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An On-ramp to Financial Inclusion: Measuring the Impact of Mercy Corps' Community Investment Trust Program on Minority Investors

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An On-ramp to Financial Inclusion: Measuring the Impact of Mercy Corps' Community

Investment Trust Program on Minority Investors

by

Lexi Yokote

An undergraduate honors thesis submitted in partial fulfillment of the

requirements for the degree of

Bachelor of Arts

in

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and

Business Administration: Finance

Thesis Adviser

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Abstract

Mercy Corps' Community Investment Trust (CIT) was launched in 2017 as a low-risk real estate investment and education initiative. The program is now working to replicate this in cities across the United States. However, it has not been able to collect much feedback from existing investors about their experiences and needs. This paper will use primary and secondary research in the form of a literature review and original surveys to collect information about investor demographics, attitudes toward the CIT and investing, risk perceptions, and future investment plans. The results show that U.S.-born versus foreign-born status, ethnicity, and gender affect the types of investments that investors want to pursue and how they feel about having the required knowledge to pursue those investments. Some investors do not think they have the knowledge needed to pursue additional investments and identified a lack of additional funds and a lack of knowledge and experience as barriers to further investing activity. The results also indicate that investors feel comfortable and trust the CIT with their investment. This research will help Mercy Corps' CIT better understand investors' takeaways from the program, what barriers are still affecting investors' ability to invest, and how the CIT can make changes to accommodate unmet needs and help investors on their journey to increased investment literacy and participation.

Special Thanks

Firstly, I would like to thank my thesis adviser Dr. Julia Freybote of the School of Business at Portland State University. Dr. Freybote made this culmination of work possible with her extensive knowledge, connections, and guidance. Thank you for your support and contributions to this project.

I would also like to thank Olena Borova and Sven Gatchev, the implementation manager and operations manager at Mercy Corps' CIT, who graciously donated their time and knowledge to work on creating, refining, and distributing the research materials used to survey their current community investors.

Background

The lack of asset wealth is a financial problem that exists in countries all around the world, including in the United States. For minority populations, the lack of asset wealth stems from various reasons, including the inadequacy of personal investing due to a lack of capital, knowledge, and experience and the limitation of opportunities rooted in social factors relying on one's gender, race, etc. Throughout this paper, the term minority will take on the definition set forward by Wirth (1945), which defines a minority as "a group of people who, because of their physical or cultural characteristics, are singled out from the others in the society in which they live for differential and unequal treatment, and who therefore regard themselves as objects of collective discrimination." Mercy Corps recognized the lack of investment activity in minority groups and founded the Community Investment Trust (CIT) to increase experience and knowledge of investment processes for community members. The program provides inexperienced investors with an educational investing course, a chance to invest in real estate (an investment type that is generally low-risk and has a steady payout), and personal connections to people with more experience and knowledge about investment opportunities. The CIT strives to serve as an on-ramp to investing that starts with community members learning how to invest while simultaneously making small, stable investments through the CIT and then graduating to making their own investments, increasing asset wealth for these individuals and their families.

The first CIT program started in East Portland, Oregon, in 2017. The CIT purchased a strip mall in East Portland and currently allows members of the surrounding community to make small investments and receive payouts based on the property's rental income and appreciation. To be eligible to become a community investor, the CIT requires that the applicant be at least 18 years old, live in a surrounding zip code (eligible zip codes for the East Portland program include

97216, 97230, 97233, and 97236), have a tax ID number (TIN), and take the program's "Moving from Owing to Owning" class. Once established as a community investor, one can make contributions ranging from \$10 to \$100 monthly. After several years of the CIT operating and gaining hundreds of community investors, Mercy Corps is now working on replicating and expanding the CIT program to cities across the United States. Although the program has met much financial success regarding the return to investors and can provide a steady investment option for community members, the organization still needs to investigate if and how it changes investors' attitudes and behaviors surrounding personal investments.

This research paper will work to investigate further how Mercy Corps' CIT program is affecting their community investors' attitudes and future investment actions. As CIT is currently working to replicate this program in other communities, it is crucial to understand better how it impacts the investors. What have investors derived from this program and what will they do with this newly acquired knowledge and experience? Is CIT helping bridge the financial literacy gap with their program's classes? By investigating the background of the CIT, conducting a brief review of existing literature regarding financial literacy and investing as a minority, and providing data analysis from original surveys, this paper will aim to locate any gap between the ideal and actual impact of the CIT on investors. The conclusions will help the CIT identify any holes in their program, which aims to serve as the training wheels to investment for community members and recognize the potential changes to the program that would prove most beneficial to investors.

Mercy Corps' CIT Program

Mercy Corps' Community Investment Trust is a low-cost real estate investment opportunity for residents of the neighborhood where the property is located. According to the

CIT, one in four people living in the United States lives in asset poverty. According to Haveman & Wolff (2001), “a household is considered to be ‘asset-poor’ if its access to ‘wealth-type resources’ is insufficient to enable the household to meet its ‘basic needs’ for some limited ‘period of time’.” The CIT aims to educate and provide a starting point for inexperienced investors to understand investing better and hopefully make other investments in the future that would increase their asset wealth. The CIT reaches a diverse crowd in terms of gender, ethnicity, level of education, and investing experience. About 60% of investors are women, about 60% are people of color, about 40% are born outside of the United States, and about 60% are first-time investors (Mercy Corps, 2021). Since the sample group is so diverse, this research will hopefully be able to draw conclusions from a group not overly dominated by one characteristic, which would naturally skew the data.

To become a community investor with the CIT, one must go through a financial action course totaling eight hours of instruction (Mercy Corps, n. d.). This course is designed like a financial literacy course, but emphasizes community investors taking further investment action after acquiring the information needed to make investment decisions.

The CIT is the first formal investment option and financial literacy program of its kind. With the guidance of the CIT, a few hundred investors come together to fund a piece of property and receive payouts based on the rental income and appreciation of that property. Real estate is generally regarded as a low-risk investment but requires a lot of capital that these investors may not be able to afford independently. The CIT’s real estate investment option is even lower in risk because investors are not required to invest a large amount of money, there is a minimum annual dividend payout of 2%, investments are protected from loss, and investors can cash out at any time (Mercy Corps, n. d.). As of 2021, the CIT had 226 active investors holding 19,833 shares

(Mercy Corps, 2021). The CIT currently has one commercial property: a strip mall in Southeast Portland called Plaza 122. The CIT obtained Plaza 122 in 2014 for \$1.2 M (Mercy Corps, n. d.).

Mercy Corps has been working on replicating this investment program in cities across the United States. Although the program has succeeded by providing educational resources to underserved communities and serving as a stable investment opportunity, social impacts require special consideration. The program strives to serve as an on-ramp to financial inclusion and encourage financial literacy. Still, are the community investors changing their views on investment and deciding to make other personal investments based on their experience with the CIT? The following section will explore existing literature on barriers to investing as a member of a minority population and the role that financial literacy plays in one's investment activity as well as existing literature on influences of risk perception.

Literature Review

Following the review of barriers to investing as a minority will be a brief literature review of the influences of risk perceptions that aid in understanding what determines how an individual might develop their initial attitudes toward investing and risk.

Barriers to Investing as a Minority

Researchers have previously investigated the topic of investing as a minority. This section will review the conclusions made by other researchers relating to investing as a minority based on three investor characteristics: immigrant status, ethnicity, and gender. Immigrants, Black and Hispanic people, and women have all been found to face additional barriers to investing and increasing their asset wealth.

Regarding immigrant status, qualitative research by Rostamkalaei & Riding (2020) employs the Canadian Financial Capability Survey (2009) to reveal that immigrants to Canada

lacked investment experience due to limited knowledge of investment options and processes in different countries as well as language barriers. The researchers compared the financial expertise of native-born Canadians to immigrants of Canada to understand the financial knowledge gap. The research found that the longer immigrants were in their new country and the more time they had to increase their knowledge of investment options and processes, the more likely they were to financially prepare for retirement and work to build asset wealth. This research also found that immigrants who spoke an official Canadian language were more likely to plan financially for their future, supporting the idea that as an immigrant, language does create a barrier to acquiring financial knowledge.

In another paper by Zuhair et al. (2015), the researchers also take a qualitative approach to survey culturally and linguistically diverse (CALD) migrants to understand the different sources migrants use to gain financial knowledge. Zuhair et al. (2015) found that the most popular source of financial information for migrants was family members. Migrants are turning to family members who may or may not possess reliable financial knowledge. The research identifies sources of financial knowledge used by migrants. Still, it has room for further research into how best to educate these migrants on financial knowledge in a more formal and structured setting.

An individual's racial or ethnic background is another barrier for investors of a minority group. The research by Al-Bahrani et al. (2019) used financial literacy test scores to investigate the role of ethnicity in the financial literacy gap and found that members of ethnic minority groups are benefitting disproportionately from the financial literacy information presented to them in the form of an educational program; putting them at an automatic disadvantage compared to their White counterparts. The article cites the reason for this discrepancy as being

that the curricula of the financial literacy programs cater to the needs of White people and does not consider the needs of ethnic minority groups in creating the programs' curricula. Since these programs are more beneficial to White participants than to other racial groups, traditional financial literacy courses are working to widen the financial literacy knowledge gap rather than working to close it (Al-Bahrani et al., 2019).

Similar to how members of ethnic minority groups are disadvantaged regarding financial knowledge and access, women have also been found to be at a disadvantage compared to their male counterparts. According to a study by Koomson et al. (2020), women receive less assistance than their male counterparts regarding gaining access to a transaction account, which is “considered the first step to broader FI (financial inclusion)” (Koomson et al., 2020). This lack of financial assistance for greater access to financial products (credit and debit cards, online banking, etc.) is a barrier for women wanting to increase their socioeconomic standing because they are limited in the types of financial products they can access and comfortably use (Koomson et al., 2020). Koomson et al. (2020) also used data from a randomized control trial that measured the impact of financial literacy training. When women received financial literacy training, they were found to use and benefit greater from this knowledge than their male counterparts (Koomson et al., 2020). Women could learn and apply financial knowledge to their lives to help boost their financial situation. However, societal factors still exist that favor males and lead to a financial literacy and inclusion gap based solely on gender (Koomson et al., 2020).

Risk Perception and Influences

Investing is a risk that requires fronting capital in hopes of growing that initial capital later down the line. For people with a limited amount of money, investing can seem overwhelming or just too risky since they are not in a place to lose even some of their investment

money. According to Starr's assumption (1969), humans consider all available knowledge of a situation before making a final decision. Some people consider factors of a situation more than others, but in general, certain groups of people are more risk-averse than others. Minority populations lacking the required knowledge or capital required may be more risk-averse in financial situations. A person's initial attitude towards investing can stem from cultural and religious practices and past personal experiences.

A person's ethnic background and cultural values can affect their risk perception and behavior. An article by Ekanem (2012) explores the views on debt held by Black and minority ethnic (BME) communities. The research found that these communities possess negative views towards debt and a strong aversion to debt and bankruptcy, even if the debt is intentional and part of a more significant investment for the future. These communities with limited understanding of and access to financial processes and opportunities unintentionally restrict themselves from the knowledge that can contribute to better financial decision-making (Ekanem, 2012).

Another factor that can influence an individual's risk perception and behavior is religion. In a paper by Maung et al. (2020), the authors research the effect of religion on venture capital investment in 56 countries worldwide. The research found that countries with a higher religious connection had a lower rate of venture capital investing. The authors also find that these results tie to investors' risk aversion being higher in more religious countries. Another study by Hilary & Hui (2009) supported that an individual's relationship with religion leading to more risk-averse tendencies, can carry on to a broader organizational situation. Companies with higher religious ties displayed "lower degrees of risk exposure." However, it should be noted that there is still major debate surrounding the topic of religious influence on risk perception and behavior.

Materials and Methods

The materials for this research include two original surveys distributed to the CIT's community investors. The first survey is shorter and focuses on investor demographics and the perceived impact of investors' experience with the CIT. This shorter survey was distributed to all the CIT investors except for the 30 investors who were invited to participate in the longer survey. The longer survey includes the same questions as the short survey with the addition of questions that aim to understand investors' attitudes, risk perceptions, financial goals, and investment behavior. The longer survey was distributed to 30 investors selected by the CIT's implementation manager, who has personally interacted with this group. The selected group represented the approximate ethnic and gender makeup of the entire pool of community investors. The reason for selecting this smaller group of investors was to increase response rate odds since the survey required more time and attention. The implementation manager took an educated guess of which investors would be more willing to participate and ensured that the individuals chosen were representative of the investor pool.

Community investors were invited to participate in their respective surveys via an email and link from the CIT. This email included a short letter about the expectations of the survey and how the researchers and CIT were planning to use the information collected to assess the program and make necessary improvements. The investors were informed that their responses would be anonymous and that they were not required to continue completing the survey if they did not wish to do so.

The two surveys were translated to Spanish and Russian to make them accessible to more people. These translations were done at the recommendation of the CIT, which recognized the significant number of native Spanish and Russian speakers in their investor pool. Although the

surveys were accessible in Spanish and Russian, the letter in the email containing more in-depth information about the survey was only available in English. However, the CIT sends their regularly scheduled emails exclusively in English, so there was no perceived downside to not having Spanish and Russian translations available to investors.

Main Variables Tested

As mentioned earlier in this paper, several factors can affect one's investing opportunities and interest in investing activities. Along with collecting information about general investor demographics, this research will investigate two main topics of interest: investor interest in different types of future investments and investor confidence in making those subsequent investments. Three barriers to investing will sort these two topics' responses: U.S.-born versus foreign-born status, ethnicity, and gender. These three barriers were previously researched and are known to affect an individual's financial literacy or access to financial institutions. These sorted responses will contribute to understanding better if and how these barriers affect investors' attitudes and behaviors toward investing activities.

Additionally, the research aims to identify the existing barriers to investing, as cited by the CIT investors, and the risk perception of investors, specifically towards investing with the CIT program.

Results

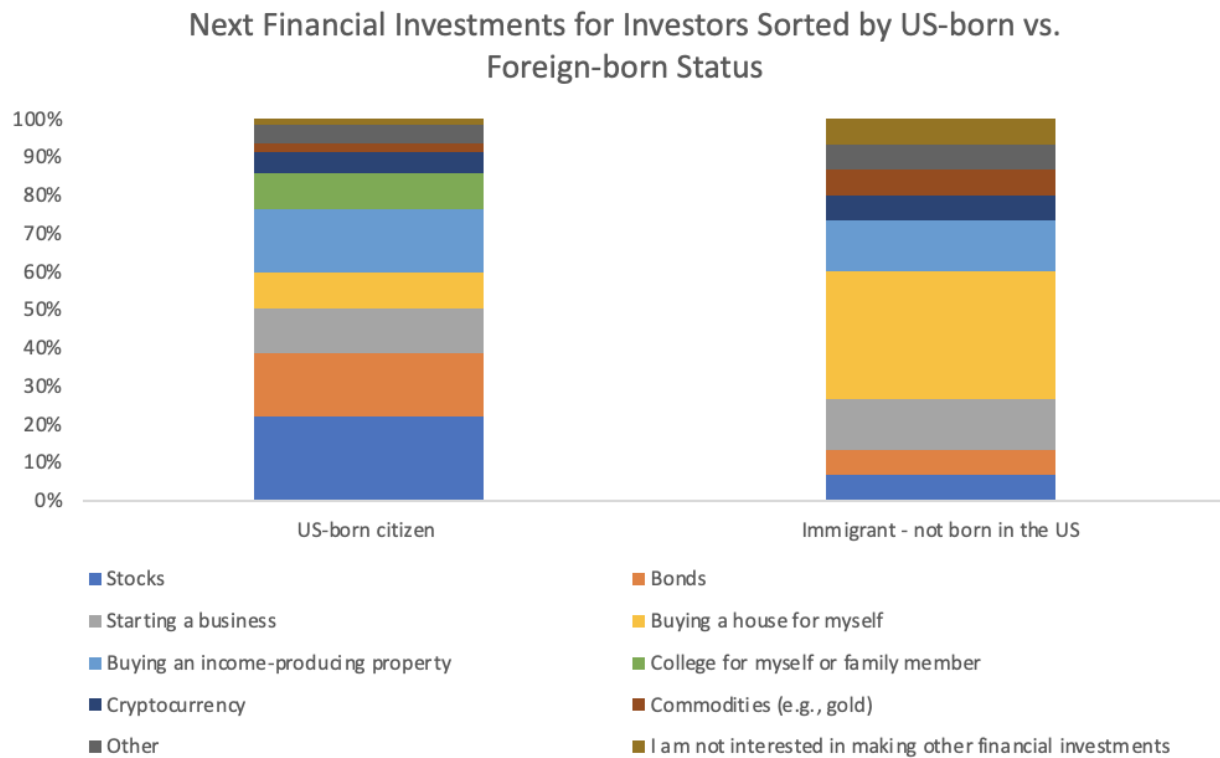
The first subsection of the results will use the short and long investor survey data to show what types of investments most intrigue CIT members sorted by the three previously discussed barriers. These results are displayed with three 100% stacked bar graphs that display the distribution in preference for future investments of investors based on U.S.-born versus foreign-born status, ethnicity, and gender. Also, under this subsection, the paper will use the short and

long investor survey data to show how confident investors feel about having the required knowledge to make these next investments. Again, these results are sorted by U.S.-born versus foreign-born status, ethnicity, and gender. The three graphs used to represent this information are standard bar graphs that utilize the number of respondents for each response option. This section will also include data about the existing barriers to future investing activities cited by survey respondents presented by a bar graph. Lastly, this section will include data about the education levels of investors, which were higher than expected, based on the national averages of the highest education level attained by adults aged 25 and higher. A pie chart presents this data.

In the following subsection, this paper will display the results from the long survey, which asked questions about investor risk perception. The results gauge how comfortable investors feel with investing in the CIT and how the CIT has impacted them, either positively or negatively, as an investor. A bar chart presents this data utilizing the number of respondents for each response option. Finally, this section includes data about the confidence of the smaller investor group to make future investments, presented by a pie chart.

Results Collected from All Surveyed CIT Investors

Desired Future Investments of CIT Investors Sorted by U.S.-born vs. Foreign-born Status



Total Number of Respondents	Number of U.S.-born Respondents	Number of Foreign-born Respondents
68	58	10

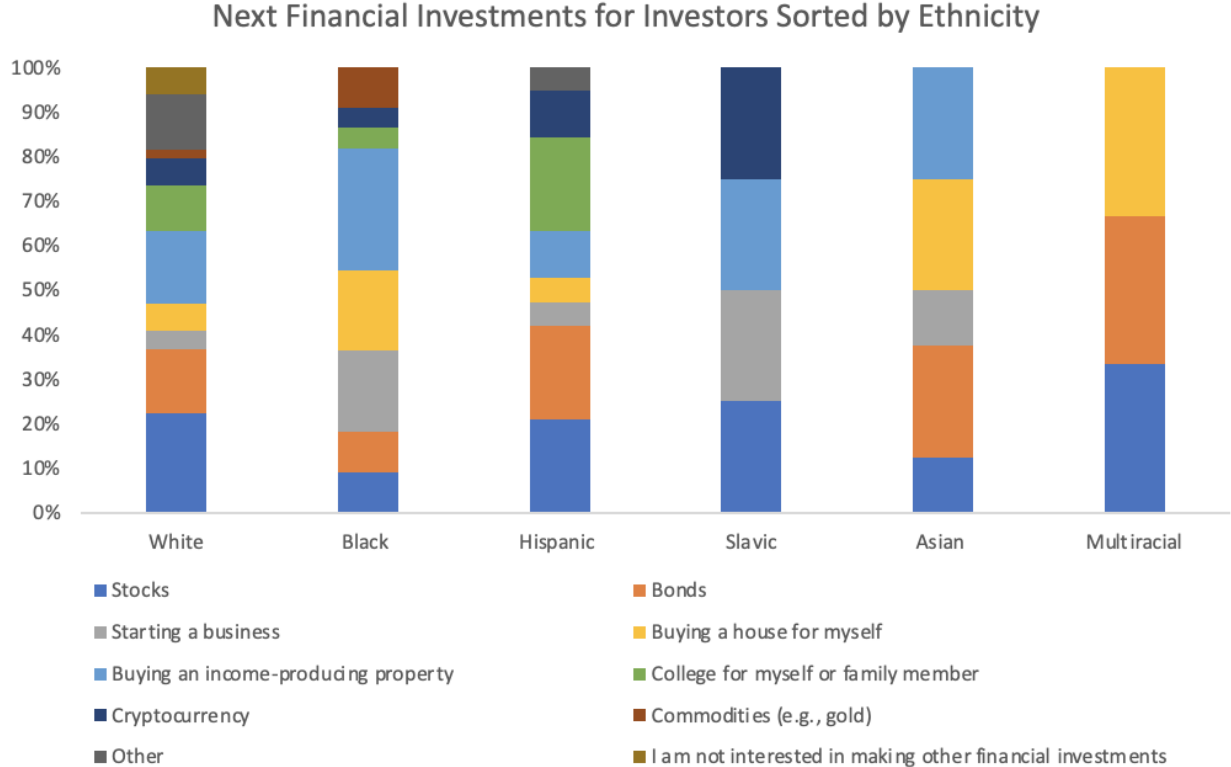
Graph 1: The measure of types of future investments desired by CIT investors sorted by US-born vs. foreign-born status.

Graph 1 uses a 100% stacked bar chart to show the distribution of interest in different investments that investors would like to make next, sorted by U.S.-born vs. foreign-born status.

As the graph shows, this distribution of interest varies significantly in several areas. U.S.-born

investors primarily value investment in stocks and bonds, while foreign-born investors are more interested in buying a home for themselves and starting a business.

Desired Future Investments of CIT Investors Sorted by Ethnicity



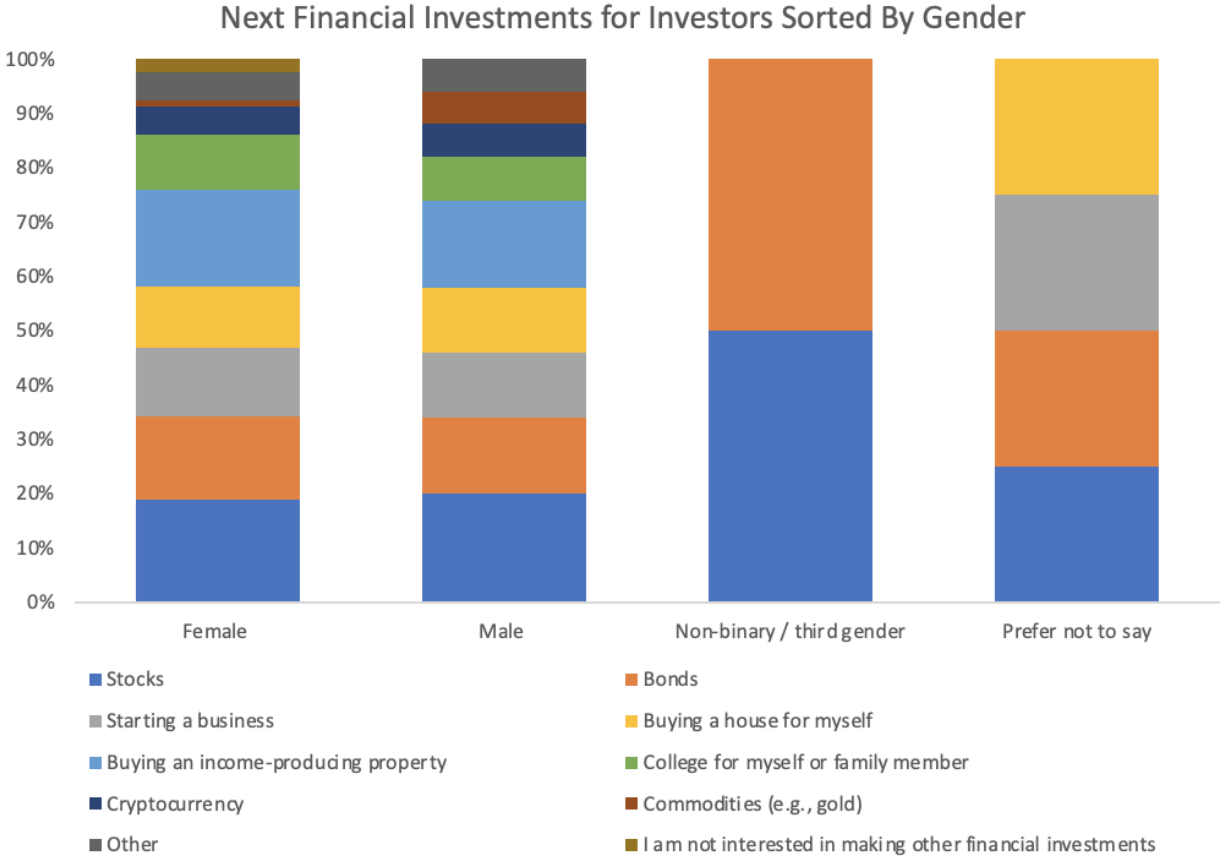
Total Number of Respondents	Number of White Respondents	Number of Black Respondents	Number of Hispanic Respondents	Number of Slavic Respondents	Number of Asian Respondents	Number of Multiracial Respondents
42	22	6	7	2	4	1

Graph 2: The measure of types of future investments desired by CIT investors sorted by ethnicity.

Graph 2 uses a 100% stacked bar chart to show the distribution of interest in different investments that investors would like to make next, sorted by ethnicity. Stocks, bonds, a house, and an income-producing property are the most popular investments investors want to take on next. The graph also shows that certain ethnic groups value a specific investment more than

others. For example, the Hispanic respondents plan to invest in paying for college for themselves or a family member more than any other ethnic group surveyed.

Desired Future Investments of CIT Investors Sorted by Gender



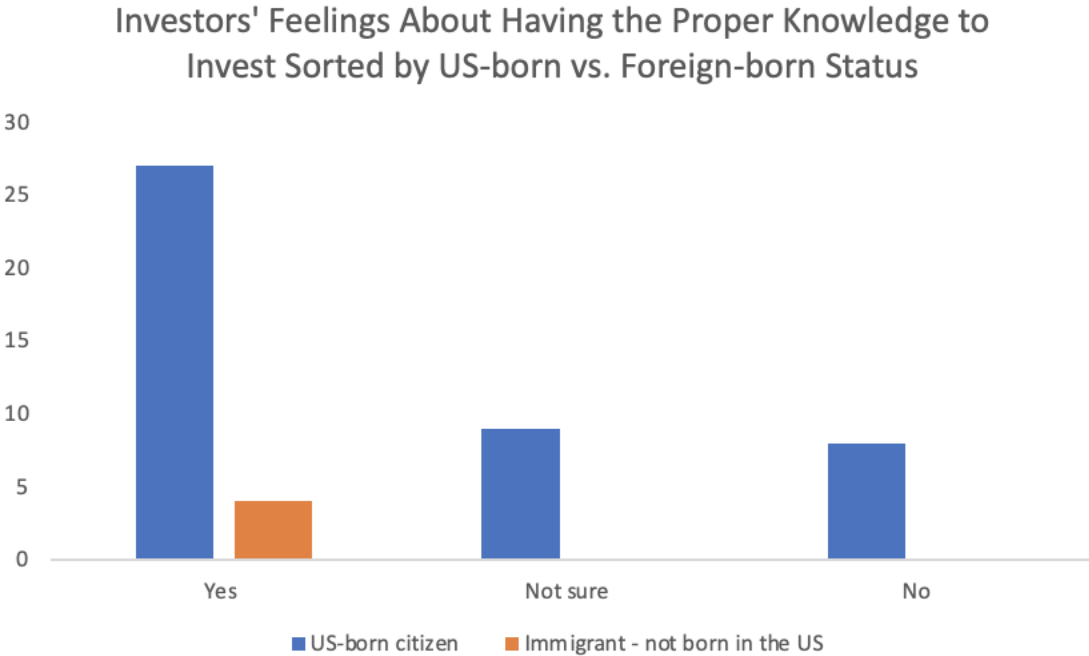
Total Number of Respondents	Number of Female Respondents	Number of Male Respondents	Number of Non-binary / Third Gender Respondents	Number of Prefer Not to Say Respondents
70	42	25	1	2

Graph 3: The measure of types of future investments desired by CIT investors sorted by gender.

Graph 3 uses a 100% stacked bar chart to show the interest distribution in different investments that investors would like to make next. The result of this test is fascinating because it shows that regardless of gender, the desired future investments are very similar across the

board. All investors are interested in stocks and bonds. Male and female answers were very similar in almost all aspects. However, more women than men are interested in investing in commodities, and more men than women responded by saying that they are not interested in making any other financial investments.

Confidence of CIT Investors to Make Next Investments Sorted by U.S.-born vs. Foreign-born Status



Total Number of Respondents	Number of U.S.-born Respondents	Number of Foreign-born Respondents
48	44	4

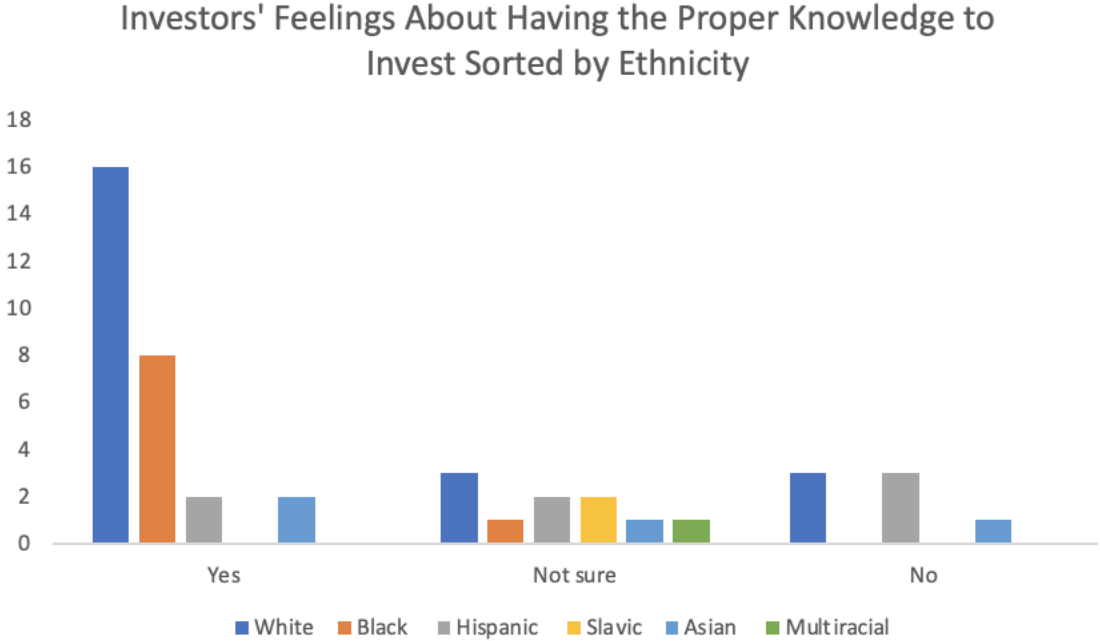
Graph 4: The measure of investors’ confidence in making future investments sorted by U.S.-born vs. foreign-born status.

Investors were asked whether they felt they had the required knowledge to make the investments they were interested in. Graph 4 shows that most respondents feel knowledgeable enough to make other investments, while 17% said “no” and 19% were unsure. This graph was

constructed to show how U.S.-born vs. foreign-born status affected investor confidence.

Although the chart shows that 100% of foreign-born investors feel knowledgeable enough to make further investments, it should be noted that they only compose 8% of all respondents to this question.

Confidence of CIT Investors to Make Next Investments Sorted by Ethnicity



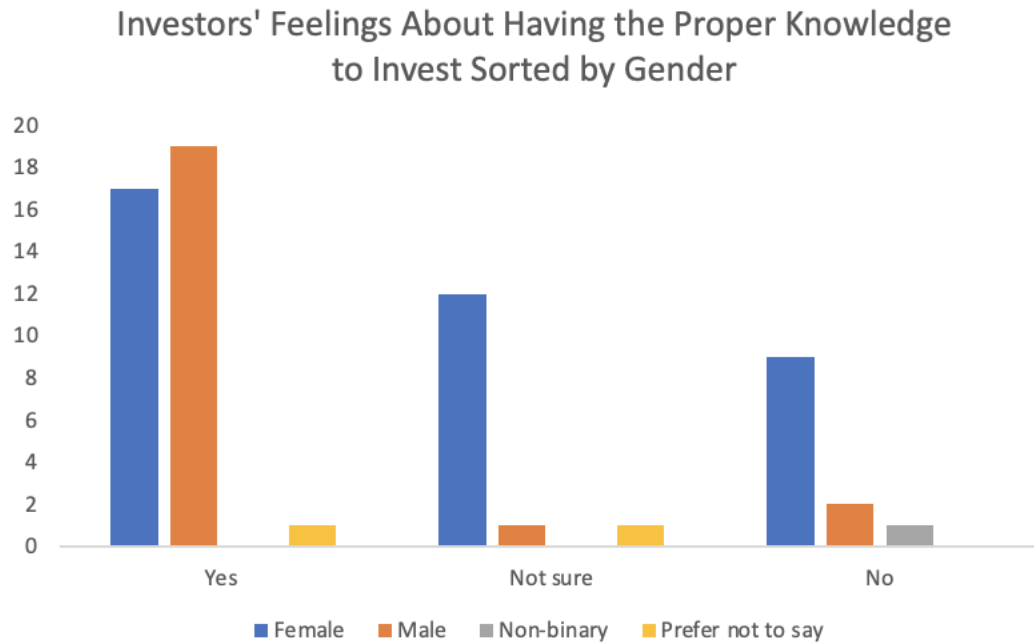
Total Number of Respondents	Number of White Respondents	Number of Black Respondents	Number of Hispanic Respondents	Number of Slavic Respondents	Number of Asian Respondents	Number of Multiracial Respondents
45	22	9	7	2	4	1

Graph 5: The measure of investors’ confidence in making future investments sorted by ethnicity.

This graph shows the breakdown of responses to the same question from Graph 4 regarding investors’ feelings about having the required knowledge to make other investments. In this graph, answers are sorted by investors’ ethnicity. White and Black respondents have a large majority who feel they have the required knowledge to invest further. Other minority ethnic groups fall into the middle, with the Slavic and multiracial groups falling exclusively into the

unsure category. The Asian group is split evenly between the number of people responding with “yes” versus “no” or “not sure.” Hispanic respondents are also spread out amongst all three response choices, but many of the responses indicated “no” or “not sure.”

Confidence of CIT Investors to Make Next Investments Sorted by Gender



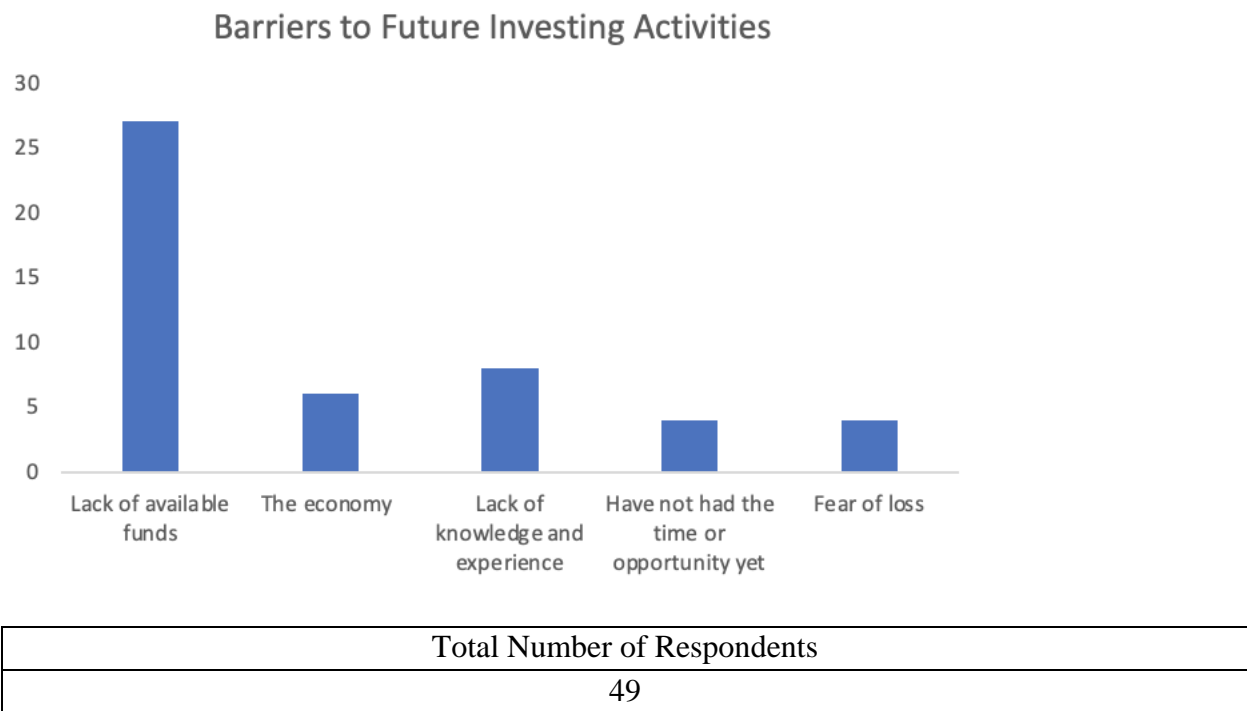
Total Number of Respondents	Number of Female Respondents	Number of Male Respondents	Number of Non-binary / Third Gender Respondents	Number of Prefer Not to Say Respondents
63	38	22	1	2

Graph 6: The measure of investors’ confidence in making future investments sorted by gender.

Graph 6 shows the breakdown of responses to the same question from Graphs 4 and 5 regarding investors’ feelings about having the required knowledge to make other investments. In this graph, answers are sorted by investors’ gender. The most notable observation from this graph is that males are more confident than any other gender identity. Almost all the male respondents answered with a confident “yes,” with only 14% of them responding with “no” or

“not sure.” Forty-four percent of women indicated they feel knowledgeable enough to make other investments, but 32% answered with “not sure” and 24% with “no.” Respondents that are non-binary or declined to answer were spread out evenly among all three response options. However, they constitute a small portion of the total respondents, with only three individuals, so the information collected cannot form confident conclusions about those groups.

Distribution of Barriers to Future Investing Activities Cited by Investors

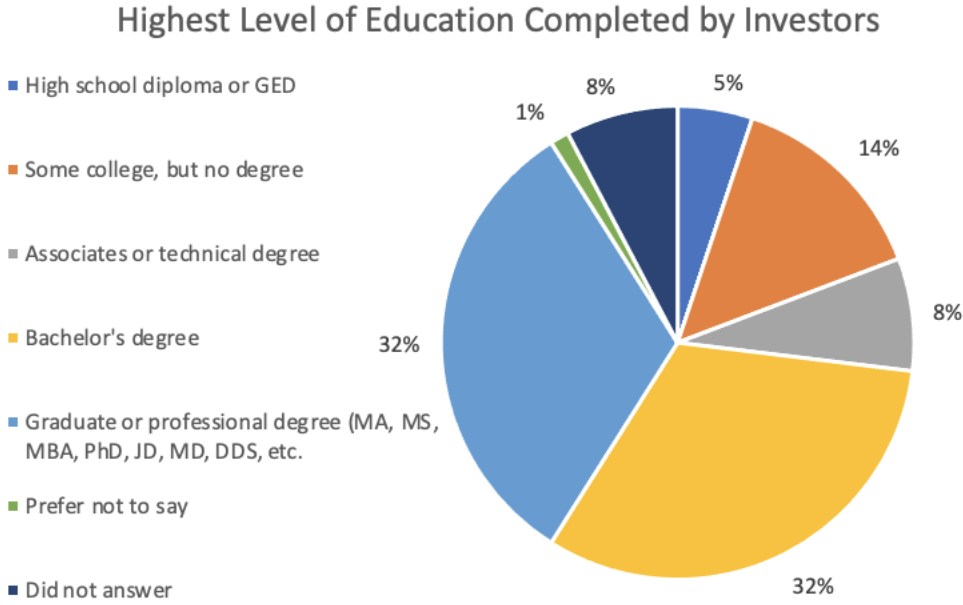


Graph 7: The distribution of barriers to future investing activities cited by investors.

As exhibited in the previous three graphs, some investors still need to gain the required knowledge to make other investments. When asked what other barriers affect their investing activities, investors cited several reasons that fall into five overarching categories. According to Graph 7, the need for more available funds is the number one barrier for investors, followed by the lack of investing knowledge and experience. Even though it is a part of the CIT’s goal to

provide investors with investing knowledge and experience, some investors need and want more information through classes like the CIT’s “Moving from Owing to Owning” course.

Highest Level of Education Completed by Investors



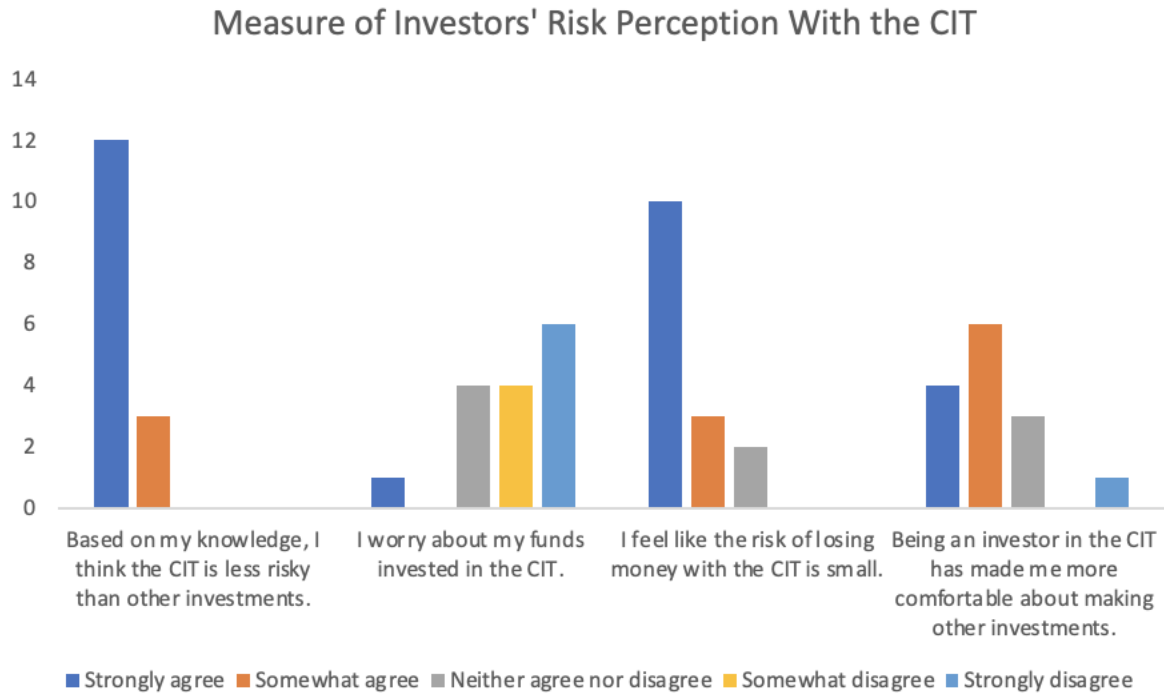
Total Number of Respondents
78

Chart 1: The distribution of education levels completed by investors.

Chart 1 shows the distribution of education levels completed by the CIT investors that responded to this question. According to the chart, 32% of respondents had a bachelor’s degree as their highest completed degree, and 32% had a graduate or professional degree as their highest completed degree. According to the United States Census Bureau (2022), 23.5% of Americans aged 25 and older had a bachelor’s degree as their highest completed degree, and 14.4% had a graduate or professional degree as their highest completed degree. Chart 1 and the census statistics indicate that the CIT investors have a higher level of education completion than the national average.

Results Collected from the Smaller CIT Investor Group

Measure of Investors' Risk Perception with the CIT

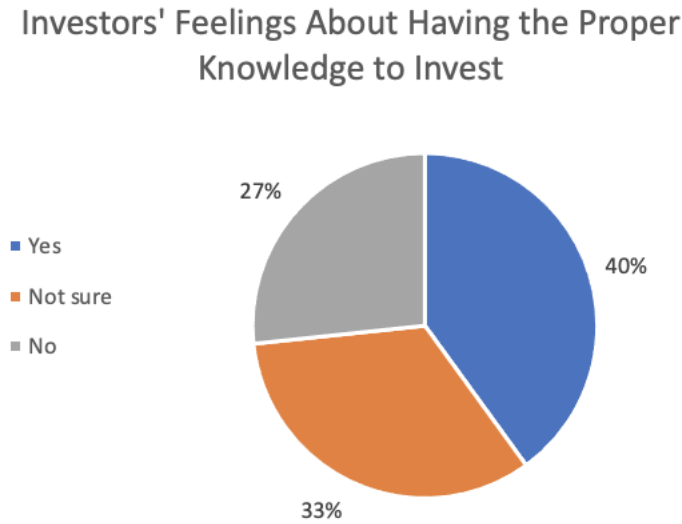


Total Number of Respondents
15 (14 for last prompt about being more comfortable with making investments)

Graph 8: The measure of investors' risk perception with the CIT.

The responses to the first three prompts listed on the left side of Graph 8 demonstrate that investors view CIT investment as less risky and a generally safe endeavor. They understand how the CIT works and have a lot of trust in the CIT investment. The prompt on the right side tries to gauge how effectively this program has encouraged investors to make other investments. In general, respondents feel that the program has made them more comfortable about making additional investments.

Confidence of CIT Investors



Total Number of Respondents
15

Chart 2: The measure of investors' confidence in making future investments – smaller group.

The same group of investors that were asked to answer questions about risk perception and the impact of the CIT on them as investors were also asked if they felt like they had the required knowledge to make other investments. Only 40% of respondents could confidently say they were knowledgeable enough to make those other investments. This distribution of answers was more split than what was expected. Even though most respondents indicated that the CIT had increased their comfort with investing, that does not directly translate to the results shown in Graph 8.

Survey Response Rate and Data Used

The most significant challenge of this research revolves around surveying the investors. As with any survey, one must consider that only a portion of recipients will respond, but the response rate was lower than expected. Each graph that used responses was constructed with data in line with how many people responded to that specific prompt. Some investors started the survey but did not complete it, leading to varying numbers of responses for each question. The number of responses for a question ranged from 42 to 78 for the questions using data from the short survey and 14 to 15 for the questions using data only from the long survey. These response groups were also not representative of the actual makeup of the investor pool regarding gender, minority status, education level, etc. The number of responses is too low and spread out to make concrete conclusions about CIT investors' attitudes and investing behaviors, especially when broken down into subgroups such as by ethnic background.

Discussion and Conclusion

Findings of the Research

Several researchers have investigated factors that hinder investment knowledge and opportunities. The research conducted in this paper focused on three factors (U.S.-born versus foreign-born status, ethnicity, and gender) that were determined to be relevant to Mercy Corps' CIT community investors. Each factor's role was assessed by separating investor responses to specific questions based on those factors. All investors were asked what future investments they were interested in pursuing, if they felt they had the required knowledge to make those next investments, and what other barriers prevented further investing activities. After analyzing all the

information collected, several conclusions were made from some of the constructed tests and graphs.

The research finds that U.S.-born and foreign-born investors value different investment opportunities. U.S.-born investors are more interested in stocks and bonds, while foreign-born investors are more interested in buying a home and starting a business.

Other findings stem from the role of gender in the investment interests of CIT investors. Gender was not found to affect the types of investments that interest investors significantly. When comparing answers from men and women, the proportion of weight distributed to each investment type is similar. Non-binary and individuals who declined to share their gender were included but only accounted for three of the responses and, therefore, cannot be recognized as representative of those categories. Although gender did not play a significant role in the types of investments that interest investors, it did play an essential role in the measure of investor confidence. Men were more likely to indicate that they possessed the required knowledge to make additional investments, with 86% saying “yes” and only 45% of women saying “yes.”

Ethnicity also has a part in investor confidence. The results indicate that White and Black respondents are the most confident in making future investments. The Hispanic respondents had split responses, but most respondents stated they did not have the required knowledge to make future investments.

Although research on existing literature led to investigating three particular barriers to investing, other barriers could affect this group of investors. Investors were asked to list the obstacles limiting their investing activities. The top barrier was the need for more available funds, followed by the lack of knowledge and experience.

The survey responses revealed surprising data regarding investor demographics. The investors who responded to the survey had a formal education level higher than that of the national average. Although this group does not directly represent the entire pool of CIT investors, it is interesting that about 64% of respondents completed at least a bachelor's degree, indicating that they are more formally educated than the average United States' population.

A shorter survey distributed to a smaller group of CIT investors asked about the risk perceptions held by these investors. These results conclude that investors trust the CIT as a low-risk investment and feel that the CIT has made them more comfortable with the topic of investing. However, when asked if they thought they had the required knowledge to make future investments, only 40% said "yes." Even though investors are increasing their familiarity with investing, some still need more information, experience, etc., to be comfortable making additional investments independently.

Conclusion

Mercy Corps' CIT has been working with community investors for the past six years to increase the community's knowledge of investing activities and provide an accessible, low-risk investment opportunity. Now that the program has its first generation of investors and is looking to expand the program across U.S. cities, it is vital to review feedback from investors to get a better idea of how the program is affecting investors, how investors feel about the CIT program, if there are existing barriers to investing that investors are facing, and what else the CIT can include to improve investors' experience with the program.

The surveys conducted with CIT investors serve as a starting point for the CIT in terms of gaining honest feedback from investors and understanding if and how external societal influences impact one's experience and outcome as a participant in the CIT program. After

conducting primary and secondary research, there are a couple of suggestions for future research. First, it would be beneficial to continue receiving responses on the existing surveys or create a new and revised survey. Collecting more responses for the current surveys would lead to obtaining a more extensive data set, leading to more reliable figures and bases for conclusions. On the other hand, creating a new survey would allow the CIT to revise and clarify questions to get information that was missed in the original surveys. Another suggestion for further research is conducting more quantitative research to understand better how much investors are learning from their experience with the CIT. The program could create and distribute pretests and posttests that ask investors simple questions about investing activities and resources to objectively test their knowledge of relevant investment information. In the survey conducted in this research project, investors rated themselves on how ready and knowledgeable they think they are, which can differ from how ready and knowledgeable they really are.

The results discovered in this research can help CIT better understand its investors and make necessary changes to improve the overall experience of participants and the program. Although the program is still young, the first generation of investors has had sufficient time and experience to give precise feedback on how the program is doing. With the program's expansion, the CIT can help many individuals improve their financial literacy and well-being. The CIT has a great model, but with feedback from experienced investors, it can tweak the program to match the needs of existing and future investors.

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