

Testimony to the Federal Reserve of San Francisco
On the
Application of NationsBank Corporation and BankAmerica Corporation to Merge
Presented by
Barbara J. Johnson, Executive Director
Women's Initiative for Self Employment
450 Mission Street, Suite 402, San Francisco, CA 94105
Ph: 415-247-9473 Fax: 415-247-9471
July 9 1998

Good Afternoon.

I am Barbara Johnson. I am co-founder and Executive Director of the Women's Initiative for Self Employment. Women's Initiative (WI) is a non-profit agency founded in 1988. We provide microenterprise training and financing to low-income English and Spanish speaking women to start and expand their own businesses. Women come to WI because our training and financing is sensitive to who they are, their needs, their lives and provide them with the training and support to start and grow a successful business. We serve an exclusively low-income female clientele. 70% of our clients are women of color; 25% of our clients receive their training, supports and services in Spanish.

We have provided self-employment technical assistance, training and financing to more than 3,500 women. More than 800 small business start-ups and expansions have begun with our assistance. We have made more than 150 loans totaling more than \$500,000, and leveraged in excess \$850,000 of commercial lending to these businesses. We maintain a historical default rate of 5% in our loan fund.

We have been able to achieve this level of competency and development in part because of long-term support from the BankAmerica Foundation. We have received generous and consistent in-kind, general operating and special event support from BankAmerica Foundation since the planning stage of Women's Initiative. The total of this support is in excess of \$620,000. BankAmerica Foundation's early and continued support has attracted other corporate and philanthropic support, which together has allowed WI to help women change their lives and the lives of their families and communities. I am concerned that this support will be lost. The need is there....indeed, the need is increasing.

My comments today are not directed against this merger of BankAmerica and NationsBank. I am here to ask this panel to seriously consider imposing certain conditions before this merger is approved. WI feels strongly that this new merged bank must promise an equal or larger commitment of philanthropic support over the next ten years to California non-profits organizations which provide critical community, economic, and social development assistance to low-income and disenfranchised communities. WI also requests that the merged bank's foundation maintain staffing and

grant making discretion in California, specifically San Francisco. Without this kind of assurance, BofA's historic informed, aware, and sensitive community investment and corporate citizenship policies and actions are in danger of being eroded. I maintain that it is impossible to have your finger on the pulse of a state, let alone a specific urban or rural community, from the far reaches of the East Coast. California, its communities, its economies, and its challenges are like no where else on earth. They cannot be know from afar.

Without an assurance of a continuing presence and a charitable funding commitment by the merged Bank over the next ten plus years which is equal or greater to what BankAmerica Foundation has been providing, social service, community and economic development agencies across the state will lose extremely important support.

Finally, the people and corporate citizens of California will lose an important corporate philanthropic role.model and leader within the California and national banking industry. We cannot afford to have a leader of the pack made lame by this merger.

Thank you for this opportunity.