



Empowering Communities with Funding and Grants Literacy

small business business customers funding

Summary: Taking a more hands-on approach to educating organizations within your community on securing funding — even when it is from outside avenues, such as federal grants — can help CFIs strengthen ties to their communities and foster goodwill that can pay off down the road.

Britain's Lincolnshire Wildlife Park is hoping that the saying "you can't teach an old dog new tricks" does not apply to parrots. The zoo, which received eight potty-mouthed parrots who routinely use profanities, believes it can teach the group to clean up its language by integrating them with a community of 92 other parrots who do not use expletives.

It isn't just zoos that see the value in using the resources of a community to help small groups. Last year, the Federal Reserve expanded upon the Community Reinvestment Act (CRA) with its [Community Development Outreach Program](#), designed to encourage economic growth and stability for low- and moderate-income (LMI) communities. Many rural communities fall into this category due to the [documented dearth of community development resources](#), according to research from the Housing Assistance Council. This puts rural, local small businesses at a disadvantage — but it also provides community financial institutions (CFIs) an opportunity to help bridge that gap for businesses and community organizations that could greatly benefit from those resources.

Helping LMI Communities Find Funding

Educating small businesses about funding avenues such as federal grants, entrepreneur grants, and the like may seem counterintuitive for CFIs, but doing so is a good way to demonstrate that your organization has the best interest of these customers at heart and views them as more than just a source of revenue. Aiding small businesses and community organizations in identifying viable avenues of funding can help them survive while they build themselves up, while at the same time strengthening goodwill with your CFI. Since the funds available through avenues such as grants are limited, when these organizations need additional funding, they are likely to seek financing from the CFIs that have demonstrated a true dedication to their community.

A Large-Scale Approach

If your CFI is interested in taking a more hands-on approach to providing these educational resources to your rural customers, a strong example to emulate is [The Rural Investment Collaborative](#). This initiative was created by the Federal Reserve Bank of Richmond and community leaders across five states — Maryland, North Carolina, South Carolina, Virginia, and West Virginia. Through the Collaborative, the Richmond Fed works with community leaders in these states to help leaders from underserved rural areas secure large-scale funding for their communities. Since rural areas may not have the capacity or the access required to draft effective project proposals, the Collaborative holds virtual training sessions to teach program participants about the components necessary to meet lending requirements.

There’s also a three-month training program where leaders from rural communities learn how to put together thorough and attractive funding proposals, how to create the infrastructure needed to bring projects to fruition and sustain them, and ways to start successful community partnerships. Participants in the Collaborative [also receive a \\$2K grant](#) to help them create consortiums of local support for the projects they seek to get off the ground.

In addition to training leaders within underserved communities, the Collaborative also hosts educational events for philanthropists and foundations to foster a greater understanding of ways that access to public and private funds can be improved for rural communities.

Getting Started

As CFIs work to create deeper ties to businesses and organizations within their communities and to broaden their reach to new regions, including underserved rural areas, they should consider following the lead of the Rural Investment Collaborative. While it may not be possible to create something of the same scale as the Collaborative, CFIs may want to look into ways to recruit community leaders to help educate small businesses and organizations about the steps needed to secure funding for their initiatives, as well as other avenues of funding that may be available to them.

Here are a few ways to get started:

- **Workshops and Seminars.** Host regular workshops and seminars specifically tailored to educate low- and moderate-income individuals about available grants. These events should cover topics such as eligibility criteria, application processes, and resources for finding grants.
- **Online Resources.** Develop and maintain a dedicated section on the bank’s website with resources and guides on securing grants. Include links to reputable grant databases, sample applications, and tips for writing effective proposals.
- **Financial Literacy Programs.** Incorporate grant education into existing financial literacy programs offered by the bank. Teach participants how securing grants can help them achieve their financial goals and improve their financial well-being.
- **Mobile Outreach.** Organize mobile outreach events in underserved neighborhoods or areas with limited access to traditional banking services. Bring grant education directly to the community through pop-up events, mobile vans, or partnerships with local businesses.

One of the best ways that CFIs can enhance ties to the communities they operate within, as well as neighboring communities, is to demonstrate concern for the organizations and initiatives seeking to enhance them. Taking the time to educate community leaders and small businesses can pay off in the long run, as such efforts do not go without notice among community members.

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Rates As Of: 04/09/2024 05:33AM (GMT-0700)			
Treasury	Yields	MTD Chg	YTD Chg

3M	5.43	-0.03	0.03
6M	5.35	-0.03	0.09
1Y	5.05	0.03	0.28
2Y	4.76	0.14	0.51
5Y	4.40	0.18	0.55
10Y	4.39	0.19	0.51
30Y	4.52	0.18	0.49
FF Market		FF Disc	IORR
5.33		5.50	5.40
SOFR		Prime	OBFR
5.31		8.50	5.32

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