BACKGROUND

The State of Indiana’s Individual Development Account (IDA) program was established in 1997 via state legislation, making it one of the first large-scale asset demonstrations in the country. The objective of the IDA Program is to assist people with limited means in achieving financial independence and becoming self-sufficient by providing them the skills to develop a budget and set goals, establish regular savings habits, and invest in assets.

WHAT IS AN IDA?

An IDA or Individual Development Account program assists low-moderate income Hoosiers attain their goals through matched-savings incentives and financial education. Operating behind the rationale that income alone is not enough for individuals to break trends of generational poverty, the IDA program focuses on asset building as a key component towards family and self-sufficiency. Participants in the IDA program are eligible to receive up to $4,500 in state match funds towards one of the eligible asset goals mentioned above. Participants also receive one-on-one counseling and 6+ hours of financial education covering topics such as budgeting, savings, credit, banking, taxes, and other money management strategies.

Qualified participants set savings goals and make regular savings deposits. Every dollar they save is matched, at a minimum for $3 for every $1 saved, to help them reach their goals so they can:

- Purchase a primary residence located in Indiana
- Expand a small business located in Indiana
- Obtain education job training
- Make essential repairs to owner-occupied housing
- Purchase a vehicle for employment, education, or job training purposes

HOW IDA WORKS

Participant Contribution + State IDA Match = Total

BRYAN MCDANIEL - VEHICLE PURCHASE

During the 2016 General Assembly, Senate Bill 325 passed allowing for participants to use their combined IDA savings to purchase a vehicle. While delivering meals to a local Head Start in Aurora, Indiana in 2012, Bryan McDaniel saw a flyer for the IDA program. Committed to the program from day one, Bryan completed the required financial literacy education in a matter of months and annually exceeded his savings goal. While he initially intended to use the account for home repairs, Bryan decided to adjust his asset purchase to a vehicle. Through support from Kimberly Elliott at the Southeastern Indiana Economic Opportunity Corporation (SIEOC), and approval from IHCDA, Bryan became the first IDA participant to take advantage of this new law by using their savings towards the purchase of a vehicle.

“Indiana leads the nation in IDA state policy.”