



The Midas Collaborative works to advance the financial security of low- and moderate-income residents across Massachusetts in collaboration with its member organizations and partners. Midas provides tools, services, and training to help organizations and public officials create more prosperous communities.

In 1999, Midas organized the first matched savings pilot program in Massachusetts, working in partnership with community organizations to apply and receive federal funding for Individual Development Accounts (IDAs), also known as matched savings accounts.

In 2007, Midas incorporated as a 501(c)(3) entity to serve as the umbrella organization offering matched savings grant programs in the state, funded primarily by the federal government's Assets for Independence (AFI) program. This nationwide program generated over fifteen years of data about its efficacy and impact before funding was eliminated under the previous administration. This led to staff and program cutbacks – a situation further exacerbated by the 2020 pandemic. At Midas, there was 100% staff and board turnover. We have rebuilt, with staff and systems in place, to support our goal of statewide reach to all qualifying participants.



## BY THE NUMBERS:

### Wealth inequality

in Massachusetts has increased significantly in the past two decades. According to an Economic Policy Institute report, 58% of the wealth increase in Massachusetts went to the top 1% of earners between 2009 and 2015.

The top 1% of Massachusetts earners own almost 24% of the state's total wealth, and the top 10% of earners own upwards of 60% of the state's total wealth.

### Racial Wealth Inequality

in Massachusetts is even more stark. The Commonwealth ranks 45th in the country for homeownership among households of color, an asset class where most Americans hold their wealth.

The 2015 The Color of Wealth in Boston report penned by the Federal Reserve Bank of Boston showed that white households in the region have a median wealth of \$247,000, as compared to Black households who have a median wealth of just \$8.

### The economic impact of

**COVID-19** hit Massachusetts particularly hard, as evidenced by a Census Bureau Pulse Survey conducted in the fall of 2020. It showed that one-third of all Massachusetts adults had trouble paying for usual household expenses.

This indicates that emergency savings have been extinguished among working households.





We are a statewide organization with 25 members and 9 community partner organizations. We primarily serve unmarried mothers who identify as BIPOC and LMI. Our five-year goal is to support asset development and financial education for all qualifying individuals in Massachusetts, directly addressing racial economic inequality and stimulating economic development through education, home ownership, and saving for a rainy day.

**In the past ten years, Midas has helped...**

**7,000**

people  
leverage



**\$7M**

of individual savings and  
matched savings grants into



**\$340M**

of economic stimulus activity  
through education, home ownership,  
and small business development.

**A "typical" Midas program participant:**

**74%**

Adult female

**80%**

Identifies as BIPOC

**84%**

Unmarried

**77%**

With children

**70%**

Living in a low-income  
immigrant-rich and hard to  
serve area in metro-Boston or  
a Gateway City

**57%**

Some post-secondary  
educational experience

**72%**

Is employed or in school

**\$23,238**

Average total household  
income which is within  
150-200% of the poverty

**-\$5,227**

an average negative  
net worth

**584**

Average credit score

**38%**

Saving to continue  
her education

**52%**

Saving to buy a first home

**1%**

Invest in a small business

**9%**

Saving for a rainy day



We know our approach works; unlike other microfinance programs, matched savings grantees do not need to pay back their matches, thus helping to increase net worth and directly address racial wealth gaps in ways other programs do not.

## BECOME A MIDAS SPONSOR TO CHAMPION MATCHED-SAVINGS PROGRAMS THAT BUILD ASSETS FOR HARD-WORKING FAMILIES



### HOW MATCHED SAVINGS WORKS:



**STEP ONE**  
Midas community partner organization recruits participant into matched-savings program



**STEP THREE**  
Participant receives financial education and training from their community partner organization, achieves their savings goal, and earns a match at a rate of 2:1 or 3:1



**STEP TWO**  
Participant identifies their savings goal and begins making monthly deposits into their matched savings account



**STEP FOUR**  
Participant uses their savings + match to make a life-changing and wealth-building investment



### WHY THIS MATTERS

- ◆ **It is a proven and powerful tool.** The Urban Institute's evaluation of the federally funded Assets for Independence (AFI) Act found a significant increase in liquid assets for account holders. Liquid assets provide a financial cushion for working households in the event of an economic shock such as a job loss or illness.
- ◆ **Wealth inequality** in Massachusetts has increased significantly in the past two decades. According to an Economic Policy Institute report, between 2009 and 2015, 58% of the wealth increase in Massachusetts went to the top 1% of earners. The top 1% of Massachusetts earners own almost 24% of the state's total wealth, and the top 10% of earners own upwards of 60% of the state's total wealth.
- ◆ **Racial Wealth Inequality** in Massachusetts is even more stark. The commonwealth ranks 45th in the country for homeownership among households of color, an asset class where most Americans hold their wealth. The 2015 The Color of Wealth in Boston report penned by the Federal Reserve Bank of Boston showed that white households in the region have a median wealth of \$247,000, as compared to Black households who have a median wealth of just \$8.
- ◆ **The economic impact of COVID-19** has hit Massachusetts particularly hard, as evidenced by a Census Bureau Pulse Survey conducted in the fall of 2020. It showed that one-third of all Massachusetts adults had trouble paying for usual household expenses. This indicates that emergencies savings have been extinguished among working households.

For more information, contact Molly Goodman, at [molly@midascollab.org](mailto:molly@midascollab.org)

**Asset Development and Financial Education Program Details**

**Mission:** The Midas Collaborative works to advance the financial security of low- and moderate-income residents across Massachusetts in collaboration with its member organizations and partners. Midas provides tools, services, and training to assist organizations and public officials to create more prosperous communities.

**Description:** Midas’s programs support people who dream of a college education, who want to increase family wealth building and prosperity through homeownership, who own small businesses, and who want to save for a rainy day.

**Population Served:** We are a statewide organization with 27 members and 9 community partner organizations. We primarily serve unmarried mothers who identify as BIPOC and LMI and who live in Boston or a Gateway City.

**Goal:** Our five-year goal is to support asset development and financial education for all qualifying individuals in Massachusetts, directly addressing racial economic inequality and stimulating economic development.

<p><b>Business Model:</b> Community Partner Organizations solicit funds and recruit program participants. Midas solicits funds to offset administration costs to incentivize more CPOs to participate, thus expanding reach and impact.</p>	<p><b>Programs:</b></p> <ul style="list-style-type: none"> <li>• Asset Development</li> <li>• Financial Education</li> <li>• Member Services</li> <li>• Policy and Advocacy</li> </ul>	<p><b>Outcomes:</b> In the past ten years, Midas has helped 7,000 people leverage \$7M of individual savings and matched savings grants into \$340M of economic stimulus activity through education, home ownership, and small business development.</p>
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**Reach/Impact Target:** A composite Midas program participant is an adult female (74%) who identifies as BIPOC (80%) and is unmarried (84%), with children (77%), living in a low-income immigrant-rich and hard to serve area in metro-Boston or a Gateway City (70%). She has some post-secondary educational experience (57%) and is employed or in school (72%). She has an average total household income of \$23,238, an average negative net worth of -\$5,227, and an average credit score of 584. She is saving to continue her education (38%), buy a first home (52%), save for a rainy day or invest in a small business (10%). In addition to increasing her net worth, improving her credit and thus access to other programs, and developing savings habits, her activities will generate economic and civic multiplier effects for larger societal benefit, without creating more personal debt or compromising her [asset limit] ability to participate in other programs.

<b><u>Geographic Location of Program Participants</u></b>	<b><u>2022 Average</u></b>
Suffolk County	<b>49%</b>
Middlesex County	<b>34%</b>
Essex County	<b>6%</b>
Norfolk County	<b>4%</b>
Worcester County	<b>1%</b>

**Large- Scale Impact:**

**Capital infusion is a proven and powerful tool.** The [Urban Institute's evaluation](#) of the federally funded [Assets for Independence](#) (AFI) Act found a significant increase in liquid assets for account holders. Liquid assets provide a financial cushion for working households in the event of an economic shock such as a job loss or illness.

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**The economic impact of COVID-19** has hit Massachusetts particularly hard, as evidenced by a [Census Bureau Pulse](#) Survey conducted in the fall of 2020. It showed that one-third of all Massachusetts adults had trouble paying for usual household expenses. This indicates that emergencies savings have been extinguished among working households.

**Including more people in economic development activities helps everyone.** Education, homeownership, and small business development are proven engines of economic stimulus activity. According to the [State Higher Education Executive Officers Association, “State Higher Education Finance Report: FY 2015](#), a person with a bachelor’s degree contributes \$355,000 more than their peers with just a high school diploma in reduced government spending and increased tax revenues across all levels of government. According to a [2022 State Economic Impact Report](#) released by the National Association of Realtors, the total economic impact of a typical home sale in Massachusetts is \$191,000. [According to a 2020 article from the Brookings Institute](#), if Black-owned businesses reached parity with non-Black businesses, they would bring

in more than \$670 billion in revenues and add approximately 1.6 million jobs. This is even more important considering that Black-owned businesses [are more likely to hire Black people](#), continuing the multiplier effect that directly addresses the [persistent wealth gap](#) holding back Black Americans. Finally, the [2010 McKinsey Report](#) outlines the gender multiplier effect, presenting foundational and much replicated research that investing in women, especially single mothers, is the most effective means of sustainable development.

**The problem isn't going away.** Government assistance for unemployment, child tax credits, and economic stimulus has lost its momentum in the subsidence of the pandemic relief efforts. Multiple studies have shown that credit card and household debt is increasing, indicating that household saving is declining. According to the [Federal Reserve Bank of New York's Quarterly Household and Debt and Credit Report 2022:Q4 \(Released February 2023\)](#), debt has increased 16% over pre-pandemic levels. [2023 U.S. Census](#) data report that 59% of Americans making less than \$50,000 report have somewhat to very difficult ability to pay for usual household expenses. This supports the [January 2023 Bankrate Survey](#) that found that 1 in 3 Americans have more credit card debt than emergency savings, the highest on record since 2011 polling.

#### **Participant Examples:**

**Education:** It allowed me to take classes at an Ivy league institution allowing me to demonstrate my true ability to perform academically. This is progress toward my sub-goal of getting into a graduate program followed by a better career. This program makes a high-quality education possible for people with academic ability and a lack of resources. It also opens doors when applying to graduate school programs that do not value community college grades, and regular university grades, as highly as Ivy league grades which possibly render more points with the admissions committees for the same letter grade.

**Small Business:** Thanks to the Matched Savings, I was able to purchase a (used certified pre-owned) vehicle, which is something I had never done before. Owning a vehicle has opened options for career-wise that my family would not have had before. Now I have a truck that can hold my tools so I can start a construction business.

**Home Ownership:** It helped me find a house for my family. After the homebuying class, I enrolled in the 1-year program to save for downpayment and it took me about 2 years to reach the original goal, the monthly in person meetings held me accountable to keep making the deposits. I was able to use the matched funds to pay for part of the closing cost and my moving expenses when I purchased an affordable unit in the summer of 2021 for my mother to live with me. My mom has early stages of arthritis, and it is difficult to climb stairs, and in our previous unit we had to go up 3 floors.

## **Survey Questions with Composite Answers from 18 Program Participants, March 2023**

### **What key takeaways do you remember from your financial education classes?**

Financial stability is a lifestyle. It's like becoming a vegan; you have to keep working on it. I remember learning a lot about credit that I wouldn't have gotten elsewhere. I learned so much during my time in the financial fitness class. I really appreciated the courses where we were taught about how to manage credit properly. I think the biggest thing I'll take away is tie feeling of accomplishment. I learned that I could save money and fix my credit. Saving the \$100 a month was a lot for me, but it was so worth it to see what I was able to do, when I put my mind to it! It helped me to feel more confident when I saw my saved money increasing week after week.

### **Did the financial education you received help with your confidence? Please explain.**

Absolutely. There was a time I was afraid to speak with debt collectors on the phone. They gave me resources and tools to be able to go into conversations feeling like I knew what I was talking about and not like debt collectors would talk down to me or belittle me. I understand how to budget now and keep track of my money flow. So, when I fall off my budget I know how to get back on track. I no longer have fear or panic or avoidance when I'm struggling with money. I get on track and start a new budget. Believing that low-wage employment precluded savings was disproven. I've always lived lean, but there's still margin for savings programs & disciplines within those constraints. It made me take a good look at things and I found organizing a plan was easier than I thought.

### **What were some barriers to saving that you faced before entering the program? During?**

Not earning enough income to offset student loans and other debts along with cost of living. I always found a reason to dip into my "emergency" fund. Now my emergency fund is assigned to certain things and those things only. It's in an online bank and money is deposited in it before it hits my regular account, so I do not miss it or have to transfer it myself. I act like it doesn't exist until I really need it. I keep track of what I'm spending my money on to force myself to see my frivolous spending. I feel bad and shape up. I just got overwhelmed with the day to day of running a small business and overlooked a lot of this stuff!

### **How has your life changed as a result of the Matched Savings Program?**

It's built my confidence. I don't panic as much if I hit a financial mishap. It motivates me to save more and I'm taking steps to purchasing a home. It felt great and it was incentive for me to keep going and planning for a more secure future. There was so much about personal and business finance, that I was oblivious too. Now, having learned all the information I acquire, I'm much more able to make better financial decisions for myself and my business. I know how to have a good credit score, how to increase my income and how to plan ahead.

## How has your participation in the Matched Savings Program affected your life?

Mostly it taught me that I can power through anything, keep my head down & focus, meet my goals, & take advantage of the opportunities that a grant program can provide. My coaches helped me navigate that and encouraged me as they knew how limited I was with my living situation and career without a vehicle. I am beyond grateful. I am more financially savvy. I inspire others and teach them what I have learned. I pass it on to my children in hopes that they will be more responsible with money than people in our family have previously been. I'm motivated keep saving and continue learning about budgeting and building wealth in multiple ways. Like with credit. I wish there are more programs out there like this.

## How has your participation in the Matched Savings Program affected other people in your life?

I made a lot of great connections while taking classes the MSP allowed me to afford. Being a student, in turn, allowed me to participate in forums where I was able to use my financially diverse background to help others. When you have more confidence everyone around you takes you more seriously too. I continue to help and share with others the lessons and takeaways I took from the program.



Milestone on  
the path  
toward the  
**American Dream**



[midascollab.org](http://midascollab.org)

## Would you recommend this program to someone else? Why?

I absolutely would! The workshops, coaching, and relationships made this experience so worth it. It is built in with monthly meeting about different financial literacy topics and it keeps you (student) accountable. Participating in this program was particularly challenging. Finding enough work in an area that is so absolutely economically bereft made it hard to find enough work to actually meet my savings goals while meeting all my other responsibilities. I wish I could've been in the program longer; it was such a benefit to me. I miss it, honestly.