

FEBRUARY 2019

The African American Financial Capability Initiative: An Implementation Blueprint



The African American Financial Capability Initiative: An Implementation Blueprint

By Cat Goughnour and Lillian Singh



Cat Goughnour: Sr. Program Manager, Racial Wealth Divide Initiative at Prosperity Now where she has served as the lead technical assistance provider for the Northwest Area Foundation African American Financial Capability Initiative (AAFCI) project focused on strengthening Prosperity Now's outreach and partnership with communities of color, as well as building nonprofit community economic development capacity. Ms. Goughnour is the lead strategist on Prosperity Now's internal racial wealth equity work. In addition, Ms. Goughnour owns and operates a certified Minority and Women Business Enterprise (MWESB) business specializing in human rights, racial equity and social justice consulting. She deploys a multidisciplinary perspective, skillset and framework in her work. Ms. Goughnour is a certified Community Health Worker, racial justice facilitator, and published researcher. Finally, she has been recognized for affordable housing and human rights advocacy for her work on the gentrification-mitigating Right 2 Root Campaign. Ms. Goughnour holds a Master of Science in Sociology from London School of Economics and a Bachelor of Arts in Social and Political Philosophy from Portland State University.



Lillian D. Singh: Director, Racial Wealth Divide Initiative at Prosperity Now where she leads a team focused on building the capacity of nonprofits of color in over a dozen metropolitan cities, as well as strengthening the racial wealth divide analysis across both the program and operation teams at Prosperity Now. Mrs. Singh's programmatic work focuses on finding solutions to the problem of growing economic inequality including income gaps, gentrification, unemployment, underemployment and affordable housing. In addition, Mrs. Singh provides financial planning, coaching and wealth management guidance to individual families as a licensed securities and investment representative and uses these lessons and practices to inform the project development and implementation work at Prosperity Now. Mrs. Singh holds a Bachelor of Arts degree in Urban Planning and a Master of Arts degree in Sociology, both from Stanford University.

ABOUT AAFCI

The Racial Wealth Divide Initiative at Prosperity Now believes the people closest to racial economic inequality are also best positioned to address it. It is estimated that it will take 228 years for Black Americans to reach the level of wealth White households enjoy today. Individual behavior is often seen as the cause of this racialized wage and wealth divide. However, there is compelling evidence that racial economic inequality is primarily the result of long-term investment in some communities and a lack of investment in others. The African American Financial Capability Initiative aims to reverse this trend.

The stark racial economic disparities are a wake-up call to the Northwest Area Foundation and a call for fresh thinking and new investment. In response, the Foundation committed \$4.35 million over three years to Black nonprofits in six cities within its footprint and to Prosperity Now to provide technical assistance to the participating organizations. The Initiative brings together six African American communities of practice (CoPs) to collaboratively develop and implement innovative, community-centered financial capability pilot projects. This development model also aims to highlight promising practices that address racial economic inequality for the communities most impacted.

For more information, visit:

prosperitynow.org/african-american-financial-capability-initiative

TABLE OF CONTENTS

Racial Wealth Inequality Data Snapshot: AAFCI Cities.....	2
Introduction.....	3
Project Design and Theory of Change	4
Using A Transformational Change Process.....	5
Implementation Blueprint Structure.....	6
Intended Audiences	6
Section 1: Problem Defined—Racial Economic Inequality by the Numbers	8
Section 2: The Response Strategy and Role of National Technical Assistance Providers	10
Northwest Area Foundation Response to Growing Racial Economic Inequality	10
Formation of the African American Financial Capability Initiative: Empowering the Grassroots.....	11
National Technical Assistance Engagement Process.....	13
Section 3: Three Year Implementation Process: A Systems Change Approach	15
Year 1 of AAFCI: Data-Driven, Evidence-Based Systemic Diagnosis	16
Year 2 of AAFCI: Strategic Pilot Development	17
Year 3 of AAFCI: Innovation for Impact	18
AAFCI Pilot Innovation Spotlights	20
Financial Capability: Redefined by African American Direct Service Providers	21
Section 4: Lessons Learned and Emerging Promising Practices	23
Culturally Specific Technical Assistance	24
Financial Capability and Asset Building	28
Flexible Unrestricted Seed Funding and the Impact of Direct Funding to Backbone Organizations	31
Community of Practice Model	32
Leadership, Direct Service and Policy Advocacy	35
Pillar 1: Leadership Development	37
Pillar 2: Service Delivery Coordination	39
Pillar 3: Policy Advocacy Capacity.....	41
Conclusion.....	44
Section 5: Appendices.....	46
Community of Practice Innovation Profiles.....	46
Racial Economic Inequality Data Factsheets	46

Racial Wealth Inequality Data Snapshot: AAFCI Cities

Des Moines, IA; Minneapolis, MN, Portland, OR; Seattle, WA, Tacoma, WA and St. Paul, MN

Demographics



There are approximately 244,454 African Americans in the AAFCI cohort cities compared to 1,553,494 White Americans. This translates into 10.1% and 64.5% of the total AAFCI cohort cities' population for African Americans and their White counterparts, respectively. Nationally, African Americans make up 12.3% of the population compared to White Americans, who make up 62.0% of the population.



Income and Cost of Living

The typical annual median family income for African American families in the AAFCI cohort cities is \$36,284, which is 2.5 times less than the annual median income of \$89,417 for White families. The national typical annual median family income is \$44,531 and \$76,714 for African American and White families, respectively. The cost of living in AAFCI cohort cities is 21% higher than the country overall.¹



Homeownership

25.9% of African Americans own a home in the cohort cities, which is 2.2 times less than the 57.7% White homeownership rate. Nationally, 41.9% of African Americans own a home compared to 71.4% of their White counterparts.



Employment and Unemployment

On average, African Americans faced an unemployment rate of 11.6% throughout the AAFCI cohort cities in 2016, compared to an unemployment rate of 4.4% for their White counterparts. Nationally, 10.1% of African Americans were unemployed compared to 4.6% of their White counterparts.



Educational Attainment

When it comes to college education in AAFCI cohort cities, 17.9% of African Americans above the age of 25 have a bachelor's degree compared to 48.2% of their White counterparts. Nationally, 20% of African Americans and 33.8% of White Americans have a bachelor's degree.



Wealth

In the AAFCI cohort cities, 58.8% of African American households are asset poor² compared to 22.9% of White households. 37.2% of African American households have zero or negative net worth compared to 17.4% of White households. Nationally, 30.1% of African American households have zero or negative net worth compared to 13.1% of White households. Meanwhile, 44.5% of African American households are asset poor compared to 19.0% of White households.

Introduction

2019 marks the 400-year commemoration of the start of African American enslavement in the US.

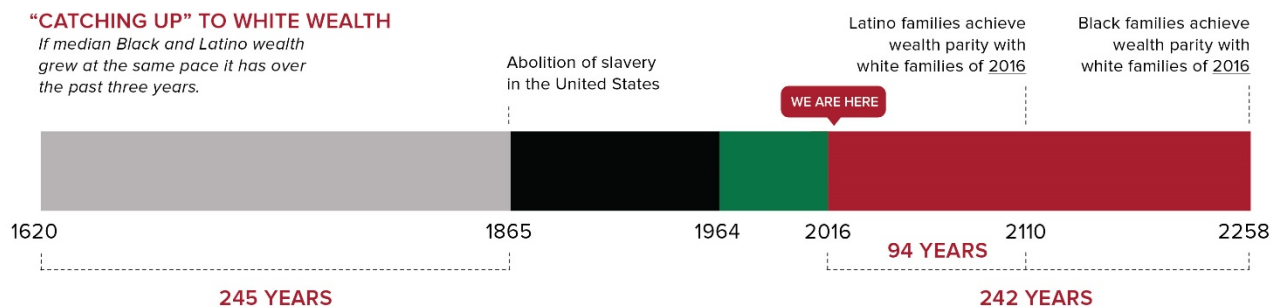
The legacy of structural and systemic racism born from this origin story has become known as the racial wealth gap.

The racial wealth gap has grown three-fold in the last 25 years, leaving communities of color with a fraction of the net worth of their White counterparts. Wealth is roughly synonymous with net worth: the value of everything that a family owns, minus the value of any debt³—what is owned minus what is owed.

Wealth softens the blow of unexpected events—such as a job loss, emergency expense or a downturn in the economy—and provides capital to take advantage of opportunities. However, this tells only part of the socioeconomic story of historically marginalized communities. Data reveals that despite significant gains in education, entrepreneurship, income and homeownership, 86% of African American communities in the US classify as low to moderate income and struggle to obtain assets, withstand economic downturns and overcome unforeseen financial constraints.⁴

To put the data in even starker terms, Prosperity Now’s *Running in Place* (2017) reported:

“Among our most significant findings is that if racial wealth inequality follows the trends of the last three decades, this divide will never come close to being bridged—even as the aggregate population of people of color heads toward surpassing that of the White population. Just as jarring, even if we were on a path to bridge the racial wealth divide, it would still take median Latino and Black families a respective 94 and 242 years of wealth-building at the levels they’ve experienced between 2013-2016 just to catch up to the wealth that median White households own today.”⁵



The data snapshot of the AAFCI cohort cities shows that in addition to wage and income disparity, wealth inequality impacts African American families’ ability to build and transfer assets and wealth across generations, driving cycles of multigenerational poverty. It also highlights the precarious place Black communities occupy in these liberal, relatively affluent northwestern AAFCI cohort cities where the typical annual median income is \$89,417 for White families and \$36,284 for African American families; and 37.2% of African American households have zero or negative net worth compared to 17.4% of White households. A racial equity approach—using data and research to prioritize the most affected communities—makes clear that in addition to addressing poverty and

below living-wage incomes through direct service and policy, low- to moderate-income African Americans can also benefit greatly from a wealth-building initiative focused on asset development and retention.

This framing is not meant to conflate race with class nor to say that all African Americans are low- to moderate-income. Rather, it is to make clear that the time to act for those left behind is now.

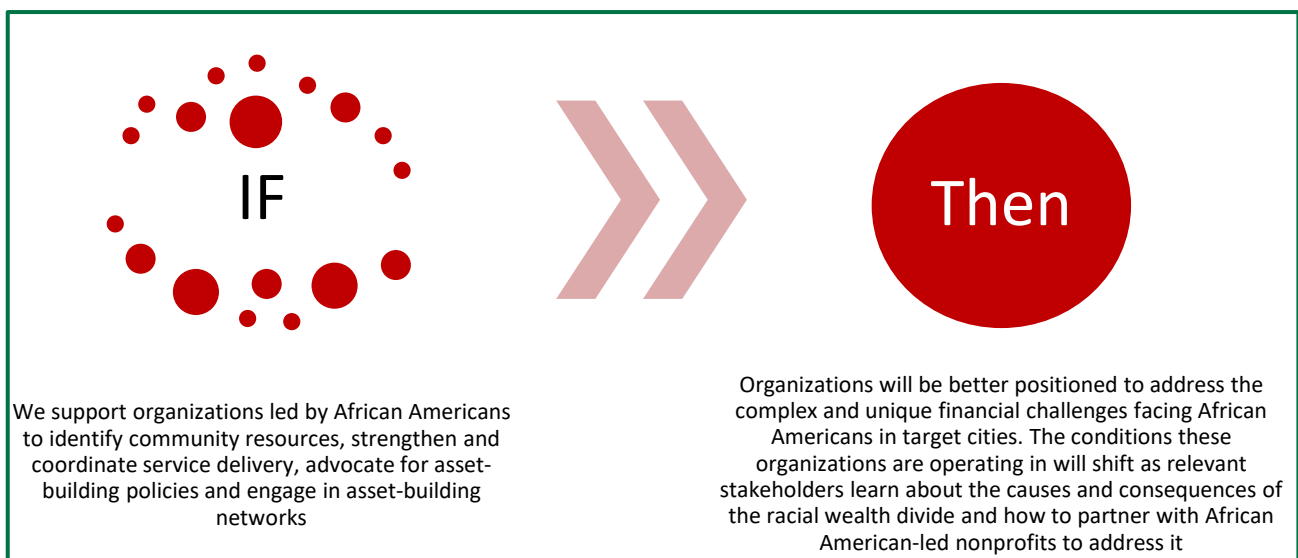
This implementation blueprint was developed to advance funders, practitioners and community members’ understanding of the causes, consequences and remedies to African American financial insecurity. This blueprint details the critical strategies to shift local paradigms of racial economic inequality through program design.

This document is divided into four sections. First, it provides a holistic analysis of the racial wealth divide across the six cities (*the causes*). Second, it details the AAFCI funding strategy and design components (*the work*). Third, it thoroughly describes emerging promising practices to advance African American economic security through program initiatives (*the learnings*). Lastly, it showcases the innovations created by Black-led nonprofits as they collaborated to address African American racial wealth inequalities (*the remedies*).

Project Design and Theory of Change

In 2014, the Northwest Area Foundation (NWAF) refined its strategic framework to include a financial inclusion portfolio that would, among several aims, provide direct, flexible funding to Black-led, Black-serving organizations in the NWAF footprint that had strong programmatic direct service pathways and deep connections to local communities. In a promising approach, organizations triaging crises caused by significant socioeconomic exclusion joined the AAFCI and received seed funding from NWAF to collaboratively leverage trust, relationships and community strengths to create self-determined solutions to longstanding economic issues.

The goal of the AAFCI was to provide an opportunity for established organizations, leaders, staff and community members to co-create financial capability pilot programs they believed could address the economic insecurity African Americans faced. The overall theory of change below guided the implementation strategies designed for the AAFCI.



The socioeconomically-tailored pilot projects highlighted in this implementation guide offer strong models that promise to revolutionize the role of direct service in the delivery of financial capability, asset building and economic development as a means to improve the financial well-being of African Americans.

Because these innovative models do not fit within traditional notions of financial capability (financial knowledge, behavior and the interaction of knowledge, skills and attitudes),⁶ these pilots surfaced important lessons, foregrounded emerging promising practices and debunked toxic racialized assumptions that often act as barriers to African American economic self-determination.

Through the AAFCI, the collaboration of participating African American-led organizations working in Communities of Practice (CoPs)—groups of people who share a concern or passion and improve their ability to act on it as they interact regularly⁷—promises to inform the broader asset-building field with learnings and practices that give nuance and contour to asset- and wealth-building practices, leadership models, and policies.

Using A Transformational Change Process

Applying John Powell's [Targeted Universalism](#) approach to program development (rather than policy) was one of the promising practices that surfaced during the AAFCI. Empowering communities to pair their stories with disaggregated data moved analyses beyond treating everyone the same (equality), to legitimizing and necessitating the design and development of culturally-anchored interventions rooted in the socioeconomic reality of Northwestern African Americans (equity). This process moved beyond funding research to directly funding community capacity to innovate adaptive social infrastructure and scale community-led innovations grounded in lived experience.

Since African American history is unparalleled in the United States, and progress has reversed over the decades following the Civil Rights Acts, Dr. John Powell's equity analysis resonates:

“Universal approaches can't root out group-based discrimination and may actually deepen inequality between groups rather than reduce it. And by providing benefits or protections to everyone, resources that could be targeted to groups worse off instead flow to those who are better off.

Targeted approaches are vulnerable to the critique that they unfairly favor constituent groups over the public good by directing resources to marginalized groups who are already subjected to unfair stereotypes, but universal and targeted approaches are false choices.”

Powell's team at the Haas Institute recommends a third way: [Targeted Universalism](#).

Powell's [five step](#) Targeted Universalism approach organically emerged as the AAFCI CoPs worked to implement the pilot projects:

- First, each community of practice had a universal goal of achieving economic and asset prosperity for African Americans.
- Second, they furthered their own understanding of financial capability and security challenges by conducting additional research and releasing reports on the state of economic equity in their cities.

- Third, they disaggregated national, state and city data by race to help inform the strategic design and development of projects addressing the most pervasive economic issues among African Americans and the rest of the residents.
- Fourth, each CoP sought to map how structural factors—social, economic and political—impact African American progress towards achieving financial stability. This influenced program and policy analyses into how systems help or harm African American progress and drove cross-sector partnership strategies.
- Last, each group designed and implemented targeted strategies and approaches within their CoP's sphere of influence using existing programs, capacity building and policy advocacy to address economic inequality for African Americans in their respective cities.

Implementation Blueprint Structure

This implementation blueprint employs a racial wealth divide frame to shift from an entrenched narrative that African Americans are economically insecure due to poor financial decisions, to a structural understanding of racial economic inequality that directly contributes to African American financial insecurity.

By doing so, the innovations developed by the CoPs not only promise to strengthen individual and household economic security, but also provide ways for local communities and institutions to work collaboratively with leaders of excluded populations to reverse decades of disinvestment through systems change. The diversity, ingenuity, innovation, replicability and scale of the pilot projects challenge socially ingrained, biased assumptions fueling narratives of African American cultural deficiency⁸ as the root cause of Black poverty.⁹

- **Section 1:** Problem Defined—Racial Economic Inequality by the Numbers (*analysis of the racial wealth divide across the six cities*)
- **Section 2:** The Response Strategy—Approach Function and Role of National Technical Assistance Providers (describing the Northwest Area Foundation funding strategy and technical assistance strategies)
- **Section 3:** Three Year Implementation Process—A Systems Change Approach (data-driven, evidence-based systematic design, strategic pilot development process, impact innovations)
- **Section 4:** Lessons Learned and Emerging Promising Practices
- **Section 5:** Appendices—Community of Practice Innovation Profiles and City Fact Sheets

Intended Audiences

Due to the growing awareness of the causes and consequences of structural racial economic inequality, groundbreaking insights gleaned through this three-year project have relevance to multiple stakeholders. The lessons learned and emerging promising practices in this blueprint are tailored to three target audiences:



Philanthropy and Funders: Courageous, risk-taking, social impact philanthropists and investors seeking innovative, tested approaches to poverty alleviation and African American wealth creation will find important insights from collaboratively created [Targeted Universalism](#) approaches. In adapting this approach from policy to program design, the Community of Practice model required groups to work together to set universal goals that could be achieved through targeted approaches aimed at the varying needs of African Americans while communicating “that we are all part of the same social fabric.” Specifically, the AAFCI’s direct funding of organizations working on the frontlines of poverty to design solutions

to pervasive problems highlighted how increasing local power can ensure that social infrastructure development and civic engagement strategies create enabling environments for individuals and communities to thrive.



Practitioners in the Field: Financial capability, asset development and direct service nonprofits seeking to test community-generated solutions, strategies and prototypes designed to impact racial economic inequality will find useful insights and tools anchored in the socioeconomic reality of African Americans. Given the distinct historic, social and political positioning of this cultural group as an integral part of the economic engine of the United States, the pilots demonstrate ways to work with community-based African American organizations to positively disrupt systems while partnering to work for economic prosperity.



Community Members: People closest to the problem of community impoverishment and disinvestment are not only well positioned to be at the center of driving solutions but will also find examples of how the AAFCI was leveraged by local African American anchor institutions and communities to catalyze strength-based analyses for system change and pilot development. Geographically and demographically tailored tools, practices, services and solutions will inspire civic innovators to create or replicate racial economic equity strategies to uplift similarly situated communities.

Section 1: Problem Defined—Racial Economic Inequality by the Numbers

In the Northwest Area Foundation’s (NAF) eight-state target region—Idaho, Iowa, Minnesota, Montana, North Dakota, Oregon, South Dakota and Washington—the prevalence of economic disparities stand as striking examples of how historical and social systems, as well as inequitable policies, have created some of the starkest racial wealth disparities for African Americans.

This northwestern geographic region represents two distinct trends and communities: growing and affluent White communities with strong ties to social, economic and political institutions; and relatively small and separate Black communities that are disconnected from economic opportunity, safe wealth-building institutions and asset development are struggling to combat multigenerational poverty.

Understanding the structures and systems of inequality debunks antiquated deficiency, inferiority and superiority justifications as the go-to explanations for the suffering of some people and the success of others. In fact, significant predictable racial concentrations of inequality, particularly in the progressive northwest, discredit the American narrative of individualism and meritocracy, and expose the mechanics of the institutional, structural and systemic design of the racial wealth divide.

For example, the economic indicators in the four states where the AAFCI operated—Minnesota, Iowa, Washington and Oregon—reveal that African Americans make up just 10.1% of the total population, less than their 12.3% share nationally. However, despite smaller populations in a relatively affluent region (White family typical annual median income is \$89,417), typical annual median family income for African American families in the AAFCI cohort cities—Des Moines, IA; Minneapolis, MN; St. Paul, MN; Portland, OR; Seattle, WA and Tacoma, WA—is \$36,284, or 2.5 times less than their White counterparts.

In addition to a larger percentage of African Americans earning less, the cost of living is also greater. The average cost of living index¹⁰—which includes housing, food, childcare, transportation, healthcare, taxes, etc.—is 121 compared to the national cost of living index of 100, meaning it is approximately 20% more expensive to reside in these cities. Further, African American residents are experiencing worse outcomes year-on-year due to significant cost of living increases accompanying the gentrification of Pacific Northwest cities like Seattle, Portland and Tacoma. In “up and coming” cities like Minneapolis, St. Paul and Des Moines, Black residents are at risk of further financial destabilization.

Economic disparity is exacerbated by unemployment rates in the AAFCI cities that are higher than the national average for African Americans (11.6% versus 10.1%) and are 2.5 times greater than their White counterparts at the state and national levels (4.4% and 4.6%, respectively). Moreover, just 25.9% of African Americans in the AAFCI cities own homes, compared to 41.9% nationally. This is approximately 2.2 times less than White homeownership locally and nationally (57.7% and 71.4%, respectively).

When it comes to college education, 17.9% of African Americans above the age of 25 in this region have a bachelor’s degree compared to 48.2% of their White counterparts. Nationally 20% of African Americans and 33.8% of White Americans over 25 have a bachelor’s degree.

For African Americans in the AAFCI cities, unemployment is more than twice as high, and income is less than half than those of Whites.

These opportunity and income gaps, coupled with systemic factors such as residential segregation and economic exclusion, contribute significantly to racial economic inequality as well as the racial wealth divide.

Racialized disparities not only highlight disproportionate income and poverty rates for African Americans in the AAFCI cities, but also translate into wealth disparity. 58.8% of Black households compared to only 22.9% of White households are liquid asset poor across these cities. 37.2% of Black households compared to only 17.4% of White households have zero or negative net worth. At the national level, 44.5% of Black households are liquid asset poor compared to 19.0% of White households. Meanwhile, 30.1% of Black households have zero or negative net worth compared to 13.1% of White households nationally.

This review of disaggregated economic data shows that despite the progressive reputation of northwestern states, African Americans are being left behind and are locked out of post-recession prosperity.

Taken altogether, while each city faces varying social and economic challenges, the overall trends across the six geographies elucidate the ways in which racist policies, laws and systems have cyclically ensnared Black communities into intergenerational poverty. The deep racial wealth inequality highlights the particularly oppressive stratum Black communities occupy in a seemingly prosperous region.

Despite these wide disparities, we do not mean to discourage or suggest that the status quo is immutable. Nor do we mean to present a monolithic picture of Black Americans in the AAFCI cities. Rather, this data contextualizes the dynamic and pervasive socioeconomic inequality faced in the region. It signifies a serious problem to be solved immediately.

Heeding this clarion call, members of the AAFCI have worked tirelessly to create geographically-tailored, city-specific approaches in collaboration with their communities as a step towards community-specific and culturally-anchored approaches to mitigate longstanding inequality.

Section 2: The Response Strategy and Role of National Technical Assistance Providers

Northwest Area Foundation Response to Growing Racial Economic Inequality

The Northwest Area Foundation (NWAf) supports efforts to reduce poverty and achieve sustainable prosperity. Because current economic and financial systems are not working for those in poverty, and disparities in the region continue to grow, the significant differences in socioeconomic outcomes necessitate innovative approaches to address growing challenges.

In conceptualizing the AAFCI, NWAf foundation staff strived to analyze preliminary research findings through a racial equity lens, and in so doing courageously named the bias, differential access, discrimination and intersectional factors at work.

“[African Americans] . . . need the right conditions to build their assets for the long term. Unfortunately, many under-resourced communities are locked out of the economic system that generates conditions for other communities in the region to thrive. The financial services are often intimidating, predatory and opaque—if they exist at all. For African American communities, it’s not about figuring out how to get out of a temporary financial bind, it’s about finding a plan for living their life with policies that support them.”

Kevin Walker, NWAf President and CEO

As part of NWAf’s [Financial Inclusion Portfolio](#), the decision was made in 2014 to make a multi-year commitment to create and launch the AAFCI. An emphasis was placed on leveraging and building upon the community’s existing capacity and leadership. Community leaders were embraced as critical partners in increasing NWAf’s ability to champion strategies for lasting economic change. A primary strategy in this work was strengthening collaboration among organizations and grassroots groups to organize and influence the renewal of their communities.

To explore the racial wealth gap issue at the regional and local levels and learn more about African American economic inequality, and intractable intergenerational poverty rates in particular (which ranged from 18% to 33% within major cities of NWAf’s target states at the time), NWAf engaged a set of experienced partners to conduct an environmental scan.¹¹ The purpose of this study was to better understand the asset- and wealth-building infrastructure in the target cities. The environmental scan consisted of:

- Administering a survey to gather data from city nonprofit and direct service providers
- Convening 10 roundtables (one industry and one community roundtable in each urban center) to discuss asset development in the African American community

From this scan, many useful insights emerged regarding the current system for asset and wealth building.

As NWAf thoughtfully considered how to best utilize the findings from the environmental scan and stakeholder roundtables, a critical question emerged—what is the existing infrastructure within Black communities in target

cities to support more strategic and sustainable methods for addressing poverty through asset and wealth creation?

Formation of the African American Financial Capability Initiative: Empowering the Grassroots

The African American Financial Capability Initiative (AAFCI) was the result.

“The [African American Financial Capability] initiative’s ultimate goal is to improve and protect the economic security of African-Americans in our region. It builds upon NWA’s Financial Inclusion portfolio, which strives to help families have the tools they need to climb out of poverty and stay there.” – Kevin Walker, NWA President and CEO

The AAFCI was designed to address three primary issues that surfaced in the environmental scan: (1) African Americans are disconnected from the financial industry and asset building services; (2) African Americans are more likely to use services provided by African American asset-development entities (yet, many of these organizations do not have the capacity and infrastructure to match African Americans’ needs); and (3) Many African American-led organizations are disconnected from each other and the broader asset development industry.

To address these issue areas, the NWA embraced a holistic approach to working with existing organizations.

“By strengthening African-American-led organizations that provide critical services and advance strategic policies, this initiative will ultimately improve and protect the economic security of African-Americans.” – Kevin Walker, Foundation President and CEO

NWA first chose to minimize on-the-ground competition between nonprofit leaders as the AAFCI was formed using a Community of Practice¹² (CoP) model, convening “groups of people who share a concern or a passion for something they do and learn how to do it better as they interact regularly.”¹³

The shared passion of the Black-led, Black-serving organizational partners was born from working on the frontlines of poverty and crisis to provide essential, wrap-around services to the most vulnerable community members.

The CoP model was adopted due to the realization that the complexity of issues caused by multifaceted economic insecurity meant service delivery would be stronger if nonprofits collaborated rather than worked in siloes or duplicate efforts. The levels of disparity revealed that the scale of programs needed to overcome racial economic inequality and close the racial wealth gap would require an intentional strategic and innovative effort.

Through this process, organizations committed to working together to leverage their individual organization’s expertise and influence to amplify a collective agenda. To this end, all nonprofit organizational members of each CoP democratically selected a backbone organization to act as the “lead convener.”

Each city’s AAFCI CoP members are listed below, and the lead convener/backbone organization is italicized.

“The CoP has reinforced my belief that the only solution to systemic racial disparities is collective impact. The African American community must articulate a clear, overarching vision and strategy to eliminate disparities. Faith must be a central value.”

Member of AAFCI CoP

City/State	Community of Practice Members
Des Moines, Iowa	<i>The Directors Council, Oakridge Neighborhood Financial Capability Network; Evelyn K Davis Center for Working Families; and John R Grubb Community YMCA.</i>
Minneapolis, Minnesota	<i>Minneapolis Urban League, Hope United Community Development Corporation; Summit Academy OIC; and North Point Health and Wellness Clinic – collectively known as NorthPlus.</i>
Portland, Oregon	<i>Self Enhancement, Inc., in Urban League of Portland; Portland Community Reinvestment Initiative; and Portland African American Leadership Forum.</i>
Seattle, Washington	<i>Byrd Barr Place, formerly Centerstone, Urban League of Metropolitan Seattle; Washington State Commission on African American Affairs; Africatown Central District Preservation and Development Association; and Skyway Solutions</i>
St. Paul, Minnesota	<i>The African American Leadership Forum (AALF), Aurora/St. Anthony Neighborhood Development Corp; Build Wealth MN (CDFI); Camphor Fiscally Fit Center; Meda (CDFI); Model Cities of St. Paul; and NEON (CDFI).</i>
Tacoma, Washington	<i>Tacoma Urban League, Tacoma Ministerial Alliance; NAACP; United Way of Pierce County; Hilltop Urban Gardens and Sound Outreach.</i>

The primary areas of service for participating organizations in CoPs include:

<p>Comprehensive Social Services</p> <p>Nonprofits that provide a variety of social service supports, including housing, youth services, workforce development and tax services</p>	<p>Community Development</p> <p>Nonprofits that act as real estate developers in their communities and/or provide a wide range of services to support a designated community</p>	<p>Workforce Development</p> <p>Nonprofits that focus on workforce development and placement as a primary service area and mission project</p>
<p>Youth Engagement</p> <p>Nonprofits that have programming targeted almost exclusively to those below 25 years old</p>	<p>Housing</p> <p>Nonprofits that focus on housing support, be they HUD certified housing counselors or general support for people in their pursuit of homeownership</p>	<p>Economic Development</p> <p>Nonprofits that have a focus on entrepreneurship or small business development</p>

Perhaps even more critical to the pilot designs was the role that civic engagement, civil rights, policy advocacy and faith-based institutions have historically played in stabilizing African Americans communities.

National Technical Assistance Engagement Process

The unique and paradigm-shifting funding model of the AAFCI—moving from funding individual organizations to a community of practice model for collaborative design—meant each CoP was funded for three consecutive years. In addition to ongoing direct funding, the CoPs each received multi-year technical assistance from national intermediaries, namely the NAACP Economic Department during year one, and Prosperity Now during years one, two and three.

During the second and third years, Racial Wealth Divide Initiative (RWDI) staff provided racial economic equity coaching to guide program design and strategic development, while also strengthening pilot implementation and developing leadership and policy advocacy capacity.

The shift from individual and interpersonal explanations for racial economic inequality to one that recognizes how social, economic and political systems work in concert to create economic injustice was a guiding principle for the technical assistance and capacity-building support rendered. The goal was to help build nonprofit capacity to disrupt root causes of racial economic inequality.

RWDI developed a culturally-anchored technical assistance approach that paired human-centered design with economic community development and drew key insights from Dr. Kilolo Kijakazi’s groundbreaking work, [Closing the Racial Wealth Gap: Establishing and Sustaining an Initiative](#). Dr. Kijakazi’s work spanned a decade and emphasized strategies to overcome “the lack of a substantial presence of organizations of color in the field and the absence of experts of color at decision-making tables.”¹⁴

Influenced by Dr. Kijakazi’s approach, Prosperity Now’s RWDI staff provided safe, culturally-representative spaces for the exploration, interrogation and development of CoP pilot designs that were critical to their authenticity and success. As Dr. Kijakazi notes:

“Seclusion was critical during the period when the participants were examining the perspectives of their communities, exploring the impact of the larger environment on their communities, solidifying as a group, and choosing a focus for their work.”¹⁵

Building upon activities in year one, the foundational principles used to guide the technical assistance engagement practices of Prosperity Now’s RWDI team during years two and three were grounded in the knowledge that:

The Racial Wealth Divide Initiative at Prosperity Now leverages its connection to national organizations, a growing network of state and local partners, and our core competencies—culturally anchored technical assistance, policy, advocacy and applied research—to aggressively address racial economic inequality. RWDI deploys three primary strategies in its work:

- 1. Strengthen** all of Prosperity Now's programs' ability to address racial wealth inequality and develop stronger analysis of asset poverty in communities of color.
- 2. Launch and implement** specific projects that highlight best practices in bridging racial wealth inequality, working in collaboration with local and regional organizations.
- 3. Elevate** Prosperity Now and its partners as influential voices that drive solutions to tackling racial economic inequality at the national, state and local levels.

- Structural economic inequality, not individual deficiency, is the root of racial income and wealth disparity—it is the cause and consequence.
- Disinvestment exists at all levels—individual, organizational and institutional—impacting entire communities.
- Life outcomes are predictable by race and class.

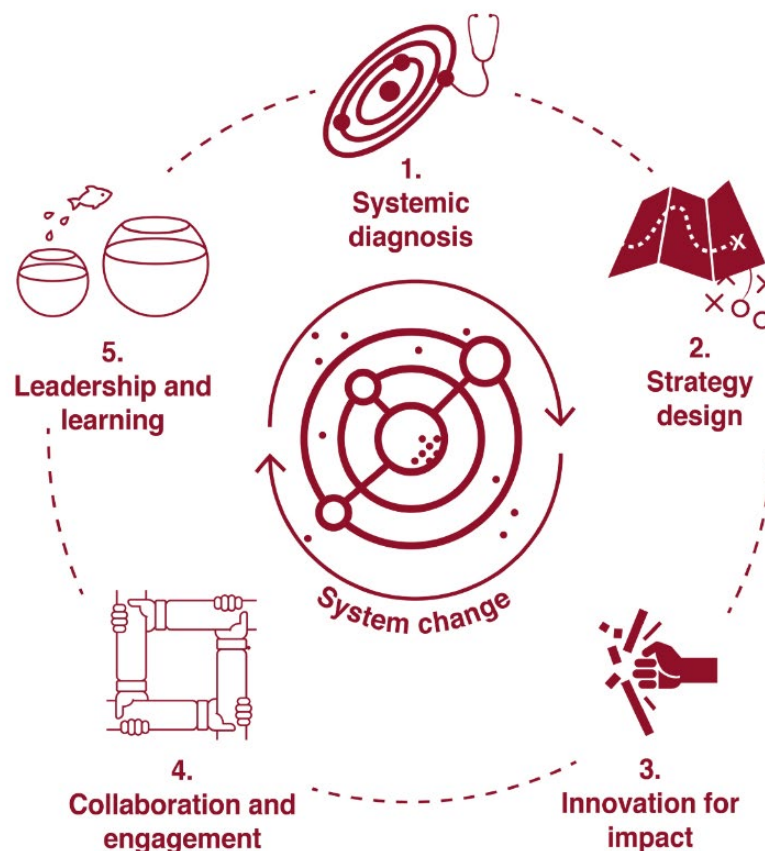
The overall technical assistance and coaching approach sought to:

- **Facilitate access to resources, best practices and promising policies in the field**, including culturally-responsive approaches and strategies for diagnosing and shifting systemic barriers.
- **Offer hands-on assistance with existing tools, templates and guides**, including how to troubleshoot and determine ideal opportunities for when to adapt, adopt and/or modify available resources.
- **Help members make connections with peers and partners in the community**, including asset-development networks, funders and opportunities.

Section 3: Three Year Implementation Process: A Systems Change Approach

“Much of what is written about systems change . . . is abstract in tone, polemical, and more concerned with diagnosing what is wrong than with offering concrete solutions. While the diagnosis of problems is often persuasive, the shortage of practical guidance, and few examples of success, can leave people feeling convinced of the case for systems change, but ill-equipped to take action.”¹⁶

During the third year of the AAFCI economic development technical assistance, it became apparent that the CoPs had transcended a focus on integrating financial capability services and were instead employing a process that resembled the Forum for the Future’s¹⁷ five capabilities needed for system change.



1. **Systemic Diagnosis:** Diagnose complex sustainability challenges using systemic approaches
2. **Strategy Design:** Design system change strategies and interventions
3. **Innovation for Impact:** Develop innovative solutions that seek to create scalable and systemic impact
4. **Collaboration and Engagement:** Initiate, build and facilitate partnerships and coalitions for change
5. **Leadership and learning:** Learn and lead into complex and uncertain future¹⁸

Year 1 of AAFCI: Data-Driven, Evidence-Based Systemic Diagnosis

Main Objectives: The initial year of the AAFCI focused on learning, research and planning. CoPs were tasked with conceptualizing and submitting a comprehensive economic mobility theory of change and pilot design that reflected the role and responsibilities of each CoP partner to NWAFF as a pre-condition for receiving funding for years two and three. This additional RFP process reaffirmed the CoPs’ commitment to each other, their communities and the process of strategic development and implementation of co-created pilots. Year one also informed the way technical assistance for the remaining two years would be designed, delivered, managed and adapted to leverage the strengths and competencies of nonprofit service providers.

Technical Assistance: Through in-person and virtual convenings and attendance at the 2016 Assets Learning Conference,¹⁹ technical assistance providers coached the CoPs on how to form and steward a Community of Practice, use data and research to diagnose complex sustainability challenges using direct service approaches and provide an introductory understanding of household financial security and financial capability.

Site visits helped orient Prosperity Now, NAACP and NWAFF to each CoP’s unique strengths and challenges. Quarterly “virtual cafés” allowed CoPs to share findings, workplans and preliminary pilot project proposals. The content for these convenings drew upon previous economic security frameworks, including Prosperity Now’s Household Financial Security Framework. The goal of this approach was to increase CoPs’ comfort and competency in fully adopting the community of practice model; managing relationships and projects to a workplan; and embarking on the strategic development and implementation phases of the project.

CoP Implementation: To achieve the learning and planning objectives required for strategic pilot development, four out of the six cities commissioned the development of reports or used recently published data created by CoP partners, including: Des Moines’ [One Economy: Building Opportunity for All](#), Seattle’s [Voices Rising: African American Economic Security in King County](#), Portland’s [State of Black Oregon](#) and Twin Cities’ [Twin Cities African American Financial Capabilities: A Community of Practice \(AAFCOP\) “Black Paper”](#). Two CoPs—Tacoma and Minneapolis—conducted intensive long-term assessments of community and client needs through a Financial Wellbeing Survey and Community Based Participatory Action Research (CBPAR) to gather data and research to drive conceptualization, design and implementation.

Additionally, all six CoPs undertook community-based research that included administering surveys, hosting community town halls and facilitating community-centered focus groups to better diagnose the root causes of African American economic hardship.

These efforts revealed deep poverty, income and wealth disparities and the impact of systemic economic push and pull factors, including but not limited to: deindustrialization, gentrification, revitalization and 21st century structural economic shifts like the housing crisis, Great Recession and growth of the tech sector.

Armed with this new knowledge, CoPs embraced upstream interventions for pilot designs. Direct service pilot ideas moved beyond credit building, debt management and financial education toward asset acquisition, community ownership and economic development to address and reverse systemic oppression. In particular, post-secondary education, small

“Polk County and cities within are actively investing in the greater community but are not specifically investing in the locations or making the improvements that are helpful to African Americans or the neighborhoods where they live. Economic development and public policy decisions ignore the negative impacts their decisions have on the Black community.”

The Des Moines CoP

business development, living wage jobs, homeownership and policy advocacy were found to be of utmost importance to community members and clients with lived experience.

Year 2 of AAFCI: Strategic Pilot Development

Main Objective: Year two focused on building capacity and competency to use economic inequality data, research and tools to inventory and sequence existing services to support clients on their economic mobility pathway, as well as to overcome the most pertinent financial capability challenges facing African Americans in their cities. Participating CoPs fine-tuned pilots through design finalization and strategic development with the support of RWDI’s technical assistance.

Technical Assistance: The year two in-person convening gave CoP representatives the opportunity to “pitch” their pilots to RWDI and NWA staff, consultants and each other to inform individual CoP technical assistance workplans. The in-person convening revealed that each planning process was non-linear and complex, and warranted the coordination of in-city site visits to help clarify the projects, goals and CoP technical assistance needs. What became clear is that approaches to support local organizations’ abilities to address the complexities of racial economic inequality did not yet exist. Therefore, RWDI’s challenge as technical assistance providers was to discern when to adopt or modify existing tools and/or design new “culturally-anchored” tools and templates quickly to maintain CoP momentum.

There was a recognition that specific expertise in racial economic inequality and program design through a racial equity lens was needed. To facilitate this process, a senior program manager was recruited from an established CoP to join the Racial Wealth Divide Initiative. The human-centered community economic development technical assistance was comprised of three critical components and multiple tools. To steward each CoP’s strategic design and development process toward implementation and, if needed, iteration, the formative phase of this processes was developed in response to preliminary needs assessments.

The tailored process included a technical assistance agreement, workplan and action plan. The second phase of this process set a consistent and rigorous monthly technical assistance call structure for individual CoPs and the overall cohort to advance pilot implementation, with the third phase consisting of technical assistance, baselining and benchmarking using quarterly surveys to ensure monthly cross-cohort trainings and tools were maintaining CoP implementation timelines and momentum.

- The *Technical Assistance Agreement Plan* formalized the relationship between Prosperity Now and each community of practice to codify RWDI’s support of their pilot implementation.
- The *Design Workplan* was developed to guide the CoP along a continuum to ensure successful development and 2018 implementation of pilots.
- The *Action Plan and Monthly Call Process* were developed to track learning and progress for each CoP as they moved through the phases of technical assistance. This process provided a structured way for the CoPs to identify roles and responsibilities for implementation; assign specific tasks and track major milestones; and work “in real time” with their technical assistance provider to adopt and modify tools to their desired ends.

Once the structure was set, tools were needed to truly understand where African Americans with low income and low wealth were starting from in the AAFCI cohort cities. In response, the RWDI created local data fact sheets for each city, which can be found in the appendices.

The fact sheets were created to give a level of primary racial economic equity data, analysis and framing to 1) contextualize the profundity of local issues; 2) help develop a rationale to identify and build the profile of target clients; and 3) understand the scale and scope of action needed to impact racial economic inequality (programmatic, policy and advocacy). Key findings included:

- Local racial economic disparity in target cities is often greater than national racial economic disparity.
- HUD Income Eligibility criteria often determines AAFCI CoP client participation.
- The percentage of local AAFCI African American populations qualifying for public assistance (based on median income) was determined to help CoPs grasp the scope and scale of racial economic inequality.

Community surveys, focus groups and listening sessions also provided invaluable feedback and input that gave nuance and color to the data collected. In some cases, community-level data challenged the assumptions and findings of the communities of practice, as well as of dominant society.

CoP Implementation: Innovating from community strength by moving beyond a prevailing narrative of Black deficiency or lack of assimilation as the root causes of financial insecurity meant that when faced with “a large number of tools and possible interventions to support system change,” the CoPs needed time and space to “find ways to iterate, experiment and evaluate” options “so as to apply the right process to the challenge identified and design interventions sought . . . to create the impact that they were seeking.”²⁰

An emerging promising practice at this phase was that CoPs required the space, time and information necessary to change and pivot approaches. The adaptability of a multi-disciplinary technical assistance provider equipped to guide projects on their path to system change was also critical.

To that end, CoPs focused on strengthening their shared knowledge of the economic landscape of their individual and collective African American communities, including poverty, income and wealth disparities. During this phase, partners also revisited strengths and areas of growth with respect to the three AAFCI pillars (service, leadership and policy/advocacy). Finally, pilot project development also required assessment and inventorying of existing services to understand how best to align financial capability to increase assets and wealth for clients with low- to moderate-income and net worth.

Year 3 of AAFCI: Innovation for Impact

Main Objectives: In the final phase of the AAFCI, CoPs were encouraged to earnestly finalize their respective pilot designs to shift their focus from development to implementation and prepare for launch. Essential components of this phase included the CoPs’ solidification of their target client population; sequencing of services; development of preliminary evaluation criteria and key metrics; clear articulation of areas of focus and strategies for policy and advocacy; and the deployment of data and the racial wealth divide frame to substantiate their pilots.

Technical Assistance: In year three, RWDI’s role increased from technical assistance provider and coach to critical thought partner, as CoPs engaged in a range of learning and advocacy activities that built their capacity, visibility and credibility as racial wealth divide solution innovators. In response to this shift, capacity building technical assistance and coaching was tailored to support the CoPs as they worked to fortify their pilots and identified opportunities to leverage them for system change.

Previously designed RWDI tools and strategies—such as those created to increase leadership and organizational development capacity (Building High Impact Nonprofits of Color)²¹ and to integrate financial capability into existing direct service (Mercy Housing Wealth Building Residential Housing Pilot)—were beta tested, and new tools were developed as CoPs integrated a racial wealth divide lens, framework and analysis to wealth acquisition and asset development. Critical technical assistance implementation strategies and tools included:

- Curating and facilitating bi-weekly calls to review progress toward implementation by troubleshooting challenges, sharing tools and resources, and determining individual and collective next steps
- Commissioning the development of a co-created communications and media branding guide and toolkit with a culturally-representative graphic designer
- Expert coaching and thought partnership with a financial capability industry standard consultant
- Narrative development frameworks training to effectively communicate pilot project purpose and outcomes
- Developing an AAFCI media kit - including opinion editorial (op-eds) tools and templates, project 2-pager, and CoP podcast vignettes with Brunch&Budget²²
- Publicity efforts including: Prosperity Now website landing page, podcasts, social media and traditional communication promotions with culturally-specific consultants
- Developing public presentation training (i.e. elevator pitches, panel presentation and story-telling templates)
- Integrating community development and power mapping tools to empower CoPs to identify and vet proximal people with influence and affinity for pilots—i.e. board members, local elected officials, and current and existing funders who had the potential to become partners and funders at this critical phase
- Curating strategic networking (funder reception, people of color-centric events) and leadership opportunities (Prosperity Now Summit, exclusive media requests)
- Delivering guidance on data evaluation plans to quantify cost of pilot, and track pilot outputs and outcomes for impact and sustainability

CoP Implementation: Despite initial AAFCI program objectives that asked each CoP to work collaboratively to develop an economic mobility pilot with a financial capability focus, the AAFCI CoP cohort chose to innovate instead. This process was non-linear, nor a simple integration of existing financial education, literacy or capability education or tools since many of the traditional approaches are not built to mitigate the complexities of racial economic inequality.

“Organizations often contribute to dysfunctional systems because they contain hidden assumptions and inaccurate ‘mental models’, making them likely to react to events in a way that makes things worse.”²³ – Peter Senge

To mitigate the unintentional harm of dominant approaches, a uniquely-tailored strategy emerged. Using localized economic inequality data, history and policy analyses to conceptualize and create systemic interventions, CoPs developed a structural understanding of racial economic inequality. Working directly with community members closest to solutions, CoPs ground-truthed the pilots using the lived experiences, assets and needs of African American clients.

Through the AAFCI process, CoPs set their impact goals higher and have developed community level pilots designed to address the root causes of systemic inequality: policies and systems that disinvest in some populations while hyper investing in others.

AAFCI Pilot Innovation Spotlights

Pilots engineered over the past three years by the CoPs are below, ***A detailed description of each CoP Innovative Pilot Profiles can be found in the appendices.***

Des Moines—Community Development Finance Institution (CDFI) and Financial Navigator Model: This CoP provides an umbrella of asset building and financial capability services through the One Economy Community Development Corporation. It aims to shift the culture around its community's mistrust of financial institutions by providing innovative alternatives to combat the significant number of unbanked and underbanked community members. To achieve this and other financial stabilization goals, the CoP provides the following technical and capacity-building services and programs: non-profit, for profit and small business development boot camps and trainings; culturally specific financial education that places business owners in front of their customer base; community access to capital; and alternative financing and small dollar lending. This is all supported by an AmeriCorp Vista financial navigators program to engage and educate community members about existing services.

Minneapolis—Multi-Phase Financial Wellness Program and Industry Partnership Vetting Model: Collectively known as *North Plus* focuses on addressing racial economic inequality by improving staff, client and community access to culturally-anchored financial capability services and expert knowledge through a rigorous assessment process, financial coaching workshops and a robust multi-agency referral network. To address the stark socioeconomic disparities of African Americans in Minnesota, established agencies leverage their services, capital and local knowledge to provide high-quality wraparound services, while simultaneously rewriting the causal narrative of African American economic inequality from one that blames individuals to one that addresses systemic causes. Through *North Plus*, the CoP bolsters community collaboration for greater impact by ensuring access to safer financial products for the community; grounding public and private institutions in racial economic history to promote accountability as the city continues to grow; and increasing connectivity through strategic partnerships. The CoP has expanded its referral network to include diverse sectors and industries and is cultivating relationships with multiple faith-based institutions to provide anti-poverty services.

Portland—Trauma-Informed Economic Mobility Pathway (EMPath) and Multi-site Referral Intranet: A two-dimensional approach to ensure a comprehensive and sustainable homelessness to homeownership pathway. The first focuses on building the knowledge and skills of CoP staff with trainings that include a strength-based model adapted from Economic Mobility Pathways (EMPath) to enhance their direct service. Their approach also focuses on trauma distinct to the African American experience and the psychological impacts of poverty. The second is to strengthen CoP infrastructure by developing a cross-agency intranet to facilitate co-case-management and resource referral. Equipping the staff with a wide array of tools and resources helps foster mentorship and instills agency and self-efficacy in clients as they set and achieve financial stability, financial security and asset building goals. The economic mobility services provided include financial education, financial counseling, rental assistance, tenant education and asset development programs.

Seattle—A Culturally-Anchored Community Land Trust (CLT) Model: The Africatown CLT and ourrootedcommunities.org toolkit reduces the impacts of urban growth, gentrification and displacement on African Americans. This mixed-use collaborative ownership model focuses on placemaking and placekeeping in Seattle's Central District. The pilot will provide affordable housing, small business development and community, retail and commercial space for use and lease by returning community members. To increase community engagement, knowledge and skills, Seattle's CoP also commissioned and administered a culturally-responsive financial education curriculum that builds community capacity to own, steward and invest in

communal ownership strategies for intergenerational wealth transmission. Its Partner Vitality process helps community members build capacity to create cross-sector collaboration and maintain gains through partnership with the city and other relevant stakeholders.

St. Paul— “One Door” Model: A client referral and support system to enable individual, family and community wealth building and economic stabilization. Through this system, multiple direct service providers, community development corporations, asset building organizations and community development finance institutions work collaboratively to provide access to capital, small business and entrepreneurial capacity building, affordable housing and first-time homeownership. This coordinated pathway provides financial education, homeownership and business development to increase assets and wealth in the African American community.

Tacoma—Community Based Participatory Action Research (CBPAR) Academy and Black Empowerment Center: Utilizing the CBPAR approach, the Tacoma CoP assessed the specific social, economic and cultural needs of the Black community, specifically seeking to understand disparities in homeownership, education, racialized poverty, growing gentrification and African American displacement. In response, they created the Black Empowerment Center (BEC), which aims to provide Black Tacomans with knowledge, skills and access to financial resources that allow them to thrive on their own terms. The strategy around the BEC is built around three pillars: 1) **Stabilization** to provide services that reduce debt and build credit; 2) **Asset Development** to introduce services that incentivize saving; and 3) **Cultural Reinforcement** to include activities like leadership development, advocacy and liberation education. The BEC will serve as a bridge between the Black community in Tacoma and the public and private sectors that have historically shut out the community. In addition, it offers a community space from which to recreate a sense of identity in the African American community through access and empowerment.

Financial Capability: Redefined by African American Direct Service Providers

As the varied CoP economic mobility pilots illustrate, the heart of the AAFCI was system change: “the intentional process designed to alter the status quo by shifting the function(s) or structure(s) of an identified system with purposeful interventions.”²⁴ System change for CoPs created “intentionally disruptive creative interventions that were functionally imbued with the objective of challenging the status quo and making positive change.”²⁵

Using the baseline level of knowledge, expertise and clarity about the origin and outcomes of the racial wealth divide as the point of entry to impact change for African Americans in their respective cities, the AAFCI projects accelerated rapidly. CoPs benefitted significantly from RWDI’s incubator and accelerator approach to social innovation development, which empowered them to maximize the opportunity to conceptualize, explore and implement economic innovations beyond financial capability, yet still within the asset building field.

Until now, standard approaches had not been specifically created to deal with the socioeconomic reality of African Americans, therefore “culturally-tailored” tools and strategies required working closely with CoPs to test and ground them in the geographic and demographic history, policy and economy of each location. Shifting our shared analyses to structural inequality as the root causes—rather than looking to behavioral, habitual and cultural explanations that blame the victim of disparity—avoided inadvertently pathologizing Black culture as one of endemic poverty.

Client-centered pilot project—designed, developed and implemented by Black-led and Black-serving institutions—are bidirectional. Not only do they leverage client and community capital and need beyond basic

service provision, they also present unique opportunities to work collaboratively with high-impact community-based CoPs and institutions to sustain and scale community-centered interventions.

Section 4: Lessons Learned and Emerging Promising Practices

This section frames lessons learned and promising practices that emerged during the AAFCI technical assistance process. The findings illustrate the utility of direct service providers using a system change approach to address racial economic inequality and narrow the racial wealth gap for African Americans.

Section four provides a constructive critique of program design and technical assistance delivery based on the RWDI's experience providing technical assistance during the AAFCI.

In addition, this section aims to reframe dominant narratives and beliefs about economic inequality by offering the field much sought after insights into how to tailor technical assistance to support community awareness and empowerment while guiding local institutions to simultaneously leverage collective influence to maximize asset and wealth development.

The intent of this section is to guide funders, practitioners and community members along a learning journey while also providing emerging promising practices to consider when conceptualizing strategies or program design to support African American economic equity.

Throughout our generative learning journey, RWDI staff returned to the original programmatic design components undergirding the AAFCI to assist us in tailoring and building technical assistance alongside rapidly adapting and evolving financial capability and asset-building innovations. Through this iterative process, lessons were learned as promising practices emerged.

In response to multiple requests, RWDI offers this generative learning journey as a case study for tailoring asset building and financial capability technical assistance to guide, design, develop and implement innovative service delivery pilots to increase racial economic equity for African Americans.

Generative Learning Journey

- Culturally Specific Technical Assistance
- Redefining Financial Capability
- Flexible Unrestricted Seed Funding and the Impact of Direct Funding on Backbone Organizations
- Community of Practice Model
- Redefining Leadership Development
- Empowering Direct Service Providers
- Supporting Grassroots Policy Advocacy

Culturally Specific Technical Assistance

“Culture matters, but I would say it doesn’t matter as much as social structure. Structure trumps culture.” – Harvard University Sociologist William Julius Wilson

The first step along RWDI’s learning journey was negotiating the meaning and practice of “tailored technical assistance.” As we provided CoPs with thought partnership, tools, resources and guidance to fortify service delivery, increase policy advocacy strength, grow leadership capacity, and use “culturally-sensitive approaches and strategies for systemic barriers,” the critical thinking process of interrogation, adaptation and implementation was ongoing and ever present.

Moreover, because “culturally-sensitive” policy approaches and financial capability and asset-building strategies to overcome systemic barriers did not readily exist, for programs and policies to be truly effective, RWDI understood that these tools would need to be grounded in the racial economic circumstance—the socioeconomic reality of African Americans—rather than in culture.

“Today, social scientists are rejecting the notion of a monolithic and unchanging culture of poverty. And they attribute destructive attitudes and behavior not to inherent moral character but to sustained racism and isolation.”²⁶ – Patricia Cohen

RWDI grounded the AAFCI technical assistance content in the socioeconomic context of African American communities and clients living in the northwest rather than relying on cultural explanations for racial economic inequality. Cultural forces for RWDI referred to “things that emerge in settings created by discrimination and segregation.” Structural forces referred “not only to the racialist factors, such as segregation and discrimination, but also those that are non-racial, such as impersonal changes in the economy.”²⁷ In keeping with RWDI’s racial wealth divide analysis, asset and opportunity gaps were seen as the root causes of racial wage and wealth gaps rather than individual behaviors, habits or choices.

Nuanced analyses of the origins and outcomes of economic oppression have generated a sea change in mainstream organizations’ evaluation and communication of the generative locus of concentrated inequality. For example, the [Aspen Institute](#)²⁸ boldly names and defines the role of structural and systemic inequality thusly:

- Structural Racism: A system in which public policies, institutional practices, cultural representations and other norms work in various, often reinforcing ways to perpetuate racial group inequity. It identifies dimensions of our history and culture that have allowed privileges associated with “whiteness” and disadvantages associated with “color” to endure and adapt over time. Structural racism is not something that a few people or institutions choose to practice.
- In many ways “systemic racism” and “structural racism” are synonymous. If there is a difference between the terms, it can be said to exist in the fact that a structural racism analysis pays more attention to the historical, cultural and social psychological aspects of our currently racialized society

To expand on this definition a systemic racism analysis focuses on contemporary, oppressive and interlocking institutional aspects.

Taken together, tailoring technical assistance to suit six CoPs—composed of four to six individual African American organizations each with its own culture—in six different cities proved daunting given the different histories, contexts and communities therein.

Lessons Learned

- Race ought not to be conflated with culture or socioeconomic status
- Blackness is not monolithic, history and context matters
- Being Black or a national legacy organization isn't enough to create equitable outcomes
- Culturally specific “experts”—i.e. racially matched—will not inherently safeguard that the project will have a different process
- It is a false assumption that racial economic inequality technical assistance infrastructure existed within national intermediaries due to the clout of technical assistance providers
- The reality was that no pre-existing structure existed, which was not a constraint because this was the first time these decades-old organizations were tasked with creating an asset-building project to deal with racial economic inequality

Emerging Promising Practices

Being responsive to these learnings required more technical assistance adaptation that challenged mainstream cultural norms. This yielded the following emergent best practices for the field:

- Technical assistance providers ought to understand both the cultural and local contexts of the project. For example, the RWDI recruited Cat Goughnour from the Portland CoP halfway through the technical assistance because she had experience designing an AAFCI project and a track record of grassroots community economic development and policy advocacy.
- The issues pilot projects grapple with should be approached in a way that doesn't just follow but expands upon the traditional definition of financial capability, namely the capacity, knowledge base, skills and access to manage financial resources effectively.²⁹
- Pilot projects evolved to systems change approaches as they coupled expanding financial coaching and counseling services with power and community mapping to change the way their institutions, communities, clients and CoPs were socioeconomically included or excluded in cities.

To be truly culturally responsive, RWDI analyzed both macro-level and micro-level data. This deeper dive illuminated the acuteness and complexity of the issues and barriers northwestern African Americans have faced since the Great Migration. Laws and policies that dictate ownership of land and fair compensation of labor, two significant pathways to wage, wealth and asset acquisition, have always been racially differentiated.

This approach meant debunking the false racial economic inequality narrative: There is a system that works, and communities of color are doing something wrong in managing their finances, on the job, or in their personal decisions.

Instead we embraced the truth that: Our economy is designed to reward the wealthy and leave others behind through an upside-down tax system, residential and economic segregation, disinvestment in communities of color, and gentrification and displacement.

National level data began to make the invisible visible: illuminating systems, structures, policies and laws that determine the efficacy and impact individual choices and actions have for Black people striving to build assets and overcome racial economic inequality. However, it only showed the big picture. RWDI recognized the need for local data to more accurately place the work of local organizations into context.

Given the magnitude and complexity of racial economic inequality, data and research also revealed how changing the behavior of individuals and building programmatic solutions would not change systems of multigenerational economic oppression. System change through leadership development, policy and advocacy was also needed. More will be provided on these levels of engagement later in this section.

“In the economic empowerment field, we often fall into this false narrative. We start acting as if racial economic inequality will be significantly bridged by a change of individual behavior of the economically disenfranchised. While it is important to determine best practices for how people can weather an economic system designed to perpetuate racial economic inequality, individual economic behavior should never be defined as the fundamental problem in racial economic inequality. It is incumbent that we make sure our work does not fall into the false narrative that the problem is that our people are broken and that the system works.”

Prosperity Now, Racial Wealth Divide Initiative

The CoPs responded by designing approaches that were innovative and holistic to tackle the systemic sources of inequality in their respective cities that they believed contributed most significantly to rising racial economic inequality.



FUNDER

Although there are likely many funders that share the CoPs’ analysis, are aware of structural inequality and already issue grants to support similar work, the persistent scale and magnitude of racial economic inequality reminds us that much more needs to be done.³⁰ Therefore, to be truly effective and supportive of communities of color—specifically African American communities—funders ought to work from the premise that even though disaggregated data reveals staggering racial economic inequality, race is not synonymous with culture, and neither are the root causes of disparity. Race is immutable and ascribed—it is how society determines access to opportunity and assets, which are the cause of racial economic inequality. Culture, on the other hand, is how people adapt and evolve to live, survive and thrive in environments structured to reproduce racialized inequality.

Therefore, when developing grantmaking strategies, we follow the mantra: “Don’t hate the player. Hate the game.” Rather than focusing on shifting the behavior and habits of socioeconomically disenfranchised people of color and Black people, target investment toward the development of infrastructure (staff and organizational) and social impact innovation that encourages grant recipients to create “right-sized”, multi-pronged economic mobility programs, advocacy strategies and policy campaigns rooted in the experiences and expertise of their unique cultures. This, in turn, will shift the systemic, institutional and structural dynamics responsible for multigenerational poverty.

Two promising types of targeted investments for Black-led, Black-serving social impact ventures include:

1. **Grantmaking:** Target investment toward building an adaptive social infrastructure that encourages grant recipients to contest for power by creating multi-pronged economic mobility programs, advocacy strategies and policy campaigns.
2. **Impact Investing:** Program Related Investments (PRI) or Mission Related Investments (MRI) are ways foundations can think beyond traditional grantmaking to align more of their assets with mission in creative ways. Foundations can use their capital to de-risk individual investments or markets and attract other types of investors—including those from the private sector and government—who can bring much greater resources to bear.

Impact Investing by Foundations: Key Terms in Philanthropy

Moreover, to avoid unconscious bias, funders ought to be mindful to avoid explicitly or implicitly blaming people victimized by structural inequality for their suffering nor seek to change them. Instead, they should support efforts to retool unfair systems that benefit White people at the expense of Black people and people of color.



PRACTITIONER

Culturally responsive technical assistance requires the integration of a deep understanding of how contemporary and historic institutional dynamics conspire to include and exclude White people, people of color and Black people differently. To be effective, intentionally tailored technical assistance must address systemic barriers and be grounded in the lived experiences, histories and worldviews of the people it seeks to build capacity with. Nurture is more impactful than nature, and zip code is more determinative than genetic code. Therefore, the cause of racially disparate outcomes must not be ascribed to the people experiencing it.

Expertise in this approach demands that existing financial capability and asset-building tools and strategies be adapted to address the circumstances and material reality faced by clients in partnership with community members and service providers. To this end, an emerging promising practice from the AAFCI suggests that the culture—race, geography and background—of the technical assistance provider be accounted for when designing and staffing these kinds of projects.



COMMUNITY

Through the AAFCI, a universal promising practice emerged: There is power in owning and rewriting the narrative of Black racial economic inequality. The story of African Americans overcoming 20 generations of forced economic inequality since 1619 is as much about resilience, perseverance and triumph as it is of tragedy and suffering. Remembering “It’s not us, it’s the system!” creates a source of strength from which to build collective confidence, worth and esteem.

As national institutions and experts grapple with how to appreciate and invest in culture through grantmaking strategies; and practitioners work to integrate client and grassroots community experience, expertise and solution-making into direct service programs and policy campaigns; it is recommended that community members work together to understand the structural and systemic barriers their communities face, and the

boosts they can access and leverage to thrive on their own terms. Individual and community goal setting ought to build on strengths as a springboard to address and overcome barriers.

Financial Capability and Asset Building

“The foundation of racial inequality is racialized economic inequality and the foundation of economic inequality is wealth inequality.” – Dedrick Asante-Muhammad, former Senior Fellow, Prosperity Now

When working to understand economic inequality—poverty, income and wealth—society largely relies on behavioral economic explanations (cognitive bias, emotions and social influences) to explain disparity. Consequently, many interventions and solutions focus on personal choice—improving financial literacy and generating appeal for existing products and services among hardest-to-reach groups—rather than working with grassroots experts, activists and providers to design, launch and test system-level strategies.

According to the Center for Financial Inclusion, “access to formal and semi-formal financial systems is not enough and may even be counter-productive.” It goes on to issue the following useful guidance:

*“Focus on the **enabling environment**: the formal and informal economic, political, social, and physical contexts in which people live. Some environments are more enabling than others and so affect the extent to which someone can be financially capable. They offer different opportunities to act [emphasis theirs].”*

Shifting from individualized understandings of the causes of racial economic inequality to an analysis of the structural and systemic factors impacting and impeding progress is a herculean task for mainstream society, particularly when there are no incentives for people with privilege to change the structures they’re benefitting from. Fortunately, this shift provides an opportunity to work in service of grassroots leadership, which has long developed solutions despite being cognizant of the invisible, yet powerful (structural and systemic) forces they are up against.

To this end, the next step on our learning journey was to reconcile how organizations with governmental income eligibility requirements use a racial economic inequality lens and racial wealth divide framework. Specifically, how can direct service nonprofits—restricted to serving zero to 80% area median income clients by some public funding mandates—best use technical assistance to integrate unrestricted economic stabilization programs into social programs?

Culturally sensitive financial capability asset building (FCAB) interventions should include different delivery formats, presenters, concepts and expectations than FCAB interventions designed for a general public.³¹

In response, RWDI created the City Data Fact Sheets in the appendices to draw the through-line between poverty, income and wealth/ assets from the CoP client’s perspective. Each City Data Fact Sheet served as a foundation to understand racial economic inequality, how it affects local cities and clients and what that means for program innovation and policy advocacy. They also served as great consciousness raisers, highlighting the challenge of the racial wealth divide in and across cities.

“Instead of employing a one-size-fits-all strategy, interventions and measurement of financial education and capability concepts must respond to the needs and circumstances of specific sub-populations. Community practitioners involved in financial capability and asset building work must collaborate with direct practitioners, community members belonging to the population of focus, and other professionals and policy leaders who can inform program design and delivery for financial capability work that best reflects the life experiences and unique aspects of that population.”

Financial Capability and Asset Building:
Building Evidence for Community Practice

These tools helped CoPs realize that funding mandates meant they had already integrated most [financial capability](#) services into existing services and pilot projects, yet inequitable outcomes persisted. They also made clear that CoPs needed to push for institutional partnerships to ensure fair access to good jobs, living wage incomes, equitable allocation of government procurement and contracting dollars, and entrepreneurial development, in addition to basic service. Further, where anti-black discrimination was calcified, CoPs decided to develop culturally-anchored institutions to ensure protection from predation and access to economic security.

Lessons Learned

- Because of interlocking systems of oppression, financial capability and direct service will not shift inequality on their own.
- Financial capability focuses on individual actions and education rather than on structural systems of oppression, the root causes of African American financial insecurity.
- Too often, the idea of African American institutions advancing holistic community development efforts to build wealth is not properly understood within the narrow framework of financial capability and is disinvested in.

Emerging Promising Practices

- The socioeconomic reality of low- to moderate-income clients based on [HUD eligibility](#) requirements meant a racial wealth gap framework was difficult to align with asset limits and zero and negative net worth individuals, so new data tools were needed.
- AAFCI research into community needs, the racial wealth divide and social, political and economic systems meant that collaborative ownership models for asset building and economic development were designed, developed and implemented.
- AAFCI pilot projects focused on engaging the economic, political and financial systems, institutions and organizations that have perpetuated consistent inequities for African Americans. This is a radical change from traditionally funded financial capability initiatives.
- An understanding of the economic, social, political and financial exclusion drove system-level innovations by the CoPs.



FUNDER

African American economic insecurity is a multifaceted problem that requires a multifaceted approach, as demonstrated by the comprehensive pilots further detailed in the appendices. These are old problems that must be solved in new ways. Specifically, solutions should include specialized technical assistance in grantmaking strategies tasked with “tailoring” financial capability and asset-building tools to address racial economic inequality. Given the high stakes and costs of structural inequality on individuals, families and society, grantmaking focused on Targeted Universalism and racial equity ought to

embrace innovative, cutting-edge solutions. And, since people closest to the problem are closest to the solution, it is also recommended that funders leave the decision as to which type of economic development solutions best suit their communities to the discretion of the grantee.

RWDI's approach to technical assistance has helped organizations of color gain traction across all of its programs. A core component of our capacity building involves hosting roundtables in partnership with community clients. These events are aimed at educating institutions, power brokers and funders in their ecosystems about the causes and consequences of racial economic inequality, while simultaneously centering community-generated solutions as emerging promising practices. National and local data inform these curated events.

The goal is to shift the locus of blame away from those victimized by the system to the system itself, and to bring to the foreground emergent promising practices co-created by organizations of color, their communities and clients. To do this process justice, technical assistance that centers the realities of economic inequality for people of color, flexible funding and multi-year grants are recommended additions to grantmaking strategies.

Given the scope of the issue we are working with communities to tackle, these strategies require ongoing investment and partnerships. Social impact funding and technical assistance ought to work more closely to create enabling conditions that build economic and political power—grounded in community—to bring about the scale of structural change required for multigenerational advancement.



PRACTITIONER

People—clients, staff and community—are direct service providers' most valuable assets and deserve to be armed with best practices and trainings, tested tools and relevant research when working to close the racial wealth gap. Integrating economic development into social services means frontline staff need high-impact trainings to maximize the integration of asset development, financial capability services and community economic development. This is true for both staff of color and White staff.

In addition, given emergent research findings into the preventable psychosocial and traumatic impacts of unmitigated multigenerational poverty, chronic stress and race-based discrimination, we also see that training on the origins and outcomes of the racial wealth divide and trauma-informed approaches are emerging promising practices.



COMMUNITY

As blame is shifted from individuals to the interlocking institutions governing opportunity, and as practitioners are resourced to build their capacity to serve clients along their financial stabilization journey, communities must be engaged through education, outreach and civic engagement—because without political will, we cannot create better enabling conditions. In addition to sharing information and conducting benefits screening to connect eligible community members to [federal and state benefits](#), community members also gain from [learning about racial economic inequality](#)³² and can help conduct surveys, community-based participatory action research, focus groups and meetings to ensure that local initiatives integrate truly grassroots solutions.

Flexible Unrestricted Seed Funding and the Impact of Direct Funding to Backbone Organizations

The next step on RWDI's learning journey was building our toolkit to work with the innovative funding model for the AAFCI: flexible unrestricted seed funding and direct funding to one backbone organization per CoP.

Supported by the bold vision and generous support of the Northwest Area Foundation, which invested over \$4 million directly into Black-led, Black-serving nonprofits over three years, CoP organizations were even better situated to strengthen African American communities because this funding model strengthened organizations and institutions of color.

The next area of learning was what unrestricted funding meant for direct service nonprofit staff, infrastructure and organization development. Most significantly, for CoP staff, learning the root causes and individual, family and community consequences of racial economic inequality (the racial wealth divide, racialized poverty, discrimination, and trauma) made clear that 1) the only thing standing between frontline staff and their client's economic reality was a desk; 2) programmatic funding rarely provided flexibility to increase staff capacity and competency (even as new financial capability approaches were required by public, private and philanthropic funders); and 3) nonprofit infrastructure (including case management systems, data tracking processes and best practices) were outmoded.

Since the CoP coordinators were usually the full-time staff of the backbone organizations, responsibility for convening, conceptualizing, codifying and implementing pilot projects often rested with these organizations, even when funding was dispersed to other organizations. Direct funding to one backbone organization per CoP impacted every component of the AAFCI, including pilot development, organization participation, ownership and implementation.³³ Importantly, direct funding to a backbone organization mitigated risk for the funder, but was reported to introduce a power dynamic that impacted levels of transparency, collaboration and trust, as well as perceptions of labor division, leadership and responsibility, rather than flattening hierarchy and promoting democracy.

Lessons Learned

- Flexible seed funding gave the CoPs freedom to design and create. However, the designation of a backbone organization caused some CoP members to “over-function” while others under-functioned.
- Accountability structure works from the funder perspective: backbone equals risk bearer. However, the backbone organization had the added responsibility of receiving and allocating resources, and in some cases, an unanticipated power dynamic emerged.

Emerging Promising Practices

- Just as communities of color are often underinvested in, so too are nonprofits and institutions from the African American community. Therefore, we must raise the issue of greater investment in nonprofits of color as a direct solution to address growing racial economic inequality.

- Much-needed funding with qualitative, rather than quantitative, deliverables allowed participating organizations to invest in professional (staff) and organizational (infrastructure) development and build capacity to integrate economic mobility into direct social service pathways.
- Evaluation of the impact this use of funds has on community outcomes is needed to determine whether solutions implemented by well-resourced, culturally-anchored and high-impact nonprofits create a social return on investments.
- Memoranda of understanding for nonprofit collaboration were essential—but the asset development field by and large lacks culturally specific case studies for effective collaborative partnerships. This remains a critical investment area for the emergent expectation that nonprofits collaborate to develop community-based solutions.



FUNDER

If pilot programs are designed to strengthen the threadbare safety net caused by public and private systems that perpetuate racial economic inequality, it is imperative to prioritize an equitable allocation of resources to allow nonprofits access to professional development training opportunities focused on increasing content area expertise, impact evaluation methodologies and infrastructure management improvements.



PRACTITIONER

Establishing and creating memoranda of understanding on how the collaboration will function, irrespective of who the backbone designee is, drives the effectiveness of the collaboration and power of the innovation. Impactful collaborations honestly evaluate their operations and agree to codes of ethics to ensure that members of the CoPs operate with integrity. To make certain this process was grounded in the relevant context of each city, RWDI pulled all city government codes of ethics for public employees, crosswalked them and created a matrix that the CoPs could use to develop their own principles and ethics. Not only does this tool help CoPs develop collaborative approaches, but it also informs potential policy and advocacy strategies to hold local governments and the public sector accountable.



COMMUNITY

The CoPs saw an investment of unrestricted funding in their clients and processes as a vital component to the sustainability of their innovative pilot project innovation. For example, the Portland CoP adapted the Crittenton Women's Foundation's [EMPath: Economic Mobility Pathway for Self Sufficiency framework](#) into its multi-agency direct service along with the creation of a co-case management intranet and a series of race-based trauma trainings. Consequently, they were invited to give trauma-based financial capability trainings to Tacoma's Community Based Participatory Action Research cohort of community members to increase their understanding of the racial economic history of African Americans and the racial wealth gap. The ability to seek training allowed the CoPs to share new innovations and learnings not just within their cities, but across other CoPs.

Community of Practice Model

Economic development models built around multi-faceted collaboration show tremendous potential in remedying this situation by enabling multiple groups of stakeholders to co-create unique programs and services of value than none of them could do alone. – The Twin Cities African American Financial Capabilities Black Paper

In RWDI's assessment and work over the years, we have learned that nonprofits of color are well positioned to serve communities of color. These organizations are knowledgeable about the history, presence and origin of financial and economic trauma in their affected communities and are able to develop programs, advocate for policies and share practices that are informed by the community.

RWDI operates from the principle that organizations of color and Black-led, Black-serving organizations are best situated to provide solutions to racial economic inequality. This is not because community-based organizations have the solutions, per se, but because they are staffed by and connected to clients from underserved communities. Therefore, the lived experience they draw from, the trust that their communities have in culturally representative organizations of first resort and their ability to understand the issues at a visceral level means that when RWDI works with community-based organizations to build capacity, we are also able to integrate emerging promising practices and lessons learned from the grassroots to the broader asset-building field. We support the integration of solutions generated from the people most impacted by inequality to help the asset-building field avoid erroneous assumptions about the root causes of inequality and the genesis of solution-making.

The best way for under-resourced nonprofits of color to advance a multifaceted approach is through partnership, particularly with other nonprofits of color. Voices of nonprofits of color and their communities needed to be better recognized and supported as it relates to asset development. To this end, RWDI's next step on the learning journey was to explore how best to tailor existing technical assistance tools and strategies to serve a Community of Practice model rather than working to build the capacity of an individual organization. Given that each CoP had four to six participating organizations, a coach-the-coach model was adapted.

We held monthly one-on-one TA calls with each CoP coordinator, with the request that they then work with their organizational partners to integrate and execute new knowledge, tools and templates. Monthly cross-cohort calls were conducted to facilitate peer-learning and cross-cohort communication, introduce new capacity building modules (research, evaluation, racial wealth divide, communications, policy, etc.) and maintain momentum. This consistent cadence resulted in nearly 100 calls with CoPs during the critical implementation phase.

Additionally, we administered quarterly surveys to create a baseline from which to benchmark growth (competency, mastery and proficiency) in multiple domains, and provide a way for CoPs to provide input and reflect on their learning journey.

Lessons Learned

- Applied a model focused on collaborative learning, education and problem solving
- Grounded technical assistance in shared focus on addressing racial economic inequality and the racial wealth gap
- Provided opportunity to build trust, relationships, and appreciation by researching, developing and surveying community together
- Inventoried existing services through a financial security lens

Emerging Promising Practices

- CoP model is an effective organizational tool for some organizations
- For some, this organizing structure was forced and difficult.

- RWDI found there were no tools in the field so we co-created new tools together with the CoPs to help them govern themselves, assess leadership, articulate principles of collaboration and formalize relationship through partnership agreements and memoranda of understanding.
- Learning, planning, designing and implementing a pilot project together does not insure collective community impact *unless* CoPs are transparent as they map, vet and incorporate larger social, economic and political structures, inventory services and analyze partnerships.
- To determine the impact of the community of practice model, an additional launch year driven by evaluation and iteration is essential.
- To determine the social impact, a focus on community evaluation (and the creation of shared racial economic metrics reflecting the socioeconomic realities of community members) is needed to measure system change, collective impact and client outcomes.
- In addition to making time for groups to build relationships and trust, a rigorous roadmap and development process is essential to maximize organizational investments of time and expertise into collaborative work.



FUNDER

Communities of Practice are organic methods of organizing and should be offered, never proscribed. Additionally, it is important to distinguish between Communities of Practice as a learning and growing process and a Collective Impact Model as an action and evaluation process. The former can be a precursor to the latter but does not promise collective impact until solutions are implemented, evaluated, iterated and scaled or replicated, which requires a deeper investment in program design and technical assistance, as well as another level of CoP organizational assessment, program evaluation and infrastructure investment.

To determine impact and effectiveness in overcoming the 242-year racial wealth gap for African Americans, pilot projects prototyped during three years of the AAFCI will require continued, ongoing investment and nurturing to ensure stability, suitability and impact, in addition to rigorous CoP-driven evaluation. The six AAFCI CoPs represent worthwhile investments for any funder interested in helping communities advance revolutionary grassroots approaches to economic development, financial capability and asset building as models to address racial economic inequity and bridge the racial wealth gap.

Creating an economy where all can thrive is our collective responsibility and ought to include safe financial products, asset-building opportunities and greater control of how money flows through and is multiplied within community. The onus of solving entrenched economic disparity ought not to fall solely to African Americans; however, when leadership, vision and civic innovation is demonstrated, it ought to receive investment.



PRACTITIONER

Communities affected by multigenerational economic inequality require time and space to comprehend the magnitude of the origins and impacts of racial economic inequality in culturally-supportive “safe spaces.” Reckoning with 400 years of economic oppression is an emotional and traumatic journey that can cause stress, shame and guilt, and can be overwhelming. For practitioners who seek to support communities of color, clients and nonprofits grappling with the weight of this reality, self-education, introspection and respect for culturally-specific [community healing spaces](#) is essential. AAFCI-generated reports and research are powerful resources to add to reading lists and financial capability and asset-building curricula.



COMMUNITY

While U.S. society is one of individualism, African American communities, like other communities of color and immigrant communities, often prefer to live, work, play and pray collectively. [The Community of Practice Model](#) offers a meaningful way for African American community members to “engage in collective learning” about issues that matter. When learning about racial economic inequality and the racial wealth gap, community members are encouraged to gather as “groups of people who share a concern or passion for something they do and learn how to do it better as they interact regularly.”

Leadership, Direct Service and Policy Advocacy

The last steps of the AAFCI technical assistance learning journey were centered around using a racial economic inequality analysis and a racial wealth gap lens to help CoPs strengthen three pillars: leadership development, direct service delivery coordination and policy advocacy capacity.

Due to the ambitious scope of work, the RWDI needed to build out an infrastructure to flesh out the theoretical frame of the AAFCI. This process required technical assistance providers to continuously design new tools and methods alongside CoPs as their collective knowledge of racial economic inequality increased and shifted CoP goals from financial capability to systems change.

Most importantly, because a racial economic equality technical assistance blueprint was not readily available, RWDI was challenged to integrate the community’s wisdom and needs into a concurrent research process to ensure that the technical assistance and tool development necessary to support the AAFCI CoPs’ learning, design, development and implementation processes were in place.

The AAFCI pillars helped the AAFCI CoPs rewrite community narratives, understand and integrate the consequences of racial economic inequality into service delivery models, interrogate the efficacy of financial capability and set asset and wealth building as the pilot project’s goals.

Nowhere was this process more important than understanding how to overcome the challenge of multigenerational poverty in the African American community.

The emergent field of [poverty neuroscience](#), however, armed CoP leaders and service providers with a new way of conceptualizing and solving for racial economic inequality.

A structural understanding of the threadbare assumption that African Americans lack the motivation, education and ability to overcome racial economic inequality led CoPs to develop a powerful understanding of the psycho-social and traumatic impact of unmitigated multigenerational poverty, chronic stress and race-based discrimination. This learning meant most CoPs adopted a trauma-informed analysis and praxis.

This new way of looking at an old problem and its integration into anti-poverty direct service promises to revolutionize the work of any funder, practitioner and technical assistance provider working on the frontlines, or to support the eradication of economic oppression.

When a person lives in poverty, a growing body of research suggests the limbic system is constantly sending fear and stress messages to the prefrontal cortex, which overloads its ability to solve problems, set goals, and complete tasks in the most efficient ways.

This happens to everyone at some point, regardless of social class. The overload can be prompted by any number of things, including an overly stressful day at work or a family emergency. People in poverty, however, have the added burden of ever-present stress. They are constantly struggling to make ends meet and often bracing themselves against class bias that adds extra strain or even trauma to their daily lives.

And the science is clear—when brain capacity is used up on these worries and fears, there simply isn't as much bandwidth for other things.

The Atlantic, “How Poverty Changes the Brain”

Lessons Learned

“It’s true that exposure to the constant stresses and dangers of poverty actually changes people’s brains. But the sections of the brain in question are also known to be particularly “plastic,” meaning they can be strengthened and improved well into adulthood.” – Al Race, Deputy Co-director of the Center on the Developing Child at Harvard University

“People in poverty tend to get stuck in vicious cycles where stress leads to bad decision-making, compounding other problems and reinforcing the idea that they can’t improve their own lives.

What we’re trying to do is create virtuous cycles where people take a step and they find out they can accomplish something that they might not have thought they could accomplish, and they feel better about themselves. Maybe that step helps them earn more money, solves a child-care problem that leads to better child behavior, or simply establishes a sense of control over their own lives. All of these things reduce stress, freeing up more mental bandwidth for further positive steps.” – Elisabeth Babcock, President and CEO of EMPATH³⁴

Insights gleaned through AAFCI CoP research and praxis made clear that while individuals suffer the consequences of racial economic inequality, the causes of the suffering sit with society. This finding proved exceedingly important given that AAFCI CoPs were encouraged to focus on individuals through financial capability programmatic interventions. A frustration voiced by CoP leaders was that no amount of programming would be enough to stop the increasing numbers of community members qualifying for and accessing services due to the exclusion of African Americans from living wage jobs with benefits, basic income protections and entrepreneurship, etc. Participating in the AAFCI helped Black-led, Black-serving nonprofits to clearly see the connection between income poverty, liquid asset poverty and wealth inequality—no small feat.

“The more unequal our society grows, the less we experience it in our everyday lives. As a result, people greatly underestimate the extent of inequalities. This leads people to erroneously assume that a CEO makes an income ratio of 15:1 rather than the reality of 90:1”.

Jonathan Mijs, Assistant Professor Research Fellow at the London School of Economics International Inequalities Institute

Emerging Promising Practices

RWDI’s technical assistance has helped AAFCI CoPs use data to drive program design and to center the experiences of their clients in cutting-edge research to determine appropriate upstream community economic development strategies. This methodology for pilot design is, itself, an emerging promising practice in the field of economic stabilization, promising a radical way forward for both the financial capability and asset-building fields, as well as for funders, practitioners, and communities, themselves.

Moreover, that AAFCI CoP leadership, managers and direct line staff were able to harness the power of the neuroscience of poverty and leverage it for both programs and policy advocacy means RWDI technical assistance recipients are even better poised to become [“solutionaries”](#) and system change makers.

Shifting vicious cycles of stress-inducing poverty and trauma to virtuous cycles “where people take a step and... find out they can accomplish something that they might not have thought they could accomplish” makes people feel better about themselves.³⁵

This process also promises to support established and emerging leaders to rise and integrate new multidisciplinary criteria to vet the viability and feasibility of programs, policies and partnerships to achieve the goal of African American equity.

Pillar 1: Leadership Development

The AAFCI process facilitated an opportunity for Black-led, Black-serving CoPs to communicate and collaborate across organizations in local geographies to create solutions to problems not of their own making. The community of practice model fostered organizational understanding of their communities’ strengths, boundaries and places of leverage.

The collective knowledge born from collaboration also helped groups to definitively understand that individual and community-level interventions, while necessary, were not entirely sufficient to mitigate and reverse multigenerational impoverishment.

Lessons Learned

- No explicit leadership strategy meant CoPs identified opportunities to demonstrate leadership and become a voice for change
- Financial capability and asset building acumen meant interrogating language, data, and financial capability concepts, and collaboratively tailoring tools to center the strengths and needs of community
- To measure social impact, CoPs are leading the field in creating key performance indicators

Emerging Promising Practices

- Shifting knowledge base from data and research analysis meant new leaders stepped up, forming an organic succession process.
- CoPs developed important theoretical frameworks and ground-truthed emerging best practices on how to effectively address racial economic inequality in a practical way.
- Multi-systemic social enterprise pilot projects designed to solve racial economic inequality are influenced by their context and must take account of demography and geography.



FUNDER

RWDI helped lift up the fact that nonprofits of color and an analysis of racial economic inequality were not being properly utilized to advance asset development. This realization has relevance to funders committed to strategic grantmaking in historically excluded communities. To ensure the leadership of organizations of color is being supported, courageous funders are invited to conduct comprehensive research to understand the ways economic inequality impacts the health and wealth of individuals, organizations and communities. Where there are funder affinity groups that share a structural analysis and similar lens guiding grantmaking, spotlighting the AAFCI pilots ought to signal a new opportunity to take pilots to the next level. In lieu of this, casting a broad net when seeking the input of key community informants in target communities is essential. However, leaders deemed legitimate by community are not always the people outside observers identify.

To effectively address the racial wealth divide, a multifaceted, multidisciplinary approach is essential. To ensure the emergent strategies are ground-truthed, it is recommended that funders understand the importance of leaders working in service to their communities. To ensure authentic—rather than tokenistic—representation, funders ought to look to leadership that works to:

- Strengthen their service by pivoting them to the needs of their constituents
- Leverage networks and elevate their voices as advocates for their communities
- Share power, emerging promising practices and learnings that truly serve their communities



PRACTITIONER

To support people in poverty on a pathway to reaching their full potential, practitioners need to understand how racial economic inequality manifests at the local level. Most importantly, in addition to revealing the depth, breadth and profundity of poverty and the meaning of economic disparity in the Pacific Northwest and Midwest, the complexity in the data makes clear the impact of shame and trauma caused by the toxic stress of constant crisis for clients.

Implicit biases lie at the heart of assuming a deficit of motivation, education and desire. To the untrained eye, surviving crisis looks like irrational behavior in need of change. However, due to the courage of our CoP leadership to dig deeper, the asset-building field now understands that a culturally-informed approach must look to poverty neuroscience and trauma praxis to understand how best to support people in poverty in finding their sense of power and efficacy. It also reassures them that their organizations of first resort are there to listen, coach, advocate and co-create successful action plans.

To the culturally attuned practitioner on the social service frontlines, post-traumatic growth ought to be understood as an outcome of relevant, responsive and culturally-centered approaches to overcoming

multigenerational inequality. Blaming the system, and working to change it, happens concurrently as practitioners work to build up the confidence of people hurt by racial economic inequality while also providing information, tools and empathic ways of financial coaching and counselling, and sharing power and leadership.

COMMUNITY



Because poverty and other forms of structural inequality burden people with ever-present stress from struggling to make ends meet while simultaneously bracing themselves “against class bias that adds extra strain and trauma to daily lives”³⁶ connection is essential to healing, surviving and thriving.

As sectors and institutions wake to understand their role in perpetuating systemic oppression, and practitioners work to revamp practices to accommodate the cultures and socioeconomic realities of the clients they serve, community members are invited to partake unapologetically in self-care and community-care. The programming at Seattle’s [AfricaTown](#) based in their [Rooted Communities](#) framework provides culturally-rooted practices that are working to reconnect isolated community members to their culture, each other and place.

Pillar 2: Service Delivery Coordination

As have been detailed, there are many reasons that legacy and culturally-anchored African American organizations are best situated to solve racial economic inequality, not least of which is their proximity, intimacy and empathy with the communities they serve. Tenure and reach of institution, and holism of wrap-around services – such as Twin Cities’ African American Leadership Forum (AALF)’s One Door – also speak to strengths and assets that poise community-based organizations as natural community economic development providers.

However, throughout the AAFCI, Black-led and Black-serving organizations gave voice to the paradox of under-resourced culturally-specific organizations achieving outsized outcomes with communities in crisis. An equitable reallocation of public, private, and philanthropic funds – driven by data and research into the state of the [social determinants of health](#) – would go a long way in shoring up the capability, capacity and competency of service delivery pathways to meet the need of communities impacted by deindustrialization, gentrification and excluded from burgeoning tech economies. Additionally, pressure on already overstretched African American social service systems could be reduced by the enactment of local hiring agreements, universal basic income, and other community benefits agreements and progressive policies.

In alignment with the goals of the AAFCI, CoPs spent considerable time inventorying and vetting current services to integrate into financial capability pilot projects. To maximize impact, multi-agency intranets and innovations in co-case management were implemented in Minneapolis and Portland to ensure the “warm handoff” of clients between participating organizations.

Further, existing financial capability curricula such as Wells Fargo’s “Hands On Banking” and Consumer Protection Finance Agency’s “Your Money Your Goals,” to name a few, were retooled to include cultural and socioeconomic components based on community feedback.

Interestingly, because benefits funding to nonprofits often requires a “self-sufficiency,” “workforce development” and “job readiness” component for clients, most CoP nonprofits realized financial capability services – such as education, coaching and counseling – had already been integrated into service delivery channels. However, asset limits and inability to offer Family Self Sufficiency Programs which [helps families increase their earnings and build financial capability and assets](#) meant that increasing earnings and assets, the basis of wealth creation, remained out of reach of service providers, and sometimes acted as a barrier for clients.

Lessons Learned

- Improving the direct service practices of the CoPs – by improving their understanding of “Financial Capability Frameworks” was a key component
- Understanding the definition, scope and goals of Financial Capability field through a subject matter expert was essential
- Identifying resident strengths and needs, service overlaps and gaps, economic push/pull factors, and strategic partnerships was fundamental to pilot development and organizational coordination
- Integrating financial capability into direct services readily existed, outcomes were mixed
- Ability of direct service delivery channels to increase financial capability, asset and economic development services – without significant and sustained funding – was limited
- Integrating services was not the same as sequencing them along the lifecycle of a client

Emerging Promising Practices

- Integrating existing financial capability tools and toolkits into survey to learn efficacy and fit
- Profile target client based on socioeconomic circumstance to learn needs, assets and service sequence
- Use racial economic inequality analyses and tools to determine the housing, employment, income, wealth status of clients to drive community and power mapping activities to determine partner prospecting
- Develop vetting criteria to determine institutional “fitness” for partnering with African American communities
- Tie programmatic solutions to consumer protection policy



FUNDER

African American and communities of color are best poised to become the vanguard of community-centered programmatic solutions and policy advocacy provided there is continuity of investment and support to allow minimally viable products to be tested, iterated, and scaled. Therefore, a recommendation for funders based on the case made by the AAFCI is that a preliminary investment be built into grantmaking strategy development to provide capacity for nonprofits of color to conduct service delivery inventories and community institutional [GAP](#) analyses to 1) help nonprofits demonstrate proficiency to leverage in grant proposals, and 2) inform the solution areas recommended by the funder to the community.

Moreover, because Black-led, Black-serving nonprofits are providing the safety net services society is intended to provide universally, proposing to use existing direct service delivery channels to administer economic services (without also requiring local political and economic sectors to support community-generated solutions by partnering with nonprofits of color) is an unfair expectation that ought to include funding for staff, infrastructure, organization and community development.

Further, social, economic and political institutions (public and private) located in geographies with racial economic inequality and a racial wealth divide ought to assist community-based leadership in solving pernicious poverty and achieving racial economic parity.



PRACTITIONER

Structural inequality, generally, and racial economic inequality, specifically, require all sectors, institutions and practitioners to do their part if the US is to overcome 400 years of racial economic inequality. In preparation, organizations ready to step into the gap with communities, clients and individuals of color ought to pursue agency-wide diversity, equity and inclusion processes at their earliest opportunity. Using unrestricted, flexible funding to build staff capacity, competency and confidence is advised.

After this crucial level-setting process builds an anti-racist organizational climate and culture, the next step is to embed a racial economic inequality and racial wealth divide lens/framework analysis and apply them rigorously to programs, policies and practices, internal and external. More important than individual and interpersonal capacity, capability and competency is a shift of institutional practice, accountability to burdened communities and transparency of assessments and audits, as well as the courage to base decisions to pivot on disparity data as a means of enforcing progressive principles and practices. We must walk the talk.



COMMUNITY

Since research found that there exists a serious disconnect between the asset development field and the work of direct services nonprofits of color to increase economic parity, it is recommended that community members help each other access vital primary services they are entitled to as a means to decrease the pain and trauma that comes from poverty, and begin building assets.

While funders work with nonprofits to determine which services exist and are most effective in reducing racial economic equity; and organizations work to increase efficacy and empathy when working with clients and community, community members have an opportunity to articulate their asset development goals (education, housing and homeownership, employment and entrepreneurship, etc.) to help organizations message existing services and programs to communities, develop partnerships with asset building institutions not yet integrated in service delivery and to inform partnerships and policy campaigns.

Pillar 3: Policy Advocacy Capacity

One of the most important lessons learned from the AAFCI is that in order to address racial economic equity, African American economic mobility programs need policy supports for collective impact and system change. CoPs found it essential to tie stories to data as a strategy to generate the political will necessary to impact policy.

In overwhelmingly White states, such as Washington, Oregon, Minnesota and Iowa, there is a perception that robust economies are working for everyone. However, a deeper dive into data shows a very different reality for people of color, generally, and African Americans, specifically. In fact, in each location, there is a tale of two cities. Even so, data does not always drive decision making; community advocacy is often necessary.

CoPs came into the AAFCI already keenly aware that disproportionate poverty rates and insufficient income posed the most significant barriers to prosperity for their Black communities. Disaggregated data—particularly cost of living, median income, homeownership and net worth—affirmed community knowledge and made exceedingly clear that individual- and nonprofit-level interventions (such as financial capability pilot projects), while necessary, were not entirely sufficient to mitigate and reverse multigenerational disparity.

Since inequality is created and sustained by public policy, CoPs expressed a desire to treat the cause rather than apply a band-aid. Given relatively small African American populations suffering disparate impacts, CoPs

saw the need to innovate asset-building strategies to support whole communities and to use policy to maintain gains.

Advancing an understanding of policy change and the power of collective advocacy was a key component of capacity building. To help CoPs determine how to tie their programs to policy using a culturally-anchored toolkit, RWDI introduced them to the [Experts of Color Network's Closing the Racial Wealth Gap Initiative](#) work, [Policy Agenda To Close The Racial Wealth Gap](#) and [Asset House](#).

In addition, RWDI connected CoPs to Prosperity Now's State and Local Policy team that walked them through the [Household Financial Security Framework](#), the 2018 [Municipal Policy Blueprint](#), [State Policy Blueprint](#) and [Racial Equity Primer](#), and extended the invitation to participate in the inaugural Federal Policy [Advocacy Boot Camp](#). Service providers learned about the inextricable link between multigenerational poverty; lack of access to living wages and full employment; proximity to payday lending and distance from traditional bank branches, products and services; and the need for community development to hold and secure appreciable assets such as land and homes. The success of CoPs in making these connections as building blocks to leverage pilots beyond financial capability demonstrates that a new way of connecting service providers to local and state-based civic engagement groups could become an ancillary area of technical assistance.

Lessons Learned

- The gray area about nonprofit use of grant funds meant some were reticent about policy activity.
- Questions arose about where the line between lobbying and advocacy was drawn by funders.
- There was comfort and skill in understanding historic policies impacting African American communities, but less clarity on how contemporary policies create and compound inequality, and how to address them.

Emerging Promising Practices

- Get the data in front of policymakers, legislators and funders to reveal racial economic disparity and build the political will necessary to reverse and redress racial economic inequality.
- The number of people in poverty exceeded the carrying capacity of culturally-specific programmatic interventions, so policy was identified as a tool to reduce need, increase stability and change the behavior of institutions driving inequality.
- CoPs reported success with administrative advocacy: leveraging local African American disparity data to help local jurisdictions and municipalities “right size” funding allocations in procurement and contracting and direct service dollars.
- CoPs identified policies focused on earning, owning and protecting.
- Since CoPs already had multigenerational community legacies replete with success stories, the City Fact Sheets were a useful tool for making the case to funders, elected officials, etc.



FUNDER

Behavior change is essential to affect racial economic inequality. However, rather than that of individuals, it is the behaviors, cultures and choices of institutions, industries, sectors and systems that must change. Unequal concentrations of income and wealth within said social structures indicate the disproportionate power they wield socially, economically and politically. To empower nonprofits and communities of color for asymmetric engagement, funders ought to seek to understand the nuances of local power dynamics, pain points and sources of conflict.

Due to disinvestment and under-resourcing, African American institutions do not have the operating budgets or funding flexibility to program entire communities out of racial economic inequality. It took intentional, public investment, political will and policy to build the White middle class; it will take the same for African American communities to achieve parity. It is unfair to expect under-resourced communities to bridge the 242-year African American racial wealth gap without funding them commensurately.

Because budgets are moral documents, funders ought to also ensure strategic grantmaking aligns with professed values and principles by affirming all grantees in their footprint are working toward socioeconomic equity. Community-centered landscape analyses, audits and power mapping are tested tools that begin to make visible [blocks and boosts](#).³⁷ Alternatively, integrating the voices, agendas, concerns, and solutions of grantees of color into grantmaking is a more direct method.

Due to 501(c)(3) restrictions on lobbying, and the gray area between that and policy advocacy, funders have an important role to play: advocate for grantee policy priorities yourself, or strategically target funding to local grantees to further racial economic equity policy campaigns spearheaded by Black community-based organizations and those of color. If the path isn't clear, host wealth creation roundtables and power map with multiple stakeholders to gain clarity. If it is, directly fund grassroots civic engagement and base-building.



PRACTITIONER

All nonprofits ought to build capacity to analyze local disparity data to determine who is faring poorly as a tool to drive strategic prioritization and planning, as well as diversity, equity and inclusion work—both internally and externally. Using data to advocate for parity, supporting community-backed leadership of color, organizing allies and affinity groups and developing policy campaigns based on their impact on equity are ways to work in solidarity with people in racial economic oppression.

Further, rather than competing with nonprofits of color, help them make the case that they need funding to expand/scale their programs. Power sharing and investing in grassroots leadership is the surest way to engage communities in policymaking and advocacy.



COMMUNITY

Though policy is an abstract solution to a real-world problem, issues impacting community schools, neighborhoods, workplaces and transportation—such as concentrated poverty, racial discrimination and economic exclusion—all have policy solutions. Although advocacy should include the voices, stories and solutions of people affected by the issue, it should also simultaneously build community capacity and capability to organize and advocate for issues that matter to us. Because we are stronger together, community members have the opportunity to inform and influence policy by weighing in on issues that matter to you, engaging in existing campaigns, sharing your stories and solutions, knowing your rights and working with your neighbors to hold organizations, agencies and institutions accountable. These activities constitute the core of creating and sustaining racial economic equity in this lifetime.

Conclusion

“Our poverty has fueled economies for others” – CoP Member

The most important learning from the AAFCI is that Black-led, Black-serving CoPs can’t change structural conditions for African Americans on their own. This statement of fact isn’t denying the promise of the AAFCI economic mobility models, but is being clear about the economic, social and political constraints and limitations Black people face in achieving economic liberation and prosperity.

2019 marks the 400th commemoration of the enslavement of Africans in the United States. Since then, approximately 20 generations³⁸ of people of African Descent have been born and raised as Black and/or African Americans. Despite [civil and political](#) progress, full enjoyment of citizenship remains symbolic rather than material, as economic prosperity continues to evade African Americans.

Four hundred years of economic exclusion and inherited disadvantage have compounded to create contemporary racialized wage and wealth divides which, if nothing is done, are projected to extend well into the future. Individual explanations of inequality are insufficient for understanding or solving this issue of persistent, multigenerational poverty. It is the interlocking structures of society that ought to change.

The work started by the six inaugural CoPs that dared to collaborate in an effort to create a path for change is an example of the power grassroots collaboratives have in solving longstanding problems inherited over the past 20 generations. The durability of the individual CoP models, as well as that of the AAFCI, remain to be seen. If the energy, passion and momentum generated through this historic process are harnessed and matched through ongoing investment, these self-determined approaches promise to reverse racial economic inequality and bridge local racial wealth divides.

These pioneers have also taught us that to understand what is truly needed to repair the harm of centuries of African American economic exclusion, it is time to look at longstanding problems in new ways.

A sea-change in understanding the nature of the problem of racial economic inequality has surfaced a new vanguard of experts—those closest to the problem are also now understood to have insight due to intimacy and proximity. Therefore, empowering grassroots to organize direct service delivery pathways into ecosystems of support and resource re-allocation through recognition of established and emerging community leadership working at multiple levels of systems change promises a new way forward.

“We must trust those we fund and fund them adequately to do what they believe is best, not what we think is best. This means putting ourselves in the shoes of prospective grantees and communities, treating them like partners rather than contractors, and entrusting organizations with long-term general support funding and project grants that provide adequate overhead. It means acknowledging the power imbalance that often makes our grantees reluctant to engage honestly and authentically.”

Darren Walker,
President, Ford Foundation

This implementation brief isn't about policy but program design and practice. However, inclusive policies that support and protect asset building and wealth accumulation are fundamental to the development of social and economic mobility and are the work that remains to be done.

Financial capability solutions to disparity focus on individual changes and outcomes rather than systemic and structural change. However, analyses of the racial wealth divide draw causal relationships between historic economic antecedents deriving from policy and law, rather than blaming individual choice for today's racially predictable and disparate outcomes.

Although there is much power in the racial economic inequality frame nationally, local geographies still grapple with how best to leverage data and evidence to shift systemic inequality. Given the magnitude of the issue, the structural challenges bearing on the vitality of individuals, communities and institutions and the retrenchment in public policy, what's needed now more than ever is the support of risk-affirming philanthropists, myth-busting think tanks and asset building experts working in service to grassroots organizations to amplify and magnify impact, scale and efficacy. We are truly stronger together!

Section 5: Appendices

Community of Practice Innovation Profiles
Racial Economic Inequality Data Factsheets

Des Moines

Theory of Change

The Problem: In Des Moines, data suggest there is a “Tale of Two Cities.” One set of data shows the prosperous growth in the city while the other shows the wide disparities within the African American community.

Why the Problem Exists: This problem exists due to the lack of financial education and resources in the African American community.

Community of Practice (CoP) Response: Creating a One Economy Community Development Finance Institution focused on providing resources and education to the African American community.

Participating Organizations	CoP Areas of Expertise
<ul style="list-style-type: none"> •The Directors Council •Oakridge Neighborhood •Financial Empowerment Center •Evelyn K. Davis Center for Working Families •YMCA of Greater Des Moines 	<ul style="list-style-type: none"> •Youth •Workforce Development •Housing •Health & Wellness •Comprehensive Social Services •Economic Development

Economic Fact Sheet Data

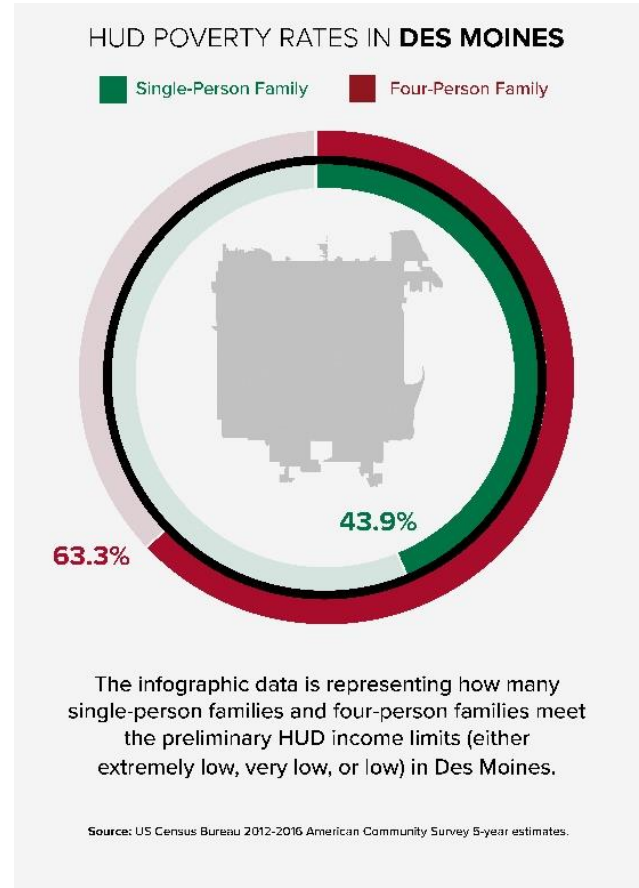
	African American Families	White Families
Median Family Income	\$35,144	\$65,215
Homeownership Rates	33.1%	65.4%
Asset Poverty Rates	62.6%	22.5%
Zero or Negative Net Worth	35.4%	17.2%
Cost of Living	\$77,584 for a family of four	

Economic History—Great Migration Story

Though Des Moines is not known for a large influx of African Americans during the Great Migration, unique economic, political and social opportunities brought thousands of African Americans and their families to the region during the mid-to-late 1800s, World War I and World War II. These opportunities included Iowa’s Free Slave State status, the first training camp for African American soldiers, recruitment of African Americans to fill labor shortages and counter-migrations from surrounding Midwestern cities. Post-WWII, deindustrialization soon transformed Des Moines into a post-industrial, service-based economy with growth in the healthcare, financial services and education sectors. These shifts have left African Americans with limited economic opportunities. Today, many African Americans are still excluded from the growing, prosperous economy of Des Moines.

Solution—Program Design

The Des Moines CoP pilot provides an umbrella of services through the One Economy Community Development Corporation. Through the development of this community-based institution, the CoP offers extensive asset building and financial capability services which together form the core of their proposed One Economy Community Development Financial Institution (CDFI). The AAFCI CoP looks to shift the culture around their African American community’s intimidation and mistrust of financial institutions by providing innovative alternatives to combat the significant number of unbanked and underbanked community members. To achieve this and other financial stabilization goals, the CoP provides the following technical and capacity building services and programs: non-profit, for profit and small business development boot camps and trainings; culturally specific financial education that places business owners in front of their customer base and community access to capital; alternative financing and small dollar lending; all supported by an AmeriCorps Vista financial navigators program to engage and educate community members about existing services.



Minneapolis

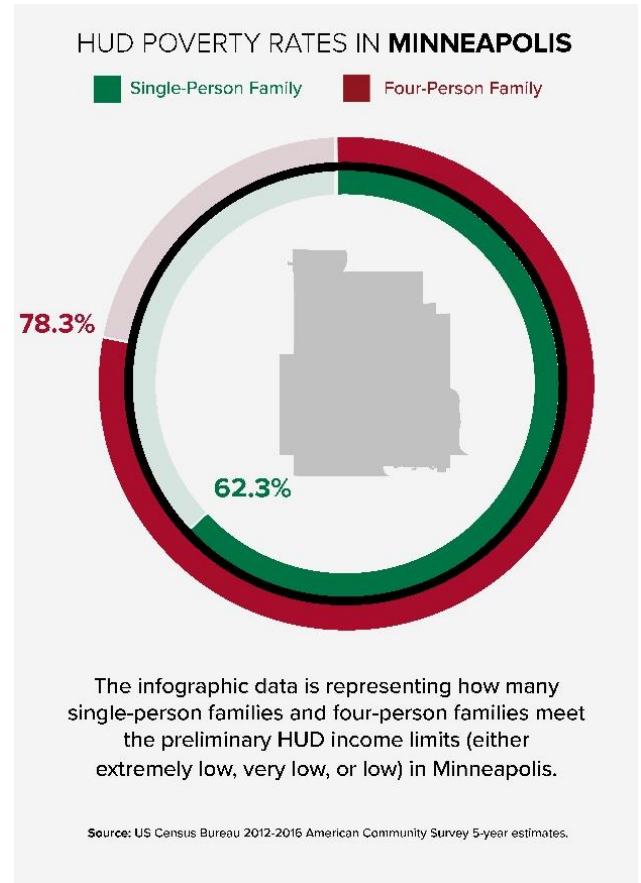
Theory of Change

The Problem: Minneapolis has significant racial economic disparity ranging from education to homeownership to employment to wealth.

Why the Problem Exists: Historical factors remain embedded in policies and systems driving wealth disparities. These factors limit access to safe, affordable financial products and services that provide the chance for people to build credit and relationships with banks; socially/locally responsible and anchored financial institutions; and relevant money management conversations for families.

Community of Practice (CoP) Response: North Minneapolis' North Plus model provides culturally-anchored financial services to support an individual's journey to financial well-being through a robust referral network while also positioning to focus on cross-sector collaboration and advocacy efforts. The approach increases financial awareness and capability among the African American community in a three-phase model: Phase 1: Employee Referrals; Phase 2: Client Referrals; Phase 3: Community Referrals.

Participating Organizations	CoP Areas of Expertise
<ul style="list-style-type: none"> • Hope United Community Development Corporation • NorthPoint Health & Wellness Center, Inc. • Minneapolis Urban League • Summit Academy OIC 	<ul style="list-style-type: none"> • Workforce Development • Housing • Comprehensive Health & Human Services • Economic Development • Faith-Based Institutions



Economic Fact Sheet Data

	African American Families	White Families
Median Family Income	\$28,539	\$99,533
Homeownership Rates	19.8%	57.7%
Asset Poverty Rates	62.6%	22.6%
Zero or Negative Net Worth	39.9%	17.4%
Cost of Living	\$98,675 for a family of four	

Economic History—Great Migration Story

Minneapolis saw an influx of African Americans during the second wave of the Great Migration from 1940 onward. Its proximity to the Mississippi River and access to various train networks allowed the city to participate in the railroad development industry, which advanced the industries of meatpacking, agriculture, sawmilling and flour milling and attracted thousands of African Americans and their families. As deindustrialization reached the Twin Cities, many African Americans began to experience chronic unemployment that persists to this day. As service-sector industries such as retail, education, healthcare and financial services grow larger, African Americans are disenfranchised from industries that initially attracted them to the region and are unable to access new opportunities.

Solution—Program Design

North Plus focuses on addressing racial economic inequality by improving staff, client and community access to culturally-anchored financial capability services and expert knowledge through a rigorous assessment process, financial coaching workshops and a robust multi-agency referral network. To address the stark socioeconomic disparities of African Americans in Minnesota, established agencies leverage their services, knowledge of community and capital to provide high-quality wraparound services, while simultaneously rewriting the causal narrative of African American economic inequality - shifting from one that blames individuals to one that addresses systemic causes. Through North Plus, the CoP bolsters community collaboration for greater impact by ensuring access to safer financial products for the community, grounding public and private institutions in racial economic history to promote accountability as the city continues to grow, and increasing connectivity through strategic partnerships. The CoP has expanded its referral network to include diverse sectors and industries and is cultivating relationships with multiple faith-based institutions to provide anti-poverty services.

Portland

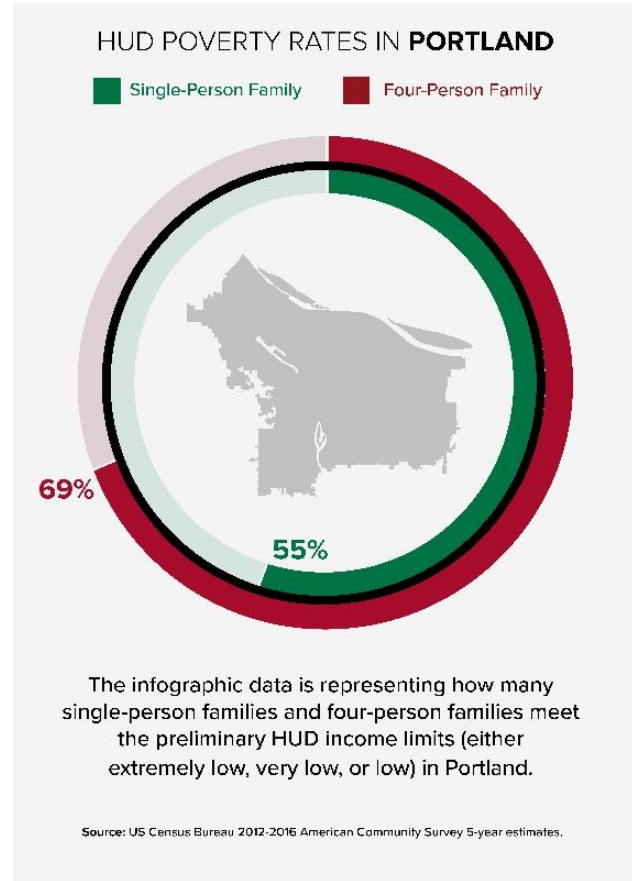
Theory of Change

The Problem: African Americans are disproportionately cost burdened and liquid asset poor compared to other populations in Portland.

Why the Problem Exists: Systemic exclusion from access and opportunity reduces the ability of African Americans to create wealth and assets.

Community of Practice (CoP) Response: Exercising our strengths as African American-led organizations by coming together through service and advocacy to address housing stability as a foundation that will lead to greater access and opportunity to increased assets and financial security.

Participating Organizations	CoP Areas of Expertise
<ul style="list-style-type: none"> Portland African American Leadership Forum (PAALF) Portland Community Reinvestment Initiative (PCRI) Self Enhancement Inc. (SEI) Urban League of Portland 	<ul style="list-style-type: none"> Youth Housing Community Development Comprehensive Social Services Advocacy



Economic Fact Sheet Data

	African American Families	White Families
Median Family Income	\$35,165	\$85,056
Homeownership Rates	27.9%	57.1%
Asset Poverty Rates	52.5%	24.2%
Zero or Negative Net Worth	35.6%	18.0%
Cost of Living	\$96,047 for a family of four	

Economic History—Great Migration Story

The wartime and defense economy of Portland during World War II attracted significant numbers of African Americans to the region to fill labor shortages that plagued many industrialized Northern and Western cities. Most notably, Kaiser shipyards – the largest wartime effort in the nation – recruited many African Americans to replace labor lost due to the war efforts overseas. However, post-war Portland saw the curtailment of ship production and a rise in racial discrimination as returning White soldiers resumed their place in the economy. This economic shift led to an out-migration of nearly half of Portland’s African American population fleeing to the South and other Pacific Northwestern cities, with remaining African Americans experiencing chronic unemployment due to discrimination. Subsequent economic shifts toward service-sector and environmentally-friendly industries compounded these economic effects. Additionally, following the Vanport flood of 1948, African Americans found themselves segregated into the redlined Albina Area. Many African American workers left behind in the late 20th century remain so in the early 21st century, even as the tech sector strengthens a post-Great Recession economy. Increasing social and economic pressures, urban renewal and gentrification are distancing African Americans from opportunity.

Solution—Program Design

To bridge the racial wealth divide, the Portland CoP is utilizing a two-dimensional approach to ensure a comprehensive and sustainable homelessness to homeownership pathway. The first focuses on building the knowledge and skills of CoP staff with trainings that include a strength-based model adapted from Economic Mobility Pathways (EMPath) in order to enhance their direct service. Their approach also focuses on trauma distinct to the African American experience and the psychological impacts of poverty. The second is to strengthen CoP infrastructure by developing a cross-agency intranet to facilitate co-case-management and resource referral. Equipping the staff with a wide array of tools and resources helps foster mentorship and instills agency and self-efficacy in clients as they set and achieve financial stability, financial security and asset building goals. The economic mobility services provided include financial education, financial counseling, rental assistance, tenant education and asset development programs.

Seattle

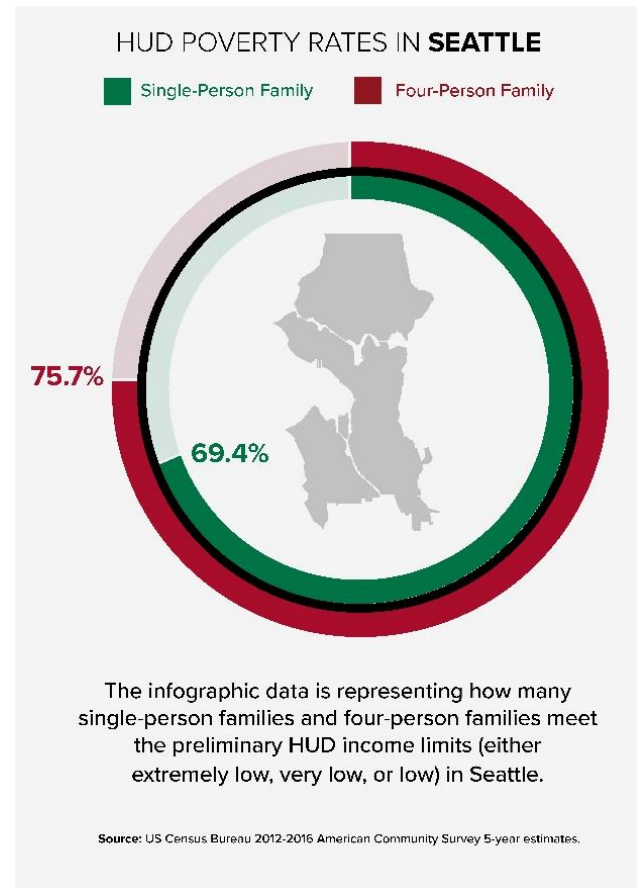
Theory of Change

The Problem: Development is driving out the African American community and reducing opportunities for wealth creation among the lower and middle class.

Why the Problem Exists: As the population grows and greater Seattle continues to urbanize, with a proportional increase in the number of people living within the city, there is an increase in development and redevelopment of existing communities. This development pattern is creating displacement of land owners, existing tenants, residents, and businesses.

Community of Practice (CoP) Response: Community Land Trusts (CLT) and inclusive land use policies have been proven to work as a mechanism for ownership and stewardship of land. Seattle is developing a blueprint for how to create an African American CLT, as well as several initiatives to help keep people in place or make it easier to return home, which can be utilized as a portable toolkit to educate and enable other African American communities across the state and nationally to pursue the same mission.

Participating Organizations	CoP Areas of Expertise
<ul style="list-style-type: none"> • Africatown Landtrust • Byrd Barr Place • Urban League of Metropolitan Seattle • Washington State Commission on African American Affairs 	<ul style="list-style-type: none"> • Youth • Housing • Community Development • Comprehensive Social Services • Policy Development



Economic Fact Sheet Data

	African American Families	White Families
Median Family Income	\$37,696	\$125,824
Homeownership Rates	24.0%	50.9%
Asset Poverty Rates	53.1%	21.9%
Zero or Negative Net Worth	34.4%	17.2%
Cost of Living	\$97,142 for a family of four	

Economic History—Great Migration Story

Seattle’s defense industries increased during World War II, attracting tens of thousands of African Americans and their families to the region. The mechanization of farming decreased economic opportunities in the South and Northern recruiters began targeting unemployed workers to fill labor vacancies that resulted from the war. The relatively less harsh racial atmosphere of Seattle also attracted African Americans who out-migrated from other Pacific Northwestern cities. However, deindustrialization reduced economic opportunities and all jobs that initially attracted African Americans, leaving many unemployed. Subsequent shifts saw the emergence of a 21st century tech sector and service-based industry, yet African Americans are locked out of new opportunities and without the jobs that initially brought them to the region.

Solution—Program Design

The Seattle CoP engineered a culturally-anchored Community Land Trust (CLT) model incubated through the Africatown CLT to reduce the impacts of urban growth, gentrification and displacement on African Americans. This mixed-use collaborative ownership model focuses on placemaking and placekeeping in Seattle’s Central District. The pilot will provide affordable housing, small business development, and community, retail and commercial space for use and lease by returning community members. To increase community engagement, knowledge and skills, Seattle’s CoP also commissioned and administered a culturally-responsive financial education curriculum that builds community capacity to own, steward and invest in communal ownership strategies for intergenerational wealth transmission. Their Partner Vitality process helps community members build capacity to create cross-sector collaboration through allyship to maintain gains through partnership with the city and other relevant stakeholders.

St. Paul

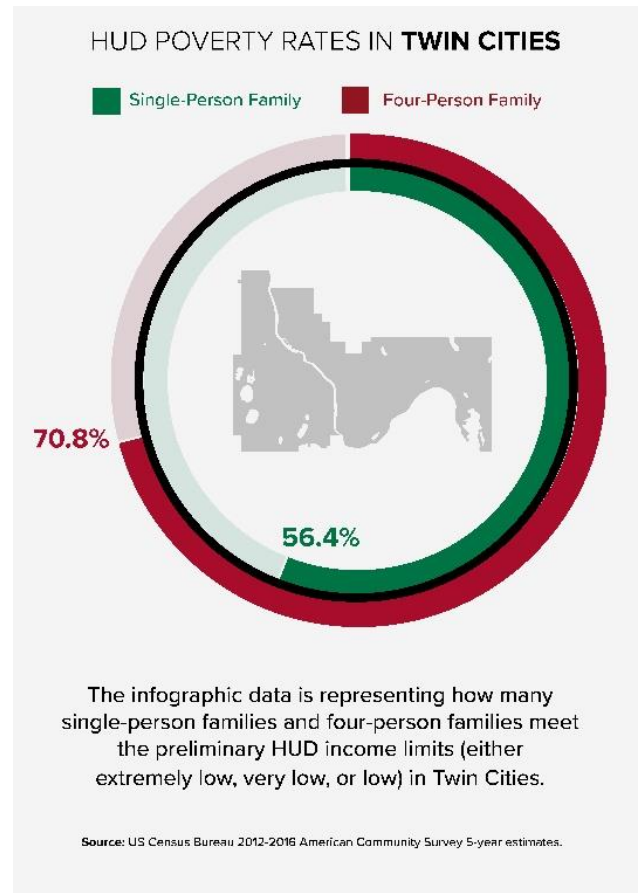
Theory of Change

The Problem: Substantial wealth disparities exist in the Twin Cities’ African American community.

Why the Problem Exists: Homeownership is the primary wealth-creation asset, and Minneapolis and St. Paul have the highest homeownership disparities in the country.

CoP Response: CoP members are engaged in financial education, homeownership and business development. The pilot project is designed to create a “One Door” client support system.

Participating Organizations	CoP Areas of Expertise
<ul style="list-style-type: none"> •The African American Leadership Forum (AALF) •Aurora/St. Anthony Neighborhood Development Corp •Build Wealth Minnesota •Camphor Fiscally Fit (CFF) •Metropolitan Economic Development Association (MEDA) •Model Cities of St. Paul •Northside Economic Opportunity Network (NEON) 	<ul style="list-style-type: none"> •Housing •Community Development •Economic Development •Community Development Financial Institutions



Economic Fact Sheet Data

	African American Families	White Families
Median Family Income	\$29,722	\$87,921
Homeownership Rates	17.0%	60.5%
Asset Poverty Rates	63.3%	23.4%
Zero or Negative Net Worth	40.9%	17.1%
Cost of Living	\$98,675 for a family of four	

Economic History—Great Migration Story

St. Paul and Minneapolis share virtually identical Great Migration origins and outcomes. Thousands of African Americans and their families were drawn to the area between the 1920s and 50s drawn by industries such as meatpacking, shipping, mining, agriculture, sawmilling and flour milling due to strong transportation pathways created by railroad development and a strategic location near the Mississippi River. However, once deindustrialization reached the Twin Cities, many African Americans began to experience chronic unemployment that persists to this day. The rise of service-sector industries such as retail, education, healthcare and financial services have left African Americans excluded from industries that initially brought them to the region and with limited access to new economic opportunities.

Solution—Program Design

The Twin Cities CoP is creating a “One Door” client referral and support system to support individual, family and community wealth building and economic stabilization. Through this asset building system, multiple direct service providers, community development corporations, asset building organizations and community development finance institutions work collaboratively to provide access to capital, small business and entrepreneurial capacity building, affordable housing and first-time homeownership. This coordinated pathway provides financial education, homeownership and business development to increase assets and wealth in the African American community.

Tacoma

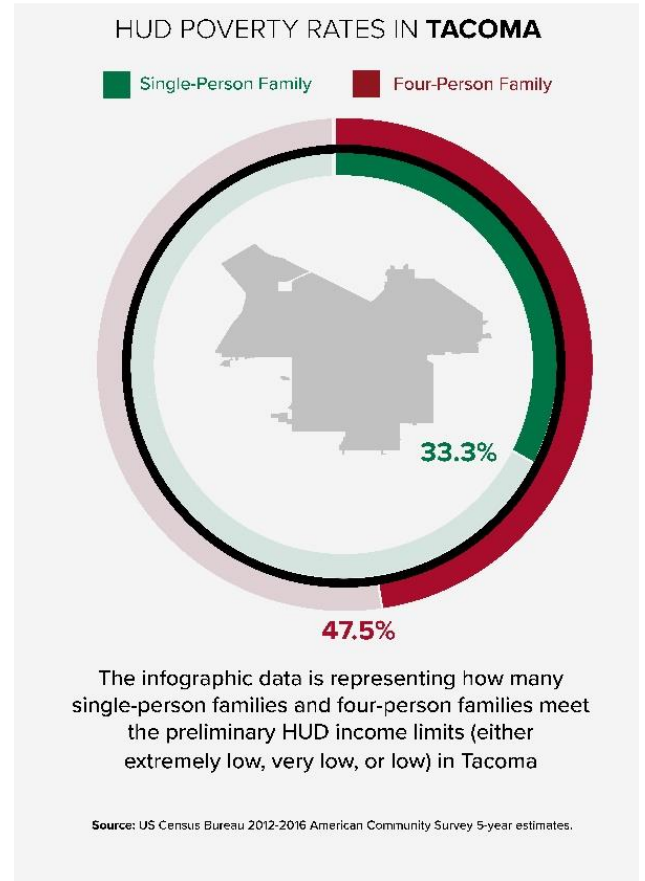
Theory of Change

The Problem: There is a gap that exists between the African American community and the public and private organizations that provide financial resources and services.

Why the Problem Exists: Historical, structural, systemic and institutional racism created the racial wealth divide that is perpetuated by policy and practice rooted in narrative and beliefs on either side of the gap.

Community of Practice (CoP) Response: Using a Community Based Participatory Action Research (CBPAR) approach to increase understanding of community experiences, beliefs and practices by activating social capital, knowledge and expertise of community members to inform and change systems and products within the social and financial services industry.

Participating Organizations	CoP Areas of Expertise
<ul style="list-style-type: none"> •Colemon and Associates •Tacoma Ministerial Alliance •NAACP Tacoma Chapter •Tacoma Urban League •United Way of Pierce Co. 	<ul style="list-style-type: none"> •Comprehensive Social Services •Faith-Based Institutions •Community Development •Advocacy



Economic Fact Sheet Data

	African American Families	White Families
Median Family Income	\$51,439	\$72,951
Homeownership Rates	33.5%	54.7%
Asset Poverty Rates	Not Available	Not Available
Zero or Negative Net Worth	Not Available	Not Available
Cost of Living	\$83,727 for a family of four	

Economic History—Great Migration Story

Chosen to be the terminus of the Transcontinental Railroad in 1873, Tacoma attracted many new settlers pulled west by the promise of economic opportunity that accompanied railroad infrastructure development. This, coupled with WWII migrations, led to an increase of African Americans working in the shipyard and airplane industries. Throughout the Great Migration years, Tacoma also received many African American migrants fleeing Oregon’s harsh racial climate that imitated that of the South. Today, Tacoma has a dual economy. One economy still provides the blue-collar jobs of the 20th century, the other is an emerging 21st century service-sector with prominent industries in education, healthcare and financial services. This economic shift is reducing the kind of economic opportunities that initially attracted African Americans to the community.

Solution—Program Design

Utilizing the CBPAR approach, the Tacoma CoP assessed the specific social, economic and cultural needs of the Black community, specifically seeking to understand disparities in homeownership, education, racialized poverty, growing gentrification and African American displacement. In response, they created the Black Empowerment Center (BEC), which aims to provide Black Tacomans with knowledge, skills and access to financial resources that allow them to thrive on their own terms. The strategy around the BEC is built around three pillars: **Stabilization:** providing services that reduce debt and build credit; **Asset Development:** introducing services that incentivize saving; and **Cultural Reinforcement:** including activities like leadership development, advocacy and liberation education. The BEC will serve as a bridge between the Black community in Tacoma and the public and private sectors that have historically shut out the community. In addition, it offers a community space from which to recreate a sense of identity in the African American community through access and empowerment.

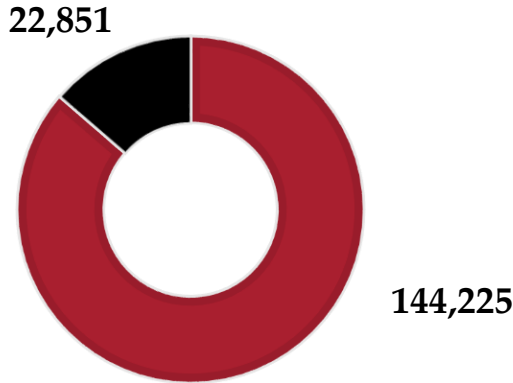
Racial Economic Inequality in Des Moines

A Data Factsheet



DES MOINES POPULATION DEMOGRAPHICS

■ White ■ African American



Des Moines Tale of Two Cities

Education

Ranked 5th
Best State for Education

Opportunity

Ranked 4th
Best State for Opportunity

Source: 2018 U.S. News & World Report

Asset Limits in Iowa's Public Benefits Programs

- Eliminated SNAP Asset Limit Test ✓
- Eliminated LIHEAP Asset Limit Test ✓
- Eliminated TANF Asset Limit Test ✗

TANF Asset Limit: \$2,000 for applicants; \$5,000 for recipients

Key excluded assets: One vehicle and up to \$5,880 of additional vehicles, IDAs, and educational income

Post-Secondary

14.9%
Of African Americans have a bachelor's degree

Unemployment

9.7%
Of African Americans were unemployed in 2016

Racial Economic Inequality in Des Moines

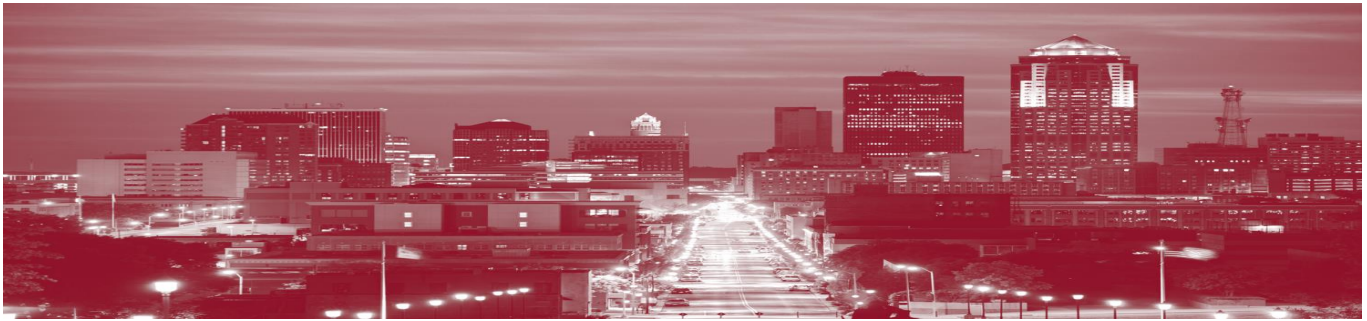
A Data Factsheet



Des Moines, Iowa ¹		Local			State			National		
Data Measures		Overall	Blacks	Whites	Overall	Blacks	Whites	Overall	Blacks	White
Population	Total Population	212,859	22,851	144,225	3,106,589	100,660	2,701,600	318,558,162	39,098,319	197,362,672
	Cost of Living Index ²	83	83	83	88	88	88	100	100	100
Finances	Median Family Income	\$58,564	\$35,144	\$65,215	\$69,419	\$31,891	\$71,939	\$67,871	\$44,531	\$76,714
	Income Poverty	14.4%	30.8%	9.2%	7.9%	31.7%	6.4%	11.0%	22.3%	6.9%
	Asset Poverty ³	29.2%	53.9%	24.6%	32.1%	62.6%	22.6%	25.5%	44.5%	19.0%
	Households with zero net worth ⁴	19.8%	35.4%	17.2%	18.5%	-	17.2%	16.9%	30.1%	13.1%
Housing	Homeownership Rate	60.2%	33.1%	65.4%	71.1%	27.2%	73.9%	63.6%	41.9%	71.4%
	Cost-Burden Homeowner Rate ⁵	25.3%	-	-	27.0%	32.3%	18.7%	30.8%	35.8%	24.3%
	Cost-Burden Renter Rate ⁶	49.4%	-	-	49.1%	53.5%	41.7%	51.1%	56.7%	44.0%
Employment	Unemployment Rate	6.4%	9.7%	5.5%	3.9%	9.2%	3.5%	5.8%	10.1%	4.6%
	Labor Force Participation Rate	70.5%	70.5%	70.0%	67.7%	66.7%	67.4%	63.5%	62.3%	62.7%
Education	High School Diploma or higher	87.2%	83.2%	92.4%	89.0%	74.5%	96.9%	87.0%	84.3%	92.0%
	Bachelor's Degree or higher	25.2%	14.9%	29.1%	47.7%	14.4%	59.5%	30.3%	20.0%	33.8%

Racial Economic Inequality in Des Moines

A Data Factsheet



What Does Local African American Data Look Like in Comparison to National and State Data?

- Homeownership rates for Black people in Des Moines are higher than Iowa, but lower than the nation. Locally, homeownership rates for Black people are 33.1% compared to 27.2% and 41.9% in Iowa and the nation, respectively.
- Income Poverty rates for Black people in Des Moines are lower than Iowa's income poverty rates for Black people, but higher than the national income poverty rates for Black people. Locally, 30.8% of Black people are income poor compared to 31.7% in Iowa and 22.3% nationally.
- Asset Poverty rates for Black households in Des Moines are lower than Iowa asset poverty rates for Black households, but higher for Black households nationally. Locally, 53.9% of Black households are asset poor compared to 62.6% in Iowa and 44.5% nationally.
- The rate of Black households with zero net worth in Des Moines is higher than the nation. In Des Moines, 35.4% of Black households have zero net worth compared to 30.1% nationally. This data is not provided at the state level for Iowa.
- High school education attainment rates for Black people are higher than the rates for Black people in Iowa, but lower than rates for Black people nationally. Locally, 83.2% of Black people over the age of 25 have at least a high school diploma or equivalent compared to 74.5% of Black people in Iowa, and 84.3% of Black people nationally. Similarly, college education attainment rates for Black people in Des Moines are higher than Iowa, but lower than the nation. In Des Moines, 14.9% of Black people over the age of 25 have at least a bachelor's degree compared to 14.4% and 20.0% of Black people in Iowa and the nation, respectively.
- Median family income for Black families in Des Moines is higher than Iowa's Black median family income, but lower than the nation's Black median family income. In Des Moines, the median family income for Black families is \$35,144 compared to \$31,891 and \$44,531 in Iowa and the nation, respectively.
- Labor force participation rates for Black people in Des Moines are higher than the nation and Iowa. In Des Moines, 70.5% of Black people over the age of 16 are in the labor force compared to 66.7% in Iowa and 62.3% nationally.
- Unemployment rates for Black people in Des Moines are higher than Iowa but lower than the nation. In Des Moines, 9.7% of Black people are unemployed compared to 9.2% in Iowa and 10.1% nationally.
- Housing Cost Burden rates for Black people are not available at the local level. However, at the national level, 35.8% of Black people are cost burdened homeowners and 56.7% of Black people are cost burdened renters. In Iowa, 32.3% of Black people are cost burdened homeowners and 53.5% of Black households are cost burdened renters.
- The Cost of Living⁷ for a family of four (two adults, two children) in the Des Moines-West Des Moines Metro Area is \$77,584 annually. The Cost of living index in Des Moines, 83, is lower than Iowa's and the nation's cost of living indices which are 88 and 100, respectively.

Racial Economic Inequality in Des Moines

A Data Factsheet



Des Moines, IA – Income Limits

Family Size	Extremely Low-Income Limit	Very Low-Income Limit	Low-Income Limit
1-person	\$ 12,800	\$ 21,350	\$ 34,150
4-persons	\$ 25,100	\$ 30,500	\$ 48,800

Public Assistance Eligibility Based on Income Limits

Based on the 5-year 2012-2016 ACS median family income (MFI) estimates adjusted by the CPI Inflation factor, and using HUD income limit calculations, the following estimates for Des Moines, Iowa have been calculated:

- **Extremely Low Income (ELIL)** - 30 percent of the area's median income level.
 - \$ 25,100 for a family of four
 - \$ 12,800 for one individual.

- **Very Low Income (VLIL)** - 50 percent of the area's median income level.
 - \$ 30,500 for a family of four
 - \$ 21,350 for one individual.

- **Low Income (LIL)** - 80 percent of the area's median income level.
 - \$ 48,800 for a family of four
 - \$ 34,150 for one individual.

What Percentage of the City's African American's are Eligible for Public Assistance?

Based on 2012-2016 family income data⁸, at least **43.9%** of Black single-person families qualify for some degree of public assistance while at least **63.3%** of Black families of four qualify for some degree of public assistance.

¹ All data is taken from US Census Bureau 2012-2016 American Community Survey 5-year estimates, unless otherwise noted. Unemployment Rates are taken from US Census Bureau 2016 ACS 1-year estimates. Tables: S1501, S1901, B19113B, B19113H, S1702, B25003, B25003B, B25003H, S2301.

² Estimates calculated by 2018 Sperling's Best Places. <https://www.bestplaces.net/cost-of-living/>

³ 2018 Prosperity Now Scorecard.

⁴ 2018 Prosperity Now Scorecard.

⁵ 2018 Prosperity Now Scorecard.

⁶ 2018 Prosperity Now Scorecard.

⁷ Estimates calculated by on the Economic Policy Institute (EPI) Family Budget Calculator. Estimates reported in 2017 dollars. <https://www.epi.org/resources/budget/>

⁸ Due to large margins of error, these are rough estimates calculated using 2012-2016 ACS data.

Racial Economic Inequality in Minneapolis

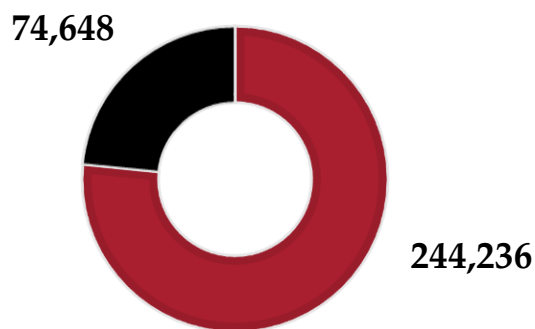
A Data Factsheet



Minneapolis Tale of Two Cities

MINNEAPOLIS POPULATION DEMOGRAPHICS

■ White ■ African American



Education

Voted 8th
Most Educated State

Source: Meet Minneapolis – <https://www.minneapolis.org/media/facts-and-research/accolades/2018/>

Employment

Voted 3rd
Best State to Find a Job

Source: Meet Minneapolis – <https://www.minneapolis.org/media/facts-and-research/accolades/2018/>

Post-Secondary

14.4%
of African Americans over
the age of 25 have a
bachelor's degree

Unemployment

13.8%
of African Americans were
unemployed in 2016

Asset Limits in Minnesota's Public Benefits Programs

- Eliminated SNAP Asset Limit Test ✓
- Eliminated LIHEAP Asset Limit Test ✓
- Eliminated TANF Asset Limit Test ✗

TANF Asset Limit: \$10,000

Key excluded assets: One vehicle per household member, IDAs, retirement accounts with early withdrawal penalties

Racial Economic Inequality in Minneapolis

A Data Factsheet



Minneapolis, Minnesota ¹		Local			State			National		
Data Measures		Overall	Blacks	Whites	Overall	Blacks	Whites	Overall	Blacks	Whites
Population	Total Population	404,670	74,648	244,236	5,450,868	305,403	4,432,384	318,558,162	39,098,319	197,362,672
	Cost of Living Index ²	109	109	109	104	104	104	100	100	100
Finances	Median Family Income	\$72,970	\$28,539	\$99,533	\$79,595	\$36,353	\$83,889	\$67,871	\$44,531	\$76,714
	Income Poverty	14.6%	41.7%	4.5%	6.9%	31.9%	4.5%	11.0%	22.3%	6.9%
	Asset Poverty ³	32.4%	62.6%	22.6%	19.8%	-	15.6%	25.5%	44.5%	19.0%
	Households with Zero Net Worth ⁴	22.9%	39.9%	17.4%	14.7%	-	12.6%	16.9%	30.1%	13.1%
Housing	Homeownership Rate	47.4%	19.8%	57.7%	71.4%	23.6%	76.2%	63.6%	41.9%	71.4%
	Cost-Burden Homeowner Rate ⁵	27.0%	-	-	24.4%	33.7%	21.5%	30.8%	35.8%	24.3%
	Cost-Burden Renter Rate ⁶	49.1%	-	-	47.3%	57.8%	43.9%	51.1%	56.7%	44.0%
Employment	Unemployment Rate	5.8%	13.8%	4.1%	3.8%	10.7%	3.1%	5.8%	10.1%	4.6%
	Labor Force Participation Rate	74.1%	62.9%	77.0%	69.9%	68.5%	69.7%	63.5%	62.3%	62.7%
Education	High School Diploma or Higher	89.0%	74.5%	96.9%	92.6%	81.2%	95.1%	87.0%	84.3%	92.0%
	Bachelor's Degree or Higher	47.7%	14.4%	59.5%	34.2%	20.0%	35.6%	30.3%	20.0%	33.8%

Racial Economic Inequality in Minneapolis

A Data Factsheet



What Does Local African American Data Look Like in Comparison to National and State Data?

- Homeownership rates for Black people in Minneapolis are lower than Minnesota and the nation. In Minneapolis, 19.8% of Black people own a home compared to 23.6% and 41.9% in Minnesota and the nation, respectively.
- Income Poverty rates for Black people in Minneapolis are higher than Minnesota and the nation. In Minneapolis, 41.7% of Black people are income poor compared to 31.9% and 22.3% of Black people in Minnesota and the nation, respectively.
- Asset Poverty rates for Minneapolis are higher than the nation. In Minneapolis, 62.6% of Black households are asset poor compared to 44.5% of Black households nationally. Asset poverty rates for Black households in Minnesota are not available.
- The rate of Black households with zero net worth in Minneapolis is higher than the nation. In Minneapolis, 39.9% of Black households have zero net worth compared to 30.1% nationally. This data is not provided at the state level for Minnesota.
- High school education attainment rates for Black people are lower than Minnesota's and the nation's high school education attainment rates for Blacks. Locally, 74.5% of Black people over the age of 25 have a high school diploma or equivalent compared to 81.2% and 84.3% in Minnesota and the nation, respectively. Similarly, college education attainment rates for Black people are lower than Minnesota and the nation. In Minneapolis, 14.4% of Black people over the age of 25 have at least a bachelor's degree compared to 20.0% of Black people in Minnesota and nationally.
- Median family income for Black families in Minneapolis is lower than the median family income for Black families in Minnesota and nationally. In Minneapolis, the median family income for Black families is \$28,539 compared the Black median family incomes of \$36,353 and \$44,531 for Black families in Minnesota and the nation, respectively.
- Labor force participation rates for Black people in Minneapolis are higher than the nation but lower than Minnesota. In Minneapolis, 62.9% of Black people over the age of 16 are in the labor force compared to 68.5% in Minnesota and 62.3% nationally.
- Unemployment rates for Black people in Minneapolis are higher than Minnesota and the nation. In Minneapolis, 13.8% of Black people are unemployed compared to 10.7% in Minnesota and 10.1% nationally.
- Housing Cost Burden rates for Black people are not available at the local level. However, at the national level, 35.8% of Black people are cost burdened homeowners and 56.7% of Black people are cost burdened renters. In Minnesota, 33.7% of Black people are cost burdened homeowners and 57.8% of Black people are cost burdened renters.
- The Cost of Living⁷ in Minneapolis-St. Paul-Bloomington metro area for a family of four (two adults and two children) is \$98,675. The Cost of Living index (COLI) in Minneapolis is higher than Minnesota and the nation's COLI. The COLI for Minneapolis is 109 compared to 104 in Minnesota and 100 nationally.

Racial Economic Inequality in Minneapolis

A Data Factsheet



Minneapolis, MN – Income Limits

Family Size	Extremely-Low Income Limit	Very-Low Income Limit	Low-Income Limit
1-person	\$ 15,950	\$ 26,600	\$ 42,550
4-persons	\$ 25,100	\$ 38,000	\$ 60,800

Public Assistance Eligibility Based on Income Limits

Based on the 5-year 2012-2016 ACS median family income (MFI) estimates adjusted by the CPI Inflation factor, and using HUD income limit calculations, the following estimates for Minneapolis, Minnesota have been calculated:

- **Extremely Low Income (ELIL)** - 30 percent of the area's median income level.
 - **\$25,100** for a family of four,
 - **\$15,950** for one individual.
- **Very Low Income (VLIL)** - 50 percent of the area's median income level.
 - **\$38,000** for a family of four
 - **\$26,600** for one individual.
- **Low Income (LIL)** - 80 percent of the area's median income level.
 - **\$60,800** for a family of four
 - **\$42,550** for one individual.

What Percentage of the City's African American's are Eligible for Public Assistance?

Based on 2012-2016 family income data, at least **62.3%** of Black single-person families qualify for some degree of public assistance while at least **78.3%** of Black families of four qualify for some degree of public assistance.

¹ All data is taken from US Census Bureau 2012-2016 American Community Survey 5-year estimates, unless otherwise noted. Unemployment Rates are taken from US Census Bureau 2016 ACS 1-year estimates. Tables: S1501, S1901, B19113B, B19113H, S1702, B25003, B25003B, B25003H, S2301.

² Estimates calculated by 2018 Sperling's Best Places; <https://www.bestplaces.net/cost-of-living/>.

³ 2018 Prosperity Now Scorecard.

⁴ Ibid.

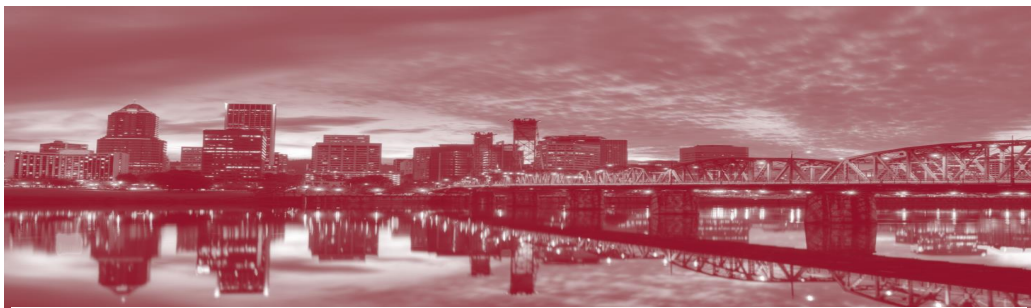
⁵ Ibid.

⁶ Ibid.

⁷ Estimates calculated by Economic Policy Institute (EPI) Family Budget Calculator; reported in 2017 dollars. <https://www.epi.org/resources/budget/>

Racial Economic Inequality in Portland

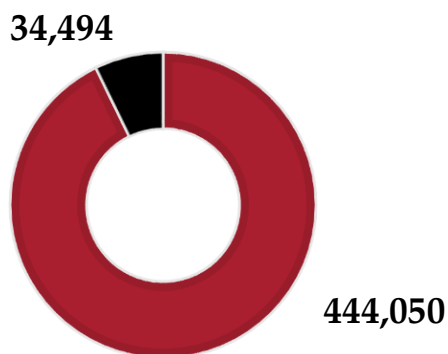
A Data Factsheet



Portland Tale of Two Cities

PORTLAND POPULATION DEMOGRAPHICS

■ White ■ African American



Economy

Ranked 1st

Best Place for Business and
Careers

Source:
2017 Forbes Best Places For Business And Careers

Livability

Ranked 6th

Best Place to Live

Source: 2018 U.S. News & World Report

Asset Limits in Oregon's Public Benefits Programs

- Eliminated SNAP Asset Limit Test ✓
- Eliminated LIHEAP Asset Limit Test ✓
- Eliminated TANF Asset Limit Test ✗

TANF Asset Limit: \$2,500 for applicants; \$10,000 for recipients

Key excluded assets: Vehicles up to \$10,000, IDAs, EITC

Unemployment

15.4%

Of African Americans were
unemployed in 2016

Poverty

32.5%

Of African Americans are
income poor

RACIAL
wealth
DIVIDE INITIATIVE

PROSPERITY
NOW

AFRICAN AMERICAN
FINANCIAL CAPABILITY
INITIATIVE

Racial Economic Inequality in Portland

A Data Factsheet



Portland, Oregon ¹		Local			State			National		
Data Measures		Overall	Blacks	Whites	Overall	Blacks	Whites	Overall	Blacks	White
Population	Total Population	620,589	34,494	444,050	3,982,267	70,359	3,066,467	318,558,162	39,098,319	197,362,672
	Cost of Living Index ²	141	141	141	118	118	118	100	100	100
Finances	Median Family Income	\$75,394	\$35,165	\$85,056	\$65,479	\$40,007	\$69,456	\$67,871	\$44,531	\$76,714
	Income Poverty	10.5%	32.5%	6.2%	10.5%	27.1%	8.3%	11.0%	22.3%	6.9%
	Asset Poverty ³	27.9%	52.5%	24.2%	30.1%	-	27.2%	25.5%	44.5%	19.0%
	Households with zero net worth ⁴	20.1%	35.6%	18.0%	21.8%	-	-	16.9%	30.1%	13.1%
Housing	Homeownership Rate	53.1%	27.9%	57.1%	61.4%	31.3%	64.7%	63.6%	41.9%	71.4%
	Cost-Burden Homeowner Rate ⁵	33.7%	-	-	33.7%	45.6%	30.1%	30.8%	35.8%	24.3%
	Cost-Burden Renter Rate ⁶	52.5%	-	-	52.9%	54.7%	50.9%	51.1%	56.7%	44.0%
Employment	Unemployment Rate	5.0%	15.4%	4.3%	5.7%	13.1%	5.3%	5.8%	10.1%	4.6%
	Labor Force Participation Rate	69.9%	61.0%	70.2%	62.0%	63.0%	60.5%	63.5%	62.3%	62.7%
Education	High School Diploma or higher	94.3%	87.2%	95.6%	90.0%	87.8%	93.3%	87.0%	84.3%	92.0%
	Bachelor's Degree or higher	47.0%	21.1%	50.8%	32.6%	25.1%	33.0%	30.3%	20.0%	33.8%

Racial Economic Inequality in Portland

A Data Factsheet



What Does Local African American Data Look Like in Comparison to National and State Data?

- Homeownership rates for Black people in Portland are lower than Oregon and the nation. In Portland, 27.9% of Black people own a home compared to 31.3% of Black people in Oregon and 41.9% of Black people nationally.
- Income Poverty rates for Black people in Portland are higher than Oregon and the nation. In Portland, 32.5% of Black people are income poor compared to 27.1% of Black people in Oregon and 22.3% of Black people nationally.
- Asset Poverty rates for Black households in Portland are higher than the nation. In Portland, 52.5% of Black households are asset poor compared to 44.5% of Black households nationally. Oregon asset poverty rates for Black households are not available.
- The rate of Black households with zero net worth in Portland is higher than the nation. In Portland, 35.6% of Black households have zero net worth compared to 30.1% nationally. This data is not provided at the state level for Oregon.
- High school education attainment rates for Black people in Portland are lower than Oregon, but higher than the nation. In Portland, 87.2% of Black people over the age of 25 have a high school diploma or equivalent compared to 87.8% of Black people in Oregon and 84.3% of Black people nationally. Similarly, college education attainment rates for Black people in Portland are lower than Oregon, but higher than the nation. In Portland, 21.1% of Black people over the age of 25 have at least a bachelor's degree compared to 25.1% of Black people in Oregon and 20.0% of Black people nationally.
- Median family income for Black families in Portland is lower than median family income for Black families in Oregon and the nation. In Portland, the median family income for Black families is \$35,165 compared to \$40,007 for Black families in Oregon and \$44,531 for Black families nationally.
- Labor force participation rates for Blacks in Portland are lower than the nation and Oregon. In Portland, 61.0% of Blacks over the age of 16 are in the labor force compared to 63.0% in Oregon and 62.3% nationally.
- Unemployment rates for Black people in Portland are higher than the nation and Oregon. In Portland, 15.4% of Black people are unemployed compared to 13.1% in Oregon and 10.1% nationally.
- Housing Cost Burden rates for Black people are not available at the local level. However, at the national level, 35.8% of Black people are cost burdened homeowners and 56.7% of Black people are cost burdened renters. In Oregon, 45.6% of Black people are cost burdened homeowners and 54.7% of Black people are cost burdened renters.
- The Cost of Living⁷ in the Portland-Vancouver-Hillsboro metro area for a family of four (2 adults and 2 children) is \$96,047. The cost of living index (COLI) for Portland is higher than Oregon and the nation. In Portland the COLI is 141 compared to 118 and 100 for Oregon and the nation, respectively.

Racial Economic Inequality in Portland

A Data Factsheet



Portland, OR – Income Limits

Family Size	Extremely Low-Income Limit	Very Low-Income Limit	Low-Income Limit
1-person	\$ 16,500	\$ 27,500	\$ 44,000
4-persons	\$ 25,100	\$ 39,250	\$ 62,800

Public Assistance Eligibility Based on Income Limits

Based on the 5-year 2012-2016 ACS median family income (MFI) estimates adjusted by the CPI Inflation factor, and using HUD income limit calculations, the following estimates for Portland, Oregon have been calculated:

- **Extremely Low Income (ELIL)** - 30 percent of the area's median income level.
 - \$ 25,100 for a family of four
 - \$ 16,500 for one individual.

- **Very Low Income (VLIL)** - 50 percent of the area's median income level.
 - \$ 39,250 for a family of four
 - \$ 27,500 for one individual.

- **Low Income (LIL)** - 80 percent of the area's median income level.
 - \$ 62,800 for a family of four
 - \$ 44,000 for one individual.

What Percentage of the City's African American's are Eligible for Public Assistance?

Based on 2012-2016 family income data⁸, at least **55.0%** of Black single-person families qualify for some degree of public assistance while at least **69.0%** of Black families of four qualify for some degree of public assistance.

¹ All data is taken from US Census Bureau 2012-2016 American Community Survey 5-year estimates, unless otherwise noted. Unemployment Rates are taken from US Census Bureau 2016 ACS 1-year estimates. Tables: S1501, S1901, B19113B, B19113H, S1702, B25003, B25003B, B25003H, S2301.

² Estimates calculated by 2018 Sperling's Best Places. <https://www.bestplaces.net/cost-of-living/>

³ 2018 Prosperity Now Scorecard.

⁴ 2018 Prosperity Now Scorecard.

⁵ 2018 Prosperity Now Scorecard.

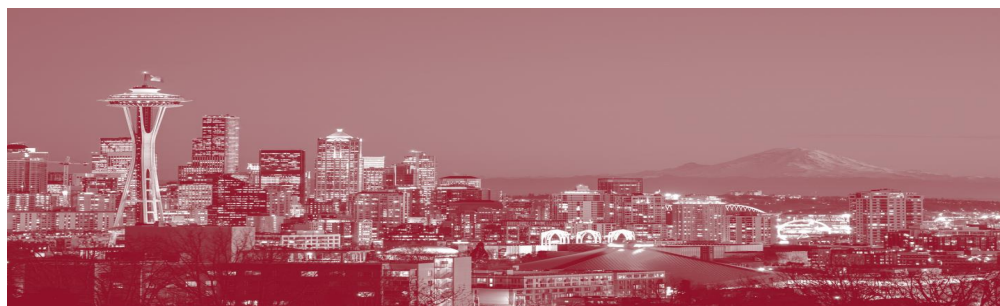
⁶ 2018 Prosperity Now Scorecard.

⁷ Estimates calculated by Economic Policy Institute (EPI) Family Budget Calculator, reported in 2017 dollars. <https://www.epi.org/resources/budget/>

^{viii} Due to large margins of error, these are rough estimates calculated using 2012-2016 ACS data.

Racial Economic Inequality in Seattle

A Data Factsheet

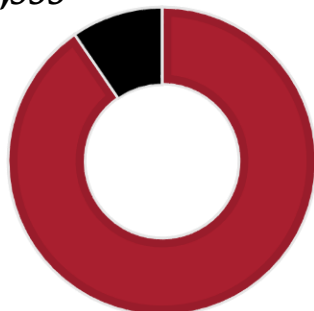


Seattle Tale of Two Cities

SEATTLE POPULATION DEMOGRAPHICS

■ White ■ African American

46,533



439,485

Education

Ranked 6th

Best State in Education

Source: 2018 U.S. News & World Report

Economy

Ranked 3rd

Best Economy

Source: 2018 U.S. News & World Report

Post-Secondary

43.7%

Black-White gap in college
attainment rates

Unemployment

12.1%

Of African Americans were
unemployed in 2016

Asset Limits in Washington's Public Benefits Programs

- Eliminated SNAP Asset Limit Test ✓
- Eliminated LIHEAP Asset Limit Test ✓
- Eliminated TANF Asset Limit Test ✗

TANF Asset Limit: \$1,000

Key excluded assets: One vehicle up to \$5,000, IDAs,
savings account up to \$3,000 (for current recipients)

RACIAL
wealth
DIVIDE INITIATIVE

PROSPERITY
NOW

AFRICAN AMERICAN
FINANCIAL CAPABILITY
INITIATIVE

Racial Economic Inequality in Seattle

A Data Factsheet



Seattle, Washington ¹		Local			State			National		
Data Measures		Overall	Blacks	Whites	Overall	Blacks	Whites	Overall	Blacks	White
Population	Total Population	668,849	46,533	439,485	7,073,146	246,909	4,978,375	318,558,162	39,098,319	197,362,672
	Cost of Living Index ²	177	177	177	121	121	121	100	100	100
Finances	Median Family Income	\$108,358	\$37,696	\$125,824	\$76,507	\$53,642	\$81,380	\$67,871	\$44,531	\$76,714
	Income Poverty	6.9%	29.7%	2.8%	8.4%	19.2%	6.1%	11.0%	22.3%	6.9%
	Asset Poverty ³	25.9%	53.1%	21.9%	26.1%	-	21.1%	25.5%	44.5%	19.0%
	Households with Zero Net Worth ⁴	19.0%	34.4%	17.2%	18.6%	-	15.9%	16.9%	30.1%	13.1%
Housing	Homeownership Rate	46.2%	24.0%	50.9%	62.4%	31.7%	67.0%	63.6%	41.9%	71.4%
	Cost-Burden Homeowner Rate ⁵	30.6%	-	-	32.2%	34.3%	28.9%	30.8%	35.8%	24.3%
	Cost-Burden Renter Rate ⁶	45.3%	-	-	49.5%	55.3%	46.4%	51.1%	56.7%	44.0%
Employment	Unemployment Rate	4.7%	12.1%	3.4%	5.4%	8.3%	4.9%	5.8%	10.1%	4.6%
	Labor Force Participation Rate	72.7%	61.1%	74.8%	64.2%	66.7%	63.0%	63.5%	62.3%	62.7%
Education	High School Diploma or higher	93.9%	83.9%	97.6%	90.6%	88.1%	94.3%	87.0%	84.3%	92.0%
	Bachelor's Degree or higher	60.4%	23.8%	67.5%	33.6%	22.1%	35.1%	30.3%	20.0%	33.8%

Racial Economic Inequality in Seattle

A Data Factsheet



What Does Local African American Data Look Like in Comparison to National and State Data?

- Homeownership rates in Seattle are lower for Black people than in Washington and the nation. Locally, 24.0% of Black people own a home compared to 31.7% and 41.9% of Black people in Washington and the nation, respectively.
- Income Poverty rates in Seattle are higher for Black people locally than income poverty rates for Black people in Washington and the nation. Locally, 29.7% of Black people are income poor compared to 19.2% and 22.3% of Black people in Washington and the nation, respectively.
- Asset Poverty rates for Black households in Seattle are higher than asset poverty rates for Black households nationally. Locally, 53.1% of Black households are asset poor compared to 44.5% nationally. Asset poverty rates for Black households in Washington are not available.
- The rate of Black households with zero net worth in Seattle is higher than the rate of Black households with zero net worth nationally. In Seattle, 34.4% of Black households have zero net worth compared to 30.1% nationally. This data is not available for Black households in Washington.
- High school education attainment rates for Black people are lower in Seattle than they are for Black people in Washington and the nation. 83.9% of Black people 25 years old and over have a high school diploma or equivalent compared to 88.1% and 84.3% in Washington and the nation, respectively. However, college education attainment rates for Black people are higher in Seattle than in Washington and the nation. In Seattle, 23.8% of Black people who are 25 years old and over have at least a bachelor's degree compared to 22.1% and 20.0% of Black people over the age of 25 in Washington and the nation, respectively.
- Median family income for Black families in Seattle is lower than median family income for Black families in Washington and the nation. In Seattle, Black families at the median earn \$37,696 compared to median family incomes of \$53,642 and \$44,531 for Black families in Washington and the nation, respectively.
- Labor force participation rates for Black people in Seattle are lower than labor force participation rates for Black people in Washington and the nation. In Seattle, 61.1% of Black people over the age of 16 are in the labor force compared to 66.7% in Washington and 62.3% nationally.
- Unemployment rates for Black people in Seattle are higher than Black unemployment rates nationally and in Washington. In Seattle, 12.1% of Black people are unemployed compared to 8.3% in Washington and 10.1% nationally.
- Housing Cost Burden rates for Black households are not available at the local level. However, at the national level, 35.8% of Black households are cost burdened homeowners and 56.7% of Black households are cost burdened renters. In Washington, 34.3% of Black households are cost burdened homeowners and 55.3% of Black households are cost burdened renters.
- Cost of Living⁷ in the Seattle-Bellevue metro area for a family of 4 (two adults and two children under the age of 18) is \$97,142 annually. The cost of living index (COLI) for Seattle-Bellevue MSA is 177 which is higher than both the Washington state COLI, 121, and the nation's COLI, 100.

Racial Economic Inequality in Seattle

A Data Factsheet



Seattle, WA – Income Limits			
Family Size	Extremely Low-Income Limit	Very Low-Income Limit	Low-Income Limit
1-person	\$ 23,700	\$ 39,500	\$ 63,200
4-persons	\$ 33,850	\$ 56,400	\$ 87,600

Public Assistance Eligibility Based on Income Limits

Based on the 5-year 2012-2016 ACS median family income (MFI) estimates adjusted by the CPI Inflation factor, and using HUD income limit calculations, the following estimates for Seattle, Washington have been calculated:

- **Extremely Low Income (ELIL)** - 30 percent of the area’s median income level.
 - \$ **33,850** for a family of four
 - \$ **23,700** for one individual.
- **Very Low Income (VLIL)** - 50 percent of the area’s median income level.
 - \$ **56,400** for a family of four
 - \$ **39,500** for one individual.
- **Low Income (LIL)** - 80 percent of the area’s median income level.
 - \$ **87,600** for a family of four
 - \$ **63,200** for one individual.

What Percentage of the City’s African American’s are Eligible for Public Assistance?

Based on 2012-2016 family income data, at least **69.4%** of Black single-person families qualify for some degree of public assistance while at least **75.7%** of Black families of four qualify for some degree of public assistance.

¹ All data is taken from US Census Bureau 2012-2016 American Community Survey 5-year estimates, unless otherwise noted. Unemployment Rates are taken from US Census Bureau 2016 ACS 1-year estimates. Tables: S1501, S1901, B19113B, B19113H, S1702, B25003, B25003B, B25003H, S2301.

² Estimates calculated by 2018 Sperling’s Best Places. <https://www.bestplaces.net/cost-of-living/>

³ 2018 Prosperity Now Scorecard.

⁴ Ibid.

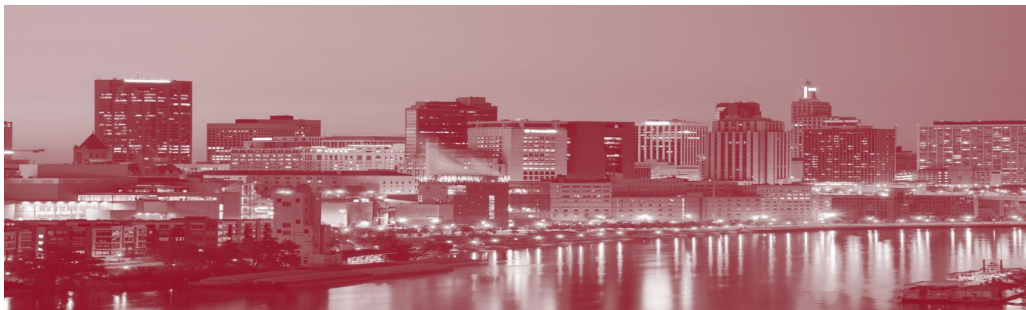
⁵ Ibid.

⁶ Ibid.

⁷ Estimates calculated by Economic Policy Institute (EPI) Family Budget Calculator, reported in 2017 dollars.

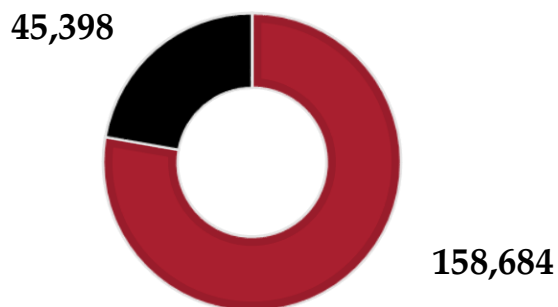
Racial Economic Inequality in St. Paul

A Data Factsheet



ST. PAUL POPULATION DEMOGRAPHICS

■ White ■ African-American



St. Paul Tale of Two Cities

Education

Voted 8th

Most Educated State

Source: Meet Minneapolis – <https://www.minneapolis.org/media/facts-and-research/accolades/2018/>

Employment

Voted 3rd

Best State to Find a Job

Source: Meet Minneapolis – <https://www.minneapolis.org/media/facts-and-research/accolades/2018/>

Post-Secondary

16.3%

Of African-Americans over the age of 25 have a bachelor's degree

Unemployment

11.0%

Of African Americans were unemployed in 2016

Asset Limits in Minnesota's Public Benefits Programs

- Eliminated SNAP Asset Limit Test ✓
- Eliminated LIHEAP Asset Limit Test ✓
- Eliminated TANF Asset Limit Test ✗

TANF Asset Limit: \$10,000

Key excluded assets: One vehicle per household member, IDAs, retirement accounts with early withdrawal penalties

RACIAL
wealth
DIVIDE INITIATIVE

PROSPERITY
NOW

AFRICAN AMERICAN
FINANCIAL CAPABILITY
INITIATIVE

Racial Economic Inequality in St. Paul

A Data Factsheet



St. Paul, Minnesota ¹		Local			State			National		
Data Measures		Overall	Blacks	Whites	Overall	Blacks	Whites	Overall	Blacks	White
Population	Total Population	297,160	45,398	158,684	5,450,868	305,403	4,432,384	318,558,162	39,098,319	197,362,672
	Cost of Living Index ²	101	101	101	104	104	104	100	100	100
Finances	Median Family Income	\$64,072	\$29,722	\$87,921	\$79,595	\$36,353	\$83,889	\$67,871	\$44,531	\$76,714
	Income Poverty	16.3%	37.6%	4.8%	6.9%	31.9%	4.5%	11.0%	22.3%	6.9%
	Asset Poverty ³	33.2%	63.3%	23.4%	19.8%	-	15.6%	25.5%	44.5%	19.0%
	Households with zero net worth ⁴	22.0%	40.9%	17.1%	14.7%	-	12.6%	16.9%	30.1%	13.1%
	Homeownership Rate	49.5%	17.0%	60.5%	71.4%	23.6%	76.2%	63.6%	41.9%	71.4%
Housing	Cost-Burden Homeowner Rate ⁵	12.2%	-	-	24.4%	33.7%	21.5%	30.8%	35.8%	24.3%
	Cost-Burden Renter Rate ⁶	50.9%	-	-	47.3%	57.8%	43.9%	51.1%	56.7%	44.0%
Employment	Unemployment Rate	5.5%	11.0%	3.4%	3.8%	10.7%	3.1%	5.8%	10.1%	4.6%
	Labor Force Participation Rate	70.6%	71.0%	72.2%	69.9%	68.5%	69.7%	63.5%	62.3%	62.7%
Education	High School Diploma or higher	86.7%	79.9%	96.3%	92.6%	81.2%	95.1%	87.0%	84.3%	92.0%
	Bachelor's Degree or higher	40.0%	16.3%	52.0%	34.2%	20.0%	35.6%	30.3%	20.0%	33.8%

Racial Economic Inequality in St. Paul

A Data Factsheet

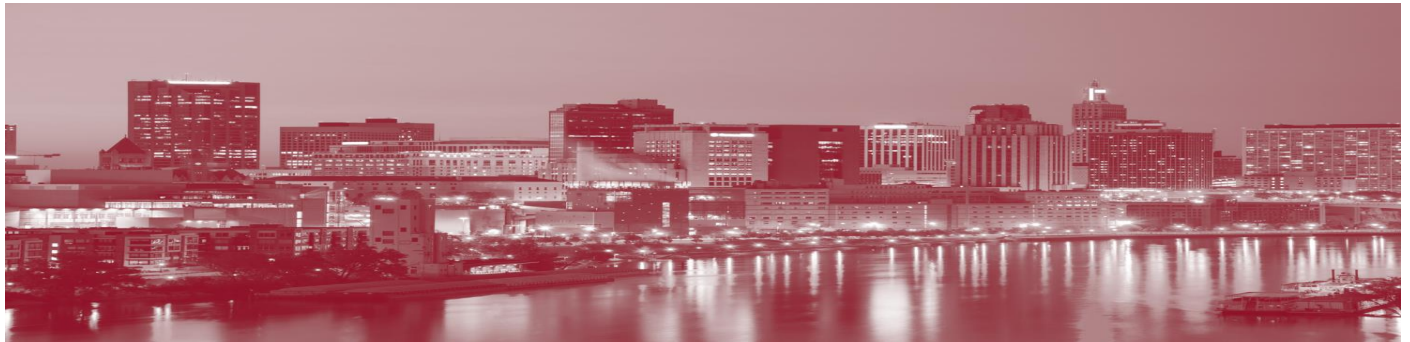


What Does Local African American Data Look Like in Comparison to National and State Data?

- Homeownership rates for Black people in St. Paul are lower than Minnesota and the nation. Locally, Black people have a homeownership rate of 17.0% compared to 23.6% and 41.9% in Minnesota and the nation, respectively.
- Income Poverty rates for Black people in St. Paul are higher than Minnesota and the nation. Locally, 37.6% of Black people are income poor compared to 31.9% and 22.3% in Minnesota and the nation, respectively.
- Asset Poverty rates for Black households in Minnesota are not available, however, asset poverty rates for Black households in St. Paul and nationally are available. In St. Paul, 63.3% of Black households are asset poor which is higher than the 44.5% of Black households nationally.
- The rate of Black households with zero net worth in St. Paul is higher than the nation. In St. Paul, 40.9% of Black households have zero net worth compared to 30.1% nationally. This data is not provided at the state level for Minnesota.
- High school education attainment rates for Black people are lower than Minnesota and the nation. Locally, 79.9% of Black people over the age of 25 have a high school diploma or equivalent compared to 81.2% and 84.3% in Minnesota and the nation, respectively. Similarly, college education attainment rates for Black people are lower than Minnesota and the nation. In St. Paul, 16.3% of Black people over the age of 25 have at least a bachelor's degree compared to 20.0% of Black people in both Minnesota and nationally.
- Median Family Income for Black families in St. Paul is lower than median family incomes for Black families in Minnesota and the nation. In St. Paul, median family income for Black families is \$29,722 compared to Black median family incomes of \$36,353 and \$44,531 in Minnesota and the nation, respectively.
- Labor force participation rates for Black people in St. Paul are higher than the nation and Minnesota. In St. Paul, 71.0% of Black people over the age of 16 are in the labor force compared to 68.5% in Minnesota and 62.3% nationally.
- Unemployment rates for Black people in St. Paul are higher than Minnesota and the nation. In St. Paul, 11.0% of Black people are unemployed compared to 10.7% in Minnesota and 10.1% nationally.
- Housing Cost Burden rates for Black people are not available at the local level. However, at the national level, 35.8% of Black people are cost burdened homeowners and 56.7% of Black people are cost burdened renters. In Minnesota, 33.7% of Black people are cost burdened homeowners and 57.8% of Black people are cost burdened renters.
- The Cost of Living⁷ for a family of four (two adults, two children) in the Minneapolis-Bloomington-St. Paul metro area is \$98,675. The Cost of living index (COLI) for St. Paul, 101, is higher than the nation's COLI of 100, but lower than the state of Minnesota's COLI, 104.

Racial Economic Inequality in St. Paul

A Data Factsheet



St. Paul, MN – Income Limits			
Family Size	Extremely Low-Income Limit	Very Low-Income Limit	Low-Income Limit
1-person	\$ 14,050	\$ 23,350	\$ 37,400
4-persons	\$ 25,100	\$ 33,350	\$ 53,400

Public Assistance Eligibility Based on Income Limits

Based on the 5-year 2012-2016 ACS median family income (MFI) estimates adjusted by the CPI Inflation factor, and using HUD income limit calculations, the following estimates for St. Paul, Minnesota have been calculated:

- **Extremely Low Income (ELIL)** - 30 percent of the area's median income level.
 - \$ 25,100 for a family of four
 - \$ 14,050 for one individual.

- **Very Low Income (VLIL)** - 50 percent of the area's median income level.
 - \$ 33,350 for a family of four
 - \$ 23,350 for one individual.

- **Low Income (LIL)** - 80 percent of the area's median income level.
 - \$ 53,400 for a family of four
 - \$ 37,400 for one individual.

What Percentage of the City's African American's are Eligible for Public Assistance?

Based on 2012-2016 family income data⁸, at least **56.4%** of Black single-person families qualify for some degree of public assistance while at least **70.8%** of Black families of four qualify for some degree of public assistance.

¹ All data is taken from US Census Bureau 2012-2016 American Community Survey 5-year estimates, unless otherwise noted. Unemployment Rates are taken from US Census Bureau 2016 ACS 1-year estimates. Tables: S1501, S1901, B19113B, B19113H, S1702, B25003, B25003B, B25003H, S2301.

² Estimates calculated by 2018 Sperling's Best Places. <https://www.bestplaces.net/cost-of-living/>

³ 2018 Prosperity Now Scorecard.

⁴ 2018 Prosperity Now Scorecard.

⁵ 2018 Prosperity Now Scorecard.

⁶ 2018 Prosperity Now Scorecard.

⁷ Estimates calculated by Economic Policy Institute (EPI) Family Budget Calculator, reported in 2017 dollars. <https://www.epi.org/resources/budget/>

⁸ Due to large margin of errors, these are rough estimates calculated using US Census ACS 2012-2016 data.

Racial Economic Inequality in Tacoma

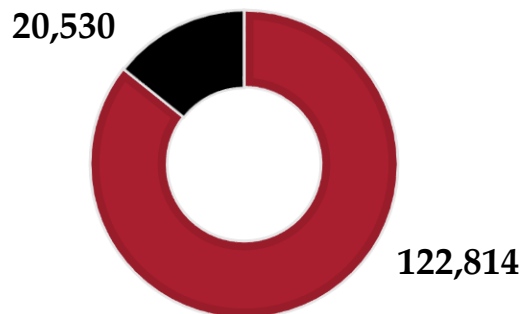
A Data Factsheet



Tacoma Tale of Two Cities

TACOMA POPULATION DEMOGRAPHICS

■ White ■ African American



Education

Ranked 6th
Best State in Education

Source: 2018 U.S. News & World Report

Economy

Ranked 3rd
Best Economy

Source: 2018 U.S. News & World Report

Asset Limits in Washington's Public Benefits Programs

- Eliminated SNAP Asset Limit Test ✓
- Eliminated LIHEAP Asset Limit Test ✓
- Eliminated TANF Asset Limit Test ✗

TANF Asset Limit: \$1,000

Key excluded assets: One vehicle up to \$5,000, IDAs, savings account up to \$3,000 (for current recipients)

Post-Secondary

13.7%
Black-White gap in college attainment rates

Unemployment

7.8%
Of African Americans were unemployed in 2016

RACIAL
wealth
DIVIDE INITIATIVE

PROSPERITY
NOW

AFRICAN AMERICAN
FINANCIAL CAPABILITY
INITIATIVE

Racial Economic Inequality in Tacoma

A Data Factsheet



Tacoma, Washington ¹		Local			State			National		
Data Measures		Overall	Blacks	Whites	Overall	Blacks	Whites	Overall	Blacks	White
Population	Total Population	205,602	20,530	122,814	7,073,146	246,909	4,978,375	318,558,162	39,098,319	197,362,672
	Cost of Living Index ²	113	113	113	121	121	121	100	100	100
Finances	Median Family Income	\$65,075	\$51,439	\$72,951	\$76,507	\$53,642	\$81,380	\$67,871	\$44,531	\$76,714
	Income Poverty	13.2%	19.0%	9.7%	8.4%	19.2%	6.1%	11.0%	22.3%	6.9%
	Asset Poverty ³	30.0%	-	-	26.1%	-	21.1%	25.5%	44.5%	19.0%
	Households with zero net worth rate ⁴	20.7%	-	-	18.6%	-	15.9%	16.9%	30.1%	13.1%
Housing	Homeownership Rate	50.0%	33.5%	54.7%	62.4%	31.7%	67.0%	63.6%	41.9%	71.4%
	Cost-Burden Homeowner Rate ⁵	36.4%	-	-	32.2%	34.3%	28.9%	30.8%	35.8%	24.3%
	Cost-Burden Renter Rate ⁶	52.5%	-	-	49.5%	55.3%	46.4%	51.1%	56.7%	44.0%
Employment	Unemployment Rate	5.7%	7.8%	5.4%	5.4%	8.3%	4.9%	5.8%	10.1%	4.6%
	Labor Force Participation Rate	64.1%	66.0%	63.3%	64.2%	66.7%	63.0%	63.5%	62.3%	62.7%
Education	High School Diploma or higher	87.9%	90.3%	92.3%	90.6%	88.1%	94.3%	87.0%	84.3%	92.0%
	Bachelor's Degree or higher	26.7%	16.8%	30.5%	33.6%	22.1%	35.1%	30.3%	20.0%	33.8%

Racial Economic Inequality in Tacoma

A Data Factsheet



What Does Local African American Data Look Like in Comparison to National and State Data?

- Homeownership rates for Black people in Tacoma are higher than homeownership rates for Black people in Washington but lower than the nation. Locally, Black people have a homeownership rate of 33.5% compared to Black homeownership rates of 31.7% and 41.9% in Washington and the nation, respectively.
- Income Poverty rates for Black people in Tacoma are lower than Black people income poverty rates in Washington and the nation. Locally, Black people have an income poverty rate of 19.0% compared 19.2% and 22.3% in Washington and nationally.
- Disaggregated asset poverty rates for Black households at the local and state levels are not available for Tacoma or Washington, however, the overall (all races included) asset poverty rate in Tacoma is higher than Washington's and the nation's. The national asset poverty rate is 25.5% compared to 26.6% and 30.0% in Washington and Tacoma, respectively. Meanwhile, Black households have an asset poverty rate of 44.5%, nationally.
- Data disaggregated by race for households with zero net worth is not available at the local level for Tacoma or at the state level for Washington. However, 20.7% of households overall (all races included) in Tacoma have zero net worth compared 18.6% in Washington and 16.9% nationally.
- High School education attainment rates for Black people over the age of 25 are higher in Tacoma than high school education attainment rates for Black people in Washington and nationally. In Tacoma, 90.3% of Black people over 25 years old have at least a high school diploma or equivalent compared to 88.1% and 84.3% of Black people in Washington and the nation, respectively. However, college education attainment rates for Black people in Tacoma are lower than college education attainment rates for Black people in Washington and nationally. In Tacoma, 16.8% of Black people over the age of 25 have at least a bachelor's degree compared to 22.1% and 20.0% in Washington and the nation, respectively.
- Median family income for Black families in Tacoma is lower than Washington's Black median family income, but higher than the nation's Black median family income. In Tacoma, the median family income for Black families is \$51,439 compared to \$53,642 and \$44,531 in Washington and the nation, respectively.
- Labor force participation rates for Black people in Tacoma are lower than the nation but higher than Washington. In Tacoma, 66.0% of Black people over the age of 16 are in the labor force compared to 66.7% in Washington and 62.3% nationally.
- Unemployment rates for Black people in Tacoma are lower than unemployment rates for Black people nationally and in Washington. In Tacoma, 7.8% of Black people are unemployed compared to 8.3% in Washington and 10.1% in the nation.
- Housing Cost Burden rates for Black people are not available at the local level. However, at the national level, 35.8% of Black people are cost burdened homeowners and 56.7% of Black people are cost burdened renters. In Washington, 34.3% of Black people are cost burdened homeowners and 55.3% of Black people are cost burdened renters.
- The Cost of Living⁷ for a family of four (two adults and two children) in the Tacoma metro area is \$83,727, annually. The cost of living index in Tacoma, 113, is higher than the nation, but lower than the state of Washington. The cost of living indices for Washington and the nation are 121 and 100, respectively.

Racial Economic Inequality in Tacoma

A Data Factsheet



Tacoma, WA – Income Limits			
Family Size	Extremely Low-Income Limit	Very Low-Income Limit	Low-Income Limit
1-person	\$ 14,250	\$ 23,700	\$ 37,950
4-persons	\$ 25,100	\$ 33,850	\$ 54,200

Public Assistance Eligibility Based on Income Limits

Based on the 5-year 2012-2016 ACS median family income (MFI) estimates adjusted by the CPI Inflation factor, and using HUD income limit calculations, the following estimates for Tacoma, Washington have been calculated:

- **Extremely Low Income (ELIL)** - 30 percent of the area’s median income level.
 - \$ **25,100** for a family of four
 - \$ **14,250** for one individual.

- **Very Low Income (VLIL)** - 50 percent of the area’s median income level.
 - \$ **33,850** for a family of four
 - \$ **23,700** for one individual.

- **Low Income (LIL)** - 80 percent of the area’s median income level.
 - \$ **54,200** for a family of four
 - \$ **37,950** for one individual.

What Percentage of the City’s African American’s are Eligible for Public Assistance?

Based on 2012-2016 family income data⁸, at least **33.0%** of Black single-person families qualify for some degree of public assistance while at least **47.5%** of Black families of four qualify for some degree of public assistance.

¹ All data is taken from US Census Bureau 2012-2016 American Community Survey 5-year estimates, unless otherwise noted. Unemployment Rates are taken from US Census Bureau 2016 ACS 1-year estimates. Tables: S1501, S1901, B19113B, B19113H, S1702, B25003, B25003B, B25003H, S2301.

² Estimates calculated by 2018 Sperling’s Best Places. <https://www.bestplaces.net/cost-of-living/>

³ 2018 Prosperity Now Scorecard.

⁴ 2018 Prosperity Now Scorecard.

⁵ 2018 Prosperity Now Scorecard.

⁶ 2018 Prosperity Now Scorecard.

⁷ Estimates calculated by Economic Policy Institute (EPI) Family Budget Calculator, reported in 2017 dollars.

^{viii} Due to large margin of errors, these are rough estimates calculated using US Census ACS 2012-2016 data.

ENDNOTES

¹ The average cost of living index for the AAFCI cohort cities is 121 compared to the national cost of living index of 100. Estimates calculated by on the Economic Policy Institute (EPI) Family Budget Calculator. Estimates reported in 2017 dollars.

EPI's Family Budget Calculator measures the income a family needs in order to attain a modest yet adequate standard of living. The budgets estimate community-specific costs for 10 family types (one or two adults with zero to four children) in all counties and metro areas in the United States. Compared with the federal poverty line and the Supplemental Poverty Measure, EPI's family budgets provide a more accurate and complete measure of economic security in America. "Family Budget Calculator." Economic Policy Institute, accessed January 2019, <https://www.epi.org/resources/budget/>.

² Asset poverty means that a household lacks sufficient net worth to subsist at the poverty level for three months in the absence of any income, <http://scorecard.prosperitynow.org/2016/measure/asset-poverty-rate>.

³ Christopher Ingraham, "Wealth concentration returning to 'levels last seen during the Roaring Twenties,' according to new research," The Washington Post, February 8, 2019, https://www.washingtonpost.com/us-policy/2019/02/08/wealth-concentration-returning-levels-last-seen-during-roaring-twenties-according-new-research/?fbclid=IwAR0KNzdmCS4KxP318qQjE7fYUYvTeVfwbixT3sflvnp2uM6-bfawaGv5c08&utm_term=.56b2e19737ff.

⁴ "African American Income," Black Demographics, accessed February 14, 2019, <http://blackdemographics.com/households/african-american-income/>.

⁵ Emanuel Nieves and Dedrick Asante-Muhammad, "Running in Place: Why the Racial Wealth Divide Keeps Black and Latino Families from Achieving Economic Security," Prosperity Now, March 2019, <http://prosperitynow.org/blog/running-place-despite-gains-households-color-face-ever-accelerating-racial-wealth-gap>.

⁶ The World Bank, "Financial Capability Survey Around the World: Why Financial Capability is important and how surveys can help," The World Bank Group, August 2013, <http://responsiblefinance.worldbank.org/~media/GIAWB/FL/Documents/Publications/Why-financial-capability-is-important.pdf>.

⁷ Etienne and Beverly Wenger-Trayner, "Introduction to communities of practice: a brief Overview of the concepts and its uses," Wegner-Trayner, April 15, 2015, <http://wenger-trayner.com/introduction-to-communities-of-practice/>.

⁸ United States and Daniel P. Moynihan, "The Negro Family: The Case for National Action," March 1965, Washington, accessed January 2019, <https://web.stanford.edu/~mrosenfe/Moynihan's%20The%20Negro%20Family.pdf>.

⁹ United States, "The Kerner Report: the 1968 report of the National Advisory Commission on Civil Disorders," New York: Pantheon Books, 1988, accessed January 2019, <http://www.eisenhowerfoundation.org/docs/kerner.pdf>.

¹⁰ "Family Budget Calculator," Economic Policy Institute (EPI), accessed January 2019, <https://www.epi.org/resources/budget>.

¹¹ Dr. Cherie Collins-Sims, BCT Partners, Prosperity Now (formerly CFED), and NAACP- National Economic Department

¹² Etienne and Beverly Wenger-Trayner, "Introduction to communities of practice".

¹³ Ibid.

¹⁴ Over the course of 11 years, a strategy was developed within the Ford Foundation to gain an understanding of the knowledge and perspective of communities of color about saving and wealth building and to then include this perspective within the asset building field. Kilolo Kijakazi, “Closing the Racial Wealth Gap: Establishing and Sustaining an Initiative,” Springer US 8 [136], February 15, 2016, accessed January 2019. <https://link.springer.com/article/10.1007/s12552-016-9165-x>.

¹⁵ Ibid.

¹⁶ Rob Abercrombie, Ellen Harries and Rachel Wharton, “Systems Change: A Guide to What it is and How to do it,” June 2015, ThinkNPC, accessed, January 2019, <https://www.thinknpc.org/resource-hub/systems-change-a-guide-to-what-it-is-and-how-to-do-it/>.

¹⁷ Anna Birney, “What are the capabilities we need for systems change?” The Medium, July 8, 2016, <https://medium.com/@AnnasQuestions/what-are-the-capabilities-we-need-for-system-change-badbbbc082e7>.

¹⁸ Ibid.

¹⁹ A national conference hosted by Prosperity Now, recently renamed the Prosperity Now Summit – focused on bringing professionals together dedicated to building an economy in which everyone has the chance to prosper

²⁰ Kilolo Kijakazi, “Closing the Racial Wealth Gap: Establishing and Sustaining an Initiative,” Springer US 8 [136], February 15, 2016, accessed January 2019. <https://link.springer.com/article/10.1007/s12552-016-9165-x>.

²¹ “Building High Impact Nonprofits of Color.” Prosperity Now. Accessed January 2019. <https://prosperitynow.org/building-high-impact-nonprofits-color>.

²² “Brunch and Budget,” accessed January 2019, <http://brunchandbudget.com>.

²³ Rob Abercrombie, Ellen Harries, and Rachel Wharton, “A Guide to Systems Change.”

²⁴ Ibid.

²⁵ Leyla Acaroglu, “What is Disruptive Design?” October 5, 2016, The Medium, accessed January 2019, <https://medium.com/disruptive-design/what-is-disruptive-design-5988e290ad88>.

²⁶ Patricia Cohen, 2010, ‘Culture of Poverty’ Makes a Comeback, NY Times

²⁷ Stephanie Schorow, “Wilson perceives social structure and culture as key causes of poverty,” The Harvard Gazette, October 9, 2019, <https://news.harvard.edu/gazette/story/2008/10/wilson-perceives-social-structure-and-culture-as-key-causes-of-poverty/>.

²⁸ Aspen Institute, “Glossary for Understanding the Dismantling Structure Racism/Promoting Racial Equity Analysis <https://assets.aspeninstitute.org/content/uploads/files/content/docs/rcc/RCC-Structural-Racism-Glossary.pdf>

²⁹ “Financial Capability.” Prosperity Now. Accessed January 2019. <https://prosperitynow.org/topics/financial-capability>.

³⁰ Grantcraft Practical Wisdom for Grantmakers, “Grantmaking with a Racial Equity Lens,” GrantCraft, accessed, January 2019, <https://grantcraft.org/wp-content/uploads/sites/2/2018/12/equity.pdf>.

³¹ Julie Birkenmaier, Margaret Sherraden, Jodi Jacobson Frey, Christine Callahan & Anna Maria Santiago. “Financial Capability and Asset Building: Building Evidence for Community Practice.” *Journal of Community Practice*. 24, no. 4 (2016), 357-367. doi: 10.1080/10705422.2016.1233519.

³² Washington Center for Equitable Growth. “How rising U.S. income inequality exacerbates racial economic disparities.” <https://equitablegrowth.org/how-rising-u-s-income-inequality-exacerbates-racial-economic-disparities/>

³³ Backbone organizations provided subgrants where appropriate to their partners.

³⁴ Tara Garcia Mathewson. “How Poverty Changes the Brain.” *The Atlantic*, April 19, 2017, https://www.theatlantic.com/education/archive/2017/04/can-brain-science-pull-families-out-of-poverty/523479/?utm_source=atfb&fbclid=IwAR3j0rZs5TT7-1rNJXyl94jzgelaVzVpUM-wv8lgQuoV-XH_gfVTowK28o8.

³⁵ Ibid.

³⁶ Ibid.

³⁷ “Government Blocks and Boosts to Building Wealth.” Prosperity Now. <https://prosperitynow.org/sites/default/files/PDFs/UFE-Boosts%20and%20Blocks-Road%20to%20Zero%20Wealth-2017.pdf>.

³⁸ 20 years is the length of a generation used in this study given slave-breeding and age of mothers at birth http://www.ancestry.ca/learn/learningcenters/default.aspx?section=lib_generation

PROSPERITY NOW

Prosperity Now believes that everyone deserves a chance to prosper. Since 1979, it has helped make it possible for millions of people, especially people of color and those of limited incomes, to achieve financial security, stability and, ultimately, prosperity. Prosperity Now offers a unique combination of scalable practical solutions, in-depth research and proven policy solutions, all aimed at building wealth for those who need it most.



Northwest Area Foundation founded in 1934 and based in St. Paul, MN, supports organizations anchored in the culture of the people they serve and is dedicated to expanding economic opportunity in under-resourced communities. Its grantees work to build on the entrepreneurial spirit, strong community ties, and untapped potential within our priority communities: Native Americans, communities of color, immigrants, refugees, and people in rural areas.

ACKNOWLEDGEMENTS

Kyarah Mair, undergraduate at the University of Maryland, College Park studying Stratification Economics. Her role as the Racial Wealth Divide Initiative Intern included research, data collection, project design and strategic thought partnership. She hopes to lead the next wave of innovative solution design to economic and social injustices. Nikki Foster, the Northwest Area Foundation Program Officer for both the intermediary organizations and Communities of Practices for all of your support. Dedrick Asante-Muhammad for keeping us grounded in the racial wealth divide frame. Gary Cunningham, for supporting this vision of the AAFCI. Dr. Cherie Collins-Sims for helping the CoPs affirm their commitment to each other, their communities and the process of strategic development and implementation of co-created pilots. Prosperity Now Staff: Jeremie Greer and Solana Rice, for helping to establish the African American Financial Capacity Initiative. Roberto Arjona and Shehryar Nabi for designing and copyediting the report. Myrto Karaflos, for providing essential project management and administrative support while also stepping up to verify data and technical tools. RWDI Team: Ebony White, Sharice Davis, and Madelaine Santana for their unyielding contributions. Project consultants: Vanessa Lindley, Pamela Capalad, Dyalekt, Spectra Meyers, Holden Wiesman, Fatima Shoemaker-Minardi, Carmen Shorter, Jessika Lopez, Ashley DuPont, and Rushka Tcholakova. The NAACP National Economic Department for their collaboration in the early years of the initiative. Most critically, the African American Financial Capability Initiative CoP lead coordinators: Andrea Caupain Sanderson, Leon Garnett, Pamela Banks, Patricia Coleman, Annie Jones Barnes, William Towey, Melissa Hicks, Marcus Owens, Ambreasha Frazier, Teree Caldwell-Johnson, Deidre DeJear, Victoria Woodards and Jeffrey A. Hassan. Special appreciation to the Northwest Area Foundation for their generous support and strategic vision.





 AFRICAN AMERICAN
FINANCIAL CAPABILITY
INITIATIVE