	2	1	7	9	19
	% of exits		100%	50%	50%	69%	61%
Completers: Retirement	N	n/a	n/a	n/a	n/a	5	5
	% of exits					83%	83%
<b>Program Non-Completers</b>	N	375	296	326	353	271	1616
	% of exits	27%	21%	23%	26%	21%	23%
Average total deposits		\$1,525	\$1,600	\$1,408	\$1,259	\$1,522	\$1,467
Average account duration		23.0	24.6	22.4	23.2	23.7	23.4

Source: IDA Administrative Dataset

Table 2.  
**Financial Capability Outcomes**

<b>Program Year</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
<b>FCS responses, Participants who Opened an IDA</b>	496	1216	1297	3009
<b>FCS responses, Completers at Exit</b>	265	738	724	1727
<b>FCS responses, Completers 12 months after exit</b>	463	374	414	1251
<b>Use auto deposit for saving</b>				
Program Entry	44%	46%	48%	46%
Program Exit	54%	56%	61%	58%
One Year Follow Up	59%	56%	62%	59%
<b>Spending less than income</b>				
Program Entry	66%	66%	66%	66%
Program Exit	75%	77%	72%	74%
One Year Follow Up	71%	68%	72%	71%
<b>Use a budget</b>				
Program Entry	74%	71%	71%	71%
Program Exit	89%	89%	93%	91%
One Year Follow Up	86%	85%	88%	86%
<b>Maintain emergency savings (\$400+)</b>				
Program Entry	n/a	n/a	n/a	n/a
Program Exit	n/a	n/a	n/a	n/a
One Year Follow Up	69%	63%	69%	67%

Source: IDA Administrative Dataset and IDA Participant Feedback Surveys.

Table 3.

## Asset-Specific Outcomes One Year After Exit

Program Year of Survey Completion	2015	2016	2017	2018	2019	Total
<b>Survey responses, Home Purchase Completers</b>	108	123	124	106	108	569
Missed a mortgage payment in first twelve months of ownership	0%	1.6%	2.4%	3.8%	1.9%	1.9%
<b>Survey responses, Business Completers</b>	124	88	100	73	55	440
Still in business, twelve months after completing IDA	88%	93%	89%	90%	93%	90%
Used business earnings for financing	n/a	n/a	36%	27%	36%	33%
Have paid workers (in addition to IDA saver)	n/a	n/a	27%	30%	20%	26%
Obtained bank loan, microloan, lending circle loan	n/a	n/a	12%	15%	11%	13%

Source: IDA Participant Feedback Surveys

Table 4.

## Degrees Earned by Education Completers

IDA Completion Year		2014	2015	2016	2017	2018	Total
<b>Education Completers matched with National Student Clearinghouse records</b>		281	288	307	330	306	1512
Obtained degree by December 2019	N	180	185	192	211	152	920
	% of completers	64%	64%	63%	64%	50%	n/a

Source: National Student Clearinghouse.

**Note:** Degree completion rate in 2018 is expected to be lower, compared to the other years, because a shorter amount of time has elapsed since the saver's IDA closed. See Methodology for additional notes about the National Student Clearinghouse.

Table 5.  
Participant Demographics

Program Year of Enrollment	2015	2016	2017	2018	2019	Total
<b>Number of Participants Enrolled</b>	1485	1394	1474	1360	1487	7200
<b>Gender</b>						
Female	64%	64%	69%	68%	68%	67%
Male	36%	36%	31%	31%	31%	33%
Other	0.2%	0.6%	0.1%	0.5%	0.5%	0.4%
<b>Age</b>						
12-24	26%	24%	24%	30%	25%	26%
25-44	55%	56%	55%	50%	55%	54%
45-64	18%	19%	18%	18%	17%	18%
65 and older	2%	2%	3%	2%	3%	2%
<b>Educational Attainment at Enrollment, for participants age 25+</b>						
Less than high school degree	8%	12%	7%	6%	6%	8%
High school diploma or GED	17%	16%	15%	17%	21%	17%
Some college	32%	28%	29%	27%	25%	28%
Associate's degree	11%	13%	15%	18%	17%	15%
Bachelor's degree	32%	32%	35%	31%	31%	32%
<b>Race and Ethnicity</b> (alone or in combination with another race/ethnicity, unless otherwise noted)						
Asian, Native Hawaiian or other Pacific Islander	5.2%	4.9%	3.3%	6.7%	5.5%	5.1%
Black or African American	9.6%	10.3%	10.2%	12.4%	12.8%	11.0%
Hispanic or Latinx	24.0%	23.7%	25.5%	24.7%	26.1%	24.8%
Native American	6.0%	6.2%	5.3%	8.7%	9.2%	7.1%
Other Race	1.5%	1.6%	2.6%	2.3%	1.9%	2.0%
White alone, Not Latinx	55.1%	54.4%	52.3%	44.6%	44.6%	50.2%
Unknown	0.3%	0.6%	2.8%	3.2%	2.4%	1.8%
<b>Country of Origin</b>						
USA	78%	77%	79%	77%	76%	78%
Immigrant/Refugee	21%	22%	20%	23%	24%	22%
<b>Income Level</b>						
Extremely low (0-30% Area Median Income)	26%	27%	27%	25%	26%	26%
Very low (31-50% Area Median Income)	29%	25%	24%	26%	27%	26%
Low (51-80% Area Median Income (AMI))	38%	38%	38%	40%	40%	39%
Moderate (> 80% AMI but < 200% poverty level)	7%	10%	10%	10%	6%	9%
<b>Urban/Rural</b>						
Urban	73%	72%	67%	70%	71%	71%
Rural	27%	28%	33%	30%	29%	29%

Source: IDA Administrative Dataset