

Changing course

Boston, MA

Things looked bleak for Boston resident, Alfonso, when the company he was working for went out of business and he lost his job. For two years, he had actively participated in United Way of Massachusetts Bay and Merrimack Valley's Financial Stability initiative. Alfonso was working toward purchasing his first home with the help of an Individual Development Account (IDA). Alfonso was determined not to let losing his job keep him from his dream of home ownership.

People in the greater Boston area, and all across the country, are struggling to become financially independent. More than 38 million Americans live below the federal poverty level, yet more than 50% of them are employed.



The United Way *Financial Stability Partnership*[™] works to increase access to the tools and resources that help hardworking individuals and families increase their income, build savings, and gain and sustain assets, like a home or higher education. In many communities, one component of the *Financial Stability Partnership* is an IDA program, which allows people, like Alfonso, to put away a portion of their income each month and participate in ongoing financial literacy and asset building workshops. Savings groups develop a strong sense of community as they learn about topics such as job trends, steps to going back to school and setting up retirement accounts.

“Today, Alfonso is in a better place than ever before to achieve his goal of one day owning a home.”

The United Way of Massachusetts Bay and Merrimack Valley helps over 200 low-income families in the greater Boston Area learn about and open IDA accounts through the *Financial Stability Partnership*. By 2010, United Way of Massachusetts Bay and Merrimack Valley will have **matched the individual savings for the purchase of 75 homes, 115 post-secondary education opportunities and the capitalization of 37 businesses.**

Alfonso, who had been working in the IT field, used the funds he invested in his IDA account to enroll in a higher-education course. “That program definitely helped me find a better job,” Alfonso said. “Almost immediately after completing it, I got one part-time Systems Administrator job. Then I got another part-time job to make full-time work.” With his improved employment situation, Alfonso and his family of four were able to move from their cramped one-bedroom apartment to a three-bedroom unit. Today, Alfonso is in a better place than ever before to achieve his goal of one day owning a home. These results have benefits that ripple out to the community as a whole.

- 90% of tax benefits for asset building accrue to households earning more than \$50,000 a year.
- As many as one third of working Americans do not earn enough to meet their basic economic needs.
- One in three households reported using credit cards to cover basic living expenses – including rent, mortgage payments, groceries, utilities and insurance.