



## Dave Prosser

SVP Community Development  
Roanoke, Virginia



#OFNCONF #CDFIsINVEST

### About Freedom First FCU

- **Headquarters:** Roanoke, VA
- **Year Chartered:** 1956
- **Charter Type:** Community (5 Counties)
- **Membership:** 46,675 (66% LMI)
- **Assets Size:** \$506 Million
- **Designations:**
  - NCUA Low-Income Designation - 2010
  - CDFI - 2010



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## Freedom First's Market

### People Quick Facts

### Roanoke City

|  |          |
|--|----------|
| Population, 2016 Estimate                      | 99,660   |
| Persons 65 Years and Over, Percent, 2015       | 15.6%    |
| White Alone, Percent, 2016                     | 64.0%    |
| Black or African American Alone, Percent, 2015 | 29.6%    |
| Hispanic or Latino, Percent, 2015              | 6.2%     |
| Homeownership, Percent, 2011-2015              | 53.7%    |
| Median Household Income, 2011-2015             | \$39,930 |
| Persons in Poverty, Percent                    | 21.3%    |



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## The West End Story

- Declining Census
- \$21,294 Median Income (\$46,627 Citywide)
- 45% of Population is Below Poverty (24% Citywide)
- 25% Vacant Units
- 53% Rental Units
- \$62,900 Median Value for Owner-occupied Housing Units
- 36.1% No vehicle Available
- 9.1% Households are Unbanked/21.1% are Underbanked



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## West End Village Station



THEN



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## West End Village Station



NOW



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## LEAP Local Environmental Agricultural Project



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## LEAP Mobile Market



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## Affordable Housing



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### Code Enforcement (2011-2016)


### Law Enforcement (2010-2016)

|                                |      |   |                         |     |   |
|--------------------------------|------|---|-------------------------|-----|---|
| Inoperable Vehicles            | 32%  | ↓ | Total Criminal Offenses | 10% | ↓ |
| Weed & Trash Citations         | 47%  | ↓ | Property Crime          | 19% | ↓ |
| Property Maintenance Citations | 54%  | ↓ | Calls for Service       | 16% | ↓ |
| Graffiti Complaints            | 100% | ↓ |                         |     |   |

- Improved Neighborhood Image
- Reduction in Blighting Factors
- Reduction in Criminal Activity





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Credit Union  
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# More Than a Credit Union



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## St. Louis Community Credit Union

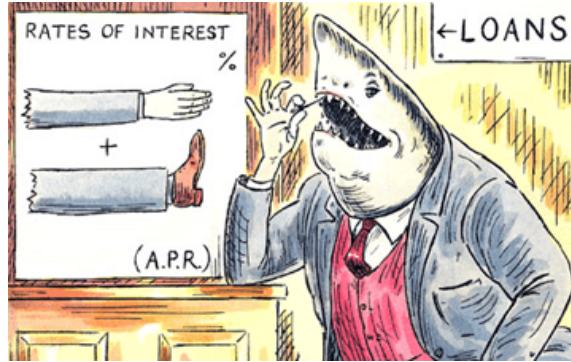
- Not-For-Profit Financial Cooperative
- \$250+ Million in Total Assets
- 15 St. Louis Area Locations - 14 branches operated in distressed or severely distressed Census tracts
- Over 54,000 member-owners
- Utilize risk-adjusted pricing model to better serve the market
- Federally insured and regulated by the National Credit Union Administration (NCUA)





## Payday Lenders in Missouri

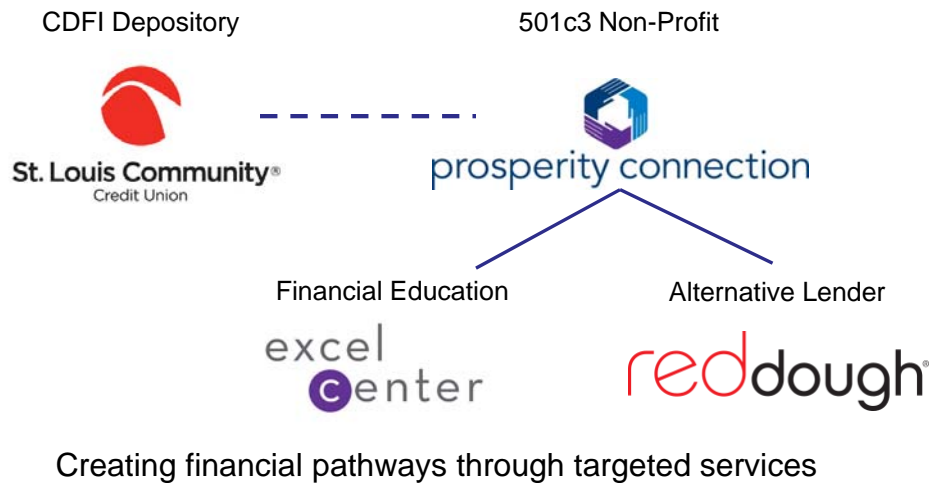
- Average APR 452% on a \$310 loan\*
- Lenders can charge fees and interest up to 75% of the loan, or 1,950% APR
- 6 rollovers permitted
- 14-30 day term



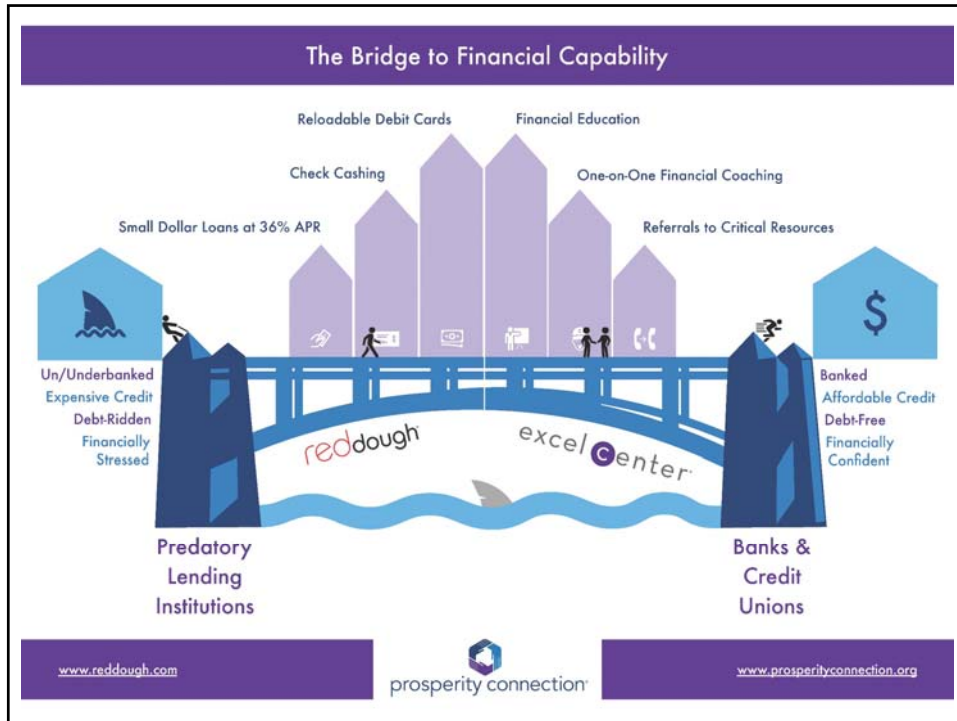
FYI – Missouri has no cap on installment loan rates

\*St. Louis Post Dispatch – Feb 2015

## Strength Through Specialization







**Accessibility + Financial Products +  
Financial Education =  
Financial Capability**

## Coordinated Approach to Financial Wellness

### Three offerings under one roof:

1. Alternative Financial Services (AFS) at Reduced Price Points
  - **RedDough Money Center**
2. Mainstream Financial Services
  - **St. Louis Community Credit Union**
3. Financial Literacy/Life Skills Training
  - **Excel Center**

## Wealth Accumulation Center

## 24:1 Wealth Accumulation Center

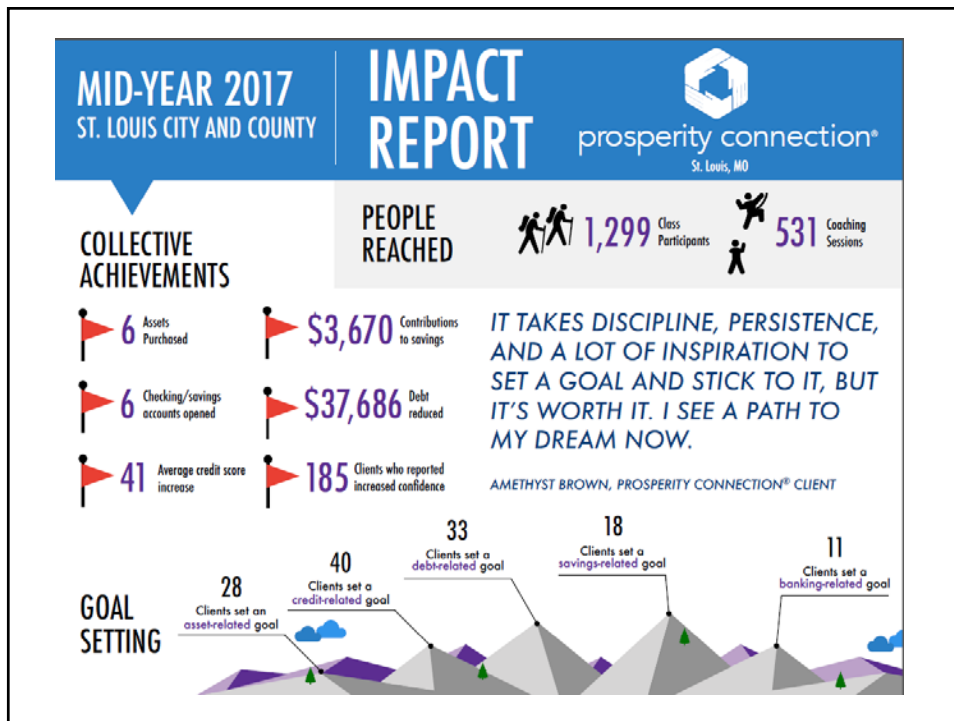


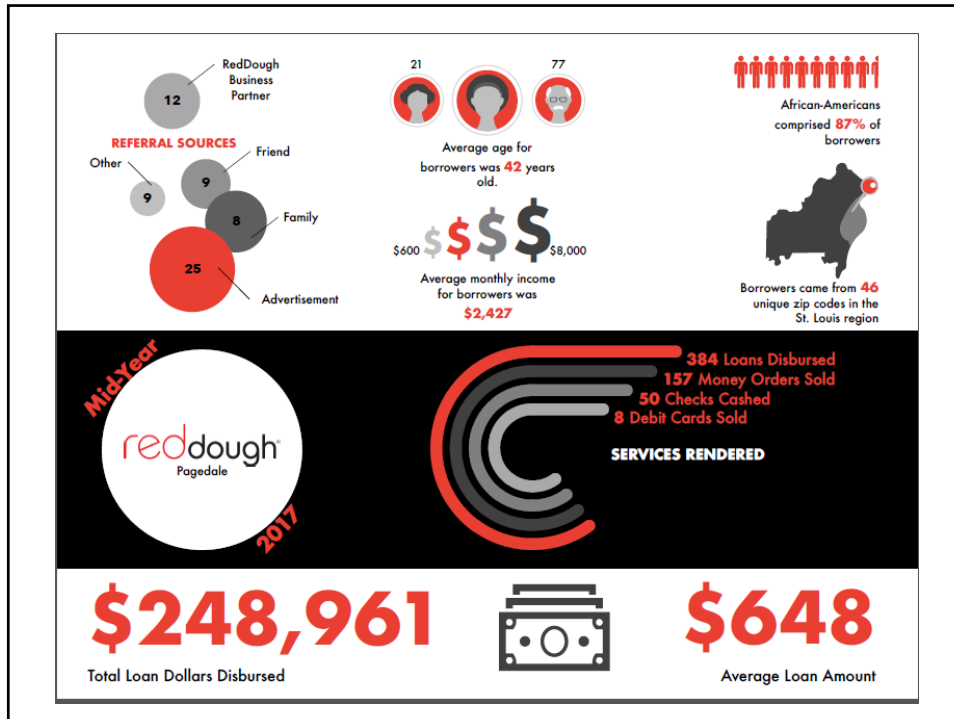
- Opened in March 2016
- Funded through private family foundation
  - Approx. \$600,000 annual operating budget
- Integrated service approach with community land trust, nonprofits, and local municipalities


# Wealth Accumulation Center




- Opened May 2017
- Funded through NMTC and philanthropic grants
  - Approx. \$325,000 annual operating budget
- Located in high-density urban footprint in close proximity to bank and nonprofit partners





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# Leveraging the Public Voice



## FORWARD *through* FERGUSON

### **Build the Capacity of CDFIs**

Banks shall strengthen and secure additional funding to build the capacity of Community Development Fund Institutions (CDFIs) to remove barriers keeping many individuals from engaging with traditional banking infrastructure (e.g., no credit check or lowered credit check standards for account openings; second chance checking; credit-builder products; lower minimum balance requirements, etc.).

*Accountable body(ies): Banking institutions, regional CDFI coalition*

### **Concentrate Financial Services through Empowerment Sites**

Identify empowerment sites throughout the St. Louis region to concentrate financial services that provide community development banking and multigenerational financial education (e.g., Prosperity Connection)

*Accountable body(ies): Non-profit organizations, funding bodies*

### **Invest in High Functioning CDFIs**

Invest in high functioning Community Development Financial Institutions (CDFIs) to support community-based investments, financial literacy, increased banking, and access to financial tools designed to promote economic mobility. Fund financial education initiatives through:

- Public: Neighborhood Assistance Program (NAP), Community Development Block Grants (CDBGs), municipal grants, etc.
- Private: Corporate grants, innovation and technological hubs, volunteers, etc.
- Philanthropic: Foundation grants, individual giving, volunteers, etc.

*Accountable body(ies): Funding bodies, capacity building organizations*

Ferguson Commission Report - 2015

## Alternative Approaches

- Policy vs. Market Solutions
- Win-Win-Win Strategy
- Radical Listening
- Embracing Strange Bedfellows
- Mission First



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## Contact Information

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