



## 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 a custodial FAIM savings account at Bremer Bank to save for one of six assets: *home purchase, post-secondary education, small business capitalization, vehicle purchase (new in 2021), college 529 savings account, or emergency savings (both new in 2024)*. Savings are matched 3:1 by the program, much like an employer-based retirement account. Accountholders may save for two years to achieve a maximum match and savings total of \$16,000 toward their chosen asset. They complete 12 hours of financial education and 10 hours of asset-specific training during that time.

**Eligibility:** Household gross annual income must fall below 200% of the federal poverty level (\$51,640/year for a family of three in 2024). Accountholder deposits are made from **earned income**.

**Delivery:** Services are delivered statewide through collaboration with Community Action Agencies, African Career, Education & Resource, Cornerstone Advocacy Service, Emerge Community Development, Mille Lacs Band of Ojibwe, Minnesota 8, Minnesota Seeds of Justice, Mni Sota Fund, Neighborhood Development Alliance, Neighbors, Inc., Northfield Healthy Community Initiative, Northwest MN Multi-County HRA, Phyllis Wheatley Community Center, Youthprise, and Bremer Bank.

**Program Impact:** The following results demonstrate a positive impact of FAIM enrollment:

- Through 2024, low income FAIM accountholders earned and deposited more than **\$5 million** into local savings accounts statewide.
- Through 2024, over **3,300 assets** have been acquired: 30% home purchase, 32% capitalized business, 37% pursued post-secondary education, and 1% acquired a vehicle (new pilot in 2021). Additional pilot tracks in 2024 include Emergency Savings and 529 College Savings.
- Through 2024, over **4500 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 4 years, reporting that 94% improved economic well-being through home retention or a net gain property sale.
- A **program impact study** (see reverse side) found that: **90% of FAIM small business were still in business after 2 years** (national average is 46%), there were **no reported home** foreclosures, and **96% of post-secondary education seekers had obtained their degree or were in pursuit**. **Public assistance usage decreased dramatically** following FAIM participation, with 88% of participants accessing cash assistance on program entry, dropping to 40% accessing cash assistance when exiting the program.
- **High quality financial education and ongoing coaching** are key program success factors. Participants receive 1:1 guidance on sound budgeting, credit repair, debt reduction, consumer protection, mortgage lending products, and how to maintain their assets. Free tax preparation is offered at many sites.

Visit [www.minnesotafaim.org](http://www.minnesotafaim.org) or contact: **Dave Snyder at WCMCA: 612-867-7118; [davids@wcmca.org](mailto:davids@wcmca.org)**

## FAIM Program Impact Research Highlights

Three studies were conducted in 2013 to determine the impact of the FAIM program to investors--funders, legislators, and other supporters. Examining each of the three assets separately, we worked with students from Gustavus Adolphus College in January and University of MN Humphrey School students over this past summer to contact FAIM program graduates over the past ten years. In-depth phone interviews conducted with former FAIM participants to collect data about their experience with the program and its impact on their lives and productivity. The Humphrey students created an additional on-line survey option for their survey respondents.

The overarching research finding from these three reports is that the FAIM program has provided tremendous resources and assistance to support the mobility of Minnesota's low-wage families. Here are a few highlights from each of the reports for your review.

### Home Ownership Asset Findings:

Of the **81** FAIM graduates surveyed:

- **67 had purchased** a home and 14 were aiming to buy one in the near future.
- **97% still owed** their home, and 2 had already sold. There were **no reported foreclosures**.
- **89% had not used risky financial products** or services in the past 6 months.
- **56%** experienced an **increase in their income** since completing FAIM.

### Education Asset Findings:

Of the **115** Education Track FAIM graduates surveyed:

- **65%** had **completed their degree** or certificate, 31% were in active pursuit.
- **40%** said their employment has improved since completing their education;
- **57% said their incomes have increased** by a combined \$440,000+ per year.
- **While 12%** of respondents reported using no public assistance upon FAIM enrollment, that percentage **more than quadrupled** to 57% following FAIM participation.

### Small Business Asset Findings:

Of the **130** Small Business Track FAIM graduates surveyed:

- **89%** of surveyed FAIM-sponsored businesses are still in operation after over 2 years, compared to a national average of **44%**.
- **14%** reduced their state assistance in low income heating assistance, food support, and MN Care health coverage; resulting in an estimated savings to the state of **\$241,313/year**.
- **65%** of businesses achieved an increase in their sales and income after applying their FAIM matched savings to improve their businesses.
- **22%** of businesses have added at least 1 additional employee since launching their business.
- **\$26,681,504/year of total estimated income revenue** was generated for all FAIM recipients and their employees.