

IDA/CASH Program Testimony

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We are all aware of the proverb that says, “Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime.” Based on this proverb I offer there are three types of people who live in poverty. The first are those who need to be given a fish. They are the poor elderly and/or disabled who financially or physically are unable change their social or financial circumstances. They need our help. Secondly, there are those who, “Need to be taught how to fish.” They have the desire, physical and mental capacity to better themselves, but they have never been taught how. There are many resources that they may not know exist, or how to access. This could result from generational poverty, bankruptcy from a medical bill, loss of employment, shift in employable skillsets, or even a lack of knowledge that there are other options available to them. Then there are those who just don’t like fish! Little if anything will change their life decisions.

What I love about the Individual Development Account Program (IDA) is that it targets this middle group by giving them the knowledge and tools to accomplish something that is so significant that it not only transforms their lives, but it completely rewrites their future story. More often than not it reaches into the next generation. The program not only teaches them to fish, but it also puts into their reach all the equipment necessary to fish successfully for the rest of their lives.

One of the first clients into the IHS IDA program was a single mother of two, from Arlington, KS. She worked as a CNA in a nursing home in Hutchinson, but commuted the 21 miles due to cheaper housing in Arlington. Her dream was to buy her own house in Hutchinson, but stated “I know it is not possible, because I can’t even pay my bills now.” After taking the mandatory 6 hours of financial literacy training she found that with some changes to her budget and with discipline, she could save. Through the program, over about a year, she had saved enough and with our matching funds was able to purchase her first home. Needless to say we were excited about her success and because she was one of our first clients we were happy to see the program work. A little over a year later this same young lady invited us to her graduation celebration as she had just completed her RN degree. We did not help her with the education. She did that all on her own using the saving and discipline tools she gained through the IDA program. The lifetime earning potential between an RN degree and a CNA is huge. She not only changed her life, but the lessons learned will transfer to her two children as they grow in this new environment. She will no longer need food stamps, rental assistance, etc. to survive, but is making it on her own.

We have seen this same scenario repeat itself over and over again. Most people who can, want to be self-reliant, but have never had the tools, knowledge, support or self-confidence to do it. That is what makes the IDA program so unique.

The Center on Budget and Policy Priorities reports that in Kansas 11% of the population receives SNAP Assistance and that 49% of those are working families. This equates to approximately 155,000 households that are employed and working hard, but they just can’t make enough to get ahead. There

are a lot of programs designed to help lower-income people and households with a variety of support services. House weatherization, housing rehab, down payment grants, rent subsidy, utility bill assistance, food stamps, and education grants just to mention few. While all of these programs fill a need they all fall short of empowering the recipients to become self-sufficient, not needing this support again in the future. This is what makes the IDA program so successful. It teaches people how to live within their means, set and accomplish goals, understand money and budgeting and gives them the courage to change.

As you have seen from other testimony and supporting documents this program is a success. However, without a change in the legislation allowing individuals to purchase the IDA Tax Credits the program will not continue. The tax credits are already in the budget, we just need to change who can use them. In a time when we are talking about strengthening families, working on poverty issues, improving housing conditions, making education available to more Kansans and growing jobs through small business development, nothing hits all these goals like the IDA program.

I thank you for working to make this small change in the legislation to the IDA program so that we can continue to grow the program across Kansas.