

Michelle Simmons

Testimony before the Subcommittee on Social Security and Family Policy of the Finance Committee of the Senate Committee on Finance

“Building Assets for Low-Income Families”

Thursday, April 28, 2005

Hello, my name is Michelle Anne Simmons. I am a graduate of the self employment training program and the Family Savings Account program, also called the Individual Development Account program in Pennsylvania, and I would like to tell you my story.

For years I was a “hope-to-die” dope fiend, living in a cardboard box on the streets of Los Angeles. I was in and out of jail for over 10 years. In 1999, I was released from prison and decided I was tired of the cycle of addiction, imprisonment and making promises to my children that I knew I couldn’t keep. I was going to change my life or die.

When I was released from prison, I moved back to Montgomery County, Pennsylvania and was having a difficult time finding viable employment and housing. I wanted to find a job that that would provide for me and my two children. I knew working at McDonald’s at \$6.50 per hour was not going provide a good life for my family.

A friend encouraged me to start my own business. My idea was to start a nonprofit organization for women ex-offenders to transition back into society and to become productive, self-sufficient individuals. I came to Women’s Opportunities Resource Center after hearing about their entrepreneurship program. WORC is a Philadelphia non-profit organization that provides self-employment training, Family Savings Accounts, and micro loans to low income women and their families. There I received six weeks of intensive training on how to start my own business including how to write a business plan and do effective marketing. I don’t know where I would be without the training and resources I received at the Women’s Opportunities Resource Center. They helped my dream come alive.

While participating in the self employment training program, I heard about the Family Savings Account Program. Pennsylvania developed this statewide program in 1997 and is grandfathered into the Assets for Independence Act, which allows Pennsylvania to receive up to \$1 million annually. This program is up for reauthorization and it is important that the grandfathering clause is maintained in order to continue a successful statewide program. Pennsylvania provides half the matching funds for the program. See attached fact sheet regarding the AFIA reauthorization.

After living in a cardboard box for so many years, my dream was to have a stable home for my children. Through the FSA program, I saved \$1007 and was matched \$1007. This \$2014 covered my down payment and with the help of a housing counseling agency and Habitat for Humanity, I was able to secure a \$50,000 no-interest, low-down payment mortgage.

The FSA program taught me money management and budgeting. It taught me simple things like writing down everything I spent and cutting out unnecessary expenses. I had

never saved before. Saving was not easy but I stayed focused and kept thinking about my long term goals of starting my business and purchasing a house for my family. Getting the grant was a great incentive. It was the first time in my life that someone rewarded me for a doing a good job.

The program gave me a sense of accomplishment. It built my self-esteem and self-worth and now I look forward and welcome new challenges because now I know that I can do it. At one time I didn't even think beyond the next day, and now I'm planning for my future and my children.

My life has changed so much since I enrolled in the Family Savings Account program. In 2002, I graduated from the self-employment training and was ordained as a minister. In 2003, my nonprofit "Why Not Prosper, Inc" opened its doors to its first resident, and with the help of the FSA program, I moved into my first home. In 2004, I received the Women's Way Local Honoree Award which recognizes outstanding work done by women in the community.

When I look back over my life, I can't believe the strides that I have made. Programs like these are essential to help those in my former circumstances succeed and prosper. It is a blessing to be clean and to be there for other women who have fallen on hard times. I am thankful now to be a mentor for them and for my children.