

FOCUS ON A CDFI:

ShoreBank

Chicago, Illinois

www.sbk.com



ShoreBank was the first and is the largest community development bank holding company in the U.S. Its mission is to provide innovative loan, deposit and investment products for low- and moderate-income residents in underserved communities while posting strong financial performance. ShoreBank measures its performance to a triple bottom line – economy, equity and environment—seeking a balance among financial, development and environmental goals. Now a \$1.4 billion corporation with for-profit and non-profit subsidiaries in Chicago, Cleveland, Detroit, the Pacific Northwest, and the Upper Peninsula of Michigan, ShoreBank has invested a cumulative \$1.1 billion in its priority communities. ShoreBank has received national and international awards and recognition for its leadership role in community development finance.

Selected Highlights 2001:

- ShoreBank loaned \$800,000 each business day to residents and entrepreneurs who are building strong local communities.
- Dedicated to ensuring affordable housing for families with incomes below \$30,000, by the end of 2001, ShoreBank had helped develop a total of 30,358 apartments.
- ShoreBank has a unique Faith-Based Banking Center with dedicated officers, including ordained clergy, serving more than 800 houses of worship in the Chicago area, which invested \$36.7 million in this unique niche, up more than 200% from 2000.
- Loans with a conservation impact nearly tripled in 2001, to \$48 million for 258 loans. Borrowers used proceeds to conserve energy, reduce negative environmental impact, produce “green” products, significantly extend the useful life of old buildings or to restore abandoned buildings to productive use.
- ShoreBank Advisory Services, the consulting company which works domestically and internationally, oversaw the disbursement of 778 loans totaling \$27 million in four Eastern Europe countries, to local small businesses, up from \$9 million in 2000.

The following are just 3 examples of how ShoreBank has been impacting the Chicago community for over 20 years through loans, savings accounts and nonprofit development:

IDA Impact - Real People

In conjunction with the Corporation for Enterprise Development (CFED), ShoreBank administers a pilot Individual Development Account (IDA) program. IDAs are restricted savings accounts designed to help people with no (or minimal) assets accumulate savings. IDA programs give participants formal and informal opportunities to learn how to manage

and budget money; improve their earning capability; and invest in themselves, their families and their communities. Typically, IDAs can be used to purchase a first home, pay for education or job training, or capitalize a small business. They are based on the idea that asset accumulation and investment, rather than income and consumption, are the keys to escaping poverty. Private and public funds are used to match the contributions of low-income people as an incentive to participate. ShoreBank matches contributions at a 2:1 ratio, and requires participants to attend classes on money management and savings strategies.

In 2001, individuals used their ShoreBank IDA savings for a wide variety of needs ranging from a woman who bought a food processor to make homemade babyfood for her day care center, to another woman who purchased a three bedroom home on the south side of Chicago and is now saving towards her Masters Degree.

Charlise Williams, owner of Studio Artiste Chicago, Inc. has been an IDA saver since 1998. She made her first purchase in 1999 to get her business off the ground. With her second purchase, she secured new retail space with lease down payments in the up and coming South Loop Chicago neighborhood, and diversified her product line to include make-up and specialty nail products. She was also able to hire a stylist. According to Ms. Williams, "the IDA program helped me get started and then helped me grow."

'Creating Art, Creating Opportunities'

Studio Air was founded in 1996 in Chicago's South Shore neighborhood with the mission of cultivating the artistic and entrepreneurial skill of African-American teenagers. A program of ShoreBank Neighborhood Institute, a non-profit affiliate of ShoreBank Corporation, Studio Air uses its talent to positively create artwork and cultivate business relationships, strengthening the community's economy in the process.

Last summer, over 30 youths aged 13-18 participated in Studio Air's activities and projects, and through their efforts Studio Air generated \$70,000 in sales. The United Negro College Fund (UNCF) ordered 9,000 T-shirts for participants in their Run, Walk, Bike & Skate-a-Thon fundraiser, printed with a design created by Amefika Smith. Amefika utilized UNCF's theme to create an active design showing people in motion. "We were very excited to see how the art associate took our theme and 'ran' with it!" said Lisa Rollins, UNCF Area Development Director. "Runners, bikers, skaters and walkers were all delighted with their shirts commemorating their participation in this tremendous fundraiser." Smith, 18, has been coming to Studio Air for six months. He has been home-schooled and is presently scheduled to take the GED. He plans to attend Malcolm X City College.

'Rehabbing Buildings, Reinventing Beginnings'

Mr. Anthony Greenwood works the midnight shift as a Detention Keeper for the Chicago Police Department. Shortly after sunrise, Mr. Greenwood tours his Auburn-Gresham neighborhood looking for his next real estate investment. ShoreBank closed on Mr.

Greenwood's fourth multi-family property in March 2002, a dilapidated 21-unit property that desperately needs his rehab and management skills. With the March acquisition, Mr. Greenwood now owns and manages four multi-family properties, totaling 81 residential apartments. It is Mr. Greenwood's dream to become a full-time real estate developer. He is well on his way.

Almost five years ago, Pierre Lane, a banker, and Ingrid Spinks, a computer sales associate, decided to rehab their own home. They enjoyed the rehab project so much that they decided to purchase the house next door as another rehab venture. The success of their first two projects encouraged them to make rehab their sole focus and leave their jobs. This husband and wife team have rehabbed a total of 120 units in eight buildings, as well as eight homes. Ingrid is quick to credit ShoreBank with their success. "Without ShoreBank, we could have never done this, period."