



ARKANSAS

Hoffinger

HOFFINGER INDUSTRIES CONTINUES TO BE A SWIMMING SUCCESS

SOUTHERN BANCORP CDFI



Hoffinger Pools Expertly Crafted in their Factory

“We’re very fortunate to have Southern Bancorp to be able to understand our needs and work with us. The good support of a bank is vital to a community, it’s vital to the business, it’s vital to the employees. The roots of a community bank are still vital to America.”

*Doug Hollowell, President
Hoffinger Industries, Inc.*

Phillips County, Arkansas is situated in what was once one of the most prosperous parts of the nation—the Arkansas Delta. Agriculture drove the area’s success, but mechanized farming techniques eventually made many jobs obsolete. Over time, communities withered as workers left for urban areas in search of work. Today the Delta is still dominated by agriculture but with much fewer workers needed to grow crops, jobs are a scarce commodity.

Located in West Helena, Hoffinger Industries, Inc. was known as a leading manufacturer of above-ground swimming pools. The company provided job opportunities in a community ravaged by unemployment and a poverty rate above 30 percent. However, the owner’s declining health and questions about succession left the nearly 150 employees worried about their future.

Southern Bancorp (Southern), a community development bank and certified Community Development Financial Institution (CDFI), had been involved in efforts to improve the lives of residents in Phillips County for many years. Southern had also developed close relationships throughout the community. One of those relationships was with a group of Hoffinger employees that included Doug Hollowell. Doug led an employee delegation in meeting with Southern to discuss a very big request—provide the financial assistance needed in order for the employees to

Awardee:
Southern Bancorp

Funding Recipient:
Hoffinger Industries, Inc.

Community Profile: West Helena, Arkansas

- Population: 10,827
- Median Income: \$22,055
- 44.2% Poverty Rate
- 7.3% Unemployment Rate

Project Investment:

\$3 million loan

Southern Bancorp & Arkansas Capital Corporation Partnership

Project Highlights

- Purchase of the company by its employees
 - Company remained in West Helena, Arkansas
 - Retention of jobs
 - Future growth
-

purchase the company.

Both Southern and the employees knew that if the company was to be sold, it would likely be to a foreign competitor looking to trade on the company's name. It was also likely a buyer would break up the company, sell its assets, and lay off Hoffinger's workforce. Southern understood the devastation this would have on Phillips County and went to work finding the right solution for the potential buyers.

Southern representatives met with the Hoffinger family who was excited about an option that would not only keep the business in the U.S., but also in Phillips County. Southern partnered with another Arkansas CDFI, Arkansas Capital Corporation, and created a financing package worth \$3 million that allowed the employees to purchase Hoffinger Industries, Inc. Since then, the employee-owned company has remained a thriving part of the Phillips County community. Doug Hollowell now serves as the company's President.

Southern Bancorp, Inc. is one of America's largest rural development banks with approximately \$1.2 billion in assets, serving over 60,000 customers at 46 locations in both Arkansas and Mississippi. Southern's focus is on growing its impact and influence through responsive, responsible, and innovative product delivery to the un/underbanked, as well as developing strategic partnerships that help broaden its impact far beyond its physical market borders such as with the CDFI Fund and the Global Alliance for Banking on Values (GABV). For more information go to <https://banksouthern.com/>.

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AROUND THE COUNTRY,
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