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.

OUR APPROACH
The Northwest Area Foundation supports organizations anchored in the culture of the people they serve and dedicated to expanding economic opportunity in under-resourced communities.

WHAT IS A THEORY OF CHANGE?
The picture on the next page depicts our theory of change (TOC). A TOC is a visual map that depicts our understanding of an issue, how we plan to address the issue, and the long-term change we are hoping to effect. This TOC is based on the following assumptions and context.

The Problem
Poverty and disparities in our region of eight states and 75 Native nations continue to grow. Families are experiencing stagnant incomes and a lack of economic mobility.

Why the Problem Exists
The current economic system is not working for people in poverty, and will continue to perpetuate opportunity gaps if left unchecked. Racial discrimination at all levels—individual, institutional, and structural—has profoundly limited opportunities for communities to thrive on their own terms.

Our Response
We support local ownership and culturally anchored solutions that build more equitable, inclusive, and long-lasting prosperity. We target our funding to organizations that reflect and directly benefit our priority communities.

Our TOC is a tool that provides clarity and transparency. It is constantly evolving based on the input, experiences, and learnings of the organizations working in our priority communities.

About the Northwest Area Foundation
We fund grantees that reflect the distinct cultural strengths of our region’s eight states and 76 Native nations that share the same geography. They work in diverse communities to help people build assets through good jobs and financial capability—so they can establish good credit, launch small businesses, and save for their futures. Together, these skills equip families to overcome crises today and begin to feel secure and hopeful about tomorrow.
**THEORY OF CHANGE**

**ASSUMPTION**
When we continuously learn from the work and adapt our approaches, we have greater impact.

**ASSUMPTION**
When we leverage our resources in ways that align with and advance our mission, we have greater impact.

**CAPACITY BUILDING**
- Building skills and knowledge of leaders
- Connecting organizations to information or resources
- Convening leaders

**STRATEGIC COMMUNICATIONS**
- Sharing successful models and learnings
- Influencing stakeholders
- Building relationships

**FINANCIAL RESOURCES**
- Grants
- Program-related investments (PRIs)
- Mission-related investments (MRIs)
- Vendor policy

**COMMUNITIES**
- Stronger local economies will reduce disparities in historically marginalized areas
- An increase in good jobs and financial capability

**INDIVIDUALS**
- Individuals have increased assets and improved:
  - Knowledge and skills
  - Wages and income
  - Access to services
  - Financial security
  - Personal efficacy

**POLICIES AND SYSTEMS**
- More equitable and will create economic mobility opportunities for priority communities

**ASUMPTION**
The effectiveness of our four portfolios is enhanced by complementary funding that fosters a supportive environment for progress.

**ASUMPTION**
Good jobs and financial capability are key levers for building assets and financial security.

**FOUR PORTFOLIOS**

**ACCESS TO CAPITAL**
Community-based economies need responsibly priced and culturally appropriate capital sources to foster asset-building opportunities. Local community development financial institutions (CDFIs) provide equitable access to capital and coaching support in our priority communities.

**ENTERPRISE DEVELOPMENT**
Microenterprises and social enterprises provide ownership, jobs, and training opportunities to individuals who have been traditionally excluded from economic opportunities. These kinds of enterprises are key economic drivers in local communities.

**FINANCIAL INCLUSION**
Income alone is not sufficient for families to get out of poverty. Financial knowledge and tools provide opportunities to enhance financial security and build prosperity.

**WORK OPPORTUNITY**
Communities need accessible career pathways and quality jobs that are connected to their local economy. Ensuring the workforce system includes and works for all people is critical to improving the economic outcomes of individuals and families.

**OUR PRIORITY COMMUNITIES**
MARGINALIZED COMMUNITIES THAT INCLUDE:
- Native Americans
- Communities of color
- People in rural areas
- Refugees
- Immigrants

**CHANGES WE SEEK**
- Communities
- Individuals
- Policies and systems

**HOW WE DO OUR WORK**
We seek changes by funding organizations. ORGANIZATIONS WILL HAVE INCREASED:
- Influence on policies and systems
- Peer collaborations
- Program effectiveness
- Knowledge and skills
- Financial resources
- Networks

**TOOLS WE USE**
- CAPACITY BUILDING
  - Building skills and knowledge of leaders
  - Connecting organizations to information or resources
  - Convening leaders

- STRATEGIC COMMUNICATIONS
  - Sharing successful models and learnings
  - Influencing stakeholders
  - Building relationships

- FINANCIAL RESOURCES
  - Grants
  - Program-related investments (PRIs)
  - Mission-related investments (MRIs)
  - Vendor policy

**ASSUMPTION**
Our priority communities are places where we seek changes by funding organizations.