Grant Fundraising for Credit Unions

Building Block Workshop
Detroit, Michigan
May 12, 2014
What Comes Naturally…

Every day credit unions -

• Enroll members
• Mobilize deposits
• Make loans
• Deliver financial services
• Ensure safety and soundness
• Put members first

➢ **Credit unions do not depend on grants**

➢ **Credit unions rarely seek grants**
How Fundraising Fits

Projected Growth

Federation
Credit Unions United to Serve the Underserved

$ Money $

+ Tradition Market
+ Untapped Market

ABC Credit Union

VITA Grant
Poor Fit

Projected Growth

Traditional Market

Untapped Market

$ Money $

Members

ABC Credit Union

VITA Grant

Projected Growth

Federation
Credit Unions United to Serve the Underserved
Better Fit

Traditional Market

Untapped Market

Projected Growth

ABC Credit Union

VITA Grant

$ Money $
Stats

• 10% of all credit unions reported grant income in 2013
• 1,438 grants
• $118 million total amount of grant income
  ➢ $95.6 million reported by CDFI credit unions
• Approximately 18% of total from CDFI Fund
• 82% from sources other than CDFI Fund
Main Types of Grants

• Program or Project
  – Tied to specific activities, outputs, objectives
  – Reports based on financial compliance and program performance

• Core or Operational
  – Covers recurring administrative or operational expenses
  – Reports based on financial compliance and organizational performance

• Equity
  – Serves as permanent capital
  – Reports focus on organizational performance
Main Federal Sources

- CDFI Fund
  - Biggest single source of permanent capital grants
- NCUA Community Dev. Revolving Loan Fund
  - Technical Assistance and Capacity Building grants
- DHHS Assets for Independence
  - Individual Development Account Matching Grants
- HUD Housing Counseling
- Community Development Block Grants (CDBG)
Main Non-Federal Sources

• Banks
  – Focused on CRA footprint

• Community Foundations
  – Asset-building, economic empowerment

• Corporate Foundations
  – Business links with local community, CU field of membership

• Regional and National Foundations
  – Local innovations that may be nationally replicable

• Non-Profit Intermediaries
  – Aggregate funding from multiple sources to test, replicate and expand innovations