



The Midas
Collaborative



The Midas Collaborative is

A statewide collaborative of 37 community-based organizations developing, administering and promoting asset-building and retention initiatives for low and moderate -income residents throughout Massachusetts.



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Midas members are

Community development corporations, charter schools, workforce development programs, small business developers, community action programs, community health centers, faith-based groups.

Welcoming and committed to innovation, peer learning, and common systems change.



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The Income/Expense Problem

Annual wages in Worcester, Mass:

2 adults with 2 children working full-
time at Walmart = \$43,700

Cost of Living = \$59,700*

(*source: Crittenton Women's Union, Economic Self
Sufficiency Calculator)



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Why Assets Matter:

- **Provide access to more financial resources than is needed to survive, allowing individuals to afford the price of the “American Dream”: education, a home, a business.**
- **Pair the ability to earn a living with the capacity to own specific assets that offer an enduring route out of poverty.**
- **Promote civic engagement and a future orientation by offering a stake in society.**



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Matched Savings Accounts

- **SUPPORT** – Positive coaching, peer support, mentors, financial education venues that meet other needs.
- **INCENTIVES** – Match for savings, personal goal-setting, public affirmation.
- **ACCESS** – Assistance in asset-investment process, such as home-buying and college access.



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Matched Savings Accounts

- **A mutual commitment to the future by investor, non-profit, financial institution, and other partners through a 6 month to 3 year process.**
“Hope in concrete form” *Michael Sherraden*
- **Matched savings in restricted accounts**
- **Personal finance training and counseling**
- **Training in specific asset areas**
- **Investment in appreciating or stabilizing asset**



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Assets Purchased with Matched Savings/IDAs

- **Common assets for mod-income investors;**
 - homes, small businesses, post-secondary education
- **Assets for low-income investors;**
 - vehicles, computers, security deposits, emergency funds, debts, home repair.



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Outcomes for Midas savers:

- **736 enrolled investors, at 22 sites**
- **saved over \$451,000,**
- **earned a combined match over \$881,000,**
- **and attended over 4700 hours of financial and asset training to build their financial capacities.**



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Outcomes for Midas 2010 grads:

- **The 125 investors**
- **Had an average income of under \$25,000/yr,**
- **Invested in over \$10.1 million worth of homes, educations, small businesses, and other assets,**
- **Had higher income, lower debt, higher credit scores, and made more use of lower-cost banking services.**



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Benefits of Matched Savings Programs

- **Low income people can save and buy assets! This has been proven nationally, and confirmed in Massachusetts.**
- **Savings among low-income people provides more stability and increased chance of upward mobility.**
- **Better outcomes for kids of low-income savers.**
- **Behavioral changes in savings, banking, credit management, consumption, and planning.**
- **Matched savings strengthen other asset programs; home-buying, EITC, small business, workforce.**
- **More integration is good for outcomes and costs.**



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Benefits of Matched Savings Programs

Address historical racial and gender wealth gaps with targeted outreach. Graduate demographics:

- **34% African-American, 34% Hispanic, 17% Caucasian, 15% other**
- **72% female**

The Midas Collaborative:
Training, TA, fundraising, fiscal services (account & data mgt, reporting), leadership, strategy, advocacy

Community Partner Organizations:
Program design, outreach to and direct service for investors, fundraising, leadership, advocacy



Financial Institution

Funding Partners, including HHS/AFIA



Investor

Investor

Investor

Investors: save, invest, lead, advocate



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Financial Education

- **Trainings in groups**
- **Individual Coaching/Counseling**
- **On-line resources, (see MassSaves.org)**
- **Quality is varied**



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Adults learn as we:*

- **Move from dependency to self-direction**
- **Draw upon our experience**
- **Are ready to learn when we assume new roles**
- **Want to solve problems and apply new knowledge immediately**

* “Theory of Andogogy”, Malcom Knowles



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Applying theory to practice

- **Explain why specific things are being taught. Involve learners in the planning and evaluation of their instruction.**
- **Be task-oriented, not rote-oriented**
- **Allow learners to discover things for themselves.**
- **Be problem-centered. Guide, listen, offer help, don't lecture.**
- **Deliver content in varied formats; role playing, simulations, case studies, self-evaluation.**



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Financial Education Landscape

- **Many curricula!**
- **Varies by needs of target group. Most effective if learner-centered.**
- **Best if integrated into other personal or professional growth venues, such as home-buying, ESL, small business training, leadership**
- **Role of banks: individual counseling, portions of training, grant support for staffing, host sites for workshops, sponsors of classes.**



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Questions?

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