

Some Episcopal Investors

A Diocese:

The Diocese of Michigan since the mid-1990s has had over a million dollars invested in its own McGehee Fund, which has merged with the Michigan Housing Trust Fund to form the Opportunities Resource Fund.

A Parish:

St. Dunstan's of Madison, WI, has invested \$15,000 in the Wisconsin Council of Churches' Community Investment Program.

Individuals:

Those who place a certificate of deposit in community development credit unions are supporting the credit unions' capacity to make housing and small business loans.

History of Community Investing

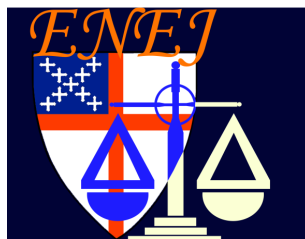
In the 1970s and 1980s, following cutbacks on government subsidies for low and moderate income housing, local communities formed their own development corporations which could, with financing, renovate older housing and create new housing. To respond to the need for financing, community banks, credit unions and other funds were created as intermediaries between investors and developers. Over time this financing was extended to support the creation of small businesses and non-profit facilities. Community development financing has gradually become a major industry in the United States and a key ingredient for the renovation of lower income communities. It is also a way by which churches and church members can promote economic justice and address the long-term needs of poverty communities.

Resources for Community Investing

For basic information on CDFIs in all parts of the country consult US SIF, the Forum for Sustainable and Responsible Investment (ussif.org). The Opportunity Finance Network also has basic information and its CDFI indicator lists its member funds by state and region (www.opportunityfinance.org).

There is abundant information on community investing in Chapter V of the Economic Justice Manual at the website of the Episcopal Network for Economic Justice (www.enej.org). Two unique intermediaries that are easy to access are:

- (1) The Calvert Foundation, a community investment mutual fund. With investors' money it has made loans to 240 of the highest quality CDFIs and Calvert's notes are available through more than 400 brokerage houses around the country (www.calvert.com).
- (2) Through MicroPlace, investors can start by investing as little as \$20 on-line in the amount, interest and country of their choice (MicroPlace.com).



For more info:

ENEJ

5829 Wyatt Ave.

Cincinnati, OH 45213

Email: meamon@aol.com

www.enej.org

Episcopalian and social investment leader Amy Domini said of community investing, "Investors' money greases the wheels of finance which provide the world with food, clothing, shelter, and education".

Episcopal Ministry for Community Investing



Episcopal
Network
for Economic
Justice

Share the Wealth

If there is among you anyone in need, a member of your community in any of your towns within the land that the LORD your God is giving you, do not be hard-hearted or tight-fisted toward your needy neighbor. You should rather open your hand, willingly lending enough to meet the need, whatever it may be.

Deuteronomy 15:7-8 (NRSV)

What is Community Investment

Community Investing is the broad term which refers to making investments in Community Development Financial Institutions (CDFIs) which make loans in low income communities around the world. CDFIs include community development credit unions, community development banks, community development loan funds and microfinance funds. These CDFIs provide needed loans for small businesses, cooperatives, housing, and non-profit facilities in low-income communities. (Such loans are usually denied by conventional lenders because borrowers lack a credit history or do not meet the standards of the lenders.) Investors deposit (lend) \$500, \$5,000, or \$50,000 with CDFIs and receive a modest return (interest) on their deposits, which are repaid after a fixed term and can usually be renewed for further term(s).



Mama's Hot Tamales Cafe workers serve all comers at "Tamales de la Paz" on April 30. Mama's is supported by the Episcopal Community Federal Credit Union in Los Angeles.

Why We Do Community Investing

Traditionally people invest their money in order to earn interest and to grow their money for various purposes, like retirement, major purchases, and inheritance. They are usually looking for maximum profit from their investments.

Community investing presents an ethical option and leaves us more satisfied as Christians, having better integrated our finances with our values. It's a win-win deal: we do well, earning a return, and we do good by helping meet the long-term needs of struggling communities.

Both religious institutions and individuals can decide to make community investments an important

ministry. Both often control greater resources than they are able or willing to give away. With community investments they can maintain claim to the money while it is at work building assets in communities deprived of capital. Such investments meet the fiduciary standards since charity and justice are primary goals of the Church. Investing in the community multiplies the impact of the church and serves as a witness to others as well. Historically these investments have proved to be safe, since the end-borrowers receive careful examination by the CDFI and the deposits held by community development banks and credit unions are insured up to \$250,000.

The Process of Community Investing

