PARTICIPATE

During the presentation – Type your question in the QUESTIONS BOX to be addressed during discussion breaks or during Q/A
WE ARE

Asset Funders Network (AFN) is a membership organization of national, regional, and community-based foundations and grantmakers advancing economic opportunity and prosperity for low and moderate income people through philanthropy.
foundations and grantmakers to leverage their resources to make more effective and strategic funding decisions, allowing each dollar invested to have greater impact.
# DISCUSSION AGENDA

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<th>Topic</th>
<th>Presenter</th>
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<td><strong>WELCOME</strong></td>
<td><strong>ABBY HUGHES HOLSCLAW</strong></td>
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<td><strong>JOYCE KLEIN</strong></td>
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<td><strong>BERT SMITH</strong></td>
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<td>A LOOK AT A PROGRAM IN PRACTICE</td>
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<td>WITH HIGHLIGHTS FROM THE PRISON</td>
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<td>STRATEGIES TO SUPPORT FORMER OFFENDERS</td>
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INTRODUCTIONS

Moderator

ABBY HUGHES HOLSCALW
Director, Member Engagement
ASSET FUNDERS NETWORK

Presenter

JOYCE KLEIN
Director, Economic Opportunities Program
FIELD AT THE ASPEN INSTITUTE

Presenter

BERT SMITH
CEO, PRISON ENTREPRENEURSHIP PROGRAM

Funder Respondent

THERESA BEDEAU
Vice President, Community Development Banking
CAPITAL ONE BANK
Prison to Proprietor: Entrepreneurship as a Reentry Strategy
Your perspectives:

I am a:
– Funder/investor
– Practitioner
– Researcher/policymaker
– Other
Focus

Increasing support for business development and ownership is a valuable reentry strategy that can:

- build employment skills
- support attitudes and connections that support post-release success
- increase post-release income and reduce recidivism.
Key topics for discussion

1. The role of business development and ownership for the reentering individuals
2. Strategies – case studies of effective programs
3. Recommendations for funders
Cost to families and communities

- High incarceration rates among people of color.
- Impact on children

<table>
<thead>
<tr>
<th>Race/Multiracial Group</th>
<th>Percent of Children with Incarcerated Parent</th>
</tr>
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<tbody>
<tr>
<td>BLACK/Non-Hispanic</td>
<td>44.97%</td>
</tr>
<tr>
<td>WHITE/Non-Hispanic</td>
<td>28.37%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>21.26%</td>
</tr>
<tr>
<td>Other Race</td>
<td>5.40%</td>
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Reentry and recidivism trends

- In 2014, about 636,300 formerly-incarcerated individuals reentered communities.
- High rates of recidivism.
- Obtaining employment soon after release crucial to reducing recidivism.
Labor market challenges facing the formerly incarcerated

- Legal limitations on certain forms of employment.
- Business practices/stigma regarding the formerly incarcerated.
- Greater competition for lower-wage jobs.
- Low wages and poor quality of available jobs.
- Poor or damaged credit.
Immediate post-release needs include:

- Stable housing
- Wage employment or another formal means to earn income
- Accessing mental health or substance abuse treatment
- Gathering documentation
- Building/rebuilding credit and financial capability.
Entrepreneurship and business ownership can serve as pathways to labor market participation and economic opportunity.  

- Build job-readiness and employment skills.  
- Develop new networks and connections.  
- Build character, skills and attitudes to support post-release success.  
- Access skills and resources to support business ownership.
Strategies that support business ownership among the formerly incarcerated

- Pre-release programs: designed for incarcerated individuals preparing for reentry
- Post-release programs: targeted specifically to the formerly incarcerated
- Microenterprise organizations: serve a broad population that include formerly incarcerated
Pre-release programs

- Use the frame of entrepreneurship to develop personal and employment-related skills and attitudes, as well as a business idea.
- May also include financial capability.
- Link to post-release programming.
- Examples: Mercy Corps Northwest’s Lifelong Information for Entrepreneurship (LIFE) and Prison Entrepreneurship Program (PEP)
- Short-term outcomes are wage employment and low recidivism rates.

AN EVALUATION OF LIFE found that LIFE participants were 41% less likely to recidivate than the control group.
Targeted post-release programs

- Serve individuals who have been out of prison for varying lengths of time.
- Varying degrees of focus on business start or development vs. broader employment and life skills.
- Example: Defy Ventures
Post-release programs (continued)

— Defy Ventures
  • Founded in 2010.
  • Started as a brick and mortar classroom model; developed online learning platform in 2014.
  • Platform has allowed for scale and sustainability, expanding Defy across the country and within prison systems.
  • Mainly supported by individual and foundation funding, recent support from corporate funding, and fee-based income.

“THE ABILITY TO MAINTAIN CORE PIECES OF ENTREPRENEURSHIP, employment, and character training, while also testing new ideas from the ground up that scale its model to serve formerly-incarcerated individuals, is why Capital One supports Defy Ventures.”

THERESA BEDEAU
CAPITAL ONE BANK
Microenterprise development organizations

- Organizations may serve formerly incarcerated as part of their broader population; degree of service can be hard to track.
- Some have developed or are seeking to develop more targeted programs.
- Targeted programs and services involve collaborations in order to meet the broader needs of the formerly incarcerated.
- Examples: Rising Tide Capital, Kiva.
Microenterprise development organizations (continued)

— Rising Tide Capital

• Rising Tide provides business acceleration services to low-and moderate-income entrepreneurs through its Community Business Academy.

• 12% - 15% of Rising Tide’s clients self-identify as formerly incarcerated.

• Rising Tide is actively seeking partnerships with halfway houses and parole systems while also tailoring its programs to fit the needs of the formerly incarcerated.

• Has not as yet received dedicated funding to serve this population.
Lessons learned

- Pre-release programs help change individuals’ beliefs and perceptions.
- The cohort and mentorship models effectively improve engagement.
- Programs engage volunteers at various commitment levels.
- Tailored programs are highly selective and intensive with structured curriculum.
- Post-release, the formerly incarcerated need access to a broad range of services.
- Case management and program coordination are crucial elements to effective programs.
- Successes are measured by increased employment and low recidivism.
- Programs address barriers in accessing credit and capital.
Program Overview

Leadership Academy → Business Plan Competition → Reintegration Services → Business Development

In-Prison | Post-Release
Our Results

**EMPLOYMENT**

**PEP**
100% employment within 90 days of release from prison

**NATIONAL**
Only ~60% within 12 months

**ENTREPRENEURSHIP**

**PEP**
280+ businesses launched

At least 6 with $1MM+ in annual sales

> Half create multiple jobs

**RECIDIVISM**

**PEP**
3-year recidivism < 7%

**TEXAS**
~24% in 3 years

**NATIONAL**
~50% in 3 years
Our Impacts

**FAMILY RELATIONSHIPS**

Hundreds of families restored, new ones formed every day

**ECONOMIC BENEFITS**

- 1,500 men graduated
- Earning ~ $35 mm per year and Spending ~ $25 mm per year
- Taxpayers Saving ~ $20 mm per year
Other Impacts: 
Financial Stability

After 90 Days:

✓ 87% have a checking account
✓ 81% have a savings account
✓ Only 5% have taken a payday loan
✓ With steadily increasing income:

HOURLY WAGE

<table>
<thead>
<tr>
<th>Time</th>
<th>Hourly Wage</th>
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<tbody>
<tr>
<td>90 DAYS</td>
<td>$12.83</td>
</tr>
<tr>
<td>180 DAYS</td>
<td>15.83</td>
</tr>
<tr>
<td>1 YEAR</td>
<td>14.59</td>
</tr>
<tr>
<td>3 YEARS</td>
<td>20.95</td>
</tr>
</tbody>
</table>

For grads released > 3 yrs ago, 54% report earning > $42,000 per year
PEP Proprietors in Action!

Clarence
The Shine King
Arlington, TX

A loan of $5,000 helps me to build three stands and purchase the supplies to get them running.

75% Repaid

You've loaned: $25
Repayment Term: 24 monthly payments
Grace Period: N/A
Listed: June 15, 2014
Disbursed: July 21, 2014
Paying Back: July 20, 2014

Personal Story
Hello, my name is Clarence Campbell. I am 42 years old. I currently own a shoe shine and all around leather care business called "The Shine King." I have two stands now, but I have the

Kevin
Uptown Transportation
Richardson, TX

A loan of $5,000 helps me to purchase second vehicle so that I can grow my business.

83% Repaid

You've loaned: $300
Repayment Term: 24 monthly payments
Grace Period: N/A
Listed: June 15, 2014
Disbursed: July 9, 2014
Paying Back: July 9, 2014

About Uptown Transportation
Industry: Transportation
Years in Operation: N/A
Website: N/A

Mark
Dynasty
Construction

Gerald
Vision Janitorial Services
Fort Worth, TX

Paying Back
A loan of $3,000 helps me to buy equipment and a used van to start my janitorial business.

54% Repaid

You've loaned: $20
Repayment Term: 23 monthly payments
Grace Period: N/A
Listed: June 10, 1999
Disbursed: July 24, 1999
Paying Back:

Personal Story
I grew up in Fort Worth, Texas as one of four brothers with a single mom. Our life was not easy.
Funding strategies

1. Build program capacity and practice.
2. Create the base for public investment.
3. Identify and address policy barriers.
Funding strategies: Building program capacity and practice

- Dedicate funding to pre- and post-release programs.
- Ensure adequate support for necessary case management and program coordination.
- Support pre- and post-release financial capability and savings programs.
- Invest in field-building activities.
- Fund social enterprise components that can enhance and scale program services for greater sustainability.
Funding strategies: Creating the case for public investment

– Invest in evaluation that documents the return on investment in entrepreneurship programs for the formerly incarcerated.

– Support education and advocacy efforts that help to make public officials and agencies aware of these programs, funding streams, and policies needed to support them.

– Connect post-release entrepreneurship to the pay-for-success movement.

TODAY, **LIFE** IS FULLY FUNDED by the Oregon Department of Corrections, with the exception of post-release stipends, which are funded by individual donor support.
Funding strategies: Identifying and addressing policy barriers

- “Ban the box” in publicly funded micro and small business lending programs.
- Identify the challenges and strategies for integrating entrepreneurship programs and support within the probation and parole systems.
Concluding thoughts

— Funders can play an important role in providing a second chance for the formerly incarcerated.

— Business ownership and self-employment can help the formerly incarcerated:
  • build confidence and become self-empowered;
  • connect with the labor market;
  • achieve long-term self-sufficiency; and
  • lower recidivism.

“THE ENTREPRENEURIAL, re-entry planning and life skills that women learn in the LIFE program help to build resiliency and empower them to create productive lives for themselves, their families and communities.”

JOHN HAINES
EXECUTIVE DIRECTOR
MERCY CORPS NORTHWEST
PHILANTHROPIC PERSPECTIVE: Funders of Microenterprise Strategies to Support Former Offenders

THERESA BEDEAU
Vice President Community Development Banking CAPITAL ONE BANK
QUESTIONS & DISCUSSION

Click the QUESTIONS box to share a question for the presenters.

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LAVI MOHAN
Research Associate, Economic Opportunities Program
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Vice President, Community Development Banking
CAPITAL ONE BANK
Thank you for attending today’s Asset Funders Network presentation.

PLEASE FILL OUT OUR SURVEY

The survey will pop up on your screen momentarily and will also be sent to you via email.

WE VALUE YOUR TIME, AND YOUR RESPONSES WILL INFORM OUR FUTURE PLANNING.
THE WEBINAR HAS CONCLUDED