Metropolitan Washington Community Wealth Building Initiative

Optimizing Philanthropic Impact

March 2015
About Us

- Founded in 1973 by a group of visionary leaders committed to bettering the Washington metropolitan area through philanthropy.

- Mission: To strengthen the Washington metropolitan region by encouraging and supporting effective giving and by providing leadership on critical issues in our community, with a particular focus on safety net, education, and workforce development.

- Currently managing more than 750 donor funds with assets totaling more than $375 million.

- Largest funder of nonprofit organizations in the metropolitan Washington region, with FY2014 grants of $50+ million.
A Regional Approach to Community Leadership

- Across the region and in every jurisdiction, the Community Foundation for the National Capital Region works to ensure equity, access, and opportunity for all the residents in the Washington metropolitan area.

- Our vision is that everyone participates in the region's prosperity, and we are committed to fostering the best ideas and identifying the most effective solutions.

- We are an agent of change, and our goal is impact.
One of the most well-educated regions in the country...

Washington is the nation’s best-educated metropolitan area, both in terms of bachelor’s and graduate degrees.

Top metropolitan areas, ranked by share of adults with bachelor’s degrees

<table>
<thead>
<tr>
<th>Rank</th>
<th>Metropolitan Area</th>
<th>Bachelor’s</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Washington</td>
<td>46.8%</td>
<td>21.9%</td>
</tr>
<tr>
<td>2.</td>
<td>Bridgeport, Conn.</td>
<td>43.8</td>
<td>19.3</td>
</tr>
<tr>
<td>3.</td>
<td>San Jose</td>
<td>43.5</td>
<td>19.2</td>
</tr>
<tr>
<td>4.</td>
<td>San Francisco</td>
<td>43.4</td>
<td>17.1</td>
</tr>
<tr>
<td>5.</td>
<td>Boston</td>
<td>41.9</td>
<td>18.6</td>
</tr>
</tbody>
</table>

The region also boasts six of the nation’s 10 best-educated counties, including the top five.

Top 10 counties, ranked by share of adults with bachelor’s degrees

<table>
<thead>
<tr>
<th>Rank</th>
<th>County</th>
<th>Bachelor’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Arlington</td>
<td>68%</td>
</tr>
<tr>
<td>2.</td>
<td>Alexandria (city)</td>
<td>59.9</td>
</tr>
<tr>
<td>3.</td>
<td>Fairfax</td>
<td>58.8</td>
</tr>
<tr>
<td>4.</td>
<td>Howard</td>
<td>57.5</td>
</tr>
<tr>
<td>5.</td>
<td>Montgomery</td>
<td>56.4</td>
</tr>
<tr>
<td>6.</td>
<td>New York (Manhattan)</td>
<td>56.4</td>
</tr>
<tr>
<td>7.</td>
<td>Loudoun</td>
<td>56.3</td>
</tr>
<tr>
<td>8.</td>
<td>Boulder, Colo.</td>
<td>55.9</td>
</tr>
<tr>
<td>9.</td>
<td>Orange, N.C.</td>
<td>55.4</td>
</tr>
<tr>
<td>10.</td>
<td>Marin, Calif.</td>
<td>53.6</td>
</tr>
</tbody>
</table>
...will our workforce be prepared?

- More than 10 percent of our residents cannot read food labels or complete a job application
- 75+ percent of jobs will require HS+, yet less than half of our young people are continuing their education past high school
- Young men are consistently lagging in post-secondary enrollment, all categories of educational attainment except grad/professional school

### Educational Attainment by Jurisdiction, 25 & Older

<table>
<thead>
<tr>
<th>Attainment</th>
<th>DC</th>
<th>Pr Geo</th>
<th>Mo Co</th>
<th>Arlng</th>
<th>Fairfax</th>
<th>Loudoun</th>
<th>Pr Will</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;9th grade</td>
<td>5.6%</td>
<td>6.2%</td>
<td>4.6%</td>
<td>4.7%</td>
<td>4.1%</td>
<td>2.7%</td>
<td>5.2%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Some HS</td>
<td>8.9%</td>
<td>7.7%</td>
<td>4.3%</td>
<td>3.6%</td>
<td>3.9%</td>
<td>3.4%</td>
<td>6.1%</td>
<td>4.3%</td>
</tr>
<tr>
<td>HS Diploma</td>
<td>20.7%</td>
<td>27.9%</td>
<td>14.7%</td>
<td>10.1%</td>
<td>13.8%</td>
<td>14.9%</td>
<td>22.3%</td>
<td>14.9%</td>
</tr>
<tr>
<td>Some college</td>
<td>14.4%</td>
<td>22.0%</td>
<td>14.7%</td>
<td>9.2%</td>
<td>14.4%</td>
<td>16.1%</td>
<td>21.4%</td>
<td>14.7%</td>
</tr>
<tr>
<td>AA</td>
<td>3.2%</td>
<td>6.3%</td>
<td>5.5%</td>
<td>3.6%</td>
<td>5.4%</td>
<td>6.4%</td>
<td>7.3%</td>
<td>5.5%</td>
</tr>
<tr>
<td>BA</td>
<td>20.8%</td>
<td>17.8%</td>
<td>26.9%</td>
<td>33.6%</td>
<td>30.9%</td>
<td>35.5%</td>
<td>23.1%</td>
<td>26.9%</td>
</tr>
<tr>
<td>Graduate or Professional Degree</td>
<td>26.4%</td>
<td>12.2%</td>
<td>29.2%</td>
<td>35.2%</td>
<td>27.6%</td>
<td>21.0%</td>
<td>14.6%</td>
<td>26.4%</td>
</tr>
</tbody>
</table>

### Population 18-24 Enrolled in College or Grad School

<table>
<thead>
<tr>
<th>Attainment</th>
<th>Overall</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>49.0%</td>
<td>45.5%</td>
<td>51.9%</td>
</tr>
<tr>
<td>Male</td>
<td>46.9%</td>
<td>21.8%</td>
<td>52.3%</td>
</tr>
<tr>
<td>Female</td>
<td>44.2%</td>
<td>41.1%</td>
<td>47.4%</td>
</tr>
</tbody>
</table>

### Adults with Below Basic Literacy Skills

<table>
<thead>
<tr>
<th>Attainment</th>
<th>Percent by locality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>19% 22% 11% 17% 11% 7% 11% 11%</td>
</tr>
</tbody>
</table>

Source: 2005-2009 American Community Survey 5-Year Estimates; 2003 National Assessment of Adult Literacy

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Community Leadership Goals

**Workforce Development**
Improve workers’ career prospects and earnings by increasing the number of adults in our region who acquire a post-secondary credential.

**Education**
Prepare young people for a successful transition to adulthood by increasing the percentage of youth who graduate from high school ready for post-secondary opportunities.

**Safety Net Services**
Meet the basic human needs of individuals and family in the greater Washington region by increasing access to high quality safety-net services and strengthening the safety-net service delivery system.
Why Community Wealth Building?

- Focus is on building wealth, not necessarily on poverty reduction
- New opportunity to test collaborations with other sectors
- Opportunity for strategy with multi-generational impact
- Direct connection to our community leadership agenda
- Effort is collaborative with funders and other stakeholders involved
Local DC funders take site visit to Cleveland to view Evergreen Cooperative.

Feasibility study conducted by Democracy Collaborative in 2011 as first phase to assess.

Feasibility study focuses on local anchor engagement and identifies 6 potential lines of business.

Community Foundation along with a small group of local funders take on phase 2 and contracts with City First Enterprises to conduct business analysis.
What is CWBI?

CWBI is a collaborative effort to:

- launch green, locally owned businesses that will provide wealth-building jobs in low-income communities in our region, and

- leverage the $6 Billion annual procurement spend of local anchor institutions such as hospitals, universities and local governments, to secure long-term contracts and sustainability
CWBI Business Analysis Decision Criteria

- Sustainability Profitability
- Payback period
- Job creation
- Workforce development
- Anchor engagement
- Generate community wealth
CWBI Business Prioritization

Phase 1
- Storm Water Management
- Urban Greenhouse

Phase 2
- Organic Waste Composting
- Shuttle Services
- Green Roofing
- Solar Installation
CWBI: Where are We Now?

- CEO to be hired by spring 2015
- CEO Mandate:
  - Build relationships in Prince George’s County
  - Begin contract negotiations
  - Raise capital for business
  - Hire employees; create workforce development partnerships
- CMG projects up to 15 employees within the first 2 years; anticipated to employ 8-10 employee-owners for every 1,000 acres of maintenance work
- Possibility to expand regionally
- Total Metropolitan Washington expenditures on cleanwater projects projected at ~$15B over the next 15 years
Prince George’s County Clean Water Partnership

Impact

- Expected to create 5,000 jobs; 46,000 filtration devices
- Local small and minority business requirements
  - Y1: 30%, Y2: 35%, Y3: 40%
- The Partnership will link County businesses with:
  - Training and education programs with Prince George’s Community College;
  - Local workforce development organizations; and
  - Existing government programs to build a stormwater management workforce within the County
- The Partnership will also develop mentor-protégé networks that will enhance skill levels and increase participation in the Clean Water Partnership.
The new CWBI business – CMG – will allow members of low-income communities to build wealth in a sustainable way. The CMG will be a C-Corp that will seek to embody the essential aspects of employee ownership: the sharing of profits generated by the business and ultimately the ability to control the business and direct management decisions.

CMG will establish 3 classes of stock:

- **Common shares** reserved for employees that have certain voting rights (to be held and managed by the CWB).

- **Class A Preferred Stock** to be issued to an established community partner that will ensure adherence by CCMG to its community wealth-building mission and local control. The shares will have only limited voting/veto rights. The Community Foundation has agreed to be the holder of the Class A Shares.

- **Class B Preferred Stock** reserved for outside investors that have no voting rights, but may have dividend rights and/or board observation rights.
Lessons Learned

- We are all learning as we go!
- This work takes longer than a typical grant cycle
- Requires a multi-sector approach
- Need to understand the risk/rewards
- This is long-term work
For Additional Information

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