

# Individual Development Account

**Quick Look:** An Individual Development Account is a special savings account that can help some people save money to buy or fix up a house, start a small business, continue their education, or participate in a training program.

## What is an IDA?

An Individual Development Account (IDA) is a special savings account matched by federal and state dollars. IDAs can help low-income individuals and families save money for education or training, purchase or rehab a home, buy a vehicle, or start a small business.

## Who is eligible for an IDA account?

An individual who has a job and earns income, and who is a member of a household with an annual household income of less than 200% of federal income poverty guidelines is eligible for an IDA account.

## How can an IDA help someone who works?

An IDA enables a working individual to set aside money for financial goals such as buying or rehabbing a home, paying for training or education, or starting or expanding a small business. Funds set aside in IDA accounts usually do not count against the monthly earning limits of TANF and Social Security programs.

## How does an IDA work?

- IDA participants are eligible to receive up to \$4,500 in state and federal match funds that can go toward one of the eligible asset goals mentioned above.
- Account holders agree to deposit at least \$500 each year.
- Savings are matched at a minimum of \$3 for every \$1 saved.
- There is a maximum that can be matched.
- Account holders must participate in the program for some time—usually 3 years before the money and the match can be spent.
- Participants receive one-on-one counseling and 6+ hours of financial education covering topics such as budgeting, savings, credit, banking, taxes, and other money management strategies.

## Individual Development Accounts

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For more information on IDAs, see the [Prosperity Now website](#).

For help with setting up an IDA account and for help finding a program near you, click on the [Indiana Housing and Community Development Authority's webpage on Individual Development Accounts](#).

Source: [www.ssa.gov](http://www.ssa.gov). Reviewed by the Center on Community Living and Careers.

**For more information, contact the  
Indiana Benefits Information Network**  
812-855-6508 | [www.iidc.indiana.edu/cclc](http://www.iidc.indiana.edu/cclc)

**Indiana's Work Incentive Planning and Assistance Program**  
North/Central: 855-641-8382 | Southern: 502-548-4492