**New Policies Affecting Illinois Families**

**Session Description:** There are policies rolling out this summer and fall that will affect Illinois families. Join this conversation to learn about changes at currency exchanges and the Consumer Financial Protection Bureau, an increase in TANF cash grants, and expanded eligibility for SNAP.

**Speakers**:

* Facilitator: Ayom Siengo, United Way of Metropolitan Chicago
* Brent Adams, Woodstock Institute
* Kim Drew, Heartland Alliance

They shared important policies that will be rolling out this summer and fall, and what you can do to support each policy.

1. **SNAP Eligibility Expansions**

SNAP (Supplemental Nutrition Assistance Program) eligibility has been expanded to community college students enrolled in certain career and technical education courses of study. Approximately 40,000 new community college students are now eligible for SNAP. These students include those from SNAP-eligible families who did not previously qualify and individuals who are at school and employed part time or more.

**What you can do:** Get the word out to your participants, organizations, and organization partners so that newly-eligible students can learn about this policy change and enroll in SNAP!

1. **TANF Cash Grant Increases**

The new budget implementation bill increases Temporary Assistance for Needy Families (TANF) grant amounts from the current level (on average 22.25% of the Federal Poverty Level or FPL) to 30% of the FPL.

**What you can do:** Families receiving TANF will automatically see an increase in their grant amounts on October 1, 2018. However, there has been a decline in the uptake of TANF, and some eligible families are even discouraged from applying. You can help by making sure that caseworkers know the TANF eligibility requirements and actively encourage families to apply. [You can also read the press release about the TANF increase](https://www.heartlandalliance.org/policy-and-advocacy/2018/06/illinois-families-in-deep-poverty-better-able-to-meet-basic-needs-through-the-coin-act/).

1. **Rate Changes at Currency Exchanges**

On July 1, currency exchanges were required to decrease their current check cashing rates for public assistance checks to 1.50%. Previous rates were 1.40% + $1 for public assistance checks $100 and below, and 2.25% for public assistance checks above $100. For other types of checks, some may see an increase to the check cashing rates.

**What you can do:** While the rate decrease for public assistance checks is an important move in the right direction, use of currency exchanges is still not ideal. In that regard, you can encourage community members who are unbanked and/or underbanked to open safe, affordable accounts with financial institutions that support low/moderate income communities — such as partners of [Bank On Chicago](https://uw-mc.org/bankon/).

1. **Changes at the Consumer Financial Protection Bureau**

The federal [Consumer Financial Protection Bureau](https://www.consumerfinance.gov/)’s current leadership is not supportive of strong consumer protections. While these changes don’t have an immediate impact on consumers, the Bureau’s actions send a signal to predatory businesses like payday lenders that consumer violations are okay. Thankfully, most of the Bureau’s consumer protection authority remains intact.

**What you can do:** To increase the likelihood a complaint is addressed, encourage participants to file consumer complaints with both the [Illinois Attorney General’s Office](http://www.illinoisattorneygeneral.gov/consumers/filecomplaint.html) and the [Consumer Bureau](https://www.consumerfinance.gov/complaint/).

1. **Free Credit Freezes**

Credit freezes are now free for Illinois residents! They used to be $10 per credit agency, so it could take up to $30 to freeze your credit at all of the credit agencies. Credit freezes are now a low-cost way to prevent or stop identify theft.

**Going Digital: Financial Technology, Cryptocurrency, and the Digital Divide**

**Session Description:** Cryptocurrency and new financial technologies, such as phone apps that help you save, are increasingly common. What do these new technologies mean for our work to advance the financial prosperity of Illinois families?

**Speakers**:

* Abe Scarr, Illinois PIRG
* Pierre Clark, Chicago Digital Access Alliance Inc.

**Cryptocurrency, Blockchain, and Bitcoin**

* Overall takeaways
  + For both cryptocurrency and blockchain technology, don’t believe the hype! Or at least be very, very, skeptical.
  + Bitcoin founded within framework of extreme libertarian ideology. Everything makes more sense when viewed through the frame of ideology rather than through the frame of technology.
  + Cryptocurrencies are here to stay. There may be benefits in understanding and participating in cryptocurrencies for ordinary people but the field is still new, there is a lot of speculation, and there are questions when buying cryptocurrencies about the underlying value of the cryptocurrencies you invest in, since most people do not really understand cryptocurrencies or the blockchain technologies that underlie them.
* Blockchain technology
  + This technology is the foundation of cryptocurrencies.
  + It is a “distributed ledger technology.” Let’s break this down:
    - A ledger is a database which keeps a definitive and final record of transactions – meaning no tampering
    - Distributed means no central authority or intermediary; the data is dispersed
  + Blockchain technology claims to help with trust, traceability, and security.
  + To understand the basics of the technology and cryptographic nature of it, think about a credit card number:
    - The numbers have a relationship with each other, such that if the last digit does not align with the rest of the number, you can tell it’s a fake
    - You can do this with long stretches of numbers – creating hashes -- and assign one for every transaction
    - Then you can form a block of transactions, and hash all the hashes
    - Then you can connect each block with the next with a new hash - chaining the blocks
  + Blockchain technology is not new. It goes back to 1979. Bitcoin starting using it in 2009.
  + Other uses for blockchain technology include voting, health care records, smart contracts, finance, and supply chain management.
  + Mostly blockchain all seems like marketing. The technology is just as simple as Microsoft Excel.
* Bitcoin
  + Background
    - Digital money could be useful. Many of us may use some form of it, like with venmo or apple pay, but that is all backed up by our banking system and monetary supply, and it really only works with trusted partners.
    - A technology like blockchain could be used to maintain the ledger for digital money, and the traditional way to do that would be a central authority - like a central bank - the Federal Reserve.
    - BUT! The founders of Bitcoin were driven by ideology that hates the central banking system, any central authority, and monetary policy.
    - Bitcoin has no central authority or intermediary, and no monetary policy, so no printed money.
  + Coins & Mining
    - Bitcoin has a 21 million coin limit, released slowly.
    - Coins released not by central authority, but by a lottery through a process called mining.
    - Essentially, there are a ton of computers all around the world constantly guessing numbers, with the hope that their guess will be the one that creates the next block on the chain.
    - In exchange for helping doing the work that allows for the chain to proceed, you earn some fraction of a coin.
    - This involves literally guessing numbers very fast - not complex calculations, just lots and lots of simple ones, very fast. 14 (with 21 0’s after it) guesses every 10 minutes, with only 1 winner.
    - As more computers participate, must get harder to win, so it takes more and more computing power just to produce the same product.
    - This is a major problem! 0.1% of all world energy use! Same as Ireland!
    - This has actually led to….centralization! Now, only four mining pools issue most bitcoins.
  + Bitcoin promises vs. reality
    - Decentralization – now it is becoming centralized
    - Irreversible - People want chargebacks, but error, fraud, and theft are not easily reversible. This isn’t great for people, but it’s great for fraudsters!
    - No inflation
      * Quite volatile - Bitcoin peaked at around 20K per coin. Now around 6K.
      * People believe its deflationary - and so they don’t spend it, they hold it.
    - Basically the only utility is to buy drugs online.
* Cryptocurrencies
  + Now there are all these different types of coins - over 15,000.
  + The software is easily reproducible, so you can cut and paste and you have a new coin!
  + There is a lot of uncertainty about whether cryptocurrencies are money or a security.
  + Is it money? Money meets this criteria:
    - It has a currency, a medium of exchange
    - It keeps its value, and its value stays relatively the same over time
  + Is it a security?
    - People are now doing ICO’s (Initial Coin Offerings) like they would an IPO - as a way to raise capital.
    - You can now buy and sell coins on coin exchanges, like Coinbase.
  + Is it a scam?
    - Cryptocurrencies are used for pump and dump schemes and are subject to hacking.

**The Digital Divide**

* Many low-income communities still do not have reliable or in-home access to computers or the internet.
* We are seeing bank branches close in low-income communities. Those that are still open have fewer bank tellers. Brick and mortar locations and the personal relationship with your banker are still very important to low-income communities, women, small business owners, and others.
* Financial technology could be a useful tool to communities without access to mainstream banking locations, but there is a lack of digital literacy, and we still need to fill that gap.
* Pierre Clark shared his work as the co-founder of the Chicago Digital Access Alliance, Inc. which was organized in 2006. He works to create and advocate for programs that help increase digital inclusion and access among ordinary people in order to bridge the digital divide, which is still plaguing our communities.
* He shared about their initiative using technology, specifically smartphone technology, to connect the unbanked in our communities to banking and financial opportunities to help them access lower-cost services, and avoid predatory lenders and other high-cost financial services. This is an example of the work that can be done to leverage technology in making an impact on the lives of ordinary people.
* Sohrab Kohli, with CFSI, shared about their work in financing new tech-based approaches to financial management.
* Geri Aglipay, with the Small Business Majority, talked about the need for personalized financial services that are largely disappearing from local communities as banks close branches and eliminate tellers in their existing branches.

**Fines, Fees, and Debt: Campaigns for Change**

**Session Description:** From parking tickets, to utilities, to court costs, fines and fees are everywhere. They weigh down household budgets and force families into a harsh debt collection system. This conversation will explore campaigns for change, including a recent report and recommendations from COFI and a campaign to reform driver’s license suspensions.

**Speakers:**

* Facilitator: Sam Tuttle, Heartland Alliance & IABG
* Tracy Occomy, Rosazlia Grillier & Rosalva Nava, COFI/POWER-PAC
* Eric Halverson, Chicago Jobs Council
* Jenna Severson, Woodstock Institute

Summary:

* Fines, fees, and debt affects family financial security. We’ve known for a long time that debt prevents people from getting ahead, but the field is also looking at how to prevent this debt from being incurred – by reforming fines and fees on the front end. Fines and fees are found everywhere – court, school, libraries, parking tickets, and so on. This session will explore what is being done to address this.
* Tracy, Rose, and Rosalva gave an overview of COFI/POWER-PAC, the Stepping Out of Poverty (STOP) committee, and their work on debt.
  + They released a report this spring about debt
  + Debt ruins people’s lives on many different levels and contributes to stress and mental health issues
  + We heard a story near St. Louis about how, in low-income housing, people have to pay a monthly fee in order to have a window AC unit
  + We need to help folks pay their debts and be more part of society
  + We are starting a financial justice campaign and working to address city-level fines and fees
* Eric gave an overview of the Chicago Jobs Council and the driver’s license suspension campaign
  + CJC was hearing from workforce providers that driver’s license suspensions were getting in the way of people obtaining and maintaining employment
  + The bill removes all of the nonmoving reasons for which you can have your driver’s license suspended. This includes parking tickets.
* Jenna gave an overview of Woodstock’s report on parking ticket debt in Chicago
  + You are more likely to get a parking ticket in a low-income communities and communities of color
  + The report was recently featured in the Sun Times

**Transformative Financial Coaching: Exploring What Works**

**Session Description:** What is transformational financial coaching? How do we meet the needs of participants and truly engage them in financial capability programs? This conversation will explore different financial empowerment models and participants will have the opportunity to share experiences, challenges, and successes from their programs.

**Speakers:**

* Facilitator: Steve Holt, HoltSolutions
* Shquestra Sitawi, YWCA Chicago
* Mercedes Gutierrez, Heartland Human Care Services

**Financial Coaching Introductions**

* Facilitator: Steve Holt – consultant
  + Brought up the growing movement around question of how can we help people to use taxtime to build financial capability
* Shquestra – YWCA
  + Works on financial wellness
  + This is a session where coaches can come together to talk about what they want to do in their communities
  + Want to talk about best practices to get clients involved
  + Are we truly using the curriculum a funder wants us to use and does that curriculum really address the needs of our clients?
* Mercedes Gutierrez - Coordinator at Heartland Alliance - works mainly with women at the head of households
  + Heartland Alliance has matched savings part of the financial coaching program
  + Every dollar is matched 2:1 up to $200, so that is matched up to $400

**Differentiating Roles**

* Financial Advisor – someone who you go to for a product
* Financial Planner – someone you go to for action steps
  + People who go to advisors and planners are often people with more assets
* Financial Counseling – "How can you get me out of trouble?"
* Financial Education -- "I just want some more information"
* Financial Coaching – "Help me figure out what it is I want and how I can get there"

**Topics to Consider**

* Transformational Training
* Standardized curriculum
* Technology tools
  + Change Machine; BudgetCoach

**Counselor and a Coach**

* Counselor is someone trained to diagnose problems to help you resolve conflicts
* Coach is someone working with you on goalsetting and how to improve your skill levels now
* Coaching: motivational interviewing, transformative coaching – can sometimes get into what seems more like counseling – how do we draw the lines?

**Money Club**

* Shquestra talks about piloting a program called Money Club – thinking about how to get clients to come back
* Thinking about changing mindset in money and not just present finances
* Money Club – meets every 3rd Sunday – she provides tea, snacks, etc.
  + Talk about things like mindset around money – what was it like talking about money growing up?
  + Talk about money in life and how that affects people now
* Group able to come together to support difficult conversations, allow individuals to feel safe and vulnerable

**What gets people to come back?**

* Idea that there is no right or wrong answer
* Coach is working with you and ensuring that what is happening really best fits you
* Reminding client that what is your vision and determining how do we best hold you accountable
* Idea that every person is an expert on their life
  + What is the thing that we can add/we can partner with you to help you achieve
  + Looking at individual's mindsets, beliefs
  + People really appreciate that they are not being patronized, they feel like they are in control
* NWHSC (Northwest Side Housing Center) is an organization with focus on transformation rather than transaction
  + Especially in relation to grant writers & proof of success
* Might see less clients than other groups, but get better success rates
  + More time on the one-on-one, and more frequent meetings
* Building relationships and having client feel safe can take time

**What does the first meeting look like for one-one?**  
**Financial Clinic (organization)**

* Work on goals as key driver to coaching for someone to have success
* First meeting has lot of intake; hour long session
* Financial security survey that they go through with clients that gets a measure of financial wellbeing at the moment
* Clinic created this along with a lot of other surveys to help with their policy work
* Tailor coaching sessions to the individual, so all tools are in the client's languages
* Get a sense of where the client is at in areas of assets, income, expenses
* Pull the credit report from TransUnion in first session
  + Review it together
  + People like seeing their credit report upfront
  + Can connect that to their goal/action plan
* After the session, track and enter their debts/any other information into Change Machine
  + Credit report authorization form, privacy form
  + Ask about their tax filing
* Every meeting will end with outlining at least one-two concrete steps that they can take before the next one

**NWHSC (organization)**

* 2 hours for consultation – just knee deep on budget analysis, building relationship
* Pre-mail a packet – forms, checklist of things to bring with them (mentioned by another org)
* Enter info into data management system (happens separately from client)
* Try to get all paperwork/info taken care of before the first meeting
* 88% success with foreclosure prevention
* 40% success with pre-purchase
* Lot of their financial coaching is about purchasing a home, do offer other services on building credit, etc.
* Allocate 2 hours for every meeting
  + Call banks on site to have conversations with them - can help to just have a time & place to get these tasks done

**What happens with stagnation? Things that were once successful are not being successful anymore?**

* Because coaching can be accountability based, stagnation becomes clear when things are missed or something has changed with the client
* Client keeps saying "Yes, yes, let's do something" and there is something else that they are not really talking about, whether that it is a life event or a belief that is conflicting with the concrete steps that might have been missed
* Important to keep reminding clients that there is no judgment

**Reaching out to clients about things other than coaching to keep them engaged?**

* Offer a financial Club
* Do lending circles
  + Bilingual, bicultural group
  + Every month someone puts in $ at beginning
  + Group works together to decide things like:
    - This is the order in which everyone gets that $, if you get the money earlier then it's a loan if you get it later then it's savings

**Are the outcome tools making sense?**

* For example, having a banking account not actually having individuals feel financially secure.
* Reducing unbanked rates is used as an outcome, but is that actually changing anything?
* Work that is driven by client's vision and not assuming right/wrong
* Banking is something that people tracked especially for grant purposes, etc.
* But that does not work with everyone
  + So instead work with things like lending circles
  + Respectful of the thing that works for the individual
    - Correlated to financial wellness and financial wellbeing

**Working with Clients who use Lending Circles**

* Outcome does not have to be deposit into savings account only – can be deposit into lending circle, within community, something you are familiar with)
* Has been formalized a bit to count for credit so that lending circles are still something that can help individuals build credit though it is more comfortable

**Building Strong Relationships**

* Helps with accountability
* Those relationships can give way for recalibration or celebration with a member
* Client can have hesitation from past experiences from other social services but emphasizing this is a no judgment space and that it is okay that the goal was not reached
* Really stressing that the decisions are in the individual's hands
* Some organizations offer graduations when individuals are finishing a program
  + Offer a certificate, etc. to celebrate client success
  + Other organizations do not have end dates/graduations for coaching
    - Individuals choose to come in and out – does not matter if someone last came in several months before, they are not booted out of the system, they can still come in at any time, sort of open door policy