



IF
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WANT
PEACE,
WORK
FOR
JUSTICE
PAUL 6



rcif

RELIGIOUS COMMUNITIES IMPACT FUND
2020 ANNUAL REPORT

Mission of the Fund

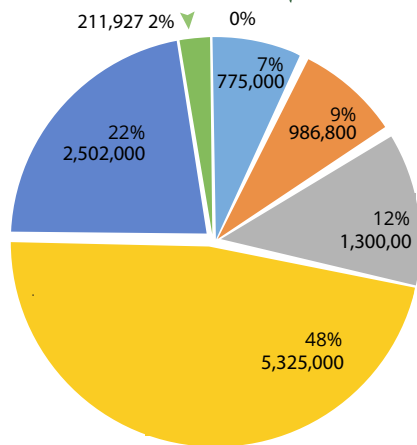
The Fund is a coordinated effort of various Catholic Religious Congregations who believe, as Gospel people, that they are called to use their financial resources as a ministry to assist in overcoming social and environmental inequities.

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.

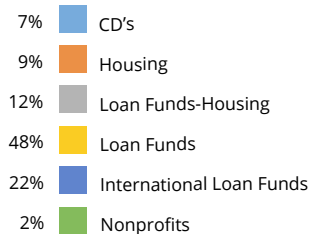


Childspace Center

Loan Portfolio



Loan Diversity FY 2020



Corinne Florek OP

Dear Sponsors of RCIF,

I want to begin by thanking

each of you for your continuous support of RCIF. Whether a founding member or a recent sponsor, it is your investment in RCIF and your trust in me that made RCIF happen. It has been an honor to serve as the bridge between the sponsors and the borrowers by creating opportunities to meet each other through our newsletters, prayer cards, annual reports and luncheons. We became partners with our borrowers, not only investing in them, but also praying for them and promoting their success. No one does impact investing with as much flexibility, risk taking and patience as we women religious have done. I am confident that Sarah, the new Executive Director, will carry on this important mission of RCIF with wisdom, faith and much expertise!

I thank you for 13 years of ministry that was challenging, creative, impactful and fun! Blessings as we continue to work together in this changing landscape to create a more just economy for all.

With gratitude for your support, friendship and commitment,
Sr. Corinne

Corinne M. Florek, OP.

"If you want peace, work for justice."



Patricia Rayburn, OSF

These words of Pope Paul VI couldn't be more relevant given the current protests around our country. They are the bedrock of what RCIF and our sponsors have been committed to for many years. The loans made by RCIF have been focused on the very communities that are

suffering from institutional barriers as well as the current pandemic. In this annual report you will read about borrowers who are addressing the needs of farmers, small business owners, childcare and financial services. Each is invested in helping address the structural barriers to full equity.

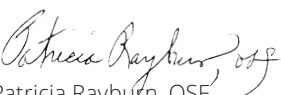
We welcome four new sponsors to RCIF as well as Sarah Geisler, our new Executive Director. We say thank you to Sr. Corinne Florek, who has served RCIF since its founding 12 years ago and helped it grow into a stable and effective organization. As she often said, "RCIF will continue to be as efficient, effective and prophetic as when each congregation implemented their own program." And she made that happen!

In FY20 we had our second write-off in RCIF's history. E+CO was the first fund to provide clean energy to poor communities internationally. E+CO was also the first to report triple bottom line metrics by including the number of tons of CO2 removed from the atmosphere. The loss was small and covered by our loan loss reserves. RCIF had two loans fully pay off in FY20, loans to the Housing Trust of Silicon Valley and Oweesta Corporation. RCIF was one of HTSV's first investors and they now have raised millions of dollars from the Tech sector for affordable housing. Our "seed" bore much fruit!

We had three requests from borrowers for deferred interest payments. Two are working with small businesses to help them meet the challenges of the pandemic that disrupted operations and one is building environmentally efficient and affordable housing.

We want to especially thank the Sisters of St. Francis of the Denver province who have provided a very substantial grant to RCIF. This will enable RCIF to reach out to many more groups with favorable loan terms in order to help them address the economic issues that are devastating the very communities we are committed to serving.

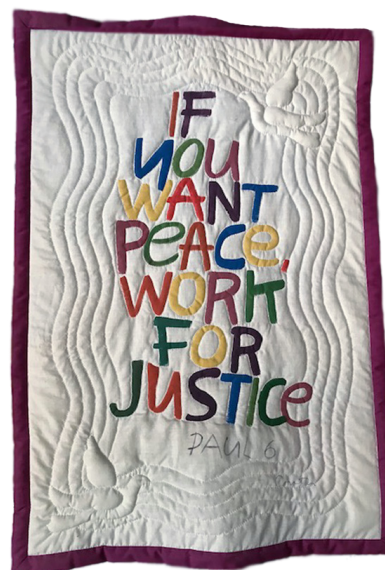
Thank you for your continued support of RCIF as we continue to work for economic justice so that all may live in peace.


Patricia Rayburn, OSF
Board Chair

Investor Statement ...

At the RCRI (Resource Center for Religious Institutes) meeting in October 2019, I was sitting with Sister Corinne at dinner one evening. Sister was describing the mission of RCIF. As I reflected, the mission of RCIF is in alignment with that of the Conrad N. Hilton Fund for Sisters in supporting the apostolic works of sisters in their direct service to the poor, especially women and children. The Fund for Sisters invests in other Program Related Investments. The Board of Directors agreed that an investment in RCIF was in line with the intentions of Conrad N. Hilton and would be an impactful addition to the PRI portion of the portfolio. The Fund for Sisters is happy to be part of the RCIF family.

Sister Gina Marie Blunck, SND
Executive Director
Conrad N. Hilton Fund for Sisters



The image on the front cover is a photograph taken by Corinne Florek OP. The quilt was handcrafted by a cooperative of women. The lettering is in the style of art by Sister Corita Kent. The quote is attributed to Pope Paul VI.

Page four circle peace graphic is by Aneesah McNamee OP.

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CHILDSPACE

As one of the oldest and one of a few worker-owned cooperative childcare centers in the United States, Childspace Centers knows how essential it is to have high quality people in high quality jobs in order to provide high quality childcare.

"The childcare industry is notorious for high turnover, very little pay and very few benefits," said Susan Kavchok, CEO of the Philadelphia-based organization. "As a cooperative the owners are our teachers and administrators. It's the teachers themselves that are making decisions about what is best for them as workers." Parents also play a role in running Childspace. "We have a parent board and a parent advisory committee," Kavchok said, "and sometimes change policy because of them."

Founded in 1988, Childspace runs three centers in Philadelphia for infants, toddlers and first- through fifth-graders. *It serves 175-200 families a year and has been accredited by the prestigious National Association for the Education of Young Children.* Of the children served, about 60 percent are toddlers, 10 percent are elementary-aged students in after-school programs and 30 percent are



infants. "A lot of programs don't serve infants because it costs your program too much money to run it. We do it because it is an important piece of development," says Kavchok. With the onset of the Covid-19 pandemic Childspace lost 50 percent of its clients. "We had to shut down immediately; we had very little ability to plan," Kavchok said.

RCIF has played a particularly crucial role for Childspace during this time. Originally, Childspace was going to apply for a \$150,000 loan from RCIF to help enhance its third childcare center. Instead, that

money has gone to help with payroll. "RCIF came just at the time when we had no money to maintain our staffing costs, so their help allowed us to maintain payroll until PPP (Payment Protection Program) funds came in," Kavchok said.

Kavchok said Childspace and Sr. Corinne have a long history together, going back 31 years to when Childspace was just getting started. "Banks don't understand worker-owned businesses, and we have never been able to get a conventional loan," Kavchok said. "We have always had to rely on alternative sources for funding. Sr. Corinne has always understood that we are not just a normal run-of-the-mill applicant."

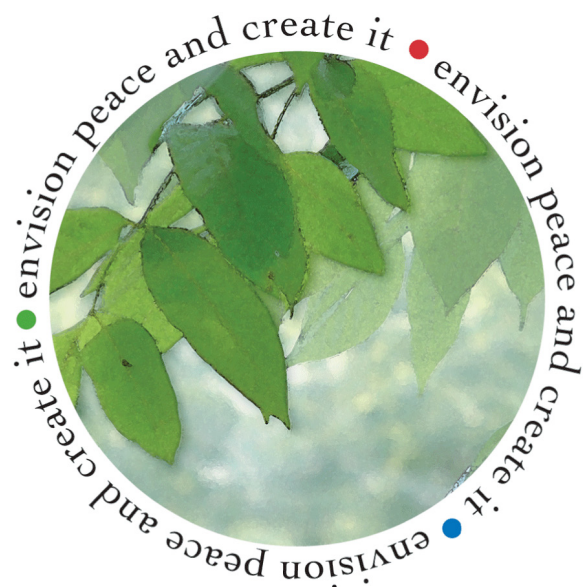


PHOTOS@CHILDSPACE

Investor Statement ...

The Dominican Sisters of Hope are happy to be a part of the Religious Communities Impact Fund (RCIF). This fund provides a way for us to use our resources for God's people globally and it unites us with others, doing more together than we could ever do alone.

Sister Connie Kelly, OP
Dominican Sisters of Hope



ONE ACRE FUND

The One Acre Fund helps small farms in East African countries, and that means, in large part, helping women. "Sixty percent of our clients are households where women run the farm," said Clemence Michelsen, manager for Investor Relations for One Acre Fund. "Most of them typically have an acre of land, most have to survive on about \$1 a day. It's mostly women because men work outside the homes and women manage the house and adjacent land."

According to the One Acre Fund website, more than 50 million smallholder farmers in Sub-Saharan Africa are locked in annual cycles of hunger because they're unable to grow enough food to feed their families. "Families consume most of what they grow, and there is little left over," Michelsen said. "Crop yield in Africa can be particularly low; the previous harvest runs out and you have to skip meals until the next harvest comes in." She noted, too, that 10 percent of children do not survive in rural Africa because of malnutrition.

One Acre Fund launched in Bungoma, Kenya in February 2006, initially serving 38 farm families. By March 2020, One Acre Fund had helped more than 1 million farmers in Kenya, Rwanda, Burundi, Tanzania, Uganda, Malawi and Zambia.

To reduce hunger and poverty, One Acre Fund supplies smallholder farmers in East Africa with financing, financial education and agriculture training services. "We visit farmers every two weeks and help them learn about modern agricultural techniques and financial literacy. We also help them store crops." One Acre Fund helps farmers with a

variety of crops, including maize, beans and vegetables.

In 2019, farmers who worked with One Acre Fund reported 44 percent in additional profit compared to non-participating farmers. In addition, 97 percent of farmers working with One Acre Fund in 2019 repaid their loans in full. "Farmers are really excited to have their harvest end up with profits," Michelsen said.

More recently, Michelsen said, the Covid-19 pandemic has posed unprecedented challenges. "Operations have been impacted by Covid-19 in all of our countries," she said. "We've been teaching social distancing. Our field officers now do one-on-one training instead of group trainings. It's a lot of work."

In order to continue being able to extend credit to farmers, Michelsen said, One Acre Fund is always looking for new investors who share its values. One of those is RCIF, which she said, has invested \$250,000 for five years. "I think it's really being impactful. It shows an allegiance to the most underserved communities. We are grateful for the investment."

ONE ACRE FUND



Investor Statement ...

As income inequality continues to rise globally and nationally, RCIF's focus on empowerment in underserved communities was especially attractive. RCIF partners with local nonprofits to both provide access to capital and mentor clients for success. As Grey Nuns of the Sacred Heart, our mission to "Create a more just and compassionate world" comes to life through our sponsorship of impact investing such as RCIF provides.

**Sister Barbara Schiavoni, GNSH
Leadership Council/ Treasurer
Grey Nuns of the Sacred Heart**

WISCONSIN WOMEN'S BUSINESS INITIATIVE CORP. WWBIC

As president and chief visionary officer for the Wisconsin Women's Business Initiative Corp. (WWBIC), Wendy Baumann likes to tell the story of Citlali Mendieta-Ramos, who came from Mexico with her family and spent much of her childhood hanging around her dad's restaurant on the South Side of Milwaukee. As Baumann tells it, there was this little girl who'd get off the bus at her dad's restaurant and spend the afternoon sitting at the bar doing her homework. As Mendieta-Ramos grew older, she decided that she too wanted to open her own restaurant. So, with the help of a loan from WWBIC, Mendieta-Ramos opened the Antigua Latin Inspired Kitchen in downtown Milwaukee in 2006. Now, about 15 years later, she has a full service restaurant with 19 employees, a catering business and a food truck.

"Citlali is a great example of how we help a business for the life of the loan, through good times and bad times," Baumann said. "She now speaks at our classes, and she's an amazing ambassador for us."

Mendieta-Ramos is just one of roughly 65,000 people helped by the WWBIC since its inception in 1987. During that same time period, WWBIC has

loaned more than \$76 million to small business owners and helped 7,195 businesses. Born out of the women's empowerment movement, Baumann said WWBIC's mission is to provide financial education and access to what she called "responsible capital" to small businesses. WWBIC focuses on helping women, people of color, low-wealth individuals and, in the last five years or so, veterans. Based in Milwaukee, WWBIC is Wisconsin's largest micro-lender, offering loans to fledgling entrepreneurs of up to \$250,000.

"What we really offer is the bread and butter of how to start and grow a business," she said. "People come to us because we are a friendly, professional, accessible place. We deliver information in a cooperative way, not just by lecturing. We are a trusted source; they know they are not going to get the runaround."

More recently, WWBIC has been forced to rethink its services and how they are delivered because of the Covid-19 pandemic. Where they used to do 85 percent of their classes in person, now they do 85 percent online. Specifically, Baumann said, a lot of time has been spent helping people navigate applications for Payroll Protection Program (PPP) loans. "When we started with PPP, we spent three



*Education • Lending • Coaching
Entrepreneurship
Financial Impact*

weeks working round the clock with our accounting team pulling shifts 24/7 to get money into accounts." But it hasn't been easy. "It's difficult dealing with the unknowingness of how hard this is going to be or how long it's going to last. You can create a plan for six months, but this is harder", said Baumann.

Along the way, the Wisconsin Women's Business Initiative Corp. has been helped by RCIF. Currently, WWBIC has a \$150,000 investment from RCIF through 2023. "They have been providing very accessible capital in a way that enables us to use it most effectively, to do what we do best."



Staff Photo ©WWBIC

HOPE CREDIT UNION

The Deep South is made up of many rural communities living in poverty. "In fact, more than one-third of the persistent poverty counties in the country are located in our region," said Mary Bruce Alford, vice president of Investor Relations for Hope Credit Union (HOPE).

Persistent poverty counties are where the poverty rate has been 20 percent or greater for at least 30 years.

Based in Jackson, Miss., HOPE (Hope Enterprise Corporation, Hope Credit Union and Hope Policy Institute) was established to ensure that all people regardless of where they live, their gender, race or place of birth have the opportunity to support their families and realize the American Dream.

Since 1994, HOPE has generated more than \$2.5 billion in financing that has benefitted more than 1.5 million people in one of the nation's most impoverished regions. HOPE serves communities in Alabama, Arkansas, Louisiana, Mississippi and Tennessee, focusing on the lives of people of color and women.

Sixty-four percent of HOPE's members are women and 72 percent of the membership is African-American, making the institution a Black-owned, women-owned financial institution, Alford said.

"HOPE was founded on the belief that race, gender, income and zip code should not limit one's trajectory in life," Alford said. "We view our work as a continuation of the Civil Rights Movement and as a cooperative financial institution predominantly owned by people of color, working to advance economic justice for the communities we serve."

In 2019, alone, Hope Credit Union provided more than 3,330 consumer loans, 138 mortgage loans (87 percent to homebuyers of color and 52 percent to women), and 50 commercial loans (61 percent to businesses owned or led by women and people of color).

In recent months, HOPE has been dealing with the ramifications of the Covid-19 pandemic. Hope Credit Union has been able to provide the



same products and services as always by providing drive-up services and keeping call centers open, as well as having an online app and mobile app. "We quickly had to pivot to respond to the pandemic," Alford said, noting that the credit union has thus far helped process more than 2,700 Paycheck Protection Program loans, an SBA program created through the federally funded CARES Act.

Since 2010, RCIF has invested \$200,000 with HOPE. Alford said HOPE's association with RCIF goes back even further. "When CDFIs first started around 25 years ago, the sisters were there from the very beginning," she said. "Being on the ground investing in the community is important. We've seen how much RCIF supports those goals."



PHOTOS@Hope Credit Union

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Investor Statement ...

When we (Catholic women religious groups) combine our energies, it exponentially magnifies our strengths and the impact that we can have on vulnerable populations. We value collaboration and not working in our own silos. After all, we're all in this together.

**Sr. Barbara Staley, Superior General
Missionary Sisters of the Sacred Heart**

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“Overcoming poverty is not a gesture of charity. It is an act of justice. It is a protection of a fundamental right, the right to dignity and a decent life.”

NELSON MANDELA



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