


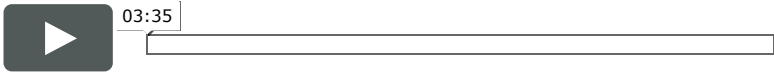
Selected illustrations of local and sector financing innovations

Over the last 40 years an alternative finance movement has evolved that in many countries is referred to as Community Development Finance institutions. Included under this banner are Community Development Loan Funds, Community Development Credit Unions, Community Development Banks, and Community Development Venture Capital. A few in the USA date back a century but most have been developed since the 1970s in response to the failure and the unwillingness of banks to lend to low income communities, co-operatives, Community Development Corporations, and Community Land Trusts.

7.11 Watch “Profile of Martin Eakes, CEO of Self-Help and the Center for Responsible Lending” (3:35)



Profile of Martin Eakes, CEO of Self-Help and the Center for Responsible Lending
from **Self-Help Credit Union**



Self-Help Credit Union. “Profile of Martin Eakes, CEO of Self-Help and the Center for Responsible Lending,” video, 3:35, posted by the creator to Vimeo, June 12, 2013.
<https://vimeo.com/68218063> (<https://vimeo.com/68218063>)

Community development credit unions in the United States are a movement that has expanded across the country. Born as a community-based response to impoverishment and community decline, the Self—Help Credit Union in North Carolina provides a vivid introduction to what co-operative banking controlled by community members can generate by way of community benefit.

7.12 Watch “The CEI Story: From Civil Rights to Sustainable Solutions.” (8:19)

<p>The CEI Story: From Civil Rights to Sustainable Solutions</p> 
<p>Coastal Enterprises, Inc. “The CEI Story: From Civil Rights to Sustainable Solutions,” video, 8:19, posted by the creator to YouTube, April 5, 2016. https://www.youtube.com/watch?v=uv_3CTeclX0 (https://www.youtube.com/watch?v=uv_3CTeclX0)</p>


Community Development Corporations (CDCs) were born out of the civil rights movement in America as a way of building economic power. In 1977 in Maine a state-wide CDC (Coastal Enterprises Inc., or CEI) formed to focus on rural poverty reduction and community economic revitalization. At the outset, federal support for core operations was available and over the next 40 years a range of other financial supports have been used. CEI helped start and retain enterprises across different sectors and communities. It has invested well over a billion dollars in capital which, in turn, has leveraged \$2.5 billion and created over 33,000 full time jobs. CEI achieved this through integrating several functions—community organizing, action research, and provision of expert technical assistance and mentoring, as well as the development of assorted financing tools. While attention to building collaborative relationships with community-based partners across Maine is key to their development success, CEI also continually advocates for appropriate policy at the State and Federal levels. Consider CEI’s possible applicability to the kind of democratic organizational infrastructure we need to navigate transition.

7.13 Read “Innovative Funding Models for Worker-Owned Platform Cooperatives.” (12 minutes)

Coca, Nithin. “Innovative Funding Models for Worker-Owned Platform Cooperatives.” Grassroots Economic Organizing, October 16, 2017. <http://www.geo.coop/story/innovative-funding-models-worker-owned-platform-co-ops> (<http://www.geo.coop/story/innovative-funding-models-worker-owned-platform-co-ops>)

In Module 4 several models for worker and multi-stakeholder co-ops emerging in response to the gig-economy were highlighted. The ways in which many of them are being financed is set out here. Keep in mind that several of these tools are applicable to other sectors. Also keep in mind that the inventiveness of these tools indicates how difficult it is to raise capital for platform co-operatives.

7.14 Watch “What are Community Shares? An Animated Guide” (2:31)

<p>What are community shares? An animated guide</p> 
<p>Boyle, Dave. “What are Community Shares? An Animated Guide,” video, 2:31, posted by comshares to YouTube, May 29, 2014. https://www.youtube.com/watch?v=q6w-311GBIM (https://www.youtube.com/watch?v=q6w-311GBIM)</p>

In England and Wales, Community Shares have become an effective approach to generate investment capital on a community/regional basis for specific purposes. From rescuing a pub from closure to financing local transport and wind farms, local investment by citizens in Community Shares have been used very successfully to raise risk capital. In some cases, Community Shares investments are also supported by tax credits.

7.15a Read “Equity Tax Credits as a Tool of CED.” (6 minutes; read to the end of the section on Nova Scotia)

Perry, Stewart E. and Garry Loewen. “Equity Tax Credits as a Tool of CED” Making Waves 20, no. 3.
<http://www.communityrenewal.ca/sites/all/files/resource/MW200321.pdf>
(<http://www.communityrenewal.ca/sites/all/files/resource/MW200321.pdf>)

In Nova Scotia, Canada, provincial equity tax credits focused on community benefit have, by 2017, generated investment capital from citizens for over 12,000 projects amounting to almost \$100 million. This has included substantial investments in food, renewable energy, and a diverse range of co-operative and social enterprises.

7.15b Read “Total CEDIF Amounts Raised per Tax Year.”

Government of Nova Scotia. “Total CEDIF Amounts Raised per Tax Year,” Nova Scotia Finance and Treasury Board, accessed January 28, 2019. https://www.novascotia.ca/finance/cedif/1999-2017_CEDIF.pdf (https://www.novascotia.ca/finance/cedif/1999-2017_CEDIF.pdf)

The snapshot of investment and project listing can be found at the link above. It gives you a good overview of the diverse sectors and projects that citizens in Nova Scotia have invested in, including wind and solar projects, and support for the black business community.

These are but a small sampling of models and tools being employed for financing. Any search based on

innovation, sector, and alternative financing sources will yield many examples. Do check out the supplementary readings in the final section further below, as well as the many references to financing in the previous modules.