

**Group 2**  
**Building Financial and Developmental Assets**  
**Initiatives to help individuals and communities accumulate and advance assets**

**1. Supporting and Bonding for Affordable Housing Programs:**

- Expand housing voucher programs<sup>1</sup>
- Promote equitable development in and around central cities.
  - Policymakers should adopt inclusionary zoning laws to require developers to make a share of new residential units available to low and moderate-income households.
  - At the federal level, expand the Low Income Housing Tax Credit program and enact a national housing trust fund.
  - Infuse the goal of economic inclusion into local planning and development at the regional level and in the inner city.
  - Include efforts to improve schools, create affordable housing, assure physical security, and enhance neighborhood amenities in development strategies.
- Address the lack of affordable housing.<sup>2</sup>
  - Increase production of affordable housing through continued state commitments that leverage private dollars for housing construction.
  - Prevent demolition of existing affordable housing without adequate plans and funding for replacement.
  - Provide funding to communities to rehabilitate distressed properties.
  - Increase public subsidies and preferential treatment to housing production projects that include affordable housing units.
  - Housing policy needs to be regional, both to address jobs-housing imbalances and to reduce concentrations of poverty in the central cities.<sup>3</sup>

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<sup>1</sup> From Poverty to Prosperity, A national strategy to cut poverty in half. Center for American Progress. (Page 26).

<sup>2</sup> Poverty despite Work in Minnesota (Page 15).

<sup>3</sup> Mind the Gap, Reducing disparities to Improve Regional Competitiveness (Page 36)

- Slow the loss of affordable rental housing to conversion of rental properties from federally subsidized projects to market-based rents and the displacement of low-income renters from these properties.
- Prevent conversion of moderate cost rental properties to high-cost condos
- Work with local governments and mobile home park residents to facilitate resident purchase of mobile home parks rather than have them shut down and redeveloped, displacing low-income residents
- Provide incentives to developers to build a high percentage of housing units that are easily adaptable/convertible to housing suitable for people with physical or mobility impairments.
- Require significant percentage of housing units in new developments to be fully accessible to people with disabilities.
- Business should partner with non-profits and landlords to rehabilitate or create affordable housing near the workplace.<sup>4</sup>

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<sup>4</sup> Close the Gap, A Business Response to Our Regions Growing Disparities (Page 10).

## 2. Promoting and supporting homeownership

- Expand Individual Development Accounts.<sup>5</sup>
  - Example: FAIM
  - Enact public policies that support participation in IDAs, both for individuals and private donors
- Provide support to people in danger of losing their home and promote preventive measures
  - End predatory lending practices<sup>6</sup>.
  - Employer can develop employer-assisted housing programs that include a revolving loan fund or other financial assistance.<sup>7</sup>
  - Foreclosure prevention programs
  - Credit counseling programs
- Provide potential homeowners with homebuyer education
  - Business should offer credit counseling services and first time home buyer education to employees.
  - Banks should offer credit counseling services and first time home buyer education to customers.<sup>8</sup>
  - Provide financial education through public institutions, i.e. libraries, MNSCU, community education
  - Business should educate employees about resources that provide information on tenant's rights and assistance in working with landlords.<sup>9</sup>

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<sup>5</sup> Affirmative Options Coalition

<sup>6</sup> Affirmative Options Coalition *and* Legal Services Advocacy Project.

<sup>7</sup> Close the Gap, A Business Response to Our Regions Growing Disparities (Page 11).

<sup>8</sup> Close the Gap, A Business Response to Our Regions Growing Disparities (Page 10).

<sup>9</sup> Close the Gap, A Business Response to Our Regions Growing Disparities (Page 10).

### **3. Providing consumer and financial education.**

- Financial literacy training.<sup>10</sup>
  - Teach personal and family financial literacy and lifelong financial health from early childhood through adulthood in age-appropriate ways, including wise savings, asset building and smart spending.<sup>11</sup>
  - Incorporate financial literacy into elementary and secondary public school curricula, and include in all Adult Basic Education programs.<sup>12</sup>
  - Fund culturally appropriate financial education programs
- Require financial literacy training and bank account establishment as condition of participation in many public programs.

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<sup>10</sup> Affirmative Options Coalition

<sup>11</sup> Rooting Out Poverty: A Campaign by America's Community Action Network (Page 10)

<sup>12</sup> Mind the Gap, Reducing disparities to Improve Regional Competitiveness (Page 36).

#### **4. Promoting saving for future economic needs**

- Enable low income people to save money without being disqualified from public programs because of low asset limits in the programs -- significantly raise asset limits
- Enact laws that protect assets
  - Outlaw “Debt Settler” practices
  - Cap pay day lender interest rates
  - Cap charges for loans based on expected tax refunds and EITC
  - Tighten restrictions on rent-to-own industry
- Expand Individual Development Accounts.<sup>13</sup>
  - Example: FAIM
- Encourage parents to start saving early on for their children’s future needs.
  - Establish “baby bonds” at birth- Money deposited into account at the birth of every child for future spending on college, etc. Low-income children would get more generous public matches.<sup>14</sup>
  - Enact and expand tax policies that would give parents extra incentives to save for their children
  - Businesses could match parents’ savings for the children
- Engage the “un-banked” in traditional financial institutions
  - Provide incentives to banks to come to underserved areas, such as reservations
- Provide additional ways for people to save for retirement
  - Start a statewide 401K program in which all residents can participate
  - Allow residents without a 401K program at their job to participate in the state employee program

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<sup>13</sup> Affirmative Options Coalition

<sup>14</sup> Affirmative Options Coalition

## **5. Meeting individual and community transportation needs**

- Design communities to maximize foot traffic, public transportation and make neighborhood services accessible.<sup>15</sup>
- Develop and implement policies to support transportation systems that effectively serve those most in need.<sup>16</sup>
  - Van pooling
  - Minnesota RideShare
  - Transit
- End predatory lending practices for automobile purchases.<sup>17</sup>
- Promote vehicle ownership
  - Low-interest loans and grants for auto repairs and purchases for working folks.<sup>18</sup>
  - Removing barriers for charitable organizations and individuals to donate their used cars (liability, licensing)
  - Expand IDA usage to automobiles
  - Leasing programs for low-income folks

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<sup>15</sup> Rooting Out Poverty: A Campaign by America's Community Action Network

<sup>16</sup> Rooting Out Poverty: A Campaign by America's Community Action Network (Page 8)

<sup>17</sup> Affirmative Options Coalition.

<sup>18</sup> Affirmative Options Coalition.

## **6. Building developmental assets for youth and reducing at-risk behaviors**

- Encourage government and non-profit organizations to consciously build developmental asset promotion into their programs and activities.
  - Utilize Search Institute philosophies
- Expand positive after-school activities for youth
  - Publicly funded programs
  - Business-supported mentorships
  - Privately funded programs
- Encourage faith communities to support positive programs for youth

## **7. Building community assets and leadership capacity**

- Community development initiatives that build new relationships between citizens.<sup>19</sup>
  - Example: “Circles of Support” links individuals in need to community resources, encourages participants to become more self-reliant and helps communities work together to end poverty.
- Give residents leadership opportunities
  - Horizons program
  - Citizen councils

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<sup>19</sup> Affirmative Options Coalition



## **8. Inspiring people to assume personal responsibility**

- Promote programs that encourage people to be more self reliant.
  - Example: Circles of Support
- Support marriage
  - Publicly supported relationship and marriage education for both pre-marital and married couples.<sup>20</sup>
- Promote education for youth that encourages good decision making
  - Sex education that emphasizes an “early parenthood = reduced economic opportunity” message.<sup>21</sup>
- Provide job counseling and other services, similar to services provided to custodial parents on MFIP, to child support obligors<sup>22</sup>
- Enhance fatherhood initiatives and child-support enforcement<sup>23</sup>

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<sup>20</sup> The Next Generation of Anti-Poverty Policies, The Future of Children/Brookings Institution. Chapter starts on page 117.

<sup>21</sup> The Next Generation of Anti-Poverty Policies, The Future of Children/Brookings Institution. Chapter starts on page 117.

<sup>22</sup> The Next Generation of Anti-Poverty Policies, The Future of Children/Brookings Institution.

<sup>23</sup> Connecticut initiative