

Asset Building:

Earnings, Savings, Growth, & Equity



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WRF's Impact, Influence, and Leverage

Overview: Prosperity for All

The Winthrop Rockefeller Foundation (WRF) affirms Governor Rockefeller's vision of a thriving and prosperous Arkansas that benefits all Arkansans. A key piece of our mission and the Governor's legacy is **asset building**: a term commonly associated with economic development that embodies all areas of our work.

What is asset building? For WRF, it is a strategy to enable greater access to economic security and opportunities, particularly for low-income communities and communities of color. This includes increasing **personal assets** like homes, cash savings, investments, and business ownership and building **social assets** like education, job skills, and community services.

To decrease the burden of financial insecurity and build assets for all Arkansans, WRF supports and partners with key organizations to create:

- **More Earnings.** Education, skills, and experience are human and social resources that are crucial to overall asset building. WRF seeks to increase education beyond high school; **improve early childhood** and K-12 education to **create lifelong learners**; and identify promising practices to increase Arkansans' success in postsecondary **education, jobs, and careers**.
- **More Savings.** Low- and moderate-income Arkansans need help keeping more earnings. WRF works to reduce reliance on alternative financial services, preserve income through **volunteer income tax assistance**, and increase household savings.
- **More Growth.** Once Arkansans achieve family-supporting jobs and savings for stability, they need to build wealth for the future. WRF strives to increase ownership of homes, reliable transportation, investment and retirement savings, and new small businesses.
- **More Equity.** Many wealth-development programs make little impact on the **racial wealth divide**. We don't just need equality of access to resources, we need equitable allocation of resources to those who need it the most.

Through direct **impact**, policy **influence**, and partner **leverage**, WRF has used grantmaking and other philanthropic tools to help build personal and social assets for Arkansans. Over the past decade, the Foundation and its funder and grantee partners have:

- Leveraged \$50 million in low-interest federal loans through a \$500,000 grant for Uplift America. The loans will strengthen rural communities by developing education, health care, and infrastructure facilities, resulting in resources that build assets for families.
- Helped Arkansans reclaim millions in earned income through the support of Volunteer Income Tax Assistance (VITA) and decreased the number of Arkansans who qualify for, but do not claim, the Earned Income Tax Credit (EITC).
- Developed evidence of best practices for a local workforce that is lifting Arkansans out of poverty, increasing postsecondary skills, and receiving national recognition as a model for welfare reform. Students of color in the program increased completion rates by 300 percent.

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WRF's Impact: Scalable Solutions

WRF's investments in direct-service organizations, programs, and strategies have helped introduce best practices and identify local solutions for asset building in Arkansas. Select examples are listed below:

- **Financing Ozarks Rural Growth and Economy (FORGE).** In 1990, WRF supported the development of FORGE, a nonprofit micro-lending organization that helps homegrown businesses create long-term employment and strengthen the economy of the Ozarks region. FORGE remains a part of WRF's PRI portfolio.
- **Equitable Community Development.** In the first year of Moving the Needle, WRF provided \$110,000 in asset-building grants through Better Community Developers Inc. (BCD). BCD developed an equitable, community-based approach to increase education, skills, and employability for young people in high-need neighborhoods. In 2014, WRF provided a \$200,000 PRI to leverage additional dollars for development.
- **VITA Plus.** With WRF support since 2009, VITA grantees have increased the number of Arkansans served by 4000 percent, from 244 its first year to over 10,000 households annually. In 2016, these providers preserved \$13 million in earnings, including over \$4 million in the EITC. The EITC is recognized as the **"single most effective program"** for reducing child poverty. VITA providers are also helping families grow assets by connecting them to finance, homeownership, and workforce services.
- **1,000 in 1,000.** In 2015, WRF brought the United Way of Northwest Arkansas and the Mississippi County Arkansas Economic Opportunity Commission (MCAEOC) on a learning journey to Florida. These two regional programs learned about **1,000 in 1,000**, two-generation (2-Gen) strategies, and collective impact through existing programs and organizations.
- **Delivering on the Dream (DOTD).** From 2015 to 2016, WRF provided \$250,000 to leverage \$224,000 nationally for immigrant integration infrastructure and services in Arkansas. The **DOTD initiative** supported nearly 40,000 individuals and improved earnings for immigrants via education and employment opportunities through **Deferred Action for Children Arrivals (DACA)** and other residency relief.
- **Marshallese Impact.** As 2017, WRF has provided support for **Credit Counseling of Arkansas (CCOA)** as it expands services and develops more effective asset-building strategies designed in partnership with Marshallese communities in Northwest Arkansas. CCOA currently serves over 6,000 of estimated 10,000 Marshallese in the region, and provides financial literacy, homeownership, and other asset-building programs.



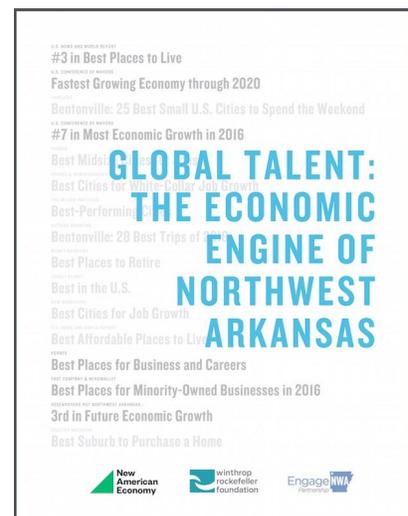
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WRF's Influence: Policies for Prosperity

Without good data, policymakers cannot make informed decisions. Research builds the case for asset-building policies for low- and moderate-income communities in Arkansas. Select examples of WRF's support for research, data, and policy recommendations are listed below:

- **Arkansas Single Parent Scholarship Fund (ASPSF) Positive Outcomes.** In 2008, WRF supported *Positive Outcomes*, a statewide report on alumni of the ASPSF. The study found that increased participation in higher education creates a positive economic ripple effect for Arkansas's economy, especially for ASPSF graduates who more easily built personal and social assets, including job-readiness, earnings, and homeownership.
- **Poverty Task Force.** In 2010, WRF provided grant and leadership support for the Arkansas Legislative Taskforce on Reducing Poverty and Promoting Economic Opportunity. The task force worked with Arkansas Advocates for Children and Families and other partners to create goals and policy recommendations to reduce poverty by 50 percent in 10 years. The report emphasized asset building, education, employment support, and tax relief.
- **College Count\$.** Grants in 2013 and 2015 helped create longitudinal data on the Career Pathways Initiative (CPI) that resulted in national coverage in the **Washington Post** and **The Chronicle of Higher Education**. The research provided recommendations to make changes to federal policy based on Arkansas's program. CPI has used Temporary Assistance for Needy Families (TANF) to provide people in poverty with education and training opportunities that lead to careers and increased wages. CPI participants achieve double the success of the general community college population, with more than 300 percent improvement for students of color.
- **Expect More Arkansas.** Based on findings revealed by WRF's 2015 report **Where the Jobs Are**, WRF has launched *Expect More Arkansas*. The initiative's vision is to improve skills and careers in the state so more Arkansans can earn family-supporting wages. WRF has co-hosted 15 **community forums** as of 2016, highlighted seven "**Bright Spots**" for education and workforce partnerships since 2017, and is building a collaborative network to grow programs and improve policies that result in more postsecondary education success and an increase in the number of jobs that provide family-supporting earnings in Arkansas.
- **Global Talent.** In 2016, WRF supported a partnership between EngageNWA, New American Economy, and Welcoming America to study the regional impact of immigrant and refugee communities on asset building and the economy. **Their report** examined the outsized positive effect of immigration on Northwest Arkansas through increased property values, entrepreneurship, education, and earnings. The report recommends



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supportive policies to increase immigrant integration for economic impact.

WRF's Leverage: Local Capacity and National Support

WRF is strengthening organizations and building regional infrastructure and support for asset-building organizations in Arkansas. The Foundation leverages partners, investments, and movements for prosperous communities. See selected examples of WRF's leverage:

- **Southern Bancorp.** In 1985, WRF led the creation of **Southern Bancorp**, a community development bank committed to spurring growth in the Arkansas Delta, with profits used for workforce development and economic revitalization. Today, Southern leads the way to reach underbanked communities, provide VITA services, and create new financial products that build assets for low-income families.
- **HOPE for Arkansas.** In 2009, WRF expanded its portfolio of mission-related investments through an impact certificate of deposit at the College Station branch of the Hope Credit Union. This gave entrepreneurs, businesses, and working families in the College Station and Granite Mountain communities access to affordable financial services and technical assistance. In 2014, WRF invested \$1 million to provide the additional secondary capital necessary to expand Hope Credit Union operations into Central Arkansas
- **Rural IMPACT.** WRF's longtime grant and technical assistance support for MCAEOC resulted in Blytheville being selected as one of 10 communities to receive national support from the U.S. Department of Agriculture's (USDA) Rural IMPACT program. The national demonstration project is building assets and combating child poverty by forming a learning community for coordinated health, human service, and workforce-development service delivery.
- **Uplift America.** In late 2016, USDA announced funding for nearly \$50 million in Community Facilities loans in Arkansas. WRF leveraged the USDA capital through a \$500,000 grant for **Uplift America**, a public-private partnership that required contributions from local foundations. The loans are being used to build, acquire, maintain, and renovate essential community facilities and financial services like education, health care, and infrastructure. These community assets will have an exponential impact on individual asset building in rural communities.
- **Asset Funders.** WRF led the creation of the Arkansas chapter of the national **Asset Funders Network (AFN)**, an initiative to drive collaboration between financial institutions, foundations, and grantmakers who are using philanthropy to alleviate poverty. With a \$30,000 grant in 2017, Arkansas AFN gathered partners and support for Child Savings



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Accounts, **Bank On** standards for equitable banking access, and laying the groundwork for statewide philanthropic collaboration on asset building.

Conclusion

The Foundation has used its entire philanthropic toolbox to build community, family, and individual assets in Arkansas. Non-grant support like technical assistance to VITA providers has improved nonprofit infrastructure and increased adoption of best practices. WRF has used its voice to amplify what communities are already doing to increase education, employment, and earnings. Grants and program-related investments have resulted in an exponential return on investment for Arkansans.



Southern Bancorp, a national model for CDFI, was founded because of WRF investment. Arkansas CPI is transforming lives and has been used as a model for national reform through WRF-supported research and reports. \$50 million in infrastructure loans are transforming rural community assets because WRF willingly risked investment in Uplift America.

WRF paid for research and convened stakeholders to inform the **Expect More Arkansas** initiative, which has identified the resources needed to address Arkansas's workforce challenge, highlighted local partnerships and solutions, and continued to gather partners around a single vision for Arkansas.

WRF will continue to **build capacity** through partnerships and investment in individuals and organizations. The Foundation will also **make a case** for supportive public policies that build assets for low- and moderate-income families and address the racial wealth gap. We will continue to **leverage partners**—local and national, philanthropic and for-profit, government and private sector—to help Arkansans earn, save, and grow wealth. Finally, we will continue moving the needle in Arkansas, so that our state begins to match our vision for it: a thriving and prosperous Arkansas that benefits **all** Arkansans.