

Project/Program Profile

Name of Project/Program: Riverside County Individual Development Account (RivCo.IDA)

Organization: Community Action Partnership of Riverside County (CAP Riverside)

Location of Project/Program: 2038 Iowa Avenue, Suite B-102, Riverside County. Partners provide facilities to offer workshops and outreach throughout the county.

Year Project Completed/Program Began Operation: 2000

Funding Sources: Department of Health and Human Services through the Assets for Independence program, California Temporary Assistance for Needy Families program.

Populations Served: Low-income working residents of Riverside County

Number of People Served: 619 residents over 5 rounds

Number of Staff: 3 – Program Manager, Program Coordinator, and Community Services Associate

Total Cost of Development/Operation: \$340,088 per year with savings match and administrative costs

Partners: United Way, Citibank Foundation, Altura Credit Union, City National Bank, BBVA/Compass Bank, local colleges and universities, Riverside County Department of Public Social Services, school districts, veteran affairs (public and private), and several Habitat for Humanity chapters.

Services Provided: \$2 for \$1 match-savings incentive program for those with earned income that can be used for purchasing a first home, completing higher education or vocational training, or starting or expanding a business.

California Community Economic Development Exemplary Project

SERVICES: Individual Development Account

(Italicized portions offer further explanation. If the standard is not fulfilled by the project, it is noted in the italicized explanation. Crossed-out portions are not applicable.)

Level 1: Program Feasibility Assessment

These basic criteria determine the feasibility of an IDA program. The focus is on the organizational and financial readiness of the program.

1. NEED

a. Community Need

- i. There is a population that is unbanked or underbanked.
 1. *There is a large population of unbanked residents in Riverside County.*
- ii. There is a population lacking financial education and information about financial services.
 1. *There is a large population of residents in Riverside County that lacks financial education.*

b. Market Study/Needs Analysis

CAP Riverside conducts a bi-annual needs assessment of low-income households countywide. The majority of respondents consistently indicate that asset/wealth building skills and strategies are desirable pathways out of poverty.

- i. The market study confirms the need for, and viability of the program.
 1. There are no other IDA programs in the area that can work with the target population.
 2. There are enough demand for services and sources of funding to support the program.
- ii. The market study informs the organization about demographics of the area, competition, and barriers to entry.
 1. *The program serves low-income individuals and families who earn up to 200% of the Federal poverty guidelines and that work without making a living wage, often without benefits. They are primarily single-female heads of household with multiple jobs. Many have some college education, but lack degrees.*

c. Local Support

- i. The IDA account holders support the program.
- ii. Neighbors and local community members support the program.
- iii. The program is in alignment with local city, county, state and/or federal development goal(s).
 - i. *Matched-savings incentive programs are evidence-based; they document that asset/wealth-building, along with education, are the surest pathways out of poverty.*

2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do the program.
- b. The program is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar programs.
 - i. *The organization is experienced with asset-building programs.*
- e. The organization has the financial and operational capacity to undertake the proposed program.

- ~~i. The organization can support the additional debt (if any) created by the program.~~
 - 1. *There is no debt created by the program.*
- ii. The organization has qualified staff that can undertake the program.
- iii. The organization has access to reliable, qualified vendors and service providers.

1. FINANCIAL FEASIBILITY

a. Program cost

- i. The program is affordable to the organization, and the projected cost is appropriate to the concept.
- ii. The operator or staff providing the cost estimates is qualified and experienced with IDA programs.
 - 1. *CAP Riverside has provided asset building programs throughout its operation since 1979.*

b. Funding sources

- i. There are enough sources of funding for the uses.
 - 1. *Program funding is covered by the Department of Health and Human Services through the Assets for Independence program and the California Temporary Assistance for Needy Families program.*
- ii. There are enough sources to match the savings of individuals.
 - 1. *Matching funds are contributed by local banks (Community Reinvestment Act dollars), United Way, and Community Development Block Grant funds from the Economic Development Administration.*
- iii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the program qualifies.
- iv. The actual disbursement of each source is timely and in sync with the needs of the program.
- v. The organization is aware of the compliance implications of each source.

c. Cash flow

- ~~i. The program produces enough cash flow to support the proposed debt structure (if any).~~
 - 1. *There is no debt created by the program.*
- iv. If the program is low-cost or free, it is subsidized enough to sustain itself beyond the first year.
 - 1. *The program is free to participants, and it has been able to be sustained since 2000.*

Level 2: Practical Considerations

These criteria are essential for a successful, operating IDA program.

1. MARKET BARRIERS

- a. The organization understands why past programs have not worked and instead addresses prior issues in innovative and alternative ways.

2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the program, including employees, trainers, outreach coordinators, and management staff.
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the program.
 - i. *Partners provide application review and participant selection, workshop training, advocacy, sites, outreach, educational materials, etc. United Way, Citibank Foundation, local colleges and universities, Riverside County Department of Public*

Social Services, school districts, veteran affairs (public and private), and several Habitat for Humanity are key partners.

- c. The program is supported by public sector, private sector, and community partners.
 - i. *Private sectors partners provide matching dollars, public sector partners provide grant funding, and community partners provide grant funding to support the program.*
 - d. Through an open dialogue with the community, the organization has sought and incorporated community participation in the program
3. SITE CHARACTERISTICS
- a. The area that is served by the program makes sense.
 - b. The offices of the program are located near or adjacent to transit.
 - i. *Participants are welcome to open accounts at a variety of banks, and they can choose one with a convenient branch.*
4. PROGRAM DESIGN & OPERATION
- a. The program is run in the appropriate language(s) for the clientele in the area.
 - i. *The program is run in English. Workshops are offered in Spanish in Riverside's East County as Riverside County has a large Spanish speaking population.*
 - b. The program is culturally appropriate to the clientele in the area.
 - c. The program is tailored to the specific geography of the clientele in the area.

Level 3: From Feasible to Exemplary

These criteria elevate an IDA program to an exemplary program.

1. FUNDING & FUNDING REQUIREMENTS

- a. The program uses a funding program or funding source that is new and innovative.
 - i. *The program uses funding sources that are typical for IDA programs.*
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the program were adapted to capture funding, but the program was not completely changed in order to capture one particular funding source.
 - i. *The program uses funding sources that are typical for IDA programs.*
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the program.
 - i. *Multiple banks and numerous stakeholders provide funding.*
- e. The program exceeds minimum standards required by funding sources.
 - i. *There is deeper low and moderate income targeting than required by funding sources.*

2. FUTURE PROJECTS

- a. The program strengthens the position (financial, political, capacity, experience) of the organization.
- b. Through the program, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
- c. The success of the program will enable future funding on other programs.
- d. The community is happy with the program and will participate in more/similar programs in the future.
- e. The community is more knowledgeable about IDA programs.

3. ENVIRONMENTAL IMPACT

- a. The program has less environmental impact than traditional programs during operation.
 - i. *The program's environmental impact is undetermined.*

4. ECONOMIC IMPACT

- a. The program attracts new businesses to the area.
 - i. *Since the program restricts the use of funds for purchasing a first home, completing higher education or vocational training, or starting or expanding/retaining a business in the community, the program helps start new businesses in the area.*
 - b. The program helps retain existing businesses.
 - i. *Since the program restricts the use of funds for purchasing a first home, completing higher education or vocational training, or starting or expanding/retaining a business in the community, the program helps expand and retain existing businesses.*
 - c. The program improves matching of employees with employers.
 - i. *The program does not provide job matching.*
 - d. The program encourages development, redevelopment, and investment.
 - i. *The program encourages homeownership and asset building.*
5. COMPREHENSIVENESS
- a. The organization provides or connects to other programs that provide multiple services e.g. social services.
 - i. *Participants enroll in a fifteen part personal finance and money management workshop series, including a special asset-specific preparation program. These workshops are designed to help participants acquire or polish the personal and financial skills that are essential for long-term success; skills like long-range planning, household budgeting, credit repair, and savvy consumer habits are gained.*
 - ii. *Participants support one another through on-going peer support meetings.*
6. DIVERSITY
- a. The program serves a mixed income clientele.
 - i. *The program only serves low-income clientele who must income qualify.*
 - b. The program encourages mixed age, gender, ethnic, etc. participation.
 - i. *Racial diversity includes approximately 30% African-American; 30% Caucasian; 30% Latino/Hispanic; and 10% Other.*
 - c. The program supports minority businesses.
 - i. *The program can help participants with their new or existing businesses. Since many program participants are minorities, the program supports minority businesses.*
7. PUBLIC BENEFITS
- a. The program provides a financial service that is needed by the community but is currently not provided or accessible.
 - b. The program results in other positive physical impacts.
 - i. *The program helps participants purchase homes, which affects the local neighborhoods.*
 - c. The program results in other positive economic impacts.
 - i. *The program helps participants purchase homes, which affects the housing market.*
 - ii. *The program helps participants with businesses, which affects the local economy.*
 - d. The program results in other positive social impacts.
 - i. *The program helps participants pay for education, which affects the skill set of the local labor market.*
8. LONGITUDINAL DATA
- a. The program tracks financial indicators of its participants (e.g. # of participants who have gone on to purchase homes).
 - i. *Basic demographic information and financial information such as current employment income and savings balance are collected at the start of the program.*
 - ii. *The organization tracks the changes in assets quarterly.*

- iii. The organization tracks the financial benefits of the program, such as if participants gain better paying jobs or begin to earn living wages.*
- iv. The organization also tracks what mechanisms such as case management, coaching, etc. affected the above changes.*

9. REPLICABLE/SCALABLE

- a. This program can be replicated in other communities, regions, and/or states.

California Community Economic Development Exemplary Practices Project