



ISSUES AND IDEAS

AN IMPORTANT NEW ROLE

NEIGHBORWORKS® ORGANIZATIONS AS INSTITUTIONS FOR ASSET BUILDING

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When Neighborhood Reinvestment (now known as NeighborWorks® America) launched the NeighborWorks® Campaign for Home Ownership in 1993, it began a major investment in supporting homeowner education. Over time, homeownership education has become a primary activity for many NeighborWorks® organizations.

Now, the network is poised to build on its role in community education and engage in an even wider process of transforming communities through encouraging local NeighborWorks® organizations to develop as asset-building centers for wealth creation in their communities.

The culmination of this process could be the emergence of a fully engaged citizenship with greater access to wealth-creation opportunities. Asset building is making investments to develop financial resources, human capacity, and social capital with the goal of building individual, family and community wealth.

This is a project that will involve all of the national initiatives and their member organizations at NeighborWorks® America – the NeighborWorks® Campaign for Home

Ownership, the NeighborWorks® Multifamily Initiative, the NeighborWorks® Rural Initiative, and the NeighborWorks® Community Building and Organizing Initiative.

Many of the services provided by the initiatives already support the work of community-based organizations to develop individual/family and community assets. Many NeighborWorks® organizations already identify asset building as what they do, as an important outcome of their work.

This is in keeping with social analysis that became prevalent in the 1990s – that communities of color possess fewer assets than other communities and that this shortfall is as significant as differences in income and employment status.¹ A broad range of income groups have asset gaps, including those who are employed and earn approximately median wages for their areas.

Asset Development

Asset development has become the encompassing term in the community development field. It addresses this shortfall in communities of different races and ethnicities, as well as other gaps that occur regardless of race and ethnicity.

NeighborWorks® America also has adopted this conceptual framework. In particular, its national initiatives focus on two different types of assets, individual/family assets and community assets.

Individual/family assets include financial assets, such as individual development accounts (IDAs); physical assets, such as those acquired through homeownership; and human capital, which encompasses a range of programs that make individuals more competitive in the workplace.

Human capital can refer to skill training or support services, such as daycare, that make it possible for

parents to attend school. Investments to develop personal assets pay off as savings in the bank, equity in a house or business, or improved work situations.

Community assets are those which strengthen and multiply the ties among people in a community, with the goals of increasing sense of community, neighborliness, neighborhood pride, safety, leadership and collective action for community improvement. A community asset can be physical (a neighborhood center or well-managed mutual housing association) or organizational (a neighborhood crime watch or tenant association).

Increased community assets can lead to increased property values and reduce costs in multifamily developments. But the main benefit of community asset development is that it makes communities better places to live, because it raises the level and quality of social interaction among people.

As the stocks of community assets accumulate, residents feel that more aspects of the quality of their neighborhoods are within their sphere of influence. Residents feel they can have a say in who gets elected, how often trash gets picked up, whether the police make nightly patrols, whether a bank opens or closes a local branch, or whether a national supermarket chain opens or closes a neighborhood store.

Asset building provides a keystone that links together different kinds of programmatic activities to the conceptual framework of capital formation and wealth creation. Homeownership centers, learning centers, entrepreneurial training, and leadership development training are programmatic activities that work to increase financial capital, human capital, and social capital. Each of these has a correlation with wealth creation.

Asset building is making investments to develop financial resources, human capacity, and social capital with the goal of building individual, family and community wealth.

Major Commitment

NeighborWorks® America made a major commitment to asset building when it plunged whole into promoting homeownership. Owning a home is often the most significant wealth-building or wealth-storing asset a family can have. The driving insight of NeighborWorks® organizations and NeighborWorks® America was that in order for a family to attain and make the most of a real property asset, it needed a different kind of asset, a personal asset or capacity.

NeighborWorks® America's unique approach was to focus on education. NeighborWorks® America developed a curriculum to train NeighborWorks® staff to teach financial literacy and explain the process of buying and keeping a home.

Creating a space and developing a faculty for homeownership education have made it possible for NeighborWorks® organizations now to expand this role and become a focus for community education.

This expanded role already has been adopted by many network organizations. Inglewood NHS in California and Alamo Area MHA in San Antonio, to name just two, take a comprehensive approach to asset building in their work. The development of NeighborWorks® community learning centers and the proliferation of classes in resident leadership development are two ways the NeighborWorks® system has extended the role of community educator and asset builder.

In a related area, NeighborWorks® America has made a major commitment to asset management in assisting local network organizations that own multifamily developments.

As part of its commitment, NeighborWorks® America has invested in developing learning centers in multifamily developments.

Capacity in asset management helps sustain community assets and wealth. Capacity developed in learning centers builds individual assets that can lead to wealth.

NeighborWorks® learning centers look to build a range of assets for adults and children, individuals, and families. Their programming varies by local organization but may include child care, after-school enrichment for children, individual account development for homeownership or entrepreneurship, and job training. A number of organizations have used their learning centers to develop training programs in entrepreneurial skills.

Some NeighborWorks® organizations have institutionalized regular classes in resident leadership development. They provide community residents an expanded set of tools so they can become more effective actors and agents in their communities. Some even have adopted the format of a NeighborWorks® Community Leadership Institute for leadership development.

Other NeighborWorks® organizations are helping build community assets by supporting neighborhood associations, crime watches, tenant organizations, and other enduring associations of residents.

Community Educators

Many NeighborWorks® organizations already have become institutions for asset building and are proceeding in a wholly self-conscious way as community educators. Most organizations already have set up the infrastructure to be community

educators. They provide space, train faculty, and conduct outreach to community residents.

With strategic development, participating organizations can expand their existing programs to include IDA programs, resident leadership training, and even training in entrepreneurship.

Whereas network organizations may encounter difficulties in maintaining a steady flow in their project pipelines, they are likely to find that opportunities in community asset development are consistently available and predictable.

We support the evolution of NeighborWorks® organizations into institutions for asset building as part of the future of community development in this country. We encourage them to embrace this change through strategic planning, growth, and program development.

Ultimately, we see NeighborWorks® organizations taking on this role strategically, expanding it and institutionalizing it.

The framework of asset building gives a coherence to the work of NeighborWorks® organizations and connects means to ends. More importantly, NeighborWorks® organizations as asset-building centers can create new institutions for wealth creation in our communities. ■

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Endnote

¹ Two examples of this work are Massey and Denton's *American Apartheid* (1993) and Oliver and Shapiro's *Black Wealth, White Wealth: A New Perspective on Racial Inequality* (1997).

ASSET BUILDING IN THE NETWORK

Two NeighborWorks® organizations – Inglewood NHS in California and Alamo Area MHA in San Antonio – already are taking asset building approaches in their communities.

In California, Inglewood NHS has developed a NeighborWorks HomeOwnership Center® that integrates homeownership education with leadership training. Through its homeownership development efforts, INHS has helped hundreds of families achieve homeownership.

In addition, INHS also has used its homeownership center to conduct training to help residents discover and develop their leadership skills as part of their LeadershipWorks! Initiative (summer 2003 *bright*

ideas, page 12). The center has become a place to hold neighborhood meetings, at the same time bringing many potential homeowners to the organization.

Community organizers distribute information on homeownership training and home-improvement loans when they meet with neighborhood residents. INHS participated in the Community Organizing Pilot Program, sponsored by NeighborWorks® America (summer 2003 *bright ideas*, page 8). The work of the organizers has raised interest among Latino families in participating in homeownership training.

Community organizers work with neighborhood residents to obtain from local government such improvements as better street lighting, new traffic signs, and better recreational spaces – needed infrastructure for creating wealth in

communities. Working with the organizers, residents now develop welcoming committees to meet with new homeowners and even plan the city-wide festival.

In Texas, Alamo Area MHA has used activities such as “Luck Night” and arts and crafts at its eight rental properties to develop leadership, recruit and train board members, and help residents along the path to financial fitness and homeownership.

Organizers who specialize in listening provide a continuum of services that takes residents from mutual housing to single-family homeownership and trains them to become active community leaders.

AAMHA also has a special focus on youth leadership. Its NeighborWorks® community learning centers feature after-school programs that enroll a high percentage of residents from its properties. ■



August in Washington can be toasty, but the August 22 to 26 NeighborWorks® Training Institute promises a wide range of cool courses. The institute will feature more than 80 class sessions, many of which are new or updated, to

address today's hot topics in community development. In addition, the institute will augment your formal training with numerous opportunities for sharing best practices and new ideas with your peers.

Interested in new ways to take your homeownership program to the next level? The NeighborWorks® Center for Homeownership Education and Counseling (NCHCEC) is presenting a full-day symposium on August 24th – “The Next Generation of Homeownership Partnerships: What’s the Real Bottom Line?” It will give you the strategic insights, tools and resources to go from tried-and-true to truly innovative relationships, with both current and non-traditional partners whom you might never have thought were approachable.

Join us in Washington at the NeighborWorks® Training Institute to enhance your skills and your career. To find out more, please visit www.nw.org/training, or call us at (800) 438-5547. This is a not-to-be-missed learning experience that’ll truly keep you cool!