

Strength in Numbers: Leveraging Data for the Community Development Field in Illinois

Frank Woodruff - Executive Director, NACEDA

Armeca Crawford - CEO, Peoria Housing Authority

Kimberly Danna - Chicago Field Office Director, HUD

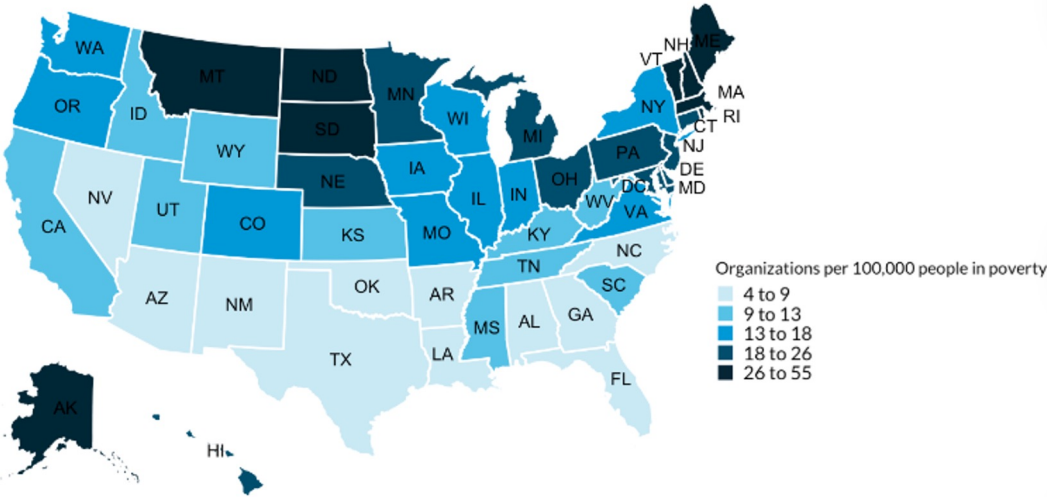


GROUNDING VALUES IN RESEARCH

Resources to Cultivate Community-Based Development Organizations

The Financial Health of Community Based Development Organizations

Number of CBDOs per 100,000 population living below the federal poverty line, 2018



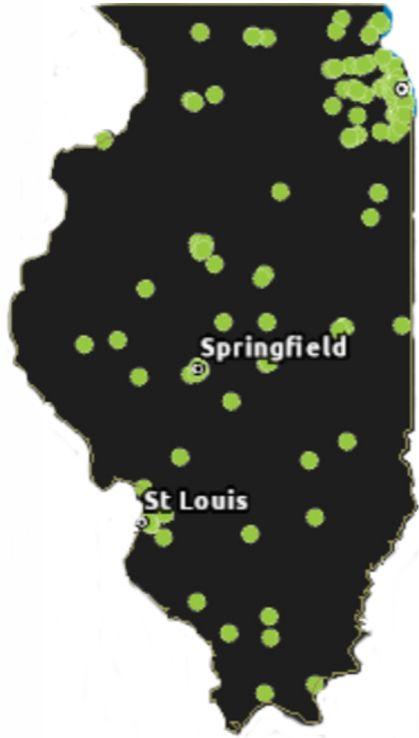
**5,720
Organizations**

**\$54.3 B in
assets**

**\$27.7 B in
revenues**

Source: Author analysis of IRS registry of open data on AWS and Statistics of Income (SOI) IRS 990 and 990EZ data and the 2016-2020 American Community Survey

The Financial Health of Community Based Development Organizations - Illinois



**214
Organizations**

**\$1.8 Billion
in assets**

**\$960 Million
in revenues**

Illinois Cities Included in Metropolitan Area Types

Large Metro

Med. Metro

Small Metro

Non Metro

Chicago-Naperville-
Elgin
St. Louis

Davenport-Moline-Rock
Island
Peoria
Rockford

Bloomington
Cape Girardeau
Carbondale-Marion
Champaign-Urbana
Danville
Decatur
Kankakee
Springfield

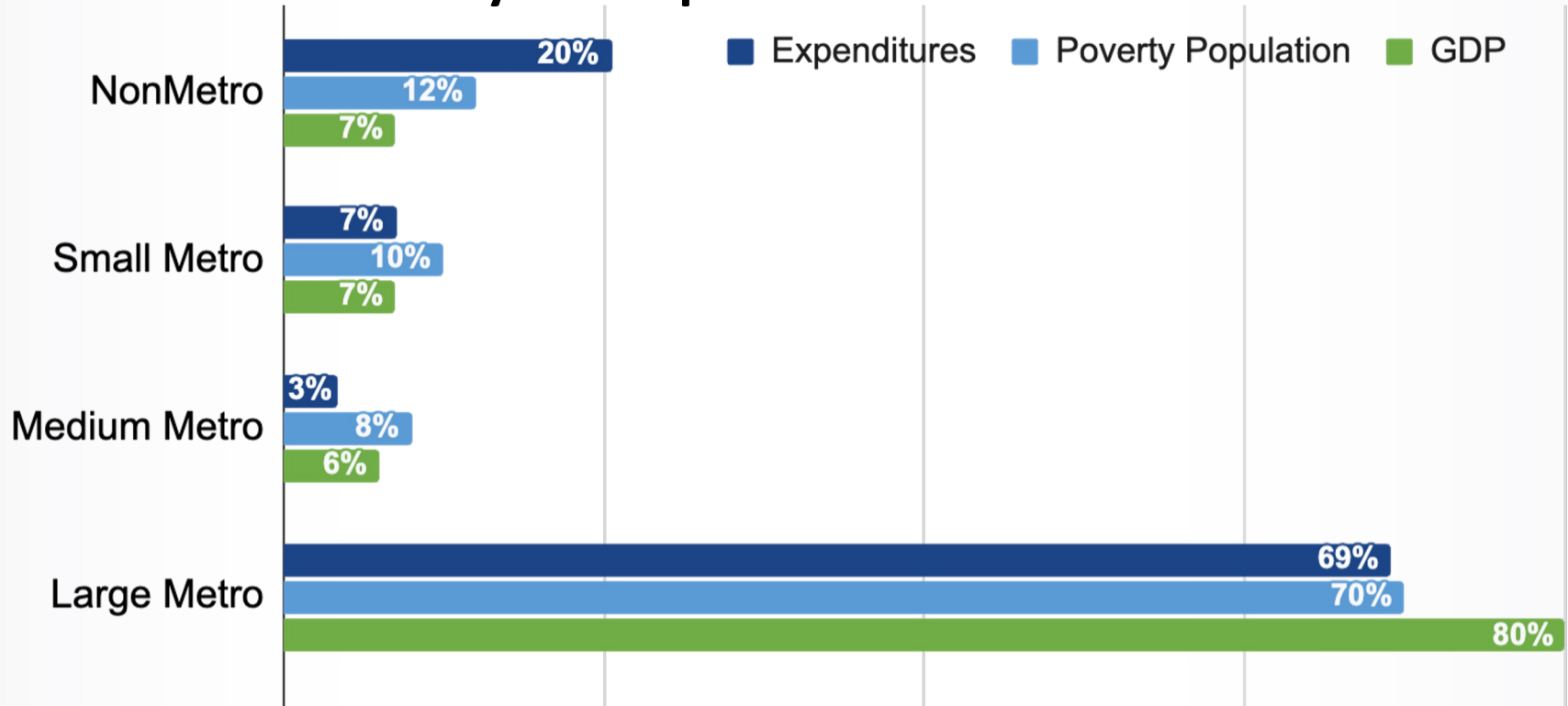
Remaining community
groups

Roadmap for presentation

- Where do resources come from? And where do they go?
- How evenly are resources distributed to Illinois communities?
- How do investors prioritize resources for Illinois organizations?
- How are resources concentrated?
- How financially healthy are organizations?

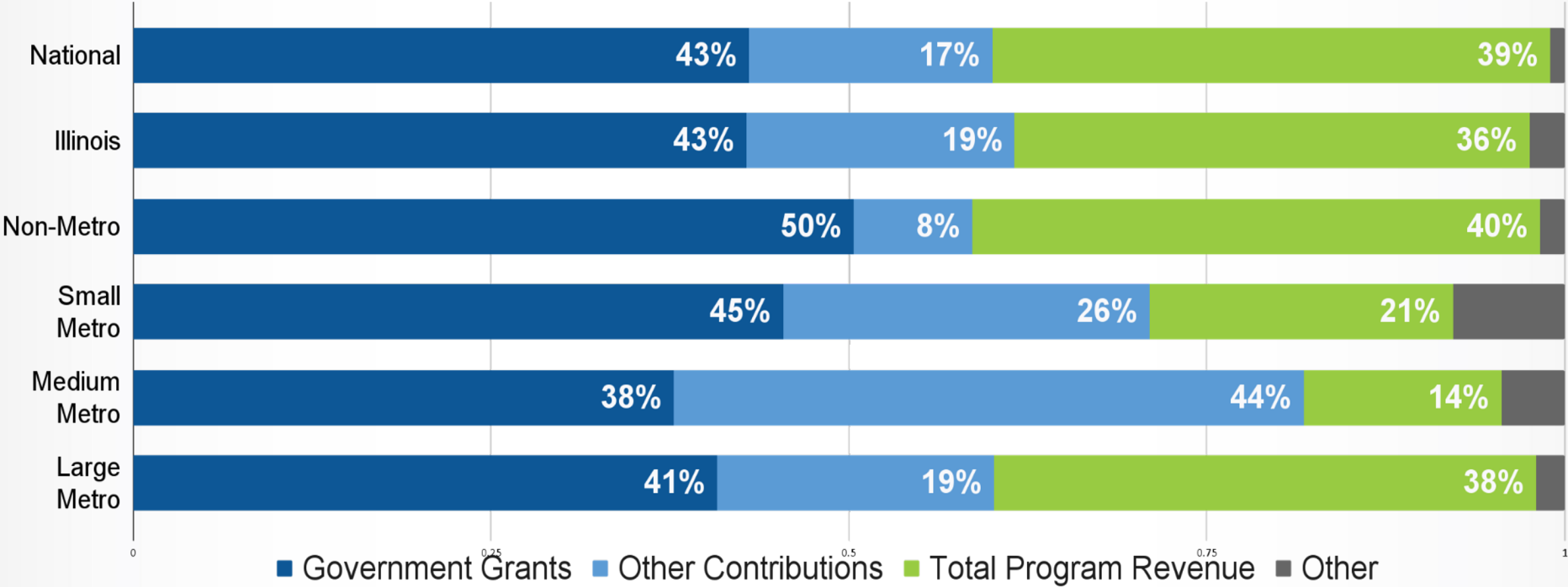
Where do resources come from? And where do they go?

Shares of Illinois CED Expenditures, GDP, and Poverty Population by Metropolitan Area Status



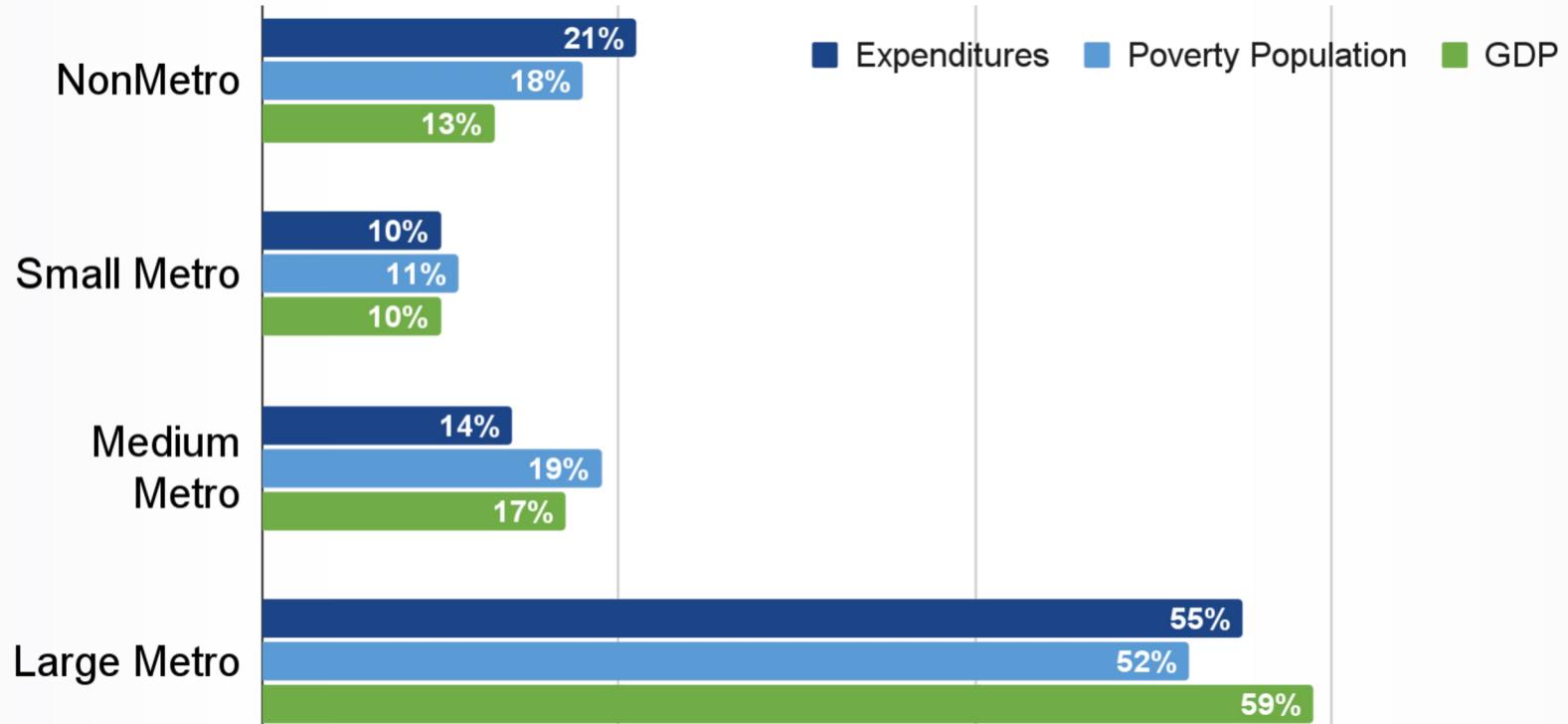
Sources of Revenues for Illinois Metro Area Types, 2018

(Percent of Total Revenues)

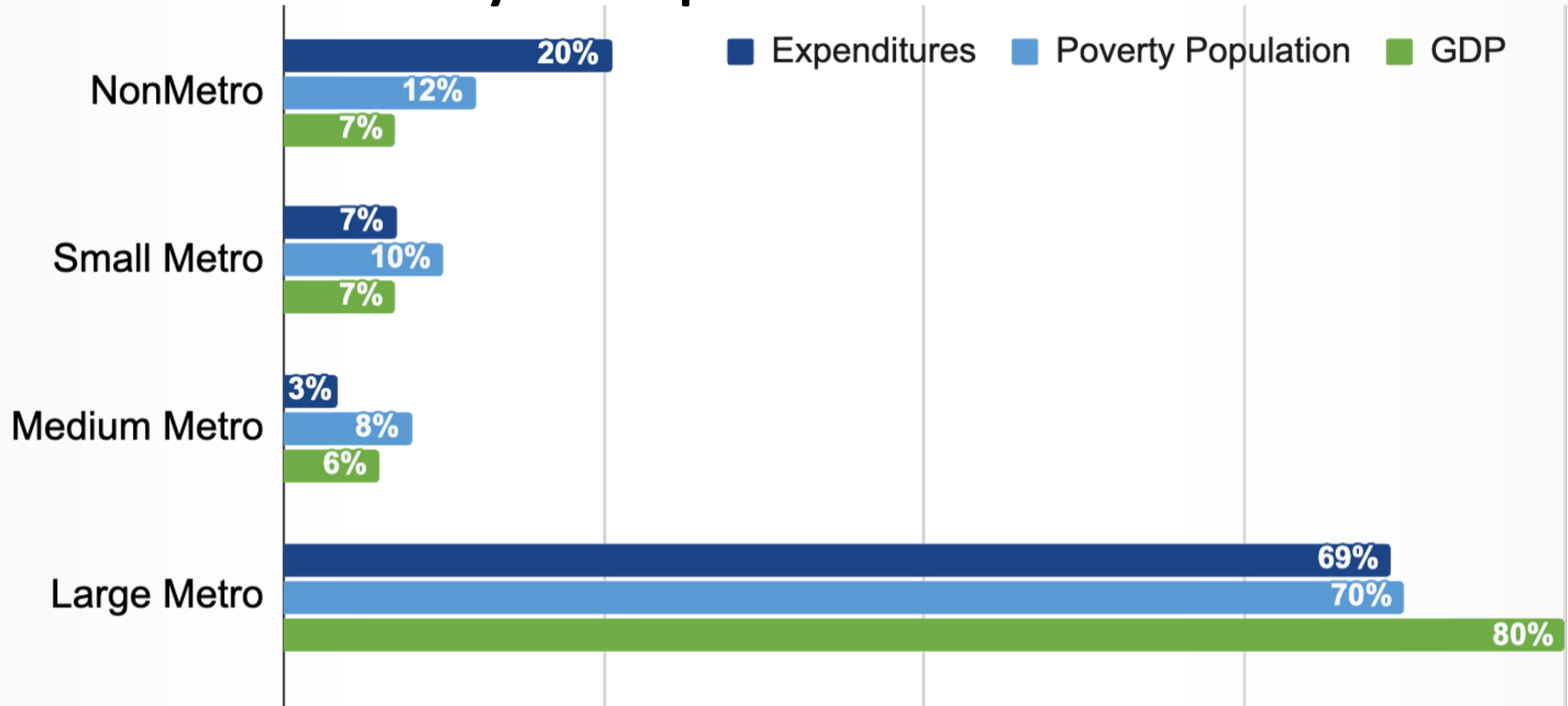


How evenly are resources distributed to Illinois communities?

Shares of National CED Expenditures, GDP, and Poverty Population by Metropolitan Area Status



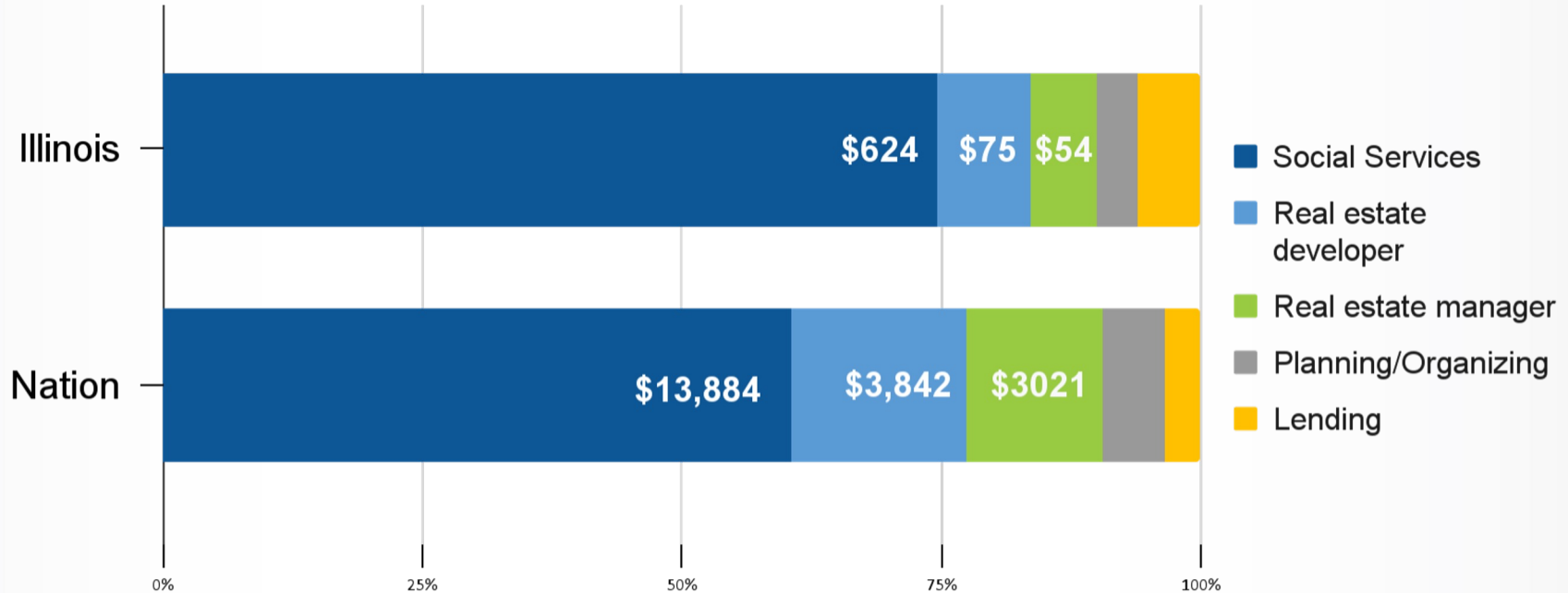
Shares of Illinois CED Expenditures, GDP, and Poverty Population by Metropolitan Area Status



How do investors prioritize resources for Illinois organizations?

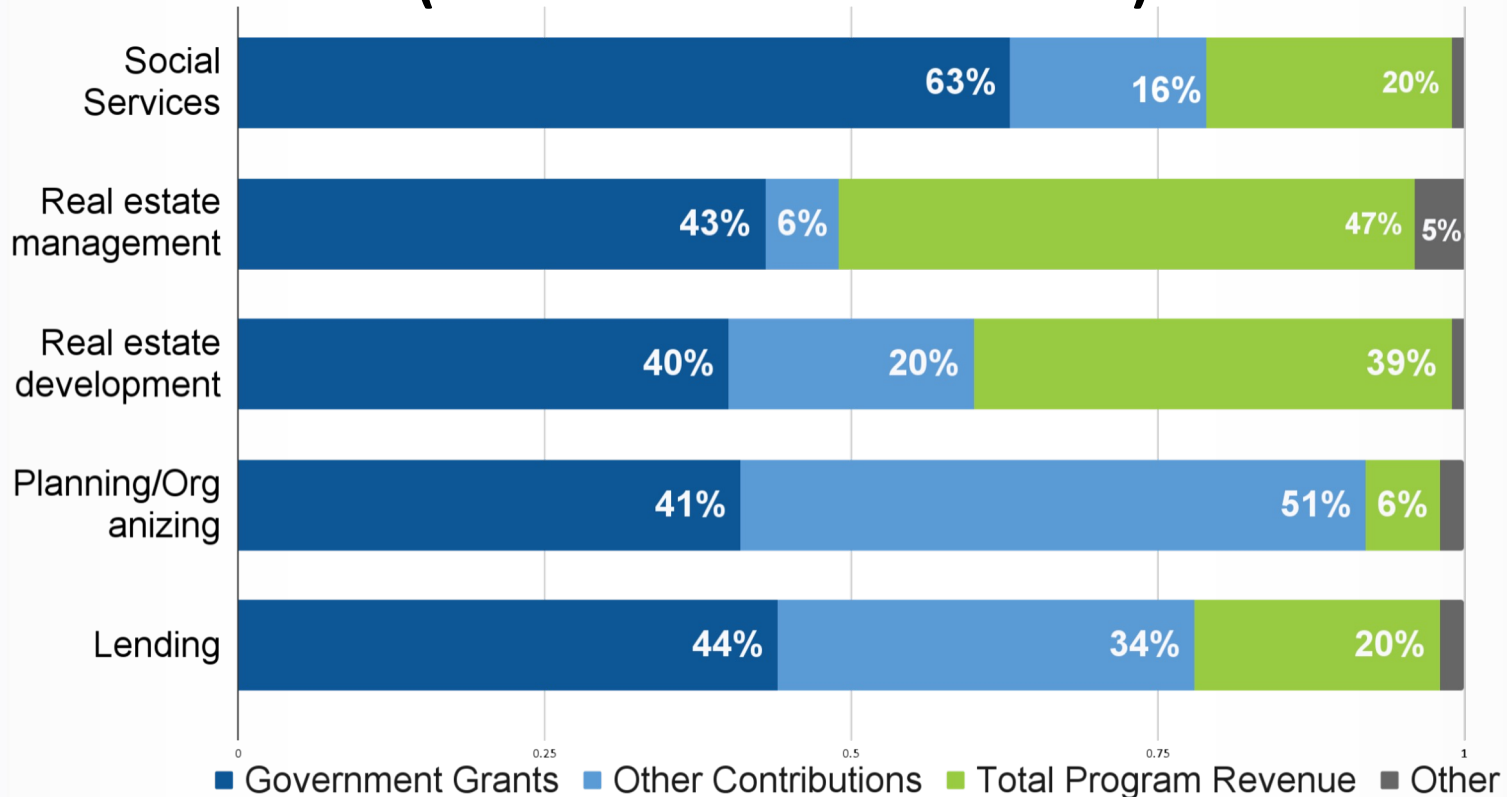
Composition and Revenue by Activity Type, 2018

(Dollars in Millions)



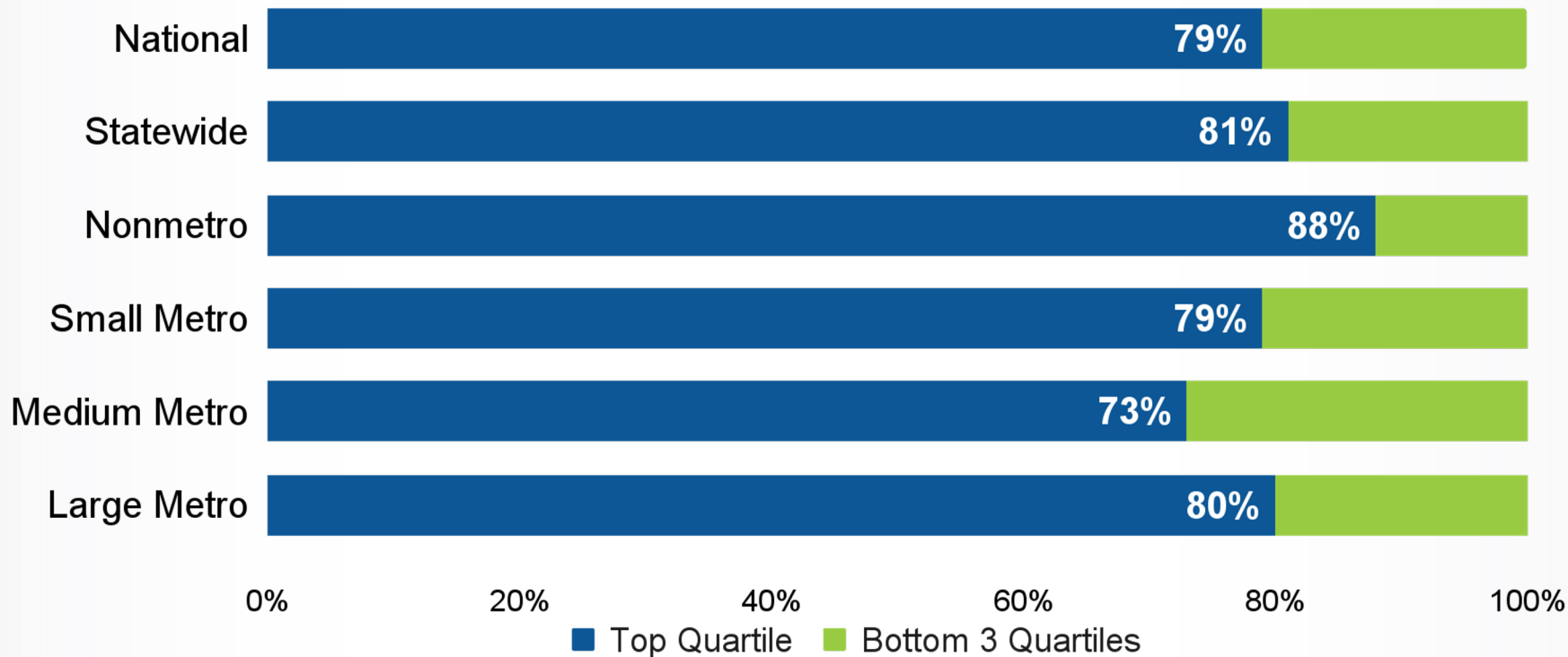
Sources of Revenues by Activity Type, Illinois 2018

(Percent of Total Revenues)



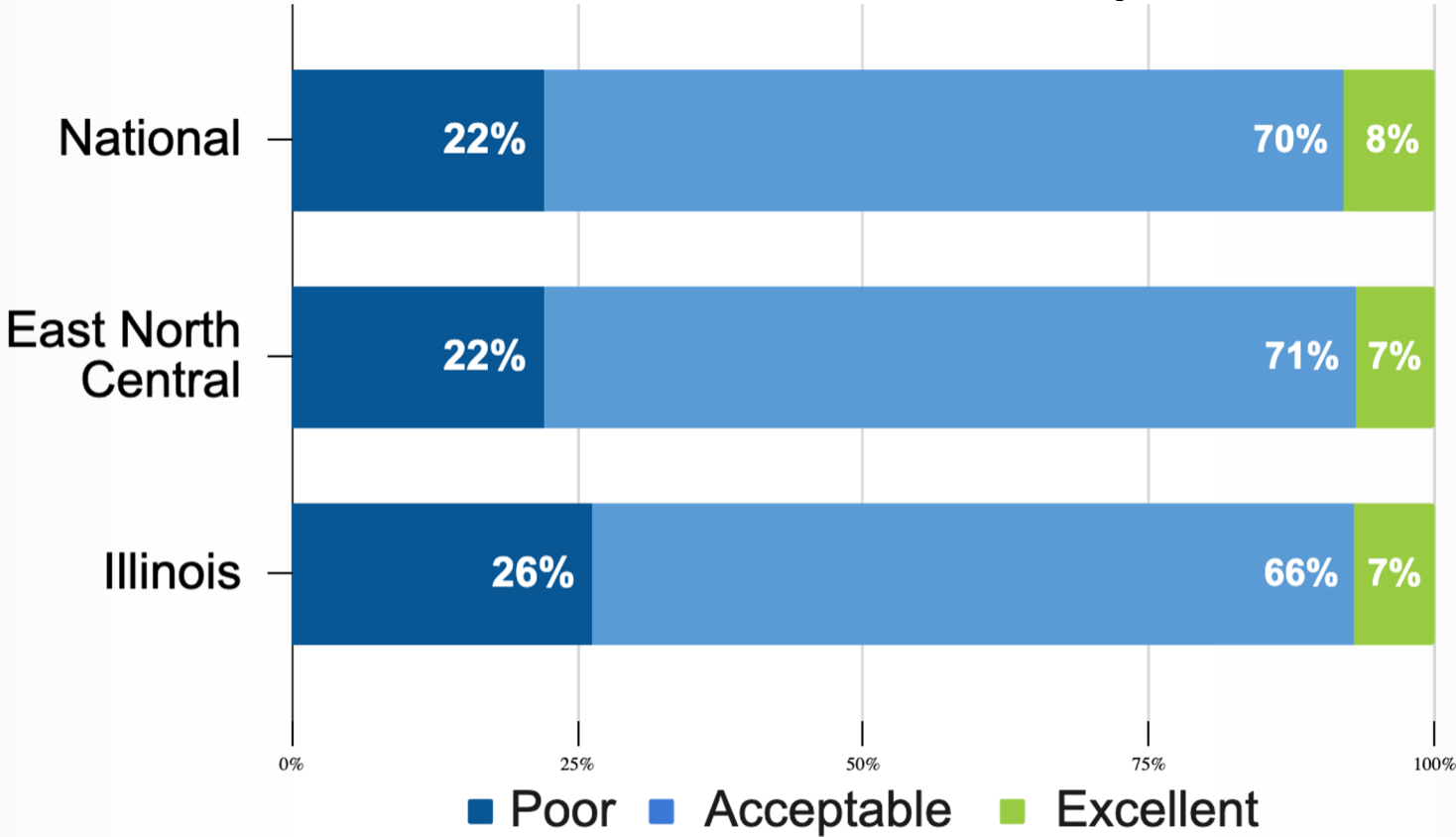
How are resources concentrated?

Top Quartile Shares of Revenues for Illinois Metro Area Types, 2018 (Percent of Total)

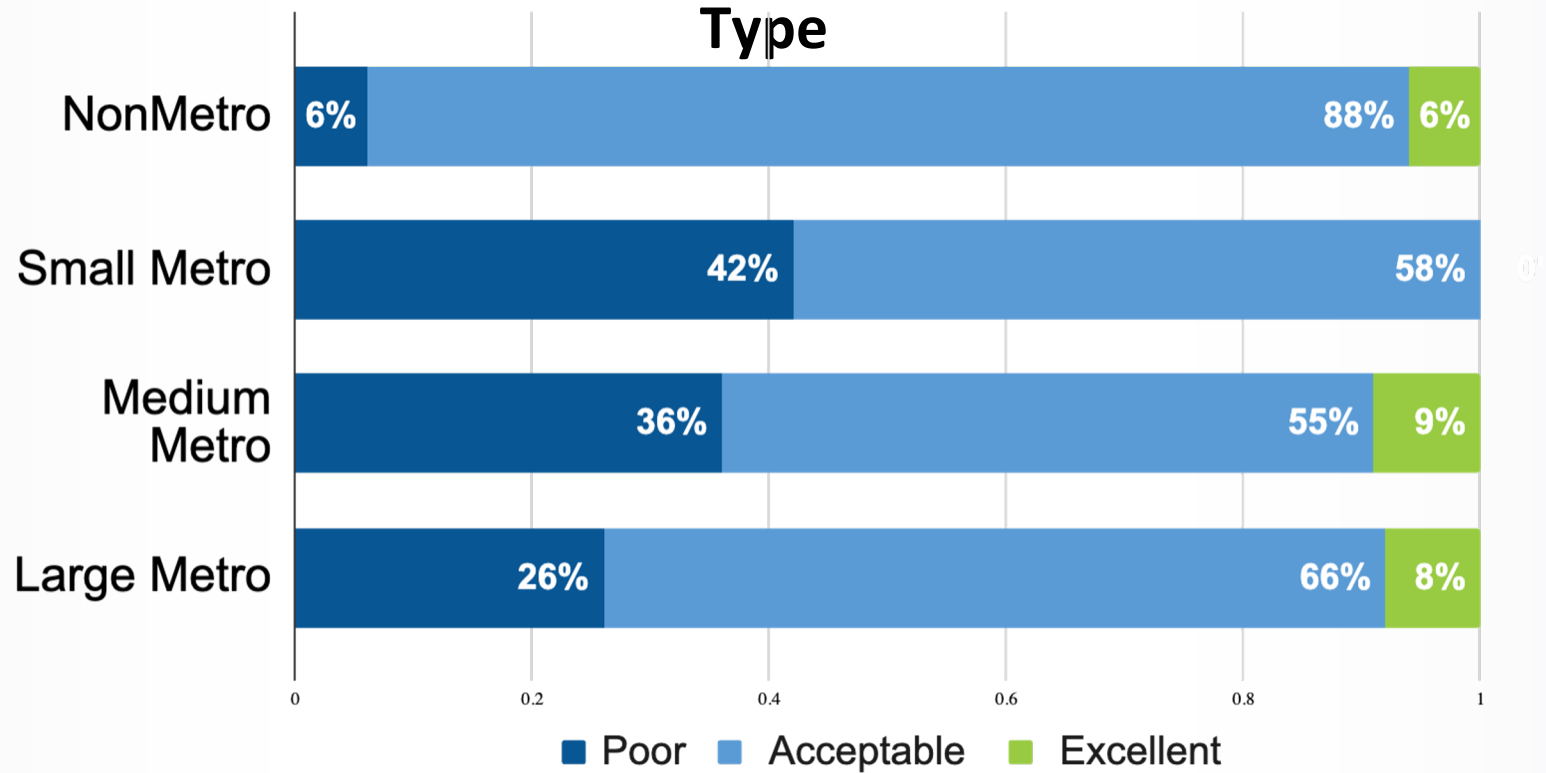


How financially healthy are organizations?

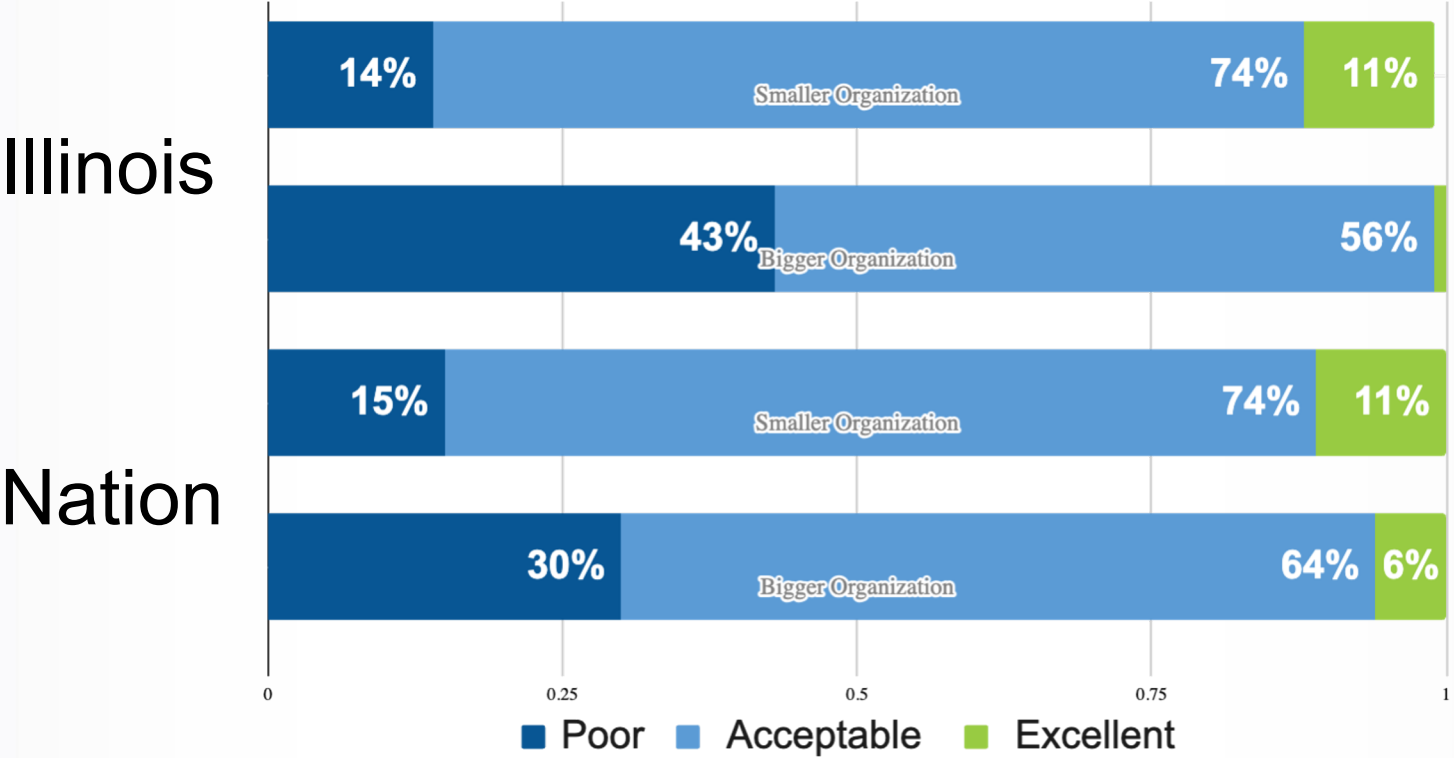
Financial Health Illinois CED Groups, 2018



Financial Health Illinois CED Groups by Metro Area



Financial Health of National and Illinois CED Groups by Above- and Below-Median Expenses



Leveraging the Grounding Values Study to Strengthen Rural Communities: Questions for Discussion

- What do you think is impacting some of the trends we are seeing in small and medium metropolitan areas?
- Resource concentration in Illinois mirrors national trends. What are the consequences of that concentration? What tools are (or should be) available to change it?
- Why are larger organizations in Illinois facing financial headwinds, relative to national trends?
- What is driving the disproportionate prevalence of social services among Illinois organizations?

Q&A

Experimental Metrics of Poor Financial Health

Failing 5+ metrics = Poor financial health

- Negative cash flow from operating in two of three years
- Negative Net Asset Change in two of three years
- Negative net income
- Less than three-months' cash on hand
- Less than 90 days cash in two of three years
- Current ratio less than 3*
- Negative Unrestricted Net Assets in two of three years
- One-year 25 percent drop in total revenues
- One-year 25 percent drop in total assets
- One-year 25 percent drop in total expenses

Experimental Metrics of Excellent Financial Health

Passing 4 or fewer metrics = Watchlist

- Positive cash flow from operations in at least 2/3 years
- Growth in net assets in at least two / three years
- Current ratio over 1:1
- Stable or positively trending days cash
- Positive and growing unrestricted net assets
- Positively trending capital ratio for 2016-17 and 2017-18
- Financial sustainability ratio at or above peer group