

**Talks at GS**  
**With Bill Bynum, CEO of HOPE**  
**and Asahi Pompey, global head of Corporate Engagement, Goldman Sachs**  
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[MUSIC INTRO]

**Asahi Pompey:** Hello and welcome to Talks at GS. Thank you so much for joining us. Today it is my pleasure to be joined by none other than Bill Bynum. Bill is CEO of Hope, a financial services organization that includes Hope Credit Union, Hope Enterprise Corporation, and the Hope Policy Institute. He's been an irreplaceable anchor of our 10,000 Small Businesses program, enabling access to capital for thousands of underserved businesses in the South. So, I want to say, Bill, thank you so much for joining us today for what I am sure will be an engaging and rich conversation.

**Bill Bynum:** Asahi, I can't think of another place I'd rather be. Glad to be here. Thank you.

**Asahi Pompey:** Bill, I want to start with your own beginnings, which were right here in New York City. And also, in North Carolina. Can you tell us a bit about your childhood and the places in which you grew up?

**Bill Bynum:** You know, it's interesting. I was born in Columbus Hospital here in New York. I don't know if it still exists. But lived at 211 East 109th Street, East Harlem. I was visiting a friend's apartment at The Pierre and looking out in that direction and just such a contrast where I was at that time.

And even that community now, it was a small apartment. I looked on the real estate sections of the paper. And my family certainly couldn't afford to live there now. And I'm sure a lot of people who were living in that community couldn't either. But it was a great place to grow up.

I lived there. My parents had been born in the South like many African Americans and moved north for better opportunity. And decided that they really, as the city was changing, they wanted to move back south. And so, I moved back south and grew up in a town called Bynum, North Carolina. I'm named after the people who owned my ancestors. And was a mill town just outside of the research triangle. And I lived around family. And attended a segregated school initially. Then the school integrated. Got to know kids in both Black and white communities. And stayed busy as any normal kid.

But it was quite, I think, helpful to me to have lived in New York and seen the

environment there. And then to move to the South. It has informed my work and perspectives over the years.

**Asahi Pompey:** Really interested in your history with credit unions. In fact, it's something that goes back, I understand, to your childhood. How did communities like the one in which you grew up extend loans and financial services to one another?

**Bill Bynum:** I think you'd agree that we're all products of our experiences, of our upbringing. I remember as a child my grandmother taking me by the credit union that was located in the garage of the vice principal of the Black school. And getting money to do odds and ends. It was the only place that the Black residents in the town could get access, reliable access to responsible, affordable banking services at that time.

When I graduated from college, she took a deposit and paid for the suit that I wore to college. Ultimately, when I got out of college and went to work with Self-Help, we created a credit union that, essentially, pulled money to help people help their neighbors, which is what this credit union in my vice principal's garage was doing for that community. We worked with several credit unions around the state that were minority credit unions that were very small and struggling. Helping them to stay alive. Getting resources from the state government, from foundations, from banks to invest in them to help fill gaps in the financial markets.

And so, I learned a lot about credit unions. And I guess you could say that I had credit unions in my DNA. I just think it is a great way to democratize finance.

When I moved to Mississippi a few years later to take on work initially in the delta region of Mississippi, Arkansas, Louisiana, at the same time-- so, my day job was to start a \$1.5 million loan fund to do business development. But I joined a church here in Jackson and I happened to mention that I'd been involved with credit unions. And the pastor said he's been trying to start a credit union for a long time to provide an alternative to the payday lenders and check cashers that just inundated the neighborhood around the church. There were no bank branches, but plenty of check cashers and high-cost predatory alternatives.

And so, before I knew it, we were starting what was the first credit union that had been chartered in Mississippi in about eight years at that time. And that was the beginning of Hope Credit Union.

**Asahi Pompey:** Well, you mentioned predatory lending, payday lenders. Can you talk a bit about what you're seeing in communities, and were seeing in communities around these practices?

**Bill Bynum:** There are more payday lenders, check cashers than there are McDonald's in Mississippi. The rates of lending for small dollar loans in Mississippi is

average 300 percent. And that's true across the Deep South: Alabama, Louisiana, which happen to be the Blackest and the poorest states in the country. Also have their highest rates of high-cost, predatory lending.

If you go into New Orleans, you go into Memphis, Memphis has the highest bankruptcy rates in the country. And it's attributed, part of that is attributed to the high cost of lending that perpetrates the markets in the communities there.

I think the reality is CDFIs like Hope are a drop in the bucket relative to the number of these payday lenders and check cashers. And if we can't stop those practices, then we're taking one step forward and two steps back. It preys upon those who are most vulnerable in society.

In the Mississippi delta, for example, you have a cash economy. I told to someone who owns one of the largest convince store operations in the region. And he says that 80 percent of their transactions are in cash compared to in other parts of the country, 80 percent of convenience store transactions are plastic. And so, you have a cash economy. And so, it's not unusual to see a person go into one of these convenience stores on pay day, take their check, get \$100. Keep 50. \$100 out. And convert the rest of it into a money order. And then they hold onto that. A few weeks, a week or two later, they'll go in and get \$50 out of that, \$100 out of that and convert it into a money order. That is a very expensive way to do banking.

Similarly, the Hispanic community is disproportionately unbanked and underbanked. People know when they're getting paid. They have cash in their pockets, which makes them very vulnerable to crime and robbery. And so, we've worked very hard to convert them into a responsible banking relationship.

Half of the members of Hope Credit Union either did not have a banking account or were unbanked, were highly dependent on these alternative high-cost sources. And so, that's a critical need. And it's a priority for Hope and the work we do.

**Asahi Pompey:** I've mentioned earlier you've been a core partner to our 10,000 Small Businesses program, which is really centered around the importance of access to capital. Now, we've seen how bleak the financial landscape can be for people who lack basic reputable financial services as you've described. What options do people have? And what are some of the risks associated with that?

**Bill Bynum:** Well, the primary challenge that I see most small businesses face is financial management. And then after that it's financial management. And then after that, it's financial management.

**Asahi Pompey:** Exactly.

**Bill Bynum:** You know? [UNINTEL] the market and the other things. And so,

making sure they have the tools to make good financial decisions. The data to do that has been a real challenge. And [UNINTEL] education is a critical part of that.

We also have a great network of historically Black colleges, many of them that offer technical assistance and equipping them to do it at a higher level. Perhaps making some of the [UNINTEL] tools available for them, I think, would be quite exciting.

And so, working to cobble together the resources in these communities that have been under resourced for centuries. I have a map that I use often that shows where the concentration of slavery was most prevalent on the eve of the Civil War. And if you overlay that with a map today of where you have the worst outcomes in regard to wealth, income, healthcare, education, housing quality, access to banking, level of payday lending, they overlap. And much of that is across the Deep South.

One third of all of the counties in the United States where the poverty level has been over 20 percent, not for three decades, which is the federal definition of persistent poverty, but for a half a century are in Alabama, Louisiana, and Mississippi. And that is the belly of the beast where race and poverty have intersected for centuries.

**Asahi Pompey:** Bill, I was thinking about that map that you just described. Very compelling. It's interesting because your work with credit unions is what ultimately led you to where you are today, obviously, at the head of Hope. Can you tell us about Hope? I want people to really understand it. And really the stunning expansion of Hope over the last 20 years.

**Bill Bynum:** More and more we're describing our work as an organization that exists to mitigate the extent to which things like where you're born, who your parents are, your race, your gender determine your ability to support your family or contribute to your local economy.

But it's also clear to us that at some point financial tools are necessary to address all of those critical economic mobility enablers. Jobs. Housing. Education. Healthcare. Grocery stores where you can get access to healthy foods. At some point they need financing. And financial resources, banking resources are disproportionately absent in so many of the communities that we serve in the delta, in the Black belt, in Central City in New Orleans, in West Jackson, in Memphis, in Birmingham and Montgomery neighborhoods you have pockets of poverty that disproportionately in the Deep South also overlap with race.

I want to be clear. We work with people, businesses, communities of all color. But disproportionately, these issues are in the South, disadvantaged people of color. And as the country becomes more diverse, I think it's important that we shift our paradigm and stop [UNINTEL] about minority, but to talk about the emerging majority. And if we're going to succeed as a country, we cannot afford to leave the majority of people ill equipped to contribute to the economy. It doesn't matter which side of the aisle you're

on, if you want customers, you want productive workers, you want a stable economy, we've got to equip this emerging majority to be productive, prosperous contributors to that economy. And so, the financial resources are critical to that.

And so, that's what we've been doing over the years, is to try to drive financial tools into these communities. Initially, we started with small business tools. And then we broadened to housing. We created a secondary market for affordable housing. At some point we decided to also ramp up our in-house mortgage lending because when you look at wealth building and closing the wealth gap, nothing does that more than housing. It's still a primary asset on most Americans' balance sheet.

But entrepreneurship, business ownership is a game changer. If you look at the wealth gap, it's ten, 12 to one Black/white. 100 to one for Black families with children compared to white families with children. But when you look at entrepreneurs of color, it closes to three to one. It's not 10 to one, it's not 100 to one. It's three to one. So, it's then equal where it should be, but it's a game changer. And so, driving resources into entrepreneurship and into homeownership has been a core focus of our work. And so, we've built tools to do that.

Bringing the credit union online was critical to doing that. We grew it. We have found that our impact and our work is greatest during times of crisis. Hurricane Katrina was one of those examples. We were just opening a branch in New Orleans. We had gone down and done some data gathering and started to build relationships the January of 2004, December of 2005-- December 2004, well, that August when hurricane Katrina hit, we had developed relationships and we were in a position where we could provide financial tools to people who, quite honestly, the main [UNINTEL] recovery programs were not prioritizing at that time. If you had insurance, then you could get help quicker.

And FEMA and insurance all required that you have an account to route resources through. Well, we had so many underbanked people who were not able to get accounts. So, we grew from 4,000 to 9,000 accounts in a matter of a year and a half. We were the fastest growing credit union in the country by rate of member growth at that time. And we were already planning aggressive growth, but nothing like we were thrust into with hurricane Katrina.

And then we were catching our breath and the financial crisis hits us in 2007/2008. And bank branches were closing at record numbers. You know, 2000 plus bank branches closed. 90 plus percent in low-income consensus tracks, like the ones that we serve. And so, instead of closing our offices, we went from eight to 30 locations over the next decade. We did seven or eight mergers. We acquired bank branches that were being closed. And we significantly expanded our footprint. And that has positioned us to where we are today in another crisis. We were ready to be a resource for folks after the-- during the past year. So, we're in the pandemic and an economic and social justice crisis.

I'm excited about every person that we serve, every account that we open, every business we finance, every mortgage that we make. But we're a drop in the bucket relative to the need. And so, we are largely R & D. We're a laboratory for what can be done in these communities. And we also are very intentional about taking the voices. As a credit union, we are owned by our members. Most of our members are women and are people of color, so we are accountable to them. And we amplify their voices. And take the lessons that we learn from them, and the things that they tell us are important, and share them with policy makers, with bankers, with others who control resources that are vital to their economic mobility. And from time to time, we're able to move the needle on policy. I think that that is one of the things that sets Hope apart, is that we are anchored and owned by these, in these communities, owned by the people who live there. And we take that very seriously. And we think it gives us a different level of perspective when we testify before Congress. When we have audience with those who control resources. And hopefully, we do a decent job of representing their interests.

**Asahi Pompey:** You're obviously on the advisory council of our Million Black Women initiative. Tell us a bit more about some of the specific challenges and opportunities that you see Black women facing, and specifically as that relates to the racial wealth gap and the opportunity set not only for Black women, but for the American economy more generally, really investing in Black women.

**Bill Bynum:** I've said many times, I think the Million Black Women effort is one of the most exciting and promising initiatives I've seen in my almost 40 years of doing this work. And it is focusing on a segment of the population that so disproportionately is responsible for family stability, for neighborhood stability, that are anchors in, not just the Black community, but provide such an important behind the scenes role as pillars of our communities. And certainly, that's been the case for me in my life. And I know so many others who would, but for Black women, would not be in the position that they're in.

But if you look at the data, it's clear that Black women have disproportionately less access to capital, wages, income, opportunity, [UNINTEL] are disproportionately denied. And so, by focusing on not just small businesses, which is critical, but I'm really excited about the comprehensive nature of the Million Black Women effort, making sure that there is workforce support. That there are job opportunities. That there are career ladders. That there is childcare, adequate, quality childcare. Everything that anyone else needs to succeed, Black women need and deserve that. And so, working to develop an ecosystem that is more conducive to making that happen is so exciting.

I think about so many of our PPP borrowers, so many of our members at Hope in general and how with just a small amount of assistance have been able to stabilize their families and put their children on a trajectory toward a better future. I think about the work that we've done together in a community in the Mississippi delta called Moorhead. And just outside Moorhead is a neighborhood called Eastmoor. It was a housing development that was built in the '70s/'80s to bring the workers closer to the

town. It was built with terrible construction. At one point there had been fires that actually resulted in deaths. Standing sewage industry. And when we moved to Moorhead, we took over a branch a few years ago that had been closed by a bank. The mayor put me in his pickup truck, and he drove me to Eastmoor, which was built outside of the town limits, intentionally, so that the people in that community couldn't vote in the municipal elections. So, it was voter suppression.

And he said if we could do anything to help this community it would be so important. And so, we were able to work with Goldman. And we got some resources. And over the past few years we have converted 40 to 50 homes that were in terrible, unliving conditions, into a community that just has changed the way people look at themselves. And there, it was the community that drove that. We asked the women there what they wanted. And it's really fascinating. One woman said, we were sitting in her home, we could see cracks in the wall, and you could see a hole in the roof. And instead of saying, "I want you to fix my roof." She said, "I want a playground for my kids so that they can have somewhere to play, safe to play. Feel good about themselves." They wanted a sidewalk where the elderly could go outside without fear of fumbling through the cracks in the sidewalk.

And so, one of the first things that we did was to build a playground. And just to see how that community took control of its own future. And how, again, the women in the community who were the leaders in the neighborhood association, weren't looking at their own interests, but they were looking at the interests of their family and their children.

**Asahi Pompey:** Bill, I want to thank you for joining us today. Thank you so very, very much. We appreciate it.

**Bill Bynum:** Asahi, it's been a pleasure. Thank you for having me.

**Asahi Pompey:** Thank you.