

Mission Statement

***Transform rural Southern communities by creating new educational and economic opportunities for people with limited resources.***

*Our goals are to increase educational attainment, decrease unemployment, and reduce poverty. We accomplish these goals through comprehensive community development, human development, financial services, and public policy change.*



Southern works to revitalize the rural mid-South by building communities and changing lives. Most of our communities are located in the Mississippi Delta with a legacy of long term poverty, economic decline, loss of population and many other severe challenges.

Southern **builds communities** through a comprehensive community-driven strategic planning process that helps residents create and then build local capacity to implement a shared vision for economic recovery. Southern **changes lives** by directly helping individuals and families build educational, financial, and material assets so they can create better futures for themselves and their families. Southern works to magnify the impact of these efforts by seeking proactive public policy change and providing nontraditional financing to businesses with potential to create jobs and invest in their communities. By building on the financial, social, and human capital that Southern provides, targeted communities can become engines that drive revitalization in surrounding communities and across regions.

Southern is a community development financial institution and a 501c3 nonprofit affiliate of Southern Bancorp (SBI), one of America's largest community development banks. With resources available to Southern through this long-term partnership, Southern implements its revitalization activities in communities where SBI has a bank presence. Southern's targets three transformational goals: reducing poverty, decreasing unemployment, and increasing educational attainment in the targeted communities over the next generation.

Southern's award-winning strategic community planning effort engages local residents, business leaders, and other stakeholders in creating a shared vision for revitalization. Southern's staff then works with local leaders

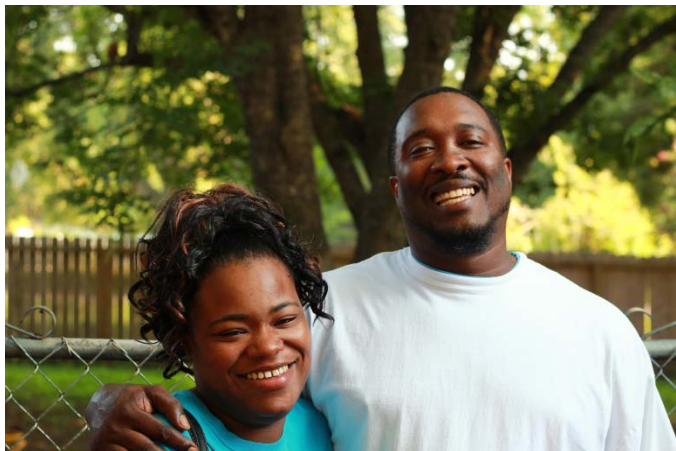
until the goals are achieved and the community begins to turn around. Southern fuels this process by leveraging public and private funding and providing loans and grants to achieve community goals.

Southern also offers programs that help low- and moderate-income families build income and assets, such as matched savings accounts, financial literacy education, and housing and credit counseling. These programs help families to improve financial stability, buy and maintain homes, start businesses, and attend college. Southern's volunteer tax assistance provides thousands of low-income families quality tax preparation services that maximize use of Earned Income Tax and other credits. Successful public policy initiatives, such as putting an end to payday lending in Arkansas and creation of a state Housing Trust Fund, expand Southern's impact exponentially throughout the region.

Over the last seven years, Southern has generated more than \$155 million in funding and over \$3 billion in cumulative bank loans in distressed Delta markets, providing capital for new and expanding business, school improvement models, increased access to healthcare services, and other community-initiated enhancements.

Southern's efforts have proven so successful in Phillips County and Clark County, Arkansas that Southern also initiated its strategic development process in Coahoma County, Mississippi. Focused on measuring the impact of its efforts, Southern established a social metrics program that tracks critical indicators related to its three transformational goals and foster continual program improvement. Southern's efforts have already gained national recognition from organizations as diverse as the Council on Foundations, Bloomberg's *BusinessWeek*, Corporation for Enterprise Development, the Annie E. Casey Foundation, and the American Bankers Association.

Southern's vision is to expand this model to additional communities in the next twenty years, creating a strategic cluster of revitalized communities and transforming the region spanning from northeast Arkansas to the Gulf Coast. By focusing on particular pivotal communities, rather than spreading its efforts across a vast region, Southern concentrates its resources to achieve maximum impact.



### Nonprofit Merger

For more than twenty years, Southern Good Faith Fund (SGFF) and Southern Bancorp Capital Partners (SBCP) have worked to provide critical community development, asset building and public policy services in the rural South. These organizations have operated with separate structures, missions, and goals, with SBCP providing financial capital and development assistance to communities and SGFF providing wealth and asset building services to individuals and families.

Over recent years, Southern's nonprofit entities have united under a common vision of reducing poverty, decreasing unemployment, and increasing educational attainment in its targeted communities over the next generation. Realignment of the programmatic and administrative aspects of these already closely aligned nonprofits will have multiple benefits not only for building communities and changing lives, but also for nonprofit cohesiveness and functionality.

***Better alignment of nonprofit activities with Southern's goals:*** The complementary missions, programs, and activities of the two nonprofits are already closely aligned. SBCP builds communities through broad-based community development efforts and financial capital for business creation and growth, through loans, grants, and business ventures. SGFF changes lives by enabling families to improve their financial stability, begin

businesses, purchase and improve homes, and invest in a college education. People with increased financial literacy and good credit scores are also more likely to be good candidates for loans, better jobs, and success in private business ventures which enhance the local economy.

Because the families SGFF serves are part of the communities SBCP serves, Southern's efforts are magnified; creating increased opportunities for families and communities to succeed. For example, the Volunteer Income Tax Assistance (VITA) site in Coahoma County, which began in 2006, experienced very slow growth despite having the same marketing support as other VITA sites, taking four years to reach 35 clients. During the 2010 tax season, 70 taxpayers were served. Just as the VITA program was ending in April 2010, SBCP began community development efforts in Coahoma County and in September, SGFF opened its Clarksdale office. The energetic presence of Southern staff networking extensively throughout the community to lay a strong foundation for community planning and asset building services, resulted in a dramatic growth of VITA clients, with 199 served in the 2011 tax season—a 250 percent increase over the 2010 tax season.

Alignment addresses the weakness of each program when standing alone. Reaching low-income clients with SGFF's asset building services often takes years to reach scale in distressed markets. Affiliation with SBCP's comprehensive programs ramps up the timeline to scale and magnifies social and economic impact. Conversely, standing alone SBCP program is a "middle out" approach and takes years to reach and empower low-income populations even though representatives of these populations participate in the strategic planning process. SGFF's connection with low-income populations will promote an increased "grassroots" participation in the comprehensive program. The coordination of lending, community development, and individual empowerment efforts accelerates the timeline to achieving reduction of poverty and unemployment.



Consolidation of these organizations will also enable full alignment of programmatic efforts, further maximizing the impact in all of our communities. Consolidating organizational staff under a comprehensive umbrella will foster increased understanding and internalization of their interconnected roles in building communities and changing lives. Merging diverse staff under a single mission will encourage greater communication, collaboration, creativity, cohesiveness, and productivity.

**Increased Operational Efficiency:** A merger between SBCP and SGFF will maximize the efficient use of resources by reducing redundancy of administrative processes, policies, and procedures inherent in maintaining separate entities. While some expenses, such as required office space, would not necessarily change, other administrative costs could be effectively reduced through shared resources.

**Simplified Organizational Structure:** The consolidation of these two nonprofits would also provide the opportunity to streamline the organizational structure while maintaining current staff. By combining two groups of diverse and experienced staff, a richer array of talents is available to both community and individual programs. New opportunities arise for adjusting job responsibilities and supervisory lines for maximum effectiveness.