The Web of Wealth: Resiliency and Opportunity, or Driver of Inequality?

July 31, 2014
1:00pm EDT – start time
The Asset Funders Network

AFN is a community of national, regional and community-based foundations and grantmakers who are passionate about using philanthropy to invest in economic opportunity and financial security for all Americans.

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<th>Mission</th>
<th>Desired Impact</th>
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<td>Increase the capacity of our members to effectively promote economic mobility by supporting efforts that help low and moderate income individuals build and protect assets.</td>
<td>Raise the visibility of and funding for activities that expand access to financial opportunities and strengthen communities.</td>
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AFN Steering Committee

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Carla Thompson, The W.K. Kellogg Foundation
Angel Zapata, Wells Fargo Foundation
Introduction of Presenters

Moderator

• Annika Little, Strategic Programs Director, Asset Funders Network

Presenters

• Hannah Thomas, Ph.D., Senior Research Associate, The Institute on Assets and Social Policy, The Heller School at Brandeis University

• Kilolo Kijakazi, Ph.D., Program Officer, Ford Foundation

Annika Little

Hannah Thomas, Ph.D

Kilolo Kikajazi, Ph.D
Webinar Agenda

I. Welcome, AFN Overview and Introduction of Speakers
   Annika Little, Strategic Programs Director, Asset Funders Network

II. The Web of Wealth: Resiliency and Opportunity or Driver of Inequality?
   Hannah Thomas, Ph.D., Senior Research Associate, The Institute on Assets and Social Policy, The Heller School at Brandeis University

III. Question and Answer Session
    Hannah Thomas, Ph.D., The Institute on Assets and Social Policy
    moderated by Annika Little, Asset Funders Network

IV. Implications and Consideration for Funders
    Kilolo Kijakazi, Ph.D., Program Officer, Ford Foundation

VI. Question and Answer Session
    Hannah Thomas, Ph.D., The Institute on Assets and Social Policy
    Kilolo Kijakazi, Ph.D., Ford Foundation
    moderated by Annika Little, Asset Funders Network

VII. Closing Remarks
The Web of Wealth
Resiliency and Opportunity or Driver of Inequality?

Hannah Thomas, Ph.D.
Institute on Assets and Social Policy

July 31, 2014

The Leveraging Mobility Study is funded by the Ford Foundation
Difference by Race in Financial Transfers and Resultant Wealth Change

46% of white households received a financial transfer

Median financial transfers to white households was $83,692

White households receiving family transfers grew their wealth by $282,000

10% of African American households received a financial transfer

Median financial transfers to African American households was $52,240

African American households receiving family transfers only grew their wealth by $20,000

Source: PSID data
1 in 5 Leveraging Mobility families received help from the web of wealth for unanticipated life events.

Quianna Fountain:
“when we move [in] the next 45 to 60 days I will probably have to borrow money… from my brother and his wife. You know, at least in the interim until I get the deposit back from this lady.”
Improving Family Well-Being

- \(\frac{1}{4}\) Leveraging Mobility families received well-being family help

- Paulette Rotella – help with housing
Opportunity Investments

- Impact on house purchased
- Bachelor Degree – worker earns 84% more over life-time than high-school graduate
Inheriting Status

• Transformative assets
• Capital that provided income
• Nicola and Jessica Bzdell
The Challenge of a Weak Web of Wealth

“We’re all working class people. I have two brothers...the one brother who works...as a bus driver....Another brother who is a surveyor for the state, so we’re all working class, we’re all blue collar....I can’t call them up for money because they are just working too...in both families we’re probably the most stable...”

—Ashley Dudley
Innovative Models: Emergency Wealth Sharing Funds

New Hampshire: Neighbor Helping Neighbor Fund

Community Action Agencies and Utility companies

http://nhnfund.org

Build Wealth Minnesota Hardship Fund

- Grant/loan combination
- Repayment in 9 months
- Alternative to payday loans

www.buildwealthmn.org/hardship.php
Strengthen Government Emergency Programs

Expand the supply of affordable and emergency housing
• Support for rapid re-housing programs
• Support for maintenance of existing affordable housing stock
• Additional development of affordable housing

Update and reform unemployment insurance
• Expand eligibility criteria

Increase awareness about eligibility for unemployment and other emergency programs
Strengthen Existing Wealth-Building

First time home-buyer assistance
- *Down-payment and closing costs assistance* – e.g. City of Boston
- *Sustainable mortgages* – e.g. Community Advantage Program
- *Low down-payment mortgages*

Support employment wealth building
- *Matched retirement savings*
- *Investments in education*

Individual family savings
- *Emergency Savings Programs*
- *Child Savings Accounts*
Leveraging Mobility Series  
iasp.brandeis.edu  
IASP_Heller

Released Reports

• Hard Choices: Navigating the Economic Shock of Unemployment
• Leveraging Mobility: Building Wealth, Security, and Opportunity for Family Well-Being
• Employment Capital: how work builds and protects wealth
• Keeping Dreams Alive: the Lane-Changer Costs of Financial Disruptions
• The Web of Wealth: facilitating resilience and opportunity or reproducing inequality?

Future Reports 2014

• Location, location, location: the importance of neighborhood for building wealth
• Facing retirement insecurity: managing for tomorrow
Funder Perspective

Kilolo Kijakazi, Ph.D.
Program Officer, Ford Foundation

Ford works mainly by making grants or loans that build knowledge and strengthen organizations and networks. Ford focuses on key problem areas and program strategies with key mission areas: strengthen democratic values, reduce poverty and injustice, promote international cooperation, and advance human achievement.
Asset Funders Network provides a unique and vital space where funders gather in-person or virtually to share ideas, best practices, and gather input to maximize our resources and share progress.

Visit our website to learn more about in-person convenings, webinars, and resources.

Asset Funders Network seeks to increase the capacity of grantmaker members to effectively promote economic security by supporting efforts that help low and moderate income households build and protect assets.

For more information, please contact juliemorris@assetfunders.org.

To learn more about the Asset Funders Network, please visit assetfundersnetwork.org.