

Taking savings into account

By Russ Pulliam for the Indy Star

June 12, 2009

Indianapolis, Indiana

The big idea in Washington is to borrow our way out of the recession and financial crisis. It won't work over the long term.

But a better response to the crisis is to save, and that idea is gaining support at both ends of the political spectrum.

Proposed federal legislation gives tax incentives to encourage savings accounts for low-income working families. Families use the money to buy a home, pay for education or finance a small business.

Indiana offers these accounts, called Individual Development Accounts, through community development corporations, and the savings are matched by the state.

Nationally, the Corporation for Enterprise Development reports that 85,000 IDAs have yielded 9,400 home purchases. These ownership accounts work because the purchasers learn some budget principles, usually through local community development corporations. Fannie Mae and Freddie Mac, under pressure from Congress, pushed home loans without preparing buyers for the responsibility.

The funny thing about this legislation is how it unites political opponents. For the Democrats, Sen. John Kerry is on board, along with Independent Joe Lieberman. For the Republicans, Sen. Jim Bunning of Kentucky has signed on, along with Rep. Joe Pitts of Pennsylvania. Former Indiana Sen. Dan Coats was a leader in getting the concept adopted in Congress on a smaller scale in the 1990s.

Conservatives usually like the savings emphasis, combined with the work ethic. Liberals appreciate the accounts as a tested method of lifting families out of multi-generational poverty. Offering another angle on these savings accounts, a national youth foundation has helped 3,000 young people in foster care save \$3.1 million over five years. That gives them some assets as they make the challenging transition to the adult years. Some of the young people have been homeless at times, but the savings program gives them an opportunity to buy a car or even start a small business.

For Danielle Brunetta in San Diego, the transportation was important. "I was able to purchase a car, use my time more effectively," she said. "I've maintained full-time employment, continued a college education and I can still be home in time to read my sons bedtime stories."

United Way of Central Indiana is starting one such program, "Connected by 25," with support from the Jim Casey Youth Opportunities Initiative. The aim is to help 300 foster care children start saving at as young as 14 years old, including several hours of financial literacy training.

"It's not just the savings; it is the asset development," says Sam Chriss, the director of the new local effort. "You give them a sense of having something -- getting them in banking and getting the resources to buy a car or a computer. It will impact of areas such as employment, housing and education."

Saving money is usually much less glamorous than borrowing. But it ought to get equal time with all the borrowing schemes that are being thrown around in Washington these days to respond to the financial crisis.

<http://www.indystar.com/article/20090612/OPINION07/906120317/1043/OPINION07/Taking+savings+into+account>



Savings plan benefits teens leaving foster care

By Wendy Koch, USA TODAY
June 15, 2009

Rob Hilla entered foster care at age 12 after his mother left the family and the quadriplegic uncle who took him in died. At 14, he got into trouble and spent time in the juvenile justice system.

Now 22, he says, "I've been able to turn my life around." He moved from his hometown of Detroit, where street life tempted him, to Bay City, Mich., where he has worked as a restaurant cook and a house painter. He's taking college classes in auto repair.

He's also building a nest egg. Three years ago, he joined a program for current and former foster children, ages 14 to 24, that matches every dollar he saves up to \$1,000 a year. "Whenever I got a paycheck, I tried to put \$5 in," he says. He saved the maximum each year and used some of it to pay for braces and some college expenses.



Rob Hilla, 22, of Bay City, Mich., works as a freelance painter while attending school. Hilla has used matching funds from a private program, Opportunity Passport, to get braces, go to college and buy a car.

The program is part of an intensifying push to help the rising number of teens who graduate from foster care without support. That number increased 53% from 17,310 in 1998 to 26,517 in 2006, the most recent year for which figures are available.

More than 3,000 teens in or recently out of foster care have saved at least \$3.1 million, according to a study out today by the Jim Casey Youth Opportunities Initiative, the private group that funds it. The foundation helps teens who "age out" -- who become too old for foster care -- at age 18 in most states.

"At least a third (who signed up) have successfully saved," says Gary Stangler, the foundation's executive director. The Opportunity Passport™ program, which he began five years ago, is available in all or parts of 12 states.

Foster kids who leave the system at 18 are more likely than other young adults to become homeless, pregnant, unemployed or imprisoned. In a study published in 2005, nearly half the women had been pregnant by 19; nearly a third of the men had been imprisoned after age 17, according to co-author Mark Courtney, a professor of social work at the University of Washington.

"They're a group facing a lot of challenges," he says. He found that if someone is adopted or remains in foster care until age 21, that person is much more likely to go to college, stay out of trouble and get a job.

"There's a growing recognition that a child is not yet an adult at age 18," says Marci McCoy-Roth of the Pew Charitable Trusts' Kids Are Waiting campaign, which promotes the adoption of foster teens.

In September, Congress passed a bill to encourage states to extend foster care services until age 21. Beginning in October 2010, it will pay for about half of such services.

Two dozen states already provide free public college tuition to foster teens or extend Medicaid coverage beyond age 18.

Privately funded efforts are sprouting:

- In Santa Rosa, Calif., a community center that brings together social services for foster teens opened in April.
- In Jacksonville, construction is underway on two buildings to house teens aging out of foster care. Buckner Place and Touchstone Village expect their first residents this year.
- In Kalamazoo, Mich., Western Michigan University began a scholarship program last September for 51 students leaving foster care without support. Using a grant from the W.K. Kellogg Foundation, it offers free tuition, academic help and year-round housing.

About half the students plan to return in the fall, says university spokeswoman Cheryl Roland. When Opportunity Passport™ began, Stangler says, many people doubted the young people would be able to save. Amazingly, he says, the best savers turned out to be young parents or those who had been homeless at some point.

Those eligible have to first complete training in handling their finances. They can use their savings to pay for college, housing, health care or a car.

"If you have a car, you're better able to hold a job," Stangler says.

Danielle Brunetta, 25, knows that all too well. She entered foster care at 14. By 21, she was pregnant with her second child and struggling to hold on to a part-time job.

The San Diego mom recalls preparing for a full-time job interview four years ago. She was ironing her clothes when her toddler accidentally touched the iron. Without a car, she couldn't get him bandaged and still make it to the appointment on time.

"I bombed the interview," she recalls. She did, though, sign up for Opportunity Passport™, saved her pennies and bought a car. She's working full time and attending community college. And she has opened savings accounts for her children.

http://www.usatoday.com/news/nation/2009-06-14-foster-kids_N.htm

New Haven Register

Fund helps foster kids get on their feet

By Angela Carter, Register Staff
Tuesday, June 16, 2009
New Haven, Connecticut

NEW HAVEN -- Over the past five years, the Jim Casey Youth Opportunities Initiative has helped more than 3,000 young people aging out of foster care to save more than \$3.1 million in a dozen states, including Connecticut.

The initiative is affiliated with The Annie E. Casey Foundation, a national organization that awards grants and fosters public policies and human service reforms with a focus on the needs of poor and vulnerable children.

The initiative works with states and communities to help older youths in foster care make successful transitions to adulthood. According to a report released Monday, a savings program known as the Opportunity Passport™ is helping people between the ages of 14 and 24 develop money management skills, build assets, find housing and secure jobs.

Some of them face additional hardships such as becoming parents at a young age or homelessness, according to the study, "The Opportunity Passport: Building Assets for Youth Aging Out of Foster Care."

"Many of them age out of foster care without connections to family and they're expected to navigate the world," said Roye Anastasio-Bourke, public affairs manager for Casey Family Services, the direct service arm of the foundation that has headquarters in New Haven.

The primary savings vehicle for participating young people is the Individual Development Account, which can be matched dollar for dollar up to \$1,000 per year. Opportunity Passport™ allows savings to be tapped for traditional IDA options of education expenses, buying a home or starting a business, but it also permits buying a car, renting an apartment, medical expenses or procuring investments.

"The matched savings account is no replacement for a real family, but it is clear that the Opportunity Passport™ can be a significant, tangible support to our most vulnerable young people as they work hard to achieve economic success," Gary Stangler, the initiative's executive director said in a statement.

The report showed that most youths in Bridgeport, Hartford, New Haven and Waterbury, as well as nationally, used IDAs to buy vehicles, followed by housing and education or training.

"A lot of times, kids will save for a car because that allows them the freedom to get a job," Anastasio-Bourke said.

The Casey Family Services office in Bridgeport, which also serves New Haven youths and families, has four or five participants enrolled, Executive Director Linda Goldenberg said. Young people under the supervision of Juvenile Services also are on savings plans, she said.

The matching funds come from the Jim Casey Youth Opportunities Initiative and the state Department of Children and Families, Goldenberg said.

<http://nhregister.com/articles/2009/06/16/business/d1-foster16.prt>

Tennessee seeks ways to help aging foster kids

Young adults need life skills

By Chris Echegaray for THE TENNESSEAN
June 20, 2009

Passion Ray knew how to wield a gun at 11, landing her in the foster-care system three years later.

"I was unruly, very unruly," Ray said. "I had trouble with truancy, hung out with gangs and answered the door with a gun in my hand. I was a lot of trouble."

But at 18 -- the age youth can be free of state custody -- Ray didn't know how to fill out job applications or any other paperwork associated with everyday life.

After bouncing around in foster care and group homes, people like Ray reach early adulthood with little to no safety net and a sense of alienation from their peers who have had parents in their lives all along.

Crafting a resume is foreign to them. So is monthly budget planning, filling out an application for housing and seeking financial aid for college. Making the transition to adult life is difficult.

With more than 7,000 foster children in state custody, the state has recognized the difficulties facing the foster care youths who reach adulthood.

On June 11, the governor signed a bill that established a post-custody services advisory council to make recommendations for continued support. It also requires that information on resource centers be given to foster children before their 18th birthday.



Passion Ray was aging out of the foster-care program and participated in Opportunity Passport, a program that helps foster-care youth prepare for adulthood. BILLY KINGSLEY / THE TENNESSEAN

The state already has requirements for youths participating in an independent living program. However, an audit report on Monday found that the [State Department of Children's Services](#) had problems with it. From a sample of 25 files of youths transitioning out, 20 of them had not met requirements; typically, social workers didn't make contact with the youths.

People entering adulthood from foster care can access state transitional services as long as they are in school, according to the Department of Children's Services.

"These children's last parent was the state," said Linda O'Neal, executive director of the [Tennessee Commission on Children and Youth](#).

"The issue of aging out of custody is that a majority of 18-year-olds have not graduated from high school. The reality is that the Department of Children's Services can't help them alone. The community needs to step in. They need a caring adult, mentors."

O'Neal said Tennessee has 695 youths between 18 and 21 who do not qualify for services once out of the foster-care system.

Ray, now 21, used a national program, [Opportunity Passport](#), which provides training for people who have aged out of foster care. The Jim Casey Youth Opportunities Initiative launched in St. Louis.

Ray signed up through the [Child and Family Policy Center at Vanderbilt University](#) and learned beyond the basic necessities.

"I know about stocks and bonds," she said. "I knew nothing about the Dow and Nasdaq. This is only beneficial. Nobody gives you direction when it comes to these things. It's very sad." Through the program, young people learn how to fill out a lease for housing, complete college applications and get car insurance. The program gives them a chance to save money and matches their savings dollar for dollar, up to \$1,000 per year.

'I've changed 100%'

For Ray, it was a huge step to self-sufficiency as she also learned to chip away at her resentment toward a mother who battled alcoholism. Ray grew up in Omaha, Neb., the youngest child and only girl with three brothers.

Skipping class, parties and her association with gangs were all she knew. The police raided the house, Ray said, forcing the family's move. One of her brothers who lived in Nashville urged Ray and their mother to move here. They did.

Ray continued to get in trouble and landed in foster care at 14. Seven years later, Ray is working with youth and has an apartment off Murfreesboro Road. She's proud when she displays her Outstanding Young Leader Award, given to her in May by FosterClub, a national network for young people in foster care.

"I feel I've changed 100 percent," she said. "If not ... I'd be in jail, hell or Omaha, Nebraska."

Youths who leave foster care are often homeless, sleeping in their cars or on a friend's couch, said Jen St. Clair, who runs the Opportunity Passport™ program at Vanderbilt. "They don't grow up with family or friends, with no connections, no resources available to them," she said. "They don't have help with a co-signor for a loan for a car."

Amanda Foster, 25, also was part of the foster care hot potato. She was moved around in Nashville, Gallatin and Clarksville, with her last placement in Bellevue before aging out. She said the services offered are a good opportunity -- in theory. Foster said the adjustment to being a college student was rattling.

"It's not the fault of the Opportunity Passport™ program," she said. "I understood that I had to go to college, but didn't know exactly what that entailed. I wasn't prepared. I didn't know anything about financial aid, campus housing. I didn't have a mom or dad to help me move."

<http://www.tennessean.com/article/20090620/NEWS0201/906200341/1009/NEWS01/Tennessee+seeks+ways+to+help+aging+foster+kids>

POVERTY IN AMERICA

Foster Kids Save \$3.1 Million

By Leigh Graham for Poverty in America Blog
June 23, 2009

The Jim Casey Youth Opportunities Initiative released a report last week showing that their matched savings program for current and former foster children has helped [those kids save a combined \\$3.1 Million](#) to use for nest eggs, education, etc. Foster children are disproportionately at risk for homelessness, pregnancy, unemployment and incarceration. This Initiative and others like it offer kids a chance to put small amounts away and have those funds matched, often dollar-for-dollar, to ease the burdens of poverty and surviving on their own in and outside the foster care system.

Matched savings programs, most often called [Individual Development Accounts](#), are one of those millennial anti-poverty innovations that targets individuals as an alternative to public assistance. Typically funded by a mix of federal and private dollars (e.g., United Way, banks), the majority target adults and allow them to use the money for three things: homeownership, small business development, or education. Although an admirable program that inculcates good financial skills, the maximum amounts saved are often too small to buy a house or fund private education, certainly in most metropolitan areas. But I know through my CDC work that people have managed to save for a down payment or make business-related purchases like a new van to expand services.

It's great to see these programs specifically supporting foster children. These are the success stories we so often need to hear!

http://uspoverty.change.org/blog/view/foster_kids_save_31_million

Program helps foster kids save for future

**By Gracie Bonds Staples for The Atlanta Journal-Constitution
Sunday, July 05, 2009**

For years, Tarkiyah Melton dreamed of owning a home, a place she could be proud of, a place where her two children could attend good schools.

But for years the dream seemed out of reach. Not only had Melton spent more than half her life in foster care; she was yet to find the kind of career that would fund those dreams.

Thanks to the Metropolitan Atlanta Youth Opportunities Initiative, a program of the Community Foundation of Greater Atlanta and other partners, Melton's dreams are being realized.

She was able to save nearly \$3,000 for a down payment on a Sandy Springs townhome, and the initiative matched her savings dollar for dollar up to \$1,000.

Under the initiative, current and former foster care children such as Melton are taught financial skills they need to navigate through life -- skills most young adults learn from parents, older siblings or family friends.

Studies show that more than one-third of young adults who age out of foster care have no high school diploma or GED -- compared with 10 percent of their peers. Also, nearly half the women studied were pregnant by age 19, 30 percent of the men had been incarcerated at least once and only 46 percent had a savings or checking account.

Through a series of classes and other support, this program brings participants ages 14 to 21 up to speed on all things financial -- from opening a checking account to starting their own small businesses.

"What they save," said Tyronda Minter, manager of the Atlanta initiative, "we match it dollar for dollar."

The matching money comes from the Jim Casey Youth Opportunities Initiative, the private group that funds the savings program.

A study released just days ago by Casey found that more than 3,000 teens in or recently out of foster care nationally have saved some \$3.1 million since the program was launched five years ago.

"What we set out to demonstrate against a lot of skepticism was that foster children who have lots of needs could save and use that money for things that would build their future -- education, a down payment on a home or buy a car," said Gary Stangler, the foundation's executive director.

The surprising thing, Stangler said, was that kids who had faced the most serious challenges -- like those who had been homeless at some point or single parents -- were the best savers.

For Melton, who went into foster care because her mother was unable to care for her and her three siblings, the initiative made the difference between hoping for and attaining her goals.

Ditto, said Felicia Evans, who hopes to purchase a car later this year with her savings.

Evans, 21, who spent 10 years in foster care, has to take a bus and train from her Stone Mountain apartment to downtown Atlanta, where she works and attends Georgia State University.

“That means leaving home at the crack of dawn and returning home late in the evenings,” she said.

Since enrolling in the program, both women said they’ve learned plenty about the importance of working hard and saving.

Whenever they were lucky enough to get a paycheck or birthday present, they said they learned to pay themselves first.

Before opening her account, Evans said she never saved. “I’d spend money on the dumbest things. Now I’m a lot more responsible.”

She has amassed \$3,000 and counting.

Melton is one of three former foster care youths to buy homes under the savings plans, Minter said. The most popular purchase has been cars.

Since launching the program in 2003, Minter said, 225 foster care youths have participated in the local pilot program and saved more than \$57,000.

Through a partnership with the state Department of Human Resources and Sun Trust Bank, the program recently expanded statewide, she said.

Melton was attending an independent living meeting in 2005 when she learned about the initiative and decided to attend a meeting.

“I was like, wow, this is right up my alley,” she recalled the other day.

Like the majority of Americans, Melton had long wanted to own her own home but didn’t have the know-how or the money she needed to get there.

Armed with the information she’d gained in the financial literacy classes, she was able to determine what she could afford, what upkeep would cost and what neighborhood would provide the best school for her children, ages 2 and 8.

She found the perfect home in a Sandy Springs subdivision and last September the three of them moved in.

“I’m a goal-oriented person. I get off the road occasionally, but I always get back on,” said Melton, whose high school career was almost derailed when she became pregnant in 12th grade.

Determined not to become another statistic, Melton said, “I went to each of my teachers and asked what I had to do to make up the work.”

She graduated on schedule in 2001 from Benjamin E. Mays High School. In 2006, she earned a bachelor’s degree in computer engineering technology.

Her mission accomplished, she has set her sights on bigger things.

“I want to be a lawyer,” Melton said, her eyes dancing. “I’m still dreaming.”

http://www.ajc.com/metro/content/metro/northfulton/stories/2009/07/05/program_helps_foster_savings.html

The Providence Journal

Young people transitioning out of foster care learn to be financially literate

By Lisa Vernon-Sparks
Providence Journal Staff Writer
July 13, 2009

PROVIDENCE -- Yolanda Washburn drives a 1997 Chrysler Concord. It's not the spiffiest ride in the lot at the Community College of Rhode Island, which she attends, but it's better than the alternative.

"At first I was taking the bus all the time, and in the snow and going to school," said Washburn, who has an infant son. "Last winter... I was walking down the street with a stroller ...with his diapers, my books."

Washburn, 18, a former foster child, knew she needed a car and purchased her ride in January using money she saved up in a program called ASPIRE, a savings and financial planning vehicle offered by the Rhode Island Foster Parents Association.

ASPIRE stands for Aligning Savings Permanency Information Resources and Empowerment. Originally called the Jim Casey Youth Opportunities Initiative, the program is geared toward youth ages 14 to 24 transitioning out of the foster care system and beginning to managing their own lives and finances.



Melissa Weeden, 19, of Pawtucket, fills out a questionnaire as part of a class she's taking in financial literacy. The class teaches how to build assets, make a financial plan, save and invest money, track income and expenditures and what interest is.

To prepare young people for that change, the program provides an opportunity to learn about finances and how to save to purchase something, such as a car, housing or schooling, that will become an asset.

Most of the people signing up don't know the first thing about saving money, said Kathleen Keenan, ASPIRE'S director.

"With everyday living, there are short-term needs and wants, and there are long-term financial goals," Keenan said. "We try to help the youth strike that balance, so they can be financially successful."

With that in mind, the first step is to give these young people a crash course in financial literacy, she said. Each is required to take a 12-hour class which covers an A-to-Z curriculum of basic financial topics.

During the three-hour class, spread over a four-week period, the young people learn the difference between needs and wants, how to build assets, make a financial plan, save and invest money, track income and expenditures and what interest is. The course also teaches practical consumer lessons -- how to use a bank, how to write a check, the differences between savings and checking accounts or debit and credit cards, what credit scores are, how to avoid fraud scams and identity theft and what it means to be a knowledgeable consumer.

The program is open to any people ages 14 to 24 who have spent at least one day in the state's foster care system.

"We really try to empower youth in foster care to get on the path of economic self-sufficiency through financial literacy training," Keenan said. "We assist in accessing employment services and support toward saving for an asset goal."

Upon completion, the students are set up with a statement savings account through Citizens Bank and are given \$100 to start with. As they save toward a goal, ASPIRE will match the savings up to \$1,000 per year for a specific item, called a purchase asset, whether it's a laptop computer, car, security deposit on housing or schooling.

The program kicked off in Rhode Island in April 2005, and was managed by New Haven, Conn.-based Casey Family Services, established by Jim Casey, who founded United Parcel Service. The Rhode Island Foster Parents Association was among 10 sites receiving \$300,000 grants to launch it.

Since then, some 333 young people moving out of foster care have enrolled and 261 are currently active, Keenan said. To date, the group has matched \$180,000, helping to purchase 230 assets.

Tara Albury, a case manager, teaches the financial literacy class and welcomed a new group on Tuesday. She said the current economy is posing a challenge for some.

"A lot of them don't even have the ability to save. A lot of them don't have steady work," Albury said. "Everyone is struggling to find a job. We try to offer advice and kind of steer them in the right direction...to help them see things beyond the glory of the purchase."

Washburn said the program helped her to focus and to realize she needed to provide for her son, Kiel.

"It's hard to save your money when you have to buy diapers," Washburn said. "They taught us how to budget our money. My son, he inspires me to lead him to a better direction."

http://www.projo.com/news/content/BZ_foster_care_savings_plan_07-13-09_VHETASJ_v15.3cf78fc.html#



The Brighter Side of DCF

**Helen Ubiñas for The Hartford Courant
August 2, 2009**

Her mother died when she was just 2.

She never knew her father.

She was 11 when she first entered the labyrinth of the Department of Children and Families.

Sounds like the beginning of a hard luck story, one we've heard too many times.

And yet, there sat Tina Thomas one recent afternoon, surrounded by adults who all had the same open-mouthed reaction to how masterfully the 18-year-old worked a system that manages to break so many others.

If there was an educational program offered by DCF, Thomas was all over it.

Youth leadership seminars -- she was there.

Job readiness programs -- that's how she landed the law office internship she has now.

Financial literacy workshops -- no question, count her in.

In fact, that's why I'd initially gone to the DCF office on Hamilton Street, to talk to her about a matched savings account program offered by the Jim Casey Foundation for youths in foster care.

Thomas used some of the savings to buy herself a laptop.

But the rest, she wisely invested in certificates of deposit.

She's saving up, she told me, to buy a condo.

But first, Thomas is headed to American University to study international relations, thanks in large part to -- you guessed it, DCF.

Yeah, I know, that surprised me, too. But turns out that there are more than 700 kids attending some kind of college or post-secondary training on the department's dime. The tab: \$6.3 million -- and worth every penny if you ask me.

How's that for the flip side of aging out of the system?

We've all read the bleak stories and studies. Too many youths in DCF care end up homeless, or parents themselves. Some don't make it through high school, let alone college.

But don't count Thomas among those. Thomas said she understands why some of her peers in DCF care might want out of a system they grow to resent.

But Thomas, a standout track star and scholar at Greater Hartford Classical Magnet School, says she never looked at it that way.

She learned early on, she said, that education is the great equalizer, and if there was a person or program that could help her, she embraced it.

Admittedly, she was luckier than others; she's had a long and close relationship with her social worker, Cecelia Jones, who's as giddy as any proud parent would be about seeing Thomas off to college.

Thomas also has a loving and supportive foster family whom she still lives with and who've repeatedly told her they'd like to formally adopt her.

Thomas, though, doesn't see the need.

"We're a family no matter what," she said. And she added, a little shyly, "I like my last name."

But mostly what Thomas has is an innate sense of herself that belies her age, and an appreciation of what she's capable of.

"I just don't want to have any regrets," she said.

<http://www.courant.com/news/connecticut/hc-dcf-ubinas-0802.artaug02,0,473881.column>