

CELEBRATING THE ECONOMIC IMPACT OF BLACK CREDIT UNIONS

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 **AACUC**
AFRICAN-AMERICAN
CREDIT UNION COALITION

BLACK CREDIT UNIONS CONTINUE TO LEAN IN FOR THEIR MEMBERS

This Black History Month, Inclusiv and the African-American Credit Union Coalition (AACUC) salute the Black credit unions that are having an incredible impact on their communities throughout the country. This magazine highlights just a few of these Minority Depository Institutions (MDIs) and their leaders who have been doing transformative work. Black credit unions have demonstrated time and again that they will roll up their sleeves to serve and support their members. In 2020, we witnessed Black credit unions making SBA loans available - many for the first time - through the Paycheck Protection Program and providing other types of financial relief.

2021 was another historic year for Black credit unions, particularly Community Development Financial Institutions (CDFIs). As part of the federal COVID relief bill, which passed in December 2020, \$12 billion was set aside for CDFIs and MDIs in the form of grants and loans. Supporting and guiding credit unions through these new federal grant and loan programs such as the CDFI Fund's Rapid Response Program and US Treasury's Emergency Capital Investment Program (ECIP) has been a major undertaking, but there were unprecedented rewards. More than \$403 million in Rapid Response Program grant awards and \$50 million in CDFI Technical Assistance and Financial Assistance awards were granted to CDFI credit unions in 2021. An additional \$1 billion will be available in 2022 as part of the CDFI Fund's Minority Lending Program. As demonstrated over the past few years, Black credit unions will continue to rise to the challenge.



Cathie Mahon
President and CEO
Inclusiv



Renée Sattiewhite
President and CEO
AACUC

AACUC & FBCUA RECEIVE NCUF ANCHOR & HERB WEGNER MEMORIAL AWARDS



Two Inclusiv partners are receiving awards at the National Credit Union Foundation (NCUF) Herb Wegner Memorial Awards Dinner in February 2022. These awards are among the highest bestowed in the credit union industry.

AACUC is being recognized with an NCUF Anchor Award because of its ability to rally and align industry and political leaders, creating a forum for uncomfortable but necessary conversation, and influencing strategies to make real change happen. During a period of economic and social unrest, AACUC's Commitment to Change initiative inspired credit unions, leagues, and associations to pledge to eradicate systems and processes that negatively impact people of color. "We believe getting people to talk about difficult subjects is an important part of moving forward as a community and a nation," says Renée Sattiewhite, AACUC President/CEO.

In addition to AACUC, Chicago's Faith Based Credit Union Alliance (FBCUA) will receive the Herb Wegner Memorial Award for Outstanding Organization, recognizing its collective impact serving many of the city's communities of color. Formed to provide mostly African American residents of south-side Chicago with safe, reliable and affordable financial products and services, these credit unions were, at times, the only financial institutions that would lend to people of color. For many of the 5,600 members served through the FBCUA, economic inequity remains an issue but the FBCUA's nearly 200 volunteers work tirelessly to improve their members' financial lives.

"Credit unions like Israel Methcomm FCU (chartered in 1963) and Park Manor Christian Church CU (chartered in 1955) provided a safe place to save and offered loans that allowed their members to build assets," wrote Pamela Owens, SVP, Organizational Development and Capacity Building for Inclusiv, in a nomination letter. "I have heard many stories of these credit unions providing the loans that made it possible for parents to send children to school, businesses to be started and homes to be bought."

2022 AFRICAN AMERICAN CREDIT UNION HALL OF FAME INDUCTEES



The African-American Credit Union Coalition (AACUC), will be inducting six credit union leaders into its African American Credit Union Hall of Fame during the AACUC's Annual Conference that will be held in St. Petersburg, Florida August 23 - 26, 2022. The 2022 honorees are:

- Gloria Bowden (posthumously), Executive Vice President, Democracy Federal Credit Union
- Pamelya Herndon, Board Secretary, U.S, Eagle Federal Credit Union
- Tony Kitt, President/CEO, Plexcity
- Andre Lucas, Director of Compliance, MDCC CU Association
- Cathie Mahon, President/CEO, Inclusiv
- Marsha Majors, President/CEO, U.S, Eagle Federal Credit Union

"The African American Credit Union Hall of Fame has become as prestigious and important as the AACUC Pete Crear Lifetime Achievement Award. To recognize these deserving and superior leaders is an honor and our duty," said Larry Sewell, AACUC Chairman of the Board.

The African American Credit Union Hall of Fame was created to honor and recognize individuals who have and are contributing to the credit union movement--many who are unsung heroes and trailblazers. To be inducted you must have accomplished or achieved the following: 1) provided in excess of 10 years of service in the credit union industry; 2) worked to provide financial services for people in general; and 3) identify at least four significant accomplishments, which benefited African Americans' and the colored majority access to financial capital. Inclusiv staff members who have previously been inducted into the African American Credit Union Hall of Fame include Pamela Owens and Clifford Rosenthal.



BLANCHE JACKSON, CEO

Stepping Stones Community FCU
Wilmington, DE

Designations: MDI, LID, CDFI

Members: 1,279

Assets: \$4,140,288

Blanche Jackson, CEO of Stepping Stones Community Federal Credit Union in Wilmington, Delaware, reflects back on her 20-plus years of experience in the credit union industry with a sense of contentment.

Jackson dedicated time as a volunteer with Stepping Stones since its early stages, while also working in various roles at other credit unions over the years. But it was after finally settling into the CEO position at Stepping Stones that she realized her purpose.

"I needed all of that experience to get me here," Jackson says. "Now that I'm here, I know this is where I am meant to be."

And when you add up Jackson's accomplishments in her three years as CEO—including increased membership, more robust offerings, and a deepened connection to the community—it's obvious just how much she is meant to be at Stepping Stones.

Topping that list is her effort to lead the credit union during a global pandemic. Jackson and her team effectively pivoted their products and services, as well as the methods they used to provide them. With a staff of only three employees, Stepping Stones didn't miss a beat serving its community.

Leading during uncertain times

Having been on the cusp of digital banking before the pandemic, Stepping Stones pushed those plans into high gear in March 2020. Under unprecedented circumstances from both a public health and economic perspective—and without any warning—Jackson led the charge to provide members with online access to bill pay, account transfers, person-to-person transfers, and other digital services.

In a community where many of its members were unable to work—and many businesses and nonprofits were barely surviving—the credit union did everything from helping members with delayed payments to lending a listening ear to those who were struggling.

The ability to access finances while still staying safe was crucial. To help limit traffic inside the building, the credit union utilized its mobile branch. Under normal circumstances, the Stepping Stones van tours Wilmington to provide education, open accounts, print instant ATM cards, and promote the credit union's Don't Pay to get Paid program—an effort to keep money in people's pockets rather than with costly payday lenders. But during the pandemic, its existence—parked outside of the building—made it possible for Stepping Stones to offer uninterrupted service.

"We were able to help our members every day so that they knew we were still here for them," recalls Jackson. "A lot was uncertain, but we did everything to make sure we continued serving our members."

And while they hadn't conducted any business lending up to that point, Stepping Stones quickly shifted gears to provide Payment Protection Program money—successfully distributing \$3 million to help sustain more than 50 nonprofits and small businesses.

Finding success in partnerships

Another of Jackson's successes with Stepping Stones is the strong partnerships she fosters within the community.

Jackson and her staff recognized a need among the local imprisoned population and established a unique partnership to fill the gap. Stepping Stones now teams up with Delaware's Department of Correction to open savings accounts for individuals while in a facility. Since it is often a time when individuals experience difficulty working with other financial institutions, the credit union's goal is to help them establish savings as needed upon release.

Jackson is proud of this partnership and the head start it has provided for nearly 200 individuals so far.



"The relationships we have with the Department of Correction, Wilmington Housing Authority, nonprofits, and financial institutions—we see it impacting the community," she says. "Those are relationships we might not have been able to foster without the experience and connections needed to do so."

"The bottom line is, we can't do it alone," she says. And luckily for Jackson, she doesn't have to.

She credits the guidance and forward thinking of many individuals for her success at Stepping Stones, including the credit union's board chair Matt Parks and dedicated board members, as well as Rashmi Rangan, executive director of the Delaware Community Reinvestment Action Council—the group that started Stepping Stones.

"When you have that kind of support, it makes you want to do more."

The community around Stepping Stones, however, is what really energizes Jackson.

"It's our members. They keep me inspired and motivated. They aren't afraid to show you their vulnerability," she says. "To be able to help someone where, in some cases, they think there's no hope—that's what keeps me motivated to do this."

Advice for credit union leaders

When asked what advice she gives to new credit union leaders, Jackson speaks from her own experience.

"One of the most important things is to be purposeful in your growth and not move too fast. Make sure you understand your community and what is really needed. Then start to structure yourself to fill that need. We often think we know what our members need or want, and it's not necessarily the case."

Jackson also says that when new leaders are aware of industry rules and regulations, there are less missteps along the way and more time to devote directly to the mission.

And, she advises new leaders to seek out help, whatever the issue may be, with other industry leaders and with Inclusiv, which she says is her first stop whenever she needs counsel on any industry-related issue.

From success to succession

Raised in Camden, New Jersey, Jackson says a reason for her enthusiasm and success running Stepping Stones is how similar the credit union's community is to where she grew up.

"When the opportunity arose to work in the city, it felt near and dear to my heart. I understood what it was like living in a limited-income community. I wanted to give back in a way that made a lasting impact."

While Jackson anticipates the longevity of many programs and services she has worked hard to develop, what she really hopes will continue after her time as CEO is something much more powerful.

"I want our membership to always know that we are here to help them, whatever the issue," she says. "If nothing else carries forward, I want this credit union to always show members that we care, that we're here, and that we'll listen. That's what's really important to me."

GREATER CLEVELAND COMMUNITY CREDIT UNION

Cleveland, OH

Designations: MDI, LID, CDFI

Members: 2,963

Assets: \$10,712,214

One of the oldest credit unions in Ohio, Greater Cleveland Community Credit Union (GCCCCU) was established in November of 1936 with 39 owner-members, and exclusively served City of Cleveland workers for over 75 years. In 2017, the credit union began a new chapter by opening its membership to every person, business or organization that lives, works, worships, or attends school in Cuyahoga County.

Providing a personal touch in an impersonal industry

An important component of the credit union concept is to offer a more personal alternative in an industry known for its focus on the bottom line. In the “people helping people” segment of the financial industry, it’s common for credit union employees to know their members. And Greater Cleveland Community Credit Union—a nonprofit, member-owned financial cooperative—truly values its members and adds a personal touch to its interactions through an emphasis on respect and customer satisfaction.

“Our hope is that our members will get the best possible service they can get out of a financial institution,” says Greater Cleveland Community Credit Union CEO Gloria McClendon. “We are sticklers in terms of working for the membership and not for ourselves.”

McClendon says that their first duty is to make sure their members are satisfied with the products and services.

“And if they aren’t, or they have a question about something, I always make sure they know they can walk through that door and say ‘Gloria, I don’t understand this or that’ and we will take them to whatever level they need to be at in order to have the best experience. That’s our top priority.”

A community heavily impacted by the pandemic

When the pandemic struck, and the community was hit hard, GCCCCU never stopped helping their people.



Many of GCCCCU’s members were employed in areas—especially the food industry—that were forced to close once COVID hit. Some members ended up having to leave their jobs because child care centers were closing, restricting numbers, or increasing fees. And some employees were just too concerned about exposure to the virus to keep working.

“Our community was impacted in a big way,” McClendon says. “It was hard on everyone but especially single moms and our older members. There were so many obstacles. I know many who are still not working today.”

Luckily, GCCCCU is part of a shared branch network. They quickly created messaging for their members to update them on days and times branches were open and assured them they wouldn’t have any interruption in service.

McClendon says that it was “by the grace of God” that they had—just before the pandemic—opened a new, smaller branch. In doing so, they had invested in laptops for the first time. This allowed several staff members to work safely from home for about six months at the start of COVID before reopening their offices.

“We were still in touch with our members—usually over the phone,” she says. “They needed us, and our services didn’t stop during that time.”

Fortunately, the credit union had become CDFI certified in 2020 and was awarded \$1.8 million in Rapid Response funds in 2021. GCCCCU put this grant money toward helping its members with mortgage, rent and utility payments.



The credit union sent out over 4,000 postcards—to both current and potential members—advertising this relief money and ways it can help community members get back on track.

“Some people even brought in eviction notices,” McClendon recalls. “We couldn’t help everyone of course. But anyone we could help, we did.”

Looking toward the future

McClendon explains that, without the option to conduct face-to-face open enrollment, membership numbers have dipped slightly since the pandemic. But, with new grants come new opportunities for marketing and ways to spread their message.

One of the messages that needs improving, McClendon says, is regarding a common misconception about credit unions and who they serve. She explains that people often assume they have to be part of a certain segment to become a member.

“It’s important to be out there trying to market the credit union in ways that people can understand that, not only do we have the best products and services, but that you are also part owner of the credit union once you join,” she says. “We try hard to cater to the membership because they are part owner.”

Along those lines, members have communicated to GCCCU that they would benefit from having ATMs installed in their offices. That’s one of the first orders of business for the credit union this year, along with updating their website to allow members online access to things like account opening.

Another big win for the credit union is that they now offer car loans and, in a partnership with myCU Mortgage, help provide mortgages to their membership.

“We are talking to new people every day and are starting to see our numbers climb back up,” McClendon says. “These new offerings help us accomplish our mission to help people. That’s why the credit union was created in the first place.”

Supporting an underserved population

Another reason why GCCCU was initially created was to help the local un-or-under banked community—mostly comprised of African American and Hispanic individuals and families—receive access to quality financial services.

Being in the financial industry for so long, McClendon says she has consistently watched as Black and Hispanic people were turned down for loans and financial assistance.

“Even compared to their White counterparts who maybe didn’t have as good of credit but were still getting approved,” she explains. “It’s true that things have gotten better for people of color, but there are still many barriers for us.”

“When we follow the intended credit union mission of people helping people—when we really focus on that—we can help eliminate racism in the community,” she explains. “We all have to be on the same page. When we are, we can really make a difference together.”

UNION BAPTIST CHURCH FEDERAL CREDIT UNION

Fort Wayne, IN

Designations: MDI, LID, CDFI

Members: 246

Assets: \$303,206



Union Baptist Church Federal Credit Union (UBCFU) in Fort Wayne, Indiana, is on the verge of some bright new beginnings—Urban Beginnings Choice, to be exact. This is the approved new name the credit union is in the process of implementing—they will soon become known as Urban Beginnings Choice Federal Credit Union.

This name change is reflective of the credit union's upcoming transition from being a resource exclusive to church parishioners to expanding to other religious institutions and out into the community. "We want to be a light in the community," says Diane Starks, CEO of the credit union.

With a current membership comprised of parishioners from its two member churches totaling close to 250 people, the credit union is small, but it has a story to tell and big plans to unveil.

Global pandemic brings new challenges

Like many lower-income communities, Union Baptist Church Federal Credit Union was hit hard by the global pandemic. Many members experienced some form of job loss or reduction in hours.

The credit union itself was in the process of expanding to include an additional congregation before the pandemic. Once it hit, they experienced problems with membership growth. But even considering expansion challenges the credit union faced, they remained committed to their members.

Staff quickly pivoted to provide members in need with small loans to bring some relief to their situations—funds that were mostly used for utility and rent payments.

"We just wanted to be there, to help sustain them," Starks explains. "It helped lift them. We just wanted to give them some of their life back by alleviating some of the worry."

Transitioning to the next level

Now that they have helped many members get back on their feet, the credit union is able to focus on improving its own membership numbers, products and services.

Not having an online presence before the pandemic, the credit union got to work. Thanks to the CDFI Fund's Rapid Response Program and Technical Assistance grants as well as a grant from PNC, they are in the process of implementing a website with full online banking options. They also plan to offer debit cards for the first time to its members. Previously, anyone who wanted to do business with UBCFU had to physically come into the credit union—soon they will be able to go online and use ATMs.

They are also using the funds to transition some credit union volunteers to actual paid staff members.

UBCFU acknowledges that it could not have gotten this far without the voluntary work of past CEOs: Lyman Lewis, Janiece Norfleet, Herbert Singleton, Founder Reverend Sylvester Hunter, Board Chair Rudy Lewis, lead member services member Carolyn Yates, Reverend Dr. Timothy Lake, and numerous volunteers and board members such as Pastor Cedric Walker, Sr., who all helped sustain the credit union over the years.

"Those [recent] funds allowed us to transition to next-level banking," Starks says. "It's definitely getting us to where we want to be."

New partnerships and new beginnings

The credit union is also preparing for another new beginning—they are moving out from the back of Union Baptist Church to a new, larger office space.

Leasing space in the Fort Wayne Urban League building, the credit union is inherently developing a new partnership. They have plans to begin working with the League on programs benefiting both groups.

“One of the most exciting things about this move is it will give us a presence right in the urban community—and that’s where we really want to focus,” Starks explains.

To deepen the relationship with the urban community at large, UBCFCU plans to offer financial education courses on basic topics such as saving money and spending wisely.

“Many financial literacy programs come in at a high level,” says Starks. “We want to educate at the lower level—even starting in high school—to make kids understand saving and spending and how to plan for the future. Just think if we had that, where we would be now.”

A catalyst for change in the community

Speaking of financial education, Starks says that it’s one method to help create systemic change within the community and even broader—especially in terms of racial equity and sustainability. She explains that the credit union is focused on these topics and that it’s important to educate the Black community on generational wealth.

“Just because the previous generation didn’t have wealth or extra funds, it doesn’t mean that has to be the next generation’s fate,” she says. “They can start with themselves and educate their children, who will educate their children.”

“We don’t have to follow in the steps of how we were raised—what we had and didn’t have. We can create generational wealth in the Black community and see that go on and on.”

Starks believes the credit union industry as a whole can help improve racism across the county, and that individual credit unions can be the catalyst for this change throughout communities.

“We can show Black individuals that you can get loans, you can be wealthy, you can have good credit, you can afford to buy anything. We can show them that they can do these things.”

Starks says the plans UBCFCU has for the future—name and location change, establishing online banking, launching a membership drive, creating financial education programs and more—can not only help their community but can have an even wider impact.

“I want people to see this credit union as a stepping stone. They can look at us to see what can happen—what change is really possible and how they can be part of that change.”



INCLUSIV'S RACIAL EQUITY GRANT FUND

The Inclusiv Racial Equity Grant Fund is a key part of our commitment to investing in communities of color. The Fund initially responded to the economic damage caused by the COVID-19 pandemic in low-income communities of color. Today, the Racial Equity Grant Fund provides MDIs with flexible grant funding to expand financial services to their members and invests in infrastructure and resources for growth, including CDFI certification, technology upgrades, and community outreach efforts. To date the Racial Equity Grant Fund has awarded \$1.3 million to 93 credit unions and cooperativas in the mainland US and Puerto Rico.

2021 Racial Equity Fund Credit Union Grantees



Abyssinian Baptist Church FCU	New York, NY
Berkeley Community FCU	Moncks Corner, SC
Birmingham City CU	Birmingham, AL
Brookland FCU	West Columbia, SC
Church of the Master FCU	New York, NY
Everest FCU	Jackson Heights, NY
Iberia Parish FCU	New Iberia, LA
Iberville Federal Credit Union	Plaquemine, LA
Light Commerce CU	Houston, TX
Mount Lebanon FCU	Baltimore, MD
Mount Vernon NY Postal Employees FCU	Mount Vernon, NY
Newark Board of Education Employees FCU	Newark, NJ
OCNAC #1 FCU	Jersey City, NJ
Omega Psi Phi Fraternity FCU	Toccoa, GA
Paul Quinn FCU	New York, NY
Richmond Heritage FCU	Richmond, VA
SHPE FCU	Greensburg, LA
Southern Teachers & Parents FCU	Baton Rouge, LA
T.E.A. FCU	Houma, LA
Union Baptist Greenburgh FCU	White Plains, NY
Virginia State University FCU	Ettrick, VA
Washington Educational Association FCU	Federal Way, WA



Tracey Jackson, CFO

RESOURCE ONE CREDIT UNION

Dallas, TX

Designations: MDI, LID, CDFI, Juntos Avanzamos

Members: 67,246

Assets: \$726,186,109

Resource One Credit Union (RICU) has been helping hard-working Texans achieve their financial goals since 1936. RICU is one of the largest 10 minority-designated credit unions in Texas, and the largest CDFI and minority credit union in Dallas.

Originally founded to serve employees of Sears Roebuck and other companies, they continued to expand the credit union by converting to a community charter. RICU now has 11 branches serving communities throughout Dallas and Houston.

A critical community resource

The need for fair and responsible financial services in Texas continues to grow. According to the Center for Responsible Lending, the state ranks highest in the country for predatory lending. This amounts to more than \$1.67 billion in fees and interest on payday and title loans from low-income and unbanked communities.

Due to the correlation between race and banking status, much of these fees are being extracted from households of color. Accessible and equitable financial services from CDFIs and community development credit unions like RICU is critical for preventing predatory loans and supporting asset and wealth building opportunities for under-resourced communities.

Increased funding for meaningful lending

To assist in the effort to reduce predatory lending and to continue serving their community at the highest level, the credit union recently applied for and received new grant funds. In 2021, they were awarded the CDFI Rapid Response Program grant.

“This grant will help us look for new ways to provide meaningful lending to all of our members,” says Tracey Jackson, Chief Financial Officer of RICU. “One way is to provide small dollar loans to help our members who find themselves in the payday lending cycle.”

RICU has also been granted \$5 million from Inclusiv’s Southern Equity Fund—a \$45 million fund that invests capital in credit unions serving low-income and communities of color in 17 southern states.

Thanks to Inclusiv’s Southern Equity Fund, RICU will further expand its reach and commitment to servicing marginalized minorities and low-income populations. This additional money will go toward increasing lending through the credit union, and therefore reducing the number of Texans relying on usurious payday lending options.

“The urgency of the racial equity gap and need for inclusive, community based solutions is clear,” says Cathi Kim, Director of Inclusiv/Capital. “Resource One is an excellent example of how organizations can both grow and promote change and move beyond commitments to action.”

Kim explains that Inclusiv’s Southern Equity Fund invested in RICU to support their leadership, demonstrated impact, and vision for helping realize the unmet opportunities and economic empowerment in communities of color.

“By designing innovative and inclusive products and cultivating relationships to strengthen community based and led change, Resource One demonstrates leadership in advancing racial equity and financial inclusion within the credit union and in partnership with the communities they serve,” says Kim.

Securing these funds is a win for the credit union, but also for the RICU community and surrounding



cities. Reducing the amount of payday loans circulating the community means fewer people are trapped in a dangerous—and sometimes unrecoverable—cycle of debt. Less debt can lead to more savings, the ability to buy and maintain a home, improved financial wellness, and a more positive outlook on the future—all of which can, in-turn, benefit the community at large.

Connecting racial equity, growth, and sustainability

A theme that remains consistent across this work to reduce predatory lending and improve the community is the need to grow and sustain racial equity.

“It’s important to us at Resource One to focus on racial equity, growth, and sustainability because they are interconnected,” Jackson says. “These should be core tenets for diversity, equity, and inclusion (DEI) in the credit union space.”

One way that RICU practices what they preach is through the makeup of its staff, of which 75 percent is comprised of people of color.

“In order for our credit union to grow and to have sustainability, our staff needs to be able to do the same,” explains Jackson. “Studies have proven that a diverse leadership team has helped improve institutions’ success rates. We believe in training our staff for professional development. We will continue to strengthen our team by providing even more resources for their development and opportunities for growth.”

An industry-wide commitment to DEI

Jackson also serves as a board member and treasurer of the African-American Credit Union Coalition (AACUC), and says they have been very successful in providing thought leadership through their endorsement of the Eighth Cooperative Principle, which commits credit unions to DEI.

“Credit union professionals are leaning in and finding ways to support and eliminate racism, and to also reduce the racial wealth divide,” she explains. “I am very encouraged by the number of credit unions and credit-union-related organizations that ask AACUC for assistance and guidance on reducing the racial wealth divide.”

“Together with the AACUC’s Commitment to Change: Credit Unions Unite Against Racism Initiative, not only can we provide a credit union solution, we can help eradicate the racial equity divide.”

Community partnerships to fulfill dreams

Capital funds will also go toward delivering loan products such as citizenship loans to help RICU’s Hispanic members fulfill their dreams of becoming American citizens. This will be accomplished in large part through the credit union’s new partnership with Dallas Area Interfaith—a non-partisan, multi-ethnic, multi-issue group of religious congregations, schools, and other nonprofits in the Dallas metropolitan area.

The goal of this partnership is to work within the community to implement systemic societal changes and to help the Hispanic community—part of the credit union’s colored majority—not only fulfill their dreams of becoming citizens, but also owning homes and accessing financial services they are unable to get elsewhere.

Other key partnerships for the credit union include one with Vogel Alcove—an organization that provides daycare services for children in homeless shelters while their mothers look for employment.

“Once our CEO Mary Beth Spuck found this organization, she made it our objective to partner with Vogel Alcove to help them in their mission,” Jackson says. “This partnership is another way Resource One gives back to our community.”



SHEROD HALLIBURTON, CEO

Financial Access FCU
Bradenton, FL

Designations: MDI, LID, CDFI, Juntos Avanzamos
Members: 3,089
Assets: \$40,366,748

During his five years on the board of directors, Sherod Halliburton worked to transition Financial Access Federal Credit Union (formerly known as Manatee Federal Credit Union) from only serving employees of Tropicana Products to the at-large community. Due to his strong community ties and business acumen, Halliburton was recruited to join the staff. At the time, he was executive director of a government redevelopment agency in the same low-income neighborhood in Bradenton, Florida, where the credit union is housed.

Having never worked in a financial institution but equipped with years of credit and business development experience, he started as executive vice president. He was given one year to learn the business and elevate to president or be released.

"I was so enamored with the opportunity to impact lives through financial services that I decided to bet on me."

After helping to craft the application while on the board, Financial Access was certified as a CDFI on his second day on the job.

"Given the importance of that designation, I immediately felt like this was my destiny," Halliburton recalls. He has now been president for over eight years.

Representing the community he serves

Living within the Financial Access community, Halliburton—who regularly walks to work—says it's important the credit union's members see themselves reflected in the demographic makeup of the staff.

"I want them to walk in the door and see someone they can relate to," Halliburton says. "Older, male, person of color, Latino, whatever it may be, our institution needs to reflect our society. I don't want anyone to feel uncomfortable or like this is a place where "that" group goes. Everyone should feel wanted and respected."

Halliburton explains that, as one of a limited number of African American men running a financial institution, he accepts the great responsibility accompanying that honor.

"I want to show everyone that people of color are competent and can do a quality job—I work hard to reflect that," he says. "I hope to one day be seen as a CEO of a financial institution who happens to be Black instead of a Black CEO running a financial institution."

A movement toward racial equity and sustainability

Financial Access continuously commits resources to be more present in the financial lives of their members in the active pursuit of racial equity, growth and sustainability.

They recently trademarked CreditConnectNow—a one-stop financial improvement resource center.

"Our goal is to be the impetus to an improved quality of life by educating our members on strategies and connecting them to the products needed to grow their financial capacity," Halliburton says.

He explains that wealth creation and transference in America is predominantly done through home ownership. The credit union wants to increase financial literacy, improve credit scores, and lower the costs needed to acquire and own a home.

"We want to help the Black community achieve the American dream—to grow financially and have the opportunity to create wealth and stability for their families," he says. "We want to be active participants in that journey."

Halliburton also says the credit union is sometimes the only place people of color feel comfortable doing business because of challenges they've experienced with other financial institutions due to race.

"We have a very clear policy about treating all members with respect and dignity," he explains. "If people are or are not approved for something it's because of their own merit. I don't think there's any better feeling than that. Even if the answer is 'not now,' it's based on merit—not color. That's important to people of color."

Recreating the credit union image

Halliburton says a challenge in being a small financial institution in a market dominated by large institutions is the continuous perception that you are "less than."

"We may be small, but we are innovative and creative," he says. "Being recognized and respected for that is a challenge. They see where you're located and who you serve and draw conclusions."

To change the narrative, Halliburton is active in the community, present in community causes, and forms partnerships that help show and grow the credit union's value.

These individual efforts, Halliburton says, help recreate the image of who he is and who the credit union is—and has repositioned them in the marketplace.

"We've gone from a somewhat negative perception—being smaller and serving people with challenges—to now being viewed as a vital part of the economic infrastructure."

Positioned for a promising future

Understandably, the global pandemic created challenges for Financial Access and the community. They remained faithful to helping members by waiving fees, allowing skipped payments, and other options to improve financial stability during uncertain times. The credit union began seeing deposits increase again as members got back on their feet.

Halliburton views the pandemic as a disruptive event that brought challenges, but also opportunities to improve the way they do business.

Thanks to two CDFI Technical Assistance grants and Rapid Response Program funding, Financial Access invested in state-of-the-art financial technology products.

This gives members better online banking options, access to paychecks two days earlier, and the ability to improve their banking experience.

The credit union will rely heavily on this upgraded technology to reach their goal of doubling membership in three years.

"It's aggressive, but I'm confident," Halliburton says. "I'm confident because of the support we have—our board, community partners, exceptional staff. Success in this arena doesn't happen alone and I have the best support around me."

While accomplishing these goals is important to Halliburton's legacy, he recognizes that the credit union's role goes beyond offering financial services.

"We're here to transform lives. I want that to be the enduring message even when I'm gone. That people are more than their credit scores."

Meet Financial Access member Mackie Allen

Mackie Allen is the exact type of person Halliburton sees as more than a credit score. The two met shortly after Allen was released from a 26-year incarceration. Halliburton helped Allen get a job at his redevelopment agency over a decade ago and continues to be an important presence in his life.

"It's just not something you see—a person of that professional status giving that kind of time to someone who had been incarcerated for so long," Allen recalls. "He treated me just like he treats someone who hasn't been incarcerated. I didn't know what to do when I got back to society. Working with him made the difference."

Over the years Halliburton has played a role in Allen starting his own carpet cleaning business, purchasing a home and becoming a certified life coach. But what really developed over this time was a true friendship.

"From the time I met him he has never been anything other than a true and helpful individual—in any situation that I go to him about," Allen explains.

And Allen says that it's not just him—anyone at the credit union would speak about Halliburton with as much admiration and enthusiasm.

"He makes sure that, when you're a member, they open all doors for you. They treat you like family. Whatever your goals are, at the end of the day you will have accomplished them. You're not just a customer—you really are valued."



HILL DISTRICT FEDERAL CREDIT UNION

Pittsburgh, PA

Designations: MDI, LID, CDFI

Members: 3,627

Assets: \$10,864,023

It's not uncommon, on the first of the month, to see a line wrapped around Hill District Federal Credit Union (HDFCU) in the morning. Located in the Hill District section of the city of Pittsburgh, Pennsylvania, the credit union has a committed membership based on trust—something that longtime Treasurer and CEO Richard Witherspoon says is crucial to their success.

A history rooted in the search for racial equity

In 1968, the assassination of Martin Luther King, Jr., rocked the nation. Waves of civil disturbance swept the country, and many African American communities were heavily impacted by an outpouring of wide-ranging emotions.

“At the time across the country, inner cities were ablaze,” explains Witherspoon. “When the dust settled, traditional financial institutions were reluctant to come into neighborhoods like this.”

It was therefore in 1970 when Mary Walker decided that if financial institutions weren't going to come to them, they would create their own. She founded HDFCU and served as its CEO for over 20 years, when Witherspoon took over.

Walker, who was also a founding board member of Inklusiv—or the National Federation of Community Development Credit Unions, as it was known back

then—didn't have much credit union experience but quickly learned the business. She began soliciting the residents in the community to become members—asking for only 25 cents per account.

“There was a huge trust factor at the time. But she persevered, and people bought into it,” says Witherspoon.

Continuing the community development tradition

As a community development credit union, HDFCU still holds the same values, mission, compassion, understanding and empathy for those they serve now as they did back in 1970.

“That's just extremely rare in this go-go, make-all-the-money-you-can society,” Witherspoon says. “My tenure and calling here, it's still straightforward, still the same as it's been since 1988.”

While their dedication and approach are still the same, unfortunately so is the racial wealth disparity. The HDFCU community is 90% African American with a medium income of \$20,000.

So, what does the credit union do to address this issue? Witherspoon says the answer is simple: They build people up.

“We give them a coat of Teflon by way of credit scores in the 700 target, savings deposits in the thousands, and encouragement—we build their confidence,” he explains. “The key is building people up in their financial health.”

When people feel more optimistic, and when they can see their financial health improving, Witherspoon says that is when the community begins to trust the credit union and prosper.

“In a low-income community, trust from the outside is hard to come by,” says Witherspoon. “It's not a given—you have to earn it. We've been able to get that and to grow that trust factor.”

With a possible field of membership around 13,000, HDFCU has over 3,600 members.

“As far as credit unions go, that’s a good penetration. That’s because of trust.”

Global pandemic leads to program design

If there’s one thing Witherspoon and his team excel at, it’s designing new products and services. When the pandemic hit, jobs were lost and hours were cut in the HDFCU community, bringing about a need for a different kind of assistance.

Witherspoon led his team in creating the Family Protection Plan. With the support of Pittsburgh’s Benter Foundation, the credit union constructed a zero-percent-interest-rate loan package. In this program, the individual borrows \$1,500—with \$500 going directly to a savings account and \$1,000 into their pocket to help with expenses.

The first payment is due in 90 days with the hopes that the borrower will have returned to work by then. The loan lasts for 18 months and once it’s repaid, they have access to the \$500 that was put into savings. If the loan goes to default, HDFCU has an agreement that the money comes out of the foundation’s deposit—therefore creating no risk for the credit union.

The loan program provides for a maximum of 100 individuals. So far, they are halfway through that number.

Overall, what HDFCU has witnessed is surprising: While the impact of the pandemic on people’s livelihood was great, the credit union’s delinquency remained the same.

“You would expect under those circumstances to see a spike in loan losses, but it didn’t happen,” he says. “Again, that’s because of trust and loyalty.”

Looking at the whole picture of a person

Unlike traditional financial institutions, HDFCU looks behind the credit score to make loan determinations.

“Through experience I’ve learned that if people are working and have good character but have a low credit score, it’s usually because of job loss at some point, a breakup in the family or illness,” says Witherspoon. “One of those three things usually impacts someone of good character and then their credit deteriorates. We take that into consideration—when did it happen, how have they been doing since then? We assess all of that.”



Witherspoon describes instances where, upon approving loans, members have cried because they viewed HDFCU as their last hope.

“I have someone on my desk right now whose credit score is 560 but who needs to have their furnace repaired—so we will do that loan for sure,” he explains.

The legacy of home ownership

Witherspoon believes that an effective way to change the trajectory of lower-income families is through home ownership, which is why he has big plans for an HDFCU mortgage program. The credit union is projected to secure around \$10 million in reserves before rolling out the new program in the coming months.

Witherspoon advises young families that instead of paying rent, they are better off taking on a 15-year mortgage—especially with today’s low interest rates.

“By the time their kids are ready for college, they will have mostly paid off their home,” he says. “Meanwhile, living in their own home gives kids a different outlook on life, a different mindset. They’re more confident.”

Parents who own homes create an inheritance for their children and a legacy for their family. It is, however, a slower process to building wealth than the instant gratification people assume comes with financial apps and other digital tools.

“If they take their time and are consistent, that’s much more beneficial in the long run,” explains Witherspoon. “There is a steep price to instant money. That’s microwave stuff. We are crockpot stuff. And food tastes much better in a crockpot.”

UNIFIED HOMEOWNERS OF ILLINOIS FEDERAL CREDIT UNION

Chicago, IL

Designations: MDI, LID, CDFI

Members: 304

Assets: \$787,635

Unified Homeowners of Illinois Federal Credit Union had a specific goal upon establishment in 2006—to provide any and all financial services pertaining to owning a home. It was during this time that founder and sponsor Thomas O. Walker identified a problem in the Chicago area—home equity loans and lines of credit. Low-income individuals were using home equity loans and lines of credit as ATMs, many not comprehending how easily they were falling into a cycle of debt.

“These individuals had trouble getting small-dollar loans just to keep up with maintaining their homes,” explains the credit union’s manager Teresa Villalobos Rosado. “If something broke, they either had to tap into their equity or were forced to seek out a payday loan. And then they’re really stuck.”

Unified Homeowners wanted to be the place their community could turn to for safe and affordable smaller loans, even with less than perfect credit. Eventually, their offerings grew to include things like certificates of deposit, Christmas and vacation club accounts, notary services and educational programs.

“Community members often don’t know how important it is to understand budgeting and how to improve their credit scores,” Rosado says. “We want to help educate them.”

A small credit union with big plans

Education is a big focus for Unified Homeowners in 2022. They plan to allocate grant money toward establishing more formal education programming using Pathways to Financial Empowerment. Inclusiv and Neighborhood Trust Financial Partners launched Pathways in 2015 to help credit unions deliver consistent, best-practice financial counseling and coaching to low-income and underserved people. The program has achieved strong impact results to date.

The credit union was also fortunate to receive a grant through the CDFI Rapid Response Program—relief funds established in response to the COVID-19 pandemic.



“We have a lot we hope to accomplish—different ideas to help our members overcome their situations and learn and get into a better place,” Rosado says.

As the credit union moves toward more online services, implementing cybersecurity tactics will be another big focus. An app was the first online tool the credit union put into place for its members to access basic things like account balances and electronic statements.

“As we move from only having informational content online to being able to offer banking services and education on our website and apps, we want to make sure we are doing that safely,” she says. “Keeping our members safe is a big priority.”

Silver linings to the pandemic

Like most, the community that Unified Homeowners serves had its fair share of struggles during the pandemic. But Rosado acknowledges that not only could the impact have been worse, there were actually some opportunities for growth despite the challenges.

Initially there was the concern of unemployment and falling behind on loans—and of course some businesses were forced to close or reduce hours. But Rosado explains that the community in general was fortunate because many jobs were considered essential.

“All I can say is we were blessed,” she says, explaining that most people didn’t fall behind on loans.



The credit union did put grant money toward helping with late fees, forbearance, and some forgiveness of small dollar loans—but one of the biggest roles they played was unexpected.

“What many people really needed from us was just to listen,” Rosado recalls. “Members called and we listened to what their situation was and how we could help. People needed an ear especially when stuck in their homes. I feel like we became counselors during the pandemic. That’s what people needed.”

A silver lining, Rosado says, is that many people realized they need to be prepared for the unexpected. She says they saw savings go up because members want to ensure they are never caught off guard again.

The role of credit unions in improving racial equity

Despite many Unified Homeowners members keeping their jobs during the pandemic and even setting aside savings for the next emergency, theirs is not unlike many other African American communities still in the search for racial equity and sustainability.

Rosado says that the credit union industry plays a big part in helping to equalize that playing field. And education, she says, is the number one way to do that.

“It’s about teaching members to be better consumers,” she explains. “We can teach them how to improve their credit scores, which can lead to them buying a car to get to work, purchasing a home,” she says. “All of these things go toward helping improve their community as a whole. That’s our biggest goal.”

People helping people

It may be the credit union industry’s philosophy, but it’s also Unified Homeowners’ practice. They are there to help their members, and in turn their members are better positioned to help the community.

There is no better example of this than the credit union’s own Robbie Anthony. A founding member and now also a board member, Anthony was a home child care provider for over 20 years before recently retiring. With 98% of the children who she cared for coming from low-income families, loans through Unified Homeowners became essential to her survival and theirs.

“I would transport the kids and take them on field trips,” she says. “But I needed a vehicle to do that, and the credit union was there for me.”

Her first personal loan through the credit union enabled her to purchase a vehicle for her business, but that’s not where their assistance ended. Other loans helped keep her door open and food on the table for so many children.

“It was always a struggle,” Anthony recalls. “We would feed them two meals and a snack each day. If we didn’t have that, would they eat? No, they wouldn’t. Being able to get loans from the credit union has been wonderful. It’s been everything.”

Anthony established the Greater Austin Child Care Providers Association and offers a Unified Homeowners membership to any providers who join.

“The credit union is like my family,” she says. “They are my sisters and brothers. And it’s like that for my members too. Child care is our business—it’s what we do. They help us sustain our businesses. There is nothing more important to us.”

BLACK CREDIT UNIONS SERVING HBCUS

The Higher Education Act of 1965 defines an HBCU as any Historically Black College or University that was established prior to 1964, whose principal mission was, and is, the education of Black Americans. Credit unions affiliated with HBCUs have a long, rich history that dates back over 90 years. Black-owned and operated HBCU credit unions were first established in the 1920s and 1930s to help farmers and urban communities move toward economic independence. These credit unions helped their members purchase and grow their farms, buy homes, start businesses, send their children to college, and strengthen the financial future of Black families.

There are currently 13 remaining HBCU credit unions, and six of those are members of Inclusiv.*

- **Arkansas AM&N College FCU (AR)**
- **Councill FCU (AL)***
- **Florida A&M University FCU (FL)***
- **Howard University FCU (DC)**
- **Praire View FCU (TX)***
- **Richmond Heritage FCU (VA)***
- **Savastate Teachers FCU (GA)**
- **Shaw University FCU (NC)**
- **Southern Teachers & Parents FCU (LA)***
- **TSU FCU (TN)**
- **Tuskegee University FCU (AL)**
- **Virginia State University FCU (VA)***
- **Xavier University FCU (LA)**

Continuing to build on this legacy, Gary Perez, president/CEO of USC Credit Union and board member of AACUC, has championed the potential for an HBCU-focused credit union that serves multiple universities not served by existing credit unions. Perez and other leaders in the credit union movement visualize a new HBCU credit union as providing low-cost financial services and high-quality financial education tailored to the needs of HBCU students, alumni, faculty, and staff. They also envision:

- Scholarships and aid programs for students.
- Support for campus clubs and associations through sponsorships, licensing agreements, and card affinity programs.
- Jobs, internships, and volunteer opportunities for students interested in credit union careers and the financial services industry.

The HBCU-focused credit union would operate as a digital-only, mobile-first credit union. Forgoing traditional branches would also provide expediency; cost savings; and the ability to deliver a state-of-the-art mobile banking platform, value-added financial services, and objective financial education, says Perez.

The hope is that the HBCU credit union would function as a “network” credit union governed by a single volunteer board of directors and a central administration that would deliver services to participating HBCU campus divisions. The credit union would not target campuses with credit unions exclusively chartered to serve them, and it would not seek to merge those credit unions into the network.

NEW BLACK-LED CREDIT UNION EMERGING IN MINNEAPOLIS

The Association for Black Economic Power (ABEP) is a nonprofit organization created to establish a Black-led credit union to address systemic financial challenges impacting Minneapolis residents, particularly people of color. ABEP is currently raising capital for post-opening operating expenses for Village Financial Credit Union. The Minnesota Credit Union Foundation has established a special fund to receive donations from supporters of Village Financial Credit Union and is seeking to raise \$1 million in capital from the credit union community. There are 255 Black credit unions across the country, managing \$7.5 billion in assets for 762,000 members. Village Financial Credit Union would be the only Black American credit union in Minnesota.



“Establishing the only Black-led, cooperative credit union in Minnesota is an opportunity to effect positive change, empower growth and economic stability while directly addressing the core cause of systemic poverty on a variety of levels,” says Debra Hurston, Executive Director of the Association for Black Economic Power.

“The original organizers were very passionate about having a community-led credit union that would directly respond to the community wealth gap. Also, having the credit union owned and operated by the community provides a huge source of pride and independence for the members.”



“The Board of Directors of AACUC and I are delighted that the credit union community is coming together to ensure that this credit union is launched and successful. The Commitment to Change: Credit Unions Unite Against Racism® Initiative is truly reflected in this collaborative effort,” says Renée Sattiewhite, President/CEO of the African-American Credit Union Coalition (AACUC).

To learn more, or to donate to the capital campaign, visit mncun.org/villagefinancial.



The African-American Credit Union Coalition (AACUC) recognized Pablo DeFilippi from Inclusiv, Angela Russell from CUNA Mutual, and Maurice Smith from Local Government FCU and Civic FCU as Diversity, Equity, and Inclusion (DEI) Trailblazers during a ceremony at its Annual Virtual Conference in 2021. Inclusiv, which represents community development credit unions, was also recognized as a DEI Trailblazer.

According to the AACUC, Trailblazers are selected based on DEI thought leadership, demonstrated commitment and passion for engaging others in DEI, and social impact of their work in the credit union community and society.

“For Pablo, Angela and Maurice, DEI is more than an acronym, it’s a way of life. Diversity is new for many people in the credit union movement, but these unsung heroes have truly chartered the course,” says AACUC President/CEO Renée Sattiewhite. “AACUC is honored to celebrate and recognize our DEI Trailblazers, they are the passionate leaders who inspire accountability for our collective credit union community.”



Pablo DeFilippi



Angela Russell



Maurice Smith



Founded in 1999, the African-American Credit Union Coalition (AACUC) was created to increase the strength of the global credit union community. We are a 501c3 non-profit organization of professionals and volunteers in the credit union industry. Over the years, AACUC has grown and is ever changing to meet the needs of the dynamic credit union community which it serves. AACUC has adopted the 8th Cooperative Principle and encourages all credit union and affiliated organizations to adopt it as well. AACUC has also created the Commitment to Change: Credit Unions Unite Against Racism Initiative and it has gained great momentum within the credit union industry.

African-American Credit Union Coalition

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At Inclusiv, we believe that true financial inclusion and empowerment is a fundamental right. We dedicate ourselves to closing the gaps and removing barriers to financial opportunities for people living in distressed and underserved communities. Inclusiv is a certified CDFI intermediary that transforms local progress into lasting national change. We provide capital, make connections, build capacity, develop innovative products and services and advocate for our member community development credit unions (CDCUs). Inclusiv members serve over ten million residents of low-income urban, rural and reservation-based communities across the US and hold over \$238 billion in community-controlled assets. Founded in 1974, Inclusiv is headquartered in New York, NY, with offices in Madison, WI and Albuquerque, NM. For more information about Inclusiv visit us at Inclusiv.org and connect with us on Facebook, LinkedIn and Twitter.

Inclusiv was instrumental in establishing the CDFI Fund in 1994, is a permanent member of the national CDFI Coalition and is the CDFI and community finance authority for the credit union industry. Our member CDCUs represent nearly 17 million members in low-income communities across the US, representing the majority of all CDFI-certified credit unions. Today, CDFI certification is an essential credential for credit unions with a focus on financial inclusion. Inclusiv is the credit union industry's best resource for learning more about certification and technical and financial assistance grants.

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