

In 2012, Communities Foundation of Texas (CFT) and the Thomson Family Foundation engaged the Corporation for Enterprise Development (CFED) to produce the Dallas Assets & Opportunity Profile, a report about the economic reality of Dallas and the North Texas region. The study revealed that one in three North Texans was at risk of economic freefall if they lost a job or experienced a medical or other costly emergency.

But who needed to do what about the challenges facing low-income working families and this problem called asset poverty? To whom does this issue belong, local funders asked after learning the startling fact through the study? Is it a funders' problem or a nonprofits' problem? The answer: both.

"Funders made the decision that we had to bring the nonprofits along," said Annika Little, project coordinator for the funders. "The thinking was that we have too much ground to cover and too far to go to catch nonprofits up later."

And so, the North Texas Asset Funders Network (AFN) was born. It is a regional network of private, family, community and corporate foundations, public sector funders and financial institutions that focuses on asset building and financial capability for low-income working families.

The North Texas AFN brings area funders together to share and learn how they might work with and invest in social service agencies and nonprofits to help low-income households save and build wealth. What that looks like can take on many forms, from helping families build credit and invest in a home, small business or a family member's education to integrating income support, employment services and financial coaching across sectors.

"We are partnering to fund programs that are bigger than what any of us could have done or thought of individually."
 - Dena L. Jackson,
 Dallas Women's Foundation

The group formed because in one of those early pivotal, question-laden conversations, Alfreda B. Norman, senior vice president for the Federal Reserve Bank of Dallas, had another inquiry: What would happen if the group formed a learning community?

"Philanthropy in Dallas leads the way," said Norman, who brought the Federal Reserve Bank to the group and played a key role in its formation. "Unlike in other cities, it's the philanthropist and the foundations here putting huge bets down. They do the [research and development] until everybody else catches up, so I thought how powerful it would be if we got everybody to think about this common challenge."

Still, members of the initial group that became the steering committee for North Texas AFN knew the network's formation was a risk. They agreed to try the collaborative approach for a year, experiment with some ideas and see what would happen. After a year, the group made the official move to become one of three regional affiliates of the national Asset Funders Network. The group had to clear a few hurdles along the way.



First, the idea of using philanthropy to collaborate for lasting impact is not the norm. Members of philanthropic communities tend to work on their own institutional strategies instead of working together to dive deep into issues and solve for decisive impact.

"Often funders can promote funding for new ideas or programs to nonprofits, who then build programming to get the money, but when the funding is gone, then the programming can stop," said Wende Burton, Community Philanthropy Director for Communities Foundation of Texas. "This process is not built to address or sustain solutions to large, complex issues like asset poverty."

Funders and nonprofits frequently fear collaboration, said Dena L. Jackson, vice president of grants and research for the Dallas Women's Foundation, a member the network. Community organizations don't share with each other, because they're afraid to compete for the same dollars, and foundations don't share with other, because they are afraid of failure, she added. "Then, funders don't share with community organizations, which means [the community organizations] have to guess at what we want," Jackson said.

The learning curve and interest level of the nonprofits also posed a challenge. Despite working on the frontlines with low-income working families, many nonprofits didn't think asset poverty tied to their mission, purpose and services.

For example, one of the first initiatives the North Texas AFN brought to nonprofits was a pilot expansion of lending circles in the Dallas-Fort Worth. A lending circle is a small group of people who chip money in each month to lend to a member of the group at no interest. The loans provide needed cash to members and are recognized by mainstream financial institutions, so they help the member build credit. Lending circles were previously successful in the Bay Area of California, home to another regional AFN chapter, when they were used to wean low-income earners off of payday loans and help them build credit. Poor credit and a high use of payday loans frequently present barriers for income security.

Building on national funding from the Citi Foundation and the JP Morgan Chase Foundation, the United Way of Tarrant County, the Thomson Family Foundation and the Communities Foundation of Texas collaborated to request funding proposals from local nonprofits interested in using lending circles in their service models, but interest was extremely modest.

See Reverse Side

NORTH TEXAS ASSET FUNDERS NETWORK STEERING COMMITTEE

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 Meadows Foundation



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"The nonprofits we presented it to thought it was interesting, but couldn't visualize how it could fit into their service offerings," Burton said. "We had assumed there would be more interest, but the response showed us that we needed to take more time and provide more information to help them think through the possibilities."

After more educating and coaching, members of the North Texas AFN were able to lay the groundwork to launch the program in Fort Worth. The Thomson Family Foundation and the United Way of Tarrant County are funding three Fort Worth area agencies that are in process of setting up and piloting lending circles.

Jackson recalled similar resistance from some funders and described the Dallas Women's Foundation as an example of how any organization working to serve the needs of people should be examining the issue.

"We are probably the most limited foundation in the network, so our participation shows other foundations that they can still do what they've always done and can still support the agencies they want to, but carve out some amount of money to take a deep dive into something that impacts the entire community," Jackson said. "Some have said, 'It's not our thing, so we're not going to go there,' but it is your thing if you care about health, if you care about violence in the home, if you care about education, because you can't get to the heart of these matters without creating some sort of wealth in the home."

Lastly, the network needed to unpack the issue of asset poverty for the general public.

"You say poverty and it's like 'Oh, yeah, uh-huh' and then you say asset poverty and nobody understands that or realizes that you're not talking about some person sitting under a bridge with a sign asking for money," Norman said. "It's the kindergarten teacher, the lab technician, the caregiver that's taking care of your parents, the person that does your hair. It's a lot of people that are just barely making it because their income just barely covers their expenses and there's nothing there for them to save or keep."

Using education to eliminate the fear and resistance has led to the North Texas AFN to fund with greater power. In addition, education was also pivotal in creating an empathetic bridge for key opinion leaders to better understand not only the challenges of the working poor but also the impact of the working poor on the broader economy.

For example, joint funding and promotion by members of the North Texas AFN led to the development of One Crisis Away, a five-month digital storytelling project produced by KERA, the public radio affiliate for North Texas. Part one of the project, which followed the release of the 2012 Dallas Asset & Opportunity Profile, focused on four local families living on the financial edge and raised the community's awareness of the issue. The multi-media platform project reached 1.5 million people and, as a result, led to the production of part two that aired this year. One Crisis Away was funded by CFT, the Allstate Foundation, the Dallas Women's Foundation, The Fort Worth Foundation, the Thomson Family Foundation and United Way of Metropolitan Dallas.

"Our funding has become much more prescriptive and based on best practices," Jackson said. "We are partnering to fund programs that are bigger than what any of us could have done or thought of individually."

As a result, the North Texas AFN is now in a unique position.

"AFN brings program ideas to the community that are best practices from other parts of the country," Jackson said.

The process doesn't stop at contribution, contemplation and conversation, Jackson added.



Alfreda B. Norman of the Federal Reserve Bank of Dallas (left) and Megan McTiernan of the Thomson Family Foundation attend an AFN convening, one of several meetings held regularly to support funder relationship-building.

"It's a number of us in a room together looking at these ideas and practices and saying, 'Ok, can we bring this to town? Who can do the pilot? I can fund 50 percent of that. Can you fund the other 50? Ok, let's do it,'" Jackson said describing how one of the group's discussions might sound. "We've not only brought best practices to town theoretically, but we are bringing them and putting them into motion."

Since its launch, the North Texas AFN has used big-picture cooperation to produce sustainable, scalable results.

"In order to get traction or go to scale, we have to get out of our comfort zones," said Alfreda B. Norman, senior vice president for the Federal Reserve Bank of Dallas, who was instrumental in forming the local AFN chapter. "We've got to expand our network and figure out how to connect on the issues."

"There is really a great story happening in North Texas around collaboration," Little said. "There is a recognition that the issues facing struggling families cannot be solved by one foundation or by philanthropy alone."

WHAT WE'VE LEARNED ALONG THE WAY

The connection between asset building and other service offerings and funding areas isn't always obvious to everyone. Multiple opportunities for learning and exposure, as well as time to reflect, is often needed for both funders and practitioners to see the relationships. Finding opportunities for funders and practitioners to learn side-by-side speeds the process of adoption.

Integrating asset building into service structures can require a change in thinking and prioritization. It's more than just adding a new program. Agencies need time to make this shift. Funders can support organizations in pivoting toward asset building by providing multi-year funding for planning and capacity building training, and supporting other learning opportunities and exposure to best practices. Funders can act as a partner in the agency's continuing education.

Funders can accelerate change by agreeing on outcomes or a set of shared metrics that can be applied across service offerings. This provides continuity for service providers across the community or region, versus requiring practitioners to have to respond to each funder's unique reporting requirements. This also creates a standard for economic and performance outcomes, as well as common language that the community can work to achieve. North Texas is beginning to move towards this goal of shared outcomes through the leadership of the United Way of Metropolitan Dallas.

Building coalitions takes time and a commitment to the process. Time is needed for funders to build relationships and trust, as well as a safe space for them to compare funding interests, concerns and to probe options with their peers. The North Texas AFN intentionally sets aside several meetings a year for a funder-only convening that allows funders to be open with each other without any nonprofits in attendance. Commitment to the process means that resources need to be dedicated to help support and organize the network. By creating the network infrastructure, the work is shared across the participating partners who hold each accountable to keep coming together.