

CWN Virtual Events: Racial Justice – Resources + Notes

March 4, 2021 and June 9, 2021

Additional Resources (from the chat functionality):

- <https://www.nber.org/papers/w20762>
- <https://www.enterprisecommunity.org/blog/framework-healing-centered-community-development>
- <https://www.minneapolisfed.org/events/2021/racism-and-the-economy-focus-on-housing>
- <https://www.coursera.org/learn/inclusiveleadership>
- <https://nff.org/catalyzing-finance-racial-equity>
- <https://www.pewresearch.org/fact-tank/2017/01/10/blacks-and-hispanics-face-extra-challenges-in-getting-home-loans/>
- <http://startup.choosewashingtonstate.com/tools/academy-landing/>

Shared by Cathi Kim from Inclusiv:

- Social Change Ecosystem Map
 - Attribution: Deepa Iyer, Building Movement Project. SM, © 2018 Deepa Iyer.
 - This is a framework that can help individuals, networks, and organizations align and get in right relationship with social change values, individual roles, and the broader ecosystem: <https://buildingmovement.org/tools/social-change-ecosystem-map/>
- I highly recommend following Danielle Coke, an illustrator and advocate on Instagram. She creates beautiful content that synthesizes many of these concepts around equity and justice: <https://www.instagram.com/ohhappydani/>
 - Here's the link to the "Your Sphere of Influence" graphic I shared last night: <https://www.instagram.com/p/CBYv5qoFsjh/>

Shared by Donna Shields from IFF:

- I want to share a link from IFF that might be helpful for our colleagues as each organization is working towards Racial Justice. We started our journey in 2018 and are still working towards becoming an inclusive, anti-racist and anti-oppressive institution. <https://iff.org/about/edi/>

- Link to Anti-racism Training IFF uses for all employees. <https://crossroadsantiracism.org/>

Shared by Amanda Brewington from Mountain Association:

- I wanted to shout out a business I highly recommend that does diversity training:

Global Alliance Solutions

<http://www.globesol.com/>

Owner: Nikki Pardo is amazing, high energy and knowledgeable – great to work with to make a custom training for those interested.

Learning Points/Notes from Breakout Groups

Clients:

- Focus on prospects/clients who work towards preserving their community.
 - May mean broadening/shifting a CDFI's target audience, to be more inclusive. Or work more with clients who are impacting diverse communities in a positive way. Are we connecting with the right people and organizations?
 - Provide funding that scales financial inclusion and racial equity.
- Look not just at who the borrowers are but also who the subcontractors (affordable housing) and are they diverse small businesses – though this is not required by funders
- Look at who the beneficiaries of the affordable housing they are developing
- Try to fund smaller developers with smaller projects through revolving loan funds – the economics are more difficult, but this may have higher impact.
 - Work with state financing agencies to access more flexible credit resources.
- Use a mission score related to lending to organizations – e.g. a Low Income Targeted Population Target Market using the Low Income Housing Tax Credit

Hiring:

- Review job descriptions and change the language and requirements that often eliminate opportunities for marginalized applicants.
 - Education/Experience equivalent statements: Marginalized groups often are or were unable to attend university or other institutions of education.
 - We all agreed we knew someone with a high school diploma who is high performing.
- Remove bias in hiring practices.
 - Blind Hiring: Remove all identification details from candidates' resumes and applications. It helps evaluate people on their skills and experience instead of factors that can lead to biased decisions.
 - Interviewers: Make diversity a priority in interviews or interview panels.
- Take an honest look in the mirror:
 - Do we take into consideration diversity and equity in our business practices?
 - Do we consider equity in pay?
 - How do we compose ourselves as a culture?
 - Who's in charge of this?
 - Do we have the right people in the conversation?
 - What are the power dynamics?

- And how to do this in the Covid environment when people are stretched so thin?
- Leadership of organization – is it representative?
- Add board members from diverse backgrounds. Do they represent the communities they serve?
- Staff training will be critical to operationalizing racial justice and bringing more equity to our work.
 - Stress the need to help staff “walk in someone else’s shoes” – see things from another perspective.

Products & Services:

- Review products and policies with an eye towards financial inclusion/racial justice
 - Oftentimes current products can work with some adjustments.
 - What do we learn from covenants?
- Be aware of goals
 - It’s harder to have deep relationships with the community if we are only focused on origination goals that are transaction oriented. There is a natural tension between goals based on completing transactions versus doing the real work of community building/engagement. We will continue to have that tension if the reward system continues to focus primarily on origination goals.
 - Need to strike a balance – being in the finance industry. Non transactional activities are more like a long-term investment – but on the annual budget, it’s hard to translate. Interesting to think about designing products and programs that build into the budget resources dedicated to finance justice.
 - The solution will take a lot of time, effort, TA, investment capital, social capital and human capital.
- Be aware of regulatory constraints regarding programs that are specifically for BIPOC
- Size of loan – is it accessible to small borrowers

Underwriting:

- Try to avoid or be careful with use of underwriting tools:
 - Use of construction/cash flow, rather than appraisals due to red-lining.
 - Careful use of credit reports, or finding alternative means of evaluating credit.
 - A report from Asset Funders Network talked about a spectrum – how to go from rebuilding and recovery and more building and supporting communities of resiliency.
- Agree on equity goals with client before loan is approved; write into loan documents an adjustment of interest rate depending on whether goals are met or not.
- Smaller loans can be a tool for racial justice using bank statements, not pulling credit, no closing costs. These can help build rapport with new clients, can assist client with managing debt.
- Look at the leadership of the client. Is it equitable?
- Helping Open Possibilities for Everyone (HOPE) loans by WESST address financial trauma for clients. (I think these loans have no collateral, 0% interest and no closing costs)
- Put needs and impact first, then work backwards.
- Consistency is important
- Creativity in collateral (looking at non-monetary value of collateral)
- Use of Loan guaranty fund
- Add a question to the loan application related to who may have owned the land involved in a loan transaction – specifically, was the land held first held by Native or tribal organizations? This is intended to start the conversation around looking at the land and how their lending might be supporting past injustices.

Other:

- Read equity articles and other materials as a team and examine applying the ideas.
- University of Colorado Coursera course on Inclusive Leadership
- Pursue structured conversations about Racial Justice and Equity
 - Shared reading materials
 - Articles
 - Identifying biases
- Talk with bank partners and see how they are addressing issues of racial biases.

Thanks to Amanda Brewington, Cathi Kim, Donna Shields, Vicky Stein and Amy Williams for their notes and contributions. If you took notes in these events and would like to share them, please email them to lily@craftsmantech.com.