



FAMILY ASSETS FOR INDEPENDENCE IN MINNESOTA (FAIM)

Purpose: Family Assets for Independence in Minnesota helps low-income working Minnesotans increase savings, assets, and financial knowledge to achieve greater economic security.

Description: Participants open savings accounts at local banks to save for one of three assets: *home purchase, post-secondary education, or small business capitalization*. Savings are matched 3 to 1, much like employer-based retirement accounts. Accountholders can save for two years with a maximum match and savings total of \$3,840.

Eligibility: Households incomes must fall below 200% of the federal poverty level (\$37,060/year for a family of three). Accountholder deposits must be from **earned income**.

Delivery: A statewide multi-partner collaborative of Bremer Banks, City County Federal Credit Union, Greater Twin Cities United Way, Community Action Agencies, Leech Lake Tribal Government, and Emerge Community Development, deliver services at multiple sites throughout Minnesota.

Return on Investment: The following results demonstrate a solid return on investment:

- Over the last decade, very low income FAIM accountholders earned and deposited over **\$ 2.46 million** into local savings accounts statewide.
- Over **1675 assets** have been acquired: 28% home purchases, 39% capitalized businesses, and 33% higher education degrees.
- Over **3000 participants completed 12 hours of financial education**, increasing the financial fitness of Minnesotans working to leave poverty permanently. These new skills are modeled and passed on to the next generation, **decreasing the likelihood of intergenerational poverty**.
- FAIM asset purchases **boost local economies** through increased **home ownership** property taxes, newly **created jobs**, local **small business purchases**, and increased **professional skills**.
- University of Minnesota research (Solheim & Wochnick, 2008) demonstrated **high FAIM home ownership retention and foreclosure prevention rates**. The study examined home purchases made over a four year period, concluding that 94% improved their economic well-being through home retention or a net gain property sale. Only three homes went into foreclosure.
- **High quality financial education** and **ongoing coaching** are key program success factors. Participants receive one-to-one guidance on sound budgeting, credit repair, debt reduction, consumer protection and mortgage lending products, and how to maintain their assets.

State Funding Leverages Federal Match: A state biennial appropriation of \$500,000 successfully leveraged a 1-to-1 matching federal Assets for Independence grant for the past 10 years. **The \$500,000 match may be lost with the recent elimination of state funding support.**

For more information visit www.minnesotafaim.org or contact:
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