INDEX

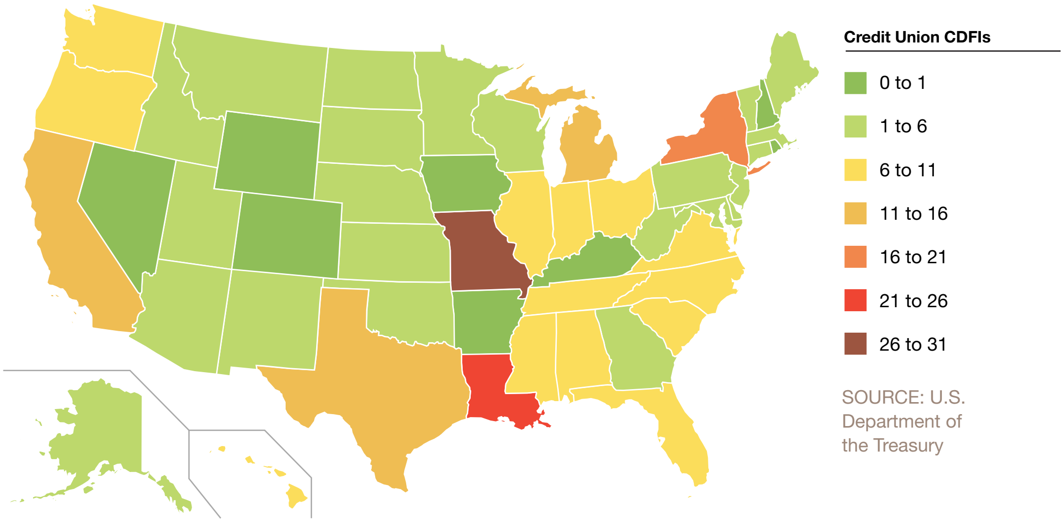
Innovative Credit Union Association Expands Access to Capital

By Michael C. Eggleston

Walking down West Florissant Ave. in Ferguson, Mo.—ground zero last fall for the social unrest that resulted in several small businesses being damaged and looted—one would not immediately know that a local credit union played a role in deploying much-needed capital that is helping to restore the business district. But that's exactly what happened when Alliance Credit Union disbursed loans, each one totaling $5,000, to 20 small-business owners in the area just hours after the unrest occurred. Frank Evans, human resources director for Alliance, remarked, "We made these loans with zero percent interest and asked very few questions, other than to ensure the person we were talking to owned the business. We were able to disburse the loans in as little as 30 minutes." It seems like a scene straight out of "It's a Wonderful Life!"

So, how could a relatively small credit union afford to make these types of loans with so much uncertainty as to whether they would be paid back? Four simple words—Community Development Finance Institution (CDFI). In 2012, Alliance acquired its CDFI certification from the U.S. Department of the Treasury; shortly thereafter, it received an $875,000 grant from Treasury to jumpstart its newly formed CDFI. Alliance made the decision to use the funds for a loan loss reserve, allowing it to expand the credit profile of its members looking for auto, personal and small-business loans. In the aftermath of the unrest in Ferguson, Alliance—based on the number of loans it had made up to that point using the loan loss reserve as a backstop—had the flexibility to use $100,000 of its grant to assist small-business owners in the city. Although Alliance fully

>> continued on Page 3



SOURCE: U.S. Department of the Treasury

bridges

Bridges is a quarterly publication of the Community Development Office of the Federal Reserve Bank of St. Louis. It is intended to inform bankers, community development organizations, representatives of state and local government agencies and others in the Eighth District about current issues and initiatives in community and economic development. The Eighth District includes the state of Arkansas and parts of Illinois, Indiana, Kentucky, Mississippi, Missouri and Tennessee.

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Calendar

SEPTEMBER

23 Investing in Asset-Building Strategies: A Funders' Forum
Little Rock, Ark.

Sponsors: Federal Reserve Bank of St. Louis, Winthrop Rockefeller Foundation, Asset Funders Network
Contact: Drew Pack at andrew.a.pack@stls.frb.org

23 The Demographics of Wealth
Clinton School of Public Service, Little Rock, Ark.

Sponsors: Federal Reserve Bank of St. Louis, Clinton School of Public Service
Contact: Drew Pack at andrew.a.pack@stls.frb.org

23 The Demographics of Wealth: How Age, Education and Race Separate Thrivers from Strugglers in Today's Economy
Memphis, Tenn.

Sponsor: Federal Reserve Bank of St. Louis
Visit: www.cvent.com/d/zrq5zv/4W

24 The Demographics of Wealth: How Age, Education and Race Separate Thrivers from Strugglers in Today's Economy
Oxford, Miss.

Sponsors: Federal Reserve Bank of St. Louis, The University of Mississippi
Visit: www.cvent.com/d/zrq5zv/4W

29 Connecting Communities—Small Businesses' Perceptions and Understanding of Online Alternative Loan Products: Findings from Online Focus Groups
Webinar

Sponsor: Federal Reserve System
Visit: https://bsr.stlouisfed.org/connectingcommunities/

OCTOBER

1 Food Entrepreneurship: A Proven Approach To Build Your Local Economy and Jobs
Exploring Innovation in Community Development Webinar

Sponsor: Federal Reserve Bank of St. Louis
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7 The Role of Education in Wealth Accumulation
Carbondale, Ill.

Sponsor: Federal Reserve Bank of St. Louis
Visit: www.cvent.com/d/drqg73/4W

7-8 529s and Child Savings Accounts: New Strategies To Promote Savings and Development for America's Children
St. Louis, Mo.

Sponsors: Federal Reserve Bank of St. Louis, Washington University in St. Louis
Visit: www.cvent.com/d/8rq4xv/4W

14 Communities. Downtowns. Places. Our Identities.
Carmel, Ind.

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Visit: www.impa.com/downtown

21-22 2015 Arkansas Community Development Conference
Conway, Ark.

Sponsor: Arkansas Community Development Society
Visit: www.arcds.org

26-27 Financial Literacy Leadership Conference: Financial Decision-Making
Washington, D.C.

Sponsor: Society for Financial Education & Professional Development Inc.
Visit: http://sfepd.org/

30 **Community Reinvestment Act Roundtable**
Jonesboro, Ark.

Sponsors: Federal Reserve Bank of St. Louis, East Arkansas Planning and Development District
Contact: Drew Pack at andrew.a.pack@stls.frb.org

NOVEMBER

3 **The Demographics of Wealth: How Age, Education and Race Separate Thrivers from Strugglers in Today's Economy**
St. Louis, Mo.

Sponsor: Federal Reserve Bank of St. Louis
Contact: Mike Eggleston at michael.c.eggleston@stls.frb.org

5 **Rural Housing**
Exploring Innovation in Community Development Webinar

Sponsors: Federal Reserve Bank of St. Louis, USDA
Contact: Kathy Moore Cowan at kathy.m.cowan@stls.frb.org

FEBRUARY

7-10 SAVE THE DATE
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Los Angeles, Calif.

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Calendar—*Expanded content*

Innovative Credit Union Association

>> continued from Page 1

expected that half of the money it lent would not be repaid, nine months later 18 of the 20 business owners are making on-time payments, one is delinquent and one went out of business.

As for the remainder of the CDFI grant Alliance received from Treasury, the credit union has leveraged those funds to make auto loans of more than \$2 million, personal loans of more than \$100,000 and small-business loans of more than \$100,000—all by taking a chance on individuals and businesses that they would likely not have taken a chance on in the past, based on credit profiles. While this is extremely impressive, it would not have happened without the leadership of the Missouri Credit Union Association (MCUA) and the Missouri Credit Union Charitable Foundation (MCUCF).

> "Missouri now leads the nation when it comes to the number of CDFIs that are a credit union."

Nearly four years ago, MCUA and MCUCF took steps to address insufficient access to capital for struggling individuals and communities across the state of Missouri. To address this problem, MCUA began an effort to educate its members on the benefits of becoming a CDFI. For those interested, MCUCF helped them receive CDFI certification from Treasury. Over the course of two separate cohorts in just three years, MCUA and MCUCF's CDFI initiative has helped 23 credit unions become certified, with eight receiving cash and technical assistance totaling more than \$7 million. According to Maria Langston, vice president of community service for MCUA, "The CDFI certification is a pathway for credit unions to support their members with this vision as it helps to provide enhanced services, loans and much-needed education programs to benefit low- and moderate-income members."

MCUA and MCUCF did not stop with CDFI certification. They continued to help some of their newly designated CDFI members, including Alliance, secure financial and technical assistance from Treasury. Missouri, though only the 18th most populous state, now leads the nation when it comes to the number of CDFIs that are a credit union—a total of 27 across the state.

Going forward, MCUA and MCUCF will continue to work with their existing CDFI-certified members to provide training and resources as well as supporting recertification efforts. Additionally, MCUA will strategically identify more credit unions that can be assisted with seeking CDFI certification.

For more information about MCUA's CDFI initiative, please contact Maria Langston at mlangston@mcua.org. For information on CDFIs, visit www.Fedcommunities.org. And be on the lookout for an Eighth District CDFI directory that will be released in fall 2015.

Michael C. Eggleston is a community development specialist at the Federal Reserve Bank of St. Louis.

Better Homes, Better Loans: Better Business

By Stacey Epperson

History shows that it doesn't pay to stand still. While many may scoff at the idea that innovation is taking place within the manufactured housing industry, it truly is.

At its core, manufactured housing revolutionizes the traditional concept of homebuilding. The economies of scale and volume created allow the industry to build better, faster and at a lower cost than is possible using traditional building methods.

FIGURE 1: Pre-HUD Code mobile home in Kentucky. Source: Next Step.

FIGURE 2: High-performance manufactured home prototype in Bothell, Wash., developed by Community Frameworks, a Next Step Network member, in partnership with Habitat for Humanity–King County. Source: Habitat for Humanity.

In Kentucky, manufactured homes represent an important source of affordable housing for low- and moderate-income (LMI) families, accounting for 14 percent of the state's overall residential stock. However, an estimated 85,000 of these homes were built before 1976, when the federal building code for manufactured homes (the HUD Code) went into effect.

This aging and deteriorating housing stock presents many concerns for families living in these homes (see Figure 1), including energy costs that can make up an excessive portion of their household budget. A report by the American Council for an Energy-Efficient Economy (ACEEE) found that owners of manufactured homes typically spend twice as much on energy as owners of site-built homes,[1] paying $200-$400 for utility bills in the summer and $400-$800 in the winter.

Yet over the last five years, less than one percent of the 2,000 manufactured homes sold each year in Kentucky were certified as ENERGY STAR homes. Those without this certification are more expensive to own and operate and, as a result, place undue strain on LMI families who could benefit most from energy cost savings.

Despite these challenges, manufactured homes have the potential to be more energy-efficient than traditional site-built homes—and at a lower cost—by using high-efficiency building techniques and by maximizing the industry's economies of scale and volume purchase.

Manufactured housing is positioned to be a leader in energy efficiency. New products are being tested and introduced to the market that truly raise the bar. Some innovators in the field include Modular Lifestyles, Systems Building Research Alliance and Next Step® Network members (e.g., Community Frameworks and Affordable Housing Alliance). (See Figure 2.)

However, widespread adoption of energy efficiency in the marketplace has not been achieved; we hope to change that with a new program called SmartMH℠ KY. (See Figure 3.)

Over the past year, Next Step Network convened a diverse group of stakeholders—the SmartMH KY Alliance (the Alliance)—to investigate this potential and present a solution. The Alliance is a partnership of the manufactured housing industry, lenders, retailers, utilities, nonprofits and public stakeholders. Partners include:

- Kentucky Housing Corporation (KHC)
- CU Factory Built Lending
- Systems Building Research Alliance
- Kentucky Manufactured Housing Institute
- Next Step Network

The program developed with the Alliance is two-fold; it includes ENERGY STAR upgrades on manufactured homes and quality financing options for buyers.

The upgrade program is administered by the Systems Building Research Alliance. Backed by incentives from the East Kentucky Power Cooperative, Tennessee Valley Authority and Kentucky Housing Corp., participating factories are offering

ENERGY STAR upgrades on manufactured homes to Kentucky homebuyers at or near zero cost.

Homeowners need this program, for reasons beyond the inevitable move toward increased energy efficiency. ENERGY STAR homes bring much-needed financial relief, saving homeowners about $800 in energy costs annually. For families replacing pre-HUD Code mobile homes, savings are projected to be even higher—approximately $1,800 per year. In addition to these savings, the homes are comfortable, quieter, require less maintenance and have a higher resale value. (See Figure 4.)

The second part of the Alliance program includes quality financing products for buyers of ENERGY STAR manufactured homes. Next Step is partnering with the Alliance to identify loan products that meet their mission; benefits include good rates, better terms and assistance with a down payment or utility costs. Currently, SmartMH loans are available to homebuyers through KHC and CU Factory Built Lending at partnering home retail centers.

Homeowners who finance their ENERGY STAR manufactured homes with SmartMH loans have the potential to gain even more savings, which enhances their homeownership. Ultimately, this will make them better homeowners who can improve their bottom line and increase their cash flow. Any extra money can be spent where it's most needed (e.g., groceries, health care, education), rather than on exorbitant heating bills or costly mortgage payments.

The goal of the Alliance is market transformation, increasing access to ENERGY STAR homes with better loans across Kentucky. As previously noted, less than one percent of manufactured homes coming into the state are ENERGY STAR-certified. The Alliance hopes to increase that to 50 percent in two years by upgrading 1,000 homes, 15 percent of which are anticipated to be replacements of aging pre-HUD Code mobile homes. Of those 1,000 homes, it is projected that about half will be financed with SmartMH loans.

The impact in Kentucky when this goal is met will be huge. Each year, families in these ENERGY STAR manufactured homes will collectively save nearly $1 million on their energy costs, and the families who finance their homes with SmartMH loans will collectively save up to $2 million in additional interest savings. The environment will also be positively impacted, with greenhouse gas emissions reduced by 2,250 tons annually.

In the end, it's all built from a simple formula: Better homes plus better loans equals better business.

Stacey Epperson is the president and CEO of Next Step Network. Next Step® is an innovative social venture that mobilizes a national network of nonprofits to provide affordable housing solutions tailored to the needs of their communities. This proven system—Manufactured Housing Done Right™—connects responsible financing, comprehensive homebuyer education and a system for delivering high-quality, sustainable manufactured housing at scale. Next Step is the sponsoring partner of the SmartMH KY Alliance. To learn more about SmartMH KY, visit www.smartmh.org.

ENDNOTE

1 Talbot, Jacob. *Mobilizing Energy Efficiency in the Manufactured Housing Sector*, American Council for an Energy-Efficient Economy, 2012, http://aceee.org/research-report/a124.

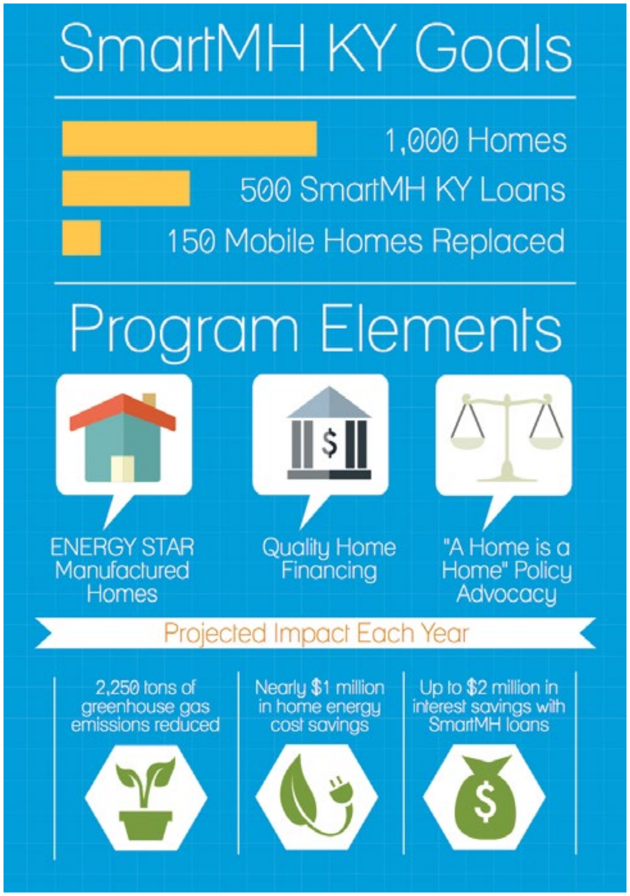


FIGURE 3: Source: Next Step

FIGURE 4: ENERGY STAR manufactured home in Morehead, Ky., developed by Frontier Housing, a Next Step Network member. Source: Next Step.

Binghampton Development Corporation: Building Assets and Communities

By Teresa Cheeks Wilson

The Binghampton Development Corp. (BDC) was founded by the Christ United Methodist Church to improve the quality of life in the Binghampton community. Located at the geographic center of Memphis, Tenn., Binghampton is a historic community that began as an independent and racially integrated rural Memphis town. When citizens started moving away from the city's central corridor, Binghampton began to experience poverty, the decline of homeownership and an increase in vacant and blighted properties.

Combating blight is one of BDC's key priorities. In Binghampton, 17 percent of the housing units are empty or abandoned. Like many community development corporations, BDC supports and revitalizes the community by offering a wide range of services, including property redevelopment, job training and preparation, and empowerment programs for those who are economically oppressed.

In 2011, the BDC purchased what is now the Tillman Crossing apartment complex. Tillman Crossing was a significantly blighted property with most of its units designated not fit for habitation. Although there were discussions about condemnation of the 20-unit property, BDC purchased it and began rehabbing the complex. (See Figure 1.) The renovation was achieved through generous support from the city of Memphis' Housing and Community Development Division, the Shelby County Environmental Court, the Tennessee Housing Development Agency (THDA), Christ Community Church and Christ United Methodist Church. Robert Montague, executive director of the BDC, said, "THDA was a great partner and provided a substantial amount of funding under the Neighborhood Stabilization Program for this project."

In April 2013, the BDC reopened the Tillman Crossing apartments and launched the new and innovative Asset-Building Program (ABP). ABP provides an opportunity for residents to create wealth through rental, an option only offered in a few places outside of Memphis. According to Noah Gray, BDC property manager, "Homeownership is a central wealth-building mechanism in the United States, but residents of neighborhoods plagued by issues of systemic poverty are often excluded from this opportunity. The Asset-Building Program allows residents of Tillman Crossing to build wealth as well as contribute to the health and management of their community." Tillman Crossing is now an affordable rental property, with 80 percent of the units rented to households at or below 80 percent of the area's median income of $26,000.

With the rental ABP, residents can earn a $50 monthly rebate if they fulfill the requirements of the program:

FIGURE 1

Tillman Crossing apartment complex, before and after rehabilitation

participation in rental education and community meetings; timely payment of rent; good maintenance and upkeep of the rental unit; and investment in the physical and community health of Tillman Crossing. After a two-year period, residents can receive a maximum of $1,200 in rent rebates. Every year thereafter, residents who stay at Tillman Crossing can receive an annual $600 rebate. Participation in the program guarantees a resident's lease renewal. The ABP is voluntary; since its inception, BDC has had 76 percent participation.

BDC recently issued its first resident rebate check. "It's great to see the residents counting down the days. They know that they've been buying in to the property for two years—not just for the cash incentive, but to have a say in their dignity and their lives. That's not really an option if you're renting from a slumlord," commented Gray. The rebate can be used in any way the resident chooses. If residents are interested in homeownership, for example, BDC has HUD-certified housing counselors available and the rebate can be used for down-payment assistance.

BDC sees this pilot program as beneficial to both the residents and the corporation. Residents not only build wealth, but they assist in building a sense of community. Through the community meetings, residents are empowered to establish a standard of living and rules for the property. For example, Tillman Crossing is located on the Greenline, a 6.5-mile urban trail connecting midtown Memphis to Shelby Farms Park. When residents began to experience parking issues with Greenline users, they met with the Shelby Farms Park Conservancy and came up with a solution—residents would have parking permits and guest parking spaces (designated by green painted lines) would be reserved for Greenline visitors. The residents police the property to ensure they have the parking spots needed. Through this process of community building, BDC is weaving a fabric of relationships and developing tools to improve the quality of life in Binghampton.

> "BDC's Asset-Building Program provides an opportunity for residents to create wealth through rental, an option only offered in a few places outside of Memphis."

The program benefits BDC by fulfilling the organization's mission, reducing turnover and the associated costs (e.g., painting, changing locks) and making the community a better place to live. All of these efforts come full circle. By contributing to the health and management of the property, the residents make Tillman Crossing a more attractive place for people to live, thereby improving the quality of life. This in turn reduces turnover. Since the program started in 2013, there have only been 26 tenants in the 18 apartments.

According to Noah Gray, BDC will continue the ABP, but he would like to find match funding for residents to use toward a down payment on a home, purchase of a car or computer, or an education. The principles of the program are consistent with the community's mission of making Binghampton a community of choice and establishing a better quality of life.

For additional information on BDC's Asset-Building Program, contact Noah Gray at 901-361-5078, or email noah@bdcmemphis.org. You can also learn more about BDC at http://www.bdcmemphis.org/.

Teresa Cheeks Wilson is a senior community development specialist at the Memphis Branch of the Federal Reserve Bank of St. Louis.

HAVE YOU Heard?

USDA Loans To Build Broadband in Rural Areas

Agriculture Secretary Tom Vilsack announced the availability of loans to build broadband in rural areas, along with changes to the program required by the 2014 Farm Bill. To be eligible, an applicant must serve an area where at least 15 percent of the households are unserved. Applications with the most unserved households will be processed first. The maximum loan amount is $20 million. For more information, contact Shawn Arner at 202-720-0800.

Grant Opportunities Available in Tennessee

The following grant opportunities are available:

- **Solid Waste Grants**
  Three grants are available (Waste Reduction Grant, Used Oil Grant, Recycle Equipment Grant); applications are due Oct. 1. For more information, contact Loretta Harrington at 615-532-0086.
- **Transportation Alternatives Grant**
  Eligible projects include pedestrian and bicycle facilities, conversion of abandoned railway corridors, scenic turnouts and overlooks, vegetation management, archaeological activities and more; applications are due Nov. 3. Contact Melissa Davis at mdavis@swtdd.org or 731-668-6417.

The Hager Educational Foundation:
Empowering Citizens To Make Better Communities

By Keith Sanders

The Hager Educational Foundation (HEF) is a 25-year-old family foundation created by Lawrence W. Hager Jr., retired co-publisher of the *Owensboro Messenger-Inquirer*. HEF's mission of helping the community improve opportunities for economically disadvantaged children is a continuation of a 100-year family legacy of philanthropy. Upon the foundation's creation, Hager noted that HEF's resources were not large; its annual revenue would not equal two percent of one percent of what was already being directed to children's services. HEF's response has been to expand its resources by partnering with other organizations, to facilitate increased collaboration among our community's public and private nonprofit agencies, and encourage all citizens to be actors in the work of building a better community. HEF's support of public deliberation as an important dimension of community building and its promotion of asset-building as a strategy for fostering financial self-sufficiency are reflective of this focus. Some examples follow.

HEF's long-standing practice of advocacy for increased support of policies and programs that contribute to the healthy development of children was expanded through its participation in a Kettering Foundation community politics workshop series. Kettering's research on public deliberation, issue framing and the importance of engaging disparate groups of citizens in civil, deliberative conversation broadened HEF's view of traditional advocacy as the only way to facilitate needed community change.

A public forum under the leadership of the Public Life Foundation of Owensboro (PLFO) and co-sponsored by 12 other community organizations—"The Challenged American Family: What Should We Do?"—was held in July 2015. It reflected HEF's efforts to engage citizens in addressing a complex, intractable community problem that seems to defy solution. The structure of the American family has changed significantly since 1965 and growing numbers of families are struggling to care for and educate their children to become responsible, productive adults. Today, Americans are delaying marriage; the average age of a bride in the 50s was 20; by 2010, it was 26. And many skip marriage but not parenthood. Today, the percentage of children born outside of marriage stands at 41 percent, up from just five percent in 1960. Children in single-parent households are much more likely to live in poverty. They are less likely to be healthy, succeed in school and become productive adults. According to research from The Pew Charitable Trusts, 41 percent of all children born in the bottom 20 percent of household incomes will remain there throughout their lives.

This is an issue befitting public deliberation because:

- it is of broad concern to the community;
- there is disagreement on the cause of the problem, or the cause is not clear;
- while there is no definitive single solution to the problem, a decision should be made about what may be done;

CDAC MEMBER SPOTLIGHT: KEITH SANDERS

Keith Sanders is the executive director of The Hager Educational Foundation in Owensboro, Ky. Previously, he served as director of development at Kentucky Wesleyan College and executive vice president for the United Way of the Ohio Valley. Sanders is chair-elect of Louisville's Kentucky Youth Advocates, an independent nonprofit agency committed to improve child well-being through public policies that influence the life of children and families, and is a member of the Pritchard Committee for Academic Excellence, mobilizing parents, business and other civic leaders to improve Kentucky schools. He holds a bachelor's degree from Kentucky Wesleyan College and a master's from Indiana University Bloomington. Sanders also serves as a member of the Community Development Advisory Council (CDAC) for the Federal Reserve Bank of St. Louis.

CDAC members are experts in community and economic development and financial education. They complement the information developed through outreach by the District's Community Development staff and suggest ways that the Bank might support local efforts. A list of current members is available at www.stlouisfed.org/community-development/about-us/community-development-advisory-council.

- every solution involves trade-offs or downsides about things held valuable;
- the problem is intractable, ongoing or systemic;
- people will face moral disagreements in deliberating the issue; and
- any solution will take multiple actions (i.e., community groups, individuals and government).

participants found some elements in each choice appealing. Participants often struggled with consequences/trade-offs to the actions suggested in each choice, which sometimes conflicted with their deeply held values.

Our public deliberative community dialogue produced these outcomes; participants were able to:

- see the interconnectedness of a complex issue;

"Over the past 11 years, GRABC's 140 IRS-trained and -certified volunteer tax preparers have filed more than 29,000 tax returns, generating over $32 million in tax refunds for working LMI families in the Green River service area."

As an alternative to the typical right/wrong debate, the framework for a public deliberative discussion about this issue in the PLFO community dialogue included three choices for responding: 1) Reinforce time-tested values; 2) Promote personal responsibility; 3) Expand societal responsibility.

Each choice offered a compelling and distinctly different case for addressing this issue; most

- increase their understanding and respect for differing viewpoints;
- see the issue in less ideological terms; and
- more likely see themselves as actors in addressing the issue.

These outcomes will undergird the sustained civic engagement necessary for effectively addressing this issue in our community. Public deliberation is not a panacea or quick fix for responding to every community problem; however, it will continue to be a key component in Owensboro's community development strategy.

Asset-Building

HEF's focus on asset-building as a strategy for fostering financial self-sufficiency began in May 2004 when it convened the initial planning meeting of nonprofit agencies and financial institutions that led to the creation of the Green River Asset-Building Coalition (GRABC). This experience broadened HEF's historical—and almost exclusive—focus on income as the primary indicator of financial well-being to encompass the family balance sheet (what a family saves, owns and owes). Owensboro's community development strategy to help people increase their income is focused on recruiting new businesses, helping existing ones grow, supporting entrepreneurs and increasing the education and skill level of its citizens. It is a sound strategy led by outstanding professionals, but it should be supplemented with asset-building strategies that can foster financial self-sufficiency.

GRABC's mission of helping working low- and moderate-income (LMI) families achieve financial self-sufficiency is focused in three areas:

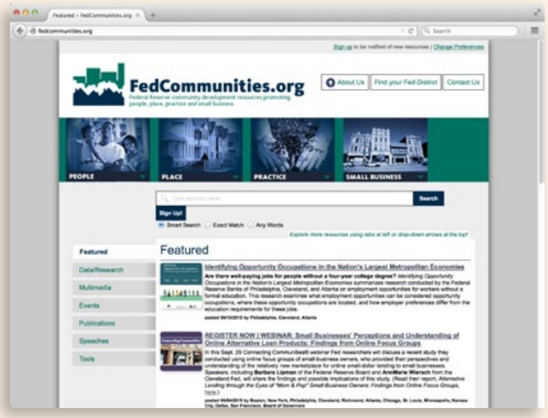
- Promoting increased awareness and utilization of the Earned Income Tax Credit (EITC)
- Providing free income tax preparation services for working LMI families
- Promoting those policies and practices that facilitate the accumulation of assets needed to become financially self-sufficient

>> continued on Page 10

Have You Checked Out FedCommunities.org Lately?

Do you value information across numerous community development topics and presented in all types of media? Are you a collector of resources who struggles to locate what you've saved? With more than 475 resources from community development offices across the Federal Reserve System, chances are FedCommunities.org has something of particular interest to you. What's more, this vast collection of webinars, research and data, publications, event registrations and more is easy to navigate and search, so you can bookmark one site for access and clear your URL clutter.

Launched last summer, the FedCommunities.org web portal provides a single gateway to hundreds of Fed materials from all 12 Reserve Banks and the Board of Governors. And it's growing every week; if you haven't checked it out lately, take a peek to see what you're missing. Recent additions include: *The Why of Weak Wages*, an article from the Cleveland Fed; *The Link between Health and Community Development*, a video from the San Francisco Fed; and the *Community Development Data Inventory*, a resource guide developed by the Philadelphia Fed.



To get the freshest content available, sign up on the site to receive notifications when new resources are posted; you need only submit your email and let us know what types of resources most interest you.

The portal is organized into four general categories—those that support *people*, *place*, the *policy and practice of community development* and *small business*. To share feedback or suggestions, use the site's "Contact Us" button or email jeanne.c.marra@stls.frb.org.

Hager Educational Foundation

>> continued from Page 9

Over the past 11 years, GRABC's 140 IRS-trained and -certified volunteer tax preparers have filed more than 29,000 tax returns, generating over $32 million in tax refunds for working LMI families in the Green River service area. A conservative estimate of the aggregate savings for tax filers is nearly $4.5 million. On a per capita basis, GRABC is one of the nation's most productive free tax-preparation coalitions.

The third component of GRABC's mission—helping families accumulate the assets needed to become financially self-sufficient—is its most important, and by far the most challenging. It is a heavy lift and the real hard stuff of community change. However, several organizations (the Center for Social Development at Washington University in St. Louis, New America Foundation, Corporation for Enterprise Development and Center for Household Financial Stability at the Federal Reserve Bank of St. Louis) have documented an array of promising programs and policies that can help families accumulate the assets needed for financial independence. In addition, research from the Center for Financial Services Innovation has identified the attributes of financial education programming that contribute to financially capable decision-making.

GRABC's 11-year history, combined with what research about asset-building has confirmed, should serve as an impetus for elevating the coalition to a higher place on our community's agenda. GRABC will continue to support increased community awareness about the virtues of thrift and the importance of flexible savings (at tax time) that all families need. The multiple benefits of beginning to save early are well established. GRABC will continue to encourage the implementation of a community-wide children's savings account (CSA) initiative in addition to increasing the number of individuals with individual development accounts (IDAs). The *my*RA (my Retirement Account) product recently introduced by the U.S. Treasury is a great addition to the field of asset-building; plans are underway to promote its positive attributes to our business community.

GRABC's focus on asset-building is appealing to a wide array of citizens. Its 140 volunteer income tax preparers come from across the social, political and theological spectrum. In an age of increasing divisiveness, enabling disparate groups of people to work together to help their fellow citizens become more financially self-sufficient is worthy of celebration.

HEF's focus on public deliberation and asset-building is based on the premise that progress requires both individual and collective action from all segments of our community. At their core, both have a belief that individuals, with the right opportunities and incentives, can improve economically, and that through public deliberative discussion of appropriately named and framed issues, citizens from all walks of life can transcend their differences to work on problem-solving as opposed to polarizing debate.

Resources

Get to Know the Community Reinvestment Act (CRA)

The Community Reinvestment Act (CRA) is an important law that helps bring billions of dollars in bank capital to low-and- moderate income communities every year. Understanding how this law works is essential for banks looking to make impactful loans and investments, nonprofits seeking funding, and communities that want to ensure their financial institutions are operating in fair and responsive ways. The Federal Reserve System has created a short, seven-minute video, *An Introduction to CRA*, highlighting the purpose, application and importance of the CRA. View the video at FedCommunities.org.

Exploring Innovation in Community Development Webinars

This webinar series from the Community Development department at the St. Louis Fed allows community development professionals from across the Eighth Federal Reserve District to connect with industry experts to hear and discuss current developments and initiatives. Topics vary and are of interest to economic development professionals, financial institution representatives, community advocates and policymakers. Recent sessions include:

- **Financing Rural Development: Untapped Potential, Unmet Need, Ample Opportunity**
- **Innovative Financial Products and Services in Asset-Building: Access to Credit and Credit-Building Strategies**
- **Innovative Financial Products and Services in Asset-Building: Treasury's new *my*RA Program**
- **Innovative Financial Products and Services in Asset-Building: Entering the Financial Mainstream**

Both the audio and the presentations for all sessions are archived at https://bsr.stlouisfed.org//EI_CDAudioConference/.

8 From the Eighth Audio Podcast

8 From the Eighth is a podcast series from the Community Development department at the St. Louis Fed. Through interviews with experts (consisting of eight questions), listeners learn about current community development challenges—and successes—in the Eighth District, helping them to understand both the problems and the solutions. Podcasts cover a variety of topics, including innovative strategies and emerging trends related to community development. The autio for all sessions is archived at www.stlouisfed.org/community-development/multimedia/audio.

- **Manufactured Homes—Viable, Affordable Housing & Asset-Building Tool for LMI Families**

  Doug Ryan, Director of Affordable Housing Initiatives at CFED, examines the emergence of manufactured housing as a viable homeownership option for low- and moderate-income Americans who want to build wealth.

Economic Development Podcast

- **Digital Badging: Credentialing Soft Skills for Better Workplace Outcomes**

  New research points to soft skills as an important indicator for success in the workplace. Jonathan Finkelstein, founder and CEO of Credly, and Laura Lippman, senior fellow at Child Trends, discuss digital badging as a way to document these currently amorphous workplace skills in this podcast. To view the transcript or play the audio MP3 file, visit www.frbatlanta.org/podcasts/transcripts/economicdevelopment.aspx.

Housing Market Conditions Report—2015:Q2

The St. Louis Fed's *Housing Market Conditions* report provides a snapshot of conditions in the U.S. and in the Eighth District states and MSAs. View the most recent report, as well as archives of previous reports, at www.stlouisfed.org/community_development/HMC.

Place, Opportunity, and Social Mobility: What Now for Policy?

In June, the Center on Children and Families at the Brookings Institution hosted a discussion with Raj Chetty, who presented his latest research. View video of this event at www.brookings.edu/events/2015/06/01-place-and-opportunity-social-mobility-reeves.

HOME Coalition Webinar

In August, HUD Secretary Julian Castro discussed Congress' proposal to cut the HOME program. View the webinar presentation at https://salsa3.salsalabs.com/o/50954/images/Presentation_HOME%20Coalition%20Webinar%20with%20Julian%20Castro_FINAL.pdf

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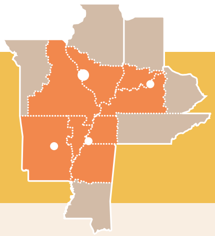

SPANNING the Region

The region served by the Federal Reserve Bank of St. Louis encompasses all of Arkansas and parts of Illinois, Indiana, Kentucky, Mississippi, Missouri and Tennessee.

West Kentucky Community & Technical College Chosen as Finalist-with-Distinction by Aspen Institute

West Kentucky Community & Technical College (WKCTC) in Paducah, Ky., is a Finalist-with-Distinction for the 2015 Aspen Prize for Community College Excellence. Selected from 1,123 community colleges nationwide, this is the second time WKCTC has been awarded this honor, along with $100,000 in prize funds to support its programs. The college received the prize for achieving outstanding outcomes in learning, degree completion, minority and low-income student success, and employment and earnings.

The Aspen Prize, the nation's preeminent recognition of high achievement and performance in America's community colleges, is awarded every two years. WKCTC has ranked as a Top Ten Finalist every year the Aspen Prize has been awarded since its launch in 2011. Located in a region with low educational achievement and significant industrial decline, WKCTC has worked to draw first-generation students into college and make sure they succeed. Read more at www.aspeninstitute.org/policy-work/college-excellence/2015aspenprize.

Innovate Mississippi Awarded Grant to Support R&D and Small-Business Innovation

Innovate Mississippi was named one of only 20 organizations awarded the SBA FAST award—a grant that helps support R&D and small-business innovation. This award represents the continuation of funding for the MS-FAST Program, which awards grants and provides expertise to enable more successful small-business innovation research (SBIR) and small-business technology transfer (STTR) awards for Mississippi small businesses. Each year, the federal government awards around $2.5 billion through 145,000 SBIR and STTR awards for cutting-edge technologies.

The MS-FAST Program has roughly tripled the amount of awarded SBIR funding to Mississippi companies each year since it started in 2001. Innovate Mississippi has partnered with The University of Southern Mississippi since the inception of this program. For more information, visit www.usm.edu/research/ms-fast or email Joe Graben at joseph.graben@usm.edu.

Louisville Named a Bloomberg Philanthropy City

Louisville, Ky., has been selected to participate in Bloomberg Philanthropies' What Works Cities—a $42-million initiative to help midsized American cities enhance their use of data and evidence to improve the lives of residents. The city will receive expert support and peer-to-peer learning opportunities to make government more effective. What Works Cities collaborates with participating municipalities to review their current use of data and evidence, understand where they are utilizing best practices and identify areas for growth. Through its expert partners, What Works Cities then designs a customized approach to help mayors address a variety of local issues including economic development and job creation, public health and social services. Visit whatworkscities.bloomberg.org for more information.