

LISC, Ally Financial launch program to spur economic opportunity for micro-entrepreneurs, homeowners

Program will deliver financial coaching and support in Charlotte, Detroit, Jacksonville and Philadelphia

NEW YORK (Dec. 4, 2019)—Ally Financial, Inc. (NYSE: ALLY) and the Local Initiatives Support Corporation (LISC) are teaming up on a new \$3 million program to fuel entrepreneurship and homeownership, focusing particularly on people who might not otherwise have access to the capital and support they need to succeed.

The new program will fund a bundled set of financial and business coaching services for an estimated 4,400 people in Charlotte, Detroit, Jacksonville, Fla., and Philadelphia. It is structured to help people with low-to-moderate incomes stabilize their financial outlook, build their assets, and strengthen their communities.

Ally staff in those four cities will also contribute their time and expertise to the effort, providing support as business mentors and homeownership counselors, and advancing the efforts of local nonprofits to support economic opportunity in their communities.

“This program gets to the heart of Ally’s Corporate Citizenship efforts – building economic mobility and addressing inequality in the communities where we live and work,” said Alison Summerville, business administration executive and head of Corporate Citizenship at Ally. “As a digital financial services company, Ally is in a unique position to give the participants a hand up through this program to get their lives on a more stable path.”

The Ally program will tailor its support for micro-entrepreneurs (businesses with five or fewer employees) and potential homeowners to the communities where it will operate. For example, in Philadelphia, it will expand the reach of existing place-based initiatives to spur homeownership and housing repair. In Detroit, it will support economic development by connecting residents and microentrepreneurs in two communities to education, training and financing opportunities.

“There are far-reaching social and economic benefits to helping people build housing or business assets,” explained Maurice A. Jones, LISC president and CEO. “Over the years, we have seen that the [median net worth of business owners](#) tends to be more than two times higher than that of non-business owners. But, for a black woman that difference could be multiplied by as much as 10, and for a Latino man it could be multiplied by up to five. When we support their business goals, we support a more equitable, more inclusive economy.”

The same is true of homeownership, said Ally’s Summerville. The [net worth of a homeowner](#) is over 44 times greater than that of a renter. What’s more, rising home values may have a long-term impact on the children of owners. A 2014 study by the Boston Federal Reserve, for instance, found that gains in home prices correlated with higher incomes later in life for the children of owners but not for the children of renters living in similar locations.

“There is incredible talent in all of our communities. The job to be done is to match that talent with incredible opportunity,” said Jones. “America’s future depends in no small part on how well we do this job. We’re grateful to Ally for helping people develop skills and build assets that serve as the foundation for long-term stability and growth.”

The Ally program expands on the experience of LISC’s [Financial Opportunity Center](#) network, which includes more than 95 community partnerships around the country that help people train for and find good jobs; build their incomes, credit, and savings; improve financial literacy and budgeting skills; and overcome barriers to success, like housing affordability, transportation and childcare. FOC impact data demonstrates that people who access a range of services have more success meeting their financial goals than those in programs offering a single service.

LISC estimates that the people served by the Ally program are likely to reflect the demographics of FOC clients: more than 50 percent are female heads of household in communities of color; 40 percent have no credit scores and another 40 percent have credit scores below 620; 23 percent have no high school diploma or equivalent.

This is just the latest program from Ally to address economic mobility. Ally joined with the Sean Anderson Foundation and the Thurgood Marshall College Fund in 2018 to create [Moguls in the Making](#), aimed at preparing students from Historically Black Colleges and Universities and Predominantly Black Institutions to become future entrepreneurs and members of the business community. This program will welcome its second cohort in 2020.

Ally has also made investments in [affordable housing](#) in Charlotte, and has local and national relationships with Junior Achievement USA to promote financial literacy in school-aged children.

About Ally Financial, Inc.

Ally Financial Inc. (NYSE: ALLY) is a leading digital financial-services company with \$181.5 billion in assets as of September 30, 2019. As a customer-centric company with passionate customer service and innovative financial solutions, we are relentlessly focused on "Doing It Right" and being a trusted financial-services provider to our consumer, commercial, and corporate customers. We are one of the largest full-service automotive-finance operations in the country and offer a wide range of financial services and insurance products to automotive dealerships and consumers. Our award-winning online bank (Ally Bank, Member FDIC and Equal Housing Lender) offers mortgage-lending services and a variety of deposit and other banking products, including savings, money-market, and checking accounts, certificates of deposit (CDs), and individual retirement accounts (IRAs). Additionally, we offer securities-brokerage and investment-advisory services through Ally Invest. Our robust corporate finance business offers capital for equity sponsors and middle-market companies.


For more information and disclosures about Ally, visit <https://www.ally.com/#disclosures>.


For further news regarding Ally, please visit the Ally press room at <http://media.ally.com>.

About LISC

With residents and partners, LISC forges resilient and inclusive communities of opportunity across America – great places to live, work, visit, do business and raise families. Since 1979, LISC has invested \$20 billion to build or rehab 400,500 affordable homes and apartments and develop 66.8 million square feet of retail, community and educational space. For more, visit www.lisc.org.

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