

# ECONOMIC OPPORTUNITY INITIATIVE

*Earning Income, Building Assets, Changing Lives*

City of Portland, Oregon

## 2007 Report to City Council



**Christiner Chambers**, graduate of the Initiative-funded pre-apprenticeship training program at Oregon Tradeswoman, is employed by RH Construction and will soon be a carpenter apprentice. Christiner never had a steady job before joining the program and lived a life in the streets, constantly moving, in trouble with the law. Christiner now has found work she enjoys, a support system and a positive life.

**Trillium Artisans**, an eclectic group of crafts people who create art and usable items from recycled materials, receive a variety of services from Initiative-funded project staff. These services include business assistance, joint marketing, and scrap materials recovery, as well as technical, business and personal skills development.



**Blanca Perez-Gonzalez**, in training to become a hospice care nursing assistant, is taking science and intensive English language classes through the Initiative's Health Occupations Project at Worksource Metro/Mt. Hood Community College.

**Yosuany Guerra, MD**, is a recent immigrant from Cuba. With the help of the Initiative's SE Works Immigrant Credentialing Project, he hopes to be able to practice medicine in the U.S. Both Blanca and Yosuany are also assisted with funds from Worksystems, Inc.

## Economic Opportunity Initiative Goal

To increase the incomes or business revenues of participating low-income Portland residents by at least 25% in three years.

# Overview of the Initiative

The Economic Opportunity Initiative is a citywide poverty reduction program. 34 projects work with 1,900 active participants. Every participant receives 3 years of service and support. As places become available through transition or project expansion, projects enroll new participants. The City's Bureau of Housing and Community Development (BHCD) launched the Initiative in September 2004.

- Twenty-six (26) workforce development projects provide intensive education, training, job placement and support services for 1,470 active low-income residents, working closely with local employers.
- Eight (8) microenterprise projects provide intensive business planning, training, personal support and access to grants, loans, legal, and financial services for 430 very small businesses.
- Eighty percent (80%) of program participants had household incomes at or below 30% of the Median Family Income (MFI) at enrollment. The remainder had incomes below 50% MFI.\*

OPPORTUNITY



## Successes & Challenges

### Successes:

- Wage growth of employed workforce participants has vastly exceeded our goals. Third year participants who were employed at entry and are currently employed have increased their wages by nearly 100%. Third year participants who were unemployed at entry and are currently employed have increased their wages 33% since their training and placement.
- Microenterprise revenues have grown more than we thought possible. Two tax years after enrolling in the Initiative, some businesses have even tripled their gross receipts.
- Cost per successful participant is about \$9,000, covering three years of service. This investment yields gains from 100% to 300% for the participants and the community.

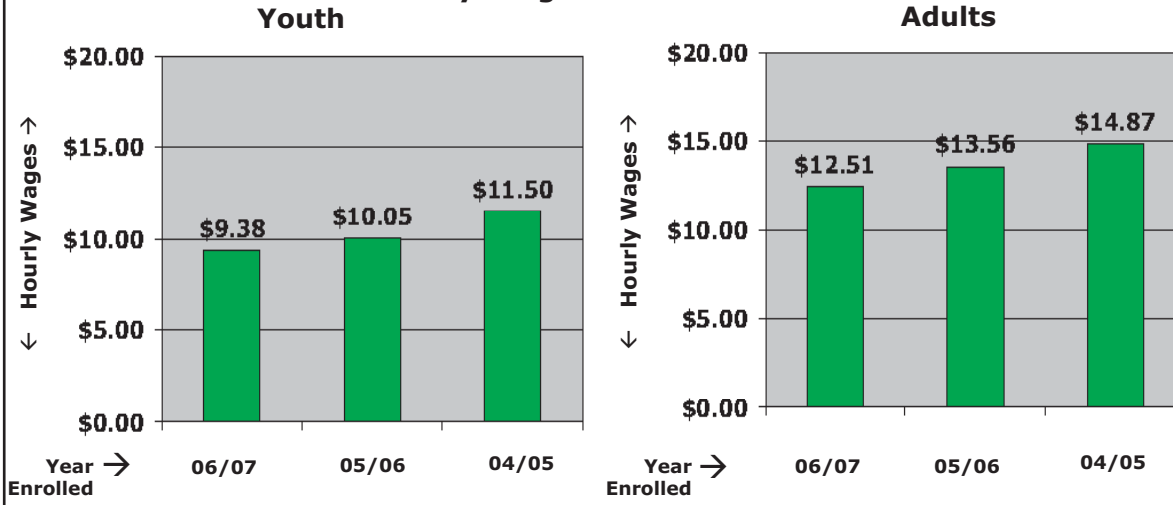
### Challenges:

- National poverty experts say that the Initiative is unique because it provides three years of service, focuses on individuals with high needs and multiple barriers, and regularly measures both participant income and business revenue. This landmark design has presented some challenges. In particular, projects have struggled to retain participants for three years. The Initiative has responded by providing technical assistance to projects on retention and advancement strategies, improving performance management tools, and clarifying expectations for three years of service.

\*In 2008, 50% of Portland median family income (MFI) was \$33,950 for a family of four. 30% of MFI was \$20,350, approximately equal to the Federal Poverty Level.

**Workforce Goal:** To increase participant incomes by at least 25% in three years.

**AVERAGE WAGES FOR QUARTER ENDING 12/31/2007**  
Currently Employed Participants  
by Length of Enrollment



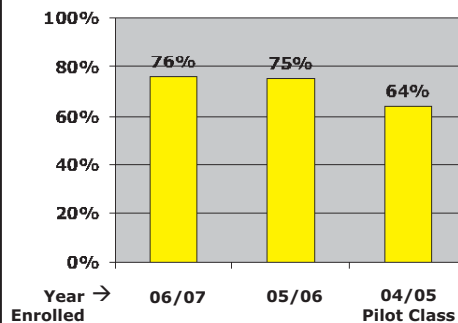
## WORKFORCE ACCOMPLISHMENTS

**Success with High Risk Population:** 165 participants who were homeless or at risk of being homeless are on track to meet or exceed the Workforce Goal.

**Significant Income Gains:** Participants who were working at the time they enrolled and continue to be employed on average **doubled** their income over three years. This is an increase of about \$15,000 per year.

**Employer Support:** Hundreds of employers have hired from Initiative projects, confident that their new employees will have the job skills and the back-up support to succeed.

**PERCENTAGE OF CONTRACTED GOALS MET TO DATE**



Each workforce project is contracted to deliver a specific number of participants who will achieve the Workforce Goal after three years of participation. This Chart shows progress toward those contracted goals.

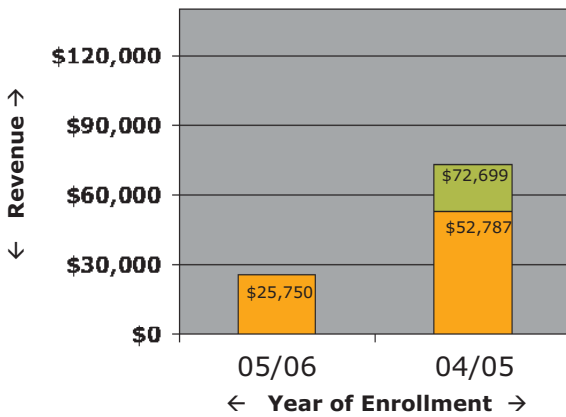
WORKFORCE

# Performance

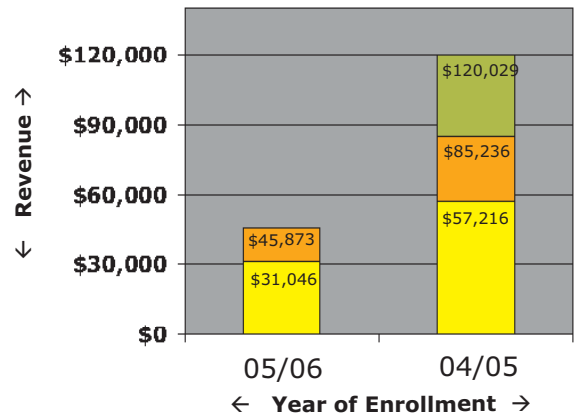
**Microenterprise Goal:** To increase business revenues by at least 25% in three years.

MICROENTERPRISE

**STARTUP BUSINESSES\***  
Average Revenues by Year of Enrollment  
(Currently Operating Businesses)



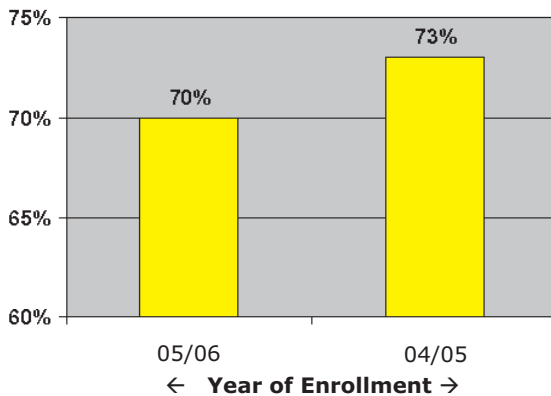
**EXISTING BUSINESSES\***  
Average Revenues by Year of Enrollment  
(Currently Operating Businesses)



■ Baseline Revenue    
 ■ Revenue at End of First Year in Initiative    
 ■ Revenue at End of Second Year in Initiative

**Microenterprises Experience Record Growth:** Start-up business revenue for Microenterprises in the Initiative for two years is 30% above the national average of \$34,301\* for comparable three-year businesses.

**PERCENTAGE OF CONTRACTED GOALS MET TO DATE**



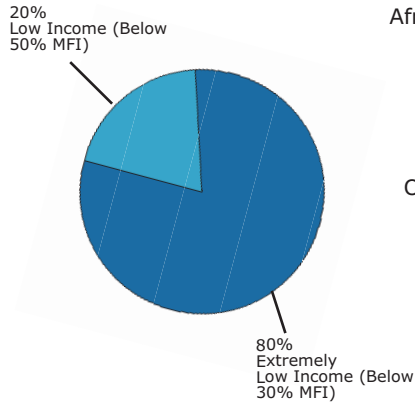
Each Microenterprise project is contracted to deliver a specific number of participants who will achieve the Microenterprise Goal after three years of participation. This chart shows progress toward those contracted goals.

\*Based on annual tax information

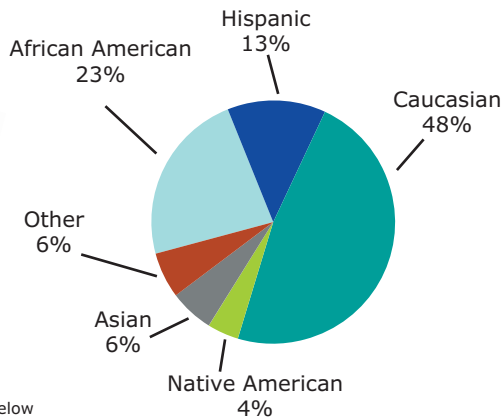
# Demographics

## ALL INITIATIVE PROJECTS

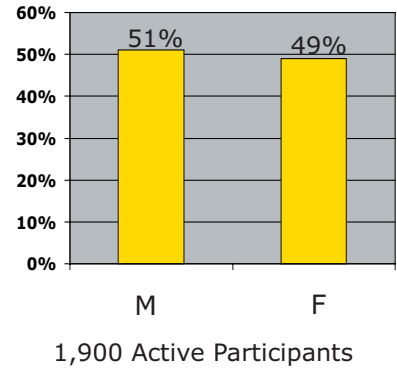
### INCOME AT ENROLLMENT



### ETHNICITY

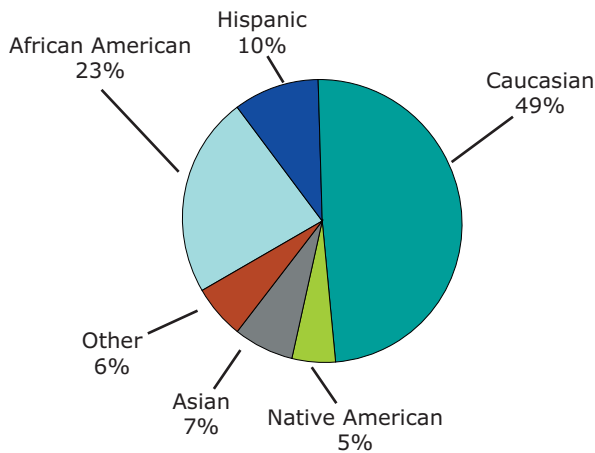


### GENDER



## WORKFORCE PROJECTS

### ETHNICITY

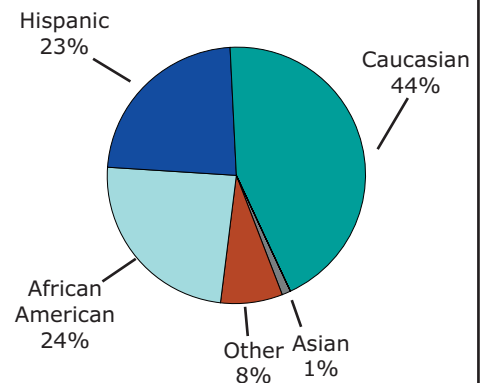


- 1,470 active participants in Workforce projects.
- Eight (8) projects serving 476 participants focus on people who are homeless or at risk of being homeless.
- Six (6) projects serving 332 participants focus on people who are immigrants or refugees.
- Six (6) projects serving 337 participants focus on training and placing people in construction trades.

## MICROENTERPRISE PROJECTS

- 430 businesses are enrolled in micro-enterprise projects.
- Two (2) projects focusing on people who are immigrants or refugees support 126 businesses.
- 197 microenterprise participants are starting or have plans to start businesses and 233 enrolled with existing businesses.

### ETHNICITY



# Leveraged Resources

The Economic Opportunity Initiative has developed a broad array of leveraged resources to benefit participants.

- **Credit Repair:** Poor credit can be a barrier to housing, employment, and microenterprise success. The Initiative assists participants to repair poor credit.
- **Clean Slate:** A collaboration between the Initiative and Project Clean Slate of the African American Chamber of Commerce removes participants' legal barriers to work and housing.
- **Matched Savings Accounts:** Participants receive matched savings toward education, homeownership, or a small business investment. Accounts are matched \$3 for every \$1 contributed.
- **Health Care for the Homeless:** Formerly homeless participants have received free health care through a partnership with Kaiser Permanente.
- **Free Market Research:** Microenterprises obtain free customized reports on business-to-business information, customers and industry trends.
- **Pro Bono Legal Aid:** Microenterprises receive legal services on business issues, including contracts, lease agreements and copyright protection.
- **Low Interest Business Loans:** Microentrepreneurs receive facilitated access to small business lenders.
- **Funding Partnerships:** Worksystems, Inc. contributes to training and other assistance for one-third of workforce participants. The Initiative also has funding partnerships with the United Way of the Columbia-Willamette, the Northwest Area Foundation and the Northwest Health Foundation.

## INITIATIVE

## National Recognition

- The Northwest Area Foundation is funding BHCD to coach Minnesota communities interested in replicating the Economic Opportunity Initiative. Duluth became the second city to launch an Initiative.
- The Economic Opportunity Initiative was one of three urban poverty reduction models showcased at the 2007 annual meeting of the National Council of Foundations in New York.
- The Federal Reserve showcased the Economic Opportunity Initiative at its 2007 Innovations National Conference, and in its Midwest regional publication.
- The National Center for Law & Public Policy highlights the Initiative as a local model on the *Poverty Spotlight* website.
- Shelterforce Magazine published an article on the Economic Opportunity Initiative in 2007.

### For more information about the Economic Opportunity Initiative, please contact:

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