

**MORE U.S. INVESTORS “GOING LOCAL”:
COMMUNITY INVESTMENT ASSETS
NEARLY DOUBLE TO \$14 BILLION IN JUST 2 YEARS**

*Strong Surge Seen in Banks, Venture Funds, Other Investment Vehicles Targeting
Economically Distressed Communities and Underserved Individuals in the U.S., Abroad*

WASHINGTON, D.C.///December 9, 2003///Americans are increasingly investing in their communities: Total assets held by community development financial institutions (CDFIs) nearly doubled from \$7.6 billion to \$14 billion between 2001 and 2003, making it the fastest growing sector of socially responsible investing, according to the Community Investing Program, a project of the nonprofits, Social Investment Forum Foundation and Co-op America.

According to the Program’s data, assets in CDFIs grew 84 percent from 2001 to 2003. Community investing is financing that generates resources and opportunities for economically disadvantaged people in U.S. and overseas communities that are underserved by traditional financial institutions. Community investors make it possible for local organizations in urban and rural areas to create jobs, provide financial services to low-income individuals, and supply capital for small businesses, affordable housing and vital community services, such as childcare.

Community Investing Program Chair and ShoreBank Senior Vice President of Mission-Based Products Jean Pogge said: **"This new data shows the growing power and reach of community investing in our underserved communities across the United States and throughout the world. Investors who hope to achieve social goals in addition to meeting their monetary gains are seeing great work done with their dollars."**

Michael J. Lohmeier, investment manager of affordable housing and community development at the General Board of Pension and Health Benefits of The United Methodist Church, one of the largest institutional investors in affordable housing and community development with nearly \$1 billion in investments, said: **"The General Board has a long-standing and growing commitment to community investing. As with all General Board investments, community investments are designed to earn a market rate of return commensurate with the risk to participants, while supporting underserved communities and the development of affordable housing. The General Board has been pleased with the long-term performance of these investments."**

PROFILES OF COMMUNITY INVESTING IN ACTION

* Ocie and Stephanie Windham came to Chicago-based ShoreBank in 1991, just before their wedding, to apply for their first loan to buy a six-apartment building. Ocie was working as a machinist and Stephanie as a court reporter. ShoreBank made them their first loan and has remained their bank ever since. Today, the couple is full time in the real estate business and own and manage 244 units of housing. They are delighted with their success; as Stephanie says, "We have come a long way."

* Located in downtown Baltimore, the Margaret J. Bennett House represents 29 of the 20,000 affordable housing units underwritten by the General Board of Pension and Health Benefits of The United Methodist Church. A project of the Women's Housing Coalition, the Bennett House offers single occupancy rooms for low-income women recovering from substance abuse. Working through its national network of intermediaries, the General Board is able to identify opportunities such as the Bennett House that provide a desirable investment for the General Board as well as much needed capital to local communities.

* Self-Help Credit Union, a nonprofit CDFI in Durham, N.C., maintains a secondary market program as an outlet for lenders to sell their affordable mortgage products. Through this national program, Self-Help has purchased over \$2 billion in affordable mortgages since 1998 and assisted over 25,000 low-income families in 47 states in achieving their dream of home ownership. This program has allowed traditional lenders across the country to significantly expand their lending to low-income families and minorities.

* Shared Interest, and its South African partner Thembani, have facilitated a precedent-setting project designed to provide livelihoods, as beekeepers, for 10,000 families in the most remote rural areas of Mpumalanga and Limpopo Provinces. Seventy-five percent of the borrowers will be women, who are largely excluded from the scarce commercial activity in these areas. The project will provide each new entrepreneur with training in bee-keeping and basic business skills, a bee-keeping suit, and 50 hives buzzing with African bees, and pay each bee-keeper an above-market price for the honey. This is expected to have a significant economic impact on families and communities yet to be included in South Africa's economic transformation. In addition, the project will help insure the survival of the African bee and flora; provide support for local farmers (black and white) who need their crops pollinated; and facilitate basic and clinical research on the utilization of bee by-products for medicinal purposes, including the treatment of drug-resistant tuberculosis

Social Investment Forum Foundation President David Berge commented: **"These stories are indicative of the good work being done by so many community banks, loan funds, venture capital funds and others across the country and throughout the world. Community investing is assisting those who need a helping hand to get ahead to achieve their goals."**

OTHER KEY DATA ON COMMUNITY INVESTING

* The assets in community development banks surged over 130 percent from \$3.1 billion in 2001 to \$7.2 billion in 2003. This growth is due to several factors: an increase in newly CDFI-certified banks over the past two years; the improved capacity of the national network intermediary for development banks, National Community Investment Fund; and growth in existing banks' assets.

* Assets in both community development credit unions and community development loan funds each grew by 50 percent. Credit unions' assets rose from \$1.8 billion in assets in 2001 to \$2.7 billion in 2003. Loan funds' assets climbed from \$2.4 billion in 2001 to \$3.6 billion in 2003.

* Assets in community development venture capital funds grew by 58 percent, from \$300 million in 2001 to \$485 million in 2003.

* Increasing numbers of socially responsible investment professionals' clients are allocating at least one percent of their investment portfolios under management to community investing. This trend has resulted in over \$1 billion in Social Investment Forum member assets being directed to community investing.

HOW TO BECOME A COMMUNITY INVESTOR

Any individual or institution can become a community investor. One of the most popular ways to invest in communities is by opening an account at a community development bank or credit union. Options from checking and savings accounts, to CDs and IRAs, to mortgages and other loans, can be provided through these banks or credit unions, which will use your deposit to strengthen the local community. If there is not a community development bank or credit union close to them, many investors open up accounts in these institutions in other locales and use ATMs, mail, and online banking to control and access their accounts.

Another approach is to invest in community development loan funds, pooled funds, and venture capital. These investments can support local or international projects that are serving low-income communities. For individuals and institutions wanting to invest in mutual funds, some mutual funds have a community investing component as well.

For a comprehensive list of community investing alternatives, go to <http://www.communityinvest.org> on the Web.

ABOUT THE COMMUNITY INVESTING PROGRAM

The Community Investing Program is a joint partnership of the Social Investment Forum Foundation and Co-op America. The Social Investment Forum Foundation is a national nonprofit organization providing research and educational programs on 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 <http://www.communityinvest.org>.

ABOUT THE GENERAL BOARD OF PENSION AND HEALTH BENEFITS OF THE UNITED METHODIST CHURCH

The General Board of Pension and Health Benefits of The United Methodist Church is a not-for-profit corporation that is one of the nation's 100 largest pension funds. GBOPHB has made nearly \$1 billion in affordable housing and community development investments, making it one of the largest institutional investors in affordable housing and community development.

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FOR MORE INFORMATION: To hear a Web-based recording of the national news event, go to <http://www.communityinvest.org> after 6 p.m. EST on December 9, 2003.