

AFRICAN AMERICAN CREDIT UNIONS BUILD STRONG COMMUNITIES

**New from Inclusiv
and the African-
American Credit
Union Coalition**



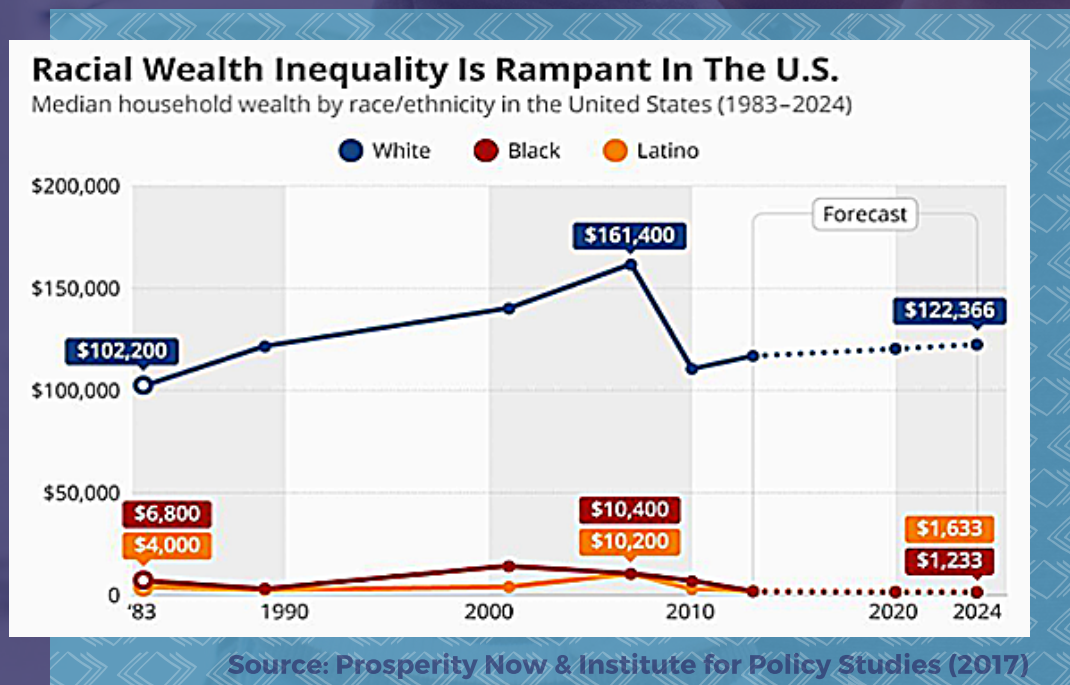
AFRICAN AMERICAN CREDIT UNIONS PLAY A CRITICAL ROLE IN HELPING TO BRIDGE THE GROWING WEALTH DIVIDE

IN THE UNITED STATES, VAST AND WIDESPREAD RACIAL WEALTH DISPARITIES PERSIST.

IN FACT, THEY'RE GETTING WORSE.

Despite continuing growth in the US economy, African American households lag in income earned and wealth owned compared to White, Asian American and Latino households. According to Federal Reserve data, the wealth gap between white families and their Black and Hispanic counterparts has more than tripled in the last 50 years. Research by Prosperity Now reports a 75 percent decline in African American household wealth between 1983 and 2013, while median White household wealth rose by 14 percent. Further, this same research also found that both White and Asian American households earn more than twice as much, on average, than African American households.

African American credit unions are, and will continue to be, some of the best tools we have to strengthen our communities and fight back against the growing divide of income inequality and the racial wealth gap. That's because African American credit unions serve a critical function in their communities, providing access to safe and affordable financial services, and acting as a force for economic empowerment and inclusion.



AFRICAN AMERICAN CREDIT UNIONS INCREASE FINANCIAL STABILITY IN UNDERSERVED COMMUNITIES

ON THE RISE FINANCIAL CENTER (ATLANTA, GA)

Nearly 75 percent of residents of Atlanta's historic Westside are un- or under-banked.

To address this, On the Rise Financial Center offers financial coaching and works with local credit union partners **1st Choice Credit Union**, **BOND Community Federal Credit Union**, **Credit Union of Atlanta** and **Peach State Federal Credit Union**, to increase financial stability in the area, help families and individuals reduce debt, and assist small businesses in accessing capital.

Rose Scott, host of WABE's Closer Look (pictured left), recently visited the Center to speak with staff and Westside residents like Leslie (right) about the impact these financial services can have on the community.



Faith and community-based credit unions and their volunteers are some of the least recognized and appreciated parts of the U.S. financial services system. These committed, small asset institutions and volunteers have an outside impact in the lives of their members and communities.

One of these is the New York City based Fidelis Federal Credit Union and its volunteer CEO, Mary Barthell. The \$347,000 Harlem credit union has rooted itself in the century old St. John Baptist church since 1956, when a few members of the church's Big Brothers Ministry sought to tackle financial challenges through founding a credit union. The effort might have failed, according to Barthell, if some of the church's women had not gotten involved.

"The women saved the credit union," said Barthell. The men had learned about credit unions while on their jobs. But keeping up with those jobs often precluded their involvement with Fidelis, she explained. Women from the church helped carry the effort forward over the finish line to get the charter.



**"THE WOMEN SAVED
THE CREDIT UNION"**

MARY BARTHELL, CEO | FIDELIS FCU (NEW YORK, NY)

While Barthell's time with Fidelis doesn't go back to 1956, she began volunteering there in 1980, during which she served in various times on the board and in different management positions. All the while, at least in the beginning, working full time as a manager for Verizon.

Over those 39 years Barthell has seen the different ways Fidelis has impacted the lives of its members, often in very personal ways.

"We've done a couple of wedding loans," Barthell said, explaining that engaged couples took out loans of \$10,000 to help pay for the details of their nuptials, such as catering. Loans like these, she added, exemplified the relationship Fidelis has with its 280 members that often feels more familial than commercial.

In addition to wedding loans and personal banking, Barthell said the credit union often serves as check casher for its members as well as a small lender to help them get over an unexpected expense. "We will lend as little as \$50.00," Barthell said, noting that members with similar needs would be left to high-cost payday lenders if Fidelis were not there.

A lot of the credit for the strength of the Fidelis strong relationship with its members belongs to Barthell herself. Now retired from a 30 year career with Verizon, Barthell volunteers as CEO of not only Fidelis but also of the \$1.3 million, 186 member Mount Vernon NY Postal Employees FCU, about 12 miles away.

Each credit union with very different fields of membership has benefited from Barthell's commitment to give back to institutions and people who have helped her over the years.

Barthell grew up on a sharecropping farm in Southwestern Georgia, born into a situation where she started working in the fields at a very young age and which discounted education because, educated or not, most people tended to wind up working back on the farm.

She also suffered from near-sightedness which went largely unrecognized until 12th grade, when she failed a driver's test for lack of being able to see the questions well enough to correctly answer them.

"That's when I got my first pair of glasses, at 12th grade," she said.

Barthell said she hopes Fidelis, Mt Vernon NY Postal and other, similar, credit unions can continue to overcome challenges presented by their size so they can continue to serve their members in the same personal way that other financial institutions will not.

For example, Barthell noted that even though Fidelis risk-prices its loans, knowing its members allows the credit union to look beyond an algorithm or credit score to make the loan. That's one of things Fidelis offers its members, a financial institution where they are known first as members and only second as account-holders.

Fidelis is participating in the African American Credit Union Initiative, supported by Citi Community Development.

"I LOVE SCHOOLSFIRST. THEY CHANGED MY LIFE."

**Arronda, Teacher & Member | SchoolsFirst FCU
(Santa Ana, CA)**

Arronda H experienced the power of a AACUC member credit union to change lives when she happened to meet a staff member from the \$15 billion Schools First Federal Credit union at her school district's offices in 2013.

After Arronda and her husband separated in 2008, the prior stay-at-home mom began a teaching career to care for herself and her three sons. While she felt grateful for the career opportunity and loved her students, the family lived constantly under a cloud of financial stress.

"I had been holding my finances together with paper clips, tape and glue," Arronda recalled her days of "robbing Peter to pay Paul" and living with the anxiety lack of financial security produced.

"I would go to bed and wake up thinking about my debt...really literally. I would feel so worried, I just wouldn't know...I would run out of money by the second week of the month and worry about how I was going to pay for groceries and how I was going to pay for this or that."

All that stress came boiling over when she met Cynthia from Santa Ana, California, based Schools First at her school district offices.

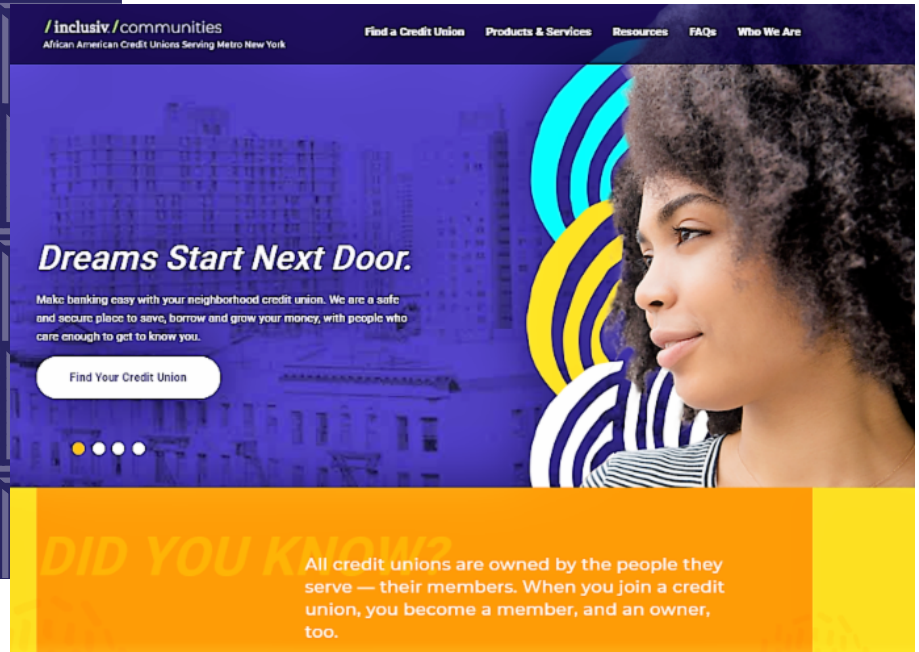


"I started pouring my heart out to her. I was crying in her chair, I felt so embarrassed and so silly and foolish! I felt like I was talking to a therapist...about how hard life had been and she said 'we're going to do our best to help you.'"

"I want you to know I love Schools First. They helped me so much. They changed my life and I actually feel happy during the day."

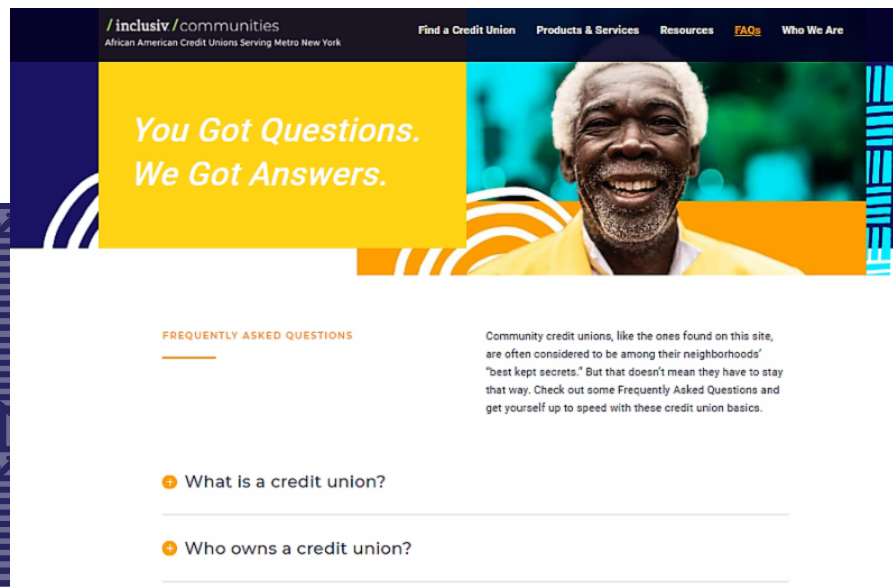
INCLUSIV LAUNCHES INCLUSIVCOMMUNITIES.ORG

**NEW WEBSITE
HELPS CONNECT
CONSUMERS WITH
AFRICAN
AMERICAN CREDIT
UNIONS IN THE NY
METRO AREA**



Inklusiv is pleased to announce the launch of inclusivcommunities.org, a new consumer-facing website designed to help African American community development credit unions in the NY Metro area reach out to consumers in northern Manhattan, the Bronx, Brooklyn, Queens, the Lower East Side of Manhattan, and northern New Jersey.

The credit unions, many of them faith-based and serving pockets of underserved consumers within larger, often gentrifying communities, have been participating in an Inklusiv initiative to address the operating challenges of small minority-owned institutions made possible through a generous contribution by Citi Community Development.



**AFRICAN AMERICAN CREDIT
UNIONS ARE THE LIFEBLOOD OF
ECONOMIC OPPORTUNITY IN
RURAL COMMUNITIES**



FOGCE FEDERAL CREDIT UNION (EUTAW, AL)

Cathie Mahon, Inclusiv President/CEO recently had the opportunity to visit rural Eutaw, Alabama and meet with the board of long-time Inclusiv member FOGCE FCU. Among those in attendance were Carol and John Zippert, founding members of the Federation of Southern Cooperatives, which serves rural and urban communities through cooperative economic development, land retention, and advocacy to build collective wealth throughout the South.

Dr. Carol Zippert is also president and founder of FOGCE FCU, formerly called the Federation of Greene Country Employees Federal Credit Union, which opened in 1975 to serve the underserved residents of Greene County Alabama, one of the most impoverished counties in the nation. Under Carol's stewardship, the assets of the credit union have grown from \$25,000 when it first opened to \$1.4 million in 2018.

The credit union provides vital access to credit and savings and serves as the lifeblood for so many in the county. While this credit union may be labeled "small" at \$1.4 million in assets and almost 800 members, when you consider the population of this rural county is less than 8,500 people, they have almost 10 percent market share of the county's total population.

And despite Greene County's high rates of poverty, FOGCE FCU has delinquency rates below 1 percent. How do they keep delinquency so low? As community organizers, FOGCE staff know what resonates with their members, always reminding them that the money they're borrowing is from the community -- that this money comes from your neighbors' savings.

This ethos has served both the credit union and the community well, as clearly demonstrated a few years ago when the credit union drove out the only payday lender operating in the in the county, because people in the community knew the credit union was the better choice. The payday lender couldn't survive because it had no business.

This trip drove home Inclusiv's recognition of the importance of supporting these strong and committed "hyper-local" financial institutions, which serve as the best -- or often, the only -- real choice for low-income individuals and families. We're proud to have credit unions like FOGCE FCU in our membership because the financial access they provide to these communities truly embodies the spirit of financial inclusion.

Chicago based South Side Community Federal Credit Union (SSFCU) is a Sponsor Agency of the Illinois Hardest Hit Program through the Illinois Housing Development Authority. It is a program that helps eligible homeowners who are delinquent or who are in imminent danger of becoming delinquent on their mortgage. It offers financial resources to help prevent borrowers from losing their homes to foreclosure.

As a Sponsor Agency of the Hardest Hit Program for nearly five years, South Side Community FCU, has consistently provided foreclosure intervention services helping homeowners access rescue funds to bring their delinquent mortgages current and/or obtain monthly payment assistance. In Illinois where the foreclosure rate is the 2nd highest in the country, South Side Community FCU, a HUD approved housing counseling agency, has managed to help over 1600 families save their homes.

Tiffany received help from South Side FCU to bring her mortgage current while recovering from a serious illness which interfered with her employment. This is what she said:

"I became disabled last year and I was behind on my mortgage payments. My home was going into foreclosure until a blessing came my way. The Hardest Hit program saved my home by paying my back payments and my future payments up to a year. A special thank you to Delores Allen with South Side Community Federal Credit Union, an Illinois Hardest Hit Sponsor Agency, who stood by my side through the entire process."

TIFFANY, MEMBER | SOUTH SIDE COMMUNITY FEDERAL CREDIT UNION (CHICAGO, IL)



AFRICAN AMERICAN CREDIT UNIONS HELP HOMEOWNERS AVOID FORECLOSURE

"TOGETHER WE ARE STRONGER"



The collective profile of African-American credit union leaders got a boost last year when one of the industry's notable African-American credit union executives took the helm of the \$928 million SRP Federal Credit Union as Board Chair.

The 136,000 member, North Augusta, South Carolina based community-chartered credit union began life in 1960 when it was chartered to serve the employees of the Savannah River Site, a nuclear power plant. Devoe Bland holds a Chemical Engineering degree from the Georgia Institute of Technology and is a long-time member of the credit union's largest SEG.

SRP converted to a community charter to raise the credit union's profile and expand its services into a communities that increasingly needed financial services as waves of consolidation saw small financial institutions close or merge with larger ones, the credit union said.

Prior to her board election, Devoe Bland served on the SRP Board of Directors for 20 years, serving on the Finance Committee and as chair of the Facilities and Facilities/IT committees.

"Serving the credit union in these difference volunteer capacities has been among the challenging times in my career," Devoe Bland said. "But also among the most satisfying." She also noted that she came from an overall very strong and experienced Board, where the Directors each average over 20 years of experience. "Together we are stronger," Devoe Bland said.

SRP FCU expects to surpass \$1 billion in asset-size in 2019 and gave all of its members in good standing a "top of the market" loyalty dividend at the end of 2018.

**SANDRA DEVOE BLAND, BOARD CHAIR
| SRP FCU (NORTH AUGUSTA, SC)**

W.B.R.T. FCU (PORT ALLEN, LA)



AFRICAN AMERICAN CREDIT UNIONS PROVIDE VITAL ACCESS TO FINANCIAL SERVICES IN THE RURAL SOUTH

W.B.R.T. Federal Credit Union was started 60 years ago by Black educators in the West Baton Rouge Parish School System. Today, the \$2.3M CU has expanded to serve local SEG and educational institutions, going above and beyond to help its 1,000 members buy cars, make home repairs, buy books for school and achieve overall financial stability. CEO Angella Johnson says, "We love having the opportunity to positively impact our members' lives every day."

W.B.R.T. FCU is one of five hyper-local CDCUs selected to participate in a new Inclusiv initiative, supported by Capital One, which aims to expand financial inclusion and empowerment in underserved regions of the Southeastern U.S. by providing capacity-building assistance to low-income, minority-designated CDCUs serving mostly rural, African American communities in Alabama, Mississippi and Louisiana. Learn more: www.inclusiv.org/rural-initiative



"I WAS ALWAYS TAUGHT THAT YOU SHARE YOUR BLESSINGS, AND IF YOU DO, THEY'LL ALWAYS COME BACK TO YOU."

"Talking with Joan Nelson will have you, inevitably, reflecting on your own life, and how you can do and be better. She's an even-keeled and inspiring force of nature, and she's made her altruistic spirit evident throughout her professional and personal life," wrote Credit Union Times in their 2018 Volunteer of the Year award profile on Coastal Credit Union Board Chair, Joan Nelson.

After joining Coastal 35 years ago, Joan soon began volunteering on the supervisory committee, and later joined the Board of Directors, holding various positions before eventually being named Chair in 2012. Joan said she's most proud of how Coastal positively impacts not only its members, but the entire community.

JOAN NELSON, BOARD CHAIR
COASTAL CREDIT UNION (RALEIGH, NC)

CONGRATULATIONS TO THE AACUC'S 2019 AFRICAN AMERICAN CREDIT UNION HALL OF FAME INDUCTEES



Charles Alston, Sr.



Pamela Owens



Clifford Rosenthal

The African-American Credit Union Coalition is pleased to welcome three new inductees to the African American Credit Union Hall of Fame in 2019: Inclusiv's own Pamela Owens, Senior Vice President of Organizational Development & Capacity Building, and Cliff Rosenthal, former Inclusiv President/CEO, and Charles Alston, Sr., Board Member at Aberdeen Proving Ground FCU.

In recognition of their remarkable contributions to the credit union industry, the honorees will be officially inducted on March 12, at the AACUC meeting and reception during the 2019 CUNA Governmental Affairs Conference in Washington, D.C. Please join us in congratulating all three outstanding credit union professionals and true leaders of the cooperative finance movement.

About Inclusiv

Inclusiv and its network of community development credit unions believe that true financial inclusion and empowerment is a fundamental right. Inclusiv is dedicated to closing the gaps and removing barriers in financial opportunities for distressed and underserved communities by providing capital, making connections and building capacity, developing innovative products and services for CDCUs and working to transform local progress into lasting change at the national level.



"Inclusiv was organized over 40 years ago by primarily minority credit unions, and these institutions continue to serve a critical function today, acting as a force for economic empowerment and inclusion within communities traditionally excluded from accessing safe and affordable financial services. African American credit unions are, and will continue to be, some of the best tools we have to strengthen our communities and fight back against the growing divide of income inequality and the racial wealth gap."

Cathie Mahon, Inclusiv President/CEO

About the African-American Credit Union Coalition

AACUC works to expand interest in and increase the number of minorities in the credit union movement and provides scholarship and internship programs to encourage African American students to seek employment in the credit union movement.



"There is no better way to encourage economic wealth and savings for the underserved than minority credit unions serving members and educating surrounding communities. It is imperative that African American credit unions' efforts are acknowledged, celebrated and replicated."

Renee Sattiewhite, AACUC Executive Director



/ inclusiv™ /

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