CDFIs Making History Interview

Mary Elizabeth Evans
VP, Community & Economic Development, Hope Enterprise Corporation

Dave Glaser, Chief Executive Officer of Montana CDC, conducted this interview on September 10, 2014.

Dave: We're here because you're a part of the Emerging Leaders group with the Citi OFN initiative.

Mary: Right. Mm-hmm (affirmative).

Dave: I'm here because I'm one of the Board Members of OFN, and we as an organization wanted to interview emerging leaders in the CDFI world and understand from them what they see the future holding.

You work at an amazing, amazing CDFI.

Mary: Yeah, I know. I do. I feel really lucky. I'm from Mississippi. I grew up here in Jackson, where our headquarters are. At some point, I guess it was in graduate school, I decided that I wanted to come back home. I was in graduate school in Boston. I was getting my Master's in public policy, and I realized so much of the focus there is on the larger cities: Boston and New York and Chicago and San Francisco. So much discussion about the issues of poverty and affordable housing, and all of that, focused on the big cities. And I realized that I really wanted to come home to the South. There really was a lack of focus in terms of my training, and the challenges here really are...They're different and so significant.

So, I feel extremely lucky to have found an organization that I am working with that shares my values and focuses on a lot of the challenges that I think are most significant in my home state.

Dave: How did you actually discover CDFIs, or did they discover you?

Mary: Yeah. Right after graduate school, I took a job in Birmingham, Alabama, working for a nonprofit organization that provided substance abuse and mental health services to low-income and homeless people. They were working on expanding their affordable housing work to really increase the permanent affordable housing in Birmingham,
because there was a need for that. I went there, worked on creating a business plan.

After I’d been there a year, I got a call from someone that I had volunteered for right before graduate school, called the Mississippi Center for Justice. They were involved with Hope, creating a policy center. They were hiring policy analysts to come work at the Mississippi Economic Policy Center, which is a part of Hope Enterprise Corporation. I, having recently finished policy school...I finished school in 2005, right before Hurricane Katrina; so, after being in Birmingham for a year, there still were so many needs in the state of Mississippi in terms of rebuilding, and making sure that funds were used effectively and efficiently, and a lot of the challenges that I cared a lot about. I focused in my graduate work in housing and community development.

So I came to work at the Mississippi Economic Policy Center, not having any idea what a CDFI was, or that Hope was even a CDFI. I guess that's not true. I mean, I studied CDFIs a little bit in graduate school, but I didn't really have an appreciation for what they do and the role that they play in increasing the capital available to low-income communities and for really facilitating a lot of that transformation that goes on in neighborhood revitalization. After working in the policy center for a couple of years, I was constantly pulled into a lot of the work that Hope does in terms of managing different projects.

At that time we were right in the middle of, really, trying to get more resources and make sure that programs were managed well after Hurricane Katrina. So I did a lot of work with Hope. I was pulled into work related to housing counseling, and plans for housing redevelopment, and managing programs across our region, both in Mississippi and in the New Orleans area...managing a lot of programs that funded rebuilding after Katrina. That is really what got me hooked on working on the CDFI side of Hope, rather than the policy center side.

I have worked in a few different capacities here since then: as a project manager, in our community and economic development area. As of three months ago, my position is now Vice President of Investor Relations. So I'm coordinating a lot of our work to fundraise-

Dave: [Crosstalk]

Mary: Yeah, fundraise, both from government sources and foundations, as well as individual donors and individual investors.
Dave: In that role you have this unique responsibility and pleasure of communicating to people every day why you do what you do, right? So what is it, on a daily basis anyway, that fires you up and gets you to walk in that door and do what you can? What is that thing? It could be a story. It could be a person. It could be anything.

Mary: Gosh. I think it's a lot of different experiences that I've had over my career so far, and that includes individuals. In 2010, I actually left Hope for three years and worked in a neighborhood. I was really craving a very localized experience working in neighborhood revitalization. An opportunity came my way and I worked in the Midtown neighborhood in Jackson for three years before coming back. In that capacity, as well as in other instances at Hope, I have met multiple families for whom the products and services that Hope provides make a huge difference in their lives.

The thing that's really unique about Hope is that we have two CDFIs. We have Hope Enterprise Corporation and we have Hope Credit Union. We work with individuals through our credit union in a way that some other CDFIs don't. We work with families to really get them out of the trap of payday lending and then work with them to build the assets and, really, the financial capability that they need to then own their own home and then continue climbing the economic ladder.

For me, what motivates me is a combination of families that I've met and continued relationships with that have an ongoing need for our services and that we provide an ongoing support for, as well as just a love for and a passion for the South and the region that we serve, which is Mississippi, Louisiana, Arkansas, and Memphis.

There is such a severe need for capital, and for policy change, and for the services that we provide, because we are such a poor region. It's just something that, encountering it every day...the poverty that we have here...is very motivating to make me want to make sure that we do the best job that we can at Hope to structure programs to address those needs and to raise the conversation locally, state-wide, regionally, and nationally about the needs of low-income families and distressed communities.

I mean, the challenges that we have here are significant and the lack of investment...I just can't underscore the lack of investment. We really don't have national banks, or big foundations, or wealthy individual donors, that are providing capital in these neighborhoods, where a lot of the resources have been stripped. Some of these
neighborhoods were thriving thirty, forty years ago, and they are now extremely distressed, and there are families still living there. So the work that we do helps both bring capital back into those communities as well as build the capacity of, not only individuals and homeowners, but also other nonprofit organizations that are serving those communities.

Dave: What do you think, over the next period of time...30 years was the number that was put forth in the questions, but it could also be 10, or 20, or whatever...whatever you envision. What do you think's going to drive and shape CDFIs over the next period of time? You're in that sector of emerging leader, right?

Mary: Right.

Dave: The future is yours to craft. What does that look like?

Mary: There's a couple of things that I really think about right off. I mean, one is the ability for online and mobile services to either be a benefit, to be used well, or to be used really poorly to provide financial services to the people who need it. There is a growing problem of predatory online lenders, I mean, in terms of people that I know in various parts of my life, whether it's professionally or personally, who have used those online lenders, got in serious trouble, had their identities stolen, and then really been left in a hard place.

So I think that addressing the online predatory lending is one huge challenge that the CDFI industry has got to address in terms of trying to curb the predatory lending that does take place there, but also to make sure to structure services that can reach more people through online and mobile banking.

One of the things that Hope is working to do is, we have introduced a mobile banking application, with a focus on low-income communities and using that to reach rural areas, people who live in what we call "Bank Deserts," who don't have ready access to a bank right there in their community.

Dave: You're not the first person I've interviewed that has had this answer. I think that's fascinating.

Mary: Yeah. That's one thing that I think about, is really the need for us to think about that online and mobile presence. The other part of that is, as different industries rely on the use of credit cards and debit cards.
In some places that's the only way to pay for things. That leaves out a whole sector of people who are "unbanked." How do we make sure that those people are not left out of our banking system? How do we serve those folks, and make sure that they're able to continue to access the services, the commercial and the community services that they need?

The other thing that I think is very critical for the CDFI industry to be more thoughtful about is, making sure that the services and the capital that we provide is reaching as deep and as broad as we can, because there is still such a significant sector of our population that is outside of the financial system, is not being served by a lot of the financial institutions, but also people who are not receiving the level of services that are needed.

In our region, in particular, we talk a lot about the persistent poverty, which is counties that have experienced over 20 percent of poverty for more than three decades in a row. Just in the three-and-a-half states we serve, a quarter of the entire country's persistent poverty counties are here.

Dave: Wow!

Mary: That persistent poverty and that cycle of poverty is something that is not going away and that we, as an industry, have to figure out how we can curb that cycle of poverty. What else can we do to make sure that the system, the support, the financial resources, the education, the healthcare, that affordable housing, are there to help lift people out of poverty, rather than continuing, and making sure that more areas, more regions of our country, do not continue to fall farther and farther behind.

Being in the South, that's something that we are often left out of...because the challenges of places that experience that persistent poverty like we have. The other areas of the country that have experienced that are getting less behind as more and more capital is focused in the larger cities and the urban areas. I think that's just another challenge that the CDFI industry really needs to grapple with is, how do we make sure we are not leaving more and more communities behind?

Dave: Is there anything else you'd like to add in general about CDFIs, or your absolute love of them, what we do, anything?
Mary: In the region that we work in, just something that I think about a lot, is the level of capacity that I feel that Hope has, compared to a lot of other nonprofit organizations in our region...the real role that we and that other CDFIs can play in equipping those other nonprofit organizations, both service providers and advocates, in providing those services. That's just something that I think is an important role that CDFIs do play, and that should continue to play, and just be aware of the need and the role that we play there.