FROM THE DIRECTOR
MAY 2017

As I reflect on the biennial AFN Grantmakers Conference in Indianapolis, *Accelerating Ideas Into Action*, I appreciate the useful, informative, engaging conversations among funders that created an exhilarating event. Calls to action, along with concrete steps philanthropy can take, were woven throughout. The speakers challenged, and funders challenged their peers in discussions to think about the inflection point we are at - to strongly consider funding not only the transactional but also the transformational.

Ida Rademacher, Executive Director, Financial Security Program at The Aspen Institute, kicked off the conference with provocative and insightful *remarks* that framed our *agenda* and provided the thought process for the path upon which we need to move forward. Her analogy continues to resonate that our efforts are like having to address the effects both of weather and of climate for how philanthropy and non-profits need to work with low and middle income households in addressing short term financial instability and long term wealth building. We need to acknowledge and intentionally address both the short term while working on creating opportunities that create long term assets and much needed systemic change.

Rev. Starsky Wilson, President and CEO of the Deaconess Foundation, delivered an equally provocative call to action in his keynote. Rev. Wilson started his talk by declaring he was a children and youth funder, not an asset funder. As he described the foundation's goals and the realities confronting his community of children and youth, he described their realization that community wealth mattered. His message was clear:

- We have to increase affordable housing, home ownership, and business ownership as vehicles for creativity and drive;
- We have to plan for increasing intergenerational transfers of wealth to reduce risk for future children;
- We need good jobs if that post-secondary training is to have impact, yet those jobs exist only where the market supports those jobs;
- We need the presence of credit unions and banks instead of check cashiers and predatory lenders; and
- We need to have a tax base to support local government services instead of the atrocity of levying fines and imprisonment to support local government.

Rev. Wilson demonstrated how the interrelated list of forces and systems needing to be changed with an equity lens for the children and youth make it a values-based imperative that he and anyone committed to children and youth are indeed an asset funder.

Throughout the week we shared, discussed, learned, and reflected on the latest research and effective asset-building strategies. It is these long and short term strategies that make for promising investments from helping narrow the racial wealth gap, framing the business case for employee wealth building opportunities, and integrating immigrants into their full wealth building capacity in their communities to growing the field of financial coaching, developing micro and small business ownership opportunities, and bridging the connection between wealth and health.

Indeed, one of the a-ha moments was that philanthropy is leading the way in understanding that poverty is not merely about income and the relationship to the federal poverty line as most Federal government programs reflect. Instead, philanthropy is demonstrating that it is more useful to think about and address the household balance sheet to define who benefits from philanthropic investments. Today’s reality is that achieving “0” on the household balance sheet is
Our work is focused on the many in this country who are working and self-identify as middle class, yet who are really asset poor. Thus, the work before us is as daunting and pervasive as any challenge we have faced.

The conference confirmed the critically important value of active philanthropic engagement and investment in asset building. If philanthropy leads, the results will reflect the needed solutions for future public and private investments.

*Join AFN*; invest in asset building in your portfolio, increase future orientation of our children and youth, increase the potential intergenerational transfer of wealth in low and moderate income households, and use an equity lens so that everyone contributes and achieves their fullest potential.

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Joseph A. Antolin
Executive Director
Asset Funders Network

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**MEMBERS MAKING AN IMPACT**

**NEW RELEASE: JPMorgan Chase Institute Data Shows Medical Expenses Widen Gender Wealth Gap**

The JPMorgan Chase Institute released this month the new research comparing the financial activities of men and women to shed new light on the financial challenges of women faced with extraordinary medical payments. The Institute found a gender gap in how women fared financially even before they tackled an extraordinary payment -- women had roughly 20 percent lower levels of income, spending, and liquid assets, as well as slightly higher credit card debt burdens when compared to men. When confronted with an extraordinary medical expense, the financial gap between men and women grew even wider.

The report underscores the importance of efforts to address the gender gap in financial outcomes and reduce debt burdens for women. In addition, should out-of-pocket healthcare costs increase due to changing tax credits or the elimination of essential benefits, women may have to shoulder more of the economic burden of receiving care. Additionally, extraordinary medical payments have negative impacts on financial outcomes, and this is especially true for women.

**CLICK HERE** to view the full report.

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**AFN RESOURCES & EVENTS**

**Get All You May Have Missed Here: 2017 Grantmaker Conference Materials Available**

From the thoughtful questions in the plenaries to the active discussions among peers through the table talks - AFN’s biennial grantmaker conference was a sellout and the best yet. It was wonderful to see so many of you in Indianapolis, and for all the things you do to
accelerate #ideasintoaction in your own work.

You told us loud and clear that this year’s conference provided you with valuable new insights, information, and contacts. In case you didn’t pull everything you wanted from the conference app, we are following up with links to conference materials to help you continue accelerating those #ideasintoaction.

A copy of the contact list is available to those who attended Accelerating Ideas Into Action. Email Jennyfer Lee for a copy.

SESSION RESOURCES:

Interested in browsing available session materials, including speakers' presentations and handouts? CLICK HERE.


If the content you are looking for isn't there, we haven't received it from the speaker(s). If you spoke at the conference and have materials you would like to share, please email Julie Morris.

PHOTO GALLERY & TWEETS: CLICK HERE to view the conference photo gallery and Tweets.

LATEST RELEASE:
The Health and Wealth Connection

AFN released last month its latest brief on the relationship between wealth and health, The Health and Wealth Connection: Opportunities for Investment Across the Life Course. This latest release demonstrates how funders have an opportunity to bridge interests and cross silos to make stronger connections between wealth building, economic security, and prevention and health outcomes.

If you are not able to join us for our live webinar with authors Jason Q. Purnell, PhD, MPH & Anjum Hajat, PhD, MPH, make sure to catch up and listen to the recording.

Purnell and Hajat explore how health and wealth are connected and discuss how health impacts are more significant for low-income, vulnerable populations particularly people of color. The authors share compelling evidence for investment in strategies and policies that consider both the physical well-being and economic stability of individuals, families, and communities. In addition, AFN Members are provided with the companion Discussion Guide. Interested members should contact Abby Hughes Holsclaw.

DOWNLOAD the full Brief
CATCH A GLIMPSE with the Executive Summary

Upcoming Ways to Learn & Connect with AFN

AFN has three new webinars scheduled for June and July covering the release of the latest financial coaching census, more insights about work & wealth, as well as new research about the wealth stripping impact of fines and fees.

• June 6, 12:00 P.M. (ET): WEBINAR: AFN Presents Work and Wealth: Employers as Platforms for Prosperity

• June 12, 1:00 P.M. (ET): WEBINAR: 2016 Financial Coaching Census Results
North Texas: Cause-Minded Conversation with Thomas M. Shapiro

Thursday, June 22
4:00 p.m. - Registration
4:30 p.m. - 5:45 p.m. - Program

Communities Foundation of Texas
5500 Caruth Haven Lane, Dallas, Texas

North Texas Asset Funders Network and Communities Foundation of Texas invite you to hear from renowned sociologist Thomas M. Shapiro, and discuss the ideas and findings in his new book, *Toxic Inequality: How America's Wealth Gap Destroys Mobility, Deepens the Racial Divide, and Threatens Our Future.*

Since the Great Recession, most Americans' standard of living has stagnated or declined. Economic inequality is at historic highs. But inequality's impact differs by race; African Americans' net wealth is just a tenth that of white Americans, and over recent decades, this gap has continued to widen. In our increasingly diverse nation, Shapiro argues wealth disparities must be understood in tandem with racial inequities -- a dangerous combination he terms "toxic inequality." Toxic inequality may seem inexorable, but it is not inevitable.

Following nearly two hundred families of different races and income levels over a period of 12 years, Shapiro's research vividly documents the recession's toll on parents and children, the ways families use assets to manage crises and create opportunities, and the real reasons some families build wealth while others struggle in poverty.

REGISTER NOW

ADVOCACY WORKS

CFPB Fighting to Ensure Consumers Have the Protections They Deserve

A big win recently for all consumers when Congress was not able to successfully strike down the prepaid card protections created by the Consumer Financial Protection Bureau (CFPB) from ever taking effect. Advocates made themselves heard and kept the pressure on Congress about the importance of CFPB's rule to communities across American and their residents. This win provides prepaid card users access to a number of strong protections, including standard, easy-to-understand and upfront information about their cards as well as basic protections against fraud. This was not an easy win but a well hard fight that lasted six years and reminder to us all that advocacy works.

Advocates are harnessing this energy and pushing back against another anti-consumer bill, The Financial CHOICE Act of 2017.

Despite the Financial CHOICE Act's aim of "Creating Hope and Opportunity for Investors, Consumers, and Entrepreneurs," (CHOICE) it would allow big banks to become so-called "too big to fail" by gutting the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
Consumers and Entrepreneurs, this bill will dismantle many of the Wall Street reforms and consumer protections put in place as a response to the Great Recession, including the CFPB and its ability to be an independent and effective financial regulator.

CFPB has drafted a letter of opposition addressed to Congressional leaders, which can be found here.

Get acquainted with the issue and continuing putting your advocacy to work. Check out the info below:

- **LEARN MORE** about the prepaid card protections rule and what will change
- **U.S. HOUSE COMMITTEE on FINANCIAL SERVICES** report on The Financial Choice Act of 2017
- **SUMMARY OF KEY PROVISIONS** of The Financial Choice Act of 2017

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**FUNDERS VIEW ON THE NEW POLITICAL ENVIRONMENT**

Two Surveys Show How Funders Are Feeling and Dealing With The Latest Political Changes

The Center for Effective Philanthropy’s (CEP) new report, *Shifting Winds: Foundations Respond to a New Political Context*, surveyed 162 foundation CEOs of U.S. independent and community foundations making at least $5 million in grants annually on reactions to the shift in presidential administrations, and the degree to which they were making changes as a result. The report shows reactions and responses vary widely, but most foundations are changing their practices or shifting their emphases.

Exponent Philanthropy issued a **new survey** in late March to its members - foundations with few or no staff, philanthropic families, and individual donors. The informal “Pulse Check” survey looked at how changes today in politics may impact philanthropic behavior in the year ahead, both in terms of giving practices and investments. Results show that grantmakers are watching D.C. closely and expect to make changes as a result of current events.

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**TOOLS TO ASSIST YOU AND YOUR GRANTEES**

Technology Platforms and the Microenterprise Field

How can advancing technology help these organizations microenterprises increase the impact of their work?

Field at The Aspen Institute just released a new series of reports, *The Promise of Shared Platforms for the Microenterprise Industry,* that begins to explore this question. Shared platforms are technology-based structures that provide tools or services to enhance the capacity of players in an industry. In recent years, new technology and business models have led to the creation of many more shared platforms for the microenterprise industry.

The reports provide lessons on shared platforms for three audiences:

- **organizations** interested in using shared platforms,
- **funders** looking to support these organizations, and
- **developers** of shared platforms.

**CLICK HERE** to get the reports.

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**LATEST ON "JOHNSON AMENDMENT"**
Letter Signed by 4500 Nonprofits Opposing Johnson Amendment Repeal

Last month, Nonprofit Quarterly (NPQ) reported on the efforts of the National Council of Nonprofits (NCN) as part of a broad-based nonprofit coalition to voice its support for the Johnson Amendment, the provision of the 1954 tax code revision that prohibits 501(c)(3) organizations from engaging in partisan political activity in support of or opposing a candidate for public office. The collaborative’s work produced a letter cosigned by almost 4,500 nonprofit organizations “from every state and every segment of the charitable and foundation communities” supporting the current law and opposing any repeal effort.

The amendment’s repeal was championed by President Trump as he proclaimed the Johnson Amendment “denies your pastors their right to free speech, and has had a huge negative impact on religion.” During remarks at the 2017 National Prayer Breakfast in February, he said, “I will get rid of and totally destroy the Johnson Amendment.”

CLICK HERE to read the full article.

President Trump Signs “Johnson Amendment” Executive Order Limiting Treasury’s Actions Against 501(C)3s Engaged in Political Campaign Activities

Earlier this month, President Trump signed an executive order that directs the executive branch to limit its enforcement of the “Johnson Amendment.” The executive order limits enforcement of the Johnson Amendment or any other adverse action against any individual or religious organization for speaking about moral or political issues from a religious perspective.

TAX POLICY

Tax Policy Reform Resources

A few years ago, AFN launched the Tax Policy Project (TPP) to help fund and bring together the intellectual capital necessary to support the critical research and analysis required to formulate sustainable tax policy recommendations.

TPP later transitioned to the Tax Alliance for Economic Mobility (TAEM), under the leadership of CFED and PolicyLink, a coalition of national organizations working to educate and engage their networks about why inclusive, progressive, and equitable tax reform is crucial to building the long-term security of families, communities, and the national economy.

This month, AFN highlights the following TAEM resource for funders:

Higher Education and Children’s Savings

Higher education is a pathway to economic mobility, but existing higher education tax expenditures disproportionately benefit above-median income households, who own nearly 99% of all savings in tax-subsidized college savings accounts. The Tax Alliance has adopted a set of principles for reforming these tax expenditures, with the goal of increasing tax-based aid and college savings support for lower-income students, providing aid before expenses are incurred, increasing take-up, incorporating automatic enrollment features, and eliminating programmatic that disadvantage lower-income students.
**TAX-TIME STRATEGY**

**Behavioral Insights to Increase Tax-Time Savings**

Too many households have too little set aside for emergencies, long-term goals, or retirement. Motivational prompts to save tax refunds and suggested savings amounts for the tax refund can increase saving among low- and moderate-income households, finds a new experimental study from the Brown School at Washington University in St. Louis.

The study, *Behavioral Interventions to Increase Tax-Time Saving: Evidence from a National Randomized Trail,* presents evidence from the Refund to Savings Initiative, a large-scale randomized experiment testing interventions to increase household savings by encouraging filers to set aside a portion of their tax returns. Grounded in techniques of behavioral economics, these interventions are delivered to a randomized sample through TurboTax Freedom Edition, an online tax-preparation platform for low- and middle-income households.

The experiment exposed treatment participants to several combinations of motivational prompts and suggestions to save portions of their tax refunds. The findings generate important insights for policy makers working to boost financial security in low- and middle-income households. **CLICK HERE** for the full study.

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**THE GENDER WEALTH GAP**

**Equal Pay Movement Has Lessons To Be Learned**

Black, Hispanic, and Asian women get paid less than white women, says Roxanne Jones, a founding editor of ESPN Magazine and former vice president at ESPN who writes frequently for CNN Opinion. The strategy, she says, to close the pay gap between men and women doesn't work for all women. In this piece, Jones states how on average, Black and Hispanic women take home less than white women do for every dollar white men earn and it’s not just the men who are to blame.

“*My white sisters are great at articulating a one-note statistic of how women (meaning white women) today make about 82 cents for each dollar white men earn. But they seem less willing to acknowledge that the gender pay gap doesn’t affect all women equally, or to advocate for the women most affected by it. Let’s be honest, oftentimes women can be the gatekeepers of our own oppression.*"

**READ MORE**

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**RACIAL WEALTH GAP**

**Higher Education Isn’t Closing the Racial Wealth Gap**

Ray Boshara, the director of the St Louis Fed’s Center for Household Financial Stability and a senior fellow in the Aspen Institute’s Financial Security Program, wrote an op-ed in The Washington Post last month that explored what he called a “troubling paradox,” namely
that so many well-educated black Americans "feel so economically insecure." It's a startling fact, Boshara continued, "that blacks with college degrees have lost wealth over the past generation." White college graduates "saw their wealth soar by 86 percent" between 1992 and 2013, while black college graduates experienced a loss of 55 percent over the same period. Boshara presents several observations such as how Black and White college graduates "share and receive wealth very differently." For example, White college graduates are likely to receive financial assistance from their parents, Black college grads are more often the donors of funds - to struggling family members including parents - than the recipients of help themselves.

To read the full op-ed, CLICK HERE.

To see the research that contributed to these findings, CLICK HERE.

Inheritance Matters: A Big Reason Why Whites Are Richer Than Blacks in America

The gap between Blacks and Whites in income is big, but nowhere near as big as the gap in wealth.

A new study throws out most of the conventional explanations-and solutions-for the wealth gap. It's called The Asset Value of Whiteness: Understanding the Racial Wealth Gap and compiled by researchers at Brandeis University and a public policy group called Demos. The table of contents tells the story:

- Attending college does not close the racial wealth gap.
- Raising children in a two-parent household does not close the racial wealth gap.
- Working full time does not close the racial wealth gap.
- Spending less does not close the racial wealth gap.

One powerful factor seems to be that Whites are five times as likely as Blacks to receive substantial gifts and inheritances, and the sums they get tend to be much larger. According to the study, this can often be used to jump-start further wealth accumulation, for example, enabling white families to buy homes and begin acquiring equity earlier in their lives.

READ MORE

Visionary Opposition: Thomas Shapiro on the Growing Racial Wealth Gap and How to Reduce It

As the United States moves closer to becoming a majority people-of-color nation, wealth and income inequality and racial economic inequities are not only persisting, they are getting worse. What could these trends mean for our future economic prosperity, and what kind of innovative policy solutions would it take to turn the tide?

PolicyLink President Michael McAfee recently spoke with Thomas Shapiro, author of Toxic Inequality: How America's Wealth Gap Destroys Mobility, Deepens the Racial Divide, and Threatens Our Future, to discuss why the racial wealth gap continues to grow - and what we can do about it.

READ the interview

SEE SUMMARY AND REVIEWS of Shapiro’s book
HJR 66 GOES INTO LAW: California Will Proceed With Its Secure Choice Program

California Treasurer John Chiang and State Senate President Pro Tempore Kevin de Leon promised that the state will proceed with its **Secure Choice** program despite the recent passage of **HJR 66** which repealed a key Department of Labor rule from the Obama-administration that would exempt the state-created plans from the Employee Retirement Income Security Act, or ERISA, a law that outlines rules for workplace savings.

Secure Choice is one of several state-facilitated automatic IRA efforts that would provide access to retirement savings accounts for workers - particularly women and people of color - who work for smaller employers and do not currently have access.

[LEARN MORE about Secure Choice](#)

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INTERESTING PERSPECTIVES

Redefining Philanthropy: Everyone Has Something to Give

Philanthropy begins with the question "What can I do?", says Stellene Volandes, "Town & Country" editor-in-chief, speaking with CNBC about urgent needs driving charitable giving and how it is expanding beyond money.

[CLICK HERE to watch CNBC interview](#)

To Tell the Truth: Do the Elite Philanthropists Know Best?

*Inside Philanthropy* Editor David Callahan recently released and is promoting his new book, the **The Givers**, which explores the hidden world of elite philanthropist and how they’re quietly wielding ever more power to shape American life in ways both good and bad.

*The Givers* tackles the urgent question: Who’s really in charge of America these days?

[LEARN MORE](#)

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ADDITIONAL EVENTS IN THE FIELD

**Lunch & Forum: Northern California Grantmakers Presents: The Future of Care in America**

*June 19, 2017 | 11:30 A.M. (PT)*

America’s care infrastructure is a patchwork of poorly funded and...
disjointed programs that do not meet the needs of poor, working class and increasingly middle class families. With a rapidly aging population (10,000 Baby Boomers reach retirement age every day), and Millennials beginning to have children of their own, our care workforce is woefully unprepared for the nation's approaching care needs.

Please join us to explore a new vision for care in America called Universal Family Care: a portable, flexible benefit that American families can access during the critical times in our lives when we need care and support.

CLICK HERE to LEARN MORE & REGISTER