

RISE

RESIST. REINVEST. REBUILD.

Building Power, Building Wealth

Paulina Gonzalez-Brito, CEO



Who is Rise Economy?

We are a statewide coalition of over 300 organizational members.

We work to:

- Build a more equitable economy that promotes generational wealth for BIPOC
- Dismantle the disparities inherent to our financial system that has extracted wealth from our communities for generations
- Advance Public policy
- Engage with financial institutions to change the practices of banks
- Build new systems that better serve our communities



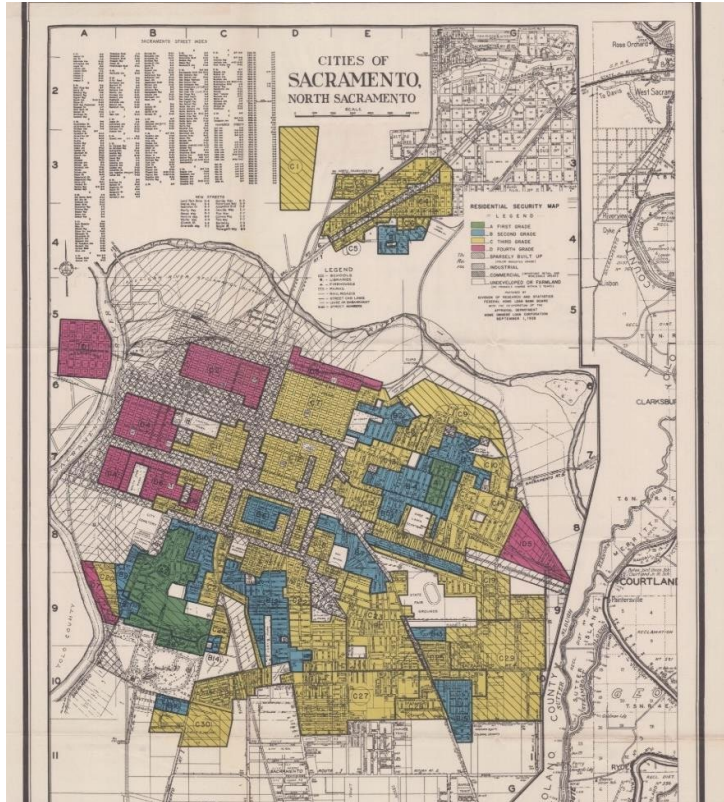
Who is Rise Economy?



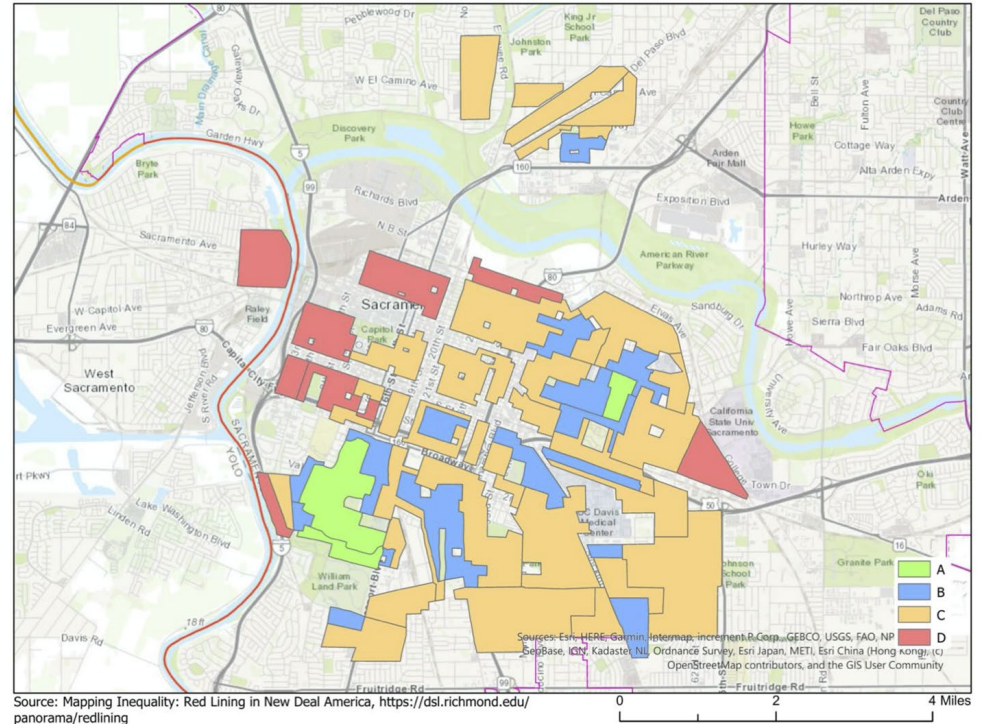


Redlining and Stolen Wealth

Redlining in Sacramento



Sacramento: HOLC Redlining 1937



Coding Sheets in Sacramento to Determine Risk

- Surveyors estimated the percent of foreign-born families and Black people in each neighborhood.
- Surveyors provided remarks throughout the forms to indicate the potential risks in granting FHA insurance to borrowers. For example:
 - A description for a section of South Sacramento that was rated "Hazardous" points to "an infiltration of Negro and Mexican families" as a "detrimental influence".
 - "the subversive character of population constitutes the area's principle hazard;" and "subversive races a definite hazard."

Segregation

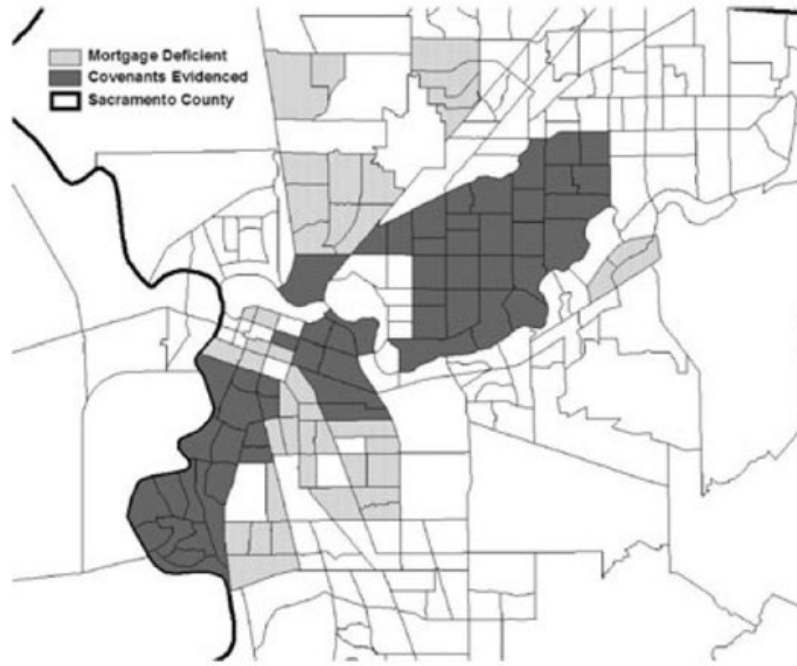


Figure 3 Preliminary map of areas with racially restrictive covenants and mortgage deficient areas in Sacramento (source: author's review of public records)

Denial of Mortgages and Loans

Redlining prevented residents in these neighborhoods from obtaining home mortgages and other financial services, effectively barring them from building wealth through homeownership.



Depressed Property Values

With limited access to loans and investment, property values in these communities stagnated or declined, making homeownership even less accessible and hindering wealth building.



Lower Tax Base and Underfunded Services

The lack of investment extended to public resources, leaving redlined neighborhoods with inadequate schools, infrastructure, and services, further decreasing their attractiveness to potential residents and investors.



Exacerbated Wealth Gap

While white communities were able to build equity and pass down wealth through homeownership, non-white families were largely excluded, directly contributing to the racial wealth gap.

In Sacramento white households held more than six times the wealth of Black households in 2022.



Worse Health Outcomes

Historically redlined Sacramento neighborhoods, such as Mansion Flats, Southside Park, and parts of Oak Park, exhibit higher rates of asthma and other adverse health outcomes, including higher rates of asthma-related emergency room visits.



Redlining Today

DOJ found that:

- Between 2017 and 2020, City National avoided marketing and underwriting mortgages in majority Black and Latino neighborhoods in Los Angeles County.

DOJ secured a \$31 million settlement from the bank which includes:

- A \$29.5 million loan subsidy fund for loans to Black and Latino borrowers
- \$1.75 million on advertising, community outreach and financial education programs.



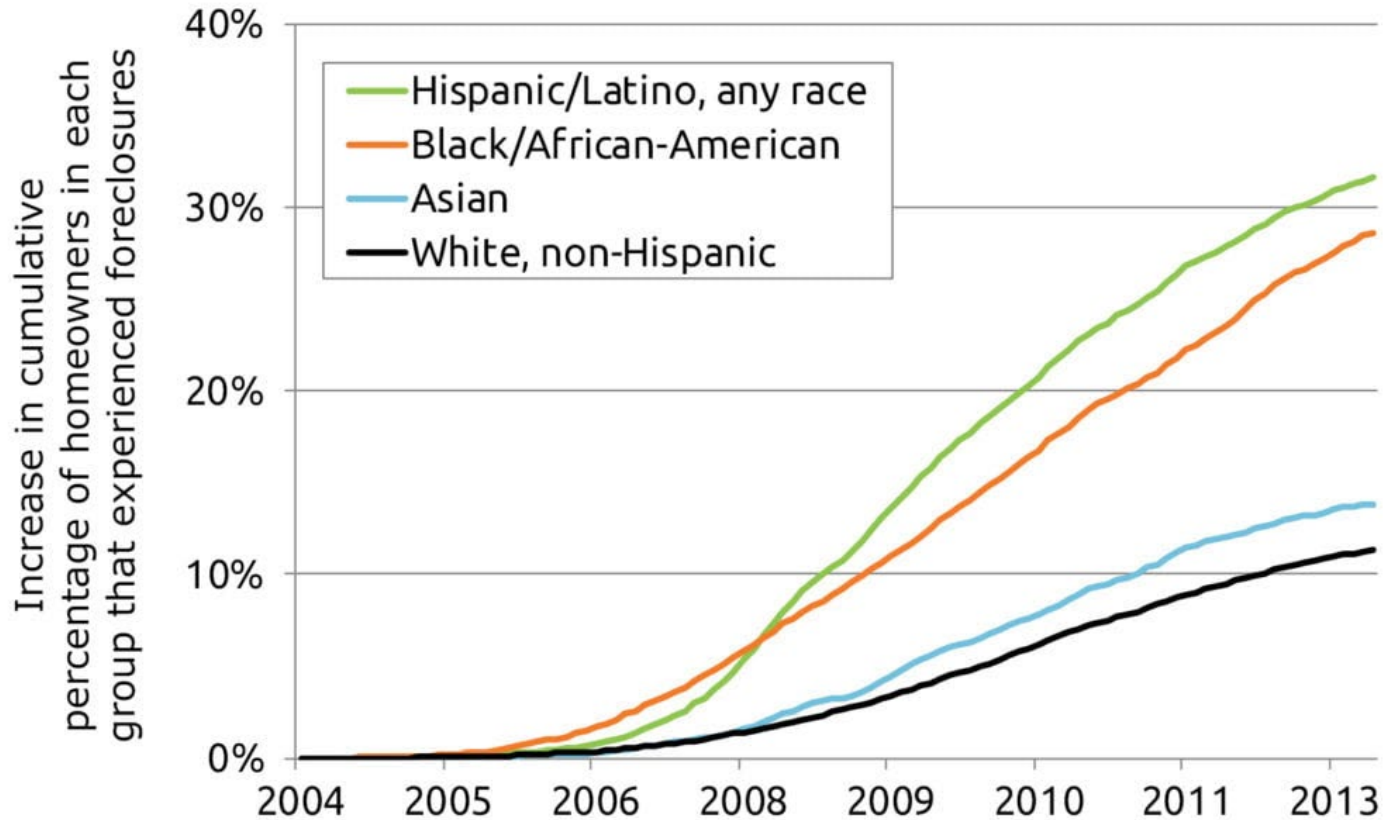
Reverse Redlining

Reverse Redlining-Foreclosure Crisis

- Black and Latino borrowers were disproportionately placed in high-cost subprime loans.
- Between 2004 and 2007, Latino and Black Americans were 78% and 105% more likely than White Americans to have a high-cost mortgage.
- Subprime loans often carried predatory features such as higher interest rates, excessive fees, and prepayment penalties



Subprime Foreclosures



Sources: St. Louis Federal Reserve Bank; Black Knight Financial Services; and HMDA data from Board of Governors.

Organizing to Build Wealth

Federal Community Reinvestment Act

- A civil rights era law that encourages banks to lend and invest in low- and moderate-income (LMI) neighborhoods, to address redlining.
- Rise Economy members and partners leverage the law to drive investments into homeownership for BIPOC, support for affordable housing, small businesses, and more.



Taking on Big Fights

AMERICAN BANKER | BANK THINK | OPINION

Friday, January 20, 2018 | as of 6:57 PM ET

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Protesters gather to oppose OneWest merger with CIT Group

VANITY FAIR

“Foreclosure King” Steven Mnuchin Doesn’t Appreciate His Totally Accurate Nickname

The nominee for Treasury secretary wants to know why no one ever brings up all the good stuff he did at OneWest.



BY BESS LEVIN
JANUARY 18, 2017



Barclays Hires JPMorgan Chase Veteran as Chief Risk Officer

Open Meeting on Bank Merge!



Editorial Will invest in under



We Organized to Win

- Delayed merger for 12 months
- 21,000 people opposed
- 100 community groups opposing
- Street protests
- Redlining complaint
- Forced bank regulators to hold a public hearing



Community Benefits Agreement-5 years later

- \$6.5 billion of community lending and investments in low income communities and communities of color:
 - \$2.5 billion in single family lending
 - \$1.42 billion of multi-family lending
 - \$780 million of small business lending
 - \$1.8 billion of community development lending
 - \$25 million of charitable grants with a focus on affordable housing and economic development
- Adding one retail branch in our state in a low income neighborhood of color.

More Banks Come to the Table: \$100 Billion in CBAs

Central Valley Community Bank Community
West Bank - \$1.17 Billion

First Citizens Bank/SVB - \$6.5 Billion
First Citizens Bank/CIT - \$8.1 Billion

Banc of CA/Pacific Western - \$4.1 Billion

BMO/Bank Of The West - \$16 Billion

Pacific Premier/Columbia/Umpqua -
\$5.7 Billion

U.S. Bank/Union Bank - \$60 Billion

Building Wealth in California Communities

- \$26.2 billion aimed at enhancing **small business lending** in LMI areas and for businesses earning under \$1 million annually.
- \$25.8 billion invested in projects including \$4.1 billion for **affordable housing** development.
- \$44.45 billion allocated to **homeownership opportunities** for LMI and BIPOC individuals.
- \$276 million in **grants and contributions** supporting diverse community initiatives, including housing counseling and homeless prevention.
- \$60 million to support **community land trusts**.
- \$12 million to support investment in **native communities**.

Rise Economy vs. Donald J. Trump



Mandated by Dodd-Frank Wall Street Reform Act (2010) to enact a rule that would tell us

Who are banks making small business loans to?

- By race and ethnicity
- Gender
- Sexual orientation

Why do we want this?

- Promote transparency in small business lending.
- Facilitate the enforcement of fair lending laws.
- Improve access to credit for women-owned, minority-owned, and other small businesses.

California Community Reinvestment Act

Who It Would Cover

How are these entities meeting community needs. Who would be covered:

State Chartered Banks:

- Insufficient oversight by federal CRA

Credit Unions:

- DFPI data - credit unions charged the most in overdraft fees, aggressive debt collectors

Non Bank Mortgage Industry:

- In 2021 nonbank mortgage companies originated more than 50% of loans in CA. Doing more FHA(higher cost)- steering concerns

Deposit Holding FinTech Firms:

- Entities like CashApp and Venmo that store funds similar to banks deposits.

CA State CRA

Covered institutions would have an affirmative obligation to meet the financial service needs of LMI communities and communities of color.

How would they be evaluated?

- Downgrades for harm
- Highlight investments for CDFIs, CLTs, climate, aff hsg, etc
- Include race!
- Incentivize Community Benefit Agreements
- Consequences for poor ratings - no merger, new branch, license, state deposits, penalties

Building an Alternative

Banking the Unbanked



78%

of unbanked and underbanked households make less than \$30,000 a year



Black households represented about 12.9% of households overall, but made up **32.3% of unbanked households**. Latino Households made up 14.8% of all households, but comprised **33.4% of unbanked households**.



12%

of Native households are unbanked, higher than the national average of 4.2%



It's Expensive to be Unbanked or Underbanked

Unbanked and underbanked households pay an average of **2% to 5% in fees to cash checks**, which can amount to hundreds of dollars per year, or even as much as **\$40,000 over a lifetime for a single individual**

Public Banking Option

CalAccount

- Administered by the State Treasurer's Office
- Debit card
- Zero fee, zero penalty no monthly charges
- No overdraft
- Receive public benefits
- Direct deposit from employers
- Automatic bill pay

CalAccount

Banking Paycheck to Paycheck: Why California Needs A Public Option for Financial Inclusion

Doni Tadesse | August 2025

Currently, 2.5 million Californians are unbanked or underbanked, lacking full access to traditional financial services.¹ These households rely on costly alternatives like check cashers, payday lenders and prepaid debit cards to manage their finances.

Structural barriers and profit-driven banking practices drive this financial exclusion. Onerous identification requirements, predatory overdraft and penalty fees, banking deserts, bias and discrimination all function to further exclude low-income Californians, who are disproportionately Black, Latine, or other People of Color, from building toward long-term financial stability.

CalAccount would change that. By offering fee-free, penalty-free checking accounts through the state, CalAccount would enable millions of Californians to save money for food, rent and long-term financial goals.

REAL STORIES FROM CALIFORNIANS

COPE Supporting Second-Chance Employees (San Bernardino)

COPE is a faith-based nonprofit that employs previously incarcerated and unhoused individuals who often cannot open bank accounts due to identification barriers or overdraft fee issues that may have landed them on ChexSystems, a nationwide bank account reporting bureau. These employees are forced to turn to check-cashing services, payday lenders and prepaid debit cards, draining hundreds of dollars from their weekly income. COPE then faces a large administrative burden to ensure workers who cannot accept direct deposit are paid in full and on time.

Unlike traditional banks, CalAccount does not require screening through ChexSystems, providing banking access to workers with inaccurate records or closed accounts with outstanding balances. CalAccount saves employers like COPE money and time. In the long run, it helps families rebuild a positive credit history and have an entry point into traditional financial services.

ALEXIA'S STORY Avoiding Bait-and-Switch Sales Tactics (Los Angeles)

When 18-year-old Alexia needed a new bank account to transition from her childhood account, her mother, Elba, a financial counselor, guided her to BankOn-designated accounts designed for accessibility. Elba provided a list of BankOn accounts and educated Alexia about common banking fees that disproportionately affect young, low-income individuals with unstable employment and limited transportation. Despite being well-informed, Alexia encountered confused bank staff unfamiliar with the BankOn product who falsely claimed it was unavailable and instead pushed a more expensive option. After taking time off from school and traveling by bus, she left empty-handed—a common experience for many. CalAccount offers a solution: a fee-free, state-backed account that ensures Californians like Alexia can access fair banking without unnecessary barriers.

¹ Analysis of data from Federal Deposit Insurance Corporation, 2023 FDIC Survey of Unbanked and Underbanked Households, May 2025. Unbanked and underbanked for California, 2023 – data retrieved from <https://household-survey.fdic.gov/custom-data>

Wall Street Profits off our Tax Dollars

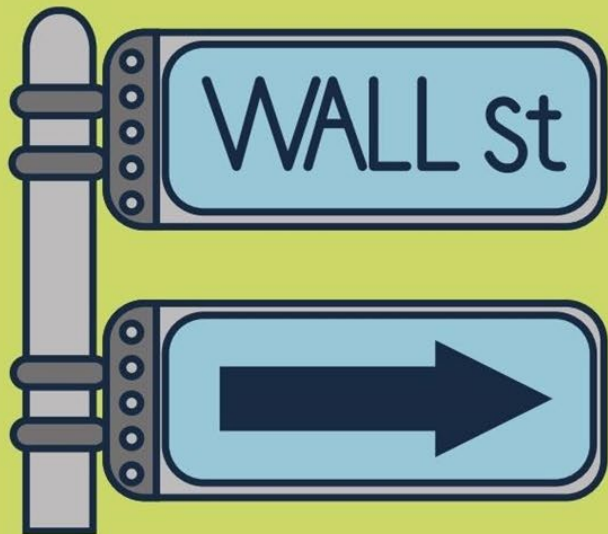
YOUR CITY, COUNTY, WATER DISTRICT, TRANSIT DISTRICT ALL BANK WITH WALL STREET BANKS

35-50%

For every dollar our state and local governments spend, anywhere from 35% to 50% goes back to Wall Street banks.



WHAT DO WALL STREET BANKS DO WITH THE MONEY?



Fossil fuels



Prisons



Weapons

Then they pass the profits to their shareholders- the very rich.



CA State Public Bank

- Owned by the State of California.
- Returns profit and interest to local communities.
- Reduces cost of banking to participating agencies, which increases available revenue to spend on other priorities.
- Reflects community values and invests in community-identified priorities (Affordable housing, small businesses).
- Brings democracy and transparency to banking and investment of public funds.
- Reflects community values and invests in community-identified priorities (Affordable housing, small businesses).





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Thank you.