

Linkages

THE NEWSLETTER OF ROCKEFELLER PHILANTHROPY ADVISORS

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Global Efforts to Address Basic Human Needs

As we celebrate the new year, we must also face some alarming statistics about basic human needs worldwide. Today, more people are hungry, homeless and sick than ever before. Approximately one-fourth of the people on earth live in poverty, lacking access to the most basic needs such as food, clothing and shelter. According to the United Nations World Food Programme, there is enough food in the world today for every man, woman and child to lead healthy and productive lives. And yet, hunger afflicts one out of seven people on earth. According to statistics, there are over 1 billion homeless people on our planet who are either directly homeless or do not have adequate access to housing or shelter. In the United States, there are an estimated 700,000 to 2 million men, women and children who are homeless on any given night—living in public places or in emergency shelters. In Europe, that figure is 2.5 million. Feeding the world's hungry is a monumental task undertaken by nonprofits such as the United Nations World Food Programme (the UN frontline agency in the fight against global hunger) and, more locally, America's Second Harvest (the nation's largest hunger relief organization).

The AIDS health epidemic is also affecting vast populations worldwide. In sub-Saharan Africa HIV is now deadlier than war itself. Africa is home to 70% of the adults and 80% of the children living with HIV in the world. The estimated number of newly infected adults and children in Africa reached 3.5 million at the end of 2001. It has also been estimated that 28.5 million adults and children were living with HIV/AIDS in Africa by the end of the year. AIDS deaths totaled 3 million globally in 2001, and of the global total 2.2 million AIDS deaths occurred in Africa. Below are a few ideas about addressing human

needs around the world.

ACCION

The mission of ACCION International is to give people the tools they need to work their way out of poverty. By providing "micro" loans and business training to disadvantaged women and men who start their own businesses, ACCION's partner lending organizations help people work their own way up the economic ladder, with confidence, dignity and pride. With capital, people can grow their own businesses and can earn enough to afford basics like running water, better food and schooling for their children.

ACCION is leading the effort to create a permanent answer to poverty. Unlike traditional charities and many other microlending efforts, ACCION's programs are designed to cover their own costs. Borrowers pay interest on their loans—enough to cover the expense of making a loan. In this way, each borrower helps finance the cost of lending to the next. The more people the program reaches, the more resources it has to reach even more people. This focus on financial sustainability has helped ACCION's partner programs increase the number of people served from 13,000 in 1988 to 553,000 in 2001.

In the United States, ACCION USA works with low and moderate income borrowers who have their own businesses but are economically marginalized and have no access to commercial business loans. Clients include recent immigrants and others whose families have lived in this country for generations. They are often unable to afford formal training and frequently have no forum for forming business contacts or receiving peer support. The

range includes single mothers on public assistance and storefront owners with small but well-established businesses. For more information, please visit www.accion.org or contact Rick Love, 212/812-4325.

Grameen Foundation USA

Grameen Foundation USA (GF-USA) is a global leader in promoting access to micro-finance amongst the world's most underprivileged women, as a means of reducing poverty. By supporting entrepreneurial efforts and the micro-finance institutions (MFIs) that serve them, GF-USA is giving a hand up, rather than a hand-out, to hundreds of thousands of families based on the pioneering work of the Grameen Bank of Bangladesh. Loans average \$100 and are used for a variety of income-generating purposes including agriculture, shopkeeping, animal husbandry, and various other cottage industries. Repayment rates are high (averaging over 95%) as a result of a system of peer pressure and support where borrowers are responsible for each other's success and ensure that each group member is able to pay back her loans.

GF-USA's work is global in scope, but since its inception it has given priority to supporting MFIs in India—the country with the single largest number of un-

derprivileged families (70 million) in the world. In 2001, GF-USA initiated a successful effort to provide \$260,000 in collateral, which leveraged \$2.6 million in on-lending funds for three advanced poverty-focused MFIs. In November 2002, GF-USA launched a \$750,000 fundraising campaign for the next phase of its work in India. As of mid-December 2002, GF-USA had already secured \$100,000 of the total and seeks additional commitments to be disbursed during the first quarter of 2003. For more information or to contribute, please visit www.gfusa.org or contact Rockefeller Philanthropy Advisors, 212/812-4329.

Trickle Up

The Trickle Up Program is an international nonprofit organization, with the mission of helping the very disadvantaged take the first step out of poverty by supplying them with seed capital and business training to launch their own microenterprises. Using poverty assessment tools, Trickle Up works with grassroots organizations at the community level to identify potential entrepreneurs. Trickle Up works in neighborhoods confronting not only stark poverty, but also the ravages of the HIV/AIDS epidemic, lack of access to health-care and educational resources, and barriers to women and girls' economic

and social empowerment. Trickle Up entrepreneurs have the motivation to start their own businesses, but lack access to credit or capital. Since 1979, Trickle Up has worked in 119 countries, launching more than 110,000 businesses, and helping over a half-million people raise their standard of living for themselves and their families. Assessing the long-term impact of its programs is very important to Trickle Up. Plans are underway to conduct the first full impact evaluations in the summer 2003 in one country in each region where Trickle Up works internationally: Asia, Africa, and Latin America. Trickle Up has recently been awarded a \$50,000 challenge grant and must have matching commitments by January 31, 2003 to qualify for the grant award. For more information, or to contribute, please contact Shermane Bilal, 212/812-4329.

The Bridge Fund

The Bridge Fund of New York is a social service agency that prevents homelessness by providing small grants and loans to the vulnerable working poor who are in the process of eviction from rental housing. Most forms of public assistance and charity require destitution. The Bridge Fund has been highly successful in helping individuals and families who have been

self-sufficient recover their financial footing before they become destitute. Its clients are screened and referred by a network of more than 65 service agencies citywide and must demonstrate the capacity to meet regular monthly rents when arrears are cleared. The application and interview process includes an examination of monthly budgets and counseling of clients about ways to economize. The average loan is \$1,390. By comparison, the cost of housing a family in a city shelter is over \$36,000 per year. For more information, or to contribute, please contact Rick Love, 212/812-4325.

America's Second Harvest

America's Second Harvest is a national network of more than 200 food banks and food-rescue programs that distribute donated food through 50,000 charitable agencies to hungry Americans. Established in 1979, the network is now the largest charitable nongovernmental hunger-relief organization in the US, soliciting donations of food and grocery products that are shipped directly from donors to its agencies. Because of its network, Second Harvest can pick up donations as small as a few cases of food or as large as an entire warehouse of products.

In addition, Second Harvest provides conferences, work-

shops, training materials and consultation on all aspects of food-bank operations. It also maintains relationships with national companies, including several in the restaurant and hospitality industries. The Second Harvest website, www.secondharvest.org, provides links to a local network of food bank affiliates (such as City Harvest in New York City), community service providers, as well as links to nine international hunger relief organizations. For more information, please contact Rockefeller Philanthropy Advisors, 212/812-4329.

City Harvest

Every day tons of good, nutritious food goes into the trash in New York City. The world's first and largest food rescue organization, City Harvest, picked up more than 15.6 million pounds of food last year in all five boroughs that otherwise would have been wasted, and delivered it to 800 soup kitchens, food pantries, senior citizen centers and other programs serving 195,000 people per week. City Harvest's fleet of refrigerated trucks collects more than 42,000 pounds of food a day. City Harvest is an affiliate of America's Second Harvest.

Most of the people City Harvest helps to feed are the working poor; families forced to get by

on sub-minimum wages. To be eligible for food stamps, a family of three must make less than \$19,020 a year. To be self-sufficient, that family needs \$37,500 for basic expenses. The average family size of City Harvest's Hunger Hotline is three. For more information on City Harvest or your local hunger organization, please contact Sherman Bilal, 212/812-4329.

Linking Philanthropy and Investments

The following article regarding community development banks and investment opportunities comes from Rockefeller & Co.'s Socially Responsive Investing Department. *This should not be seen as a recommendation for investment, and any proposal should be fully evaluated before making an investment.*

With the approach of the new year, many people make special donations to favorite causes or gifts of stock to family members, but a more interesting alternative might be to invest in or give as a gift a Certificate of Deposit from a Community Development Financial Institution (CDFI). These are unique investments that directly target the underprivileged members of our

community and help them help themselves. It's a nice combination: a low-risk investment with a guaranteed, modest return and high social impact.

CDFIs are new types of financial institutions which have grown rapidly during the past two decades both in the United States and abroad. Their mission is to fill the gap left by conventional banks which do not typically provide loans to low-income families or businesses most in need. Today, there exists a broad array of community investment opportunities which run the full risk/return spectrum, from insured depository institutions, to uninsured micro-enterprise funds, to international community development venture capital.

Certificates of Deposit (CDs) can be purchased in a broad price range (\$100 - \$100,000) and for a variety of causes. There are literally hundreds of options: housing CDs in rural North Carolina, environmental CDs for the Pacific Northwest, women's development CDs in Boston, childcare CDs in urban areas, and so forth. And the "borrowers' stories" about what these investments have made possible are compelling: loans of a few thousand dollars have changed lives, provided new homes, improved schools, started new businesses, and, little by little, revitalized some communities.

For the past two years, the Socially Responsive Investment community has been encouraging

SRI investors to commit 1% of their assets to community development investments by the year 2005. The argument is compelling: even in a better market, a 1% allocation to community development would have a minimal impact on overall portfolio performance whereas the potential benefit to low-income communities is enormous. If 1% of all SRI assets in the U.S. were directed toward community development, it would triple the current investment in low-income communities to as much as \$15 billion.

If you would like further information on community investment opportunities, please feel free to contact Susan Babcock at 212/649-5638 or contact the Social Investment Forum at 202/872-5319 or visit their community development website:

www.communityinvest.org.
To look at a few specific institutions, take a look at www.self-help.org, www.morethanabank.org, www.sbk.com, www.sharedinterest.org, or www.accioninternational.org.

Collaborative Fund for the Caribbean

Rockefeller Philanthropy Advisors invites you to participate in the Collaborative Fund for the Caribbean, which will support Caribbean nonprofit and economic development. RPA's Caribbean fund will

directly support local organizations dedicated to improving the lives of children and families, helping to create sustainable livelihoods and enhancing the environment. Although it is a popular tourist destination, the Caribbean has not attracted a large amount of philanthropy from outside the region nor is there a strong tradition of indigenous philanthropy. Building on Rockefeller Philanthropy Advisors' current donors' deep experience in global philanthropy, including \$14 million in grantmaking over the past five years in Trinidad and Tobago, The Collaborative Fund for the Caribbean will have four priorities: children and youth at risk; improved livelihoods; environmental sustainability; and local empowerment. The Fund will focus on impact while striving for equitable and balanced resource allocation across the region as local capacity grows. For more information or to get involved, please contact Chris Page (212/812-4323) or Michelle Jules (212/812-4324).

Linkages in Philanthropy is a bi-monthly newsletter published by Rockefeller Philanthropy Advisors. "Letters to the Editor" with opinions, suggestions and information are most welcome. Letters should be addressed to:

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