



Trusting and Investing in Low-Income Families

Entrepreneurial Activity Case Statement

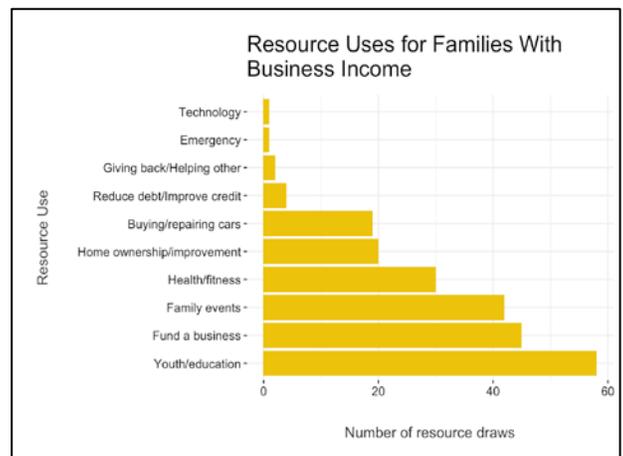
FII's Resource Hub

The Resource Hub is FII's flexible marketplace of financial capital offered to support self-directed family initiatives and strategies. Based on analysis of family data, Resource Hub offerings have been specifically chosen and designed to enable and accelerate families' success on whatever path they choose and will continue to be honed to meet evolving family needs.

Eligibility requirements for resource access include attendance at cohort monthly meetings and up-to-date data entry through monthly journals. Looking closely at how families who access the Resource Hub use those resources provides insight as to how low-income families are choosing to map their paths to economic and social mobility.

Entrepreneurial Activity in Low-Income Families

FII partners with low-income working families, the vast majority of whom are minorities living and working in urban areas. At time of enrollment, the average yearly income for an FII family of four is \$23,820 or 97% of the poverty threshold. After two years, the average yearly income for that same family climbs to \$32,088 or 30% above the threshold. Not surprisingly, each family chooses a unique path that works best for them. However, we do frequently see families start their own informal businesses in order to accelerate their economic mobility. In fact, FII families adopt this path to improved economic sustainability at rates higher than the general population by a margin of 4%.

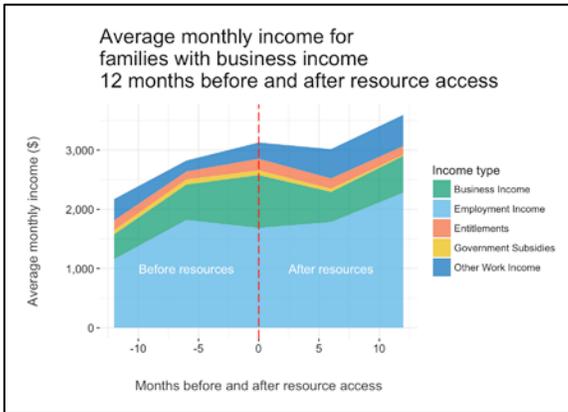


19% of FII families have their own business, either a new and evolving small business or a side hustle to supplement traditional employment. When families access capital from FII's Resource Hub, they do not necessarily access those resources solely for the purpose of advancing their business. Instead, we see that resource use dedicated to their business falls between two other important priorities: spending more time with family and spending on children's education. Beyond advancing their business and improving the lives of their children, we see that they are also purposefully spending on health and fitness, home ownership, transportation, debt reduction, and more, providing evidence that our families are focused on improving their lives on all fronts.

Learning from Families: The Findings

If we look at all FII families who have their own business, we see that they have a higher median income than those who do not. In fact, \$650 more. And if we further segment this group to look at those families who also accessed Resource Hub dollars (\$1,390 on average), we see an even greater increase in median income of \$1,530 per month, from \$2,255 to \$3,786.

Looking at average income over a 24-month period for these same families – from 12 months before to 12 months after accessing resources - we see that they are leveraging their \$1,390 investment to increase earnings from all income categories including traditional employment, seasonal and/or temporary work, and business income. Not only does the data show a healthy 47% increase in business income but an even healthier 97% increase in employment income.



Why is that? Well, it's highly likely that the effort put forth in building businesses broadens families' overall skill sets and expands their personal networks, impacting their overall wage-earning potential. And it's also likely that because their attention is spread across multiple priorities, all income types benefit.

For those families who accessed resources specifically and solely targeted for their businesses, business specific income increased by an average of 78%, 10% higher than that realized by those who distributed accessed resources across multiple priorities. And although employment income took a dip during this period as attention was undoubtedly focused on the 'new' business priority only, it shows signs of returning to original levels.

The Takeaway: Trust and Invest

- 19% of FII Families have their own businesses, and 17% of those set business related goals
- Families who have their own business, whether it be an informal side hustle to supplement their traditional employment, or a more formal business venture, have higher total income than families who do not
- Families who have their own businesses access the Resource Hub at a higher rate than those who do not and have a higher overall income.
- FII families access a variety of resources through the Resource Hub and data tells us that accessing these resources is a catalyst for improving economic mobility.

Whether families choose to access Resource Hub resources or not is entirely up to them.

But if they do wish to use them, we want to ensure that they are available when needed. We trust our families to know what is right for them and we invest in their initiatives by providing access to capital. By removing economic roadblocks, we offer these families the freedom to choose their own paths to independence.

Invest: Call to Action

Nationwide, 17% of nascent entrepreneurs qualify as low-income. Research suggests that one key to shifting the income gap for those in this segment is small business ownership. Our data confirms that. FII families investing in small businesses today are creatively using resources accessed through the Resource Hub to improve their economic mobility.

Won't you join us by making a gift today? Your investment will ensure the availability of a robust Resource Hub to support FII family partners working to accelerate their social and economic mobility through small business ownership.

For More Information about FII:

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Demonstration Sites: Albuquerque • Boston • Detroit • New Orleans • Northern California

Partner Sites: Minneapolis-Saint Paul • Queens • Rancho Cucamonga • Rochester