

# Our Impact Q3 2023:

## *Challenging the Rules of Banking*



### LENDING

*77% of all loans were approved for borrowers with low income.*



### CONSUMER LOANS

*80% of consumer loans were approved for borrowers with low income.*



### HOME LOANS

*58% of home loans were approved for borrowers with low income. 23% went to people who identify as BIPOC.*



### BUSINESS LOANS

*67% of business loans were approved for borrowers with low income. 62% approved for minority-owned businesses.*



 **Alternatives**  
FEDERAL CREDIT UNION  
*Where Good Things Happen*

# A Conversation With Our CEO

## Kevin Mietlicki

*Alternatives CEO Kevin Mietlicki took the reins of the organization in 2022, and under his leadership, the credit union has recommitted to a mission centering on people who have been left behind by the mainstream financial services industry. We sat down with Kevin to talk about the changes at Alternatives, why issues of social justice are so important, and what he sees as the next frontier for Community Development Financial Institutions (CDFIs).*



### **There have been some changes in the ways Alternatives does business lately. To what do you attribute these shifts, and why are they happening?**

Well, I think it's a movement that started before I became CEO. But I think that during the summer of 2020, you saw people dealing with the pandemic. They were struggling with mental health. Loneliness and isolation. And the murder of George Floyd really was a turning point that made a lot of people look at what they're doing in their communities. At Alternatives, it made us refocus on what we do here. We'd long had a mission of helping the underserved, but I think at that point, we wanted to redefine what "underserved" really meant. That helped us be more intentional about who we were serving and how. Being a CDFI, we define it to include people who make less than our area's median income and those from historically marginalized communities. And when you look at your communities, a lot of times that's the people who are having a harder time accessing bank and financial services. So it's Black, brown, and indigenous people. It's the LGBTQIA+ community. So that process is what helped us further define that those are the folks we're here for.

***"Any financial institution can cash your check. ... our members understand that by having accounts with us, they're enabling us to make a bigger difference in the communities we serve, with their families and their neighbors."***

little different. A lot of our staff, I think, are here not because they want to work in a credit union, but because of our mission. They've found an opportunity to have a job that's more than just coming to work 9 to 5. They know they're making a social contribution to the communities they live in. They want to make a social difference with what they do, and their job is allowing them to do that, to be part of this movement. We have a robust outreach program that gets us out into the communities we serve, connecting us with people who need what we have to offer.

**Have you noticed a change inside the organization in the way people are working? Or a in the way the organization is relating to the community?**

We've made some changes to some of our offerings that have allowed us to put our resources where we think we can make the biggest difference. Where we're showing up in the community has been a

### **You talk about a "movement." How can a financial institution lead a movement?**

Well, our work to support historically marginalized communities isn't just our latest marketing ploy. It's the foundation on which our organization was created in 1979, and it's why a lot of our members are with us. See, for lots of people, banking is just a commodity. It's like buying a loaf of bread. You can buy any loaf of bread and you can make a sandwich out of it. Any financial institution can cash your check, help you pay your bills, give you a loan. But our members understand that by having accounts with us, they're enabling us to make a bigger difference in the communities we serve, with their families and their neighbors. And I want everyone in our area to know that, so they understand that this IS a movement. It is something people can be a part of and support simply by banking with us.

### **It sounds like at times, this work is pretty personal for you.**

It is, and it's gotten more so over the years. When I was in my early twenties, I was looking for a job in the financial services industry. I didn't have any specific idea about going to a credit union or any other kind of bank. But as I learned credit unions and moved up in management positions and had an opportunity to influence the place I was working and the services it offered, I found myself wondering, "Well, how do the decisions I'm making impact the community we're in?" Make no mistake. It's harder work. I was at a meeting years back, and I was describing what Alternatives did, and someone asked me, "Why don't all financial institutions do that?" I told them "Because it's hard." We have requirements on our lending that others don't. As a CDFI, we have requirements to meet, including that 60% of what we lend has to go to folks who are at 80% or less of the area's median income. It's just more difficult to operate this way, but it's important.

### **Speaking of changes in operations, Alternatives is doing more work in Chemung County lately. Can you talk about the reasons for that expansion in terms of service area?**

So it really all goes back to our mission, and our identity as a CDFI. We have a mandate to serve people who are making below the median income. Alternatives is based in Ithaca, but there, you've seen a shift. Real estate has become more expensive. Many people who work in Ithaca can't afford to live or own a home in Ithaca. Average income has gone up significantly. So in order to continue to deliver on our mission, we have to look outside Ithaca. And that's why we're focused on Chemung County. That is an area where there are people who need our help and who would qualify for the work we do that makes us a CDFI. It's been a real positive thing for us to get into that community and be accepted so fully. And we've done it in a very grassroots way. Joe, Jackie, Jerome, Eileen -- so many of our staff are from the community, know the community, and spend time in the community, just being there, meeting people, building relationships. And because of that, we're lending more than twice as much there now as we were just a year ago.

### **So a refocus on mission, an expansion to serve a larger geographic area. What's next for Alternatives?**

Well, as we grow and serve more people in Chemung County, one thing we're looking at now is the question of whether we can bring a brick-and-mortar service building to that area. The first thing we need to do, before we start looking at other areas, is to really bring the transactional and educational services that we have to the Elmira area. It's more than just the lending we've been doing, but putting the full services there. Beyond that, it's a conversation with the board about how big of an institution we want to be. We're strong financially, and we need to continue to tell our members and our supporters that they made the right choice by joining us.

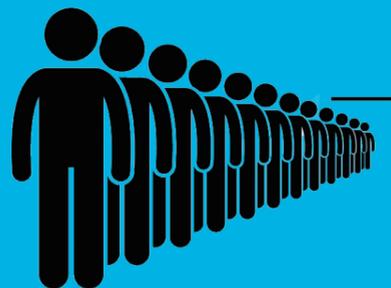
# A Second Chance at Success

## Marcus and Tashell Page

As Marcus Page walks through MarShell's, the restaurant he owns with his wife, Tashell, in downtown Elmira, he is full of excitement about the possibilities the space holds. They purchased the building with support from Alternatives in October 2023. The MarShell's dining room is intimate and warm, decorated with pictures of Lauryn Hill and Tupac. The upper floor, mostly unfinished, will soon become an event space. The roomy kitchen buzzes with energy before every service. And his food handling and sanitation certificate, earned while he was incarcerated in 2007, hangs above the bar.

*Roughly two-thirds of people experience joblessness in the first four years after release from incarceration.*

*- Prison Policy Initiative*



Back then, it was difficult to imagine a future where his involvement with the justice system wouldn't be an impediment to success.

"Throughout this whole process, I've learned that I'm better than I really thought I was," Marcus says.

He learned to cook from his mother and other family members who sold food from their homes and worked in high-end kitchens in Rochester and beyond. He and Tashell knew each other as kids and got together years later, after they each did some growing up. She had extensive experience in fast-casual dining, primarily in front-of-house operations. Page says she brings all the things he doesn't know about to the operation. They're a perfect pair.

But recovering professionally and financially from a period of incarceration isn't something mainstream financial institutions are usually invested in. Marcus tried piecing together a restaurant career, but without owning a building and having control over the menu and the quality, there was a limit to what he could accomplish.

When they began researching the feasibility of purchasing the building they were operating MarShell's in, the search started with a bank they'd held accounts with for years. Unfortunately, they learned the decisions about their loan inquiry would be made by representatives nearly 100 miles away. Marcus talked to a friend who also operates a business in Elmira, and he recommended Alternatives.



*"Throughout this whole process, I've learned that I'm better than I really thought I was."*



"I was like, 'I've never heard of it,' and he's like, 'they're in Ithaca,'" he explains. "So I got in touch with a woman there and found out about the benefits of Alternatives. It was unheard of. Free marketing, bookkeeping, accounting. Then after getting hooked up with that, another lady who works there is one of my good friends' wife. They came to my wedding. So they probably got the word that I was good people too, and that I was in a big transition, a change in my life. So I set up the account with them."

Before long, the loan to purchase the building on South Main Street was underway. Page says he didn't believe it would happen until the ink was dry on the agreements and the money was in his account.

"My introduction to Alternatives has been life-changing," Page says. "I've accomplished something my mother never accomplished. She never owned any property. My mother didn't even drive. She never owned a car. So it's like a dream come true."

# Righting History's Wrongs

According to the Board of Governors of the Federal Reserve, the racial wealth gap persists in the United States. That body's 2022 Survey of Consumer Finances revealed that the typical white family had about six times as much wealth as the typical Black family, and five times as much as the typical Latino family. To make matters worse, wages in non-white households have largely stagnated since 2019, the report indicated.



***According to the Federal Reserve, the average Black and Latino households in the United States earn about half as much as the average White household and own only about 15-20% as much net wealth.***

This is not an accident. Discriminatory lending practices, as outlined by Nikole Hannah-Jones in her 2019 book "The 1619 Project," kept important wealth-building resources away from non-white families, business owners, farmers, and others. Explicitly racist government housing policies like "redlining"

of neighborhoods and the resultant segregation, race-related neighborhood poverty, and other similar outcomes also served to keep social, family, professional, faith-based, and other divides alive.

As one of just 531 Community Development Financial Institution (CDFI) credit unions nationwide, Alternatives is committed righting these wrongs. Certified by the United States Treasury Department's CDFI Fund, CDFIs were created to provide financial services to historically marginalized or underserved segments of the country's population.

As Alternatives CEO Kevin Mielicki noted in his interview in this report, CDFIs must comply with a stringent set of requirements in order to maintain their certification. One of those is that they must do the majority of their lending to people with low to moderate incomes.

"A big problem with that requirement is that in most cases, those very same people have had so many bad experiences with banks that they don't believe we can help them, or that we even want to," said Jerome Emanuel, Community Development Director at Alternatives. "They know the history, and they've lived it too. They don't understand that we're different, and they don't know that for us, this work is deeply personal."

"That's because in many cases, many of our staff have been there," said Joe Cummins, Community Inclusion Director at Alternatives. "Their families and neighborhoods have been affected by racism. They've struggled to get loans needed for homes or businesses. So we start by understanding the person and their needs, and we go from there."

Emanuel said Alternatives has increased its lending significantly so far this year. That's a sign that more people are beginning to understand that Alternatives isn't just another financial institution, and that low-income borrowers have a place that exists for them.

"Our grassroots approach is working," he explained. "We are in the communities we support, spending time with the people who need us, and building relationships and trust."

Whether they're finding creative ways to help someone with a history of troubled credit, or refinancing a car loan for someone who fell victim to a predatory lender because that's all they thought they could get, the Alternatives team understands that affected individuals aren't to blame for the long-term impacts of institutionalized racism, sexism, homophobia, and more. And they're here to fight for a more equitable system that provides access for all.



***Explicitly racist government housing policies like "redlining" of neighborhoods and the resultant segregation, race-related neighborhood poverty, and other similar outcomes also served to keep social, family, professional, faith-based, and other divides alive. As a Community Development Financial Institution (CDFI), Alternatives is committed righting these wrongs.***

# Financial Health Rebuilt

## Amanda Arduini

Amanda Arduini never thought she'd have trouble getting a loan to buy a car, but a glitch in her payment history after a major life event led her down a path that's all too familiar. Her previous financial institution -- one that she'd banked with for her entire adult life -- denied her a loan.

Her entire career has been in real estate, as a real estate agent or on the administrative side of land and property transactions. But about a year ago, she found herself driving a friend's backup vehicle when her previous car's lease period ended.

"I let it go back and didn't do another one because leases were ridiculously high," Arduini said. "Coming out of COVID, it was awful. There was nothing out there, and everything was astronomically priced."

Soon, she heard from a relative who had a vehicle they were selling. The car itself and the price were right, so she inquired with her longtime financial institution about a loan.

"I went online, applied for a car loan, and they denied me," Arduini said. "It was for a payment from seven years prior, one that was two days late or something that they found."

That's when a friend suggested she reach out to Alternatives.

"I wasn't really convinced that Alternatives would be that different from any other lender, but happily, they proved me wrong," she said. "The loan officer I dealt with was fabulous. She said, 'We base our loans on more than just credit score,' and in two days, I had an approved loan."

As a Community Development Financial Institution (CDFI), Alternatives works hard to make borrowing accessible to people who other financial institutions might not lend to. Arduini ultimately availed herself of more Alternatives services to further improve her financial standing.

"I had some credit cards that had gotten charged up a little bit, and so I decided to contact them," she explained. "I knew they had credit counseling, so I signed up for that." Her counselor ultimately identified a way to refinance a second vehicle, reduce interest rates, and loan her what it would take to eliminate her credit card debt.

As a CDFI, Alternatives exists to make financial products and services affordable and accessible for people with past credit issues or those who have been left behind by the mainstream financial industry. Amanda's story is just one of many that illustrate the



*"When I turned to my longtime financial institution, I was pretty sure they weren't going to approve me, as they never had. I wasn't really convinced that Alternatives would be that different from any other lender, but happily, they proved me wrong."*

importance of a new way to look at lending that keeps the person's story at the forefront, not their credit score.

"They take the time to look at your entire situation versus just running the numbers," Arduini said. "They look at the whole picture and try to structure loans for people that are going to best fit their needs."

And that's why the people who work with them often refer others based on their experience.

"I sing their praises every time I can talk to anybody," Arduini added.

# Our Mission

*To help build and protect wealth for people with diverse identities who have been historically marginalized by the financial industry, especially those with low wealth or identifying as Black, indigenous, or people of color.*



*Where Good Things Happen*

[www.alternatives.org](http://www.alternatives.org)

