An IDA is a special savings account matched by federal and state dollars. The goal of the IDA program is to help low-income individuals and families build wealth as a path out of poverty.

What is an IDA?

- Individual Development Accounts (IDA’s) are matched savings accounts designed to help low-income families save money

Who is eligible for an Indiana IDA account?

- Individuals with income less than 175% of Federal poverty guidelines
- Have a job and earn income

How can an IDA help someone who works?

- IDA’s allow individuals who work to set aside money for financial goals such as buying or rehabbing a home, paying for training or education, or for 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?

- The account holder agrees to deposit at least $400 each year
- The amount is matched usually 1 to 3, but can go higher
- There is a maximum that can be matched
- The holder must participate in the program for a period of time—usually 3 years before the money and the match can be spent.
- Financial education requirements—participants are required to attend financial education classes.

Interested in setting up an IDA savings account?

- For help with setting up an IDA’s account contact your local housing agency or community action program that helps low-income people
- Use the IHCDA SSA 800 number or website from the left column of this FACT SHEET to find a local contact number for your area
An IDA is a special savings account matched by federal and state dollars. The goal of the IDA program is to help low-income individuals and families build wealth as a path out of poverty.

**IDA examples:** In total, the state cannot match more than $1600 in savings at a 3:1 rate.

- **Example 1:**
  - Y1 - $400 Savings; matched $1200 ($400 *3)
  - Y2 - $600 Savings; matched $1800 ($600 *3)
  - Y3 - $800 Savings; matched $1800 ($600 * 3)

  Year 3 only matched $600 of the participants $800 in savings as, the program can NEVER exceed matching over $1600 ($400 *4) in participant savings.

  **Total Savings:** $1800/Total Match: $4800

- **Example 2:**
  - Y1 - $400 Savings; matched $1200 ($400 *3)
  - Y2 - $800 Savings; matched $2400 ($800 *3)
  - Y3 - $400 Savings; matched $1200 ($400 *3) – NOW GRADUATED

  **Total Savings:** $1600/Total Match: $4800

- **Example 3:**
  - Y1 - $800 Savings; matched $2400 ($800 *3)
  - Y2 - $800 Savings; matched $2400 ($800 *3) – NOW GRADUATED
  - Y3 - $400 Savings; matched $0 (already matched $1600 in years 1 &2)

  **Total Savings:** $2000/Total Match: $4800

- **Example 4:**

  Y1 - $1000 Savings; matched $2400 ($800 *3) - CAN'T EXCEED in matching more than $800 in participant funds in one year
  - Y2 - $800 Savings; matched $2400 ($800 *3) – NOW GRADUATED

  **Total Savings:** $1800/Total Match: $4800

- **Example 5: Traditional**

  Y1 - $400 Savings; matched $1200 ($400 *3)
  - Y2 - $400 Savings; matched $1200 ($400 *3)
  - Y3 - $400 Savings; matched $1200 ($400 *3)
  - Y4 - $400 Savings; matched $1200 ($400 *3) – NOW GRADUATED

  **Total Savings:** $1600/Total Match: $4800

*Examples courtesy of Jacqueline Troy, IDHCD IDA Program Administrator*