SOUTHERN MUTUAL HELP ASSOCIATION, INC. (SMHA) EXPECTS AND GETS A RETURN ON INVESTMENT (ROI) AND HAS SUCCEEDED FOR HALF A CENTURY (1969-2019)

- What follows are examples of investments that yielded returns far above what was expected. In each case the challenge was daunting and no one else was tackling the pervasively persistent problem.

- SMHA has used innovative investment approaches in rural health, education and economic infrastructure to create healthy prosperous communities, successful and scaled disaster recovery innovations, global and regional food security.
**CHALLENGE/PROBLEM**

**HEALTH**

Rural families, especially those on sugar cane plantations, were not accessing medical and dental care; both the federal and state authorities said all was well because Louisiana had charity hospitals located in Louisiana’s cities.

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**SOLUTION**

SMHA documented rural health conditions on two sugar cane plantations; doctors found numerous major undiagnosed medical and dental conditions and 54 of 70 children examined were not medically normal. Rural medical centers needed to exist. SMHA created the first one. Barriers were removed and “proof was in the pudding”!

(*See SMHA’s 1971 Medical Survey: [www.southernmutualhelp.org/medicalsurvey](http://www.southernmutualhelp.org/medicalsurvey)).

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**RESULTS - RETURN ON INVESTMENT (ROI)**

In the first year 10,000 medical visits were made by rural residents in 2 parishes (counties). That success led to what is today over 50 rural medical centers in Louisiana. From 1971 until today not only have millions of medical visits been made but tens of millions of dollars were spent in Louisiana’s rural communities.
<table>
<thead>
<tr>
<th>CHALLENGE/PROBLEM</th>
<th>SOLUTION</th>
<th>RESULTS - RETURN ON INVESTMENT (ROI)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EDUCATION</strong></td>
<td>In the fields SMHA created the Plantation Education Program, Inc. (PEPI) in 1970. PEPI was run by the Sisters of St. Joseph and eventually by the Notre Dame Sisters. In 2018, PEPI (Progressive Education Program, Inc.) was transferred into the State/Parish formal education system.</td>
<td>Over the nearly 50 years of PEPI’s adult education, thousands learned to read and write. Hundreds got their high school diploma and went on to be employed in many Acadiana companies.</td>
</tr>
</tbody>
</table>

Thousands of rural Louisiana adults could not read and write. Once dropped out of school to work in the fields, many very rural adults were not able to get back into the educational opportunities that did exist.
## Challenge/Problem

**Economic Infrastructure Partnership**

Rural community families and businesses need access to loan and investment capital (money) they can afford. Banks are challenged to reach that market and not get cited by federal banking regulators.

## Solution

SMHA belongs to national networks that created the infrastructure to bridge the capital access gap. CRA: Community Reinvestment Act requires banks to deploy capital into challenging markets. CDFI: Community Development Financial Institution; an affiliate created by SMHA and certified by the US Treasury enables and incentivizes banks to serve all markets. A win/win partnership was created between SMHA and IBERIABANK.

## Results - Return on Investment (ROI)

SMHA’s CDFI, in partnership with IBERIABANK, deployed $20,000,000 of the $100,000,000 pledged by IBERIABANK to the Acadiana housing market. Together we also helped rebuild New Orleans after Hurricane Katrina. The economic impact of the $20 million is over $100 million. Hundreds of families are new homeowners.
In 2005, Hurricanes Katrina and Rita devastated Coastal Louisiana. Broken levees in New Orleans commanded most of the national news and most recovery dollars were focused on that unprecedented disaster. Rural coastal communities were singularly challenged to recover from 28 feet of water nearly 30 miles inland devastating their lives, farms, businesses, homes, schools and churches.

SMHA created the Rural Recovery Response raising $10.5 million (none from government) for supplies, building materials. Vetted and recruited 6,000 volunteers; housed, fed, trained and equipped them to gut, recover, raise, rebuild over 1,064 homes, businesses and churches in 120 small rural communities, towns, villages and hamlets, using a new non-governmental model, not just based on need but on self-help, spirit of cooperation, culture of generosity and appreciation. SMHA’s team, “building Louisiana better than before,” listened and selected recovery sites based on the power of the story. Social Capital was used to rebuild communities.

The economic impact of $10.5 million is estimated at $70 million including the self-support of most of the 6,000 volunteers (3,000 of whom were skilled Mennonites). The model innovation shows how whole areas can recover more quickly and economically while having devastated communities realize their own power of resiliency – no longer victims!
## Food Security

As agricultural production shifts due to variables such as climate, war, crop disease and/or failure to preserve seed crops worldwide, pressure on select and resilient food production areas increases. This has huge implications for population dislocation, poverty, political destabilization and transitioning economies.

### Solution

SMHA has been a part of world hunger prevention through international seed preservation. Regionally SMHA’s Sister Helen Vinton created a 13-state Southern Sustainable Agricultural Working Group (SSAWG) that is an independent not-for-profit which gathers over 1,200 farmers annually to educate and preserve diverse food production.

### Results - Return on Investment (ROI)

SMHA received a United Nations anti-hunger award. Immeasurable!
SMHA’s $150 million intergenerational, walkable mixed-use development is in Phase 1A in Iberia Parish

SMHA’s Founders to Future is an innovative model of not-for-profit leadership transition built on collaboration, coordination and consultation

SMHA’s Gulf Coast Fisher Loan Fund is already lending and poised to grow into a million dollar investment fund

SMHA continues to revitalize small rural communities and neighborhoods using an investment model based on the community’s agreement to invest in their own community first

SMHA continues being a leader in development and construction in coastal Louisiana

For the last 38 years, SMHA attracted, deployed/re-deployed $30,000,000 in socially responsible capital through Impact Investment mechanisms. In the coming decades, SMHA will work to increase Louisiana’s philanthropic capacity in Impact Investing which could well reach $1.5 billion