

## AFI Match Rates Quick Sheet

**Changing the match rate does not affect the number of people that an AFI project can serve.** The number of people that can be served is set by the maximum amount of federal funds that one individual can receive (\$2000) and the amount of the federal grant award, a minimum of 85% of which must be used as participant match.

Example:

- AFI grant award = \$100,000
- 85% must be used for participant match = \$85,000
- \$85,000 divided by \$2000 = 42.5
  - 42 individuals can receive the full \$2000 of federal funds, leaving \$1000 extra.
  - In reality, individuals often don't take the full \$2000 of federal funds, due to the way asset purchases are made. Grantees are then able to enroll additional participants to fully utilize the federal funds.

**Changing the match rate impacts:**

1. **how much individuals need to save to reach the maximum federal match and**
2. **the total amount of funds available for the asset purchase.**

The table below illustrates how increasing the match rate decreases the participant savings amount and total for asset purchase. The AFI Act allows any match rate between 1 to 1 and 8 to 1. For grants active in FY 2016, the most common match rates were 2 to 1; 4 to 1; 8 to 1; 3 to 1; and 1 to 1.

Match Rate (combined federal & non federal)	Participant Savings*	Maximum AFI federal Match	Minimum Non-federal Match**	Total for Asset Purchase
<b>1 to 1</b>	\$4,000	\$2,000	\$2,000	<b>\$8,000</b>
<b>2 to 1</b>	\$2,000	\$2,000	\$2,000	<b>\$6,000</b>
<b>2.5 to 1</b>	\$1,600	\$2,000	\$2,000	<b>\$5,600</b>
<b>3 to 1</b>	\$1,333.33	\$2,000	\$2,000	<b>\$5,333.33</b>
<b>4 to 1</b>	\$1,000	\$2,000	\$2,000	<b>\$5,000</b>
<b>5 to 1</b>	\$800	\$2,000	\$2,000	<b>\$4,800</b>
<b>6 to 1</b>	\$666.67	\$2,000	\$2,000	<b>\$4,666.67</b>
<b>7 to 1</b>	\$571.43	\$2,000	\$2,000	<b>\$4,571.43</b>
<b>8 to 1</b>	\$500	\$2,000	\$2,000	<b>\$4,500</b>

\*This is the amount that a participant needs to save in order to receive the maximum match at the indicated match rate. The AFI Act does not require that participants actually reach this amount. For example, an individual in a project providing a 2 to 1 match could stop at \$1,500 and be matched with \$1,500 in federal funds and \$1,500 in non-federal funds for their asset purchase. Also, participants can save more than this amount in their IDA if they choose to, but they would not receive additional federal match funds. If the individual in the prior example instead saved \$2,200, they would only be allowed \$2,000 of federal funds for their asset purchase.

\*\*AFI grantees can provide additional non-federal match to participants if they choose. The AFI Act sets a maximum amount of federal funds only, not a maximum of non-federal funds.