

# JPMORGAN CHASE & Co.

CORPORATE RESPONSIBILITY REPORT | MAY 2017



## MODEL FOR IMPACT

How JPMorgan Chase is driving inclusive growth and helping more people share in the rewards of a growing economy

### IN DETROIT — AND BEYOND

#### Jobs and Skills

Arming workers with the skills for today's well-paying jobs

#### Small Business Expansion

Building capital bridges for underserved entrepreneurs

#### Neighborhood Revitalization

Spreading prosperity beyond the urban core

#### Financial Health

Unlocking innovation to help struggling consumers

# JPMORGAN CHASE & CO.

## Corporate Responsibility Report

May 2017

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Learn more about JPMorgan Chase's corporate responsibility work in communities around the world at [www.jpmorganchase.com/cr](http://www.jpmorganchase.com/cr)

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# WELCOME



PETER L. SCHER



**T**oo many people are being shut out of the rewards of a growing economy, and the frustration and disillusionment that follow have had deep and far-reaching impacts. Creating greater economic opportunity must be a responsibility and an imperative for all of us.

During the past five years, my colleagues and I at JPMorgan Chase have undertaken significant long-term initiatives focused on this imperative. We're targeting a limited number of areas where we believe we can have the greatest impact. While we deployed approximately \$250 million globally in 2016 toward these efforts, we know that money alone won't solve these challenges. Instead, our mantra has become, "Work the problem." That means understanding precisely the social or economic challenge we're trying to address and deploying the skills, expertise, data, relationships and resources that contribute to positive outcomes.

We have too often seen well-intentioned money – both public and private – fail to result in long-term impact. So a critical and deliberate part of our strategy is strengthening the underlying organizations and systems that are needed to empower communities to deliver and sustain change.

Our work around the world has made two things clear. The first is that there are some universal drivers of inclusive growth, which include workforce development – getting more people the skills they need to succeed in today's economy – small business expansion, financial

health and neighborhood revitalization. The second is that making real impact requires the private sector to play a much more active role. Companies must leverage their unique assets to help solve problems – not simply give away money and hope for the best.

Three years ago in Detroit we launched our most comprehensive initiative to date, which we view as "proof of concept" of our firm's model. We have made Detroit the focus of our Corporate Responsibility Report this year because it provides insights that are informing our efforts elsewhere. While our primary focus is Detroit, we also showcase examples of our model at work beyond Detroit.

Our work in Detroit has also yielded lessons that we think can be instructive for others.

Chief among these is the need to bring an innovation mindset and a willingness to adjust. For example, we initially focused on incubators to drive small business growth, but it became clear that we could have greater impact by providing minority entrepreneurs with much-needed capital. As a result, we shifted our strategy. With data from the JPMorgan Chase Institute showing that local spending at small businesses has grown faster in Detroit than in other major cities we track, we are confident we are now focused where we can best move the needle. We've since expanded this approach to small businesses in other communities.

Equally important, we've learned firsthand the power and necessity of collaboration. Detroit's turnaround has been possible only because government, businesses and nonprofits all came to the table and asked, "What value can each of us provide to solve these challenges?"

The model JPMorgan Chase put into practice in Detroit is making a real impact, but as we learn more about what's most effective, we continue to refine it. I hope the lessons we have learned in Detroit and elsewhere around the world can help spark a conversation across all sectors about better approaches to solving our challenges and creating greater economic opportunity for all. ■

**Peter L. Scher**, Head of Corporate Responsibility and Chairman of the Greater Washington Region, JPMorgan Chase & Co.

Jamie Dimon

**PRIVATE**  
*Enterprise*  
**FOR PUBLIC GOOD**



# Private enterprise has shown an unparalleled capacity to generate prosperity and produce goods and services that meet people's needs and improve their lives.

The same attributes that drive business success – innovation, ingenuity and the ability to efficiently marshal human and financial capital – also offer tremendous promise to help solve pressing societal challenges.

The private sector has not only a moral obligation but also a deeply vested interest in delivering on this potential for public good. Why? Because businesses cannot outgrow the economy of their communities.

The private sector plays an essential and positive role in society – and it is one we should embrace. Of the 145 million people who work in the United States, 125 million of them work for private enterprise. It is the private sector that generates the jobs and economic growth that fuel progress, underpin opportunity and support the critical public services on which we all depend.

Like other businesses, JPMorgan Chase creates opportunities through jobs, fair wages and benefits and investing in our 240,000 employees around the world. Starting in February 2017, as part of a three-year plan, we began to raise the minimum salary of our U.S. employees to between \$12 and \$16.50 an hour, up from \$10.15 an hour. This pay increase impacts 18,000 of our bank tellers, customer service representatives and other hardworking employees across the country. Giving these individuals a raise is both the smart thing to do – it helps our firm attract and retain talented people in a competitive environment – and the right thing to do. Wages for too many Americans have gone nowhere for too long.

Indeed, from stagnating wages and growing income inequality to a lack of quality education and failure to arm our young people with job skills, there are clear signs that many of our communities are struggling.

The net result is that too many people are not getting a fair shot at getting ahead. Clearly, the private sector cannot solve this alone, but it is uniquely positioned to contribute by driving economic growth and creating more opportunity.

The private sector's ability to be a positive force extends well beyond the four walls of our firms. Companies can actively leverage the capacity of their core business to strengthen the communities where they operate. This will look different for different companies, of course, but every enterprise can and should do its

part. As a bank, JPMorgan Chase's societal value proposition is clear: We enable and catalyze economic growth by providing the capital that businesses, government and nonprofits need to expand, create jobs and fulfill their vital missions.

Our firm has also always supported our communities through philanthropy, another important tool the private sector can apply to make a difference. But over many years of giving, we have refined our approach to more fully draw on and leverage all of our resources. Our model combines financial commitments with capable partners, evidence-based solutions and direct investments of our people's time and expertise.

We are using this model to help solve critical social and economic challenges. For example, we are investing \$325 million in career-oriented education to help young people and adults develop the skills they need to get on a stable career path and move up the economic ladder. We are putting the model into practice in Detroit where, alongside our \$100 million philanthropic investment, we are directly leveraging our firm's expertise in areas such as community development, small business lending and workforce readiness to help support and accelerate the city's turnaround.

Reducing inequality, creating well-paying jobs, supporting vibrant and resilient communities – all these challenges are as daunting as they are essential to address. But by harnessing the unique capabilities of the private sector, alongside the nonprofit and public sectors, I believe we can drive the change at the scale and pace our communities deserve. ■

**Jamie Dimon**, Chairman and CEO,  
JPMorgan Chase & Co.

# MODEL FOR IMPACT

JPMorgan Chase believes more people should have access to opportunity and the chance to move up the economic ladder, particularly in the world's cities, where the benefits of revitalization are not reaching everyone.

To achieve this mission, we have reimagined our approach to corporate responsibility: We combine a data-driven, strategic focus with what we believe are the essential inputs for creating lasting impact in our communities. This model is yielding real results, and we hope it can serve as a template for others seeking to address social and economic challenges.

Our global initiatives are focused on the key drivers of inclusive growth, and we are making big, long-term bets that directly leverage our firm's worldwide presence, talent and resources.

**LEVERAGING OUR CORE BUSINESS**  
Deploying capital, providing credit and applying our expertise to enable local economic development.

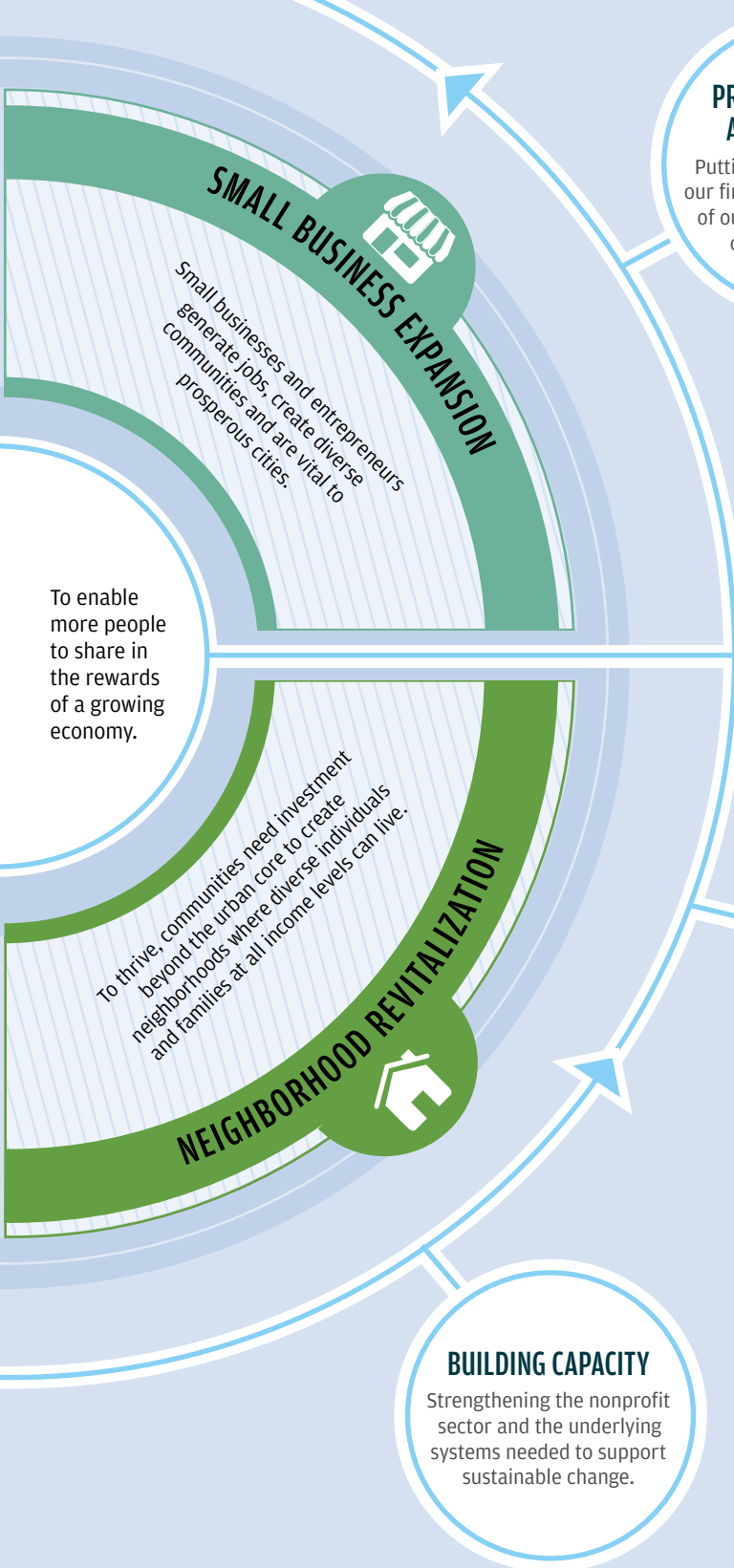
**DELIVERING DATA AND ANALYSIS**  
Harnessing the power of data and our firm's insights into the global economy.

**INVESTING PHILANTHROPIC CAPITAL**  
Making long-term investments to test and scale innovative programs.

**JOB AND SKILLS**  
Helping people develop the skills they need to compete for today's jobs can transform lives and strengthen economies.

**FINANCIAL HEALTH**  
Providing individuals with the tools and resources to manage their daily financial lives stabilizes households and benefits local economies.

**OUR MISSION: INCLUSIVE GROWTH**



**PROVIDING SKILLS AND EXPERTISE**

Putting the capabilities of our firm and the knowledge of our people to work for our communities.

**TEST, LEARN, ITERATE**

We continually iterate as we test new approaches and learn more about what works best.

**FOSTERING COLLABORATION**

Forging partnerships among businesses, government and nonprofits to solve complex problems.

**BUILDING CAPACITY**

Strengthening the nonprofit sector and the underlying systems needed to support sustainable change.

**AN INTEGRATED AND SUSTAINABLE APPROACH**

Creating more widely shared prosperity depends on addressing the drivers of inclusive growth in an integrated way and strengthening the underlying systems needed to deliver sustainable change.

To enable more people to share in the rewards of a growing economy.

To thrive, communities need investment beyond the urban core to create neighborhoods where diverse individuals and families at all income levels can live.

*Mike Duggan*

Since 2014 Duggan has been mayor of Detroit, where he governs his hometown and collaborates with others to solve some of the city's most vexing issues.

*Karen Persichilli Keogh*

Karen is head of global philanthropy at JPMorgan Chase & Co., where she oversees the bank's global philanthropic investments to drive inclusive growth.



*Karen Persichilli Keogh:* How is Detroit helping ensure that its recovery translates into economic opportunities for all Detroiters?

*Mayor Mike Duggan:* We are building a city where everyone who lives and works in Detroit is included in the comeback. Everything we do – from creating a trained workforce to revitalizing neighborhoods to developing housing – is focused on a strategy of inclusive growth that strengthens the economy while protecting existing residents. This is the only way that we'll achieve long-term success. Through the hard work of our team, the help of our partners and the willingness of our residents, we are making great strides in creating more opportunity for more people.

*KPK:* I know you have made small business growth a priority. How does that tie into the larger inclusive growth strategy?

*MD:* We have a number of programs to deliver longtime Detroiters and people of color access to funds to make sure they can participate in the growth. This includes Motor City Match, which gives entrepreneurs \$50,000 to start a business, as well as the Entrepreneurs of Color Fund, which provides capital for minority businesses. These and other programs have been huge drivers for inclusive small business growth. We now have a culture in this city where new business owners know there is a whole range of resources available to them.

A Conversation with Detroit Mayor Mike Duggan

# A Comeback for All

JPMorgan Chase's **Karen Persichilli Keogh** talked with **Mayor Duggan** about how to create inclusive economic growth in Detroit so that both longtime residents and newcomers can thrive.



*KPK:* What is the key to more economic opportunity for Detroit's youth?

*MD:* I'm a great believer that talent is distributed evenly across this country, but what isn't distributed equally is opportunity. Our young people aren't getting enough opportunity in schools and not enough opportunity in jobs. But if we don't give our youth a good education and the skills to work, we won't fundamentally change the trajectory of the city. There is no shortcut. We need to keep on creating paths of opportunity to make sure this recovery benefits everybody.

*KPK:* How are you creating these paths?

*MD:* We've kicked off Detroit Promise, where every student in Detroit public schools has two years of community college guaranteed. And we are very close to our goal of placing 8,000 Detroit youths into summer employment through our youth program, Grow Detroit's Young Talent. Many of these kids have never had a paycheck or don't know how to dress for work. But by the end of the summer, they'll have a bank account and a good sense of what a particular job requires.

When it comes to our workforce, we are focusing on job training for people who are willing to work hard and get training for jobs that we actually need in this city. We are making progress: There are more people in Detroit working today than a year ago.

*KPK:* I know you are a metrics-driven leader. How are you using data to support the city's recovery?

*MD:* Everything we do is data driven. On the blight side, the technology that we have is pretty remarkable. There are about 350,000 parcels of land in the city of Detroit, and we know the condition of every one of them – whether it's an occupied house, a vacant house or a vacant lot. With this knowledge, we can move systematically with our demolition program. Another example is workforce: Through data, we know that there is a shortage of certain jobs such as coders, MRI and CT techs and the skilled trades. We have actually catalogued the jobs that someone with a high school degree and with additional training can be hired for and paid a good wage.

*KPK:* You ran on the campaign "Every Neighborhood Has a Future." How are you implementing that vision?


*MD:* We have a vision of inclusive growth in Detroit's neighborhoods based on building out from zones of density. We've taken the most densely populated neighborhoods and demolished burned-out homes and sold lots to people who are renovating them, planting gardens and putting in swing sets. We are creating "20-minute neighborhoods" that focus on filling in vacant apartment buildings, creating retail spaces in main corridors and building greenways to create communities where people can walk or bike to everything they need. We can't compete with the suburbs, and we don't want to. A huge segment of millennials want to be in urban environments where they are closely connected with other people.

*KPK:* What is the role of the private sector in helping address issues facing communities like Detroit?

*MD:* We can't rebuild Detroit with city government alone. In an age of constricted municipal budgets, public-private partnerships are essential in addressing our most pressing needs. We have been extremely lucky with a number of corporate partners helping out with Detroit's recovery in critical areas such as housing and technology. And we welcome private companies that open businesses, create jobs and become engaged in civic affairs. The catalytic effect of investment in this city cannot be overstated. JPMorgan Chase has set an example that investing in communities like Detroit brings strong social and capital returns.

*KPK:* How will you know when you have succeeded in achieving your vision for Detroit?

*MD:* Things are getting better and people believe in the future, but we still have a long way to go. The population of Detroit has dropped every year for 60 years. When you are heading in the wrong direction, residents and businesses move out. When you are doing the right thing, people move here and stay. I will know we have succeeded when we reverse population decline in the city. ■




“Everything we do — from creating a trained workforce to revitalizing neighborhoods, to developing housing — is focused on a strategy of inclusive growth that strengthens the economy while protecting existing residents.”  
*Mike Duggan, Mayor of Detroit*

# Proof of *Concept*

We view our work in Detroit as “proof of concept” of our firm’s strategy for helping more people move up the economic ladder and share in the rewards of a growing economy.

Our efforts around the world have made clear to us that there are some key drivers of inclusive growth – and that they are as equally true in Detroit as they are in all cities. They include arming people with the skills needed for today’s high-quality jobs, providing small businesses – particularly minority-owned and community-based ones – with the capital and resources they need to succeed, investing in community development that revitalizes not only urban cores but also surrounding neighborhoods and giving households the tools and resources to manage their financial health.

We believe that, taken together, these are the pillars of opportunity. When we address them in an integrated and data-driven way, we lay the foundation for more widespread prosperity. It is a model that is making a real impact in Detroit – and it is one that can be equally effective in cities around the world.



▶ Angel Paris, owner of Power, Lighting and Technical Services in Detroit, used support from the Entrepreneurs of Color Fund to help expand into a new facility.

# Invested in *Detroit*



By **John Carter**  
Chase Michigan  
Market President,  
JPMorgan Chase & Co.

As a proud Detroit, I am deeply cognizant of Detroit's place in history. The Arsenal of Democracy. Birthplace of the automobile. Central site in the civil rights movement. Home of Motown. And the list goes on. This heritage fuels the pride of all of us who live and work here, even when our city has struggled. It is also part of what inspired JPMorgan Chase to commit \$100 million – the largest corporate philanthropic investment ever made in Detroit – to support and accelerate the city's recovery.

## MODEL IN ACTION

### INVESTED IN DETROIT

JPMorgan Chase's history in Detroit dates back more than 80 years – 35 of which I have been with the firm – starting with our predecessor, National Bank of Detroit.

Throughout that time, JPMorgan Chase has supported local nonprofits and been a part of the city's civic life. In 2014, however, we dramatically expanded our commitment to the city with the launch of our Invested in Detroit initiative. We pledged \$50 million to fund and catalyze further investment in housing, commercial and manufacturing projects across the city. We also pledged another \$50 million to strengthen the city's workforce system, support small business growth – especially for minority and women entrepreneurs – stabilize neighborhoods and support other transformative investments.



▼ Students at Focus: HOPE work on computer repair as part of an information technology training course.



▲ Participants in a Goodwill Industries program gain workplace skills and technical training at an automotive supplies facility.

We placed this big bet on Detroit's turnaround not only because we saw a need but also because we saw an unprecedented spirit of engagement, cooperation and commitment among the city's leaders, business community and nonprofit sector. With these conditions in place, we believed the right kind of commitment by our company could make a real difference.

We also knew that we had more we could offer the city than financial resources alone. The fact is, JPMorgan Chase does not believe in just writing checks; rather, we put the weight of all our resources – data, technology and our people's deep expertise, market knowledge and relationships – behind our efforts to catalyze inclusive growth and expand access to opportunity. And we focus our efforts where we can best put our firm's unique skills and competencies to work to advance this agenda. This is exactly what we are doing in Detroit.

In Detroit, we saw an opportunity and a need to bring together our full range of efforts in our most comprehensive philanthropic initiative to date.

We know that the drivers of inclusive growth are fundamentally linked, so moving the needle of opportunity in Detroit requires addressing all of them in an integrated way.

Similarly, we know that the challenges facing the city are complex and interconnected. Meaningfully addressing them, then, demands a thoughtful, holistic and collaborative approach. Take blight, for example. We recognized that identifying, removing and rehabilitating blighted properties – a critical and massive task in and of itself – had to be just one part of a larger and more integrated strategy to stabilize and revitalize Detroit’s neighborhoods. We also saw that blight removal efforts could be leveraged to provide economic opportunities for Detroit’s residents.

As a result, our firm is making coordinated investments across the range of elements that must come together to create livable, inclusive and sustainable neighborhoods. This includes support for blight-mitigation organizations, such as the Motor City Mapping project. It also includes creating and seeding innovative financing models to help homebuyers buy and rehabilitate blighted homes, such as our collaboration with Liberty Bank. But we know that addressing the physical landscape alone isn’t enough.

▼ Students work on a summer farming project as part of Detroit’s youth employment program.



## DETROIT AS A STARTUP

By *Jerry Paffendorf*,  
CEO and Co-Founder,  
*Loveland Technologies*

With scarce resources and big challenges in our city, Detroiters have had no choice but to take risks and try new things. And when that doesn’t work, we try something else.

It’s similar to the “innovate-test-iterate” mindset inherent in technology startups. More and more, I am seeing this mindset applied across Detroit, not only by fellow entrepreneurs but also in the public sector. I see this spirit as well in the way JPMorgan Chase has approached its partnership with Loveland. It’s brought a willingness to give new ideas a shot and quickly adjust as we all learn more about what works and what doesn’t.

My company’s story illustrates what this iterative process looks like in practice. We got our start trying to build a community around a vacant lot by inviting people to buy one-inch parcels through a website we created. In the process, we learned that no one actually knew what was out there in terms of the city’s vacant and blighted properties. Eventually, that effort evolved into the Motor City Mapping Project. Now, based on the success we’ve had in Detroit and what we’ve learned there – and with the support of JPMorgan Chase as we continue to explore new markets and expand our work – we’re taking the approach to other cities around the country.

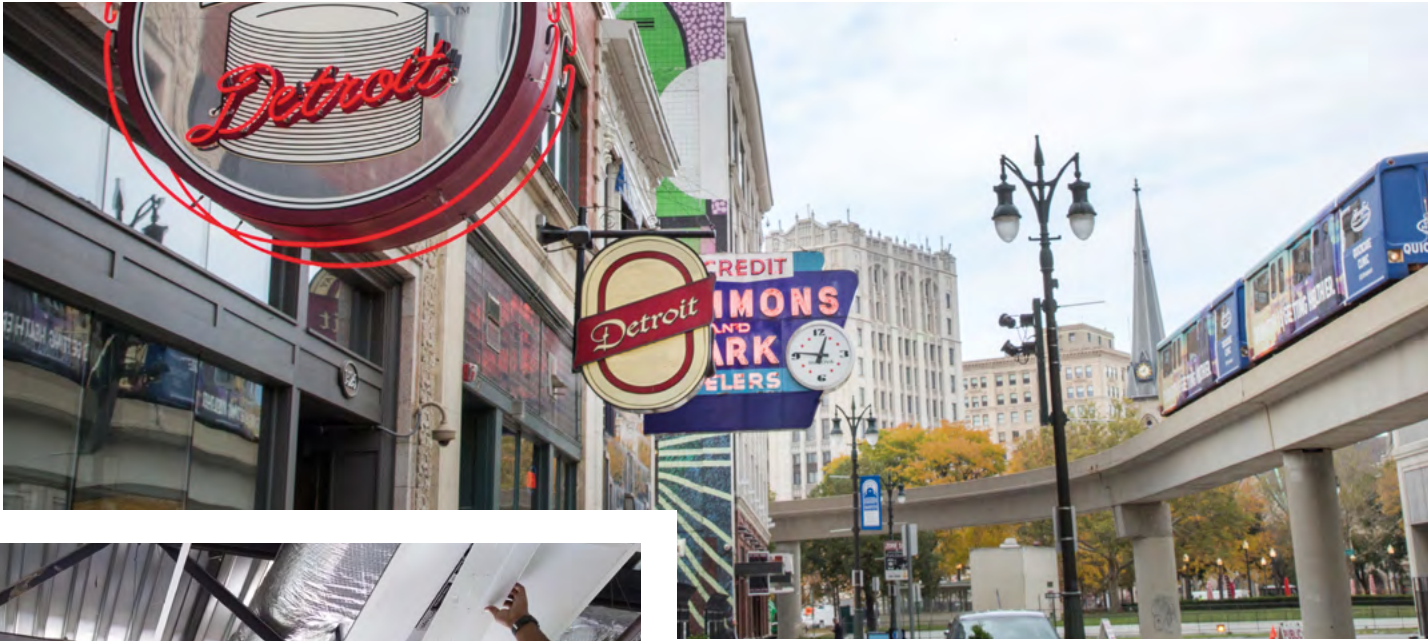
*In the tech industry we often tout the “fail fast” mantra, but I prefer “fail slowly.”*

Not that any of us wants to fail, of course, but there are benefits to sticking with something long enough to find solutions. That was what we did at Loveland. Even as we “failed” our way forward, we determinedly stayed focused on our core issue: understanding land use and how it contributes to the life or death of neighborhoods.

Applying a startup mentality to solving Detroit’s challenges means taking the best of the rapid-fire “innovate-test-iterate” cycle and bridging it with a vision for creating long-term change. JPMorgan Chase provides that kind of bridge: patient capital for innovative solutions to deep problems.

## MODEL IN ACTION

### INVESTED IN DETROIT



▲ New construction projects across the city require skilled workers. A master electrician's apprentice installs lighting in the New Center neighborhood.

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“The challenges that batter our cities and communities — poverty, income disparities, structural racism, disinvestment — far exceed the capacity of any individual actor. This has been vividly apparent in Detroit. When once dependable business and civic players retreated in the face of economic turmoil and municipal frailty, philanthropy stepped in. We collaborated with an array of partners to invest in the civic scaffolding of neighborhoods, transportation infrastructure, anchor institutions, economic development and arts and culture until the public and private sectors could resume their rightful roles. In the wake of that experience, we find this cross-sectoral, cross-discipline approach too effective to be reserved for crisis. This is the way we must continue to forge ahead.”

*Rip Rapson, President and CEO,  
The Kresge Foundation*

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▲ Goodwill Industries' Flip the Script program provides at-risk men and women with a pathway toward well-paying jobs with training and workplace skills.

That's why we are also supporting workforce training programs that are arming Detroiters with the skills they need for jobs in industries emerging out of the need to transform Detroit's vacant land and remove and renovate its blighted structures. It is one of the reasons the Entrepreneurs of Color Fund, supported by JPMorgan Chase, offers a contractor line of credit to help small businesses in Detroit's construction industry capitalize on the growing demand for their services.

This integrated approach is also driving our support for the new Detroit Strategic Neighborhoods Fund, which brings together community developers and dedicated resources to fuel inclusive development in a targeted group of neighborhoods. And it is why we seeded Develop Detroit, the city's first nonprofit real estate development firm focused exclusively on creating and preserving affordable housing in Detroit's neighborhoods.

Finally, our holistic and deep engagement is reflected in the Detroit Service Corps. Since 2014, we have sent 68 of our most talented employees from around the world to Detroit to spend three weeks embedded with our nonprofit partners, lending their skills and expertise to help these organizations fulfill their critical missions.

Clearly, there is still much work to be done to ensure Detroit's rising tide lifts the boat for *all* Detroiters. But the momentum is palpable and signs of progress can be seen across the city.

JPMorgan Chase is proud to be a part of Detroit and we are deeply invested in its future. ■



## INCLUSIVE RECOVERY IN DETROIT

By Sarah Rosen Wartell  
President, Urban Institute

As Detroit emerges from a decades-long economic crisis, its challenge is to create not simply a recovery but an inclusive recovery.

This requires a plan for fueling growth that benefits the city's longtime residents, draws on their experiences and amplifies their voices. Detroit exemplifies many of the crucial elements required to achieve this inclusive vision.

*The story of Detroit is, in many ways, the story of what can be achieved through collective effort.*

Success depends on partnership across the public, nonprofit and private sectors. Detroit has done this as well as any city I have seen, with stakeholders across sectors knitting together a strategy for renewal. Public-sector officials are partnering with a deeply committed philanthropic community and engaged business leaders. These three sectors are collaborating to create and implement an integrated strategy.

This is hard work. The city and its partners may not always get it right at first, but their demonstrated commitment will help ensure that Detroit's recovery is a shared recovery. This is part of what is uniquely powerful in Detroit: The city's partners have been willing to make the kind of cross-sector investments that will prove effective – from small business growth to workforce development to affordable housing.

In partnership with the city, JPMorgan Chase has worked to understand the community's needs and to bring the firm's particular capacity to bear to make a meaningful impact. To this end, Urban Institute is bringing data and analytics to inform and assess JPMorgan Chase's philanthropic efforts in Detroit. Through this collaborative effort, Urban is forming local partnerships as well as mining data and experience to provide insights that will enhance and advance local conversation and generate a wider understanding of major economic and social challenges; JPMorgan Chase is incorporating those insights to make its programs in Detroit and elsewhere even more effective.



# BUILDING CAPACITY ON THE GROUND

BY STEPHEN M. CUTLER, EXECUTIVE VICE PRESIDENT AND VICE CHAIRMAN, JPMORGAN CHASE & CO.

Our work in Detroit started with the same central question that drives our efforts in cities around the world: What is the problem we are trying to help solve, and what is the best way to do so?

Answering that starts with understanding the nonprofit organizations and other institutions that are on the ground playing a key role in serving their communities. We analyze these organizations' strengths, weaknesses and challenges with one objective in mind: identifying where we can help strengthen their capacity and the underlying systems needed to support and drive sustainable change.

An equally important part of our approach is identifying what unique assets and capabilities our firm can bring to the table. In some cases, part of the solution is additional financial resources. In others, however, what's needed is a different service delivery model, a novel partnership or application of a new technology. So we bring the full weight of our firm's assets to bear — including our expertise, data, technology and relationships.

Our work in Detroit illustrates this comprehensive approach. For example, JPMorgan Chase's experts on workforce development closely partnered with Detroit's leaders to analyze the city's workforce system and provided valuable data and insight into the local labor market dynamics. Combining this analysis with our similar work in other cities, we offered recommendations for strengthening the system, which helped inform a new direction for the Mayor's Workforce Development Board.

We are lending this kind of expertise in many other ways. Our community development bankers are bringing leading-edge thinking and extensive global experience about how to revitalize neighborhoods, while our mortgage bankers have worked with our partners to develop imaginative solutions to the challenges of Detroit's real estate market. The JPMorgan Chase Institute is providing unique, deeply localized data that sheds light on the critical role of Detroit's small business sector.

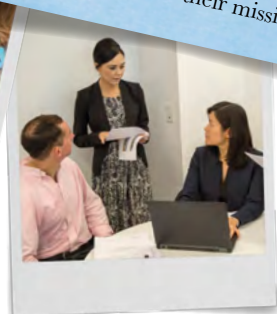
The Detroit Service Corps is perhaps the most tangible example of this multifaceted approach. Through the Service Corps, some of our most talented employees have spent time working on-site with our nonprofit partners in Detroit, using their expertise to assist with everything from strategic and business planning to market analysis, financial modeling, organizational design and marketing (see box).

Ultimately, greater capacity for Detroit's nonprofits means greater opportunity for Detroit's residents — and the chance for economic growth that brings the most people along.



Since 2014, JPMorgan Chase has deployed teams of top-performing employees, putting their skills and expertise to work on the ground to help our nonprofit partners fulfill their critical missions. Time and again, these teams have helped accelerate our partners' ability to impact their communities and even fundamentally shift their goals and vision. Through hands-on work in the communities we serve, Service Corps members also have the opportunity to draw new meaning and insight about their roles at the firm — and in the world. The program, which we started in Detroit, is now global.

As of November 2016, **112 employees from 11 countries** have participated in nine separate Service Corps cohorts, traveling to Uberlândia, Mumbai, Johannesburg, New Orleans and Detroit to dedicate their time and skills across 34 projects to help nonprofits achieve their missions.







DEVON BUSKIN, WORKFORCE  
DEVELOPMENT DIRECTOR



LIONEL BRADFORD,  
PRESIDENT AND EXECUTIVE DIRECTOR

Employment rates in Detroit lag far behind the national average. At the same time, the city's post-bankruptcy revitalization has created a number of new employment opportunities in the green infrastructure industry.

These new jobs are a welcome addition, but for some Detroit residents who face significant barriers to employment – such as the lack of a high school diploma, limited literacy or a previous incarceration – these opportunities can seem out of reach.

The Greening of Detroit is addressing these barriers head-on. Through its programs for youth and adults, the nonprofit organization provides workforce training for jobs in forestry, urban agriculture and landscaping. By aligning its programs with available jobs, the organization boasts a nearly 100 percent placement rate. Now, with funding from JPMorgan Chase's New Skills at Work initiative, The Greening is able to significantly expand its proven demand-driven programs.

In partnership with Neighborhood Services Organization and Focus: HOPE, our support helped launch the Detroit Conservation Corps in 2016. Through the program, participants complete an eight-week paid training course that results in certification in several areas of their choice – such as tree removal or landscape maintenance – and then placement in well-paying jobs. Through the program, The Greening also provides training in “soft skills,” such as how to dress for an interview, as well as

wraparound services including help with food, child care and housing assistance. The Detroit Conservation Corps is aiming to train at least 2,500 adults.

“We are helping to make these folks work-ready so they can get into the workforce and earn a decent living wage,” said Devon Buskin, workforce development director, The Greening.

Another highly successful program is the Green Corps, an eight-week summer youth employment program that provides low-income Detroit youth with job training and meaningful employment – while also ensuring that the trees The Greening plants are adequately maintained. Each year, the Green Corps provides 250 summer jobs for high school students.

JPMorgan Chase's support for The Greening extends well beyond its training programs – and illustrates how our firm is investing more than dollars to strengthen the capacity and long-term sustainability of our nonprofit partners.

For example, as plans to expand The Greening's programs took shape, it became clear that the organization was facing a physical capacity challenge: It had long outgrown its previous office space, which required dividing staff, tools and vehicles between three different locations.

In response, JPMorgan Chase donated one of our former branch buildings to The Greening. The new building allows adequate space for ongoing operations, serves as a training hub and acts as an anchor for the neighborhood.

In addition, the organization was wrestling with how best to ensure its long-term financial sustainability. “Like so many nonprofits in Detroit, we face a problem with getting the administrative dollars that we need to keep our organization running,” said Lionel Bradford, president and executive director, The Greening. One possible solution was to develop a fee-for-service model to offset some of these costs, but leaders were not sure if it was feasible.

Enter the JPMorgan Chase Detroit Service Corps. In 2015 a team of JPMorgan Chase employees with expertise in operations, business plan development and financial modeling spent three weeks on-site with the team at The Greening, helping the organization develop a business plan for a new landscaping social enterprise program.

“This wasn't our area of expertise, but the Service Corps confirmed for us that we were going down the right path,” said Bradford. “They came in and put together a plan for this, basically showing us how to keep our organization sustainable.” ■

# DECODING DATA



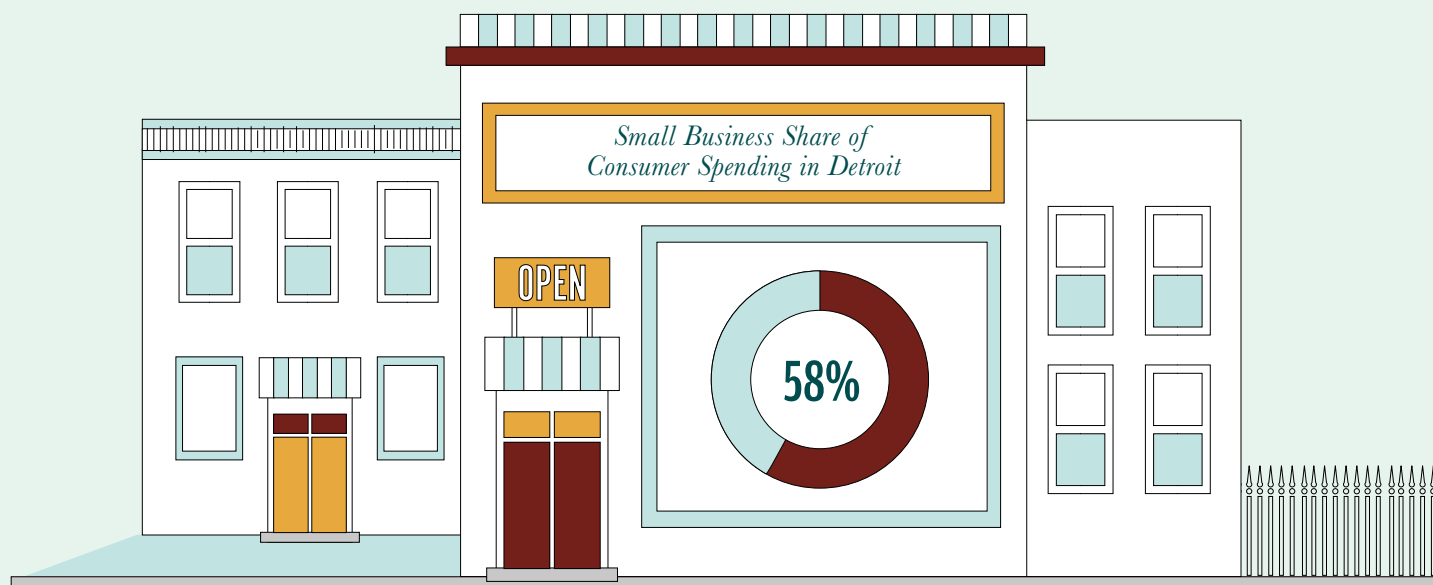
By Chris Wheat, Director of Business Research, JPMorgan Chase Institute

JPMorgan Chase believes deeply in the power of data to advance economic progress and expand access to opportunity – which is why we are helping arm Detroit’s leaders with actionable data to inform their work.

For example, through the JPMorgan Chase Institute – a global think tank that draws on our firm’s unique proprietary data, expertise and market access to develop insights into the global economy – we measured consumer spending across 15 U.S. cities, including Detroit. The Institute’s Local Consumer Commerce Index (LCCI) shows that in Detroit, small businesses are a big driver of consumer spending – more so than in other parts of the country.

The Institute’s LCCI data are truly distinctive. Unlike other data sources that rely on self-reports, these data reflect over 16 billion anonymized credit and debit card transactions from more than 54 million Chase customers. This provides an opportunity to produce hyper-localized analyses of consumer spending.

In Detroit, these analyses revealed that 58 percent of consumer spending took place at small businesses within Detroit –



no other city in the LCCI sample cleared 50 percent. In September 2016, small businesses in Detroit contributed 3.4 percentage points to overall growth in the entire metro area. By contrast, the 15-city metro average contribution from small businesses was 2.5 percentage points.

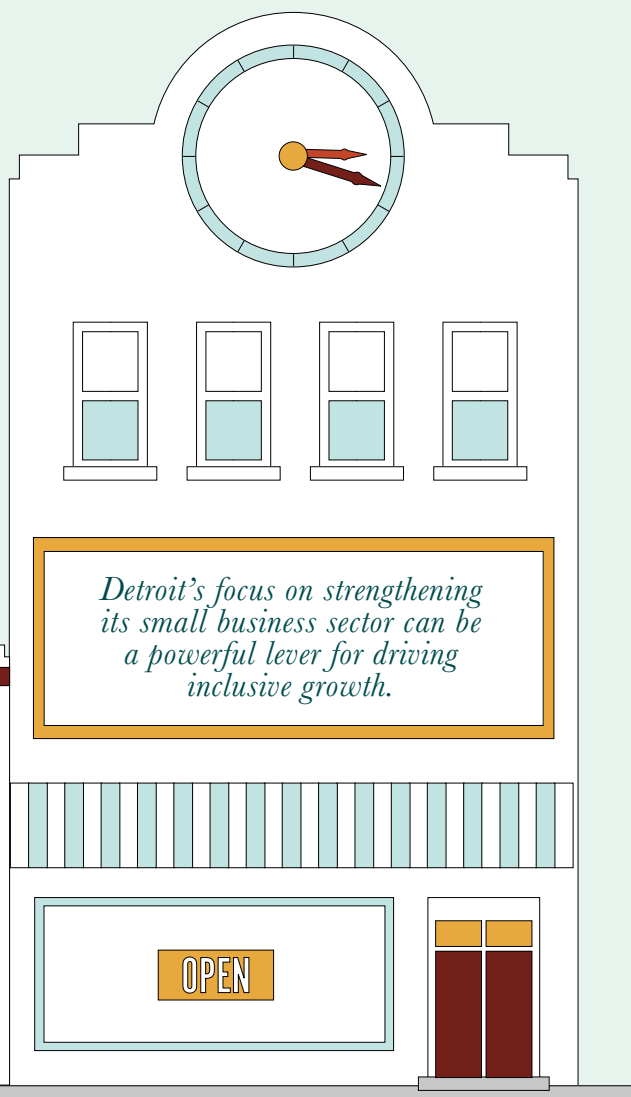
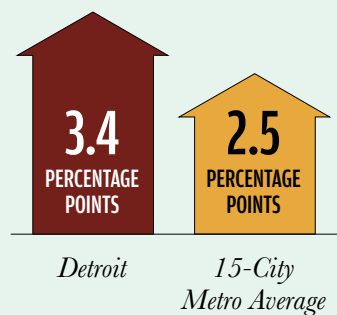
These findings suggest that the city’s focus on strengthening and supporting its small business sector has the potential to be a powerful lever for driving inclusive growth.

Data provided by our firm also informs a broad range of other efforts underway across Detroit – from tackling blight to strengthening the city’s workforce system. For example, in 2016, JPMorgan Chase and the Corporation for a Skilled Workforce released research aimed at enabling the city’s leaders to make data-driven investments in training programs and connect and better prepare Detroiters for job opportunities. This research built on an analysis of the “skills gap” in Detroit that JPMorgan Chase issued in 2015, which identified the sectors projected to create the most middle-skill job opportunities in the city.

As another example, data provided by the Global Cities Initiative – a joint project of the Brookings Institution and JPMorgan Chase – helped illuminate Detroit’s economic assets and opportunities for investments. After the research found that Detroit has the potential for more foreign direct investment, we brought together leaders to discuss the actions they could take toward the region’s overall expansion and globalization of its economy.

Detroit provides a case in point of how timely, robust and local data helps leaders target efforts and focus limited resources in ways that make a real difference in the lives of their residents. ■

*Small Business Contribution to Metro Spending Growth*





# RETOOLING DETROIT'S WORKFORCE



BY CHAUNCY LENNON, HEAD OF WORKFORCE  
INITIATIVES, JPMORGAN CHASE & CO.

There is perhaps no more important measure of Detroit's revitalization than whether it creates opportunities for Detroiters to secure good jobs and climb the economic ladder.

Today, there are clear signs of progress. As 2016 came to a close, 11,000 more Detroiters were working than at the start of the year. The city's employment growth is outpacing overall U.S. growth. The unemployment rate is down to 10.4 percent from a high of about 28 percent in 2009.

But challenges remain. The unemployment rate is still significantly higher than the national average. Additionally, many residents do not have the necessary skill and education levels to qualify for good-paying jobs available locally.

"As Detroit comes back, we want to make sure that Detroiters are participating in the turnaround — and that means having the skills to secure available jobs," said Detroit Mayor Mike Duggan.

Through New Skills at Work, JPMorgan Chase's \$250 million global initiative to inform and accelerate demand-driven skills training, our firm is investing \$12.5 million in Detroit to help boost the city's workforce readiness. Our goal is to create more opportunities for workers to obtain well-paying, middle-skill jobs — those that require education beyond a high school diploma but less than a college degree — while providing employers with the workforce needed to grow and compete.

Detroit, like many other cities, has experienced profound shifts in its industrial base, technological disruption and a changing employment landscape. Working closely with our partners on the ground, we are sharing insights from our efforts to address these challenges.

◀ At Eco Works, Shiquia Montgomery recycles industrial materials as part of a skills training program.



◀ Jamie Dimon visits the training facility floor at Focus: HOPE with Decondi Kennedy (left) and Nathaniel Harris (right).

▼ Christopher Proctor II started at Eco Works as a trainee and has moved on to a manager role in only a few years.



## STRENGTHENING DETROIT'S WORKFORCE SYSTEM STARTS WITH UNDERSTANDING IT

The misalignment between the skills employers need to be competitive, the skills available in the workforce and the skills provided by training programs is unique to the local region. This makes good data and analysis essential for accurately diagnosing problems and formulating solutions that truly make a difference on the ground.

With this in mind, our firm commissioned research to examine the dynamics of Detroit's workforce system. In 2016 JPMorgan Chase and the Corporation for a Skilled Workforce (CSW) released a series of reports that identified specific opportunities for strengthening the city's workforce infrastructure and aligning resources to support job growth.

The findings helped inform a reconstituted Mayor's Detroit Workforce Development Board. They also prompted the launch of a new Detroit Workforce System Leadership Academy — an intensive 12-month learning program facilitated by CSW and JPMorgan Chase — which will provide Detroit workforce leaders with an opportunity to collaborate on developing practical solutions to solve some of the city's most challenging workforce issues. The Academy will leverage and build on the expertise of leaders across the workforce community to help up to 22 local senior workforce leaders better engage employers, understand industry workforce needs, develop successful career pathway

strategies and strengthen connections between training providers, job seekers and employers.

“JPMorgan Chase has been instrumental in advancing the leadership culture of learning and innovation that Detroit's leaders are working to build,” said Jeannine La Prad, CEO, Corporation for a Skilled Workforce. “Through the Academy, local leaders will increase their capacity to tackle persistent employment challenges for Detroit residents and employers. Together, we will help Detroit be on the leading edge of workforce system transformation.”

“To translate economic growth into true economic opportunity for more Americans, we need a new strategy for human-capital formation and a major pivot toward practical skills. The unique sense of dignity conferred by meaningful work and earned success is vital for building satisfying lives and strong societies.”

*Arthur C. Brooks, President of the American Enterprise Institute*



## INVESTING IN DETROIT'S MOST EFFECTIVE TRAINING PROVIDERS

In Detroit, as in other cities around the world, JPMorgan Chase is investing in high-quality training providers that help individuals develop the skills, credentials and experience they need to get on stable and rewarding career pathways.

Since 2014, our support for organizations such as Detroit Employment Solutions Corporation (DESC), Goodwill Industries, EcoWorks, Focus: HOPE, The Greening of Detroit, United Way for Southeastern Michigan and others have helped more than 3,600 Detroiters build in-demand skills.

“The city of Detroit is seeing significant demand in a number of key occupational sectors, and we need to ensure that a pipeline of skilled talent is available to support that demand,” said Nicole Sherard-Freeman, president and CEO of DESC.

That is exactly what DESC’s Demand Driven Detroit Training program (3DT) — which uses a combination of boot camps, apprenticeships and basic skills accelerator training — is working to do. It focuses on arming participants with skills to enter well-paying jobs in Detroit’s fast-growing health care and information technology sectors.

Demand-driven programs like 3DT, and those of our many other partners across the city, are powerful tools for ensuring all Detroiters have the opportunity to share in the rewards of Detroit’s revitalization. ■

▼ Roderick Carter works on the assembly and packing line at an automotive supply facility managed by Goodwill Industries, one of the workforce training providers supported by JPMorgan Chase.



▶ Denise Hampton works on the automotive parts supply line at Goodwill Industries.





Gregory Davis, a graduate of Focus: HOPE, a JPMorgan Chase-supported training program that helps Detroiters build in-demand skills. After completing the program, Davis was hired by Detroit Manufacturing Systems.

## OPENING THE DOORS TO OPPORTUNITY FOR DETROIT’S YOUTH

### Talent is distributed evenly. Opportunity is not.

It’s a point Detroit Mayor Mike Duggan, among others, has made, and it’s one that is starkly apparent in Detroit. More than 55 percent of Detroit’s children live in poverty. The city has a 30 percent youth unemployment rate — the highest among the 25 largest U.S. metro areas. Only 62 percent of the city’s African-American and 55 percent of its Latino young men are graduating from high school. More than 30 percent of young people in Detroit’s lower-income African-American neighborhoods are neither working nor in school.

In Detroit, as in too many communities around the world, young people of color and young people from distressed neighborhoods are being shut out of opportunity. JPMorgan Chase is working to help change that reality.

In 2016 our firm launched New Skills for Youth, a \$75 million global initiative to expand high-quality career-focused education programs that lead to well-paying jobs and long-term careers. These programs can truly transform lives by showing students that there are many pathways to success, including ones that do not require pursuing a four-year degree right after high school.

As part of this initiative, we are investing \$4 million to support work by the United Way of Southeastern Michigan to strengthen college and career pathways for students at 20 Detroit high schools. JPMorgan Chase joins the Skillman Foundation, the Ford Foundation and the Ford Motor Company Fund as part of a coalition working to connect 10,000 Detroit high school students over the next three years with career education and work experiences to boost employment.

Our support will enable the United Way to expand its Linked Learning initiative, a career-oriented education program. Through Linked Learning’s curriculum and work-based learning, students earn credentials, qualifying them for career pathways and college, in growing industries such as advanced manufacturing, health care, information technology, digital communications, engineering and public service.

“As parents fight to encourage their children to stay in school in hopes that they have a brighter future, it’s an uphill battle without access and opportunity that our youth can see,” said Sharlonda Buckman, CEO, Detroit Parent Network. “With support from JPMorgan Chase, the Linked Learning approach is an opportunity to affirm parents’ resolve to push and support their youth and the relevance of their education experience.”

By creating more opportunities for Detroit’s young people, JPMorgan Chase is helping lay the foundation for a real, lasting and broadly shared recovery.



# SUPPORTING INCLUSIVE



## ENTREPRENEURSHIP

By Janis Bowdler, Head of Small Business and Community Development Initiatives, Global Philanthropy, JPMorgan Chase & Co.

When Detroit's small businesses succeed, its neighborhoods and the city as a whole follow. From restaurants to barbershops, from tech startups to coffee shops, these vital hubs of commerce contribute to diverse neighborhoods, attract new residents, create jobs and power the local economy.

In Detroit – where U.S. Census data show that approximately 50,000 small businesses are owned by people of color, making it the fourth-largest U.S. city for the number of minority-owned businesses – JPMorgan Chase recognized that better meeting these entrepreneurs' needs was vital to unleashing the power of small business as a driver of opportunity.

Our work in the city quickly shined the spotlight on the importance of creating more abundant and creative opportunities for underserved entrepreneurs to access capital. Knowing that greater access to flexible capital – financing for small businesses that don't meet the criteria for traditional loans – is a particularly dire need, we helped launch the Entrepreneurs of Color (EOC) Fund, in partnership with the Detroit Development Fund (DDF) and the W.K. Kellogg Foundation.

"Growing lending to minority small business owners is crucial to Detroit's comeback," said Ray Waters, president, DDF. "The unique structure of the EOC Fund allows DDF to provide lines of credit and loans to accommodate the needs of entrepreneurs who might otherwise go out of business but now are able to offer their services to the residents of Detroit."

### A STRATEGY SHARPENED IN DETROIT

In 2014 JPMorgan Chase launched Small Business Forward, a global philanthropic initiative to support and scale innovative approaches to boosting small business growth in critical urban markets. As a part of this initiative, JPMorgan Chase's investment included a \$7 million commitment to help launch and grow small businesses in Detroit.

With evidence that small businesses grow faster when they share resources and infrastructure, a key component of our strategy in Detroit was investing in incubators and accelerators, which provide would-be entrepreneurs with everything from no-cost workspaces and strategic workshops to mentorship and networking. In Detroit, this drove our support for Eastern Market, a food incubator, which has been extremely successful in launching businesses and creating jobs.

Although this highly focused incubator model yielded real results, it also became abundantly clear that a focus on women, minority and veteran entrepreneurs was essential for the city's transformation. These insights in Detroit contributed to JPMorgan Chase in 2016 sharpening its focus on helping underserved entrepreneurs connect with capital to drive sustainable, widespread and inclusive growth.







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“Detroit’s entrepreneurs grapple with many challenges — a global marketplace, rapidly changing technology and new sources of competition. However, they also face a unique set of obstacles that come from working in a city that is transforming itself on a large scale. Though these challenges are particularly acute in Detroit, the ways we address them can be applied to communities across the country and around the world.”

***Jennifer Piepszak**, CEO of  
Chase Card Services (former CEO of  
Chase Business Banking)*

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By the end of 2016 the EOC Fund had awarded 30 loans valued at \$2.75 million in critical capital, and it had created 79 jobs for Detroit businesses that are owned by minorities or that primarily employ minorities.

# MOVING SMALL BUSINESS FORWARD

*Our strategy is focused on three key areas:*

## *Diversifying High-Growth Sectors*

**Eastern Market** is a prime example of how a geographic concentration of related businesses can help entrepreneurs get off the ground. Located at the site of three formerly blighted industrial buildings in the Eastern Market District, the regional food service hub houses incubators like Shed 5. With the help of funding from JPMorgan Chase, it also supports a network of six commercial shared-use kitchens across the city. Detroit Kitchen Connect, a technical assistance program, has helped create 42 jobs and license 35 businesses.

## *Expanding Entrepreneurial Opportunities*

As the city's preeminent business accelerator and incubator, **TechTown** clearly shows how a high-tech, high-growth incubator can address the needs of small businesses and underserved entrepreneurs. With JPMorgan Chase's support, TechTown has engaged 15 businesses through its University District SWOT City program since 2014. TechTown also offers its Retail Boot Camp for owners to open brick-and-mortar businesses. Since 2013 it has helped 39 entrepreneurs open new businesses and leveraged over \$540,000 in investments.

## *Expanding Access to Flexible Capital*

Launched in 2015, the **Entrepreneurs of Color (EOC) Fund** is a \$7 million loan fund for Detroit's minority-owned small businesses to help ensure that they have the resources and tools to succeed. Facilitated by the Detroit Development Fund, with funding from JPMorgan Chase and the W.K. Kellogg Foundation, the EOC Fund provides flexible financing and access to technical assistance to businesses that lack access to traditional forms of credit and capital. ■

▲ Trellis Mercer on the floor of a manufacturing facility for LoveLifeSwagger. Funding from the Entrepreneurs of Color Fund helped Mercer to expand his Detroit clothing business.



2016 CVED

**ROWE**  
*Trucking*

*Rowe Trucking's fleet of trucks needs gas to keep it running smoothly. But the business is really fueled by a steady flow of working capital.*

# RHONDA ROWE KEEPS ON TRUCKING

Rowe Trucking is a second-generation Detroit small business owned by Rhonda Rowe and started by her father, Arthur, in 1967. With five trucks, it hauls materials such as sand, gravel, asphalt and dirt for a range of clients in the city and beyond.

Since 2015 Rowe has secured two loans totaling \$75,000 through DDF's Entrepreneurs of Color program, which has allowed Rowe to buy new trucks that let the company transport larger amounts to meet her customers' needs.

The funds help to bridge the cash flow gap, especially since the seasonal business is closed for several months in winter due to the frigid Detroit weather. "Sometimes it takes 30 to 60 days to get paid from some of the contractors that we work for," said Rowe. In the meantime, she needs to meet payroll, fuel the trucks, pay insurance and meet other needs that arise. The funds give her a cushion to make this all happen. "I am grateful to the whole team at the Detroit Development Fund for working with me to keep my business running."

Rowe's vision of the future includes expanding from five to 10 trucks as well as continuing to support the community where she works and lives.

*"Because I was born and raised in Detroit, I want to hire more Detroiters," said Rhonda Rowe, owner of Rowe Trucking. "This is very important to me, so they can take care of their families while my company can continue on for generations to come."*



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“Detroit’s success depends on our ability to work collaboratively with public, private and philanthropic partners to find innovative solutions that will fuel the city’s continued revitalization. JPMorgan Chase’s investment will create a micro-district model, which can be tailored throughout the city and serve as a catalyst for neighborhood redevelopment, stimulating small business economic growth and creating new jobs.”

*U.S. Sen. Gary Peters (D-Mich.)*

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# NO NEIGHBORHOOD LEFT BEHIND



**By Hon. Mel Martinez**

Chairman of the Southeast U.S. and Latin America Regions, JPMorgan Chase & Co.; former U.S. Senator from Florida, and 12th Secretary of Housing and Urban Development

Detroit’s newly revitalized downtown and midtown are buzzing. But not everyone is feeling the thrill. Beyond these areas, it’s all too common to find neighborhoods that are at risk of being left behind. The disparity not only harms families and communities, it isn’t a sustainable model – research shows that thriving neighborhoods are key for any city’s long-term economic success.



DOWNTOWN

MIDTOWN

## THE DETROIT STRATEGIC NEIGHBORHOODS INITIATIVE

### The question is how to spread the prosperity beyond the urban core.

To help address this complex issue, in 2016 JPMorgan Chase launched Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods), a \$125 million, five-year philanthropic initiative to support and catalyze locally driven solutions for revitalizing distressed neighborhoods across the United States.

This focus on neighborhood renewal has been greatly informed by our work in Detroit, where we help to find ways to ensure the revitalization underway there extends beyond downtown and midtown. Historically, community development efforts have treated each element of neighborhoods – housing, education, health care and transportation – separately. Instead, PRO Neighborhoods' strategy is based on the idea that creating vibrant, healthy and inclusive neighborhoods depends on investing in these elements in a holistic and integrated way – and doing so deeply enough in a particular place to have a real impact.

### DEVELOP DETROIT

In 2016 JPMorgan Chase announced a commitment of \$4 million over four years in seed funding to support the creation of Develop Detroit, a full-service nonprofit real estate development organization that fills a critical gap in capacity to bring financing to projects in Detroit's neighborhoods. Develop Detroit will work to preserve existing affordable residential homes and build new, inclusive mixed-use housing projects in targeted neighborhoods. Since its launch in August, Develop Detroit has closed on three projects, which include new housing units, renovated apartments and a new development site for mixed-income, multifamily rental homes.

PRO Neighborhoods holds an annual competition to encourage community development financial institutions (CDFIs) to collaborate on local solutions that promote inclusive growth in their communities. One of the 2016 winners was the Detroit Strategic Neighborhoods Initiative, a collaboration that brings together public, private and philanthropic partners. The initiative is focused on improving a targeted group of neighborhoods by stabilizing real estate, creating jobs, providing mixed-income housing and improving infrastructure.

JPMorgan Chase committed \$5 million in the initiative to support the creation of a new \$30 million Strategic Neighborhood Fund, a partnership between Invest Detroit, the Detroit Development Fund and the Opportunity Resource Fund. Over the next decade, the fund will dedicate key resources to add more housing, density and services in the West Village, Southwest Detroit and Livernois-McNichols neighborhoods, which have been targeted by the city for revitalization.

AND BEYOND ...



# INVESTING IN COMMUNITY DEVELOPMENT

## TACKLING BLIGHT

Blight isn't just an aesthetic issue.

Dilapidated housing drains city resources, erodes the tax base, decreases property values and puts a community's health and safety at risk. In Detroit, tackling this problem is a crucial step in the city's revitalization. Our firm has committed \$25 million to support a broad range of key efforts and organizations in Detroit to end blight and stabilize and revitalize Detroit's neighborhoods.

For example, in 2015 JPMorgan Chase provided \$5 million to community lender Liberty Bank – the third-largest African-American-owned bank in the country – to create the Liberty Bank Home Restoration Program. Through the program, Liberty Bank is extending \$20 million in affordable mortgage and rehabilitation loans to qualified buyers and existing homeowners in Detroit's neighborhoods. Our support enables Liberty to offer more flexible financing terms that account for the realities of Detroit's housing market and to provide down-payment assistance.

Another example is our support of Southwest Solutions, which is working to revitalize the Southwest neighborhood through coaching and homeownership counseling programs, and by rehabilitating properties and putting them back on the market. We have also invested in Michigan Community Resources and Community Development Advocates of Detroit to create an electronic system to help community organizations better coordinate their activities and build capacity for blight removal.

JPMorgan Chase has deep expertise in community development banking and, through our Chase Community Development Banking business, a proven track record of lending and investing in Detroit.



Capital Impact Partners, we are providing financing for the rehabilitation and construction of mixed-use and multifamily housing. The Chase Invest Detroit Fund, managed by Invest Detroit, provides capital for residential, commercial and retail developments that help small and medium-sized enterprises grow. This support is enabling our partners to finance projects in Detroit's neighborhoods and urban core that hold the key to unlocking more inclusive growth but lack access to traditional financing.

By the end of 2016, the funds together have committed over \$43.9 million through 19 loans and leveraged over \$145.8 million in additional funding.

This commitment continues in the city, where in addition to our ongoing community development banking work and PRO Neighborhoods efforts, half of our total \$100 million investment will support two leading nonprofit community development financial institutions: Capital Impact Partners and Invest Detroit. Through the Detroit Neighborhoods Fund, managed by

“CDFIs are built on the philosophy of collaboration. We are seeing a high level of partnering that exists between CDFIs, which allows us to share risk, leverage assets and get boots on the ground on a grassroots level. It's based on the concept that we all have limited resources that we can deploy, and the best we can do is leverage our resources for a common goal or purpose,” said David Blaszkiewicz, president and CEO of Invest Detroit.

▲ David Blaszkiewicz, president and CEO of Invest Detroit.

## HARNESSING TECHNOLOGY

JPMorgan Chase supports the work of the Motor City Mapping project, which uses technology developed by Loveland Technologies to digitize property information and helps city officials, residents and community groups work together to transform blighted properties. The initiative is a model for how technology can lead to innovative solutions for problems that plague neighborhoods. Now we're supporting the expansion of this unique tool to three cities in Ohio.

THE

## 20-MINUTE NEIGHBORHOOD

Imagine living in a place where everything you wanted — from parks to groceries to a cup of coffee — was a 20-minute walk or bike ride away.

This is the concept of the “20-minute neighborhood,” an idea that started in Portland, Oregon, and that Detroit’s civic leaders have embraced. In addition to increasing livability, convenience and well-being, these neighborhoods provide access to critical services like public transit that help remove barriers for people and communities.

Throughout history, people have walked from their homes to get the things they need. With the invention of the car and the rise of the suburbs, however, this way of living has fallen by the wayside in many places. But the concept is back, thanks in part to millennials who seek a denser, urban community over the isolated and car-bound culture of the suburbs.

“A lot of the comeback stories have been focused on downtown, what people call the heart of the city. But Mayor Duggan has always said that what will make Detroit great again is the quality of the neighborhoods, which are the soul of the city. In the next phase of revitalizing Detroit, we felt that it was important to re-establish the importance of neighborhoods,” said Maurice Cox, Detroit’s director of planning. Restoring the city’s “soul,” according to Cox, involves bringing both long-time residents and newcomers along in Detroit’s recovery. The program targets three

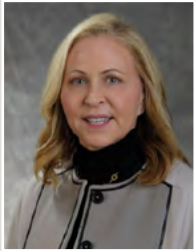
neighborhoods with an abundance of single-family homes, many of them beautiful but abandoned or in disrepair. “We owe people a return on their investment by regenerating their neighborhoods,” said Cox. “We need to give them clear, demonstrable results so they can plan to stay, raise their families and continue to anchor this city.”

For West Village, Southwest Detroit and Livernois-McNichols, the city laid out a plan that includes several key steps to creating 20-minute neighborhoods: renovating homes with federal affordable housing funds, building greenways to connect neighborhoods, adding protected bike lanes and retail in adjacent commercial corridors, renovating vacant apartment buildings, improving streetscapes in medians and turning vacant lots into gardens or orchards.

With these three neighborhoods making steady progress, more are sure to follow. “There is something systemic about what we are doing,” said Cox. “Our goal is to take the lessons learned and apply them to many kinds of neighborhoods across Detroit. If we get this right, we will have solved a problem that a majority of Detroit neighborhoods have faced for decades.” ■

► Maurice Cox, Detroit’s planning director.





# BRINGING A STRONG FINANCIAL FOUNDATION TO DETROIT

BY SALLY DURDAN, HEAD OF STRATEGY, CHASE CONSUMER & COMMUNITY BANKING

Too many people are trying to build a future on an unstable financial foundation. Detroit is a case in point.

A 2016 study by the Urban Institute shows that financial health is critical in promoting stability and resiliency in Detroit's communities. However, many have difficulty achieving – or maintaining – financial health due to barriers to affordable credit, high levels of debt and poor credit history.

Sound financial health is the foundation on which strong families and communities are built. When this foundation is solid, the dream of owning a home, starting a business and building a nest egg can become a reality. That is why, as part of our model of investing in the key drivers of economic opportunity, JPMorgan Chase is supporting nonprofit partners that promote financial health, helping them scale their proven models and supporting efforts to identify and expand the reach of digital financial services.

An example of this strategy is our partnership with The Mission Asset Fund (MAF), a San Francisco-based nonprofit that is a pioneer in social lending. By formalizing the social lending model through a technology-based platform, MAF helps individuals who have been traditionally excluded from the financial system to gain access.

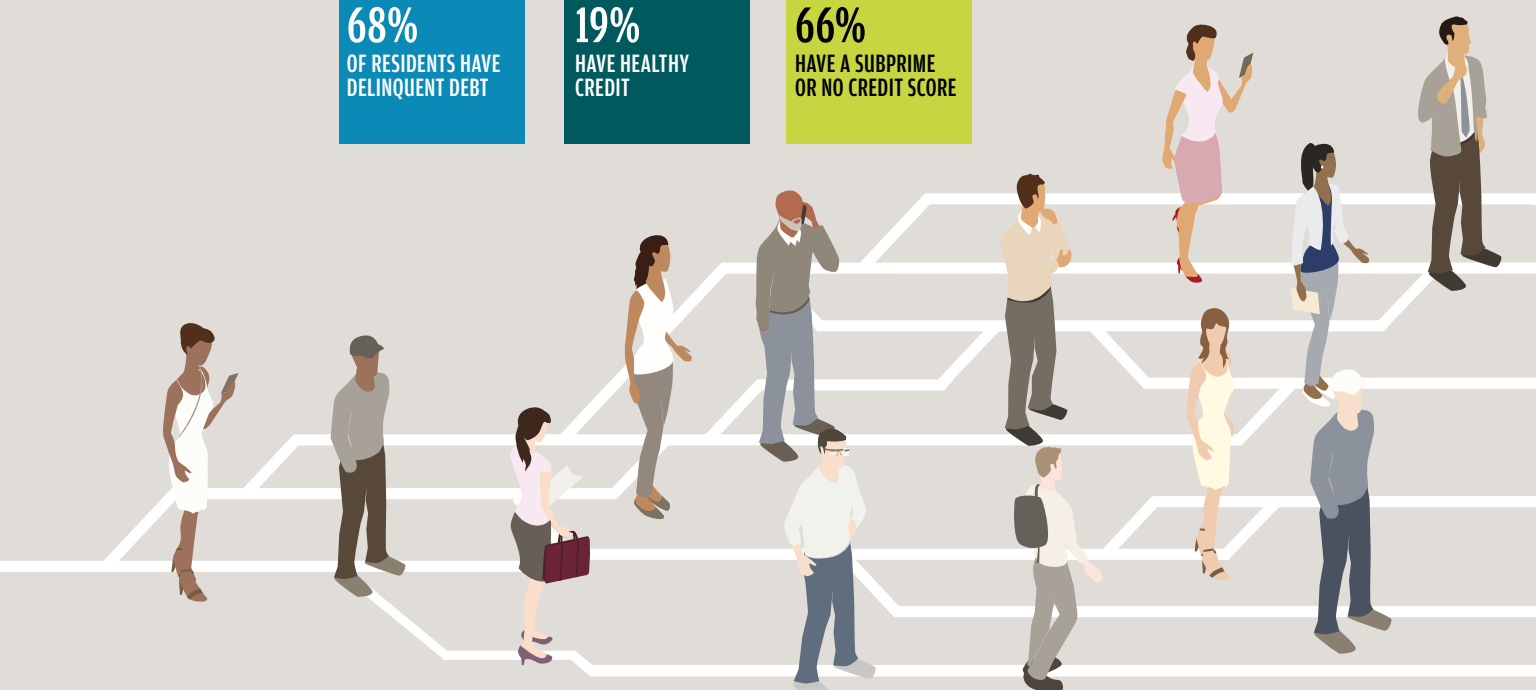
Through a three-year, \$1.5 million grant, JPMorgan Chase is helping MAF expand its Lending Circles program to several new cities, including Detroit. The success of MAF exemplifies how innovative technology solutions can be scaled to boost financial health around the world, helping to create a solid foundation that can make an enormous difference to families and communities.

## ACCORDING TO THE URBAN INSTITUTE, IN DETROIT:

**68%**  
OF RESIDENTS HAVE  
DELINQUENT DEBT

**19%**  
HAVE HEALTHY  
CREDIT

**66%**  
HAVE A SUBPRIME  
OR NO CREDIT SCORE





# A MODEL THAT WORKS

In the past, efforts to help individuals and families become more financially secure focused narrowly on financial literacy, which often meant attending an informational workshop or reading a brochure that explained the basics of finance. “When we started 10 years ago, the conventional wisdom was that poor people didn’t know enough, and we needed to teach them to change their ways,” said José Quiñonez, CEO of Mission Asset Fund.

Quiñonez didn’t agree with this limited assessment. Instead, he looked for the positive ways immigrant communities handled their finances. One thing he noticed was that they often came together to lend each other money. This was the idea behind MAF’s Lending Circles, a unique social lending product that draws on this cultural practice.

The premise of Lending Circles is straightforward: After taking an online financial training class, a participant can join a Lending Circle, which is comprised of six to 10 people. Together, they decide on an amount for their group loan. Every month, each member contributes a payment and takes turns receiving a zero-interest loan. By adding a promissory note and reporting to all three major credit bureaus, Lending Circles empowers participants to establish credit scores or improve damaged ones. For many, this is a first crucial step to their long-term financial goals.

“The financial lives of poor people are complex,” said Quiñonez. “Instead of looking at complexity and shying away from it, we can answer people with innovation and technology, delivering products that are true to their reality.”

Through JPMorgan Chase’s commitment, MAF is able to expand its technology-based Lending Circles platform to other organizations. Around the country, the platform is supporting 53 – and growing – nonprofit partners, with near-limitless capacity to accommodate future partners as the network expands.

One of these partners in Detroit is Southwest Solutions, which provides a wide range of community programs and services to Detroit residents, including financial coaching, entrepreneurial training and homebuyer counseling. Now Southwest Solutions has integrated Lending Circles into its program offerings, with the goal of helping its clients work toward greater financial stability.

“Too many Detroit residents have no credit history or very low credit ratings,” said Hector Hernandez, executive director of Southwest Solutions. “Lending Circles will enable our clients to build their credit so they can realize their long-term financial goals, such as becoming homeowners, entrepreneurs and college graduates.”

As MAF rapidly expands, it is learning the nuances of choosing impactful partners. JPMorgan Chase’s wide reach has helped open doors for the organization, and shows the value of strong collaborations: “Our model depends on trust and building relationships,” said Quiñonez. “It’s not about us setting up an office where we don’t know anybody. Chase has been that connection that has allowed us to expand. It’s been a team effort.” ■

## THREE STEPS TO A LENDING CIRCLE

### STEP 1

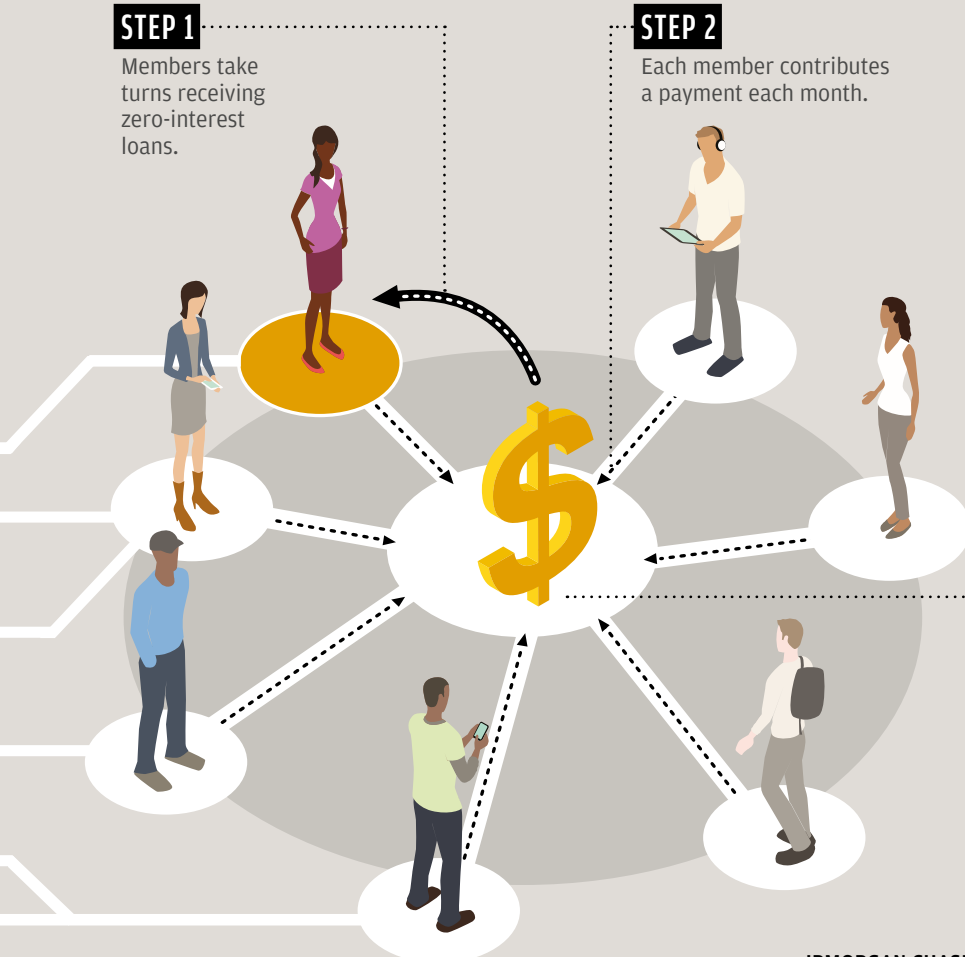
Members take turns receiving zero-interest loans.

### STEP 2

Each member contributes a payment each month.

### STEP 3

Payments are reported to all three major credit bureaus.



**Lending Circles helps participants to establish credit scores or improve damaged ones.**

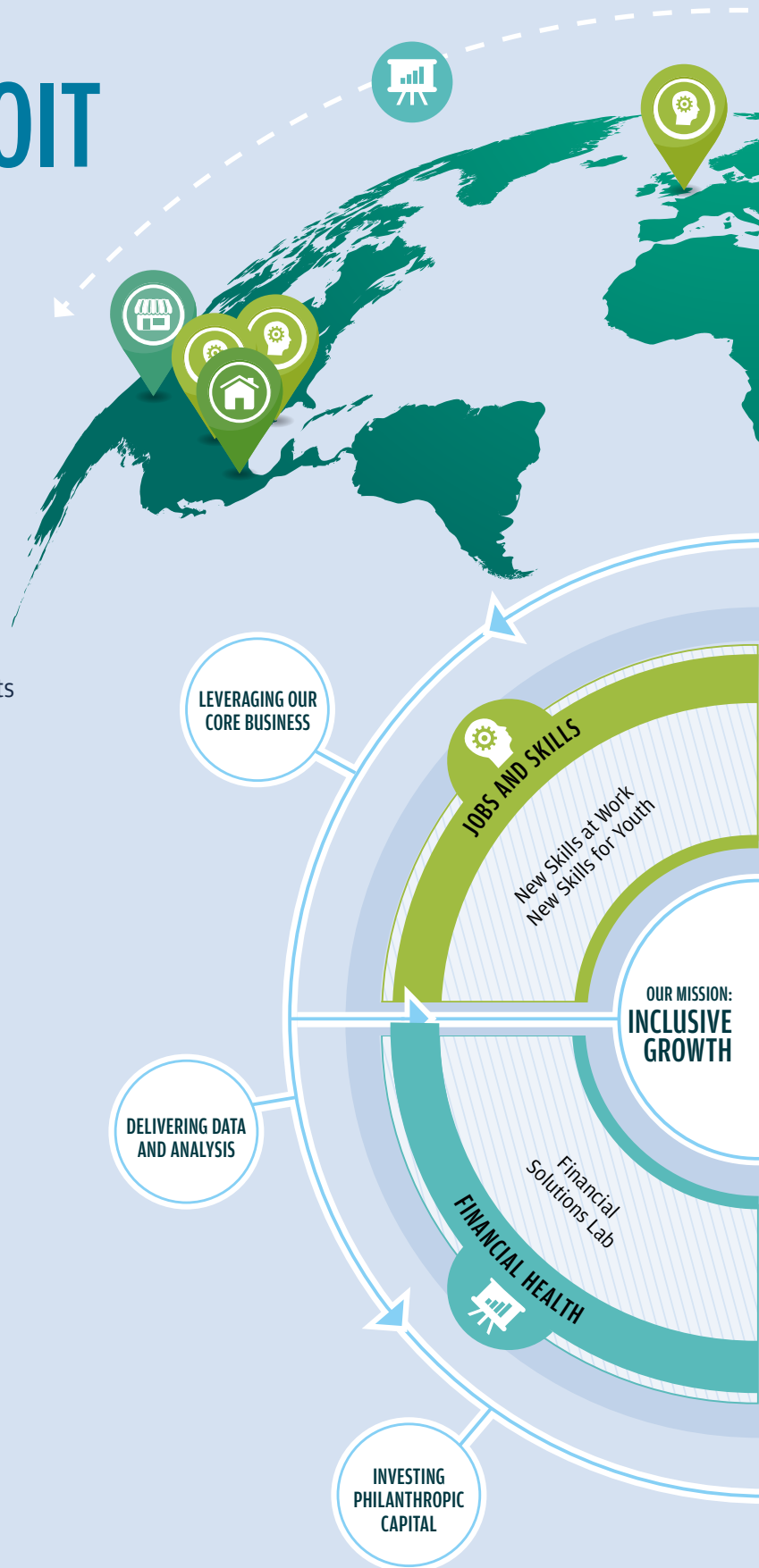
# BEYOND DETROIT MODEL IN ACTION

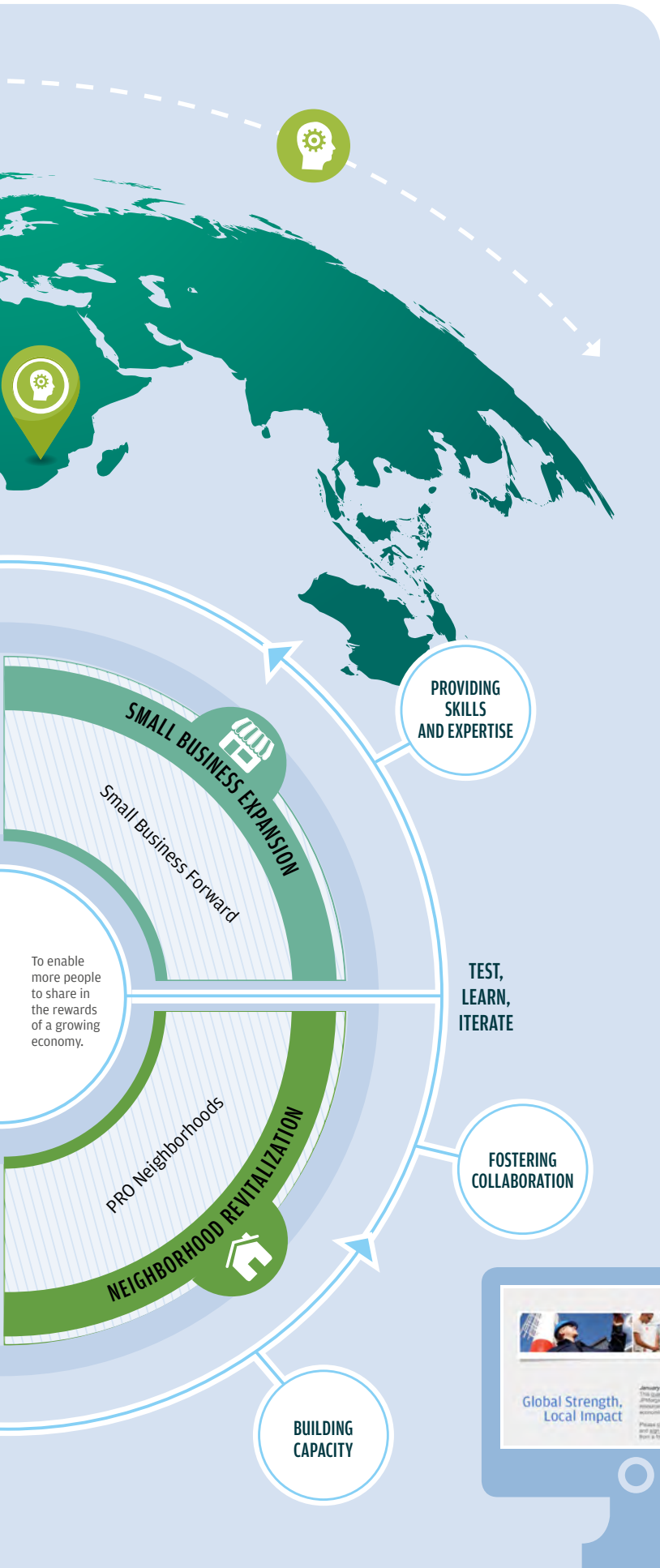
While we look at our work in Detroit as “proof of concept” of JPMorgan Chase’s model for driving inclusive growth, our firm’s corporate responsibility strategy and approach was developed, tested and refined through our efforts on the ground in communities around the world.

While every city faces unique challenges and opportunities, our model works because it focuses on the drivers of inclusive growth that our experience shows are consistent across communities: arm people with the skills needed for today’s high-quality jobs; provide small businesses – particularly minority-owned and community-based ones – with capital and resources; invest in community development that revitalizes not only urban cores but also surrounding neighborhoods; and give households the tools and resources to manage their financial health.

JPMorgan Chase is advancing these drivers through a series of targeted philanthropic initiatives, all of which are informed by data, focused on strengthening the underlying systems needed to deliver sustainable change and executed in collaboration with deeply committed and knowledgeable partners.

On the pages that follow, we briefly highlight these initiatives and showcase some examples of how we are putting our model into action in communities around the world.





## WE ARE PUTTING OUR MODEL INTO ACTION IN CITIES ACROSS THE GLOBE.

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## LEARN MORE

### ABOUT JPMORGAN CHASE'S CORPORATE RESPONSIBILITY EFFORTS

Learn more about how JPMorgan Chase is using its scale, resources and expertise to open pathways to economic opportunity around the world by signing up for *Global Strength, Local Impact*, our quarterly corporate responsibility newsletter, at:

[www.jpmorganchase.com/corporateresponsibility](http://www.jpmorganchase.com/corporateresponsibility)





# PREPARING THE NEXT GENERATION OF WORKERS

We asked Denver Mayor Michael B. Hancock and New Orleans Mayor Mitchell J. Landrieu how their cities are arming economically vulnerable young people with the skills to succeed.



DENVER MAYOR HANCOCK



NEW ORLEANS MAYOR LANDRIEU

## WHAT IS THE BUSINESS COMMUNITY'S ROLE IN EQUIPPING YOUNG PEOPLE TO ENTER THE WORKFORCE?

**Mayor Hancock:** Preparing the next generation of workers has to be a shared responsibility across the business, nonprofit and government sectors. Employers need the talent, and for Denver to remain economically competitive, we need to continually feed that talent pool. We make sure we understand the private sector's needs and partner with them to put together curriculum and programs that will prepare their workforce pipeline.

**Mayor Landrieu:** Employers are the most important partners in the workforce system. Through the Anchor Collaborative, my team has regularly convened business leaders, testing workforce innovation and building trust with and among local major employers. Government alone cannot adequately respond to workforce challenges.

One of the most critical tasks of a mayor is to shift leadership and ownership of economic opportunity and workforce development from government to industry.



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## HOW ARE YOU MAKING SURE YOUNG PEOPLE HAVE THE OPPORTUNITY TO SHARE IN YOUR CITY'S ECONOMIC GROWTH?

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**Mayor Hancock:** As the employment base has changed, it's not as much about the degree you have — although certifications and degrees are important — as it is the practical skills you bring to the marketplace. Particularly for those who are under-skilled, undereducated and challenged economically, we have to make sure they have the skills to be competitive.

Denver Public Schools has a tremendous career education platform, and we are collaborating with them to reach out to disconnected youth and provide skill-building opportunities that will help them find gainful employment.

We've got myriad efforts to break down barriers and create opportunities. We're not just leaving it to the market or to chance.

**Mayor Landrieu:** In order for New Orleans to reach her full potential, all New Orleanians must participate in the city's economic growth. We support creating career pathways in key economic clusters. Because of the wide range of skill sets or education needed for these high-demand industries, it presents employment opportunities for youth at every point on the economic spectrum.

New Orleans has a strong, cross-sector collaborative with EMPLOY, which works to decrease the number of disconnected youth ages 18 to 24. EMPLOY aims to create a common language across employers and workforce development agencies to ensure that youth are trained to successfully meet industry demands and sustain themselves and their families through high-growth careers. ■



# TRANSFORMING CAREER AND TECHNICAL EDUCATION AROUND THE WORLD

Failing to prepare young people with the right skills and education to compete for good jobs is not just a missed opportunity for them — it's a missed opportunity for businesses to hire the talent they need to grow and compete. That's why, in 2016, JPMorgan Chase launched New Skills for Youth, a \$75 million global initiative to expand high-quality career-focused education programs that lead to well-paying jobs and long-term careers.

As part of the initiative, we launched a competition — in collaboration with the Council of Chief State School Officers (CCSSO) and Advance CTE, the association of state Career and Technical Education directors — to award U.S. states with funding to expand and improve career-focused education.

In 2016, JPMorgan Chase and CCSSO committed \$100,000 to each of the 24 states and the District of Columbia, which were selected from a total of 44 states that applied. These states also received targeted coaching and support to begin implementing these programs.

In the second phase of the initiative, in January 2017 we announced \$20 million in grants to 10 states to dramatically increase the number of students who graduate from high school prepared for careers. The winning states — which were selected from the original 24 state

winners — were **Delaware, Kentucky, Louisiana, Massachusetts, Nevada, Ohio, Oklahoma, Rhode Island, Tennessee and Wisconsin.**

We are also supporting innovative career and technical education programs around the world. In 2016, for example, we launched a program with the nonprofit Education Development Center to help young people in the Association of Southeast Asian Nations gain the skills in demand in the region's dynamic digital economy. In the United Kingdom, JPMorgan Chase and the Education Endowment Foundation launched an initiative to help young people improve their English and mathematics attainment — a crucial step for progressing their studies, whether toward higher education or high-level apprenticeships, and finding quality jobs.

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## INVESTING IN APPRENTICESHIPS IN COLORADO

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By providing students with hands-on instruction and the chance to earn while they learn, apprenticeships are a time-tested and proven model to help young people get on the path to secure, well-paying employment. We know apprenticeships work; we just need to give more young people the opportunity to get on the path they provide.

JPMorgan Chase and Bloomberg Philanthropies have together committed \$9.5 million to CareerWise Colorado, a new statewide apprenticeship system for high school students, and Denver Public Schools' CareerConnect.

JPMorgan Chase's support will enable CareerConnect to expand its program, which currently helps more than 6,000 Denver students develop skills and education for opportunities in Colorado's engineering, tech, biomedical, advanced manufacturing and finance industries. With the funding, the program plans to reach 9,000 students over the next three years.

Our support will also enable the piloting of a bold new apprenticeship model in the state. Called CareerResidency, the program links with high school curriculum (grades 9 to 12) and CareerConnect experiential learning programs, adds a 13th year, and culminates in a full transferrable associate's degree and relevant industry certifications. In years 12 and 13, students spend three days a week at a worksite — earning while they learn — and two days at a training center, such as a community college. ■

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## CREATING CAREER PATHWAYS IN LOUISIANA

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Aligning education with career pathways can have a profound impact on young people's lifelong economic trajectories. JPMorgan Chase and Bloomberg Philanthropies have joined forces to open this opportunity to more young people in the Greater New Orleans region, home to the third-largest population of disconnected youth in the United States, with nearly one in five young people neither working nor in school.

We are providing a combined \$7.5 million to YouthForce NOLA, a collaboration of community and education leaders working to help

the city's public high schools redesign their career and technical education programming. YouthForce NOLA is offering coursework, credentials and work-based learning experiences to students that put them on a pathway to developing the skills and knowledge to pursue well-paying jobs in high-demand fields.

Specifically, over the next five years, this support will allow YouthForce NOLA to help 1,600 students earn credentials that will qualify them for career pathways, and place 1,200 students in paid internships in fast-growing regional industries.

# FILLING THE SKILLS GAP WHILE PROVIDING PATHWAYS TO OPPORTUNITY

A changing global economy and the rise of technology have dramatically transformed the types of workforce skills that are in demand. JPMorgan Chase is investing over \$325 million in skills development around the world, including our New Skills for Youth and New Skills at Work initiatives. Through this effort, we are working to help fill the skills gap for employers and simultaneously provide adult workers with a real and tangible pathway to economic opportunity.

## BRIDGING THE SKILLS GAP WITH DATA

In communities around the world, there is a lack of reliable information on new and emerging skill needs. It became clear to us that closing the skills gap had to start with closing the data gap. That is why a key part of New Skills at Work's strategy is investing in data and analysis.

One such philanthropic investment is Adapting to Changing Skills Needs, a project launched by the Organization for Economic Cooperation and Development (OECD) and JPMorgan Chase in 2016. The goals of the effort are to fill knowledge gaps in the

assessment of skill imbalances and to identify international best practices in addressing them. The project will build an online statistical tool that will enable users to compare how their country performs against other OECD countries on a set of indicators that measure skill imbalances; users can also see which occupations and skills face the strongest labor market pressure. The project will highlight cross-country patterns and identify policies in addressing skill gaps, and provide in-depth reviews for selected countries in Europe and South Africa.

At Tennessee's Lenoir City High School, health sciences students participate in a car crash simulation.



## ILLUMINATING CAREER PATHWAYS

We know the importance of integrating career pathways that help participants build skills and credentials to advance in their careers over time. The success of these approaches depends on effectively reaching job seekers to make them aware of the possible pathways and which skills and education are needed to get there. However, we have seen that too often that is not happening.

This is the idea behind JPMorgan Chase's partnership with Houston's East Harris County Manufacturers Association (EHCMA) and the Council for Adult and Experiential Learning to create an innovative, online platform to help students and adults tap into career opportunities in the petrochemical industry.

"Many of these careers are hidden in plain sight, and once people know about them, they become interested because of the compensation, benefits and ability to have a lifelong career with one employer," says Craig Beskid, executive director of EHCMA.

Launched with the support of JPMorgan Chase, PetrochemWorks.com is an interactive and information-packed career exploration resource, which benefits from the input of more than 150 petrochemical experts and company representatives. It features interest-based career maps, educational resources, listings of open jobs and related skills and educational requirements.

In the United Kingdom, JPMorgan Chase supported the creation of another tool to give job seekers visibility into the career options available to them: WhereTheWorkIs.org. Developed by Burning Glass Technologies and the Institute for Public Policy Research, the online resource provides data on skills and vacancies for middle-skill jobs and the gaps between them that exist in different occupations and areas of the country. ■



# EXPANDING ACCESS TO CAPITAL ON A NATIONAL SCALE

With small businesses growing fastest among people of color, particularly Latinas and African-American women, it's essential to help them get started and growing. When small businesses succeed, our communities and neighborhoods succeed.

That's why, in 2016, JPMorgan Chase more than doubled the size of our Small Business Forward global philanthropic initiative, committing \$75 million over the next three years to support women-, minority- and veteran-owned small businesses.

As part of this initiative, we are applying the lessons we learned in Detroit about the critical importance of building capital bridges for underserved entrepreneurs by supporting a variety of efforts across the United States that are working to advance that goal.

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“Not everyone can access a traditional loan. It is crucial to make it faster and easier for small businesses to connect with local CDFI partners devoted to providing targeted capital and trusted guidance. This supports our vision to change the way capital and services flow to Main Street.”

*Connie Evans, President and CEO, AEO*

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## *Accion U.S. Network*

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JPMorgan Chase launched a \$1 million partnership with Accion U.S. Network aimed at enhancing access to capital for women and minority entrepreneurs. A critical part of the partnership is a multi-year review of the portfolios of Accion Network members and Opportunity Fund to gain better insight into the long-term impacts of small business microlending. In addition, the Accion members are co-creating new technology that will streamline their lending businesses. To aid in this effort, JPMorgan Chase also provided \$2.1 million to four Accion organizations to support their lending activity.

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## *LiftFund's LiftUP Initiative*

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In 2016 JPMorgan Chase invested in LiftFund, a nonprofit that helps small businesses with limited access to capital. The nonprofit lender provides small business loans and minority-business loans for women, startups and entrepreneurs, as well as essential technical assistance. With a \$4.6 million commitment to its new LiftUP Initiative, the loan fund will offer faster and cheaper loans to small business owners in Dallas, Houston, Austin, San Antonio, New Orleans and Atlanta through a new web-based program that will reduce loan approval time from an average of five weeks to four days.

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## *Association for Enterprise Opportunity*

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Research shows that individuals who get personally referred for a bank loan are far more likely to get financing over those without referrals. To help scale the power of these kinds of personal connections, JPMorgan Chase committed \$1.9 million to the Association for Enterprise Opportunity (AEO), a trade organization whose mission is to support underserved entrepreneurs. The funding will help advance AEO's digital referral platform, which connects small businesses to trusted community development financial institution (CDFI) lenders when the owners are unable to qualify for traditional loans.



# Q&A

## THE DATA ON MINORITY-OWNED SMALL BUSINESSES

For many aspiring entrepreneurs, starting – and keeping afloat – a small business can present insurmountable obstacles. This is especially true for minority-owned businesses, which have less access to flexible financing and the support services that are so critical to success. Only 16 percent of conventional small business loans go to women entrepreneurs, and despite the higher startup rate of African-American-owned businesses, these businesses received less than 2 percent of Small Business Administration loans in 2013, down from 8 percent before the recession.

A 2016 report by JPMorgan Chase and the Initiative for a Competitive Inner City (ICIC) found that women and minorities are significantly underrepresented in high-tech incubators and accelerators, and cited intentional exclusivity, a lack of outreach and inherent biases in the selection process as the strongest barriers to diversity. Yet minority-owned small businesses are critical to revitalize local economies: ICIC also reported that small businesses in America's inner cities are the primary drivers of job creation and employment rates. ■

### *What Are the Keys to Inclusive Entrepreneurship?*

*Nely Galán:* Many women of color don't have experience with the financial system in the United States. Many Latinos come from countries where the banking system has collapsed. I started a business at 25, and I didn't make one penny for four years. Then I found a banker who looked like me and started asking questions. I began going to classes at the Chamber of Commerce, networking and joining organizations for small business owners. I started meeting people and building relationships. It was only then my business took off. Power is not given to us – we have to go take it.

*Beverly Johnson:* It's crucial to understand the importance of and the barriers to accessing capital. This is a key element to success. People think they can go out and start a business on their own, but all of a sudden they are against the wall. But information is power: There are grants, loans and government supplier diversity programs for people who want to start their own business. Many people of color know they exist, but we just weren't invited to the table. So it's important to surround yourself with a team of entrepreneurs, mentors and partners who know how to get capital.

*Nely Galán* is the former president of entertainment at Telemundo, making her the first Latina head of a major network. An Emmy award-winning television producer, she has owned her own media company since 1994. As a self-made media mogul, Galán has made it her mission to teach women how they too can become entrepreneurs. She is the author of "Self Made: Becoming Empowered, Self-Reliant, and Rich in Every Way," a manifesto to unite all women on a quest for an economic future they control. She is also the founder of the Adelante Movement, a digital platform that seeks to elevate the entrepreneurial spirit and skills of Latinas.

*Beverly Johnson* is the first African-American supermodel. Her stunning features eventually landed her on the cover of *Vogue* in August 1974, making history as the first black model to ever grace the acclaimed magazine's cover and forever changing the beauty ideal in the fashion world. Johnson is a founder, chairwoman and CEO of BJE LLC. Her vision is to build BJE (Beverly Johnson Enterprises) into the multibillion-dollar global brand The Beverly Johnson Luxurious Lifestyle Brand, which represents the highest-quality luxurious products in media, fashion and hair, beauty and cosmetics to the global multicultural market for women of all colors.





# PRO NEIGHBORHOODS

## FINDING PROACTIVE SOLUTIONS

As the economy recovers, much of the growth is often channeled toward reviving commercial corridors and downtowns in U.S. cities. As a result, many disadvantaged neighborhoods are being left behind. To help address this challenge, in 2016 JPMorgan Chase launched Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods), a \$125 million, five-year philanthropic initiative to support and catalyze locally driven solutions for revitalizing distressed neighborhoods across the United States.

### PRO NEIGHBORHOODS IS FOCUSING ON:

**Catalyzing Collaboration** among community development financial institutions (CDFIs) to accelerate and magnify their impact.

**Providing Seed Capital for Affordable Housing** to increase the amount of housing for those most in need.

**Investing in Data** to help communities understand the most urgent problems and develop specific solutions.

### CREATING PROSPEROUS NEIGHBORHOODS

As part of PRO Neighborhoods, our firm committed \$20 million in 2016 to support community development organizations in Detroit as well as four additional cities: Atlanta, Chicago, Miami and New York.

Through our firm's work on the ground, we've seen the same paradox again and again: The community development organizations working in distressed neighborhoods where the needs are greatest are often the organizations that have the least resources. That's why we are working intentionally to invest in the right partners in the right places for the most impact. For example, the North-Miami-Dade CDFI Collaborative brings two long-term neighborhood CDFIs together – Opa-Locka Community Development Corp. and Tools for Change – combining their expertise in consulting services and housing, to better scale these services. In Chicago, the Neighborhood Retail-Chicago Collaborative provides technical assistance services and loans for commercial developments and also works to reduce blight.

### MOTOR CITY MAPPING EXPANDS

The success of Motor City Mapping's data-mapping tool in Detroit has caught the attention of other cities looking to more effectively deal with blight and distressed properties. Supported by a two-year, \$1 million grant from JPMorgan Chase, the Western Reserve Land Conservancy is bringing the data-mapping tool developed by Loveland Technologies to Ohio's three largest cities – Cleveland, Cincinnati and Columbus.

While these cities face different challenges than those of Detroit, using data for making critical decisions on community development is relevant for civic leaders, investors and neighborhood organizations in any city. The expansion of the program is just one example of how lessons learned from Detroit's successes are being applied – and adapted – to fit the unique needs of cities around the country.



Credit: Loveland Technologies



# THE FINANCIAL SOLUTIONS LAB

## UNLOCKING INNOVATION TO BOOST FINANCIAL HEALTH

JPMorgan Chase believes that technology can be an important tool to help Americans get on solid financial ground. The Financial Solutions Lab (FinLab) – a \$30 million, five-year virtual lab initiative managed by the Center for Financial Services Innovation (CFSI) with founding partner JPMorgan Chase – is just one example of our firm's efforts to boost the financial health of families and individuals around the world.

Through FinLab, we are harnessing the power of technology and the innovation of entrepreneurs with a series of challenges to identify and expand the reach of the next generation of financial products and services to meet the needs of struggling consumers. FinLab's inaugural challenge in 2015 focused on solving consumer cash flow issues.

In 2016 FinLab set its sights on solutions to weathering financial shocks. The winners each offered a solution to this issue, such as a mobile app that provides financial advice, a service that offers digital alternatives to checking and savings accounts and a program that gives working families tools to achieve financial goals like saving for college or buying a first home. FinLab provided each winning organization with \$250,000 in capital, support from FinLab operating partners IDEO.org and ideas42, strategic guidance from its industry-leading advisory council, and resources from founding partners CFSI and JPMorgan Chase, including the JPMorgan Chase employee mentorship program.

Since its inception, FinLab has supported 18 financial technology companies offering innovative financial products to help more than 1 million Americans improve their financial health – a tenfold increase since joining the lab. Collectively, FinLab companies have raised over \$100 million in capital since joining the program. In addition, more than 100 JPMorgan Chase employees have volunteered their expertise and leveraged their networks to help the winners improve their products and increase their reach.

“The consumer impact of FinLab companies to date has been really astounding,” said Ryan Falvey, managing director at CFSI. “First-year Lab winner Digit, for example, has helped clients save more than \$350 million. And Earn, part of the lab's second class, found that

83 percent of its clients develop a habit of saving, with low-income households saving an average of \$558 over six months. We expect this level of impact to continue with the next class of FinLab innovators.”

Based on research from JPMorgan Chase, CFSI and other thought leaders, the third challenge is seeking solutions to promote the financial health of often overlooked populations, including people of color, the aging, people with disabilities and low-income women. ■





By Vis Raghavan, Deputy  
CEO for Europe, the  
Middle East and Africa,  
JPMorgan Chase & Co.

## APPLYING STRATEGIES FOR INCLUSIVE GROWTH

# *East London Rising*

Our firm has deep roots in London, with a presence here for more than 200 years. Over the past decade, London's rapidly growing financial center has shifted from its historic home in the City of London to East London. This shift has heralded huge changes for the boroughs of East London, including more economic activity, jobs and development.



The rate of  
employment in four  
East London boroughs  
is approximately  
**5%**  
**LOWER**  
than that of the rest  
of London.

As East London booms, however, these new opportunities are not reaching everyone equally – especially those who have lived and worked here since before the area's ascendance. In fact, some East London boroughs still struggle with stubborn economic challenges.

To address these inequities, JPMorgan Chase is taking a long-term, holistic and multifaceted approach to its corporate responsibility efforts in East London so that the area's newfound prosperity can be more equally shared.

In 2012 the firm relocated from the City of London to Canary Wharf, boosting our presence in this thriving area of energy and growth. Our collaborative relationships with London Legacy Development Corporation and leading local nonprofit efforts such as Bromley by Bow Centre and the St. Paul's Way Transformation Project helped us establish a strong connection with the community. Now we are proud to say that our work in East London has created a positive impact through our support of efforts to build a skilled workforce, strengthen small businesses and boost the financial health of individuals and families.

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“The new East London is a place where diversity and cultural vibrancy meet growing economic prosperity. It’s crucial that no one is left behind and that East Londoners have opportunities to both contribute to and benefit from economic growth.”

*Paul Brickell, Executive Director of Regeneration and Community Partnerships, London Legacy Development Corporation*

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**In East London, we are supporting a broad range of organizations by focusing our investments in areas that best leverage our firm’s skills and expertise. Here are some examples:**

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At **Saint Paul’s Way Trust School**, a fast-paced, high-achieving school that serves some of the most disadvantaged communities in East London, JPMorgan Chase funded the **Enterprise & Employability Project** for students to practice business skills, learn about entrepreneurship and gain confidence through real-life work experiences. The project also includes mentorships and paid internships for students so they can develop one-on-one relationships with people in their field of interest.



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**YTKO Group** has advised both new and established entrepreneurs on growing their business. With funding from JPMorgan Chase, YTKO’s **GetSet for Growth** East London program works with small businesses that are looking to expand, by providing specialized finance, marketing and sales support – the areas of biggest need for entrepreneurs. As part of the successful program, business development experts serve as mentors to local business owners to help increase their skills, knowledge and confidence.

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Based on the idea that most people get financial advice from people they know, **Toynbee Hall’s Money Mentors** program educates and trains local residents on money management. After a successful pilot, JPMorgan Chase provided funding to expand the program to an additional six boroughs and train 22 staff members of partner organizations.



There is no one-size-fits-all solution to this problem.

Yet through meeting local communities and leveraging our competencies to invest in the four key drivers of inclusive economic growth, our firm has gained valuable insight into the broad approaches that are proving effective in cities around the world. ■

# In your experience...

what builds the strongest bonds between businesses and the communities they serve?

“

## DAN GILBERT

*Founder and Chairman,  
Quicken Loans &  
Rock Ventures*

“The people. Detroiters and Clevelanders are hard-working, innovative and creative. At Quicken Loans and our family of companies, we leverage these attributes and empower our team members to go out and make a difference in the local communities where they live, work and play. The world has heard of nonprofits and for-profits, but a company that incorporates a ‘more-than-profit’ core business strategy sets the stage for future growth. I wholeheartedly believe that because our nearly 30,000 team members work in downtown urban cores of Detroit and Cleveland, they feel more fully dedicated and are better at their day jobs as they play a part in the greater mission of growing a thriving local community.”



“

## GAIL J. MCGOVERN

*President and CEO,  
American Red Cross*

“In my experience, businesses engender trust when they reinvest in the communities they serve and when their employees are engaged as volunteers. These actions can take many forms – from supporting local preparedness and emergency relief to installing smoke alarms in vulnerable neighborhoods, to serving meals in food kitchens, to mentoring youth in after-school programs. All of these activities work to ensure that businesses are firmly rooted in the fabric of their communities. In addition, I believe it’s important that businesses hire employees who accurately reflect the diversity of the communities they serve, that they establish open communication and positive relationships with local governments and that they strive to be responsive and accessible to their customers and other stakeholders.”



“

## JACQUES PANIS

*President, Shinola*

“When we first came to Detroit five years ago, we saw a city with a rich heritage in manufacturing and a population of people who collectively wanted to work on shaping the future of this town. With the mission of creating world-class manufacturing jobs in the U.S., we made an investment in this city because we knew there was a future here, but we needed the support of the community behind us to be successful. We forged a strong bond between our business and our community simply by doing what we said we would do. For the 350+ people we have working in Detroit and over 600 globally, we are proving daily that their well-being matters to us. We believe in good jobs, jobs that pay livable wages and afford people the opportunity to grow within the organization. We foster people to become leaders and encourage them to have a positive influence inside and outside of the workplace. As we scale, our mission stays central so we can do the same in other communities across the country.”



“

## JANET MURGUÍA

*President and CEO,  
National Council of  
La Raza*

“From my experience, I’ve seen that we are stronger and more effective when we collaborate and work across sectors and communities than if we try to tackle problems alone.

That’s why it is important to have companies like JPMorgan Chase as partners to help meet those challenges.

When businesses bring their expertise and a commitment to help create innovative solutions – and nonprofit organizations bring their knowledge, understanding and values to the table – that helps all of us.”





## LEBRON JAMES

*Founder, LeBron James Family Foundation*

“The key for me, in everything I do, is authenticity. In order to create real, long-term change and to build meaningful relationships, it has to be authentic. With the LeBron James Family Foundation, almost all of our partners are local businesses, because they understand our needs and care about our kids. Our kids are the future, so their investment in these students is an investment in our community. And because they live here and work here, that means something to them. The support we get from our community partners is what our ‘we are family’ philosophy is all about, and that to me is the strongest bond you can have between businesses and the communities they serve.”



## MICHAEL PORTER

*Bishop William Lawrence University Professor, Harvard Business School*

“Businesses create critical jobs and economic opportunity not only in the communities where they are located, but throughout the broader economy. Job creation, together with skill development, has the greatest potential to expand participation in the workforce, combat rising income inequality and grow our country’s prosperity and competitiveness. In distressed inner-city neighborhoods, leveraging the job and wealth creation power of businesses (and small businesses in particular) is the only sustainable and scalable approach to revitalization that will truly move the needle. We need community-based programs in inner cities that will improve the business environment, helping inner-city businesses become more competitive and access the employees they want to hire. The net result will be a win-win outcome. As the businesses prosper and grow, so will our inner cities.”



## SADIQ KHAN

*Mayor of London*

“I want London to be a place where members of all communities can flourish, whatever their background. A key part of delivering my promise to be the most pro-business mayor London has ever had is ensuring businesses of all sizes are committed to fairness.

For instance, I am absolutely determined to drive up gender equality across industry and I’m proud to say City Hall is already leading by example. Last year, I published a full gender pay audit for my staff and all functional bodies across the Greater London Authority family, while more than half the members of my Business Advisory Board are female. In addition, I announced an increase in the London Living Wage, which is being offered by more employers than ever before. This is a win-win, as employees feel more valued while businesses can attract and retain staff.

I’m clear that economic fairness is not just about doing the right thing: It makes good business sense too. A fairer city is healthier, safer and more prosperous.”



## VIRGINIA M. ROMETTY

*Chairman, President and CEO, IBM Corporation*

“A deep commitment to collaboration and partnership by focusing our best efforts on the most pressing challenges facing society is what builds the strongest bonds between businesses and the communities they serve. As essential partners in corporate responsibility leadership, IBM and JPMorgan Chase have worked together on Corporate Service Corps engagements in Brazil and India to assist community efforts to stimulate economic growth. By providing our best talent to work in tandem with civic leaders to promote growth in cities like Detroit, we both have focused on efforts to address critical societal needs. And we both have focused our best efforts in partnership with educators to improve our schools’ ability to connect education to college and career and close the skills gap. But while we both have achieved much to be proud of, we still believe that there is much more to do.”





IN MEMORIAM: DAVID ROCKEFELLER (1915-2017)

“If government is going to get out of a lot of things, somebody has to take their place. It seems to me that business and the private sector — which pushed for this — has to assume some responsibility. If so, then it means that the leaders of business and of not-for-profit corporations should recognize that they have a responsibility outside their own businesses to do something for society at large.”

DEC. 1, 1998

David Rockefeller, the former Chase Manhattan chairman and CEO, will long be remembered for his impact on philanthropy, the arts, business and global affairs.

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