

REDUCING POVERTY AND BUILDING SUSTAINABLE PROSPERITY



The Northwest Area Foundation's new strategic plan is guided by a vision of prosperity for its eight-state region. The picture will gain definition as the Foundation deepens relationships with people and organizations having clear and experienced views of a better future for their very diverse communities. Such change agents provide the energy, ideas, knowledge and leadership that real progress requires. They create the cross-sector linkages for lasting change.

This vision lies at the heart of our work.

We See a Region:

Where diversity is valued and nurtured in rural, urban and American Indian reservation communities.

Known for its highly skilled, well-educated population, its living-wage jobs, its innovative public policies and its healthy, vibrant communities.

Characterized by thriving local economies within thriving natural ecosystems.

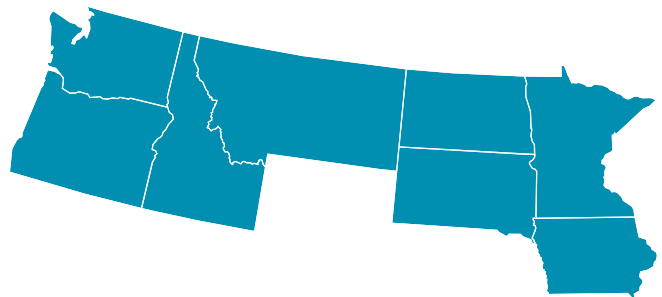
Where creative entrepreneurship is valued in both for-profit and nonprofit enterprises, and where both investment capital and social capital are steadily expanding.

Whose strong public institutions, business community and nonprofit sector collaborate to address pressing needs and help build pathways to prosperity for all residents.

Whose people are organized and empowered to lift their voices and actively shape the civic, social, political and economic life of their communities.

We see a region whose rich culture of engagement and opportunity makes its eight states prized places to visit, to invest in and to live, and where all residents have a fair chance to live free of poverty.

The Foundation's eight-state region includes Minnesota, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington and Oregon – states once served by the Great Northern Railway, founded by James J. Hill. Hill's son Louis W. Hill established the private Foundation in 1934.



Letter from the President

The Foundation's new strategic plan seeks to answer one fundamental question: How can we most effectively use our assets to reduce poverty and advance sustainable prosperity in our eight-state region? At the heart of the plan is a simple but profound shift in how we view our role: We believe we can be most effective when we work in concert with **proven or promising organizations** in the region. That principle will inform all our work.

We are proud of our record of innovation and accomplishment in the decade since the Foundation chose to focus its resources on poverty reduction. Since 1998, we devoted more than \$200 million to this mission throughout our eight-state region. We also experienced a range of success and challenge. Looking back, and reflecting on lessons learned, we have realized that, at times, our approach failed to capitalize on expertise, experience and credibility that already exist within the communities of our region, and in organizations working at the state, regional or national levels. We believe that our new strategic direction gives us, and our region, the best of both worlds – building upon our own capabilities while striving to partner and build on the successes of others.

I hope this plan encourages ideas about how we might work together in the future. The Northwest Area Foundation is committed to becoming a good collaborator, an organization that listens and learns, and a consistently effective and positive resource for the region.

In the near term, the resources we bring to bear on these priorities will not be as great as we would like. Ongoing commitments the Foundation incurred in the previous generation of its work will limit our flexibility; at the same time, financial market conditions are placing downward pressure on our asset base. Nevertheless, we are eager to embark on our new direction. We will begin by exploring how we can work with you and others to shape a region where everyone has a fair chance to live free of poverty and achieve sustainable prosperity.

Mission

The mission of the Northwest Area Foundation is to support efforts by the people, organizations and communities of our eight-state region to reduce poverty and achieve sustainable prosperity.

In October 2008, after more than a year of planning, the Foundation's board of directors recommitted to focusing our resources on long-term poverty reduction; however, in years to come we will go about our work differently.

Going forward, we will support the work of proven or promising organizations with aligned purpose – reducing poverty and striving for sustainable prosperity in the region.

This strategic decision comes after a decade of pursuing our poverty-reduction mission using an approach that, for the most part, sought to engage entire communities through newly created organizations. Over the years, we learned valuable lessons from both successes and stumbles. Insights include: Nonprofits are already engaged in effective projects all across the region; building assets and wealth moves people out of poverty; public policy is essential to creating systemic, sustainable change; and we must work in collaboration with other funders if we are to have any chance to address the scope and scale of an issue as large and complex as poverty.

The new strategic plan incorporates these lessons as well as the input of stakeholders from the throughout region and across the country. They included grantee organizations, policymakers, researchers, educators, people living in poverty, and business and civic leaders.



Outcomes

We will focus our resources in three major areas that have shown promise and produced results for those living in poverty. Our pursuit of these outcomes builds on the Foundation's strengths and seizes the unique opportunity that society has to make a significant and permanent inroad to reducing poverty. We seek:

Increased assets and wealth among people with low incomes.

Increased capacity and leadership to reduce poverty.

Improved public policy solutions to reduce poverty.

Outcome 1: Increased assets and wealth among people with low incomes.

1) Strategy: Build the financial assets of low-income populations.

Support organizations that improve personal finances through financial literacy and education.

Support efforts that increase access to existing asset-building programs (such as Earned Income Tax Credits, Individual Development Accounts, homeownership, etc.).

2) Strategy: Expand access to economic opportunities.

Support sector workforce development targeting growth industries.

Support community-driven development of assets that generate revenue.

Support social entrepreneurship activities that build microenterprise creation, enterprises that provide social benefits and earned income opportunities for nonprofit organizations focused on poverty reduction.

Leverage resources for increased program- and mission-related investments.

Outcome 2: Increased capacity and leadership to reduce poverty.

1) Strategy: Work with others to strengthen and develop grassroots and organizational leadership.

Work with other funders to increase leadership skills of low-income people through training, seminars and other capacity-building efforts.

Strengthen the collaboration between organizations and grassroots groups for community renewal

2) Strategy: Expand organizational capacity to increase assets and wealth and influence public policy locally and in our region.

Expand the existing capacity of proven or promising organizations to increase assets and wealth and influence policy.

Support umbrella organizations that provide technical assistance and build organizational capacity in our region.

Support building organizational capacity in American Indian urban and reservation communities.

Outcome 3: Improved public policy solutions to reduce poverty.

1) Strategy: Work with others to support public policy research, awareness and advocacy to increase assets and wealth.

Increase state efforts to end poverty and build sustainable prosperity by convening public policy organizations, community leaders, government officials and funders; and assist them in achieving effective strategies.

Work with, and learn from, national efforts intent upon poverty reduction and sustainable prosperity building.

2) Strategy: Support and strengthen American Indian urban and reservation communities and their ability to influence public policy.

Support improved Tribal governance and nation-building efforts.

Support policy changes that strengthen infrastructure in American Indian and reservation communities.





Moving Forward

We will implement the new strategic plan gradually.

Grantmaking in pursuit of the three outcomes will be phased in over two to three years, allowing us to incorporate a better understanding of the organizations at work throughout the region, manage significant past grant commitments we carry forward, and absorb the impact of recent market declines.

We expect to post the first phase of our guidelines for grant applicants by midyear 2009. Until that time, we will pursue a small number of carefully targeted grants in pursuit of the outcomes articulated in the strategic plan.

Concurrently, the Foundation will seek to convene a variety of meetings among leaders from the public, private and nonprofit sectors around key questions including:

How can philanthropy work with nonprofits, government and others to develop practical and effective anti-poverty policies?

How can funders most effectively work together to leverage resources and achieve measureable outcomes?

How can the Northwest Area Foundation be as effective as possible in reducing poverty and advancing sustainable prosperity in the region?

Your ideas and questions are welcome. We're eager to start the conversation and invite your thoughts at ideas@nwaf.org.

The complete strategic plan is available at www.nwaf.org.

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**Northwest Area
Foundation**

*Helping communities
reduce poverty*