

/inclusiv/

IMPACT UPDATE

ADVANCING ECONOMIC JUSTICE FOR COMMUNITIES OF COLOR



THE RESILIENCE GRANT FUND HAS REACHED \$1 MILLION AND IS ADVANCING ON ITS GOAL TO RAISE \$5 MILLION IN SUPPORT OF MINORITY DESIGNATED CREDIT UNIONS SERVING COMMUNITIES OF COLOR.

MINORITY DESIGNATED CREDIT UNIONS SERVE 4 MILLION PEOPLE ACROSS THE U.S.

Community development and minority credit unions have been on the front lines of the COVID and racial wealth gap crises. These institutions often serve as the sole source of household liquidity and centers of information to ensure that communities of color are accessing the support systems intended to help them.

Credit unions designated as Minority Depository Institutions (MDIs)—which are led by and serve African American, Hispanic, Asian American, and Native communities—have been at the forefront of the struggle for equity in access to affordable financial services and credit. Fostering ownership in communities of color, MDI credit unions are financially inclusive and provide the highest concentration of loans in economically distressed communities.

RESILIENCE GRANT FUND

Goal to raise \$5 million to support small and emerging minority credit unions

Making steps toward closing the racial wealth gap is the driving force behind Inclusiv's recent launch of its Resilience Grant Fund, which is focused on lessening racial wealth disparities throughout the country by deploying capital into the areas that need it most.

RESILIENCE FUND GRANTEES HAVE DEPLOYED \$310 MILLION IN LOANS TO COMMUNITIES OF COLOR, INCLUDING \$15 MILLION IN PPP LENDING TO SMALL BUSINESSES

Resilience grant awards ranging from \$5,000 to \$25,000 are being put toward COVID relief efforts including fee waivers, emergency low-interest loans, technology enhancements, marketing, financial coaching and counseling, and business planning.

The MDI credit unions selected to receive grants represent 16 states, Puerto Rico and Washington, D.C. Their combined assets are \$1.2 billion, and they serve

over 208,000 members. Loans outstanding for this group of credit unions total over \$310 million.

Applications from 67 credit unions requesting a total of \$1.3 million in support were received for the first round of the Resilience Fund. Inclusiv continues to seek additional funding to meet the outstanding need for capital in the minority-designated credit union market.

Inclusiv's Resilience Fund is made possible through support from The Annie E. Casey Foundation, Bank of America, Capital One Financial Corporation, Citi, JPMorgan Chase, PNC Bank and Prudential Financial.

RESILIENCE GRANT FUND AWARDEES

In June 2020, Inclusiv launched the Resilience Fund to support and help maximize the impact of MDI credit unions serving communities that have been marginalized because of race, ethnicity or immigration status. The fund provides grant support to credit unions with under \$100 million in assets that are led by and serving people of color.

Issues brought about by disparities in racial wealth have only been exacerbated by the COVID pandemic—with

relief resources unequally reaching different communities—and will continue to have an impact for months, if not years, to come. As institutions led by people of color, MDI credit unions play an essential role in the COVID response and in advancing economic justice in their communities. Because a large-scale investment is required to meet the critical need in these areas, the Inclusiv Resilience Fund is even more crucial now than ever before.

The Resilience Fund is a key part of Inclusiv's commitment to investing in communities of color. Now more than ever, it's critical that we renew and expand our efforts to advance economic justice.

- Cathie Mahon, President/CEO, Inclusiv

PHENIX PRIDE FEDERAL CREDIT UNION, PHENIX CITY, AL

COMMUNITY: RUSSELL COUNTY
TOTAL POPULATION: 59,213
MEDIAN INCOME: \$40,978
POVERTY RATE: 20.1%

DESIGNATIONS: CDFI, MDI
MEMBERS: 2,030
ASSETS: \$13.7 MILLION
LOANS OUTSTANDING: \$8.4 MILLION

With the \$15,000 grant it received from the Resilience Fund, Phenix Pride Federal Credit Union will implement a new online banking system. This user-friendly system will allow members to apply for loans online and send the applications directly to Phenix Pride, simplifying and accelerating the borrowing process for members. The loan process is expedited, allowing the credit union to put money in its members' hands much more quickly.

This is especially important because the Phenix City area is inundated with predatory lending companies that are good at providing funds quickly—despite questionable underwriting and cost transparency.

The credit union is also using the funds to cover the cost of a financial education program—hosting classes to teach participants how to balance their checking accounts, improve their credit scores and provide education on car and home purchasing.



RESILIENCE GRANT FUND AWARDEES

COOPERATIVA DE AHORRO Y CRÉDITO JESÚS OBRERO GUAYNABO, PUERTO RICO

COMMUNITY: GUAYNABO COUNTY
TOTAL POPULATION: 88,663
MEDIAN INCOME: \$33,937
POVERTY RATE: 26.6%

DESIGNATIONS: CDFI, JUNTOS AVANZAMOS, MDI
MEMBERS: 8,462
ASSETS: \$82.5 MILLION
LOANS OUTSTANDING: \$56.0 MILLION

Jesús Obrero Cooperativa will use its \$15,000 award from the Inclusiv Resilience Fund to create a 100% online services division, continue their pandemic relief efforts, and expand their loan offerings.

Aurelio Arroyo, CEO, has a true understanding of the needs his community is facing during the global pandemic, and is eager to begin the process of securing a services division of the credit union that is completely online.

"During this uncertain time, our members need quick and reliable borrowing programs—but they also need to continue staying safe and healthy," Arroyo said. "By using the Resilience Fund award to ensure 100% of our services can be handled online instead of taking the unnecessary risk that accompanies in-person contact, our members' safety remains top priority."



FAITH COMMUNITY UNITED CREDIT UNION, CLEVELAND, OH

COMMUNITY: CUYAHOGA COUNTY
TOTAL POPULATION: 1,253,783
MEDIAN INCOME: \$48,435
POVERTY RATE: 18.1%

DESIGNATIONS: CDFI, MDI
MEMBERS: 4,998
ASSETS: \$17.2 MILLION
LOANS OUTSTANDING: \$11.3 MILLION



As a result of a \$25,000 award from Inclusiv's Resilience Fund, Faith Community United Credit Union is now in a position to help many

youth whose families are members of the credit union and who do not have adequate access to laptops needed for remote learning.

"During this uncertain time for children and their family members, it is so crucial that they have reliable technology so that they do not have any disruption to their education—and we are honored to be able to make that happen thanks to the funds we received," said

Jacqueline Moore, CEO of Faith Community United.

Additionally, the credit union will use the funds to help its members with deferred loan payments, as well as supply staff with laptops to continue working at home should there be another shutdown.

While struggle is nothing new to this community, the pandemic certainly made things worse, according to Moore.

"Our community deserves a ray of hope. This is what the Resilience Fund is for us."



FROM 1983-2013 THE WEALTH OF BLACK HOUSEHOLDS DECLINED BY 75%, COMPARED TO A 14% INCREASE FOR WHITE HOUSEHOLDS. BECAUSE OF THE VAST RACIAL WEALTH GAP AND LACK OF ACCESS TO SAFE FINANCIAL SERVICES IN COMMUNITIES OF COLOR, THERE IS A DISTINCT NEED FOR FINANCIAL INSTITUTIONS THAT INTENTIONALLY INVEST IN COMMUNITIES OF COLOR TO HELP THEM NOT ONLY SURVIVE, BUT THRIVE.

ABOUT US

At Inclusiv, we believe that financial inclusion 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 through investments in and technology solutions for member credit unions, building financial capability, and programs promoting financial inclusion. Inclusiv was instrumental in establishing the CDFI Fund in 1994, is a permanent member of the national CDFI Coalition and is a certified CDFI intermediary. Founded in 1974, Inclusiv is headquartered in New York, NY, with offices in Madison, WI and Atlanta, GA.

Inclusiv's 300+ members have a total of \$101 billion in loans outstanding to seven million low-income workers and small businesses in communities of color across the country, including:

- \$54 billion in consumer loans, including affordable auto loans, personal loans, lines of credit and small-dollar loans with flexible underwriting for credit challenged borrowers
- \$35 billion in mortgages to low- and moderate income homeowners
- More than \$11 billion in small business loans to community-based, women and minority-led businesses.

CONTACT US

MONICA COPELAND
SENIOR PROGRAM OFFICER, INCLUSIV
MCOPELAND@INCLUSIV.ORG

