

Individual Development Accounts



Quick Look: Individual Development Accounts are special savings accounts that can help some people save money to buy or fix up a house, start a small business, continue their education, or participate in a training program.

What is an IDA?

An Individual Development Account (IDA) is a special savings account matched by federal and state dollars. IDAs can help low-income individuals and families save money for education or training, purchasing or rehabbing a home, buying a vehicle, or starting a small business.

Who is eligible for an IDA account?

An individual who has a job, earns income, and who is a member of a household with an annual household income of less than 200% of federal income poverty guidelines is eligible for an IDA account.

How can an IDA help someone who works?

IDAs enable individuals who work to set aside money for financial goals such as buying or rehabbing a home, paying for training or education, or starting or expanding a small business. Funds set aside in IDA accounts usually do not count against the monthly earning limits of TANF and Social Security programs.

How does an IDA work?

- IDA participants are eligible to receive up to \$4,500 in state and federal match funds that can go toward one of the eligible asset goals mentioned above.
- Account holders agree to deposit at least \$500 each year.
- Savings are matched at a minimum of \$3 for every \$1 saved.
- There is a maximum that can be matched.
- Account holders must participate in the program for a period of time—usually 3 years before the money and the match can be spent.
- Participants receive one-on-one counseling and 6+ hours of financial education covering topics such as budgeting, savings, credit, banking, taxes, and other money management strategies.

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For more information on IDAs, see the [Prosperity Now website](#).

For help with setting up an IDA account and for help finding a program near you, click on the [Indiana Housing and Community Development Authority's webpage on Individual Development Accounts](#).

For general information:

Indiana Works

Indiana's Work Incentive Planning and Assistance Program

Northern and Central Indiana:

1-855-641-8382 (toll free)

or

Southern Indiana:

1-800-206-6610 (toll free)

For the Benefits Information Network:



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<https://www.iidc.indiana.edu/cclc>

812-855-6508