

A photograph of a Chicago neighborhood in the foreground, featuring brick buildings and a street with a red car. In the background, the Chicago skyline is visible, including the Willis Tower. The image is overlaid with a blue gradient box on the right side containing text.

Investing in Opportunity:

Chicago

JPMorgan Chase's Commitment
to the South and West Sides

JPMorgan Chase & Co.

Driving Inclusive Growth on Chicago's South and West Sides



Whitney Smith
Head of Midwest Philanthropy,
JPMorgan Chase & Co.

One year ago, JPMorgan Chase made a \$40 million, three-year pledge to expand access to opportunity on Chicago's South and West sides. We did so because our firm has deep roots in Chicago, and because we know that business thrives when community thrives. We also believe we have both the responsibility and the capabilities to help solve challenges in our communities.

We are proud to report that by the end of year one, we have already deployed half of this \$40 million pledge. Even more important, our investment is beginning to make a real impact in people's lives – which we know is thanks to the tireless, on-the-ground work of our nonprofit partners. Each person who has graduated from a training program and landed a new job, and each entrepreneur who has gotten financing to expand a business, is the true metric of success.

Even while we take this occasion to mark our progress, we are profoundly aware of the challenges Chicago continues to face. We recognize our firm's efforts are one part of the broader solution needed to address the decades of disinvestment, concentrated poverty and associated gun violence that are impeding the ability of too many Chicagoans to fulfill their potential. We believe, however, that JPMorgan Chase can make a meaningful contribution doing what we do best: leveraging our firm's resources and capabilities to drive inclusive growth that expands economic opportunity.

One year in, we are also reflecting on what we have learned or had reaffirmed through our work on the South and West sides: collaboration among the public, private and nonprofit sectors is the lynchpin in solving complex challenges; good data are needed to inform and customize strategies; the business community must deploy its full range of expertise and assets – including, but not limited to, philanthropy – to drive impact; and we must apply an innovation mindset to tackling community challenges, taking risks and scaling what works.

Perhaps chief among our reflections is a renewed appreciation for the ways that Chicago's nonprofits don't always have access to the data, expertise and other tools that will enable them to most effectively translate their hard work into greater opportunity for Chicago's residents. As a result, we are looking more closely at how our firm – through the expertise of our employees – can go beyond writing a check to strengthen the vital organizations that are on the front lines of improving Chicagoans' lives.

I know there is still much to do, but I feel privileged to work for a firm that is applying its formidable assets to helping tackle the biggest issues in my city.

Model for Impact In Action in Chicago



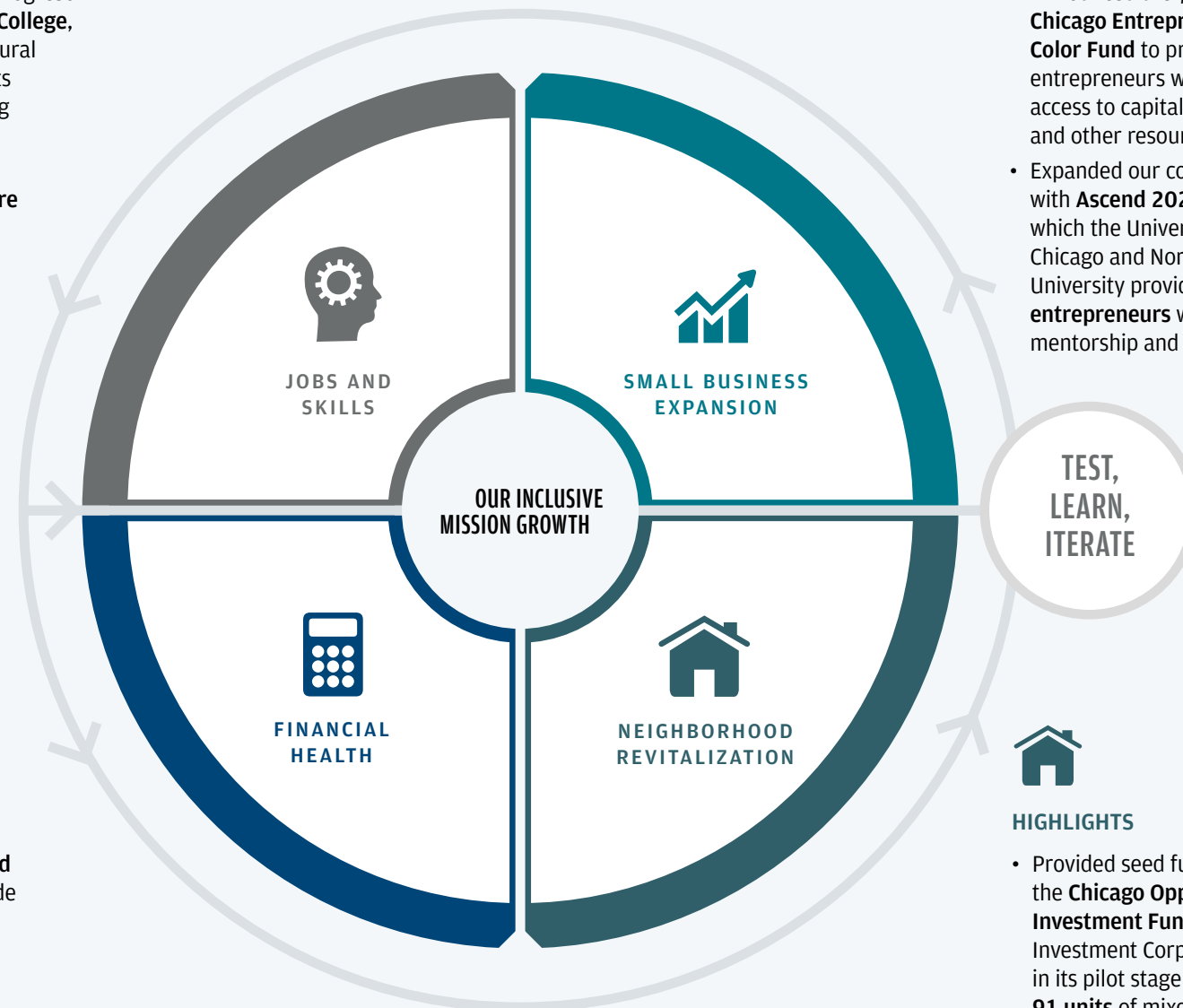
HIGHLIGHTS

- Worked with Instituto del Progreso Latino to launch **Instituto College**, which welcomed the inaugural class of **30 students** into its associate degree in Nursing program in fall 2018.
- Continued our support of the **Chicagoland Healthcare Workforce Collaborative**, which brings together **11 hospitals** to address common workforce problems such as hiring, retaining and upskilling patient care technicians.



HIGHLIGHTS

- Worked with **Neighborhood Housing Services** to provide Chicagoans with financial coaching, leading to an average credit score improvement of **12 points**, increase in savings of **\$2,329** and debt reductions of **\$4,185**.



HIGHLIGHTS

- Announced the **\$5.5 million Chicago Entrepreneurs of Color Fund** to provide minority entrepreneurs with critical access to capital, education and other resources.
- Expanded our collaboration with **Ascend 2020**, through which the University of Chicago and Northwestern University provided **43 diverse entrepreneurs** with business mentorship and coaching.



HIGHLIGHTS

- Provided seed funding to launch the **Chicago Opportunity Investment Fund** at Community Investment Corporation, which in its pilot stage preserved **91 units** of mixed-income housing, of which **20** are dedicated as affordable units.



Jamie Dimon
Chairman and CEO,
JPMorgan Chase & Co.

“There is hope for solving Chicago’s greatest challenges if business, civic and nonprofit organizations are willing to work together and focus their investments where it is needed most. The collaboration we’ve seen thus far is exciting, and it gives us the confidence to make these investments. We look forward to seeing what impact it can have on creating a prosperous and more hopeful future for Chicagoans on the South and West sides.”

In Partnership With...

Accion Chicago • ADA Advancing Leadership • Advocate Healthcare Foundation • After School Matters • Bishop Arthur M. Brazier Foundation • Blue1647 • Boys & Girls Club of Chicago • Cara Program • Center for Economic Progress • Center for Financial Services Innovation • Chicago Anchors for a Strong Economy • Chicago Cares • Chicago Chamber of Commerce Foundation • Chicago Citywide Literacy Coalition • Chicago Community Loan Fund • Chicago Cook Workforce Partnership • Chicago Neighborhood Initiatives • Chicago Rehab Network • Chicago Urban League • Chicagoland Entrepreneurial Center (1871) • City Colleges of Chicago Foundation • Civic Consulting Alliance • Community Investment Corp. • Community Reinvestment Fund • Enterprise Community Partners • Far South CDC • Heartland Alliance for Human Needs and Human Rights • IFF • Illinois Hispanic Chamber of Commerce • Instituto del Progreso Latino • Ladder Up • Latino Policy Forum • LeadersUp • Local Initiatives Support Corporation • Lurie Children’s Hospital Foundation • Mercy Housing Lakefront • Metropolitan Planning Council • Moneythink • Neighborhood Housing Services of Chicago • North Lawndale Employment Network • Northwestern University, Kellogg School of Management • Rebuild Foundation • Rush University Medical Center • Spanish Coalition for Housing • Sunshine Enterprises • The Resurrection Project • Thrive Chicago • University of Chicago Crime Lab, Polsky Center and Poverty Lab • Women Employed • Women’s Business Development Center • Working Credit • World Business Chicago

Expanding Opportunity in Chicago: Highlights From Year One

Our experience has shown that there are some universal pillars of opportunity, including arming people with the skills to land high-quality jobs, providing small businesses with the capital and resources to succeed, revitalizing underserved neighborhoods and giving households the tools to manage their financial health.

By strengthening these pillars, we help more people share in the rewards of a growing economy. On the South and West sides of Chicago, that is exactly what JPMorgan Chase is working to do. Here are some examples of our work in year one.



Small Business Expansion

Small businesses are powerful engines of economic opportunity, yet in the diverse city of Chicago, only 18 percent of the city's businesses are owned by people of color. Through an approach we pioneered in Detroit – which combines access to capital, technical assistance and coaching – JPMorgan Chase is giving minority entrepreneurs on Chicago's South and West sides a boost.

In 2018, our firm made a \$3 million philanthropic investment to launch the Chicago Entrepreneurs of Color (EOC) Fund with community partners Accion Chicago and Local Initiatives Support Corporation. Along with a \$2.5 million investment from Fifth Third Bank, the EOC Fund aims to provide \$5.5 million in capital to minority-owned small businesses. With research from the JPMorgan Chase Institute revealing that many small South and West side businesses have precariously low cash reserves – and also that residents in Chicago's South and West side neighborhoods must travel greater distances to access everyday goods and services – the Fund will fill a critical need to strengthen and expand the area's small business sector. JPMorgan Chase invested an additional \$1 million to support business mentoring programs for minority entrepreneurs at the University of Chicago and Northwestern University, part of the national Ascend 2020 initiative.



IMPACT

Vernita Johnson, owner of DLV Printing Service in Chicago's South Austin neighborhood, knows access to capital is critical for entrepreneurs. "It's make-or-break," says Vernita. "You need the equipment and the working capital. Bridging that gap is central." Vernita also knows first-hand that bridging the capital gap can be challenging, particularly early on when a business is not able to demonstrate the profitability or collateral to meet traditional lending requirements.

Enter Accion Chicago, a nonprofit lender and one of JPMorgan Chase's partners in the Chicago EOC Fund. Thanks to financing from Accion, Vernita has been able to invest in equipment and a new facility, which in turn has allowed her to take on larger orders, grow her staff and surpass \$500,000 in annual revenue. With the launch of the EOC Fund, many more entrepreneurs on the South and West sides will be able to similarly unleash the potential of their business.



IMPACT

Like many young people, South side native Floyd Wilson did not have a clear plan for his life. "After graduating high school, I really didn't know what I wanted to do," he says. "There were things I wanted to try but it never really worked out." That changed when Floyd, now 26, heard about BSD Industries at his church one day. "I feel like God just opened that door for me."

That was in 2015. Fast-forward to 2018, and Floyd is a member of the first cohort to graduate from BSD's workforce development program, trained in autoCAD, industrial and electrical controls, and robotics programming. He's excited to put those skills to work at his new job at automotive parts supplier Flex-N-Gate. "Robotics programming awakened something in me I never knew I had," says Floyd. "I can honestly say BSD completely changed my life."



Jobs and Skills

Equipping Chicagoans with the skills and training to compete for high-quality, in-demand jobs is a critical lever for opening doors to economic opportunity. With research from JPMorgan Chase showing that Chicago-area employers are having trouble filling certain middle-skill positions in growing industries, such as advanced manufacturing and healthcare, doing so is also a key to strengthening the city's business sector.

In 2018, JPMorgan Chase committed \$500,000 to help the nonprofit Instituto del Progreso Latino launch Instituto College, which will prepare Latinos and other Chicagoans for high-demand, middle-skills jobs by providing access to lower-tuition associate degrees, starting with Nursing. Also in 2018, JPMorgan Chase expanded its work with the Arthur M. Brazier Foundation with a \$500,000 investment to fund a robotics technician training program. The program is operated by BSD Industries – a social enterprise of the Brazier Foundation that produces plastic products such as compostable cutlery – and prepares participants for jobs in advanced manufacturing. Finally, JPMorgan Chase invested \$2 million in Heartland Alliance's READI (Rapid Employment And Development Initiative) Chicago initiative to provide returning citizens and others at risk of gun violence with employment, coaching and support services to prepare them for success in the labor market.



Neighborhood Revitalization

Driving inclusive growth requires a deliberate focus on extending economic opportunities beyond the urban core and into surrounding neighborhoods. On Chicago's South and West sides, JPMorgan Chase is combining our philanthropic capital with our community development banking expertise to support and catalyze residential, commercial and retail developments in areas that for too long have not shared in the city's prosperity.

In 2018, JPMorgan Chase provided critical seed funding for the development and launch of The Chicago Opportunity Investment Fund (OIF), an innovative model for preserving mixed-income housing without relying on traditional subsidies. Created by Community Investment Corporation, a leading community development financial institution (CDFI), OIF will create more opportunities for low- and moderate-income families to remain in or move into stronger markets in the city. Our firm also provided loan loss reserves for OIF's pilot transactions – which collectively financed 91 units of mixed-income rentals, at least 20 of which are being held as affordable. Thanks to the success of the pilot, OIF will launch in 2018 with a total of \$30 million in public and private investment.

IMPACT

In Roseland on Chicago's South side, Aaron Mallory is revitalizing the neighborhood where he was born – and helping at-risk teens in the process. GRO Community, the nonprofit he started, acquires and rehabilitates abandoned properties. In parallel, GRO operates a hands-on training program that teaches local teens about construction and real estate investment. Aaron's work has been made possible, in part, by financing from the Chicago CDFI Collaborative, a partnership of three CDFIs supported by JPMorgan Chase.



Financial Health

Ensuring individuals have the tools, skills and confidence to manage their daily finances, withstand unexpected emergencies and meet their long-term goals is an essential foundation for stable households and resilient communities. In Chicago, JPMorgan Chase is investing in a pilot program to identify and test how to bring the benefits of fintech solutions aimed at boosting financial health – through, for example, increasing savings, improving credit or reducing debt – to low-income Chicagoans.

The program will be managed by the Center for Financial Services Innovation (CFSI), which will work with three Chicago-based nonprofits – Heartland Human Care Services, Local Initiatives Support Corporation and Latin United Community Housing Association – to introduce fintech products to the clients they serve on the South and West sides and integrate them into the organizations' existing processes. CFSI will also provide training and technical support.

Creating Impact: Key Lessons From Chicago

Our work in Chicago over the past year has deepened our understanding of what it takes to create lasting impact in our communities. Here are some of our and our partners' insights:

1 The value of collaboration cannot be overstated

"The Entrepreneurs of Color Fund model exemplifies partnership. When we collaborate with JPMorgan Chase and community partners, it helps small business owners gain access to the capital that they need to launch or grow their businesses. That's a great outcome for everyone."

Kala Gibson, Senior Vice President, Head of Business Banking, Fifth Third Bank, Entrepreneurs of Color Fund Co-funder

2 Good data illuminate actionable strategies for expanding opportunity

"It is the support from JPMorgan Chase, and the workforce research that they commissioned, that showed us that career pathways programs like Instituto's need to continue to innovate and push further to provide more training opportunities that can help fill the need for middle-skilled workers in healthcare and other industries."

Karina Ayala-Bermejo, Esq., President & CEO, Instituto del Progreso Latino, Jobs and Skills Partner



3 Philanthropic capital plus core business expertise equals maximum impact

"Doing business in Chicago's neighborhoods with the most untapped potential makes good sense. When we pair our expertise in community development with our philanthropy work, we can help in stimulating economic development for those who need it the most in a sustainable way."

Kevin Goldsmith, Program Manager, Community Development Tax Credits and Intermediaries Lending, JPMorgan Chase

4 Invest in new models – but be deliberate in testing, learning and iterating before you scale

"One of my parishioners came to me with the idea of workforce development in robotics, and she had gotten that idea from Focus: HOPE out of Detroit. There was an employee of JPMorgan Chase there and he said, 'You should bring that here.' And so we did. We've already trained 40 individuals on robotic controls."

Dr. Byron T. Brazier, Pastor, Apostolic Church of God in Chicago, Jobs and Skills Partner

5 Nonprofit capacity building is a critical community impact multiplier

"The biggest takeaway from this experience has been the commitment of JPMorgan Chase to foster growth in local communities. The employees share that same passion and it was refreshing to feel the energy and excitement displayed by the JPMorgan Chase employees. No matter where they came from throughout the world, the same level of commitment to assisting our organization was shown for the entire time they were there."

Joel Hamernick, Executive Director, Sunshine Enterprises, Service Corps Partner

Strengthening Nonprofits

In Chicago, as in other communities around the world, a deliberate part of our strategy is strengthening the capacity of our nonprofit partners.

Here is how we are putting the time, talent and expertise of our people to work.

JPMorgan Chase Service Corps + Chicago Community Loan Fund

Robert Tucker, chief operating officer and executive vice president of programs at Chicago Community Loan Fund (CCLF), knew what his organization needed to be more effective. The CDFI, which provides financing in distressed neighborhoods, needed a liquidity model to better manage capital flows. Robert figured he'd have to hire a costly consultant to develop the sophisticated financial tool. "Then lo and behold," he says. "We were presented with the Service Corps." **Through its Service Corps program, JPMorgan Chase sends teams of top-performing employees on three-week assignments to put their skills and expertise to work on behalf of our nonprofit partners.**

JPMorgan Chase Service Corps and CCLF teams conduct a Chicagoland site visit.



A Service Corps team soon went to work on-site at CCLF. In addition to developing the liquidity model, it updated the organization's investment policy and researched short-term investment vehicles – an exercise that immediately enabled CCLF to generate up to \$75,000 in additional annual income. "We're just a small nonprofit so that's a big deal," says Robert. "And the cost savings and efficiencies as a result of the team's other work is a number far in excess of that."

For Robert, the embedded aspect of the Service Corps is one of its strengths. "If we had just hired a consultant, I don't think they would have really understood us," he says. "The Service Corps team came to know us inside and out, and that was incredibly valuable." Equally, Robert cites the way the Service Corps brings together JPMorgan Chase employees from different functions and parts of the world. "Their diverse backgrounds and ideas led to several very impactful improvements. You really can't put a price tag on it."

Leadership Edge + Heartland Alliance

Among people who have spent their careers in the nonprofit sector, there is one thing that is never in short supply: commitment to the mission. It takes more than that to be effective, however. "In the world of nonprofits, one of the gaps I see is around management," observes Eddie Bocanegra, senior director of READI Chicago, an innovative new program led by Heartland Alliance aimed at tackling gun violence. "It's great to have people who are mission driven, but you also need people who have the competencies to execute."

That's why, when Eddie got an invitation to attend Leadership Edge, he jumped at the chance. **Originally designed for JPMorgan Chase executives but offered for the first time to the firm's nonprofit partners in Chicago in 2018, the two-day management development program aims to sharpen the skills of nonprofit leaders.**

According to Eddie, the training helped him identify ways to be a better supervisor and gave him tools he could put into action the very next day. "I'm talking basic principles of business like running an effective meeting, maximizing your staff's time and communicating well," he says. Basic, perhaps, but skills that are critical to organizational effectiveness – and ones that can be neglected within nonprofits singularly focused on advancing their mission. "I can only wish that all nonprofits could have the opportunity I just had."

Eddie Bocanegra, Senior Director of READI Chicago

