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**Pushing to save more**  
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Low-income Delawareans get incentives, counseling

By JONATHAN D. EPSTEIN, Staff reporter

Several community organizations, banks and government agencies are teaming up in a program to help low-income individuals and families save up to \$6,000 for a home, a college education, or a business.

The new Delawareans Save! program, which started last year, is part of nationwide effort by the public and private sectors to offer financial education and savings programs for low-income people. Similar programs, operating under the aegis of the U.S. Department of Health and Human Services, already are under way in most states.

"The benefits to Delawareans will be tremendous," said Rashmi Rangan, executive director of the Delaware Community Reinvestment Action Council, a fair lending and community activism group in Wilmington. "I hope people take advantage of this."

Those who qualify for the plan are eligible for free financial counseling and training workshops for first-time homeownership, starting or enhancing a business, or going to college or vocational school.

The classes, which last as long as each participant needs, are offered and paid for by the local agencies supporting the program.

After graduating, they will be signed up for special no-fee savings accounts at either Artisans Bank in New Castle County or Wilmington Trust Corp. in Kent and Sussex counties. Participants will be able to deposit up to \$1,500 for individuals and \$3,000 for a household in the accounts. Those funds, which must come from job earnings, will be matched from a \$1 million pool donated by banks and government agencies.

"Every person should have the education they need to be successful," said Lisa M. Spellman, program manager for asset-building at the First State Community Loan Fund, which is administering the program in Delaware. "When they graduate from the program, we're hopeful that they'll continue to save money."

Up to 456 people will be able to benefit from the program. The first class of 16 graduated last month in a ceremony at the YWCA of New Castle County.

"It's an opportunity to build assets and get a matching grant, but it's also an opportunity to take that to the next level and achieve a dream that many people think is beyond their

reach," said Genevieve Marino, director of the Department for Economic Advancement at the YWCA of New Castle County.

Rita Foster is one of the first graduates. The 45-year-old New Castle woman owns Caring Hands Day Care, an 18-month-old home daycare business. She is using the program to put more money into her business, and plans to start saving \$100 a month.

"They just went above and beyond to help us," she said. "I'm excited to open up my account. I've got my money all ready."

Government and private-sector agencies in recent years have been focusing attention on financial education and helping low-income people, particularly as efforts to revamp the welfare system are forcing many off public assistance.

The Delawareans Save! program involves the concept of Individual Development Accounts, a low-income savings concept pioneered in 1991 by Michael Sherraden, director of the Center for Social Development at Washington University in St. Louis.

"None of us thinks that IDAs are going to solve every problem, but it's a recognition that poor people need to save just like everyone else if they're going to do better," Sherraden said.

The program was adopted by Health and Human Services, and by many states throughout the country. Today, Wyoming is the only state without an IDA effort, although most state programs are new.

"It gives families hope for the future. It truly does help bring them into the mainstream," said Mary Ann Barkus, IDA program administrator for the New Jersey Department of Community Affairs, which will enroll its first participants next year.

In Delaware, the effort is supported through a \$300,000 grant from the Delaware State Housing Authority, together with four \$50,000 grants from Bankers Trust Delaware, Discover Bank in New Castle, Citigroup, and J.P. Morgan Chase & Co. That was matched by \$500,000 from Health and Human Services.

"It fits in well with our mission," said Christina Hardin, spokeswoman for the Delaware State Housing Authority.

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## ABOUT DELAWAREANS SAVE!

How to qualify

How an individual or family can qualify for the Delawareans Save! program

Must qualify for earned income tax credit

Must qualify for temporary assistance for needy families

Total household assets must not exceed \$10,000, not counting home and car

Household income must not exceed 200 percent of federal poverty level: For an individual, that's \$17,180 For family of four, that's \$35,300

Delawareans Save! Program facts

Savings and training program for low-income individuals and families

Save up to \$6,000 for home, business or education

Savings accounts with no fees or minimum balances will be set up at Artisans Bank or Wilmington Trust Corp.

Supported by \$1 million from state and federal governments and four banks.

Sign up at YWCA, **Nehemiah Gateway** Community Development Corp., Interfaith Housing, NCALL Research, or First State Community Action Agency  
First State Community Loan Fund