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Credit unions, class, race, and place in New York City

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ABSTRACT

Using diverse economies and relational poverty insights, we examine the place-making practices of the cooperatively owned and democratically structured financial institutions – credit unions. In the U.S., they represent the rarely recognized but widely spread local banking systems that prioritize interests of communities over profit-maximization for outside investors. Their mission to a large degree aligns with anti-poverty and anti-racist social justice struggles and with the ethics of "solidarity" economy, a growing international movement. Our research begins a geographic inquiry into distinct non-capitalist place-making practices of credit unions while also acknowledging that they are a heterogeneous group themselves. In particular, we link their impact on place to commitment to community development and inclusion of low-income and minority populations which signal their resistance to racial capitalism and global finance. These practices are visible in special designations as low-income, minority, and community development institutions. We find that credit unions in the underserved communities address multiple forms of marginalization, as evident in overlapping designations, with the least amount of resources at their disposal. The non-designated credit unions, accounting for significant cooperative finance membership and resources in New York City, are mainly linked to employment and are more distant from social justice struggles. They eventually spatialize the benefits of solidarity finance in the better off neighborhoods in which their members live. At another level, however, these credit unions scale up solidarity finance and divert significant assets from capitalist circulation to social reproduction and solidarity realms. These findings emphasize the important differences between credit unions that matter for social transformation towards the solidarity economy.

1. Introduction

This paper critically examines geographies of New York City credit unions with an eye to their potential to become engines of inclusive local development. In contrast to privately owned and profit-driven capitalist banks, which have a long history of excluding poor and minority populations from access to their services, not-for-profit credit unions have a long history of financial inclusion. Cooperatively owned and managed by their members, they hold an ethical mission to provide fair financial services to their membership instead of maximizing profit. The economic interests of credit unions are bound to communities and place, instead of global markets, because of their origins in specific communities united by residence, work, association, or geography. For these reasons, they are invested in the economic well-being of place and have historically aligned with social justice causes. Together, the connection to place, obligation to membership, and social justice concerns suggest that credit unions make place differently from capitalist finance. Arguably, they are able to resist capitalist marginalization and rebuild communities in the spirit of solidarity as no other contemporary formal financial institutions in the United States today. Credit unions are financial cooperatives with an ethical or social mission and we use the terms "cooperative finance" and "ethical finance" to refer to these institutions throughout the paper.

This paper focuses on place-making by credit unions through practices of community development and financial inclusion. Throughout, we use the lens of community and solidarity economy (Gibson-Graham, 2006; Healy, 2009; Borowiak et al., 2017) and relational poverty research (Lawson and Elwood, 2014) to understand the potential of cooperative finance to transform place towards the solidarity economy, and the limitations stemming from its contradictory relationship with capitalism. Our empirical data include location and characteristics of New York City credit unions relevant to place-making, including special designations as community development, low-income, and minority institutions.

Credit unions have long provided crucial, although publicly invisible and little researched, support to numerous communities across the United States. Since their inception in 1909, they have become a local strategy for financial inclusion for those marginalized by racial

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capitalism. Low-income, working class, and rural households, African Americans, indigenous communities, and immigrants have pulled together their financial resources by forming financial cooperatives (in addition to informal lending arrangements, not studied here) in order to better their lives (Leyshon and Thrift, 1995; Nembhard, 2014; Mook et al., 2015). The role of credit unions in the United States has grown dramatically in the hundred years since their founding. Currently, there are 103 million Americans who are members of credit unions, representing half of all working age adults. The United States has the largest credit union membership in the world; it includes half of the world's credit union members. There are roughly as many credit unions in the country as banks. Their combined assets of $1 trillion (NCUA, 2016a) are only fourteen times lower than the total assets of the globally powerful American banks. Moreover, their continuous growth in membership and assets has been achieved without fanfare and despite the hegemony of the capitalist finance. Taken together, these historical and contemporary developments underscore the enduring usefulness and broad appeal of credit unions in American society and call for further research in human geography.

Studying how credit unions make place in New York City is illuminating for several reasons (Fig. 1). They play a prominent role in supporting a large urban population despite fierce competition from capitalist banks and predatory financial services. Citywide, there are more than 800,000 members in 85 financial cooperatives. These members represent one fifth of city's labor force and collectively own $13.8 billion in assets. As nationally, citywide membership and assets have grown, especially since 2008, despite being severely affected by the financial crisis (Pavlovskaya et al., under review; Tokle et al., 2015).

In addition, struggles for economic and racial justice occupy a prominent place in New York City, an urban center with large African American and immigrant populations with a long history of discrimination by mainstream banks. It is worthwhile to examine the contemporary role of credit unions in countering economic and racial marginalization experienced by these populations.

The neoliberal turn in government policy of the last decades has further undermined the very idea of non-profit, cooperative, and ethical economic practices exemplified by credit unions. At the same time, the protracted economic crisis of the last decade made it clear that alternatives to capitalist development are urgently needed (Harvey, 2013; Roelvink et al., 2015). The marginalization of low-income and minority communities through financial exclusion and predatory forms of finance deepens in the context of financialization (Dore, 2008; Hall, 2012). The question of financial alternatives has gained traction because of the role of global finance in the origins of the 2008 crisis and its increasing instability that both precipitates suffering and creates spaces for new arrangements to take hold (Grabel, 2018). It could be the case that financial actors such as credit unions are able to play a greater and more profound role in rebuilding community and place based on financial inclusion and solidarity (Périlleux and Nyssens, 2017).

For these reasons, it is vital to examine contributions of credit unions to place as distinct from capitalist finance. Our research, however, goes further and draws out differences among the financial cooperatives themselves. As we explain elsewhere (Pavlovskaya et al., under review), although credit unions all have the same ownership structure and ethical mission, they can differ profoundly because of the common bond principle that determines which groups of people – such as residents of a neighborhood, members of a religious or ethnic association, or employees of a profession or workplace – can form a financial cooperative. By creating communities around social experiences in common, credit unions can resist capitalist and racial marginalization

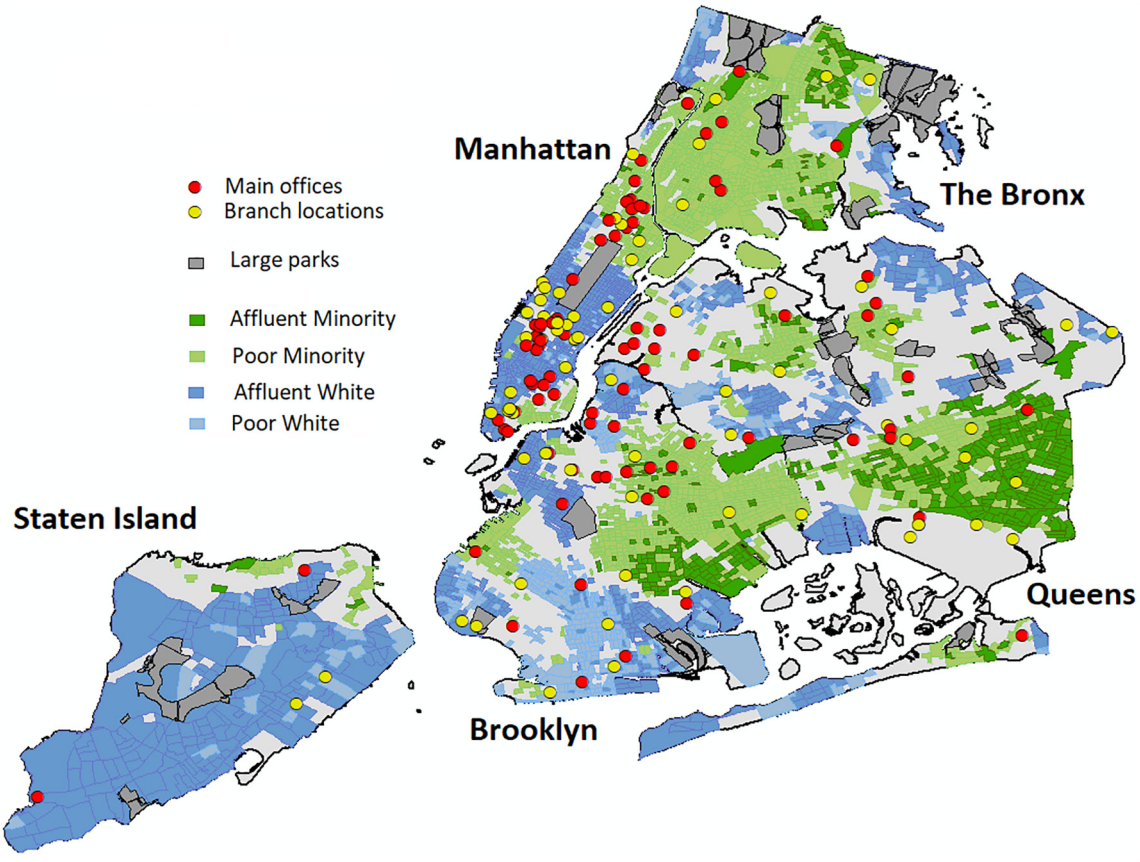

Fig. 1. Map: Credit unions (156 locations) and income/race clusters.
Source: Authors based on 2014 NCUA and ACS data.

through the collective practice of non-capitalist finance. Yet, because these social experiences themselves are structured by class and racial hierarchies, their influence extends to credit unions which demonstrate deep disparities in wealth and capacity to support membership communities through financial services. In this article, we shift attention to financial inclusion and commitment to place as major place-making practices of credit unions that also resist marginalization by racial capitalism and globalization.

In particular, we map spatial patterns of financial cooperatives with respect to their status (or designation) as community development, low-income, and minority institutions and analyze membership and financial characteristics for these groups. At a general level these special designations reflect practices of financial inclusion that defend urban communities from economic marginalization. We further contextualize the spatial patterns of these designations by urban geographies of class and race gleaned by mapping census data. Through this analysis, we aim to understand (1) how credit unions differ in terms of the financial inclusion of marginalized urban populations; (2) what the implications of these differences are for the ways in which they make place; and (3) what political consequences these differences might have for envisioning the solidarity economy built with credit unions.

We find that credit unions in New York City incorporate low-income and minority residents and communities "underserved" by mainstream banks at higher than average national rates. At the same time, practices of financial inclusion vary considerably in scale and throughout the urban space. One group of credit unions with more than one special designation addresses multiple and overlapping forms of marginalization (class, race, and globalization) by ensuring financial inclusion in poor minority neighborhoods. Reflecting the poverty of these communities, these credit unions have drastically limited resources for fulfilling their social mission.

Another group includes credit unions with no designations at all. These "non-designated" financial cooperatives hold large collective assets composed primarily through places of employment across the city. These credit unions provide financial services at the urban scale to relatively affluent middle class populations which eventually distribute the benefits of cooperative finance to the middle class neighborhoods where they live (also see Pavlovskaya et al., under review).

Section 2 links our research to relational poverty and community and solidarity economy frameworks, and explains the importance of financial inclusion historically and in the context of financialization. Section 3 describes our epistemological approach, methods, and data. In Section 4 we explain how special designations reflect practices of inclusion and act as policy instruments. Geographies of designations are examined in Section 5. Section 6 compares the distinct groups of credit unions with a single designation, multiple or overlapping designations, and without any designation. In conclusion, we reflect on the place-making potential of credit unions and the need for alliances across class and race for forging post-capitalism.

2. Non-capitalist place-making with cooperative finance

Relational poverty research calls us to see poverty as dynamic, always contested, and constantly reproduced as well as creating multiple forms of exclusion under capitalism (Lawson and Elwood, 2014). According to feminist geographers Lawson and Elwood (2014), middle class poverty politics often contribute to this exclusion through cultural and political othering and spatial separation from the poor although the moments of "encounter" between the two in certain urban spaces could produce cross-class alliances that challenge neoliberalism. Feminist geographers J.K. Gibson-Graham have long argued that community and solidarity economies that exist within capitalism challenge capitalist exploitation and constitute an on-going transformation away from capitalism (Gibson-Graham, 2006). The first framework underscores the role of multiple forms of marginalization of the poor, including their discursive construction by the middle class, while the second emphasizes the power of non-capitalist alternatives in imaginaries of place. Both frameworks also underscore the importance of possibilities that might arise from challenging mainstream narratives of the economy that construct capitalism and poverty as a norm. Relational poverty scholars see those possibilities as circumstantial and fragile while community and solidarity economy theorists call for increasing visibility of the already existing non-capitalist alternatives as the way to sustain and further social transformation.

Interpreting the place-making practices of credit unions within these frameworks sheds new light on their transformative potential and challenges they face within the surrounding capitalist society. Relational poverty research helps to focus on the role of financial inclusion in the production of place and the implications of the middle class and the poor both using cooperative finance. The community and solidarity economies frameworks, meanwhile, allow for theorizing credit unions as non-capitalist institutions which can counter marginalization in substantial ways and contribute to class transformation.

While not a cause of poverty itself, financial exclusion represents a major mechanism for economic marginalization and social exclusion of the poor. It remains a major problem in the United States today (Barr, 2004), especially in the context of financialization. The proportion of "unbanked" Americans (who do not use federally backed banks and credit unions) is rising and constitutes 8.2% of all households. Among African Americans, Hispanics, immigrants, and low-income populations it ranges from one-fifth to one-third (Touryalai, n.d.). The underbanked households (those with a bank account but using AFSPs) represented 20% of US households or 24.8 million people in 2013 (Miller, 2015).

With no -access to financial systems made increasingly important by financialization and the internet, these groups pay large fees for cashing checks, represent an easy target for predatory service providers, and have to keep savings at home or with friends (FDIC, 2016). Sometimes they cannot access certain government benefits even if they are eligible and cannot build credit history required for access to bank loans (as opposed to borrowing from payday lenders with higher rates and fees) (Barr, 2004). Not using bank and credit cards restricts access to internet-based banking, which has quickly become a norm for the middle class. In short, financial exclusion prevents large populations and entire communities from being integrated into the economy and society, restricts their life opportunities in social reproduction, and precipitates poverty.

As we already noted, the very reason for the creation of credit unions was to fight poverty and exclusionary practices of capitalist banks that continued to discriminate communities of color through 1990s and in the 2000s harmed them by subprime lending (Miller, 2015). Credit unions that, in contrast, became a safe haven for working class, African American, and immigrant communities, play this role today, especially in neighborhoods abandoned by banks (Lune and Martinez, 1999; Deller and Sundaram-Stukel, 2012; Mook et al., 2015). However, credit unions do more than provide marginalized populations with access to financial services (Ryder, 2002; Fuller, 1998). By building a community-based response to impoverishment by capitalism, they challenge the neoliberal notions of personal responsibility that ignore the role of class, racism, and global capital in production of one's poverty (Lawson and Elwood, 2014; Van Den Berk-Clark and Pyles, 2012; Schram, 2015). As collective owners of the institution, their members practice an entirely different approach to finance that prioritizes the livelihoods and social reproduction instead of profit-driven investment (Mook et al., 2015; Périlleux and Nyssens, 2017). Herein lies the potential of cooperative finance as a site of social transformation that is relevant not only to the poor, but to society as a whole (Périlleux and Nyssens, 2017; Pavlovskaya et al., under review).

As we argued elsewhere, the diverse economies perspective allows us to theorize credit unions as non-capitalist institutions in a capitalist society (as opposed to a component functional to the capitalist society) by drawing out differences in their structure, ownership, purpose, and governance (Pavlovskaya et al., under review; see also Deller and

Sundaram-Stukel, 2012; Mook et al., 2015; Périlleux and Nyssens, 2017). To summarize, financial cooperatives are collectively owned by their members, have a democratic governance structure (e.g., one member one vote, elected board from the membership), and distribute income to their membership in the form of lower fees, better rates, and other benefits. Banks, in contrast, are owned privately by outside investors who benefit from the profits. Bank customers have no say in governance and are themselves a source of profit for the banks (through fees, high interest rates, etc.). Banks are driven by profit motive while credit unions follow a social mission of service to their membership, which makes them accountable to and dependent on the financial security of their communities. In short, credit unions operate within the capitalist society but their approach to finance foregrounds a non-capitalist economy in which social reproduction relies on collective effort and cooperation instead of individualized profit-seeking.

Their social mission and ties to community define how credit unions make place. A key concept in human geography, place is seen as being composed of material and discursive processes operating at different scales, which include efforts by residents to transform place according to their collectively held imaginations (Massey, 1994; McKittrick, 2011; Lawson and Elwood, 2014). Similarly, we theorize that financial institutions constitute place through material and cultural practices according to their vision of the purpose of finance (Pavlovskaya et al., under review). Literature on financialization shows that banks use finance to create wealth for the investors who provide them with capital and may not have any connection to place in which they invest (Dore, 2008; Hall, 2012). When investing locally, banks seek to extract as much profit as possible that can be reinvested elsewhere. They do not depend on the long-term well-being of the place where their customers live, and invest only as long as profit can be made. In this way, banks marginalize places through various combinations of disinvestment and investment that is profitable to them, but may be destructive to place (e.g., gentrification) (Weber, 2010).

Credit unions, however, depend on security of place and financial well-being of their place-bound membership by design. With no outside investors to please, they make place by supporting their communities with fair and affordable financial services. Their investment in capital markets is highly limited for tax exemption purposes (Colwell, 2017; Hood, 2017) and credit unions invest in local businesses that matter to the community in which they also distribute their income. This focus actually makes them stronger in times of crisis. Credit unions demonstrated greater stability than banks during the Great Depression (Mook et al., 2015; Nembhard, 2014) and, almost a hundred years later, in the aftermath of the 2008 financial crisis (Colwell, 2017). Yet, credit unions are not isolated from social relations of capitalism. They operate within capitalism's hegemony, earn income in financial markets, and as our research shows, they struggle against and are structured by its inequalities (Pavlovskaya et al., under review, Section 4 below). Nevertheless, their potential for making place on the basis of solidarity and providing a desired society-wide alternative to privately owned, profit-driven, and globally operating banks should be thoroughly examined by critical human geography, a discipline that largely ignores these financial institutions currently.

3. Methods and epistemologies

Following the feminist epistemology of "reading the economy for difference" elaborated in Gibson-Graham (2006), we "map for difference" (Pavlovskaya and Bier, 2012) the urban space of New York City, an icon of neoliberal urbanism, to reveal the presence of diverse economic actors, including those that pursue solidarity economy practices (Safri et al., 2017; Pavlovskaya et al., under review). In our assessment, the formal part of the non-capitalist economy of New York City (not including state and philanthropic institutions) has over a million participants in worker cooperatives, limited equity housing cooperatives, community gardens, consumer co-ops, and credit unions. Consequently, we direct our inquiry towards the contradictory and difficult interactions between credit unions and the capitalist system, without foreclosing the possibility of transformation.

With a few exceptions, research on financialization typically does not mention credit unions (Kear, 2013) or disregards their social mission when comparing their market behavior to banks (Deller and Sundaram-Stukel, 2012; Damar and Hunnicutt, 2010; but see Mook et al., 2015). A few qualitative and pessimistic studies shed light on their community role (DeFilippis, 2001; Fuller and Mellor, 2008; Leyshon and Thrift, 1995). Our research uses the urban scale of analysis in order to discern the broad effects of social mission that come before market rationalities. Although our research does not involve a qualitative component necessary for exploring how credit unions and their members understand this mission,[1] we examine its effects in terms of the actual practices of financial inclusion reflected in special designations.

The few existing studies confirm that the locational patterns of credit unions are distinct from those of banks (Dweller et al., 2012; Mook et al., 2015; Miller, 2015), but they treat them as a homogeneous group. Credit unions, however, express interests of specific communities and are marked by relations of class and race that shape these communities in the first place (Pavlovskaya et al., under review). In this article we examine the differences in place-making practices of credit unions related to financial inclusion and community development. We discern these differences using publicly available National Credit Union Administration (NCUA) data on special designations, common bond type, membership, assets, and loan amounts (NCUA, 2014).

Although many credit unions have more than one office location, NCUA does not break the statistics down by branch office; they pertain to the entire institution. Consequently, we excluded financial cooperatives with a majority of branches and, in our estimation, membership outside New York City from our citywide calculations. We included those with a majority of members and assets in the city (see Pavlovskaya et al., under review for details). In 2014, there were 85 credit unions operating in New York City.

Most previous spatial studies were also restricted to the main office locations of credit unions, which provided an incomplete picture of their relationship to urban space (but see Mook et al., 2015). Face-to-face interaction remains important, especially, in poor neighborhoods (FDIC, 2016; NCUA, 2016b) and access to an office increases the availability of services, notwithstanding internet and mobile banking. We analyzed a total of 156 main and branch office locations, which together define in detail the spatial reach of cooperative finance within New York City (Fig. 1). To gain further insights, we measured the occurrence of credit union locations within urban income/race clusters computed using an adjusted GEODA bivariate clustering algorithm at the census block group level with two indicators from the 2014 American Community Survey (ACS): median household income and percent non-white population. The income/race clusters show the concentration of what we call Poor Minority, Affluent Minority, Affluent White, and Poor White populations. Areas outside these clusters have populations that are mixed in terms of income and race.

Additional information was gathered from the National Federation of Community Development Credit Unions (NFCDCU or "the Federation") and through research on individual institutions. We further contextualized the empirical insights with policy documents, reports, academic publications, and personal communications with experts from NCUA, "the Federation", and other organizations.

[1] This research is part of a larger project collaborative project titled "Mapping the solidarity economy in the United States" that has three research sites: New York City, Philadelphia, and Worcester, MA in which we ask different questions and use different methods. Ethnographies of solidarity economy were a focus of the research in Worcester, MA. See acknowledgements section.

4. What special designations reveal about credit unions

While the common bond defines a type of a credit sharing community, special mandates (or designations) as community development, low-income, or minority institutions offer insights into the actual composition of the membership they support. The history of designations dates back to the 1970s and reflects an effort to deal with two developments in community finance. The first has to do with the role of banks in urban decay and underdevelopment. Historically seen as the only source of finance for local economies, the increasing scrutiny of their activities made clear that the overall expansion of the banking sector did not reduced the size of the financially underserved neighborhoods; the latter kept growing instead of being eliminated. In response, Democratic members of Congress passed the Community Reinvestment Act of 1977 (Braunstein, 2008) that mandated that banks reinvest some of their assets into low-income communities around them. Ironically, many large banks absconded from low-income areas to avoid this obligation, opening the door for unsavory financial institutions such as check-cashers, currency exchanges, pawnbrokers, money transmittal companies, unscrupulous home repair and second-mortgage scam artists, and rent-to-own centers. In combination with redlining, mainstream mortgage-lending also became scarce in these, often minority neighborhoods leading to the rise of subprime lending by the banks and other predatory lenders (see Graves, 2003; Crump et al., 2008; Lune and Martinez, 1999; Miller, 2015). The dearth of benign financial enterprises in urban areas was becoming glaring.

The second development has occurred within credit unions themselves. Over time, they have also changed from institutions for the poor into institutions for the middle class (Isbister, 1992). In the mid-20th century, they began to shift away from low income communities and towards employment-based membership. This is evident in New York City, where credit unions related to employment accounted for 39% of institutions and 76% of citywide membership, while holding 53% of its assets (calculations by authors based on NCUA, 2014 data).

The problems of the persistence of underserved areas and diversion of ethical finance from the needs of the poor were taken on by credit unions that wanted to remain committed to the original mission. They joined efforts by forming the National Federation of Community Development Credit Unions (NFCDCU, 2017b). The federal agencies charged with oversight of credit unions (NCUA and the U.S. Treasury) also made important steps by creating policy instruments in support of the original mission. These instruments provide financial, technical, and logistical assistance to credit unions that respond to the financial needs of low-income and minority communities and compete with predatory lenders. Today, banks continue to avoid cash poor communities or invest only in projects there which they consider profitable for their investors and which often remake neighborhoods without regard to the well-being of these communities (Weber, 2010). Financial inclusion and community development based on solidarity remain important tasks. These dimensions of place-making are reflected in the distribution of specially designated credit unions. As shown in Table 1, credit unions in New York City show high degrees of inclusion: 68% have at least one designation, most are low-income or minority institutions, and a significant number have CDCU/CDFI status (Community Development Credit Unions and Community Development Financial Institutions).

Initially, our research centered on community development credit unions because of their clear dedication to place-making in marginalized communities. But we soon realized that all CDCU/CDFIs in New York City have a low-income designation and almost all are minority-designated, while many non-CDCU/CDFI credit unions also have low-income and minority designations (Table 2). This encouraged us to distinguish between groups of credit unions with various designations (see Section 6).

As we explain further, the landscapes of differently designated institutions are complex but they provide important insights on how credit unions make place within urban communities polarized by class and race. The very fact of a designated credit union signals the emphasis on community development and services to low-income and/or minority populations. For these reasons, the designations act as rough indicators of the commitment to the original mission of credit unions to advance social justice and to be a refuge for the poor. Mapping geographies of designations within the urban space of New York City tells a story of what kinds of credit unions and in what kinds of neighborhoods support communities marginalized by class, race, and globalization. We turn to the analysis of these geographies now.

Table 1
Special designations of NYC credit unions (85 institutions).
Source: Authors based on 2014 NCUA data.

	NYC credit unions N = 85
Low income	59%
Minority	52%
CDCU	28%
CDFI	11%
CDCU/CDFI combined	29%
No designation	32%
At least one designation	68%

Note: The total is not 100% because credit unions may have more than one designation.

Table 2
Single and combined designations of credit unions in percent (85 institutions).
Source: Authors based on 2014 NCUA data.

	CDCU/CDFI N = 25	Non-CDCU/CDFI N = 60	All N = 85
Non-designated	0	32	32
Minority only	0	9	9
Low income only	5	12	17
Minority/low-income	25	18	43
Total	29%	71%	100%

Note: Percent totals may differ from 100 because of rounding.

5. Specially designated credit unions in New York City

First, we examine geographies of different types of special designations (Tables 2 and 3; Figs. 2 and 3), and then focus on groups of credit unions with different combinations of these designations.

Table 3
Distribution of credit unions by income/race clusters (156 locations).
Source: Authors based on 2014 NCUA data.

	CDCU/CDFI	Not CDCU/CDFI	LID	Not LID	Minority	Not Minority
Locations, N	37	119	68	88	70	86
As % of 156 total:	24	76	44	56	45	55
Including, as % of N:						
Affluent Minority	3	3	1	5	4	2
Poor Minority	54	13	37	13	40	9
Poor White	3	11	15	5	4	13
Affluent White	14	25	15	28	17	27
Not in cluster	27	47	32	50	34	49
Total:	100%	100%	100%	100%	100%	100%

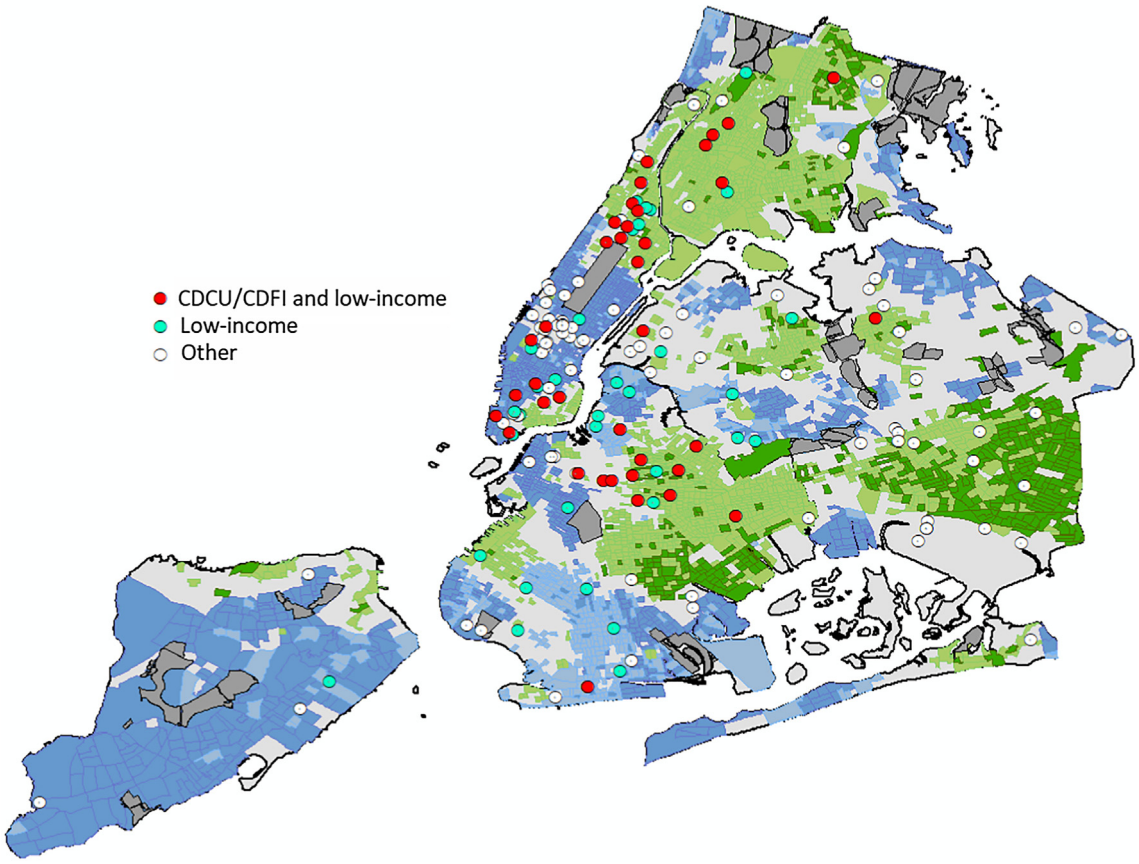

Fig. 2. Map: Geographies of CDCU/CDFI and LID credit unions (156 locations). Source: Authors based on 2014 NCUA and ACS data.

5.1. Community development

When faced with financial abandonment in low-income and minority communities, some credit unions have explicitly endorsed community development by becoming CDCUs and/or acquiring CDFI certification.

5.1.1. Grassroots approach: CDCUs and their mission

Following in the footsteps of the first African American credit unions created in the 1940s in South East as well as those established in the 1960s during the war on poverty and in the wake of the southern civil rights movement, a new mold of credit unions with a renewed emphasis on solidarity was born into the problematic financial landscape of the 1970s. They called themselves Community Development Credit Unions (CDCUs) and organized into the National Federation of CDCUs or "the Federation" in 1974 (Lune and Martinez, 1999; NFCDCU, 2012). Keeping economic marginalization as a target, CDCUs countered the redlining practices of the mainstream banks and provided a renewed vehicle for community development though affordable financial services. In the 1980s, they reached again into low-income and minority areas in response to bank branch closings (Isbister, 1992; Miller, 2015).

Since their inception, CDCUs have reproduced a set of values directly aligned with the solidarity economy and the Federation has fought for the recognition of their social mission as special, even within the credit union movement (Lune and Martinez, 1999). According to the Federation, CDCUs adhere to "serving low- and moderate-income people and communities" and specialize "in serving populations with limited access to safe financial services" in neighborhoods deserted by mainstream finance. They provide fairly priced loans, a safe place to save, reasonable transaction costs, and financial education. Because "every CDCU was founded in the belief that those who work hard deserve the opportunity to achieve financial security," they work to "help members to free themselves from high-cost and predatory debt, gain control over their personal finances, and achieve economic well-being" (NFCDCU, 2017a,b). Thus, CDCUs aim to specifically guard against predatory finance and offerfinancial services to low-income populations, immigrant communities and communities of color. Their members also include, for example, welfare recipients and low-income housing coops, despite the associated risks (Lune and Martinez, 1999). In short, CDCUs make place through financial inclusion and support local businesses that matter to the community like no other credit unions do. Today, their membership comprises 7 million low-and moderate-income individuals across the U.S. (NFCDCU, n.d.).

In contrast to other designations, the CDCU status is not granted by the government, but is grassroots; it is acquired by joining the Federation. About two hundred credit unions or only 3% nationally have this status, but in New York City more than a quarter of financial cooperatives are CDCUs, reflecting the prominence of social mission among the city's credit unions (Tables 1 and 2). The Federation offers financial education, networking, and technical assistance, but also can increase funds of individual credit unions through its Community Development Investment Program and take over their mortgage loans to free up credit. It also assists CDCUs with LID and CDFI certifications which bring tangible financial benefits. The Federation, therefore, represents a grassroots effort to augment the place-making potential of CDCUs (see also Lune and Martinez, 1999). CDCUs played an important role in the making of community development infrastructure in the 1960s and their geographic concentration in Black and Hispanic neighborhoods in Manhattan, the Bronx, and Brooklyn reflects these efforts (Fig. 2). It is important to note, however, that because credit unions provide services to their members in the first place, investment

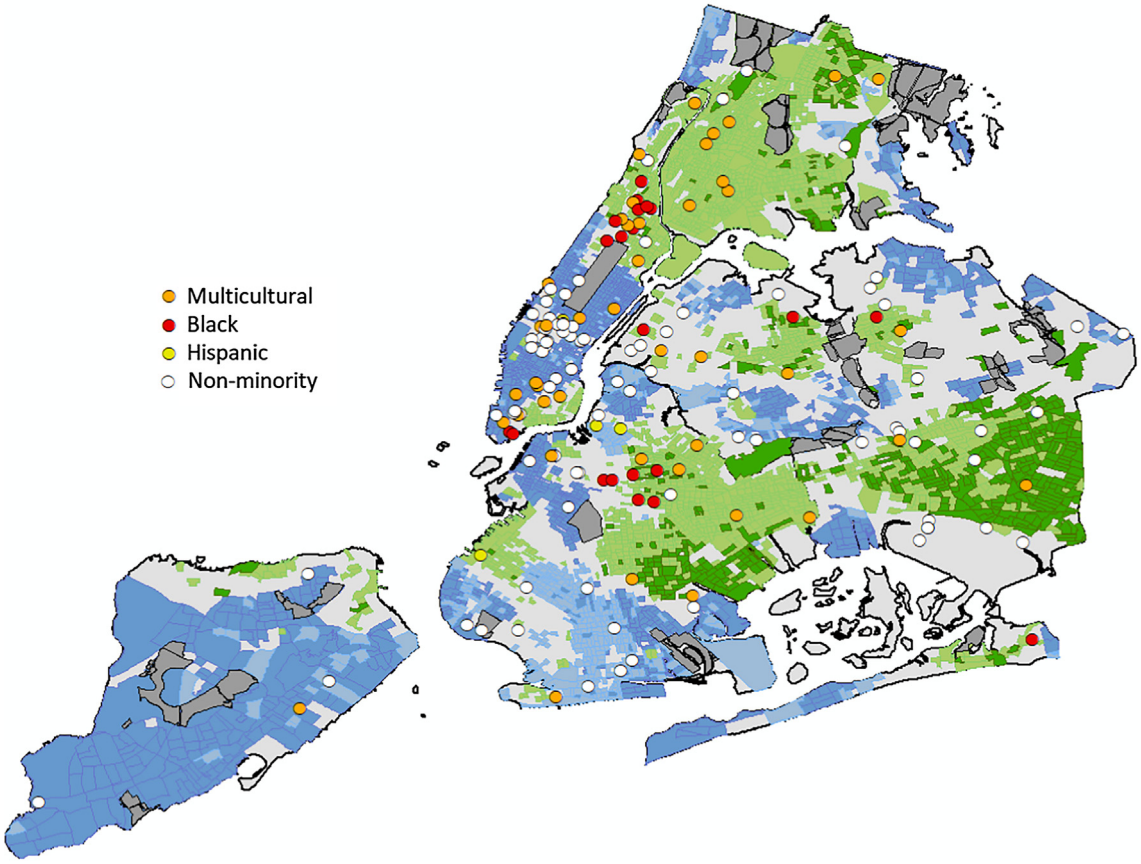

Fig. 3. Map: Geography of minority designated credit unions (156 locations). Source: Authors based on 2014 NCUA data.

is highly limited by law, including for CDCUs (Lune and Martinez, 1999) and this may also restrict support for solidarity economy entities (Pavlovskaya et al., under review).

5.1.2. Government policy: CDFI certification

Other special designations originate with the government. The U.S. Department of Treasury certifies as Community Development Financial Institutions (CDFI) those organizations that provide services to neighborhoods underserved by traditional financial institutions (Lune and Martinez, 1999). Introduced in 1994 through Clinton administration efforts (CDFI Coalition, not dated, accessed 7/27/2016), the CDFI certification acknowledged the community development mission "from above," two decades after the Federation put it forward "from below".

Interestingly, credit unions are not the only CDFIs around. Any non-governmental entities can become CDFIs if they supplement financial services with education and are place-bound. Generally, CDFIs include banks, credit unions, loan funds, and venture capital funds (Abramowitz et al., 2006; DeFilippis, 2001; CDFI Coalition, not dated, accessed 7/27/2016). In contrast to strictly non-profit credit unions, other CDFIs use market mechanisms to meet their goals. About one fifth of CDFIs operating in New York City are credit unions[2] (CDFI Fund, Accessed 3/31/2017) but these CDFI credit unions constitute only one tenth (11%) of all financial cooperatives (Table 1).

Most importantly, CDFI certification opens access to grants and awards from the U.S. Treasury's CDFI Fund. For example, the CDFI Fund awarded over $200 million in 2016, of which $33.6 million went to 23 credit unions (NCUA, 2017). These grants add significant amounts to assets of small financial cooperatives. Lower East Side People's Credit Union, for example, links its success and rapid growth to CDFI support since 1998 (LESPFCU, 2016).

Despite their different origins, CDCU and CDFI credit unions are both committed to revitalizing local communities that are avoided or destroyed by the profit-driven and globally oriented banks. Nationally, 67% of CDCU branches are located in CDFI Fund Investment Areas which are low-income neighborhoods (NFCDCU, 2017c). In New York City, all CDFIs but one are also CDCUs and we combined them into one category. It comprises 29% of its credit unions (Table 1) predominantly located within Poor Minority clusters (the highest concentration among all designations [Table 3]) their efforts are directed against marginalization of place by financial capital and globalization.

5.2. Low income designation (LID)

The low-income designation (LID) is granted by NCUA to credit unions with more than 50% low-income members (defined as having less than 80% of comparable median family or individual income in their geographic area [NCUA, 2015a, p. 9]). Once membership grows sufficient wealth, NCUA terminates the designation. Capturing local variation in poverty levels allows for greater inclusion of low-income populations throughout New York City.

In use since 1970, LID also acts as one of the most powerful policy instruments for enlarging the resources of credit unions with limited collective assets. For example, the large and well-off membership of the United Nations Credit Union pulls together over $4 billion in assets, but small cooperatives of black churches in the Bronx, Brooklyn, or Manhattan's Harlem, being only as rich as their membership, build assets only within $50,000–$300,000 range. Credit unions from cash starved neighborhoods depend on LID programs for survival, and, at another level, these programs also directly address (although not

[2] New York State has many CDFIs (third after California and Mississippi), most of which are in New York City (Abramowitz et al., 2006).

sufficiently) the wealth gap between financial communities produced by class and racial inequalities (Pavlovskaya et al., under review).

In particular, LID opens access to grants and loans from the NCUA Community Development Revolving Loan Fund that can be used for technical assistance and special regulatory exemptions. Moreover, LID credit unions can increase their assets through non-member deposits and "secondary capital" loans as well as by using certain CDFI funds and even funds from private banks that the latter have to provide via the Community Reinvestment Act (NFCDCU, 2017a). Taking capital from private banks is controversial to some[3], but seen more broadly, using it for needs of low-income populations actually reduces capitalist circulation (Colwell, 2017; Pavlovskaya et al., under review).

In New York City, almost 60% of LID credit unions constitute the largest designation group (Table 1) while nationally this share is only 44%,[4] indicating that fighting poverty and economic insecurity remains a priority for city's cooperative finance. LID credit unions are widely spread throughout the urban space and. Like CDCU/CDFIs, they concentrate in low-income areas (Fig. 2) but unlike them, LIDs are well represented in both Poor Minority and Poor White clusters (52% of locations, Table 3) including Manhattan's Harlem as well as Prospect Heights, Crown Heights, Williamsburg, Bensonhurst, and Borough Park in Brooklyn and Hunter's Point and Long Island City in Queens.

5.3. Minority credit unions (MDI)

Since the passage of the 2010 Dodd-Frank Act, NCUA also supports (in order to "preserve and increase the number of") credit unions in communities of color (NCUA, 2015b). To become a "minority designated institution" (MDI) credit unions have to request the status and demonstrate that over 50% of their membership, board members, and the community it services (meaning potential members residing in an area served by a credit union) come from one of four minority groups or their combination:[5] Black American, Asian American, Hispanic American, or Native American (NCUA, 2016b, p.2).

NCUA clearly recognizes minority credit unions as "a vital component of the credit union system" because they often are "the only federally insured institutions serving low- to moderate-income, unbanked, and underserved populations." It also sees communities of color as a source of untapped membership and leadership in cooperative finance (NCUA, 2016b, p.2, 29).

At the same time, NCUA seeks to increase efficiency through economies of scale and consolidates credit unions through mergers and liquidations. This directly affects communities of color (NCUA, 2016b, p. 7) that have been systematically impoverished by the neoliberal policies of the last decades, and especially the 2008 crisis (Schram, 2015; Peck and Theodore, 2015). Many credit unions there are struggling because of limited assets and aging membership. Managed by volunteers, they have difficulty keeping up with required paperwork and the technological innovation for internet banking (NCUA, 2016b, pp. 56–57; Damar and Hunnicutt, 2010; personal communication, 2018).

In response, NCUA provides minority cooperatives with technical assistance, consulting, education, and assistance with chartering and expansion of fields of membership, as well as applications for LID status that opens access to financial benefits (NCUA, 2016b, p. 15). Despite these efforts, minority credit unions are often deemed "underperforming" and are rapidly disappearing through mergers and acquisitions (NCUA, 2016b, p. 7).

That the minority designation does not bring tangible financial benefits itself also weakens the motivation to pursue it through a lengthy bureaucratic procedure. As a result, only about 10% of credit unions in the United States have the official minority status (with half of them being Black American) that underestimates the true extent of cooperative finance in communities of color (NCUA, 2017, p. 5–6).

The share of minority designated credit unions in New York City, however, is five times higher than nationally (Table 1) and they are highly concentrated in Poor Minority clusters (Fig. 3 and Table 3). . This is particularly true for Black American designated financial cooperatives, which practically all are found in historic African American neighborhoods of Manhattan and Brooklyn. They also constitute the largest group (45%) of all minority credit unions in the city. If one considers single race and multicultural institutions together, almost all (89%) minority credit unions in New York City are Black, over half (55%) are Hispanic, and a quarter (23%) are Asian. Thus, financial cooperatives not only support communities of color but also act as a space for building economic solidarities across racial lines through commoning the assets and shared governance.

6. Overlapping designations and struggles

Clearly, the motivation for pursuing designations may vary considerably. When they overlap, designations act as combined policy instruments for increasing resources and receiving technical and logistical assistance. For example, low-income and CDFI certifications together provide access to benefits and funding from both NCUA and the U.S. Treasury. At the same time, some credit unions do not hold designations they could qualify for (especially in communities of color) and some hold designations for which they no longer qualify (e.g., low-income designation is reviewed periodically and the community may change quickly).

Despite these inevitable complications, the very fact of acquiring a designation sheds light on the way credit unions practice ethical finance. Thus, CDCU/CDFI status signals the commitment to community, while LID and MDI designations indicate the fact that the majority of membership comes from low-income or minority populations. In other words, the designated credit unions not only look after the financial well-being of their membership, as all credit unions do. They also counter different forms of marginalization (e.g., class, race, or globalization) by providing fair and affordable financial services to populations and places marginalized by racial capitalism and global finance. By implication, they stay aligned with social justice concerns of the early credit unions and those of the contemporary solidarity economy movement.

In the remainder of the paper, we compare geographies of credit unions with single and multiple designations and no designations at all.

6.1. Single designations: class or race

A number of credit unions in New York City have only one designation (12% are low-income and 9% are minority institutions, Tables 1 and 2) which we take as a focus on either class-based or racial marginalization. They have remarkably different geographies too (Fig. 4). Besides mixed areas, minority only institutions are present in Poor Minority and Affluent White clusters while low-income only credit unions have high frequency in Poor White clusters but are completely absent in Minority clusters (Fig. 6).

These diverging spatialities remind us that although class and race oppression often closely overlap in American society, they should not be conflated. They also express the separation of struggles against class and racial inequality within the credit union movement. Differences in the common bond types of these two groups confirm this observation

[3] NCUA is considering allowing all credit unions taking "secondary capital" and earning income with it (Hood, 2017).

[4] Calculated by authors based on NCUA data from https://www.ncua.gov/newsroom/Pages/news-2017-june-ncua-releases-q1-credit-union-system-performance-data.aspx. National membership in LID credit unions stands at 40 million (NFCDCU, 2017d).

[5] NCUA currently defines "an MDI as a federally insured credit union in which a majority of its current members, a majority of its board of directors (BOD), and a majority of the community it services falls within any of the eligible minority groups" (NCUA, 2015b). In addition, also since 2015, NCUA requires that MDIs have "a majority of *minority board members* rather than a majority of *minority senior management* in addition to having a majority of minority members" (NCUA, 2017, p.15–16).

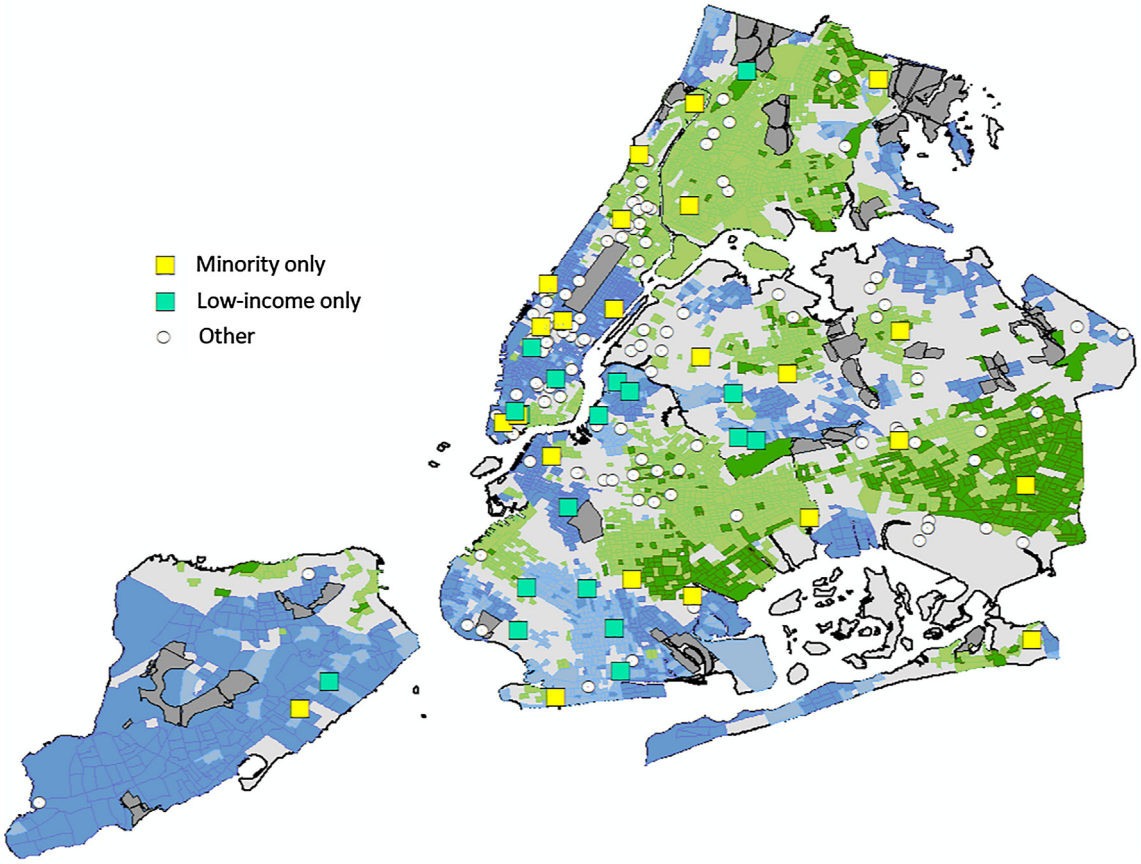

Fig. 4. Map: Geographies of single designations (156 locations).
Source: Authors based on NCUA, 2014 data.

(Fig. 7). The common bond is a very basis for the formation of a financial cooperative that creates the socially homogeneous and place-bound membership from communities already marked by social relations of racial capitalism. In New York City, we identified the following major categories of common bond by frequency of occurrence: (1) religious and social organizations; (2) employment; (3) area-based; (4) ethnic associations of European ethnic groups); and (5) mixed common bond. As we show below, counter-marginalization practices of credit unions visible in designations depend on the nature of their communities (Pavlovskaya et al., under review).

The mainly white membership of LID-only credit unions originates in a variety of spaces marked by whiteness (Fig. 7) such as certain workplaces (e.g., U.S. Court House SDNY), white ethnic associations (e.g. Italian American and Polish and Slavic), and housing cooperatives for white working class (e.g., Penn South). Minority only credit unions, however, are almost exclusively (88%) employment-based. Their middle and professional class membersip represents people of color who have considerable presence in New York's larbor force including, for example, government employees in Municipal Credit Union and Far Rockaway Postal; health workers of Jamaica and Flushing Hospitals in Medisys Employees credit union; transportation workers in Transit Authority Division B and Emprit207; and taxi-drivers in LOMTO.

Also recall that MDI status does not provide direct financial benefits while LID status does. For this reason, government resources that go to LID only institutions mainly support low-income white populations. Those with a single MDI designation, in large part big and well capitalized cooperatives for various kinds of employees, might not be eligible for LID status because of their relatively affluent membership.

To conclude, LID-only credit unions provide solidarity-based financial services to poor white populations and receive additional financial resources because of using this designation. . MID-only credit unions offer financial safety to minority middle class and build considerable assets through their deposits. By working against a single form of marginalization (class or race), these credit unions likely do not provide considerable support to poor communities of color affected by multiple forms of marginalization .

6.2. Overlapping designations and non-designated credit unions

Almost half of New York's credit unions (47%, Tables 1, 2 and 4), are distinguished by more than one designation. Some combine CDCU/CDFI and low income status, others are both minority and low income designated; and others have all three designations combined. While true intentions can only be understood through ethnographic research, in this paper we use designations as a general measure of practices of solidarity that credit unions carry out by providing financial services to marginalized populations and places. In this sense, overlapping designations indicate efforts directed against multiple forms of marginalization including those by class (LID), race (MDI), and global finance (CDCU/CDFI). On the other end of the spectrum is also a significant (one third of the total, Table 4) group of what we call non-designated credit unions. . While they provide solidarity-based services to their membership, absense of designations suggests their practices do not directly align with the broader social struggles of the original credit unions.

The contrast between geographies and resources of these two groups puts into relief their capacities to make place through solidarity finance. Spatially, they inhabit different parts of New York City (Fig. 5). The non-designated credit unions are well distributed across the five boroughs and gravitate towards mixed areas and Affluent White clusters (Fig. 6). Credit unions with overlapping designations, however, are confined to the poorer African American and Hispanic neighborhoods

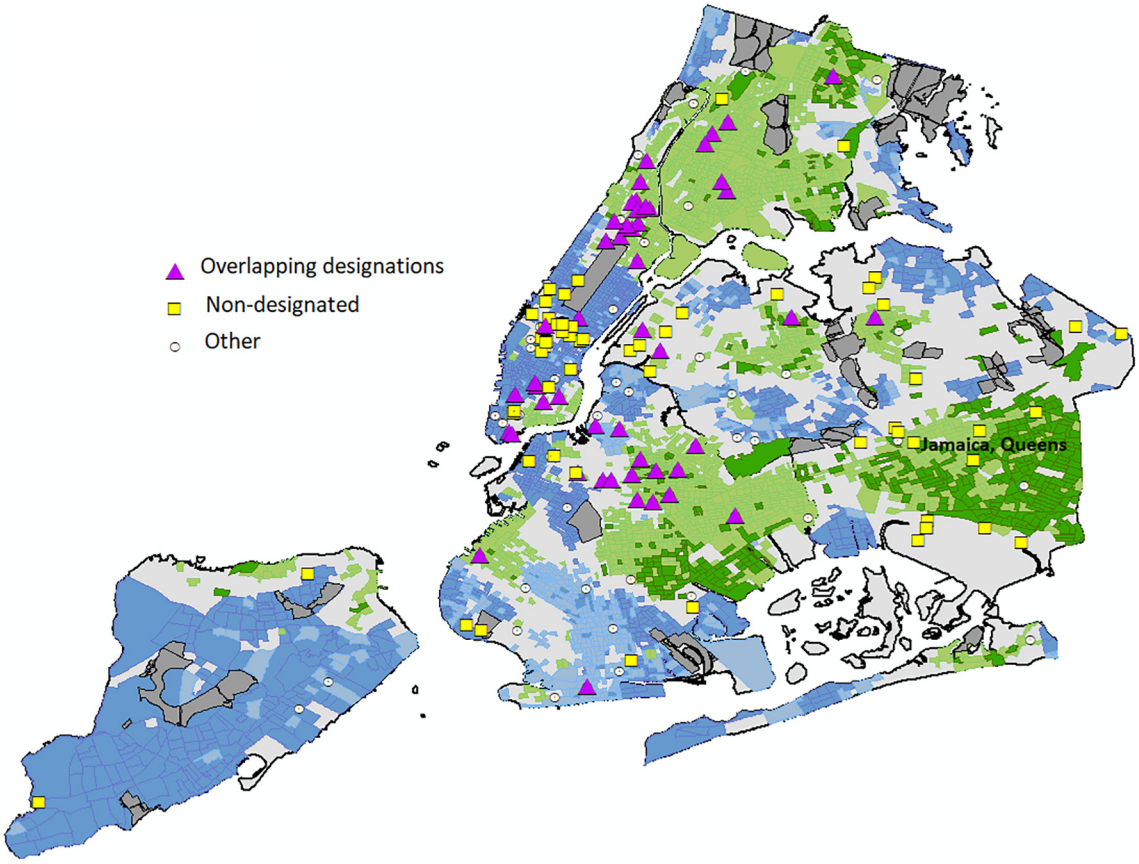

Fig. 5. Map: Geography of overlapping designations and non-designated credit unions (156 locations).
Source: Authors based on NCUA, 2014 data.

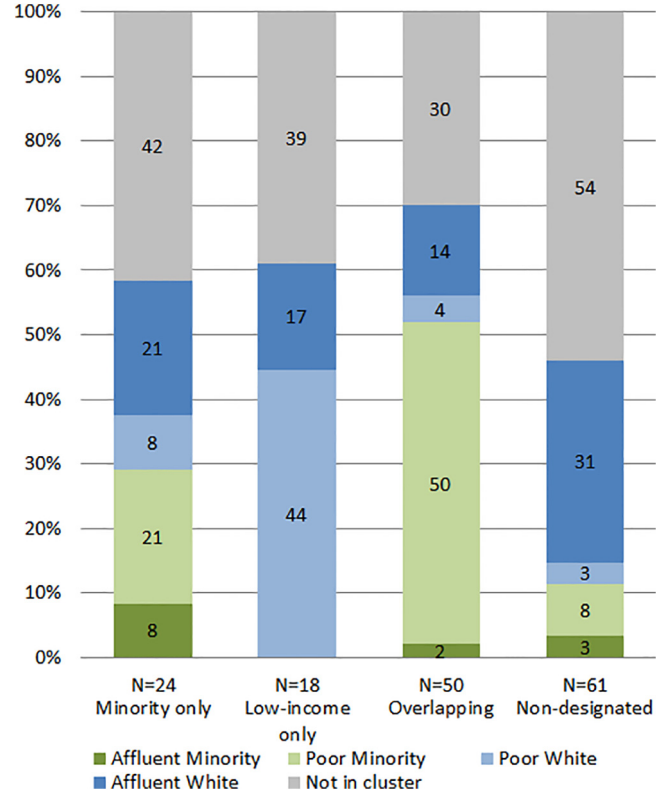

Fig. 6. Graph: Single and overlapping designations by cluster (156 locations).
Source: Authors based on NCUA, 2014 data.

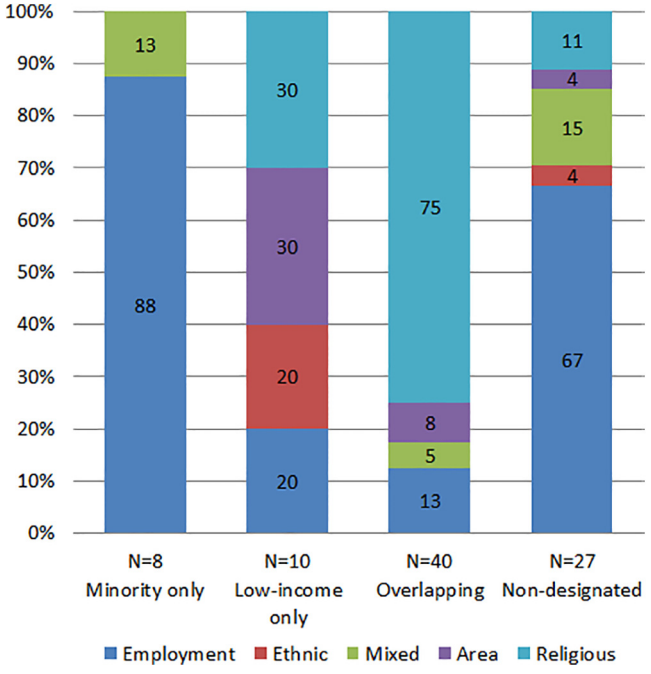

Fig. 7. Graph: Single and overlapping designations by common bond (85 institutions).
Source: Authors based on NCUA, 2014 data.

Table 4
Overlapping designations/non-designated: NYC market share.
Source: Authors based on NCUA, 2014 data.

	Overlapping designations N = 40	No designations N = 27	All credit unions N = 85
Number of institutions	47%	32%	85
Number of locations	32%	39%	156
Total assets	2%	66%	$13.8 million
Total loans	2%	65%	$8.3 million
Total members	9%	29%	802,727

in Harlem, Washington Heights, and the Lower East Side in Manhattan; South Bronx; and North Brooklyn. Half of them are found within Poor Minority clusters (Figs. 6 and 7) while another third are in mixed areas but visibly proximate to these clusters. The two groups overlap only in midtown and lower Manhattan where the historically poor neighborhoods are now considerably gentrified and where credit unions generally seek the advantage of central location.

Even more striking are the differences in the amount of resources with which these institutions have to support their communities. The many credit unions with overlapping designations have only a tenth of the total city membership and, especially, a tiny fraction of its cooperative assets and loaned amounts (Table 4). In contrast, a smaller group of non-designated credit unions accounts for one third of the city's membership and two-thirds of its total assets and total loans.

Financial cooperatives with overlapping designations also on average have small assets or institutional wealth. Generally smaller in size, their membership communities also have strikingly less wealth. Consequently, they loan substantially less per institution, in smaller amounts, and at lower rates than non-designated credit unions (Table 5).

These observations are consistent with the relationship between special designations and common bond types, that we have noted earlier (Fig. 7). The LID-only institutions work across many common bond types against white poverty (or marginalization by class but not by race), while the MID only credit unions seek inclusion for the employed minority middle class (or work against marginalization by race and not by class). It is also clear that shouldering the burden of multiple forms of marginalization mainly falls on small and under-resourced credit unions of faith communities (mainly Black churches) and a handful of social justice organizations such as the National Urban League or University Settlement.

Some credit unions with overlapping designations, however, are able to leverage considerable assets by combining small contributions of many members. Financial cooperative 1199 SEIU, for example, consists of female minority health workers who are also members of the labor union with the same name. In New York City, this labor union also represents the largest worker cooperative in the nation, Cooperative Home Care Associates, which has more than 2000 worker-owners. Lower East Side People's Credit Union has a mixed common bond that includes residents and businesses of the Lower East Side and Harlem as well as all low-income New Yorkers and residents of limited-equity housing co-ops (LESPFCU, 2016).

Table 5
Overlapping designations/non-designated: mean assets, loans, and membership.
Source: Authors based on NCUA, 2014 data.

	Overlapping designations N = 40	No designation N = 27	All credit unions N = 85
Mean total assets (instution wealth)	$6.0 million	$334.1 million	$161.8 million
Deposits per member (community wealth)	$2,097	$16,222	$9,121
Mean membership (community size)	1,831	8,687	9,444
Mean total loans (total loans per institution)	$3.7 million	$200.1 million	$97.8 million
Total loans per member	$1,998	$23,035	$10,358
Average loans to assets ratio	0.26	0.47	0.38

Represented by employment and mixed common bonds, non-designated credit unions include workers of state or private companies who are clearly privileged in comparison to the impoverished minority populations, and likely live in middle class areas of the city where community development is less of an issue. Although these populations lean on ethical finance in their daily lives, they are less affected by class and racial marginalization and adversities of globalization. In fact, credit unions like these may actually avoid the association with the poor as harmful to their efforts to expand membership and assets (Dougherty, 2016). They want to be seen as mainstream and emphasize market performance instead of the social mission instead.

For example, the credit union that takes care of finances for over 100,000 international professional workers of the United Nations has the most assets. UN employees from all over the world join it for an opportunity to open a bank account on American soil and to build credit history (personal interview with a former member of UNFCU, 2017). It is interesting that both the UN workers and the "underserved" low-income communities of color face exclusion by mainstream financial systems. Credit unions offer protection to both, but their broad social and political concerns differ considerably. While the United Nations Credit Union sees itself as a "global corporate citizen" committed to "corporate social responsibility" (UNFCU, 2017), LID, MDI, and CDCU/CDFI institutions or their founding organizations frame their work in terms of social and economic justice, lifting people out of poverty, and promoting thrift and frugality. Such are concerns of credit unions associated with, for example, Black churches (e.g., St. Martin's in Harlem, St. Augustine Presbyterian in the Bronx, and Cornerstone Baptist Church in Brooklyn) and labor unions (e.g., 65 Family Credit Union of Legal Services Staff Association (LSSA) that assist low income people and communities in civil legal matters (LSSA, 2013)).

6.3. Geographies that counter marginalization

The differences in resources and commitments affect how credit unions contribute to community and place. Although loaning is an important way to support membership, credit unions with overlapping designations (Tables 4 and 5) together provide only 2% of city's ethical finance total loans and loan drastically smaller amounts on average. They loan according to their limited resources and at lower rates compared to non-designated institutions (see loans to assets ratios) which actively distribute large amounts in loans. Credit unions with overlapping designations, however, support their membership through community development efforts and financial inclusion and often are the only chance for the marginalized residents to join the financial systems necessary for pursuing practically all economic and life opportunities. Larger cooperatives with overlapping designations, however, have loans-to-assets ratios that exceed the average for the non-designated group. And some, like Lower East Side People's Federal Credit Union, New York State Employees, New York University, and Brooklyn Cooperative credit unions have extraordinary lending rates (close to or above 0.7). Therefore, both asset-poor and asset-rich credit unions generally lend to their members to the degree they can.

In addition, place-making by credit unions depends on geography and scale of their communities. Members of non-designated credit unions, for example, often access financial services through the workplace but live in residential neighborhoods dispersed across the urban scale. Such credit unions are not fully invested in the economy of their geographic location because their members commute to work and live

elsewhere. The benefits they provide to the middle and professional classes are eventually spatialized in the more affluent neighborhoods of their residence (Pavlovskaya et al., under review).

This is particularly clear in situations with low-income and minority areas like Jamaica, Queens (Fig. 5). The employment-based bond of credit unions there prevents from drawing membership from the nearby neighborhoods. Even if they are minority designated, they provide services to minority employees (a branch of Municipal and Medisys Employees of Jamaica Hospital credit unions) but not the surrounding minority populations (personal communication, 2018). In this case, the presence of cooperative finance in this place does not lead to greater financial inclusion and its benefits are diverted.

In contrast, credit unions with overlapping designations are generally open to neighborhood groups (e.g., 75% are faith-based institutions, Fig. 7) whether it is a church parish or a public housing project (Urban Upbound FCU, 2017; personal communication, 2018). The revenues from the area, too, are recycled back into local development. Despite their highly localized scale, these credit unions are able to support communities in need throughout the city because of their large numbers, locally-inclusive common bond, and geographic location in the heart of the marginalized neighborhoods. It is these credit unions that fight the inequalities of racial capitalism and protect the most vulnerable places against the adversities of global capital.

Our maps also show that credit unions have particularly little presence in certain areas of the city. Among them are the extensive Affluent White clusters in Staten Island, Manhattan, and the Bronx which are filled with private banks and do not suffer from financial exclusion. In fact, their residents may still use cooperative finance through membership in workplace-based credit unions. Of concern, however, are Poor Minority clusters where even CDCU/CDFI credit unions do not reach. They include significant areas in Brooklyn (East New York, Bushwick, Brownsville, and East Flatbush), the Bronx, and Queens as well as Poor White clusters in Brooklyn's Coney Island and Bensonhurst. With few affordable and stable financial services available in the poorest neighborhoods, these populations are likely to be "unbanked" and suffer from financial exclusion and predatory finance. These areas would benefit from the creation of new credit unions with locally inclusive membership.

In sum, the counter-marginalization practices of New York City credit unions are reflected in geographies of community development, low-income, and minority designations. The emphasis on these practices is particularly evident in institutions with overlapping designations that are spatially integrated into urban clusters with impoverished, non-white, and financially underserved populations. They carry out the difficult task of expanding financial inclusion, with the least financial resources at their disposal.

Special designations reflect differences in the class and racial makeup of credit unions, but also act as policy instruments for closing the racialized wealth gap between credit unions by providing additional financial, technical, and logistical resources to financial cooperatives with poor membership. In theory, credit unions that resist multiple forms of marginalization should receive the greatest and most sound policy support. Yet, these policy initiatives, while highly important, are not at all sufficient. Our research shows that in New York City the numerically largest group of credit unions with overlapping designations remains the poorest. That said, some LID and CDFI credit unions have been able to build greater funds than their member deposits alone would allow. One of the first to receive CDFI certification, Lower East Side People's Credit Union, rapidly grew assets, membership, and loaning rates to higher than the citywide average (Table 5). But only one tenth (11%) of New York City credit unions are CDFI certified (Table 1). The rest do not have access to the U.S. Treasury benefits which, in fact, mainly go to private CDFI institutions. The economic policy, therefore, prioritizes market-oriented mechanisms even in community development.

The larger point is that it is absolutely necessary to address the disparities in wealth between credit unions in a more substantial way than the existing formats of CDFI and LID certifications do. A credit union is only as rich as its membership and the current amounts of grant money or secondary capital cannot put a credit union of a small black church in Harlem or the Bronx on the same footing with the United Nations or New York University credit unions. Some of these limitations are related to the common bond principle that determines both the nature and the size of the membership. Credit unions with large low-income membership, such as Lower East Side People's or 65 Family, still can build considerable collective assets. But others, like credit unions of a church parish, will not grow membership beyond this small group. Community depends on the financial inclusion they provide, but they stay on the brink of survival themselves as long as their membership remains marginalized. The demand for greater policy support for such credit unions must be vocalized not only by the poor but the middle class, a major but silent beneficiary of solidarity finance in New York City.

7. Conclusions

Credit unions make place by integrating people and places into financial systems based upon an imaginary of finance, place, and community which both distinguishes them from capitalist banks and aligns them with the solidarity economy movement that foregrounds workplace democracy, social justice, cooperation, and environmental sustainability (North and Cato, 2017). Frameworks of relational poverty and community and solidarity economy provide a useful perspective for understanding the role of cooperative finance in addressing marginalization by class, race, and globalization as well as its potential for enlarging the realms of the solidarity economy.

Community economies, of which credit unions can be seen as a part, have long sustained livelihoods across the world and their appeal has grown in recent decades as the ability of capitalism to deliver prosperity and sustainable development is widely questioned. As a popular but invisible form of non-capitalist finance, credit unions deserve thorough examination for inclusion into social imaginaries so far dominated by capitalism. This examination should also critically address their interaction with the hegemonic class and race relations which create vast differences in collective wealth and the place-making practices of credit unions (Pavlovskaya et al., under review). In this article we elaborated how financial cooperatives contribute differently to struggles against marginalization by mapping geographies of credit unions with special designations in New York City. These designations (CDCU/CDFI, low-income, and minority) reflect their efforts to resist marginalization by racial capitalism and global capital by providing financial inclusion and support community development.

We find that credit unions relate to these struggles differently and interact differently with urban geographies of class and race. More specifically, some financial cooperatives include either poor white working class (low-income designation alone) or non-white middle class (minority designation alone) but many hold several designations at once which suggests resistance to multiple forms of marginalization. Credit unions with overlapping designations resist marginalization by racial capitalism and global finance through financial inclusion of communities form poor minority neighborhoods underserved by capitalist banks and rife with predatory financial service providers. Mainly represented by small, faith-based credit unions of urban minority churches, they have a long history of struggles for social justice. Despite their small memberships and meager resources, the impact on place of these credit unions is made highly significant by their large number, locally inclusive common bond, and spatial reach into the marginalized neighborhoods.

In comparison, the non-designated credit unions, also a significant and mainly employment-related group of institutions, work for the financial well-being of middle class and are more distant from goals of financial inclusion and community development which is evident in

absence of designations and spatial patterns skewed away from underserved neighborhoods. With large and relatively affluent membership base, however, they account for the lion's share of New York City cooperative assets and loans. Large segments of the middle class access benefits of cooperative finance through their employment but these benefits support social reproduction in the well-off neighborhoods in which they live.

In the end, those credit unions that follow the original mission to include the underserved and fight poverty have very limited resources while those that support more affluent and white populations leverage large assets. It is possible to say that these two groups of credit unions distribute the benefits of solidarity-based finance to two different and spatially segregated populations. This situation raises important issues for the credit union movement because non-designated credit unions may be implicated in the reproduction of inequality and poverty through cultural, economic, and spatial separation from credit unions of low-income people of color (see Lawson and Elwood, 2014).

While no longer solely a refuge for the poor and people of color, cooperative finance has not evolved into an exclusively white middle class phenomenon either. Many credit unions have kept their original radical potential and they all have the built-in solidarity principles that enable them to make place differently from the capitalist finance. In combination with their (still hidden) popularity across different social groups, it is urgent to understand how credit unions can function as more salient spaces for encounter, instead of separation, between different kinds of working people across the American society (cf. Lawson and Elwood, 2014). Moreover, as economic insecurity expands, credit unions may emerge as important components of the solidarity economy that shoulder all kinds of communities from the adversities of capitalism. Moving beyond neoliberal capitalism seems unthinkable without building alliances between diverse class subjects including the poor, people of color, women, and the increasingly insecure middle class (Pavlovskaya, 2017; Roelvink et al., 2015). In inclusive spaces of cooperative finance, a new class politics may emerge that both resists marginalization and fosters solidarity economy across social realms.

That said, it is important to further address the existing inequality between credit unions through policy and by the credit union movement itself. Simply increasing the number of credit unions in underserved neighborhoods could considerably expand inclusion, but it is vital to provide them with financial means necessary to maintain leadership. Once the historical and current contributions of cooperative finance to struggles for social justice and the well-being of working people are appreciated more broadly, designing policies that relegate place-making authority to credit unions instead of capitalist banks could become a realistic and exciting task. Credit unions, too, should develop more powerful strategies for cooperation among themselves for the sake of reducing disparities in wealth that would strengthen the overall credit union movement and the cooperative movement more broadly. With a raised public profile and diverting greater assets into the solidarity economy, credit unions could indeed become the financial engines for large-scale non-capitalist development. To play this role, they must include all those suffering from the devastation of neoliberal capitalism and globalization so that they can build their futures together based on solidarity and inclusive financial services.

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