

# REPORT

## The Forsyth Story: A Strategy for Creating a More Inclusive Economy

A Report to the Kate B. Reynolds Charitable Trust

June 2018



# Executive Summary

Established in 1947, the Kate B. Reynolds Charitable Trust (the Trust) stands as a prodigious legacy of Forsyth County benefactor Kate Gertrude Bitting Reynolds (1867–1946). In 2015, the Trust launched Great Expectations—an effort to ensure that all children living in Forsyth County reach developmentally appropriate milestones in their first five years, enter kindergarten ready to learn, and leave the early grades set for success in school and life.

Great Expectations is the cornerstone of the Trust’s Local Impact Funding, to which it has pledged \$30 million over 10 to 15 years. In the summer of 2017, the Trust engaged ncIMPACT to give advice on developing an overall strategy for its Local Impact Funding. The questions to resolve included the connections between Great Expectations and other Local Impact Funding, the root causes that contribute to Forsyth’s experience with poverty and other socioeconomic conditions, and how the Trust’s focus should change to address these causes.

The ncIMPACT team analyzed demographic data, the results of an electronic survey of Forsyth residents and workers, and comments recorded during interviews and focus groups to distill the county’s present challenges to ten overarching themes:

1. The barriers to employment that pays a living wage are significant for many residents, even as the county begins to create more jobs.
2. Residential segregation in Forsyth County is high and problematic.
3. Forsyth County will not make the progress it seeks without a strategy for bringing all races and ethnicities forward. High poverty rates, for example, are being driven by subgroups.
4. Residents have few opportunities, and low motivation, to “mix it up” socially with people who represent different demographics (race, ZIP code, income, and generation).
5. The public transportation system is inefficient and presents a barrier to mobility, literally and figuratively.
6. The future is compromised for the substantial number of children enrolled in elementary schools characterized by low educational outcomes and pervasive segregation by race and income.
7. Disconnected youth need more attention. Unless there is a connection with the criminal justice system, few resources seem to be focused on this group.
8. Resources exist to support disadvantaged residents, but they are not well coordinated and are often insufficient for such high-need concerns as mental health and substance abuse.
9. Residents of low-income neighborhoods are growing weary of well-meaning folk who want to “do for” rather than “do with.”
10. There remain strong, present effects of the county’s past legacy of patriarchal, “company town” leadership.

To address these challenges at the root-cause level, we recommend that the Trust focus its Local Impact Funding on building a more inclusive economy in Forsyth County. An inclusive economy is one in which there is expanded opportunity for more broadly shared prosperity, especially for those facing the greatest barriers to advancing their well-being. The Trust can implement this strategy by following four related approaches in its grantmaking: one that sets the stage, two that focus on specific subpopulations, and a final one that ensures no one gets left behind.

**Building the will for economic mobility through ecosystem change.** The Trust must work with the community to identify and support high-impact policies and programs that connect often excluded groups to greater opportunities as workers, consumers, and business owners and to civic life as leaders and engaged residents. The ncIMPACT team recommends that the Trust begin with a focus on the working poor in Forsyth County. Of the issues facing those in poverty, participants in the surveys, focus groups, and interviews all made clear that none is more important or more challenging than the difficulty too many residents face in earning enough to support themselves and their families.

**Maximizing Great Expectations.** The concept of intergenerational social mobility lies at the heart of the American dream. Through this funding strategy, the Trust will align some of its Local Impact Funding to advance outcomes and opportunities for low-income families being served by Great Expectations. Investments will improve the probability for economic mobility of children in low-income households by also supporting the educational attainment and career advancement of their working parents.

**Launching the next generation through systemic, multisectoral opportunities.** Forsyth County must offer greater support to its growing number of disconnected youth—those aged 16–24 who are not connected to work or education. ncIMPACT’s research indicates that about 14 percent of the county’s youth are in this cohort. We recommend that the Trust aim to move half of them to living wage jobs by 2025.

**Maintaining the safety net.** Through this funding strategy, the Trust will seek to create resiliency to shocks and stresses, especially among low-income people, who are disproportionately impacted by such disruptions. Funding will continue to focus on emergency assistance and supportive housing connected to a comprehensive system of services.

The ncIMPACT team estimates it will take at least three years to implement this strategy. In the first year of implementation, the Trust will invest 50 percent of Local Impact Funding in the Inclusive Economy strategy. Another 50 percent will be available for transitional funding. The amount of Inclusive Economy funding will increase to 60 percent in year two and to 70 percent in year three. By year four, all funding will fit within the Inclusive Economy model, with 25 percent of that funding to remain focused on maintaining the safety net.