




## Financial Asset-Building Services

### Asset Building to Close the Wealth Gap


**Wealth is a measure of assets minus debt.** The wealth gap between families with low and upper incomes is even more pronounced than the income gap. **Disparities in assets are even more exaggerated across racial lines**, with the average white household having \$13 in wealth for every \$1 dollar of wealth in a Black household. Wealth is essential to help families with low incomes weather economic hardships and move out of poverty toward economic independence. And, wealth that can be passed down between generations can stop generational poverty. To mitigate these disparities and help households with low incomes build wealth, Community Action Agencies (CAAs) provide a variety of programs to **help families gain financial literacy, increase assets and decrease debt.**

### Family Assets for Independence in Minnesota (FAIM)



The FAIM program, funded by the MN Dept. of Human Services, is run by CAAs and community-based organizations. It **provides supportive financial services and coaching** to Minnesotans with low incomes. Participants savings can be matched 3 to 1 with state funds upon completion of the program. **The savings can then be used to pursue a college education for the participants or their children, to buy their first house, start a small business, or purchase a car.**

### Homeownership



Homeownership is an effective way to build wealth. But **Minnesota has one of the largest racial disparities in homeownership in the nation**, with 77% of white Minnesotans owning a home compared to 38% of Minnesotans of color and only 24% of Black Minnesotans. To help rectify these disparities, CAAs provide financial coaching to complement the FAIM program, with funding from the MN Housing Finance Agency. Some CAAs also **provide down-payment and closing-cost assistance to help people with low incomes to purchase their homes, as well as foreclosure prevention coaching.**

### About Community Action

The Economic Opportunity Act of 1964 created the Community Action Network of national and local organizations that connect millions of people, with low and moderate incomes, to essential services. The network works to build community resiliency and helps people move out of poverty. In Minnesota, 24 Community Action Agencies and 11 Tribal Nations serve all 87 counties across the state, providing poverty solutions through programs and services including: homeless prevention and housing assistance, utility bill assistance, healthcare enrollment, food and nutrition services, Head Start early childhood programming, financial asset building, regional transit, and more.

- **2,250 people** maintained a **budget** for 90+ days
- **1,300 people** participated in **asset development and savings programs**
- Find out more about FAIM at: [www.minnesotafaim.org](http://www.minnesotafaim.org)

*Source: 2019 MinnCAP Annual Report*

## 24 Local Agencies & 11 Tribal Governments

