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LOUISIANA BEST IN BANKING

Investing in Equity

With the continued support from the customers it serves as well as established financial institutions, Liberty Bank is closing the wealth gap in underserved and overlooked communities.

Weathering hardships such as the oil bust in the 1980s, Hurricane Katrina, the Great Recession, and the COVID-19 pandemic, Louisianans have learned what it means to be resilient. Throughout the decades, community banks, especially those that are minority owned, have struggled to stay afloat, often being pushed into closure.

However, there is still work to be done. As of 2022, there are 143 minority depository institutions (MDIs) in the United States, representing only 3% of banks nationwide. And of that number, merely 19 are owned by Black Americans—a statistic Todd O. McDonald, president of Liberty Bank, is seeking to change.

“The combined assets of MDIs are a grain of sand compared to those that are majority-owned banks. We’ve recently become the first Black-owned bank to accumulate over \$1 billion in assets, and while we’re proud, we know we shouldn’t be the only one,” he says. “We’ve been partnering with larger institutions that understand our value and recognize the only easy way to address the wealth gap is to create more banks like us so that they can generate more capital and deposits as well as deploy more loans into our communities.”

Closing the Gap

Founded in 1972, Liberty Bank has stood the test of time, growing from one New Orleans location to several branches across 11 states. However, one thing that has remained the same is their deep understanding of the impact community banks have on the regions they serve.

“Banking is in my blood, and I wanted to align myself with a profession that helps people,” says Todd, who has helped the bank increase in both valuable partnerships and technological proficiency since he took over presidency from his father in March 2022.

Offering small business and commercial real estate loans alongside other personal and institutional banking services, Liberty Bank especially prioritizes first time homeownership assistance to help grow long-term equity in underserved communities.

“Only a small portion of low-income individuals can secure a home loan,” Todd says. “We have creative structures in place that allow for lower down payments and a higher threshold of loan acceptance.”

Welcoming any customer with open arms, Liberty Bank serves a largely minority customer base. Investing directly into these communities allows for economic growth and increased dispersal of wealth, something that not only benefits Black communities and communities of color, but the country as a whole.



FROM LEFT TO RIGHT: Todd O. McDonald, Liberty Bank President, with Alden J. McDonald, Jr., CEO.



“The capital and deposits we generate are immediately put to use,” Todd says. “We inject 80%-90% of our assets by way of loans into the communities we serve.”

Having recently celebrated its 50th anniversary in November 2022, the bank is utilizing a \$10 million investment from JPMorgan Chase & Co. to continue strengthening the regions in which it resides. And to improve inroads with governments and municipalities, Todd is meeting with leaders nationwide in hopes of increasing equity everywhere.

“We’re expanding our presence in various communities,” he says. “We want to impart affordability in housing development and combat unfair lending practices. That’s what I believe we could accomplish in the next 50 years.”



504-240-5288 | libertybank.net