



SPORTS

# Major League Soccer reaches a deal to support Black banks, aiming to help close the racial wealth gap

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## KEY POINTS

Major League Soccer has taken out a \$25 million loan from a syndicate of eight Black banks.

The interest and fees will be paid in advance creating what's called Tier 1 capital.

Such a deal will almost immediately allow the Black banks to offer more loans and lines of credit in Black and economically disadvantaged neighborhoods.



New York City FC forward Valentin Castellanos (11) passes the ball forward against Portland Timbers midfielder Diego Chara (21) during the MLS Cup Final between the Portland Timbers and New York City FC on December 11, 2021 at Providence Park in Portland, Oregon.

Brian Murphy | Icon Sportswire | Getty Images

Major League Soccer has taken out a \$25 million loan from a syndicate of eight Black banks, which will these financial institutions increase lending power with the goal of helping reduce the racial wealth gap.



economically disadvantaged neighborhoods.

“Major League Soccer’s partnership with the National Black Bank Foundation (NBBF) is a tangible step in the efforts to close the racial economic gap in the United States, and it’s the right business decision for us,” said MLS Commissioner Don Garber in a release. “In order to make a genuine impact, economic justice must be part of the equation. It is our hope this will raise awareness of the importance of Black-owned banks and their impact on the economy.”

“They are not just talking about the solution for racial inequality, they are being part of the solution,” Cynthia Day, CEO of Citizens Trust Bank told CNBC. “MLS is providing access to capital for minority businesses and they are the lifeblood for the communities they serve.”

Atlanta-based Citizens Trust Bank and New York-based Carver Federal Savings Bank led the deal that was facilitated by the National Black Bank Foundation. Other Black banks in the deal, include Alamerica Bank, Carver State Bank, Columbia Savings & Loans, Mechanics & Farmers Bank, and Unity National Bank.

“Major League Soccer has raised the bar for corporate America with this transformative partnership,” NBBF co-founder and general counsel Ashley Bell, said. “If other leagues and major corporations follow the MLS model, lives of Black families all across this country will change for the better because their local Black bank will have the capital resources to approve historic numbers of home and small business loans.”

[The racial wealth gap](#), the disparity between the net worth of Black families and white families in America is more than \$11 trillion dollars, according to Dr. William Darity of Duke University’s Sanford School of Public Policy. But he says the pandemic has likely deepened the disparity. According to the Federal Reserve, 82% of Black families have less wealth than the typical White family.

Major League Soccer launched a number of programs to increase Black representation in the sport and to promote racial equality, including [creating a diversity committee](#) for the league in October of 2020.

Black Players for Change — a coalition of more than 100 players, coaches, and staff in MLS, which has members on the diversity committee — applauded the deal.

“Through securing deals like the one we celebrate here today we directly address and establish a platform to overcome the undervaluing of Black participation in the economic ecosystem.” Black Players For Change Founder Quincy Amarikwa said in a release.

“Creating opportunities like this demonstrates that we are moving in the right direction. We welcome the opportunity to continue this positive forward momentum in partnership with MLS.”