

## Program Goals

The Foundation's work in Development Finance and Economic Security around the world seeks to build a deeply rooted global field. Through our grantees, we support innovative projects that contribute to developing knowledge, identifying and advancing sound practices, and establishing policies that promote asset building for the poor.



## Where We Work

Foundation program officers actively make development finance grants in the United States, Mexico and Central America, the Andean Region and the Southern Cone, Southern Africa, West Africa, Russia, India, Nepal, Sri Lanka, and China. Specific activities include such projects as: grassroots savings groups in India, policy research and advocacy to encourage U.S. mortgage lenders to make loans to low-income customers, and assisting rural business development in Nigeria.

## To Learn More About the Ford Foundation and Development Finance

To learn more about the Foundation's work in Development Finance and Economic Security, and to contact program officers in the field, please visit the What We Do section of our Web site, [www.fordfound.org](http://www.fordfound.org).

FORD FOUNDATION



The Ford Foundation is a resource for innovative people and institutions worldwide.

Our goals are to:

- Strengthen democratic values
- Reduce poverty and injustice
- Promote international cooperation
- Advance human achievement

This has been our purpose for more than half a century.

The Foundation and its field offices can also be contacted at:  
Ford Foundation • 320 East 43rd St • New York, NY 10017 • USA



ASSET BUILDING AND COMMUNITY DEVELOPMENT PROGRAM

FORD FOUNDATION

[www.fordfound.org](http://www.fordfound.org)

Created by Laufer Green Isaac / Los Angeles 2004

From The Ground Up:  
Building Assets Through  
Development Finance

# Building Assets and Reducing Poverty through Development Finance and Economic Security

To emerge from poverty, low-income people need reliable sources of adequate income, strategies to minimize risk, and the ability to build, manage, and control financial assets.

At the Ford Foundation, we believe that building upon people's existing resources and capacities is the starting point in a process that leads to economic security that can be maintained over generations.

**“THE MOST SEVERE SEGREGATION IS RELATED TO LACK OF KNOWLEDGE...OUR MAIN EFFORTS ARE NOT ONLY AIMED AT FINDING NEW BUSINESS OPPORTUNITIES FOR OUR CRAFTSPEOPLE, BUT TO HELP PEOPLE OVERCOME SOCIAL DISCRIMINATION AND VULNERABILITY.”**

**Fundación Solidaridad, Chile**

increasing the supply of financial and non-financial services; promoting public dialogue and policies that encourage and assist low-income people to build long-term financial assets and develop skills that lead to sustainable wages; and strengthening institutions working in the field.

Foundation staff working in its Development Finance and Economic Security field invest in activities that help low-income people generate sustainable incomes, build assets, save and plan for the future, and protect against unforeseen economic setbacks.

We support a broad range of activities, methodologies, and organizations that seek to promote economic security and reduce the vulnerability of the poor. These include



Russian Women's Microfinance Network / Russia



El Fondo de Inversión Social / Argentina



Aid To Artisans / Ghana



Fundación Hábitat y Vivienda / Mexico

Funding the Poor Cooperative / China

## Our Core Beliefs

**“WE BELIEVE THAT ONCE PEOPLE SECURE THEIR FIRST FINANCIAL ASSET—A SAVINGS ACCOUNT, MONEY TO START A BUSINESS, OR BUY A HOME—THEY DRAMATICALLY INCREASE THEIR ABILITY TO BE PRODUCTIVE IN THE ECONOMY.”**

**CFED, United States**

Despite these difficulties, a variety of nongovernmental and not-for-profit organizations have developed promising approaches that increase access to financial services for low-income consumers, entrepreneurs and households. The Ford Foundation aims to help these institutions find answers to these challenges. A number of principles and perspectives underlie the Foundation's programming in this field. For example, we:

- Are committed to promoting ethnic and gender equity.
- Recognize that broad access to financial services (i.e., loans, secure savings, and insurance) is necessary as are non-financial interventions (i.e., training, creating linkages to markets, and improving policy and regulatory frameworks).
- Are willing to take programmatic risks and support diverse approaches to development finance.

In many countries, the work of development finance institutions is hampered by factors such as fluctuations in global currency and commodity markets, their own inability to attract adequate capital from varied sources, and weak communications, information, and management systems. Loans for poor people are often seen as high-risk, low-return business.

- Believe in the catalytic role development finance institutions can play in mobilizing financial and social capital for the poor.
- Are responsive to local context and the needs of local practitioners.
- Are open to the use of “smart subsidies”—those that support innovations that enhance outreach to the very poor—to achieve our social mission.

## Measuring Progress: Are We Making a Difference?

**“CONTINUOUS ACCESS TO TRAINING AND CAPACITY BUILDING ARE THE...MOST IMPORTANT FACTORS FOR [INDIVIDUALS] TO BUILD ASSETS.”**

**Society for Helping Awakening Rural Poor through Education (SHARE), India**

- Strengthened infrastructure of networks and trade associations, institutional relationships and partnerships among private sector, public sector, and civil society organizations.
- Improved public policy and regulatory environments that promote financial systems that respond to the poor.

We measure our direct impact, as well as that of our grantee partners, in a variety of ways.

- Increased access to a wide range of financial services and greater ownership of assets by low-income people and communities.
- Enhanced capacity of development finance institutions to increase incomes and build financial assets among low-income people.