LINKING LENDERS AND COMMUNITIES

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Increasing Density:

A Small-Town Approach to New Urbanism

By Andrew A. Pack

Much has been written recently about the decline in population in rural areas of the United States. About 83 percent of U.S. residents now live in metropolitan areas, and this trend is expected to continue to increase into the future. By 2030, about 14 percent of the U.S. population will live in rural areas, and by 2050 the rural population will be down to only 11 percent, according to the United Nations Department of Economic and Social Affairs.[1] Some of this decline is due to nonmetropolitan areas becoming newly urbanized by increasing their populations above 50,000 people. Such was the case in 2010 when the census identified 36 newly urbanized areas. (See Figure 1 on Page 2.)

Is all lost for small-town America? Should we all just pack up and move to the city? Not only is population decline itself negatively affecting many small towns, but associated issues exacerbate the impact. With population decline comes decreased tax revenue and often less money from state and federal sources, especially in times of budget cuts and a shifting global economy. If the population of nonmetropolitan areas continues to decline and urban areas continue to gain population, how will small towns compete for jobs and residents in the future? Certainly, reversing negative population trends is one of the keys to continued economic growth, but it can be an overwhelming task. One possible strategy: Focus on increasing population density in small towns.

Why density? As people and talent are attracted to the economic opportunities, accessibility to work and entertainment, and other lifestyle factors offered by many urban areas, smaller towns may benefit by incorporating some of these same factors into their community and economic development strategies. Even some suburbs are starting to incorporate higher densities and more urban principles into their designs. As Steve Yoder wrote in *The Fiscal Times* regarding the growth of Bellevue, Wash., "Not long ago, density, walkability and access to public transit were more associated with cities than suburbs. But as more people flock to the cities, and many outer suburbs struggle, some suburbs have found a formula that's helped them grow as fast as their urban siblings—create a downtown core that lets them combine the city's culture, street life and walkability with their own lower crime rates and good public services." Creating

continued on Page 2

TABLE 1

***Budget Travel*'s "America's Coolest Small Towns 2013"**

Town	State	Population Density (per sq. mile)
Shepherdstown	WV	4,634
Lititz	PA	4,056
Glenwood Springs	CO	1,692
Flagler Beach	FL	1,225
Watkins Glen	NY	1,720
Traveler's Rest	SC	1,012
Camden	ME	949
Greenville	KY	932
Mount Carroll	IL	851
Le Claire	IA	806
Elkhart Lake	WI	758
Bay St. Louis	MS	630
Gulf Shores	AL	421
Quincy	CA	408
Put-in-Bay	OH	305
		Average density: 1,325

SOURCES: *Budget Travel*, U.S. Census Bureau

Increasing Density

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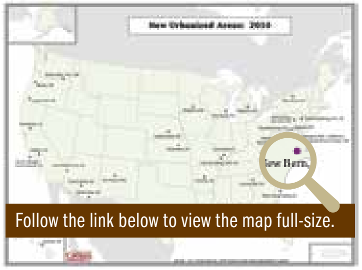
a higher population density in a small town can help create a stronger and more competitive downtown core.

Increased density has also been linked to increased productivity. The Federal Reserve Bank of New York's 2010 report, "Productivity and the Density of Human Capital," reviewed 363 metropolitan areas in the U.S. from 2001 to 2005 to better understand how density affects an area's productivity. Although this report reviewed metropolitan areas, many of the findings may be applicable to small towns, especially those with higher-than-average densities. The New York Fed found that if a metropolitan area doubled its population density, its human capital increased, leading to an average 2 to 4 percent increase in productivity. Depending on whether an area had low or high human capital, the gains in productivity were lower or higher than the net average. The sectors most dramatically affected by increases in density were more knowledge-based, relying on an educated workforce where sharing ideas is important to productivity. Sectors with the highest productivity gains were professional services, arts and entertainment, information, and finance. Although the study used metropolitan areas as the sample, it demonstrates that increasing density can lead to positive economic gains.

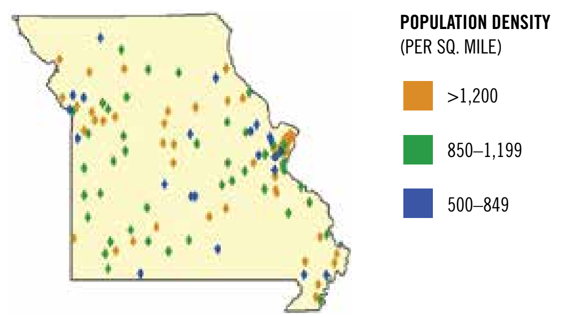
Infrastructure and other resource costs are also important reasons that small towns might benefit from increasing density. As a community expands outward, more infrastructure has to be put in place and maintained over the long term (e.g., roads, water, sewer, electricity, broadband, etc.). If budget issues continue to impact states and cities, the ability to fund new infrastructure projects could be a roadblock to growing a community. Choosing to focus on increasing density in an area where infrastructure already exists may be quicker, easier and more cost-effective, especially considering the limited resources available to many communities. Additionally, when trying to maintain and manage resources more diligently, focusing funds or projects in a particular area of high density should create more impact than in an area where less people or businesses may benefit.

FIGURE 1
U.S. Census Bureau's Newly Urbanized Areas, 2010



SOURCE: U.S. Census Bureau. http://www.census.gov/geo/maps-data/maps/pdfs/thematic/2010ua/UA2010_NewUAs_Map.pdf

FIGURE 2
Small Towns in Missouri



SOURCE: U.S. Census Bureau, American Fact Finder. Map created using Esri ArcGIS.

Breakdown of Missouri Places

- 132 places in Missouri have populations between 2,500 and 10,000 with a density of 500 or more people per square mile (~13 percent of places in Missouri).
- Of these 132 small towns, 22 have a density between 500 and 849, 46 have a density between 850 and 1,199, and 64 have a density above 1,200 people per square mile.
- For comparison of the densities of small towns and cities in Missouri, below is information on the top five metros by population:

City	Population (2010)	Density Per Square Mile
Kansas City	459,787	1,460
St. Louis	319,294	5,158
Springfield	159,498	1,952
Independence	116,830	1,506
Columbia	108,500	1,720

SOURCE: U.S. Census Bureau

How realistic is it that a small town could have a small population but a higher-than-average population density? Where are these types of small towns located? To better understand the number and geographic distribution of small towns in a state, let's look at Missouri as an example.

There are multiple definitions of "rural," "urban" and "small town." Using the Census Bureau's definition of urban clusters, the USDA's Economic Research Service defines rural as any place with a population of fewer than 2,500 and a density of less than 500 people per square mile. According to the North Carolina Rural Economic Development Center, small towns are generally defined as having populations of less than 10,000 people. Using these definitions to best identify the true "small towns" in Missouri, towns with less than 2,500 people and/or less than 500 people per square mile were excluded because they are considered rural; places with more than 10,000 people were also excluded. The map of Missouri shows that there is a fairly even geographic distribution of small towns with high densities across the state. The exception is a cluster of small towns with population densities of more than 1,200 people per square mile located in and around St. Louis County. The results can be seen in Figure 2 on Page 2.

What other impact does density have on small towns across the United States? ***Budget Travel*** conducts an annual poll, inviting readers to vote on nominations for "America's Coolest Small Towns." In 2013, almost 100,000 people nominated and voted on 924 small towns. (See Table 1 on Page 1.) All but three of these towns had a population density above 500 people per square mile; 12 had population densities above 500 and six had populations of approximately 1,000. Many people choose to visit, live, work and retire in these popular and vibrant small towns with higher population densities. Increasing density may help a small town create a sense of place and quality of life that people desire. Even high-density small towns can retain their charm, as voters believe many of the towns on ***Budget Travel***'s list have done.

As the world continues to become more urbanized, it's important that small towns keep up with these changes. Increasing a small town's density to reflect some of the positives of a more urbanized lifestyle may be important to its future success. For many towns, population decline will continue to be a problem. But if increasing density in the core of the town becomes a priority of the community's growth plan, the town may be able to decrease some of these negative effects of population loss by building up what already exists. Population density is not just an urban measurement; it is also important to the growth of many small towns. Density can help create a stronger and more accessible downtown core, increase economic productivity, lower infrastructure costs and help create a lifestyle that many people believe only urban areas can provide.

Increasing a small town's density to reflect some of the positives of a more urbanized lifestyle may be important to its future success.

Andrew A. Pack is a community development specialist at the Little Rock Branch of the Federal Reserve Bank of St. Louis.

ENDNOTES

1 Source: United Nations.

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INCREASING POPULATION DENSITY

Here are a few strategies towns can implement to improve density:

- Create planning and zoning that specifically targets particular areas of a town for population, housing and/or business growth (and/or change ordinances to allow higher-density structures).
- Locate new or existing community services or institutions in a certain geographic area (schools, libraries, health care clinics, post offices, utility companies, other governmental institutions or services that people need access to).
- Offer housing options of different sizes and prices, a mix between ownership and rentals, and variances in styles that will appeal to a large cross-section of people (singles, young families, retirees, etc.).
  - Types of housing to consider could include condominiums, cottages, town homes, single-family houses, cooperative housing, senior living facilities and other types that appeal to multiple generations and incomes.
- Utilize tax incentives to develop, redevelop or improve a specific geographic area of a community to entice more people to live there.
- Create shared amenities and public spaces for common use. These spaces should:
  1. promote human contact and social activities;
  2. be safe, welcoming and accommodating for all users;
  3. have design and architectural features that are visually interesting;
  4. promote community involvement;
  5. reflect the local culture or history;
  6. relate well to bordering uses;
  7. be well maintained; and
  8. have a unique or special character.
- Ensure connectivity and accessibility to population center (walking, biking, driving).

Women Helping Women:

Healing Hearts Bank at Redevelopment Opportunities for Women

By Angela Schultz

Current and former participants in Redevelopment Opportunities for Women's (ROW) Economic Action Program (REAP) are volunteering their time, knowledge and energy to help other women improve their economic stability. All eight participants—women who are survivors of intimate partner violence—are volunteer "bankers" at the third branch of Healing Hearts Bank, a microlending program sponsored by the National Council of Jewish Women, St. Louis Section, and offered in partnership with ROW.

These volunteer bankers have communicated their enthusiasm to help other women who have been in situations similar to their own. One banker shared that she is "feeling empowered" and positive about "helping other women." Another stated that she looks forward to gaining a "deeper understanding of the needs of my community," as well as the opportunity to "return" knowledge and wisdom to other survivors of intimate partner violence.

The mission of Healing Hearts Bank is "to build a community of women assisting women through connection to assets not normally available." The bank provides access to small-dollar loans to stabilize the lives of women impacted by intimate partner violence, with a goal of providing nontraditional loans for survivors of domestic violence who may not be able to access traditional banking for emergency and other identifiable needs. All loan recipients will be either past or current participants in REAP, so they are already actively working to build and repair credit and attain assets. The microlending program will provide another avenue to attain economic and family stability. Of the program and the opportunities it affords, one banker stated, "I am excited for the [program] and look forward to being a help."

Loan recipients will all be survivors of intimate partner violence, experiencing financial hardship as a result of economic abuse, an often unacknowledged form of power and control over a woman by an abusive partner.

Volunteer "bankers" at Healing Hearts Bank discuss small-dollar loans for survivors of intimate partner violence at their monthly meeting.

The mission and goals of Healing Hearts Bank complement ROW's programs and serve as a mechanism for realizing ROW's mission of "empowering women to build safety, skills, economic security and hope for the future."

ROW has been providing advocacy services and innovative programs to women impacted by intimate partner violence, poverty and homelessness for more than 30 years. The organization's REAP program offers financial literacy classes, individual economic advocacy for credit repair and matched savings to participants. REAP serves more than 300 women annually, and has assisted countless women to build assets, reduce debt, build credit and stabilize their lives. In addition to REAP, ROW offers an array of programs and services to help women and their children, including Family Strengths, a self-development and parenting program; Family Literacy, an educational program offered in partnership with the St. Louis Public Schools Adult Education and Literacy Program; and the Multi-Lingual Access Project (MAP), offering language advocacy and interpretation services to domestic violence partner organizations and the women they serve.

As a testament to the quality and innovation of ROW's services, the organization's executive director, Meg Schnabel, was awarded the Champions of Change Award from the White House in October 2011. Schnabel developed the REAP program before assuming her current position at ROW, which she has held for more than 10 years.

It is anticipated that the third branch of Healing Hearts Bank at ROW will be making small-dollar loans of up to $500 by the fall of 2013. Loan recipients will all be survivors of intimate partner violence, experiencing financial hardship as a result of economic abuse, an often unacknowledged form of power and control over a woman by an abusive partner. Volunteer bankers will analyze loan applications, select recipients and ensure that loans are repaid in order to make future loans available to more women. Bankers will continue to be comprised of past and current REAP participants, providing an opportunity for them to use the financial literacy information learned as a result of participating in the program. Banker meetings are held monthly and run by the volunteers. Employing the model of empowerment, this program's infrastructure allows women to help other women, ensuring the realization of its mission.

For updates on ROW's microlending and other programs, please visit www.row-stl.org or ROW's Facebook page.

Angela Schultz is the program director at Redevelopment Opportunities for Women.

Finding Ways to Help Individuals Achieve Financial Well-Being

By Keith Turbett

Throughout the past century of SunTrust's operations, the U.S. economy has been through ups and downs, communities have grown and adapted to changing times, and the financial needs of individuals and businesses—along with the banking services to meet those needs—have evolved. As a response, banks—including SunTrust—are finding new ways of putting clients first and helping them achieve financial well-being.

One way to further achieve broader prosperity is to help individuals without a banking relationship move from high-cost financial relationships to more traditional financial products. Bank On Memphis is a good example of this type of assistance. In partnership with the city of Memphis and Shelby County, SunTrust and other financial services institutions will introduce an estimated 96,000 households—who currently only use high-cost financial services or do not have banking relationships at all—to lower-cost financial services. In a city with high poverty and bankruptcy rates, this means more money for low- and moderate-income individuals and families to use on household expenses, education, health care or other necessities.

A C Wharton, Jr., the mayor of Memphis, summed it up well when he said, "Those who have the least pay the most for financial services. We're not really poor in Memphis; we just spend poorly."

Banks can be part of the solution, but must not be naive to the challenges ahead. Many people are comfortable transacting financial business in a certain way—even if they might benefit from lower costs or a broader range of services. Changing habits can be difficult—even if it saves money. That is why SunTrust is partnering with community organizations to increase awareness of financial solutions that can help improve lives.

SunTrust's work with Porter-Leath, a large family and children's services organization, is an example of a community partnership that has yielded tremendous results. Through the Family Rewards program, financial incentives are earned for efforts in three main areas: education, health and work. This conditional cash transfer

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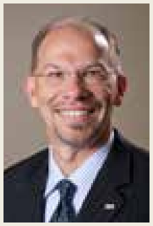
CDAC MEMBER SPOTLIGHT



Keith D. Turbett started his career at the Federal Reserve Bank of St. Louis–Memphis Branch, moving from the Cash and Securities area to supervise Securities operations. He also established a Community Affairs office at the Branch, providing banks and bank holding companies in West Tennessee, Eastern Arkansas and North Mississippi with information on appropriate programs to meet community development needs. Turbett later worked as the community development manager for Union Planters Corp.; corporate CRA officer at National Commerce Financial; and regional community development manager for SunTrust Bank. Currently, Turbett serves as first vice president and community development manager for SunTrust. He earned an associate's degree in mid-management technology from State Technical Institute of Memphis and a banking diploma from the American Institute of Banking. He has also received training at the Community Development Finance School with the Federal Reserve Bank of Dallas and examiner training with the Federal Financial Institutions Examination Council. Turbett serves on the boards of Memphis Housing Resource Center, Fair Housing Alliance of Greater Memphis and United Housing Inc. He is a member of the Community Development Advisory Council (CDAC) for the Federal Reserve Bank of St. Louis.

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

The Graying of America: Preparing for What Comes Next

By Kathy Moore Cowan

By now, we all know we are in the midst of a tsunami. In just seven short years, the number of Americans age 65 and older will increase by 65 percent, from 35 million to 55 million. By 2050, there will be 88 million Americans in this age group, representing one in every five Americans.

Baby boomers have significantly impacted every institution and stage of life they have encountered. We can blame them for this massive aging of the American populace as well. This demographic shift will cause a tremendous change in the demand for housing, and will exponentially increase the need for services to help older adults age in place. Yet, many communities are not prepared—or preparing—to negotiate the profound effect of this transition on our communities.

Recognizing an increase in the number of grant requests for aging-related issues and media attention on the impact of the baby boomers, the Plough Foundation decided to dive deeper into this issue. Plough is an independent, private, philanthropic foundation that provides grants to address social and economic issues exclusively in Memphis and Shelby County, Tenn. Mike Carpenter, executive director of the foundation, says, "As grantmakers, we want to find good ideas and solutions to deal with the challenges of aging in place. We want to uncover those organizations with capacity to deliver solutions."

Plough hired a program associate, Katie Midgley, to research the scope of services available to the elderly in Shelby County. Midgley began by gathering local and regional demographics to understand what was happening in the Memphis community. A review of the demographic data confirmed that the tsunami had not skipped Memphis. The aging population in the region was growing rapidly, increasing by more than 55,000 between 2000 and 2010.

Midgley next completed an internal scan of Plough's funding related to aging; consulted with local and national grantmakers and experts in aging; determined the existing status of programs and funding sources for local aging programs; reviewed information and literature on aging issues and trends; and identified and reviewed comprehensive programs nationwide. Out of this process and through conversations with more than 70 major players with expertise in all aspects of aging, seven important issues for Memphis and Shelby County emerged:

- Caregiver support and respite
- Transportation
- Basic needs (food, utilities)
- Home repair and modifications
- Elder maltreatment
- End-of-life care plans, advanced directives, etc.
- Opportunities for community engagement

But before any priorities were established, Midgley realized that one important voice was missing … that of the elderly. So Plough commissioned the AdvantAge Initiative to conduct a survey of more than 500 adults ages 65 and older. The survey results are delivered in *Report to the Community on Older Adults in Shelby County: Results from the 2012 AdvantAge Initiative Survey*. The survey revealed that in the Memphis area, people want to stay in their own homes as they age; however, the existing housing stock is not suitable—without modifications and maintenance—for aging in place. Primary modifications needed include exterior wheelchair-accessible ramps; wider doorways, halls and bathrooms; and grab rails in bathrooms. Roof and heat/air-conditioning improvements are the biggest maintenance needs. Regardless of income level, there is a need for accessibility and home-repair modifications. However, many seniors cannot afford to make these modifications to their homes. Armed with this data, the Plough Foundation has decided to select this issue as a priority.

MetLife City Leaders Institute on Aging in Place

To help cities figure out how to improve the quality of life of seniors who remain at home as they age, in 2012 the MetLife Foundation launched the City Leaders Institute on Aging in Place. This one-year pilot program is funded by the MetLife Foundation and implemented by Partners for Livable Communities. The pilot focuses on making local-level changes to facilitate aging in place.

Memphis was one of 10 cities selected in 2013 for the second pilot, working with national leaders to implement new ways to improve the lives of seniors who remain at home as they age. Other cities included in the second pilot are San Diego, Calif.; Washington, D.C.; Chicago, Ill.; Louisville, Ky.; Kansas City, Mo.; Asheville, N.C.; Oklahoma City, Okla.; Salt Lake City, Utah;

This demographic shift will cause a tremendous change in the demand for housing, and will exponentially increase the need for services to help older adults age in place.

and Alexandria, Va. The city teams traveled to Washington, D.C., earlier in the year with projects that addressed arts, culture and civic engagement or mobility and transportation issues. Each city team was provided with issue experts and a facilitator to assist them in brainstorming, planning and developing their road map to action for the year.

Building on the work and leadership of the Plough Foundation, the Memphis pilot is a collaborative effort led by the foundation, along with the Aging Commission of the Mid-South, Tennessee Housing and Development Agency, Shelby County Government, and the Community Development Council of Greater Memphis. The goals of the Memphis pilot include identifying viable funding and volunteer sources; developing a set of criteria for determining necessary home modifications; and creating an implementation plan for a kickoff event in March 2014. The team will develop a centralized system that determines the home modification needs of older adults, directs them to services and provides funding for those who cannot afford to make such changes themselves. By the end of the year, the foundation plans to have an opportunity fund to help implement the strategies.

Louisville—another city in the Fed's Eighth District—is addressing mobility and transportation issues. The Louisville pilot will bring the city's Complete Streets policy from concept to action. During the next 12 months, Louisville will engage in a three-pronged effort of engaging, raising awareness and celebrating successes. Specifically, they will create a Photovoice initiative with older adults. Photovoice provides cameras to people with least access to those who make decisions affecting their lives, blending a grass-roots approach to photography and social action. This initiative will determine and document barriers to access; identifying and executing at least two (one urban, one suburban) publicly visible demonstration projects that respond to such barriers; and sharing their findings through a high-profile, communitywide celebration.

The dramatic rise in the number of older Americans will have an impact on every aspect of life in U.S. communities. The entire social, physical and fiscal fabric of this country will be affected by the coming age wave. To ensure that older Americans add more than years to their lives, communities must start now to plan for successful aging—because we're not getting any younger.

Kathy Moore Cowan is a senior community development specialist at the Memphis Branch of the Federal Reserve Bank of St. Louis.

THE GRAYING OF AMERICA: **RESOURCES**

MetLife Foundation
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MetLife Mature Market Institute
https://www.metlife.com/mmi/index.html

National Association of Area Agencies on Aging
http://www.n4a.org/

National Housing Conference + Center for Housing Policy
http://www.nhc.org/

Partners for Livable Communities
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A Survey of LIHTC and the Eighth Federal Reserve District

By Brandon Farber

Enacted by Congress in 1986, the Low-Income Housing Tax Credit (LIHTC) Program is the largest and most successful federal subsidy to promote affordable rental housing in the United States. Leveraging nearly $100 billion in private investments and developing more than 2.6 million affordable rental units since its creation, the LIHTC Program encourages private equity infusions to construct, preserve and rehabilitate affordable homes for low-income renters. In return for private investments that help finance construction costs and lower debt burdens, which allow developers to operate properties at affordable rents, investors receive a dollar-for-dollar credit against their federal tax liability over a period of 10 years.

FROM THE SURVEY:

We really, really need to broaden the base of investors. CRA is a blessing, but it is also focusing the money too much on urban areas and it is hard to get funding for rural projects.

–Kentucky Housing Developer

The Survey

In an effort to measure current conditions of the LIHTC market, a survey study was conducted for the Federal Reserve Bank's Eighth District. From July 8 through July 24, 2013, survey responses were collected from four state housing finance agencies (Arkansas, Indiana, Kentucky and Tennessee). A total of 54 completed surveys were also collected from housing developers who are actively participating in the LIHTC Program within the Eighth District, but also in states that included Alabama, Georgia, Louisiana, Florida, Michigan and Ohio.

LIHTC and the State

Data collected for reporting year 2012 from the participating housing finance agencies indicate that 55 percent of projects that were allocated credits in 2012 were located in metropolitan areas. The balance between rural and metropolitan developments depends largely on the state, as nearly 69 percent of projects in Indiana were identified as metropolitan while 71 percent of the projects in Arkansas were identified as rural-based for the year. Families were also reported as the tenants most targeted for LIHTC developments, followed by the elderly. Approximately 68 percent of combined projects in Arkansas, Indiana and Tennessee primarily served as housing for families, while only Indiana identified two projects intended to serve the homeless. Among these three states, 47 percent of projects were awarded credits to fund new construction, while 37 percent were awarded credits for acquisition and rehabilitation purposes. Again, states differ largely in this category—67 percent of projects in Tennessee were new construction

FIGURE 1

Compared with the past 5 years, how would you characterize current investor demand for LIHTCs (rural and/or urban)? (n=40)

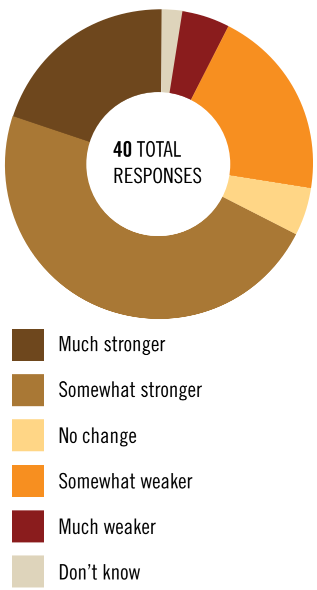
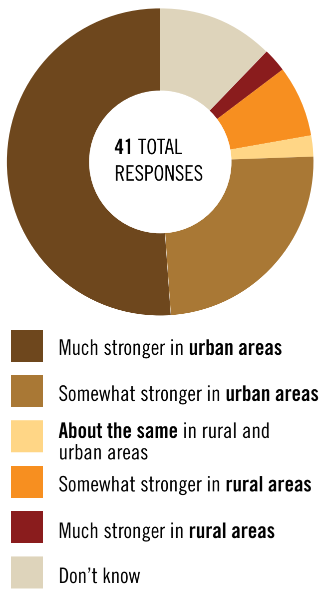


FIGURE 2

How would you characterize current investor demand for LIHTCs (rural vs. urban)? (n=41)



NOTE: All figures are sourced from the Eighth District's 2013 LIHTC survey.

FIGURE 3

In the state in which you most actively participate in the LIHTC Program, how would you describe the demand for affordable rental housing for each of the following tenant populations?

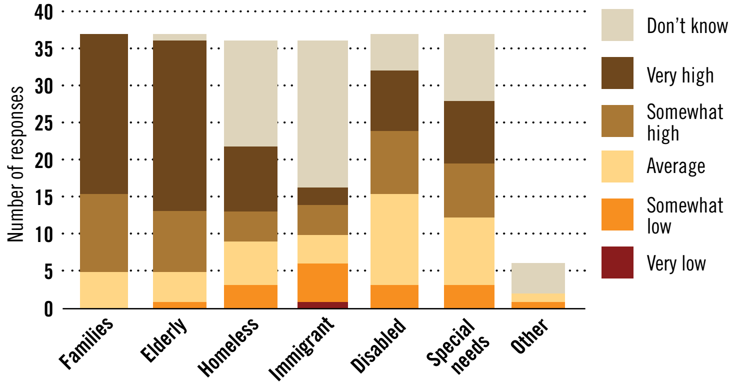
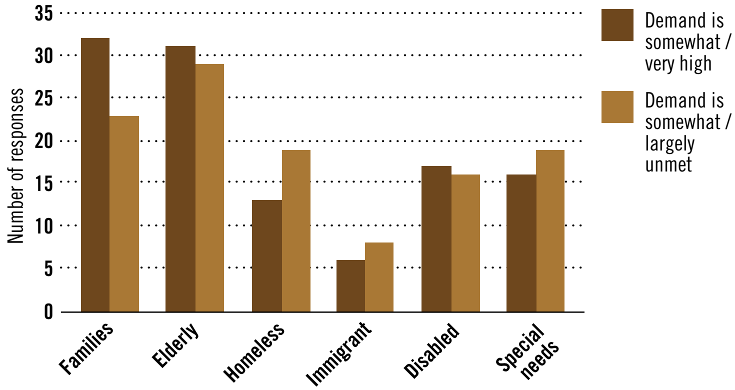


FIGURE 4

Affordable Housing—Demand vs. Supply



but 71 percent of projects in Arkansas were acquisition and rehabilitation properties.

Market Conditions

Approximately 52 percent of developers report that current investor demand for tax credits is somewhat strong or very strong. When compared to the past five years, 68 percent report current demand as somewhat stronger or much stronger. (See Figure 1 on Page 8.) However, when geography is examined, more than half of developers report investor demand as much stronger in urban areas. (See Figure 2 on Page 8.) Compared with the past five years, the data show increased investor demand for tax credits in urban areas but decreased demand in rural locations. Developers estimate the average amount received per dollar tax credit in 2013 at 85 cents.

The Community Reinvestment Act (CRA), the 1977 regulation encouraging depository institutions to invest in and meet the credit needs of their low- and moderate-income neighborhoods, is reported by housing developers as both a benefit and a liability to the LIHTC market. While 83 percent of developers strongly agree or agree that a more diversified investor pool is needed, which would likely include CRA-indifferent investors, developers also agree that requiring banks to meet CRA obligations increases the demand for and pricing of tax credits. However, when asked about the geographic assessment areas in which banks are obligated to meet CRA criteria, 71 percent of developers responded that uneven geographic coverage makes it difficult for rural areas to attract LIHTC investors; 76 percent believe demand would be greater in rural areas if LIHTC investments outside assessment areas were scored more favorably. Again, while CRA gives leverage to developers who want to sell tax credits, large geographic disparities persist.

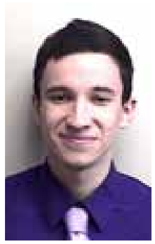
Tenant Populations

Developers agree that the demand for affordable rental housing for families and the elderly is high. (See Figure 3.) On the other hand, 56 percent of developers did not know enough to comment on the level of demand for the immigrant population. With regard to the supply of affordable housing, the general consensus among developers is that supply fails to meet demand regardless of tenant type. (See Figure 4.) Immigrants, however, were again the exception, with 68 percent of developers not knowing enough about the needs of this population to comment.

At Year 15 of the LIHTC Program, investors are allowed to exit partnerships and owners must decide how to continue operating their properties. Of the challenges that can occur at the onset of Year 15, applying for new tax credits ranked the highest, followed closely by funding repairs. (See Figure 5 on Page 10.) Furthermore, of those developers who had 1-3 properties reach Year 15 in 2012, 84 percent report that they continued to operate those

continued on Page 10

ABOUT THE AUTHOR



Brandon Farber is a graduate student in the George Warren Brown School of Social Work at Washington University in St. Louis and a practicum student in the Community Development Department of the Federal Reserve Bank of St. Louis.

SPANNING THE REGION

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

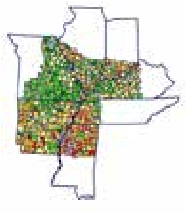
Results of 2013 Community Development Outlook Survey Available

The 2013 edition of the annual Community Development Outlook Survey of low- and moderate-income (LMI) communities across the states that comprise the Eighth Federal Reserve District has been released on the St. Louis Fed's web site. The survey informs the St. Louis Fed and its branches in Little Rock, Louisville and Memphis about the current conditions of the District's LMI communities and is shared with policymakers at the Federal Reserve Board of Governors in Washington, D.C. If you don't already participate in the survey but would like your voice to be heard in future rounds, send us an e-mail at communitydevelopment@stls.frb.org.

Read the survey at www.stlouisfed.org/community_development/community-outlook-survey/

Third Quarter Housing Market Conditions Report

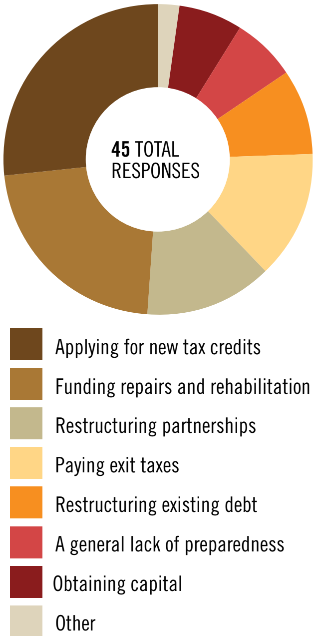
House prices rose and mortgage delinquencies fell across all seven states that comprise the Federal Reserve's Eighth District during the third quarter of 2013, according to the St. Louis Fed's latest Housing Market Conditions report. The quarterly report provides a snapshot of housing market conditions in the U.S. and the Eighth District, which covers the states of Arkansas, Illinois, Indiana, Kentucky, Mississippi, Missouri and Tennessee.



View the most recent report, as well as archives of previous reports, at www.stlouisfed.org/community_development/HMC/.

FIGURE 5

In your opinion, what is most challenging at the onset of Year 15?



A Survey of LIHTC

continued from Page 9

properties as affordable housing; only 15 percent repositioned their developments to market rate.

Looking Ahead

The architects of the LIHTC Program have left an enduring mark on the affordable housing debate. A massive undertaking, this initiative has matured into an efficient and valuable resource; a true testament to its resilience is now unfolding. Longstanding as the program may be, the market for tax credits was not immune to the financial crisis. As Fannie Mae and Freddie Mac exited the marketplace in 2008, leaving behind a small investor pool of CRA-regulated banks, the demand for tax credits plummeted. How the program responds and the market recovers in this postrecession era will be critical to the affordable housing landscape. Data collected from this survey are encouraging. Market conditions in the region have greatly improved and demand for tax credits is strong. Properties are remaining affordable and prices paid for credits have increased. However, while market conditions appear to be on par with the economic recovery, disparities still exist in the geography of investments, a challenge that must be addressed moving forward.

While this survey highlights some important quantitative and qualitative data for the region, further research is required to build and improve on its methods, design and results. As the nation emerges from the Great Recession and the LIHTC Program continues to display its proficiency for community development, greater research is needed to harness the full potential of this important initiative.

Financial Well-Being

continued from Page 5

program is designed to help low-income families reach their full potential and break the cycle of intergenerational poverty. Through this program, SunTrust opened accounts for 600 households who were previously without a banking relationship.

The bank is also bringing financial education resources into its branches. Operation HOPE is a global nonprofit leader for financial dignity focused on providing financial education resources to the underserved, which has proven to be effective in advancing financial literacy. SunTrust introduced Operation HOPE counselors to a branch in Memphis as part of the HOPE Inside pilot program. The counselors offer services tailored to the specific needs of an individual or business owner, including credit repair counseling, business entrepreneurship training, earned income tax credit eligibility and financial literacy education. These services are free and available to anyone in the community.

In an effort to be responsive to the needs of specific neighborhoods, SunTrust realizes that it takes more than tellers, branch managers and other teammates to provide the in-depth financial counseling to help individuals make more informed financial decisions. The bank's partnerships with many agencies—such as United Housing, Memphis Housing Resource Center, RISE and other organizations across our footprint—aim to provide one-on-one financial counseling covering homeownership, credit counseling, budgeting and other topics.

These initiatives are not limited to individuals. The bank's business clients are taking advantage of a program called SunTrust at Work. Employees of these clients benefit from classes taught by SunTrust bankers on a variety of financial subjects, such as "Five Steps of Debt-Free Living," which covers topics including setting a budget, talking with lenders, evaluating spending, and saving and prioritizing debt payments.

The benefits of these partnerships have a ripple effect through communities. An informed homebuyer who has participated in financial counseling is a better prepared homeowner, which decreases the likelihood of default.

It's important for banks to know that financial pressures affect a person's overall well-being, including health, family relationships and even the quality of sleep. By finding ways to help individuals achieve financial well-being, banks can bolster the overall strength and resolve of their communities for years to come.

Have you HEARD

CFPB Accepting Payday Loan Complaints

The Consumer Financial Protection Bureau (CFPB) is now accepting complaints from borrowers with payday loans. Also known as "cash advances" or "check loans," many of these loans are for small-dollar amounts that must be repaid in a short period of time. Payment is generally due the next time the borrower gets paid—meaning the loan may require repayment in only a few weeks. Payday products can lead to a cycle of indebtedness for many consumers.

Consumers can submit payday loan complaints to the Bureau about unexpected fees or interest; unauthorized or incorrect charges to their bank account; payments not being credited to their loan; problems contacting the lender; receiving a loan they did not apply for; and not receiving money after they applied for a loan. The CFPB requests that companies respond to complaints within 15 days and describe the steps they have taken or plan to take. To submit a complaint, consumers can:

- Go online at www.consumerfinance.gov/complaint
- Call the CFPB at 1-855-411-CFPB (2372) or 1-855-729-CFPB (2372) (TTY/TDD)
- Fax the CFPB at 1-855-237-2392
- Mail a letter to: Consumer Financial Protection Bureau, P.O. Box 4503, Iowa City, Iowa 52244

Consumers can also get answers to their questions about payday loans through AskCFPB at consumerfinance.gov/askcfpb or by calling 1-855-411-CFPB (2372).

BRIDGES

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

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International Diversity and Entrepreneurship in Louisville

By Maude Toussaint-Comeau

Through small-business creation, immigrants foster job growth in our economy. Ethnic economies are important to the health of the regional economy as a whole. By forming clusters of services, sometimes in declining areas, immigrants create vibrant commercial corridors that strengthen and revitalize distressed communities, helping to spur overall economic growth.

Louisville, Ky., is one example of a city that is increasing in diversity due to international immigration, where ethnic minority or immigrant-owned businesses are profoundly affecting the area's social and commercial vibrancy. Changes are noticeable in the cultural landscape, with new restaurants, houses of worship and a diverse range of goods in groceries that serve both immigrants and native-born residents. According to the most recent data available on the characteristics of businesses and their owners, in 2007 there were 52,778 firms in Jefferson County alone; 14 percent of those enterprises were ethnic/minority-owned. In the state of Kentucky, 5,559 Asian-owned businesses generated sales and receipts of $2.1 billion and employed 16,941 people; 3,663 firms were Latino-owned, with sales and receipts of $906.9 million, employing 6,705 people.[1] There are major implications of this growing ethnic diversity and entrepreneurship in the Louisville area; discussions are needed regarding sustainability and encouragement of this growing business sector.

The Foreign-Born and the Self-Employed

International migration to Louisville began in the 1800s, when what is now the Scotch-Irish majority first established its roots. With regard to the more recent migration flows, the Japanese have the longest tenure in Louisville, with many arriving in the 1980s. In general, Asian groups migrated in the early 1990s and the years just prior. The next wave was made up of refugees from Bosnia to Somalia. Bosnians arrived after 1995, during and after the regime of ethnic cleansing in the former Yugoslavia. The typical Mexican immigrant worked as a laborer in the agricultural industries of local surrounding counties before moving into the city.

Louisville's foreign-born population is still very far below the national average, but it has been growing rapidly. The city is part of a new group of places (which also includes Indianapolis, Ind.; Birmingham, Ala.; Knoxville, Tenn.; and Nashville, Tenn.) that are seeing bursts of foreign arrivals despite a history of not receiving many immigrants. These cities experienced a doubling of their immigrant population during the first decade of the 21st century. According to the U.S. Census, Louisville's overall population increased by 10.5 percent during the last decade. Almost half of that increase is due to immigration; between 2000 and 2010, the immigrant population increased from 30,600 to 61,615. All of the 13 counties in the Louisville Metropolitan Statistical Area (MSA) experienced this demographic shift, with Jefferson County receiving the highest share of foreign nationals. More than two-thirds of immigrants in the Louisville MSA now reside in Jefferson County. (See Table 1.)

TABLE 1

Foreign-Born Population in the Louisville MSA

County	Population 2000 (Total)	Foreign-Born Population 2000 (Share)	Population 2010 (Total)	Foreign-Born Population 2007–2011 (Share)
Jefferson	693,600	3.4%	741,096	6.1%
Clark	96,500	1.8%	35,613	1.5%
Shelby	33,300	3.9%	42,074	5.8%
Floyd	70,800	1.1%	39,451	0.4%
Meade	26,300	1.9%	28,597	1.6%
Nelson	37,500	1.3%	43,437	1.5%
Bullitt	61,200	0.7%	74,319	1.1%
Harrison	34,300	0.9%	18,849	1.3%
Henry	15,100	1.3%	15,416	1.4%
Oldham	46,200	1.5%	60,316	4.0%
Spencer	11,800	0.8%	17,061	1.1%
Trimble	8,100	1.2%	8,809	1.6%
Washington	10,900	0.9%	11,717	1.7%

SOURCE: U.S. Census

Close to half of the immigrant self-employed businesses in Kentucky are located in the Louisville metropolitan area and surrounding counties.[2] Table 2 (see Page 13) compares the characteristics of self-employed individuals in the state who are foreign-born versus native-born. Immigrants are 22 times more likely to be self-employed than are native-born workers—close to 40 percent of immigrants are self-employed compared with just above 30 percent of the native-born population, although the latter are more likely to have incorporated businesses. The

TABLE 2

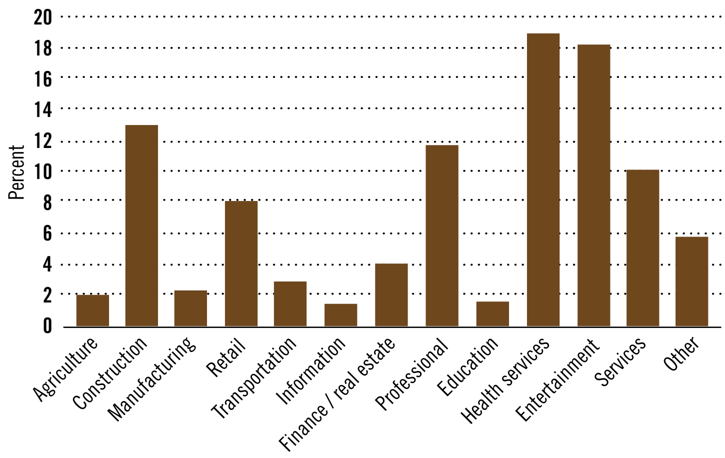
Characteristics of Self-Employed in Kentucky

	Foreign-Born	Native-Born
Employment		
Self-employed (out of those working)	38.00%	31.00%
Work in incorporated businesses	55.04%	66.36%
Work in unincorporated businesses	42.01%	30.06%
Work unpaid / family member	2.95%	3.58%
Country of Origin		
U.S.	–	99.38%
Puerto Rico (U.S. territory)	–	0.10%
Latin America	29.24%	–
Asia	37.10%	–
Europe	22.60%	–
Africa	2.95%	–
North America	7.62%	–
Oceania	0.49%	–
Educational Attainment		
Less than high school diploma	21.60%	17.24%
High school diploma	21.87%	32.54%
College and above	56.51%	43.44%
Other Demographics		
Average age	45	50
Female	38.57%	33.71%
Married	71.99%	71.89%
Language Proficiency		
Speak English well / very well	79.36%	–
Speak English not well / not at all	20.65%	–
Period of Entry to the U.S.		
1970s or earlier	30.22%	–
1980s	19.16%	–
1990s	33.17%	–
2000 or later	17.44%	–

SOURCE: Author's calculations based on 2005-2009 ACS; figures are for the state of Kentucky.

FIGURE 1

Industry Distribution of Self-Employed Foreign-Born



SOURCE: Author's calculations based on 2005-2009 ACS; figures are for the state of Kentucky.

highest proportion of Kentucky's immigrants comes from Asia, followed by Latin America, Europe, North America and Africa. Immigrants who are self-employed tend to be younger than their native-born counterparts, and include a higher proportion of females. More than two-thirds speak English well or very well. A good portion of immigrants from the last two decades have assimilated into the economy through self-employment. A dichotomy is observed at both ends of the educational attainment spectrum for self-employed immigrants with low educational attainment (less than a high school diploma) and high educational attainment (a college degree or more), with both well represented.

The industries that attract the most self-employed immigrants are health services, entertainment, construction and professional services. (See Figure 1.) Among those working in the health services industry, 67 percent are employed in medical offices and/or as physicians. In the entertainment category, 66 percent work in eating and drinking establishments. The most common businesses in the professional services category include management and technical consulting (17 percent); landscaping (10.4 percent); and services to buildings and dwellings, cleaning and maintenance (17 percent). Also included in this category are nail salons (29 percent); private household service (24 percent); personal and household goods repairs (15 percent); and automotive repair and maintenance (10 percent).

Conclusion

With a high propensity to choose self-employment, and spanning both ends of the educational and skills spectrums, immigrant entrepreneurs are making their mark in a full range of businesses and industries in the Louisville area. And with a fast pace of assimilation into self-employment—some are business owners just a decade after arrival in the U.S.—new immigrants and their businesses seem poised

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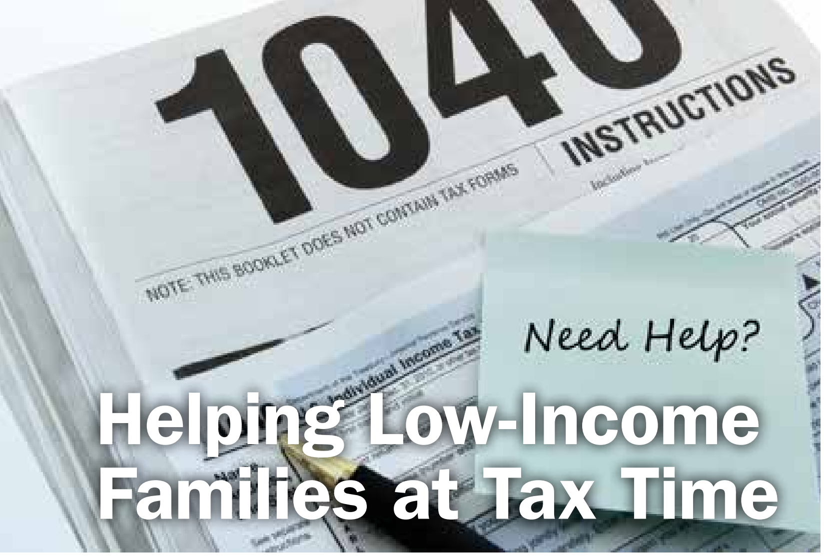

Helping Low-Income Families at Tax Time

By Vena Stevens

Gateway EITC Community Coalition (GECC) is a group of partner agencies dedicated to serving low- and moderate-income (LMI) families in the St. Louis area. Since 2002, GECC has provided free tax preparation services to LMI households, making sure that these taxpayers take advantage of all the tax credits for which they are eligible.

Asset building plays an integral part in GECC's efforts to financially empower LMI workers. Tax time is a unique opportunity to help low-income families move toward financial stability. To that end, GECC offers supportive services at tax sites designed to help clients make informed decisions to maximize the use of tax refunds for saving and asset building. The coalition helps low-income taxpayers take advantage of the once-a-year boost to their income by providing financial education and access to mainstream financial products. GECC partners with local banks and credit unions to offer traditional checking and savings accounts, as well as fresh-start accounts for people who have had banking challenges in the past and may not qualify for a traditional account. Other on-site services include credit counseling, financial education, promotion of savings bonds, low-cost debit cards, help filling out FAFSA forms, as well as information on college savings plans, individual development accounts (IDAs) and predatory lending.

Earned Income Tax Credit (EITC)

Education about the Earned Income Tax Credit (EITC) is a very important service provided by GECC. A refundable federal tax credit for LMI working families, the EITC is intended to encourage work and help parents meet their financial needs. It is widely viewed as a key support in welfare-to-work and is regarded not only as an income supplement, but also as a resource that might be directed toward asset-building strategies for LMI families. Some full-time minimum-wage workers can receive tax refunds that equal a quarter of their yearly earnings.

According to the Brookings Institution, the EITC has a positive impact on local, regional and state economies by generating an estimated $1.50 to $2.00 in economic activity for every $1.00 in EITC refunds. For tax year 2012, 67 percent of GECC clients reported that they planned to use their refund money to pay for food and catch up on rent, mortgage, utility and medical bills. This translates into more than $6.3 million infused into the St. Louis community.

No federal program lifts more children and families above the poverty line than the EITC; yet, just last year, an estimated $34 million in EITC monies went unclaimed in the St. Louis metropolitan area.

No federal program lifts more children and families above the poverty line than the EITC; yet, just last year, an estimated $34 million in EITC monies went unclaimed in the St. Louis metropolitan area. Often those eligible for this tax benefit do not claim it simply because they are not aware that it exists, or they do not realize that they qualify for the credit. Some eligible families fear that they'll owe taxes or lose eligibility for other benefits, and so they do not file.

Paid Tax Preparers

Complex forms, fear of mistakes and the hope of receiving refunds faster keep many EITC recipients from preparing their own returns. Recent IRS data show that of those who claim the EITC, 70 percent file their returns using a paid preparer, paying an estimated average fee of $260. For the St. Louis area, this represents a drain of $11 million from the pockets of taxpayers who are most in need. In addition to helping taxpayers save this money, GECC also helps clients avoid check-cashing fees and the high-cost loan products offered by many commercial paid preparers by offering free, fast, direct deposits into their checking or savings accounts. Refunds received by direct deposit can be split and deposited in up to three different accounts. This encourages savings, and refunds that are directly deposited cannot be stolen or lost in the mail.

Alternative Banking Services

Because LMI families are more likely to be unbanked, they are forced to rely on alternative banking services. These services can cost $100 a month or more, further depleting already limited financial resources. The families served by GECC face challenges accessing low-cost, low-risk financial services. These same families frequently have poor financial management skills and/or credit histories, and they need assistance with asset-building strategies. Since the EITC can be the single-largest boost to a family's yearly income, linking the credit to affordable banking services and asset-building options is critical.

EITC and Employment

The EITC has also been shown to have a positive impact on local communities by increasing employment. Families who take advantage of GECC services keep more of their money and are most likely to spend it at the local level, patronizing neighborhood stores and other businesses. This, in turn, prevents layoffs and even creates jobs. The EITC also increases employment by encouraging LMI families to work. Local economies experience a decrease in overall poverty and in the number of single parents receiving public assistance.

GECC's Impact

Every year GECC provides free income tax preparation from the end of January through the middle of April. For the 2013 tax season, LMI families in the St. Louis area were able to have their state and federal tax returns prepared for free at one of 28 sponsored sites. All of these sites are located in ZIP codes where the IRS has identified large numbers of individuals currently claiming the EITC, as well as large numbers of people who are eligible to claim the credit but do not. The average adjusted gross income of clients served by GECC in 2013 was $19,456.

Over the past 11 years, GECC has prepared more than 41,450 federal returns at no charge and brought more than $49 million in refunds to the community. The coalition's success can be largely attributed to its ability to leverage partnerships with a wide range of organizations. Collaboration with partner organizations allows GECC to pool resources, take advantage of widespread marketing of the EITC and free tax preparation, and prevent duplication of outreach efforts. In many cases, GECC's services are directly marketed to the target population through those partners.

Volunteers are what make GECC's free tax preparation program possible. In 2013, volunteers prepared 7,912 tax returns (an increase of more than 13 percent over 2012), resulting in more than $9.5 million in refunds and saving clients more than $2 million in tax-preparation fees. GECC is constantly recruiting volunteers to keep up with the growing need for services. No experience is necessary to volunteer. For more information on how to become a volunteer or to make a donation, please visit www.gatewayEITC.org.

Vena Stevens is the asset builder for Gateway EITC Community Coalition (GECC).

International Diversity

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to bring value to the region and help solidify its economic health.

Opportunities exist to help strengthen and support immigrant entrepreneurs. Many of these entrepreneurs havw low educational attainment and do not speak English. They can be expected to find it more difficult to navigate the requirements of business ownership, which in turn might undermine the viability of their business ventures. Also, refugees (who often abruptly leave their native countries) are likely to be less connected to a network than other immigrant groups. Programs such as RISE (Refugees and Immigrants Succeeding in Entrepreneurship) that help economic development among refugees and immigrants may provide the support these individuals need.

On the whole, more questions remain than answers. More data are needed to measure the full scope of immigrant businesses and their economic impact. Equally important is understanding the extent to which immigrant business owners are accessing financial institutions, which is key to sustaining their businesses. The more recent flow of immigration into Louisville presents an unfolding case for understanding through analysis the opportunities and challenges faced by immigrants nationally, as well as the value they bring as entrepreneurs to emerging immigrant-receiving places in the U.S.

Maude Toussaint-Comeau is a senior business economist in the community development and policy studies division of the economic research department of the Federal Reserve Bank of Chicago.

ENDNOTES

1 U.S. Census Bureau, Survey of Business Owners.

2 The data used for the analysis in this section are the American Community Survey (ACS), 2005-2009 five-year estimates. The data are available only at the state level and PUMA (Public Use Micro Areas). Slightly more than half of the immigrant self-employed/businesses in the state are in the PUMAs that are included in the Louisville metropolitan area and surrounding counties.

Accelerating the Growth of Small African-American-Owned Businesses

By Neelu Panth

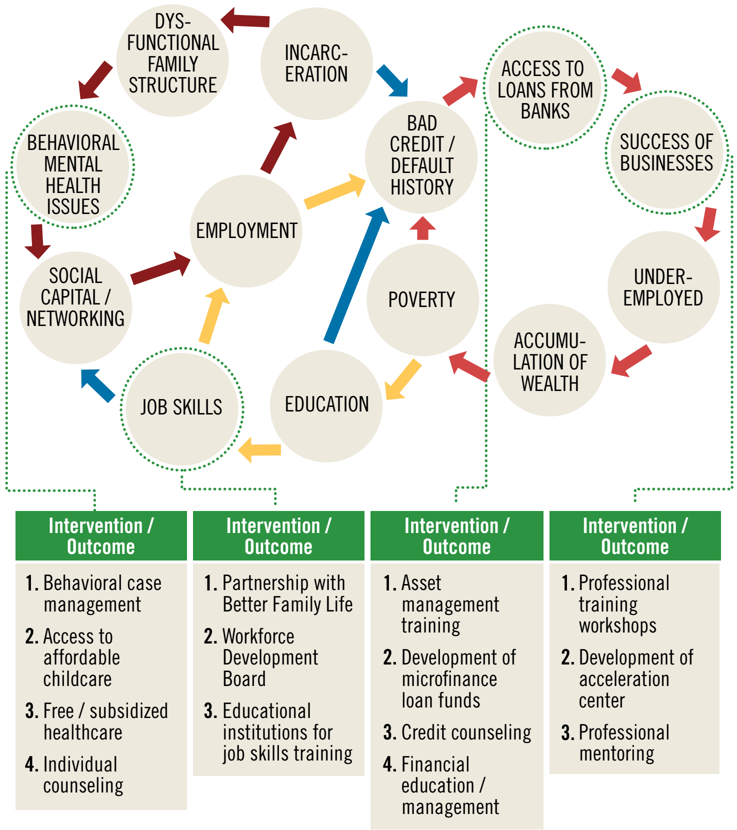
In January 2006 the St. Louis Black Leadership Roundtable (BLR) launched the Center for the Acceleration of African-American Business (CAAAB) as a major initiative under its Economic Development Committee. CAAAB was established to support the growth and development of African-American-owned businesses in the metro St. Louis region. In May 2010, CAAAB branched out as an independent nonprofit. However, BLR and CAAAB continue to maintain their strategic partnership.

Mission and Operational Philosophy

CAAAB's primary mission is to elevate the status of resource-strapped African-American-owned businesses and level the playing field for them to compete in the local, national and global marketplace. It operates using a membership and community business development model. CAAAB also strives to foster economic independence among the "unemployable" population.

CAAAB is the only capacity-building and community business support organization in the St. Louis region specifically targeting small and disadvantaged African-American entrepreneurs. Its programs and services integrate best practices, cultural competency and participatory methods. In order to facilitate leadership development, as well as successful business startup, growth and sustainability, CAAAB seeks out and collaborates with other social, financial and educational institutions. The System Dynamics model shown in Figure 1 provides a visual map of CAAAB's mission/vision, service delivery method and potential impacts.

FIGURE 1
CAAAB System Dynamics Model



SOURCE: Nischesh Chalice, Ph.D. Candidate, Brown School of Social Work, Washington University, and Neelu Panth, Director of Social and Economic Development, Center for the Acceleration of African-American Business (CAAAB)

Services

At present, CAAAB has 22 business members from the service, retail, information technology (IT) and green energy/sustainability sectors. The key services provided to CAAAB members include:

a. One-on-one technical assistance based on the business' leadership and organizational life cycle and the associated needs and gaps that, if not addressed, could deter growth
b. Identification of and linking to sources of capital and other support services that are critical for growth and sustainability
c. Partnering with local corporations, faith-based organizations and financial institutions to develop mentoring programs that will enhance the professional, organizational and financial skills of minority business owners

Additionally, CAAAB develops and implements entrepreneurship programs in partnership with schools and grass-roots organizations to foster social and economic development of disenfranchised communities and their residents.

Results

CAAAB's services have yielded successful business growth, leadership recognition and access to capital for its members, as exemplified by the following achievements:

- An information technology company was named the

Minority Business of the Year by the city of St. Louis.
- A project management firm specializing in enterprise resource planning was awarded a contract to manage a $6 million construction project. Besides increasing the company's annual revenue, it also resulted in the creation of eight new jobs. The company was named Minority Business of the Year by the state of Missouri.
- A construction management firm was awarded a $12 million open contract with the U.S. Army Corp of Engineers. In addition to adding to the company's annual revenue, the contract directly resulted in the creation of 12 new jobs.

Although it does not have in-house lending capacity, CAAAB helps its members secure capital through financial partners. While banks have expressed support for CAAAB's work, the organization's major lending partner is Justine PETERSEN, the country's third-largest microfinance institution. In the last three years, CAAAB's efforts have resulted in $348,000 in microloans for its clients through Justine PETERSEN.

"CAAAB has been the crutch which has enabled Andrew's Bayou Ribs to remain a viable business. Without CAAAB's assistance, Andrew's Bayou Ribs would have been forced to not exist at its current capacity or possibly cease to exist. We are proud to be a member."
—Andrew Simpson, Owner, Andrew's Bayou Ribs, CAAAB Member

CAAAB recently became a trustee organization for Kiva Zip, a program launched by Kiva—a multinational online microlending platform—to provide interest-free loans to microbusinesses in the United States. So far, three CAAAB clients have received Kiva loans of up to $5,000 each, which helped these businesses meet immediate capital needs. The loan ceiling is scheduled to rise with CAAAB's continued good standing with Kiva, which is measured in terms of the borrowers' repayment history.

Catch the CAAAB

In 2012, CAAAB launched "Catch the CAAAB to Accelerate Your Business' Success" (Catch the CAAAB), a small-business capacity-building program that provides targeted consulting services to its member businesses. The goal of this program is to assess and strengthen critical business functions of new and developing small businesses ($100,000 or less in annual revenue) using transfer-of-knowledge methodology. CAAAB and its consultants will provide businesses with the knowledge and tools necessary to build a strong foundation for viability and sustainability.

CAAAB's assessment of its member businesses through focus groups, surveys, one-on-one interviews and regular interactions clearly identified gaps in business planning, informed decision-making and accessing professional help. These are all indicators that researchers have used in measuring success rates in small businesses. Oftentimes, during crises, these gaps led member businesses to seek CAAAB's help at the last minute, when it was too late for any intervention. With appropriate experience and resources, most of these last-minute intervention requests could have been avoided, allowing businesses to focus on growth and sustainability.

Catch the CAAAB is a one-year program comprised of a seven-step process that includes:

1. client recruitment and orientation;
2. one-on-one diagnostic assessment;
3. data reporting/feedback;
4. individualized goal setting and planning;
5. implementing plan/changes;
6. attending group trainings and networking events; and
7. reassessment and evaluation.

Commitment from both consultants and participants is critical for the success of Catch the CAAAB. Outcome research for these volunteer-based programs has been limited due to inconsistency in service delivery. Catch the CAAAB is unique because it is incentive-based. The consultants or coaches/mentors are compensated for their time and service and are therefore required to perform in a timely and professional manner. The participating businesses are also required to sign a commitment contract and pay a small commitment fee to ensure their active participation in the program.

Additionally, Catch the CAAAB is accommodating of its clients' schedules. The time commitment of the consultants is flexible because they realize that the clients' skills, resources and experience greatly influence their ability to fulfill their tasks and goals.

Because of limited funding, implementing Catch the CAAAB has been very challenging. CAAAB's immediate focus is on securing funds for the program by forming strategic partnerships with social service organizations. In spite of scarce funding, CAAAB is committed to uplifting small, disadvantaged African-American-owned businesses, and helping them fulfill their entrepreneurial dreams.

For more information on CAAAB and Catch the CAAAB, visit www.caaab.org, or contact Neelu Panth or Eddie Davis at info@caaab.org or 314-533-2411, ext. 109.

Neelu Panth is the director of social and economic development at the Center for the Acceleration of African-American Business (CAAAB).

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CALENDAR

JANUARY

15

Regional Investors Breakfast—St. Charles, MO
Sponsor: Economic Development Department, City of St. Charles
Contact: 636-949-3231

22–23

Delta Ag Expo—Cleveland, Miss.
Sponsor: Bolivar County Extension Service
Contact: 662-843-8361

23

Workforce Development Seminar—Little Rock, Ark.
Sponsor: Institute for Economic Advancement, University of Arkansas at Little Rock
http://iea.ualr.edu/component/content/article/25-news-events-and-publications/center-for-economic-development-education-news/876-workforce-development-seminar.html

FEBRUARY

5–7

MEDC 2014 Winter Conference: Meet the Consultants—Jackson, Miss.
Sponsor: Mississippi Economic Development Council (MEDC)
http://medc.ms/index.php/2014winterconference

8

Funding Your Neighborhood Project—St. Louis, Mo.
Sponsor: University of Missouri–St. Louis Community Partnership Project
http://umsl.edu/~pcs/academic-units/cpp.html#Events

13

2014 Race and Relations Conference—Louisville, Ky.
Sponsor: Louisville Metro Human Relations Commission
www.louisvilleky.gov/HumanRelations/Race+and+Relations+Conference.htm

24–MARCH 1

America Saves Week—National
Sponsor: America Saves and American Savings Education Council
www.americasavesweek.org/about/about-america-saves-week

26–28

Mississippi's Annual Affordable Housing Conference 2014: Get in Position for the Rebound—Biloxi, Miss.
Sponsor: Mississippi Home Corporation
www.cvent.com/events/mississippi-s-annual-affordable-housing-conference-2014/event-summary-9951ce64f9304f8c81e4637d11d0b68d.aspx

27

Exploring Innovation in Community Development Audioconference: Pay for Success Models and Social Innovation Finance—Audioconference
Sponsor: Federal Reserve Bank of St. Louis
Contact: Faith.E.Weekly@stls.frb.org

BRIDGES RESOURCES

CFSI Report—Why Consumers Turn to Small-Dollar Credit

Approximately 15 million people access high-cost small-dollar credit products every year, including payday loans, auto title loans and deposit advance loans. This report explores the reasons behind this behavior. "Know Your Borrower: The Four Need Cases of Small-Dollar Credit Consumers" can be read at www.cfsinnovation.com/content/know-your-borrower-four-need-cases-small-dollar-credit-consumers.

U.S. Financial Diaries Project

More than three-quarters of participants (77 percent) in the U.S. Financial Diaries (USFD) research project indicated that "financial stability" is more important than "moving up the income ladder." USFD's first issue brief looks at the implications of this response. "Spikes and Dips: How Income Uncertainty Affects Households" can be read at www.usfinancialdiaries.org/sites/default/files/publications/Uncertainty_12.2%20for%20web%20print.pdf.

Small Businesses, Big Effects: Investing in Microenterprises

Microenterprise development initiatives can help to create and grow businesses and, in many cases, much needed jobs. Experts from the Aspen Institute discuss their proposal for encouraging microenterprise investment as a job creation strategy. View the transcript or play the audio MP3 files at www.frbatlanta.org/podcasts/economicdevelopment/.

Program for International Student Assessment (PISA): 2012 Results

The results of the latest PISA survey from the Organisation for Economic Co-operation and Development (OECD) are now available at www.oecd.org/pisa/keyfindings/pisa-2012-results.htm. More than 510,000 students in 65 participating economies took part in this latest survey, which focused on mathematics, representing about 28 million 15-year-olds globally. Discover which education systems have improved over time, how equitable they are and how boys compare to girls, both in performance and attitude toward learning math.