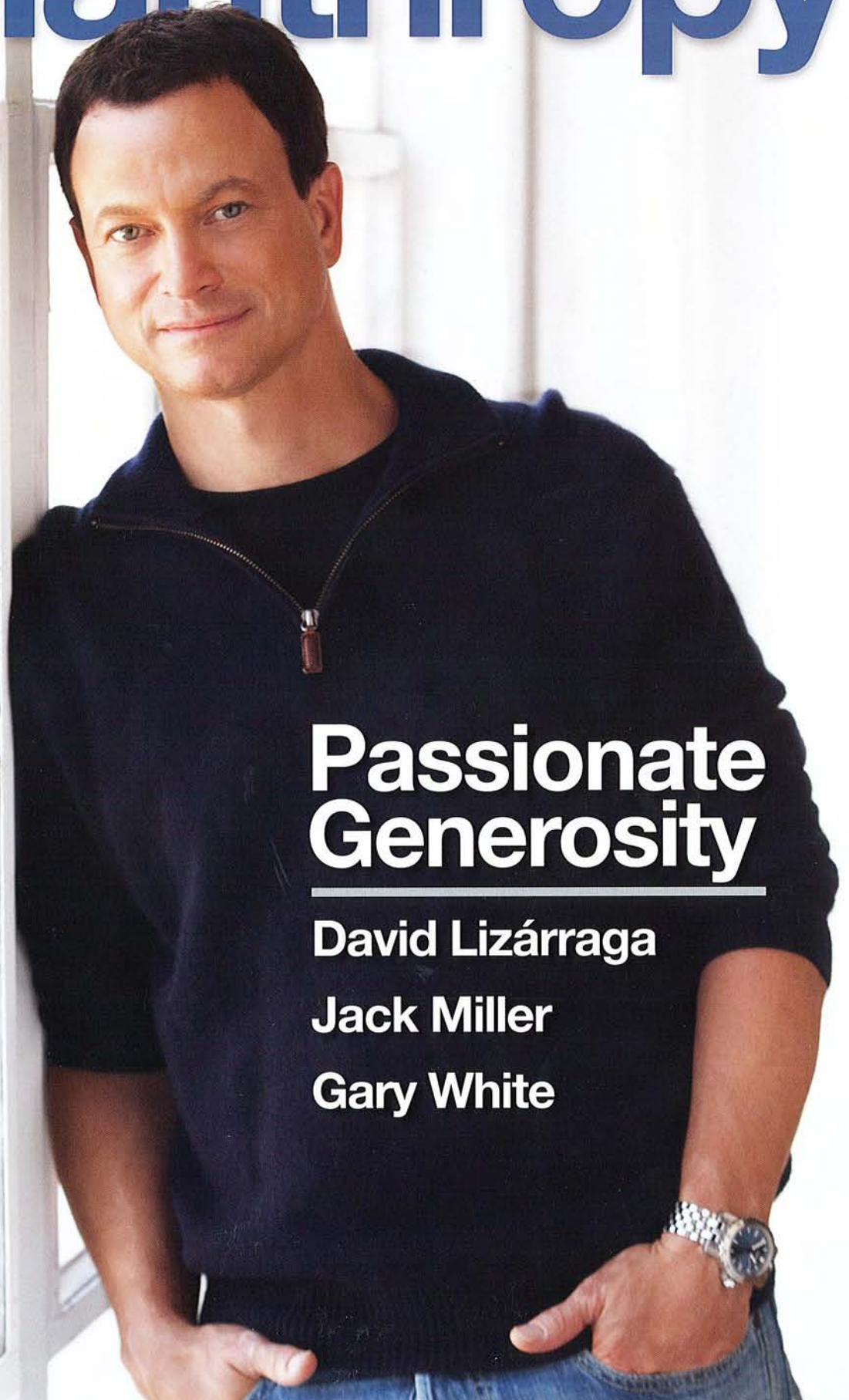


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Celebrating the Spirit of Giving.

# Philanthropy

WORLD



## Passionate Generosity

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David Lizárraga

Jack Miller

Gary White

Gary Sinise

# Working with the System to Help Others

David Lizarraga will tell you that, in his youth, as part of the Chicano movement of the 1960s, he was definitely a social activist - and sometimes even more of a militant. He knew what he was against, but it wasn't until he was asked what he was for that he realized that he had to "go through the door instead of knocking it down." That's when he realized he wanted social change and that he would have to work from inside the system to be successful.

Today, Lizarraga is President and CEO of TELACU, The East Los Angeles Community Union. Started in 1968 by Esteban Torres, Lizarraga became president in 1973. Shortly after he took over, TELACU secured \$10 million in federal funding through the community development corporation (CDC) program. Now the largest CDC organization in the country, TELACU has assets of more than \$500 million and annual revenue of \$120 million, which it uses to create jobs in and give back to the community it serves.

Lizarraga leveraged that first \$10 million to \$100 million through real estate investments in the East Los Angeles barrio, then an economically disinvested community. Its residents left the community to work and to spend, so money was not circulating within the community. Lizarraga wanted to change that, so TELACU bought an abandoned fifty-acre factory site, a community eyesore, and built TELACU Industrial Park. The industrial park's success served as an economic base and a symbol to the community that TELACU was ready to reinvest in and rebuild the community.

Lizarraga is the driving force behind TELACU, a nonprofit organization that owns TELACU Industries, a for-profit holding company that owns thirteen businesses. The parent nonprofit uses twenty percent of the profit from TELACU Industries to fund community programs.

One of its most important community programs is the LINC TELACU Education Foundation, which Lizarraga started in 1983. Established in response to the crisis dropout rates for Latino college students, the Foundation combines financial assistance and support programs that ensure academic success. It annually supports 600 college students through this program.

LINC TELACU also serves 2000 elementary, middle and high school students and veterans each year. In a community where only 39 percent of high school students graduate, 100 percent of the LINC TELACU students not only graduate high school but also go on to pursue higher education.

TELACU Industries' thirteen businesses are built on four key business sectors. In addition to the industrial park, there is a commercial and residential real estate development company, TELACU Development. The financial services division owns and operates Community Commerce Bank, one of the most successful small business lenders in the State of California, and TELACU Community Capital, which provides important economic assistance to small businesses that don't meet commercial bank



lending criteria. TELACU Construction and TELACU Construction Management build and oversee construction of new community assets such as schools, public housing, and transportation projects. A number of other related businesses also help TELACU meet its community service goals.

These businesses provide a revenue stream for TELACU while creating significant economic and social impact in the community. They provide the double bottom line that Lizarraga believes in - doing well while doing good. "These businesses employ 1000 people. The greatest social good you do for an individual is the creation of a job," says Lizarraga. "There's a lot of ways to make a dollar, but we select and implement business opportunities that also have social impact."

Lizarraga is committed to expanding the TELACU model and empowering small- and medium-size Latino-owned businesses nationwide. He is serving in his third year as Chairman of the United States Hispanic Chamber of Commerce, advocating for more than two million Latino businesses. He is also a member of the New American Alliance and the Bank of America National Community Advisory Council, also advocates for the small and medium-size business owner. He continues to work within the system to further the future of others, because, as Lizarraga says, "When you bring people forward and create momentum, everyone benefits."