



**To:** Friends of Economic Growth DC

**From:** Dave Oberting  
Executive Director

**Date:** September 28, 2014

**Subject:** Introduction/Update

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Dear Friend -- If you and I haven't spoken in a while, I write this letter as a means of informing you that I left the executive search business after twenty years and have decided to pursue a career in local DC politics and philanthropy. The vehicles I chose for making this transition are two non-profit groups which I'll explain below. This letter has proven to be the best mechanism for explaining what I've been up to. If we have spoken in the last year and I've shared some of this information with you, this note should provide you with an update on where things stand.

**About Us:**

The organization we've created consists of two non-profit corporations: a tax-exempt 501(c)(4), the DC Economic Growth Action Fund, more commonly known as Economic Growth DC; and, a registered public charity, the Economic Growth DC Foundation. Both were created in 2013 to address the District of Columbia's two most pressing problems, which, unfortunately, are not unique to the District. They are:

- 1) Our local economy grew at an average rate of 2.15% over the decade ending in 2012, but actually contracted by \$520 million in 2013, moving into a technical recession. Put simply, it has not been, and is not growing fast enough to produce the numbers and kinds of middle-skill, middle-wage, middle-class jobs we'll need over the next generation.
- 2) A significant number of District residents do not possess the skills necessary to acquire and succeed in those middle-class jobs – what's commonly known as the skills gap.

Our basic premise is that in order to create the numbers and kinds of jobs we'll need over the next twenty years, not to mention the tax revenue we'll require to fund basic services, our local economy needs to grow at a significantly higher rate – most likely in excess of 3.5%. Economic Growth DC, the 501(c)(4), operates as a political and economic advocacy organization designed to address the problem of slow growth by pushing, prodding, poking and pressuring the District government into adopting legislation, regulation and policies that encourage faster economic growth.

The Economic Growth DC Foundation, the 501(c)(3), was created to address the second problem by focusing on two policy areas critical to combating the skills gap -- education and workforce development. It was designed as a direct services organization and it is in the process of launching three programs that will fill a gap in the District's education system, put a significant number of ex-offenders into employment through a job placement program, and help minority and female District residents reach self-sufficiency through entrepreneurship.

The programs are:

-  -- The District's nascent technology industry is already suffering from a shortage of skilled technology workers. The District does not have enough software developers, programmers and other types of technology talent. At the same time, our education and job training programs do not currently teach many of the skills that will be basic requirements over the next generation. Code4Life is an after-school program created in partnership with Accenture. It began teaching basic computer programming skills to a group of 15 6<sup>th</sup> grade students at the new KIPP NE Academy in the Trinidad neighborhood here in the District on September 22nd. This is the first program of its kind to launch in the District's school system. Our intention is to expand the program to as many public and charter schools as demand requires and resources permit.
-  -- Each year an estimated 4,000 District residents return to the city from incarceration. In total, there are over 60,000 individuals living in the District with a criminal conviction on their record. The unemployment rate for this group of largely African-American men is estimated at 50-60%. Operation Capstone uses my twenty years of experience in the job placement business to create a non-profit job placement firm within my foundation that will focus predominantly on the placement of ex-offenders into employment. The program will place as many as 1,500 ex-offenders per year into jobs in the local area.
- **Modern Entrepreneurship Project (MEP)** – MEP is a micro-entrepreneurship program for minority and female entrepreneurs created in partnership with the International Executive Service Corps and the Volunteers for Economic Growth Alliance. Both are U.S. AID contractors that customarily run micro-enterprise and micro-finance programs in developing countries, but have agreed to help us with some domestic investment in underserved areas of the District. MEP is essentially a venture capital fund for micro-entrepreneurs. It will invest small amounts of capital and provide embedded advisory services to entrepreneurs with promising ideas. The experience and expertise IESC and VEGA bring to the project will considerably reduce the risk that's inherent in such a project.

All three programs are designed to be public-private-partnerships. We are in various stages of discussions with both the District and federal governments about funding. For instance, the federal Department of Labor has an ex-offender reintegration grant program that we should be eligible for. The grant window on that program opens again at the end of the year.

However, there is a significant private fundraising component to our plans for which we are responsible. The actual amount could vary based on the amount of public funding we ultimately acquire, but we are projecting \$500,000 in private funding for our portions of the three projects in 2015.

More details on each of the three programs can be found on the foundation's website: <http://egdcfoundation.org>.

We are at work to executing on both our public and private fundraising plans. That involves interacting with numerous government agencies at both the federal and local levels, writing grant applications for large national foundations, local organizations and individual philanthropists. But every dollar counts, no matter how small the amount. Please consider selecting the program that most interests you and making donation earmarked for that program on our website at <http://egdcfoundation.org/donate>. Your donation is fully tax deductible as a charitable gift.

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