INVESTING IN THE POTENTIAL OF LATINOS IN THE NORTHWEST

RECOGNIZING A DECADE OF PARTNERSHIP BETWEEN NALCAB AND THE NORTHWEST AREA FOUNDATION
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AN INTRODUCTION TO NALCAB

NALCAB - National Association for Latino Community Asset Builders strengthens the economy by advancing economic mobility for Latino communities. NALCAB is the hub of a national network of more than 120 mission-driven organizations in 40 states and DC that are anchor institutions in geographically and ethnically diverse Latino communities. A large majority of the people served by the NALCAB Network are immigrants, or the children of immigrants.

NALCAB seeks to dramatically scale the flow of public and private sector capital that responsibly meets the asset building needs and opportunities in the communities and families we serve. NALCAB achieves its mission and vision by strengthening and coordinating the capacity of the NALCAB Network to deploy capital, and, by influencing investors and policy makers with research, advocacy and technical advice.
EXECUTIVE SUMMARY

Through a decade of partnership, the Northwest Area Foundation and NALCAB have transformed the landscape of opportunity for Latino communities across the Northwest by strengthening the regional non-profit infrastructure that provides culturally relevant services to promote enterprise development and financial inclusion. During this period, NALCAB has been a catalyst for opening access to capital for Latino-serving non-profit organizations in both rural and urban areas in the Northwest.

NALCAB engaged with 48 organizations in 7 states across the Northwest to build their capacity and increase their impact. In the early years of this regional initiative, much of NALCAB’s efforts focused on organizational capacity building by helping organizations to develop program curricula, providing training on best practices, establishing systems for measuring impact and supporting resource development. Building on strengthened foundations, many of the organizations NALCAB has served have drastically scaled their services and impact in recent years.

NALCAB utilized grant resources provided by the Northwest Area Foundation to leverage a wide range of private, philanthropic and governmental investments to undertake the following activities:

- Grant making and lending
- Technical assistance
- Training and leadership development
- Policy and research.

From 2009 to 2019, the Northwest Area Foundation provided $2,010,000 in grants to NALCAB. Of this amount, NALCAB passed through $625,000 to local non-profit organizations in the Northwest as subgrants and scholarships. During this period, NALCAB utilized other funding sources to make over $992,000 in additional subgrants to local non-profit organizations in the Northwest. Further, NALCAB assisted local non-profit organizations to directly secure an additional $9.53 million in grants and loans for their work. NALCAB achieved a 5:1 leverage of the total funding received from the Northwest Area Foundation.
The organizations in the Northwest supported by NALCAB collectively provide direct services to more than 50,000 people annually. NALCAB subgrantees provided small business development and financial capability services to more than 1,100 low- or moderate-income people during their specified subgrant periods, creating or expanding more than 720 businesses and creating or retaining more than 440 jobs. Perhaps more importantly, NALCAB’s capacity-building assistance sustainably improved the quality and scale of these asset building services, resulting in ongoing impact. These non-profits have also developed sustainable economic development projects including mercados (public markets), social enterprises and loan funds. Further, NALCAB has helped to build the capacity of non-profit organizations in the Northwest to engage in the nation’s most pressing political issues on state and federal levels.

Through this partnership with NALCAB, the Northwest Area Foundation has supported the development of systems and networks that are making a more prosperous and equitable regional economy by advancing economic mobility for Latinos.
$625,000 of the Northwest Area Foundation’s overall investment was invested by NALCAB directly in 19 local nonprofit organizations in the form of 34 capacity-building subgrants and additional training scholarships. With additional leveraged funding, NALCAB invested a total of $1.6 million to 22 organizations in the Northwest Area Foundation footprint.

### SUB-GRANT ALLOCATION BY YEAR

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NWAF SUBGRANTEES</th>
<th>DOLLAR AMOUNT</th>
<th>OTHER SUBGRANTEES</th>
<th>DOLLAR AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 - 2011</td>
<td>7</td>
<td>$95,000</td>
<td>2</td>
<td>$41,000</td>
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<tr>
<td>2011 - 2012</td>
<td>5</td>
<td>$75,000</td>
<td>3</td>
<td>$36,000</td>
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<tr>
<td>2012 - 2014</td>
<td>9</td>
<td>$200,000</td>
<td>10</td>
<td>$305,000</td>
</tr>
<tr>
<td>2015 - 2016</td>
<td>9</td>
<td>$195,000</td>
<td>8</td>
<td>$158,749</td>
</tr>
<tr>
<td>2017 - 2019</td>
<td>4</td>
<td>$60,000</td>
<td>14</td>
<td>$451,672</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$625,000</strong></td>
<td></td>
<td><strong>$992,421</strong></td>
</tr>
</tbody>
</table>
During the period for which these organizations were directly funded by NALCAB, over 1,163 small business owners and aspiring entrepreneurs were served, resulting in the creation or expansion of over 238 businesses and the creation or retention of more than 442 jobs. Perhaps more importantly, NALCAB’s capacity-building assistance sustainably improved the quality and scale of these asset-building services, resulting in ongoing impact for low- and moderate-income people.

**Technical Assistance for Asset-Building Activities**

NALCAB provided technical assistance to 22 organizations in six states across the Northwest to enhance their program effectiveness, improve project readiness and advance their organizational sustainability. As a result of NALCAB’s technical assistance, local non-profit organizations directly secured $9.53 million in grants and loans for their work.

**Supporting Enterprise Development and Financial Capability**

NALCAB provided technical assistance on such issues as culturally relevant curriculum development, strategic and business planning, resource development, program enhancement, peer-to-peer matches, and integration of financial capability services. Peer-to-peer connections facilitated by NALCAB have allowed subgrantees to increase internal capacity and implement or expand projects related to financial coaching, small business development and lending. NALCAB made connections between new funders.
and subgrantees, who noted that NALCAB assistance opened access to additional funding sources to support small business development and financial capability. NALCAB leveraged additional funding to support these organizations from Citi Foundation, Wells Fargo, Capital One and the U.S. Small Business Administration (US SBA).

**Supporting the Effectiveness of State Government Programs**

Through a technical assistance contract with the US Department of Housing and Urban Development, NALCAB provided technical assistance to the State of Oregon Business Development Department (Business Oregon), which administers the state’s Community Development Block Grant (CDBG) program, one of the most reliable funding sources for infrastructure needs in LMI communities. NALCAB assisted Business Oregon to create a new program design, policies and procedures to improve the timeliness and impact of the CDBG program and to best meet the high-priority needs of primarily rural communities.

**Catalyzing Place-based Economic Development and Food Systems**

NALCAB has helped organizations build economic opportunity through the development of place-based strategies such as commercial corridors and mercados. Technical assistance provided by NALCAB has included tailored pre-development project planning through conducting needs assessments, assisting with budget development, defining project components and goals, identifying valuable project partners and providing referrals for loans. NALCAB provided technical assistance to 7 organizations to secure federal funding for place-based economic development projects from the US HHS Office of Community Services Community and Economic Development (CED) grant program and the US Commerce EDA Economic Adjustment Program. NALCAB provided additional financial support for this work with funding from Sam’s Club, the W.K. Kellogg Foundation, JPMorgan Chase and the U.S. Department of Housing and Urban Development Rural Capacity Building program.
Openning Access to Capital for Business Lending: CDFI Capacity Building

Lenders that provide culturally and linguistically relevant services are critical for reaching the Latino business market, which represents enormous opportunities for job creation and regional economic growth. NALCAB provided best practice-based services to strengthen CDFI capacity to offer access to capital in Latino and immigrant communities including with respect to the capitalization of loan funds, portfolio monitoring, lending procedures, connecting organizations to national peer support and tracking and reporting on small business-related outcomes. NALCAB provided technical assistance to 2 organizations in the Northwest on CDFI certification and 3 organizations to secure grants and loans for business lending, including from US Treasury CDFI Fund, USDA Intermediary Lending Program, US HUD Rural Capacity Building Program, the Surdna Foundation and US HHS Office of Community Services Community and Economic Development (CED) grant.

Lending to Latino and immigrant business owners/entrepreneurs has increased as the organizations that serve them have gained access to capital. These efforts have allowed local small business owners to overcome significant cultural, linguistic, and socio-economic barriers encountered in the mainstream banking industry. In addition to Northwest Area Foundation funding, NALCAB has supported this work through funding from Sam’s Club, Wells Fargo, Surdna Foundation, the HUD RCB program and the SBA Prime Program.

Outcome Tracking and Data Management

Tracking data and outcome are crucial to organizations’ abilities to correctly measure client progress and economic impact. NALCAB leveraged this partnership as an opportunity to develop and implement a reporting template and data collection tools based on industry best practices. Through the development of the template, subgrantees were able to share best practices and improve internal evaluation capacity. Combined, these efforts have resulted in the increased ability for subgrantees to effectively serve their clients and communities. Consistent with industry standards and community needs across the Northwest, NALCAB has provided training and intensive engagement to 11 community and economic development organizations to assess and upgrade data management systems, resulting in enhanced methods of tracking, measuring, assessing and communicating their own work.
STRENGTHENING AND EXPANDING CAPACITY-BUILDING PROGRAMS

Strengthening and expanding capacity-building programs that provide critical culturally-relevant services to Latino and immigrant communities has been a consistent NALCAB strategy. NALCAB provides training through periodic webinars as well as the annual in-person NALCAB National Training, which provides 20 hours of hands-on training to program managers and front-line staff in the areas of Small Business Development and Lending, Equitable Neighborhood Development and Financial Capability. A trademark of this programming is empowering member organizations to serve as experts in presenting innovative, culturally and linguistically relevant approaches, as well as engaging in collaborative problem-solving.

Since the NALCAB National Training began as a pilot in 2009 with 20 participating organizations, attendance has grown to 176 participants from 100 organizations and 26 states in 2018. This includes 16 organizations from the Northwest region. The training offers program-related topics such as English/Spanish small business development curriculum, technical assistance and coaching models, program and loan funding resources, collaborative and consortium development, access to federal and corporate funders, impact and evaluation, and data models for anticipating neighborhood change. Lessons learned by practitioners involving previously implemented methods are also shared. To date, this event has fostered a system of culturally-relevant learning for 131 unduplicated individuals from 48 different Northwestern organizations.
NALCAB’s training model also includes a webinar-based component on topics ranging from leadership, policy, and communications to overviews of specific grant opportunities and other related asset-building topics. These webinars have been resourceful methods of training for Northwest Area subgrantees to build sustainable capacity-building practices. The chart below shows the number of participants from the Northwest engaged in these activities by year.
Since 2010, NALCAB has developed Latino leaders through its Pete Garcia Community Economic Development Fellowship, previously named the Colegio Fellowship. Preparation of next generation leaders is a key factor in advancing organizational sustainability and ongoing program effectiveness. Support from Northwest Area Foundation has been crucial in helping to build this program.

NALCAB is the only national organization that has developed culturally-relevant curricula and training methods to build the capacity of Latino-serving community development and asset-building practitioners. The curriculum is intended to build the practical, personal and professional skills needed by the next generation of Latino leaders in the community economic development field.

From 2010-2018, 117 Latino leaders representing 73 unique nonprofit organizations in 24 states and DC have graduated from NALCAB’s Pete Garcia Fellowship. There have been 30 graduates from 23 organizations in 5 states within the Northwest. Pete Garcia Fellowship graduates have taken on executive leadership positions and made meaningful contributions to their organizations and fields.

“"My skills in program management increased after learning different strategies within the fellowship. The benefits were immediate, and my role in the organization transformed into one with more responsibilities in which I provide better leadership."

- 2014 fellow, Javier Urenda of Adelante Mujeres (Oregon)
In 2017, NALCAB shifted the focus of Northwest Area Foundation support to advance the Latino community through its first-ever program of policy advocacy at the local, state and federal levels. NALCAB intends to replicate this program to advance Latino communities across the nation. Through intensive technical assistance and subgrants, four organizations developed campaigns focused on changing policies that disproportionately target minority and low-income communities. These campaigns goals include, but are not limited to:

- Increasing technical assistance for Latino and immigrant entrepreneurs in areas including financial education, business planning and budgeting.
- Expanding entrepreneurship opportunities by including allowance of umbrella permits for food-centered businesses.
- Making available business registration documents in the state’s 10 most commonly spoken languages, according to Census data.
**Informing Federal Policymakers**
NALCAB has been a leading national voice in helping to connect current federal policy and the demographic trends that are shaping the small business sector. NALCAB has provided written and in-person policy guidance to the White House Domestic Policy Council, the Administrator of the Small Business Administration, the Director of the CDFI Fund, the Board of Governors of the Federal Reserve, and senior executives of a half dozen large financial institutions. In May 2018 and April 2019, NALCAB hosted Northwest Area Foundation subgrantees for Advocacy Days on Capitol Hill to meet with policymakers and discuss federal government funding for programs important to minority and immigrant small business and economic development. NALCAB has coordinated with its network monthly on strategies to engage locally and nationally as well as to regularly provide policy briefings on timely issues ranging from the federal budget and the appropriations process to consumer financial protection and the 2020 Census. During this work, NALCAB has become a go-to source for practical, solution-focused advice about how to address the challenges and open opportunities for Latino small business.

**Research on Best Practices in Asset Building Access to Capital for Latinos/Immigrants**
In 2009, NALCAB published and distributed a best practices study highlighting the asset-building work of local organizations across the Northwest. Further, with support from the Northwest Area Foundation and other leveraged resources, NALCAB undertook a metro-level study of the availability and terms of loan capital to immigrant and Latino entrepreneurs in five markets, including Seattle, WA and Minneapolis/St. Paul, MN. The local market scans provided a deeper understanding of the challenges that businesses face in accessing capital and the unique and ultimately critical support offered by both CDFIs and CDCs in helping business owners navigate borrowing.