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NEW FOCUS IN SOCIALLY RESPONSIBLE INVESTING: "COMMUNITY INVESTING" UP 41 PERCENT IN TWO YEARS

*With New Impetus in the Wake of September 11th, SRI Moves into Banking/Finance;
12 Groups Honored for Creating Housing, Child Care, New Jobs for Disadvantaged.*

WASHINGTON, D.C.//December 5, 2001//More and more Americans are finding new ways -- including where they keep their banking and checking accounts -- to be "hands on" as socially responsible investors. A new study from the Social Investment Forum shows that the phenomenon known as "community investing" is now the fastest-growing category of socially responsible investing in the United States. The Forum reported that individual and institutional assets in flowing into community investing organizations grew by a hefty 41 percent between 1999 and 2001, increasing from \$5.4 billion to \$7.6 billion.

Today, the Community Investing Campaign, a project of the Social Investment Forum and Co-op America, singled out 12 organizations that **"best exemplify the building of economic opportunity and hope for individuals through community investing."** Community investing is financing that generates resources and opportunities for economically disadvantaged people in U.S. and overseas communities that are under served by traditional financial institutions. Community investors make it possible for local organizations in urban and rural areas to create affordable housing, jobs, provide financial services to low-income individuals, supply capital for small businesses, and make possible such vital community services as childcare. Community Investing is carried out today by hundreds of community development banks, credit unions, loan funds and venture capital organizations across the U.S.

Why is community investing now enjoying so much popularity among more and more socially concerned investors? For socially aware individuals and institutions, the powerful attraction of community investing is the opportunity it represents to connect in a direct way with the lives of people in order to make a concrete difference in them.

Consider the work of Boston Community Capital, which is one of the 12 organizations honored today by the Community Investing Campaign. Today, in the Four Corners section of Boston's economically distressed Dorchester neighborhood, brothers Glynn and Sheldon Lloyd are gearing up City Fresh Foods, their ethnic food catering business, to deliver 2000 daily meals. Not far away in the Roxbury neighborhood, plans are underway for Nuestra Comunidad, a local community development corporation that will bring the long-vacant Dartmouth Hotel back to life as affordable housing and renovated commercial space for long-time merchants in the heart of Dudley Square, the center of Boston's African American community. Both City Fresh Foods, a profitable minority-owned business with 35 inner city employees, and the Dartmouth Hotel, with 60 new units of

housing for low-income and formerly homeless individuals and families, are realities thanks to community investments from socially responsible investors.

Self-Help Credit Union Vice President Deborah Momsen-Hudson said: **"We are honoring these 12 groups today because they are outstanding examples of how community investing dollars can transform the lives of hundreds and even thousands of people in the U.S. and around the globe. In the wake of the events of September 11th, Americans who want to make a change in the lives of others need to understand that community investing is a powerful and personal way to get the job done. The organizations singled out for praised today are among hundreds in the U.S. that turn community investing dollars into better lives for people who most need the help."**

The 12 community investing organizations singled out today by the Community Investing Campaign are as follows: ACCION International (**Boston, MA**); Boston Community Capital (**Boston, MA**); Calvert Foundation (**Bethesda, MD**); Cascadia Revolving Fund (**Seattle, WA**); Community Bank of the Bay (**Oakland, CA**); Leviticus 25:23 Alternative Fund, Inc. (**Yonkers, NY**); Manna, Inc. (**Washington, DC**); Mercy Loan Fund (**Denver, CO**); Self-Help Credit Union (**Durham, NC**); Shared Interest (**New York, NY**); ShoreBank (**Chicago, IL**); and Southern Development Bancorporation (**Arkadelphia, AR**).

(See available fact sheet containing information on each of the 12 organizations.)

STUDY: THE RISE OF COMMUNITY INVESTING

According to the new report from the Social Investment Forum, assets held and invested locally by community development financial institutions (CDFIs) based in the United States totaled \$7.6 billion in 2001, up from \$5.4 billion in 1999. The key components behind this 41 percent increase include:

- Assets in Community Development Credit Unions tripled from \$601 million in 1999 to \$1.8 billion in 2001.
- The assets in Community Development Venture Capital Funds doubled from \$150 million in 1999 to \$300 million in 2001.
- Total financing by Community Development Loan Funds rose from \$1.3 billion in 1999 to \$2.1 billion in 2001. Cumulative financing by Community Development Loan Funds in 1990 totaled just \$88 million.
- Shorebank and Self-Help, both of which are community investing members of the Social Investment Forum, passed the \$1 billion mark in cumulative financing.

According to the Social Investment Forum, the 41 percent growth rate for community investing now exceeds that of socially responsible mutual funds, all types of screened portfolios and socially concerned shareholder advocacy. The Forum's report indicated that the rate of growth during 1999-2001 for all socially screened assets (including community investing) was 36 percent. All categories of socially responsible investing (including unscreened assets used in shareholder advocacy) rose 8 percent from 1999-2001, the Forum concluded.

ShoreBank Corporation Vice Chairman Bob Nash said: **"This is all about socially responsible investing for people who want to be able to see the changes they have helped to make in the world. Community-based financial institutions work with low-income individuals earning the minimum wage in North Carolina to purchase homes, assist impoverished battered women in Texas in opening a community-based shelter, and provide displaced timber workers in the Pacific Northwest with loans to start successful and environment-friendly businesses. In addition to supplying urgently needed capital in under-served neighborhoods, community investment groups make available key services, such as education, mentoring and technical support."**

HOW TO BECOME A COMMUNITY INVESTOR

Any individual or institution can become a community investor. Community investing dollars often come in the form of savings accounts, checking accounts, mutual funds and even direct "high impact" investments.

Many community investors use community development banks and credit unions for their basic banking needs. These institutions are committed to strengthening low-income communities across the country. Everything from checking and savings accounts, to CD's and IRAs, to loans, can be provided through a community bank or credit union. If there is no such organization in your community, you can use ATMs, the mail and online banking options.

Other individuals become community investors by focusing on mutual funds with a community-investing component. Still another approach is to invest directly in what are often called "high impact" investments that go directly into community investment programs.

Community Investing Campaign Coordinator Fran Teplitz said: **"Americans are looking for ways they can be a part of the solution since the tragedies of September 11. Community investing provides a great way that people can be part of the solution -- investing in communities here and abroad. Communities that are secure make a world that is safe. And the great news about community investing is that everyone can do it. If you have a checking or savings account, you can be a community investor by opening your checking and savings accounts in a community development bank or credit union."**

For a comprehensive list of community investing alternatives, go to www.communityinvest.org.

ABOUT THE COMMUNITY INVESTING CAMPAIGN

The Community Investing Campaign is a joint partnership of the Social Investment Forum and Co-op America. The Social Investment Forum is a national non-profit trade association dedicated to promoting the concept, practice and growth of socially responsible investing. Co-op America is a national nonprofit organization founded in 1982 that provides the economic strategies, organizing power and practical tools for businesses and individuals to address today's social and environmental problems. The campaign's Web site is www.communityinvest.org.

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FOR MORE INFORMATION: To hear a Web-based recording of the national news event, go to www.communityinvest.org/spotlight.htm after 4 p.m. EST on December 5, 2001.

FOR COMMUNITY INVESTING ON THE WEB, GO TO:
communityinvest.org