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# Navigating the Digital Realm: Cybersecurity & AI for CDFIs

April 11, 2024

# AI for CDFIs

## Featured Speakers:

- **Sarah Hope Marshall**, Founder & Principal, Profound Hope Industries
- **Amir Ali**, Vice President, National Community Facilities Lending, Low Income Investment Fund (LIIF)

# The Foundation: Tech & Economic Mobility

## Technology Can Impact Social Capital

- **Social capital** (resourced relationships and networks of connected people) has been demonstrated to have direct impact on socioeconomic mobility
- **Technology can connect people broadly** - national organizing movements; connecting to people with interests outside of immediate scope
- **Technology can disconnect people locally** – Community organizers say it is hard to maintain local engagement.

*Question: How can CDFI work build social capital in addition to financial capital?*

# Tech's Impact on "Community"

## Reduction in social interaction & connection with "familiar strangers"

- Amazon Prime increases convenience but decreases local contact
- Airbnb's found to increase crime in communities due to transience
- "Dark stores"/new delivery warehousing concepts can reduce traffic on commercial strips and harm small businesses
- Vacant storefronts & shuttered churches and community centers must be repurposed.
- National short-term leasing models, luxury micro-living spaces encourage travel without maintaining connection to community

All made possible by technology

The local environment(s) you are working in can and will be changed by technology

# Defining Artificial Intelligence

AI (and other forms of technology) are tools that will be necessary to advance

Artificial intelligence is a general term that covers:

- Natural language processing
- Machine learning
- Robotics
- Computer Vision
- Artificial Neural Networks
- Deep learning
- Pattern recognition
- Chatbots
- Automation
- Facial Recognition
- And more...

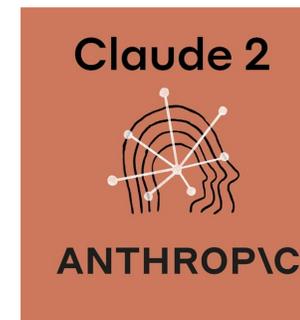
Worth paying attention to: Experts raise questions about ethics and disparities that are beyond the scope of community development practitioner's core focus but should be considered. Tech isn't going away!

# What Kind of AI are we Talking About?

- **Predictive AI** analyzes data to make predictions or classifications about future events
- **Generative AI** can create new content including text, images, audio, and video. Generative AI through text and now image prompts



**CHATGPT**



# Principles for Adopting Artificial Intelligence

- Utilize technology to spend more time leveraging people and relationships
- Develop internal policies to guide and evaluate tech/fintech decisions
- Consider how AI might impact your Target Market, as well as how they might face barriers in accessing technology
- Make digital equity a lens in your product, TA development and service delivery
- Ask deeper questions about tech is impacting the PLACE you are serving or revitalizing
- Lead the way in using tech for good, advocate for ethical policy, leverage tools

# Unlocking Lending Efficiency with Alternative Data

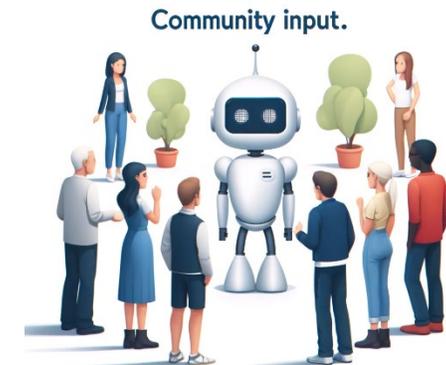
## Opportunities

- Automated underwriting and risk assessment
- Portfolio management and predictive analytics



## Considerations

- Bias and fairness
- Regulatory Compliance
- Community input



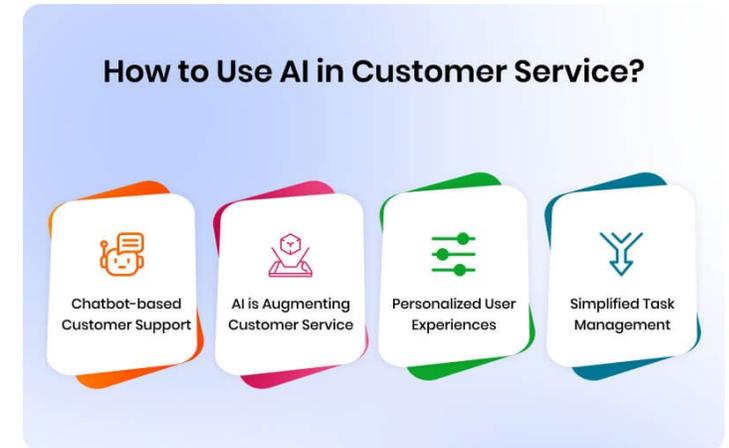
# Opportunities and Considerations

# Transforming Customer Experiences



## Opportunities

- 24/7 Customer support
- Personalized financial advice



## Considerations

- Privacy and data security
- Compliance risks
- Integration with human services

# Opportunities and Considerations

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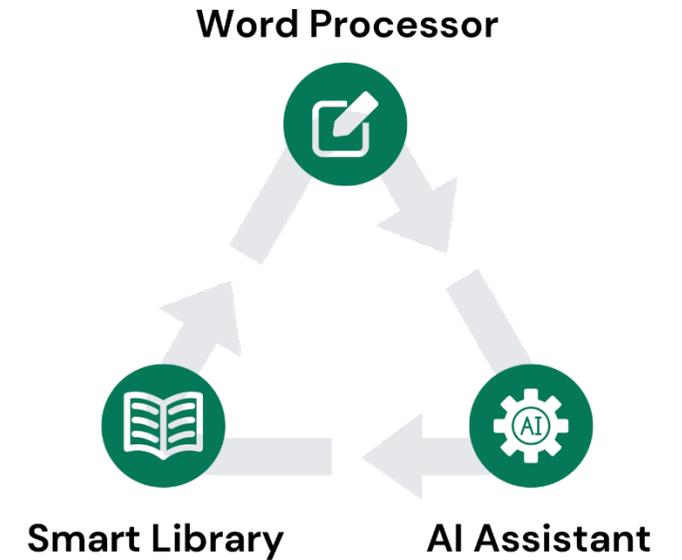
## Grant Writing Assistance

### Opportunities

- Efficiency in grant application
- Grant matching and optimization
- Idea generation

### Considerations

- Dehumanizing content
- Dependence on existing data



# Opportunities and Considerations

## Human Resources



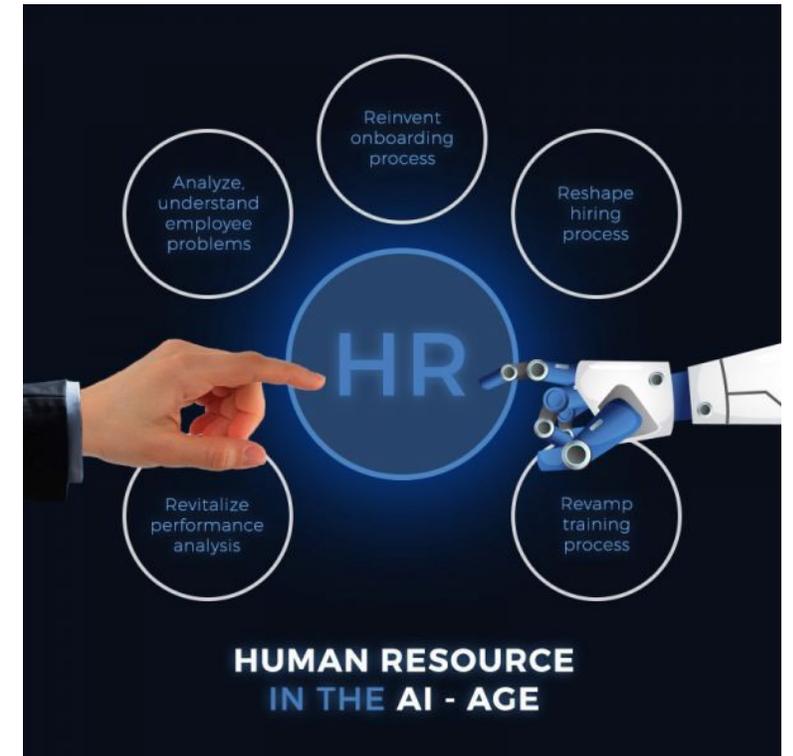
RETENTION

### Opportunities

- Streamlined recruitment process
- Employee development and retention

### Considerations

- Bias in recruitment
- Employee privacy
- Integration with human services



# Upcoming OFN Events & Trainings!



- **April 30-May 1: Trainings in Philadelphia**
  - April 30 – CDFI 101 Orientation
  - April 30 – Executive Training for CDFI Board Members
  - May 1 – Financial Management Workshop
- **June 13-14: 2024 Small Business Finance Forum. Registration is now open! There will be a pre-event training day on June 12.**
  - CDFI 101 Orientation
  - Executive Training for CDFI Board Members
  - Small Business Lending 101
  - Operationalizing Racial Equity, Inclusion & Accessibility into Lending Practices



Thank you for attending today's webinar!