DIVERSITY, INCLUSION & BELONGING REPORT

2020-2021

AFFINITY PLUS
FEDERAL CREDIT UNION

WE ARE COMMITTED TO *DIVERSITY, INCLUSION & BELONGING*

This is the first diversity, inclusion and belonging (DIB) report for Affinity Plus; however, it will not be the last. We believe diversity, inclusion, and belonging is a continued focus for our employee culture and our membership. Because when we do the right thing, we create better teams and offer better products and services that enhance the Affinity Plus experience for everyone inside and outside our organization.

As an organization, we feel compelled to condemn racial injustice and discrimination and reaffirm our commitment to live our values. We are dedicated to cultivating a workplace and credit union that makes inclusion, diversity and belonging priorities. We're committed to listening to those impacted, learning different perspectives and taking action to be a force for positive change

CORE VALUES

CARING **ADAPTABILITY** **INTEGRITY**

WE BELIEVE DIVERSITY, INCLUSION AND BELONGING SHOULD BE EMBEDDED IN THE CULTURE OF AFFINITY PLUS AND SHOULD NOT BE AN INITIATIVE OR PROJECT OR HAVE A BEGINNING AND END DATE.

HOW WE DEFINE *DIVERSITY, INCLUSION & BELONGING*

Diversity:

understanding, accepting and valuing differences between people, including those of different races, ethnicity, genders, ages, religions, disabilities and sexual orientations, with differences in education, personalities, skill sets, experiences and knowledge bases.

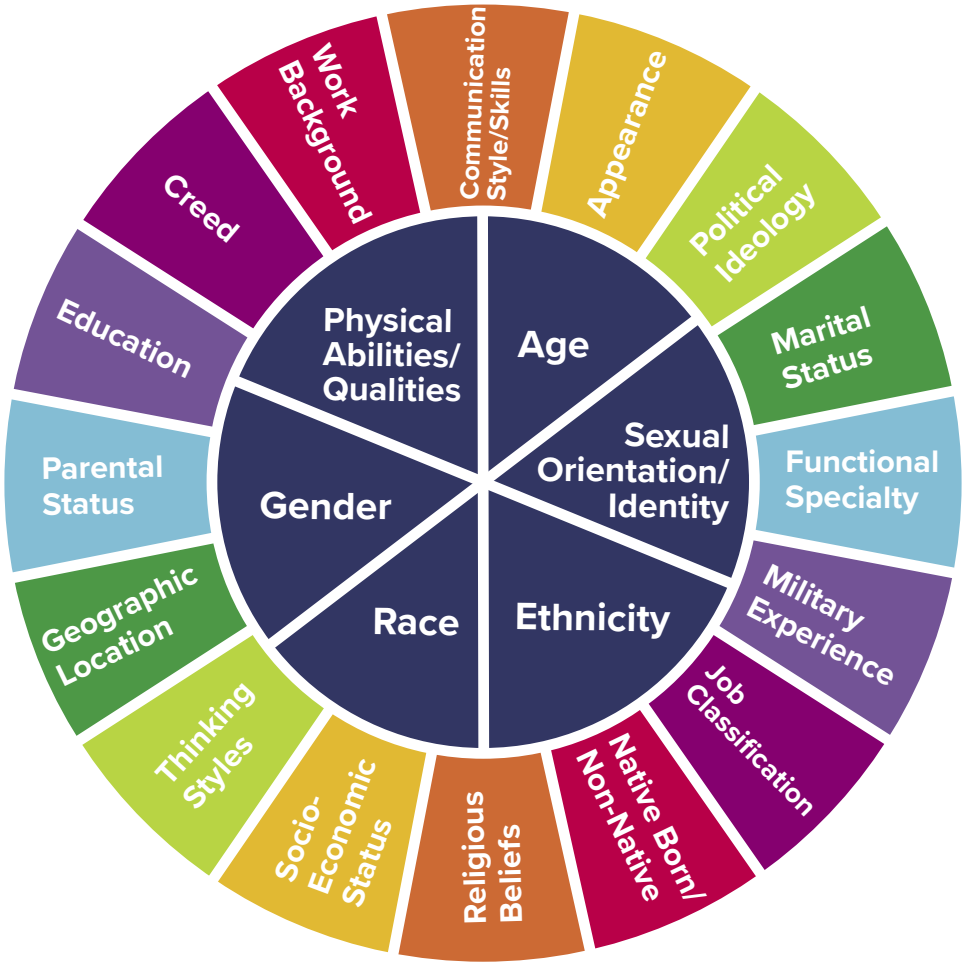
Inclusion:

collaborative, supportive and respectful environment that increases participation and contribution of all employees. True inclusion removes all barriers, discrimination and intolerance.

Belonging:

the belief people can bring their full selves to work and not feel like they're a different person there than at home. It's not enough to simply include people at the table, but it's imperative to amplify everyone's voices, clear barriers and appreciate each other for our unique backgrounds.

There are many dimensions of diversity, as evidenced by the Wheel of Diversity



STRONG SENSE OF *BELONGING*

Our focus on diversity, inclusion and belonging is one of the ways we build a thriving community of diverse employees.

We believe different perspectives, ideas, backgrounds, demographics, styles and voices contribute to a culture of compassion, relationships that matter and consistent member focus. Building a culture that "is the best place employees have ever worked" is continuous, including our focus on diversity, inclusion and belonging.

We believe that unless an employee feels that their differences are not only understood but celebrated, they will hold back a part of themselves. Feeling included is a basic human need. It provides employees with a sense of psychological safety that they can be their authentic selves without fear of judgment, making them happier, more social and more productive.

We believe in creating a work environment where every Affinity Plus employee feels a sense of belonging.

Age Diversity

Age	% of Employee Population
18-25	8.0%
26-35	35.0%
36-45	29.1%
46-54	16.8%
55-64	10.2%
65-68	.9%

When employees exiting Affinity Plus were asked, "Did you feel you belonged at Affinity Plus?"

90.1% RESPONDED **YES** IN 2021

96.4% RESPONDED **YES** IN 2020

THRIVING COMMUNITY OF *DIVERSE EMPLOYEES*

GENDER DIVERSITY

% OF AFFINITY PLUS EMPLOYEES WHO SELF-IDENTIFY AS FEMALE

71%
OF EMPLOYEES

68%
OF OUR LEADERSHIP TEAM

57%
OF BOARD AND SUPERVISORY COMMITTEE

RACIAL DIVERSITY

% OF RACIAL DIVERSITY AMONG OUR 537 EMPLOYEES

13.59%
OF EMPLOYEES

5.1%
OF OUR LEADERSHIP TEAM

28%
OF BOARD AND SUPERVISORY COMMITTEE

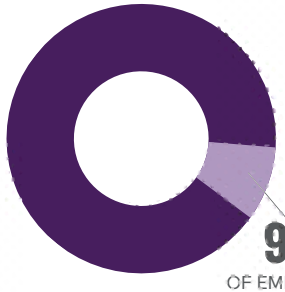
VETERANS

 # OF AFFINITY PLUS EMPLOYEES WHO SELF-IDENTIFY AS VETERANS: 5 (1%):

1%
OF EMPLOYEES

DISABILITY STATUS

 # OF AFFINITY PLUS EMPLOYEES WHO SELF-DISCLOSE A DISABILITY: 48 (9%)



9%
OF EMPLOYEES

TAKING ACTION, *CREATING RESULTS*

We want to achieve strong performance for our members, competitive advantage as an employer and growth, access and impact in the Minnesota communities we serve. To do this, we took action, made changes for diversity, inclusion and belonging, and created results.

COMMITMENTS & COMMUNITY REPRESENTATION

- Board of Directors approved and published a diversity and inclusion statement supporting internal and external D&I efforts.
- Signed Credit Union Diversity, Equity and Inclusion Collective pledge to bring forth social, economic, political and legal justice for combating oppression and systemic racism.
- Julie Cosgrove, Chief Talent Officer, served as an Ambassador on the Minnesota Credit Union Network Global Women's Leadership Network.
- Dave Larson, President/CEO, is Vice-Chair of the Minnesota Special Olympics and will serve as Chair in 2022.

POLICY AND PRACTICE CHANGES

- Removed four-year degree requirement and changed to 'preferred' for all Affinity Plus positions.
- Provided 33 employees with Parental Leave in 2020 and 2021, providing six weeks of 100% salary.

Latosha
Affinity Plus Member

- Created a Workplace Gender Transition Guide to support employees navigating this change and updated our employee handbook to reflect all gender-neutral pronouns.
- Partnered with Jobs in Minneapolis to post all openings to 600+ Minnesota job boards, many serving female, minority, veteran and disabled populations.
- Enabled 500+ employees to work from home during the pandemic, providing technology and support, including a $500 stipend, to ensure their safety and maintain organizational operations.
- Offered eight hours of paid Community Hours to every employee to invest in their local community. When 2020 decreased the opportunities available, we allowed these hours to be rolled over to 2021 to allow for an even greater impact.
- Worked with Congressman Tom Emmer and Congressman Ed Perlmutter to introduce the Credit Union Governance Modernization Act. This bipartisan legislation would update credit union practices to improve employee and member safety and broaden the credit union member expulsion process while ensuring a fair procedure for reinstatement.

TRAINING AND COMMUNICATION

- Created a training session for all new employees on our mission and beliefs surrounding DIB.
- Integrated diversity education and activities into our Employee Engagement program, including employee education for special observances such as Martin Luther King Jr. Day, Chinese New Year, Asian Pacific American Heritage Month, International Women's Day, LGBTQ Pride Month, Women's History Month, National Senior Citizen Day and Juneteenth.
- Delivered training to our leadership team, including "Building Inclusive Leader Training" and "Understanding and Making Diversity Work, Differences in Communication Styles and Cultural Differences Impacting the Workplace."
- Added a "Leading with Head and Heart: Inclusive Leadership" segment in the Leadership Bootcamp Program to create awareness and share practical ways to lead more inclusively.
- Launched our first Affinity Plus MBA Cohort in partnership with Metro State incorporating "Managing an Inclusive Workplace" into the program. All 17 employees in the program are set to graduate in December 2021.

LISTENING, SUPPORTING *AND CREATING CONNECTIONS*

Building an organization focused on diversity, inclusion and belonging involves listening to and supporting employees to create connections. This is vulnerable work as sometimes the feedback from DIB groups is refreshingly honest—even if it's sometimes hard to hear. Affinity Plus is committed to turning crucial feedback into actions that make a difference for all of our employees.

Listening Circles gave employees a chance to share what they were thinking and feeling. Topics included Women in the Workplace, Working Parents, People of Color in the Workplace, Young Professionals, and Ideas for Advancing our DIB Efforts.

Additional **paid time off, funds and employee counseling services** were provided to employees impacted by events following the death of George Floyd. Employees who volunteered in affected communities and organizations received eight additional volunteer hours.

Coffee Connections brought employees from different backgrounds and experiences together.

End of the Year Cheer event had 150+ employees participating in a virtual online gift exchange to connect and learn about one another.

Connection to Food event provided employees to **share cultural traditions** surrounding food.

Mental health practitioner spoke during our all-employee call to recognize **Mental Health Awareness Month**.

Employees **celebrated PRIDE month**, the self-affirmation, dignity, equality and visibility of lesbian, gay, bisexual, transgender, queer, intersex, asexual and others (LGBTQIA+)

Annual **All Employee Days** was created and embedded with DIB efforts. Leveraged diverse speakers (diversity of race, gender and more), gave gifts from diverse small business owners, engaged with diverse community leaders that promote mission-based outreach and partnered with a women-owned event planner to plan the days.

The addition of quarterly **Senior Team Meet & Greets** with new employees use conversation to build cultural understanding, create connection and foster a sense of belonging for new employees.

CELEBRATING *SUCCESS*

Sometimes it can be challenging to gauge the success of diversity, inclusion and belonging efforts. One way we measure our results is through the recognition Affinity Plus receives.

Affinity Plus was named a “Top Workplace” by Star Tribune for the 4th year in a row in 2021.

Affinity Plus was awarded the top spot on the Forbes list of America’s Best-In-State Credit Unions for 2021. This is the 4th year in a row that Affinity Plus has received this recognition.

Dave Larson, President/CEO, was named to the Minnesota 500 list of “Most Powerful Business Leaders in Minnesota” for the 4th year in a row. He was also recognized in 2020 by the Star Tribune as “Top CEO” among large companies.

Affinity Plus awarded the Dora Maxwell Social Responsibility Community Service Award in 2020 for our work to mobilize employees and members to contribute more than $330,000 through Twin Cities Healing and Affinity Plus Gives to address ongoing issues tied to racial injustice, provide basic needs and support rebuilding efforts.

Affinity Plus earned the Louise Herring Philosophy in Action Member Service Award for our comprehensive COVID-19 response, particularly for our care for employees and members.

And we’re always striving to do better. Perfection can be ever changing, so we focus on continual progress.

Simple
Initial deposit
$10
ter 3 years
$11
er 4 years
$12
r 5 years
$12

FOR PEOPLE. *NOT FOR PROFIT.*

A phrase often heard throughout Affinity Plus is “For people. Not for profit.” As a not-for-profit member-owned cooperative, we improve the lives of our members through meaningful banking, exceptional experiences and trusted relationships. This is why we focus on diversity, inclusion and belonging for our members, particularly underserved consumers.

The Affinity Plus Board approved the following definition for underserved consumers in 2017 and confirmed it in February 2021.

Underserved consumers are those who fit one or more of the following descriptions:

- Are unbanked, meaning they do not have an account at an insured institution.
- Are underbanked, meaning they have a checking or savings account but utilize alternative financial products and services from outside the traditional banking system (payday lenders, prepaid cards, check cashing services, etc.).
- Have thin-to-no credit file (subprime included).
- Are low-income or moderate-income (LMI) consumers.
- Are consumers struggling with volatile incomes.

Affinity Plus Foundation has funded financial counseling programs like this one from Lutheran Social Services – Brainerd.

ACTION FOR *POSITIVE IMPACT*

To create results that would make a positive impact for underserved consumers, we took action to:

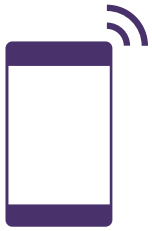
Launch new products to expand our offerings.

AFFINITY PLUS
FEDERAL CREDIT UNION

Amplify current products.

Make a difference with our members and communities through donations and programs.

Expand our footprint and reach.



Increase our services to meet growing needs.

Partner with the Affinity Plus Foundation to extend our giving.

WE LAUNCHED NEW PRODUCTS *TO EXPAND OUR OFFERINGS*

Open Lending Lenders Protection Program ***New in 2021***

In partnership with Lenders Protection, this program takes another look at auto loan applications for members with the 619-560 credit score range to offer alternative financing options for those who may not be approved through traditional underwriting.

Holiday Loans ***New in 2021***

We expanded the holiday loan to support our diversity and inclusion efforts by making these loans available year-round to recognize holidays from all cultures and faiths.

New American Loan Program ***New in 2021***

We worked with the City of St. Paul on a contract to build a program to increase the number of naturalized citizens in St. Paul by offering no-to-low interest loans for immigrant and refugee communities.

DORA App ***Target for fall/winter 2021***

The new Credit Union Service Organization (CUSO) seeks to build a mobile financial inclusion platform specifically to serve unbanked and underserved people who may not qualify for credit union membership or products otherwise.

WE EXPANDED OUR *FOOTPRINT AND REACH*

- Approved a merger with White Earth Reservation Federal Credit Union.
- Opened a new location at Lake Superior College in Duluth.

WE AMPLIFIED *CURRENT PRODUCTS*

Credit Builder Loan: This loan provides members with the ability to borrow $500-$1,000 with a low fixed interest rate of 6% APR, no matter their credit score. The loan proceeds fund directly into their membership savings and are frozen until the loan is paid off, at which time those funds will be theirs.

HomeAdvantage: This program offers additional savings to members buying or selling a home when working with a realtor within the HomeAdvantage network. Nearly 1,550 of our members have used this program since 2010, and we have given almost $2.3 million in cash rebates back to our members since we began this program in October 2005.

WINcentive Savings: Also known as Prize-Linked Savings, this program offers members an incentive to practice regular savings habits for a chance to win cash prizes. As of May 2021, we have 4,186 members with a WINcentive Account with over $3.8 million saved, and we've awarded $378,000!

Stash Your Cash: In 2020, $2,504,944 was saved by 19,541 members when they rounded up purchases to the nearest dollar and had the difference directly deposited into their accounts.

CD Builder: With just $100 to begin saving, CD Builder offers the flexibility of adding deposits over the 12-month term of the certificate and allows a member to build a savings balance. We had 1,221 Certificate Builders totaling $4,547,175 as of April 2021.

CD Secured Loans: A certificate secured loan is one way to build or rebuild a credit profile by effectively taking a loan against a member's own money. As of April 2021, we currently have 19 loans with a total outstanding loan balance of $98,502.

Superior Money Market Account: Expanded our options to allow CCD credits, giving 'gig workers' opportunities to get paid through direct deposit.

WE INCREASED OUR SERVICES *TO MEET GROWING NEEDS*

Language Line Solutions & More Language Choices

We extended our connection with members through the implementation of this interpreter service. We also expanded language choices in several ATMs to include Somali and Hmong to be more inclusive, so our members feel more comfortable interacting in their first language.

Web Content Accessibility Guidelines

We managed our website per Web Content Accessibility Guidelines, the gold standard for website accessibility worldwide.

Freddie Mac/FHFA

In 2020, we achieved 5 out of 5 possible thresholds set forth by Freddie Mac and the Federal Housing Finance Agency (FHFA) for lending to low to moderate-income borrowers. Examples of these categories include Low-Income Purchases, Low-Income Refinances, Very Low-Income Purchases, Low-Income Areas Purchase, and Low-Income Areas Designated/(aka)“Disaster Areas.” In total, 1,363 members fell into at least one of these categories in 2020 and received more than $290 million in mortgage loans.

Loans to Borrowers with No Credit

While many financial institutions won’t lend to people without a credit score, our philosophy is to use sound judgment and trust our members will use this credit to begin a positive relationship with the credit union. For example, since Jan 1, 2019, we have granted more than 564 Auto Loans to members with no credit score.

Unsecured Loans

Affinity Plus offers eight types of unsecured loans: credit card, line of credit, personal loan, homeowner consolidation loan, homeowner personal loan, bicycle loan, technology loan, and student loan. As of May 2021, we had 95,997 members with an unsecured loan (including credit cards), 38% of which have direct deposit.

Fee Refunds

We work with our members who experience financial hardship, especially during these difficult times when members may become overdrawn on their checking account or late on a loan payment. We seek to learn more about what the member is facing and how we can best partner with them to work toward a positive outcome. As a result, we have refunded more than $5.55 million back to our members.

Skip-A-Pay

Job loss, reduction in hours and personal hardships are challenges many of our members face. To provide relief, we empower our employees to offer a skip-a-pay option to members during times of need. With the COVID pandemic, more members took advantage of this option than ever before.

WE MADE A DIFFERENCE WITH
OUR MEMBERS AND COMMUNITIES

COVID-19 RELIEF

- **Helped more than 29,000 members with $3.7 million in relief**
- **45,524 fees waived**
- **2,100 deferred loan payments**
- **823 Recovery Loans at 0 percent interest**
- **5 low-interest Business Recovery Loans**
- **479 PPP Loans (through the SBA), saving nearly 1,200 jobs**

- Supported the Polar Plunge resulting in over 120 employee plungers and nearly $40,000.00 donated! We also encouraged 500 non-employees of our communities to participate and join the plunge through our campaign to raise more than $80,000!
- Donated $150 to Special Olympics each time the Gopher football team scored in 2020.
- Sponsored KARE-11 TV's "Communities that KARE," which highlighted 52 Minnesotans who are champions for important nonprofit organizations across the state.

- Donated more than $330,000 to charities addressing racial injustice, rebuilding businesses, and providing basic needs for impacted communities in the wake of George Floyd's death.
  - o Twin Cities Healing received more than $36,000 in member donations and an additional $100,000 from Affinity Plus.
  - o Affinity Plus Gives directed an additional $200,000 to local nonprofits with allocations determined by our employees to meet the basic needs of impacted individuals, rebuild communities, and address racial inequity.
- Provided recovery loans for individuals and made $10 million available in special low-interest loans for businesses and nonprofits to rebuild, repair and recover from damage caused by civil unrest.
- Hosted "Tech Drive Tuesdays" at multiple branches to provide computers and technology to hundreds of Minnesota families, helping diverse and low-income families. In 2020, more than 60K pounds of technology were donated along with nearly $33K in cash and points donations. 2021 efforts are well underway to meet or exceed these outcomes.
- Contributed $1,000 to Youthlink, which provides holistic support and resources for teens experiencing homelessness.
- Launched "Coins for a Cause" in partnership with Fox 9 TV, Second Harvest Heartland and other Minnesota food banks. This holiday season, Affinity Plus will once again raise money to help provide meals to families experiencing hunger.
- Gave back to communities through Plus It Forward Day, where Affinity Plus employees each received $75 to do good in a way that mattered to them most. Across the state, volunteers wrote cards for seniors, made homemade dog toys, filled food pantries, worked in parks and much more.
- Sponsored the Urban League of the Twin Cities "Family Day" event, bringing together residents and community resources in North Minneapolis.
- Sponsored Lake Street Council's "Lake Street Bash" to connect with area entrepreneurs and identify opportunities to extend membership to a historically underserved business community.
- Supported Safe City Nights events in Rochester to connect first responders and community members.
- Became Premier sponsor of the United Way of Central Minnesota's Day of Caring event, which organizes and coordinates volunteers from across St. Cloud to engage in meaningful projects to improve the community.

WE PARTNERED WITH THE AFFINITY PLUS FOUNDATION *TO EXTEND OUR GIVING*

Affinity Plus established the Affinity Plus Foundation in 2000 as a 501(c)(3) to support initiatives and efforts that better position people to pursue their dreams. In the past year, the Foundation built a giving opportunity for all Affinity Plus members to become Sustaining Members of the Foundation. Sustaining Members make small, recurring monthly donations through their checking account to support the Foundation's mission of educating, engaging and empowering individuals and communities.

The generosity of Sustaining Members and all donors make numerous programs possible. Here's a sampling of the difference Affinity Plus has made in partnership with the Foundation and our members.

Scholarships & School Funding

- **College Scholarships:** Awarded $2,000 college scholarships to 10 student members attending college campuses with Affinity Plus branches and/or partnerships. Three of the recipients are students of color, and one is a non-traditional student and single mother.
- **Foundation Annual Scholarship Program:** 36 students from around the state were awarded $3,000 each to help pay for their college education. At least one student from each partner campus and branch community received a scholarship.
- **Central Lakes College Foundation:** $5,000 was provided to purchase four mini mobile food pantries to bring food resources outside of the college and reduce the stigma of food insecurity.
- **Minnesota Computers for Schools:** More than $35,000 in matching funds were provided to purchase 244 refurbished computers for students and schools in need through the 2021 Tech Drive Tuesday campaign.
- **Lake Superior College:** Contributed $5,000 to the college to purchase a commercial refrigerator and freezer for their food pantry. Many of their students are people of color or non-traditional students needing access to supplemental food services.
- **Lincoln Elementary School:** Provided $5,000 to this Bemidji school to help build a safe and inclusive playground for all kids, including those with disabilities.

Community Giving

- **Justin Sutherland, The North Stands & Inner City Ducks:** We surprised local Executive Chef and owner of the Handsome Hog in St. Paul with a $10,000 donation for his work with The

North Stands and Inner City Ducks. The North Stands supports unemployed hospitality workers and struggling businesses while Inner City Ducks provides children with after-school sports, activities and mentorship.

- **Winona Art Center (Winona):** Provided $5,000 to increase accessibility to their facility by adding a handicap-accessible lift.
- **Firefighters for Healing's Camp Realize Every Dream (Cross Lake):** Contributed $25,000 to this summer camp for kids and families who have experienced burn trauma.
- **The Landing MN (Rochester):** Awarded a $5,000 grant for a mobile outreach unit providing basic needs to people experiencing homelessness.
- **Rotary Richard C. Wilson Community OutPost (St. Cloud):** Provided $3,000 for a new community table where community members and local police can develop relationships.
- **Ski Dox (Rochester):** $5,000 was provided to purchase new adaptive ski equipment to bring the joy of waterskiing to residents with disabilities.
- **Life House (Duluth):** Contributed $5,000 to provide food and clothing for youth experiencing homelessness.

United Way & American Red Cross

- **United Way of Central Minnesota:** Gave $2,000 to support their End of Summer Bash to supply meals for families from underserved communities in St. Cloud who came out to connect with community resources.
- **United Way:** $5,000 was awarded to help pay the driver of a new mobile food truck program focused on food deliveries to local seniors in need.
- **United Way of Olmsted County:** In partnership with the United Way, we helped bring a Born Learning Trail to Silver Lake Park in Rochester. We committed to the multi-cultural community of Rochester by making the signage for the trail in English, Spanish and Somali.
- **American Red Cross:** Contributed $10,000 ($5K from Affinity Plus and $5K from Foundation) for a COVID-19 blood drive.

WE MEASURED OUR IMPACT *ON DIVERSE MEMBERS*

In order to build upon on our diversity, inclusion and belonging efforts with members, we are measuring our impact in a number of ways.

Racial Diversity

The racial diversity of our membership is growing.

7.0% **ENTIRE MEMBERSHIP IS RACIALLY DIVERSE**

8.3% **ENTIRE NEW MEMBERSHIP IS RACIALLY DIVERSE**

9.5% **MEMBERSHIP WITH A LOAN IS RACIALLY DIVERSE**

12.6% **NEW MEMBERS WITH A LOAN ARE RACIALLY DIVERSE**

Diversity of Age and Generation

Millennials make up our largest member segment by age and together, Gen Z and Millennials represent 47% of our membership.

Affinity Plus Members

Generation	%
Generation Z (1997-2012)	14.57%
Millennial (1981-1996)	32.73%
Generation X (1965-1980)	24.34%
Baby Boomer (1946-1964)	24.17%
Silent Generation (1925-1945)	4.07%
Greatest Generation (1901-1924)	0.13%

Diversity of Income

Affinity Plus is deemed a “low-income designated credit union” by the NCUA. To qualify as a low-income credit union, a majority of the membership (50.01% or greater) must meet certain low-income thresholds based on data from the Census Bureau and requirements outlined in NCUA’s Rules and Regulations.

57% OF OUR MEMBERS ARE IN EITHER A **LOW** OR **MODERATE INCOME GROUP**

48% OF NON-METRO MEMBERS ARE IN EITHER A **LOW** OR **MODERATE INCOME GROUP**

65% OF METRO MEMBERS ARE IN EITHER A **LOW** OR **MODERATE INCOME GROUP**

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