

A PASSION FOR THE

PERIPHERIES



rcif



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RELIGIOUS COMMUNITIES
INVESTMENT FUND
2017 ANNUAL REPORT

Mission of the Fund

The Fund is a coordinated effort of various Catholic Religious Congregations who believe, as Gospel people, that they are called to use their financial resources as a ministry to assist in overcoming social and environmental inequities.

The Congregations pool their individual assets to support the mission of promoting economic justice through investments in low-income communities worldwide. By investing in nonprofit organizations that address the economic inequalities in low-income communities, the Fund seeks to promote an economy of solidarity and reflect the Gospel values of economic justice, compassion, human dignity and environmental stewardship.



ECLOF

Note from the Executive Director and Board Chair



Corinne Florek, OP



Margaret Diener, OP

insecurities of the peripheries...either we live a prophetic religious life with all its consequences of witnessing to the life and mission of Jesus in real terms, or disappear as an irrelevant reality.”
Thank you for your support of RCIF as we work with those on the peripheries of our economic system, staying relevant by witnessing to the gospel message of economic justice for all. With much gratitude,
Corinne M. Florek, OP
Corinne Florek, OP

Dear Friends,
*A*s you receive this annual report, you will see how dynamically RCIF has grown over these past nine years. I have been so proud to be part of the founding of the Religious Communities Investment Fund, first as part of the design committee and then as chair of both the Member Board and the Operating Board.
All of our participating communities can celebrate the quality of leadership demonstrated by Sister Corinne, our Executive Director, as well as the commitment and guidance of many highly qualified board members over these nine years. I have confidence that the Fund will continue to serve the mission for which we created it. It has consistently expressed our mission to further economic justice with an eye to compassion and empowerment of so many who depend upon patient capital.

As we begin our tenth year, we can be grateful for the first member communities who shared and supported the vision to initiate this collaborative Fund! It enables all of our communities to sustain this vital ministry and accompaniment of non-profits furthering job creation and business training in underserved communities, providing affordable housing in areas across the country, and supporting small businesses to bring their operations to scale so as to be able to succeed long-term. We have also reached out to support international projects through microfinance partners.

Truly RCIF is one of the most successful collaborative ventures some of us have seen in recent years. I will miss the regular involvement with the board and Sister Corinne; yet, I delight in all we have achieved and know the future holds much promise!

With deep gratitude and prayers for continued success,
Margaret M. Diener, OP
Sister Margaret Diener, OP
Board Chair

*A*t the meeting of the International Union Superiors General in 2016 Sr. Mary Sujita, SND, gave a talk entitled “Solidarity for Life on the Periphery.” At the 2016 RCRI meeting John Allen, journalist for the National Catholic Reporter, described Pope Francis as having a “passion for the peripheries”. That word, “periphery”, caught my attention. What is a periphery? It’s the edge of an area, the margins, or the fringe. So I thought about the peripheries that RCIF invests in, that is, those on the economic margins of our society. *This annual report* highlights a few groups that are on the outer edges geographically as well as working with those on the margins economically. Our stories range from the hills and hollers of Appalachia to the desert of Santa Fe, New Mexico; from the streets of the Tenderloin in San Francisco to the shores of Asia. We hope you’ll agree that we share Pope Francis’ and Sr. Mary’s “passion for the peripheries.”

This past year we welcomed four new sponsors, the Houston Dominicans, featured in our spring newsletter, the Visitation Sisters of Dubuque, the Srs. of St. Joseph of Erie and the Srs. of the Humility of Mary in PA. We now have 27 sponsors and over \$9 million in capital! Our loan to the Los Angeles House of Ruth was paid off with a thank-you for helping them when they needed it the most.

This is a time of transition for RCIF. Sr. Margaret Diener has been the chair of both the Members board and the operating board of RCIF since our beginning and her leadership has enabled us to grow with a strong foundation. As her term ends we owe Margaret our deepest gratitude for her insights, her leadership and her commitment to this ministry of economic justice for all. Pablo Bravo, who has been our Treasurer since the beginning, is also ending his term of office. We owe Pablo a debt of gratitude for his financial expertise, his advice on community development projects and his support in so many ways! Our chair-elect, Sr. Pat Rayburn, OSF, will take office in January, 2018.

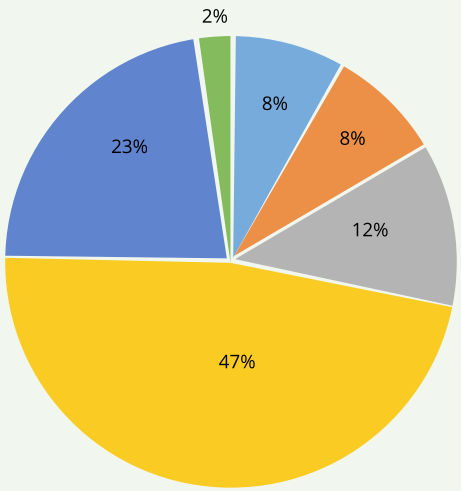
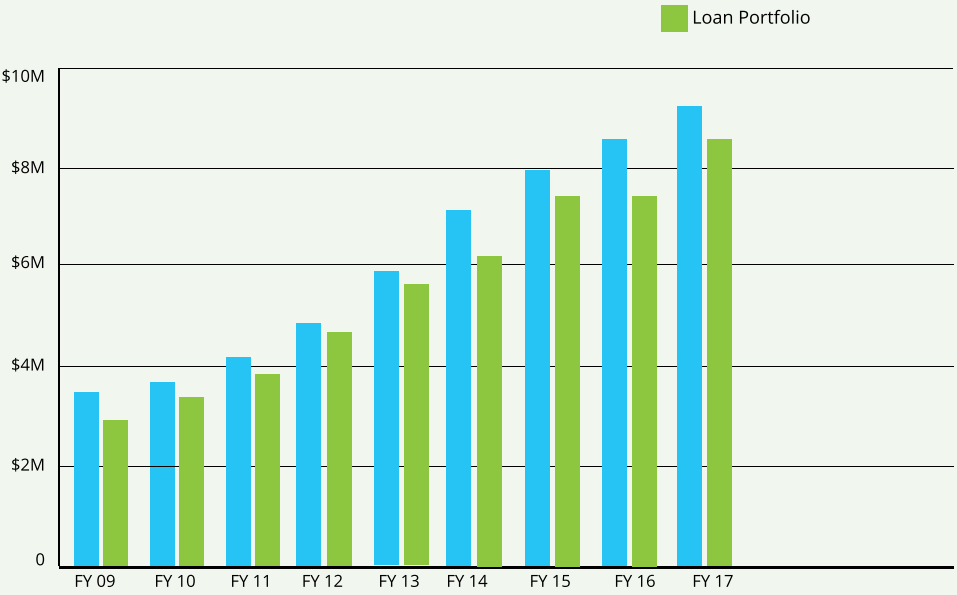
As Sr. Mary Sujita, SND, said “Consecrated life will always mean living on the edge and participating in the struggles, the



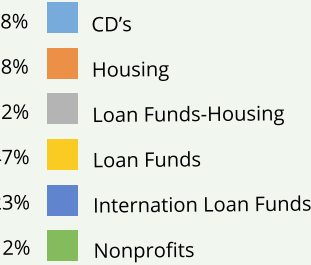
Lee Allen, Pine Ridge, KY Served by Fahe Member Frontier Housing and loan serviced by Fahe

Financials [as of June 2017]

Historic Growth of RCIF



Loan Diversity FY 2017



COVER PHOTOS clockwise from left: Ricardo Mimbela and Claudia Saucedo with HOMEWISE; Client/staff person at the NECFCU in San Francisco; Lynne Bouknight, Elk Creek, VA, Fahe; Client of ECLOF Myanmar at Ei Ma Village in Kyonpyaw, PhotoCredit: ECLOF International.

FAHE

From the hills of Appalachia ...



Marissa of Knoxville, TN.
Served by Fahe Member Knoxville Habitat for Humanity. 2015.

to tackle the needs there. Fahe (pronounced fah-hee) uses expertise in finance as well as collaboration, innovation, advocacy, and communication to offer mortgage lending to individuals as well as lending to public and private community

development projects.

Fahe is a membership organization with more than 50 members spread throughout six states to help individual and group members get direct access to its specialized training and to build a stronger combined political voice that supports positive change in their communities.

“Poverty, as I see it, is not a lack of wealth, it’s a lack of hope.”

JIM KING

“Members are the boots on the ground,” King said. “Many are builders and developers. The point of entry for most people is one of their offices. People needing help don’t go online, and they aren’t going to walk into any banks. Word-of-mouth and reputation are really important in those areas.”

During FY2016, Fahe made total direct investments of \$73M. Total capital under management including investments managed and loans serviced for other organizations topped \$250M.

Jim King laughs a bit when it’s suggested that Appalachia is the poster child for rural poverty in America.

“When you talk about poverty in rural America, yeah, that picture of a cabin in the hills is definitely provoked,” said King, the Chief Executive Officer and President of Fahe, an organization dedicated to eliminating poverty in Appalachia. “But since the 1960’s, things are better. Many areas that were high poverty 30 years ago are now OK.”

Still, King said there are still far too many areas of persistent poverty in the Appalachian portions of Kentucky, Tennessee, West Virginia, Virginia, Alabama, and Maryland where “the poverty rate is as much as double the total U.S. rate and where incomes are less than half of the U.S. average.”

There are not a lot of organizations or resources available in Appalachia

Since 1980 Fahe has invested \$609M generating \$1.26B in financing. This investment was channeled through the members and community partners, directly changing the lives of 375,000 people.

“There is something noble and fine about addressing people where they are at,” King said. “Helping to find homes is good. Even better is the manner in which it is done. We are providing empowerment. Poverty, as I see it, is not a lack of wealth, it’s a lack of hope.”

Fahe has a long history with RCIF. “RCIF is not the biggest investor we’ve got, but the real value with them is that they’re investing for the same reasons we are doing the work,” King said. “RCIF is a reflection of this deep commitment by a variety of Catholic congregations who see this as an extension of their faith.”



Richard Thomas of Philippi, WV.
Served by Fahe Member Woodlands Development Group

HOMEWISE

To the deserts of New Mexico ...



Amanda Mather: HOMEWISE

Back in 1992, Homewise helped 12 people buy homes in New Mexico. This year, the organization expects to serve more than 400.

Mike Loftin, the Chief Executive Officer of Homewise, is quick to clarify the agency’s larger goal. “It’s not about shelter,” he said. “That’s not the main thing. We’re trying to help people get ahead. We want to do that in a way that maximizes their opportunities and helps their families. And by creating successful homeowners, the vitality of neighborhoods and communities is also enhanced.”

More than 75 percent of Homewise’s clients cannot buy a home when they

first come through its doors. Homewise develops a plan to get them ready by various means, such as helping people improve their credit score and manage money better.

“People can do this if they know what to do and how to do it,” Loftin said, adding that Homewise typically can help raise someone’s credit score by about 60 points.

Since its founding, Homewise has grown to a 62-employee organization offering a range of homeownership services to low- and moderate-income residents to help them buy homes throughout northern New Mexico. Homewise has largely focused on the Santa Fe region where it is headquartered. More recently, though, the organization has turned its attention to Albuquerque, where Loftin notes the median price for a home is \$170,000, as compared to Santa Fe’s median of \$360,000. In Albuquerque, Loftin said, “it’s cheaper to buy a home than to rent. Homeownership can be very affordable.”

Homewise has a \$350,000 loan from

RCIF. Loftin said, “I think the great thing about them is they completely get what we do. They care about lower income people and immigrants. We are just very aligned in terms of the world we want to see.” And, Loftin added: “They want you to be successful. They are rooting for you.”

Through 2016
Since our founding in 1986, Homewise has helped:

- 13,100+ households through financial education workshops
- 3,600+ people purchase homes
- 2,000+ people make home improvements
- 600+ people refinance their mortgages



Melissa and Jessie Berryhill : HOMEWISE

ECLOF

From the farms of Southeast Asia ...



Clients of ECLOF Myanmar at Ei Ma village in Kyonpyaw township", photo credit: "ECLOF International"

They are startling, even incomprehensible, statistics. Among the microfinance clients served by ECLOF in the Southeast Asian nation of Myanmar, nearly 95 percent live on less than \$2.50 a day. Almost a third live on less than \$1.25.

Those breathtaking numbers come from a recent study done by the Ecumenical Church Loan Fund (ECLOF), an organization founded in Geneva, Switzerland to help churches in the wake of World War II, but now, with partners in 19 countries, ECLOF International's mission is to promote social justice and human dignity through microfinance. Microfinance services offer vulnerable and excluded people access to capital resources that enable them to build sustainable livelihoods and self-reliance.

“
In rural areas, it is often the farmers who are the poorest”

NICOLAS
KARAMBADZAKIS

Nowhere is this more evident than in some of the world's poorest rural areas. Nicolas Karambadzakis, partner relations consultant for ECLOF, said that 63 percent of the organization's clients in Asia, Africa and Latin America are from those rural regions. He added

that ECLOF depends on local loan officers - "They are they are heart of the organization in every country" - to provide a variety of services, including assessing a client's readiness for a loan, managing loans, working closely with the client throughout the development of a business project, and providing essential training in the basics of financial literacy.

In Asia, in particular, 79 percent of loans are in rural areas. "We focus on the areas outside of the cities,"

Karambadzakis said. "Cities are overserved by microfinance. In the

rural areas, it is often the farmers who are the poorest."

Consequently, close to half of ECLOF loans in Asia are made in agriculture, an endeavor that is not often financially supported by traditional institutions.

"Most institutions consider farming too risky because farmers often live in areas that are hard to reach, they face climatic and price risks as well as seasonal demand for their products" said Karambadzakis.

He also said that more than three out of four loans are made to women. "The reason is that often women tend to invest the monies they earn back into the family. Women are more reliable borrowers."

Currently ECLOF has a \$200,000 loan from RCIF which reaches more than 900 families. "We share common objectives and motivations. We both want to help alleviate poverty," said Karambadzakis.



photo credit: "ECLOF International"



NECFU

To the streets of San Francisco ...

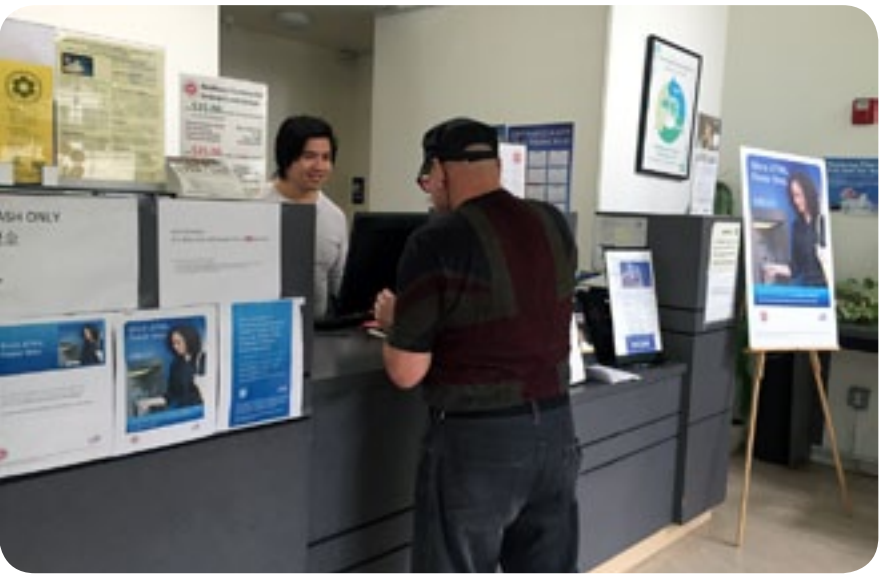


photo credit: NECFCU Northeast Community Federal Credit Union

Imagine a bank that not only discourages the use of ATMs and online banking, but actually doesn't even offer them. Such is the Northeast Community Federal Credit Union (NECFCU) of San Francisco, a non-profit, member-owned, federally insured community development credit union formed in 1981.

Lily Lo, the Chief Executive Officer for NECFCU, said the credit union works with low-income people who are largely unfamiliar with the world of finance and money management.

"In Chinatown, a lot of Chinese do not understand what a credit union is," she said. "In the Tenderloin, there is no bank or financial institution. There is a need in the Tenderloin. There are lots of low-income people who are really hanging on. But they trust us."

“
We encourage and educate... we help people get back on their feet ...”

LILY LO

With about 1,500 members - "Not a lot," said Lo, "but they keep us busy", Lo said the credit union helps its clients - whose median family income ranges from 28 percent to 75 percent of San Francisco's median family income - establish credit, learn about credit and budgeting and even show them how to balance a checkbook. "We help people get back on their feet. We help them with housing, help them pay rent, pay cable."

NECFCU starts clients out with savings accounts and only provides checking accounts if they get comfortable with one. Lo said they provide direct deposit and free checking. "If they go to a check cashing place, all their money is gone in a day or two," she said.

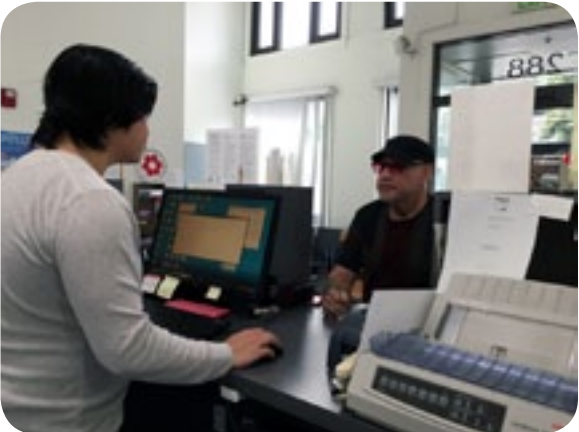


photo credit: NECFCU



"We encourage and educate them about savings; we encourage them not to withdraw so much."

NECFCU was established in 1981 and has been working with RCIF for about six years. They currently have a certificate of deposit for \$100,000 from RCIF. "They are really supportive," Lo said. "They really understand about serving the underserved. They really understand about people who need a hand."

Serving mainly the Chinatown, Tenderloin and the South of Market Area neighborhoods in San Francisco, NECFCU promotes grassroots community development through financial stability, economic literacy, small business development and home ownership.

RCIF Sponsors

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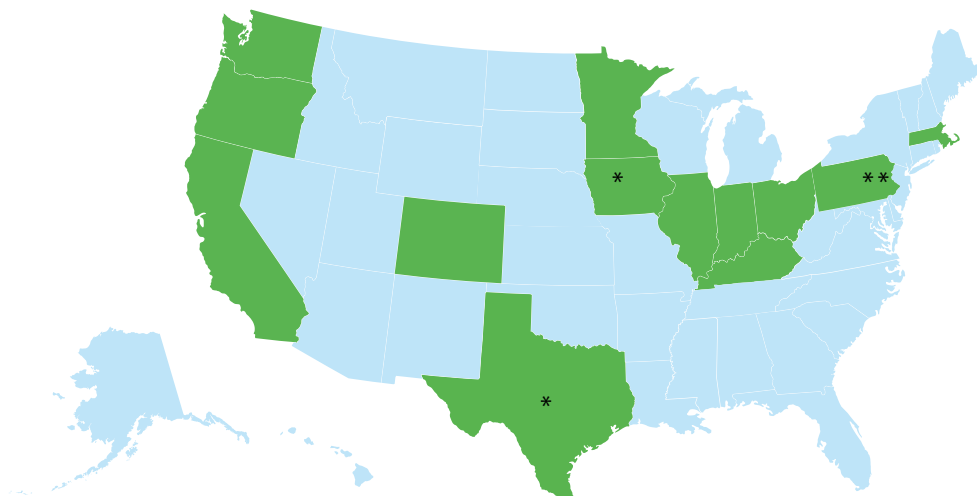
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INDIANA

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Sisters of Charity of Nazareth

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Sisters of Notre Dame de Namur

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*"...we are all called to live not as one without others,
above or against others, but with and for others."*

POPE FRANCIS



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