

## Assets for Independence Program Summary

Assets for Independence (AFI) is a Federal grant program that enables community-based nonprofits and State, local, and Tribal government agencies to implement and demonstrate an assets-based approach for giving low-income families a hand up out of poverty.

### ***PARTICIPATING ORGANIZATIONS***

AFI is administered by the Office of Community Services (OCS), within the U.S. Department of Health and Human Services. OCS offers five-year AFI Project grants to several categories of organizations and agencies:

- Nonprofit organizations, including faith-based and community groups
- State, local, and Tribal government agencies applying jointly with a nonprofit
- Community development financial institutions that partner with a community-based antipoverty group
- Low-income credit unions that partner with a community-based antipoverty group
- Consortia of organizations and agencies that target multiple service areas

### ***PROJECT ACTIVITIES***

AFI Projects assist low-income families in a number of ways. First, they help participants save earned income in special-purpose, matched savings accounts called Individual Development Accounts (IDAs). Every dollar in savings deposited into an IDA by participants is matched (from \$1 to \$8 combined Federal and nonfederal funds) by the AFI Project. The IDA mechanism promotes savings and enables participants to acquire a lasting asset after saving for a few years. AFI Project families use their IDA savings, including the matching funds, to achieve any of three objectives:

- Acquiring a first home
- Capitalizing a small business
- Enrolling in postsecondary education or training

In addition to helping participants with their IDA savings, all AFI Projects provide basic training and supportive services related to family finances and financial management. Among these are:

- Financial education on issues such as owning and managing a bank account or a credit card
- Credit counseling and credit repair
- Guidance in accessing refundable tax credits, including the Earned Income Tax Credit and the Child Tax Credit
- Specialized training in owning particular assets for the long term

Finally, all AFI Projects provide information on their project as part of a national program evaluation to help determine the effectiveness of this assets-based approach to alleviating poverty.

### **WHICH FAMILIES ARE SERVED?**

Generally, AFI Projects serve individuals and families with limited incomes and assets. Eligible participants include:

- Those eligible for Temporary Assistance for Needy Families (TANF), or
- Those whose household assets do not exceed \$10,000 in value (excluding a residence and one car) and who meet one of the following income guidelines:
  - Are eligible for the Earned Income Tax Credit, *or*
  - Have total household income of less than two times the Federal poverty line (approximately \$38,700 for a family of four in 2005).

### **SIZE OF PROJECT GRANTS**

Up to \$1 million for five-year awards. The average AFI Project grant is approximately \$350,000 for the five-year grant period. Applicants must secure nonfederal funds in an amount equal to or greater than their AFI Project grant.

### **GRANT OPPORTUNITIES**

OCS issues AFI Project grants at least once annually, in keeping with legislative authority and appropriations. To learn more about the AFI program and funding, see the AFI Asset-Building Web site at <http://www.acf.hhs.gov/assetbuilding>.

### **Contact OCS for More Information:**

Assets for Independence  
Office of Community Services  
370 L'Enfant Promenade SW, Suite 500 West  
Washington DC 20447  
Telephone: 202-401-4626  
Fax: 202-401-5718  
Email: [afiprogram@acf.hhs.gov](mailto:afiprogram@acf.hhs.gov)  
Web site: <http://www.acf.hhs.gov/assetbuilding>