

IDA FIELD STRATEGY OPTIONS PAPER

INTRODUCTION

The IDA field has grown tremendously in the past decade. Escalating demand, scaled back resources, and growing specialization among stakeholders now require all of us to lend our best thinking to how essential field support services can be provided, improved, and sustained.

In 2004, CFED convened a group of IDA stakeholders to research, analyze, and present options for a long-term support strategy for the IDA field. The Steering Committee developed this options paper to spark thinking and elicit insight from the broader field.

This paper briefly sets forth the needs of the field, outlines some key components of current services, highlights some known gaps, and explores two options for creating a long-term and representative support strategy for the IDA field.

It is crucial that readers understand that this paper is not meant to be exhaustive. It is designed to spark thinking and elicit feedback. As you read, please take notes. Scribble. Mark it up. Make notes of what's been missed. Highlight the things you think are most important. Then share your thinking so that the on-going process is as informed as possible. Your unique experiences are essential.

The Steering Committee needs your input. **Please read the paper and complete the feedback form by November 8, 2004. Also encourage your colleagues to join the discussion.** Based on your insights, questions, comments, and criticisms, we will draft recommendations for a long-term field support strategy and issue a second paper for comment in December.

NEEDS OF THE IDA FIELD

Information and Learning Tools

- Infrastructure and management of communications services including but not limited to an information/referral line, web site, list serves, web logs, clearinghouse of resources, and regularly scheduled newsletter
- Professional development and problem-solving tools to meet the needs of basic, intermediate, and advanced IDA practitioners – in native languages, with culturally relevant context and examples, adaptable for use by people with disabilities, and designed for a variety of learning styles
- Peer networking venues for learning, building skills, exchanging information, addressing common issues felt by numerous members of the field, and planning for the future
- A broad campaign to increase general awareness of IDAs

Training and Technical Assistance

- Training curricula that can incorporate ever-evolving innovations, insights, and viable alternative approaches to a variety of IDA program elements
- Training services that are responsive, flexible, frequent, accessible, affordable, and comprehensive enough to meet the wide array of stakeholders' interests and abilities
- Specific, adaptable, replicable tools and assistance in implementing financial education programming
- An ample supply of high quality IDA trainers and technical assistance providers
- Affordable, consistent, accessible, relevant, current, and high quality technical assistance

Performance and Outcomes

- An adaptable mechanism for ensuring the highest quality program integrity
- Institutionalized support for continued research and development of IDA products and services
- An generally accepted definition of the IDA field
- An increasing number of quality “out of the box” IDA program components – from a technology platform/program for financial institutions, to on-line financial education programs etc.
- An expanded research agenda (linking IDA saving to increased connectedness to mainstream financial services, for example)
- Effective methods and tools for outcomes tracking, evaluation, and program reporting
- A means to compile field-wide data to be able to accurately articulate the breadth and depth of IDA impact in this nation

Policy

- Continuous development of new policies, improvement/expansion of existing policies, and elimination of problematic policies in relation to asset building among low-income populations (at all levels of government)
- Regulations and programmatic rules that foster further IDA development and integrate IDAs into current programs and funding streams (at all levels of government)
- A process by which policies, regulations, and rule development are informed and crafted to ensure delivery to specific populations, as appropriate
- Guidance and information about policy initiatives as well as how/when to best engage in development and advocacy efforts so that the diverse interests of the field are represented
- Standard language/definitions of assets, asset-building activities, asset limits, and IDAs
- An expanded network of allies to better reflect the multi-dimensional essence of IDAs

Resources

- Diverse and stable sources of funding for capacity building and technical assistance
- A shared and lower cost of programming

KEY COMPONENTS OF CURRENT SERVICES

Information and Learning Tools

Convenings

The IDA Learning Conference, sponsored by CFED and the Center for Social Development (CSD) is widely viewed as the primary convening for the field. It seeks to provide critical opportunities for learning, professional development, networking, and addressing common issues felt by numerous members of the field. State agencies, intermediary organizations, federal agencies, and collaboratives have been important sponsors of the IDA Learning Conference. The next IDA Learning Conference is scheduled for 2006, and CFED is considering hosting regional conferences in 2005. CFED has expressed interest in continuing to sponsor the IDA Learning Conference.

Communications

CFED maintains the IDAnetwork web site and list serve, responds to information requests via email, mail, and telephone, and publishes the *Assets* newsletter. In the past, CFED also developed the IDA program design handbook as well as numerous publication-based resources, such as "IDAs for Youth." A number of web sites provide information on IDAs and asset-building are also in place, such as those managed by CSD and the New America Foundation. Specialists, such as the National Endowment for Financial Education, also provide web-based resources frequently relied upon by IDA practitioners. Further, the New America Foundation recently launched the "AssetBuilding.org" electronic newsletter that provides additional resources to the IDA field.

Training and Technical Assistance

Training

In 2000 CFED developed the IDA effective practices training institute—a multi-day, multi-session training program to guide prospective and operating practitioners and their partners in how to develop, redesign, and expand effective and efficient IDA programs—based on best practice information from the field. Between March 2001 and August 2004, this training was been delivered by a core group of trainers selected and trained by CFED staff throughout the country. Now the training institute is delivered by the Assets Alliance, a group of experienced practitioners, trainers, and technical assistance providers in the IDA and asset-building fields. The Assets Alliance has plans to upgrade the materials and make the training more relevant to an increasingly diverse audience. The Assets Alliance will seek out new partners, members and mechanisms to deliver training that best meets the needs of beginner, intermediate, and advanced practitioners.

Technical Assistance

A good portion of the technical assistance to IDA programs is currently provided by local practitioners and, to a lesser degree, from national providers (such as CFED). A growing field of full-time consultants that specialize in providing assistance to IDA programs indicates that there is significant market interest in IDA TA. Technical assistance for Assets for Independence grantees has been in a planning and design phase since October 2003. To date, the resources garnered by the Office of Community Service (OCS) for this effort include CFED, ISED, Faith to Finance and individual providers. OCS has dedicated a significant amount of funds to this effort and with the approximately 180 organizations operating AFI funded programs, the potential impact is tremendous.

Financial Education

Curricula and delivery vary greatly across the field. There are numerous curricula and resource materials, much of which is listed in the financial education clearinghouse developed by the National Endowment for Financial Education. There is a curriculum specifically tailored to IDA programs (developed by the National Endowment for Financial Education and CFED), which is available for a nominal cost (covering shipping), from the IDAnetwork website. Organizations such as cooperative extensions, credit counseling agencies, and Neighbor Works organizations offer such training for a low or no cost in many communities. Organizations such as One Economy, Inc. and Women's Opportunity Resource Center have developed web-based financial education programs.

Many resources are available "outside of the IDA field:"

- Neighborhood Reinvestment Corporation offers a financial education curriculum and a training of trainers 4-5 times each year.
- National Community Reinvestment Coalition offers an online curriculum as well as a published manual that has a training of trainer's component and, in the past, included small grants to assist with training delivery.
- Other significant foundations such as Citigroup are offering broad services to support financial education including funding, training and new curricula resources.

Policy

CFED has long engaged in IDA policy work including but not limited to the development and stewardship of the Assets for Independence Act (that has served the largest number of IDA accountholders to date) and the Savings for Working Families Act. CFED has also made targeted grants and partnered with CSD on state policy development. CFED will continue to develop and advocate large scale, tax-based, progressive asset-building policies that build on the existing field. And in preparation for the next wave of universal, progressive, asset-building legislation focused on an inclusive system of children's accounts, CFED will be laying the foundations for new policy at both federal and state levels through the Saving for Education, Entrepreneurship, and Downpayment (SEED) Policy and Practice Initiative.

CSD has long been as a major resource on asset-building policies (since 1989) for state and federal policymakers as well as other advocates. CSD also produces a large body of published research, much of which has been used to fuel asset-building policy development. CSD has led the IDA field in promoting state-level IDA policy advocacy and has worked to track and promote state IDA legislative efforts since 1995. CSD has provided assistance to more than half the states, in considering effective strategies for IDA policy development funding, and implementation.

The New America Foundation has taken on the promotion of the asset-building concept in the media and on Capitol Hill. They have also worked with members of Congress to have the ASPIRE Act introduced that promotes savings accounts that would benefit all Americans from the time that they get a Social Security number forward.

In many states, coalitions have developed that are dedicated to moving legislation forward to make more IDAs available for the growing number of practitioners entering the field. The current state fiscal climate is difficult, so this is a frequent challenge. In some cases, the state coalitions are focused on maintaining current funding and helping partners across their jurisdictions find imaginative ways for current programs to access funds.

Each of these entities has endeavored in their own way to gauge the needs and desires of the field when supporting legislative initiatives.

Resources

A few, committed national funders have supported the IDA field since its inception. Indeed, it is to them that we owe so much of the progress that we have seen today. But their foundational investments over the past decade cannot continue for a variety of reasons, a tighter market with less cash to grant, increased competition from within an ever-growing field. It is critical that new philanthropic as well as sustainable public and private dollars flow into the field.

GAPS IN SERVICE DELIVERY

A comparison of the needs to key components of current activities clearly shows that there are numerous gaps. And, even in some areas where there is currently activity, some service providers have expressed concern about being able to meet the growing fields' needs on a going-forward basis.

Some gaps that have been highlighted include:

- IDA Learning Conference costs on both the provider and participant sides remain a large hurdle to get over. Participants frequently report that costs related to travel, lodging and registration fees are their biggest challenge in attending such conferences. For those looking to convene such events, the costs of planning and sponsoring an event are also quite high, particularly in terms of the staff time needed to meet the logistical challenges.
- Those interested in learning more about IDAs or asset building—whether they are already involved in the field, or are relative outsiders—need a reliable place to search for information.
- There is currently more demand for training than there is capacity to deliver. This is due both to the lack of adequate organizational capacity among the training providers and the relatively expensive cost of developing and delivering such training. (Though the commitment of the Office of Community Services to provide training and technical assistance services to its AFI grantees, and the recent formation of the Assets Alliance will increase the capacity to design and deliver training.)
- Even though the training institute, at its current stage of design, provides tools and resources many IDA initiatives, more advanced and diverse initiatives seek information, skills development and problem solving tools that are not addressed in the current version of the training.
- The trainings commissioned by local and regional organizations, by consultants and other technical assistance providers to the field may meet these needs within specific locales, but there is currently no uniform and widely offered training for the broader field of more advanced initiatives.
- There is a need for all training activities to include recently developed innovations, insights, and viable alternative approaches to different design elements. As the field continues to grow, refine and be linked to other asset-building tools and initiatives, these current practices need to be integrated into training opportunities.
- While there is technical assistance available from consultants (organizations and individuals) and from peers, there is little information regarding the efficacy of these services at this time. There is no mechanism currently capturing the insights developed by independent consultants.
- There is very little training and support for development of effective financial education delivery occurring with the larger, nationally focused IDA organizations. NEFE and CFED's *Pathways to Prosperity* is a significant contribution, but it was originally envisioned to include an accompanying TA service in effective delivery practices that has not occurred.
- While there are over 500 IDA programs in operation presently, there are no quality standards.
- Efforts must be taken to avoid disconnect between the organizations engaged in policy advocacy and the interests of the field by engaging the field early on, when policy development occurs.
- One of the imperatives of the asset-building field will be to help develop a funding strategy to support itself and move towards its full potential. Currently, there is no single entity responsible for IDA field fundraising.
- There are no known organizations with the current capacity to engage in broad IDA public awareness and education campaigns. Promotion of the benefits and accomplishments of IDA practitioners and account holders will be critical towards increasing the funding supply.

OPTIONS FOR A NEW IDA FIELD STRATEGY

The goal of the Steering Committee is to facilitate the creation of an inclusive, effective, and enduring set of institutions and services that will strengthen and expand IDAs as a central component of universal asset-building policy and practice. The Steering Committee drew on 30 years of community and economic development infrastructure to identify appropriate models for IDA field strategy that would move us toward that goal. From this research, it seems clear that the IDA field could adopt one of two broad options, either a centralized or a decentralized field strategy. These options are intended to stimulate discussion and move us to a better understanding of both their possibilities and limitations. The options certainly do not exhaust the possibilities, and neither of the options should be considered recommendations.

Option 1 – Centralized IDA Field Strategy

Perhaps the most familiar approach would be the creation of a single membership organization, in the form of a trade association, network, or coalition, with the capacity to provide a comprehensive range of services to its members. The strengths of this approach include a sharp focus on IDA-related issues, an enhanced capacity to organize and raise funds, and potential economies of scale in service provision.

The Steering Committee's research identified the following lessons that can be learned from the experiences of other such centralized approaches:

Initial leadership and governance strategy- The business model for a new organization would need to spell out clearly the governance strategy (steering committee and other interim committees) for the first few years and be endorsed by the entire field. These committees would need to be working committees.

Diverse stakeholders- centralized strategies should be inclusive and represent a variety of diverse stakeholders, some of whom may have been underrepresented in the past. This may result in competing interests for services and funding. The leadership should address the needs of its diverse constituency while staying focused on the overarching needs of the field.

Diverse funding- Many centralized structures begin with one or two key funding sources, and since funding sources do not last in perpetuity the challenge would be to diversify the funding base early on both in terms of grants as well as revenue streams (dues, fees for services, contracts, etc.)

Connecting IDAs to other initiatives- A national centralized strategy could add immediate value through connecting IDAs to other federal development opportunities (tax code, housing, education, economic development, workforce development, etc.) leading to greater resources and impact. IDAs are a vital element of a larger universal asset-based strategy.

Option 2 – Decentralized IDA Field Strategy

A more organic alternative might be to create a system or network of organizations that are already operating at the national, regional, or local levels and providing various services to a range of constituencies. The strengths of this approach include the possibility of building on the capacities and resources of established people and organizations, the ability to be flexible to meet local, regional, or special needs, and widely-distributed opportunities for practitioner engagement.

Lessons from elsewhere include:

National cohesion- A decentralized strategy may create challenges in crafting a cohesive national strategy for funding, growth, marketing, standards, and technical support for the IDA field.

Close nexus to the field- A decentralized strategy may enable services and supports to be more closely tied to the needs of the IDA field.

Sufficient funding- It could be difficult for a decentralized strategy to raise sufficient funds to support the work of a number of national, regional, state and local entities to provide services.

Geographic gaps in service delivery- Certain parts of the U.S., particularly rural areas and Indian Country, are less likely to have strong regional, state and local organizations that can act as arms of the decentralized strategy. The strategy would need to address how services might be best delivered to these areas.