



LEADERSHIP CASE
HOPE CREDIT UNION

Bill Bynum grew up in a world characterized by mistrust—between white and black, between rich and poor and between the institutional world and those whose customs weren’t wanted. Down the road from his family’s home in a blue-collar rural town, the Ku Klux Klan had their weekly meetings. Schools were segregated; when his parents, seeking a better education for him, put him in a “white” school, Bill was the only person of color on the bus. Until he

managed to connect with the other kids, naturally he was bullied.

As a low-earning, rural-town family of color, Bill’s parents were exactly the demographic considered undesirable by banks. Instead, their support came from a credit union run from the vice principal’s garage.

It is the credit union that paid for the suit that Bill took to college. So Bill understands at a visceral level the price of mistrust, and what exclusion from the formal financial system means. It means never owning a car in areas where there may be little public transport, which in turn limits the range of work opportunities. It means never owning a home. It means predatory interest rates of up to 400%, and a cycle of poverty from which there is no escape. “Hopelessness is when you don’t have the means to support your family, when you don’t have financing to support businesses that create jobs, to finance access to basic health care services, when you don’t have the ability to get a loan to send your kid to college. You don’t have a way out and up the economic ladder,” says Bill.

“ WE HAD A 100-YEAR-OLD WOMAN OPEN AN ACCOUNT. SHE HAD NEVER FELT WELCOME AT A BANK, BUT FELT COMFORTABLE WALKING INTO HOPE. ”

Bill developed an early passion to pursue a career in economic justice. Though he’d originally hoped to do so as an attorney, he began to believe that economic empowerment was more effective than court redress. In his first job after college—helping employees who were losing their jobs as a result of plant closings to buy the businesses and become owner-employees—he was exposed to the reality of the economic divide: “Sometimes we got laughed out of the office because it was not typical to see low-income people, women, rural residents, people of color aspire to become business owners.”

In 1994, Bill moved to Jackson, Mississippi, as founding CEO of the Enterprise Corporation of the Delta, aimed at helping businesses in the area. His local pastor discovered Bill’s interest in and previous work with credit unions: “He decided that that was going to be my ministry.”

“Every Sunday morning he’d get up in front of the congregation, stop church and people would go outside and sign up.”

ABOUT BILL

Advised Presidents Clinton, Bush and Obama
 on community development, small business and financial service matters.

CEO of the Hope group.

Founding CEO of the Enterprise Corporation of the Delta.
 In 1995, as his “second job,” he and the pastor of his church initiated Hope Credit Union.

A Henry Crown Fellow of the Aspen Global Leadership Network.

Winner of the 2013 John P. McNulty Prize.

And so Hope was born. "Our charge was to transform the economy of the Delta. We were naïve enough to think that we could do that." But without professional staff or systems, and with only 700 members, the credit union only limped along until 1998, when Bill became a Henry Crown Fellow of the Aspen Global Leadership Network, and made Hope his leadership venture.

The thinking available in the Fellowship was transformative, says Bill, and over a few years, Bill dovetailed the strengths and weaknesses of his "day job," the Enterprise Corporation of the Delta, with those of Hope, ultimately navigating a solution that saw the establishment of a stronger, more sustainable entity: the Hope Enterprise Corporation. "Each of them rescued me from the other," he laughs.

Hope, now better resourced and professionally managed, expanded across the region and is transforming communities: "Hope in a community is when people have the ability to support their families, when even kids can go into a financial institution and be respected. Hope is dignity, when people have the ability to control their own destiny."

The communities responded in ways Bill could not have anticipated: "In December 2005, we opened our branch in New Orleans. We had little children come through the door, many of them in a financial institution for the first time. The community had been generations without a financial institution. They had pawnshops and check cashing, but they'd never had a bank.

"And so here we were, opening not just a financial institution, but a community-owned financial institution. That was so exciting.

"Nine months later, after Hurricane Katrina hit, it was so gratifying that, while so many people's lives were turned upside down and businesses were being looted, the community protected Hope. They did what they needed to do to make sure we were sound.

"As a result, we were in a position to open doors soon after Katrina and provide people with tools they needed to start to rebuild their lives, with loans to put a roof over their heads, to get temporary lodging and a safe place to think about how they could get their lives moving back in the right direction.

"I think it is that kind of a relationship with a community that sets Hope apart."

Crisis, it turned out, is good for business. "With Katrina we more than doubled our member size and books. But it helped us to help a

ABOUT HOPE CREDIT UNION

- A credit union is a **non-profit collective** whose members can borrow from pooled deposits at interest rates that are typically **lower than what banks offer**.
- Hope Credit Union is a **customer-owned institution** established in Jackson, Mississippi to provide access to financial services for **low-income families**. Its core mission is to take poor, rural and minority-majority areas out of the cycle of poverty.
- Hope's scope and ambitions have grown: it now **operates across the Mid-South**, has 31,000 members, and recently opened its 27th branch. In 2015 it made more than **2,000 new loans**, totaling over \$31 million.
- The Hope group comprises Hope Credit Union, Hope Enterprise Corporation and the **new Hope Policy Institute**.

lot of people. The 2008 mortgage crisis was equally stressful. Banks accelerated the closure of branches, replaced by predatory lenders. We used the infrastructure we built for Katrina to help us grow through this."

America is responding warmly to the ethical banking alternative: "While 75-80% of our members are from lower-income communities, 75% of our deposits now come from middle to upper-income people and businesses. Initially, the banks took no notice. Now, regional banks see Hope as competition, but some larger banks see the synergies, and have invested in Hope."

Still, Bill believes that the work of Hope is nowhere near done. "Every member, every account, every home, every business you get out of the debt trap, is good" says Bill, "but I know that there are many things we're not touching."

In the beginning, Bill knew every member, and every loan. With the maturing of the organization, that's not possible, and Bill's role is changing. He hasn't found the transition easy, as he finds real pleasure in connection, in going out into the communities, talking to people, and getting to hear their stories. "But the advice from Henry Crown Fellows—and they were right—is that my work is now to take our thinking and the experience of our members to policymakers, and see how they can change the way they approach areas like the Delta. Ultimately, working on policy will mean the indirect impact will be much greater."

It's a logical next step for a leader who has, effectively, worked for civil rights his whole life. "The Mid-South is the epicenter of the civil rights movement," he says. "Martin Luther King Jr., Medger Evers, Emmett Till—they died so that the work we're doing at Hope could happen, so that economic justice could be available to all."

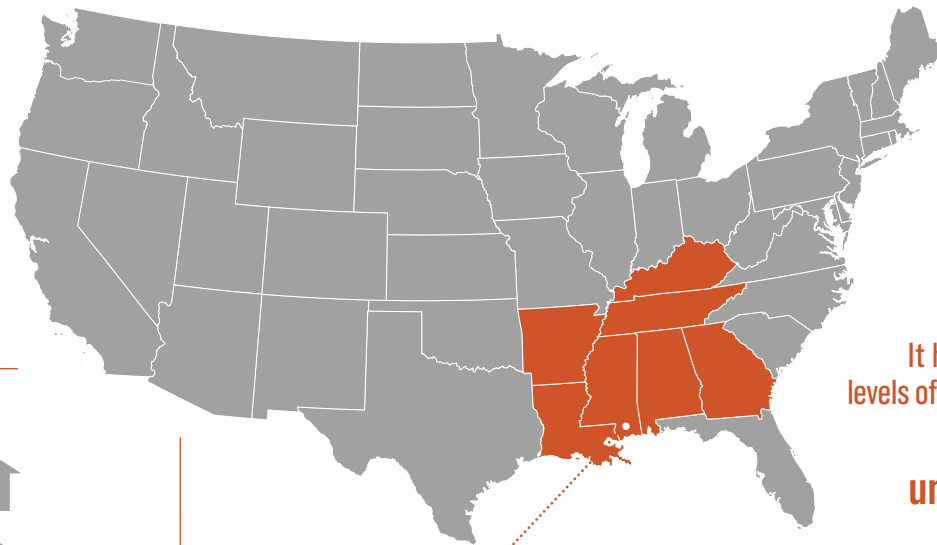
"When Hope succeeds," he says, "America succeeds."



ABOUT THE MID-SOUTH

“Bank deserts” are created when banks bypass poor and rural areas, or close uneconomic branches in these areas. Predatory lenders step in, and whole communities become trapped in debt. Growth is impossible. “The level of distress in the Mid-South is like nowhere else. This has been the case for generations,” says Bill.

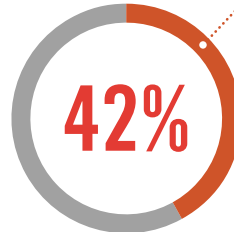
Eleven of the 25 poorest counties in the United States are in the Mid-South.



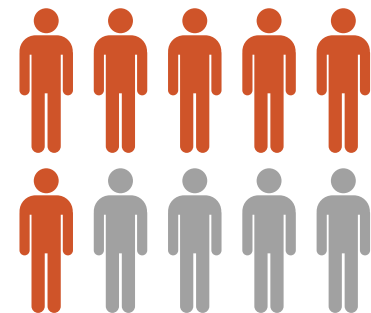
It has the highest levels of people who are medically underserved.



Levels of educational attainment and housing quality are lower than anywhere else in the United States.



Just under 42% of people in Mississippi are unbanked. Among African-Americans, this figure rises to 60%.



IN HIS OWN WORDS: WHAT BILL HAS LEARNED

Passion and determination are key to success.

“The awareness of great need is what keeps me going. Also, I don’t like to lose. When there’s a puzzle, I persist. I push through walls.” Bill laughs that he still hasn’t found work-life balance.

You can’t do it alone.

“I have been supported and surrounded by people who are talented, and who share the passion; who kick me when I need it and inspire me. Be open to advice, and adapt.”

Make full use of your networks.

“The light that the McNulty Prize and the Aspen Institute shone on our work opened critical doors for us, and told our story to a far wider audience.”

There is more that unites us than divides us.

“I have always lived in diverse communities, and can translate between the ‘haves’ and ‘have nots’. Hope gains wide support because we identify common interests. I am a connector.”