

Program helps poor achieve goals

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Plan matches savings 3-to-1 to provide money for education, homes, businesses

By Sarah Colburn

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The state launches a program today to help hundreds of working poor save money for higher education, home ownership or small business startups.

The program, Family Assets for Independence in Minnesota, will give 341 Minnesotans the chance to put away money and receive a 3-to-1 match on their savings, propelling them toward their goals.

The list of participants includes 23 people from the three-county area who are working with the local Tri-County Action Programs Inc.

Karen Kortgard is one of the 40 people from Stearns, Benton, Sherburne, Otter Tail and Wadena counties who participated in a FAIM pilot program that's just ending. Kortgard lives in St. Joseph and was divorced for two years when the company she was working for closed and she lost her job.

"I figured going back to school and getting retrained in a whole different career was my best option," Kortgard said.

However, Kortgard couldn't receive financial aid, in part because she had no income. She found a job and met Janet Andres, a local FAIM coordinator with Tri-CAP. Then, Kortgard began putting \$30 a month into a bank account for school. With today's launch, participants will be able to put up to \$40 a month in the bank to be matched.

For Kortgard, the match money wasn't the only incentive to stick with the program, and she expects it won't be the only bonus for others either.

"FAIM gave me not only the support financially but the support personally," Kortgard said.

Purpose

That personal support came in the form of group talks and education.

Participants must attend 18 hours of financial literacy training as well as 10 hours of training regarding their goal. The local Tri-CAP office works with the small-business center at St. Cloud State University to help clients working to develop a business plan. The office works with Bremer Bank to establish savings accounts.

The financial literacy training includes discussions on creating budgets, keeping records, debt reduction, building assets and reading credit reports.

Participants don't need to have perfect credit, but it must be repairable credit, Andres said.

For Kortgard, who earned an associate's degree in the 1970s, FAIM was a way to complete two more years of school and earn a bachelor's degree in special education from St. Cloud State University. This April, Kortgard will be only nine to 12 credits short of a master's degree.

She hopes to get a teaching job and then return to

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complete her education. She says without FAIM she wouldn't have even considered a graduate degree.

The program helped her with at least \$3,500 toward her education.

Launch

Although the slots are filled for the second round of the program, Tri-CAP will accept names for a waiting list.

During the pilot, a handful of people dropped out of the program because of financial emergencies and spaces opened. Those who choose not to complete the program can take their money out of the bank but they don't receive the matching funds.

Applicants to the program must be working and must meet certain financial guidelines. A single person must make \$17,180 a year or less to be eligible.

The FAIM program is funded through private support, the federal and state government.

Denise DeVaan, state FAIM coordinator, said there's an estimated \$1 million in federal and state funding to provide the matching money. Another \$135,000 comes from the McKnight Foundation to run the program's budget counseling, one-on-one and group classes. The United Way of Central Minnesota helps pay for Andres' position as a FAIM coordinator with Tri-CAP.

Every two years the Legislature will need to decide whether to continue the program.

Judy Stene, director of family resource development at Tri-CAP, said she sees an ongoing need for the program.

"It puts people back in charge of their lives," Stene said. "Our long-term goal is to give people an opportunity that might not have been available to them before."

Details

For information about the Family Assets for Independence in Minnesota program, call the local Tri-County Action Program Inc. office at 251-1612.

Times photo by Jason Wachter, jwachter@stcloudtimes.com

St. Cloud State University student Karen Kortgard picks out the book she needs for her human relations for teachers class Tuesday afternoon at Campus Book and Supply.

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Abstract (Document Summary)

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