

Where Have All The Banks Gone?

Oakland activists work to open credit union to serve poor neighborhoods deserted by banks

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By Rafael Mandelman

When Fruitvale businessman Jose Dorado was growing up, there were a half-dozen bank branches in his neighborhood; today there are two. "Somehow the banks have gotten the idea that there is no money to be made in this area," explains Dorado. "For those of us who have grown up here, that leaves a bad taste in our mouths."

The Fruitvale area is hardly alone in its plight. The 21,824 residents of West Oakland, for example, do not have a single neighborhood bank. Too many Oaklanders simply do not have access to the kind of neighborhood financial institutions that can help a community accumulate and circulate wealth.

Dorado has channeled some of his frustration over the disappearance of the banks into work with a group called The Friends of the People's Community Partnership Federal Credit Union (proposed), or "The Friends." The group was born two years ago when Oakland neighborhood activist Sandy Turner made a call to the East Bay Community Law Center (EBCLC), at that time the Berkeley Community Law Center.

Ms. Turner was worried about the loss of bank branches in Oakland's neighborhoods, and she was particularly concerned about the effects of the increasing scarcity of banking services on the poorest of Oakland's poor. For these people, many of whom do not have cars, the exodus of the banks represents a significant hardship. In places like West Oakland, residents who cannot make it to some other part of the city must rely on check cashing offices and liquor stores to cash government and payroll checks.

While studies show that a broad swath of poor and middle-income people use



The Friends of the People's Community Partnership Credit Union. *Top row, from left:* T.C. Wilson, Kathy Washington, Don Davenport, Eric Cone, Rashad Ibrahim. *Bottom, from left:* Lilian Autler, Barbara Vibrains, Elise Brown, Amanda Werhane.

check-cashing offices for a variety of reasons, the check cashers' cut is sharpest at the bottom of the income scale. Furthermore, Ms. Turner worried that those banks that had remained in Oakland were unwelcoming to welfare recipients.

Maeve Elise Brown, EBCLC staff attorney and member of The Friends, recalls that Turner did not come to the Law Center with the idea of a credit union. But Turner's call inspired EBCLC to begin working with other individuals and community organizations, including the San Antonio Neighborhood Development Corporation, the American Friends Service Committee, the Southeast Asian Community Partnership, and others to formulate a solution to some of the problems she had raised.

After months spent "trying to wrap our minds around the problems," Brown and the group ultimately did choose to pursue the creation of a Community Development Credit Union that will be open to all people who live, work, or wor-

ship in the flatlands of Oakland, with the first branches to go in West Oakland and Fruitvale/San Antonio.

Lilian Autler, a consultant working with The Friends, explains that credit unions have successfully addressed many of the financial services needs of poor and middle-income people across the United States. The Friends hope a similar strategy will work in Oakland.

"We think a credit union really is the right institution to fill the gap," says Autler. "It will be a place where people who have some money to save can save it, where people who need more information about financial services and financial management can get it, and a place where people who would not be able to get affordable loans anywhere else can obtain them."

Autler emphasizes, however, that a credit union will not be a panacea. "I believe in credit unions as an institution that can help to transform low income communities, as part of a larger strategy that includes job creation, the provision of

services, and the development of affordable housing," Autler said.

But credit unions cannot alone eliminate all the reasons why people are poor. And they cannot replace banks. What credit unions can do is "keep the resources that do exist in the community there and circulating," Autler said, adding that "they can provide individual attention and support that banks will never provide."

The Friends hope to see a first branch of the credit union open within a year. Initially, it will likely provide the most basic financial services: savings accounts and loans. Autler expects that over time the range of services provided will expand, and new branches will open, so that eventually the credit union "will be a full service financial institution, the primary financial institution for many members."

The provision of traditional banking services to people cut off from those services is, however, only one aspect of the contribution The Friends hope a community development credit union could make in Oakland. Brown wants the credit union to be "the place for people to come to find out the latest on how to make the most of the money they have, to plan for the future, and to fulfill the dreams that money can buy."

Fulfilling an educational role in a way that is "culturally and linguistically aware and accommodating," Brown envisions the credit union as a potential focus of community pride and empowerment for its members and a locus for neighborhood activism. As Autler explains, "The credit union will provide a way for people to get involved in a project that makes a difference in their community, a project that is theirs."

The Friends are currently hard at work building community awareness of, and support for, the credit union proposal. The group has collected just over one-third of the 1500 market surveys and pledges of support it needs to demonstrate community support to the federal regulators.

Much work remains to be done, and The Friends welcome volunteers. For more information on volunteering, please call Rashad Ibrahim: (510) 548-4040, ext. 312.