

The background of the entire page features a series of colorful silhouettes of people of various ethnicities and ages, walking from left to right. The colors include blue, green, purple, orange, yellow, pink, and red. A dark horizontal band is overlaid across the middle of the image, containing the title and author information.

# Perception versus Reality: *Women and Change in the CDFI Industry*

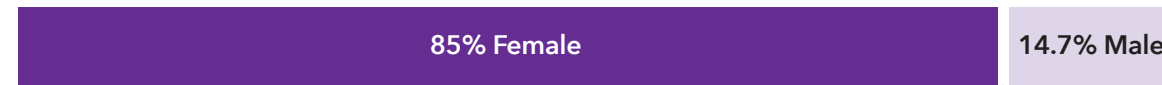
By Ruth Barber

# Perception versus Reality: Women and Change in the CDFI Industry

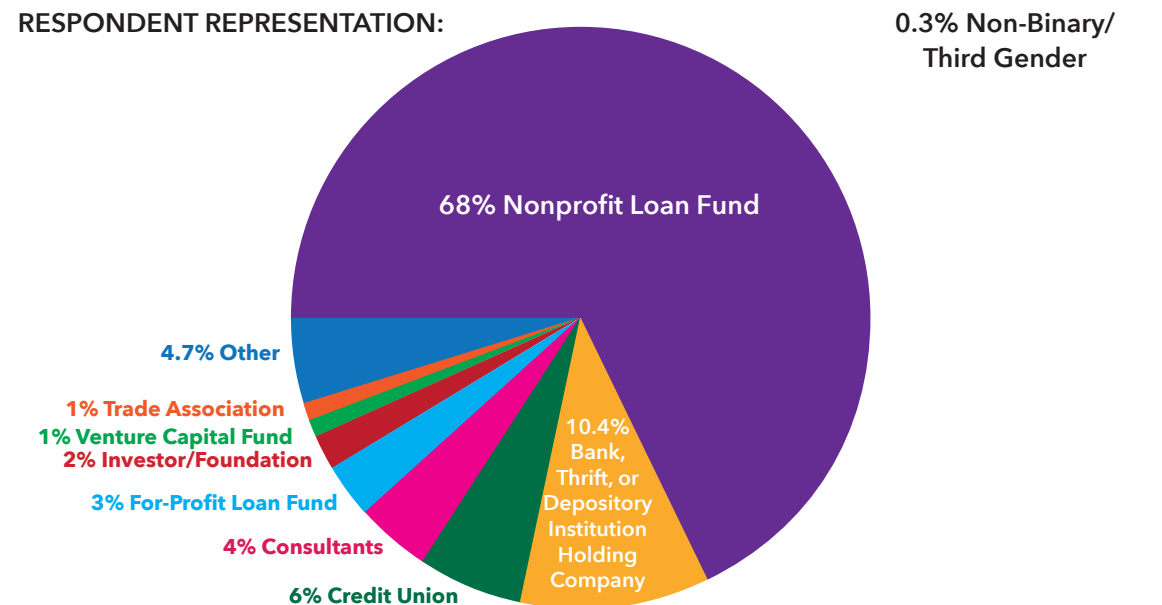
## INTRODUCTION

In 2018, FUND Community Institute (FUND CI) designed a research project examining the role of women in the CDFI industry. The goal of the research was to assess the roles women are playing in the industry, determine if they feel they have the resources necessary to succeed, and learn what changes they have noticed in the industry. In addition to collecting data and presenting findings on these issues, the intent was also to document women’s experiences.

### RESPONDENTS: 306



### RESPONDENT REPRESENTATION:



## METHODOLOGY

FUND CI began this research study in May of 2018. The study consisted of background research, an online survey, and key informant phone interviews. By design, the development of the research was a collaborative process in which FUND CI staff sought to include the input and perspectives of a large and diverse group of women throughout the CDFI ecosystem. A key partner in this process was the steering committee of the CDFI Women’s Network (CWN). CWN participants provided input on the overall research goals as well as the research tools (including the survey, discussion guide, and the list of key informants).

The online survey was launched in June 2018 via Survey Monkey. The survey invitation was sent to the general Opportunity Finance Network (OFN) and OFN CDFI Women’s Network listservs. It was also sent to the client list of a partner organization in FUND CI’s family, FUND Consulting. Finally, word-of-mouth invitations were passed along at several industry events, including the OFN Small Business Finance Forum. All members of the industry were invited to participate, regardless of gender identification. The survey was open for three weeks and received a total of 306 responses.

Concurrently, FUND CI conducted key informant phone interviews with women from all corners of the CDFI industry ecosystem. To conduct the interviews, FUND CI, the CWN board and several other industry stakeholders compiled an initial list of 142 female, potential interviewees. Significant efforts were made to include women in all phases of their careers, from all affinity groups, and from all types of institutions within the industry. Women included CDFI leadership, management, staff and board members as well as investors, funders, CDFI Fund staff, consultants, members of industry associations, industry founders, and retirees who were formerly part of the industry. From this list, FUND CI completed a total of 59 interviews—resulting in 40 recorded hours and almost 600 pages in transcripts.

The following five pages present the key findings from this research study.

## KEY FINDINGS

# 1

### WOMEN ARE INVOLVED IN ALL ROLES AND HAVE POSITIVE EXPERIENCES IN THE CDFI INDUSTRY.

More than three-quarters of survey respondents believed women played integral roles in the founding of the CDFI

industry and this has led to a strong and continuous female presence in the industry. Currently, women are seen as filling all the various roles throughout the CDFI industry. Furthermore, many women report positive experiences in the industry and having encountered no gender-related obstacles. Finally, there is widespread agreement that the CDFI industry is a much more positive environment for women than the banking or government industries.

**73% strongly agreed or agreed** that women are equally represented as staff members of CDFIs.

**65% strongly agreed or agreed** women are viewed as leaders in the CDFI industry.

**89%** of female respondents see themselves as leaders.

**65%** of female respondents reported their organizations have policies that are female/mom/family friendly.

**93%** of female respondents indicated some of the board members of their organizations are women; **72%** include women of color.

*“I think it’s more common to see women as leaders in the CDFI industry than in other industries I’ve had experience in.”*

*“I think they have all shown to be real leaders and forces to be reckoned with.”*

*“I have to say that, contrary to my experience in the banking industry, advancement as a woman was not quite as restrictive in the CDFI industry.”*

*“My corporate experience was so different and so noxious that, by comparison, this seems heavenly to me.”*

### Survey respondents at organizations with women leaders are:

**13% more likely to agree** that all genders are valued equally in their organization.

**5% less likely to indicate** they have felt discriminated against in the CDFI industry because of their gender.

**7% more likely to report** their organizations have policies that are female/mom/family friendly.

## KEY FINDINGS

# 2

### WOMEN IN THE CDFI INDUSTRY SEEM TO HAVE ACCEPTED INSTITUTIONAL BIAS AND GENDER INEQUITY AS THE NORMS IN THE WORKPLACE.

While women report positive feelings about working conditions in the CDFI industry, many of the same respondents also gave examples of discrimination and inequity. Because gender discrimination is so entrenched in society, women are used to dealing with it on a daily basis. Since it's less in the CDFI industry than in other industries, women often dismiss it. Some women also pointed to a strong unconscious bias on the part of men. In a real sense, these challenges are seen as commonplace rather than large obstacles: Interviewees would often not identify gender inequity when asked directly but later could provide examples.

Two of the most frequent examples of gender inequity that were presented by many women are that women are paid less than men and that women are underrepresented on CDFI boards.

In a related theme, female key informants who perceived they had achieved success in the industry, less frequently identified gender discrimination as an obstacle despite providing personal experiences encountering discrimination.

While women report positive feelings about working conditions in the CDFI industry, many of the same respondents also gave examples of discrimination and

**45% strongly agreed or agreed** that women are equally represented as leaders of CDFIs.

#### CDFI Boards:

**36% strongly agreed or agreed** that women are equally represented as CDFI board members.

As one measure, researchers looked at FUND Consulting client data on CDFI boards in 2018 and **35%** of board members are women. In looking longitudinally at client data, this percentage was **32%** in 2015.

**54% strongly disagreed or disagreed** that all genders face the same degree of barriers to advancement in the CDFI industry.

**22%** of female respondents indicated they have felt discriminated against in the CDFI industry because of their gender.

**49% strongly disagreed or disagreed** that all genders are compensated the same for the same work in the CDFI industry (41% neutral).

**24%** of women have felt limited in opportunities in the CDFI industry because of their gender.

*"...gender discrimination is very significant at my organization; but, if you look at it on face value—and, in fact, if you confronted the men in management about it—they would be mortified to think that that's the case because they don't see it in themselves."*

*"It's not blatant sexual discrimination, right? It's almost a deeper, unconscious bias that exists there, that they're not even aware of."*

*"There have been times my pay has been lower than my male counterparts. I think that's due to push-back and me just being happy with what I have."*

*"I do know—and I have felt—that there's extreme differences in equal pay."*

*"It certainly feels like, for an industry that is probably over 50% women, a majority of the CEOs are still men."*

*"Making sure my voice is heard has been a constant struggle."*

*"The only thing we see in our area is still a lot of male-dominated boards."*

*"I don't see a majority of people having even 50% of their board be women and minorities."*

*"[T]he day-to-day stuff you have to roll off your shoulders or you would walk around crazy and stressed all the time—and I can't do that and perform in my job."*

## KEY FINDINGS

### 3 FACETS OF WOMEN'S IDENTITIES OTHER THAN GENDER CONTRIBUTE STRONGLY TO THEIR VOICES AND EXPERIENCE.

In analyzing input from hundreds of women for this study, a clear theme came to light that gender is not the only—nor often the most important—factor in workplace experiences. Many women felt that race, ethnicity, or sexual orientation were more significant factors in influencing their workplace experiences.

*“I worked with a homophobic board chair at the beginning of my career, which wasn't fun.”*

*“In this country, I just tend to think that it's usually race that people see first.”*

*“I will always identify with a person of color more than I will identify with a woman that isn't of color.”*

*“I have run into some homophobia, but it's been subtle.”*

**84% strongly agreed or agreed** that, based on their race or ethnicity, women of color face additional challenges compared to white women in the CDFI industry.

## Women at Native CDFIs Have a Unique Perspective

*“99% of our organizations are run by women. We are women dominated.”*

*“I do feel like we're a male-dominated industry in a lot of ways, but I think CDFIs in general—especially Native CDFIs—I feel like it's the flip, where [there are] a lot of women that are in leadership roles. I've seen and felt the male dominance and the, I want to say, “inequality” in certain ways—as far as being a woman—within the industry itself; but, when you bring it down to the Native CDFI industry, I feel like it's much different—and more level of a playing field.”*

## CDFIs with Women Leaders

**46%** of respondents indicated the leader of their organization is a woman; of these, **27%** are women of color.

For organizations with more than \$50 million in assets, **28.6%** have female leaders.

**54%** of those who say their organization has family-friendly policies have female leaders.

- > Organizations with female leaders are slightly more likely to be in consumer finance, microenterprise, and small business.
- < Organizations with female leaders are less likely to be in commercial real estate.

## KEY FINDINGS

# 4 THE INDUSTRY HAS A LONG WAY TO GO IN TERMS OF ACHIEVING DIVERSITY AND INCLUSION.

One of the strongest themes that emerged from the study is that the industry is not doing enough to advance

diversity and inclusion. While the findings indicate high levels of agreement that the concepts of diversity and inclusion are valued and discussed, there is equal agreement that not enough change has occurred. Participants often cited a clear mismatch between the people working at CDFIs and the people they are serving.

While the majority of survey respondents felt their organizations have policies to encourage inclusivity and diversity, this was not supported in the qualitative data. Very few key informants were able to point to any specific policies—and most pointed out that just having policies is not sufficient. The findings clearly show that participants believe making progress toward diversity and inclusion must be intentional and must be made a priority.

**81% strongly agreed or agreed** that diversity is valued in the CDFI industry.

**73% strongly agreed or agreed** their organization has policies to encourage inclusivity and diversity.

*“I am always struck by [how] CDFIs that are run by people of color tend to have more people of color in them. Our networks reflect us and, often, our networks are white—so we draw in more white people, etc.”*

*“If you look at our management team, it has singularly been male since I started. Not a single woman has been invited into the management meetings.”*

*“I think that CDFI staff should be reflective of the communities that we serve, and I don’t think that, at this time, CDFIs are really reflective of that.”*

*“But I think, in general, the CDFI industry has disproportionate white leadership.”*

*“Even when we talk about people of color, Asian Americans are not in the dialogue.”*

*I don’t think that CDFIs go out of their way to include more minorities and women within their organizations—especially not leadership.”*

*“In 10 years, to be perfectly candid, we’ve made no progress on becoming racially diverse. None whatsoever. Which I think goes back to, you have to be really intentional about it. Good intentions do not work—because we all have good intentions.”*

## KEY FINDINGS

# 5

### WOMEN PERCEIVE THIS AS A TIME OF PIVOTAL CHANGE IN THE INDUSTRY

As part of telling the story of women in the industry, researchers sought to document the thoughts of

women about the industry and its future. One strong theme was that women see this as a time of change in the industry in several areas—including a shift to become more like conventional financial institutions in terms of credentials sought and a more risk-averse approach. Respondents also noted an increasing influence of banks on the industry and upcoming challenges due to potential changes to CRA and reduced government funding. Also mentioned were the effects of the retirement of many women founders—and those founders are perceived to be replaced by males. One strong opportunity for the industry is seen in new areas like social and impact investing as well as technology.

### Men in the industry have a more positive view of gender issues.

#### When compared with female survey respondents, men reported:

- 15%** higher agreement that all genders are valued equally in their organization.
- 17%** higher agreement that their organization has policies to encourage inclusivity and diversity.
- 24%** higher agreement that women are equally represented as leaders of CDFIs.
- 26%** higher agreement that there are resources for women to lead and succeed in the industry.
- 17%** less likely to disagree that all genders are compensated the same for the same work.

*“I do see a trend that more and more CEOs that are replacing founders that are women happen to be men. As I look around, I am seeing more and more male CEOs and I’m wondering if we are taking a step back.”*

*“Some fabulous opportunities with technology to solve it in ways that [don’t] lead to CDFIs feeling like they’ve sold their souls or given up their being.”*

*“Moving more towards that corporate feel.”*

*“We have become handmaidens of the bank.”*

*“We’ve gone from being an industry in which you really had to figure out how to go from nothing to something, to really grow something from nothing, to an industry where we have lots and lots to protect.”*



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### CONCLUSION

In conducting this study, the research team was gratified and overwhelmed at times by the enthusiastic desire to participate by women from all corners of the CDFI ecosystem. This is certainly evidence that the industry has matured to a point where these conversations are relevant while also indicating that women want to tell their stories and address issues. As the CDFI industry navigates what most consider to be changing times, it is exciting to see evidence that women are playing such an important role in framing and addressing these new opportunities and challenges and that they will hopefully be positioned to advance issues of equality, diversity, and inclusion across the industry.

The findings from this research study are quite extensive and this report presents the global themes. Over the next year, FUND Community Institute will be releasing additional findings on a monthly basis, which will all be publicly available at **[www.fundci.org](http://www.fundci.org)**.

Finally, sincere thanks to the CDFI Women's Network for their support and participation in this project.

### The FUND Family

The FUND Family of organizations works collectively to facilitate positive social, economic, and environmental impacts through consulting services, research, training, and facilitation of opportunities for knowledge sharing. Consisting of FUND Community Institute (a nonprofit think tank) and FUND Consulting (a for-profit consulting firm) FUND delivers high-quality services with a focus on supporting organizations and practitioners fostering positive outcomes in communities nationwide.