



RESEARCH REPORT

Capturing Shared Impacts of the Partners for Rural Transformation

Advancing Rural Prosperity

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Executive Summary

Rural areas are places of underappreciated diversity, cultural vitality, and economic innovation and resiliency. But persistent poverty is holding back about one in seven rural counties.¹ The Partners for Rural Transformation (PRT) is a coalition of six organizations committed to transforming the fortunes and futures of rural and Native communities by centering community needs and hopes in their work. Covering broad and diverse areas—including parts of Appalachia, the Mississippi Delta, the Deep South, the Rio Grande Valley, Native American communities, and the rural West—the six PRT partners bring crucial capital and capacity to small communities and towns where persistent poverty was created by design through slavery, genocide, displacement, and resource extraction. This report details how the six partners are working individually and collectively to make progress toward and meet their shared goals, despite challenges, and lays out a framework for measuring future shared impacts and an agenda for action to build on their successes.

Assessing Goals, Activities, and Capacities

PRT's vision is to eliminate persistent poverty in rural areas by creating persistent opportunity through increases in both investments and advocacy and mobilization. Each of the six partners brings unique strengths, capacities, and organizational reputations to PRT's shared work and goals. Working across multiple program areas—commercial and community facilities, healthy communities and environmental resilience, housing and infrastructure, small business, and leadership development—the partners lend money (as community development financial institutions), build capacity, and provide direct services to boost individual, family, and community wealth.

Making Progress

Formed in 2014, PRT has experienced multiple successes. It has

- influenced national policy and investments, expanding federal investments in areas experiencing persistent poverty and commenting collectively on important legislative amendments;

- raised and leveraged capital, attracting long-term philanthropic investments and making joint investments and sharing risks in one another's service regions and clients;
- increased the national visibility of rural communities and persistent poverty by expanding its brand and communications strategies to reach key national and regional stakeholders and gain allies to elevate the need for more rural-conscious policies; and
- strengthened individual partner capacity, adding new policy departments and staff and enhancing peer-to-peer learning across organization leaders and staff.

PRT promotes economic mobility in rural areas experiencing persistent poverty by expanding material wealth, enabling choices, and fostering a sense of agency. Representing the rich racial, ethnic, and cultural diversity of rural and Native communities, the partners take aim at racial injustice and tackle the root causes of health inequities to support high-quality homes, business and job growth, critical health infrastructure and services, access to healthy food, and more. And they do all of this despite facing challenges that are common to nonprofit organizations (e.g., stretched capacity and competing funder priorities) and those specific to their work (e.g., the effects of persistent poverty on the places they serve, some community reluctance to collaborate on solutions, and federal programs and legislation that are ill-suited to rural and Native places).

Framing Shared Impacts

No single group can address the complex and interwoven challenges facing people and places historically excluded from opportunity. Progress, rather, depends on partnerships among organizations. A shared impact framework can help set collective goals, maintain accountability, monitor progress, shift directions, and communicate results.

The shared impact framework for PRT outlines two paths. One focuses on increasing investment by engaging funders, expanding public funding, and adapting unused or underused capital resources to increase the flow of capital and create equitable, thriving economies. The second path focuses on advocacy and mobilization by lifting up local voices, developing leadership, educating policymakers, and researching reforms. Outputs from these activities include expanded bank, federal, and philanthropic investments; policy reforms and congressional support; increased advocacy by local organizations and individuals; greater diversity in community decisionmaking; and aligned systems to support the intergenerational transfer of wealth. The intermediate and long-term outcomes are to build power and engage communities and to cultivate hope and an opportunity mindset. To implement the framework,

PRT should review it with key stakeholders, build out indicators, and track progress. As a living document, it should be revisited and revised at least annually, including solid documentation of external factors that drive or impede progress.

Taking Action

PRT is an authentic, energizing partnership shifting the narrative nationally on persistent poverty in rural areas and deploying capital and other supports to transform communities into areas of persistent opportunity. If the partners are to accomplish their “North Star” objectives, this effort will need to grow. While PRT’s trajectory is solidly on target, we suggest four avenues for growth that could help strengthen the impacts of this partnership’s work.

1. **Strengthen PRT organizational infrastructure and resources:** Deepen fundraising to amplify impacts and develop long-term sustainability, strengthen advocacy and communications staffing, and support the capacity of individual partners to engage in PRT.
2. **Increase investments, including capacity building:** Expand shared investments, and leverage partners’ strengths and models.
3. **Increase advocacy and mobilization:** Strengthen and target federal advocacy, leverage state and local policy successes and strategies, build stronger coalitions and engage new allies, and mobilize communities to advocate for change.
4. **Fill knowledge gaps on defining needs and measuring progress:** To assess needs and trends, conduct local market needs assessments, analyze available client data, and estimate the price tag of ending persistent poverty in rural areas.

Capturing Shared Impacts of the Partners for Rural Transformation

Rural areas are places of underappreciated diversity, cultural vitality, and economic innovation and resiliency. But persistent poverty is holding back about one in seven rural counties.² These areas often have a history of economic disinvestment, reliance on a single or small set of industries, and poor access to key infrastructure such as clean, safe drinking water systems and broadband service. Many communities also have histories of oppression and structural racism that have limited access to economic opportunities.

The Partners for Rural Transformation (PRT) is a coalition led by six community development financial institutions (CDFIs) committed to transforming rural areas of persistent poverty into rural areas of persistent opportunity. On their own, the partners—cdcb, Communities Unlimited (CU), Fahe, Hope Enterprise Corporation and Hope Credit Union (HOPE), Oweesta Corporation, and Rural Community Assistance Corporation (RCAC)—promote the economic and social health of their service areas and advance racial justice. Through financial investments, technical assistance, education, and other supports, they address crucial community needs for housing, small businesses, commercial and community facilities, healthy food, drinking water and sanitary systems, and others. Beginning in 2014, however, these organizations realized that they could have a greater impact by working and advocating together for their regions.

We have evolved unique strategies to address these challenges [of persistent poverty], and now we are sharing our strengths and successes.

—The Partners for Rural Transformation strategic plan 2020–25

PRT contracted with the Urban Institute to document how the six partners serve their regions and to develop a shared impact framework that would define and help them measure progress toward a shared vision of persistent opportunity for these regions. To this end, we reviewed public and internal PRT planning documents, compiled original program and activities data from each partner, and analyzed secondary data to describe the partners' activities and the communities they serve. We also

conducted interviews with the leaders and staff of the partner organizations, national stakeholders, and community members to understand PRT’s priorities, strengths, and challenges.

This report is structured as follows. We first provide an overview of the people and places that the partners serve and then discuss PRT’s background and the goals that the partners share for their collective work. We next outline primary program areas and activities and highlight strengths and opportunities. We assess early progress. We then present the shared impact framework that the partners can use when measuring future progress. Finally, we recommend ways that the partners can continue to collectively work toward their goal of eliminating persistent poverty in rural areas.

Respecting and Transforming Rural Communities

Regions of persistent poverty were created by design, formed by many years of slavery, genocide, displacement, and resource extraction. The consequences of this structural oppression are apparent today, in multiple forms of exclusion from access to wealth, education, and health, leaving many rural and Native communities without capital, jobs, high-quality infrastructure, or services to meet community needs and drive opportunity.

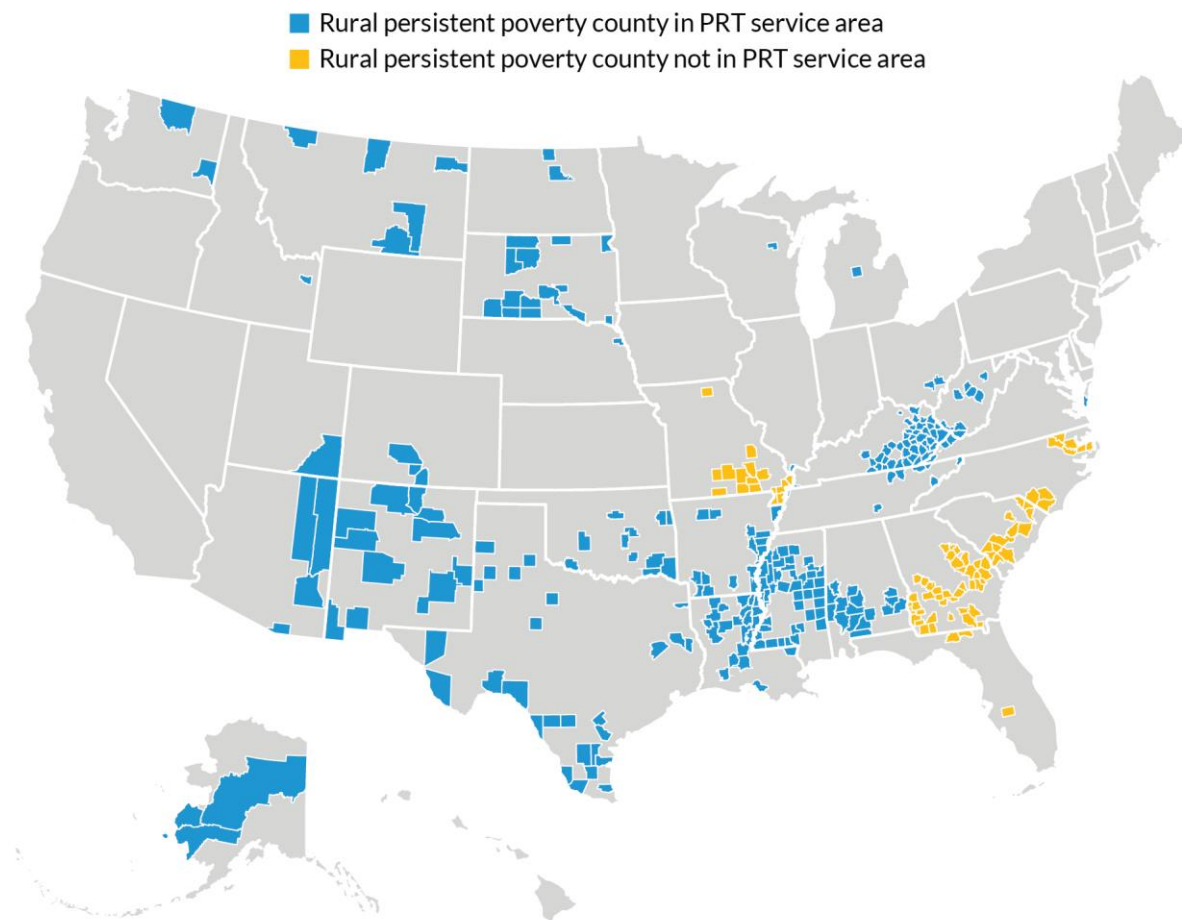
These are just capital-starved communities. They’re not opportunity-lacking communities. They’re investable, and there’s great hope and opportunity.

—Partner staff

Partners have worked for decades to transform the fortunes and futures of these rural and Native people and communities. Covering broad and diverse areas—including parts of Appalachia, the Mississippi Delta, the Deep South, the Rio Grande Valley, Native American communities, and the rural West (figure 1)—the partners bring crucial capital and capacity to marginalized small communities and towns, centering community needs and hopes in their work. Their organizational visions, while distinct, share a desire to help build vibrant, healthy, empowered, and interconnected rural communities with thriving local economies that are sustainable and enduring and promote an equitable and high quality of life.

FIGURE 1

Rural Counties Experiencing Persistent Poverty in the Service Areas of the Six PRT Partners



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Sources: Partners for Rural Transformation and US Treasury Community Development Financial Institutions Fund (2020, based on 2015 American Community Survey estimates).

Notes: PRT = Partners for Rural Transformation. Persistent poverty counties are those where more than 20 percent of the population has experienced poverty or economic hardship for the previous 30 years. Among the six partners in the Partners for Rural Transformation, cdcf serves South Texas; Communities Unlimited serves Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas; Fahe serves the Appalachian portions of Alabama, Kentucky, Maryland, Tennessee, Virginia, and West Virginia; Hope Enterprise Corporation and Hope Credit Union serve Alabama, Arkansas, Louisiana, Mississippi, and Tennessee; Oweesta Corporation serves Native communities across the US; and Rural Community Assistance Corporation serves rural communities in Alaska, Arizona, California, Colorado, Hawaii and other Pacific islands, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. Not all programs and activities are available in the highlighted service areas.

With more than 200 years of collective experience investing in the most difficult-to-reach rural communities, the PRT partners have served millions of people. Today, across 25 states, the partners serve 76 percent of the rural counties experiencing persistent poverty in the US.³ Compared with all other rural counties, counties that are experiencing persistent poverty and are served by the partners are much more diverse and slightly younger and have a smaller share of college graduates (table 1).

These areas also struggle with equitable access to broadband internet, and both housing costs and incomes are lower. Individual and community health have also suffered in these places: the health rankings of some rural counties worsened from 2010 to 2020, and racial and ethnic disparities in life expectancy persist (Givens et al. 2020).

TABLE 1

Characteristics of Rural Persistent Poverty Counties within the PRT Partners' Service Areas vs. All Other Nonmetropolitan Counties in the US

	Rural persistent poverty counties served by partners	All other nonmetropolitan counties
Share of population who are people of color	43%	13%
Share of population with a college degree	16%	20%
Share of households with a broadband subscription	60%	72%
Median age, in years	39	43
Median life expectancy, in years	75	78
Median monthly housing cost	\$522	\$677
Median household annual income	\$35,238	\$49,492

Sources: 2014–18 American Community Survey five-year estimates, Partners for Rural Transformation, US Small-area Life Expectancy Estimates Project, and US Treasury Community Development Financial Institutions Fund.

Note: PRT = Partners for Rural Transformation.

Acknowledging the oppressive historical contexts these communities face and the lived experience that many leaders and staff share is a crucial part of the work that the PRT partners do. Partners validate community experience and cultivate belonging and identity as they work in and with communities to do the following:

- **Advance racial justice and intersectional racial justice.** Individually, the partners serve diverse racial and ethnic groups across rural America, with a goal of closing racial gaps in health, infrastructure, and access to credit. Collectively, PRT aims “to unify around diverse opportunities in communities of Native people, Latinx individuals, and rural white and Black residents in a time of great division in our nation” (Partners for Rural Transformation 2019, 2). The partners are also committed to reducing gender inequities in the communities they serve.
- **Engage inclusively and over the long term.** During and before program design and implementation, the partners reach out to community members who might not usually participate in community decisionmaking processes. They build trust by having accessible staff and making longer-term or repeat commitments to communities to ensure multiple needs are met in a comprehensive way.

- **Provide choices and customize options.** The partners help communities overcome a historical lack of choices by offering customers a menu of options and helping them understand the best ones for their needs and goals. They also listen to their customers and turn feedback into new, appropriate products and services to fill identified gaps.
- **Promote narrative change.** The partners are working to reframe the negative narratives around the people and places they live with and serve so the focus is instead on real achievements and successes. From challenging stereotypes about Latinx young people to providing safe spaces for questions on how to work with Native communities, the partners work to positively change public opinion and focus on narratives of hope and opportunity, instead of scarcity and deficiency.

We want growth to come from the community itself and the ideas for change to come from the community itself.

—Partner staff

Assessing Goals, Activities, and Capacities

In the early 2010s, leaders from Fahe and HOPE discussed their efforts to overcome persistent poverty and realized that working together to share resources and speak with a unified voice could amplify their impacts. In 2014, PRT formally launched with the six partners and funding from the Mary Reynolds Babcock Foundation, which was later joined by the Robert Wood Johnson Foundation, NeighborWorks America, the US Department of Agriculture (USDA), and Uplift America Fund. The six partners make up PRT's steering committee. PRT also includes strategic alignment with nine other organizations: Chicanos Por La Causa, Housing Assistance Council, Local Initiatives Support Corporation, the Mary Reynolds Babcock Foundation, the Native CDFI Network, NeighborWorks America, Opportunity Finance Network, the Rural Community Assistance Partnership, and Siete del Norte Community Development Corporation.

The PRT director position is housed at Fahe. A core group of staff from the six partners work together toward four primary goals related to communication, advocacy, capital raising, and research,⁴ with national collaborators joining on policy work. As of 2021, the partnership had adopted a formal

strategic plan through December 2025 and had published several policy briefs,⁵ public comments,⁶ case studies,⁷ and blogs on federal, state, and local strategies to address persistent poverty.⁸

Shared Goals

The partners agree that their shared goal is to eliminate persistent poverty in rural areas and to create persistent opportunity. To advance this goal, they focus on increasing investments and increasing advocacy and mobilization. To execute PRT's strategic objective to increase capital, the partners raise capital to make direct investments and funnel other sources of capital toward rural areas experiencing persistent poverty. The partners also leverage one another's capital to meet shared goals, including by lending funds to one another's projects and customers.

I see the primary objectives of PRT to amplify the voices of rural people living in persistent poverty counties, rural communities, and using the information, experiences gathered to influence policy, and by policy, ultimately, the flow of resources back into rural persistently poor communities largely through community development.

—Partner leader

Capacity building strengthens local expertise from the bottom up so organizations can apply for and manage investments, ensure accountability to community goals and needs, and maximize impacts. For the partners, increasing advocacy and mobilization means strengthening local capacity, promoting civic engagement, changing the narrative around rural people and places, and building civic capacity. All partners say one aspect of their mission is to build local capacity and increase individual, family, and community wealth for current generations and beyond. Some partners explicitly state that their goal is to build enough local capacity and wealth to make their work unnecessary. The partners seek to strengthen civic engagement and build power by helping local leaders grow and motivating political engagement. Finally, the partners aim to increase the visibility and viability of rural areas, including by shifting language used to describe these areas to emphasize regions' assets and to make persistent poverty a policy conversation.

Core Partner Activities and Capacities

To PRT's shared work and goals, each partner brings its organizational reputation, strengths, and capacities (see the appendix). Working across different program areas through various activities and supports, partners intersect most in their focus on CDFI lending and consumer finance, healthy communities, housing, and community facilities. Partners are most active in lending, education and training, technical assistance, and policy work. Some partners have distinct areas of work, such as construction, commercial real estate, property management, and youth leadership.

Partners work across program areas that they view as vital to building individual, family, and community wealth and eliminating persistent poverty in rural areas:

- CDFI intermediary services, such as lending to other CDFIs and nonprofit lenders to support their lines of business
- commercial facilities, such as business, industrial, and office space
- community facilities, such as hospitals and health care facilities, farmers' markets, and other buildings that provide needed community services and spaces
- community leadership, which can include individual and organizational leadership development programs, support, and networks
- healthy communities, which can include drinking water, healthy foods, and drug recovery services
- consumer finance, such as personal banking services and loan products
- environmental infrastructure and resilience, which can include water and wastewater, recycling, and disaster recovery
- housing, which can include affordable, high-quality housing for renters and potential owners
- small businesses, which can include creation, preservation, and expansion of these firms

To advance these program areas, partners lend funds, build capacity, and provide direct services.

- **Lending** can include offering home purchase mortgages; down payment assistance; construction and permanent loans for rental and owner-occupied affordable housing, commercial facilities, and community facilities such as schools and child care centers; small-business loans; water and wastewater loans; and loans to other CDFIs.
- **Capacity building** can include

- » technical assistance related to local leadership development, business or community facility management, small-business development, small-scale farm sustainability, grant writing, regulatory compliance, or community economic development strategies;
 - » education and training related to leadership development, GED acquisition, skill certifications (e.g., water operator certification), good agricultural practices/food safety certifications, second-chance employment and workforce development, convening and connecting people, and building networks; and
 - » financial coaching related to financial security, consumer credit, homebuying, and small-business ownership and management.
- **Direct services** can include
 - » consumer financial services, such as retail banking, consumer loans, alternative payday loans, and auto loans;
 - » construction of single-family and multifamily housing, health and community facilities, and manufactured home parks, as well as green building and retrofitting;
 - » property management for rental housing or commercial space; and
 - » tax preparation services.

In addition to these core program activities, partners engage in policy advocacy and knowledge sharing. This includes producing informational papers to leverage as advocacy tools; contributing to state-level and national publications on relevant policy topics; preparing and submitting legislative and regulatory letters and comments; developing position statements, policy briefs, and legislative proposals; and conducting listening sessions with key stakeholders and hosting webinars.

Each PRT partner's program areas and activities are summarized in table 2.

Technical assistance is such a broad category. I think it encompasses most of the work we do...We don't do things for our local partners. We help build their capacity [to do things for themselves].

—Partner leader

TABLE 2

Partner Program Areas and Activities

	CDFI intermediary services	Commercial facilities	Community facilities	Community leadership	Healthy communities	Consumer finance	Environmental infrastructure and resilience	Housing	Small business
Cdcb									
Lending	X				X	X		X	
Capacity building			X	X	X	X		X	
Direct services		X				X		X	
Communities Unlimited									
Lending					X		X		X
Capacity building			X	X	X		X		X
Direct services									
Fahe									
Lending	X	X	X		X		X	X	
Capacity building	X		X	X	X	X		X	X
Direct services			X			X			
Hope Enterprise Corporation and Hope Credit Union									
Lending	X	X	X		X	X	X	X	X
Capacity building				X	X	X		X	X
Direct services			X			X		X	
Oweesta Corporation									
Lending	X							X	
Capacity building	X			X	X	X	X		
Direct services									
Rural Community Assistance Corporation									
Lending	X		X		X		X	X	X
Capacity building			X	X	X		X	X	X
Direct services							X	X	

Source: Partner data.

All partner activities focus on creating healthy communities. Some partners are expanding access to health care and health services by financing facilities. All six, however, are providing building blocks for healthy communities, including access to clean drinking water and safe and sanitary wastewater treatment, affordable and healthy shelter, access to healthy food (box 1), and business supports to increase jobs and income. To support healthy communities, partners also intermittently help them physically and economically recover from disasters such as hurricanes, flooding, tornadoes, and wildfires.

BOX 1

Improving Access to Healthy Food

Accessing healthy food is a challenge for many rural communities. According to the US Department of Agriculture, 4.6 million people living in rural areas do not have access to a full-service grocery store (Dutko, Ver Ploeg, and Farrigan 2012). The PRT partners provide financing and small-business coaching to help create, maintain, and expand access to healthy food in their communities. The following are examples of that work:

- In Brownsville, Texas, cdcb is restoring a turn-of-the-century historic landmark building and developing a grocery store on the ground floor.
- Through the HOPE Community Partnership, HOPE works with local leaders in small towns like Drew, Mississippi, to develop alternative ways to access food, including using technology-based solutions for online ordering and refrigerated delivery of fresh food.^a
- RCAC's loan fund provided a working capital loan to a small cooperative grocery in Fallon, Nevada, to help fund the salary for an executive director. The grocery was vital to the community because the area where it is located has no grocery store or public transportation.^b
- Communities Unlimited's Farm to Food Pantry project was designed to help prevent small farmers from going out of business by purchasing produce from them at fair market prices and delivering it to food pantries in Mississippi.^c

^a "Deep South Healthy Food Initiative," Hope Enterprise Corporation and Hope Credit Union, accessed August 10, 2021, <https://hopecu.org/community-development/healthy-food-financing/mid-south-healthy-food-initiative/>.

^b Elizabeth Zach, "Fallon Food Hub Brings Farm-to-Fork Choices to Community," RCAC, November 29, 2017, <https://www.rcac.org/success-stories/fallon-food-hub-brings-farm-fork-choices-community/>.

^c "Farm to Food Pantry," Communities Unlimited, accessed August 10, 2021, <https://communitiesu.org/farm-to-food-pantry/>.

Many of the program areas that the partners engage in overlap (table 2). However, some are not yet a key focus of collaboration or collective advocacy. For example, although most partners do work

related to housing, their specific activities range widely and have minimal overlap. Some partners provide technical assistance to other housing developers, some fund construction and acquisition, and some develop, own, and manage units. Among the partners that do engage in housing, some focus on single-family homeownership, others multifamily rental or both.

All partners provide trainings, coaching, and technical assistance to their clients and communities and devote a lot of time and staff to community capacity building and leadership development. In interviews, representatives of the partners expressed respect for one another's capacity-building models, but little formal discussion has been dedicated to learning from one other or documenting and replicating models with additional partners. However, staff exchange ideas and learn about new methods and resources through PRT working groups.

Finally, the partners represent various types of organizations, and some program areas and activities are shared by only a few organizations or are unique to one. Fahe, for example, is a membership organization, while RCAC and CU operate across a wide geographic area. CU, cdcb, and HOPE (through Hope Credit Union) serve individual clients or members directly, while Oweesta is the only partner whose primary business is lending to other CDFIs. Some partners work in consumer finance, construction, or property management, and two invest in commercial facilities. And despite the importance of young people to community growth and sustainability, particularly in rural places, only one partner focuses on youth training and leadership.

Making Progress toward Shared Goals

PRT has a track record of success—it has influenced national policy and investments, raised new capital and shared investment risks, amplified regional visibility and voice, and strengthened individual partner capacity. PRT's collaborative work is advancing shared goals and yielding results for the rural regions it serves. The focus on advancing economic mobility is a critical strength of these six CDFIs, which also take aim at racial injustice and tackle the root causes of health inequities to support high-quality homes, business and job growth, crucial health infrastructure and services, access to healthy food, and more. Although challenges exist, PRT is well-positioned to continue its progress.

Early Achievements

PRT's achievements have expanded its national influence, transformed the partners, and lifted up the voices and visibility of the regions that PRT serves (figure 2). These critical early milestones have laid the groundwork for the partnership to achieve its broader goals in the years to come.

FIGURE 2

Early Wins of the Partners for Rural Transformation



Source: Authors' analysis based on interviews and document review.

PRT HAS INFLUENCED NATIONAL POLICY AND INVESTMENTS

Since its founding in 2014, PRT has supported the 10-20-30 funding formula—funneling 10 percent of funds to areas experiencing poverty rates of 20 percent for at least a 30-year stretch—to ensure that rural “geographic poverty [areas] receive the lifeblood of federal investment” (Partners for Rural Transformation 2020). This rule was first introduced by Representative Jim Clyburn of South Carolina as an amendment to the American Recovery and Reinvestment Act in 2009. Originally applying to only 3 federal accounts within the USDA’s Rural Development programs, the rule was dramatically expanded, to 15 accounts, through an omnibus appropriations act in 2017. Today, the funding rule applies to 14 accounts across four federal agencies: USDA Rural Development, the Treasury Department’s Community Development Financial Institutions Fund, the Department of Commerce’s Economic Development Administration, and the Environmental Protection Agency (US Government Accountability Office 2021). Multiple partners cited the expansion of this rule as a major outcome of

their collective advocacy work. A representative of one partner said, “I think we’ve done some really great work in our advocacy efforts around the 10-20-30 language...[that] is huge.”

Partners also identified historic levels of investment in CDFIs as an outcome, in part, of their collective advocacy and the work of specific PRT leaders called on to testify and provide insights into how proposed investments would meet rural needs. In December 2020, Congress passed a \$900 billion fiscal year 2021 omnibus appropriations and COVID-19 relief bill. It included the following:

- a \$12 billion set-aside for CDFIs and minority depository institutions, made up of \$3 billion in emergency assistance to CDFIs through the Treasury’s Community Development Financial Institutions Fund and \$9 billion to establish the Emergency Capital Investment Program, which provides low-cost, long-term capital investments to CDFI banks and credit unions and minority depository institutions
- \$270 million in appropriations to the Community Development Financial Institutions Fund (an increase of \$8 million from fiscal year 2020)
- \$15 billion for Paycheck Protection Program loans for CDFIs, to increase access for small businesses and nonprofit organizations owned by people of color and other underserved small businesses and nonprofits⁹

Recently, the six partners collaborated on submitting a joint comment on proposed changes to the Community Reinvestment Act to the Board of Governors of the Federal Reserve System.

There will be benefits that are now accrued across persistent poverty communities all over the country where CDFIs [work].

—Partner representative

PARTNERS ARE COLLECTIVELY RAISING AND LEVERAGING CAPITAL

In interviews, representatives of the partners cited their ability to attract long-term philanthropic investments and leverage one another’s capital to make targeted joint investments and share risks in one another’s service regions and clients as ways to help catalyze additional investments and change (box 2). In particular, the partners identified early philanthropic investments in PRT as crucial inputs that shaped PRT’s identity by funding staff, strategic planning, and an agenda for future growth and sustainability.

BOX 2

How Partners Leveraged Capital to Help Communities

The following are examples of how PRT partners make joint investments and share risks to attract long-term capital investments to meet community needs.

- **Preventing a food desert and developing affordable housing.** When downtown Brownsville, Texas, lost its only grocery store, it “left a hole in this community,” according to one cdcdb staffer. The CDFI began working to develop a new one. It identified a five-story building constructed in 1925 where it also wanted to develop permanent affordable housing. However, cdcdb did not have experience managing a store or developing a business plan, so it partnered with Communities Unlimited. In addition, cdcdb did not have enough capital to purchase the property. The organization raised resources through state and federal government incentives for renovating historic buildings, the Community Development Block Grant Program, and about \$500,000 of debt borrowed from Fahe. A representative of one partner reflected, “When the grocery store opens, that’s going to be a huge success because it took the expertise of three organizations from across the country to make something happen.” In addition to the store, the project will include 39 units of permanent supportive housing, space for supportive services, and an apartment for the property manager.
- **Assisting vulnerable businesses during the pandemic.** The Small Business Administration’s Paycheck Protection Program was a loan program to help small businesses keep afloat during the COVID-19 crisis. However, businesses without access to banks or credit unions struggled to access the loans. One interviewee explained, “When PPP came out, our clients had no banks to go to because there hadn’t been any banks in their communities for about 10 years.” Initially, Communities Unlimited could not help because it was not an approved lender. After discussing this challenge in a meeting, RCAC and HOPE raised enough capital in just two weeks to provide loans to Communities Unlimited’s clients. HOPE also provided technology that allowed Paycheck Protection Program loans to be quickly deployed and serviced on behalf of Communities Unlimited. This resulted in loans to 28 Communities Unlimited clients.
- **Diversifying risk with shared lending.** In 2021, the Department of Labor awarded roughly \$20 million to a company named Distinction to operate a Job Corps center in Roswell, New Mexico. The company’s founder had more than 20 years of experience working on government contracting, education administration, training, workforce development, and youth programs. The company was too small, however, to get the loans necessary to take on such a large facility, and no individual bank or CDFI could take on the risk. PRT overcame this challenge through a shared lending approach. RCAC, cdcdb, Fahe, Communities Unlimited, and Hope Credit Union agreed to provide \$125,000 each to fund Distinction’s \$625,000 request. By working together, the partners supported a young entrepreneur and ensured that hundreds of people with low incomes in Roswell would continue to have access to training.

PRT HAS INCREASED THE VISIBILITY OF RURAL COMMUNITIES AND PERSISTENT POVERTY

By reaching key national audiences, including congressional representatives (highlighted above) and national stakeholders like NeighborWorks America (Mitchell-Bennett et al. 2017), PRT has drawn attention to rural areas experiencing persistent poverty and changed the national narrative to be more inclusive of these areas. As PRT's brand and communications platform have expanded—from a website and blog platform to targeted email and social media campaigns, opinion articles, and panel convenings—the partnership has raised public awareness of a broad set of problems and policy solutions crucial to ending persistent poverty in rural areas.¹⁰ By submitting public comments on proposed policies (Partners for Rural Transformation 2021b)¹¹ and producing targeted policy briefs, such as a recent one that discusses the difficulties that federal housing and community development funding have reaching rural areas experiencing poverty (Partners for Rural Transformation 2021a), PRT is gaining allies to elevate the message that more rural-conscious policies are needed to foster opportunity in rural areas.

Persistent poverty, actually, just the term itself, I think, has largely been normalized...I would certainly consider that a win.

—Partner leader

PARTICIPATION IN PRT HAS STRENGTHENED INDIVIDUAL PARTNER CAPACITY

Each PRT partner needed to expand its capacity to better track federal legislation and establish a shared agenda of federal policy priorities. Inspired by PRT, two partners launched policy departments and hired additional staff to operate them. In interviews, representatives also discussed how working together improved their organizations. CEOs described the value of peer-to-peer learning at all levels, as well as the value of sharing resources and seeing different business models operating in various communities. Representatives also noted that working with other high-capacity organizations made motivating changes within their own organizations easier.

We're using each other as thought partners. We're learning from each other. We know each other's strengths—it makes the peer-to-peer learning from an individual organization really easy and effective in a way that's really powerful.

—Partner leader

Progress toward Economic Mobility, Racial Justice, and Health Equity

PRT promotes economic mobility in rural areas experiencing persistent poverty not only by expanding material wealth, as all CDFIs strive to do, but also by enabling choices and fostering a sense of belonging. Racial justice, including addressing intersections with gender and environmental justice, is also a core goal. These efforts, plus others to remove obstacles to wealth and health, work to advance health equity in the partners' regions.

PRT PROMOTES ECONOMIC MOBILITY IN RURAL AREAS EXPERIENCING PERSISTENT POVERTY

To promote economic mobility in rural areas experiencing persistent poverty, PRT emphasizes both expanding material wealth for individuals and businesses in the partners' service regions and increasing power and autonomy (i.e., the ability to make choices and act on them) among individuals and communities, as well as a sense of belonging and being valued in a community. Pursuing mobility from poverty using this multifaceted lens includes raising and importing capital to invest in rural people and places and listening, respecting, and responding to local voices and feedback to expand meaningful choices and enable people to build wealth where they live.

RACIAL JUSTICE IS A GROWING AREA OF JOINT ACTION

Racial justice is a core aim of PRT. Together, the partners represent the rich racial, ethnic, and cultural diversity of rural and Native communities. Partners have worked behind the scenes to improve access to capital for partners led by people of color and the communities they serve. For example, a couple of partners with experience helped with Oweesta's application to become a Native-led NeighborWorks America organization, proving the organization meets high standards for management and governance to help attract additional investments. Several partners also supported national efforts to ensure that COVID-19 relief funds were flowing to CDFIs that are led by people of color and serve communities of color. PRT recently applied for joint funding to advance racial equity, but this work is too new for collective progress to be assessed.

PARTNERS ARE ADDRESSING ROOT CAUSES OF HEALTH INEQUITIES

Ensuring “that everyone has a fair and just opportunity to be as healthy as possible” means removing obstacles such as poverty, discrimination, and their consequences, including powerlessness and a lack of access to jobs with fair pay, high-quality education and housing, safe environments, and health care (Braveman et al. 2017, 2). The residents of the rural and Native communities served by the partners often have worse health outcomes than the rest of the nation (Givens et al. 2020), and the partners are working to improve residents’ health and well-being by building and financing high-quality homes, supporting business and job growth, improving critical health infrastructure and services, expanding access to healthy foods, and supporting food growers and laborers. Some partners are beginning to collect wellness-related measures on their overall investments. For example, Oweesta has developed “whole-person wellness” and “seventh generation transformation” metrics related to self-sufficiency, family stability, and community service (Langholz and Mader 2019). While not yet using a common language or shared metrics for their work on health outcomes, partners can build these capacities to highlight the health impacts of poverty and how the organizations are improving health by expanding economic opportunities.

Challenges to Growth

PRT has had successes despite facing challenges that are common to nonprofit organizations (e.g., stretched capacity and competing funder priorities) and those specific to their work (e.g., the effects of persistent poverty on the places they serve, some community reluctance to collaborate on solutions, and federal programs and legislation that are ill-suited to rural and Native communities). Addressing these challenges will help unlock additional capacities and expand opportunities for ending persistent poverty in rural areas, not just for PRT but for others seeking to advance rural thriving and prosperity.

PARTNER CAPACITY CAN STRUGGLE TO KEEP UP WITH ORGANIZATIONAL GROWTH

Like most nonprofits in the US, the partners operate on limited funding and resources that are often tied to specific programs and allocated to cover current needs. As a result, they can have difficulty addressing new needs internally and among the communities they serve. To achieve the longer-term impacts they envision for PRT, the partners—and the partnership—need to grow. PRT has one full-time staff member and relies on the staff of the partners to lead and staff working groups and to do strategic and time-sensitive communications and policy work.

Some partners, however, have their own staffing issues. Staff at small partners sometimes take on tasks that are outside their core responsibilities or are a poor match for their skills and background,

while large partners sometimes struggle with staff recruitment, retention, and training. Staffing challenges can limit an organization's readiness for growth because employees may not be able to take on new assignments, including leading or contributing to PRT work. Partners must constantly balance and rebalance new tasks and procedures (e.g., a diversity, equity, and inclusion review of all projects) while responding to rapidly developing and urgent needs (e.g., the pandemic-related eviction crisis). As a result, some partners have lacked a formal system of strategizing around new activities, prioritizing resources, and implementing new work.

Some partners, and the organizations with which they work, have unique capacity challenges. For example, partners with large service areas sometimes struggle to manage their teams across a broader region. Partners that work extensively with small rural communities and with Native communities also work hard to strengthen capacity within their local partner organizations.

ECONOMIC AND SOCIAL CONDITIONS CREATE HURDLES FOR OVERCOMING PERSISTENT POVERTY IN RURAL AREAS

In interviews, representatives of partners noted that many communities they serve are remote and that residents struggle to access jobs (which may be far from their homes) and basic infrastructure (such as running water and indoor plumbing). Others discussed challenges around human capital, including the need for additional skills training so that residents of areas whose economies are shifting can be matched with available jobs. Also, communities that are becoming retirement destinations for older adults can experience shifts in the demand for services—such as increases in the need for health care, social, and transportation services—even as funding is constrained by the shrinking of the working-age population. Finally, deep historical and racial divisions, socioeconomic inequality, and disinvestment are major impediments to community development and economic growth.

Everything is unequal based on socioeconomic status: infrastructure, housing, health care, services, etc.

—Partner representative

COLLABORATING WITH COMMUNITIES ON SOLUTIONS THAT REFLECT THEIR CULTURES AND VALUES CAN TAKE ADDITIONAL TIME AND RESOURCES

As is true in many communities across the US, some members of the communities served by the partners may be skeptical of taking individual risks to benefit the larger community, resulting in a misalignment of partner program goals and those held by the community. For example, local businesses may be hesitant to support a project that would require them to raise salaries or provide different benefits to their employees. In other instances, residents may resist purchasing investment properties (i.e., becoming a landlord) because of common misperceptions about renters and landlords. In Native communities, efforts to build individual wealth can be viewed culturally as antithetical to community well-being, requiring deep partnership, education, and respectful adaptation of community wealth-creation strategies. In some places, local politicians can make collaboration challenging when they do not value resident voice enough or do not see how partner work benefits them.

FEDERAL PROGRAMS AND LEGISLATION CAN BE ILL-SUITED TO RURAL AND NATIVE PLACES

Many federal programs require state or local governments to contribute a matching amount of funding, a rule that makes competing for resources a challenge for areas with smaller populations. In addition, the year-to-year nature of federal appropriations makes investing in infrastructure and housing projects that can stretch over multiple years difficult for partners. Representatives of the partners also mentioned in interviews that placing many rural programs within the USDA—instead of integrating them into departments focused on specific program areas, such as housing, small business, economic development, health, and environment—has been harmful. This practice both supports the public misconception that all rural people are farmers and fails to force other agencies to listen to rural voices or consider whether their programs serve rural communities well. Additionally, the Community Reinvestment Act was designed to encourage commercial banks to make investments in communities around them, but many Native and rural communities do not benefit because they are outside the service footprints of commercial banks.

Partners serving Native American communities face additional hurdles. For one, trust lands are challenging to use as collateral for debt despite being among the greatest assets that Native communities have to leverage for investments.

FUNDERS TOO OFTEN DRIVE PRIORITIES

Public and private funding sources have their own motivations and areas of focus. This means that PRT has to target messaging to the interests of the funder, which may or may not be interested in rural places, persistent poverty, or racial justice. This dynamic can complicate partners' efforts to pursue

their organizational missions and to measure progress using their own goals. For example, representatives of the partners noted in interviews that resources rarely stretch far enough to measure impact. Funders also often focus on outputs and short-term outcomes that are easy to measure within an award period (e.g., the number of people served) but struggle to understand long-term outcomes or impacts that may be harder to observe or take longer to appear but are ultimately more important to a program's desired impact (e.g., reductions in individual indebtedness or increases in assets).

Representatives of some partners also said many funding models have an embedded colonizing mentality that reinforces a legacy of systematic discrimination and can cause specific markets to be overlooked. For example, partners serving Native communities have found a lack of understanding of Native sovereignty and culture and a lack of willingness to devote time to understanding them among funders, which make investments with the sole intention of teaching Native areas how to better fit into the capitalist system.

When they [the federal government] asked, 'What's the problem? Is it capacity of Native CDFIs? Is it capacity of tribes?' I said straight up, 'No, it's your capacity. You know too little about me.'

—Community leader

Funding structures can create additional hurdles. Investments may not always be well-timed or distributed in a way that is sustainable and consistent. Also, restrictive funding or cumbersome processes can limit partners' ability to be nimble and responsive to urgent community needs. And funder regulations related to CDFI service areas can make sharing funding with those working in different regions a challenge.

Developing a Shared Impact Framework

The partners have demonstrated considerable achievements in their short time working together. How can they best position themselves to measure the effect they are having, both for their own midcourse corrections and for communications about those changes to stakeholders? The partners came together

to develop a shared framework that defines what success would look like and identifies the most valuable measures for charting progress toward the ultimate aim of creating persistent opportunity.

Shared measurement is rooted in the understanding that no single group or initiative can address the complex and interwoven challenges facing people and places historically excluded from opportunity. Progress depends on partnerships among organizations that reach across traditional sectors. The partners' work hinges on the belief that synergy among six CDFIs that serve rural areas can eradicate persistent poverty.

To capture the partners' shared impact, Urban worked with them to devise a framework that maps their investments, technical assistance, and outreach efforts against their long-term goals. The framework does not dictate the partners' actions; instead, the partners can use the framework to assess whether prospective engagements further their mission. The shared impact framework is meant to describe how the partners' work is aligned across two main pathways—investment and power building—and to help partners optimize their portfolios to drive systems change.

Keeping the focus on their goals, the partners can use the shared impact framework to clearly and concisely tell others, including external stakeholders, what they have done, what they are doing, and what they plan to do. Potential funders, other CDFIs looking to eradicate persistent poverty in their service areas, and research organizations interested in documenting the partners' work can also use the framework to orient themselves.

Such a framework is challenging both to design and to implement. We offer several guiding principles for successful shared measurement:

- First, the framework has to find the Goldilocks “just right” balance between a narrow focus on immediate actions that overlooks important outcomes not in the actors' immediate control and a broad one that emphasizes factors that the users have only marginal influence over.¹²
- Second, balancing “what” and “how” metrics is important. Part of each partner's success comes from its cultural competency and lasting relationships with the communities it serves. But this introduces challenges. How do the partners document the way that context-specific cultural competency can transcend a particular partner's service area to strengthen another partner's work? What set of indicators captures *how* the collaboration spurs more impact, not only what that impact is?
- Third, the framework must be exhaustive, detailed, and complete, and it must be able to be quickly communicated and absorbed. Relatedly, it must strategically balance the needs of, and

speak to, multiple audiences—the partners themselves; their collaborators and allies in local, state, and federal government; philanthropic backers; community members and groups; clients and customers; and more.¹³

- Fourth, and perhaps most important, it must be actionable. People must be able to use the framework to understand where progress is being made and where more work is needed. An actionable framework, in our experience, is the product of both clear content—indicators, data sources, reporting frameworks—and a feeling of ownership among the key users. To that end, a framework is just one step toward an organizational culture more devoted to learning than compliance-based reporting (Winkler and Fyffe 2016), but many other elements are ultimately required.¹⁴

We've been wonderful for years and years at telling our stories of impact, but there haven't been the quantitative data points or research by outside organizations [to validate those stories].

—Partner leadership staff member

Despite the challenges, developing a framework is crucial to understanding any initiative's near-term impact and progress, as well as the obstacles it faces to achieving its goals. Developing and using a shared framework can have several key benefits.

- The framework can be used to set benchmarks, create a timeline, and monitor progress toward a goal, such as eradicating persistent poverty in rural areas. This, in turn, can help a coalition or partnership sustain a steady pace, manage expectations, and be strategic about timing activities so the members can reinforce one another's work.
- When the activities listed in the framework or circumstances dictate a change of course, the framework provides a model by which to generate new sets of activities that map onto the intended outputs and outcomes.
- A framework can keep a broad set of allies aligned around a shared vision. By mapping activities onto outputs and outcomes, the framework can be used as a tool to stay on the path toward a goal.

- A framework can help inform external communications to solicit collaborators, allies, funding, and other resources to support the shared impact objectives.
- A framework can be used as a tool to help shift the balance of power from funders to the people in these places who are doing the work and know best what success should look like and what the most meaningful indicators of progress are.

Next, we present a framework that can help PRT achieve these benefits.

Framework Overview

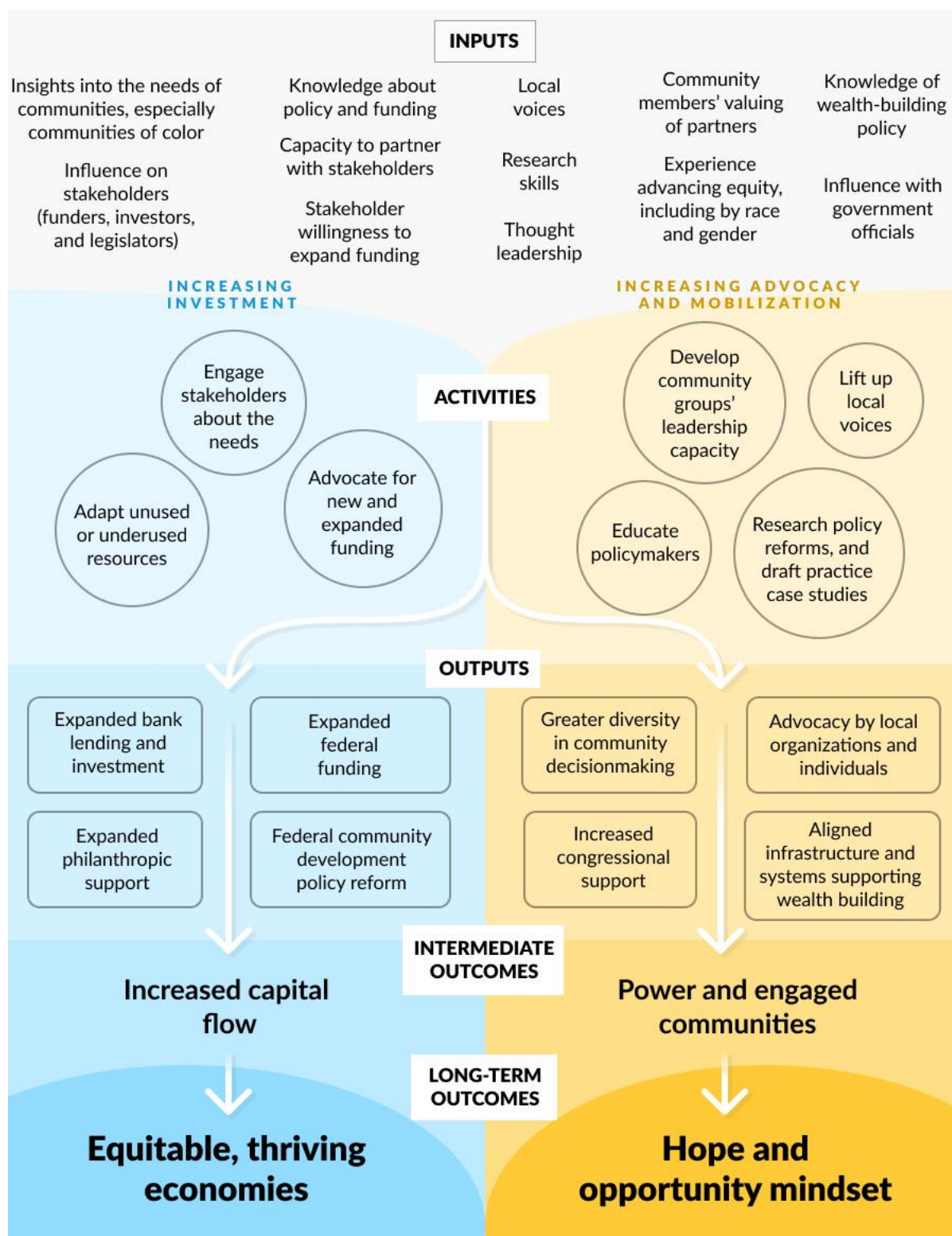
The Partners for Rural Transformation convened to pool their resources, knowledge, and capacity and to eradicate persistent poverty in rural areas across the US. This shared framework can guide PRT and its partners in measuring progress toward that ultimate goal, including tracking the partners' individual contributions, their collective contributions, and other factors that advance or inhibit progress.

The framework has four primary components. *Inputs* detail the resources that will fuel the work of the partners. *Activities* are the actions that the partners take using those inputs. *Outputs* are the immediate results the partners hope to see based on their activities and those of others in the ecosystem. *Outcomes* are the intermediate and long-term results that are influenced by the partners' work and by many other local, regional, national, and international efforts and forces. Mapping inputs, activities, outputs, and outcomes onto one another clearly delineates the change the partners intend to create through their work and makes their assumptions explicit. It also clarifies the exogenous factors upon which the partners' work relies. The shared impact framework documents the way the partners intend to work toward their goals, but it also provides a pathway for others to align themselves with the effort and contribute, as the partners' vision requires the voices and work of many and lies outside any individual entity's direct control.

The framework is illustrated in figure 3. The end conditions or states that the partners are working toward are equitable, thriving economies and a hope and opportunity mindset among residents. These are the "North Star" goals guiding the elimination of persistent poverty and the creation of persistent opportunity in rural areas. They are discrete, but as illustrated, they also interact and reinforce each other. These two *long-term outcomes* are represented visually at the bottom of the shared framework. The partners are not solely responsible for these outcomes, but the outcomes and corresponding indicators are nevertheless useful for helping benchmark progress.

FIGURE 3

Advancing Racial Justice and Transforming Rural Persistent Poverty: A Shared Impact Framework



URBAN INSTITUTE

Source: Authors' analysis of interviews, document review, and partner capacities and activities data.

Two *intermediate outcomes* support the two long-term outcomes. Through its activities, PRT seeks to increase capital flows to rural areas experiencing persistent poverty. Lending and investment will increase directly through the partners, as well as through other initiatives. The partners are endeavoring to increase capital flows across the full set of loan products required to support thriving economies: consumer, single-family housing, small business, multifamily housing, commercial real estate, and more. The second intermediate outcome is expanding power and engagement for, in, of, and with rural communities experiencing persistent poverty. In practice, this means increasing participation in and mobilization of civic, cultural, and religious groups; increasing local awareness; and raising voting rates, all in support of public policy that will help build equitable, thriving economies and engender a hope and opportunity mindset.

The intermediate and long-term outcomes shown in the framework map onto key indicators by which to measure progress toward these goals (table 3). Whenever possible, indicators should be disaggregated by residents' location, race or ethnicity, nativity status, gender, and income to illustrate the extent of progress toward equity.

TABLE 3

Potential Indicators for Partners for Rural Transformation Shared Outcomes

Indicators	
Long-term outcomes	
Equitable, thriving economies	<ul style="list-style-type: none"> High school graduation rate Life expectancy County health rankings Number of small businesses operating in the area Homeownership rates Volume and quality of community facilities Number of persistent poverty counties Poverty rate
Hope and opportunity mindset	<ul style="list-style-type: none"> Population levels Perceptions of hope in or for community Belief in community as a place of opportunity (including for children) Perceptions of self-efficacy Perceptions of collective efficacy
Intermediate outcomes	
Increased capital flow	<ul style="list-style-type: none"> Access to affordable consumer loan products Volume of single-family home lending Volume of multifamily housing development and rehabilitation lending Volume of commercial and industrial lending Volume of small-business lending and investment Volume of CDFI and other mission lending and investments Volume of federal and state program investments Volume of philanthropic investment
Power and engaged communities	<ul style="list-style-type: none"> Participation in a civic, cultural, or religious group Broad and inclusive participation in public policy or politics Voting rates (by group) Local awareness of key policy issues or needs Responsiveness of public officials Increased resident outreach to government officials

Notes: For examples of these and other potential indicators, see Corianne Payton Scally, Amanda Gold, Yipeng Su, Jorge Morales-Burnett, Eric Burnstein, and Patrick Spauster, “Reenvisioning Rural America,” Urban Institute, September 21, 2021, <https://reenvisioning-rural-america.urban.org/>. See also appendixes A and B in Brett Theodos, Eric Hangen, Carl Hedman, and Brady Meixell, *Measuring Community Needs, Capital Flows, and Capital Gaps* (Washington, DC: Urban Institute, 2018).

Turning back to the framework, we see that it has two “pathways” that together lead to the intermediate and long-term outcomes: “increasing investment” and “increasing advocacy and mobilization.” Although each pathway reinforces the other, the two use distinct mechanisms to transform rural areas experiencing persistent poverty into places of persistent opportunity.

The first pathway, increasing investment, hinges on infusing capital into places experiencing persistent poverty—creating a sustainable investment infrastructure, building connections between providers and users of capital, expanding access to financial products, and introducing subsidy or risk mitigation for projects or uses that require it. Key *outputs* include attracting expanded philanthropic

capital, growing new federal funding for areas experiencing persistent poverty, and increasing bank lending in these areas. Another key output is accomplishing favorable regulatory reform. Specific goals for these outputs could include \$1 billion in new philanthropic capital and \$2 billion in new federal funding. They also could include ensuring that Community Reinvestment Act reform is favorable to rural needs and adding 10-20-30 language to all pertinent programs.

PRT is focused on three primary *activities* to increase investment outputs: engaging funders, investors, and legislators on the needs in areas experiencing persistent poverty; advocating for new and expanded public funding that goes to these areas; and adapting unused or underused capital resources to the areas. These activities are expected to result in the outputs discussed earlier.

To this work, the partners bring their resources, which they hope to increase. These *inputs* are shown at the top of figure 3. They are insights into the needs of areas experiencing persistent poverty; knowledge of policy and funding; influence on funders, investors, and policymakers; capacity to partner with stakeholders; and stakeholder willingness to expand funding to the communities PRT is invested in.

Although increasing investment is one critical pathway toward the “North Star” outcomes, increasing advocacy and mobilization is equally important. The advocacy and mobilization pathway focuses explicitly on elevating a narrative surrounding areas experiencing persistent poverty as resilient, resource-rich, and fit to receive external investment.

PRT relies on four *outputs* to advance this second pathway: greater diversity in community decisionmaking, advocacy for areas experiencing persistent poverty by local organizations and individuals, improvements in policy representation (e.g., the creation of a congressional caucus that works on behalf of these areas), and aligned infrastructure and systems supporting the intergenerational transfer of wealth.

The partners will undertake four *activities* to generate these outputs: developing the leadership capacity of community groups, lifting up local voices, researching policy reforms and drafting practice case studies, and catalyzing the creation of a congressional caucus attentive to these issues. PRT’s inputs for this pathway include access to local voices, experience advancing equity, community members’ trust in the partners, the partners’ research skills, the partners’ thought leadership, knowledge of wealth-building policy, and influence with government officials. These inputs are resident-centric. Many of the activities in this pathway also profile partner-resident interactions to elevate the importance of the partners’ capacity-building efforts in the communities in which they work.

Implementation of the Shared Impact Framework

Conceptualizing a shared impact framework is an essential first step toward improved programming and better communication of the partners' impacts, but to reach their potential, the framework needs to be implemented. This is hard work. It requires regular data collection, analysis, and reporting, and revisions must be made as needed.

Several activities are important to ensuring that the shared impact framework remains up to date:

- **Review with stakeholders.** Although the input of the partners' leadership on the shared impact framework is valuable, the leaders' work tends to be more removed from the communities in which their organizations work than the work of community leaders and other staffers. To ensure that the shared impact framework accurately depicts activities and correctly maps activities onto outputs and outcomes, community leaders and staff members should have the chance to review the framework and suggest revisions. Their review may also encourage widespread buy-in to the shared vision and proposed approaches.
- **Build out indicators.** It is important to develop a strategy for collecting and analyzing the data needed to capture the indicators in the framework and set targets to progress toward the goals. Systematizing data collection, analysis, and reporting enables transparent communication about progress and setbacks and facilitates setting intermediate goals with external and internal stakeholders.
- **Collect, analyze, and share data.** Implementing the framework will require the partners to regularly collect, analyze, and share data, whether through focus groups or secondary census data. Working from the indicator list, the partners will need to create structures, staffing assignments, and oversight for these process steps. Data management and analysis systems and software may need to be purchased or retooled. Work is needed to create dashboards or other reporting tools that meet the needs of program leadership, funders, and stakeholders; sometimes different audiences will need different visualizations. It is also important to consider and codify quality assurance steps in the data analysis process. Additionally, data privacy is an important matter to attend to for originally collected data.
- **Track progress.** Setting intermediary goals is a vital part of driving sustainable progress. The framework allows those advancing the framework to be strategic about which activities they can undertake simultaneously and to plan which activities need to happen in sequence to drive the biggest impact. Tracking progress toward big goals by establishing and measuring against intermediary goals can also help scope the necessary work for the next 5, 10, and 15 years.

- **Revisit and revise.** The shared impact framework is a living document that should both reflect completed activities and project future work. To ensure continuous alignment between work and the framework, the framework should be revisited and revised at least annually. An up-to-date framework helps those advancing the framework stay accountable to the aim and communicate information about it to others.
- **Document external factors that drive or impede progress.** Even if the partners and others working to advance the framework's goals do everything in their power to eradicate persistent poverty, external factors like macroeconomic trends, investors' willingness to provide funding in areas experiencing persistent poverty, and the extent of political will to further investment will all affect progress toward the end goals. The framework can be used to document and track fluctuations in the strength of relevant external factors to project how they might influence progress and the strength of the partners' shared influence.
- **Do the work.** Most importantly, the shared impact framework has only as much power as the partners give it. If they do not follow through on their commitment to eradicate persistent poverty by executing effective strategies at the national and local levels, no input, planned activity, output, outcome, or indicator in the framework will drive the intended impact. The shared impact framework is a start toward systematizing the partners' approach to improving rural residents' lives.

Strengthening Impacts: An Action Agenda

PRT is an authentic, energizing partnership shifting the national narrative on persistent poverty in rural areas and deploying capital and other supports to transform these communities into areas of persistent opportunity. Each of PRT's six partners brings passion and expertise to this work, rooted in local experience and realities of hope. Their roles are essential, filling a gap in many other civic and private-sector capacities that should be available locally but are not because of generations of exclusion.

If the partners are to accomplish their "North Star" objectives, this effort will need to grow. While PRT's trajectory is solidly on target, we suggest four avenues for growth that could help strengthen the impacts of this partnership's work. These include strengthening the organizational infrastructure and resources of PRT and the individual partner organizations, increasing investments through leveraged capital and expanded capacity-building programs, increasing advocacy and mobilization efforts, and filling research gaps to better define needs and measure shared impacts over time. Although many of

these reflect findings in existing planning documents and internal analyses commissioned by PRT, we propose additional ideas and action steps.

Strengthen PRT Organizational Infrastructure and Resources

Expanding PRT's achievements and impacts requires deepening investments in organizational infrastructure through fundraising to amplify impacts and develop long-term sustainability and strengthening advocacy and communications staffing. Building individual partner capacity and leveraging and sharing strengths more effectively could also help, particularly by building and replicating models across partners.

DEEPEN FUNDRAISING TO AMPLIFY IMPACTS AND DEVELOP LONG-TERM SUSTAINABILITY

This includes reaching funders that may not be explicitly focused on rural areas or may be more risk-averse because they have less knowledge of and experience with lending and grantmaking in rural areas. For funders focused on poverty reduction but not necessarily in rural areas, PRT could emphasize the common challenges faced by people and places experiencing poverty—unaffordable housing, low wages, inadequate education and workforce development systems, inadequate infrastructure—while marketing the unique rural approaches and solutions that the partners have been employing for decades. A practical coalition with national stakeholders more focused on urban solutions could be useful here; both rural and urban advocates for reducing persistent poverty would benefit from a strategy that incorporates the different approaches needed within their service areas.

Proving that investments in rural-serving CDFIs are apt to be as sound as those made in the 11 urban-serving CDFIs with an S&P investment rating could also help.¹⁵ There is an opportunity to use transitive logic to show investors that many CDFIs, including PRT members, have comparable operating ratios and strong financial management while contributing to similar social outcomes. By association, an investment in a PRT loan pool is expected to perform similar to S&P-rated CDFIs (A+ on average, as of 2020), which would be on par with that of very safe conventional fixed-income investments. Aeris CDFI ratings can be used to draw a connection between the expected performance of investments in PRT members and S&P-rated CDFIs.¹⁶ Although these comparisons are not enough to satisfy investors with strict ratings requirements, those with more flexibility would benefit from this transitive logic.

Finally, foundations are more willing now than they have been in the past to couple grant funding with investment capital, and, more recently, large corporations have offered grants coupled with debt (e.g., Google and Twitter).¹⁷ PRT should build on recent momentum to pair grants with debt.

STRENGTHEN ADVOCACY AND COMMUNICATIONS STAFFING

PRT continues to build on the strategies and collective achievements of the PRT policy and communications working committees. This includes improving communications about how the geographic and cultural diversity of PRT members' service areas and customers challenges the myth of a monolithic rural America while highlighting opportunities for promoting racial justice. Implementing the shared impact framework detailed in the previous section and then reporting on collective outcomes can also strengthen the value proposition of PRT to a broader audience. Hiring communications staff or consultants can help reach new target audiences and launch public relations campaigns to share emerging, salient messages as PRT achievements evolve. Additionally, partners could explore whether and how to form a distinct 501(c)(3) or 501(c)(4) organization as they grow to facilitate lobbying on behalf of PRT's shared goals (for official IRS guidance, see Reilly and Allen 2003).

SUPPORT THE CAPACITY OF INDIVIDUAL PARTNERS TO ENGAGE IN PRT

Organizational capacity varies across the partners. In interviews, staff from some organizations repeatedly cited a need for more staff covering a broader set of tasks. PRT partners and resources can help address capacity differences between partners, particularly for smaller organizations, by filling gaps as needed to keep PRT work going, especially in the areas of policy and communications. Additionally, partners can help build capacity by fostering horizontal connections across workers in equivalent positions at the partner organizations. Although some staff are well-connected, not all staff members we spoke with were familiar with PRT, and some seemed to be missing out on the potential benefits of working with and learning from staff at other partner organizations.

Increase Investments in Partners and Communities

As CDFIs, all six partners are aware of the need for affordable financial services and local capacity building to eliminate poverty and expand hope. Investment is the means through which communities can increase wealth, build homes, bank securely, and start small businesses. To boost their collective impact, the partners could spread risk through shared investments and leverage partner strengths and models more directly.

EXPAND SHARED INVESTMENTS

As indicated in the shared impact framework, the partners have several steps they can pursue to expand access to affordable financial services and increase investment in their service areas. These include accessing additional investment from federal and state governments, philanthropy, and the

private sector. Especially promising is the potential to raise collective funds that can be deployed as needed, ideally with few preconditions apart from supporting the impact the partners are looking to make. This could include a pooled loan fund to which each partner allocates a portion of their unrestricted net assets to leverage additional capital for co-participation loans. In fact, partners have begun to jointly lend to individual projects. There is room for growth in this area, and while such efforts introduce complexity, they can help to share risk, increase capitalization, and add and diffuse expertise.

LEVERAGE PARTNER STRENGTHS AND MODELS

This report highlights key lending, capacity-building, and direct service activities that some partners offer and others do not. This will always be the case—the partners have different specialties, and the communities they serve have different needs. Although not a problem to solve, the diversity of offerings and needs represents an opportunity for exploration. The partners would benefit from a detailed exploration of the local service and capital gaps to determine whether one partner's strengths can be a model for other partners. All the organizations have strengths they could transfer to others, including investing in commercial real estate, offering or packaging home mortgages, financing charter schools, running a credit union, training and leading a workforce in housing construction, and leveraging federal and state funds for water infrastructure investments and technical assistance. A gap analysis may also reveal areas where partners could collectively expand their work to better meet community needs. For example, interviewees shared local needs for social enterprise development and financial products that target home rehabilitation and expansion, as well as small-dollar home mortgages.

Several process steps can help the partners as they support one another in their individual development and joint work. The partners have begun to better understand and share the various models under which they work, but future efforts can include deeper explorations of specific products, services, and tools. This will expand the inventory of individual partner strengths so the organizations can consider work they may want to take on. For example, the internal organizational capacities and activities template completed by the partners for this study identified programs that some partners have expertise in and that others want to pursue, including US Department of Housing and Urban Development capacity-building programs and USDA rural business and community facility technical assistance programs. A program that connects partners with experience in a program area or activity with those who want to learn about it would help translate knowledge into action. We encourage a deep and long-term engagement to help the new effort take hold. For work that requires expertise, additional steps, such as staff exchanges or shadowing across organizations, could help.

Increase Advocacy and Mobilization

One significant motivation for forming PRT was to boost collective advocacy efforts at the national level, with the aim of increasing the visibility and voice of the diverse rural people and places experiencing persistent poverty. In interviews, representatives of the PRT's six partners discussed how PRT has been catalytic for their policy work and pointed to successes they have had in shifting attention and language around the problems and promise of rural America. To strengthen this work and its impacts, PRT can take additional steps to advocate more effectively and mobilize communities.

STRENGTHEN AND TARGET FEDERAL ADVOCACY

PRT has embraced a core set of advocacy objectives and engaged in both long-term strategies (e.g., expanding the adoption of the 10-20-30 language) and shorter-term, time-sensitive responses to proposed legislation (e.g., the comment letter related to the Community Reinvestment Act). PRT has also engaged with federal agencies and policies that affect the partners, including the Treasury's Community Development Financial Institutions Fund and efforts to improve federal program eligibility across the board for rural households with low incomes (Partners for Rural Transformation 2021a). There is, however, an opportunity to target an expanded group of federal agencies on actions that would help a significant number of the partners—if not all six—and the large rural regions they serve. Our analysis of partner-reported funding sources shows that at least half the partners work with the following federal agencies: the Small Business Administration, the Federal Home Loan Bank System, the Environmental Protection Agency, and the departments of Agriculture (rural development), Housing and Urban Development, Health and Human Services, and Labor. Additional programs of significant overlap include two that target housing construction and historic property renovation: the Low-Income Housing Tax Credit program (four partners) and the Historic Tax Credit program (three partners). Catalyzing the proposed Congressional Caucus on Persistent Poverty or Rural Areas could provide a platform to engage in more advocacy around legislation and programs that affect all six partners, as well as those currently accessed by only several.

LEVERAGE STATE AND LOCAL POLICY SUCCESSES AND STRATEGIES

Most of the partners work closely with state and local governments and agencies in their service regions to get resources deployed to rural communities. Those resources range from basic infrastructure needs like drinking water, to housing finance and construction funding from state housing finance agencies, to federal pass-through funds from sources such as the Community Development Block Grant program (including disaster recovery) and the CARES (Coronavirus Aid, Relief, and Economic Security) Act. Greater sharing of information about how to work with these

entities on resource acquisition could benefit the work of individual partners, and the lessons learned could be used with state and federal policymakers to show proof of concept for establishing programs in other states and scaling up policies or programs to the national level.

BUILD STRONGER COALITIONS, AND ENGAGE NEW ALLIES

PRT is made up of six steering committee organizations that manage most of the collaborative work and an array of national collaborators and stakeholders that support PRT's goals and primarily participate in the policy working committee. In interviews, staff of both the PRT partners and the national stakeholders saw tension between the goals and strategies of organizations working for the benefit of specific regions and those working on a national scale. Not all national stakeholders felt meaningfully engaged in PRT policy discussions, and some expressed concern that PRT policy positions could be detrimental to their organization's goals and development. While mutual respect is high among all parties, this is an important issue to tackle.

In addition to improving alignment with current stakeholders, which tend to be focused explicitly on rural places or issues, PRT could explore building alliances with organizations that share PRT's mission of ending persistent poverty or that work in the same program areas as PRT's stakeholders—even if they are not explicitly focused on rural areas. An effort to build alliances around shared interests (e.g., housing, small businesses, healthy food, disaster recovery) and federal programs (e.g., Community Development Block Grant, Low-Income Housing Tax Credit, Community Development Financial Institutions Fund, New Markets Tax Credit) could amplify PRT's voice on issues while maintaining its distinctively rural framing.

MOBILIZE COMMUNITIES TO ADVOCATE FOR CHANGE

PRT has taken significant steps in advocating for their rural regions on the national level: forming the coalition, framing and communicating about strategic interests, developing relationships and influence, serving as a convener and trusted source, and developing a shared impact framework that can help inform communications about PRT's progress and successes (Theodos et al. 2017). At the local level, the partners are also investing in leadership development and training for residents, business owners, local nonprofits, and elected and appointed officials to improve civic capacity. As a next step, partners could expand efforts to amplify the voices of these community leaders to state and national policymakers, particularly those leaders from places where partners can make strong connections to policymakers and no other community developers are working. Mobilizing business leaders, local officials, local foundations, faith-based leaders, and other community stakeholders to tell their stories and advocate for their needs can deepen the legitimacy of PRT's advocacy efforts.

Fill Knowledge Gaps on Defining Needs and Measuring Progress

PRT has made significant progress on identifying goals and priorities, executing on them collectively, and investing in developing a shared impact framework that, when implemented, will help standardize how PRT tracks the results of the partners' joint actions. PRT has also acknowledged the need to fill research gaps on the local, regional, and national levels to understand the magnitude of needs in rural areas experiencing persistent poverty and the scale of the shared impacts that PRT can achieve. Such an effort could include analyzing existing data and collecting original data. The following research activities could help PRT strengthen its collective work by assessing needs and trends:

- **Conduct local market needs assessments.** Although the staff of most partners are aware of many needs across the communities they serve, systematic and comprehensive community needs assessments could identify new needs and quantify them for understanding their scale and measuring progress.
- **Analyze available client data.** Partners have a wealth of proprietary, sometimes private, data that they can assess to understand consumer, borrower, and funder trends and to forecast future needs.
- **Estimate the price tag of ending persistent poverty in rural areas using the PRT framework.** Getting to a single number or a set of strategic numbers by investment and activity types could set a public target and enhance advocacy.

Conclusion

PRT is making strides toward eliminating persistent poverty in rural areas by expanding opportunity. Each partner organization has a strong track record of meeting needs in rural communities, including building housing, providing capital for business and community facilities, improving water infrastructure and healthy food access, building organizational capacity, training local workforces, and developing local leadership. But working together has resulted in even more. Initial policy wins have increased funding for rural places and institutions led by people of color, while partners have expanded their capacity to engage in policy work by sharing knowledge and information. And they have done all of this while advancing racial justice and centering health and well-being through building individual and community wealth and giving rural residents, organizations, and businesses resources and agency to determine their futures.

The next steps for strengthening impacts include adopting and implementing the framework outlined in this report so the work toward the desired long-term outcomes for the rural regions and people PRT serves can be targeted and tracked. Assessing the progress made toward PRT’s vision of increased capital flows; equitable, thriving economies; increased power and engaged communities; and a strengthened hope and opportunity mindset will help the partnership tell a clear story by the numbers and with local voices. The story will be one of transformation—one home, one business, one loan, one leader at a time—that ripples across rural America, causing a sea change in opportunity, not only through the efforts of PRT but also through the others inspired to invest and act.

Appendix. Partner Organization Profiles

The following profiles provide an overview of the mission, service areas, strengths, and capacities of each of the six PRT partner organizations.

cdcb | come dream. come build

MISSION

“Cdcb is a multifaceted affordable housing organization devoted to utilizing collaborative partnerships to create sustainable communities across the Rio Grande Valley through quality education, model financing, efficient home design, and superior construction.”¹⁸

ORGANIZATIONAL STRUCTURE

Governed by a 12-person community-based board of directors, cdcb is the Rio Grande Valley MultiBank administrator and a community development financial institution. Cdcb YouthBuild is a youth development program administered nationally by the US Department of Labor.

SERVICE AREA

South Texas

WHOM CDCB SERVES

Communities of color with low and moderate incomes, counties experiencing persistent poverty, underserved financial and food deserts, and bilingual and bicultural communities

The MiCaSiTa program’s motto is “choice empowers” and exemplifies the cdcb approach: providing access to housing in an individualized, nuanced, and empowering way. The program targets the Rio Grande Valley’s most vulnerable residents, some of whom live in colonias, and is an “affordable option for working families to start with a smaller home that can ‘grow’ as your income, credit, and/or family grows.”¹⁹

SERVICE AREA CHARACTERISTICS: RURAL PERSISTENT POVERTY COUNTIES

Share population of color: **76%**

Share of population with a college degree: **15%**

Median age: **37**

Share of households with a broadband subscription: **60%**

Median monthly housing cost: **\$526**

Median annual income: **\$38,712**

ORGANIZATIONAL SIZE AND CAPACITIES (FY 2020)

Total assets: **\$60,788,000**

Total loans outstanding: **\$23,689,000**

Annual operating budget: **\$9,721,000**

Employees: **51**

LENDING

Payday alternative

Down payment assistance

Home purchase mortgages

CAPACITY BUILDING

Workforce and youth training

Financial and homeownership counseling and coaching

Policy advocacy

DIRECT SERVICES

Single-family and multifamily rental development

Single-family ownership development

Single-family and multifamily rental property management

Communities Unlimited

MISSION

“To partner with people who want to escape from persistent poverty and connect them to solutions for achieving sustainable prosperity.”²⁰

ORGANIZATIONAL STRUCTURE

Two community development financial institutions merged to create Communities Unlimited. One institution focused on rural community water and sewer infrastructure and the other on entrepreneurship. The organization has six program areas: community sustainability, environmental services, entrepreneurship, healthy food, lending, and geographic information systems.

SERVICE AREA

Alabama, Arkansas, Louisiana, Missouri, Oklahoma, Tennessee, and Texas

WHOM COMMUNITIES UNLIMITED SERVES

Communities experiencing persistent poverty and their people

Within 12 weeks of being certified as a Payroll Protection Program (PPP) lender in January 2021, Communities Unlimited made 290 loans totaling \$4.1 million and became the only community development financial institution making PPP loans to nonprofit rural water systems. Communities Unlimited made \$1.5 million in PPP loans to 51 water and sewer systems, most of which were coping with COVID-19 and severe damage from subzero temperatures brought by the polar vortex and two winter storms. Each system had received intensive technical assistance through Communities Unlimited's environmental team.

SERVICE AREA CHARACTERISTICS: RURAL PERSISTENT POVERTY COUNTIES

Share population of color: **58%**

Share of population with a college degree: **15%**

Median age: **39**

Share of households with a broadband subscription: **58%**

Median monthly housing cost: **\$516**

Median annual income: **\$35,256**

ORGANIZATIONAL SIZE AND CAPACITIES (FY 2020)

Total assets: **\$19,601,000**

Total loans outstanding: **\$8,202,000**

Annual operating budget: **\$6,742,075**

Employees: **71**

LENDING

Small business, community facilities, and water and sewer infrastructure

CAPACITY BUILDING

Business, community facilities, and local government technical assistance and training

Leadership development

Compliance training

Policy advocacy

DIRECT SERVICES

Manufactured home park management

1980

Fahe

MISSION

“Fahe is on a mission to build the American Dream. Working with our Network of 50+ nonprofits across the Appalachian portion of Kentucky, Tennessee, West Virginia, Virginia, Alabama, and Maryland, we use our expertise in finance, collaboration, innovation, advocacy, and communication to achieve a more prosperous Appalachian region.”²¹

ORGANIZATIONAL STRUCTURE

Headquartered in Berea, Kentucky, Fahe is a membership and community development financial institution that provides financial products and services to its members. Most of its members are community development corporations, community housing development organizations, other community development financial institutions, Habitat for Humanity affiliates, community action agencies, housing authorities, and volunteer organizations.

SERVICE AREA

Appalachian counties of Alabama, Kentucky, Maryland, Tennessee, Virginia, and West Virginia through their membership; 23 states through 502 packaging,²² lending, origination, and strategic programs

WHOM FAHE SERVES

People living in places experiencing persistent poverty; households with low or moderate incomes; families facing other barriers to achieving the American dream

Fahe is fighting the opioid epidemic in Appalachia through direct investments in health care facilities and social determinants of health. Fahe has leveraged \$50 million in loans, equity investments, and subsidies to develop 1,800 residential treatment facilities. These investments have resulted in \$20 million in annual savings to the states served and reductions in recidivism rates.

SERVICE AREA CHARACTERISTICS: RURAL PERSISTENT POVERTY COUNTIES

Share population of color: **26%**

Share of population with a college degree: **13%**

Median age: **42**

Share of households with a broadband subscription: **61%**

Median monthly housing cost: **\$490**

Median annual income: **\$32,835**

ORGANIZATIONAL SIZE AND CAPACITIES (FY 2020)

Total assets: **\$77,358,000**

Total loans outstanding: **\$56,405,000**

Annual operating budget: **\$12,181,000**

Employees: **59**

LENDING

Community facilities, commercial real estate, and water and sewer infrastructure

Construction loans for single-family and multifamily housing

Home purchase mortgage packaging

Payday alternative

CAPACITY BUILDING

Workforce development training

Financial and homeownership counseling and coaching

Business, nonprofit, and local government technical assistance and training

Policy advocacy

DIRECT SERVICES

Affordable housing development

1994

HOPE

MISSION

To strengthen communities, build assets, and improve lives in economically distressed areas of the Deep South by providing access to high-quality financial products and related services.

ORGANIZATIONAL STRUCTURE

HOPE is made up of Hope Enterprise Corporation—a nonprofit loan fund and community development financial institution (CDFI)—and Hope Credit Union, also a CDFI. Hope Enterprise Corporation is the primary sponsor for Hope Credit Union, which operates online and through 23 branch locations and five program offices to serve 36,000 members. Hope Policy Institute assists both CDFIs with policy and advocacy. Home Again, a housing development subsidiary of Hope Enterprise Corporation, leverages housing resources made available through federal programs.

SERVICE AREA

Alabama, Arkansas, Louisiana, Mississippi, and Tennessee

WHOM HOPE SERVES

Residents in underserved communities, people of color, women, and Spanish-speaking people

HOPE provided vital support for local governments during the COVID-19 pandemic and economic crisis. Through a partnership with the Black Belt Community Foundation, HOPE provided a line of credit that allowed the foundation to make recoverable grants to 16 counties and small towns so they could pay essential personnel, invest in protective equipment, make other necessary purchases, and apply for state reimbursement.

SERVICE AREA CHARACTERISTICS: RURAL PERSISTENT POVERTY COUNTIES

Share population of color: **62%**

Share of population with a college degree: **16%**

Median age: **39**

Share of households with a broadband subscription: **57%**

Median monthly housing cost: **\$524**

Median annual income: **\$33,053**

ORGANIZATIONAL SIZE AND CAPACITIES (2019)

Total assets: **\$650,584,000**

Total loans outstanding: **\$463,490,000**

Annual operating budget: **\$43,377,000**

Employees: **254**

LENDING

Home purchase mortgages

Construction and permanent loans for single-family and multifamily housing

Small business, commercial real estate, and community facilities

CAPACITY BUILDING

Financial, business, and homeownership counseling and coaching

Leadership development

Policy advocacy

DIRECT SERVICES

Consumer financial services

Affordable housing development

Community planning

Oweesta Corporation

MISSION

“To provide opportunities for Native people to develop financial assets and create wealth by assisting in the establishment of strong, permanent institutions and programs contributing to economic independence and strengthening sovereignty for all Native communities.”²³

ORGANIZATIONAL STRUCTURE

Oweesta is a community development financial institution (CDFI) intermediary that provides financial products and development services exclusively to Native CDFIs. Oweesta does not lend directly to individual borrowers; however, the organization offers training and technical assistance, including financial education, to Native communities.

SERVICE AREA

Native CDFI loan funds across the nation’s Indian Country, including Alaska and Hawaii

WHOM OWEESTA SERVES

Native CDFIs and people throughout Indian Country, Native Hawaiian communities, Native Alaskan communities and villages, communities experiencing persistent poverty, and Opportunity Zones

As part of its Capital Access Initiative, Oweesta raised a combination of debt and grant capital to expand its intermediary lending capacity. This new loan pool has substantially increased the amount of capital available to Native CDFIs. Additionally, the initiative connects Native CDFIs with individual and institutional investors that otherwise would not know about the work of these CDFIs; this has led to even more capital resources for Native CDFIs beyond Oweesta's lending. The program has been especially useful for Native CDFIs struggling to meet demand for home mortgage lending as part of their collective strategy to increase affordable homeownership.

SERVICE AREA CHARACTERISTICS: RURAL PERSISTENT POVERTY COUNTIES

Share population of color: **34%**

Share of population with a college degree: **18%**

Median age: **35**

Share of households with a broadband subscription: **61%**

Median monthly housing cost: **\$527**

Median annual income: **\$40,726**

ORGANIZATIONAL SIZE AND CAPACITIES (FY 2020)

Total assets: **\$29,492,000**

Total loans outstanding: **\$18,379,000**

Annual operating budget: **\$2,953,000**

Employees: **13**

LENDING

Native CDFIs

CAPACITY BUILDING

Financial and homeownership counseling and coaching

Business, CDFI, community facilities, agricultural, and local government technical assistance and training

Policy advocacy

DIRECT SERVICES

CDFI intermediary services

1978

Rural Community Assistance Corporation (RCAC)

MISSION

“RCAC is a 501(c)(3) nonprofit organization that provides training, technical and financial resources and advocacy so rural communities can achieve their goals and visions.”²⁴

ORGANIZATIONAL STRUCTURE

RCAC has three programs areas: loan fund, housing, and community and economic development services.²⁵

SERVICE AREA

Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming, and the Pacific Islands

WHOM RCAC SERVES

Rural communities with populations of less than 50,000 and their residents, including colonias, farm workers, residents with low or moderate incomes, places experiencing persistent poverty, and American Indian, Alaska Native, and Native Hawaiian populations

*After providing \$9 million in Paycheck Protection Program loans by August 2020, RCAC developed the Re-Emerging Loan Fund (RELieF) to offer short-term, low-interest loans to small businesses and one-on-one coaching to help businesses pivot in an uncertain economy. A few business owners have diversified their revenue streams, and demand for their services is higher than ever.*²⁶

SERVICE AREA CHARACTERISTICS: RURAL PERSISTENT POVERTY COUNTIES

Share population of color: **48%**

Share of population with a college degree: **19%**

Median age: **36**

Share of households with a broadband subscription: **61%**

Median monthly housing cost: **\$546**

Median annual income: **\$38,988**

ORGANIZATIONAL SIZE AND CAPACITIES (FY 2020)

Total assets: **\$157,191,000**

Total loans outstanding: **\$118,161,000**

Annual operating budget: **\$23,121,000**

Employees: **150**

LENDING

Small business, community facilities, and water and sewer infrastructure

Construction loans for single-family and multifamily housing

CAPACITY BUILDING

Business and local government technical assistance and training

Financial and homeownership counseling and coaching

Policy advocacy

DIRECT SERVICES

Single-family ownership development

Multifamily rental development

Manufactured home parks

Notes

- ¹ Authors' calculation based on Community Development Financial Institutions Fund-designated persistent poverty counties. See "Persistent Poverty Counties (PPCs) (2011-2015 ACS and Island Areas Decennial Census)" on "CDFI Program Step 2: Application Process," Community Development Financial Institutions Fund, accessed October 10, 2021, <https://www.cdfifund.gov/programs-training/programs/cdfi-program/apply-step>. Counties with persistent poverty are those where more than 20 percent of the population has experienced poverty or economic hardship for the previous 30 years. About 85 percent are nonmetropolitan counties. See "Rural Poverty and Well-Being," US Department of Agriculture, last updated September 17, 2021, <https://www.ers.usda.gov/topics/rural-economy-population/rural-poverty-well-being/>.
- ² Authors' calculation based on Community Development Financial Institutions Fund-designated persistent poverty counties. See "Persistent Poverty Counties (PPCs) (2011-2015 ACS and Island Areas Decennial Census)" on "CDFI Program Step 2: Application Process," Community Development Financial Institutions Fund, accessed October 10, 2021, <https://www.cdfifund.gov/programs-training/programs/cdfi-program/apply-step>. Counties with persistent poverty are those where more than 20 percent of the population has experienced poverty or economic hardship for the previous 30 years. About 85 percent are nonmetropolitan counties. See "Rural Poverty and Well-Being," US Department of Agriculture, last updated September 17, 2021, <https://www.ers.usda.gov/topics/rural-economy-population/rural-poverty-well-being/>.
- ³ For data purposes and consistency with the PRT vision, our analysis focuses on counties even though defining areas experiencing persistent poverty by county has limitations. We acknowledge that county-level measures can miss the diversity of the many small towns and unincorporated communities within them.
- ⁴ See "What We Do," Partners for Rural Transformation, accessed October 1, 2021, <https://www.ruraltransformation.org/what-we-do/>.
- ⁵ See Partners for Rural Transformation (2019).
- ⁶ See Jose A Quinonez (director, Partners for Rural Transformation), letter to Board of Governors of the Federal Reserve System, regarding Advance Notice of Proposed Rulemaking, Community Reinvestment Act Regulations, Docket No. R-1723 and RIN 7100-AF94, February 15, 2021, <https://www.ruraltransformation.org/wp-content/uploads/2021/02/PRT-Fed-Reserve-CRA-Letter-February-2021.pdf>.
- ⁷ See "Weaving Appalachia: Education—A Case Study Preview 2021," Partners for Rural Transformation, accessed October 1, 2021, <https://www.ruraltransformation.org/case-study/weaving-appalachia-education-a-case-study-preview-2021/>.
- ⁸ See, for example, Suzanne Anarde, "CDFIs Rose to the Occasion in 2020 and with the Right Partners, the Best Is Yet to Come," Partners for Rural Transformation (blog), accessed October 1, 2021, <https://www.ruraltransformation.org/blog/cdfis-rose-to-the-occasion-in-2020-and-with-the-right-partners-the-best-is-yet-to-come/>.
- ⁹ Jamal Habibi, "Historic Funding for CDFIs in FY2021 Omnibus Appropriations and COVID-19 Relief Bill," Opportunity Finance Network, updated January 7, 2021, <https://ofn.org/articles/historic-funding-cdfis-fy2021-omnibus-appropriations-and-covid-19-relief-bill>. A full summary of the bill's provisions is available at <https://appropriations.house.gov/sites/democrats.appropriations.house.gov/files/Summary%20of%20H.R.%20133%20Appropriations%20Provisions.pdf>.
- ¹⁰ See Jim King and Stan Keasling, "How a Dozen Organizations Are Fighting Persistent Poverty Together," Shelterforce, January 17, 2020, <https://shelterforce.org/2020/01/17/how-a-dozen-organizations-are-fighting-persistent-poverty-together/>. See also "Closing Plenary: Partners for Rural Transformation Panel & Conversation with Lisa Mensah," YouTube video, 1:28:18, posted by Oweesta Corporation, July 13, 2021,

<https://youtu.be/yExjjU4xvKw>; and the Partners for Rural Transformation website, www.ruraltransformation.org.

- ¹¹ See Quinonez letter to the Board of Governors of the Federal Reserve System. See also cdc b et al., letter to Jelena McWilliams (chairman, Federal Deposit Insurance Corporation), regarding Comments on FDIC Notice of Proposed Rulemaking, Community Reinvestment Act Regulations, RIN 3064-AF22, April 8, 2020, <https://www.fdic.gov/resources/regulations/federal-register-publications/2020/2020-community-reinvestment-act-regulations-3064-af22-c-605.pdf>.
- ¹² John Kania and Mark Kramer, "Collective Impact," *Stanford Social Innovation Review*, Winter 2011, https://ssir.org/articles/entry/collective_impact#.
- ¹³ Ann Christiano and Annie Neimand, "The Science of What Makes People Care," *Stanford Social Innovation Review*, Fall 2018, https://ssir.org/articles/entry/the_science_of_what_makes_people_care.
- ¹⁴ Brett Theodos, Mary Winkler, Peter Tatian, Sara McTarnaghan, Leiha Edmonds, Somala Diby, Patrick Spauster, and Ananya Hariharan, "Measure4Change Performance Measurement Playbook," Urban Institute, May 2021, <https://www.urban.org/measure4change-performance-measurement-playbook>.
- ¹⁵ Alan Bonilla and David Greenblatt, "Missions Possible: How US CDFIs Meet Financial and Social Missions, and the Rating Implications That Follow," S&P Global Ratings, June 20, 2021, <https://www.spglobal.com/ratings/en/research/articles/210610-missions-possible-how-u-s-cdfis-meet-financial-and-social-missions-and-the-rating-implications-that-follow-11994437>.
- ¹⁶ More information is available at <https://www.aerisinsight.com/>.
- ¹⁷ See "OFN Announces Grow with Google Small Business Fund," Opportunity Finance Network, March 27, 2020, <https://ofn.org/articles/ofn-announces-grow-google-small-business-fund>. See also Opportunity Finance Network, "Twitter to Invest \$100 Million in New Finance Justice Fund Managed by Opportunity Finance Network," news release, November 12, 2020, https://ofn.org/sites/default/files/resources/PDFs/Press%20Docs/2020/Twitter%20to%20Invest%20%24100%20Million%20in%20New%20Finance%20Justice%20Fund%20Managed%20by%20Opportunity%20Finance%20Network_FINAL.pdf.
- ¹⁸ "About cdc b," cdc b, accessed October 1, 2021, <https://cdcb.org/about-cdcb>.
- ¹⁹ See "Mi Casita Guidebook" on "Mi Casita Program," Partners for Rural Transformation, accessed October 1, 2021, <https://www.ruraltransformation.org/guide/mi-casita-program/>.
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- ²¹ "About Fahe," Fahe, accessed October 1, 2021, <https://fahe.org/about-fahe/>.
- ²² "USDA 502 Program Loan," Fahe, accessed October 1, 2021, <https://fahe.org/category/usda-502-program-loan/>.
- ²³ "About Us," Oweesta Corporation, accessed October 1, 2021, https://www.oweesta.org/about_native_cdfi/.
- ²⁴ "Creating Vibrant, Healthy and Enduring Rural Communities," Rural Community Assistance Corporation, accessed October 1, 2021, <https://www.rcac.org/>.
- ²⁵ "Programs and Services," Rural Community Assistance Corporation, accessed October 1, 2021, <https://www.rcac.org/programs-services/>.
- ²⁶ "How RCAC's RELieF Program Helped Two Small Businesses Recover from Their Lost Summer," Rural Community Assistance Corporation, July 22, 2021, <https://www.rcac.org/success-stories/how-rcacs-relief-program-helped-two-small-businesses-recover-from-their-lost-summer/>.

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