Throughout his life, Henry Roberts was a good steward of his family’s 500 acre farm near Winona, Mississippi. The farm was productive and the row crops he grew sustained his family and allowed his children access to education and lives away from the farm.

As Mr. Roberts aged, he began to consider his legacy. He had done well as an African American farmer to hold on to his land. So many others lost family land in the face of hard times, discrimination, and modernization. Even so, Mr. Roberts never saw the forests on his property as a primary asset.

After all, it was the row crops that produced the annual income that kept the farm and his family operating. Now, he was thinking about the value of what he would leave behind. He had a sense that the trees could be part of that legacy. He called his youngest daughter Vickie home and asked her to help create a forest plan. It would be a challenging endeavor.

Unfortunately, the next year Mr. Roberts passed long before realizing his forestry plans. Honoring her father’s vision, Vickie ended her career as a pharmaceutical representative and returned home to become the family forest manager. A decade later, after overcoming setbacks and complications, the Shelton Roberts farm has been recognized as a Mississippi Stewardship Forest. Mr. Robert’s forest will now create wealth for generations to come.

Forestry and Wealth Creation
The Endowment has a clear goal of creating family-supporting jobs related to forestry. Recent research into family economic health calls for attention not only to job creation but also to reduction of “asset poverty.” More than a quarter of Americans live with insufficient net worth to keep their families out of poverty after only three months’ loss of income. (cfed.org, 2011)

Moreover, emerging data on the disparity of net worth is increasing focus on accumulated family assets in work to create family economic health, particularly in communities with high concentrations of people of color.

Wealth in the U.S., as measured by household assets minus debt, shows dramatic disparity between racial groups. The Pew Research Center (2011) found that in 2009, the median wealth of Caucasian households was 20 times that of African American households and 18 times that of Hispanic households. With this in mind, the Asset Creation Initiative uses forestry to create family supporting jobs, entrepreneurship, and family wealth in forested rural regions with concentrated focus in places with high minority land ownership.
Black farmland ownership in the U.S. peaked in 1910 at 16 to 19 million acres and has now fallen to less than 3 million acres, according to best estimates. Forty-three percent of black farm owners have forests. Those forests total 1.2 million acres.

Despite the dramatic land loss across the rural Black Belt and coastal regions of the South, farmland continues to be an important source of African American family wealth with a value of $14.3 billion.

In 2012, the Endowment launched a pilot program to test the use of Sustainable Forestry to stabilize African American land ownership and increase family wealth by increasing income and land asset value.

Critical factors to stemming land loss through sustainable forestry are:

- A strong, trusted, and enduring network of support for minority forestland owners;
- Access to government funding and technical support programs;
- Sources of non-predatory capital to promote forest-related entrepreneurship;
- Increased markets and private forestry services to owners of small forest holdings.

**USDA Partnerships Enhance Impact**

The Asset Creation Initiative is a joint venture with the USDA Forest Service and Natural Resource Conservation Service (NRCS). The partnership includes joint funding and program coordination.

In January of 2013, the Endowment, the Forest Service, and NRCS will announce the program’s initial multi-county pilot sites chosen through a competitive grants process. The pilots will build robust networks of support for Black landowners working to increase the health and productivity of their forests. The project will also support baseline research to measure the potential of forestry to sustain land ownership.

The goal of each pilot is to move at least 20 families to productive use of their forests to stabilize intergenerational ownership and model scalable landowner support systems.

**Community Wealth through Forestry**

Community Wealth through Forestry, Inc., a wholly-owned for-profit subsidiary of the Endowment, was created to manage the Endowment’s profits as a partial owner of the 21 megawatt North Star Jefferson wood-to-energy facility now being constructed in Jefferson County, Georgia.

The Endowment proposes to reinvest all its net profits from the business for the coming 20 years to test a model of rural poverty alleviation through family and community asset creation.

(continued next page)
Jefferson County has been selected to test the idea that social impact investment in forest-related industries can create significant philanthropic investment along with traditional economic benefits including family supporting jobs and expanded wood markets.

During 2012 and 2013, Community Wealth through Forestry will determine the use of the funds through an open conversation with the community. The only stipulations are that funds must be used to solve one or more of the underlying causes of poverty over the 20-year period of North Star’s power purchase agreement with Georgia Power and that the community must join as a co-investor. The challenge is for the people of Jefferson to recommend a long-term concept to increase income and assets of the county’s lower-income families.

Long-term philanthropic investment is rare in poor rural places. If successful, the Jefferson project will be a replicable model linking social impact investment, economic development, and creation of philanthropic assets.

Community Wealth through Forestry employs an asset-based approach to rural community development and poverty alleviation. This idea is simply to use local knowledge, skills, and natural and cultural resources to build new economies.

In Jefferson, that means forestry and wood as an economic base. The county is 75% forested. Moreover, it is a place that is investing in education and understands that a hand-up and hard work can move families forward.

Shade Fund

Every year, thousands of U.S. entrepreneurs look for responsible new ways to put our natural resources to work. They create jobs while sustaining the forests and open space that preserve clean air and water. But many green innovators have a hard time finding the money they need to grow their business from idea to reality. Their personal resources only carry them so far, and banks are reluctant to lend to young, small businesses, no matter how bright their future may be.

That’s where ShadeFund (www.shadefund.org) comes in. A creation of the Endowment and The Conservation Fund, ShadeFund connects online donors to collectively provide small loans to promising green entrepreneurs across America.

Qualified borrowers like City Bench (below), a company that diverts downed urban trees from the waste stream to use in custom furniture, are identified and supported by a network of ShadeFund Field Partners — organizations that understand local economic opportunities. One such field partner is the Farmer Veteran Coalition, working to find and support new farmers among returning veterans.
The Asset Creation Initiative advances all aspects of the Endowment’s Theory of Change, which plots specific direction to the Endowment’s mission “to advance systemic, transformative, and sustainable change for the health and vitality of the nation’s working forests and forest-reliant communities.”

Healthy Working Forests - Bringing forests into productive and sustainable management will restore forest health and mitigate the loss of forests to development or other uses.

Forest Value Streams - The Initiative will develop markets and forestry support systems thus opening traditional and emerging forest-based value streams to small landowners.

Healthy Forest-Reiliant Communities: The Increased income, entrepreneurship, land asset retention, and decreased poverty will rejuvenate rural communities and sustain fundamental assets critical to family and community wealth.

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The U.S. Endowment for Forestry & Communities, Inc. (Endowment) is a not-for-profit corporation established in late 2006, at the request of the governments of the United States and Canada in accordance with the terms of the Softwood Lumber Agreement (SLA) between the two countries. The Endowment’s mission is to work collaboratively with partners in the public and private sectors to advance systemic, transformative, and sustainable change for the health and vitality of the nation’s working forests and forest-reliant communities.