

Asset Building in Illinois

A foundation for financially strong families and communities

Assets are the building blocks of long-term financial stability and success for people at all income levels. Having a savings account, a college education, a home, or a small business can help individuals and families live securely today, weather difficult financial times, plan for the future, and pass assets on to future generations. Individual assets can be leveraged to strengthen communities. In turn, the entire state benefits when individuals, families and communities are financially secure.

Yet nearly one in five American households owes more than it owns. Predatory lending drains billions of dollars from low-income families and communities. High drop out rates and the rising cost of tuition makes college unattainable for many students. Low-income people are less likely to own assets than those with higher incomes. Tax policies generally favor those who already have the most assets. There is a critical need for public policy that supports asset building and creates opportunities for all Illinoisans to participate in and benefit from our economy.

Research has shown that asset ownership increases personal efficacy, creates an orientation to the future, improves household stability, increases political participation and promotes economic security. These are outcomes we can all support. Working together, we can leverage public, private and non-profit efforts to increase asset-building opportunities for all Illinoisans.

The Illinois Asset Building Group

The Illinois Asset Building Group (IABG) is a diverse statewide coalition invested in building the stability and strength of Illinois families and communities through increased asset ownership and asset protection. Made up of community leaders, service providers, researchers, advocates, financial institutions, and business leaders, IABG efforts aim at policy and system change to expand asset-building opportunities in Illinois.

IABG recently embarked on a campaign to create a Children's Savings Account (CSA) program in Illinois, an innovative asset-building strategy aimed at children. In addition, the following seven areas have been identified as IABG priorities to help people in Illinois build and protect assets:

- Lifelong education and training
- Healthcare
- Financial security and investment
- Housing, homeownership and utilities
- Small business development
- Transportation
- Tax policy



Working among its members and other partners, IABG is pursuing effective strategies and policy solutions to expand asset-building opportunities for all Illinoisans.

For more information about IABG and asset-building efforts in Illinois, please contact Gina Guillemette (773.336.6083 or gguillemette@heartlandalliance.org) or Dory Rand (312.368.2007 or doryrand@povertylaw.org).

Children's Savings Accounts

Building assets for Illinois children



What difference would it make if every child in Illinois grew up knowing she or he had a nest egg to go to college, buy a home, start a small business, or help fund retirement?

Children's Savings Accounts (CSAs) are an innovative asset building strategy that can make this ideal a reality. CSAs help ensure that all children have the opportunity for lifelong learning and asset building by providing youth and their families with the mechanisms and incentives to accumulate savings. This investment enhances children's individual life experiences and contributes to the social and economic fabric of our state as a whole. In order to maximize benefits for all children, an Illinois Children's Savings Account policy should be:

- **Inclusive** so that it provides universal access for all children;
- Seeded with an **initial deposit** so it creates a concrete asset at the onset;
- Designed to **build lifelong assets**, such as education or homeownership;
- **Progressive** in structure, providing matching funds for savings accumulated by lower income families;
- **Simple** so that investment decisions are limited and easily understood;
- **Private-market oriented** so that it is a wise and safe investment for individuals and families to make;
- Designed to **build financial aspirations** of youth as well as their families;
- Linked to **age-appropriate financial education** in order to build skills and interests that are complimentary to the savings goal; and
- **Nondiscriminatory** to families on government programs.

Using these principles as a guide, the Illinois Asset Building Group (IABG) is leading the effort to develop a statewide Children's Savings Account policy in Illinois. For more information, or to become involved, please complete the following and fax to Jami Schlafer at 312.263.3846.

Name _____

Title/Organization _____

Mailing Address _____

City/State/Zip _____

Email Address _____

Phone/Fax _____

I support asset building – Please list my organization as a supporter of asset building

I support Children's Savings Accounts – Please list my organization as a supporter of CSA's

Add me to the IABG email listserv for regular updates on all IABG and CSA activity

Keep me informed about the following IABG activities: (check all that apply)

Grassroots involvement and constituency building

Policy development and research

Communications and public education

Special events/policy briefings

What constituency group(s) do you represent? (check all that apply)

Business

Non-profit

Financial institution

Community member

Government

Other _____