CREATIVE CURRENCY COMMUNITY BRIEF

APRIL 27-29, 2012

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Creative Currency

NEW TOOLS FOR A NEW ECONOMY

/ CREATIVE CURRENCY

Creative Currency is a partnership between Gray Area Foundation For the Arts, Hub Bay Area, American Express and The San Francisco's Mayors Office of Innovation. It is bringing together leading developers and designers with national experts in social finance, local currencies, crowdfunding, sharing platforms, and other leaders of the new economy to envision, prototype, and deploy innovative solutions that re-imagine our systems of exchange from the ground up.

Focusing on San Francisco's Mid-Market District, the initiative addresses pressing questions such as: How can financial data empower low-income residents? How can local currencies support local businesses and community organizations? How can sharing platforms be tailored to fit the needs of underserved communities? How can tools like crowdfunding and microcredit be put to work for social service organizations and individuals alike?

The Creative Currency Model consists of four stages which balance community input, rapid prototyping, and sustained impact: Community Outreach, Prototyping, Development & Acceleration, and Implementation & Adoption.

The Creative Currency Community Brief was developed inform participants of existing resources and challenges in order to create community-oriented, context relevant solutions. For this brief, we have conducted extensive research in the district throughout March and April of 2012, including 16 in-depth interviews with local service organizations and nonprofits, and surveys of 37 local businesses and 155 local residents. Furthermore, findings from local reports such as the Central Market Economic Strategy were integrated. The research and the brief were approached with the intent to identify current systems of exchange, to address the needs of the community, and to reinforce existing opportunities and practices.

APRIL 2012

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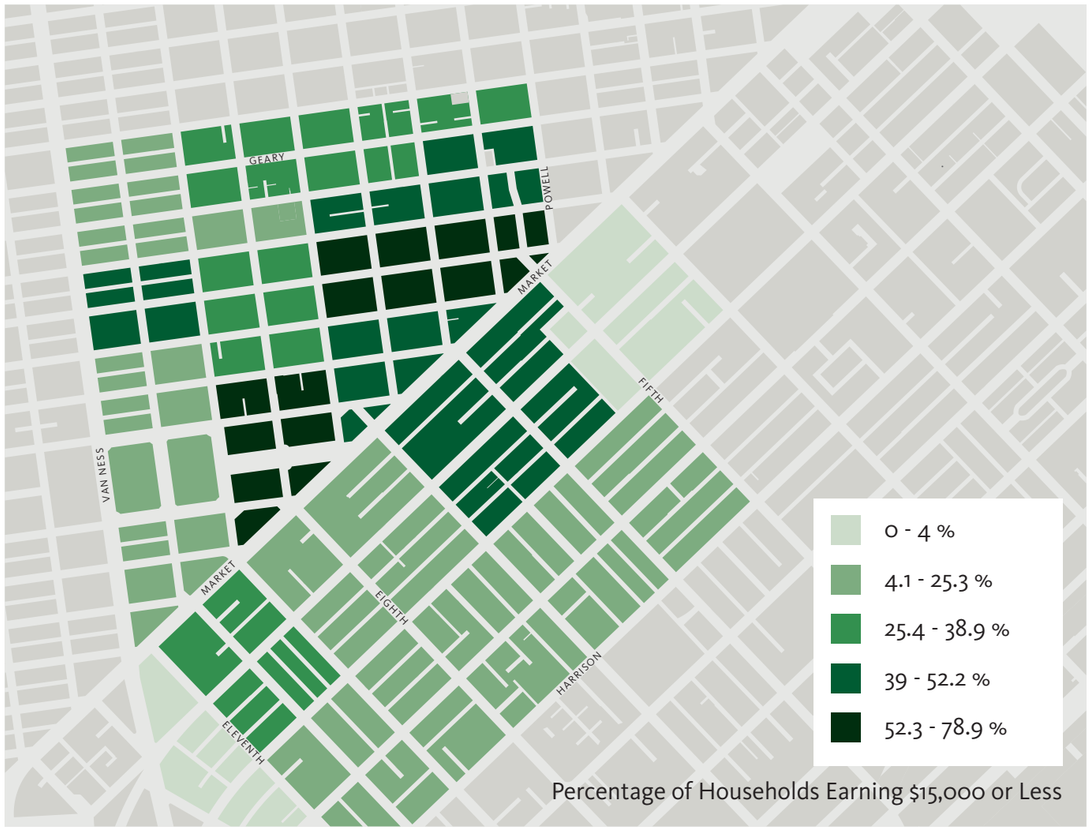
MID-MARKET

The Mid-Market District is San Francisco's densest and arguably most dynamic district. Located at the heart of the city, it is paradoxically isolated from the adjacent tourist attractions at Union Square and nearby Financial District. To many visitors and residents alike, there seems seems to be an invisible fence where high tourist traffic stops and the streets of the Tenderloin start. From the HIV epidemic in the 1980's, to the dot-com boom and bust, to the recent economic recession, the area has been particularly vulnerable to shocks and trends over the past several decades. Struggling with high crime statistics, chronic substance abuse, lack of investment, physical blight and high vacancy rates, and lasting social challenges, it has gained an unsavory reputation which fails to recognize the wealth of diversity, talent, and community bonds residing within the district.



Source / CENTRAL MARKET ECONOMIC STRATEGY, 2011

"This neighborhood is so complex, with so many different layers, There's people in the neighborhood with so many great skills, and histories, in different places."

SALENA BAILEY / Tenderloin Technology Lab

PEOPLE

Of the 39,000 people who reside in the Mid-Market District, 31% of households earn an income of less than $15,000. 61% of residents are male, and roughly 6,000 frail elderly live in the district. 26% of residents are families, including 4,000 children, increasingly moving into the district for affordable housing and the concentration of social services provided. Only 54% are employed, and nearly half of the population is living in extreme poverty and cannot meet their basic housing and health needs.[1] Furthermore, 43% of the city's homeless are found in the district.[2]

HOUSING

The district holds 90% of San Francisco's subsidized housing residences. Of the 21,500 housing units, 40% are permanently affordable housing units, many of which are SROs (Single Room Occupancy hotels). These units are an important resource for people who otherwise would not be able to manage or afford housing. Despite the rising number of families, the average household size is notably smaller than the rest of the San Francisco, with an average household size of 1.81.[3]

ORGANIZATIONS

Many of the Bay Area's largest social service and nonprofit organizations are located and provide services in the district, among which include Creative Currency Community Partners such as GLIDE, Tenderloin Neighborhood Development Corporation (TNDC), Community Housing Partnership (CHP), St. Anthony's, and General Advocacy Assistance Program (GAAP). These organizations are part of nearly 50 behavioral health service providers, annually serving approximately 9,000 clients with substance abuse and mental health issues.[4]

39000
People live in the Tenderloin & Mid-market district

31%
Households earn less than $15000

61%
Residents are male

6000
Frail elderly

26% Families **4000** Children

54%
Employed

43%
Of San Francisco's homeless are found here

90%
Of San Francisco's subsidized housing is in this district

21500
Housing units

40%
Permanently affordable housing units

[1] Central Market Economic Strategy. Nov 2011. San Francisco Office of Workforce and Economic Development.

[2] 2009 SF Homeless Count and Survey. Nov 2011. San Francisco Human Services Agency.

[3] Central Market Economic Strategy. San Francisco Office of Workforce and Economic Development

[4] Central Market Economic Strategy. San Francisco Office of Workforce and Economic Development

THE KEY ISSUES

1 HOUSING & SHELTER

OCCUPANCY
Shelters are at 98–99% occupancy.

SHELTER INFO
No accurate, real-time knowledge of shelter availability.

APPLICATIONS
Affordable housing application processes are bureaucratic and lengthy.

FUNDING
Decreased funding from traditional sources prevents organizations from building more affordable housing.

2 COMMUNICATION

CONTACT
High levels of transience among individuals on assistance and seeking shelter, often without a reliable point of contact.

SERVICES INFO
Miscommunication of services results in time lost and unnecessary travel.

INTERACTION
Isolation among residents, particularly in SROs.

STORYTELLING
Organizations have difficulty sharing success stories and communicating the value of their work to potential funders.

3 JOBS

JOB INFO
Lack of access to information about part and full-time jobs available in industries friendly to assistance receiving individuals.

TRAINING
Barriers to gain skillset required to start microenterprises.

STABILITY
Lack of housing makes it difficult to get and maintain employment

INCENTIVES
Fewer small scale, local incentives and resources for small business owners.

4 TECHNOLOGY & DATA

DATA ACCESS
Insufficient data on service impact and individuals receiving benefits.

USABILITY
Design of technologies are not accessible for individuals with little technology experience.

COST
Financial barriers to access mobile technologies like smartphones or data plans.

5 FINANCIAL EMPOWERMENT

CREDIT & CAPITAL
Lack of access to basic financial resources.

COUNSELLING
Person-to-person financial management programs are booked to capacity.

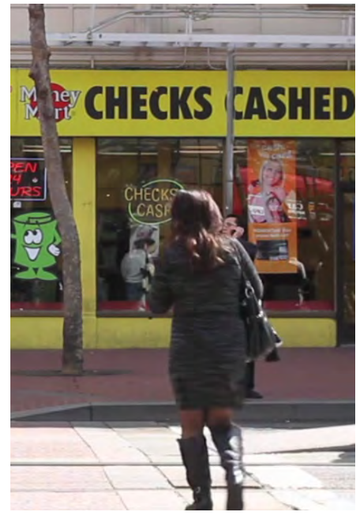
TRUST
Third party management standards that are not transparent, informative, or empowering.

SAVINGS
Long-term asset building is disincentivized in current assistance structures.


NECA HOTEL
SHOW
HOTEL

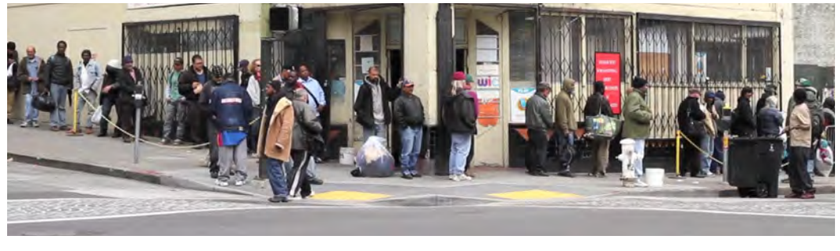

SIXTH ST.


ARE HUMANS BUT THEY
DID YOU FIND A PLACE CALLED HOME?


CHECKS CASHED


CLIDE


WESTERN UNION
PAYDAY LOANS
OPEN 24 HOURS
TAX CHECKS!
LOWEST RATES



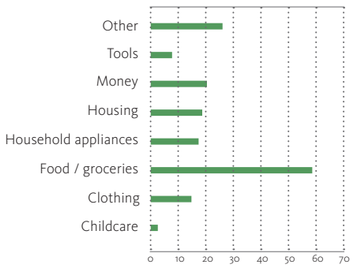
EXCHANGES

PEOPLE x PEOPLE

Residents have strong community networks, which can often be hindered by chronic poverty, lack of capacity to help one another, and issues around trust. The most important interpersonal resource in the community is "word of mouth" sharing of information.

COMMUNITY SURVEY /

I share with my friends, family and/or neighbors:



"This neighborhood is so complex, with so many different layers," explained Salena Bailey of the Tenderloin Technology Lab. "There's people in the neighborhood with so many great skills, and histories, in different places." Often times, when seen from the outside, the area can be misunderstood as lacking community. Though a number of the people interviewed did express concern about the strength of the ties and trust in the community, many expressed opportunity for strengthening the communities that exist, whether in the street, in SROs or at organizations. The community is seen ubiquitously as a source of critical information and is often where people newly homeless find out about critical services. "Word of mouth" is perhaps the most valued resource in the community.

Interviews revealed stories about everyday heroism and meaning in even the smallest exchange amongst people. For example, a regular guest at St.Anthony's dining hall would, what volunteers thought, hoard fruit time and time again for his personal use. When approached, he explained that he was taking food to frail elderly and disabled neighbors in his SRO who could not physically make it to the dining hall. In a survey of 155 people, when asked about the items people share with friends, family and/or neighbors, 52% said they share food and/or groceries, and even 18% of people share money. 23% selected "Other," writing words like "companionship," "support," "stories," "conversation," and "advice." Ken Reggio, Executive Director of Episcopal Community Services, said, "People who have been in need and who have benefitted from the generosity of their friends sometimes are a little more open to helping than you or I might be. There's a very generous spirit among folks who have been homeless or who are still homeless."

Still, there is real work to be done in nurturing and empowering the connections that exist. On the street level, there is often less cohesion amongst residents than may be seen at a family services organization. To build up these connections, interaction is essential and associated risk must be low. Even within families intergenerational and chronic poverty can be an issue, and people often find themselves unable to assist family members in need. Lisa Dyas at Compass Family Services put into perspective, "A lot of our families, they can't stay with their parents because their sister's already staying there or their parents don't have a place to stay. Or they can stay with their auntie, but if they stay with them, they might be putting their housing in jeopardy. I didn't realize even as an adult how much I rely on having a family that can help, the chances you might be willing to take if you know you are not going to be homeless."

ORGANIZATIONS x PEOPLE

The services provided by organizations are essential for people in the Tenderloin.

BASIC NEEDS: FOOD & HOUSING: Assistance processes are often extremely time consuming and uncertain. For example, shelter seekers were turned away a median of three times and spent an average of 182.5 hours or 7 days securing a bed.

EMPLOYMENT & SKILL BUILDING: Lack of time to search for jobs or build skills, mental health and substance abuse issues, concern of losing assistance because of small additional income sources, and lengthy periods of unemployment are common deterrents from securing work. Most reported successes in finding work were with the restaurant and social services industries.

MONEY MANAGEMENT: 75% of individuals surveyed do not track their finances, a majority of which have third party management services. Rent can take up 100% of an individual's income, and it is difficult to establish long-term financial goals. Education is critical in money management.

Mid-Market has the highest concentration of social services in the Bay Area, drawing a large number of people to the area, in addition to the local residents, seeking assistance. The services organizations provide are, next to "word of mouth" information sharing, the most valuable resource homeless and low-income individuals and families have. These organizations have made real, lasting positive change in the lives of many, however the support resources available are simply not enough.

BASIC NEEDS: FOOD & HOUSING

Among their many programs, organizations in the neighborhood provide the most fundamental needs for survival: food and housing. In San Francisco, one in five adults lacks the resources to provide food for themselves or their families. St. Anthony's Dining Room alone serves more than 2,000,000 pounds of found in a year, and more than one third of their guests rely on the meals as their only source of food each day.[5] In a 2009 Report on homelessness in San Francisco, there were 2,709 unsheltered, or "street," homeless persons counted. In addition, 3,805 people were counted in the shelter and institution count, totalling 6,514 homeless.[6] There is immense need for assistance from these organizations, which has only increased in the economic downturn with approximately 60% experiencing homelessness for the first time.[7] "Seeing that shift in the economy through the economic downturn, I definitely see a demographic shift," explained Lillian Mark at GLIDE. "There will be folks who come in to ask a question, when it first started in 2008, when they approached me, I would assume they're a volunteer or they're a visitor. It never dawned on me that they were here to seek services, because their outer appearance and their dress was really no different than me."

1 IN 5
Adults in San Francisco lacks the resources to provide for themselves.

20,00,000
Pounds of food served by St. Anthonys Dining Room in a year

6514
Homeless people in San Francisco

3805
People in the shelter and institution count

2709
People on the street

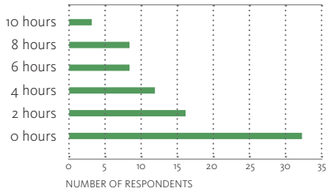
[5] http://www.stanthonysf.org/?q=services/dining-room

[6] 2009 San Francisco Homeless Count and Survey

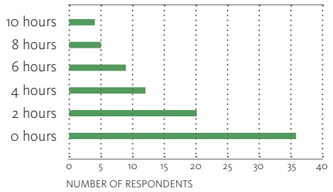
[7] Jennifer Friedenbach Interview, Coalition On Homelessness

COMMUNITY SURVEY /

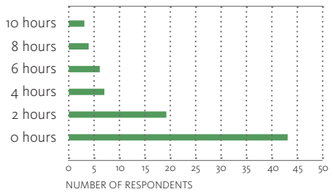
Hours per day spent working
(79 respondents)



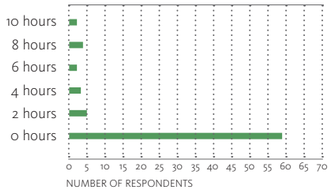
Hours per day spent looking for work
(86 respondents)



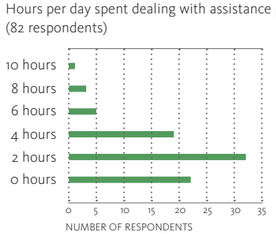
Hours per day spent looking for a bed/apartment
(82 respondents)



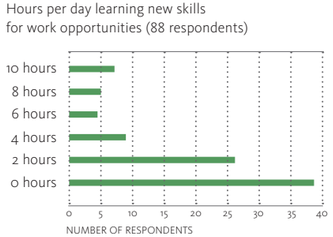
Hours per day spent taking care of my child/
looking for childcare (74 respondents)



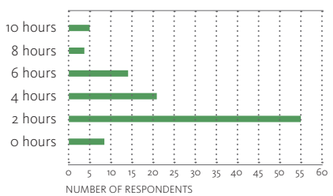
Hours per day spent dealing with assistance programs
(82 respondents)



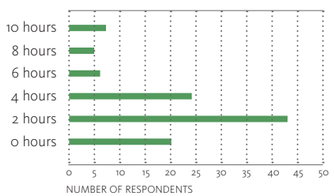
Hours per day learning new skills
for work opportunities (88 respondents)



Hours per day spent getting food (106 respondents)



Hours per day spent in transit (105 respondents)



Assistance processes are often time-consuming and filled with uncertainty. Interviewees recounted the arduous schedules of people unable to meet their basic needs, and emphasized the need to change society's perspective of homeless or those receiving assistance as "lazy." In many cases, a person seeking shelter must line up at one of the shelters by three or four in the middle of the night to wait in line for a bed that may or may not be available. By 7am, those fortunate enough to have gotten one of the few beds released must often go to a processing center blocks away, carting with them all their worldly possessions. The person must then be back in line by no later than 4pm in order to get the bed they'd waited in line for that morning. For those going through the shelter system, it can be difficult to preserve enough time to find a meal at one of the dining halls, as the process of waiting in line and eating can take two hours. On average it, took shelter seekers 182.5 hours or 7 days struggling with the shelter system before being able to successfully secure a shelter bed, and were turned away a median of three times from shelter.[8] Time is critical for homeless and low-income people, and uncertain assistance processes can lead to desperation and frustration. Not having a stable, reliable place to live is a recurring key driver for the inability to manage other aspects of people's lives, including employment and finances.

[8] The Runaround: An Examination of San Francisco's Byzantine Shelter Reservation System. June 2009. Coalition On Homelessness

"While a small percentage of people in shelter do work, it is extremely difficult for a person to maintain steady employment while in the shelter system."

EMPLOYMENT & SKILL BUILDING

Service providers understand the critical need to streamline the processes catering to basic needs like food and shelter, so that their clients may be able to find time and energy to seek employment. A number of organizations have employment services, varying from assistance in the job search at the Tenderloin Technology Lab, to programs at Community Housing Partnership that include internship and volunteer opportunities that hopefully result in work opportunities.

"It really runs the gamut in terms of who we see," says Jackie Jenks from Hospitality House. From a PhD whose life was drastically changed by an unfortunate event, to an immigrant doctor who cannot practice in the United States, to people with rocky employment histories for a myriad of reasons, the solution can often be more complex than simply educating and training a person. Homeless or low-income job seekers receiving benefits must either find employment that is enough to survive on without assistance or weekly odd-jobs that do not exceed earning requirements that could endanger their welfare assistance. The former is less likely, so demand for small, short jobs is high.

Two industries have reportedly had a positive history in helping homeless and low-income individuals to find employment. The first is the restaurant and hospitality industry, the second largest employer in San Francisco, where there is often less concern about gaps in employment history, and more emphasis placed on the result of the work. Episcopal Community Services' "Chefs Program," geared toward placing people in this industry, entails three months of education and three months of internship placement, which often leads to successful placement for full or part-time work. The second industry is service organizations themselves. People in employment programs at service organizations are often hired within the organizations themselves, working in a variety of roles such as maintenance and desk positions, and even advancing into high level management positions. While a small percentage of people in shelter do work, it is extremely difficult for a person to maintain steady employment while in the shelter system.

MONEY MANAGEMENT

Money management is a critical need for the residents of MidMarket. "Very few of our clients have bank accounts. Credit issues tend to be fairly common, so not many places will work with them. For the most part people just survive on the EBT card and when the balance gets down to zero they're done for the month until it gets reloaded," explained Gary Lewis at GAAP. Others, Don Soto at Lutheran Social Services says, "simply have too much chaos going on in their life that they would not be able to handle receiving their income and doing what they need to do with it." According to a survey of 155 respondents, currently the predominant means of tracking finances for people in the Tenderloin are "I don't" (25%), "EBT" (food stamps program) (25%), and "Payee Services" (20%). In sum, approximately 75% of respondents do not personally track their finances.

Each month, the amount people earn or are allocated from assistance programs is quickly depleted after covering basic necessities such as rent and food. For many, their income may seem too insignificant to warrant management, when anywhere from 30% to 100% of their income is going towards rent if they have housing.[9] [10] Homeless individuals currently receive $1.85 per day in assistance.[11] Often times, convenient or accessible solutions, such as a payday loan or a credit card, makes the situation worse in the long run.

ELECTRONIC BENEFIT TRANSFER (EBT) is an electronic system that automates the delivery, redemption, and reconciliation of issued public assistance benefits. EBT is the method for distributing CalFresh benefits (formerly known as Food Stamps), California Food Assistance Program benefits, and cash aid benefits. Recipients of public assistance access their issued benefits with the this card through a point-of-sale (POS) device or at an automated teller machine (ATM).

PAYEE SERVICES are third party fiscal management assistance appointed by the Social Security Administration (SSA) for individuals receiving benefits and deemed incapable of managing their finances.

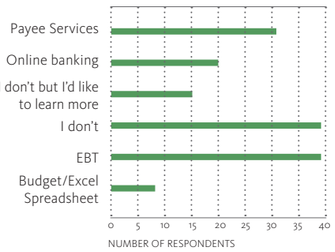
[9] Gary Lewis Interview, GAAP

[10] http://www.stanthonysf.org/?q=services/homeless-assistance

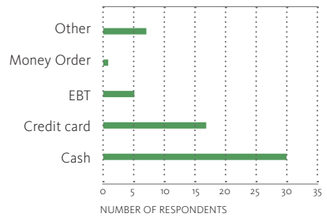
[11] Gary Lewis Interview, GAAP

COMMUNITY SURVEY /

I track my money through (check all that apply):



How do people usually pay for the items they purchase? (37 respondents)



People generally have little trust for financial institutions as personal reports of fraudulent and exploitative activity are fairly common

Contrary to popular belief, "poor people can save and want to save, and when they do not save it is because of lack of opportunity, rather than a lack of capacity."[12] According to EARN, knowledge drives confidence in dealing with money, which results in more successful financial outcomes.[13] The Northeast Community Federal Credit Union has been recognized for its initiatives in the neighborhood. Director Lily Lo said, "Education is really important and to have a credit union, especially in the Tenderloin. (Members) come in everyday and we kind of know who they are. We give them some goals, we sit down...and do a plan. We have a lot of success stories, people who are homeless and have a small business." Often these interactions provide a daily routine and establish essential supportive relationships with individuals at organizations. However, the subject of money is very sensitive, and people generally have little trust for financial institutions as personal reports of fraudulent and exploitative activity are fairly common. In order to establish systems around currencies, whether with organizations or amongst individuals, trust building will be an important element.

While people on social assistance programs are often viewed negatively for what is seen as compulsive or imprudent spending habits, recent studies have revealed how "poverty appears to have made economic decision-making more consuming of cognitive control for poorer people than for richer people...Many of the trade-off decisions that the poor have to make every day are onerous and depressing: whether to pay rent or buy food; to buy medicine or winter clothes; to pay for school materials or loan money to a relative. These choices are weighty, and just thinking about them seems to exact a mental cost."[14] Creating processes around money management, as well as those meeting basic needs like food and shelter, that are less consuming, may help empower people to take ownership of their finances, and build for a future.

[12] Stuart Rutherford, The Poor and their Money. www.bankablefrontier.com

[13] Lapp, William M. Ph.D. 2010. The Missing Link: Financial Self-Efficacy's Critical Role in Financial Capability. EARN White Paper. November 2010

[14] http://www.tnr.com/article/environment-energy/89377/poverty-escape-psychology-self-control

PEOPLE x AGENCIES

Agency welfare processes are often not acutely connected to the current obstacles and capacities of the populations they serve. The services often stop short of incentivizing long-term money management, and less than 5% of the tax benefits go to the bottom 60% of taxpayers.

Many strategies to address poverty have focused on supplementing a family's income. Income maintenance strategies are important because they provide the necessary cash, food, health care, and support services to prevent many people from experiencing severe deprivation. These public assistance programs, however, have generally failed to encourage households to save and accumulate even small amounts of resources to use for future investments or present emergencies. Moreover, "assets tests" used in determining eligibility for public assistance often cause families to deplete their assets before they can qualify for assistance and create a disincentive for families otherwise interested in trying to accumulate the assets needed to achieve greater economic independence and a better quality of life. One in four households does not own enough to support itself at the poverty line for three months should unemployment occur.[15]

Agency processes are often seen as archaic and are not in alignment with recipients' ability.

Tax incentives largely benefit middle- and upper-income adults. In fact, federal tax incentives disproportionately benefit those that already have assets: a recent Corporation for Enterprise Development (CFED) study documenting the $355 billion asset-building budget spent on federal incentives in 2003 showed that less than five percent of the benefits go to the bottom 60 percent of taxpayers.[16]

Moreover, many agency processes are often seen as archaic and are not in alignment with recipients' ability. Often highly transient people or those living in affordable housing working with assistance agencies find it difficult to maintain the level of communication needed to coordinate requirements. Agencies often use phone and mail as primary modes of contact. However, there may not always be easy access to a phone. If a person owns a cell phone, it is uncertain whether they have resources to pay for coverage at any point in time. Furthermore, people seeking shelter and housing do not have a constant address they can use as a point of contact. For those living in SROs, many feel it is not safe to receive important correspondence for fear of theft or mishandling. In these situations, it is easy for individuals' assistance to become threatened as a result of communication problems.

[15] http://cfed.org/knowledge_center/publications/entrepreneurship/linking_youth_savings_and_entrepreneurship_a_white_paper/

[16] http://cfed.org/knowledge_center/publications/entrepreneurship/linking_youth_savings_and_entrepreneurship_a_white_paper/

There is ever-growing need in the community economic development and affordable housing sectors and ways to attract new and efficient capital sources.

AGENCIES x ORGANIZATIONS

In the recent economic downturn, organizations are facing increased need in the Tenderloin with fewer resources. Funding opportunities have decreased dramatically, with an estimated $70 million of direct services alone lost.

The Corporation for Enterprise Development (CFED) Framework highlights the critical importance of delivering essential services to households and how those services, such as public benefits, child care, affordable housing or matched savings, contribute to the overall financial well-being of the household. Also crucial are the larger systems and infrastructures, both policy- and market-based, necessary to facilitate entering and staying in the economic mainstream.[17]

In 2009, San Francisco received $19.8 Million in Homeless Assistance Grant funding alone, a critical resource for the city and the homeless seeking assistance.[18] However, as a result of the economic downturn, funding availability has been steadily declining over the past several years, resulting in an estimated decrease of $70 million in direct services alone.[19] At the same time need for assistance has increased, leaving organizations and shelters at capacity, and struggling to keep their doors open.

ORGANIZATIONS x ORGANIZATIONS

Amidst diminishing funding sources, collaboration is key for nonprofits' survival. However, effective structures can be difficult to establish.

Nonprofits are known for their resilience and creativity to make the most out of little resources, and many have worked together to share resources including volunteers, legal and technical services and more. However, often times using the same professional services does not make a significant impact in cost. Coalition on Homelessness Executive Direct Jennifer Friedenback explained, "If I need a bookkeeper for ten hours... it would still cost 10 hours of work." Yet, collaboration has proved to be both fruitful and vital in the neighborhood for organization seeking funding. In the face of large cuts in funding, "(a group of organizations) advocated for each other with the result that we all just keep getting funded from the feds and the city. I think it's pretty unusual," explained San Francisco Network Ministries' Executive Director Glenda Hope "The fact we hung together, the more we did it, the more we saw how crucial it was, that we needed each other."

[17] http://cfed.org/knowledge_center/household_financial_security_framework/

[18] 2009 San Francisco Homeless Count and Survey

[19] Jennifer Friedenbach Interview, Coalition on Homelessness

BUSINESSES x PEOPLE

Local businesses' role in the state of the community is fundamental, and the majority of businesses are open to exploring new relationships (i.e. neighborhood perks) with their customers.

The district is a particularly entrepreneurial neighborhood, and is home to a number of small, locally owned businesses, with many residents finding creative ways to make a living. As Dr. Ernesto Sirolli describes, "In every community, no matter how small, remote, or depressed, there is somebody who is scribbling figures on a kitchen table. If we can be available, for free and in confidence, to help that person go from the dream to establish an enterprise that can sustain that person and his or her family, we can begin to change the economic fortunes for the entire community."[20] One local example is Stan, an elderly man well-known in the community who rents chessboards for a dollar on the Market Street sidewalk.Everyday, the chess boards are filled with a diverse group of people that would otherwise not interact in the same space. On rainy days he cannot run his business, and he has visions of opening up a community center in one of the vacant storefronts along the stretch where the rain will not keep him from gathering his diverse community.

Local businesses play a large role in what goods and services are available to the community, and are often deeply involved in their community. Of the 37 businesses surveyed in the neighborhood, 92% have regular customers, and even 55% of businesses reported loaning customers goods. By highlighting the power that businesses have in the habits and options of its customers, people and organizations are making improvements for their communities. One neighborhood pillar, Abed Eid (who recently passed), was recognized for his commitment to the community, and even spearheaded a campaign in 1989 to remove fortified wines from Tenderloin shelves by ending sales in his own convenience store. Striving to create more healthy options for its community, the Boys and Girls Club on Turk Street established an agreement with the convenience store next door to give a small discount for children purchasing healthy items. When asked, the majority of businesses asked said they would be open to establishing a neighborhood perks program.

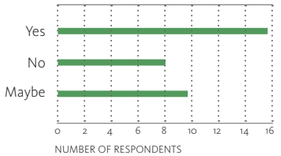
"The future of every community lies in capturing the energy, imagination, intelligence, and passion of its people."

DR. ERNESTO SIROLLI, / Ripples from the Zambesi

[20] Dr. Ernesto Sirolli, Ripples from the Zambesi.

COMMUNITY SURVEY /

Would you be open to a neighborhood perks program that would support local businesses by giving customers discounts or rewards?



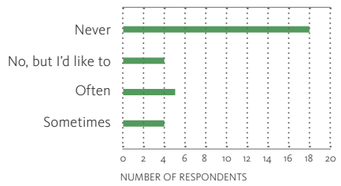
BUSINESSES x ORGANIZATIONS

Large scale and local businesses and nonprofit organizations in the neighborhood have a history of innovative relationships. Local businesses do not have the level of cooperation amongst one another as they do with local organizations.

Furthermore, by identifying where there is an excess of resources or investment opportunities, even if once thought to be suitable for the landfill, potential for more innovative, fruitful relationships are abundant. The Hotel/Non Profit Collaboration is an informal organization which redirects usable discards from the waste stream of hospitality organizations and diverts them into a steady stream of in-kind support for the nonprofit agencies serving the community in San Francisco. Headed by the Hilton SF, over 25 properties and more than 50 non-profit organizations participate in the collaborative. Hotels and centers have donated bedding, pillows, mattresses, food, conference gift items such as bags and hats, and even rooms. Even in cases such as these, logistics are crucial in communication of an available item, storage, and transportation. Unfortunately, there is considerably less cooperation amongst local businesses than between businesses and local organizations, with 58% saying they do not collaborate with other businesses, and 13% that would be open to an opportunity.

COMMUNITY SURVEY /

Do you work with other stores in deciding what items you supply, purchasing, etc?



AGENCIES x BUSINESSES

Local businesses are the backbone to neighborhood vitality, yet do not receive the form of investment that large scale operations do. It is important to ensure high level business incentives reach the local scale.

Evidence suggests that every dollar spent at a locally owned business generates two to four times more economic benefit—measured in income, wealth, jobs, and tax revenue—than a dollar spent at a globally owned business. [21] Local businesses are critical to tourism, walkable communities, entrepreneurship, social equality, civil society, charitable giving, revitalized downtowns, and even political participation. However, while small businesses constitute about one half of the private economy in terms of output and jobs, they receive almost no investment from the nation's pension funds or from mutual, hedge, venture, or any other kind of investment funds.[22]

Tax incentives have been commonly used as a tool for growing particular industries and sectors in a city, and have also been used in targeted efforts to develop an underdeveloped area. The Office of Economic and Workforce Development (OEWD) has offered a Central Market/Tenderloin payroll tax exclusion to incentivize companies to relocate to the district. This has resulted in an influx of a number of technology companies in the past few years, including Square, ZenDesk, FourSquare, and Twitter. OEWD estimates that Twitter alone could accommodate more than 1,300 jobs in its first year on Central Market and grow to more than 2,600 jobs in 6 years.[23]
Yet, as Lisa Dyas at Compass Family Services pointed out, "There is a disconnect between the people that live in the Tenderloin and people that have access to do those really cool things with technology."

[21] http://www.frbsf.org/publications/community/review/vol5_issue2/schuman.pdf

[22] http://www.frbsf.org/publications/community/review/vol5_issue2/schuman.pdf

[23] Case For Proposed Payroll Tax Exclusion for Central Market and the Tenderloin. February 2011. Office of Economic and Workforce Development.

TOOLS FOR THE NEW ECONOMY

The influence of this model challenges traditional economic principles and practices of production, ownership and income. The new economy has been growing steadily, but its tools have yet to be truly inclusive in order to reach their full potential. While 40% of Tenderloin residents surveyed do not access the Internet, evidence suggests that mobile technology can be a key to universal access.

The new economy incorporates "technologies and practices that center on barter, gift, direct exchange, and peer-to-peer loans."[24] At all levels - from the individual level where "resilience circles" are formed as small, face-to-face support groups to globally robust online platforms, such as Airbnb which allows people to earn money by renting out a spare room—the new economy is a movement that challenges traditional economic principles and practices of production, ownership and income.

The new economy field has been steadily rising, with its new tools building both economies and communities. Kiva, a platform that gives the world's poorest access to capital through people-powered finance and microlending, facilitated $1,373,200 in loans from 20,100 lenders world-wide in the week of April 10th, 2010 alone.[25] With the average American using his or her car just 8% of the time[26], Getaround, Zipcar and RelayRides are among the numerous car share companies sprouting up profitably across the nation. The Alliance to Develop Power, an organization of 10,000 mostly low-income African American and Latino leaders, started with an affordable housing project and grew into an $80 million "community economy" through

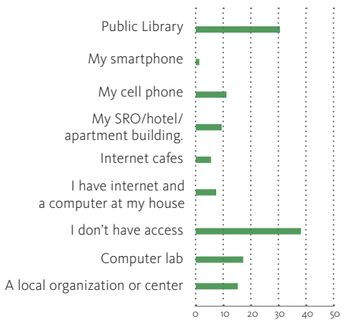
[24] Jones, Van. From the Shareable Economy, the Tools to Rebuild. Good Magazine. www.good.is/post/from-the-shareable-economy-the-tools-to-rebuild

[25] www.kiva.org accessed: 10 April 2010, 8PM PST.

[26] Jones, Van. From the Shareable Economy, the Tools to Rebuild. Good Magazine. www.good.is/post/from-the-shareable-economy-the-tools-to-rebuild

COMMUNITY SURVEY /

I have access to the internet through (check all that apply):



"The digital divide. We all know that the gap between people who have way too much and people who have not nearly enough is getting wider and wider. The use of technology is an important part of that."

GLENDA HOPE / SF Network Ministry

local-sourced collaboration and development.[27] Finally, Mercy Corps Northwest is turning real estate investment on its head by working to help low-income renters invest in their neighborhood.[28]

The rise of the new economy has only begun, and with the use of technology, its potential is exponential. "Technology is connecting individuals to information, other people, and physical things in ever-more efficient and intelligent ways. It's changing how we consume, socialize, mobilize - ultimately how we live and function together as a society."[29] Yet, in order to make these new tools inclusive, the technologies by which they propagate must be accessible.

Technology is now a critical element in addressing socioeconomic issues and, as has been seen in developing nations around the world, empowering people through access to information and connecting one another. Still, there are disparate gaps in access to internet technologies based on income and minority groups. In a survey of 155 respondents in the Tenderloin, nearly 40% said they do not have access to the internet. The public library is the most common place where people access the internet, at 31%, and while 11% access the internet through their cell phones, only 1% access the internet through a smart phone. However, technology adoption reported by different organizations varied, with 30% of Tenderloin Technology Lab clients owning a smartphone. Furthermore, a study by the Federal Communications Commission (FCC) shows minority groups, including Latinos and African Americans, are more likely to leapfrog broadband internet to access via cellular devices due to prohibitive costs of broadband internet.[30]

The role of data and technology is important for organizations to adopt solutions for improving processes, managing data, and sharing information. For those organizations that have had the resources to incorporate such technologies, it has been a game changer. "We use (technology) every week in our team meeting to talk about how we're doing, quantitatively and qualitatively. It permeates through our organizations, the data aspect," said Pat Zamora at the Boys and Girls Club. "And then how we tell our story to our board and our funders, it helps us be more accurate and accountable." Yet, there is a hesitation about incorporating technology, and losing the essential face-to-face element of organizations' services. "And, it's worked... Don't fix it if it's not broken, but yet trying to come to the age of where we're at now to be able to enhance the service by doing more electronic capabilities," explained Don Soto of Lutheran Social Services.

In providing technology-based assistance and applications geared toward empowering low-income and poverty-stricken individuals, it's crucial to keep in mind the needs and practices at the ground level and to enhance that which is already a strength in the community. Ignacio Mas, Deputy Director of the Financial Services for the Poor Program of the Bill & Melinda Gates Foundation, suggests rather than thinking about what information or services are necessary and who might supply them, "developers might instead ask what information people can and want to contribute and who else might be interested in that."[31] Lillian Mark of GLIDE envisioned, "There's no reason why technology can't improve the lives of every individual we serve, when done in a way when we continue to hold that person as an individual, and in a way that's compassionate and supportive."

[27] Kohn, Sally. A New Grassroots Economy. The Nation. 25 May 2011. www.thenation.com/article/160948/new-grassroots-economy Accessed: 10 April 2012.

[28] Culverwell, Wendy. Mercy Corps targets Lents. Portland Business Journal. 3 February 2012. www.bizjournals.com/portland/print-edition/2012/02/03/mercy-corps-targets-lents.html

[29] The New Sharing Economy. Latitude and Shareable Magazine

[30] The Broadband and Wireless Gap. The Greenlining Institute.

[31] http://www.ignaciomas.com/announcements/mobile-appsfordevelopmentfocusoncontentbyusersnotjustforusers

/ RESOURCES

CFED / http://cfed.org/knowledge_center/publications

CARSEY INSTITUTE / http://www.carseyinstitute.unh.edu

BANKABLE FRONTIER / http://www.bankablefrontier.com

EARN / http://www.earn.org/policy_innovation/earn_research_institute

THE FEDERAL RESERVE BANK OF SAN FRANCISCO / http://www.frbsf.org/publications/community

IGNACIO MAS, DEPUTY DIRECTOR OF THE FINANCIAL SERVICES FOR THE POOR PROGRAM,

BILL & MELINDA GATES FOUNDATION / http://www.ignaciomas.com

SHAREABLE / Shareable.net

THE NEW SHARING ECONOMY / http://latdsurvey.net/pdf/Sharing.pdf

COMMUNITY TECHNOLOGY NETWORK / http://ctnbayarea.org/resources/research-evaluation

GREENLINING INSTITUTE / http://greenlining.org/publications

COALITION ON HOMELESSNESS / http://www.cohsf.org/?page_id=15

CENTRAL MARKET ECONOMIC STRATEGY / http://centralmarketpartnership.org/central-market-economic-strategy

CENTRAL MARKET COMMUNITY BENEFIT DISTRICT / http://www.central-market.org/index.php?p=reports_data

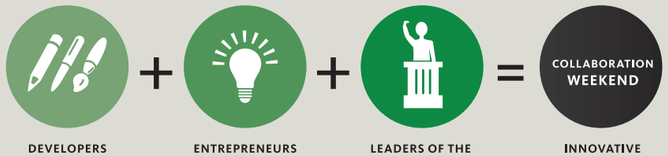
/ PROGRAM MODEL

PHASE ONE / COMMUNITY OUTREACH

COMMUNITY SURVEY + 30 ON-THE-GROUND INTERVIEWS

PHASE TWO / PROTOTYPING

200 PARTICIPANTS AND MENTORS WORKING TOGETHER

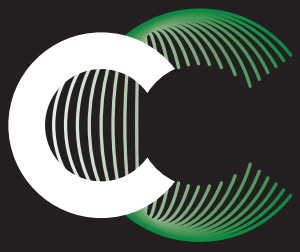


PHASE THREE / DEVELOPMENT & ACCELERATION

2 MONTHS OF ITERATIVE DEVELOPMENT AND FEEDBACK

PHASE FOUR / IMPLEMENTATION & ADOPTION

$15,000 IN SEED FUNDING AND 4 MONTHS OF MENTORSHIP



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