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AFRICAN AMERICAN CREDIT UNIONS BUILD STRONG COMMUNITIES



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WINTER 2020

AFRICAN AMERICAN CREDIT UNIONS ARE BRIDGING THE RACIAL WEALTH DIVIDE

Some communities and sectors of the population have many banking choices. But others, like Highland Park, a city within the Metro Detroit area, would be a banking desert but for the branch established by the One Detroit Credit Union. In Ohio, the Greater Cleveland CU worked with the city administration to open a vitally needed branch in a shopping center that had lost its anchor supermarket.

There are other, less visible gaps that credit unions fill. In New York City's Harlem, which has seen an influx of more prosperous residents, it is still possible to be denied an account because "you don't have enough money" to maintain it, as a member of the Abyssinian Baptist FCU found out.

Credit unions are especially attuned to serving members throughout their life cycle. In Chicago, the Park Manor Christian Church CU provides vital financial advice and counseling to widows who may be hard-pressed to manage their financial affairs after the death of their spouse. Stepping Stones FCU in Wilmington, Delaware provides counseling and opens accounts for formerly incarcerated persons, who typically encounter tremendous challenges in starting or re-establishing their financial lives.

MECU Credit Union, the largest credit union in Baltimore City, serves a diverse membership. For MECU members looking to improve their financial health, the credit union provides financial counseling through multiple channels, as well as financial products that help members reduce their debt burden.

In eastern Alabama, self-employment is a significant source of livelihood for many rural residents. But small loans to help people start an auto supplies shop or a lawn service, for example, are simply not available from banks—a need that the Phenix City FCU has successfully met for many years.

Owning a car or a home, obtaining a college education—many Americans simply take these opportunities for granted. But as Faith Community United CU in Cleveland, Ohio knows, these goals still seem out of reach for others. For more than 60 years, the credit union has made these dreams a reality for its members. Like Southern Teachers and Parents FCU in Baton Rouge, Louisiana, credit unions are reaching far beyond their original boundaries to provide more people the resources for financial well-being.



WHY IT'S IMPORTANT:

There are 40.6 bank branches for every 100,000 people who live in majority white counties in the U.S., compared to 32 branches located in majority African American counties.

Because they say their finances are simple, that they don't have much money to manage, and because they cannot afford financial services, African Americans are more likely to manage their personal finances with little outside help.

African American two-parent families have half the wealth of white single parents. The median two-parent black family had \$16,000 in wealth, while two-parent white families had \$161,300.

Source: MagnifyMoney, CEB Iconoculture, Demos

WE ARE THRIVING

PHENIX PRIDE FCU, PHENIX CITY, AL

Phenix City, Alabama (pop. 36,435) is home to a thriving small credit union that proclaims its distinctive local identity: Phenix Pride FCU.

Phenix Pride CEO Kimberly Nichols had once worked in a bank, but when she entered the credit union world she soon embraced the credit union difference: "It's a good feeling when I put my head on the pillow at night, being able to help someone who needed a loan but who may not have perfect credit history."

When Nichols joined Phenix Pride, it was "just in survival mode. We've done a lot since then," she remarked. "We got a community charter and we built a building." With the support of a progressive board of directors that is readily open to new ideas, she has brought the one-time hospital credit union from \$2 million in assets to become a community-wide institution with more than \$10 million in assets and a membership of 2,000. "It's a very high poverty county," says Nichols "and we serve people of lower means."

The credit union makes small loans that most banks shun, especially to local start-up entrepreneurs. Phenix Pride FCU will make a loan to "the retired guy who wants to do a yard business, or someone who wants to start a hair salon. It doesn't take much money at all," says Nichols, "but they still can't get it from banks--especially if they have less than perfect credit."

Phenix Pride member Frederick Cochran, a Navy veteran of 14 years, took out a small-business loan in 2007 to fund his dream of selling custom wheels and tires, car audio, and furniture. Since receiving his first loan, Mr. Cochran's business has expanded, adding multiple locations and different business lines, including car sales. "The loans got a little bigger each time, because he's growing," says Nichols. "We've been helping him for about 12 years now. He started with nothing and now he has a thriving business," which he hopes to pass on to his children someday.

Phenix Pride has experienced very few losses in its small-business lending. "We don't do anything large, by choice," Nichols says, although they will sometimes serve larger companies by making vehicle loans.

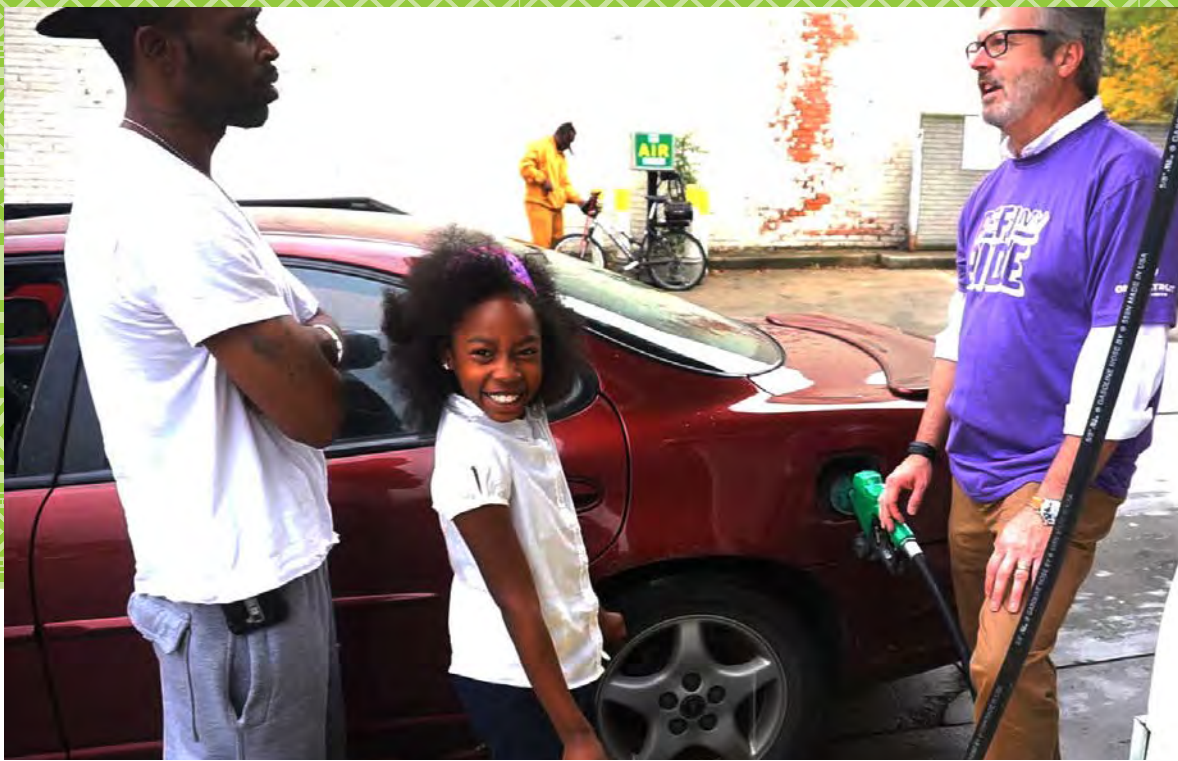
"HE STARTED WITH NOTHING AND NOW HAS A THRIVING BUSINESS HE HOPES TO PASS ON TO HIS CHILDREN SOMEDAY."

The credit union's overall performance has been strong, due in part to its high lending efficiency. "Honestly, I look at us as a little anomaly. For a \$10 million credit union, we have 12 employees, while another credit union our size might have three."

Along with its excellent financial performance, the credit union offers a wide range of electronic services, such as mobile banking. Phenix Pride has been able to introduce new technology with the aid of grants from NCUA and the CDFI Fund. Once these services are launched, the credit union is able to sustain them with its own resources.

"We stay 90 to 95% loaned out," says Nichols, which has enabled Phenix Pride to achieve a ROA of between 1% and 2%. "We are thriving."





SERVICES INSPIRED BY MEMBERS ONE DETROIT CU (DETROIT, MI)

If not for One Detroit CU, Highland Park would be a banking desert.

As Hank Hubbard, CEO of the \$38-million, 12,500-member credit union explains, Highland Park is a kind of a two-mile square “island” in the middle of Detroit. The site of the first Ford assembly line, it was designated a National Historic Landmark in 1978. Detroit was a destination for the African American “Great Migration,” offering the chance for a better life. But auto production and well-paying manufacturing jobs are long gone from Highland Park.

Eventually, the last bank branch departed, as well. Detroit has the highest poverty rate of any large American city, Hubbard explains, and “A traditional model doesn’t really work in a dramatically low-income neighborhood. Where there’s a lot of low-asset accounts, that’s not going to do it for banks. Today, we’re the only financial institution here.”

One Detroit has succeeded by tailoring its products to the needs of its membership. “Highland Park and the people that use that branch are our model,” Hubbard says. “We decide our products and services based on what they need. And it translates fairly well to our other neighborhoods.”

A prime example is the Refi My Ride product, “which was pretty much inspired by a member” at the Highland Park branch. Hubbard tells the story of Aaron McGyver, who had purchased his “dream Yukon SUV,” but soon found himself struggling with the monthly loan payments at 24.95% interest. The credit union started by refinancing his loan at 11%, saving McGyver almost \$200 a month, but it didn’t stop there. It offered him advice that helped him raise his credit score by 50 points and thus enabled the credit union to refinance again six months later, at the dramatically lower rate of 5%. Over the course of the loan, McGyver saved literally thousands of dollars.

Multiply McGyver’s story by a thousand, and you can see the impact on the community. By mid-2019, One Detroit had originated over 1,100 Refi My Ride loans totaling more than \$21 million. By cutting interest rates to an average of 6.65%, it estimates having saved borrowers—who had average credit scores of 601--nearly \$4 million over the life of their loans. What’s more, they were able to obtain loans averaging 111% to the value of their vehicles.

One Detroit’s payday alternative loan, MyPay Today, also helps members keep more money in their pockets and more circulating in the Detroit community. Its



"IF NOT FOR ONE DETROIT CREDIT UNION, HIGHLAND PARK WOULD BE A BANKING DESERT."

\$500 loan offers four two-week pay periods for repayment, saving borrowers an estimated 78% annually compared to payday borrowing. In 2018, it made more than 21,000 loans, saving borrowers an estimated \$1.38 million. MyPay Today is an extremely popular product: In 2018, 19% of One Detroit's membership used it.

At One Detroit, financial empowerment is not limited to lending. Along with other Michigan credit unions, it participates in Save to Win, a "savings raffle" which gives participants an entry for every \$25 they deposit into a restricted account. There are small monthly prizes as well as multiple quarterly prizes of \$10,000. Since 2009, One Detroit has awarded more than \$80,000 and helped 452 members to save more than \$314,000. The credit union also offers its Borrow and Save product, which specifically aims to help members raise their credit score while building assets. Members borrow \$1,000 with \$500 going immediately into a restricted savings account.

Chartered in 1935 as the employee-based Detroit Newspaper Industrial CU, the credit union has changed with the times, expanding and rebranding as Communicating Arts CU in 1970 and then as One Detroit in 2015, reflecting its citywide aspirations. Detroit has seen vast demographic changes, including a drop in population from a peak of 2 million to about 700,000 today. In a city where 79.1% of census respondents identify as Black or African American,

the board of One Detroit has come to reflect that profile, as well. Whereas once the employee-based credit union's board was predominantly white, today, observes Hubbard, "five out of the seven board members are African American."

The youthful make-up of One Detroit's board would be the envy of many credit unions who struggle to attract younger generations. Four of seven board members are 35 or younger, including the 30-year-old board chairman. Hubbard, who has served as CEO for more than two decades, muses on the enjoyable challenges change brings: "It's pretty interesting, and it makes my job a lot different because I no longer know what they're thinking. They do keep me on my toes a little bit." Case in point: the board's 35-year-old treasurer, an accounting professional who Hubbard once mentored in high school, is alarmed at any sign of red ink, even when Hubbard assures him that One Detroit's net worth is well above industry standards.

The credit union has an expansive, ambitious vision. "Our mission is to 'Impact and Change Lives,' and our goal is to become Detroit's community financial institution," One Detroit proclaims. "The people in our city do not fit into any national mold, so any organization that strives to service the whole country cannot adequately serve everyone in our city. We think we can."

CHANGING THE NARRATIVE FOR MEMBERS

MECU CREDIT UNION | BALTIMORE, MD

For Aziza Gary, Manager of Member Financial Wellness for MECU, financial empowerment – and escaping the trap of payday lending – are personal. Gary, pictured below, was herself burdened with multiple high cost loans. Finally, she took a credit union loan to consolidate her payments, lower her interest rate, and pay off her debts.

Her story resonated and inspired others. After an article about her story was published in the the Baltimore Sun, she recounted that when she arrived at work the next day, she had about 40 calls from members saying, "I'm so happy that you said something, because I'm going through the same thing and I want to know what I can do."

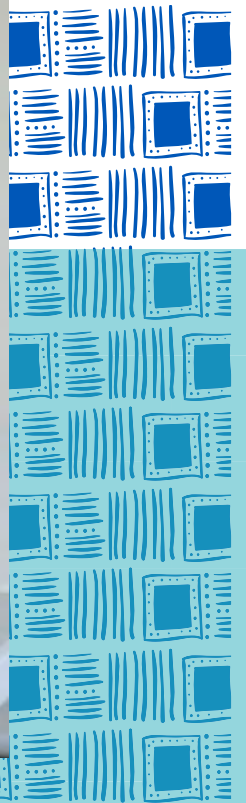
MECU CEO at the time, Bert Hash, was so impressed with the response that he encouraged Gary to become certified as a financial coach through CUNA, which she achieved in 2007 after completing the comprehensive FiCEP (Financial Counseling Certification Program) program.

MECU Credit Union has provided financial education and counseling for many years, but only in 2017 under CEO John Hamilton was it formalized. In 2019, the program took another step forward when it introduced "Pathways to Financial Empowerment," a new financial counseling model supported by first-of-its-kind technology to track impact, developed by Inclusiv and Neighborhood Trust Financial Partners. In a few short months, the "Pathways" program enrolled over 75 members, and "every single month more members are coming to us." Gary is leading this effort and reporting to CFO Adrian Johnson (Johnson is also Board Chair of AACUC), who is also very passionate about personal financial wellness.

One key to MECU's success, relates Gary, is that it is a "hybrid" approach: "We have a touch point everywhere. Not only do we do one-on-one coaching, but there's the touch point on our webpage where you can educate yourself through modules and sign up for coaching if you would like." Gary's team visits branches and business sites, makes presentations, offers classes, and more. Sometimes, it's almost a "good" problem, she says: "People were coming to us more for financial education than to open an account."

But it's not just the techniques and tools: it's also the people. Gary has carefully selected her two-person team, which includes a millennial and a baby boomer, and by expertise, including retail delivery, branch operations, business development, and finance. "We all talk to people on their own levels," she comments. What is both common and essential for her team members is a passion for their work.





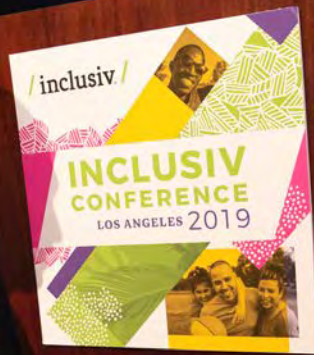
"FINANCIAL COUNSELING CAN BE REALLY EMOTIONAL. I WANTED PEOPLE ON MY TEAM THAT ARE JUST AS PASSIONATE AS I AM."

"Financial coaching and counseling can be really emotional," she says, "especially if you have an empathetic heart. I wanted to have people on my team that are just as passionate about education and empowerment as I am."

MECU has a special commitment to empowering young people through financial education. It has touched as many as 10,000 young people, through partnership with 13 schools and collaboration with city youth employment programs. For junior high school and high school youth, Gary has developed a group role-playing approach for preparing a family budget: "I make one of them the head of the household. You have a whole family to talk to and they have a right to talk to you about the decisions that you're making. They often take the lesson to heart, saying 'I need to go home and hug my parents, because I didn't now that this was what it's like' to manage a family budget."

MECU, and Aziza Gary, have an ambitious vision. "Our job is to change the narrative for our members," she says. Baltimore has long experienced high unemployment and widespread poverty. "People are doing exactly what they've always been doing, and that's just surviving." It's not that hard to buy a home, she tells them. For many, it's a matter of providing a better education and helping people "to do something differently."

Aziza Gary's optimism and "can-do" spirit is contagious. "You can change the narrative for them if that's what they want. I can't wait to get them out of that survival mode!"



MAURICE SMITH, CEO

A MORE DIVERSE, EQUITABLE AND INCLUSIVE MOVEMENT

LOCAL GOVERNMENT FCU & CIVIC FCU | RALEIGH, NC

"I am consumed by this idea that there must be a way to eradicate poverty," says longtime credit union advocate, Maurice Smith, upon receiving the Annie Vamper Helping Hands Award at the 2019 Inklusiv Conference in Los Angeles. The award recognizes individuals who are making extraordinary contributions to the community development credit union movement and is named for Annie Vamper, who dedicated her life to serving low- and moderate-income people through credit unions.

In addition to the Annie Vamper Helping Hands Award, Smith has received many honors over his almost 40 year career, including the African-American Credit Union Coalition's 2019 Pete Crear Lifetime Achievement Award and the 2020 Herb Wegner Memorial Award for Outstanding Individual Achievement, presented by the National Credit Union Foundation.

Smith is the CEO of Local Government FCU and Civic FCU. Both are financial cooperatives serving the financial needs of employees, appointed officials, elected officeholders and volunteers of local governments in North Carolina.

Smith advocates for the addition of diversity, equality and inclusion as an eighth principle to the existing seven cooperative principles that guide credit unions. He is the former board chairman of the Credit Union National Association and is a staunch supporter of credit union principles and philosophy. Smith has long held that a business model that empowers its members to share in a democratic, self-help institution with strong principles that exceed social status and class barriers is better than other business types.

Smith serves on the AACUC's Board of Directors, and is serving or has served on the CUNA Advocacy, Ethics and Corporate Governance committees; the National Association of Federal Credit Unions Accounting Standards Committee; and the North Carolina Credit Union League of Directors. He also served as chairman of the Filene Research Institute Administrative Board and was a member of the Carolinas Credit Union Foundation Board. In 2017, Smith was inducted into the AACUC Hall of Fame.



VOLUNTEER-RUN FOR 64 YEARS

PARK MANOR CHRISTIAN CHURCH CU | CHICAGO, IL

The South Side of Chicago is one of the largest, historically most important African American communities in the U.S. Though once the home of several prominent African American-owned banks, most of those institutions are gone, but Park Manor Christian Church Credit Union (PMCCCU) continues to serve its membership as it has since 1955. Throughout its 64-year history, the credit union has been entirely volunteer-run.

There are multiple church credit unions on the South Side, each serving different denominations, but there is a strong spirit of cooperation. Over the last few years, that spirit of collaboration has blossomed and taken form as the Faith Based Credit Union Alliance.

Collaboration has brought concrete benefits to PMCCCU and its peers. The member credit unions jointly learned about the CDFI Fund through Inclusiv, and five of them won CDFI certification, including Park Manor Christian. In 2019, on their second attempt, Park Manor Christian CU won a technical assistance grant of \$125,000.

PMCCCU aims to serve its membership throughout their life cycle. Shine notes that 75% of the churchgoers are women, and many of them are widows who need financial counseling. "When their husbands passed away, they had to take over the family finances. In providing financial counseling, I found that these women were going to payday lenders and tax preparation places, where all their tax return money was

being eaten away by the fees. I started a VITA tax preparation program at the church, so I could help both the young and the older not to go to those places for their taxes." Going further, the credit union was able to devise a loan product to compete with payday loans.

"The longevity of our volunteers is the reason why we've been able to sustain our credit union," says Shine, who has been a volunteer since 2003. The credit union's president has 34 years of volunteer experience, the treasurer 42 years as a volunteer, and others have served for well more than a decade. They bring to the credit union private- and public-sector experience in health information technology, compliance, and more. "Bringing to the credit union those concepts that we use in our professional lives enables us to change the way we've looked at the credit union," says Shine.

Like many credit unions small and large, growth is a major issue for PMCCCU, and is the prime purpose of its CDFI grant. "We have four goals: to increase our loans, to increase our membership, to improve our technology footprint, and to increase our product offering. Providing virtual services is important to any expansion, because the credit union is presently open only Wednesdays and Sundays."

Sure and steady is their path, Shine remarks. "We're going to take it in increments, so that we can offer a valuable service to the unbanked and to members who have no financial foundation."

Pictured at right are representatives from Park Manor Christian Church CU, Inclusiv, and the Illinois Credit Union League.



Park Manor Christian Church Credit Union is a part of Inclusiv's African American Credit Union Initiative (AACUI) supported by Citi Community Development.



IN THE COMMUNITY, FOR THE COMMUNITY, BY THE COMMUNITY

STEPPING STONES COMMUNITY FCU | WILMINGTON, DE

Stepping Stones FCU is a small credit union—but many days, it’s hard to miss them in Wilmington, Delaware. A credit union board member drives its highly visible van to different locations around the city every day. It’s more than a moving advertisement, although it prompts people to call Stepping Stones for information: It actually can open accounts on the spot and issue ATM cards. As CEO Blanche Jackson describes it, the mobile unit is the envy of other credit unions: “They want to talk about it, especially because we’re so small to have come up with such an idea.”

Stepping Stones FCU was chartered in 2011, the culmination of a process that had taken four or five years. Jackson volunteered through much of the organizing effort, providing expertise and credibility that she had developed over 20 years at the Delaware State Police Federal Credit Union. Stepping Stones FCU’s sponsor was a nonprofit organization, the Delaware Community Reinvestment Action Council (DCRAC), which had operated a credit clinic, a housing clinic, and a tax clinic. As Jackson describes it, DCRAC saw that their efforts could only move clients so far if they could not provide access to a financial institution: “I can tell you to save,” they realized, “but I don’t have a vehicle for you to save at.”

Today, the credit union has about \$2 million in assets and nearly 700 members. Its growth has been purposely slow, Jackson explains, because it has not had the benefit of full-time staffing through most of its history. The membership is varied in its financial profile and experience. Some have solid credit, but others “have never been banked before, so we find ourselves working with them and teaching them about the banking system.”

Jackson is excited about a partnership that aids formerly incarcerated persons in getting reacquainted to life outside of prison. The credit union collaborates with Project New Start, which offers a 10-week program providing skills to men and women to prepare them for employment. Having worked for the Delaware State Police and its credit union, it is especially gratifying for Jackson: “To be able to watch these young men and women, and some older men and women, reenter into society and feel like they’re part of it, for me, this is what I spent my whole career wanting to do.”

Because of its mission Stepping Stones has gained extensive support from the mainstream banking community. A number have placed certificates of deposit at the credit union, for which they have received credit under the Community Reinvestment Act (CRA).

The credit union is gearing up to expand its services. It offers financial counseling through the Pathways program, and over the next year, it plans to start offering small-dollar mortgage loans. “In the years to come,” Jackson says, “we want to be the credit union that the people of Wilmington see as their credit union. One of our slogans is ‘in the community, for the community, by the community.’” It does not mean becoming the biggest credit union—“but we want to be the best at what we do.”

"WE SUPPORT THE DIGNITY OF EACH PERSON AS THEY BUILD FINANCIAL SUCCESS AND TAKE OWNERSHIP OF THEIR FINANCIAL WELL-BEING."



AN EMPHASIS ON SAVINGS

ABYSSINIAN BAPTIST CHURCH FCU | HARLEM, NY

Few churches have been more prominent in both the spiritual and secular lives of New York City than Abyssinian Baptist Church. In its 200-year history, one of its most eminent pastors was Adam Clayton Powell Jr. After being elected to the newly constituted City Council as its first African American representative in 1941, he would go on to represent Harlem for 14 terms in the U.S. Congress, chairing the powerful House Committee on Education and Labor. It was Reverend Powell who started the Abyssinian Baptist Church FCU in 1940, because his parishioners were virtually excluded from getting home mortgages from banks. In New York City, as in cities throughout the country, African Americans were forced to buy homes through “contract sales”— predatory arrangements whereby the borrowers would lose their homes and any equity they ought to have built up should they even miss one loan payment.

The days of overt, widespread redlining may be over, but discrimination in banking has not disappeared. Treasurer Chyrise Robinson recounts an attempt to open a bank account, only to be told that her balance was not large enough and that she wouldn't be able to maintain it. “If that happened to me, just with opening an account, I can't imagine what happens to people who are applying for a loan.”

Stories like this put in perspective the credit union's emphasis on savings. “We've helped some people who say they don't have the money to open an account. And we show them how just putting in a couple of dollars each week or each pay period, even with just a dollar, you can see how it can grow. And then they see that yes, they can save. Helping people to set goals is important. We try to talk to people so that they don't

set themselves up to fail. You give them advice that's doable, and then they take it from there. The rewards of promoting savings go both ways. As Calhoun puts it, “When you see someone reach a goal, that makes us feel good. It keeps us motivated.”

How does the credit union avoid the merger pressures faced by many small institutions? Financially, the credit union has kept loan delinquency and expenses extremely low. On the regulatory front, Earnestine Wallace-Adams, chair of the Supervisory Committee, reports that examiners “have never talked to us about merging because were too small and we couldn't handle the business.” Says Chyrise Robinson, “We stay on top of everything that an examiner brings up, so that it won't be an issue in the next or any forthcoming examination.”

The credit union's membership is about 300; its charter restricts it to members of the congregation and their families. However, Abyssinian Baptist aspires to grow. High on its agenda is expanding its charter to include staff of the church and the church's affiliated development company.

For an all-volunteer credit union, as Gloria Calhoun notes, “It is a challenge finding dedicated people who want to work.” Many volunteers bring their professional expertise to the credit union; Earnestine Wallace-Adams, for example, was CFO of Abyssinian Baptist Church itself, a much larger enterprise. The 80-year history of the credit union is testimony that the model of a volunteer-run financial cooperative pioneered a century ago in the U.S. can be sustainable even today.

Abyssinian Baptist Church Federal Credit Union is a part of Inclusiv's African American Credit Union Initiative (AACUI) supported by Citi Community Development.

RITA L. HAYNES: MENTOR, MOTHER, TEACHER, FRIEND

For more than 50 years, Mrs. Rita L. Haynes served and led a credit union on Cleveland's East Side – as a volunteer, as treasurer/manager, and then as CEO of the institution first known at Mt. Sinai Baptist Church CU and later, as Faith Community United CU. The credit union transitioned from its church-based roots to become a community-wide institution, moving to a stand-alone facility donated by a local bank and growing to \$10 million in assets.

Her achievements have been recognized by AACUC, Inclusiv, the National Credit Union Foundation, and the Cooperative Hall of Fame. During her career and in her retirement, Rita Haynes has mentored many credit union leaders, three of whom have moved on to become CEOs of their own institutions – Jacqueline Moore, Gloria McClendon, and Jama Haynes.



Mrs. Rita L. Haynes

JACQUELINE MOORE CEO, FAITH COMMUNITY UNITED CU | CLEVELAND, OH

Jacqueline Moore's odyssey began almost by chance decades ago when as a high school student she learned about a part-time data entry job at Mt. Sinai Baptist Church CU. The credit union was laboring with "those big old green ledger books," and the state regulators directed them to computerize. Moore, whose business courses included mainframe programming, dug in. Haynes, then the treasurer-manager of the volunteer-led credit union, offered Moore a part-time position, and Moore went from data entry clerk to her assistant.

"We moved into the community, which was 'debanked,'" says Moore. "There were no banks, only check-cashing places in our area. People didn't gravitate towards us. It was more like, 'What is that place?' But we started going door to door, sending out flyers and putting them in mailboxes." Faith Community United CU grew, becoming one of the first credit unions to win a CDFI Fund grant in 1996.

Moore became Chief Financial Officer of the credit union which had grown to reach \$10 million in assets by the time Mrs. Haynes retired in 2011.

In 2017, Moore was offered the CEO position. "Having Mrs. Haynes as a mentor prepared me for a lot of the things that I'm facing now as CEO. She taught me to always be humble and help however you can. The

credit union really is about people helping people."

Moore learned another message, as well. "Mrs. Haynes really believed in the small. When she mentored us, it felt like we were the general store, the mom-and-pop store. She advised us just to be the best at that. Don't worry about being big, don't worry about hundreds of employees. She just saw us as this great mom-and-pop store, taking care of the immediate community around us."

The credit union is more crucial than ever for its members. "Faith has made such a big difference, because there were people here who really never thought they could ever own anything – a car, homes, or anything. And we helped turn that around. It was not only the things they acquired: "For some, college was not even a question. They tell me, Because you had your programs at the credit union, my child went to college. You all helped me fill out financial aid papers. I had never seen those."

"We are so much more than a financial institution," Moore reflects. "We go to funerals for members that have lost loved ones. We go to hospitals and visit them. We go to college graduations." Sometimes, Moore says, a member comes in to say thank you – simply, "for being here, for being you."

GLORIA MCCLENDON

CEO, GREATER CLEVELAND COMMUNITY CU CLEVELAND, OH

Gloria McClendon joined Faith Community United with years of experience working at an Air Force base and other credit unions, steadily moving up – teller, branch manager, loan officer – often becoming the first African American to hold each position. She went to work at Faith Community United Credit Union “because I knew that they were opening up to the low-income community, and that’s what I was interested in doing: helping a low income community and helping an African American credit union to make a mark in the community.”

In 2015, McClendon won the CEO position at Cleveland’s Civil Service Employees Association Credit Union, founded in 1937, which served the city’s workers and their families. As she had so often in her career, McClendon broke new ground when she joined the civil service credit union: She was the first African American CEO, succeeding the former manager who had served for 46 years.

Just as Mt. Sinai Baptist Church CU had expanded to Faith Community United to serve the broader community, McClendon soon expanded her credit union’s field of membership to include all those who worked, worshiped, or attended school in Cuyahoga County, then rebranding it as the Greater Cleveland Community CU. Membership growth followed, as McClendon expanded products and services, introducing risk-based pricing that made the credit union attractive to the whole range of potential members – those with excellent credit scores, and those who were more challenged.

"THAT'S WHAT I WAS INTERESTED IN: HELPING A LOW-INCOME COMMUNITY & HELPING AN AFRICAN AMERICAN CREDIT UNION MAKE A MARK IN THE COMMUNITY."

The credit union soon began attracting members through its “Next Chance Checking Account,” which helped formerly banked individuals whose previous trouble managing their accounts had gotten them listed on ChexSystems, which prevented them from getting back into the banking system. Started in 2017, the program “has gone really, really well, with us opening up new checking accounts for people that could not get a checking account anywhere else.”

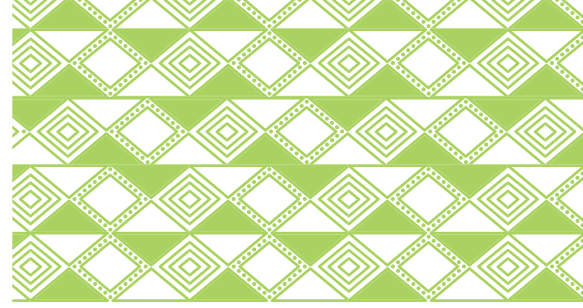
McClendon has recently tackled her next challenge: “to try to convince the youth how important it is for them first, to have a sound financial institution and second, to learn how to manage their credit, by teaching financial literacy.” Serving that population means upgrading the technology of the credit union, through services like P2P (person-to-person) payments, “because they don’t want to be bothered to come to the credit union.” This is part of the bigger vision: “To be a household name around the city, so people know that Greater Cleveland is there for the community, is there for them. We try to price our products and our services to meet the financial needs of everyone.”



Pictured clockwise are Gloria McClendon, Jacqueline Moore, Rita L. Haynes, and Jama Haynes

JAMA HAYNES

CEO, SOUTHERN TEACHERS & PARENTS FCU | BATON ROUGE, LA



Jama Haynes literally grew up in the credit union that her mother led. Her earliest “job” was sorting checks in numerical order; later, she played an active role in the Mt. Sinai’s junior credit union, taking deposits and balancing accounts. When the credit union moved out of the church, she started working in operations, mastering ACH, ATM, and debit card functions. Rita Haynes encouraged Jama to “go places and talk to other people to learn what you needed to learn to get the job done.”

In 2016, several years after her mother retired, Jama Haynes was approached by a recruiter. A graduate of Spelman College in Atlanta, Haynes had one requirement: “I want to go somewhere warm.” She was offered a position at Southern Teachers and Parents FCU in Baton Rouge, Louisiana, founded some 80 years ago at the historically black Southern University. The credit union today serves multiple campuses of the university as well as school districts, organizations, and churches.

Like other credit union CEOs, Haynes faces a generational challenge. “We want to get other generations, not just the people that have been at the credit union for many years.”

Upgrading technology is part of the challenge, and to meet it, Haynes applied to NCUA and received one of several pilot mentorship grants offered by the agency to assist smaller minority credit unions. She chose a larger credit union that was using the same operating system as hers, with the goal of automating processes that had remained manual.

While STPCU is quite different from the credit union she was raised in, Jama Haynes found the essential credit union work to be fundamentally the same. “We still counsel people, give them advice and try to get them out of situations they’re in, and advise them how to think differently and do things differently. I think that’s very important that we care about each other, that we lift each other up, so it’s not just a few who are doing well while everyone else is struggling.”

After two years of adapting to her new city and credit union, Haynes is eager to grow the credit union, even while remaining true to its legacy. “It’s still a small community that is familiar with and loyal to the credit union. So my vision is to increase the people who know about the credit union, who understand our mission, our purpose, our history and our future.”

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About Inclusiv

Inclusiv believes that 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 some of the best tools we have to strengthen our communities and fight back against the growing divide of income and racial inequality."

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



About our Guest Editor

Cliff Rosenthal was President/CEO of Inclusiv, then known as the National Federation of Community Development Credit Unions, and later served as the first director of the Office of Financial Empowerment of the Consumer Financial Protection Bureau. Rosenthal was inducted into the AACUC Hall of Fame in 2019 for his commitment to bringing financial services to low-income and minority communities.

Thank you to our Funders

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