

conversant with the rise and decline of either the broader economy or social movements of the era, it will come as no surprise that most categories of activist businesses lost numbers and profits after the mid-1970s. A valuable take-away point of the book is the precise connectivity of these factors, by which a broad path was cleared for the corporate adoption and dominance of the ideological rhetoric that remains today. With its admirable concision, convincing conclusions, and accessible writing, this book is essential reading for students of capitalism, social movements, and popular consumer culture in the late twentieth-century United States and today.

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**Lending Power: How Self-Help Credit Union Turned Small-Time Loans into Big-Time Change.** *By Howard E. Covington Jr.* Durham: Duke University Press, 2017. x + 211 pp. Photographs, notes, index. Cloth, \$27.95. ISBN: 978-0-8223-6969-1.

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Reviewed by Stephen G. Morrissette

In *Lending Power: How Self-Help Credit Union Turned Small-Time Loans into Big-Time Change*, Howard Covington Jr. provides a well-written perspective on a fascinating organization that operates at the intersection of three domains: socioeconomic equity advocacy, financial services, and entrepreneurship. This book seems addressed to a wide audience, with an objective to document the positive contributions made by Self-Help; it would be difficult to characterize the book as a balanced and thorough business history within typical academic traditions.

A review of Covington's book could approach from many perspectives, one being the social activism story, and another the entertaining perspective of a "good versus bad," "David versus Goliath," "Eakes versus Big Predatory Bank" story. This review considers Covington's coverage of the Self-Help story as an example of effective social entrepreneurship.

The book's title focuses on Self-Help Credit Union; however, the true scope of the book includes the several related organizations founded by Martin Eakes to address socioeconomic equity issues. Indeed, the credit union is just one phase of the migration of tactics employed by Eakes to

accomplish his mission, which was “to advance the economic opportunities of women, minorities and the poor” (p. 183). This first phase, worker-owner democracy, saw Eakes founding the Center for Community Self-Help in 1980 to assist workers in becoming business owners, to create economic equality. In phase two, Self-Help Credit Union, Eakes created Self-Help Credit Union in 1984 to provide financing for worker-owner companies in response to their difficulty obtaining bank financing. By 1986, Eakes realized that the worker-owner democracy movement was difficult to implement and determined that providing home mortgages to underserved populations would have greater impact. In phase three, Regulatory Advocacy, legislative lobbying and policy advocacy became a larger portion of Eakes’s activities, which culminated in the creation of the Center for Responsible Lending (CRL) in 2002 with initial funding of over \$45 million from two donors.

Entrepreneurship literature describes how effective entrepreneurs often “pivot” from their original path—a pivot is more than a course adjustment; it is a fundamental shift. Eakes serves as an excellent example of a creative social entrepreneur who executes significant pivots, in the three phases described above. Covington documents these pivots through the words of Kate McKee, a collaborator of Eakes: “It gave us a platform to pivot from our narrow [worker] ownership mission to a broader inclusive economic opportunities mission”; “in 1986, there was no question in his mind that mortgage lending was the best way for Self-Help to accomplish its goal of extending economic equity to those on the margins of society’s financial marketplace”; and, in 1998, Eakes became enraged by the plight of a borrower, Freddie Rogers, who was the victim of apparently predatory lending practices, which “would lead to another important step in Self-Help’s evolution” (pp. 57, 63, 98).

In addition to entrepreneurial pivots, Covington describes Eakes’s entrepreneurial skills, such as his ability to attract human capital despite offering low wages and leaving careers at top firms like Bain & Company; his success in attracting financial capital from foundations, religious organizations, and private philanthropists; and his ability to convince larger organizations that were skeptical—and even enemies—to cooperate with Self-Help. Also, it was a brilliant entrepreneurial move for Eakes to see the credit union model as a vehicle for accomplishing his mission; the credit union was a means to an end (see the bicycle analogy on page 150). Additionally, Eakes appears to have been an early adopter of “alternative credit scoring” to better understand creditworthiness of atypical borrowers, a powerful approach that has become mainstream over the last ten years; Eakes was twenty years ahead of the market. The story of Self-Help also demonstrates the power of

member-owned organizations and, especially, the benefits of the credit union model.

One of the most laudable characteristics of Covington's work is that it illuminates that effective social entrepreneurs, such as Eakes, have the same excellent leadership skills and persistent passion seen in more visible for-profit entrepreneurs like Steve Jobs.

As noted at the outset, Covington's book clearly seeks to praise Self-Help's accomplishments and to rebut its critics. He describes the excellent work done by Self-Help to provide mortgage credit for underbanked populations and the results of CRL's work on predatory lending issues. A reader familiar with the extensive academic literature on the mortgage issues related to the Great Recession of 2008 and 2009 will note that Covington does not discuss the findings of this literature and provides a rather narrow, shallow, and one-sided discussion of the housing/mortgage crisis. While Covington does not present his book as a comprehensive analysis of the research, he seems to portray CRL's position as a definitive explanation of the issues.

Clearly, it is the reader's responsibility to understand the perspective and objective of an author as well as to determine if the coverage of an issue is thorough and balanced; as always, it is "reader beware." Indeed, it is not until the book's final pages that the reader learns that Covington's daughter was an employee of Self-Help for several years. Some critics complain that the book is presented as a business history text when it is more a form of propaganda or hagiography. Interestingly, the back cover of the book states that "If Martin [Eakes] had lived in the early days of Christianity, he would have been one of the Apostles."

Again, Covington's work provides an interesting and engaging description of Self-Help Credit Union and the CRL. It does not appear to provide balanced and complete coverage; however, it does not seem the author intended it to do so. The story of Self-Help provides a powerful and inspirational example of using both the marketplace and the political process to address social issues. Even if one disagrees with Eakes's methods or mission, he clearly provides an excellent example of social entrepreneurship that can provide valuable lessons for anyone working to accomplish a social objective.

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