



Invest Big, Build Community Engagement, Drive Benefits – Results of Impact Investing Case Study in Chicago’s Historic Pullman District

Case study from Rustandy Center for Social Sector Innovation at Chicago Booth Highlights Impact Investments from Chicago Neighborhood Initiatives and U.S. Bank

Investments continue with \$1 Million donation to CNI to provide loans to 40 Small Businesses in Low-to-Moderate Income Neighborhoods on Chicago’s South and West Sides

Minneapolis, MN, October 15, 2020 – U.S. Bank and its subsidiary U.S. Bancorp Community Development Corporation (USBCDC) today published the findings of a case study exploring the history, investments and outcomes of the company’s ‘place-based investments’ since 2009 in the historic Pullman community on the South Side of Chicago. The case study was commissioned and published with the Rustandy Center for Social Sector Innovation at the University of Chicago Booth School of Business and Chicago Neighborhood Initiatives (CNI).

The case study documents the journey and lessons from the place-based investment and explores how it can be replicated in other cities/communities. In a continuation of U.S. Bank’s investment in Pullman, the company today also announces a \$1 million donation from U.S. Bank to CNI to support 40 small businesses in low-to-moderate income neighborhoods on Chicago’s South and West sides.

Key findings from the study include:

- **Invest big – no drops in the bucket:** Impact investing requires a long-term commitment to the community vs. supporting one project and leaving. U.S. Bank ensured that financially, CNI could respond quickly to opportunities as they arose.
- **Build community engagement and buy-in:** Success requires a holistic approach and direct input from the community every step of the way; listen to what they need and deliver on it. CNI’s board reflects Pullman demographically and includes community leaders; there was direct dialogue at every stage of the process; the plan came from the community.
- **Drive benefits where they’re needed most:** Don’t just assume the local community will benefit – structure it into the planning. CNI mandated hiring from the local ZIP code, required onsite employment centers and ran workshops so local contractors and businesses know how to bid on opportunities.
- **Know your assets – and use them:** In Pullman, this included a 180-acre plot of land in the nation’s third largest city, as well as \$50 million in New Markets Tax Credits. It also meant engaging with the Pullman community’s preexisting grassroots organizations and committed leaders, which made outreach – and eventually, buy in – easier.
- **Technical capacity is key:** USBCDC’s expertise in tax instruments, deal construction and organizational governance were invaluable in Pullman’s revitalization, and also helped CNI grow its own capabilities as it transitioned into a financially independent organization. Leverage all parts of the bank responsibly.
- **Continuity of leadership:** U.S. Bank Chief Financial Officer Terry Dolan remained committed throughout and was an intermediary and champion between CNI and U.S. Bank’s corporate infrastructure. CNI President David Doig’s presence through CNI’s transformation and in the community brought continuity with community leaders, government officials and corporate partners.



“We believe banks are in business to do three things: economic development, workforce development and community development,” said Zack Boyers, president and chief executive officer of USBCDC. “When we think about a time where all three of those come together, we think about our work in the Pullman community. U.S. Bank and the USBCDC have brought the resources of the entire company to invest more than \$120 million driving a total of \$400 million in investments in the Pullman community and created nearly 1,500 new jobs over the past decade. The impact of these investments in partnership with CNI and other private and public commitments have created lasting change in this historic community. It is an example of what we are striving to do in other communities across the country.”

The case study examines the place-based investment strategy U.S. Bank took after it acquired First Bank of Oak Park (FBOP) in 2009 and with it the company’s subsidiary Park National Bank in Pullman. Park Bank Initiatives (PBI), a nonprofit launched and funded by FBOP, comprised a team of development professionals that strategically guided the bank’s educational and housing philanthropy through continuous dialogue with the Pullman community.

Shortly after the acquisition, U.S. Bank helped transition PBI into CNI to assure the success of Pullman’s revitalization. U.S. Bank brought the full resources of the bank including its philanthropic donations alongside USBCDC’s deep expertise in tax instruments, deal construction and organizational governance to help redevelop Pullman. Today, CNI is an expert in managing capital structures, complex tax credits, and major construction projects, and it takes this capacity and experience into partnerships with other organizations as it enters its second decade of ambitious urban renewal. Among the many effects of this partnership, the community has seen an eight percent decline in unemployment, which is nearly double Chicago’s 4.7 percent decrease in unemployment over the period (U.S. Census Data) and its population grew five percent between 2010-18 whereby other nearby communities lost residents during this time (U.S. Census Data).

“Interest in impact investing has grown enormously over the last decade, but—despite a longer history—place-based community investing has received much less attention,” said Robert Gertner, Joel F. Gemunder Professor of Strategy and Finance at Chicago Booth and John Edwardson Faculty Director of Booth’s Rustandy Center. “That’s why we were thrilled to partner with U.S. Bank and CNI to develop this case study. It represents an important teaching tool for faculty and students to learn about the intricacies and nuances of these initiatives for building stronger communities.”

“Many organizations talk about the importance of community representation – really achieving it, however, requires structural commitment and thoughtful planning,” said Doig. “At every stage of the process, the organization was in direct dialogue with the community itself. You don’t come in with a plan, you get the plan from the community. This work is a direct reflection of great partnership and we are pleased to be part of this case study with U.S. Bank and the Rustandy Center at University of Chicago.”

“As someone who grew up and lived in Pullman during tough times as well as the good, I am tremendously proud of how we’ve pulled together to restore vitality to a neighborhood that was long neglected,” said 9th Ward Alderman Anthony Beale. “U.S. Bank and CNI have partnered together for years to build a strong, sustainable Pullman community. They’ve catalyzed the investment and development opportunities that have made Pullman the city’s fastest-growing neighborhood for new jobs.”

The case study has and will continue to be used in the curriculum within the impact investing courses at the University of Chicago Booth School of Business. [The full report is available here.](#)

About Rustandy Center for Social Sector Innovation

The Rustandy Center for Social Sector Innovation is the destination at the University of Chicago Booth School of



Business for people committed to helping solve complex social and environmental problems. As Chicago Booth's social impact hub, the Rustandy Center offers hands-on learning opportunities, supports innovative courses, and pursues research—all with the goal of developing people and practices with the potential to solve the world's biggest problems. Learn more about the Rustandy Center at www.ChicagoBooth.edu/RustandyCenter.

About Chicago Neighborhood Initiatives

Chicago Neighborhood Initiatives (CNI) is a nonprofit community and economic development organization working with neighborhood stakeholders to identify and implement high-impact projects for revitalizing low-to-moderate income communities. CNI coordinates public and private investments, acting as a developer and as a lender to encourage opportunities for combatting community deterioration: growing small businesses; creating training and jobs; and developing, renovating, and preserving affordable housing. Since its inception in 2010, CNI has been revitalizing the Pullman neighborhood on Chicago's Far South Side and other disinvested urban neighborhoods through use of New Market Tax Credits (NMTC), equity investments, and micro-loans through its Certified Financial Development Institution subsidiary, the CNI Micro Finance Group (CNIMFG). CNI has spearheaded nearly \$400 million of public and private investment in Pullman by leveraging its location near major transportation to attract a dozen companies to relocate to the Far South Side neighborhood and create additional economic opportunities that have been instrumental in its revitalization.

About U.S. Bancorp Community Development Corporation

With \$33.8 billion in tax credit equity committed as of Aug. 31, 2020, U.S. Bancorp Community Development Corporation, a subsidiary of U.S. Bank, provides innovative financing solutions for community development projects across the country using state and federally sponsored tax credit programs. USBCDC's commitments provide capital investment to areas that need it the most and contribute to the creation of new jobs, the rehabilitation of historic buildings, the construction of needed affordable and market-rate homes, the development of renewable energy facilities, and the generation of commercial economic activity in underserved communities. Visit USBCDC on the web at www.usbank.com/cdc.

About U.S. Bank

U.S. Bancorp, with more than 70,000 employees and \$540 billion in assets as of September 30, 2020, is the parent company of U.S. Bank National Association, the fifth-largest commercial bank in the United States. The Minneapolis-based bank blends its relationship teams, branches and ATM network with mobile and online tools that allow customers to bank how, when and where they prefer. U.S. Bank is committed to serving its millions of retail, business, wealth management, payment, commercial and corporate, and investment services customers across the country and around the world as a trusted financial partner, a commitment recognized by the Ethisphere Institute naming the bank one of the 2020 World's Most Ethical Companies. Visit U.S. Bank at usbank.com or follow on social media to stay up to date with company news.

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