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Good Faith Fund

Good Faith Fund

Impact Report

2004

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Good Faith Fund's Impact



OUR MISSION:

To increase the incomes and assets of low-income and low-skilled residents of the Delta in Arkansas and Mississippi.

OUR PROGRAMS:

Arkansas Women's Business Development Center

Asset Builders

Industry Partners

Public Policy

SOUTHERN DEVELOPMENT

BANCORPORATION:

Delta Southern Bank

Elk Horn Bank & Trust

First National Bank of Phillips County

Good Faith Fund

Opportunity Lands Corporation

Southern Community Development Corporation

Southern Financial Partners

Good Faith Fund prides itself on being an innovative and dynamic force in creating solutions to the challenge of helping low-income working families move their way into the middle class.

We know from experience that just putting people to work does not necessarily give them the opportunity to escape poverty.

Working poor families in Arkansas and Mississippi work hard every day but struggle to support their families.

At Good Faith Fund we want working families to have the economic security that makes them self-sufficient and can lift them out of poverty. Our programs tackle the fundamental issues that keep people rooted in poverty, and we give them the tools, resources and power to make better lives for themselves.

Our goals are simple but powerful: help workers find and keep better jobs and advance their skills and careers; give working families and children the tools to save money and accumulate assets; help small businesses grow and women business owners succeed; and develop and advocate for public policy change that helps working Arkansans achieve greater economic and social prosperity.

But what makes us truly unique is our affiliation with Southern Development Bancorporation, the largest rural development organization in the U.S. As one of Southern's non-profit affiliates, Good Faith Fund works diligently to link our participants to other Southern programs that will further help families.

For example, clients of our Arkansas Women's Business Development Center are linked to Southern Financial Partners, a non-profit that provides small businesses with capital. Residents that live in a multi-family housing development operated by our sister company, Opportunity Lands Corporation, are linked to our Asset Builders program to start saving money so they might own their own home one day.

This report highlights our progress and success in helping low-income families work their way out of poverty and into the middle-class.

Arkansas Women's Business Development Center



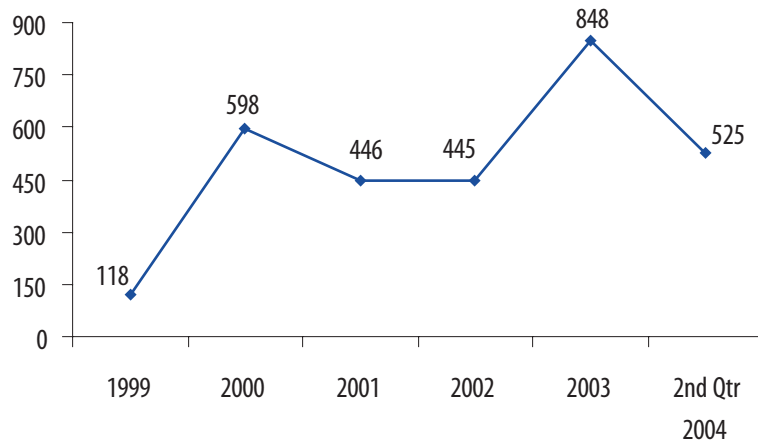
The Arkansas Women's Business Development Center (ARWBDC) helps women business owners succeed by providing them with training, business counseling and technical assistance. ARWBDC is the first and only SBA-funded Women's Business Development Center in Arkansas.

Evidence shows that owning a business is one of the most effective ways to improve the financial well-being of women. ARWBDC offers a wide range of training, counseling and services to help women succeed in business.

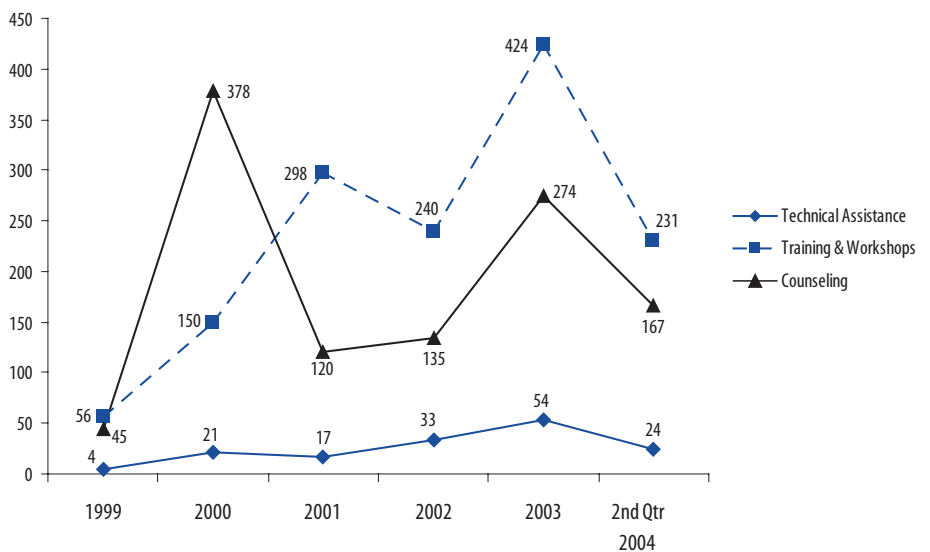
Who We Help

- 2980 clients served since 1999
- 92% are female
- 75% are African American
- 32% have a high school diploma or less
- 44% have some college education
- 24% have a bachelor's degree or higher
- 16% have income less than \$10K
- 43% have income between \$10K and \$29K
- 41% have income of \$30K or higher

Total Clients Served



Clients Served by Service*



* Graph does not include Business Information Center usage

Combining Savings & Credit

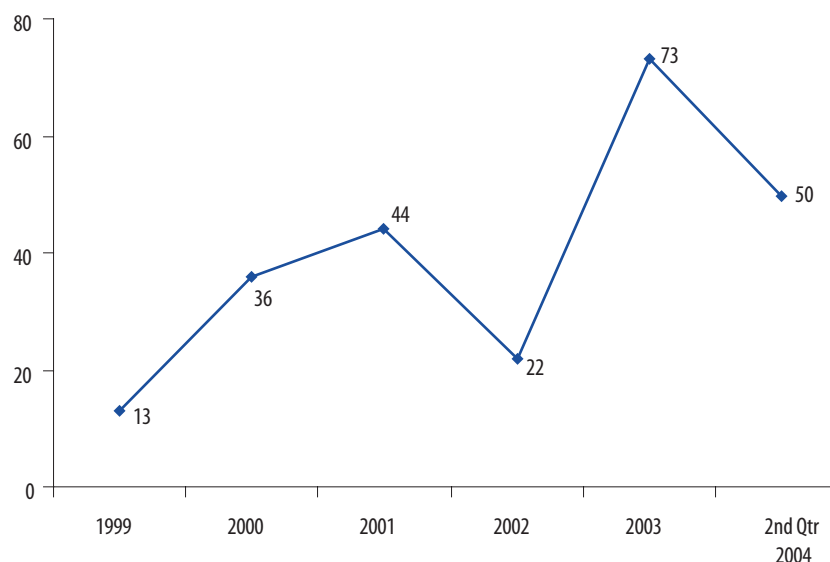
Good Faith Fund is participating in the Corporation for Enterprise Development's Local Capital Markets Investment Fund's Integrating Savings and Credit Initiative. We know from experience that when many of our clients apply for a loan they have difficulty bringing equity or collateral to the deal. By opening an Individual Development Account with our Asset Builders program, the client can make an equity infusion in their business, which will help them to qualify for a loan and grow their business.



Cumulative Impact on Business, Jobs and Financing

- 239 business assisted
- 496 jobs created or retained
- 38 business loans leveraged for \$2,217,939
- 14 Individual Development Accounts participants saved \$29,000 to finance their business

Businesses Created, Expanded or Retained



SUCCESS

Darcy Densmore started a custom-made cabinet business, Triple D Cabinets, in 2002. After her first six months of business, Darcy's sales were growing, but her profits were not, and she came to Good Faith Fund's Arkansas Women's Business Development Center to help her business.

ARWBDC referred her to Good Faith Fund's Asset Builders program where she opened an Individual Development Account at First National Bank of Phillips County and started saving to purchase additional equipment and expand her business. At the same time she completed Asset Builders' six-part economic skills training class.

ARWBDC also contracted with alt.Consulting to help Darcy incorporate a financial management system.

In 2003, Darcy hired two part-time sub-contractors and increased her profit from \$-2,183 to \$12,817, and she's projecting her sales to grow about 16% this year.

"alt.Consulting showed me how to target my marketing so that I could generate larger sales. As a result, my bottom line has grown tremendously," says Densmore.

Asset Builders



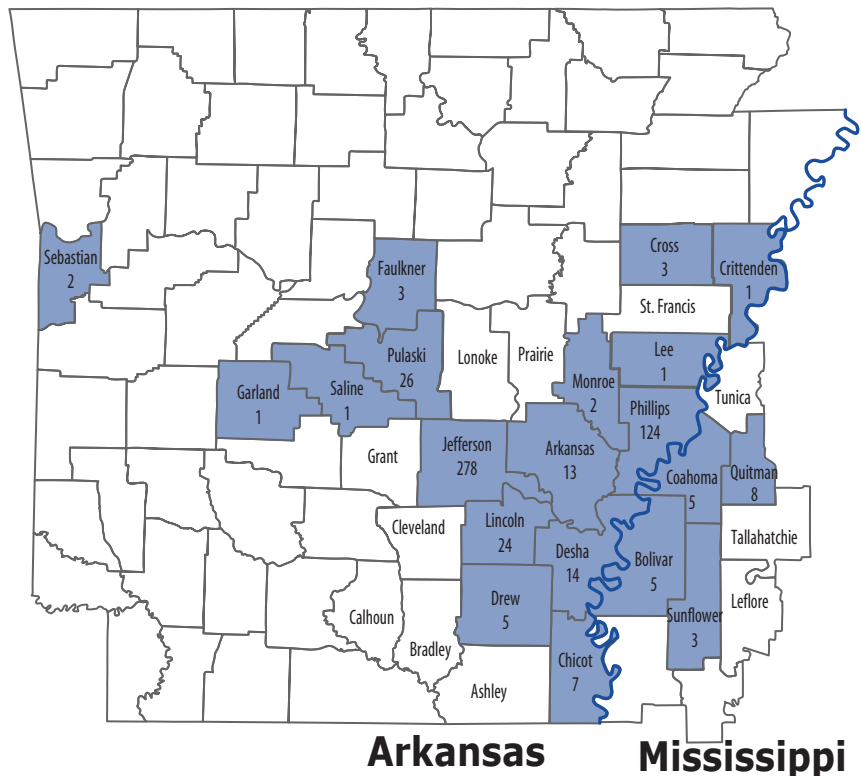
Asset Builders helps lift low-income families out of poverty by building personal assets through saving and investment. Saving that stimulates investment in homeownership, education and business creation has a positive impact on economic development and neighborhood stability.

Through our Individual Development Accounts and SEED accounts we are using new and innovative approaches by focusing not just on earning income but also on the long-term benefits of building assets that will help move low-income families into the middle class.

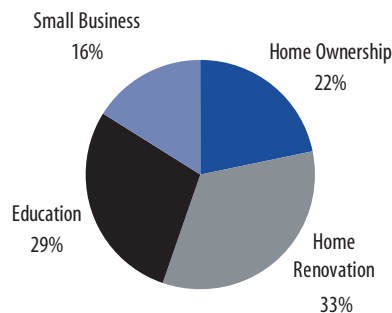
Who We Help

- 526 participants since 1999
- 85% are female
- 87% are African American
- 20% did not have a bank account when starting the program
- 42% have a household income under \$12K
- 44% have a household income between \$12K and \$24K
- 13% have household income above \$24K

IDA Participants by County



Type of Asset Purchased With IDA



Asset Type	Number Purchased
Home Ownership	40
Home Renovation	61
Education	53
Small Business	29
Total	183

Homeownership

Asset Builders participants have acquired more than \$1,941,909 in mortgage loans which has created equity, generated property tax for the community, and stabilized families, neighborhoods and the economy.



SUCCESS

Debra opened a SEED account for her daughter, Nia, when she was 4 years old.

Nia frequently gets money from her grandparents and ends up spending it on candy or toys. When Debra opened Nia's SEED account, Nia brought her own money to deposit in the account.

When the bank teller took her deposit, Nia started crying and didn't understand why the lady took her money away.

Her mom explained what a savings account was for, but Nia was still confused. The confusion didn't last long.

Now, Nia asks to be taken to the bank to put money in her "school" account.

Debra joined the SEED program because of the opportunity to jump start Nia's education.

Debra is looking forward to the day her child goes to college and is excited to be apart of a groundbreaking initiative that could lead to SEED-like accounts for all children in the United States.

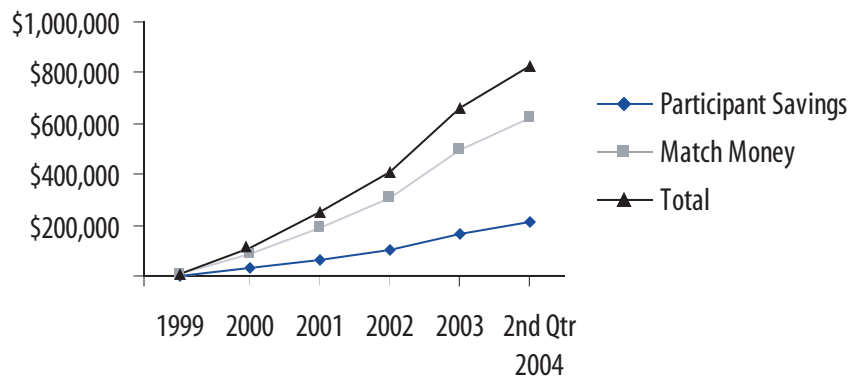
SEED Accounts

Good Faith Fund was one of nine organizations chosen from around the country to participate in a national children's savings initiative to test a publicly funded savings account for children, called SEED accounts—Saving for Education, Entrepreneurship, and Downpayment.

Good Faith Fund's SEED account is for pre-school children ages 3 and 4 in Helena, Arkansas. The accounts are seeded with an initial deposit of \$500 and a match of \$500 and grow over their lifetime, built by contributions from family, friends, and the children themselves.

Participants also receive a \$1 match for every \$1 saved. Account funds can be used by children only after they turn 18 and must be used to pursue higher education.

Cumulative Savings in IDA Accounts



Bank Partners

Arkansas

Pine Bluff: Simmons First National Bank, Bank of America;
 Helena: First National Bank of Phillips County; McGehee:
 McGehee Bank; Dumas: Simmons First National Bank,
 Merchants & Farmers Bank; Stuttgart: Farmers & Merchants
 Bank; Brinkley: Bank of Brinkley; Gillet: Planters and
 Merchants; Dermott: Simmons First National Bank; Lake
 Village: Simmons First National Bank

Mississippi

Ruleville: Delta Southern Bank

Industry Partners



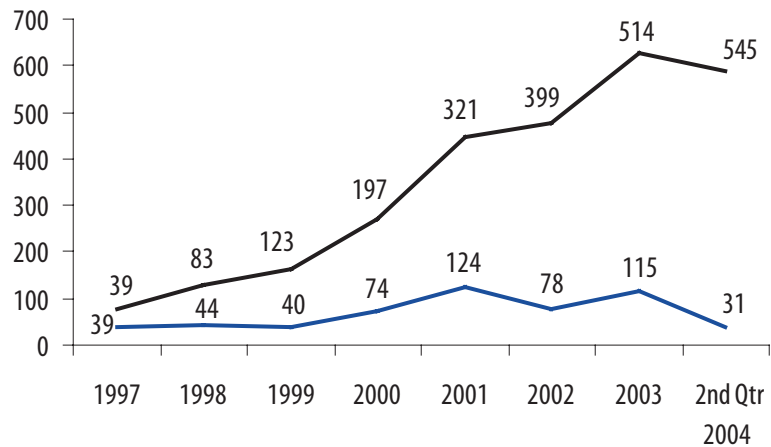
Industry Partners uses a career pathway approach to help move low-income adults up the career ladder. Our career pathways are a series of connected educational programs through our partnership with Southeast Arkansas College and Phillips Community College that enables students to combine school and work and advance over time to better jobs and higher levels of education and training.

Industry Partners is the connecting piece to help employers get the skilled workers they need and help low-income workers find careers with opportunities for advancement at wages that can support a family.

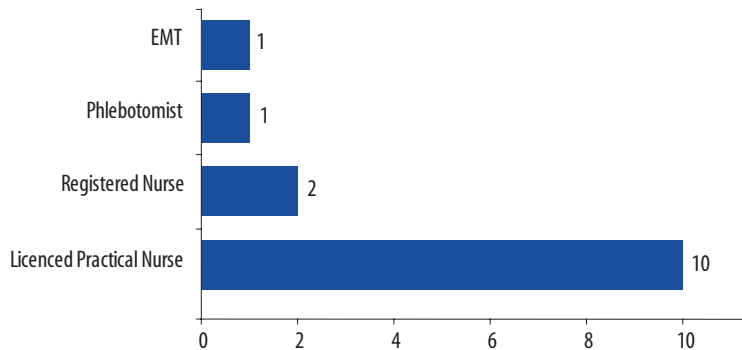
Who We Help

- 86% are ages 18-35
- 92% are female
- 83% are African American
- 26% lack a high school diploma or GED
- 70% have incomes under \$5,000
- 82% do not have a savings account
- 62% do not own a car
- 89% do not own a home

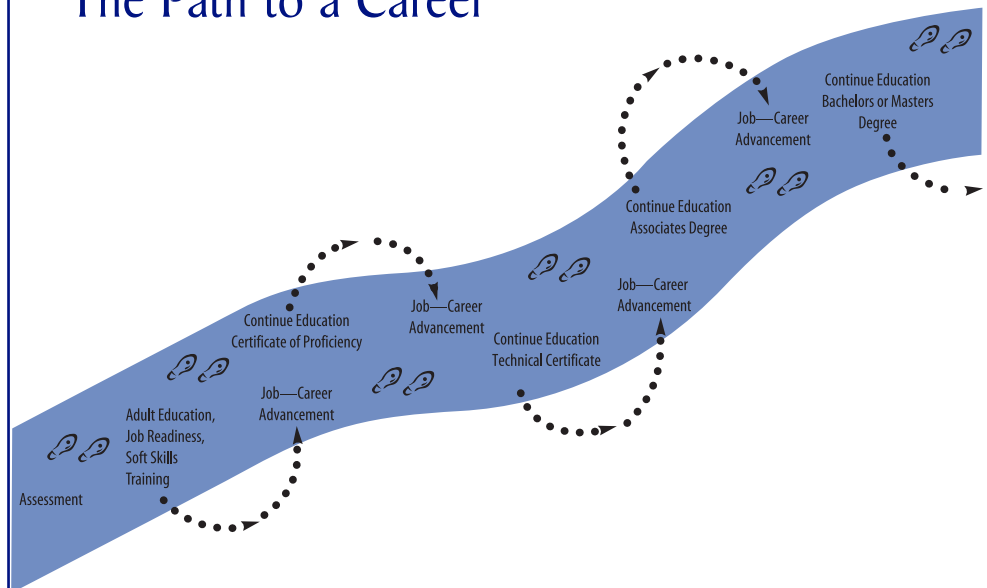
Nursing Assistant Graduates



Additional Career Pathway Graduates



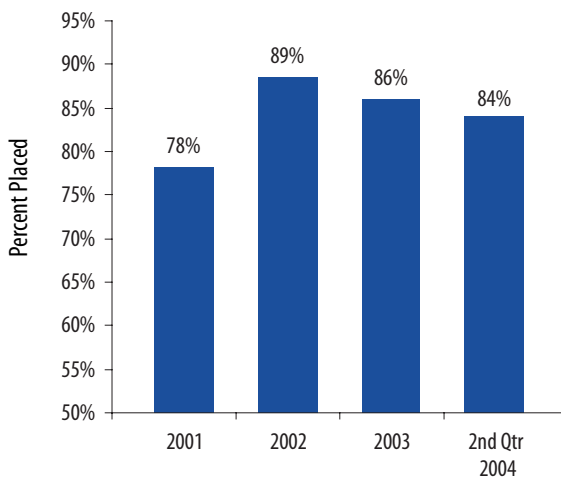
The Path to a Career



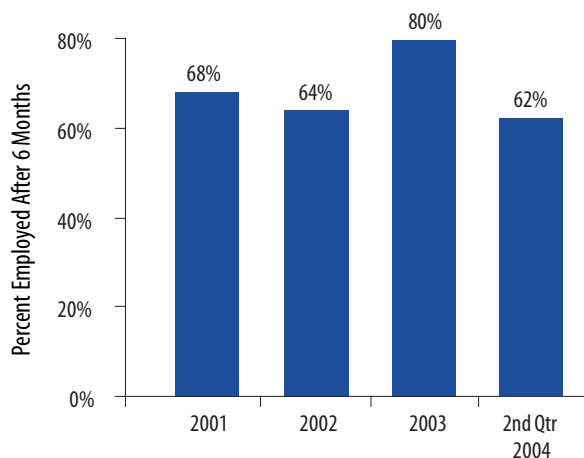
Career Paths Offered

- Business Administration
- Education
- EMT/Paramedic
- Manufacturing
- Nursing and Allied Health
- Welding

Job Placement: Percent of Graduates Placed in Jobs



Retention: Percent of Graduates Still Employed After 6 Months



SUCCESS

When 33 year old Linda Milton enrolled in Good Faith Fund's Industry Partners program, she wanted a new beginning in life and to start on a path to a rewarding career. Because of personal problems, Linda lost her job after working three years at a casino. She was forced to reapply for welfare to help provide for her and her two children, one of which was a high school student and teenage parent.

Linda was determined to turn a seemingly hopeless situation into a stepping stone to get into the nursing assistant field.

At Industry Partners, she set attainable short-term and long-term goals that served as a road map for her future. Against the odds, Linda completed her training and is a full-time employee at Crest Park Intermediate Care.

Things are looking much brighter for Linda these days. She is no longer on welfare and has a car. She is also proud to have achieved one of her goals—enrolling at Phillips Community College to earn her Licensed Practical Nursing degree. Linda has endured a lot but has accomplished so much because of her determination and her willpower to not quit.

Public Policy



The Public Policy program provides a unique complement to Good Faith Fund's other programs by working to change public policy that will improve the incomes and assets of working families.

How We Help

The Public Policy program develops and advocates for public policy change that:

- Expands access to quality education and training opportunities to help adults prepare for good jobs
- Develops more good job opportunities
- Supports and rewards continued employment among working adults
- Promotes the development of assets among working adults

This agenda represents a comprehensive policy strategy aimed at helping low-income families achieve greater career and financial success, which is a long-term solution to poverty.

National Pathways To Advancement Initiative

Arkansas has been selected to participate in the National Governor's Association (NGA) Pathways to Advancement Policy Academy. Good Faith Fund's Public Policy Program, in collaboration with the Arkansas Association of Two Year Colleges and the Arkansas Governor's Office, submitted the proposal to NGA on behalf of Arkansas.

Twenty-five states applied and Arkansas was one of eight states nationally selected to participate, and the only state from the South.

Participating states are expected to develop and implement strategies that increase enrollment in and completion of post-secondary education credentials among working adults, particularly low-income, low-skilled adults. A key strategy Arkansas will be pursuing is replicating the Career Pathways Pilot Project, which Good Faith Fund, Southeast Arkansas College and AATYC have collaborated to develop, at other two-year colleges in the state.

Other strategies include state policy changes that increase access to financial aid and other support services for adults enrolled in college and state policy changes that better enable key workforce education programs, such as the Workforce Investment Act, Temporary Assistance for Needy Families and Adult Education, to serve as feeder programs to college.

Coordinating Adult Education and Workforce Centers

Good Faith Fund worked with several state agencies to create the Arkansas Workforce Investment Board (AWIB)-Adult Education Study Committee. The committee's mission is to examine service coordination between adult education programs and the AWIB Workforce Centers across the state and to make state policy recommendations to improve the coordination of services.

The coordination of Adult Education Services and Workforce Center services is critical to providing effective, seamless training opportunities to the adult population in Arkansas, of which more than 20% do not have a high school diploma or GED. The committee will be issuing a report with state policy recommendations to the legislature and Governor's Office in the fall of 2004.



Arkansas Assets Coalition

Good Faith Fund is providing staff support to the Arkansas Assets Coalition, whose mission is to strengthen low-income individuals and families by providing financial education and improved opportunities to increase their assets.

The Coalition is statewide and represents 25 organizations that include current Individual Development Account (IDA) programs, emerging programs, and IDA stakeholders from around the state such as state and federal agencies, financial institutions, bank regulators, and corporations. Good Faith Fund offers one of the largest IDA programs in the state.

SUCCESS

Crowley's Ridge Development Council (CRDC), which serves residents in eight counties in northeast Arkansas, has been a member of the Arkansas Assets Coalition since attending the Coalition's asset development conference in September 2003. At that time, CRDC did not offer an IDA program but learned of other programs, best practices, and funding sources from attending the conference and becoming a member of the Coalition.

In March, CRDC was awarded a grant for operating and matching funds to start an IDA program. This grant will allow them to open 33 accounts. Wendy Alexander, program manager, credits the Coalition and Good Faith Fund with helping her organization in starting an IDA program. Wendy said, "being a member of the Coalition, we had access to those organizations already offering IDA programs in other parts of the state. We were able to learn from their successes and mistakes. Good Faith Fund's Asset Builders program was a great model for us to use in creating our program."

2003 Welfare Bill

In the 2003 legislative session, Good Faith Fund worked to make several important changes to the Arkansas Transitional Employment Assistance (TEA) program.

Those changes include:

- A dedication of \$12 million in TANF funds for child care
- Allowing TEA parents/caregivers to stay home to care for a child until the age of 12 months. To be eligible for the work exemption, the parent/caregiver must participate in a home-based or part-time center-based quality early learning program requiring parental involvement.
- Specific instructions on the replacement of TEA Board members by stipulating that vacancies will be filled in the same manner as the original appointment for the unexpired portion of the term.
- Establishing new outcome measures for TEA participants including those earning above 100% and 200% of poverty.
- Allowing vocational and post-secondary education alone to satisfy a TEA participant's required work activity, so long as a participant is doing at least 30 hours of school activities per week.

This last change is aimed at increasing enrollment in and completion of education and training activities among Arkansas' TEA participants.



goodfaithfund.org

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