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**Date:** January 15, 2021

**To:** Representative Alice Hausman  
Chair, Housing Finance and Policy Division

Representative Tama Theis  
Ranking Minority Member, Housing Finance and Policy Division

Senator Rich Draheim  
Chair, Housing Finance and Policy Division

Senator Kari Dziedzic  
Ranking Minority Member, Housing Finance and Policy Division

**From:** Jennifer Leimaile Ho, Commissioner, Minnesota Housing 

**Subject:** Report on Direct Appropriation to Build Wealth Minnesota

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## Overview

Minnesota Housing is the fiscal agent for a direct appropriation to Build Wealth Minnesota. I am submitting this report to comply with the reporting requirements under Minnesota Laws 2016, Chapter 189, Article 12, Section 11(e).

Beginning in FY 2017 the Legislature appropriated \$500,000 annually to Build Wealth Minnesota for its Family Stabilization Program, which is a financial coaching program that focuses on strengthening underserved communities by empowering families to build sustainable social and economic wealth. Build Wealth MN and its partners do this through a mix of financial empowerment education and coaching services.

In the first three-years of their appropriation, Build Wealth MN and their partners served 98% of their three-year strategic plan goal. This fourth year of their appropriation, Build Wealth MN and their partners exceed their 275 households goal and served 282 households (103%) in the seven-county metropolitan area. During a global pandemic, Build Wealth MN and their partners continue to demonstrate their commitment and the need to reach underserved communities in providing the financial empowerment education and coaching services.

## Use of Grant

The grant proceeds are used to expand Build Wealth MN's organizational capacity to reach underserved households in the seven-county metropolitan area. The primary purpose of the direct appropriation is to expand organizational capacity, where the majority of the funds support their staffing and other operating

expenses. This includes hiring and maintaining new staff positions, development of curriculums and materials in multiple engagement platforms and working with delivery partners to reach additional households. Attached is a copy of their expenditure report.

### **Program Outcomes**

Since July 1, 2016, 1180 households have entered Build Wealth's Family Stabilization Program.

- 95% of households are households of color or Hispanic ethnicity
- 86% of households earn less than \$60,000 per year
- 62% of households served have a credit score under 620
- The largest barrier to homeownership is credit at 70% of households listing this as a barrier
  - 16% of households list savings as a barrier
  - 6% of households list budgeting as a barrier
  - 7% of households list debt as a barrier
  - 1% of households list emotional barriers as a barrier

### **Geographic Distribution**

- 59% of households served reside in Hennepin County
  - 30% of Hennepin County households served reside in the City of Minneapolis
  - 59% of the City of Minneapolis households served reside in North Minneapolis
- 26% of households served reside in Ramsey County
- 6% of households served reside in Anoka County
- 4% of households served reside in Dakota County
- 1% of households served reside in Scott County
- 2% of households served reside in Washington County

### **Conclusion**

Build Wealth MN is in the beginning of the fifth year of their appropriation with a goal to serve an additional 275 households. They continue to reach a high percentage of households of color and persons with low credit scores during a global pandemic. Build Wealth MN was able to quickly modify and adapt to meet the serve changes and needs. We will continue to have conversations and review how they maintain their capacity to meet their stated goal of serving 275 households in the seven-county metropolitan area between October 1, 2020 and September 30, 2021.

**Attachment:** Build Wealth Expenditure Report

# Legislative Expenditure Report FY 2020

October 1, 2019 - September 30,2020

<b>Grantee Name:</b>	<b>Build Wealth MN</b>	
	<b>Amount</b>	
<b>Total Direct Appropriation Received</b>	\$	500,000.00
<b>Expenses</b>	<b>Amount</b>	<b>FTE</b>
Salaries and Wages	\$ 356,501.04	<b>5.85</b>
Insurance, benefits, and other related taxes (fringe)	\$ 22,622.48	
Materials (handouts, manuals, etc.)	\$ 5,000.00	
Supplies	\$ 5,000.00	
Printing and copying	\$ 1,217.05	
Rent and utilities	\$ 30,000.00	
Credit report expenses	\$ 2,500.00	
Disbursements (to partner organizations)	\$ 75,000.00	
Technology	\$ 2,159.43	
<b>Total Expenses</b>	<b>\$ 500,000.00</b>	