Opportunity

Function:
noun
Inflected Form(s):
plural opportunities

Date:
14th century

1: a favorable juncture of circumstances <the halt provided an opportunity for rest and refreshment>
2: a good chance for advancement or progress

– Merriam-Webster Dictionary

Opportunity is one of America’s most potent and enduring values. It is articulated in the seminal ideas and documents of the country’s founding, such as the Declaration of Independence, and it is hailed in songs, lore and ceremony. Indeed it is wedged in the psyche of the nation. Throughout our history, Americans have fought to protect and expand opportunity at home and have sought to promote and champion it across the globe.

Inasmuch as opportunity for all is a transcendent ethic, we would be remiss to ignore that millions of Americans are marginalized and all but locked out from opportunities to escape poverty and social inequity.

CFED stands poised to blaze new trails in expanding economic opportunity working with and on behalf of vulnerable populations. We help provide Americans with a chance to start and grow businesses, go to college, own a home and save for their children’s and their own economic futures – the basic building blocks of true financial independence. We pursue and innovate new ways to accomplish these goals. We identify good ideas. We find out what works. We take these ideas to market and help them reach critical mass. We collaborate with local, state and national partners whose complementary expertise magnifies our impact. Within these pages, we share the successes and challenges of 2007 – the 28th year of our journey.
OUR VISION

Two thousand and seven marked the beginning of CFED’s five-year strategic plan aimed at guiding the organization to a new level of performance and wider sphere of influence. As the organization approaches its 30th year of sparking innovation, developing new enterprise and promoting asset building as a key poverty fighter, we took great pains to reflect on our experience, plan carefully for our future and ensure that the process was guided by the enduring values that have faithfully steered CFED in its work to expand economic opportunity for Americans.

At its core, CFED’s new strategic plan reaffirms our abiding belief that people existing on low incomes are their own best assets – they have the talent and competence to determine their futures. In the spring of 2007, we implemented a balanced scorecard to track our progress against the new strategic plan and to align operations with our goals. In the process, we commit to adhering to our founding principles. We respect enterprise and innovation. We especially prize collaboration and partnership with others, and we value learning from real experiences in communities.

The 2007-2011 strategic plan frames five major goals in measurable terms and identifies several specific objectives under each goal, including:

FINANCIAL SECURITY

We want to provide matched savings accounts and other asset-building opportunities to 1 million low-income people. We can do so by redirecting current public funding streams, lobbying for state and federal policies and attracting new philanthropic capital. More broadly, we must build a coalition of advocates for asset building – at least 10,000 strong – and convene them at learning conferences, trainings and other peer exchange opportunities to build a diverse movement for change.

ECONOMIC AND ENTERPRISE DEVELOPMENT

We want to support more low-income and rural residents in forming and succeeding at business. We can achieve this goal by harnessing state and federal tax systems to create a fertile ground for enterprise, producing unified development budgets and creating more initiatives specifically to augment the capacity of disadvantaged entrepreneurs. Moreover, we must advocate for development policies at the state and federal levels, and we must encourage governments to more systematically track enterprise development and outcomes.

MANUFACTURED HOUSING

We envision more than 1 million owners of manufactured homes enjoying comparable benefits of homeownership – such as access to equity – that owners of traditionally built homes have. To make this happen, we will promote the enactment of policy changes that increase consumer protections, support equitable land ownership and ensure asset appreciation. In addition, we will advocate for fair and responsible financing options for buyers of manufactured housing, promote demonstrations of “manufactured housing done right” and add at least 5,000 new units around the country and partner with others to effect long-term, transformational change in the manufactured housing market.

INNOVATION

Part of CFED’s mission is to identify, test, implement and herald innovative ideas that expand economic opportunity. Toward that end, we will identify and test at least two new ideas that demonstrate the potential to build wealth for 1 million Americans, engaging a diverse set of partners along the way. We plan to start a nationally recognized research and development investment fund that provides seed money to create and test new products. In addition, we have endowed an awards program to recognize promising innovators, and we are strengthening CFED’s position as a thought leader by conducting convenings that draw researchers, policymakers, practitioners and others to learn and collaborate.

ORGANIZATIONAL SUSTAINABILITY

CFED commits to developing a financial structure that is sustainable, flexible and responsive by increasing unrestricted income to 50% of total revenues, increasing earned income to 25% of total revenues, consistently raising 100% of our programmatic expenses, building an infrastructure that invests in human and financial capital and launching a campaign to increase our endowment fund to $15 million.

The plan, A New Birth of Economic Freedom, can be found at www.cfed.org/go/strategicplan
We refuse to believe that there are insufficient funds in the great vaults of opportunity in this nation.

– Dr. Martin Luther King, Jr.
Dear Friends,

At CFED, opportunity is both an organizational imperative and a cherished value. We believe that aspects of economic opportunity that Americans have long taken for granted are threatened as never before – by complex forces such as globalization and domestic policies that don’t put people and communities first. Our challenge is to apply our business model – connecting community practice, public policy and private markets in new and effective ways – to open and expand this country’s structure of opportunity and help reverse growing economic inequality.

I feel honored and humbled by the opportunity to serve as CFED’s president for more than three years. My personal mission has been to take the valuable assets I inherited – the talented staff, visionary board, robust intellectual capital, and high-performing network of partners – to develop a strategic plan that deploys these assets to achieve the greatest impact. I believe our strategic plan accomplishes this mission and offers a framework for evaluating both CFED’s and my own performance.

The plan is just the start of what I see as our most exciting and challenging opportunity yet: the testing and implementation of four approaches that offer the promise of achieving a level of scale that enables us to accomplish the ambitious and measureable goals we have set for ourselves.

The first approach is to design signature products that provide information and tools that advance both practice and policy. No CFED product fulfilled this objective more effectively than the **2007-2008 Assets & Opportunity Scorecard** (page 7). In response to the thoughtful critiques and recommendations of previous Scorecard users, CFED thoroughly upgraded aspects of the outcome data, policy measures, advocacy tools and Web site features. With more than 50,000 users since its release, the Scorecard has played a vital role in informing the growing accomplishments of the asset-building movement.

A second strategy is to strengthen our business model with newer and deeper capacities. In 2007, CFED hired its first research director to launch a comprehensive research agenda that supports the “translational” role CFED plays in connecting practice to research. Staff also began establishing new initiatives to promote innovation within CFED and with our partners.

Thirdly, we recognized the centrality of our partners to our work by promoting Kim Pate to be CFED’s first vice president of strategic partnerships. This new position affirmed our belief that strategic and aligned partnerships are perhaps the most essential factor in expanding economic opportunity at scale. Our SEED initiative (page 9) is grounded in partnership – including community sites, policy advocates, researchers and funders. The rapid growth of our first market-based demonstration, **I’M HOME** (page 11), was due in part to our historic relationship with the New Hampshire Community Loan Fund and in turn led to an entirely new partnership with the creation of **ROC USA** (Resident Owned Communities USA).

And it is through the ROC USA partnership that CFED has acted on its fourth strategy: investing equity to advance economic and social equity. Over the years, CFED has carefully built its net worth (page 15) to both safeguard operations and make mission-related investments. We took a new leap by making our first equity investment, along with several other nonprofit partners, into this new entity.

I look forward to 2008 with a deep appreciation for the extraordinary efforts of the people and organizations that have never let their belief in power of opportunity falter and an even deeper confidence that we are all ready to seize upon the new opportunities that lie ahead.

All my best,

Andrea Levere
President
To improve the golden moment of opportunity, and catch the good that is within our reach, is the great art of life.

– Samuel Johnson
Dear Friends,

In 2007, opportunities lay amid crises.

Gathering clouds and stormy seas threatened the security and opportunity of America’s working families, as home foreclosures, gas prices, and unemployment continued their seemingly inexorable rise. Beneath the surface turmoil lay a more fundamental and enduring structure of inequity – wealth inequality not seen since the 1920s. But, even more ominously, there has been a failure to invest in the ingenuity of the American people, which has been our distinguishing feature and the source of our continual economic dynamism.

In the third edition of the Assets & Opportunity Scorecard, CFED lay bare the underlying topography of assets and opportunity in the United States through patterns of business and homeownership, educational attainment, health care coverage and financial security. We measured these patterns by state, by race, by income, by gender and by age. More than that, we made those patterns and the challenges and opportunities actionable, working with state partners to advance 12 proven core policies that can change the shape of economic opportunity in this country.

Last year, CFED’s board, staff and stakeholders did more than just develop a five-year strategic plan. We got to work on it. Our top goals – to increase asset opportunity, homeownership opportunity and enterprise opportunity for millions of working families – were given increased expression by the maturation of three ambitious and increasingly successful core initiatives. These include the Savings for Education, Entrepreneurship and Downpayment (SEED) initiative, which lays the groundwork for a universal progressive system of children’s development accounts; the Innovations in Manufactured Homes (‘I’M HOME), which attempts nothing less than the transformation of an underperforming manufactured housing sector to produce appreciating and affordable homeownership opportunities; and the cutting-edge Self-Employment Tax Initiative (SETI), which seeks to remove the tax barrier from the horizon of promising entrepreneurs.

But if our actions were in the present, our eyes were on the future. We worked to open a pipeline of innovations, each capable of bringing economic opportunity to millions of working families. We worked to build the financial and institutional strength and capacity to transform those innovations into systemic change. Indeed, even while we worked to realize our strategic plan, we began laying the foundations of ambitious new social ventures to expand our market impact.

We believe the leadership transition at the national, state and local levels in the next year and the absolute necessity of tackling our economic challenges straight on present an opportunity to once again do what America at its best has always done – ensure that every American family has access to the tools and resources needed to craft its own future – and the nation’s. We intend to be ready as that window opens.

Of course, we could only have come this far – and we can only reach the goals ahead – with the intellectual, practical and financial support of our many partners, our dedicated board, our talented staff and the incredible, bring-it-all-together leadership of our president, Andrea Levere.

Thanks for your support and friendship. It should be an exhilarating ride ahead. We are grateful to share it with you.

Sincerely,
Robert Friedman,
Chair of the Board
The innovation point is the pivotal moment when talented and motivated people seek the opportunity to act on their ideas and dreams.

– W. Arthur Porter
It is said that a symbol of a just society is its assessment of the material needs of its people, and that society must erect a ladder for those who are found wanting. As a mission, CFED is addressing both with the 2007 release of our flagship research and policy tool. The Assets & Opportunity Scorecard presents a comprehensive look at wealth, poverty and the financial security of families in the United States. The Scorecard ranks the 50 states and the District of Columbia on 46 performance measures in the areas of financial security, business development, homeownership, health care and education. We believe there are no better or more tangible indicators of the health of an economy than these areas. We also believe this comprehensive perspective highlights a number of economic disparities that are often overlooked.

The 2007-2008 Assets & Opportunity Scorecard contains evidence that even profound and enduring asset ownership patterns can change, and change fast. In the two years since the first Scorecard, median net worth jumped 25.8% nationwide – for women it jumped 76.7% and more than doubled for minorities. Most of these gains have come through increasing homeownership and home values, and are therefore at risk in our current troubled economy.

Yet, the most important message of the 2007-2008 Scorecard, like its two predecessors, is the disparity in asset ownership – and, consequently, economic opportunity – among states and along lines of race, gender and income.

Net Worth: Median net worth in the United States in 2004 was $65,150, but minorities had only 13 cents for each dollar whites had.

College Attainment: African Americans are only half as likely to have a college education as their white counterparts.

Asset Poverty: Twenty percent of Americans do not have enough assets to survive above poverty for three months without a job; more than half lack sufficient liquid assets to put a downpayment on a home, invest in two years’ community college or start a business.

Homeownership: Sixty-nine percent of Americans own a home – a determinant not only of financial stability, but future outlook and community commitment. Less than half of minority families do.

In addition to providing an economic picture of America, the Scorecard puts forth clear recommendations for what state policymakers can do to improve financial security and opportunity. The Scorecard documents 38 state policies and focuses especially on 12 core policies that fundamentally affect economic opportunity, including business development, funding for affordable housing, matched savings incentives and spending on education. CFED is also providing financial support and peer networking services to leading state policy advocates who are leveraging the Scorecard to make asset policy changes. Partner organizations in 10 states are conducting localized policy research, educating policymakers, building diverse asset coalitions and raising awareness and support through media engagement. Our goal is to take advantage of the unique opportunities, strengths and challenges in each partner’s political environment to advance policy change through use of the Scorecard.

Visit our Scorecard page at www.cfed.org/go/scorecard
Society as a whole benefits immeasurably from a climate in which all persons, regardless of race or gender, may have the opportunity to earn respect, responsibility and advancement.

– Sandra Day O’Connor
SOWING SEEDS

The concept is simple: provide children with a small deposit and then match their own savings over time, offering sound financial education along the way – and then watch them grow. This is the idea behind SEED, CFED’s Saving for Education, Entrepreneurship and Downpayment Policy and Practice Initiative. With seven community partners beginning to roll accounts over to graduating youth for self-management, our flagship children’s savings program stands ready to offer concrete proof on what a difference it would make if every child in the United States grew up knowing that he or she had a nest egg to pay for college, buy a home or start a business.

Done right, SEED accounts not only ensure greater investment in children’s futures, but also demonstrate the imperative of universal savings and the need for an asset-building infrastructure for all Americans. The evidence continues to mount that the notion of children’s savings accounts is an idea whose time has come, and SEED is prepared to set the stage for universal, progressive American policy for asset building. By June 2007, there were 1,253 active SEED accounts at 12 demonstration sites with a total accumulation of $1.6 million. Several sites have youth who are graduating and beginning to use the funds; their experiences will soon lay the foundation of future research.

SEED is moving toward the halfway mark of its 10-year run. Through rigorous research and outreach, SEED stakeholders have been steadily learning and testing what SEED accounts should look like, how to recruit and provide incentives for participants, how to attract financial institutions, how to serve special populations such as foster youth and how to tailor state laws and policy to acclimatize the nation to this new idea.

We inch closer to the day of an established children’s savings account policy in the United States. We know that because they are started as such a young age, they are a politically potent idea. SEED accounts’ most effective argument is that over decades, it’s not just money growing – although the miracle of compound interest accounts’ most effective argument is that over decades, it’s not

CFED thanks all those who have sown generously into this program, including our national partners: Center for Social Development, New America Foundation, University of Kansas School of Social Welfare and Aspen Institute Initiative on Financial Security. Our state policy partners include The Sargent Shriver National Center on Poverty Law and Voices for Illinois Children, Action for Children North Carolina, Center for Public Policy Priorities (Texas), Oklahoma Kids’ College Savings Campaign and the Southern Good Faith Fund (Arkansas). The SEED program especially thanks the Ford Foundation, Charles and Helen Schwab Foundation, Jim Casey Youth Opportunities Initiative, Citi Foundation, Ewing Marion Kauffman Foundation, Charles Stewart Mott Foundation, Richard and Rhoda Goldman Fund, Metlife Foundation, Evelyn and Walter Haas, Jr. Fund, W.K. Kellogg Foundation and Edwin Gould Foundation for Children for their support.

SEED is on the Web at www.cfed.org/go/SEED

RENEE MANKE

Saving is the Key to My Future

When I had just turned 17, I ran away from home, but I came back because nobody was taking care of my sister. My mom was a drug addict; my dad was living out of state and now he’s in prison. They did a drug bust at home, and my mom went to jail.

We were put in foster care, and I had three placements over the next year and a half. Somewhere in that time I found out about the Bridging the Gap program at Mile High United Way in Denver, which helps foster kids who are about to age out of the system. When I got into Bridging the Gap, that’s when I got my SEED account.

People would say my life was a mess, and I was out of control. I had a lot of problems that young people go through, but I was also holding down two jobs and taking care of my sister for the longest time. When I was about to get emancipated, I began taking independent living classes and financial literacy classes. A lot of things just happened to me, but really after getting a SEED account and getting educated about money and with Bridging the Gap, I think differently now. Now I am working to get ahead and get what I want.

So I want to enroll in community college after I get my GED. I’ve got a passion for early childhood development. So my SEED account money will help me pay for college. And I really want a home of my own. And by having a SEED account and getting the financial education, I know how important savings is, and now that is a part of my life. I just do it. It didn’t really cross my mind before. I was always living day-to-day trying to survive, but now I know about things like how mortgages make more sense than renting, how getting a college education is going to help me earn more than the jobs I used to work, how paying off debts and really saving is key to my future. A SEED account has really been just that, planting a seed in my life to give me the opportunity to better myself.

Renee Manke, 22, is a teaching assistant in the Bridging the Gap program at Mile High United Way in Denver. Pictured with her are her sons Brandon, 4, and Dominic, 2.
If we all worked on the assumption that what is accepted as true is really true, there would be little hope for advance.

– Orville Wright
For millions of Americans living on low incomes, manufactured housing is the key to unlocking the door to homeownership. Through our Innovations in Manufactured Housing (I’M HOME) initiative, CFED has embarked on a multifaceted plan to get high-quality housing built, land purchased, laws and regulations changed, stigma and stereotypes eliminated and homeowners and their families economically empowered. Modern manufactured homes are high quality and are built to rigorous standards. They are home to about 17 million people. Yet, in spite of their prevalence, few attempts have been made to help owners of manufactured homes realize the benefits usually tied to homeownership, especially home equity. Because of their political treatment, these homeowners often don’t get to build equity like owners of conventional homes and if they live in a community where the land underneath their homes is owned by an absentee landlord, manufactured homeowners can lose their homes with little or no notice if that landowner decides to sell the land or convert it to another use.

With a comprehensive policy agenda, CFED and its partners are working diligently to rectify these issues. The I’M HOME initiative experienced solid growth in 2007 with the addition of 11 new grantees. CFED now partners with 38 community organizations that are working to develop attractive new housing and replace dilapidated homes, change the way manufactured homes are financed, work with families who live in “parks” where there are special challenges and work with policymakers to make sure the same benefits and protections are available to everyone who buys a home, regardless of how it’s built.

Since its inception, I’M HOME support has facilitated the establishment of resident-owned communities in Minnesota and Wisconsin; the founding of a regional community land trust in Delaware; the development of new manufactured housing in several states, including Montana, Mississippi and Kentucky; a replacement housing program in Tucson, Arizona; and the development and launch of responsible manufactured housing mortgage products.

I’M HOME is providing at least $5 million in funding for manufactured home initiatives over the next few years, thanks to generous funding by the Ford Foundation. Given our particular focus on collaboration, CFED also worked closely with national, allied organizations who share our commitment to manufactured housing. In addition to Ford, these include Fannie Mae, NeighborWorks America and the Opportunity Finance Network.

To learn more about our housing initiatives, visit www.cfed.org

Paul Bradley
A Slam Dunk Partnership

Starting in 2008, buyers of manufactured homes (or “mobile homes”) in New Hampshire’s resident-owned communities will be directed to residential mortgage divisions instead of consumer loan departments thanks to an investment by CFED. The groundwork for a new $10 million Fannie Mae demonstration was laid in 2001 when CFED approved a request by the New Hampshire Community Loan Fund, where I was vice president, to try a market transformation strategy involving the then 50 resident-owned communities in the state. Our resulting research and business plan sparked interest from many sources — local banks, the New Hampshire Housing Finance Authority, the Ford Foundation and others — in testing the safety and security of home lending in these communities. In time, the work won the commitment of Fannie Mae, the country’s largest secondary mortgage market player.

In a market known for depreciating housing values, community ownership and better home loans are making a real difference. The results include homeowners having more fixed rate loans, faster home sales, and higher home sales prices.

CFED quickly understood this as an area of opportunity and was an enthusiastic partner in dramatically expanding our impact. We worked closely with CFED through the Innovations in Manufactured Homes (I’M HOME) initiative, out of which began the work that led to the formation of ROC USA. This new enterprise aims to make resident ownership viable nationwide. Designed to solve problems faced by millions of homeowners who rent rather than own the land beneath their homes, ROC USA provides homeowner groups with technical assistance and loans to become a resident-owned communities.

CFED’s practice of entrepreneurial and customer-focused community development made it a slam dunk partner for our transformative asset-building goals.

Paul Bradley is president of ROC USA, LLC, Concord, NH.
NEW PUBLICATIONS

Throughout U.S. history, the federal government has provided incentives to help citizens build assets, such as homes and businesses, through programs including the G.I. Bill and the Homestead Act. Today, however, most federal asset-building incentives aren’t thoroughly examined even though they involve hundreds of billions of dollars each year — dollars that can land in the wallets of millions of Americans. Return on Investment? Getting More from Federal Asset-Building Policies, a CFED publication released in May, explores the costs associated with federal asset subsidies — some $367 billion distributed in fiscal year 2005 — and how these incentives might be fueling the widening gap between the rich and the poor in this country. It also recommends ways in which we can improve these systems so that Americans living on low incomes can build assets.

CFED issued the 20th and final edition of Development Report Card for the States (DRC) in January. The long-tenured publication chronicled 67 measures that assessed states’ economic development policies and practices. Its premise was simple and its argument was sound: economies are fundamentally about people — not just companies. Healthy economies extend opportunities to everyone. For most of its 20 years, the DRC was like a lone cry in the wilderness challenging states to take their focus off of tax breaks for companies and consider more comprehensive approaches to improving the economic livelihoods, financial security and opportunity environments for their citizens. The DRC was an innovator and gave rise to a host of other organizations following the trend with surveys in the vein of “Best Places to Locate Your Business,” “Most Livable Cities” and “Best Educated Workforces.”

Native entrepreneurs in South Dakota are succeeding in starting and growing small businesses in spite of a difficult social and political environment. That’s the central finding of research reported in Native Entrepreneurship in South Dakota: A Deeper Look, a report CFED released in March with support from the Northwest Area Foundation. The research uncovers the innovative entrepreneurship development efforts in South Dakota and offers lessons for other communities nationwide. It found that about 83% of tribal households studied rely on Native entrepreneurship and generate more than half of their incomes from entrepreneurial activities. South Dakota is an outlier in the sheer number of people who are creating and growing small enterprises, but work remains to be done to narrow the earnings and business development gap between Native enterprise and nonminority business ventures. Furthermore, the tribal community suffers among the highest poverty, unemployment, and substandard housing rates in the country. Native Entrepreneurship offers recommendations to increase the rate of entrepreneurship and the strength of existing businesses.

To view these publications, please visit www.cfed.org.

AWARDS & ACCOLADES

CFED accepted the very first offering of the Critical Impact Award, bestowed by the Council on Foundations in April. The honor was extended to CFED and its funders in recognition of the American Dream Demonstration (ADD) – the CFED-managed test of Individual Development Accounts. According to the Council on Foundations, Critical Impact Awards pay tribute to “those who make a difference in their grantmaking while sharing with the public examples of how philanthropy seeks to enhance the common good.” ADD ran from 1997 to 2002 and was a pioneering antipoverty initiative that proved that with proper supports and incentives, people who are poor can and will save, can and will build assets, and can and will enter the financial mainstream. CFED Founder Bob Friedman and President Andrea Levere accepted the award on behalf of the ADD team, which included the following supporters:

Charles Stewart Mott Foundation
Ford Foundation
John D. and Catherine T. MacArthur Foundation
Citi Foundation
The F.B. Heron Foundation
Fannie Mae Foundation
Ewing Marion Kauffman Foundation
Levi Strauss Foundation
The Joyce Foundation
MetLife Foundation
Moriah Fund
Rockefeller Foundation

and the following community partners, which administered the accounts:

ADVOCAP (WI)
Alternatives Federal Credit Union (NY)
Bay Area IDA Collaborative (CA)
Capitol Area Asset-Building Corporation (DC)
Central Vermont Community Action Council (VT)
Community Action Project of Tulsa County (OK)
Foundation Communities (TX)
Heart of America Family Services (MO)
MACED (KY)
MercyCorps (OR)
Near Eastside Community Investments (IN)
ShoreBank (IL)
Women’s Self-Employment Project (IL)

Moreover, many of the lessons from ADD came to light through the work of the CFED’s research and analytical partner, the Center for Social Development at Washington University in St. Louis.
CFED finished first place in the 2007 Foolanthropy campaign, sponsored by The Motley Fool, the world’s premier multimedia financial education company. Annually the company has run an Internet-based charity drive from November to early January to benefit organizations that embody its philosophies on financial literacy and youth. Readers and members nominate and donate to organizations, and the organization that receives the most donations is declared the winner and given an additional bonus. By the generous support from the Motley Fool community, CFED received $33,865 in donations, including a $10,000 bonus. Said Carrie Crockett, Foolanthropy Co-Chair, “Our new long-term goal is to help every young person in the world receive a basic financial education. CFED was a natural choice as a partner in this, and we’re delighted they’ve garnered such support from our community.”

April, CFED drew 70 Hill staffers to hear about the transformative powers of Individual Development Accounts. Accountholders shared poignant stories about how matched savings accounts helped repair their credit, purchase their homes and improve their financial literacy. More than 100 people attended the July briefing on asset limits hosted by the Congressional Savings and Ownership Caucus, the New America Foundation, CFED and others. Legislators and policymakers were there to urge revisions to asset limit policies that prevent people from saving and gaining ground while they receive public assistance. In October, CFED staff members presented findings on the Scorecard to 50 congressional staff members and national CFED partners.

With evidence from the Scorecard, advocacy by CFED and a host of allied organizations as well as changes in the political landscape, asset limit reform scored some significant victories in 2007. Seven states took actions with regard to asset limits. Three states eliminated asset limits in their food stamp programs; three others excluded certain types of asset limit restrictions from TANF; and one, Minnesota, substantially raised asset limits in its food stamp program.
An empowered organization is one in which individuals have the knowledge, skill, desire, and opportunity to personally succeed in a way that leads to collective organizational success.

– M. Shawn Covey
Combined Schedule of Financial Position as of December 31,

**ASSETS**

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<th>2007</th>
<th>2006</th>
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<tbody>
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<td>Cash and cash equivalents</td>
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<td>Investments</td>
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<td>Accounts Receivable</td>
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<td>Grants Receivable</td>
<td>1,784,550</td>
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<td>Prepaid Expenses</td>
<td>85,105</td>
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<tr>
<td>Fixed Assets, Net of Accumulated Depreciation</td>
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<tr>
<td>Deposit</td>
<td>65,936</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$21,834,441</strong></td>
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**LIABILITIES**

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<th>2007</th>
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<td>Loan Payable</td>
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<tr>
<td>Capital Lease Payable</td>
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<td>Accounts Payable and Accrued Expenses</td>
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<tr>
<td>Grants Payable</td>
<td>1,293,500</td>
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<td>Incentives Payable</td>
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<td>Deposits</td>
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<td>Deferred Rent</td>
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<td><strong>Total Liabilities</strong></td>
<td><strong>3,449,440</strong></td>
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**NET ASSETS**

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<td>Unrestricted</td>
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<td>Temporarily Restricted</td>
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<td>Permanently Restricted</td>
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<td><strong>Total Net Assets</strong></td>
<td><strong>18,385,001</strong></td>
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**Total Liabilities/Net Assets**

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<tr>
<th>2007</th>
<th>2006</th>
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<tbody>
<tr>
<td><strong>$21,834,441</strong></td>
<td><strong>$14,738,826</strong></td>
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Combined Statement of Activities (unrestricted fund) for the Years Ended December 31,

**REVENUE**

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<th>2007</th>
<th>2006</th>
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<td>Grants and Contributions</td>
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<td>Government Contracts and Service Fees</td>
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<td>Conference Revenue</td>
<td>13,747</td>
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<tr>
<td>Investment Income</td>
<td>792,994</td>
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<tr>
<td>Other Income</td>
<td>103,559</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9,832,042</strong></td>
</tr>
</tbody>
</table>

**EXPENSES**

**Program Services**

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applied Research and Innovation</td>
<td>2,560,360</td>
</tr>
<tr>
<td>Field Development</td>
<td>1,531,072</td>
</tr>
<tr>
<td>Policy</td>
<td>910,343</td>
</tr>
<tr>
<td>SEED</td>
<td>2,141,428</td>
</tr>
<tr>
<td>American Dream Match Fund</td>
<td>144,074</td>
</tr>
<tr>
<td>Communications</td>
<td>571,760</td>
</tr>
<tr>
<td><strong>Total Program Services</strong></td>
<td><strong>7,859,037</strong></td>
</tr>
</tbody>
</table>

**Supporting Services**

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising</td>
<td>744,680</td>
</tr>
<tr>
<td>Management and General</td>
<td>542,803</td>
</tr>
<tr>
<td><strong>Total Supporting Services</strong></td>
<td><strong>1,287,483</strong></td>
</tr>
</tbody>
</table>

**Total Expenses**

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,146,520</td>
<td>12,272,736</td>
</tr>
</tbody>
</table>

Change in Net Assets | 685,522 | 343,630 |

Net Assets, Beginning of Year | 1,931,734 | 1,588,104 |

Net Assets, End of Year | $2,617,256 | $1,931,734 |

2007 Source of Funds

- Grants and Contributions: 80%
- Government Contracts and Service Fees: 10%
- Investment Income: 8%
- Conference Revenue: 1%
- Other: 1%

2007 Use of Funds

- Programs: 86%
- Fundraising: 8%
- Management and General: 6%
We thank the following supporters for their generous financial contributions to CFED in 2007:

Adina Abramowitz
Irvin Andre Alexander, III, and Kevin McGowan
Allstate
Annie E. Casey Foundation
David Augenblick
Barbara and Gerson Bakar
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Bank of America Foundation
Kristen Barden
Samuel and Sandra Bishop
Victoria and Hank Bjorklund
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Ellen and Paul Lazar
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Andrea Levere and Michael Mazerov
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Steven Levere and Patti Sue Plummer
Levi Strauss Foundation
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Lia Fund of Triangle Community Foundation
Michael Liburd
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Mara Luoma
Jimena Martinez and Michael Hirschorn
Joseph Matchette
Kate McKee
MDC, Inc.
Elise Meeks
Merrill Lynch Community Development Company LLC
Jim Mersfelder and Sandra Stark
Nancy Meyer and Marc Weiss
Microsoft Matching Gifts Program
Maurice Lim Miller
Dana and Ralph Moore
Moriah Fund, Inc.
The Motley Fool, Inc.
Mary Mountcastle
Ms. Foundation for Women
Nathan Cummings Foundation
NeighborWorks America
Sabrina Michaux-Neptune and Torod Neptune
Blake and Molly Nordstrom
The North Carolina Partnership for Children, Inc.
Northwest Area Foundation
Opportunity Finance Network
Chris and Janet Page
Chuck and Nancy Parrish
Kim Pate
Sally G. Paynter
The Philanthropic Collaborative, Inc.
Amy and Matthew Ragen
Alexander Reid
Richard and Joan M. Haber Fund at the East Bay Community Foundation
Brian Richards
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Carl Rist
Susan Rose and Johnathan Weintraub
Deborah and Doug Rosen
Barb Rosen
Barbara and Richard Rosenberg
Erik Ruehr
Joe Sacco
Ruth Salzman
Gayle and Stuart Samuels
Charles and Heather Sandel
Maria Schellpfleffer
Nancy Stark and David Siegel
Carlynn and George Steiner
Sycamore Fund at the Peninsula Community Foundation
Leigh Tivol
Michael Torrens and Claudia Radel
Barry and Marjorie Traub
Devin and Jenese Tucker
Jerome Uhler
Barbara Uhler
United Way of the Bay Area
W.K. Kellogg Foundation
Wachovia
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Wells Fargo
Eileen Glasser Wesley and Mark Wesley
Nicola Wood
Y & H Soda Foundation
Z. Smith Reynolds Foundation

… and those who choose to remain anonymous

— Investors Promoting Opportunity

BOB SIMPSON

Strong Partnerships

Originally, CFED’s relationship with Fannie Mae was through the Fannie Mae Foundation. It was a close relationship, but about the time the corporation and the foundation merged back together, CFED started providing leadership in some areas we were looking into. When CFED and NeighborWorks America put together a manufactured housing conference in Atlanta (“Changes in the Wind – Manufactured Housing and the Future of Affordable Housing,” February 2007), we really were talking a look at asset-building opportunities. We were looking for a strong national partner, and we wanted to get to know CFED more.

CFED has always been really strong on asset building. The I'M HOME initiative gave us the opportunity to look at policy challenges and view the innovative experiments going on around the country in a coordinated, centralized way. CFED was just what we were looking for, an organization that would have access to these great local pilots, plus be able to bring the national thought leaders to the tables.

We feel very fortunate to have the relationship we have with CFED. We have a great deal of respect for CFED’s work. We feel honored to be a part of its partnership network. Every year, our partnership evolves into a stronger and stronger relationship, and as challenges come up, we are confident that we have a strong enough relationship to figure it all out as we work toward our goals.

Bob Simpson (with his son, Jack) is Fannie Mae’s vice president for Rural, Native American and Gulf Coast/Disaster Initiatives, Sioux Falls, SD.
NEW HEADQUARTERS

In September, CFED’s national headquarters took up residence in its new office space in downtown Washington, DC. The new location comprises the entire fourth floor of 1200 G Street, NW. With more than 17,000 square feet of technology-infused space, CFED subleases part of the floor to long-time friends ShoreBank International and LivingCities. The national office was rapidly growing out of its space just off Capitol Hill and the new location is able to accommodate CFED’s growth. In addition, the transfer came with improvements that allows for easy connections to CFED’s other offices and the ability to rent out meeting space to interested parties.
People Can Make a Difference

We both became familiar with the work of CFED when our daughter Barb started working there. We became very impressed with the asset-building approach to poverty reduction. With Deborah having been an educator, we had been more focused on education as a way of creating opportunity. But now we see that education with the financial security component brings even more opportunity. For us, CFED represents a big umbrella. This is a big goal that can’t really happen unless you have this comprehensive approach across the country and that’s what CFED brings.

We hosted a “friend-raiser” in Seattle in March 2007. We invited several of our friends. Most of them are philanthropists who are interested in these kinds of ideas, and some had heard about microenterprise and wanted to learn more. Andrea came with some CFED people, and they blew us away!

Andrea asked Doug to attend a board meeting to learn more about CFED and to possibly join the board. Being enterprise-oriented, we were intrigued by the businesslike and reasoned way CFED approached the big task of eliminating poverty. We learned about equity-building proposals, the so-called “trailer park” financing, the IDAs.

CFED’s mission is so big and so simple at the same time. People definitely understand and want to help rid the world of poverty, but CFED’s approach is so novel. It isn’t something that is particularly obvious to people who are used to thinking the government handing out checks is the way to fix poverty. Most would ask, “How can I possibly help?” But people can make a difference. This is relevant to all of us. We are not policy people, foundation people. We are just regular people who are enamored of the idea that you can use small of amounts of money to start people on a whole new path in life.

Doug Rosen is executive vice president of Alco Investment Company, Seattle, and the newest member of CFED’s board of directors. Deborah Rosen is an educator and community volunteer.
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Ellen Lazar  
Chuck Parrish

* The Policy & Communications Committee has two members who are not CFED Board members. Lisa Hall is executive vice president and chief lending officer, Calvert Foundation, Bethesda, MD; Doug Robinson is media relations manager, NeighborWorks America, Washington, DC.
GEORGE “MAC” MCCARTHY

Think. Do.

CFED has been a long-standing partner of Ford’s in our efforts to promote asset building as a pathway out of poverty and understand what kind of asset-building strategies really work on the ground. CFED really gets it. Not only does CFED understand the importance and power of assets for people living on low and moderate incomes, but the organization also understands that to create meaningful change, we have to bring together philanthropists, practitioners, policymakers and the private capital markets. None of us can be working in isolation from one another and hope to have any kind of impact at scale.

As a funder, I’m always thinking about reaching scale. I may have deep pockets compared with most nonprofits, but foundation resources are nothing compared to what the federal government and private sector can bring to bear! So one thing I value about CFED is the way its programs, like I’M HOME, are designed to try to figure out which local innovations have the potential to work regionally or nationally and then reach out to the institutions who can take the work to the next level.

Before the launch of I’M HOME, I would periodically convene this group of great thinkers to talk about using manufactured housing as an asset-building strategy. The group included folks from nonprofits, researchers, banks and the manufactured housing industry. The conversations were great, and we came up with some innovative approaches. But I remember sitting around a conference table somewhere one day when somebody finally said, “What we really need is some sort of seed capital pool that we could use to see whether these ideas actually work and whether there are any other similar innovations out there.” And Dave Buchholz (formerly of CFED), Paul Bradley, president of ROC USA and I all looked at each other. Dave said, “That’s the same sort of thing that CFED has been doing for a while with our Local Capital Markets Investment Fund …” The next thing I knew, Dave and Paul were cranking out the business plan for I’M HOME. And that’s another thing I love about CFED people – they don’t just think, they do.

George “Mac” McCarthy is senior program officer in development finance and economic security at the Ford Foundation, New York.

LEONARD BURTON

Building a Movement

The Jim Casey Youth Opportunities Initiative is a national foundation that brings together the people, systems and resources necessary to help youth leaving foster care make successful transitions to adulthood. In the three years that I have been with the Initiative, we have valued the importance of financial literacy for young adults and the significance of savings and building assets.

Our relationship with CFED got started through SEED. We were interested in Individual Development Accounts (particularly youth IDAs) and decided to make some significant investments in the field. CFED’s American Dream Demonstration led us to seek out CFED for its expertise in this area, particularly to build our capacity with youth in foster care. This is a vulnerable population that we originally thought would have difficulty saving. Our partnership, however, with CFED to start SEED accounts at the Mile High United Way challenged this thinking, as young people began build assets and their savings.

We value our relationship with CFED. We truly rely on the expertise that CFED has to re-engineer and move into the next iteration of matched savings accounts.

CFED is important. It becomes a voice for the economically marginalized to develop hope for their potential to build assets and to save. The body of research CFED produces and the opportunities it has created helps to demonstrate the possibilities for people to become economically independent. CFED offers economic success, with a twist added for education. CFED’s work helps people socially and, even spiritually, because it helps people build something they own; something that becomes an innate part of who they are.

I envision the lessons that have been learned by CFED and Jim Casey to be shared. We value the partnership and the relationships that we have with Bob Friedman and Carl Rist. We will continue to partner with CFED, and look for greater opportunities as it continues to build this movement. Yes, I believe this is a movement. CFED has credibility that we can take advantage of, and we have complementary opportunities that we could offer to others to keep building this movement and taking it to scale.

Leonard Burton is the chief operating officer (COO) for the Jim Casey Youth Opportunities Initiative, St. Louis.
For more information on CFED, please contact Elizabeth Coit, Vice President for Development, at 202.207.0145 or ecoit@cfed.org