ANNUAL REPORT 2012-2013
REVITALIZING NEIGHBORHOODS.
PROTECTING CONSUMERS.
BUILDING WEALTH.
OUR MISSION

Create a just financial system in which lower-wealth persons and communities, and people and communities of color, can achieve economic security and community prosperity.
Letter from the President

Near six years after the financial collapse of 2008, the fight to rebuild our communities has not ended. While some areas begin to emerge from the crisis, low-wealth communities and communities of color continue to struggle. Foreclosure, joblessness, and discrimination haunt our neighborhoods. Access to affordable credit is practically non-existent, while predatory lenders continue to prey on those who can least afford it.

Despite these challenges, the last two years brought many victories. Our communities created tools to help address the dangers of vacant properties, including vacant buildings ordinances and land banks. Banks stopped offering payday-like deposit advance loans. Richard Cordray was finally confirmed by the Senate as director of the Consumer Financial Protection Bureau (CFPB), and Mel Watt was confirmed as director of the Federal Housing Finance Authority (FHFA).

The CFPB has undeniably changed the context in which we operate. In issuing rules, enforcement actions, and guidance, the CFPB has protected Americans from dangerous financial products and returned millions of dollars to consumers who were treated unfairly. The agency is off to a strong and encouraging start; it is imperative that, as advocates, we continue to protect its independence so it may continue its work on behalf of American consumers.

2013 also marked Woodstock Institute's 40th year as an organization. The occasion offered an opportunity to reflect on all the organization has accomplished, thank many of the countless people who made it possible, and celebrate our successes together. It also brought an opportunity to imagine what the next 40 years will hold.

In our 2012-2013 annual report, our stories focus on some of the big issues—vacant and foreclosed properties, retirement savings, and consumer protection—that have been key to Woodstock Institute's mission and recent work. Along with our community and advocacy partners, we will continue to tell these stories as we work to achieve our mission of a just financial system in which lower-wealth persons and communities, and people and communities of color, can achieve economic security and community prosperity.

Dory Rand  President
Since the housing crisis began in 2007, an alarming number of once-occupied homes stood vacant due to foreclosure. In 2012, Woodstock and our partners took action to hold mortgage servicers accountable for property maintenance.

Woodstock Institute’s 2011 report, “Left Behind: Troubled Foreclosed Properties and Servicer Accountability in Chicago,” identified the troubling trend of banks walking away from foreclosures, leading to a higher likelihood of these properties becoming vacant. Vacant buildings are at high risk of falling into disrepair and having a significant negative effect on the surrounding community.

Woodstock began advocating for an ordinance that would require mortgage servicers to maintain a property that has become vacant, even before they take ownership through foreclosure. The proposal found widespread support; the Chicago City Council implemented its vacant buildings ordinance in late 2011, and the Cook County Board of Commissioners followed suit in early 2012. It was the first of its kind, and in May 2012, Chicago mayor Rahm Emanuel’s office released data showing the ordinance was already making a difference in how the City holds financial institutions responsible for vacant property maintenance.

Commissioner Bridget Gainer was the sponsor of the Cook County ordinance, which passed unanimously. “The ordinance was a first step for the County to be part of the solution to help stabilize communities throughout the County suffering under the burden of increased foreclosures and the resulting vacancies,” said Gainer.

“We relied on Woodstock’s expertise for both the Cook County Vacant Building Ordinance and the establishment of the Cook County Land Bank Authority.”

BRIDGET GAINER Cook County Commissioner
Gainer continued her work on the issue, proposing a county land bank authority to process vacant properties and return them to productive use. Woodstock advocated strongly in support of the land bank, testifying before the Cook County Board of Commissioners. “A land bank is necessary for stabilizing vacant homes and recovering from the foreclosure crisis,” said Woodstock President Dory Rand, “and would help attract responsible investors to hard-hit areas, ensure that economic recovery supports community priorities, and make neighborhoods impacted by foreclosures more attractive and secure places to live.”

Woodstock and our partners celebrated another victory when the Board of Commissioners approved the Land Bank Ordinance in January 2013. “We relied on Woodstock’s expertise for both the Cook County Vacant Building Ordinance and the establishment of the Cook County Land Bank Authority,” said Gainer. “Woodstock’s leadership on this and other issues has created positive, lasting effects in Chicago and throughout the region.”

Woodstock continued to produce research that helped local governments address the vacant buildings problem. In June of 2013, Woodstock released “Deciphering Blight: Vacant Buildings Data Collection in the Chicago Six County Region.” The report summarized how local governments currently collect information on vacant buildings and found significant gaps and variations in the data being collected.

“Comprehensive data on vacant buildings can be the difference between policies that effectively stabilize neighborhoods and policies that don’t,” said Katie Buitrago, Senior Policy and Communications Associate at Woodstock Institute. “Tools such as vacant buildings ordinances help communities get a handle on the scope and impact of vacant buildings in their communities.”

Woodstock marked its 40th anniversary in 2013 with a two-day research symposium and bash titled “Babies, Boomers, and Beyond: Economic Security, Community Prosperity, and Equity Across the Lifespan.”

“The event was a good opportunity to recognize the growth and influence of the work that Woodstock does to inform and advocate for fairness in access to credit for low- and moderate-income communities and families,” said Thomas FitzGibbon, Jr. of Talmer Bank and co-chair of the event. Fellow co-chair Christine Robinson of Stillwaters Consulting agreed: “The Symposium helped us to take stock of 40 years of work, look at the present landscape, and begin to plan for the 40 years ahead.”

Keynote speakers included Consumer Financial Protection Bureau Deputy Director Steve Antonakes, the MacArthur Foundation’s Julia Stasch, and UCLA professor Fernando Torres-Gil. Illinois Attorney General Lisa Madigan spoke at the bash and accepted the inaugural Scheinfeld Award, which honors an individual who embodies the passion and commitment of Woodstock Institute’s founders, Aaron and Sylvia Scheinfeld.

More than 300 attendees were treated to an evening of local food favorites, drinks, and dancing at the 40th anniversary bash. Internationally renowned world music band Funkadesi played to a packed ballroom.
Despite repeated attacks, the CFPB has been remarkably effective, returning millions of dollars to victims of financial abuse, establishing a complaint database for consumers, and issuing rules on some of the financial industry’s most predatory financial products.

As a state-based organization, Woodstock has been able to support the CFPB’s work by offering insight into trends and problems with financial products in Illinois. In 2012, Woodstock took an even more active role when president Dory Rand was appointed to the CFPB’s Consumer Advisory Board (CAB), a group composed of experts in a variety of fields convened to offer input and support to the Bureau.

“Being a member of the CAB has really enabled us to share the troubling trends and financial products we see on the ground in Illinois,” said Rand. “It has also allowed us to be more helpful as the CFPB considers new rule-making and enforcement actions.”

The CFPB issued new rules that crack down on irresponsible mortgage lending by requiring lenders to document and verify the borrower’s ability to repay the loan as part of the application process. Woodstock and its allies submitted written comments to the CFPB strongly supporting these new rules. CFPB director Richard Cordray spoke with housing advocates at Woodstock’s office in November of 2012.
“The CFPB’s new mortgage rules promote sustainable homeownership and put an end to many of the products and practices that led to the housing crisis,” said Spencer Cowan, vice president at Woodstock Institute. “Woodstock Institute will work to ensure that the rules are strongly enforced so that mortgage borrowers won’t be set up to fail.”

Woodstock also strongly supported the creation of CFPB’s consumer complaint database to allow consumers to submit complaints about financial products and institutions electronically. Woodstock Vice President Spencer Cowan was one of a select group of experts invited by the CFPB to testify on how the complaint data could be used to inform consumer protection policy and research.

Once the CFPB released the database publicly, Woodstock encouraged Illinois consumers to submit problems they were having with financial institutions. After an analysis of more than 4,600 complaints received by the CFPB from Illinois consumers from 2011 to 2013, a Woodstock report found that nearly half were related to mortgages. The report recommended several ways the CFPB could strengthen and expand the database for more insightful data collection.

Although the CFPB had clearly demonstrated its effectiveness, its authority was again threatened by the expiring term of director Richard Cordray in the summer of 2013. Without a confirmed director, the CFPB has limited authority to make and enforce some rules, such as those for non-bank entities.

One lawmaker who opposed Cordray’s nomination was Senator Mark Kirk of Illinois. Woodstock and partner organizations took swift action, personally delivering to Senator Kirk’s office more than 7,000 signatures of Illinoisans who supported confirmation of director Cordray.

Although Senator Kirk did not vote for Cordray’s nomination, he did vote to move forward with a final confirmation vote. That vote cleared the way for the U.S. Senate to approve Cordray’s nomination on a 66-34 vote on July 16, 2013.

The victory was an important one for consumers, says Peter Skillern, executive director of Reinvestment Partners in Durham, NC. “The CFPB now has the undisputed authority to enforce the rules for fair lending,” Skillern said. “With a confirmed director, it can better fulfill its mission to protect consumers in the financial market and provide consumers with a level playing field.”

---

**CFPB Consumer Complaints with Financial Institutions from Illinois 2011-2013**

- **Mortgage**: 47.8%
- **Credit Reporting**: 7.0%
- **Credit Card**: 19.5%
- **Bank Account or Service**: 18.4%
- **Money Transfers**: 0.4%
- **Consumer Loan**: 2.5%

Encouraging Savings in Springfield

For lower-income families and individuals, saving money can be incredibly difficult. Woodstock continued its fight to eliminate unnecessary barriers to saving and to implement policies that encourage wealth creation.

One policy that stood out as a barrier to saving was Illinois’ asset limit for recipients of Temporary Assistance for Needy Families (TANF). The limit prevented a family of three with assets worth more than $3,000 from receiving TANF assistance.

“This policy meant that individuals who recently lost their jobs would have to spend down any savings until it was below this threshold,” said Rep. Robyn Gabel, who sponsored the bill to eliminate the asset limit. “It also meant that families were not able to save for emergencies because they worried that they would lose their eligibility.”

After many years of advocacy on the issue, the Illinois General Assembly finally voted to eliminate the TANF asset limit on May 21, 2013. The passage marked a remarkable victory for lower-income Illinoisans and Illinois Asset Building Group (IABG) members, including Woodstock Institute, Heartland Alliance, and the Sargent Shriver National Center on Poverty Law.

“The legislation removed a significant savings barrier for our state’s most vulnerable families,” said Lucy Mullany, senior policy associate at IABG and Heartland Alliance. “It also enables people to get the temporary help they need without further impoverishing themselves.”
Preventing a Retirement Crisis

Millions of Americans are approaching retirement without adequate savings. Many will face a tough choice: continue working or retire into poverty.

The impact of so many Americans retiring without the means to support themselves could harm not only the individuals themselves, but also the local and national economy. Woodstock’s 2012 report, “Coming Up Short: The Scope of Retirement Insecurity Among Illinois Workers,” analyzed the causes of the crisis and the scope of the retirement insecurity problem in Illinois.

The findings were troubling: more than half of all private sector workers in Illinois lack access to an employment-based retirement plan. Even worse, lower-wage workers are the least likely to have access to a retirement plan.

“The report showed that most Illinoisans will retire with little to supplement Social Security benefits that replace only about half of pre-retirement income. Those workers will retire to a much lower standard of living,” said Courtney Eccles, Policy Director at Woodstock Institute. “Employment-based savings plans are an essential element for ensuring financial security, and this report clearly shows the need for policies that will help more workers save for their retirement.”

“Coming Up Short” recommended creating an automatic enrollment individual retirement account (IRA) program to avert a retirement security crisis that could negatively affect our economy. The program would establish a retirement savings plan in which Illinois workers are automatically enrolled if they lack access to an employment-based plan.

The report also recommended that the accounts be highly portable and without a vesting period, eliminating two huge barriers to saving for many lower-income Illinoisans who had access to employment-based plans, but did not stay with the employer through the vesting period or struggled to transfer their accounts to new jobs.


“The proposal will provide a simple tool that enables workers to save for retirement,” said Sen. Biss. “It will be voluntary, but studies indicate that an overwhelming majority of workers will avail themselves of it, and it will be structured in such a way to keep fees low. Moreover, it won’t cost government or businesses almost anything.”

Biss credits Woodstock with providing the research and advocacy leadership on retirement insecurity. “Woodstock’s research has driven the growing recognition that we have a looming retirement security crisis that must be addressed. We wouldn’t be where we are on this issue without Woodstock.”

Though the bill did not pass in 2013, the fight to increase the retirement security of lower-wealth Illinoisans continued in 2014 with Senator Biss sponsoring the Illinois Secure Choice Savings Program Act, which passed the Illinois Senate on April 10, 2014.

2.5 million
PRIVATE SECTOR WORKERS IN ILLINOIS WITHOUT ACCESS TO AN EMPLOYMENT-BASED RETIREMENT SAVINGS PLAN

Source: “Coming up Short: The Scope of Retirement Insecurity Among Illinois Workers” Woodstock Institute September 2012

Under the Illinois Secure Choice Savings Program:

- Employers automatically enroll workers, unless they opt out, into an individual retirement account (IRA) and automatically deduct contributions from workers’ paychecks.
- Workers select an investment plan and a contribution level or they can use the default target-date fund and a three-percent contribution.
- Individual accounts are pooled together and professionally managed and invested, ensuring that fees are low and investment performance is competitive.
- Because the accounts are portable, workers can continue to contribute as they move from job to job.
## Income, Expenses, and Funding Sources

### Income

- Grants & Contributions: 49%
- Contracts: 47%
- Other: 4%

### Expense

- Fair Lending: 17%
- Regulatory Reform: 33%
- Wealth Creation: 28%
- Technical Assistance: 11%

### Funding Sources for Years 2012 & 2013

**Foundations & Nonprofits**
- Chicago Foundation for Women
- Ford Foundation/New Economy Project
- Richard H. Driehaus Foundation
- F.B. Heron Foundation
- John D. & Catherine T. MacArthur Foundation
- Polk Bros Foundation
- The Big Cat Foundation
- The Chicago Community Trust
- The Field Foundation of Illinois
- The Harris Foundation
- The Pierce Family Foundation
- The Retirement Research Foundation
- Woods Fund of Chicago

**Banks**
- BMO Harris Bank
- Citi
- Cole Taylor Bank
- Community Savings Bank
- First Bank of Highland Park
- First Midwest Bank
- First Savings Bank of Hegewisch
- HSBC
- Illinois Service Federal Savings & Loan Association
- JPMorgan Chase
- Liberty Bank for Savings
- Marquette Bank
- The Private Bank
- Talmer Bank & Trust
- U.S. Bank

**Leadership Circle Donors***
- William and Irene Beck
- Jay Harris
- Pamela Daniels-Halisi
- John Taylor
- Ruth and Stephen Pollak

**Individual Donors**
- Natalie Abatemarco
- Angel Beltran
- Molly Bougeared
- Maria Choca Urban
- Cheryl Deval
- Byna Elliott
- Charles Hill
- Al Holfeld, Jr.
- Ed Jacob
- Gordon Mayer
- Pat McGuire
- Ofelia Navarro
- Mary Marisette
- Megan O'Neil
- Michael Pink
- Dory Rand
- Richard Rand
- Christine Robinson
- Lowell Sachs
- Ellen Sahli
- Gail Schecter
- Michael Seng
- Ada Skylies
- Greg Squires
- Clifford Treese
- Hubert Van Tol
- Edward Williams
- Chi Chi Wu
- Stacie Young
- Sean Zielenbach

* Individual donations of $1,000 or more

---

### Statement of Activities and Changes in Net Assets

Year ending December 31, 2012

<table>
<thead>
<tr>
<th>2012 Unrestricted</th>
<th>Designated Reserve Fund</th>
<th>Total</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue and other support</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants &amp; Contributions</td>
<td>$37,293</td>
<td>–</td>
<td>$37,293</td>
<td>$921,000</td>
</tr>
<tr>
<td>Contracts</td>
<td>35,376</td>
<td>–</td>
<td>35,376</td>
<td>234,000</td>
</tr>
<tr>
<td>Investment income</td>
<td>2,699</td>
<td>–</td>
<td>2,699</td>
<td>–</td>
</tr>
</tbody>
</table>

| Other |
| Net assets released from restriction |
| Grants & contributions | 797,733 | – | 797,733 | (797,733) | – |
| Contracts | 81,258 | – | 81,257 | (81,257) | – |

| Total revenues and other support | $954,359 | – | $954,358 | $276,010 | $1,230,368 |

| Expenses |
| Program services | $753,649 | – | $753,649 | – | $753,649 |
| Administrative costs | 92,117 | – | 92,117 | – | 92,117 |

| Total expenses | $845,766 | – | $845,766 | – | $845,766 |

| Change in net assets | 108,592 | – | 108,592 | 276,010 | 384,602 |

| Transfer of net assets | (50,000) | 50,000 | – | – | – |

| Net assets, beginning of year | 215,336 | 193,000 | 408,336 | 496,656 | 904,992 |

| Net assets, end of year | $273,928 | 243,000 | $516,928 | 772,666 | $1,289,594 |

This statement is an excerpt from Woodstock Institute’s financial statement. For a complete copy of financial statements, please contact Woodstock Institute.

---

40th Anniversary Research Symposium and Bash Sponsors

- Bank of America
- BMO Harris Bank
- Capital One
- Chase
- Chicago Community Trust
- Citi
- Cole Taylor Bank
- Fifth Third Bank
- First Eagle Bank
- First Midwest Bank
- First Savings Bank of Hegewisch
- HSBC
- Jim Capraro
- Marquette Bank
- MB Financial Bank
- McGraw-Hill Financial
- Northern Trust
- PNC Bank
- The Private Bank
- Ruzicka and Associates
- Talmer Bank & Trust
- TD Bank
- Urban Partnership Bank
- US Bank
- Vantage Score Solutions, LLC
- Wintrust Financial Corporation

---
OUR VISION

A just society in which everyone has an equal opportunity to achieve economic security and community prosperity and a just financial system in which everyone—including lower-wealth persons and communities, and people and communities of color—can safely and sustainably borrow, save, and build wealth.