

MARKETWISE



**Eliminating Barriers
Developing Potential**

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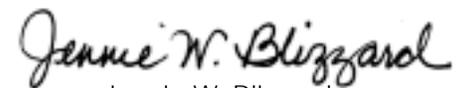
In this issue...

of *MARKETWISE* we applaud organizations and individuals who tear down barriers often present in impoverished communities. Operation Hope, Inc. realizes that a person's journey to financial prosperity begins fundamentally with essential knowledge about basic financial principles. The Calvert Foundation's social investment approach couples the desires of individuals who want to share wealth through social causes with nonprofits eager to develop the capacity of underprivileged neighborhoods. One Economy Corporation's holistic approach to Internet access and usage for low- and moderate-income communities creates infinite intellectual and economic opportunities. Unlimited Future, Inc. confirms that entrepreneurial progression and innovation have no borders. South Sumter, South Carolina's community economic development initiatives embody the spirit of utilizing community action to effect sweeping change. These initiatives prove that the alliance between personal enthusiasm and committed organizations construct and solidify ceaseless possibilities.


Jackson L. Blanton
Vice President and Community Affairs Officer

The word "hope" ...

substantiates the notion that never-ending boundaries and abundant opportunities drive self-achievement. Throughout history, pioneers of positive change continue to instill optimism into individuals and communities considered distant from economic prosperity. As a nonprofit advocate for people poor in financial resources but rich in aspirations, Operation Hope helps communities build the foundation critical to their economic success. Through its banking centers and personal financial education programs, Operation Hope works as a tireless crusader for those unfamiliar with wealth-enhancement strategies and removes "the wall" that separates the fiscal savvy from those unfamiliar with the basic principles of asset building. With a hands-on approach that specializes in empowerment programs, Operation Hope blends collaborations, motivations, and innovations for growth that transforms people pessimistic about their situations into optimistic believers of their capabilities.


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MARKETWISE is published three times a year by the Federal Reserve Bank of Richmond. Free subscriptions and additional copies are available upon request; address requests to the CAO, Federal Reserve Bank of Richmond, P.O. Box 27622, Richmond, VA, 23261, or call (804) 697-8457. Material may be reprinted or abstracted provided MARKETWISE is credited. Please provide to the Community Affairs Office a copy of any publication in which material is reprinted. The views expressed are not necessarily those of the Federal Reserve Bank of Richmond or the Federal Reserve System, nor are they meant to imply endorsement of specific investments or programs.

Operation HOPE, Inc.:

An Educational Evolution by Patty Frost

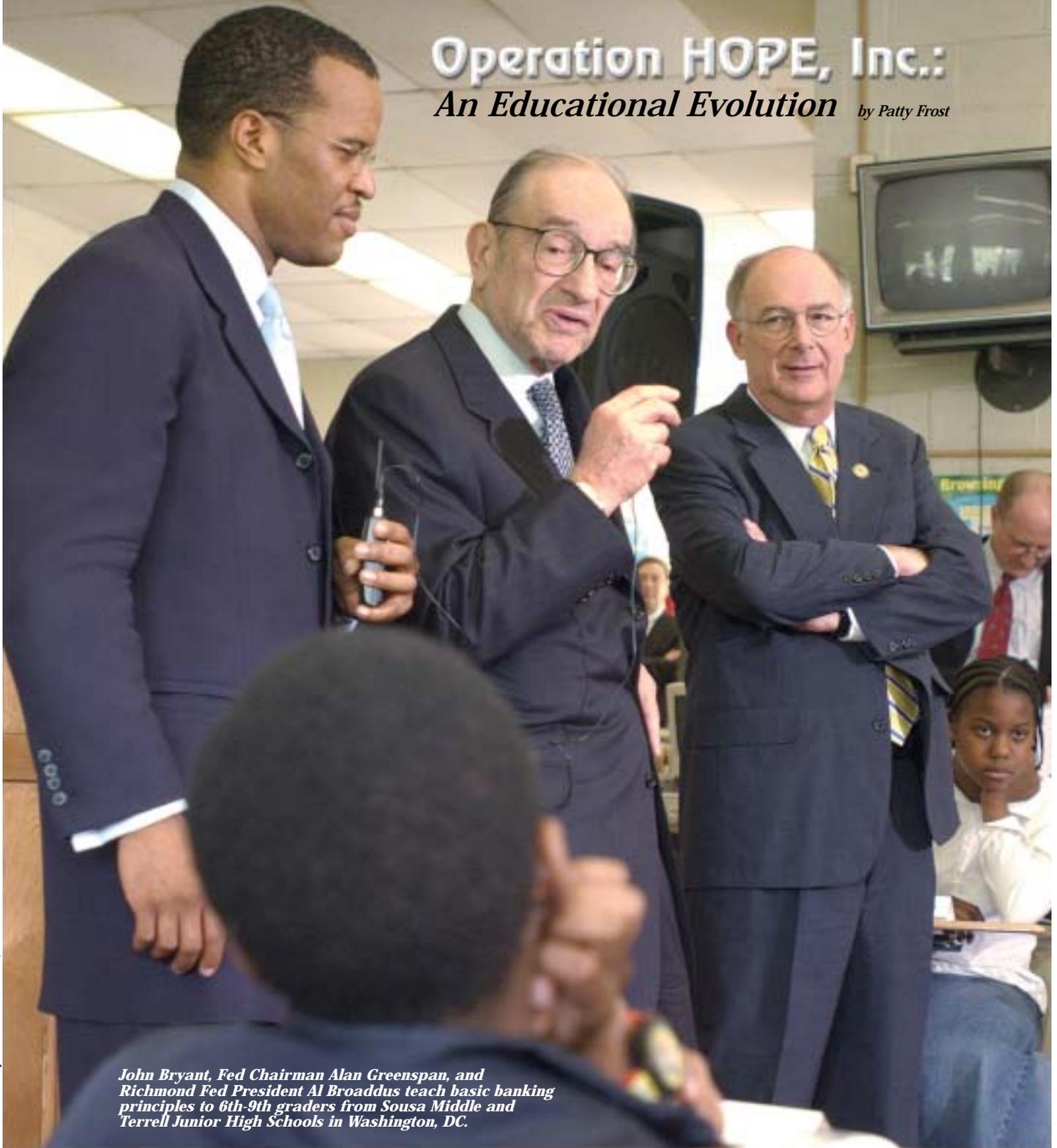


Photo courtesy of Britt Leckman, Board of Governors

John Bryant, Fed Chairman Alan Greenspan, and Richmond Fed President Al Broaddus teach basic banking principles to 6th-9th graders from Sousa Middle and Terrell Junior High Schools in Washington, DC.

As a national self-help vehicle and a leading provider of economic empowerment tools and services for the underserved and “wealthless,” Operation HOPE, Inc. (OHI) is the epitome of its slogan “doing well by doing good.” It is an operation of education because education is the ultimate poverty eradication tool; an operation of empowerment because empowerment keeps individuals from being poor in mind and spirit; and an operation of conversion because conversion is an effective measure of success.

OHI seeks to bring economic self-sufficiency and a sustained spirit of revitalization to America’s inner-city communities and schools, and fulfills its mission through the implementation of economic empowerment, digital empowerment, economic education, and economic literacy. And OHI has learned that the biggest returns come from investing in the nation’s youth.

(continued)

Through ongoing collaborations and long-term partnerships with leading government, private sector, and community interests, OHI converts check cashing customers into bank depository customers, renters into owners, small business dreamers into small business owners, and minimum wage workers into living wage workers.

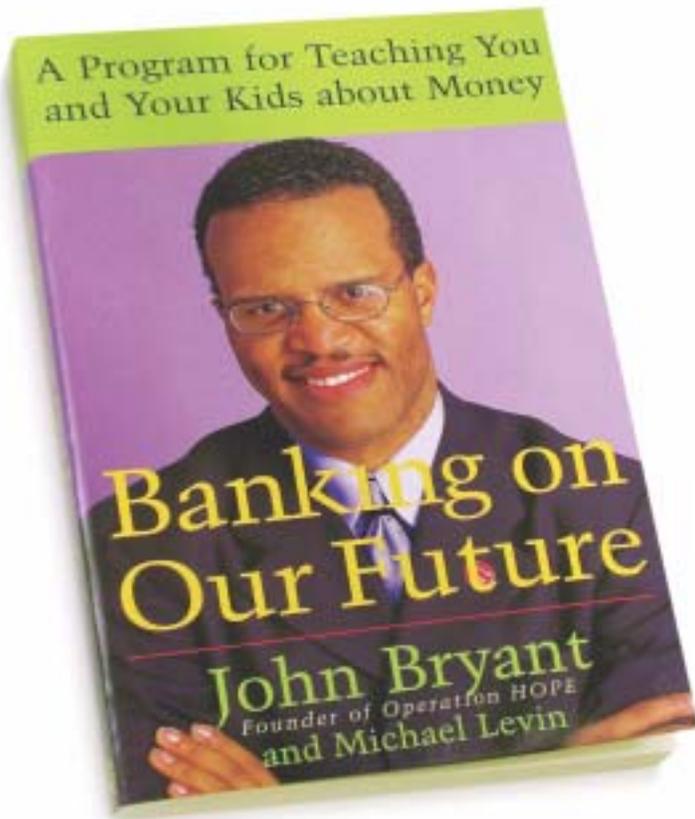
A Man with a Mission

As a 10-year-old capitalist selling candy in his neighborhood, John Bryant benefitted from basic financial skills at an early age. Decades later he wants to ignite the entrepreneurial spark in others. He introduces himself with a sincere, but accomplished, smile. He extends his hand in a professional, but passionate, manner. His demeanor is confident and purposeful and his rhetoric is bipartisan and prophetic. He is captivating, compassionate, and committed. And his mission is one of hope — Operation HOPE. As the founder of America's first nonprofit social investment banking organization, Bryant's work is complex, precise, necessary, and life altering.

One really can't research the organization without revealing the man behind — and in front — of it. Bryant considers his parents, a "blind spot," and a stint of homelessness as his



John Bryant
*Founder, Chairman & Chief Executive Officer
Operation HOPE, Inc.*



three strongest inspirations. His parents instilled love, confidence, and a can-do attitude in him from his earliest years. His "blind spot" was his early natural inclination to blame poverty on the poor, and yet do nothing to help change the situation. And then as a naïve 18-year-old who "believed too much of his own press" regarding his personal and professional potential, Bryant found himself broke and homeless. In the midst of this spiritual hangover, Bryant realized how destructive material selfishness can be and vowed never to be poor in spirit again.

From there he experienced both huge failures and great successes working as an actor, a banker, an equity lender, and eventually as founder of the Bryant Group Companies. The success and money were there, but the passion and purpose were not. Immediately after the civil unrest of the 1992 Los Angeles riots, Bryant found his calling by founding OHI on May 5, 1992. The organization spent the first eight years in existence focused on establishing its name, programs, position in the market, and credibility with funders, supporters, and those needing its services. Having achieved these milestones, OHI now works relentlessly to achieve its 2001-2005 strategic plan goals, which include significantly increasing its profile through national media coverage and public service announcements to strengthen its "empowerment network."



Photo courtesy of Chuck Potter

Arlen Gelbard
*President, E*TRADE Bank*
National Board Member,
Operation HOPE, Inc.

“John Bryant has an unmatched bipartisan level of acceptance and endorsement nationwide. From both a political and regulatory standpoint, his work is respected and impressive. I have no hesitation in recommending involvement with Operation HOPE. The organization checks out sterling.”

Arlen Gelbard

A Noteworthy Network Connection

Expanding on its West Coast success based in the Los Angeles area, OHI is now using both its New York and Washington, DC offices as anchors for the long-term development of its national network of companies. Key to its presence in the Fifth District of the Federal Reserve System is the opening of two OHI program offices in the Arlington, Virginia and Washington, DC areas. With full-time staff in both offices, OHI plans to “drill down” into the local markets to develop a network of committed funding supporters, program supporters, advocates, volunteers, and local boards.

Early on, one major OHI supporter surfaced. At an Office of Thrift Supervision banking leadership conference in early 2001, Bryant was the keynote speaker. Arlen Gelbard, chief banking officer and president of E*TRADE Bank (E*TRADE), an e-commerce bank, attended this conference. Gelbard was captivated by Bryant’s commitment to bridging the digital

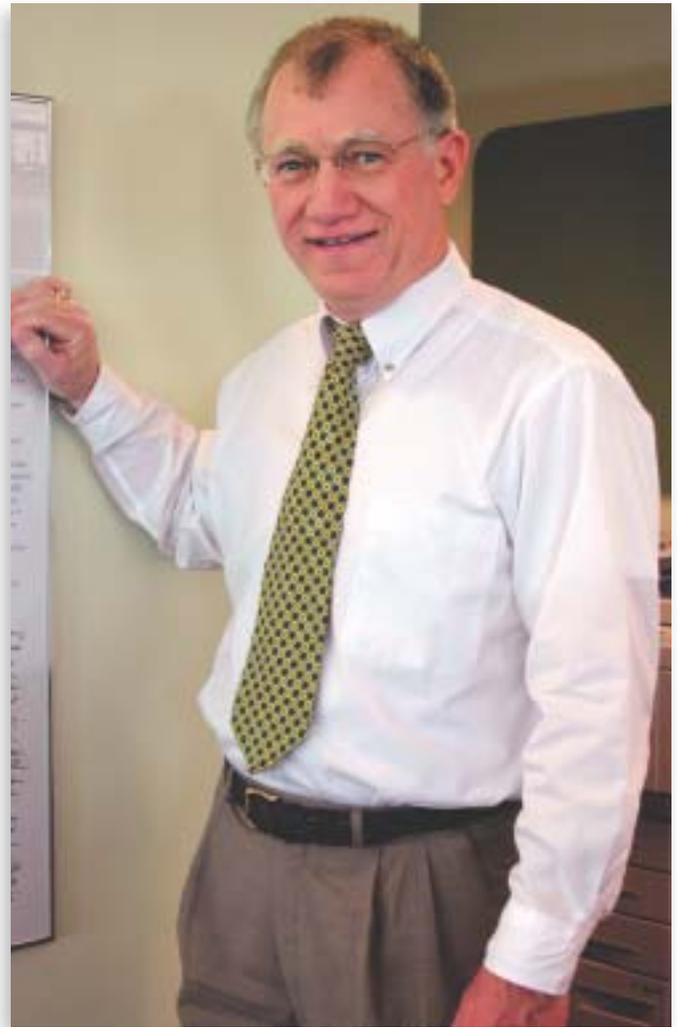
divide and increasing economic literacy, as these efforts were perfectly in line with E*TRADE’s mission. Gelbard was hooked — and wanted to connect with Bryant.

“Our success is based upon people’s understanding of finance at some level, and those levels range from basic banking to investing. A huge portion of the population knows nothing about banking, even at its most basic level. Operation HOPE’s efforts to increase banking knowledge to a broader population was a perfect fit with us,” Gelbard says. As OHI’s Signature Sponsor, E*TRADE houses the Arlington office and staff, is supporting the creation of the Arlington and DC Banking on our Future (BOOF) chapters, and has committed to underwrite the HOPE Center in the Anacostia area of DC. Operation HOPE Banking Centers, known as HOPE Centers, are a growing network of inner-city banking and one-stop economic empowerment centers.



"I don't feel like I 'owe' anything to the community, but rather I want to inspire and rejuvenate young people by giving them the roadmap to financial responsibility so they too will be motivated to succeed in life."

Neil Jackson



Neil Jackson, *Business Manager Internal Auditing, E*TRADE Financial Group and 2002 BOOF Banker Teacher of the Year*

Banking on Our Future

The BOOF initiative as one of OHI's main priorities. As an economic literacy program, BOOF teaches inner-city youth and low-wealth and under-served communities the basics of checking and savings accounts, and the importance of credit and investment. In executing a nationwide delivery system for economic literacy education, BOOF encourages parents, teachers, government, and local banking professionals to provide year-round financial education for youth at no cost to school districts, focusing primarily on urban communities. OHI has designed a curriculum that transitions students from understanding basic financial definitions and money management to opening no-fee starter savings accounts within the participating financial institutions.

Many of E*TRADE's employees are teaching in the classroom or excited about the prospect of doing so in the near future. Neil Jackson, a business manager in internal audit with the E*TRADE Financial Group, was the 2002 BOOF Banker Teacher of the Year. Jackson teaches classes on a regular basis and



hopes to increase his involvement over time. He considers Bryant, "a messenger, a genuine individual, and special friend who believes in a hand up instead of a hand out." Through teaching, Jackson is given the opportunity to share his life lessons and knowledge with young people who differ from him only in life circumstances.



Cam Ragland, E*TRADE's compliance/CRA officer and a BOOF Banker Teacher, also participates in the BOOF program by teaching classes weekly. To her, the value added comes in the face-to-face contact with the students and teachers and in discussing real life issues and situations. "Most of these students have a minimal understanding — and a limited trust — of the banking industry. The students are looking for answers to everything from ATM usage to family finance planning for both themselves and their parents." Ragland agrees that E*TRADE's sponsorship of OHI's programs is a good match.



Cam Ragland
Compliance/CRA Officer,
E*TRADE Bank and BOOF Banker Teacher

"As the nation's leading e-commerce bank, we promote access to a new wave of banking and technology. Through the Operation HOPE Banking Center and HOPE Inner City Cyber Café in Anacostia, we can expose an innovative financial delivery system to people who have never had access to personal computers. This multifunctional location will enable us to reach under-served communities," Ragland explains.

A Center of Hope and Help

HOPE Centers work with FDIC-insured banks and other credible providers of mainstream financial services to provide economic education and banking services. A related project is the HOPE Inner City Cyber Café, which provides the local community with a positive and relaxed environment in which to access, research, and conduct e-commerce related business. Through partnerships with high-tech hardware and software providers, each café is equipped with at least 15 cutting-edge technology stations and unlimited opportunities to meet the banking needs of under-served populations.

Planned for a October 2003 opening, the DC HOPE Center will house both a banking center and a cyber café. Strategically located in a high-traffic strip mall at the intersection of Branch and Pennsylvania Avenues in the Anacostia section of DC, the HOPE Center will provide a variety of bank services and a hands-on computer training site. A staff of five to seven repre-

"Through the Operation HOPE Banking Center and HOPE Inner City Cyber Café in Anacostia, we can expose an innovative financial delivery system to people who have never had access to personal computers. This multifunctional location will enable us to reach under-served communities."

Cam Ragland

sentatives from different financial institutions will volunteer their time to offer credit and homeownership counseling, individual case management, and a variety of other financial services.

"The location of the HOPE Center is ideal, as it situates needed services in the most convenient way to the most people in the targeted area," Gelbard explains. Having personally toured the site with Ward 7 Councilman Kevin Chavous last year, Gelbard committed E*TRADE to underwrite the opening and on-line operations of the center. "Many people reach a certain point in their life where if they don't know something, they're not going to ask. The HOPE Center is directed to the general population in a non-threatening, helpful way, in order to provide the necessary tools to teach individuals about finances so their money can work to their benefit," Gelbard adds. Other tenants in the mall include the police department and local government satellite offices.



DeLise Cousins ▶
*Manager, DC HOPE Center
and Regional Manager, BOOF*

Jena Roscoe ▼
*Senior Vice President
and Chief of Government Affairs,
Operation HOPE, Inc.*

“In selecting this location, we’re accessible to several entities in a respectful and strategic way, while maintaining our credibility. Additionally, the support is already here — locally and regionally — in terms of private sector, government, and financial institutions, and we plan to build upon that existing support system,” assures DeLise Cousins. Cousins, manager of the DC HOPE Center and regional manager of BOOF, has served OHI well in providing a programmatic structure and progressive BOOF portfolio in the Washington, DC and Northern Virginia areas.

Location, Location, Location

Cousins works very closely with Jena Roscoe, senior vice president and chief of government affairs. Recognizing the immense potential the Washington Metro Area holds for continuing success and growth of OHI, Roscoe mainly concentrates on strengthening existing relationships with federal, congressional, and legislative institutions, as well as, banking and financial institutions.

“I’ve had the privilege to serve as the company’s first national director of government affairs with an emphasis on building an Operation HOPE East Coast presence. Priority alliances to strengthen partnerships with include several Federal Reserve Banks and the Board of Governors of the Federal Reserve System, as well as with the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the Office of the Comptroller of the Currency. Within the trade association sector, alliances include the American Bankers Association Foundation and America’s Community Bankers,” Roscoe reports.

Roscoe’s office is actually housed in the downtown DC office of Manatt, Phelps & Phillips, LLP, a national law firm that provides pro bono support and advocacy to OHI. Steve Ryan,

partner at Manatt and OHI DC regional board chairman, echoes the emphatic endorsements of so many other OHI supporters. “Although Operation HOPE transcends John Bryant, few people ever truly bridge the political gap to achieve unanimous bipartisan support of their program. Ironically, John’s intensely political focus on people has allowed him to accomplish this support across the board, and this unique formula of bipartisanship works to the benefit of all under-served communities.”

The DC HOPE Center, slated for a September 2003 opening, will house a banking center and cyber café located in Penn Branch Shopping Center.





Steve Ryan
*Partner, Manatt, Phelps & Phillips, LLP
DC Regional Board Chairman,
Operation HOPE, Inc.*

“We consider Operation HOPE a key pro bono client that we have a corporate commitment to,” Ryan continues. Ryan is heavily involved in the logistics and fall opening of the DC Hope Center and Cyber Café, which will replicate the planning process and promotional pathway that proved to be so successful in Los Angeles. “Operation HOPE’s support network includes private sector, government, and community leadership involved on a series of levels. The fact that Operation HOPE has cultivated relationships and associations with so many nationally respected and high profile organizations speaks highly to John’s vision and authenticity.”

And so as Bryant embodies — and OHI epitomizes — hope generates hype, which creates the sustainable forces of passion and purpose to transform a financial literacy revolution into a personal empowerment evolution. He ends meetings with embraces and closes correspondence with, “Onward with Hope” — and both hold genuine meaning. It is difficult to walk away from Bryant without fully believing that “in the cusp of a movement, in a moment in history,” economic education and market opportunity can combat — and stand a viable chance of eradicating — urban poverty. ^{MW}

For more info on Operation HOPE, Inc., visit www.operationhope.org

HOPE Highlights

- Founded, developed, and launched 15 BOOF chapters across the country
- Trained over 104,000 inner-city youth in the basics of banking, credit, and investment
- Recruited a network of over 600 active volunteer Banker-Teachers for the BOOF programs
- Educated, counseled, and processed more than 554,000 customers, clients, and transactions
- Provided free economic literacy content and education to more than 65,000 children on-line
- Educated over 19,000 adults through the adult economic literacy program



E*TRADE Bank and Operation HOPE: *A CRA-Qualified Investment*

As OHI’s signature sponsor, E*TRADE is a fully committed partner. In addition to furthering E*TRADE Bank’s community outreach goals, the partnership also provides CRA investment credit because of the population and communities OHI reaches. To date, E*TRADE Bank has committed to a \$2.5 million, two-year partnership with OHI with the option to broaden the national objectives of the partnership.

Because E*TRADE Bank does not have a traditional branch network and relies primarily on electronic delivery channels, the current standard methods of assessing CRA compliance for a large financial institution are not appropriate for it. Accordingly, E*TRADE Bank proposes to adopt a strategic CRA plan as an alternative method for satisfying its CRA obligations pursuant to 12 C.F.R. Section 563e.27 (a strategic plan option qualification).

The partnership will help develop and effectively deliver a broad cross-section of essential products and services in, to, and for targeted under-served communities nationwide and specifically within E*TRADE Bank’s Primary Assessment Areas.* The partnership brings together the proven economic empowerment, economic literacy, digital literacy, and digital empowerment agenda of OHI, with the broad, deep, substantive, and growing “no borders” new economy platform of E*TRADE Bank.

**Areas where the Bank receives the greatest distribution of deposits and where it will focus the majority of its CRA efforts.*

The Community Reinvestment Act (CRA) was passed in 1977 by Congress to assess a bank’s compliance as it relates to its performance in providing credit services in the communities from which it takes deposits, including low- and moderate-income neighborhoods. Banks should consult with their regulator to determine whether similar investments would be considered “qualified investments” as defined by CRA.



Lisa Moore
Teacher, Arlington Career Center

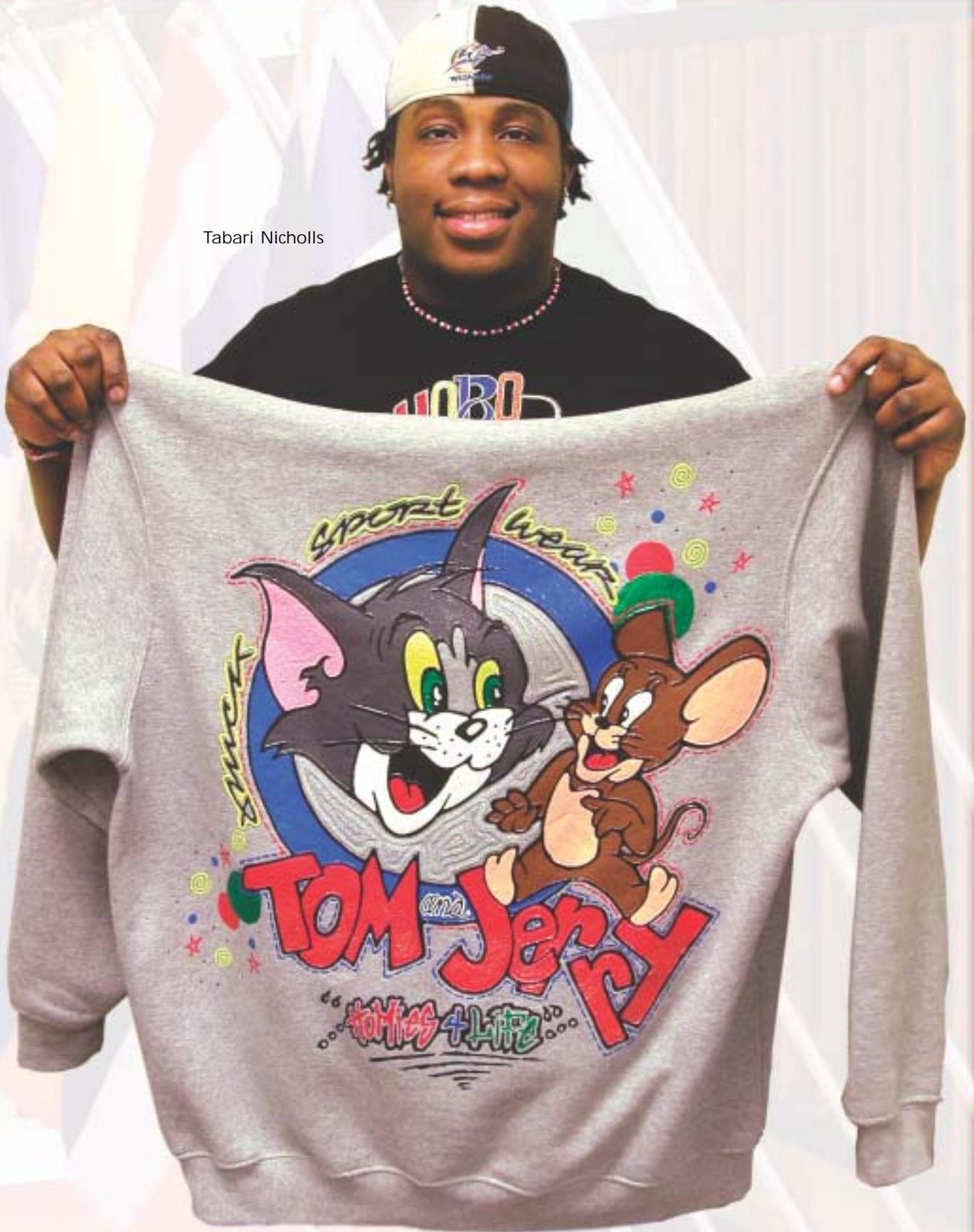


You don't get selected as the SBA's Washington Metropolitan Area District Office's "Young Entrepreneur of the Year" without knowing a thing or two about finances. Just ask Tabari Nicholls, owner and designer of Duck Sport Wear. As an 18-year-old senior at Washington Lee High School in Arlington, Virginia, Nicholls began his customized, hand-painted apparel company in 1999.

Nicholls is also a student at the Arlington Career Center, where he completed a business banking and marketing class with Lisa Moore, a dedicated teacher and a BOOF teaching volunteer. Moore has found Operation HOPE's curriculum a vital part of her work in educating young adults and encouraging them to focus on their financial future. "Basic financial education is an essential component to what all high school students need to better plan their futures," she explains.

Nicholls admits that Moore's instruction has been invaluable to the success and growth of his business. "Over time, I learned to invest the money right, so that I can make a profit," he says. Nicholls plans to maintain his business while he studies graphic design at Northern Virginia Community College, and hopes to eventually attend Howard University. During the interim, you can find Nicholls generating the supply to meet the constant demand of his customers. His original designs on shirts and jeans serve as walking advertisements for his business, while his entrepreneurial experience and success serve as a financial foundation for his future.

Tabari Nicholls





*(Front, left to right)
Julia White, and Sherri Agbele*

*(Back, left to right)
Richard Glod,
Esmond Mushi,
Michael Drane,
and Jim Brooksbank.*

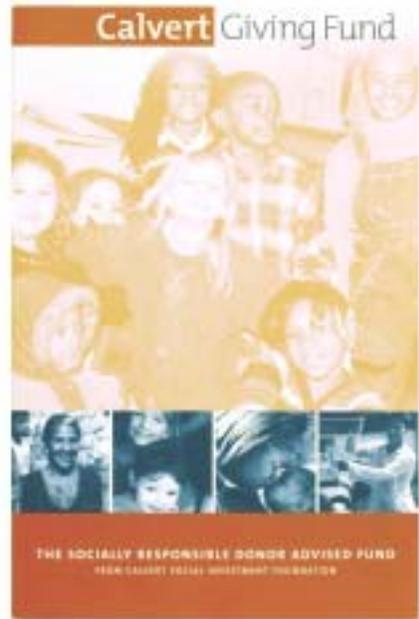


“People like the idea of matching investment priorities with social goals,” he said. Calvert has committed 1 percent (\$12.8 million) of the portfolios of its socially responsible family of funds to community investment that is housed in Calvert Foundation’s premier product — the Community Investment Note.

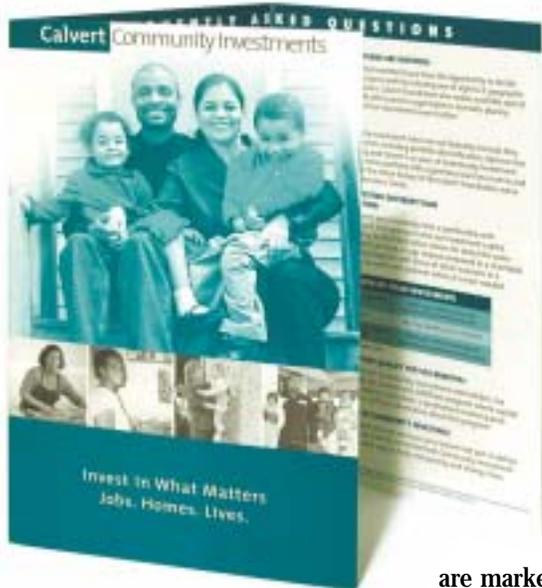
The Calvert Foundation also received initial support from the Ford and the John D. and Catherine T. MacArthur Foundations of more than \$3 million in subordinated investments. “Although Calvert Foundation is not yet fully self-sustainable, it could be,” explains Silby. “Currently, our goal is to make as many loans as possible and even fund those loans that may be riskier, weighing the fact that these loans may have a greater positive impact on a community. In order to do this, a subsidy is required.” Loan funds for Calvert Foundation are recaptured on a 1.5 percent spread and there have been no defaults in seven years.

Market Makers

The idea of socially-responsible investing integrates the values of justice, equity, and compassion into investment decisions. The Community Investment Note gives investors an opportunity to direct investments and select a rate of return



of 0 to 2 percent at a term of one, three, or five years. Calvert Foundation’s most popular product, the Community Investment Note, has a minimum investment requirement of \$1,000. These notes are neither federally insured or in a class of guaranteed securities, but benefit from



portfolio diversification and credit enhancement. When purchasing a Community Investment Note, the investor bears the risk of the pool overall offering greater financial protection. These investment vehicles

are marketed directly by the Foundation and through broker dealers and financial planners.

From the Community Investment Note loan pool, more than 170 grassroots organizations receive loans at interest rates on average of 4 percent, with an average term of 3.5 years, and an average loan size of \$345,000. Calvert Foundation limits the exposure for each organization by prohibiting loan amounts that are more than 10 percent of the borrowing organization's assets and there is a \$50,000 minimum loan requirement. Capitalization for this loan pool comes from over 1,500 investors (individuals, banks, or other organizations), including the Calvert Mutual Funds. Financial institutions that purchase the

Community Investment Note may be able to receive CRA credit for these investments as a "qualified investment" if the Calvert Foundation lends to organizations that target development activity that revitalize and stabilize low- and moderate-income communities in the financial institution's delineated statewide or regional areas.

Successful Forecasts

The Calvert Foundation supports diverse communities in rural and urban settings, domestically and internationally. The following is a list of guidelines for CDFIs and community development corporations to follow when submitting a request for funds:

- General information about the program to include a financial audit with notes, annual budget, portfolio performance, and information on reserve funds;
- A program must focus on expanding opportunity by promoting work-related activities, homeownership, business owners, community services, and revitalize communities; and
- A consistent track record of repayment (with assets of \$500,000 or more) and the organizational management capacity to repay the investment.

The Ethiopian Community Development Council, Inc. and the Housing Assistance Council are two successful organizations that have benefited from tapping into the Community Investment Note loan pool. *(See pages 14 and 15 for more specifics about the organizations and how they benefited from Calvert Foundation's products.)* In addition to the Community Investment Note, Calvert Foundation also offers two philanthropic products, the Community GiftShares Program (Community GiftShares) and the Calvert Giving Fund. Community Giftshares serve as a source of loan capital for innovative, higher-risk organizations that may not qualify for financing under the more stringent requirements of the Community Investment Note program. Drawing upon capital donated through Community GiftShares, the Calvert Foundation has provided loans to 19 organizations supporting a variety of programs such as homelessness, women's causes, environ-



mental issues, and unemployment. Community Giftshares allows donated funds to become part of a permanent loan pool of capital for investment. A donation to this fund can be recycled many times over, exceeding its initial value. The Calvert Giving Fund, Calvert Foundation's donor advised program, allows individuals to start a personal foundation with an initial \$5,000 donation. The fund provides grants as little as \$250 to any 501(c)(3) public-approved charity. No applications for these grants are taken. All grant making decisions are donor advised and the fund offers competitive rates of return.

"The company continues to strive to think of new financial options to empower investors to make a difference in low- and moderate-income communities for future generations. We are exploring a partnership with the New Markets Tax Credit program. I believe that when the private sector and the government equally share the risk, there is more accountability from the private sector leading to successful ventures," Silby said.

With a bright future, the Calvert Foundation has blazed a trail in the socially-responsible industry with its Community Investment Note product. The efforts of the Calvert Foundation and the Calvert Mutual Fund Company can only lead to an expansion of community investment products, the birth of new ideas, new partnerships, and greater opportunity for under-served markets. The Calvert Foundation also proves that social philanthropy and a desire for personal wealth creation can coexist. ^[MW]

For more information on the Calvert Social Investment Foundation contact them at 1-800-248-0337 or visit the web at www.calvertfoundation.org/.



"We are striving to create in the community investment marketplace a level of formality and discipline that engenders consistent performance, greater investor confidence, and broader market participation."

Shari Berenbach,
Executive Director, the Calvert Social Investment Foundation



Ethiopian Community Development Council, Inc.

The Ethiopian Community Development Council, Inc. (ECDC) resettles refugees, while promoting cultural, educational, and socioeconomic development in refugee and immigrant communities throughout the United States. The council also conducts programs in Africa. Established in 1983, ECDC's work with the immigrant population includes all minority immigrants in the Washington, DC Metropolitan Area. The organization helps low- and moderate-income immigrants build wealth and become more financially savvy about the US banking system.

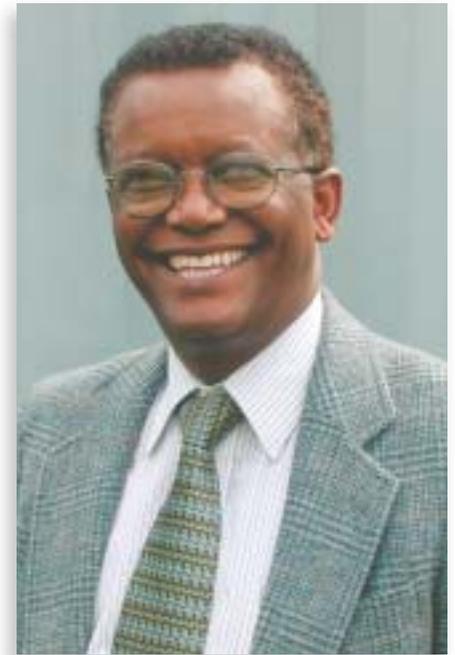
Belay Embaye, program director of ECDC's Enterprise Development Group, oversees two products. The first is the microloan fund that provides loans, which range from \$500 to \$35,000, to low- and moderate-income entrepreneurs in the Washington, DC Metropolitan Area and incorporates business training and pre- and post-loan technical assistance.

The second is the Individual Development Account (IDA) program. The IDA program provides financial literacy training and a two-to-one matched grant to a savings account that helps promote the value of savings. The client's savings and matched grant can be used to either purchase a vehicle or computer; obtain a business, acquire vocational training, recertification, or secondary education; or pay for closing costs and down payments for home purchasing.

"We received a \$125,000 loan from the Calvert Foundation's Community Investment Note from which we were able to fund seven loans," says Embaye. Calvert is one of many of their funders. Future plans for the organization center around

diversifying the funding sources to help the organization become more independent and generating enhanced revenues. The organization would like to start offering lower interest rate car loans. "Our clients are being charged phenomenal interest rates of 18 percent or more to purchase late model cars. This is not fair or equitable. Our organization would like to provide loans at 12 percent or less to our clients," says Embaye. ECDC also plans to set up a loan fund to provide loans greater than \$35,000 for businesses that seek funding for expansion.

To find out more information about ECDC's accomplishments, contact them at (703) 685-0510 or visit its website at: www.ecdcinternational.org



Belay Embaye
Program Director
ECDC's Enterprise Development Group



Promoting cultural, educational, and socioeconomic development in the refugee and immigrant community throughout the United States, ECDC staff includes (left to right): Addisalem Tadesse, Tehlemariam Ayole, Lur Hassan, Collin Elias, Odile Attiglah, and Brigitte Jones.



Housing Assistance Council (HAC)

For over three decades the Housing Assistance Council (HAC) has improved housing conditions for the rural poor. The nonprofit organization offers a variety of services including loans, technical assistance, research, and training services that are targeted to public, nonprofit, and private organizations throughout the United States. HAC assists in the development of both single- and multi-family housing.

HAC provides low-interest loans to finance affordable and mixed-income housing projects in rural communities from several loan pools. Capitalization of these loan funds come from a variety of sources including individual donations, the Adrian Dominican Sisters, the Community Development Financial Institutions Fund, the National Community Capital Association, the US Department of Agriculture's Intermediary Relending Program, and \$1 million from the Calvert Foundation's Community Investment Note.

The average loan made by HAC over the 2000-2002 period was \$158,408 for an average term of 2.5 years. The overall delinquency rate of the loan pools is 3.15 percent, falling slightly below the National Community Capital Association's delinquency rate of 3.5 percent. "We even had a case where a six-month loan had remained outstanding for 10 years. But our success is earmarked by a default rate of less than 2 percent. We've made loans in 49 of the 50 states — this translates to \$145 million and 40,000 units of housing in rural communities," says Moises Loza, executive director of HAC. Most of the money from the loan funds is used for pre-development costs in connection with self-help housing and rural housing development.

HAC provides low-interest loans to finance affordable and mixed-income housing projects in rural communities from several loan pools. Capitalization of these loan funds come from a variety of sources including... \$1 million from the Calvert Foundation's Community Investment Note.



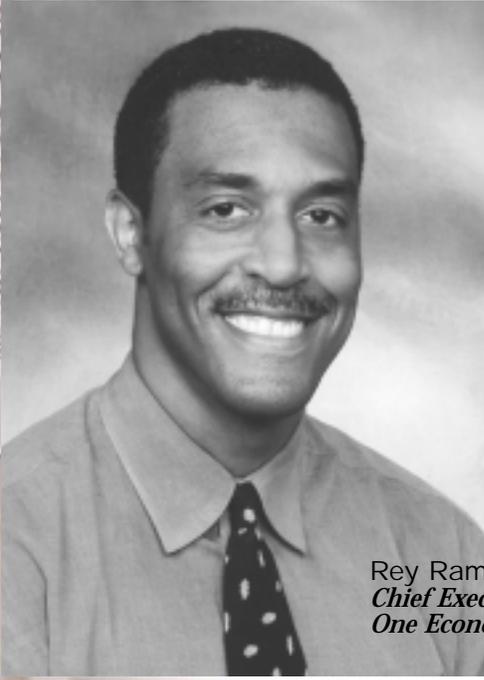
Moises Loza
Executive Director, HAC

What's on the horizon? HAC is interested in developing three new products:

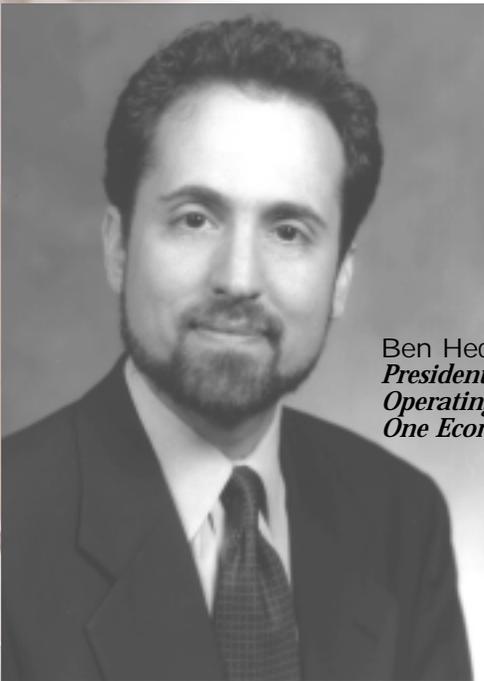
- **Facilities Lending:** Providing loans to support the development of on-site childcare, Head Start centers, or community centers. (Low-income housing tax credits and Federal Home Loan Bank loans do not provide funding to develop these services.)
- **Short Term Loans (10-15 years):** Providing longer loan terms for clients for acquisition and site development. In order to keep development costs and rents affordable, multi-family housing deals often require gap financing at a longer term to ensure cash flow. Developers that want to develop multi-family housing and single-family subdivisions can utilize this product.
- **Land Bank Financing:** Allowing organizations to secure land and hold it while they conduct the lengthy process (six to 24 months) to combine federal, state, and private financing to meet all requirements for affordable housing projects.

For more information on HAC contact them at (202) 842-8600 or visit them on the web at: www.ruralhome.org





Rey Ramsey
*Chief Executive Officer
One Economy Corporation*



Ben Hecht
*President & Chief
Operating Officer,
One Economy Corporation*

One Economy Corporation: *Closing the Digital Divide Gap*

by Frances Stanley

America can be called an “on-line nation.” Increasingly, people connect to the Internet to check e-mail, bank and credit card accounts, make purchases, and “surf the net” for information about a wide range of topics and issues. But how beneficial is the Information Superhighway if a person doesn’t own a computer or even have access to one? What happens if the person is low- or moderate-income and lacks the knowledge and ability to connect?

The gap between people who can effectively use information technology and those who cannot, known as the “Digital Divide,” has always existed. But now, more than ever, unequal access to technology excludes many from receiving the rewards of computer literacy. As universal dependence on computers to access information increases, it becomes more concerning that those without access will become further isolated from the economy.

In July 2000, Rey Ramsey, former president of the Enterprise Foundation, and Ben Hecht, former senior vice president of Enterprise, and a group of social entrepreneurs came together hopeful about the potential of technology to expand access to opportunity. They founded One Economy Corporation with the mission to maximize the power of technology to help low-income people improve their lives and join the economic mainstream.

“While technology has created opportunity for many people, it is a barrier to success for those who do not have access to it,” said Ramsey, CEO of One Economy. “We’re removing these barriers to help thousands of people buy computers, acquire Internet access, engage in meaningful training, and improve their lives. Most importantly, we’re helping them expand the boundaries of their own ideas — a new home, a college scholarship, a retirement savings plan, a better job, a better life.”

“ While technology has created opportunity for many people, it is a barrier to success for those who do not have access to it... We’re removing these barriers...”

Rey Ramsey



One Economy engages government and the affordable housing industry in creating digital access for all; makes certain that people have the skills needed to access and benefit from the technology; and has developed "Digital Communities" to demonstrate the limitless ways technology can make a difference in people's lives.

Images of Success

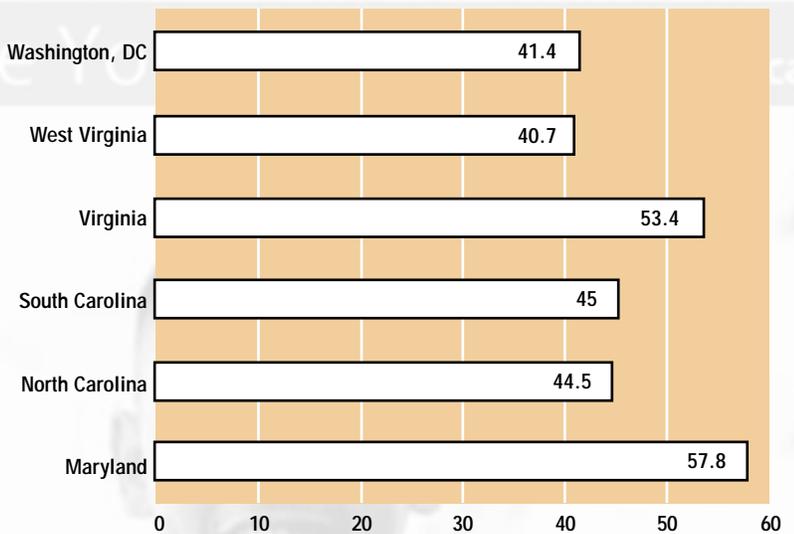
One Economy partners with nonprofits, corporations, and government agencies that serve low- to moderate-income residents. Its strategy focuses on access, content, and culture. The access plan brings computer and Internet access into the homes of low-income people. The content plan provides information on jobs, money, education, family, and health in several languages and is specifically written for low- and moderate-income audiences. The third element of the strategy leverages access and content to build a digital culture in low-income communities. One Economy hopes residents will increase their comfort levels about computers and the Internet — learning about a family member's illness, helping children do their homework, or banking online — and adopt a digital culture into their lifestyles.

To accomplish its mission, One Economy engages government, the affordable housing industry, the private sector in creating digital access for all; makes certain that people have the skills needed to access and benefit from the technology; and has developed "Digital Communities" to demonstrate the limitless ways technology can make a difference in people's lives.

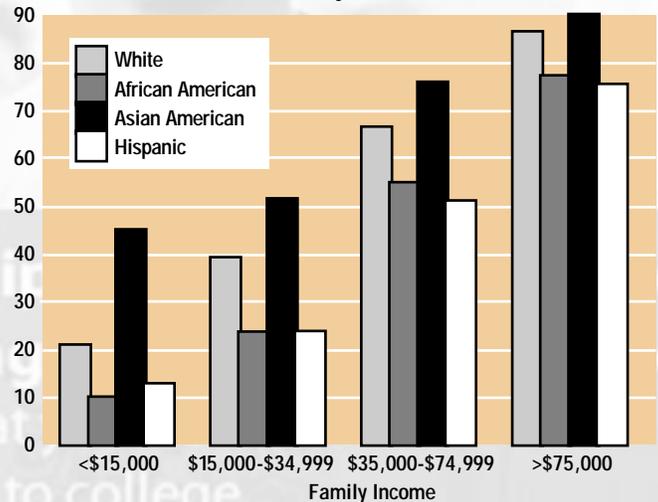
In order to create change more globally, One Economy addresses the public policy aspect of the access issue. As an advocate for building only affordable housing units that are wired for high-speed Internet access, One Economy works with national, state, and local decision makers to create policies that ensure all affordable housing residents have home Internet access. One victory occurred in August 2002 when the Kentucky Housing Corporation adopted a resolution that requires all new affordable housing construction financed by their organization to include high-speed Internet connections.

In January 2003, The State of California adopted new standards to encourage developers throughout the state to wire affordable housing for high-speed Internet access. Oregon (and the City of Portland), Wisconsin, and Nebraska are considering similar policies. In February 2003, Senators John Kerry (Mass.) and Orrin Hatch (Utah) re-introduced legislation

Percent of Fifth District Households with Internet Access



Percent of US Households by Income with Internet Access



originated by One Economy that would build an incentive into the Low Income Housing Tax Credit (LIHTC) to spur the inclusion of high-speed Internet connectivity in housing built using tax credits. This fall, One Economy is launching a major state-by-state initiative to promote public policy change, which will make Internet connectivity a standard practice.

Digital Communities

Access might be the simplest part of promoting computer technology because with sufficient money, everyone can obtain a computer and an Internet connection. The more important issue is teaching everyone how to use the technology. Digital Communities create learning environments and demonstrate how technology can benefit low- and moderate-income residents. In September 2000, One Economy launched





Photos courtesy of Phuc Nguyen

Digital Connectors prepare computers for new PC owners.

support the integration of digital access opportunities for low- and moderate-income families in their community. Since launching the pilot in July 2001, a total of 30 youth have participated in the program in Washington, DC. The Digital Connectors program has since expanded to other cities, and by the end of the summer, the program will be in nine locations around the country. "There are a lot of people in our community who don't

a Digital Community in Washington, DC's Columbia Heights and Shaw neighborhoods by working with local partners and residents to demonstrate the power of a digital culture.

One Economy joined forces with the Columbia Heights/Shaw Family Support Collaborative (the Collaborative), which involves more than 30 community-based organizations to demonstrate how technology can link low- and moderate-income residents to the resources they need to overcome long-standing socioeconomic, educational, and geographic barriers. The Digital Community program in Washington, DC, involves a broad membership that includes 30 computer technology centers.

In 2001, 100 families in Columbia Heights received refurbished computers through the Digital Community's computer distribution program to provide much needed technology for home use. To advance the residents' adoption of the new technology, One Economy has successfully implemented the Digital Connectors program, a youth-led effort, to provide technical support to residents.

Digital Connectors

In July 2001, as a part of its Digital Communities, One Economy created the Digital Connectors program, with funding from the eBay and Leonsis Foundations. The Digital Connectors program trains and employs youth ages 15 to 21 to

know how to operate a computer," said Phuc Nguyen, a DC Digital Connector. "People really need our help. Looking ahead, I will use this experience by offering my skills and knowledge to my community. I will do my best to teach others what I have learned. I'm really glad that I was chosen to be a part of this program."

So how does this work? When a family receives a new computer, they receive a "Welcome Visit" from a Digital Connector who sets up the computer, installs the Internet access, and provides a basic orientation to the technology. Digital Connectors offer technical support and training for the broader community, primarily lending their support and services to residents and community technology centers. The summer serves as the core training period for the Digital Connectors, who are paid \$8 per hour.

The training institute immerses youth in technology through hands-on learning opportunities and on-the-job training. In addition, the Digital Connectors benefit from visits to technology corporations and job shadowing experiences with information technology (IT) professionals, thus exposing them to the technology sector. Digital Community partners, like the See Forever Student Technology Center at the Maya Angelou Public Charter School, help to recruit and prepare future Digital Connectors. "We are positioning young people as leaders in their community, connecting their neighbors to





Photo courtesy of Frances Stanley

Marta Urquilla, One Economy's Director of Youth Initiatives based in Washington, DC

"We are positioning young people as leaders in their community, connecting their neighbors to greater access and opportunities... In turn, the Digital Connectors are discovering their own abilities and interests, identifying pathways to lifelong learning, and career development."

Marta Urquilla

greater access and opportunities," said Marta Urquilla, One Economy's director of Youth Initiatives based in Washington, DC. "In turn, the Digital Connectors are discovering their own abilities and interests, identifying pathways to lifelong learning, and career development."

Access Granted

In January 2002, One Economy secured financial support from Congress to increase digital access opportunities in DC. One Economy and the Collaborative have partnered with City First Bank of DC (City First) to introduce the Digital Access Loan Fund. City First, a community development bank, operates the Digital Access Loan Fund and provides a low 5 percent interest rate loan to qualified applicants to use on a new computer purchase. (See MARKETWISE, 1999, Issue Three, for more information about City First.) Today, the Digital Access Loan Fund, a revolving loan fund, is helping 100 additional residents purchase new computers to gain access to the information highway and take advantage of an affordable way to build or repair their financial credit.

The loan program helps One Economy meet two key goals — increasing Internet access in the homes of low- and moderate-income residents and connecting them to the economic mainstream. The Collaborative screens the applicants to make sure they meet the program's established criteria. The applicants are then referred to City First for the loan. The computers, which cost \$674, are purchased from Gateway with a \$474 loan from the bank. The program requires applicants to put down \$100 and One Economy matches that amount.

The Digital Access Loan Fund program helps applicants in several ways. First, by participating in this revolving loan fund and making payments on time, applicants can restore a bad credit record or establish a good one. In addition, many of the loan participants have been encouraged through their association with City First to use other bank services such as saving and checking accounts. Furthermore, the purchase allows the computer owners to take advantage of technology in the privacy of their homes.

The McClurkin family, participants in the program, learned about the Digital Access Loan Fund program after passing by the Digital Connectors office. According to Tamara, they



Photo courtesy of Frances Stanley

Phuc Nguyen, a DC Digital Connector, enjoys the service he provides by connecting people with computers.





The McClurkin family, participants in the Digital Access Loan Fund, learned about the program while passing by the Digital Connectors DC office.



received their new computer in April and her seven-year-old daughter, Pepé, now regularly uses the Internet. The Digital Access Loan Fund program has been launched in Washington, DC, and will soon be offered in other One Economy localities, such as San Francisco and New York. One Economy expects that this pilot phase of the revolving loan fund will generate the purchase of 100 computers. Since starting a few months ago, 50 computers have been purchased.

What's the Buzz?

The Beehive (www.thebeehive.org), One Economy's consumer website, provides low-income families and individuals with free e-mail accounts and Web-based tools that provide useful tips and resources about everyday activities that the technologically savvy take for granted, amassing thousands of content pages. There is introductory information and flash-animated video tools on financial services such as how to use an Automated Teller Machine. The Beehive includes interactive tools and tutorials to show residents how to connect to mainstream financial services, manage their money, and build assets.

The Beehive was launched nationally in October 2001 in Washington, DC. It is organized around topics that are important to people: money, health, schools, jobs, and family. Topics on how to create a budget or how to open a checking account can be found in the money section. How to obtain a GED or enroll in college can be found in the school section. Resume writing, job interview tips, search engines for job listings, and how to request a raise can be accessed in the jobs category. Beehive users can also determine their eligibility for state and federal social services and health care programs; locate local banks and credit unions; and find affordable childcare centers.

The Beehive was launched nationally in October 2001 in Washington, DC. It is organized around topics that are important to people: money, health, schools, jobs, and family.

The site receives about two million hits a month. The Beehive is written in English and Spanish, with most of the content also available in Russian, Haitian Creole, and Urdu. Local Beehive sites provide local information pertaining to specific cities, and soon the Beehive will feature statewide information for the state of Kentucky. The Beehive serves as a means for government, the private sector, and nonprofits to reach low-income constituents and vice-versa.

Powering Up Partnerships

One Economy's impact has been recognized by a major information technology corporation. In July 2001, Cisco Corporation (Cisco) selected One Economy to participate in its Cisco Fellowship Program. This program provided One Economy with 13 Cisco technologists from across the country who established and managed digital inclusion pilots for residents of affordable housing properties; helped wire buildings for Internet access and helped residents acquire computers;



Make the Beehive Your Own! Free email, Local Center

MONEY 

HEALTH 

SCHOOL 

JOBS 

FAMILY 

About Insurance



Rene got tips on picking a college and getting help paying for school.

Find out what you need to know about going to college.

and developed content for the Beehive about local services, programs, and information.

This partnership allowed One Economy to meet several goals including: improving the rate of digital inclusion into the homes of low- and moderate-income residents; accelerating the use of the Internet and One Economy's Beehive to achieve reduction in the isolation of the poor from the social and economic mainstream; helping community-based nonprofits and social service agencies use technology to improve their operations and thus better serve low- and moderate-income residents; and providing the Cisco Fellows with a rewarding experience. They received a salary and benefits from Cisco and worked with One Economy for 18 months. One Economy refers to the Cisco Fellows as Digital Accelerators because they accelerated digital inclusion strategies. These technical and engineering solutions are now being undertaken by One Economy supporting corporation "Access One" (www.accessone.org).

A Driving Goal

The ultimate goal is to supply low- and moderate-income people with the tools and knowledge necessary to take advantage of the technological revolution. Despite its short existence, One Economy has already equipped 2,500 homes with computers and high-speed Internet connections. The Internet allows immediate access to knowledge, which is at the heart of the modernization and globalization of society and is an important avenue for participation. One Economy helps give people the skills they need to use the technology. With a goal such as this, the Information Superhighway can only lead to a road of success and personal achievement. ^[MW]

For more info about One Economy Corporation, visit www.one-economy.com



Unlimited Future, Inc: *An Entrepreneur's Jewel*

by Jennie Blizzard

An industrial building, surrounded by a unique mix of office buildings and two-story residences sits in the heart of the downtown area of Huntington, West Virginia. A sign outside of a spacious, rectangular, tan-colored structure reads "Unlimited Future, Inc." Exactly what visitors will encounter inside remains a mystery but the words imply that it houses limitless opportunities. It's soon realized that an entrepreneur's goldmine has been discovered.



Aaron Bowles of The Media Makers, a UFI tenant, offers creative design, custom programming, and integrated marketing strategies to customers.

Unlimited Future, Inc., (UFI) a not-for-profit business development center, recognizes small businesses as one of the economy's most precious commodities. According to the United States Small Business Administration (SBA), small firms represent more than 99.7 percent of all employers in the U.S. and employ more than half of its private sector employees. UFI acts as a catalyst in eliminating barriers to the creation of successful business opportunities by allowing residents to realize their goals and potential. Additionally, UFI creates an environment for entrepreneurial success for start-up and emerging businesses, by providing a physical facility, education, and operational support, including the expertise of a network of advisors.

"I think the business challenge for people starting a business is knowing that they have a skill at making a product or service, but realizing that it's not enough to run a business," said Dave Harrington, executive director of UFI. "We talk about the responsibilities involved with being a successful business owner."

A Priceless Treasure

One challenging responsibility of successful business ownership is locating affordable commercial space. Business incubators generally offer shared office services, access to equipment, flexible leases, and expandable space in one location that decrease an entrepreneur's start-up costs. UFI's incubator offers tenants a technologically-modern facility, which includes access to a photocopy machine, fax, and a telephone answering service, the cost of utilities with the exception of telephone, and access to a conference room. Secretarial and bookkeeping services are available for an additional fee. Other advantages of leasing space in the business incubator are the fellowship and counseling services available from other tenants and UFI's staff. UFI is currently expanding its facility from six rental offices to 18 and strives to graduate all of its tenants within three years.

Harold McKeand, a former corporate photographer and information technology professional, owns eve, Incorporated, which offers web site development, hosting, and maintenance. McKeand said he values the space and networking environment that UFI offers. "I think people starting a business should look for entrepreneurial assistance from places such as UFI," he said. "When you're an entrepreneur it's really easy to get lost and see the forest before the trees."



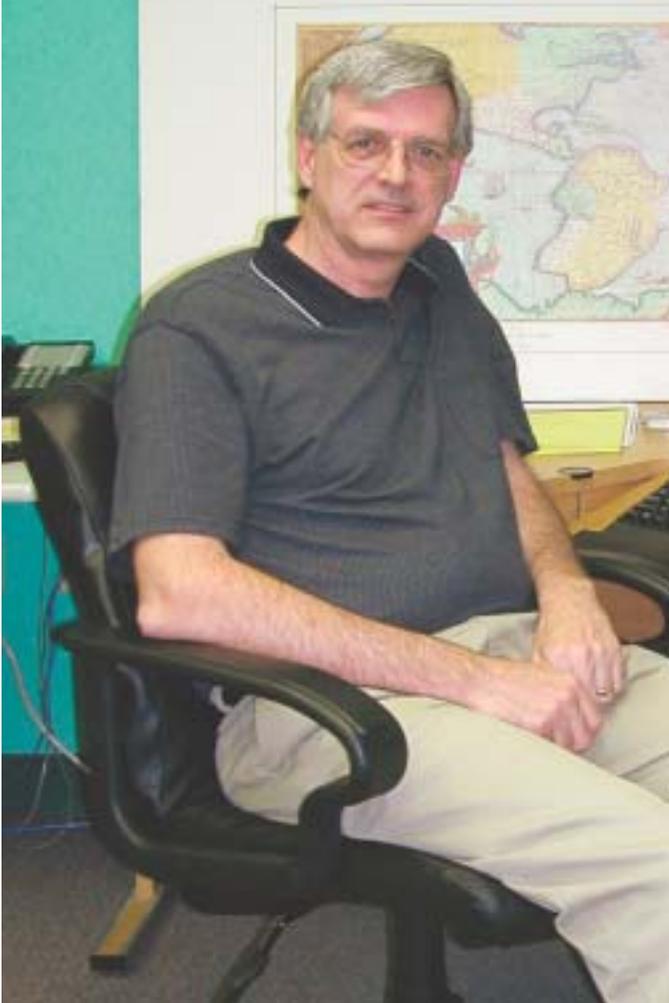
Dave Harrington
Executive Director, UFI

"I think the business challenge for people starting a business is knowing that they have a skill at making a product or service but realizing that it's not enough to run a business... We talk about the responsibilities involved with being a successful business owner."

Dave Harrington



eve
Let us put you
on the Internet ma



UFI's support has helped Harold McKeand, owner of eve, Inc., become a more effective business owner.

A Silver Lining

UFI has taken a different course from its initial direction. In 1991, UFI co-founders Michael Thomas, Joseph Williams, and Drs. Stephen Gunn and Sam Moore wanted to foster small business creation and retention and acquire a facility to use as a business and manufacturing incubator where prospective minority entrepreneurs could develop their conceptual ideas into marketable products and services in the Huntington area. In 1993, UFI commissioned a feasibility study to deter-

"I think people starting a businesses should look for entrepreneurial assistance from places such as UFI... When you're an entrepreneur it's really easy to get lost and see the forest before the trees."
Harold McKeand

mine if the critical criteria considered important for business incubator space were present. The study determined that an incubator could be supported, but the small minority population alone could not sustain it. After much planning and development and modifying its target audience, UFI opened its incubator in 1995 in Fairfield, a historical African-American neighborhood in Huntington, supporting the dreams of minority and nonminority entrepreneurs in Mason, Cabell, Boone, Putnam, Lincoln, Logan, Wayne, Kanawha, and Mingo Counties. UFI has taken the concept of business incubation a step further. This year, UFI hopes to break ground for Mountain Bounty Kitchen, a shared-use commercial kitchen facility that will support food processing and food-related businesses. (See *Mountain Bounty Kitchen sidebar page 26.*)

Durable Links

Strong entrepreneurial training programs, as well as business incubation, play a prominent role in UFI's operations. Its BIZASSIST program streamlines technical and financial assistance and resources for entrepreneurs. The eight-week course focuses on understanding the operational aspects of a business, strengthening venture stability, and increasing profits. The course ends with the entrepreneur developing a comprehensive business plan. Courses offered include market research, management, legal issues, marketing analysis and tactics, and managing financials, negotiations, and traditional and alternative financing resources. Students are also matched with a Service Corps of Retired Executives (SCORE) mentor and a representative from a small business development center (SBDC). Since UFI's entrepreneurial training began in 1994, 199 students have enrolled in the classes.

Entrepreneurs are eligible for a microloan after successfully completing the entrepreneurial training program, a business plan, a loan application, and agreeing to post-loan technical





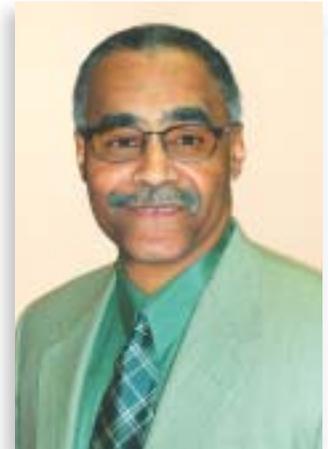
Dr. Sam Moore
Co-founder, UFI



Dr. Stephen Gunn
Co-founder, UFI



Joseph Williams
Co-founder, UFI



Michael Thomas
Co-founder, UFI

“Our job is to provide those individuals with the tools necessary to be successful, self-employed individuals.”

Dave Harrington

assistance. For-profit businesses with one to 10 employees can borrow up to \$10,000 for up to five years at an interest rate no greater than prime plus 4 percent for machinery and equipment furniture fixtures, working capital, inventory, debt payment, and construction costs. The loans, funded by foundations, grants, and the SBA are disbursed 50 percent prior to training and 50 percent upon proof of successful completion of training. Since 1995, UFI has made over \$243,600 in loans. “The Business Plan Basics Course has helped increase my knowledge of running a business and has given me access to loans that may not have been possible before,” said Jessica Donohue, owner of Cloud 9 Ranch, an animal farm. (See more information about Donohue’s business on page 29.)

As a former banker, Harrington has witnessed the devastation and frustration loan denials can cause entrepreneurs. UFI is currently working on creating a partnership with local financial institutions so loan denials can be referred to UFI. “Every one that a bank turns down for a loan can be a potential client for us,” Harrington emphasized. “Banks can refer them to us so the entrepreneur can have a track record of existence.”

Chains of Support

Realizing that entrepreneurship can sometimes be a lonely world, UFI offers support before and after the business becomes operational. A UFI business consultant, along with a SBDC representative and a SCORE mentor, have a meeting once a month with the business owner to discuss any difficulties the business owner may face and capitalizes on its networking capacity to help the business owner overcome

these challenges. The UFI business consultant visits the business owner at least two times per month during the first three months of operation. Support is offered to the business owner for up to five years. Partnerships play a critical role in UFI’s strategy to create strong, self-sufficient business owners. Tough economic times that can be attributed to a number of business and industry closings in West Virginia has forged a collaboration between UFI and the state’s Workforce Investment Act (WIA) division to provide additional options for displaced workers. WIA has provided UFI with a grant, so workers who are interested in entrepreneurship can attend UFI’s BIZASSIST classes at no cost.

“Self-employment is a viable option for unemployed workers,” Harrington said. “They have the technical skills to perform the jobs, but don’t know the aspects of using those skills to run a business. Our job is to provide those individuals with the tools necessary to be successful, self-employed individuals.” UFI helps business owners realize that despite obstacles,

entrepreneurship can be a rewarding and valuable experience. More importantly, West Virginia’s entrepreneurs have access to a resource that helps them turn bold visions into golden opportunities. MW



Valerie Bernard
*Relationship Manager,
UFI’s BIZASSIST*

Mountain Bounty Kitchen: *A Recipe For Food Service Success*

In the near future, the aroma of some of West Virginia's finest foods will fill the air of downtown Huntington as Unlimited Future, Inc. (UFI) prepares to build Mountain Bounty Kitchen (the Kitchen), a shared-use commercial kitchen incubator. Also known as shared-use commercial kitchens, kitchen incubators have been used as a community economic development strategy. Communities can develop and support food-related businesses that create both new start-up businesses, and additional jobs, as existing small- to medium-sized businesses expand.

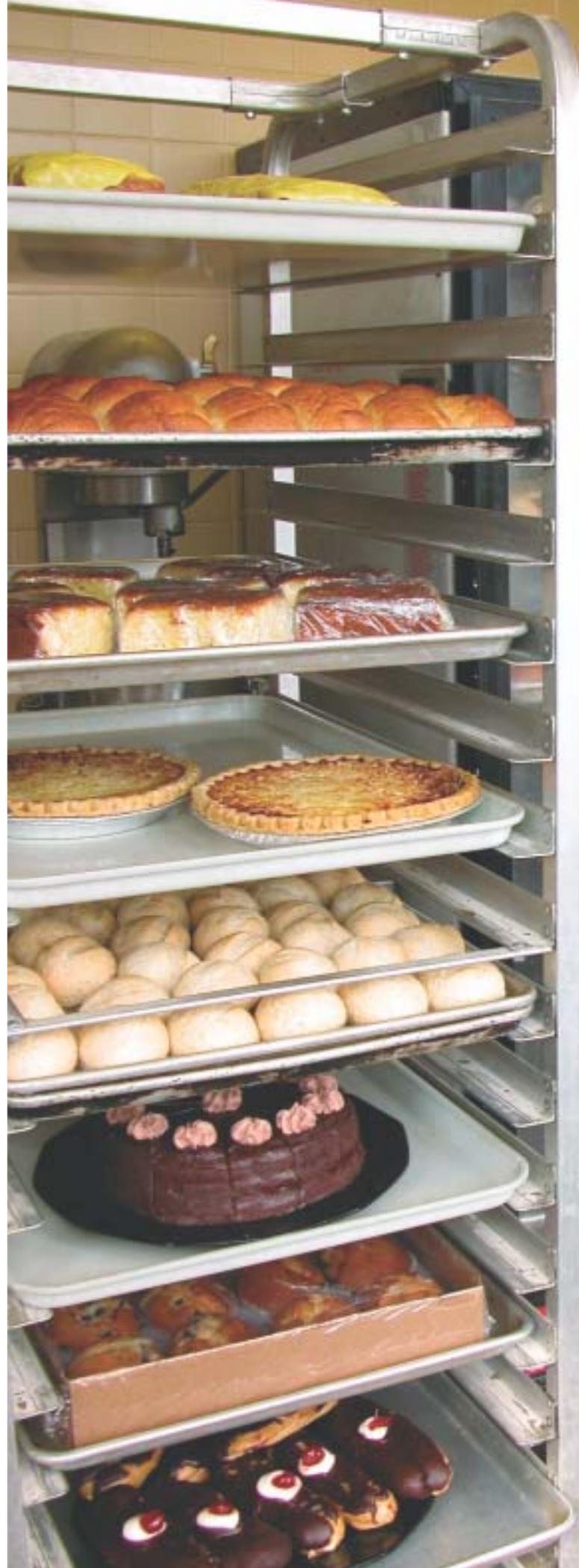
In 1999, UFI commissioned a study to determine the need, level of interest, and financial feasibility of a shared-use, commercial kitchen facility. The feasibility study determined that based on the region's existing community services, the population base within the facility's proposed market area, and particularly the well-established and constant growing specialty food industry in West Virginia, the Greater Huntington Area could support a shared-use commercial kitchen incubator that would become totally self-funding on an operating basis.

"The level of interest in Mountain Bounty Kitchen has been very favorable," said Sheila Johnson, vice chair of UFI's Board. "This has been a long process and there has been some slight turn-over since we started the process, but the Kitchen has maintained a strong interest in the region." The Kitchen will be a 14,000-square-foot addition located adjacent to UFI and have three full-sized commercial kitchens, walk-in coolers, and freezers. The storage room will include racks for dry goods, utensil and finished goods storage, as well as men's and women's lockers. There will be a viewing room with windows to observe the main kitchen, in addition to a dock for unloading ingredients, packaging material and other goods, and loading the finished product. A connecting corridor will be used to join the two buildings and allow for a common reception area.

UFI is now identifying potential users by tapping into the local farmer's market, fairs, festivals, and the Department of Agriculture. A large number of potential users for the Kitchen have been identified. Identifying these individuals helped UFI to formulate the equipment and required item list for furnishing the Kitchen. Johnson added, "The Kitchen is a very holistic approach to providing a training ground for those in the food-service industry."

"The level of interest in Mountain Bounty Kitchen has been very favorable."

Sheila Johnson





Sheila Johnson
Vice Chair, UFI's Board

UFI Success:

Microloans Made to Start-Up Businesses

- \$52,500 in loans made in 2002 to eight retail businesses, four restaurant/entertainment businesses, 10 service businesses, and one construction business
- \$243,600 cumulative loans made
- 30 percent of loans made to African-Americans
- 60 percent of loans made to women-owned or women who are 50 percent partner in a business

Business Incubation Facts

- There are more than 800 business incubators in North America, up from 12 in 1980.
- Publicly supported incubators create jobs at a cost of about \$1,100 each, whereas other publicly-supported job creation mechanisms commonly cost more than \$10,000 per job created.
- Every 50 jobs created by an incubator client generate another 25 jobs in the community.
- About 40 percent of incubators are technology focused; 30 percent are mixed use, accepting a wide variety of clients; and the remainder focus on service, light industrial, and niche markets or on assisting targeted populations.
- About 45 percent of incubators are urban, 36 percent are rural, and 19 percent are suburban.

Source: National Business Incubation Association



Growing Tack-fully

Doug Crabtree's career path took a different turn from his job as a math and science teacher. Crabtree used these skills, however, to become a skilled horse harness maker. His business, Crabtree's Custom Tack (Crabtree's), specializes in making and repairing saddles, bits, breast collars, reins, headstalls, and other products. The business has become so successful that Crabtree's demand for services outpaces his supply of labor to produce it. Crabtree and UFI are exploring ways to train area residents so Crabtree can increase production.

Doug Crabtree
Owner, Crabtree's Custom Tack



Trails of Expansion

Two years ago, Jessica Donohue pursued her passion and love for horses. Donohue's business, Cloud 9 Ranch, began with riding lessons and has expanded since taking UFI's Business Plan Basics Course. Donohue is capitalizing on West Virginia's tourism industry. With a UFI microloan, Donohue purchased two black Percheron draft horses and has joined Point Pleasant, West Virginia's Tourism group. The horses will be used with a surrey carriage to transport people to weddings, proms, and special events. Donohue, who is certified in equine management, hopes to eventually have additional carriages, an indoor riding arena, and a library focused on the equine industry.



Jessica Donohue
Owner, Cloud 9 Ranch



"I strongly believe that without a vision the people perish, and without people the vision perishes."

Marion H. Newton



Marion H. Newton, *Pastor*
Jehovah Missionary Baptist Church

South Sumter, South Carolina: *On the Move for Community Progress*

by Carl Neely

Marion H. Newton, pastor of Jehovah Missionary Baptist Church in South Sumter, South Carolina, recalls 20 years ago when he had a vision about community development. "I felt like Nehemiah as he looked at the ruins of Jerusalem, and felt a burning passion to rebuild the Walls," said Newton referring to a man who brought citizens together to reconstruct the walls and gates of a city in disrepair. "I felt that same desire to help rebuild and restore South Sumter."

Rebuilding and restoring a community economically scarred by poverty and unemployment and increasing the quality of low- and moderate-income residents' lives is exactly what Newton and many other stakeholders have accomplished. Historically, the area lacked many community development initiatives such as business development and community activities and services. But empowered residents and powerful public/private partnerships have rewritten the pages of South Sumter's history.

Located a half-mile south of downtown Sumter, South Sumter is divided from the downtown area by railroad tracks. Approximately 98 percent of the 7,000 residents who reside there are Black and at one point the unemployment rate of South Sumter reached 16 percent. Despite the discouraging data, community stakeholders have taken the initiative to improve community economic conditions in the area. Newton credits a local congressman who spearheaded the process for South Sumter's designation as an Empowerment Zone, which is designated to spur community economic development growth. City partnerships have also emerged resulting in community resources and services such as Bracey Plaza, the HOPE Centers, the M.H. Newton Family Life Enrichment Center (the Enrichment Center), Jehovah Child Development Center (the Child Development Center), the South Sumter Resource Center, and the James E. Clyburn Intermodal Transportation Center (the Center).





Kell Compton, site construction foreman for Hacquard & Compton, Inc., and Leroy Campbell, (bottom right) a concrete worker, aid in the Bracey Plaza construction.

Empowered residents and the powerful public/private partnerships have rewritten the pages of South Sumter's history.

Luis Rodriguez, *President Santee-Lynches Affordable Housing Community Development Corporation*



Photo courtesy of Luis Rodriguez

Bracey Plaza

In 1994, Isaac Bracey, former president of the Santee-Lynches Affordable Housing Community Development Corporation (SLAHCDC), advocated for a shopping plaza in South Sumter to spur economic growth. Although Bracey did not live to see the project come to fruition Luis Rodriguez, current president of SLAHCDC, has helped achieve Bracey's dream. Known statewide for its leadership in emergency rehabilitation projects such as housing problems that pose health and safety risks — drafty windows, heating units that are fire hazards, and leaky roofs — SLAHCDC decided to venture into commercial project deals.



Bracey Plaza



"Many lives have been touched by the North HOPE Center and even more lives will be changed by the South Center. Working at the HOPE Center has been more than a dream come true for me... I am proud to be a native of South Sumter."

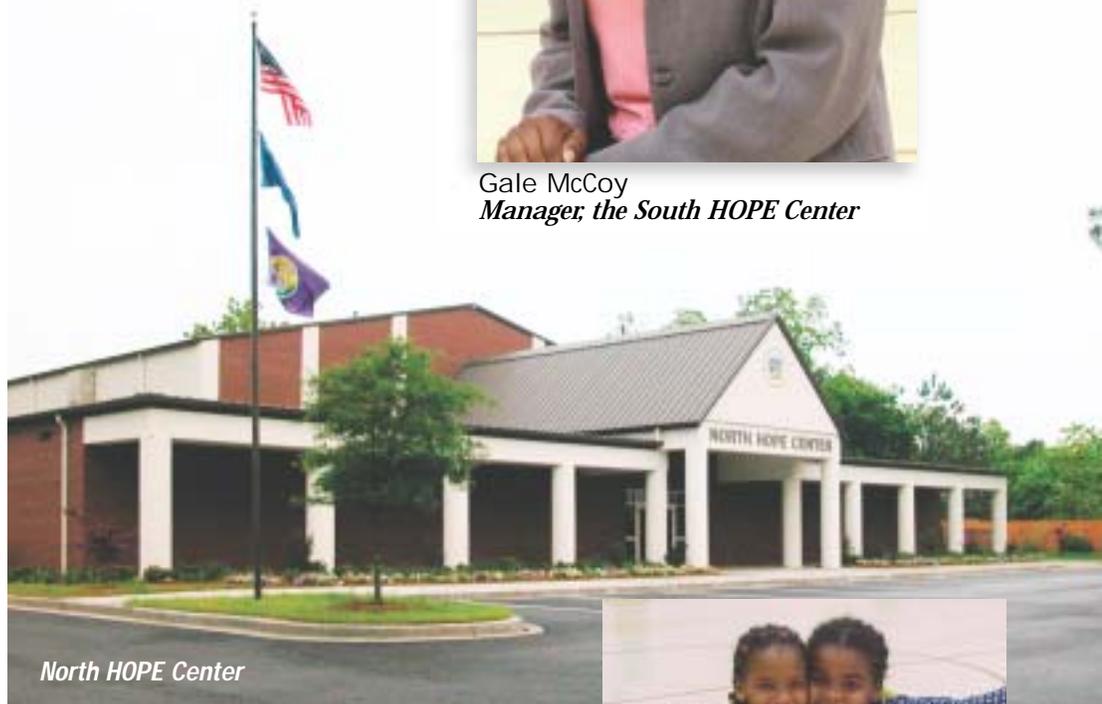
Gail McCoy

According to Rodriguez, coordinating funding for Bracey Plaza was challenging because funders were hesitant to loan money on the project until anchor tenants were committed, and anchor tenants were reluctant to commit to a lease that required them to wait one year before occupying the space. He added that most grant proposals SLAHCDC applied for in order to build the shopping center required that tenants were secured. Finally Rodriguez convinced the lenders that funding was necessary before securing tenants. "Areas like South Sumter are a result of disinvestments," he said. "The investment of a shopping center will bring services and jobs that will help revitalize the area."

Bracey Plaza, which opened in May, consists of two buildings. One consists of 8,000 square feet for a retail store; another contains 6,500 square feet and will be divided into five sections that create space for start-up entrepreneurs; a third 5,000-square-foot building is planned for the future. Tenants include the Sumter Citizens Coalition, (a nonprofit organization that provides technical assistance, mentoring programs, and community outreach to high-risk youth and families). Other tenants include a local beauty supply store, a variety store, a tax preparer, and a take out fast-food restaurant. The remaining 4,600 square feet is still up for lease. Sumter National Bank provided construction and permanent project financing. The Federal Home Loan Bank of Atlanta awarded the project an Economic Development and Growth Enhancement (EDGE) award that enabled Sumter National Bank to provide a \$205,000 commercial loan at 3 percent for 240 months.



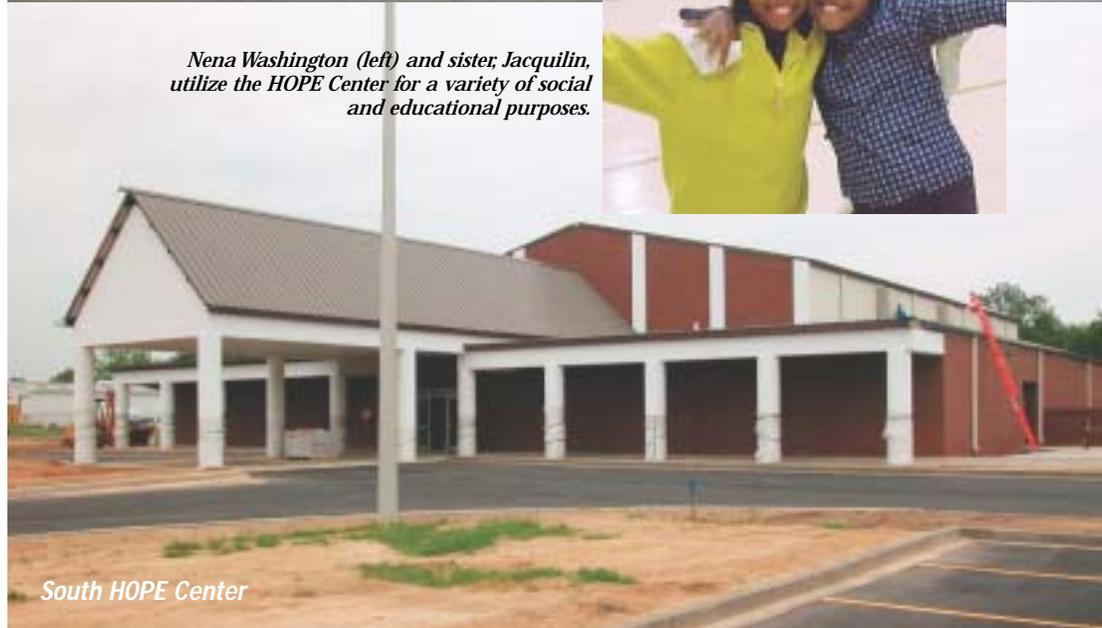
Gale McCoy
Manager, the South HOPE Center



North HOPE Center



Nena Washington (left) and sister, Jacquilin, utilize the HOPE Center for a variety of social and educational purposes.



South HOPE Center

"I felt like Nehemiah as he looked at the ruins of Jerusalem, and felt a burning passion to rebuild the Walls... I felt that same desire to help rebuild and restore South Sumter."

Marion H. Newton



Jehovah Child Development Center

The computer room in the Child Development Center is not only for children. Roberta Stukes (left) and Minnie Evans share computer knowledge.



HOPE Centers

Harvesting Opportunity Promoting Empowerment (HOPE)

Centers rejuvenate impoverished urban areas by improving working and living conditions. HOPE significantly impacts low- and moderate-income families by focusing on the entire family and providing a safe environment for children as well as the elderly. Gale McCoy manages the South HOPE Center, which recently opened. The new facility will be used for neighborhood meeting places, Sumter County Adult Education classes, intermediate and advanced computer training, one-on-one tutoring, health workshops, and senior aerobics. Jerry Washington, a single parent, uses the HOPE Center for adult classes, recreation, and after-school programs for his three children, Jacquilin, Michael, and Nena. Eleven-year old Nena was recently recognized by the HOPE Center as an outstanding student. "As a result of being in the after-school home-work

club, I've improved my grades in school and learned more about computers," she said.

McCoy, a native of South Sumter, added that many lives have been touched by the North HOPE Center. "Working at the HOPE Center has been more than a dream come true for me," she said. "I am proud to be a native of South Sumter."





Stephanie Webster, assistant director, welcomes children and parents to the Child Development Center.

M. H. Newton Family Life Enrichment Center and Jehovah Child Development Center
 After the City of Sumter witnessed the success of South Sumter's community development efforts, the area's Chamber of Commerce's Board of Directors asked Newton to chair the city's 20/20 Visioning Committee — a committee formed to create a five-, 10-, and 20-year vision and goal statement for the City of Sumter. The committee foresees Sumter as a place that will continue to nurture an active citizenry, a host of new high-wage employers, a superior educational system, beautiful new parks, and a revitalized downtown.

"I strongly believe that without a vision the people perish, and without people the vision perishes," Newton said. In 1994 he purchased dilapidated homes in the community and converted them into social resource facilities, a state-of-the-art child development center, and an enrichment center. The properties purchased in the community were converted or are being converted to Houses of Hope, Peace, Love, and Knowledge. The House of



Ensuring that every child is a star, Connie Pearson takes pride in the social and educational growth of the children.



Vernetia Duncan
Director, the Child Development Center



Barney Gadson
Director, the Enrichment Center

The facility is unique because it creates an atmosphere of excitement and learning for about 140 children, who are able to take advantage of rich, age-appropriate learning curriculums, state-of-the-art computer labs with Internet access, and a multi-media center for entertainment and learning.

Hope offers food and clothing; the House of Peace provides counseling and serves as a distribution site for Share Food; the House of Love is used for meetings and rehearsals for youth ministries; the House of Knowledge is under construction to house a bookstore and library.

Newton asked the officers of his 2,000-member congregation to consider establishing an enrichment and child development center. Newton's strong leadership and the talents of his parishioners allowed them to accomplish these goals. First a strategy for the planning process was completed, while a vision and mission statement was written to declare the goals and explain how the goal would be accomplished. Newton and his committee sent letters to three local banks. Of these three, Sumter National Bank offered the lowest interest rate loan. Most of the origination and closing costs were waived. The planning committee contacted Lynam Construction Company, which showed an interest in constructing the project. On July 4, 1999, Newton and the South Sumter

community celebrated the grand opening of the Enrichment Center and the Child Development Center.

Barney Gadson, director of the Enrichment Center, is proud of the many accomplishments achieved over the past two years. Many residents believe the Enrichment Center has much potential in the South Sumter community because it offers public meeting space, recreation for youth, and realignment services for children who have been expelled from school. The Enrichment Center is located next door to the Child Development Center, where it provides a safe and secure environment that will help youth compete successfully in advanced learning. The facility is unique because it creates an atmosphere of excitement and learning for about 140 children, who are able to take advantage of rich, age-appropriate learning curriculums, state-of-the-art computer labs with Internet access, and a multi-media center for entertainment and learning.

*The South Sumter Resource Center
is one of many valuable resources
in the community.*



The South Sumter Resource Center

Other organizations in the community can attest to the impact of strong community programs. "Our greatest impact has been with the youth," said Lana Odom, director of the South Sumter Resource Center. It provides a wide array of services such as the Youthbuild Program, which provides GED/High School diploma classes, construction training, and leadership development for high school dropouts ages 16-24. These young people in turn, provide labor to build and rehabilitate affordable housing for low- to moderate-income families in the area. Another program, Viable Improvement in Student Achievement (VISA) provides educational and behavior modification services for middle school students ages 12-15 who have been expelled from school. Both groups perform community service projects to improve the community.

Their latest project is the creation of a park that blends nature and African-American art. The students plant flowers and shrubbery to accent outdoor murals and sculptures which they work on with local artist. The park covers one block surrounding the Free Arts Studio, which is located at the entrance to the South Sumter community.

The James E. Clyburn Intermodal Transportation Center

Many low-income residents must rely on mass transit for daily travel. The James E. Clyburn Intermodal Transportation Center (the Center), named after the congressman who played an instrumental role in its creation, was part of the 1999 Empowerment Zone application. The designated area serves a population whose unemployment rate doubles the national rate, and 60 percent of the children live in poverty. The Center involves developing a well-coordinated transportation network

that enables residents to access services and employment opportunities in Sumter and the surrounding region. Sumter, the largest city in the Santee Wateree Region, covers four counties and has a population of over 200,000.

Santee Wateree Region residents often travel to Sumter for services and employment. Additionally, Sumter is a stop-over location for people traveling to the capital, Columbia, and Myrtle Beach, the major tourist center. Many low- and moderate-income residents from the region work in the hospitality industry in Myrtle Beach. The Center will renovate a 40,000 square foot historic warehouse into a regional transportation center that will house an administrative office for the transit service, a Greyhound Bus and local transit transfer station, a day care center, retail and professional office space, and a small business incubator.

The project will also anchor redevelopment of the southern edge of the central business district. The building is located next to the city's CSX rail yard and will cost about \$6 million. Funded by Congressional and city allocations, the Center is slated for completion by the end of 2005. Though Sumter does not have access to passenger rail, feasibility studies have been conducted to explore developing a local commuter line from Greenville through Columbia and Sumter to Charleston.

The power of collaboration continues to be recognized as a viable solution to complex community problems. Instead of fixating on community challenges, the key to neighborhood revitalization is focusing on local, community-based organizations working with private businesses, public agencies, and nonprofit organizations to help distressed communities reach their full potential. 



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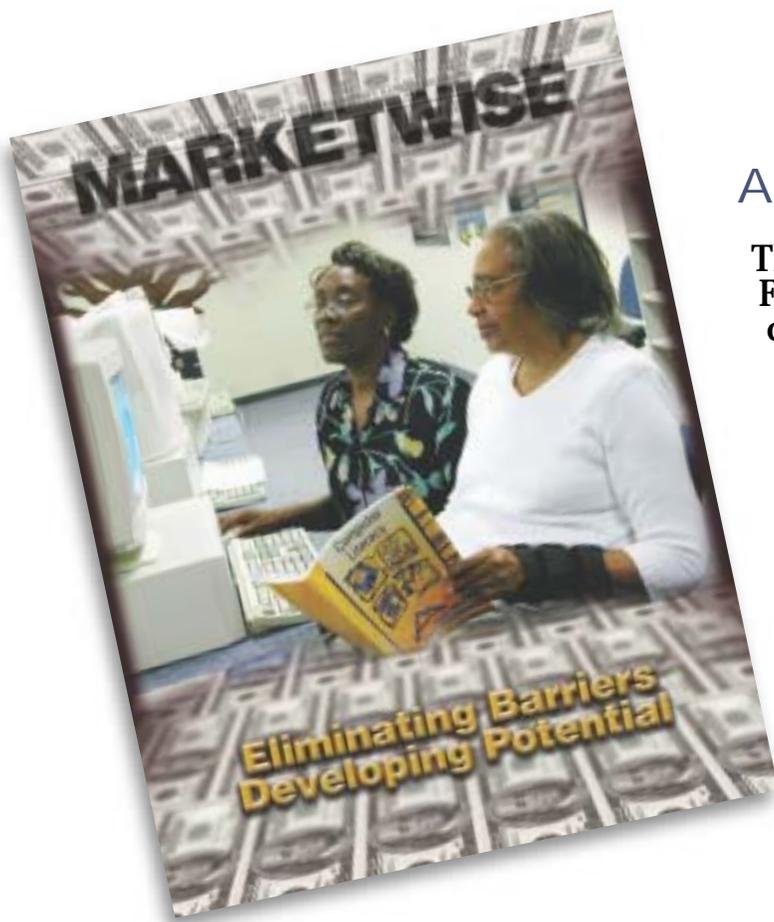
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