

**Federal Reserve Bank of St. Louis
Investment Connection Proposal**



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Organization Name	RISE Foundation, Inc.
Mission statement	The Mission of RISE is to help people to become self-sufficient by building and sustaining human and financial assets.
Overview of Organization	<p>(Responsibility, Initiatives, Solutions, Empowerment) is a nonprofit organization founded by the Community Foundation of Greater Memphis, Memphis Housing Authority and United Way of the Mid-South in October of 1999 to assist Memphis public housing residents in achieving self-sufficiency.</p> <p>During the past 17 years, RISE has developed a reputation for being able to reach out successfully to our city’s least able population – public housing residents. Save Up, our signature Individual Development Account (IDA) initiative, has helped employed Memphis Housing Authority residents and other low-income workers to learn how to repair credit and save money they can later use to purchase a home, education, a vehicle or start a small business. RISE matches every dollar saved by residents with an additional two dollars up to a total of \$3,000 (savings plus match). To date, 768 working families have successfully completed financial literacy classes, used their knowledge to save money and eventually accumulate savings and/or assets worth over \$8 m. Following the classes, 85% of program participants continue to use the skills learned to make the best use of their financial resources, acquire additional assets on their own and become taxpayers rather than receive benefits of tax dollars.</p>

Goal Card, a program launched in 2003, focuses specifically on students living in zip code 38126 and 38114, where students from the highest concentration of low-income families are enrolled. The incentive-based program focuses on goal-setting and improvement in grades, conduct and attendance. As students earn points for accomplishing their goals, they can either redeem for specific items offered each six-week period or bank points for future redemptions. Incentives include gift cards, small electronic items and toys. As of January 2017, 425+ students are regularly participating members of Goal Card. In addition to out-performing their peers in elementary and middle school, Goal Card high school students have a 90% graduation rate.

Common Cents, a workplace financial education program, was launched in 2007 in response to broad based concern about poor credit and bankruptcy issues in the Memphis area. Common Cents offers area employers the opportunity to give hourly workers the gift of financial literacy and in doing so increase productivity, decrease absenteeism and create greater workforce productivity. The curriculum features topics such as banking, budgeting and spending strategies and debt management. We have also included a financial empowerment program for senior citizens through the establishment of financial learning circle for seniors, led by seniors and trained by RISE staff through the Silver Neighbors (SN) program that was established in 2012. Silver Neighbors serves over 1,300+ seniors annually. This program also provides information about and partners with the Coordinated Response to Elder Abuse (CREA) Initiative designed to keep seniors safe from physical, emotional and financial harm.

RISE has charted a growth course. RISE believes that without financial literacy skills, financially vulnerable individuals in our community will never be able to accumulate family assets and more importantly will never enjoy the freedom and security of having improved life choices. For many wage earner families, the inability to make good financial choices is less a failure of will and more a failure of circumstance.

An investment in RISE is an investment in the future of Memphis. We have proven that it pays dividends to give people the tools they need to become and remain self-sufficient rather than pay for social services that only treat the symptoms. When the cycle of generational poverty is

	broken, we all win in terms of decreased crime, increased productivity, lower healthcare costs and more engaged citizens.
Website	www.risememphis.org
Location of project/activity	Memphis; Shelby County
Project/proposal title	RISE Save Up
Support request	Investment /Grant
Requested amount	\$228,750
Other significant partners in the proposal	<p>RISE is actively involved in a Collaborative that uses the "Transition To Success"(TTS) model to help families move from low income situations to those where they are self-sufficient. Some of the TTS organizations focus on workforce development whereas RISE focus on helping families to make better financial decisions. As a result of this effort, RISE will focus more intentionally on a neighborhood in North Memphis through the Neighborhood Christian Center as well as Memphis Hope - Urban Strategies, that has been involved in the re-location of families from public housing who are not place in four different zones in Shelby County. RISE will work with the two organizations to determine if Save Up can be equally as affective in a neighborhood as well as with displaced residents from the inner city.</p> <p>This strategy comparisons will provided data relative to the best way to focus the Save Up program in order to have the most successful outcomes.</p>
Proposal narrative	<p>The RISE Save Up program has the capacity to serve 80 new program participants each year. The additional funds requested, will allow for additional staff to double that number and provide matching funds (\$2,000) for maximum savings (\$1,000) by each participant. It is hoped that with this proposal RISE will be able to also look at implementation of the program in specific neighborhoods (38107 with the Neighborhood Christian Center and specific areas where Urban Strategies has participants displaced by the Choice Neighborhood Grant - some of these residents will move back to South City prepared to help in the revitalization of their old neighborhood).</p> <p>The Save Up program starts with an orientation for each class (class sizes are never more than 25). In the past, each time an orientation is held, there are participants who must go on a waiting list. With this proposal, we hope to reduce the number on the waiting list and provide for some targeted neighborhood development with residents capable of making sound financial choices and decisions. After income, identity and legal address of each participant</p>

	<p>is verified, the applications are reviewed based on the asset that they want to purchase. If a participant is interested in purchasing a home, a credit score of 580 is required. This is set based on the approximate amount of time the participant would have to increase their credit score to qualify for a “good” mortgage with a low interest rate. Other asset goals can be considered (e.g. computer, additional education, micro-enterprise) if homeownership is not possible at the time of enrollment.</p> <p>Participants are provided financial literacy classes for one night (three hours each night) a week for six weeks. Homework assignments given to be returned to class each week.</p> <p>At the end of the financial literacy class, each participant opens a savings account; and based on their spending plan and revenue charts, commits to saving between \$25 to \$100 each month. The plans produced in class must support the participants saving plan. Also, on the last night of class, there is a graduation with words of inspiration by either a RISE Board member, former Save Up participant, or a celebrity guest to boost their desire to reach their asset goal.</p> <p>The next phase is the “ Savings Component”. RISE staff make monthly contact with every participant and must see them face to face once each quarter. Also, participants must participate in Quarterly Savings Club meetings that covers topics to make their journey easier as it relates to saving money (e.g. providing nutritious meals on a shoe string budget, “How to effectively use coupons”, “The Dos and Don’ts of purchasing a Used Automobile” etc.)</p> <p>The last phase involves preparing for the asset purchase. All individuals with home ownership must attend a Home Buyers Class and all Micro Enterprise savers must go through training that will produce a business plan as well as applying for and securing all legal requirements for new business owners.</p> <p>RISE staff and the banking representatives may also seek out and secure additional training based on the needs of Save Up participants. The result is a banked participant who has purchased their asset goal. The key to success of the Save Up program is the Financial Coaching that is woven throughout the program to engage and support each participant.</p>
Issues addressed	Financial access, capability and empowerment; Neighborhood revitalization and stabilization
Geographic impact	Neighborhoods
Population served	Families served in this program must be residents of Shelby County and meet income standards as well as be

	employed.
Income of population served	All participants in this program must be employed either full or part-time; live in public housing or have a "Section 8" voucher and/or qualify for the Earned Income Tax Credit as well as be below 80% of the median income as set by Federal Government.
Anticipated outcomes/impact	<ul style="list-style-type: none"> • All participants will have, use and understand how to use banking products provided by Financial Institutions. Participants will move from being unbanked to being banked citizens in the community. • Program participants will develop a strong habit of savings and have one for asset purchases as well as one for emergency situations. • 100% of participants who complete the financial literacy portion of the program will open a savings accounts. These savings accounts will be specifically for their first asset purchase (a realistic asset goal will be set during the first phase of participation). • After successfully exiting the program, participants will continue to use financial skills and techniques learned as part of their normal way of managing their finances and will move forward in making additional asset purchases for their families. • The knowledge gained in financial management will be passed on to their children and others in their circle of influence, who see the positive evidence of sound financial management.
Evaluation methods used to measure success	<ul style="list-style-type: none"> • Prior to beginning the financial literacy classes, each participant is given a pre-test. After the last class session, a post-test is given to determine knowledge gain during the class • Banking Partners are invited into the last session to open savings accounts. All participants must open a savings account (some may also open checking accounts but this is not required) • Financial Coaches review deposits each month to make sure that deposits have been made. If someone is having problems, the staff talks through the situation and tries to help the participant realize that they will not be eligible for their 2:1 match if the deposit is not made. • To receive the \$2 for every \$1 matching funds, participants must purchase the assets. These purchases are coordinated by the Program Coordinators/financial coach. • Annually RISE sends out a financial survey to previous program participants asking questions about their continued use of skills gained during the program and if additional asset purchases are made.

	<ul style="list-style-type: none"> • One longitudinal study has been completed by the University of Memphis and another one will be completed when funds are available to determine long term in pack of the program <p>It i hopefully that this expansion of Save Up will occur at the beginning of the calendar year, 2018 and continue through 2019 (two years)</p>
Project time frame	Existing Program