

Asset Funders Network - February 2014 Newsletter

1 message

Asset Funders Network <juliemorris@assetfunders.org>

Reply-To: juliemorris@assetfunders.org

To: juliemorris@assetfunders.org

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February 2014

Strengthening the Economy Through Microbusiness

From the desk of AFN Director, Joe Antolin

Workforce advocates have correctly pointed to post-secondary education as the most important factor to getting a good job that pays well. A range of game-changing asset-building strategies have made advances to achieving that goal.

Yet, today, a growing number of graduates are underemployed in jobs that do not require their education and in turn they are squeezing others out of the job market. Thus, the other side of supporting post-secondary education is job creation, especially among communities of color and women.

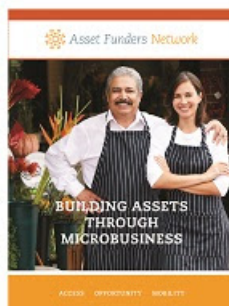
Job creation requires renewed and robust support for microbusiness (5 or fewer employees). New analysis is shining a light on the vital roles microbusiness plays in creating jobs in America and as a strategic tool for both poverty alleviation and local economic development of good paying jobs. Indeed, with the creation of 41 million jobs, microbusiness contributes to 31% of the private sector employment, according to the Association for Enterprise Opportunity's recent study. And with 52% of microbusiness owners not having a college degree, microenterprise also demonstrates its ability to provide financial opportunity and stability to those lacking a higher education.

AFN's latest brief for funders, *Building Assets Through Microbusiness*, demonstrates how a philanthropic focus backing programs that support entrepreneurs and providing capital for microbusinesses is key to creating jobs and building a robust economy. As the wealth gap widens and the middle class continues to struggle, funders' investments become even more crucial to correcting this complex economic challenge. In this brief, AFN shares proven best practices, ideas and roles funders can use to develop effective grantmaking strategies focused on the communities in which they work.

Funders are in a pivotal position to invest and support microenterprise, ultimately helping families and communities shift from getting by to getting ahead. Take a look at *Building Assets Through Microbusiness* and send us your questions and feedback as AFN continues to evolve this series.

Latest Strategies for Grantmakers**Microenterprise Drives Economy & Assists Underserved Populations**

New Strategy Guide released from AFN and FIELD at the Aspen Institute



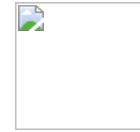
In partnership with FIELD at Aspen Institute, AFN releases *Building Assets Through Microbusiness*, a grantmakers strategy guide for creating asset-building outcomes through the support of business ownership and underserved populations. Microbusiness ownership has become increasingly more important as an asset-building and income security strategy since the Great Recession has devastated the net worth of families and years of erosion in wages have made family-supporting jobs a rarity.

This guide elevates the ways that microenterprise programs are currently helping individuals and families realize the promise of financial security and mobility and outlines guidance for funders looking for ways to leverage microenterprise as an asset-building strategy.

--- [Click here](#) to read and download, *Building Assets Through Microbusiness*.

AFN Events

Creating Jobs and Building Assets Through Microbusiness Webinar



Presented by Asset Funders Network and FIELD at the Aspen Institute

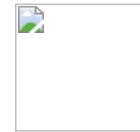
Creating Jobs and Building Assets Through Microbusiness Webinar

March 26 at 1pm EST, AFN, together with Director Joyce Klein of FIELD, Aspen Institute, shares how microbusiness has become increasingly important and relevant as a job creation and income security strategy since the Great Recession. This webinar elevates the ways microenterprise programs are currently creating much needed jobs, helping individuals and families realize the promise of financial security and mobility, and outlines guidance for funders looking for ways to leverage microenterprise as an asset-building strategy.

Participants will also get a preview of the latest findings from a new study that demonstrates how jobs provide stable schedules, flexibility to balance work with family/education and skill-and career-building opportunities that are critically important to economic security and advancement. Space is limited, please register today.

REGISTER 

The Asset-Building Power of Credit Webinar



Presented by Asset Funders Network and Credit Builders Alliance

April 23 at 1:00pm EST, AFN and Credit Builders Alliance share their grantmaking recommendations in their latest brief, funded by Citi Foundation and to be released in early April.

Funders interested in supporting low-income and underserved populations will benefit from learning how credit building is an important and effective asset-building strategy and the important impact credit plays on determining the well-being of families. Best practices will be shared on how to increase your outcomes and improve your return on investment. Space is limited, please register today.

REGISTER 

AFN Member Spotlight

W.K.Kellogg Foundation
Grants \$150K to Strengthen AFN's Growth



The Kellogg Foundation just announced a \$150K commitment to AFN to provide the needed support, capacity building and strategic growth that will enable AFN to increase support for funders investing in vulnerable families.

"We are pleased and excited to continue our partnership with the Asset Funders Network through this investment. They are a critical partner to the Kellogg Foundation and the larger field in helping to advance and integrate strategies, resources, visibility, and best practice towards promoting financial opportunity and asset building for low income families across this nation," said Paula Sammons, Program Officer, Family Economic Security, Kellogg Foundation.

AFN Tax Policy Project - Reform Update

TPAG Identifies Vital Policy Priorities for U.S. Tax Reform

On March 5th, the AFN Tax Policy Advisory Group (TPAG) will convene in Washington D.C. to refine policy priorities related to expanding asset-building opportunities, for lower-income households and households of color, through reform of the U.S. tax code.

Managed by the AFN Tax Policy Project, this meeting is the culmination of a nine-month process that includes the development of common principles, review and analysis of relevant research, assessment of opportunities, and discussion of shared policy priorities. The emerging policy agenda will be shared with AFN members in a webinar to be co-hosted by AFN and other funder affinity groups in the late spring.
Stay tuned for details!

About the Tax Policy Project: Practitioners, advocates, policymakers, and grantmakers who care about family financial security are increasingly viewing national tax policy reform as a window of opportunity to advance asset-building policy that will significantly benefit low- and moderate- income people and people of color.

AFN believes that the passage of universal and progressive asset-building policy hinges on funders supporting the field to unify around shared principles to guide decision-making about tax reform options; a small number of short-term and long-term policy recommendations; and a coordinated advocacy agenda. AFN's Tax Policy Project of Asset Funders Network is designed to help position the field to advocate for universal and progressive asset-building policies with a unified voice. AFN is grateful for seed funding to support this initiative from the Annie E. Casey Foundation, Ford Foundation, Friedman Family Foundation, Levi Strauss Foundation and the Walter & Elise Haas Fund.

News from the Field

Reports Point to Microenterprise's Impact on the Economy

Big Ideas for Jobs - Microenterprise Development as Job Creation



Microenterprises, though small, can be a powerful force for creating jobs. The *Big Ideas for Jobs* paper illustrates the role of microenterprise in creating jobs and policies that can support microenterprise development.

Big Ideas for Job Creation, a project of the Institute for Research on Labor and Employment at the University of California, Berkeley, with the support of the Annie E. Casey Foundation, tapped into the innovative thinking of leading experts across the nation to develop job creation proposals. Every idea had to meet the following criteria: designed for implementation by cities and/or states and will lead to net new job creation in the short-term; practical, sustainable, scalable and already tested; and all jobs created should be accessible for low-skilled workers and offer some career opportunity. Taken together, these Big Ideas can create millions of new jobs for our country.

-- [Click here](#) to download the Big Ideas for Jobs paper, sponsored by the Annie E. Casey Foundation and FIELD at the Aspen Institute.

Report Links Job Creation to Immigration

In *Immigration and Job Creation: Which Comes First?* Jack Straus, Reiman School of Finance at the University of Denver, explores the short-run causal relationships between immigration, employment growth and small business creation. Results show that the positive relationship between immigration and labor market conditions is not spurious. Increased immigration in a metro area causes higher employment growth, a rising employment share and declining unemployment. In addition, the study illustrates that immigration leads to higher self-employment rates, which in turn lead to increased job creation.

Community Leaders Turn to Immigration

to Jumpstart Economic Growth

A potent combination of declining population growth and economic stagnation has led cities and metropolitan regions to rethink how to reinvigorate their communities. Community leaders seeking to reverse this trend are looking at a variety of strategies to attract immigrants. The Immigration Policy Center's latest release, [Revitalization in the Heartland of America: Welcoming Immigrant Entrepreneurs for Economic Development](#) focuses on the efforts of two cities and one state in their efforts to implement strategies for future economic success that depend on immigration, all while slow progress is being made towards comprehensive federal reform of the U.S. immigration system.

The 92% - The Impact of Microbusiness is Bigger than You Think



Ninety-two percent of all U.S. businesses are microbusinesses. The resulting impact on local economies is substantial.

In [Bigger Than You Think: The Economic Impact of Microbusiness in the United States](#), the Association for Enterprise Opportunity (AEO) reports how

microbusinesses are increasingly feasible and attractive option to those for whom a precarious economy and mercurial labor market no longer serve.

Tax Refunds = Opportunity to Save

SaveYourRefund Helps Taxpayers Save - a Chance to Win Big



The annual federal tax refund is the largest sum of cash many American households receive all year. It is at this time that tax filers have a unique opportunity to set aside savings with an influx of cash and are primed to be thinking about their financial decisions. [SaveYourRefund](#), created by [Doorways to Dream \(D2D\) Fund](#), provides tax filers an easy way to save built in the tax form; IRS Form 8888 allows filers to split their refund into more than one account or save directly in U.S. Savings Bonds, making saving quick and easy. In addition, SaveYourRefund will award 100 weekly prizes of \$100 and one \$25,000 Grand Prize. Grantmakers interested in transforming the often stressful, anxious, moment of tax filing and the serious, earnest act of savings into a time of celebration should [click here](#) to learn more.

Ready? Set. SAVE! Pilot Campaign Helps Taxpayers Build

Start a better tomorrow today.
Make the most of your tax refund.



About 75 percent of the 147 million tax returns in 2012 resulted in a refund. That's millions of taxpayers who could have used their refund money to catch up financially - or to get ahead. The Consumer Financial Protection Bureau is collaborating with Volunteer Income Tax Assistance (VITA) sites on a pilot campaign, "Ready? Set. Save!", to help taxpayers build savings from their tax refunds. To learn more and download materials, [click here](#).

Asset-Building in the News

myRA Aimed at Helping

Americans Build a Nest Egg

A new savings plan will allow Americans to buy savings bonds in a starter retirement account that "guarantees a decent return with no risk of losing what you put in," President Obama said in his [State of the Union address](#) on January 28th.

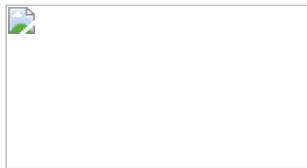


The new "myRA" account being created by Treasury will allow people to more simply invest in Treasury bonds. "It's a new savings bond that encourages folks to build a nest egg," he said. Available to households earning up to \$191,000 a year, myRA will function as a Roth IRA which allows savers to invest after-tax dollars and withdraw the money in retirement tax-free. But unlike traditional Roth IRAs, the accounts will solely invest in government savings bonds backed by the U.S. government. Minimum initial investment can be as low as \$25 and subsequent investments as little as \$5, through payroll deduction.

To read Treasury Secretary Jack Lew's comments on the myRA the day after the State of the Union, [click here](#)

Treading Water in the Deep End: Findings from CFED's 2014 Assets & Opportunity Scorecard

Five years into the economic recovery, most American families no longer live in fear of losing their jobs or their homes. Yet, these families continue to exist in a state of persistent financial insecurity, making it difficult to look beyond immediate needs and plan for a more secure future.



CFED's [Assets & Opportunity Scorecard](#) takes a comprehensive look at Americans' financial security today and their opportunities to create a more prosperous future. It assesses the 50 states and the District of Columbia on 133 outcome and policy measures, which describe how well residents are faring and what states are doing to help them build and protect assets. To see the Scorecard, [click here](#).

Asset Building through Credit Pilot FIELD and Citi Foundation Release the First Brief in a Series on Credit

FIELD and the Citi Foundation are pleased to announce the release of the first publication from the [Asset Building through Credit Pilot](#), a demonstration project that worked with five microenterprise programs to test the delivery of secured card, combined with credit coaching, as a tool to help aspiring entrepreneurs to build their credit and move toward their business goals. The paper shares key experiences from the pilot - including the ideal customer profile, card approval rates, the demographic and credit profiles of cardholders at the time of application, and preliminary findings regarding credit score outcomes.



The paper also identifies answers to key questions about the practice of delivering a secured card. Although the pilot tested the card with aspiring entrepreneurs, many of the issues and findings will apply to the practice of delivering a card to any low-income individual seeking to build credit.

-- [Click here](#) to download [Asset Building through Credit Pilot](#) from FIELD and the Citi Foundation

CA Senate Bill Promotes Nonprofit Lending

Seeking to promote low-dollar alternatives to payday loans, CA State Senator Lou Correa introduced SB 896 to encourage nonprofits to facilitate responsible, small lending cooperatives among low-income families. The concept, long used in immigrant communities around the world, was put into practice by San Francisco-based [Mission Asset Fund \(MFA\)](#) which in the past five years has administered about 2,000 such loans totaling more than \$1.2 million and was a leader in drafting the legislation. Although all the capital for the loans comes from nonprofit members, the nonprofit administers the loans and reports information to credit-reporting agencies. Unlike with payday loan customers, those borrowing through these nonprofits and repay their loans will establish credit ratings that will let them get traditional loans later. To learn more about the Mission Asset Fund, visit [missionassetfund.org](#)

FAMILY Act Supports Families' Assets

Business leaders from across the country are coming together in support of the [Family and Medical Insurance Leave Act \(FAMILY Act\)](#), federal legislation that would create a national paid family and medical leave insurance program.

"A federal law that guarantees all workers paid family and medical leave is critical to supporting our people and economic stability. I support the FAMILY Act because it is not only good for families and businesses, it also makes economic sense," explains Tom Nides, Vice Chairman, Morgan Stanley and former Deputy Secretary of State.

To date, two states already have family leave insurance programs - California and New Jersey - and Rhode Island will soon implement its program. To learn more about the growing list of employers supporting better workplaces and creating a level playing field between small and large business, [click here](#).

Careers in Philanthropy

Senior Associate
Community and Economic Opportunity Division

Anne. E. Casey Foundation

The Anne E. Casey Foundation currently has an opening for a Senior Associate in their Center for Community and Economic Opportunity Division. Located in Baltimore, MD, this full-time, senior-level position reports directly to the division's Director and will contribute to the strategic investment decisions focused on workforce, work supports and asset building. For a full description of the career opportunity, please [click here](#). To apply or for further information, contact Maxine Norris, mnorris@aecf.org.

Financial Security for All

The **Asset Funders Network (AFN)** is a membership organization of national, regional and community-based foundations and grantmakers strategic about using philanthropy to promote economic opportunity and financial security for all Americans. AFN works to increase the capacity of its members to effectively promote economic opportunity and financial security by supporting efforts that help low and moderate income individuals build and protect assets.

Newsletter Submissions

Does your organization have asset-building news or event information to share in the next AFN newsletter? Please send your event or submission to: juliemorris@assetfunders.org. All materials undergo a review process.

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Asset Funders Network, 73 [Fifth Avenue](#), Fourth Floor, New York City, NY 95032

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