

Proposal for Community Investment at Fordham University

Fordham for the Bronx is a committee of the group Progressive Students for Justice interested in strengthening institutional connections between Fordham University and the Bronx. We are calling on Fordham University to transfer a portion of its cash assets, from either the Operating Account or the Endowment, out of its current bank(s) and into a Community Development Financial Institution (CDFI) that would benefit the greater Bronx and New York City area. The University's mission statement asserts that "As a Jesuit University, Fordham is committed to education and research that assists in the alleviation of poverty, the promotion of justice, the protection of human rights and respect for the environment."¹ Investing money in a CDFI will promote Fordham's principles of social and global justice outside of the classroom, set an example for universities and individuals everywhere, and solidify ourselves as Fordham men and women for others.

Since the economic recession of 2008, many universities have moved money out of corporate banks and into surrounding communities. Universities with active community investment policies include Seattle University, Duke University, University of Pennsylvania, Macalester College, Colby College, University of Cincinnati, and Dwight Hall of Yale. Some universities are participating in campaigns to redirect investment, while others are in the process of considering new institutions for investment.

Community Development Financial Institutions provide low-income and minority communities with financial services that would otherwise be inaccessible to them at larger corporate banks. Community Development Banks and Credit Unions are depository institutions that are federally insured up to \$250,000, which makes the risk of depositing cash equal to that of any current cash holdings in traditional depository banks. We, Fordham for the Bronx, urge the university to invest a small portion of its cash assets in one or more of these depository institutions, thereby providing members of our Bronx community with loans. These loans will enable community members to among other things, buy their own homes, start small businesses, and build affordable housing. Internal economic growth will encourage developers to confidently invest in Bronx institutions. Investing an amount as small as 0.5% to 1% of the university's cash assets will be a bold step forward and make a notable impact on the community.

Recommended Institutions

After careful research and discussion, we urge the university to consider one of these financial institutions to invest our money into:



Bethex Federal Credit Union is an independent savings and loan cooperative located in the Northwest Bronx. In 2010, Bethex received both a \$750,000 grant from the national Treasury Department and the Wells Fargo NEXT award for positive community impact. In that same year with over 9000 members and two full service branches, Bethex serviced over 1,000 consumer loans with a portfolio of \$2.6 million, 46 small business loans with a portfolio of \$1.9 million, and real estate loans with a portfolio of \$2.3 million dollars.² This year, Bethex celebrated its ninth year of providing its members with Free Tax Preparation and Earned Income Tax Credit assistance.

¹ *Fordham University Mission Statement* http://www.fordham.edu/discover_fordham/mission_26603.asp

² <http://www.nextawards.org/celebration/10awardees.asp>

Bethex offers its member access to tradition banking services such as:

- Federal National Credit Union Administration insurance up to \$250,000.
- Share (savings) accounts and share draft (checking) accounts.
- Free financial counseling for credit and budget assistance.
- Competitive consumer (personal) and business loans.
- Direct Deposit and ATM cards.

For more information visit: <http://bethexfcu.org/>



Amalgamated Bank was founded in 1923 by the Amalgamated Clothing Workers of America in New York City. In accordance with the New York State Banking Department's Banking Development District program, Amalgamated Banks has built branches in five new areas, including the Morris Heights area of the Bronx. The purpose of this program is to provide financial services in these "under-banked" communities. On top of this, Amalgamated Bank provides loans to low-income individuals seeking mortgages for affordable homes, as well as for companies engaged in government-supervised moderate- and low-income housing development. The banks also provides "MoneySense" workshops to increase financial literacy in low-income communities, as well as other services like credit assistance and debt reduction.

Amalgamated Bank has a strong community development program while offering competitive services including:

- Personal and Business Checking.
- Cash Management Services.
- FDIC insurance up to \$250,000.
- Money Market Accounts and Certificate of Deposit.
- Diverse Institutions Asset Management Services.

For more information on the Amalgamated Bank visit their website at: www.amalgamatedbank.com

Conclusion

Having communicated with students from around the nation engaged in similar projects in various states of development, including those at other Jesuit universities, we know that institutional investment in CDFIs is possible, but requires positive communication between students, administration, and financial officers. We look forward to discussing this proposal in greater depth and to working out an arrangement that will be both fiscally responsible for the University and economically and socially beneficial for our borough.