

# 40

est. 1979





David Little and Sheila Stone

**SOME FOLKS SHARED  
A DREAM IN 1979....  
AND IT CAME TRUE.**

**IVECO**

51170-GL  
NORTH CAROLINA





"When we celebrate our milestones, successes, and impacts, we also express gratitude to our membership, whose consistent support has made all this possible."

ERIC LEVINE

## CEO REPORT

2018 was a very successful year for Alternatives, and an especially memorable one for me. After serving as General Counsel for 13 years, and Acting CEO for 16 months, I was greatly honored to be selected by our CEO Search Committee and hired by the board, as the third CEO in Alternatives' 40-year history. It is my proudest accomplishment and one which I owe to the support and dedication of the Alternatives staff, which confidently delivers the mission and member service with such great care and competence.

As part of delivering its mission, Alternatives actively listens to the needs of the community, so we are in a position to innovate solutions to meet those needs. This happens through empowering our staff closest to the members, and through continually engaging in outreach and partnership efforts. Most recently some of those needs were identified in the transgender community and the community of formerly incarcerated people who are reentering the community and workforce. We responded by partnering with Planned Parenthood of the Southern Finger Lakes to develop our Trans-Action loan product and staff training around the financial needs of the transgender community. Also, Alternatives is currently meeting with stakeholder organizations concerned with prisoner re-entry, to develop loan products and services to meet those needs.



Among Alternatives' more established programs, Alternatives continues to impact and change lives through financial empowerment and education. 2018 was a very impactful year with many deliverables from our Community Programs Department. Some of the impressive numbers include:

- 614 individual appointments for credit, financial and housing counseling.
- 464 one-on-one entrepreneurship consultations through Business CENTS (Community Enterprise Network and Training Services). Of that 464, 71% were female, and 25% were minorities.
- 61 new matched savings IDAs (Individual Development Accounts) opened, with 26 meeting asset goals during 2018 (i.e., purchasing a first home, starting a business, or education).
- 11 Student Credit Union branches available to 2,843 elementary school students.
- 2,748 Free Tax Preparation Program clients with \$5,280,232 total refunds including \$2,185,596 in Earned Income Tax Credits ("new money" coming into the community). Since starting the program in 2003, we've returned over \$45 million in tax refunds through 24,000 returns filed on behalf of low-income community members.

Another important aspect of Alternatives' mission is providing underserved and marginalized individuals inclusive and fair access to credit. In 2018, Alternatives met its ambitious goal to increase lending by 10%. Our Consumer Loan Department had its first \$1 million month in October! We concentrated on increasing automobile loans to people who may not qualify for reasonable rates elsewhere due to credit score or recently reentering the workforce. We also grew solar and energy efficiency lending through key partnerships, including Renovus Solar.

In June, Alternatives expanded branch hours for member convenience, until 5:00pm weekdays (4:00pm on Wednesdays). The drive-thru and walk-up tellers remain open until 6:00pm

weekdays, and the branch remains open 10:00am-1:00pm on Saturdays.

In July the board adopted a very ambitious Strategic Plan and five-year financial forecast. The plan is based on the foundation of growth to support the full breadth of Alternatives' banking and Community Programs operations. The goal is to completely support all of our Community Programs with operating income from transaction and loan services, and not in reliance on diminishing and uncertain grant funding. We will do this without compromising the mission which Alternatives will continue to deliver in full force: To build wealth and create economic opportunity for underserved people and communities.

The board capped off 2018 by voting to reduce a potential obstacle to membership, particularly for low-income individuals, by lowering the one-time membership fee from \$20 to \$2. The \$2 represents the cost to join The Alternatives Fund of Ithaca—the credit union's field of membership organization, which among other things sponsors Alternatives' biennial Living Wage Study.

With such a successful 2018, the outlook for 2019 is bright, as we gear up for two significant milestones to celebrate: the 40th Anniversary of Alternatives' Federal Credit Union charter, and the 25th anniversary of Alternatives' Living Wage Study. When we celebrate our milestones, successes, and impacts, we also express gratitude to our membership, whose consistent support has made all this possible. With every deposit, loan payment, and use of our debit card, each member is part of a cooperative movement supporting economic justice in the community. And for that, we thank all of our members and community partners.



ARIANA BLOSSOM

## PRESIDENT'S REPORT

"Every one of our directors is committed to building wealth for people who the financial system neglects."

### 2018/19 Alternatives Board of Directors

Ariana Blossom  
**President**

Michael McNeil  
**Vice President**

Jim Fravil  
**Treasurer**

Ashley Cake  
**Secretary**

Brian DeYoung  
Leonardo Vargas-Méndez  
Kenneth McLaurin  
Robert Brown  
Arthur Fives  
Karl Kayser  
Leslie Ackerman

As funding support for low-income and marginalized people is increasingly threatened, our board has leaned in. We've focused on becoming more efficient, as our board Vice-President Michael McNeil says, "working more on less." Several new board directors have brought a renewed energy to our meetings, while our steadfast long-serving directors continue to bring a wealth of institutional memory. Our new CEO, Eric Levine, is diligent and thoughtful in responding to all the board's questions regarding growth and mission.

The relationship between the board and management is strong and continues to deepen. A small and mighty group of board directors and managers dug in their heels to figure out how to make our committee structure more effective, and with the support of our fearless HR-guru board director Robert Brown, we've developed that structure.

Every one of our directors is committed to building wealth for people who the financial system neglects. We share that same commitment beyond the walls of the Credit Union. Our Secretary Ashley Cake was recently given the Ally Award from the Advocacy Center for her support for victims of domestic and sexual violence.

We are proud of the work we're doing, our members, and the community we serve.

**"THE CHOICE OF  
WHERE WE DO OUR  
BUSINESS IS ONE OF  
OUR MOST SIGNIFICANT  
POLITICAL AND  
ECONOMIC TOOLS."**

— Bill Myers, Founder



**"I JOINED IN 1979  
TO SUPPORT A  
COMMUNITY [CREDIT  
UNION] THAT CARES  
ABOUT AND IS  
DEDICATED TO THE  
NEEDS OF THE PEOPLE  
IN THE COMMUNITY."**

— Anthony Ingraham, member

**"I JOINED WHEN  
BILL MYERS WAS  
CARRYING AROUND  
A LITTLE METAL  
LOCK BOX AND A  
LINED PAD WITH  
NUMBERS 1-100  
WRITTEN OUT  
BY HAND."**

"He posted himself at the old Grain Store off Hancock Street, circa 1976-77, fishing for members for this theoretical credit union. Member numbers one, five, ten and a few others were already taken (people's names were signed next to numbers), so I chose "XXX" for my member number. Bill talked me into giving him \$5, which was a lot of money to me at the time."

— Barbara Bartholomew, member

# "I REMEMBER SIGNING UP ON A FOLDING CARD TABLE!"

"With a two digit number and months after the first few dozen members, I felt a bit late to the game though. I was distrustful of institutions, in general, as designed to help the wealthy at the expense of the poor, and banks most of all. I wasn't sure it was possible to create a financial institution that would serve the community. I'm glad I was wrong!"

— Carol Chock, member



**"ALTERNATIVES  
SUPPORTS PEOPLE  
AND ACTIVISM NOT  
TRADITIONALLY  
SUPPORTED BY  
BANKS."**

"One of my memories of the very early days was as one of the founding board members when I got the first packet of orange passbooks that we handed out to people who made deposits. We documented the deposit by hand in the new member's passbook and delivered the money to Bill Myers at the old co-op building at Clinton Plaza. A housemate of mine offered to make a deposit if I provided him with the passbook for Account Number 1. I was very proud to have opened my first account! That member has since closed his account. In hindsight, I wish I had kept Account Number 1 for myself."

— Myra Kovary, member

STORY ORIGINALLY POSTED  
ON BILL MYERS BLOG,  
AUGUST 12, 2017

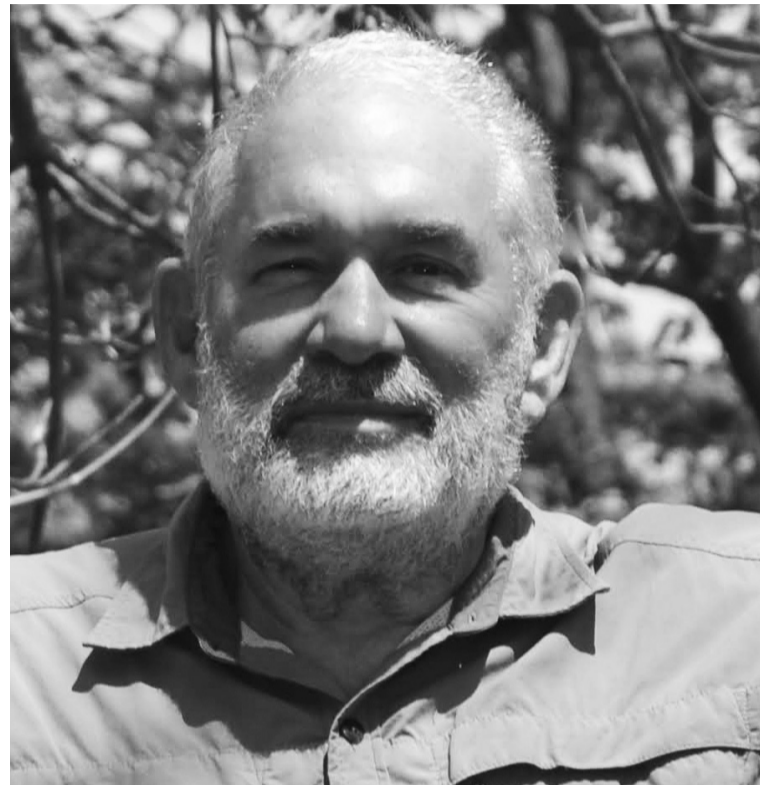
## HOW IT ALL BEGAN

By 1978 I was tired of school and wanted to start doing! In a Cornell co-op development seminar with economics graduate student Chris Gunn and Professor Jaroslav Vanek, I argued that the US would never see economy-wide worker managed industry as in Vanek's Yugoslavia. Mondragon, Spain's small scale federated coops seemed a more likely model. I thought I might make a career in this field: education in economics, my interest in local development and experience with co-ops.

I was employed by the Alternatives Fund group of co-ops and worker-managed businesses to identify collective legal and marketing opportunities for the group. The Fund itself provided finance, though at a small scale. On my own, I started to look into a more complete financial service for member co-ops. The options were expanding the Fund itself or starting a commercial loan company, a bank or a credit union.

I organized self-education tours to review support and competition. My first visit was the finance company located on West State Street where the Ithaca Journal built a building. The whole operation was a 1950s period piece. Their business model was the first attempt at predatory consumer lending. They were later shut down for investor fraud.

I interviewed Cornell Federal Credit Union's founder, Richard Stringham and Tompkins County Trust Company's CEO Ray VanHoute who both became supporters when Alternatives arose. Dick wanted to see more co-ops. Ray came from the "let competitors compete" perspective. Citizens Savings Bank (M&T) CEO Ken



Myers was less favorable and eventually petitioned National Credit Union Administration (NCUA) against Alternatives' charter. Northstar (Fleet) looked at Alternatives as a CRA opportunity, and even though we organized a group to impede national mergers of local banking institutions, they gave donations to our effort. Marine Midland gave CRA funds plus later bought larger commercial loans through Loan Officer Dave Drum.

Credit unions required little capital to open (\$25 in fact) and would give the most beneficial set of powers. Our informal group decided to charter a credit union and began the slow process.

The founding board was Flora Marranta, Kathy Kohl, Myra Kovary, Susan Blumenthal, Scott Heyman, Rich Entlich, Steve Mahaney, Chaya Specter, Priscilla Laube, Bob Burns, David Post and myself. The first Supervisory Committee was Tom Tracy, Steven Antinozzi, Danny Torrance, and Deborah Linker.

Steve Antinozzi and I were very active. Steve rented a room at our Albany Street house, which filled with the smells of his favorite sandwich, WW toast spread with Miso, dotted with fresh sliced garlic. Steve was the Manager of the Ithaca Real Food Co-op (GreenStar) on Fifth St. For recreation, we took long bike rides circling Cayuga Lake. Steve and I took a trip to DC to push the charter along, staying with his parents in Silver Springs. When the charter was approved, there were 13 credit

unions in Tompkins County. Now there are three. Alternatives was the last new charter.

The first board meeting was February 1, 1979. Alternatives Fund Federal Credit Union opened for business on March 1, 1979 above the co-op supermarket on Clinton Street (where the Daycare Council is now located) on the second floor in an 80 sq ft. one-room office. The credit union was open 12 hours a week with volunteer staffing. Even board members took a shift in the office.

We thought of ourselves as guerrilla bankers. We held satellite office hours on Tuesday at Community Self Reliance Center, our infamous "credit union in a wooden box."

The financial offerings were meager: savings accounts at 6% and loans at 12% up to \$2,000. Sally Wessels from Sawtooth Builders was our first borrower. We prohibited loans for eight-cylinder cars, for motorized recreational vehicles, and mobile homes. We were selling future possibility rather than competing on products.

NCUA Examiner Joe Visconti was a crucial knowledgeable voice assisting us banking amateurs with the start-up. He helped set up the books on large format green ledger paper. At the end of the month, he dropped in to train us on reconcilements. The Credit Union National Association (CUNA) sent us a large box of manuals and forms, just about everything we needed. I went to TJ Millers Office Supplies (on East State Street, where Community School of Music and Arts (CSMA) is now located), and recall thinking hard about which stapler we could afford.

To support our family, I worked for Connie Cook in Day Hall at Cornell as her bookkeeper and in a similar job for Ithaca Neighborhood Housing (INHS). I had a contract lobbying the local cable company to support public access. I ran for a seat on Common Council (campaigning door-to-door with Blake in a stroller), eventually serving for four years.

We hadn't yet thought of serving low-income neighbors; there was no Clinton Community Development Financial Institutions (CDFI) Fund, and PCs didn't exist. But we were doing the best for our members, and that approach served us well.



Bill Myers receiving the Annie Vamper Helping Hands Award in June 2004 from the National Federation of Community Development Credit Unions (now, called Inclusiv). Leni Hochman, former COO was on hand to give a speech for the award.



Carol Chernikoff, Chief Lending Officer; Bill Myers, Former CEO; Leni Hochman, former COO; Karl Graham, Chief of Community Development; Mary Ziegler, Chief Implementation Officer.



Current CEO, Eric Levine and Former CEO, Bill Myers.



# FOUR DECADES OF GOOD THINGS

The Alternatives Fund becomes a credit union • Receive designation as a low income credit union	1979	
Reach ½ million dollars in deposits • Alternatives Energy Home Loan • First real estate loan	1981	1980 Move to 102 W. State St 2nd floor • Community Development Loan Program begins
Alternatives moves to 301 West State Street • Lobby art gallery (now Artist of the Month) opens	1984	1982 Cooperative program with INHS begins • Home Mortgage Program starts
Dollars for Dreams, our Student Credit Union, is born	1990	1987 Local Small Business Venture Capital Network kick-off
Alternatives joins National Federation of Community Development Credit Unions (CDCU's)	1992	1991 Reduced-Rate Loan Program for women and minority business loans launches
Group formed to determine a formula for a local livable wage (later becomes Living Wage Study) • First website	1994	1993 Start Local Sustainable Quality of Life Economic Indicators meetings (the precursor to Livable Wage)
Start Historic Preservation Lending Program with Historic Ithaca	1996	1995 First SBA Loan • Start Credit Builder Loan
Dollars For Dreams, the on-site branch of the Student Credit Union opened • Business CENTS, founded by Jeff Furman in 1995, transfers to Alternatives	1998	1997 First year we offer Individual Development Accounts (IDAs) • First Community Development Financial Institution (CDFI) Award • CFED Award for IDA Program
Ground breaking for our new building • Alternatives Impact 501(c)3 CDFI Fund awarded	2001	1999 Purchase 125 North Fulton Street, our future home • Start CU@home online banking services • Money Wise financial education classes begin • Award: US Treasury CDFI • 20th Anniversary
Volunteer Income Tax Assistance Program begins • First Credit Path seminar is offered	2003	2002 Grand opening of partially solar-powered 125 N. Fulton St. branch on August 19, 2002
Award: SBA Small Business Lender of the Year • Started Health Savings Account	2005	2004 Award: CDFI Excellence in Innovation Award from the National Community Capital Association • Award: US Treasury CDFI • Alternatives Impact 501(c)3 CDFI Fund awarded • Launch Financial Counseling Program
Bill Myers retires • Launched an online application for consumer loans	2007	2006 Award: US Treasury CDFI
Award: US Treasury CDFI • Partnership with a credit union group, TMGFS, to offer credit cards	2009	2008 Move debit cards to new processor to improve service by moving transactions to real-time
Award: US Treasury CDFI	2011	2010 Finalist for the NEXT Award for Opportunity • Award: US Treasury CDFI
Award: US Treasury CDFI • CUNA awarded Alternatives 1st place as Community Credit Union of the Year in the under \$250M category Mobile Check Deposit • Mobile Banking	2014	2012 Convert to new core system and home banking system, adding many features and capabilities
Back on Track Loan trademarked • Business CENTS trademarked	2016	2015 Award: US Treasury CDFI • Mobile Check Deposit
Top Institution for Smart Credit Options that Help Low-Income Borrowers from CardRates.com • Award: Community Beautification for Business from Cornell Cooperative Extension • Launch Fresh Rides: Wheels to Work Program	2018	2017 Online new account opening introduced • Award: US Treasury CDFI • NCUA issues grant to develop TransAction Financial Empowerment Program

Our Mission

**TO BUILD WEALTH AND  
CREATE ECONOMIC  
OPPORTUNITY FOR  
UNDERSERVED PEOPLE  
AND COMMUNITIES**

Our Vision

**WE ARE LEADING AN  
ECONOMIC MOVEMENT  
TO CREATE THRIVING,  
EMPOWERED  
COMMUNITIES WITH  
FINANCIAL FREEDOM  
FOR EVERYONE.**

## Our Pillars

# SOCIAL RESPONSIBILITY

We believe that the use of money has social, political and economic consequences. We are focused on ethical and responsible business practices that allow us to put our energy, money, and time back into our community.

# MEMBER EXPERIENCE

Equal access is the closest we get to equal power. Our members are family, and we value that relationship. We empower them with tools, resources, and work to break down barriers that stand in the way of building a stable financial future.

# CULTURE AND VALUES

Our mission is more than just a statement. We foster a culture of diversity and inclusion. As an engaged workforce, we build meaningful and powerful connections with our members through the products and services we offer.

# COMMUNITY PROGRAMS

Our resources are meant to be shared. Our programs are designed to build wealth and create economic opportunity for all people and communities. By working together, we can achieve financial freedom for everyone.

# The Credit Path®

We have been helping local folks advance on The Credit Path® since 2003. This path was created to illustrate steps to increased financial freedom.

Our goal is to provide full banking services and give you the opportunity to advance along the path to financial freedom by offering educational and asset-building opportunities. Credit report review, financial counseling, workshops, seminars, and matched savings accounts can empower you to save for your future and make great financial decisions. At any time, you may be in several stages at once along the path.



**Transactor** Anyone using a financial institution for cash services.

- Free Checking
- Free Debit Card
- Fresh Start Account
- Free Financial Counseling
- Free Tax Preparation Program

**Borrower** Someone who takes out a loan, and uses credit.

- Credit Report Review
- Share Secured Loan
- Share Secured Line of Credit
- Line of Credit
- Auto Loans
- Personal Loans
- Solar

**Saver** Transactor who puts money aside in a savings account towards a goal.

- Direct Deposit
- Automatic Transfers
- Shares
- Share Certificates
- Savers Club
- IDA (Matched Savings)

**Owner** Someone with assets such as a home or business.

- Home Loans
- Home Equity
- Line of Credit
- Business Loans
- Share Certificates
- Green Certificates



# DESTINATION OWNERSHIP

We've always attracted the unique ones. You know the type—artistic, driven, doing things. Like us, they co-create the vibrant community around us and they lead by example, one dream at a time.



“It’s been a very wonderful and useful experience to work with Kathleen Clark and Business CENTS. I have been able to evolve my work as an artist as a direct result of our meetings and her guidance.”

—Helena Cooper  
Owner, Helena Cooper Art



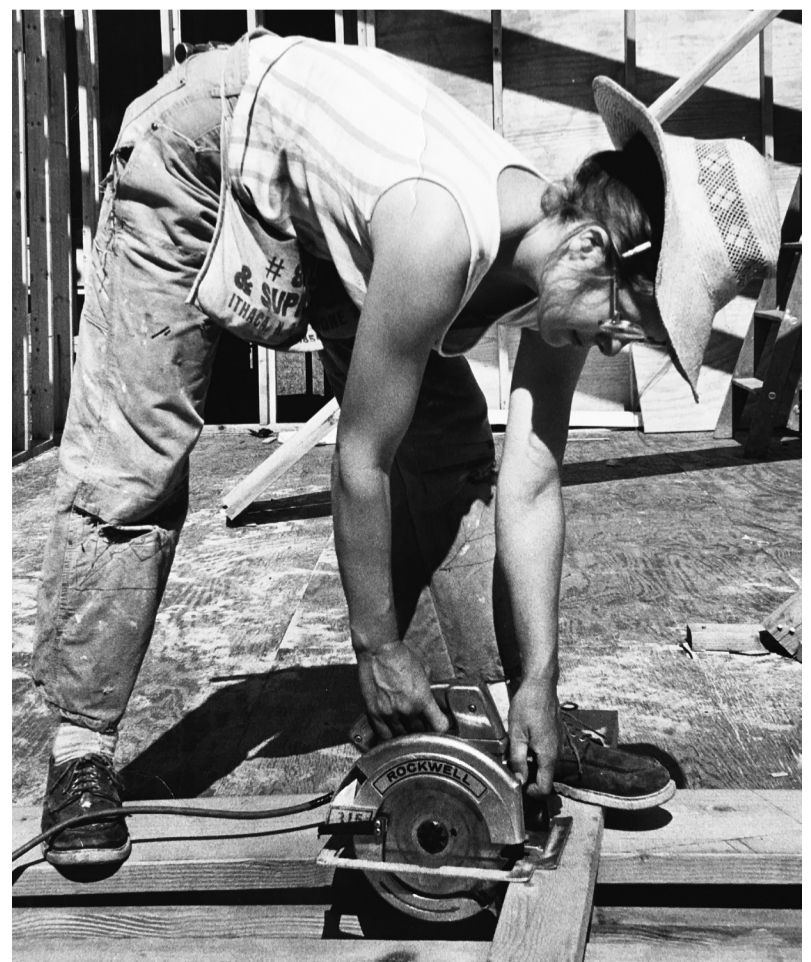


SALLY WESSELS

## 1979: ALTERNATIVES' FIRST PERSONAL LOAN

As I cast my mind back forty years to 1979, I come up with the historical markers imprinted in my brain. To wit, Pol Pot in Cambodia, the overthrow of Somoza by the Sandinistas in Nicaragua, lots of OJT with Sawtooth Builders, working on our half-built house, watching my daughter become a regular, happy kid, and enjoying time with my new partner, Bob Love. In my mind, I was a solid leftist who disdained the excesses of capitalism and hated the social injustice it sustains. I was proud enough of working hard and living modestly. So, we did not have money for meals out or movies or tasteful furniture and clothes or even savings accounts or donations to charitable causes here or abroad—or comfortable cars.

I think I must have bought my good old Plymouth Valiant in 1979. You could see the road pass by under your feet through the hole in the floor. You could leave your keys in it as you did errands downtown, where, at Woolworth's, you could buy practical things like underwear and sewing needles. Nobody would care to steal such an old warhorse. So, as uncomfortable as I was about going into debt, that little loan helped us over a hump.





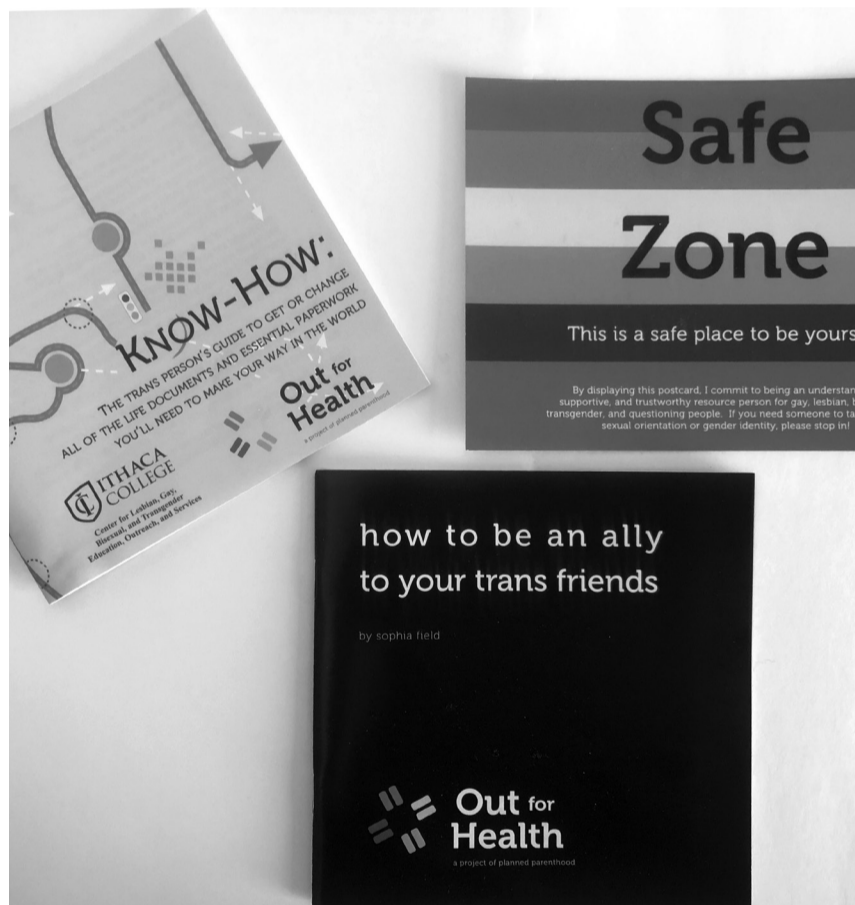
## 2018/19: WE CO-CREATE LOAN PRODUCTS FOR TRANSGENDER AND NON-BINARY CLIENTS WITH PLANNED PARENTHOOD

With year one of this proud partnership under our belt, Alternatives and Planned Parenthood's collaboration continues to move forward. Together, we've successfully developed two special loan products designed as a responsive solution to the needs raised by our local Transgender community. And we've done it while respecting the right to privacy for our membership and without assuming that our work in this area is done. Year two of this collaboration saw the completion of targeted, marketing materials for the TransAction Financial Empowerment Program, as well as follow-through on our promise to jointly train the Alternatives and Planned Parenthood staff on a variety of relevant topics.

Pick up our information materials in branch or about town and learn more of the details below:

The TransAction Personal Loan is a personal loan for one-time expenses related to gender-affirming surgeries and related costs (i.e., travel, lodging) and one-time expenses for transition-related clothing, vocal training, and other needs. The maximum loan amount is \$20,000 with reduced rates.

The TransAction Line of Credit is a line of credit for ongoing transition-related care and expenses (i.e., medical care, emotional support, medication, transportation). The maximum credit limit we offer is \$20,000 with a reduced rate for this loan product as well.





## FIRST HOME CLUB: JUST ONE OF THE GOOD THINGS AT ALTERNATIVES

"The team members at Alternatives go above and beyond for their members—after all, they're members too."

Within the walls of her own home, first-time homebuyer and Alternatives member Audra Bartlett has created a sanctuary for herself and her five-year-old son, Sebastian. Her home, timber-framed with an open floor plan and big skylights is the first place that she has considered entirely her own. Her response to that ownership has been to meticulously curate the space, finding the exact right arrangement of things and furniture and lighting. In the safety of her new home, she feels accomplished and grounded.

Just a few years ago, Audra doubted she would ever achieve her dream of homeownership. The process felt daunting and complicated. There were plenty of hurdles to leap and obstacles to clear, and she wasn't sure exactly where and how to begin. Having taken part in Alternatives' Free Tax Preparation Program as well as being a business member (Audra owns Wild Flour Baked Goods), she inquired about options for helping people prepare for homeownership.



She began to meet with Brendan Wilbur for financial counseling, and together they sorted through the steps she would need to take to repair and rebuild her credit. For two years she worked on this aspect of becoming mortgage-ready, while also enrolling in the First Home Club to save for a down payment. She also sought homebuyer education and learned that she was eligible for down payment assistance through Ithaca Neighborhood Housing Services (INHS).

With the strength of her own resolve, the encouragement of her friends, and the guidance of Alternatives staff, Audra stayed the course and improved her credit to the point that she was ready to put in an offer on a home and apply for a mortgage in the fall of 2018. In early 2019, she became a homeowner after her years of effort, diligence, and saving.

Audra's advice to first-time homebuyers? She encourages others to seek help, ask questions, and not be afraid to have a conversation with Alternatives staff if they have concerns about their credit or any other aspect of qualifying for a mortgage. She felt the staff at Alternatives had her back the whole way through her journey of becoming mortgage-ready and felt the daunting process became less so as a result of that support.

Looking forward, Audra is using her own experience to help others. In addition to running her small business, she has begun working for Keller Williams Realty and is happy to have the opportunity to help others through the home-buying process. Audra has big plans for her home and hopes to renovate the bathroom and eventually build an addition. She expects to continue to relish the process of transforming a house into her very own home.





## SHARED VALUES



“Alternatives staff looks out for the customer unlike any other financial institution I have dealt with.”

When Adam Spry is looking for a loan, the first place he turns to is Alternatives.

Having been a member for almost a decade, Adam is no stranger to Alternatives’ services. After taking out several personal loans with us, he says working with Alternatives is a great experience that keeps him coming back every time.

While our products and services have their own appeal, like the Back on Track loan which provides low-interest emergency funds for unexpected expenses, Adam says it’s our staff’s genuine care that makes him eager to work with Alternatives again and again.

This year, Adam met with one of our Consumer Loan Officers, Renee Kern, to discuss taking out a personal loan. But he was surprised when he received much more.

“When I applied for a small personal loan I did not expect the level of service I received.”

“When I applied for a small personal loan I did not expect the level of service I received,” he said. “Most financial institutions just try to get you in and don’t really care about the customer who is a person that is trying to make it in this tough world.”

When Renee took time to look at all of Adam’s loans and have a holistic conversation with him about his financial wellness, he was reminded that Alternatives is not a typical financial institution.

“She went beyond what I expected and offered to help re-finance my auto loan to get me a better interest rate. Most loan officers would only look at the loan you are applying for and then end it there.”

According to Adam, no other financial institution has ever offered to assist him in the way Alternatives has, and it makes him eager to work with us for all his needs.

“It has always been a great experience that keeps me coming back. Either for a new loan or another Back on Track loan, or whatever I need financially.”

# Family matters

The Mixon family takes  
money matters to heart.





For the Mixons, financial wellness with Alternatives is a family affair!

Meet Thelma and Jerome, and their daughters Jayda and Imari. You might have seen Thelma during your trips to the credit union—she’s a Member Experience Associate at Alternatives, taking care of our members and their accounts. She and her husband Jerome are proud that both of their daughters have Student Credit Union accounts and are learning about the importance of financial literacy.

The Student Credit Union, which has branches in 12 schools across our region, including all Ithaca City School District elementary schools, gives students an opportunity to learn how to do transactions and save their money right at school. Students have the opportunity to learn both sides of banking, as our Student Credit Union branches are staffed by student and parent volunteers who carry out transactions. It also gives students the opportunity to join the College Savers Club, which helps families who qualify for free or reduced lunch save for college.

“It’s cool and fun to have my own money,” said Jayda, 9, who attends Beverly J. Martin Elementary.

Imari, 6, who also attends Beverly J. Martin, agreed with her sister. “I love having a bank account!”

Thelma and Jerome, who have both taken Alternatives’ Money Wise course, say that they love the financial skills their daughters are learning through the Student Credit Union.

“I think it’s important for my children to learn not only to save, but also be responsible for an account and keep track of their money,” Thelma said. “By getting familiarized with making transactions, they will be comfortable doing it alone as they get older. I think these skills are fundamental in becoming an independent adult.”

Jerome agreed: “I think it’s important for them to use the Student Credit Union account so they can learn how to make deposits and withdrawals, and learn to save.”

According to Jerome, both Jayda and Imari are excited to save, and even go out of their way to check their balances on their own. “I see them learning. They are



always checking their balances and doing math when wanting to make a withdrawal to double check how much they will be left with.”

Jayda says her favorite part of having a Student Credit Union account is that she can save up her money for whatever she’d like to spend it on. “I saved for trips and Christmas presents,” she said.

Imari said the Student Credit Union has helped her save money to spend on vacations with her family, like a recent trip to Disney World. “I can save money and whenever we go to Disney, I can buy stuff,” she said.

For Thelma and Jerome, taking the Money Wise course and having their daughters in the Student Credit Union have both been big parts of learning about financial wellness together as a family. “I feel really lucky to not only be a member of Alternatives but an employee as well,” Thelma said. “I love working at a place where there is always support, not just to the employees but our members too. The Money Wise class was a big eye opener for me. It’s nice to be able to have those resources and not be judged. Alternatives is a great credit union all around and always stays true to our mission.”



“I first learned about Alternatives in 2014. What really stood out about Alternatives was how local it felt. What I mean is the employees are everyday people you see in the community.”

—Donell Bard  
Owner, Dynasty Media



## BRINGING IT HOME

Donell Bard is an Ithaca native. His career in music production began in his West Village apartment, where he made his very first studio space in a closet. Then, he upgraded to a basement studio, including a desk and recording booth—both of which he built and enclosed by hand.

After the birth of his daughter in 2011, Donell began making music professionally. A few years later in 2016, knowing he wanted to take his career to the next level, Donell sought out the guidance of Business CENTS. Through the practical expertise of the Business CENTS team and with loan funding from Alternatives' Business Lending Department, Donell was proud to open a full-service recording studio, Dynasty Media Productions, in Ithaca in 2018.

"One of my most memorable experiences with Alternatives was sitting on my couch waiting for hours to get a response from Branka Gligoric, Business Loan Officer about my business loan approval," Donell said. After he received word of his loan approval, Donell was filled with "complete relief and joy." "The first thing I did was contact my rental agency to let them know I would definitely be moving forward with renting out the space for the studio," he recalls.

Dynasty Media Productions, whose studio is located on Slaterville Road in Ithaca, provides full service recording and music production for local musicians.

"Securing the funds to open a professional studio was a dream and a major goal for me," Donell said. "So knowing I'd finally be able to get started and live it out was fantastic."

Donell thinks of Alternatives as one of the best financial institutions around.

"I first learned about Alternatives in 2014," he said. "What really stood out about Alternatives was how lo-



cal it felt. What I mean is the employees are everyday people you see in the community."

Moving forward, Donell hopes to continue working with Business CENTS and the Business Lending Department to develop his production studio even further, to the benefit of any musicians needing the facilities and expertise he now offers our region.

"I'd like to add that I love Alternatives!" he said. "They are very helpful and in tune with the community."



“Our mission is to improve family health, with a holistic interdisciplinary approach. I believe in healthy living and happy families.”

—Dr. Magnolia Ariza-Nieto



## GOOD MEDICINE

Since 2015, Dr. Magnolia Ariza-Nieto has worked with Business CENTS to develop her businesses, both of which revolve around human wellness.

A scientist for over 40 years, Dr. Ariza-Nieto works on the relationship between humans, agriculture, and genetics. After growing up in her father's own research stations in both their native Columbia and the United States, Ariza-Nieto pursued her own higher education across the globe. Her studies, which she's conducted in Columbia, the Netherlands, and the United States, have revolved around molecular and environmental biology, food science, chemistry, and more.

After a research grant through Cornell University was discontinued in 2015, Ariza-Nieto found that she wanted to continue her work by herself, but wasn't sure where to begin.

Kathleen Clark, Business Development Manager, was able to guide Ariza-Nieto through what it takes to start a small business, from creating a business plan and bookkeeping to sales pitches, how to approach potential clients, and much more.

Through working with Business CENTS, Ariza-Nieto was able to form her first company, epiWELL, LLC. Focusing on developing methods to discover and prevent illnesses, epiWELL takes a holistic view of health issues and their causes, particularly those related to dietary and lifestyle choices.

"I want everyone to adopt healthy living strategies in their everyday lives, with active learning, a balanced diet, physical activity, and wellness interventions as part of a prevention action plan to make sure every individual is healthy at the 60s, 70s, 80s, and beyond," Dr. Ariza-Nieto said.

After forming her LLC, Business CENTS also worked with Ariza-Nieto to designate epiWELL as a New York State Minority and Women Owned Business Enterprise (NYS MWBE). This certification is an important distinc-



tion for businesses owned by women and people of color to be recognized by New York State, which can then access services and opportunities non-certified businesses are not eligible for.

In addition to epiWELL, LLC, Ariza-Nieto has also met with Kathleen to form another business which specializes in medical translation services, taking what she learned from Business CENTS and her first business and applying it to another enterprise. Ariza-Nieto continues to meet with Business CENTS regularly to discuss and collaborate on both businesses as they evolve over time.

"We are committed to keeping individuals mentally and physically active while enjoying a lifestyle that will ultimately enhance social engagement among people of all ages," Ariza-Nieto says of epiWELL, LLC. "Our mission is to improve family health, with a holistic interdisciplinary approach. I believe in healthy living and happy families."

# 2018: IT'S ALL IN THE NUMBERS

**614** Credit, Financial and Housing Counseling Appointments

**27** Free and low cost workshops

**464** 1-1 Business Cents consultations

**2,748** Clients served with our Free Tax Preparation Program

**\$5,280,232** Total refunds secured for our tax clients

**2,000+** Volunteer hours for our Free Tax Preparation Program

**11** Branches available to **2,843** Student Credit Union members



Kenneth McLaurin, Jr. and Elbonee "SingTrece" McLaurin.

"It's a great financial institution. What makes Alternatives unique is its commitment to being a resource for the community. There are a lot of credit unions out there, but not many community development credit unions."

—Kenneth McLaurin, Jr.  
Alternatives Board Member

## INTERVIEW WITH BOARD MEMBER: KENNETH MCLAURIN, JR.

### **What brought you to Alternatives?**

That's an interesting question. What brought me to Alternatives was an ex-wife. She took the Money Wise class, and we were interested in getting an IDA.

We were thinking about buying a house so wanted to save money for the IDA. She said "Kenneth go down to this credit union." Actually, she said "go down to this bank and get an account." So I did, and I remember the day.

### **What is the one thing that really stood out about Alternatives when you became a member?**

It was a nice day in the summer. As I walked past the driveway, I saw a lady who I came to know as Becki. Becki was outside dressed as Becki usually dresses, and she was hula hooping with several people sitting out on the ground around her. I was like, this is a weird scene by the credit union.

I go around the corner, and go in. I'm standing in the lobby where there was an exhibition, with African artwork. I think many were masks for fertility. One was an African sort of sculpture. It was made out of wood with a big pregnant belly and a couple of breasts on it. As all this was happening I was on the phone FaceTiming with someone. We talked about the people hula hooping in the back of the credit union and about the lobby with all the African artwork, where the big pregnant sculpture was. Brendan was there, looking like the full Brawny paper towel guy.

He was like "Hi, can I help you?" I was like, "I want to open an account."

They stuck me in Becki's office with a whole bunch of Becki-ish things on the wall—positive type things, things about nature and health, uplifting type things. Not the type of things you'd see in the bank, usually in banks you see things about "making your money grow" "your money is safe here." "You won't get a return on your investment." These are the types of things that I was used to seeing. In Becki's office, it was more like,

"Love is free." "It doesn't cost anything to be a friend." "You don't need money to make a difference."

All this time, I was still on FaceTime with my friend. We're looking at this and going through all that stuff. She was like, "get your money and leave right now!" "Get out of that place, man!" "You don't need a credit union, you need a real bank—get out of there." But, I looked around, and in all of this weirdness. I saw myself in a lot of the people who were there working at Alternatives. And that's why I decided to become a member.

### **Share your most memorable experience with us.**

My most memorable experience at Alternatives had to be my first day there—seeing Becki and the vagrants outside. They actually weren't vagrants—just employees on their break. My introduction to Alternatives, as a credit union and financial institution, was probably the most memorable experience I've had.

### **What was it about Alternatives that kept you here and propelled you to become a board member?**

What propelled me to be on the board is that I was in a position where I wanted to see some change within the organization. Through my own experiences as a member, I realized, I could help make it better. So when I had an opportunity, I got on the board to try to make it better for people like me. When I say better, I mean to offer more alternatives—to create better resources for people like me, folks who live paycheck to paycheck, and who don't have a good understanding of the financial system—ways to make Alternatives more of a resource to people.

### **What would you say to someone else considering volunteering or becoming a board member?**

If somebody were considering joining the board, I would say, let's do it. It's an excellent opportunity to learn more about financial institutions in general, as well as the way that financial institutions can contribute to making our community, or making your community, the community that you want it to be.



To see how Alternatives can be a resource, a tool to help support the type of change that you want to see in your community.

**How has your perception of Alternatives evolved?**

I think that the balance between providing resources to low-income communities as well as trying to make sure that you can also bring in, or provide money for the types of programs that make an impact. Unfortunately, positive change in communities has a cost. The type of changes that we want to make also takes resources. We were a small credit union, so we can't do as much as, as we would like to. My opinion of Alternatives probably has evolved in a way that makes me understand or see the nuances that what the credit union is trying to do is difficult. To do it in a way, or in a system that's not necessarily designed to give money to people can be even more challenging, but it's great for the community. A lot of times, people put money where they feel they can invest and make money.

**What would you tell somebody who moved to Ithaca about Alternatives?**

It's a great financial institution. What makes Alternatives unique is its commitment to being a resource for the community. There are a lot of credit unions out there, but not many community development credit unions. That's what sets Alternatives apart. When you don't believe in the corporate makeup of banks and how they make money for investors, using a credit union is a better option. You can take it a step farther by using a community development credit union that creates programs and works to create positive change by strategically being a resource to help low moderate-income families get on the path to creating generational wealth. When you put money in Alternatives, you're contributing to positive change in the community.



## INTERVIEW WITH LIZ HUDSON, ABOUT ALTERNATIVES IMPACT 501(c)3

### **What is Alternatives Impact all about?**

Alternatives Impact is all about finding the funding to meet the mission. It's about allowing children and teens to develop familiarity with saving and spending through hands-on learning. It's about connecting and strengthening a robust network of aspiring and established entrepreneurs. It's about building wealth with local families. It's about empowering community members to be in control of their finances. Alternatives Impact is the bridge that connects funders to the outcomes our community deserves.

### **What vision do you have for the next phase of Impact?**

Our community is growing and changing. Alternatives, as a mission-driven community development credit union, must continually adapt to meet the needs of an evolving population. Our Business CENTS Program is adding personalized coursework, group workshops, and 1:1 expert guidance to better serve area entrepreneurs. Our financial counselors and front line staff are realizing greater capacity to serve individuals through grant-funded training. We are looking forward to year-over-year improvements for clients in our Free Tax Preparation Program. We're adding another school district to our Student Credit Union. For teens, we're expanding the reach of Mad City Money. And, our staff are out in the community, every day, bringing the good word about our work to everyone we meet. But we can't do it alone. Alternatives provides the expertise, tools, and guidance; it's your funding that makes it happen.

### **Share a moment where you thought to yourself, wow, this really is impactful!**

Without a doubt, this happens every time I learn something new about the history of community development credit unions. This designation of distinction applies to credit unions with a mission to serve low- and moderate-income communities. Serving those who have been marginalized out of the financial sector, Alternatives promises to provide members with the advocacy, education, and full service that traditional banks tend to expend only on the very rich. At a time when income inequality continues to rise markedly, organizations like Alternatives work against that tide. To me, that's something worth fighting for.

**Dick Furnas, on being a board member in the early days and always doing the right thing:**

"I remember chairs in a circle (no table, as I recall) in the top floor of the Albany Street building, my infant son, Ben, on my arm and Myra nursing Shoshi. At one such meeting, we decided to repair the roof with tile, rather than asphalt, because it was the right thing to do."

### **2019 Alternatives Impact Board of Directors**

Dick Furnas  
**President**

Kevin Mietlicki  
**Treasurer/Secretary**

Leslyn McBean-Clairborne  
Mike Katz  
Peter McCracken  
Rob Brown

Ex Officio:  
Eric Levine  
**CEO**  
Karl Graham  
**Chief of Community Development**  
Liz Hudson  
**Director of Development**

RICHARD LANSDOWNE

## SUPERVISORY REPORT

The Supervisory Committee is made up of volunteer members appointed by the Board of Directors of Alternatives in accordance with the Federal Credit Union Act to help ensure the safety and soundness of the operations and activities of your credit union. The committee evaluates the financial operation of the credit union as well as management procedures and practices to safeguard member assets and serve the community. To carry out these responsibilities, the committee retained Sciarabba Walker & Co., LLP to perform required annual audits for the year ending December 31, 2018. The auditors issued an opinion that the reports of financial performance are fairly presented and comply with generally accepted accounting principles. Also, the committee retained Sciarabba Walker quarterly to perform additional reviews and procedures for the purposes of monitoring internal controls in conjunction with procedures carried out by Melissa Pollack, Alternatives Senior Director of Compliance.

To represent membership, the committee should be aware of your concerns. You may contact our regulator, the National Credit Union Association (NCUA), or the Supervisory Committee at [supervisory@alternatives.org](mailto:supervisory@alternatives.org). Your inquiry will be addressed in an impartial and confidential manner.



### Committee members

Richard Lansdowne  
**Chair**

Bill Goodman

Kenny Christianson

Leonardo  
Vargas-Mendez

Melissa Pollack  
**Staff Liaison**



JIM FRAVIL

## TREASURER'S REPORT

In 2018, Alternatives continued to record healthy, manageable growth. Assets grew, finishing the year at \$109.5 million. Our loan portfolio increased to reach \$88.7 million. Growth came from all three areas of lending; consumer, business and mortgage.

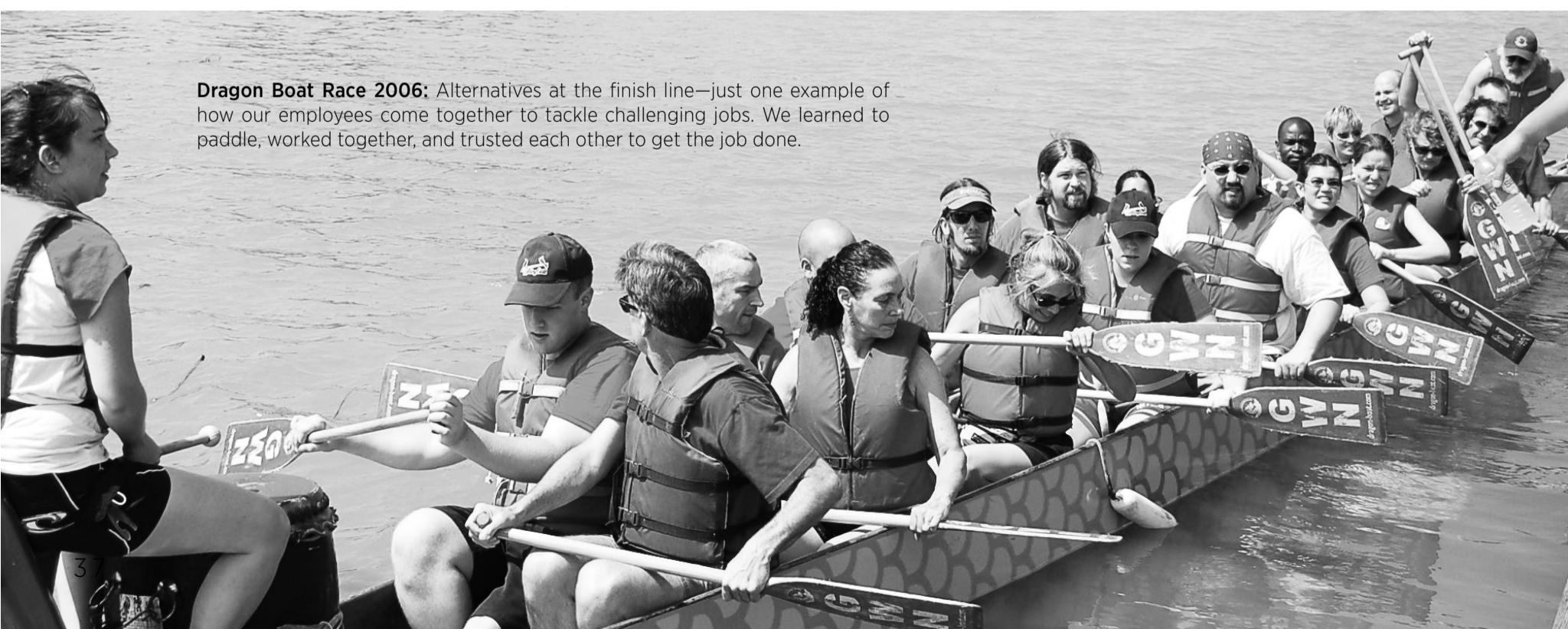
For Alternatives, lending is not only the key driver of our credit union's income; it is the manifestation of our mission to build wealth and create economic opportunity for underserved people and communities. Loans to First Home Club buyers not only generate interest income to sustain Alternatives, but they also help provide our community with greater stability and become a source of wealth for the families who live in them. As a not-for-profit institution, Alternatives seeks to return value to members and the communities we serve in any way possible.

To succeed with our mission of community reinvestment, we must also maintain a profitable bottom line to remain financially sound today and into the future. Your credit union finished the year with a return on average assets of .56% and net income of \$602,000, sufficient to maintain a well-capitalized position. Our overall capital/asset ratio is 8.19%.

Utilizing our strategic plan for growth, the credit union focused on member engagement and community outreach and obtained growth in membership, loans, and deposits during 2018. Alternatives continues to adapt to an uncertain funding environment while we build on positive net income and seek grants and additional sources of finance, including individual donations made to Alternatives Impact, to meet demand from our community for our Community Programs. We encourage you to support Alternatives so that we may continue to make an impact in our community.



**Dragon Boat Race 2006:** Alternatives at the finish line—just one example of how our employees come together to tackle challenging jobs. We learned to paddle, worked together, and trusted each other to get the job done.





## STATEMENT OF FINANCIAL CONDITION

<b>Assets</b>	<b>2018</b>	<b>2017</b>
Mortgage loans	\$ 64,300,000	\$ 58,792,000
Consumer loans	15,403,000	10,413,000
Business loans	9,025,000	7,122,000
<b>Total loans</b>	<b>88,728,000</b>	<b>76,327,000</b>
Allowance for loan loss	(528,000)	(458,000)
Cash	7,592,000	13,370,000
Investments	9,208,000	10,128,000
Fixed assets	2,524,000	2,564,000
Other assets	1,923,000	1,790,000
<b>Total assets</b>	<b>\$ 109,447,000</b>	<b>\$ 103,721,000</b>
<b>Liabilities and member equity</b>		
Liabilities	\$ 2,907,000	\$ 2,762,000
Checking	31,397,000	30,662,000
Regular savings	45,851,000	43,607,000
Certificates	12,334,000	10,417,000
Retirement savings	7,996,000	7,640,000
Total deposits	97,578,000	92,326,000
Secondary capital	1,140,000	1,400,000
Capital	7,822,000	7,233,000
<b>Total liabilities and equity</b>	<b>\$ 109,447,000</b>	<b>\$ 103,721,000</b>
<b>Capital ratio</b>	8.19%	8.32%

## STATEMENT OF OPERATIONS

<b>Interest income</b>	<b>2018</b>	<b>2017</b>
Mortgage	\$ 2,489,000	\$ 2,468,000
Consumer	1,063,000	775,000
Business	492,000	380,000
Investments	281,000	242,000
<b>Total interest income</b>	<b>4,325,000</b>	<b>3,865,000</b>
<b>Interest expense</b>		
Member shares and savings	195,000	181,000
Interest on borrowings	101,000	101,000
<b>Total interest expense</b>	<b>296,000</b>	<b>282,000</b>
<b>Net interest income</b>	<b>4,029,000</b>	<b>3,583,000</b>
Loan loss provision	246,000	281,000
Net income after provision	3,783,000	3,302,000
Operating expenses	(5,812,000)	(5,142,000)
Other operating income	2,631,000	2,346,000
<b>Net income</b>	<b>\$ 602,000</b>	<b>\$ 506,000</b>

AS TOLD BY DAVID LITTLE

## ABOUT THE TRUCK

Alternatives financed this truck in Dec. 6, 1982. I used it for transporting local produce and bread to New York City and then purchasing "imported foods" (mainly from Europe but also from the Near East). Sheila Stone, who now lives up on the hill in Collegetown was my co-driver and bookkeeper. She said afterward that the job was instrumental in her returning to school and finishing her education. The photo was taken in front of the DeWitt Mall with the park to the right.

I negotiated the loan with Steve Antinozzi. He wondered how solid the business was, so I met him at the Cafe des Amie with a small cardboard box filled with bills from my suppliers and a copy of the billings that I gave to my customers. There was not much order (Sheila was not working with me then), but he understood that I had a profit. It made such a difference to have a five-ton truck as opposed to my VW Transporter which could carry a max of one ton. In May 1984, I was able to sell the business and the IVECO truck to Ludgates, and with those funds, I paid off the loan. Later it went on to Gary Redmond and Daisy.

Alternatives made a difference by taking a chance on member XXX. I had perhaps 35 customers. The Ludgates expanded the business in the Ithaca area, and then Gary and Daisy further expanded outside of Tompkins County. That IVECO truck worked as long as it could and then ended up in the junkyard.

That original office over the pottery shop on The Commons is different from the facilities you have today. I still remember how tightly packed Steve, Kirsti and Bill were in those small rooms. Everything was painted gray, but the three of them were bright and filled with hope as it so often is when one has dreams—those three had one.

In 1984, I sold the business to take an extended vacation to Sweden and returned there in 1985. July 10, 2019 marks 34 years in Sweden and still a member of Alternatives.



**FOR EVERYONE.**



[alternatives.org](https://alternatives.org)

