The Colorado Health Foundation™

Where Does Your Cash Sleep? How Cash Deposits Can Drive Community Wealth

Health equity is as much an economic condition as it is a health outcome. Achieving it requires examining how financial systems hold and move capital, and who benefits when that capital rests.

So, let me pose a simple question: Where does your cash sleep? And is it benefiting the very people you exist to serve?

Every night, trillions of dollars sit idle in bank accounts across the country. Those deposits can quietly reinforce inequality or help communities build wealth and resilience. The difference lies in where we choose to place them and what purpose we assign to them.

A Fresh Conversation, Rooted in Colorado

In September, The Colorado Health Foundation welcomed Oscar Perry Abello, author of "The Banks We Deserve," during his national book tour. While in Denver, Abello met with the GES Coalition, a group of neighbors in the Globeville and Elyria-Swansea neighborhoods working to prevent displacement and preserve affordable housing in their community, and the Center for Community Wealth Building, and joined us at CHF for a conversation on how community banks can advance racial and economic equity.

As he explained, "[e]ach community bank or credit union isn't just loans and deposits—it's a hub, a network, a node of relationships. When you lose those

institutions, you're losing people who know neighborhoods—who know who shops there, who lives there, who wants to build there. That local knowledge is what makes lending equitable and lasting."

He reminded us that, "we've never done anything big in this country without little banks." His challenge was both provocative and practical: if local banks historically financed progress, what would it mean for today's institutions—foundations, anchor organizations, nonprofits, and governments—to help them do it again?

At CHF, we see this connection clearly. Community banks are essential to local businesses, which are, in turn, essential to community well-being. They provide the mortgages, equipment loans, and lines of credit that keep teachers, entrepreneurs, and health care workers rooted and housed in their local neighborhoods. That is a pillar of health equity, not a peripheral to it.

From Deposits to Impact

Community banks and credit unions are far more likely to lend locally than national institutions; around 70 percent of assets, compared to roughly 41 percent at the "big four" of JPMorgan Chase, Bank of America, Wells Fargo, and Citigroup. When we direct our deposits in our own communities, those dollars circulate through the local nonprofit ecosystem, small-business lending, affordable housing, and community development instead of sitting in distant balance sheets.

"While FDIC data shows there are now fewer than 4,000 community banks remaining across the country, collectively they still do three times more construction lending, three times more commercial real estate lending and twice the small business lending than the big four banks combined," Abello says.

That's why CHF has aligned its cash strategy with its mission. We've placed deposits with NuVista Credit Union, serving a predominantly Latino membership;

First Southwest Bank, a leader in mortgage lending to immigrants and others who use ITINs; and Native American Bank, which expands access to capital across Indigenous communities. Most recently, we've recommended High Country Bank, a woman-led, employee-owned institution in rural Colorado offering a specialized mortgage product in partnership with a community land trust to expand affordable homeownership.

These deposits are not symbolic. Each placement is intentionally designed to move capital where it can do the most good.

Building a Mission-Related Investment Framework that Includes Cash

This work is part of CHF's broader exploration to launch and fund a mission-related investment (MRI) program that intentionally includes cash as a formal, approved asset class within our MRI portfolio.

Too often, liquidity is treated as neutral or off-limits to impact. We see it differently. Cash is both a financial and moral choice. It's one of the most accessible levers institutions have to align purpose with practice. Through tools like the IntraFi Insured Cash Sweep (ICS) program, we can distribute deposits across multiple community banks, fully insuring balances while maximizing community benefit.

In other words, we can pursue impact and prudence at the same time.

From Policy to Practice—and Beyond the Colorado Health Foundation

Our focus on local banking is rooted in Colorado, but the lessons extend well beyond state lines and offer opportunities for impact within the broader philanthropic field. Endowed foundations have assets that could support the lending efforts of local community banks and credit unions serving the same communities that receive philanthropic grants. Strengthening them strengthens small businesses, which strengthens families and their health.

Fewer than 3% of U.S. community banks are owned or led by people of color, and regulatory structures continue to reward scale over proximity. That imbalance demands new thinking–from policy reform to philanthropic innovation. That gap is visible here at home, where Colorado's financial landscape mirrors national inequities.

Our next step is to codify this approach within our MRI Investment Policy Statement (IPS), making it clear that mission alignment applies not only to grants and equities, but also to where our cash sleeps at night. Ideally, this will be standard practice in the future. CHF calls on all of Colorado's endowed foundations to bring their cash home to our communities.

The Future We're Banking On

As Abello's visit reminded us, community banking is not a nostalgic idea; it's a modern imperative. Local lenders create the conditions for local prosperity. They are partners in solving systemic challenges, from wealth gaps to housing shortages.

This moment also calls for reflection across philanthropy, both within Colorado and beyond. Many institutions hold deep place-based commitments while keeping their cash in big banks, far from the communities they aim to strengthen. Imagine what could shift if more of that capital was deposited locally—fueling small businesses, housing efforts, and community-rooted financial institutions right here in Colorado. We invite funders, anchor institutions, and civic partners to join us in exploring how cash—one of philanthropy's most overlooked tools—can advance the same equity outcomes our grants and programs strive to achieve.

At CHF, we're committed to demonstrating what it looks like when capital, mission, and community move together—when deposits become instruments of equity, not afterthoughts of convenience. Because where our money sleeps matters. And when it aligns with the values, mission and goals of the larger

Foundation, it can change everything.

Learn more about Impact Investing at The Colorado Health Foundation.

Sources

- *The Banks We Deserve: Reclaiming Community Banking for a Just Economy*, by Oscar Perry Abello (Island Press, 2024).
- *FDIC Quarterly Banking Profile (Q2 2024)* — provides comparative data on community- and large-bank loan-to-asset ratios (? 70 percent vs. 41 percent) and minority-depository representation (< 3 percent).
- *Federal Reserve Bank of St. Louis – FRED: Total Deposits, All Commercial Banks* — source for national deposit totals of roughly $17 trillion.
- *Federal Reserve Bank of Kansas City: Community Banks and Small Business Lending (2023)* — background on the role of community banks in small-business lending.
- *IntraFi Network* — documentation on insured deposit-placement services referenced as a risk-management tool for institutional cash deposits.

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