

The Anniston Star

IDA bill is worthy

by The Anniston Star Editorial Board

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Before the Memorial Day break, the Alabama Senate had the wisdom to pass a bill that could make a real difference in the lives of many Alabamians. The state House of Representatives should pass it, as well.

The IDA bill — named for individual development accounts — was made possible by a 1998 federal law called the Assets for Independence Act. This legislation provided that if a low-income qualifier (of which Alabama has plenty) saves up to \$2,000, Washington will match that. And if the saver can connect with a local non-profit that will also match that figure (as United Way of Central Alabama has been successfully doing), then the account can grow up to \$6,000.

That account will be monitored and can be used for only three things: first-time home buying, starting a business or education.

Apart from naysayers who argue that people should not expect help from government — but who often see no problem with government helping corporations with tax breaks — there are few who can argue against this plan.

It requires the recipient to make a commitment of time and money. They must take a “financial literacy” course to qualify. Supporters call it “a hand up, not a handout,” and that is what it is.

It makes it possible for low-income individuals to move from renting to owning their own home — move from property-user to property-owner — which is a transforming moment in most lives. With housing prices low and consistently dropping in this post-recession real-estate market, this goal is within reach of many Alabamians.

The IDA program makes it possible for low-income individuals with ideas and initiative to start a business that will turn them into productive, tax-paying citizens.

It makes it possible for people who need more education to survive in today’s economy to get it. That means more students for the state’s expansive system of junior colleges and trade schools, along with a better-trained work force for industrial recruiters to brag about.

The IDA bill is a good bill.

But time is short. Representatives have returned from the Memorial Day break. They should make it a top priority in the final days of this session.

