

# HACBED

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Community Voice, Collective Action

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February 9, 2009

House Committee on Human Services  
Monday, February 9, 2009 at 8:15 a.m.  
Room 329

STATE  
testimony

Dear Chair Mizuno and Committee Members:

The Hawai'i Alliance for Community Based Economic Development (HACBED) is submitting testimony in support of **HD 734** which would appropriate funds to the individual development account (IDA) program and require the Department of Human Services to provide technical and administrative assistance to fiduciary organizations.

IDAs are part of a comprehensive public policy agenda to help people build assets. Since 2001 a small network of nonprofit organizations in partnership with local financial institutions have successfully implemented IDA programs. Bill would expand IDA opportunities to more families. Asset Building is an approach to fostering financial independence. It provides individuals with tangible incentives to save, helping them to gain financial success. Assets are essential for three reasons:

1. To have **financial security** against difficult times
2. To create **economic opportunities** for oneself
3. To **leave a legacy** for future generations to have a better life

We support **HB 734** in that it is part of a package that we believe does just that. The Ho'owaiwai Asset Policy agenda addresses these needs by putting together a comprehensive package of bills and policies that encourages and widens opportunities for asset building.

Individual development accounts (IDAs) are matched savings accounts that enable low-income families to save, build their assets, and enter the financial mainstream. IDAs reward working families who are building toward an asset, such as buying a home, paying for college tuition, or starting a small business. This makes for a better life for Hawai'i families and communities while giving families a sense of empowerment when they achieve their savings goal.

Community Voice, Collective Action

Chair and Committee Members

January 20, 2009

Page 2

This bill will provide organizations running IDA programs access to sufficient operational funds that are needed to provide financial education and planning, resources for case management, and funds for technical assistance and support. Most IDA programs have long waiting lists of eligible low-income individuals but not the matching funds to support them. The investment in this bill will allow more families in Hawai'i to achieve their asset goals.

Thank you for the opportunity to submit testimony.

Sincerely,

Brent Dillabaugh  
Policy Coordinator