Portland Economic Opportunity Initiative

People & Outcomes Based
Poverty Reduction

August 1, 2008
How we got here ...

- Two factors led BHCD to transition from revitalization to income generation as a poverty reduction strategy.
  - Changes in community.
  - Strategic planning process.
- BHCD researched local & national best practices related to poverty reduction.
All 33 Initiative Projects:

- Enroll participants for three years
- Take an intensive, holistic approach
- Define success as a minimum 25% increase in each participant’s income (or business revenue) at the end of three years
- Define success by the number of people that succeed, rather than the number of people served

City of Portland
Bureau of Housing and Community Development
Enrollment Figures

- Microenterprise: 378
- Workforce: 2242
- TOTAL: 2620
EOI Characteristics

Effective
Distinctive
Complementary
Scalable

City of Portland
Bureau of Housing and Community Development
Effective

- One goal: 25% increase in income/revenue + continued advancement once they reach 25%
- 3 –Year Graduates significantly exceed goal
- BHCD tracks performance using common online system
WORKFORCE PROJECT
Income Increases

MEDIAN WAGES FOR QUARTER ENDING 12/31/07
(enrolled participants by length of enrollment)
MICROENTERPRISE PROJECT
REVENUES GAINS

Startup Businesses

Median revenues by number of years enrolled

Year of Enrollment

Year 1

Year 2

Revenue

$120,000

$90,000

$60,000

$30,000

baseline $0

$25,750

$72,699

$52,787
MICROENTERPRISE PROJECT

Revenues

Existing Businesses

Median revenues by number of years enrolled

<table>
<thead>
<tr>
<th>Year of Enrollment</th>
<th>Revenue</th>
<th>Median Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$0</td>
<td>$31,046</td>
</tr>
<tr>
<td>Year 2</td>
<td>$0</td>
<td>$85,236</td>
</tr>
</tbody>
</table>

Year 2 Median Revenue: $120,029
So effective it is being copied . . .

- Named poverty reduction best practice by the National Council on Foundations
- Highlighted at Federal Reserve Innovation Conference
- Hired by NW Area Foundation to replicate
  - Duluth, MN: started Fall 2007
  - Consortium of organizations in 5 WA counties
  - Kansas City, MO: United Way
Distinctive

- Builds strong employer partnerships
- Program leverages benefits to participants, e.g.:
  - IDAs: 3 to 1 matched savings
  - Small Business Law Clinic at Lewis and Clark Law School
  - One Economy technology partnership
  - Services from Project Clean Slate
  - Albina Bank; high-risk loans and pilot banking services
  - Staff support & training
- Project assortment is flexible to suit a changing economy
Complementary to other workforce efforts

- Workforce Investment System
- Community Colleges
- Private Training Organizations
Complementary

To other small business efforts

Training/TA led vrs. Loan-led strategies

- Portland Development Commission
- Oregon Economic Development Department
- Small Business Administration
Complementary to BHCD mission

Population served:
- 80% below 30% MFI; all below 50%
- 51% people of color (26% of City pop.)
- 15% of Caucasian immigrants

Part of the BHCD Strategic Plan
- Links with the Ending Homelessness Plan (9 projects)
- Assists workers to earn housing wage
Outcomes-based funding gives City a clear choice ($9000 over 3 yrs. For each success)

- Increase funding level to increase number of people succeeding

- Strong demonstrated community support