

First Steps on the Open Road

99 Black Individuals Awarded \$50,000 by Innovative Fund



The Open Road Fund

Administered by Nexus Community Partners, the Open Road Fund is a community resource granting \$50 million to Black folks in Minnesota, North Dakota and South Dakota to create tangible pathways to liberation, prosperity, and healing on our own terms.

In 2023, the Open Road Fund distributed \$50,000 grants to 99 Black individuals. This report will give you an inside look into the granting process and key insights we've gained from the first cycle.

The Open Road Fund Team includes:

- **staff at Nexus Community Partners**, who manage the fund, including the application, selection, and grantmaking processes
- **Open Road Fund Advisory Committee:** 11 members of Black communities across Minnesota, North Dakota, and South Dakota who guide and support the fund on behalf of the community
- **Research in Action**, a team led by Dr. Brittany Lewis that will conduct an evaluation to learn about the successes and challenges of Open Road Fund awardees to help the program improve, expand and share a deeper story about its impact.

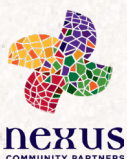
The Racial Wealth Gap

Long-standing practices of economic, physical, and legal violence against Black people created and continue to uphold the racial wealth gap in the United States. From racial covenants and redlining to mob violence against successful Black businesses, racism has undermined Black opportunities to earn and invest capital and build intergenerational wealth.¹ Despite the legal reforms of the 1960s and 1970s, the racial wealth gap has continued to grow.²

Today, the results of discriminatory economic policy and practices are evident in the Open Road Fund funding region:

- In 2021, the median income of white households was \$35,000 more than Black households in Minnesota, \$30,000 more in North Dakota, and \$20,000 more in South Dakota.³
- In Minneapolis, the homeownership gap is greater today than it was in 1950, with 77% of white households owning their home, but only 19% of Black households owning their home.⁴
- In 2021, less than 3% of U.S. businesses were Black owned, and they only accounted for 1% of the gross revenue earned that year.⁵
- If the average Black family wealth grows at the same pace as the past three decades, it would take Black families 228 years to amass the same amount of wealth white families have today. That's just 17 years shorter than the 245-year span of slavery in the US.⁶

The Open Road Fund is not reparations, but a community grant resource redistributing money from the Bush Foundation to Black descendants of slavery. The fund's resources aren't enough to correct all the harm done to the Black community over the past 400 years. By providing unrestricted funds to the descendants of enslaved African people, we hope to model a form of redistribution that others can adopt—direct cash for Black people to build wealth.



**RESEARCH
IN ACTION**

Defining Black Wealth Beyond the Racial Wealth Gap

While racial disparities in income and wealth must be eliminated, we cannot limit our concept of wealth to individual accumulation of financial resources. Wealth is also about cultivating economic security for everyone in a community where life and livelihood have been undermined by structural racism and discrimination. This is why the Open Road Fund convened Black people in the region to define Black wealth for ourselves.

Community engagement from June 2022 to July 2024 has included and will include:

- establishing the Open Road Fund Advisory Committee
- regional visits with Black-led organizations / leaders
- workshoping sessions with the ORF Advisory Committee
- an online survey completed by 112 Black residents in the region
- four community visioning sessions with a total of 48 participants
- a Black Wealth Community Education Series focused on the five ORF wealth building categories

Across these engagements, Black residents from Minnesota and the Dakotas discussed what constitutes Black wealth and how to support building Black wealth. The wisdom they shared went beyond homeownership as a vehicle to wealth: participants were clear that the goal of building and sustaining Black wealth requires a dynamic and multi-faceted approach. As the image illustrates, our program's definition of Black Wealth is qualitatively different from mainstream conceptions of wealth. This definition guided the Open Road Fund's approach.

Black Wealth Definition and Categories

Before launching the Open Road Fund, the Advisory Committee crafted a **definition** of Black wealth and identified **five categories** that are core to advancing Black wealth.

DEFINITION

Black wealth is – but is not limited to – healing from over five centuries of labor and livelihood stolen from us on this stolen land. Black wealth is owning what we produce. Black wealth is building and inventing for our families and community. Black wealth is a creative and sovereign practice of restoration that reaffirms the excellence that has always been in us.

Through the Open Road Fund:

We seek restoration. We seek freedom. We seek access to land and resources to build new institutions. We seek to enrich the next generations to come through us. We seek the peace of mind to determine what quality of life we deserve, what tools we will use, and how to attain them all.

CATEGORIES



2023 Fund Recipients

Applicants for the Open Road Fund must be at least 14 years of age; residents of Minnesota, North Dakota or South Dakota; and descendants of the Atlantic slave trade.

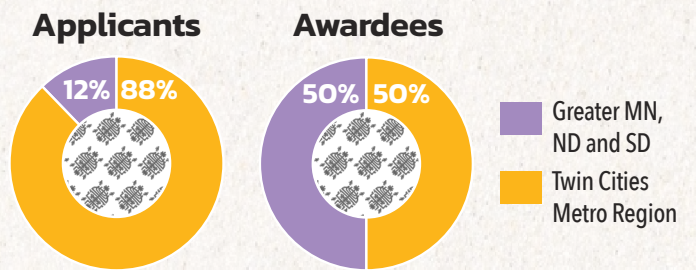
In 2023, almost 11,000 people applied to the Open Road Fund. Over the next eight years (until 2031), the Open Road Fund will award \$50,000 grants to at least 800 Black residents of Minnesota, North Dakota, and South Dakota.

Though the Open Road Fund is open to Black people across Minnesota, North Dakota, and South Dakota, 88% of applicants in 2023 came from the Twin Cities metropolitan region. While 67% of the Black population in the funding region lives in the Twin Cities region, it was important to the ORF Team to ensure a sufficient number of awards to Black people outside of the Twin Cities metro area. To achieve that goal, the team decided to distribute 50% of awards to people from the Twin Cities metro area and 50% to applicants from Greater Minnesota, South Dakota and North Dakota.

The Open Road Fund staff at Nexus and a team of community volunteers screened applications to ensure they met the fund's eligibility criteria and ineligible applicants were disqualified.

The team then selected qualified applicants based on geographic criteria, and, to mitigate against bias, chose awardees by a process of random selection rather than on the basis of their perceived "competitiveness" when compared to their fellow applicants.

If any selected finalists do not accept their award or are disqualified, we will select an additional number of awardees using leftover funds the following year. For example, in 2023, we gifted funds to 99 eligible awardees; in 2024, we will select 101.



MINNESOTA

Total Black population⁶
413,198

Black median income⁶
\$51,320

94% of applicants

75% of awardees

NORTH DAKOTA

Total Black population
28,019

Black median income
\$43,882

3% of applicants

14% of awardees

SOUTH DAKOTA

Total Black population
19,649

Black median income
\$65,453

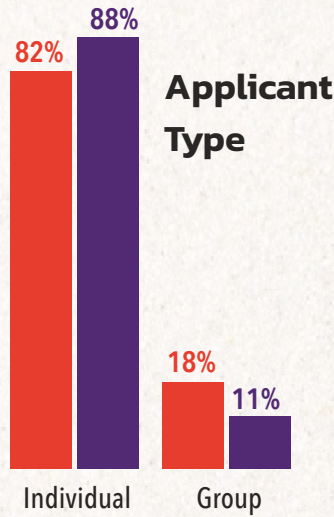
3% of applicants

11% of awardees

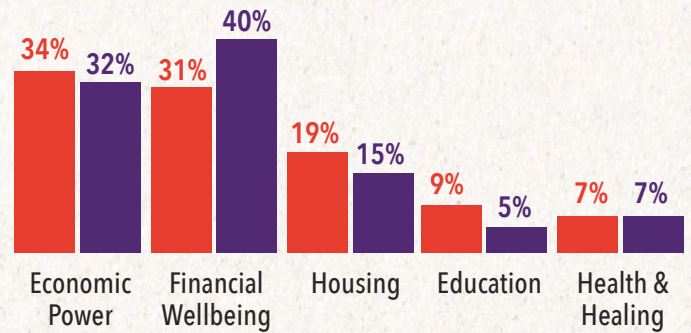


Data on Applicants Awardees

This page showcases demographic data on the 10,771 applicants and 99 awardees.

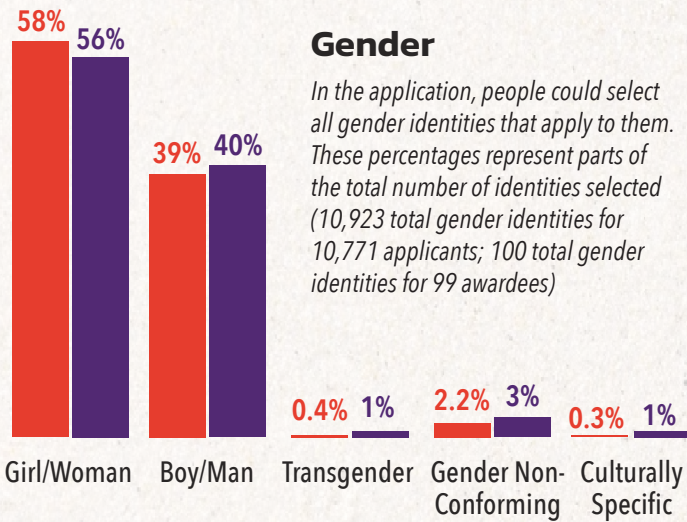


Funding Category

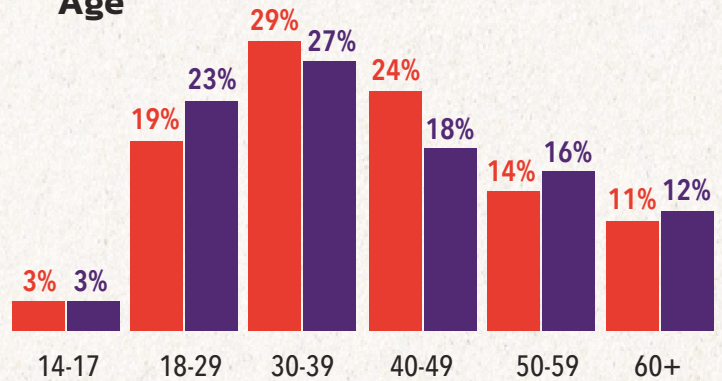


Gender

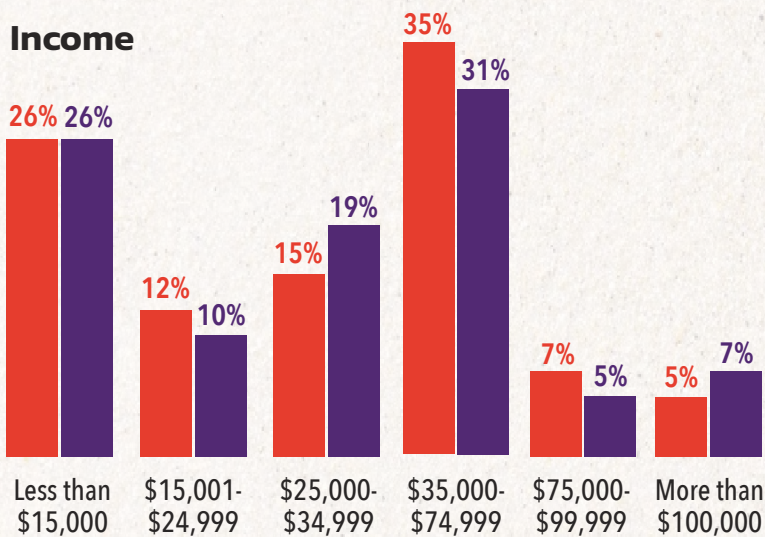
In the application, people could select all gender identities that apply to them. These percentages represent parts of the total number of identities selected (10,923 total gender identities for 10,771 applicants; 100 total gender identities for 99 awardees)



Age



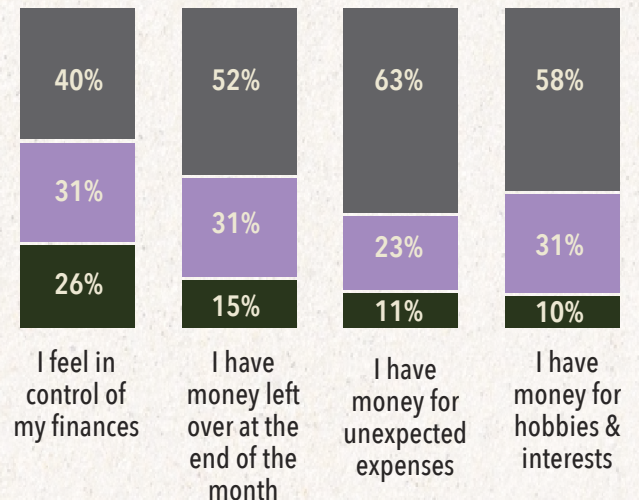
Income



Financial Wellbeing

The application included four questions to get an overall picture of applicants' and awardees' financial situations.

- Always or often
- Sometimes
- Rarely or never



What we've learned thus far from the 2023 awardees

Understanding how much \$50 million can change the lives of Black individuals and communities could point to the true amount of funding, power, and projects like this that are needed to actually move Black people as a whole forward on racial wealth disparities.

That's why Research in Action is leading an evaluation that will follow a group of 50 awardees over the next eight years to measure the long term impacts of the fund.

This evaluation will determine if the Fund made a difference for Black individuals directly receiving funds from Nexus; their partners (including community stakeholders, organizations, institutions, and other professionals or entities) and the broader community

To begin that process, the Open Road Fund Team connected with the 2023 awardees to update them on the ORF grant-making process and the paid opportunity to share their wealth-building

story through the evaluation. In this orientation space, awardees described their dreams, intentions, and plans to build Black wealth with their award in small groups. This sharing space not only allowed awardees to get to know each other, but gave the Open Road Fund team a baseline understanding of how to tell the story of the Open Road Fund through the evaluation.

Three key themes we heard from 2023 awardees are included below.

Based on these takeaways, the Research in Action evaluation partners will build a survey and focus groups to learn about the successes and challenges awardees find on the Open Road. These stories will combine into evidence-based research about how the Open Road Fund helped Black people build wealth and why this work should expand.



OBTAINING STABILITY

"I need to pay off my debts (credit card, loans) before I can start saving for the future".

Across funding categories – from housing to education – many awardees mentioned the importance of "obtaining stability." Although many listed multiple goals in their responses, they frequently named the need to "obtain stability" before they could build out other goals (e.g. starting a business venture, traveling, etc).



GIVING BACK

"I'm a social worker by training and I want to continue to advocate through my business to create opportunities for many Black and brown people."

Many awardees also mentioned the idea of "giving back to the community," either through their personal businesses or non-profits, or by building out new resource programs or initiatives – especially those related to the issues of homelessness and incarceration.



FEAR OF FAILURE

"I prefer [my plan] to succeed before sharing it out."

Many awardees mentioned they were hesitant to share their stories due to a fear of failure, and wanted to emphasize success when sharing their stories. Many others said that they wanted their stories to be anonymous in case things don't go as they planned.

SOURCES

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2. Irving, Doug "What Would It Take to Close America's Black-White Wealth Gap? | Rand." *Rand*, May 9, 2023. <https://www.rand.org/blog/rand-review/2023/05/what-would-it-take-to-close-americas-black-white-wealth-gap.html>
3. U.S. Census Bureau. "SELECTED ECONOMIC CHARACTERISTICS." *American Community Survey, ACS 5-Year Estimates Selected Population Data Profiles, Table DP03, 2021*, <https://data.census.gov/table/ACSDP5YSPT2021DP03?q=DP03&t=002:004:005:587&g=040XX00US27,38,46&moe=false>. Accessed on March 28, 2024
4. Leppert, Rebecca. "A Look at Black-Owned Businesses in the U.S." *Pew Research Center*, February 16, 2024. <https://www.pewresearch.org/short-reads/2024/02/16/a-look-at-black-owned-businesses-in-the-us/>
5. APM Research Lab. "Divided-Decade," February 12, 2019, <https://www.apmresearchlab.org/housingcost>
6. Chuck Collins et al., "The Ever-Growing Gap: Without Change, African-American and Latino Families Won't Match White Wealth for Centuries," by CFED and Institute for Policy Studies, *The Ever-Growing Gap: Without Change, African-American and Latino Families Won't Match White Wealth for Centuries*, 2016, https://ips-dc.org/wp-content/uploads/2016/08/The-Ever-Growing-Gap-CFED_IPS-Final-2.pdf.

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