



Capital for Communities –  
Opportunities for People®

# A JUST ECONOMY THAT WORKS FOR ALL



2021  
ANNUAL REPORT

JULY 1, 2020 - JUNE 30, 2021

# CONTENTS

A WORD FROM OUR LEADERSHIP..... 3

DEDICATED TO ECONOMIC AND SOCIAL JUSTICE..... 4

THE CHALLENGE ..... 5

FY21 COMMUNITY IMPACT ..... 8,9

INSPIRING OPPORTUNITY THROUGH PPP ..... 10

RESILIENCY PROGRAMS ..... 11-12

SMALL BUSINESS STORIES ..... 13-14

REDEFINING OPPORTUNITY IN PURSUIT OF ECONOMIC JUSTICE..... 15

OUR MISSION, VISION, AND VALUES..... 16

GRANTORS & INVESTORS ..... 17

BOARD OF TRUSTEES ..... 18

FINANCIALS ..... 19



# A WORD FROM OUR LEADERSHIP



**Frank Altman**  
*Co-founder and CEO*



**Reza Aghamirzadeh**  
*Board Chair*

This year has brought transformational change. Across the country, entrepreneurs, organizations, and entire communities have responded to the devastating impacts of a global pandemic and growing calls for racial and social justice in remarkable ways.

**The response is inspiring**

Moved and inspired by the heart and resiliency of communities and the extraordinary changes all around us, Community Reinvestment Fund, USA (CRF) took time to reflect on our own work in pursuit of economic justice for those historically excluded from the mainstream economy.

**Change can be uncomfortable but necessary**

Without change, persistent institutional racism and bias will continue to exploit opportunity and wealth gaps long into the future. But, together, we can change this trajectory. This year has demonstrated that our collective work must be focused on increasing economic mobility.

**We can't do this alone**

We rely on a network of stakeholders that support economic justice, and give access and agency to small businesses. It's only by working together that we co-create solutions for change.

We stand ready to take on this challenge in collaboration and partnership with you, the people and communities that champion social and economic justice.

**Together, we can create a just economy that works for all.**

Frank Altman

Reza Aghamirzadeh

# DEDICATED TO ECONOMIC AND SOCIAL JUSTICE

2021 saw social consciousness take center stage after decades of rising economic inequity. A resurgent civil rights movement and the COVID-19 pandemic laid bare existing injustices in our financial and social institutions. Our mission and vision for the future compelled CRF and its partners to take action.

## WE REINFORCED OUR COMMITMENT TO THESE PRINCIPLES BY:

### **Refining our mission, vision, and theory of change**

We simplify how we look forward, putting people and historically underrepresented communities at the center of our work.

### **Remaining vigilant and responsive**

We listen to communities and learn from our experiences to gain insight that guide our priorities and actions.

### **Taking an agile and iterative approach**

We co-create programs, products and services and implement adaptable processes and procedures.

# THE CHALLENGE

The current economic system, perpetuated by institutional racism and disparities, is unjust. It fosters inequities that are causing widening disparities in incomes, wealth, and opportunity gaps. These inequities minimize economic mobility.

The gaps in wealth between upper-income and middle- and lower-income families are rising, and the share held by middle-income is falling.

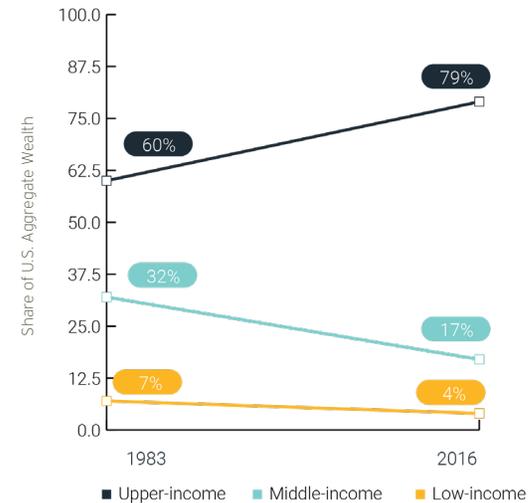


Figure 1  
Median family wealth, in 2018 dollars and share of U.S. aggregate wealth, by income tier

The Racial Wealth Gap is Projected to Widen

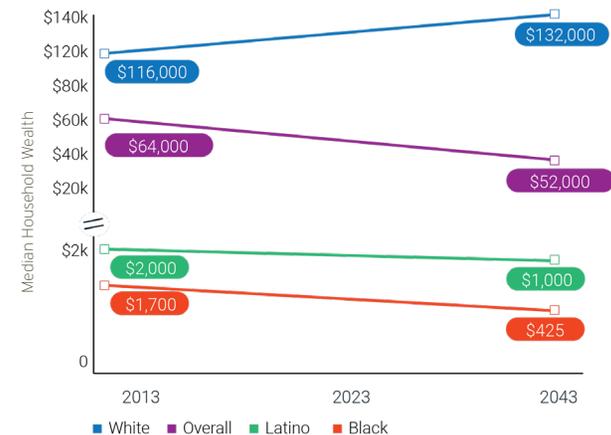
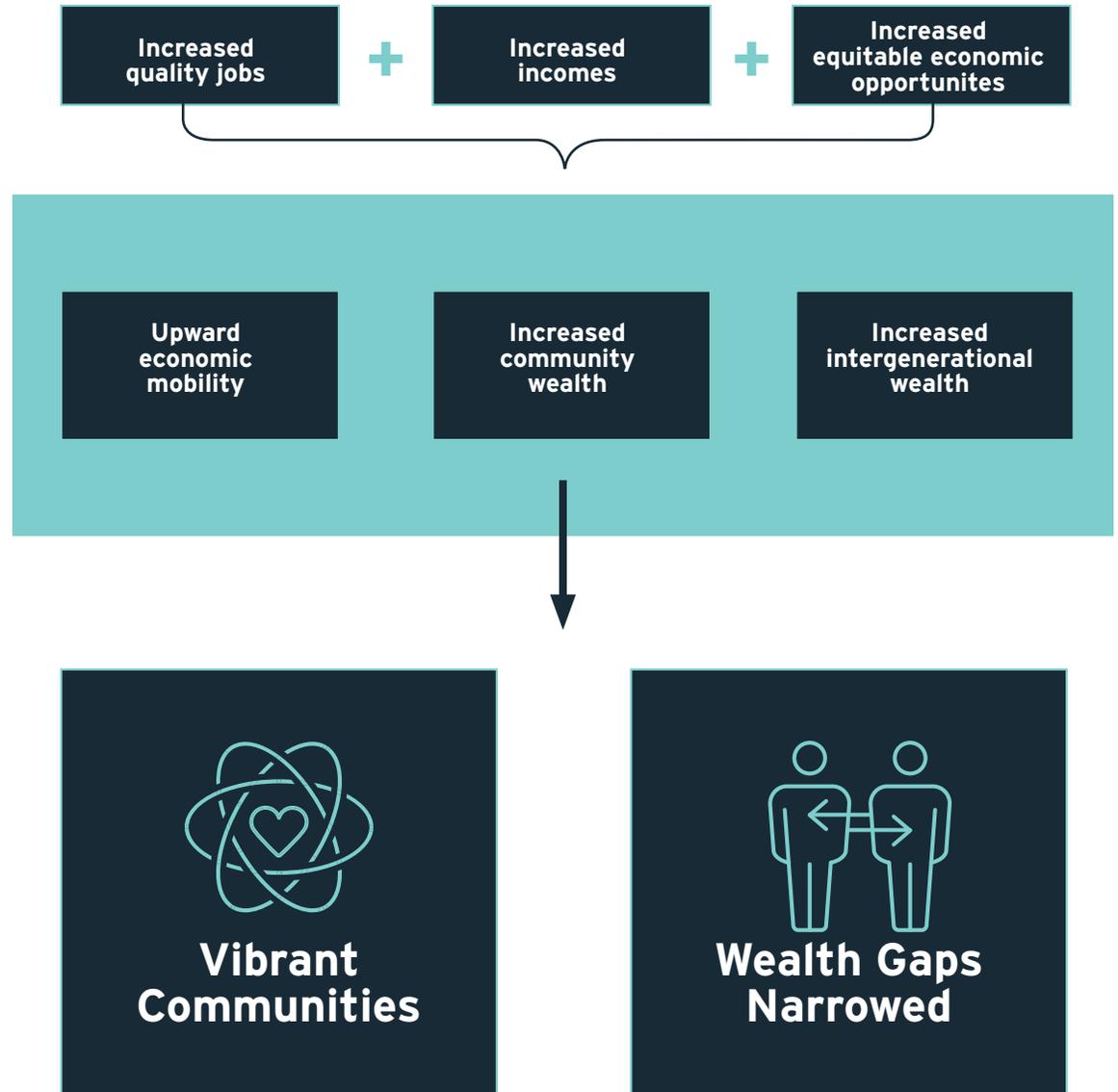


Figure 2  
The racial wealth divide in the U.S. has persisted over time and is projected to be even wider over the coming years.

Sources:  
Figure 1: Adapted from: <https://www.pewresearch.org/social-trends/2020/01/09/trends-in-income-and-wealth-inequality/>  
Figure 2: Adapted from: <https://prosperitynow.org/blog/new-report-finds-racial-wealth-inequality-growing-national-emergency>

**WE BELIEVE  
SMALL BUSINESS  
OWNERSHIP AND  
QUALITY JOBS ARE  
KEY TO IMPROVING  
ECONOMIC MOBILITY**

Fueling small businesses with access to capital and resources can be a game changer.



# HOW WE CONTRIBUTE

## 1 FINANCIAL PRODUCTS

**Co-creating and deploying innovative financial products and services** that address the barriers and inequities small businesses operated by historically excluded people face.

## 2 IMPACT CAPITAL

**Designing and managing financial programs** that attract incremental impact capital to communities with a history of underinvestment.

## 3 CAPITAL ACCESS & DISTRIBUTION

**Orchestrating a network** of trusted small business support organizations enabled by technology.

**Growing the capacity** of community development finance organizations.

**Helping small businesses navigate** the complexities of the small business support ecosystem.

**A JUST ECONOMY THAT WORKS FOR ALL.**



# FY21 COMMUNITY IMPACT

**\$32.9M**

SBA 7(a) LENDING

**\$132.6M**

CDFI BOND GUARANTEE PROGRAM

**\$417.5M**

**\$19.1M**

NEW MARKETS TAX CREDIT PROGRAM

**\$29M**

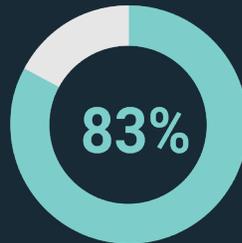
CHICAGO SMALL BUSINESS RESILIENCY FUND

**\$203.9M**

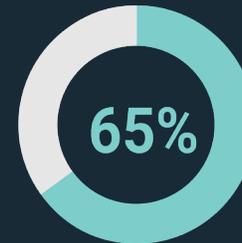
PAYCHECK PROTECTION PROGRAM



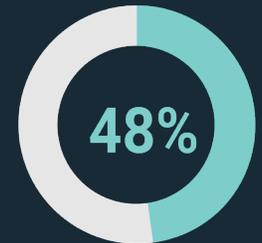
Loans to low-income communities or serving low-income targeted populations



Loans to diverse small businesses\*



Loans to BI-POC-owned businesses\*\*



Loans to women-owned businesses\*\*



**3,713**

SMALL BUSINESSES & NONPROFITS FUNDED



**32,699**

JOBS CREATED OR RETAINED

\*Diverse businesses are those that self-report as BI-POC, women, LGBTQIA, or veteran-identifying owned.  
 \*\*Only includes businesses that provide self-reported demographic information.

(CONTINUED)

# FY21 COMMUNITY IMPACT

## FUNDED BY PARTNERS ENABLED BY CRF TECHNOLOGY

# \$145.5M

IN FINANCING

# \$44,865

AVERAGE LOAN SIZE

# 3,244

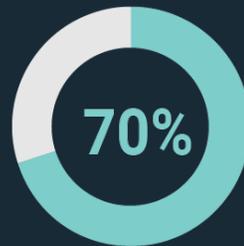
LOANS FUNDED

# 80

PARTNERS

## Connect Capital

Connect2Capital levels the playing field for small business owners seeking capital from responsible lenders.



Loans to diverse small businesses\*

# \$4 BILLION

IN FINANCING

## SPARK

Loan Origination Simplified

In keeping with CRF's commitment to creating innovative leading-edge technologies that transform the CDFI industry and small business lending ecosystems, CRF launched Ignify Technologies as a public benefit corporation. Ignify Technologies focuses its efforts on digitizing lending processes, automating data and information collection, and transforming how the small business ecosystem operates.

SPARK, Ignify Technologies' small business loan origination platform, has helped lenders originate more than \$10 billion in small business loans over its lifetime with \$4 billion in FY21.

\*Diverse businesses are those that self-report as BI-POC, women, LGBTQIA, or veteran-identifying owned.

# INSPIRING OPPORTUNITY THROUGH PPP

CRF is committed to collaboration. We work with partners to co-create innovative solutions that help address the complex and unique challenges faced by communities historically excluded from the financial mainstream.

The Paycheck Protection Program (PPP) brought unique opportunities and challenges to small businesses across the country. As the first PPP loans were made, one thing became clear – not everyone who needed a PPP loan received one. Many people, especially those without existing traditional banking relationships, were unable to secure or even apply for PPP financing from mainstream lending sources.

CRF partnered with 47 Community Development Financial Institutions (CDFIs), small business support organizations, financial institutions, and others to reach communities overlooked by the financial mainstream.

With deep roots in the communities they serve, these partners helped connect their clients to CRF and together we deployed nearly \$700 million to thousands of organizations.

This impact would have been impossible without generous support from organizations like Goldman Sachs *10,000 Small Businesses*, Bank of America, Mastercard Center for Inclusive Growth, Kresge Foundation, Ballmer Group, PNC Bank, First Republic Bank, Wells Fargo, U.S. Bank, N.A., and the United States Federal Reserve.

## PAYCHECK PROTECTION PROGRAM HIGHLIGHTS

**\$700M**  
Total Financed



**4,453**  
Loans



**\$20,800**  
Median Loan Size



**47** Community Partners



**70,248**  
Jobs created or retained

# RESILIENCY PROGRAMS FOR SMALL BUSINESS COMMUNITIES

Throughout the pandemic and recovery, CRF and its partners knew there was a critical need for capital and support services in small business communities that are traditionally under-resourced.

In response, CRF worked with its community partners to co-create local and regional small business resiliency programs throughout the country. These programs are designed to support the work of local mission-driven organizations and help support the needs of the communities they represent.

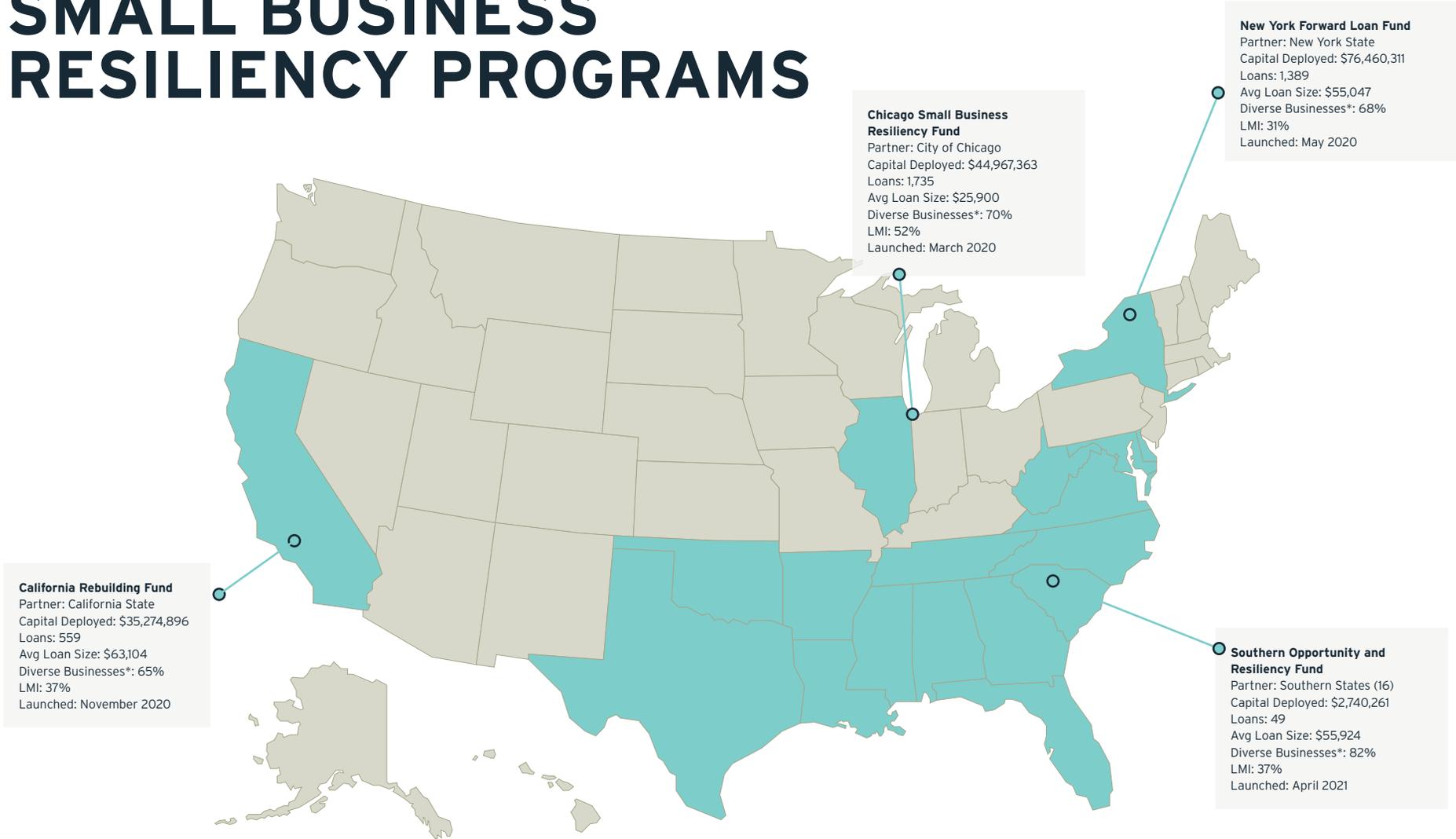
Because of these resiliency programs, CRF has been able to forge new community partnerships and strengthen others. These connections will help us co-create even more recovery initiatives as we move forward.

“Without help from the Chicago Small Business Resiliency Fund and from CRF, we may not have been able to survive COVID-19. We’ve got a good product and now that we are properly capitalized, I have no doubt we will be here to stay.”

*Racquel Fields, co-founder and owner, 14 Parish Restaurant and Rhum Bar*



# SMALL BUSINESS RESILIENCY PROGRAMS



## TOTAL IMPACT FROM PROGRAMS

**\$159,442,831**  
 Total Financed

**3,732**  
 Number of Loans

**\$42,723**  
 Average Loan Size

Represents impact data collected over the life of each program as of June 30, 2021.

\*Diverse businesses are those that self-report as BI-POC, women, LGBTQIA, or veteran-identifying owned.



## SMALL BUSINESS STORIES

With 25 years of experience in the military and defense industry, Tamiko Bailey knew she wanted to start her own business. Bailey wanted to work in aircraft maintenance and had developed a passion for it. She already knew the aviation industry and had made many contacts.

Being an African American woman in an industry dominated by men was not intimidating for Bailey, but access to capital was a challenge from the beginning.

The company quadrupled in size and like many new business owners, she had accumulated debt. CRF was able to provide an SBA 7(a) loan to pay off high interest debt. Later, PPP financing helped her navigate the pandemic.

Today, Bailey has her eyes set on expanding the company and becoming an international exporter and contractor overseas. Now on a sustainable path and hiring employees, she is set to become a dominant force in the defense industry.

“

Once we were able to improve cash flow and decrease our debt, things started to really change for Bailey's.

*Tamiko Bailey, President and CEO, Bailey's Premier Services  
Ft. Worth, TX*



## SMALL BUSINESS STORIES

Rex Rhoades is a Quinault (Chinook) commercial fisherman in Bellingham, WA. He exercises treaty rights through fisheries and crafts boats for other fishermen in his community. Many tribal businesses like Rhoades' operate on a cash basis and have limited documentation of earnings. Local banks and CDFIs found it difficult to help Rhoades' business with a PPP loan, citing the SBA interpretation for qualifying deckhands as independent contractors vs. regular employees. Even when applying for loans in the past, Rhoades had not been required to submit tax returns.

Because of these limitations, some PPP lenders were uncertain how to move forward with PPP financing for Rhoades' business. It wasn't until he got in contact with CRF that he was able to submit a PPP application using a small farmer's tax return as documentation. After his experience with CRF, Rex guided others in his community to follow suit; he was able to help nearly 50 indigenous people apply for PPP loans.

“

CRF was just invaluable. They understood our needs and our unique challenges. That takes some care. It takes compassion and empathy and dedicated staff. And CRF delivered.

*Rex Rhoades, native fisherman, Quinault Tribal Member, Bellingham, Wash*

# REDEFINING OPPORTUNITY IN PURSUIT OF ECONOMIC JUSTICE

Our vision is big; it will require intentional focus to achieve a just economy that works for all. For CRF, 2022 will be an investment in the future. The need is great and the challenges seem daunting, but they can be overcome by redefining the notion of opportunity.

The current economic system has many barriers that limit economic participation for small business owners who are historically under-represented. These inequities will continue to perpetuate if left unchecked. We know that we must reconsider what opportunity means before we can eliminate wealth gaps and drive economic mobility.

In order to redefine opportunity for small businesses, we co-create and deploy innovative financial products and services that address the many inequities facing people with a history of exclusion. This means designing and managing financial programs that attract incremental capital to communities with a history of underinvestment.

We also work with a network of trusted, experienced finance and support organizations to help small businesses navigate the complexities of the small business lending ecosystem. This means providing access and agency to those businesses traditionally shut out of the finance system and helping our partner network grow their capacities.

Working to solve these complex challenges requires ongoing innovation and strategic agility. It requires taking risks, testing concepts, and failing forward. Responding to the challenges we face requires speed, nimbleness and responsiveness to be effective.

As we look to the future, we know there is much more work to be done. Together we will embrace uncertainty. Together we will challenge ourselves and bring our vision forward. Together we will be bold and take calculated risks.

Together we will create a just economy that works for all.



# OUR MISSION, VISION, AND VALUES



## GUIDING PRINCIPLES FOR CHANGE

### OUR MISSION

To improve lives and strengthen communities through innovative financial solutions.

### OUR VISION

A just economy that works for all.

### OUR VALUES

#### ■ Create Equitable Economic Opportunities

Deliver measurable, transformative impact.

#### ■ Excel In All We Do

Be uncompromising in our pursuit of excellence.

#### ■ Transform Through Innovation

Take risks, remain agile, and act as problem-solvers.

#### ■ Act With Integrity

Embrace respect, ethics, and diversity in all we do.

#### ■ Lead Through Collaboration

Be passionate, responsive, courageous, and humble.

With more than 30 years of expertise and many long-term partners, we believe this values-based approach is a blueprint for solving the big challenges of equity, access, collaboration, and fairness in small business finance.

## FUNDED BY CRF OVER 30 YEARS

**\$3.5B**

IN FINANCING

**9,300+**

SMALL BUSINESS FUNDED

**156K+**

JOBS CREATED OR RETAINED

**44%\***

LOANS GOING TO WOMEN-OWNED SMALL BUSINESS

**63%\***

LOANS GOING TO DIVERSE SMALL BUSINESS

**57%\***

LOANS GOING TO BI-POC-OWNED SMALL BUSINESS

\*self-reported data beginning 2011

# GRANTORS & INVESTORS

Capital One

City of Chicago

F.B. Heron Foundation

Fifth Third Foundation

Goldman Sachs

MacKenzie Scott

Mastercard Center for Inclusive Growth

Minneapolis Foundation

Minnesota Council on Foundations

Otto Bremer Trust

Open4

Rock Ventures

Synchrony Bank

Target Foundation

The Huntington National Bank

Thrivent

U.S. Bank

Wells Fargo & Company

## Thank you!

Generous support from our funders and investors enabled CRF to accomplish the activities described throughout this report.



# BOARD OF TRUSTEES

## OFFICER TRUSTEES

**Reza Aghamirzadeh** (Chair)  
*Executive Vice President*  
Head of Community Development  
Citizens Bank

**Luther Ragin Jr.** (Vice Chair)

**Frank Altman**  
*CEO*  
Community Reinvestment Fund, Inc.

**Laura Trudeau** (Secretary)  
*Board Member*  
Invest Detroit

**Steve Kent** (Treasurer)  
*Vice Chairman & Managing Director*  
*Financial Services, Investment Banking*  
Piper Sandler Companies

## TRUSTEES

**David Adame**  
*President & CEO*  
Chicanos Por La Causa

**Gavin Borowiak**  
*Division Manager, Midwest & Gov't*  
*Not-for-profit Business Banking*  
JP Morgan Chase Bank N.A.

**Tony Brown**  
*Board Member*  
Neighborhood Lending Partners

**Chrystel Cornelius**  
*President & CEO*  
Oweesta Corporation

**Gary Cunningham**  
*President & CEO*  
Prosperity Now

**Calvin L. Holmes**  
*Executive Director*  
Chicago Community Loan Fund

**Bill Krugler**  
*President*  
JobsWork MKE  
Milwaukee Community Business Collaborative, Inc.

**Willie F. Logan**  
*Founder, CEO & President*  
Opa-locka Community Development Corporation

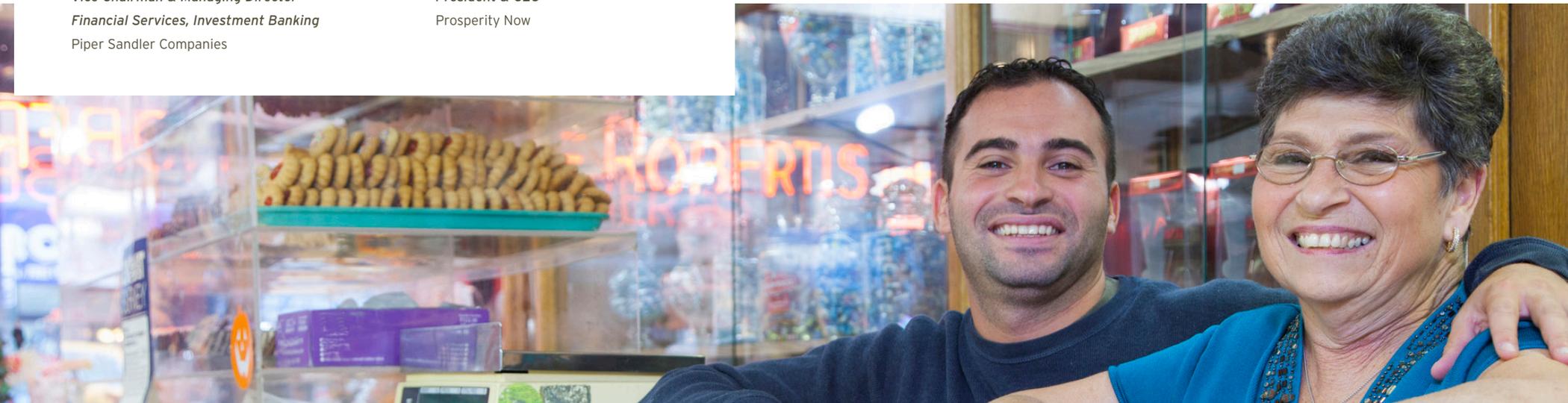
**Andy Posner**  
*Founder & CEO*  
Capital Good Fund

**Kathy Rock**  
*Board Member*  
Tenderloin Neighborhood Development Corporation

**Daniel Spiller**  
*SVP, Chief Risk Officer-Payments*  
U.S. Bank

**Stefanie Steward-Young**  
*SVP, Chief Corporate Social Responsibility Officer*  
Fifth Third Bank

**Jacqueline Woods**  
*Chief Marketing Officer*  
Teradata



# FINANCIALS

## BALANCE SHEET

### ASSETS

Cash	\$56,830,628
Loans Receivable, net	181,743,479
Accounts Receivable	4,968,157
Other Assets	22,012,646
<b>Total Assets</b>	<b>\$265,554,910</b>

### LIABILITIES

Accrued Expenses and Other Liabilities	\$21,031,645
Secured Debt	146,696,177
Notes Payable	22,781,118
Subordinated Notes Payable	15,700,000
<b>Total Liabilities</b>	<b>\$206,208,940</b>

### NET ASSETS

Unrestricted Net Assets	\$57,766,671
Restricted Assets	1,579,299
<b>Total Net Assets</b>	<b>\$59,345,970</b>

Total Liabilities and Net Assets \$265,554,910

## INCOME STATEMENT

### REVENUE

Earned Revenue	\$38,475,390
Grants and Contributions	28,863,301
<b>Total Revenue</b>	<b>\$67,338,691</b>

### EXPENSES

Program Expenses	\$37,244,975
Management and General & Other	6,550,006
<b>Total Expenses</b>	<b>\$43,794,981</b>

**CHANGE IN TOTAL NET ASSETS** \$23,543,710

Change in Unrestricted Net Assets	\$26,846,852
Change in Restricted Assets	(\$3,303,142)