

# Chicago Appleseed Fund for Justice

An Affiliate of Appleseed  
[www.chicagoappleseed.org](http://www.chicagoappleseed.org)

## Financial Access and Education Program

All too often, people in poor neighborhoods do not know about or use traditional financial institutions. Instead, they cash checks at currency exchanges, pay rent with money orders, save money in coffee cans, make large purchases from rent-to-own outlets, and borrow money for emergencies from payday lenders. These transactions are expensive, risky, and sometimes ruinous.

Chicago Appleseed's financial access and education program works with local community organizations and the Appleseed Network on a multi-faceted approach to improving disadvantaged populations' access to financial education and services. By studying how disadvantaged groups use financial services, and how services can be made more readily available to them, we can recommend and advocate for smart solutions, giving minority and low-income populations a better chance to achieve financial success.

In conjunction with Appleseed centers in Nebraska and Texas, Chicago Appleseed prepared a series of financial education brochures in English and Spanish. Chicago Appleseed is distributing those brochures to community organizations throughout the Chicago metropolitan area. The brochures focus on such topics as building and keeping good credit, avoiding predatory lenders, using credit cards, reducing taxes, and owning a home.

In December 2005, Chicago Appleseed and the Appleseed network released a ground-breaking report, "*Creating a Fair Playing Field for Consumers: The Need for Transparency in the U.S.—Mexico Remittance Market.*" The report provides remitters and policymakers with vital information on how the remittance market actually functions and sets forth recommendations to create greater protection for this vulnerable consumer group while allowing the industry to maintain its business.

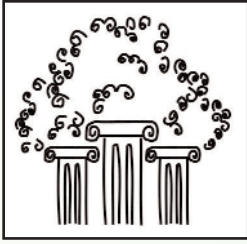
In January 2006, Chicago Appleseed and Appleseed released the study "*Access to Mainstream Financial Services for Immigrant Communities: Positive Practices and Emerging Opportunities from the Latin American Immigrant Experience.*" A how-to guide for community organizations and financial institutions, this valuable study includes best practices and ideas for reaching out to the unbanked population.

Spring of 2006 featured several exciting events for Chicago Appleseed's financial access and education project. We developed a toolkit for local banks, which includes methods of introducing products to immigrant and low-income communities, helping persons establish a good credit record, and educating residents on how to use credit wisely and avoid predatory lenders. We were featured as a partner of the Chicago Federal Reserve's 2006 Money Smart Week, and we used that opportunity to unveil our latest study, "*Financial Services for Immigrant and Low-Income Populations: A Survey of Chicago-Area Banks.*"

This survey of twenty Chicago-area banks located in immigrant and low-income communities details what services and products those financial institutions provide to those communities, what approaches to marketing those products are working, and what local banks can be doing better or differently to improve immigrants and low-income persons' access to financial institutions.

The reports, banking kit and brochures can be downloaded from our website at [www.chicagoappleseed.org](http://www.chicagoappleseed.org).

**"Sowing the Seeds of Justice"**



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## Fair Exchange: Improving the Market for International Remittances

A report produced by the national Appleseed Network,  
including the Chicago Appleseed Fund for Justice

In April 2007, the Appleseed Network, along with industry leaders GroupEx, Mitchell Bank, Viamericas, Wells Fargo, and other partners announced an important new initiative that provides immigrants who send money to their native countries with clear, up-front information on remittance fees and exchange rates. The project is part of Appleseed's effort to establish a "Fair Exchange" brand, similar to Fair Trade (TM) branded coffee that would make it easier for consumers to shop for the best remittance deals and reward transparent market players with greater market share.

The pilot launch follows up on the Appleseed Network's December 2005 report, *Creating a Fair Playing Field for Consumers: The Need for Transparency in the US-Mexico Remittance Market*, which revealed that remittance pricing structures of many firms, particularly in regard to exchange rates, often made effective comparison shopping cumbersome for consumers. Receipts for remittance transactions after they are made currently include some pricing disclosures, but there are no consistent standards for disclosures prior to initiating a transaction.

To address these issues, Appleseed brought together a group of experts in the field, including representatives of the international remittance industry, federal and state regulators, and consumer advocates. Appleseed has worked with the committee since April 2006 to develop approaches for pre-transaction disclosures and for a Fair Exchange branding program.

"The fair exchange can help to create a level playing field for consumers. Providing disclosure upfront, before the transaction, is the right thing for consumers, and it makes good business sense too," said Betsy Cavendish, Executive Director of Appleseed.

Appleseed developed a pricing disclosure model and tested it through a series of focus groups in immigrant communities. Consumers in the groups wanted the information and expressed a preference for businesses that would provide it. **As one participant from Chicago's Centro Comunitario do Juan Diego said, "I would not like just one business to use this [disclosure table], I would like all businesses to use this!"**

Appleseed and the Fair Exchange partners will evaluate the pilots, make any adjustments as necessary, and, if the pilots are deemed successful, then consider roll-out of a larger-scale effort to implement a market-based industry standard.

Find the report online at [www.chicagoappleseed.org](http://www.chicagoappleseed.org).

*"Sowing the Seeds of Justice"*