

2021 LAUNCH

FREEDOM RECOVERY FUND

~ AN INITIATIVE OF PROJECT NEIGHBORS ~

PROJECT NEIGHBORS
454 COLLEGE AVE., VALPARAISO, IN 46383

INTRODUCTION

The past year, we have been bombarded with news stories that invariably end with the words, “disproportionately impacting Black Americans.” Blacks are three times more likely than whites to die of COVID. They have experienced a decrease of three years in life expectancy compared to one year for whites (resulting in a total discrepancy of six years). They now have an unemployment rate twice as high as that of whites, and much of the work that they do disproportionately puts them at greater risk of COVID. Police violence is now the leading cause of death for young Black men, with 1 in every 1000 killed by police. Black men are six times more likely to be arrested, convicted and given long sentences than whites. Are we becoming numb to the statistics?

This year has also provided the opportunity for many to read and listen more. Books and articles that document how we got to the current state of inequity and the breadth of its impact have been written, disseminated, and discussed. We traced the 250 years of African enslavement (170 of those years before the United States was even a county), the short eleven years of Reconstruction in which federal troops provided protection to allow Black businesses and agriculture to grow, the years following federal withdrawal from the South and the ensuing violence of Jim Crow, and the last 100 years of deliberate restrictive policies and practices that have caused and codified housing segregation, adverse environmental impact, lack of educational opportunity, disparities in health status, and dramatic inequities in the justice system. Finally, we have been able to more fully understand that the treatment of African Americans has not been a “blip” in our country’s history but its very foundation. Estimates of the unrecompensed financial value of Black work to build this country range from \$14 to \$95 trillion and, despite the vast magnitude of this contribution, African American wealth today is one tenth the wealth of whites.

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Project Neighbors began fifty years ago on two major premises: first, that Black home ownership is a critical building block to addressing all other disparities; and, second, that white people needed to transfer some of their own wealth to make that happen. White families subsidized Black families in Valparaiso in both gaining and paying mortgages. That is the root of Project Neighbors. Over the years, the organization has expanded to build other institutions and initiatives and broadened its reach to encompass affordable rental housing, daycare and healthcare, and many other ventures for the good of the community, including efforts to combat racism in policy and practice. But, since 1960, the gulf between Black and white home ownership nationally has grown even more, and, as the wealth of homeowners is 80 times that of renters, so has the wealth gap, which impacts every other aspect of life. This continued disparity has caused Project Neighbors to take a hard look at our focus.

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Over the past months, Project Neighbors has re-committed to addressing racial equity issues and policies through deliberate activities and partnerships around housing, education, and justice systems in Valparaiso. But we believe that we need to do more. While much of the solution requires national action, people—individually and collectively—can and must take responsibility for our history and our present.

Thus, Project Neighbors, **directed by our Black Board members and staff**, is initiating the creation of a sustainable and comprehensive resource for the Black community in Valparaiso, supporting projects and activities addressing both systemic issues fostering racial inequity and individual impacts of those policies and practices.

FREEDOM RECOVERY FUND

Project Neighbors has committed to the development and sustainability of a Fund focused on promoting the assets and meeting the needs of the Black community. Specifically:

The Freedom Recovery Fund (FRF) is a dedicated fund for the structural and foundational development of the Black community in Valparaiso, Indiana. Under the direction of the Black Board members and staff of Project Neighbors, and through the collective investment of Project Neighbors and the broader community, the FRF will serve the community in three specific ways:

1. Build **long-term community development** through targeted financial support and programming;
2. Provide **short-term relief** through microloans and grants, and;
3. Advocate for individuals or addressing policies that directly affect the Black community systemically.

The guiding principles of the FRF are:

- Expenditures must be targeted toward the enhancement of the Black community.
- To assure sustainability, the FRF will only spend money collected in the previous year (except expenditures determined by 2/3 of the Black Board and staff members).
- The FRF will push for systemic change first, then individual interventions.
- The FRF must have 2/3 approval from Black board/staff before funds can be dispersed.
- The FRF will only begin Short-Term support when the FRF surpasses \$100,000 in the dedicated funding year to assure that there is the ability to meet the enormous need without overwhelming the ability of the Fund to meet long-term systemic challenges.
- The FRF will implement application and evaluation processes in determining projects.

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In addition to their pivotal role within Project Neighbors, the Black leadership of the FRF encompasses a wealth of expertise, experience, and history that will be invaluable in shaping the work supported by the Fund. Among them, they:

- Are administrators, professors and in leadership of Valparaiso University;
- Are leaders of the Northwest Indiana African American Alliance;
- Provide consultation on racial equity across the country;
- Founded and led the first majority Black church in Valparaiso;
- Host a local weekly radio show dedicated and directed to the Black community;
- Serve on a non-profit board focused on homelessness and affordable housing;
- Raised Black children in Valparaiso schools and are active in addressing racism there;
- Serve as mentors to young Black residents of Valparaiso, and;
- Is a member of one of the first Black families—and homeowners—in Porter County.

FRF LONG-TERM SUPPORT (60%)

It is imperative for FRF's restitution efforts to be systemic and measurable from year to year. To make this possible, FRF will utilize two approaches to engage the community and build its capacity to address long-term change and equity development. The FRF will make critical investments at the beginning of the year, based on the FRF end-of-year funding availability generated during the previous year. These investments will either be in programs or capital projects.

- A "Program Project" is an initiative that is focused on enhancing awareness in or educating the Black community. The returns of a programmatic investment will be judged by building the collective community capacity to develop long-term sustainability. Examples include, but are not limited to:
 - Bring speakers and clinicians to the community to discuss and deconstruct the negative social determinants of health that are adversely and disproportionately affecting the Black community (and identifying solutions).
 - Develop and execute a "Saturday School" focused on Black history and other topics relevant to the Black community.
- A "Capital Project" is an investment into a business, building, or community resource (typically to secure Black voices or positions in decision-making seats), developed by Black community members or intentionally for Black community members, with the ability to have a financial or social return with economic implications. Examples include, but are not limited to:
 - Provide down payments on programs or initiatives.
 - Create a matching savings development program.

FRF SHORT-TERM SUPPORT (30%)

It is necessary for the FRF to have a short-term relief strategy. Though building for the future must remain the signature focus of the Fund, ensuring that people make it to tomorrow requires dedicated resources. Many of the obstacles that Black people face are either a reduction in income (i.e., furloughs, layoffs, etc.) or unforeseen financial shortfalls (births, deaths, major maintenance, accident, sickness, etc.). Regardless of the personal needs, there is usually a contributory systemic issue, whether that be wage disparity, unfair ending practices, or other racist policies that inhibit wealth attainment for Black people. The FRF must address these needs, while also working on the systemic policies. The FRF will address these individual needs through a dual loan/grant program, with microloans available for needs between \$1000 and \$5000 and grants for needs less than \$1000.

FRF ADVOCACY SUPPORT (10%)

Many of the oppressive barriers that the Black community faces are directly or indirectly related to legal quandaries. The FRF is committed to assuring that Black people have access to legal assistance for help with such simple things as wills and deed documentation and more complex problems as contesting moving violation citations and addressing wrongful terminations. The FRF will partner with the Black community to assemble legal resources and make them available.

NEXT STEPS

Project Neighbors is committed to building the Fund so that there is both a pool of dollars to begin to disburse and that there is a commitment to ongoing support to assure that the Fund is sustainable year-to-year. The Black Board and staff have committed to developing the application and evaluation processes for the different Fund areas and to overseeing the effort of Fund resource dissemination. Other Board members are committed to be available to provide any assistance required.

SUPPORT FOR THE FREEDOM RECOVERY FUND

It is critical that the FRF have a substantial and sustainable pool of dollars to meet its expansive mission. While one-time small donations are certainly welcomed, the focus of building this Fund is two-fold:

1. A commitment to an ongoing monthly donation; and
2. Significant contributions upon which an “endowment” can be built that will allow the Fund to have an ongoing guaranteed income. In addition to dollar contributions, other support would be welcomed (e.g., transfer of property) to build the FRF into a permanent resource for the Black community of Valparaiso.

In addition to committing to monthly donations, there are many ways to generate significant contributions to build the FRF, including, but not limited to:

- Receiving Foundation or Corporate donations that can serve as the base of the FRF;
- Taking advantage of current low-interest rates to generate cash to contribute through refinancing of individual houses. Many people who would not think of themselves as wealthy in any way own a home. There are ways, through refinancing, to draw significant dollars out of this asset without radically changing lifestyles. Taking out a mortgage or home equity loan now is a way to give part of an estate to wealth transfer during one's lifetime and have a significant impact. For example, at 3% mortgage:
 - \$20,000 can be generated by adding \$111.00 to a 20-year mortgage
 - \$50,000 can be generated by adding \$277.00 to a 20-year mortgage
 - \$100,000 can be generated by adding \$555.00 to a 20-year mortgage.
- Dedicating bequeaths to the FRF in one's estate.

CONTACT

If there is interest in discussing financially supporting the Freedom Recovery Fund, contact:

Pat Terrell

Patterrell020@gmail.com