

Five Research Priorities for Community Development Financial Institutions:

Advancing Financial Inclusion through Evidence-based Practice

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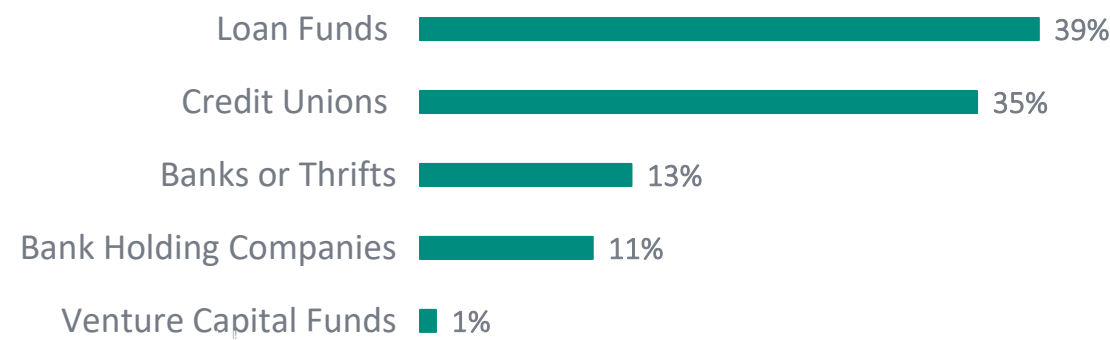


CDFI Landscape

CDFIs provide services to geographies and populations that have historically been underserved by mainstream financial institutions. The CDFI Fund administers certification.¹

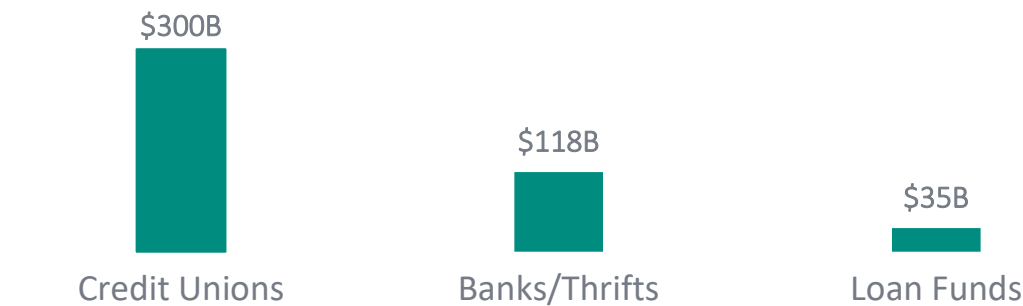
Organizational structure

There are 1,456 CDFIs, the plurality (570, 39%) are loan funds¹



Asset distribution

Loan funds control about 8% of all CDFI assets²



+40% growth in 5 years²

Between 2019 and 2024, 424 new entities were certified as CDFIs



3 in 5 new CDFIs are credit unions²

The industry's recent growth has been concentrated



94% of loan funds are non-profits³

Compared to other types of CDFIs, loan funds are almost always non-profits



Revamped certification

Recent changes to the certification process could alter the CDFI landscape⁴

¹ [List of Certified CDFIs](#), CDFI Fund, March 15, 2024
² [Sizing the CDFI Market](#), NY Federal Reserve, 2023
³ ACR FOIA Data Release, Opportunity Finance Network, 2021
⁴ [CDFI Certification Application](#), CDFI Fund, 2023

Why this matters

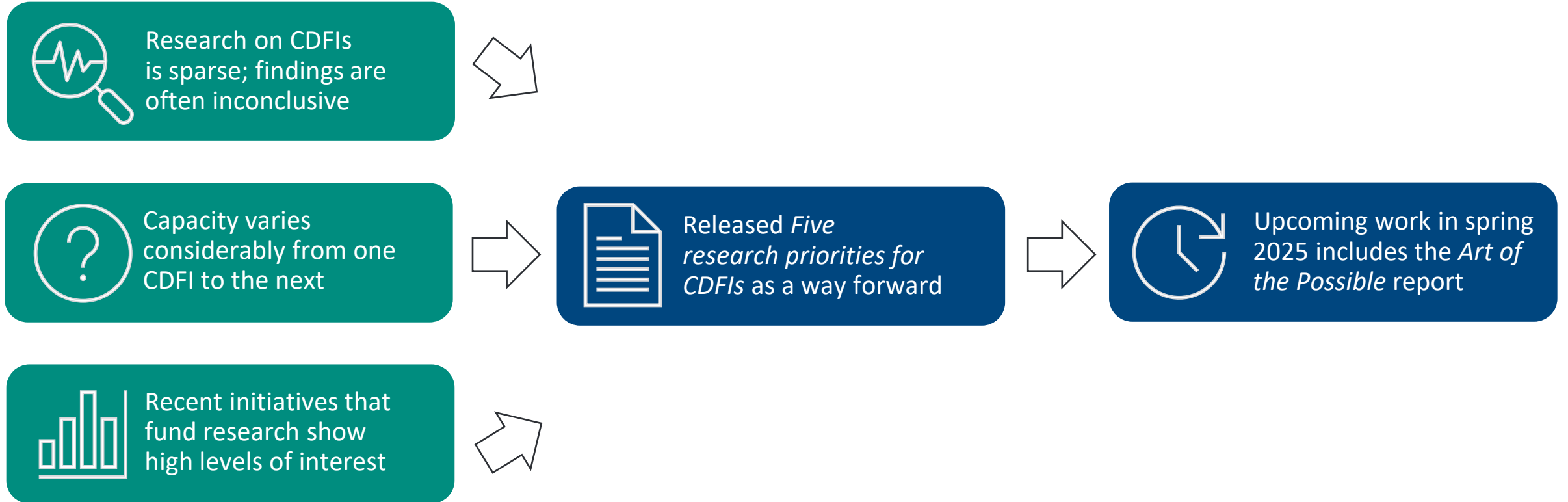
A more inclusive financial ecosystem for all

Regardless of *how* they do it, CDFIs share a common understanding about *what* they do: **empower individuals and communities by meeting them where they are**, when the needs are significant, and resources are low.



How we got here

And where we're going



Design and approach



One goal

Creating an **evidence-based strategy to enhance capacity** that is centered on the needs of CDFIs and those they serve



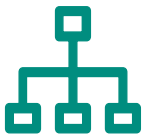
Two analytical lenses

Identify gaps and areas of strength by outlining the body of literature on CDFI **research** and **program evaluation and impact measurement and management**



Three types of sources

Synthesize information through examining the **peer-reviewed literature, applied research reports and white papers**, and **professional sources**



Four stakeholder groups

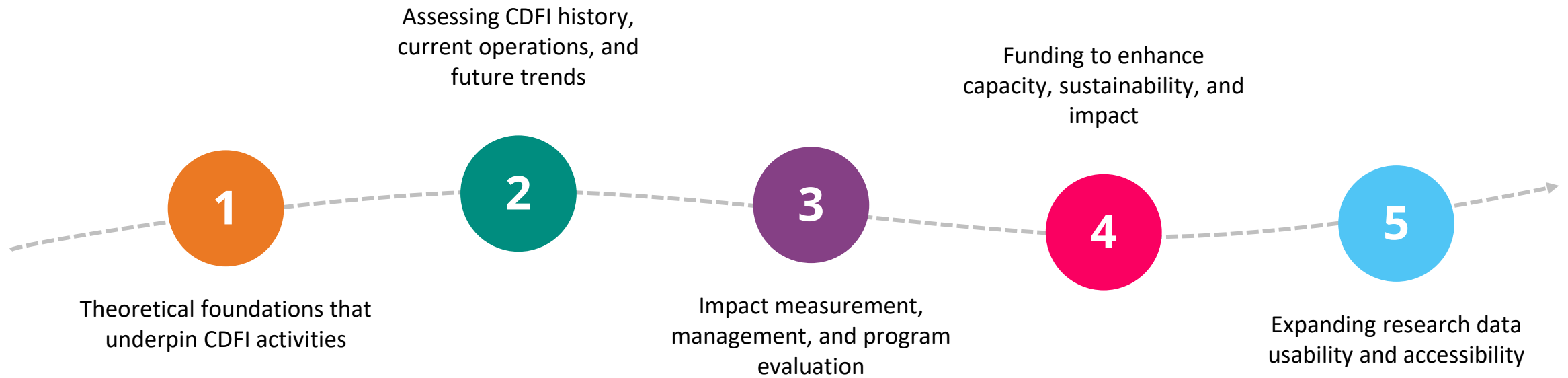
CDFI-centered analysis that incorporates the views of **CDFI beneficiaries, applied research organizations, social impact funders**, and **allied institutions**



Five suggested research priorities

To chart a course forward and help CDFIs continue to uplift the communities they serve, a proposed focus across **five connected areas** of CDFI research and evaluation

Recommended research priorities



Example research questions by area

- 1** Theoretical foundations that underpin CDFI activities
 - ✓ What is the underlying theoretical basis for the CDFI organizational structure and business model, and how does it compare to similar community-based organizations?
- 2** CDFI history, current operations, and future trends
 - ✓ What role do CDFIs play in helping address social inequities? How have endogenous and exogenous factors shaped CDFI effectiveness?
- 3** Impact measurement, management, and program evaluation
 - ✓ Which outcomes should be focused on, given endemic CDFI capacity constraints? How can metrics be fashioned to center client and community voices?
- 4** Funding to enhance capacity, sustainability, and impact
 - ✓ How can funders and investors offer loans and grants to improve CDFI capacity and impact? What are the tradeoffs of different funding and capitalization sources and structures?
- 5** Expansion of data usability and accessibility
 - ✓ How can new data collaborations help the industry improve data availability, quality, and transparency while balancing the reporting burden on CDFIs?

Read the full report



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Get notified when released



The art of the possible with financial inclusion: Community development financial institution loan fund strategies (March 2025)

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About Raza Development Fund

Raza Development Fund (RDF) is the largest national, Latino-focused nonprofit Community Development Financial Institution (CDFI). Driven by a mission to close wealth and opportunity gaps in Latino and other under-resourced communities across the United States, RDF provides responsible and attainable financial solutions to community-based organizations focused on health, education, affordable housing, climate resilience, homeownership, and entrepreneurship. RDF was founded in 1999 as a support organization to UnidosUS, the nation’s largest Hispanic civil rights and advocacy nonprofit, formerly known as the National Council of La Raza. As a testament to its exceptional financial strength and impact, RDF stands out as one of the few CDFIs with a prestigious AA- S&P rating. Since its inception, RDF has invested more than \$1.3 billion across 38 states, leveraging over \$6 billion in additional capital.

About Opportunity Finance Network

Based in Washington, D.C., Opportunity Finance Network (OFN) is a leading national network of more than 450 CDFIs nationwide. OFN’s network of community development loan funds, banks, venture capital funds, and credit unions works to ensure communities underserved by mainstream finance have access to affordable, responsible financial products and services. OFN is a trusted intermediary between CDFIs and public and private sector partners—foundations, corporations, banks, government agencies, and others. For 40 years, OFN has helped partners invest in CDFIs to catalyze change and create economic opportunities for people and places traditional finance does not reach.