

The News Journal

Credit union targeting low income one path to reduced crime

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How is it that young black criminals, who couldn't pay attention in an eighth-grade algebra class, can navigate the metric system calculations on a daily basis and determine within minutes of a Bennett Street transaction?

In the constant angst to solve crime among low-income and mostly minority communities, the missing answer is balanced wisdom. Unfortunately, the News Journal's current examination of gun violence in Wilmington demonstrates little willingness on the part of the city's mayor and police chief to have an [impact](#) on that balance when it comes to criminals.

And so I planned to light into them and other public officials who appear blindsided and resigned to not considering a third way around the shooting and urban problem, as other cities have done.

But a more worthy and related subject arose Tuesday. It was less than an hour before the Delaware [Community](#) Reinvestment Action Council Inc.'s annual luncheon honoring bold leadership at the local level.

The National Credit Union Administration's Office of Consumer Protection phoned to say DCRAC was approved for its charter for a new credit union to be called Stepping Stones Federal Credit Union.

"I screamed and yelled and jumped up and down. If Delaware felt an earthquake, it was me," said DCRAC Executive Director Rashmi Rangan. "The purpose of creating the credit union was to meet an under-met need."

Its charter allows for up to 80 percent of members to be low-income. Located on Wilmington's East Side in the heart of one of the city's low-income and crime-plagued neighborhoods, DCRAC has been a one-stop shop for poor people to get out of or avoid debt. And [good credit](#) is a consummate need in high-poverty communities.

Now anyone who lives, works, worships or attends schools in Wilmington with an interest in getting out of poverty can join the Stepping Stones Credit Union for just \$5.

In return, they get access to [money management](#) classes, a bank account and low-cost unsecured loans of between \$500 to \$1,000, said Terri Hasson, regional community development director for Citibank, who also will be the new credit union's chairman.

Such small-dollar loans help build credit, through easier payback terms, including lower interest. It's the leg up for what is known the "unbank people" of marginal means with little experience in [financial](#) management to establish a worthy credit rating.

"If you become more savvy and start saving, you get introduced to a range of financial products. ... Research proves this opens doors to wealth," Hasson added.

And it beats having to pay a fee to cash your paycheck at the corner liquor store, adds Amy Walls, the assistant Community Reinvestment Act director for Discover Bank, which is making the first [deposit](#) into Stepping Stones. Along with Hasson, Walls was a recipient of Tuesday's award.

"You can talk about working out your tax lien with the Internal Revenue Service or an impending home foreclosures. It's going to be a really nice holistic place for them to be able to learn about credit and get access to credit and learn about money management."

The "them" is not just confined to the community ne'er-do-wells who trade in black-market profiteering.

State Sen. Colin Bonini (R-Dover), a self-described "non-government conservative," drove upstate for the DCRAC event because he's sold on a model of self-help for people who lack the skills to know and do better about their personal wealth.

An early adult experience with a payday lender, who charged astronomical interest for a temporary [loan](#) to fix his vehicle, drives the senator's excitement about the new credit union.

In fact, Bonini describes Stepping Stones as a metaphor for what is happening to the state's low-income whether in Wilmington's East Side or his rural constituents downstate. "My gut tells me there are a lot of people underwater. It is much more widespread than we think," he said. "My gut tells me these are solvable problems."

Mine does too. Even when it comes to transitioning people reliant on crime for the sake of everyday survival.

But you can't get that discussion going on a wide scale without credible community tools and people who know how to do more than parrot disgust for what is legitimately disgusting behavior when it comes to obtaining wealth.

This requires access to the kind of community resources like DCRAC, that have done so successfully and can demonstrate the long-term value in mentally and emotionally tackling whatever hinders someone's ability earn money legally.

Rev. Clifford Johnson of the Nehemiah Gateway Community Development Corp., and who has worked on Wall Street employee, sums up his delight at

what DCRAC has pulled off as filling "a desperate need in our community, for people to have access to financial products."

Believe it or not, this kind of community action is a possible avenue to seeking constructive peace with criminals and gaining some foothold in reducing crime.

Which returns us to the opening question. I'll examine that in a future column.