

Arkansas can't go back to business as usual.

THAT'S WHY WE NEED THE **ARKANSAS** ENTERPRISE CAPITAL GRANT FUND

Financial capital provides the fuel for all enterprises, regardless of tax status. Yet the conventional way of funding social enterprises undermines financial strength and resilience. Enterprise Capital offers a better way to build financial strength, enhancing nonprofits' ability to strengthen Arkansas communities.

1

Can't We Find a Better Way to Fund Nonprofits and Their Communities?

Yes, we can. To meet the urgent needs of the people they serve, Arkansas nonprofits need the same long-term, flexible capital that for-profit businesses get. The conventional reliance on short-term restricted funding keeps organizations from delivering greater benefits and shortchanges the folks who most need their help. An innovative funding model—Enterprise Capital—can free the state's grassroots groups to devote more of their resources to their mission at the same time that it builds their financial strength and resilience. EC also supports the kind of direct investment that begins to address decades of inequitable funding for groups led by and serving people of color. We welcome your financial contribution to bring EC to Arkansas.

2

Enterprise Capital invests flexible, multi-year funding in a nonprofit's net assets to help it fulfill its social and economic missions. It shares the unrestricted character of general operating support—predictable revenue for operations or program and service delivery—but it works differently by providing funds, including cash, for investment wherever the organization needs it. Together, these two types of funding give nonprofits both the revenue and the net-asset positions they need to assure financial sustainability and boost impact.

What's Enterprise Capital?

3

Meet The Arkansas Enterprise Capital Grant Fund

The AECGF aims to raise \$50 million to invest in nonprofits and social enterprises. A new Arkansas Enterprise Capital Consortium—comprising major foundations, philanthropic collaboratives, nonprofit CEOs, and community leaders—will lead this campaign. The Consortium will pursue economic equity relentlessly for all Arkansans, a mission with enormous promise for a state where more than 40% of households struggle with financial instability day in and day out. Enterprise Capital has already proved its ability to deliver more sustainable, more equitable outcomes. Please get involved; your investment today can help produce life-changing results across Arkansas.

Nonprofits have already told us: This model works for Arkansas.



IT WORKS FOR LAUNCH: Funding a new organization, program, or strategy

Enterprise Capital works exactly the way that seed or venture capital does in a for-profit business.

Judith Yanez launched **RootED Northwest Arkansas** in 2017 to help families confidently advocate for the



best educational resources for their children. She quickly built trust and engagement in her community, winning encouragement to expand

her services. Initial grants came with program restrictions, but her work caught the eye of the Walton Family Foundation, which enthusiastically offered unrestricted operating support. Even as this funding has underwritten many of the organizational costs needed to expand RootED NWA's focus beyond education, the nonprofit must shift from short-term to multi-year Enterprise Capital funding to build the infrastructure and staffing it needs for sustainability and to broaden its reach.
www.impactnwa.org

Prompted by the existing business ecosystem's failure to serve Latino entrepreneurs in Arkansas, Irma Chavez set out to plug that gap. Over five years she organized networking and promotional events for those businesses. In 2021, she formalized that work when she launched **Conexión de Negocios Latinos** with the support of Arkansas United. CNL aims to “connect, promote, educate and support” Latino entrepreneurs with networking, educational programs, communications support, and access to financing and legal advice. Flexible funding from the Walton Family Foundation and the Winthrop Rockefeller Foundation covered start-up costs

and technical-assistance services that proved critical to the organization's early success. CNL now needs longer-term Enterprise Capital and ongoing technical assistance to realize the goal of making its services available statewide.
www.conexiondenegocioslatinos.com



Nonprofits have already told us: This model works for Arkansas.



IT WORKS FOR GROWTH AND FINANCIAL SUSTAINABILITY: Scaling and sustaining an organization

Enterprise Capital can build the infrastructure needed to deliver products or services at greater scale while building financial resilience.

Patricia Ashanti was committed to disrupting the mindset of generational poverty in the Arkansas Delta. She launched **Delta Circles** in 2009 to identify solutions that build wealth and move families out of poverty, with a special emphasis on Black women. The organization expanded programs and services for its first decade largely through volunteers and small grants. But the opportunity to turn an abandoned school into a multi-purpose community center made it clear that the time had come to seek Enterprise Capital from both local and national funders to fuel growth in a way that would

create financial stability. The group used the same principles to distribute funding to small businesses in the Delta during the pandemic—just the start

of expanded efforts to “change the trajectory of a community.” www.delta-circles.org



The Rural Community Alliance aims to create just and

thriving rural communities across Arkansas through services that include educational advocacy, community revitalization, youth empowerment, economic development, public health advocacy, and voter registration. Over 15 years, as its budget rose

from \$30,000 to almost \$1 million, RCA used both public and private funding to fuel its growth. Yet it found that the multiple restrictions of public-sector funding often limited its ability to respond to the needs of the communities it serves. As it maps out its future, the organization’s leadership understands that an infusion of Enterprise Capital will prove essential to making RCA more financially resilient and to building the capacity it will need to carry out its ambitious vision.

www.thenewrural.org



Nonprofits have already told us: This model works for Arkansas.



IT WORKS FOR STABILIZATION: Managing a leadership transition, navigating an emergency

Enterprise Capital can provide financial stability amidst organizational transitions, economic downturns, or in emergencies such as a pandemic.

Arkansas Advocates for Children and Families has lobbied to improve the lives of Arkansas's children for 45 years, leading statewide initiatives in areas ranging from juvenile justice reform to early education and out-of-school opportunities to children's health. When its long-time leader announced plans to step down after 18 years, he feared that the transition would jeopardize

the organization's financial status, which—given its focus on policy development—depends heavily on philanthropy. Both local and national funders had historically supported AACF, but a trend of funding's shifting from policy groups to grassroots organizations threatened its future. Although the pandemic opened doors to more unrestricted funding in 2021 and 2022, the group found those doors swinging shut at the very moment the state needs AACF's services most. Fortunately, the Winthrop Rockefeller Foundation saw the value in providing Enterprise Capital worth \$250,000 to help the group's new head strengthen the organization's ability to fulfill its mission of assuring that all Arkansas's children can prosper. www.aradvocates.org



Help us take the Arkansas Enterprise Capital Grant Fund statewide to supercharge nonprofit impact. At launch it will be the largest dedicated fund using the Enterprise Capital model in the U.S. Not only will it help grassroots groups reach thousands more Arkansans, but it will also make the state a national leader in the field. To learn more about the fund, write Cory Anderson at AECGF@wrfoundation.org. To learn more about Enterprise Capital, visit www.EnterpriseCapital.info.