

# Northwestern Mutual Invests \$5 Million in Black-led Financial Institutions to Accelerate Local Community and Economic Development

*Funding to increase access to capital for Black and African American small business owners and entrepreneurs*

MILWAUKEE, May 5, 2022 /PRNewswire/ -- According to the [2021 Black Business Owner Spotlight](#), 56 percent of Black entrepreneurs reported access to capital as a recurrent obstacle, often limiting their ability to grow their businesses. To help remove that obstacle and further address the racial wealth gap in the United States, Northwestern Mutual announced today a \$5 million investment in two Black-led, Milwaukee-based Community Development Financial Institutions (CDFIs). The company will partner with [Legacy Redevelopment Corporation \(LRC\)](#) and [Northwest Side Community Development Corporation \(NWSCDC\)](#) to increase access to capital for Black and African American businesses, fueling small business growth and economic vitality in the Milwaukee community.

"Northwestern Mutual has a legacy of investing in the communities we proudly serve, particularly in our hometown of Milwaukee," said Ray Manista, the company's executive vice president and chief legal and compliance officer. "Black and African American business owners, for a variety of reasons, have had limited access to traditional financial markets, and this latest investment will deepen our mission to make a bold and long-term impact that drives access and equity."

Northwestern Mutual's investment is an outcome of the company's [Sustained Action for Racial Equity \(SARE\)](#) task force, which launched a [\\$100 million impact fund](#) that directs investments to Black and African American communities nationwide. The fund focuses on three key opportunities: building physical and social infrastructure, increasing access to capital, and creating healthy sustainable neighborhoods and communities.

The racial wealth gap in the U.S. is significant, and that inequality is particularly evident among Milwaukee's Black residents. Black-owned businesses are denied loans at twice the rate of their counterparts. Without the ability to access capital, businesses in underserved communities are often unable to gain the resources they require to build capacity and plan for growth.

In Milwaukee, where traditional, Black-led banks are not available, CDFIs aim to fill that void. Northwestern Mutual's investment will provide existing, operational businesses with the financial solutions needed to continue to grow and expand. CDFIs pair financing with business education, one-on-one technical assistance, and credit structures to both mitigate investment risk and support business success to allow small businesses to become more bank-ready.

LRC, led by president and CEO Terese Caro, is the only U.S. Treasury-certified CDFI with a focus on housing and commercial real estate in Milwaukee, providing strategic financial solutions for small businesses and nonprofits in the city's underserved markets. NWSCDC, led by executive director Willie Smith, is based on Milwaukee's Northwest Side and collaborates with businesses to build stronger neighborhoods, create economic growth, and encourage urban environmental improvements. Both CDFIs are actively invested in local businesses in the manufacturing, commercial and residential real estate, retail, restaurant, adult home, hospitality, technology and transportation sectors.

"We're thrilled to partner with Northwestern Mutual and provide much-needed loans to local, Black and African American-owned businesses," said Caro. "This partnership will change the trajectory of LRC and NWSCDC in terms of what we'll be able to do and the communities we'll be able to impact."

Through Northwestern Mutual's SARE task force, the company has invested in Black and African American communities where there are significant racial disparities. It launched the Northwestern Mutual Black Founder Accelerator, a partnership with gener8tor, in 2020 to invest in and support Black entrepreneurs to help close the funding gap for Black founders. Through the Northwestern Mutual Foundation, the company has also donated more than \$28 million to Milwaukee's underserved Amani, Metcalfe Park and Muskego Way neighborhoods to foster safe communities, revitalize housing, increase access to quality education, food programs, youth and family resources, and more.

## About SARE

[Sustained Action for Racial Equity \(SARE\)](#) is Northwestern Mutual's dedicated task force, led by Chairman, President, and CEO John Schlifske, which takes a holistic look at actions that will have the greatest impact to drive sustainable change.

## **About Northwestern Mutual**

[Northwestern Mutual](#) has been helping people and businesses achieve financial security for more than 165 years. Through a holistic planning approach, Northwestern Mutual combines the expertise of its financial professionals with a personalized digital experience and industry-leading products to help its clients plan for what's most important. With more than \$570 billion in combined company and client assets, \$34 billion in revenues, and \$2.1 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to nearly five million people with life, disability income and long-term care insurance, annuities, and brokerage and advisory services. Northwestern Mutual ranked 90 on the 2021 FORTUNE 500 and was recognized by FORTUNE® as one of the "World's Most Admired" life insurance companies in 2022.

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