



Group of Nation's Largest Corporations Announces Historic Plan to Expand Opportunities for the Underserved

\$3 billion goal for deposits to CDFIs and MDIs; Calls on Companies to Strengthen Domestic Supply Chains and Build Wealth for Underserved

WASHINGTON, DC, UNITED STATES, October 25, 2023 /EINPresswire.com/ -- During today's 2023 Freedman's Bank Forum, the [Economic Opportunity Coalition](#) (EOC) announced a new goal to reach \$3 billion in committed deposits from the nation's largest corporations for community lenders known as Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs). In addition to expanding access to capital for underserved individuals and communities and disadvantaged businesses across the nation, the EOC is also issuing a call to action to companies in [Investing in America](#) sectors (semiconductors, clean energy, batteries/EVs, heavy industry, and biomanufacturing) to strengthen domestic supply chains and build wealth for underserved communities.

In June of this year, at a roundtable hosted by Deputy Treasury Secretary Wally Adeyemo and Senators Warner (D-VA) and Crapo (R-ID), the EOC announced that it had reached its goal to secure commitments from its members totaling \$1 billion for CDFIs and MDIs. Today's announcement represents a 200 percent increase in the EOC's goal for that effort to fortify community development finance in rural and low-income communities, which it is endeavoring to achieve with support for this effort from the Community Development Finance Senate Caucus and the Executive Branch.

Hosted by the United States Department of the Treasury, this year's Freedman's Bank Forum commemorates the 158th anniversary of the chartering of the Freedman's Savings and Trust Company, which was established in 1865 to provide newly emancipated Black Americans with the financial mechanisms to safeguard their earnings, build financial security, and generate family wealth.

EOC Executive Director, Christopher Weaver, said "Historically, community development finance has operated under the assumption that a rising tide lifts all boats. Today's announcement represents a vehement commitment by the nation's financial behemoths to reach and help those people with holes in their boats. Instead of over relying on government programs or philanthropy, the EOC seeks to align the public sector, private sector, and social sector to prove stakeholders can have both mission and margin when investing in underserved communities."

Dominik Mjartan, president and CEO of Optus Bank, said “I’m thrilled about the EOC’s new goal to channel billions more dollars to mission driven banks like Optus Bank. This unique public-private effort is unleashing the power of mission driven banks to grow their impact for underserved communities by ensuring they can access capital and seize the opportunities it provides. The capital the EOC has already helped channel to Optus Bank is enabling thousands of high potential yet underestimated consumers and businesses to receive new credit and economic opportunities, and exponentially enhancing our efforts to drive broad-based economic prosperity.”

The EOC’s historic call to action for large corporations to strengthen domestic supply chains and build wealth for the underserved includes three components. The EOC is specifically asking companies in Investing in America sectors to commit 15 percent of procurement spend to small and disadvantaged businesses in those sectors, provide them technical assistance to support their success, and submit disaggregated data reporting of their activities toward achieving those outcomes. Micron, Air Products, and Xcel Energy have signed on to this commitment as first movers. In addition, other EOC members continue to be champions for business diversity and in 2023 have collectively purchased more than \$8 billion in products and services from small and diverse suppliers. This includes commitments from Citi, Google, Key Bank, Mastercard, and McDonalds.

“We are proud to be the first energy company to join the Economic Opportunity Coalition, with our shared commitment to represent the communities we serve with our supplier diversity program,” said Bob Frenzel, chairman, president and CEO of Xcel Energy. “We are supporting small and diverse-owned businesses by targeting our spending on materials and services with diverse suppliers to 25% by 2025 as we deliver reliable, affordable service to our customers while leading the nation’s clean energy transition.”

Michael Roth, Co-CEO of charter EOC member Next Street, said “We are on the cusp of a new economy in the US spanning infrastructure upgrades, the net-zero transition, and reshoring of advanced manufacturing fueled by trillions of dollars of public and private investments. This moment offers an opportunity to reshape a new procurement economy where diverse small and medium sized businesses have equitable access to economic growth.”

These efforts build upon an EOC landmark achievement, announced last month, to connect small businesses, especially those from underserved communities, with trusted resources they need to open, grow, and maintain their business. The user-friendly platform – [NYC Funds Finder](#) built by charter EOC member Next Street, and funded by EOC members Mastercard Center for Inclusive Growth and Kresge Foundation – is where small businesses can review funding options, including loans and grants, and request free 1-on-1 financing assistance from the New York City Department of Small Business Services.

The EOC was announced in July of 2022, when the U.S. Government, 24 private companies, and

three philanthropies decided to form a partnership to catalyze and align investments in underserved individuals, businesses, and communities. Small businesses are the engines of our economy and the path to economic prosperity for countless Americans in underserved communities. Community lenders are vital to unlocking the full economic potential of these communities, turning previously sidelined talent into a source of economic growth and shared prosperity for all. The coalition's commitments leverage nine billion dollars in capital investments authorized by the Treasury Department last year to expand community lender loan activity in a powerful example of high-impact public-private partnership.

The Economic Opportunity Coalition (EOC) is a historic effort to catalyze and align public and private investments to accelerate inclusive economic growth. The corporations and foundations that are members of the EOC have committed to aligning major investments in underserved communities with investments made by the Biden-Harris Administration.

The founding members of the EOC include Ariel Investments, Bank of America, BNY Mellon, Capital One, Citi, Discover, Ford Foundation, Goldman Sachs, Google, Key Bank, Kresge Foundation, Mastercard, McDonald's, McKinsey & Company, Micron, Momentus Capital, Moody's, Netflix, Next Street, PayPal, PNC, The Rockefeller Foundation, TIAA, and Upstart.

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