

The Noah Rule: Predicting rain doesn't count; building arks does. Warren Buffett

Introduction

While sometimes overwhelming, data can be used to our advantage and position our families and communities for better tomorrows. For example, when we save for retirement, or plan ahead for large expenses, like paying for a college education or purchasing a home, we leverage data to maximize gains and mitigate risk. The advantage of this method is that, if applied with rigor and patience, it works.

We are reminded of this in light of two recently-announced data points: Memphis now leads the nation in overall poverty, and poverty among children*. While this is wholly unacceptable and a great burden for our city, it is also an opportunity. The challenge here is to be as smart as possible when fighting poverty; to identify and accelerate (or slingshot) organizations that are most effective at improving the quality of life for our under-resourced neighbors.

This is exactly the method we employ at Slingshot Memphis - rigorous quantitative analysis directed at building a portfolio of high impact organizations that reduce poverty in our city. We do not pretend to have the silver bullet that will end poverty. There isn't one. Instead, we are working to maximize resources devoted to poverty reduction in Memphis - whether invested philanthropically or allocated from public coffers.

Our Partners

Following Robin Hood's model, we are targeting four key areas in the local nonprofit sector: jobs / economic security, education, early childhood / youth, and stabilization. Doing so allows us to leverage impact and diversify our portfolio of partner organizations. Of course, this being our first year, we have one partner organization in each area; at the beginning of year two, we'll have at least two partners in each.

Jobs / Economic Security: Advance Memphis. Advance Memphis' headline intervention centers around job training and placement, although they provide many other services that support acquiring and retaining gainful employment, such as anger management classes, individual and family counseling, substance abuse support, financial literacy coaching, and a small business incubator.

Its major driver of impact is job training and placement for unemployed and underemployed individuals and the subsequent increase in earnings.

Education: CISTN @ Memphis. CISTN @ Memphis provides school-based interventions to students in grades K-12 to address academic performance, attendance, and other issues that affect a young person's likelihood of academic success. Its results are impressive, with around 90% of its students graduating from high school.

Its major driver is the increased lifetime earnings and improved quality of life from high school graduation.

Early Childhood / Youth: Nurse-Family Partnership. Nurse-Family Partnership (NFP) targets first-time mothers-to-be living in poverty, providing medical care and parental training for mom

and child until the latter's second birthday. Among other measureable benefits, NFP changes lives by increasing the likelihood of healthy, full-term births and robust infant and toddler development.

Its major driver is infant deaths averted and primary healthcare for mothers.

Stabilization: The Purdue Center of Hope. The Purdue Center of Hope (PCH) contains many programs, including three unique shelters for homeless single women and mothers with children, an addiction treatment center, and various interventions targeted at children. Each year hundreds of women and children pass through the doors of the PCH, a significant percentage go on to be placed in permanent housing, an outcome which goes the furthest to ensuring long-term successes in other areas of life, like work, school, and family.

Its major driver of impact is post-shelter permanent housing placement, which reduces the likelihood of homelessness for children and adults, improves health outcomes, boosts lifetime earnings potential, and increases quality of life.

Update

In Q3 we have been primarily focused on growing and refining our tools and processes. For example, the dashboards, or data-driven summaries of impact we have created alongside our partner organizations, are now far more accurate, thanks to extensive research into our assumptions and data received from our partners. Reducing our margin of error is now one of our top priorities.

Producing more accurate results adds value to our partners' work; with inaccurate results, there is a greater risk of not being equipped to allocate resources toward the most productive ends. To disrupt the fight against poverty, anything less is unacceptable. We have also taken the first steps toward turning our monetization tools on ourselves, by building a dashboard to measure our impact in the community.

In a matter of months our number of partner organizations will at least double. Because of this, we are working hard to increase the pool of resources in our IMPACT Fund. We are very lucky in that wherever we take our message and methods, we are greeted with genuine interest and excitement. We look forward to turning that excitement into a sizable pool of funds that, when dispersed, will accelerate our goal to effect systemic change.

Our team will also be growing soon, and we could not be more excited about that. We are planning to fill two positions to grow our research and development capabilities. We will also add consultants to our ranks and expand our board. All of this growth is in service of our headline goal: disrupting poverty in Memphis.

Conclusion

Our platform serves two ends. The first is to recondition the market and get everyone - funders and fighters - focused on identifying the most effective poverty fighting programs, and to get the most out of the funding available to these programs. The second is to put our community in a place to apply for and receive massive infusions of public and external funding, and then deploy those new resources in the most productive way possible. We are true believers in that way. To reference Mr. Warren Buffett, we know that the rain is coming. What we need now is an ark.

Onward,

Justin W. Miller

*Among MSAs with populations greater than 1,000,000, "Memphis has reclaimed the unfortunate top spot as the poorest MSA in the nation overall and in child poverty (2017 Poverty Fact Sheet. Elena Delavega, PhD, MSW).

Investors, Board of Directors, and Staff

We are proud to name the people and organizations whose support is making our work possible. We are deeply grateful for their involvement in Slingshot Memphis, and we look forward to growing this list of names.

Launch Funders - The following persons, alongside our Board of Directors, are committed to covering all operating and fundraising costs. Their investment guarantees that every cent of every dollar invested into Slingshot's IMPACT FUND will directly impact our city's highest-performing poverty alleviating programs.

Katherine & John Dobbs

Tommie & Billy Dunavant

Linda & Frank Smith

Impact Funders - Knowing that our nonprofit partners require additional, ongoing streams of revenue to maximize poverty alleviating outcomes, the following investors have joined our mission. This fund allows us to aggregate community dollars, mobilizing every level of donor, from 1 dollar to \$10 million.

Sarah & Howard Benz

Kelly & Blake Bourland

Boyle Investment Company

Hank Clay

Miller & Hunter Cowan

Angie & Will Deupree

Mary Lou & Robert Fenton

Liz & Ross Glotzbach

Jimmy Gould

J.R. Hyde III Family Foundation

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