

50TH ANNIVERSARY

/ inclusiv / 2023 ANNUAL REPORT

Championing financial inclusion since 1974



Table of Contents

Table of Contents	1
Letter from the CEO	2
Our Year in Review	3-5
Financial Overview + Operating Results	6
Advancing Climate Justice	7
Impact	8-12
Advocacy.....	13-14
First In.....	15
Board of Directors	17
Funders & Investors	17
Partners	18

Dear Friends and Partners,

In 2024, Inclusiv turns 50! I have had the great privilege and honor to help shepherd the last 12 of these years as President and CEO. Reflecting upon the past year, I am filled with gratitude for what this network and team have accomplished. In this annual report we strive to look not just in the rearview mirror but at the clear path ahead to a future of greater financial inclusion, equity for all.

Inclusiv closed 2023 with 510 policy members, serving over 21.1 million people and managing over \$309 billion in assets. This growth is a testament to our expanding community and our shared commitment to serving those historically excluded.

Over the last five years, Inclusiv has worked to ensure our communities can access clean, efficient, and resilient energy solutions in the face of an escalating climate crisis. Through our Center for Resiliency and Clean Energy, we have equipped over 700 lending professionals from community-based financial institutions with the tools to drive affordable green and solar finance, paving the way for a more sustainable future. We led the charge for the inclusion of the \$27 billion Greenhouse Gas Reduction Fund as a key component of the Inflation Reduction Act. We look forward to continuing to build the capacity of community lenders to design solutions that reduce carbon emissions and air pollution, lower energy cost burden, and improve the financial security of people, households, and small businesses with low incomes.

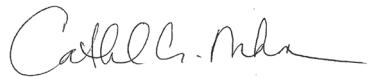
Our advocacy efforts have borne fruit, influencing critical policy decisions and advocating for a financial system that serves everyone well. The changes we've championed in the CDFI Fund's certification standards exemplify our dedication to ensuring that our members can continue to grow and serve their communities effectively.

We launched the New Majority Growth Initiative and achieved our \$20 million capitalization goal for the Racial Equity Investment Fund, emphasizing our resolve to combat systemic inequalities and ensure that our climate justice efforts reach the communities most affected by environmental and economic disparities.

As we turn the page on 2023 and look forward to the next 50 years, I am inspired by our network's collective power and potential. The path ahead is filled with opportunities to deepen our impact, expand access to financial services, and lead with conviction on issues of racial and environmental justice.

Thank you for your partnership, support, and commitment to building an equitable, inclusive future. Together, we are not just imagining a better world; we are creating it.

Warmest regards,



Cathie Mahon
President and CEO, Inclusiv



50

Our Year in Review

We're Growing



Inclusiv's network grew to include **510 Policy Members**, encompassing **417 credit unions** and **93 cooperativas**, representing **21.1 million members** and more than **\$309 billion in assets under management**.

Inclusiv's assets grew to \$102.6 million, with a significant portion of the budget driven by earned revenue, solidifying its financial position.

Inclusiv Capital



In 2023, Inclusiv Capital managed \$53.1 million in secondary capital and subordinated debt investments to strengthen asset and wealth-building initiatives at 27 CDCUs, and supported affordable homeownership efforts with a \$28.9 million mortgage portfolio.



More than **\$16.9 million** in commitments and investments to member CDCUs and cooperativas, including **\$14 million** in subordinated debt loans were approved, mainly from the Racial Equity Investment Fund.

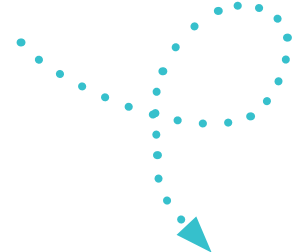


Inclusiv set an ambitious goal of raising \$100 million through the Social Impact Deposits Platform for its 50th Anniversary year.

Supporting Homeownership

Launched in 2005, Inclusiv/Mortgage established a secondary market for member credit unions' mortgage loans to low- and moderate-income members. Our \$29 million portfolio benefited 191 households, helping them build wealth.

\$21.5m
in new equity



\$113.5k
per borrower



51%
people of color



28%
low-income borrowers



49%
moderate-income borrowers

Sustainability & Climate Justice

- We've delivered Green and Solar Finance training to over 700 lending professionals from more than 300 community-based institutions, positioning Inclusiv as a leader in clean energy transformation.
- Between 2020 and 2023, the alumni of our consumer and commercial solar lending training originated 21,700 solar loans, and more than 33,000 households, including 17,840 low- and moderate-income households, received access to solar as a result.

33,250 households

17,840 LMI households
received access to solar



Financial Inclusion

- We supported the largest external capital injection in the history of cooperativas in Puerto Rico, helping cooperativas secure \$226 million in CDFI grants .
- We facilitated the Juntos Avanzamos national expansion, now totaling 137 credit unions across 31 states, Puerto Rico, and the District of Columbia, dedicated to serving Hispanic and immigrant consumers.



Financial Overview + Operating Results



As of December 31, 2023, Inclusiv had \$102.6 million in assets representing an increase of 4% from the prior year. Inclusiv managed \$85.3 million in investments in community development credit unions and cooperativas.

Revenues and expenses related to these investments are separately reported on our income statement. As of December 31, 2023, Inclusiv reported \$3.7 million in unrestricted net income. Net interest income generated by Inclusiv/Capital, Inclusiv/Mortgage, and other investing activities was \$2.2 million.

Inclusiv has received from Aeris a Four-star impact management rating with Policy Plus and AA financial strength and performance rating.

At year-end 2023, Inclusiv reported \$16.0 million in revenue.

In 2023, Inclusiv also received \$4 million in donor-restricted revenue to be released from restriction in future periods. Inclusiv's annual unrestricted revenue has increased by 46% over the past fiscal year.

Operating Expenses & Program Investments

Operating expenses include all the costs of Inclusiv's programs and initiatives, investments in our member CDCUs, and management and general expenses.

In 2023 Inclusiv reported total expenses of \$11.4 million. The primary expense categories were employee compensation (43%) and financing of impact investments (16.2%).

DECEMBER 31, 2023				
	12/31/2023	12/31/2022	Change	Change %
Total Assets	102,602,088	98,677,745	3,924,343	4.0%
Total Liabilities	70,736,711	67,730,942	3,005,769	4.4%
Total Net Assets	31,865,377	30,946,803	918,574	3.0%
Net Asset Ratio	31.1%	31.4%	-0.3%	-1.0%
Unrestricted Net Income	3,666,222	1,468,616	2,197,606	150%



In 2023, Inclusiv made significant progress in expanding green and solar lending, empowering communities to embrace renewable energy and improve financial stability. Our efforts focused on training, advocacy, and developing innovative financial products within our network.

Green Lending Training and Technical Assistance

Inclusiv, in partnership with the University of New Hampshire's Carsey School of Public Policy (UNH), helped to build the field of community-based green and solar lending. Over the past year, Inclusiv expanded its industry-leading green lending training and technical assistance program for community lenders. Since the program's inception in 2020, Inclusiv and UNH have trained over 700 lending professionals from more than 300 community-based lenders in how to develop green loans. Combined, these lenders serve all 50 states, Washington DC, Puerto Rico, and the U.S. Virgin Islands.

Scalable Green Lending Platform

Inclusiv worked with external nonprofit organization, IPC (Inclusive Prosperity Capital), to



develop a pilot in Arizona, New Mexico, and Texas, bringing IPC's Smart-E Loan affordable green loan platform to credit unions and vetted contractors.

Driving Green Lending Grants to CDCUs

Inclusiv worked to ensure the Inflation Reduction Act's \$27 billion Greenhouse Gas Reduction Fund (GGRF) reaches community development credit unions.

In March 2024, Inclusiv was selected for a \$1.87 billion Clean Communities Investment Accelerator (CCIA) grant that will result in the Inclusiv network of CUs (CDFIs, MDIs and Cooperativas) financing a broad a range of clean energy projects, including: consumer loans for energy efficient appliances, vehicle loans for new and used zero-emission transport, and others.

Capital for Growth

As a CDFI and the national intermediary for CDCUs and cooperativas, Inclusiv develops strategic partnerships and mobilizes capital from mission aligned investors to deploy into investments designed to advance community-centered solutions led by CDCUs and cooperativas to strengthen opportunities, financial inclusion and resiliency of underinvested communities.

CDCUs and cooperativas provide vital banking services designed to support people earning low incomes to advance on their pathways to building assets and strengthen local economies. CDCUs reinvest wealth locally by making affordable loans to expand homeownership, support small businesses, and create healthier communities by providing access to green loans and affordable access to clean and efficient energy resources.

In 2023, Inclusiv provided capital for member CDCUs and cooperativas, including through impact focused funds such as the Inclusiv Racial Equity Investment Fund through which \$9 million in capital was invested in and committed to CDCUs advancing opportunities in historically marginalized and underinvested communities.



Launched in 2020, the Inclusiv Racial Equity Investment Fund invests in CDCUs working to build an equitable recovery from the pandemic in historically marginalized communities that were disparately impacted by the COVID pandemic. In 2023, Inclusiv invested in OnPath Federal Credit Union, a CDFI and MDI based in Southern Louisiana. Jefferson Parish is home to New Orleans, which is comprised of culturally rich communities that are complicated by the historic impacts of redlining and climate events.

The unbanked and underbanked rate for New Orleans of 21% is even starker for communities of color, with Black and Hispanic communities reporting unbanked and underbanked rates of up to 51%, making them vulnerable to predatory lenders.



OnPath Federal Credit Union addresses these gaps and improve the quality of life through financial empowerment and serve as financial advocates for the members and the communities they serve. Inclusiv's investment will bolster OnPath's efforts to offer financial education, expand services into underserved areas, and provide critical support for homeownership and entrepreneurship.

New Majority Growth Initiative

This year, Inclusiv introduced the New Majority Growth Initiative to support leaders of MDIs & cooperativas to grow their institutions by increasing access to training, capacity building tools, consulting support and financial resources necessary to undertake high priority growth initiatives. The overall goal of the initiative is to ensure that people in communities of color have access to affordable, asset-building loans to withstand emergencies, afford reliable transportation to higher paying jobs, become homeowners, improve energy efficiency and start and expand small businesses.

This initiative encompasses:

- Six-month virtual courses: the MDI and Cooperativa Learning Centers,
- MDI and cooperativa peer and alumni networks for staff and board members,

- Over \$3 million in Racial Equity Grant Fund subgrants for 3 years (2023-2025), and
- Access to technical assistance and support from Inclusiv staff and seasoned credit union consultants.

The launch of this initiative was made possible through the support of the Citi Foundation, JPMorgan Chase, NerdWallet and the CDFI Fund's Equitable Recovery Program (ERP). In 2023, the New Majority Growth Initiative:

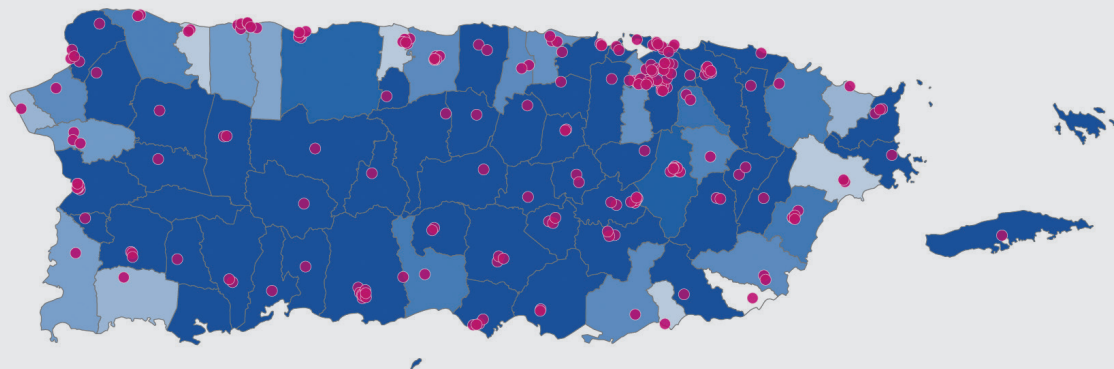
- Provided training, consulting, and capital to 138 MDI & cooperativa leaders (staff & board members) at 88 MDIs & cooperativas.
- Disbursed \$875K in Racial Equity Grant Fund subgrants to 88 MDIs & cooperativas, of which 50 (almost 60%) had completed or were enrolled in the Learning Centers.

Since 2020, when the Inclusiv Racial Equity Grant Fund was created, Inclusiv has disbursed almost \$2.5 million to 170 MDIs and cooperativas.

Success Stories: MDIs, such as Church of the Master FCU and Urban Beginnings Choice in Indiana, stand out as success stories. These institutions have effectively utilized Inclusiv's support to achieve milestones like CDFI certification, field of membership expansions, and technological upgrades, showcasing the real-world impact of our programs.

In 2023, Cooperativas received the most significant external capital injection in their hundred-year history.

The Department of the Treasury, through its CDFI ERP program, invested **\$226 million in 69 cooperativas in Puerto Rico** to expand lending and community development initiatives. Inclusiv was integral in supporting cooperativas throughout this process



Puerto Rico Cooperativas!

In 2023 our Puerto Rico staff demonstrated an incredible commitment to network engagement, visiting every one of our cooperativa members. Cooperativas continue to play a central role in our vision for the next 50 years of Inclusiv.

Inclusiv facilitated the second-ever private capital investment into a cooperativa through the Deutsche Bank Americas Foundation, demonstrating the scalability of the private investment model in cooperativas.

Inclusiv launched a joint advocacy campaign to remove COSSEC's covered entity status as part of the Puerto

Rico Oversight, Management, and Economic Stability Act (PROMESA). This initiative led to the first-ever joint meeting between Puerto Rico public officials, the Association of Cooperative Executives, and the Liga de Cooperativas de Puerto Rico.

Inclusiv initiated a successful advocacy drive as part of the FHLB at 100 initiative, focused on ensuring cooperativas access to the Federal Home Loan Bank of New York.

Inclusiv played a key role in facilitating the dialogue between COSSEC and the NCUA, leading to the signing of an MOU at the Governor's mansion in Puerto Rico.

Juntos Avanzamos

Juntos Avanzamos (“Together We Advance”) is a designation for credit unions dedicated to serving and empowering Hispanic and immigrant consumers by helping them navigate the U.S. financial system and providing them with safe, affordable, and relevant financial services. These credit unions employ bilingual, culturally competent staff and leadership, accept alternative forms of identification, and treat all members with respect, regardless of their immigration status

In 2023, Inclusiv took a leading role in expanding this vital network, reaching 137 total members across 31 states and territories, achieving growth of more than 30% in just three years.

Financial Empowerment

Inclusiv’s Financial Empowerment Learning Center is a resource for Inclusiv member community development credit unions, providing them with the knowledge and support needed to create, expand, improve, and maintain high-impact financial empowerment, education, and coaching



programs. The center offers training through the Introduction to Financial Empowerment and the Financial Coaching Program and Development courses, peer learning networks, individual capacity building, and technical assistance.

In 2023, 23 community development credit unions completed the eight-week Financial Coaching Program and Development course, and nine effectively onboarded and implemented the Pathways to Financial Empowerment platform to better track the impact of their financial coaching and counseling delivery. Additionally, the Financial Empowerment Network was launched, a semi-regular webinar series that provides opportunities for credit union staff to share and learn about strategies for effectively delivering financial empowerment services. These efforts continue to further the ability of Inclusiv members to deliver impactful, effective financial empowerment services that support the economic well-being of their members and communities now and in the future.

Technology

The Inclusiv Financial Inclusion Technology Center (FIT Center) provides Inclusiv member credit unions with actionable information about and access to affordable technology

solutions that can meaningfully, measurably, and sustainably expand access to safe and affordable financial services in low-income communities and communities of color.

In 2023, the Inclusiv FIT Center engaged Inclusiv member credit unions through quarterly FIT Council convenings to more clearly understand their technology challenges. We also welcomed Posh AI, the leader in conversational and generative AI solutions purpose-built for the financial industry, as a FIT Center Fintech Partner. Inclusiv members were able to discover and implement innovative technology solutions that expand financial inclusion, such as QCash Financial's small-dollar lending platform.

Developed with the help of financial support from TruStage, Inclusiv's Financial Inclusion Data Analytics Platform (FIDAP) is used to process Inclusiv members' loan portfolio data in strict accordance with the reporting requirements of the CDFI Fund's Financial Assistance awards, along with other grant and loan opportunities that Inclusiv members have access to. In 2023, Inclusiv used the FIDAP to support the regulatory reporting needs of 245 credit unions, analyzing nearly \$37 billion in total loans to support the awarding of more than \$200 million to Inclusiv members.

In 2023, Inclusiv continued its advocacy for economic and racial justice. Our advocacy efforts centered on three key areas:

1. Supporting CDCUs to foster equitable economic growth,
2. Combating inequities in our financial system, and
3. Promoting racial and economic justice through climate finance.



We advocated for increased financial and programmatic support for CDCUs, emphasizing their vital role in bringing capital to redlined and excluded people and communities. As part of this work, we engaged with the CDFI Fund on updates to CDFI certification standards to ensure CDCUs can continue to achieve CDFI certification and leverage federal grants to grow. The new standards strengthen responsible lending requirements for CDFIs and our advocacy resulted in the CDFI Fund removing significant barriers to CDCUs achieving CDFI certification.

Inclusiv also targeted high-cost lending and supported the Consumer Financial Protection Bureau's (CFPB) work to rein in predatory payday

lenders. We called on the National Credit Union Administration (NCUA) to maintain credit unions' 18% interest rate cap to ensure credit union members would continue to have access to affordable loans. We also staked out our support for the CFPB's efforts to regulate payday lenders that trap low-income people in cycles of debt.

We promoted equitable climate finance policies, providing input to help the Environmental Protection Agency shape how CDCUs will participate in the Greenhouse Gas Reduction Fund and identifying strategies the NCUA should use to support credit unions in addressing the climate crisis. This ensures that efforts to combat climate change reach all communities equitably.



Driving Resources Through Advocacy

In the past year, the U.S. Department of the Treasury has continued to support economic recovery in underserved communities through the Emergency Capital Investment Program (ECIP). A total of \$8.6 billion in investments were allocated to support the resilience and expansion of small businesses, minority-owned enterprises, and consumers in low-income and underserved communities, addressing the economic impact of the COVID-19 pandemic.

Of this substantial investment, credit unions received \$2.2 billion in ECIP funds, underscoring their crucial role in providing financial services to communities in need. Inclusiv member credit unions are significant beneficiaries, receiving more than \$1.7 billion in subordinated debt investments. This represents a remarkable 77% of the total ECIP funds allocated to credit unions nationwide, highlighting the significant impact of Inclusiv member CDCUs in facilitating economic recovery and development.



2.2 Billion

ECIP funds to CDCUs
serving under-resourced
communities



Photo credit: Wind Newspaper

First In: Our Long Partnership with the Adrian Dominican Sisters

In 1982, federal support for Community Development Credit Unions (CDCUs) was waning. Inclusiv, then known as the National Federation of Community Development Credit Unions, began searching for outside investors. The Adrian Dominican Sisters became our first - providing a \$30,000 loan that laid the foundation for a new capitalization program and cemented our role as a Community Development Financial Intermediary.

42 years later, the partnership with the Adrian Sisters continues. Sister Marilín Llanes, Director of the Sisters Portfolio Advisory Office, shared that our continued relationship is about more than just familiarity - it's about values.

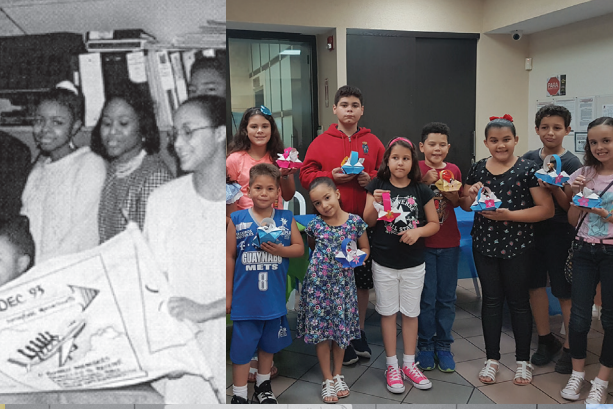
"Our relationship with Inclusiv has always been about aligning ourselves with a partner that shares the same values that we do," she said "It's about our commitment to respond to the social injustice of our time. It's about women, people of color, indigenous people, the LGBTQ+ community, and anyone who has experienced marginalization. We want to be there and to help them prosper"



In recent years, the Adrian Sisters have deepened their commitment to not only social but also environmental stewardship. They recognize that ecological sustainability is inextricably linked to social justice and have begun to prioritize investments that reflect this understanding. This evolution of their investment strategy resonates with Inclusiv's expanding focus on environmental sustainability and climate justice.

After 42 years, Sister Marilín still sees a long road ahead for this relationship.

"I see Inclusiv as a long-term partner of ours in the mission to bring about what the Scripture calls 'beloved community'" she shared "Our relationship has been so supportive and I look forward to the next thing I'll learn or the next lender I'll connect to through the incredible community that Inclusiv has built"



2022 / Inclusiv makes the first US-based capital investment into Puerto Rican cooperativas.

2023 / The New Majority Growth Initiative is born, providing Minority Depository Institutions and Cooperativas with new technical support, training, and financing.

2023-2024 Board of Directors

Robin Romano

Chair, Inclusiv Board of Directors
Chief Executive Officer, MariSol FCU (Phoenix, AZ) - Region 4

Blanche L. Jackson

Vice-Chair, Inclusiv Board of Directors
CEO, Stepping Stones Community FCU (Wilmington, DE) - Region 1

Nereida Seda Vargas

Treasurer, Inclusiv Board of Directors
Executive President, Cooperativa A/C de Lajas (Lajas Coop) (Lajas, PR) - Region 5

Ed Sivak

Recording Secretary, Inclusiv Board of Directors
Executive Vice President – Policy and Communications, Hope CU (Jackson, MS) - At-Large

James Hunter

Corresponding Secretary, Inclusiv Board of Directors
Chief Diversity Officer, New Orleans Firemen's FCU (Metairie, LA) - Region 2

Aurelio Arroyo

Executive President, Cooperativa Jesús Obrero (Guaynabo, PR) - At-Large

Kathy Chartier

President/CEO, Members CU (Cos Cob, CT) - Region 1

Michele Franqui Baquero

Executive President, CamuyCoop (Camuy, PR) - Region 5

Jama Haynes

CEO, Southern Teachers & Parents FCU (Baton Rouge, LA) - Region 2

Hank Hubbard

President/CEO, One Detroit CU (Detroit, MI) - At-Large

Jeff Ivey

President/CEO, River City FCU (San Antonio, TX) - Region 3

Jack Lawson

President and Chief Executive Officer, Clearwater FCU (Missoula, MT) - At-Large

Jackie Moore

Chief Executive Officer, Faith Community United CU (Cleveland, OH) - Region 3

Luis Pastor

Representative, Latino Community CU (Durham, NC) - At-Large

Diane Sandoval-Griego

Chief of Financial Empowerment, Guadalupe CU (Santa Fe, NM) - Region 4

Investors

Adrian Dominican Sisters	New Venture Fund
Annie E. Casey Foundation	PNC Community Development Company, LLC
Bank of America Community Development Corporation	PNC Foundation
BBVA	Robert Wood Johnson Foundation
Chase New Markets Corporation	Sisters of Notre Dame
Clients of Sustainability Group	The Prudential Insurance Company of America
Comcast	Trinity Health Corporation
Deutsche Bank Americas Foundation	TruStage Foundation
Kresge Foundation	Unitarian Universalist Common Endowment Fund
Mercy Investment Services	Unitarian Universalist Congregation At Shelter Rock
Metropolitan Life Insurance Company	Webster Bank
National Cooperative Bank	Wells Fargo
New Economy Project	

Funders

Annie E. Casey Foundation
Bank of America
Capital One
Citi Foundation
Deutsche Bank Americas Foundation
Goldman Sachs Bank USA
Edward D Jones & Company
Hive Fund for Climate & Gender Justice
Invest in Our Future Fund
JPMorgan Chase Bank, N.A.
Kresge Foundation
Leon Lowenstein Foundation
MacArthur Foundation, John D. and Catherine T.
Mastercard Impact Fund
National Credit Union Foundation
NerdWallet
New York Community Trust
PNC Foundation
Prudential Foundation
Puerto Rico Community Foundation
Robert Wood Johnson Foundation
Target Foundation
TruStage
U.S. Treasury CDFI Fund
Wells Fargo Foundation

Inclusiv / Capital Committee

Bob Hoel, *Vice- Chair*

Bert Hash

Michael Hale, *Chair*

Mignhon Tourne

William (Bill) O'Brien

Partners

African-American Credit Union Coalition (AACUC)
Asociación de Ejecutivos de Cooperativas de Puerto Rico
Balance
Banco Cooperativo de Puerto Rico
BECU
California and Nevada Credit Union Leagues
Carolinas Credit Union League
Catholic Charities USA
CDFI Climate Crisis Working Group
CDFI Coalition
CDFI Puerto Rico LLC
Cities for Citizenship
Coastal Enterprises, Inc. (CEI)
Common Cents Lab
Community Investment Guarantee Pool (CIGP)
Community Reinvestment Fund, USA
Coopera
Cooperative Credit Union Association
Cornerstone Credit Union League
Credit Builders Alliance
Credit Union Association of New Mexico
CrossState Credit Union Association
CU Pride
Dora Financial
Experian
Fahe
Federal Home Loan Bank-NY
FIDECOOP
General Consul of Oxnard
General Consul of Las Vegas
Georgia Credit Union Affiliates
Global Refuge
Federation of Protestant Welfare Agencies
Freddie Mac
HAPICUP
Hawaii Credit Union League
Illinois Credit Union League
Inclusive Prosperity Capital
Indiana Credit Union League
Institute for Mexicans Abroad
Interstate Renewable Energy Council (IREC)
Iowa Credit Union League
Justice Climate Fund
Kinetic Communities Consulting
Lawrence Berkeley National Laboratory
League of Southeastern Credit Unions & Affiliates
Louisiana Credit Union League
MGIC
Michigan Credit Union League & Affiliates
Montana's Credit Unions
Mountain West Credit Union Association
Multibank Securities
National Association of Latino Credit Unions & Professionals (NLCUP)
National Cooperative Bank
National Credit Union Foundation
National Cooperative Business Association
National Partnership for New Americans
Natural Resources Defense Council (NRDC)
Neighborhood Trust Financial Partners
New York Credit Union Association
New York City Mayor's Office of Climate and Sustainability
New York State CDFI Coalition
New York State Energy Research and Development Authority (NYSERDA)
Northwest Credit Union Association
Ohio Credit Union League
Posh Technologies
Patelco Credit Union
Primary Financial
QCash Financial
Seguros Múltiples
Suncoast Credit Union
UNFCU
UnidosUS
United In Sustainability
University of New Hampshire
US Department of Energy – National Community Solar Partnership
US Department of Energy – Solar Energy Technologies Office
Ventura County Credit Union
Village Capital
VISA
VisiFI
Your Credit Union Partner
Zest AI

Find our member directory at inclusiv.org



2023 ANNUAL REPORT

39 Broadway #2140, New York, NY 10006

inclusiv.org

