

## **Asset Building**

**Asset building** is a way for individuals, families, and communities to gather a variety of resources to help them move towards greater economic well-being in the short and long term. Asset building emphasizes the importance of helping individuals and families learn about and utilize healthy money management and budgeting practices to address current financial issues and set themselves up for financial stability and success in the future.<sup>147</sup>

*Asset building strategies include:*

- Financial education
- Savings accounts
- Healthy management of credit and debit
- Tax credits and assistance with filing taxes
- Accessing federal and state resources
- Individual Development Accounts

Utilizing these different strategies and resources can help individuals and families address current financial challenges and build their financial resilience and human capital. An example of asset-building resources by state and federal government agencies are first-time homeowner's benefits, such as closing cost matches, down payment assistance, or the Oregon Homeowner Assistance Fund. Another example is Oregon's College Savings Plan, where parents can create college savings accounts for their children with an initial deposit of just \$25. With these accounts, earnings grow tax-free, interest savings are compounded, and parents can claim a state income tax credit of up to \$300.

*For more information about homeowners' benefits and the Oregon College Savings Plan, visit:*

- <https://oregonhomeownerassistance.org/>
- <https://www.oregon.gov/ohcs/homeownership/Pages/housing-counseling.aspx>
- <https://www.oregoncollegesavings.com/>

Traditional assets, such as financial assets (cash, stocks, bonds, retirement accounts, CDs), physical assets (homes, cars, land, personal valuables) are also included in asset building activities. However, sound money management and financial resilience are most important to our understanding of asset building.

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<sup>147</sup> Administration for Children & Families. "Asset Building and Early Childhood Programs." U.S. Department of Health & Human Services. <https://www.acf.hhs.gov/occ/fact-sheet/asset-building-and-early-childhood-programs-strategies-family-financial-security>