



Bill aims to give a boost to low-income families who build savings

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By **Paul Gattis, The Huntsville Times**

Rep. Mike Ball, R-Madison, is helping push a bill through the Legislature that would aid low-income families build their savings. (Huntsville Times file photo)

HUNTSVILLE, Alabama -- The state Legislature may pass a bill this week that would allow low-income families to triple their savings of up to \$2,000 for specific, self-improving purposes.

The bill also stipulates that participants must pass financial education classes.

"It gives a hand out to people who are trying to do for themselves instead of sitting there waiting for somebody to do something (for them)," said state Rep. Mike Ball, R-Madison. "This gives disadvantaged folks an opportunity to learn to do for themselves. It rewards that."

The bill would allow for matching funds from the federal government and state government or a private, nonprofit organization. The fund is known as an Individual Development Account (IDA).

Kimble Forrister, executive director of **Arise Citizen Policy Project**, credited Ball with helping push the bill through the Senate. It's now awaiting final approval in the House. If approved there, the bill would go to Gov. Robert Bentley to be signed into law.

Sen. Arthur Orr, R-Decatur, is among the co-sponsors of the Senate bill.

The money could be used for three purposes: to go to college, start a business or buy a home. Eligible residents would have incomes less than twice the federal poverty line.

Forrister said IDAs are common throughout the country and that the federal government has a budget of about \$30 million for such programs. IDAs are available on a smaller basis in Alabama. Forrister singled out the United Way of Central Alabama as offering such a program but the hope is to take it statewide.

"We just found that the notion of giving a hand up to someone who exhibits self-discipline and high-motivation for saving - that's worked across the aisle (politically)," Forrister said.

The bill calls for the program to fall under the state Department of Human Resources. DHR would seek bids for a vendor to administer the program.

Ball said a key element of the bill is that it wouldn't be a burden on the state.

"It's not something that strains the budget," he said.

DHR could put money into the program or private nonprofit groups could provide the matching state funds. If the program succeeds, state funds could be diverted to the IDAs from other programs, Ball said.

"All the bill does is put the program into place where it can happen," Ball said. "This is different from a lot of programs with no strings attached. It's primarily a program about educating disadvantaged folks in money management ideas."

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