

Changing Lives

A publication of Southern Good Faith Fund

Angela Duran – Nonprofit Executive of the Year

Southern Good Faith Fund (SGFF) is very pleased and proud to announce that our president, Angela Duran, was named Arkansas Business' 2006 Nonprofit Executive of the Year on February 22, 2007.

"I believe we're here on earth to give and to serve, and that's what I try to do," Angela says.

In his introduction, Jeff Hankins with Arkansas Business recognized that Angela became president of our organization four years ago during a time of economic crisis that required cuts in staff and programs, but that Angela met that challenge and led the effort that doubled the number of people that SGFF served at the same time.

Angela says the keys to success are hard work and a great team, and in accepting the award, she thanked her colleagues at SGFF, our parent company Southern Bancorp, Inc. and our fellow nonprofit affiliates Southern Financial Partners and Southern Property Corporation, whose hard work she said enables hers.

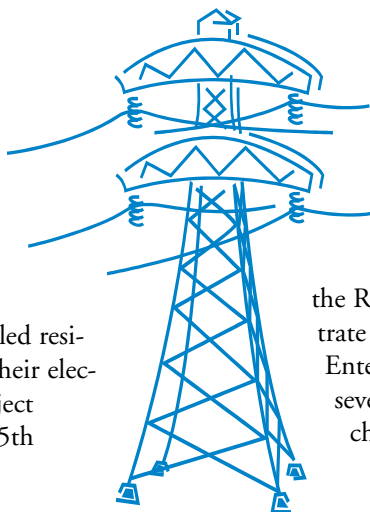
Angela also credits her parents, grandparents, and her attendance of Catholic schools in Little Rock for instilling her with the values that led to her inspiring career in service of our community.

"Most of all," Angela continued, the award was in honor and in tribute "to the thousands of families in the Delta that we've helped buy homes, start businesses, and go to college."



Project Deserve

This year, Southern Good Faith Fund became the administrative agency for Project Deserve, a fund established by Entergy Arkansas to help low income elderly or disabled residents of Arkansas pay their electric bills. In 2007, Project Deserve celebrates its 25th



year of service to needy Arkansans. For the past 24 years, the fund had been administered by the American Red Cross of Greater Arkansas. When the Red Cross decided to concentrate on their core mission, Entergy accepted proposals from several agencies, and ultimately chose SGFF.

Project Deserve is funded through the generosity of Entergy's customers, employees, share holders, and the general public. Assistance is provided as grants to clients, which are reflected on customer accounts as non-refundable credits. To date, SGFF has processed over 400 applications, with a total assistance granted of over \$100,000.

Pathways to Success: Terry Payton is Creating Opportunity

Southern Good Faith Fund's Career Pathways program helps adult learners realize their unique potential to make a better living for themselves and their families. The program also strengthens our communities by partnering with industry to develop the skilled workforce it needs to thrive. Our staff works with each student individually to develop a career plan, which includes short- and long-term milestones on their pathway to success in the high-demand fields of behavioral health technology, business, education, early childhood education, emergency medical services, industrial maintenance, manufacturing, nursing/allied health, and welding.

Terry Payton is an example of how the Career Pathways program works. A single father with two daughters, Terry moved to Helena-West Helena, Arkansas after Hurricane Katrina changed his plans for living in New Orleans. In April of 2006, he came to our Career Pathways office at Phillips Community College of the University of Arkansas (PCCUA) and our staff helped him plot his course, first with the short-term goals of earning his General Educational Development (GED) credential and finding a job that would support himself and his daughters. They also started working with Terry to help him realize his long-term goals of earning a college degree to pursue a chosen career.

By June, Terry had completed his Adult Education requirements and earned his GED, so the first of his goals were accomplished. Then, Career Pathways Career Consultant Deborah Gentry helped Terry update his resume and made calls to local companies based on his experience. She contacted BPS, Inc.,



In just over a year, Terry Payton went from a single father without a high school diploma to earning his GED and becoming a college student.

a company that packages chemically-based agricultural products, and learned of an opening. Terry got the job, accomplishing the next step on his path to realizing his dream.

Terry continues work toward reaching his long-term goals. With his immediate qualifications and job secure, in August of 2006 Terry began college courses at PCCUA in Network Technology, his career choice. By September, he accomplished his next step by completing and receiving a Certificate of Achievement in Introduction to Computers; by December he'd successfully completed his first semester as a college student.

Our staff recognizes that adult students, especially those with children, can face unique challenges along the way toward

realizing their career dreams, so our program is flexible enough to keep them on course and not allow obstacles to become roadblocks to their success. For example, Terry chose not to take classes this spring, but remains gainfully employed and is preparing to resume his college career in the fall, working toward his ultimate career.

The Career Pathways program that we developed with our valued partners at Southeast Arkansas College (SEARK) in Pine Bluff and PCCUA in Helena-West Helena, has been so successful that it served as the model for the Arkansas Career Pathways Program now being developed in community colleges across the state through the Arkansas Department of Higher Education.

Our Mission

Southern Good Faith Fund, a 501(c)(3) non-profit organization and an affiliate of Southern Bancorp, is committed to increasing incomes and assets of low-income and low-skilled residents in rural communities.

Legislative Action

Southern Good Faith Fund's Public Policy program is pursuing several initiatives during this year's legislative session to increase asset building opportunities for working Arkansans.

A key priority is increasing funding for the state's Individual Development Account (IDA) program. The state's IDA program is funded with federal Temporary Assistance for Needy Families (TANF) dollars. IDAs are matched savings accounts to help low-income families save for the purchase or repair of a home, a business, or a college education. For every \$1 an IDA account holder saves, a \$3 match is provided, up to \$2,000.

The current annual appropriation for IDAs is \$550,000. At this funding level IDAs are not accessible statewide or in every county. Currently, four organizations offer TANF-funded IDA accounts in 36 of the state's 75 counties.

TANF funds for IDAs are appropriated to the Arkansas Department of Workforce Services with approval by the state Transitional Employment Assistance (TEA) Board. Based on a proposal to expand IDAs statewide prepared by the Arkansas Assets Coalition, the TEA Board on January 24, 2007, voted to more than triple the state's IDA appropriation, to \$1.7 million annually.

Following the TEA Board's recommendation, the Department of Workforce Services appropriation bill for the next two fiscal years increases the line item for IDA funding to \$1.7 million per fiscal year. Over the next biennium (July 1, 2007, through June 30, 2009), the IDA appropriation would total \$3.4 million.

SGFF's Policy Program in conjunction with the Arkansas Assets Coalition, a network of IDA providers, has recruited new organizations that have expressed an interest in providing IDAs should more funding become available. Also, all of the existing providers can expand their reach with additional funding; several providers currently have participant waiting lists.

Another key asset-building initiative is the Aspiring Scholars Matching Grant Program, which adds a matched savings component for low-income account-holders to Arkansas' 529 College Savings Plan. Senate Bill 822 would authorize the state Section 529 Review Committee to develop and implement the Aspiring Scholars Matching Grant Program using funds the state collects from administration of 529 accounts. The Arkansas Department of Higher Education has agreed to administer the program.

The lead sponsor of Senate Bill 822 is Senator Gilbert Baker of Conway, a member of the Senate Education Committee. Co-sponsors include Senator Jim Argue of Little Rock, Chairman of the Senate Education Committee, and Representative Mike Kenney of Siloam Springs, Chairman of the House Education Committee.

Like every state, Arkansas has a 529 college savings plan, named for the section of the Internal Revenue Service Code under which these plans are authorized. Arkansas' plan is named the Gift Plan. In 1996 Congress authorized 529 college savings plans to enable contributions to a savings account with tax-free earnings to pay for qualified college expenses. The investment earnings from these savings accounts are not subject to federal or state income taxes. In Arkansas, taxpayers can take a state income tax deduction of up to \$5,000 per tax year for contributions to Arkansas' 529 plan.

Although 529 plans are an increasingly popular college savings strategy, they are largely a strategy for middle and upper-

income households—those with an ability to save enough to make the plans a useful college savings strategy. To enable lower-income households to benefit from 529 plans, some states offer an incentive in the form of a savings match grant, which matches, within limits, the contributions families are able to make on their own.

Savings match grants make 529 plan participation possible and worthwhile as a savings tool for families with limited



Mike Leach (back left), director of Southern Good Faith Fund's Public Policy program, listens to a legislative update report at the state capitol.

capacity to save on their own. Savings match grants are ways to turn a 529 plan into a need-based financial aid program. Such incentives enable and encourage lower incomes families to use 529 plans as college saving tool.

Seven states currently offer a savings match grant as part of their 529 plans: Louisiana, Colorado, Maine, Michigan, Minnesota, Rhode Island, and Utah.

Savings match grants are a highly efficient way for states to invest in need-based financial aid. Savings match grants, particularly if deposited early in a beneficiary's life, can leverage the investment earnings potential of the financial markets to grow exponentially in value. No other state financial aid program offers such leverage.

Annual Fund

Thank you very much for your continued contributions to our Annual Fund. We appreciate everyone who has given so generously by mail, during our special events, and by secure online payments using our form at www.southern-goodfaithfund.org.

We also continue to be very excited about your opportunity to contribute to our Asset Builders IDA program and qualify to receive a tax credit of up to 50 percent of your total donation in addition to the tax deduction you'll receive. Watch the mail for more information, call us, or e-mail us at info@southernngff.org.

Did you know you could receive up to a 50% tax credit and a tax deduction just for doing good? Call us for details!

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