



WOODSTOCK
INSTITUTE

LOOKING

FORWARD ▶

WOODSTOCK INSTITUTE
ANNUAL REPORT

RESULTS FY 2021

We're working to create an economy where everyone has access to the financial services and resources they need to prosper.



ADVANCING ECONOMIC SECURITY AND COMMUNITY PROSPERITY

OCTOBER 2022

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Photos: Fig Media



FROM THE CEO:

I am pleased to share this annual report on the highlights of our work in 2021, which shows Woodstock Institute shifting into high gear in our efforts to address economic inequality and reinforce consumer financial protection. It was also my first full year as Woodstock's President & CEO ... the timing of which was both inspiring and tragic.

It was a year where we saw constructive action result from the national outrage at George Floyd's murder in 2020. The resulting mainstream awareness of systemic racial injustices inspired a hopeful response in Illinois and Chicago, as evidenced by overwhelming support for the passage of the Predatory Loan Prevention Act, the Illinois Community Reinvestment Act and Chicago's Lending Equity Ordinance.

We celebrated these wins, but our 2021 research showed there's much more to do. Looking back at four decades of analysis from our *Community Lending Fact Books* showed heartbreakingly little change despite well-intentioned efforts. That was the genesis of our ambition to "Change the Map"—the focus of the June 2021 virtual gathering where we shared our findings.

Our ambition to change the map will inform Woodstock Institute's vision and programmatic work over the next several years: we will continue to conduct the research Chicago relies on Woodstock Institute to create — and we will do more to share actionable insights from our data that help drive meaningful change.

One example of how we're doing this work is the direct-to-consumer communications and advertising campaign we created to raise awareness of the new Predatory Loan Prevention Act after it passed in 2021. The campaign, featuring radio advertising and interviews with trusted leaders and advocates, continues to raise awareness of the law and provides borrowers with helpful resources.

None of this would have been possible without these essential elements:

- ▶ Open partnerships and widespread enthusiasm for our work and mission from grassroots leaders and industry partners alike who are eager to stand shoulder-to-shoulder with us to do the hard work of understanding what must finally change and make it happen
- ▶ A funding community that welcomed me in my new role with enthusiasm and a drive to see Woodstock Institute succeed, and
- ▶ Our small yet amazing team of staff and supportive board

As you read this, 2023 is right around the corner—the year of Woodstock Institute's 50th anniversary of advocating for economic equity and racial justice. Expect a strong focus on our history, an ambitious vision for our next 50 years, and one hell of a party.

Finally – but most importantly – I want to express appreciation for your role and leadership in helping us to continue to do this work. Thank you!

Horacio Mendez, CEO



POLICY ADVOCACY ►

In March we celebrated a success more than 20 years in the making when the state capped the interest rate on personal loans at 36% APR with the **Predatory Loan Prevention Act (PLPA)**, which was part of the Illinois Legislative Black Caucus's legislative agenda.

The Black Caucus turned to Woodstock Institute for technical assistance and advocacy to help pass both the PLPA and the **Illinois Community Reinvestment Act (CRA)**, which made Illinois the fourth state to enact a reinvestment law and just the second to cover all three primary types of mortgage lenders: banks, credit unions, and non-bank mortgage companies.

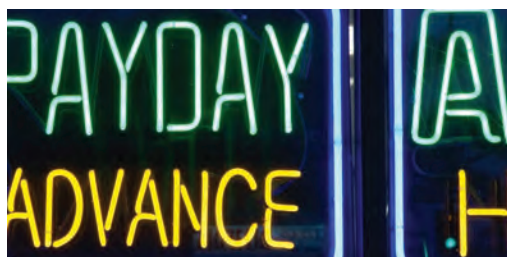
Today, Woodstock Institute co-convenes the Illinois CRA Coalition with Housing Action Illinois. Our coalition organizes community groups across Illinois to advocate for strong implementation of

the new Illinois CRA, as well as for reforms to strengthen the federal CRA law.

In September, the Chicago City Council drew on the expertise of Woodstock Institute and other members of the Housing Policy Task Force to update policies examining the city's banking partners. The **Lending Equity Ordinance (LEO)** requires banks applying to do business with the city to share demographics on who they are lending to and hiring. LEO also establishes an annual hearing before the City Council Finance Committee to discuss the data.

IN 2021 WE ALSO:

- **Helped encourage Oportun**, one of the nation's leading installment lenders, to give refunds and credits to Illinois consumers who received loans from Oportun before Illinois's 36% rate cap became law.
- **Successfully advocated for Congress to repeal a Trump-era rule** that made it easier for predatory lenders to partner with national banks to evade state laws like Illinois's 36% rate cap.





RESEARCH ►

“We believe in democratizing data.”

Our **Community Lending Data Portal & Fact Book** research series has compiled Chicago loan data for nearly 40 years. In 2021 we revamped our approach beginning with the 2019 Data Edition. We now offer free print and downloadable versions and continue to upgrade our online tools at woodstockinst.org/data-portal.

We also analyzed, for the first time, historic *Community Lending Data Portal & Fact Book* series data to review change over time in lending to Chicago-area communities. Results were disappointing to say the least, as we reported in June with **CRA Mortgages: A Failure to Implement**:

- Banks covered by the original Community Reinvestment Act law originate mortgages in patterns inconsistent with the goals of the CRA, and the gap widened substantially between 1984 and 2019.
- Shockingly, during the same time period, 90 to 95% of these banks received Satisfactory or Outstanding CRA ratings from the federal bank regulators.

Regulators have failed to hold banks to a reasonable standard when it comes to operating in all communities, not just the wealthier and whiter ones. This allowed lenders to continue a vicious cycle that fails to address lack of access to credit for people in communities of color and low-to-moderate income communities. This finding has influenced us to re-focus on advocating for bank regulators to raise their standards, among other next steps.

IN 2021 WE ALSO:

- **Analyzed impact on jobs in Illinois of the Predatory Loan Prevention Act**, showing that savings to consumers from passing the law would result in a net job increase.
- **Highlighted risk of foreclosure** facing resident owners of 2- to 4-unit buildings as the city of Chicago emerged from the pandemic.
- **Prepared a cost-benefit analysis** showing that savings from allowing people to remain in their homes rather than going into assisted living facilities almost certainly more than paid for home improvement costs. The analysis was done under contract to the U.S. Department of Housing and Urban Development Office of Policy Development & Research.



WE PROSPER ILLINOIS ▶

CONSUMER OUTREACH:

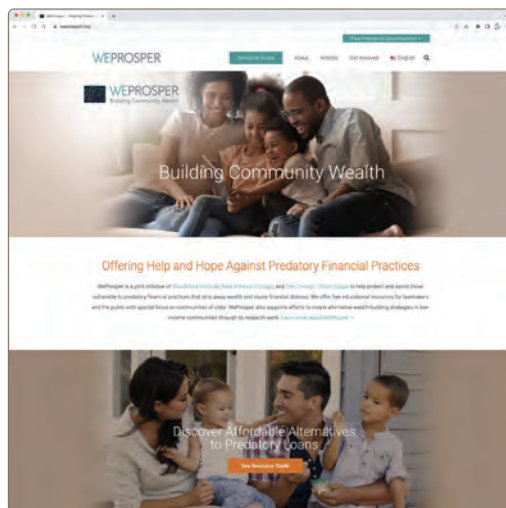
When the Predatory Loan Prevention Act became law, predatory lenders closed across Illinois. While data from other states that passed rate caps showed that consumers found alternatives to payday loans, we knew consumers needed access to information and resources.

We invested in multiple consumer outreach initiatives. After seeing the success of Get My Payment Illinois, an online resource helping

consumers make sense of COVID-19 relief payments, Woodstock Institute created WeProsper Illinois with our partners at New America Chicago and Chicago Urban League. The WeProsper Illinois website, [WeProsperIL.org](https://www.weprosperil.org), is home to consumer financial education resources to help consumers lower bills, find additional income sources, and access safe and affordable financial products.

Funders rallied around our campaign, supporting advertising and an online presence that brought the message about the new 36% APR cap directly to consumers. In 2021 we focused on Chicago's Black communities, which were the most targeted by payday lenders.

We advertised on WVON, Chicago's premier Black radio station, featuring messages on saving and drive-time interviews with trusted messengers including Attorney General Kwame Raoul, Cook County Board President Toni Preckwinkle, and other elected officials and advocates.





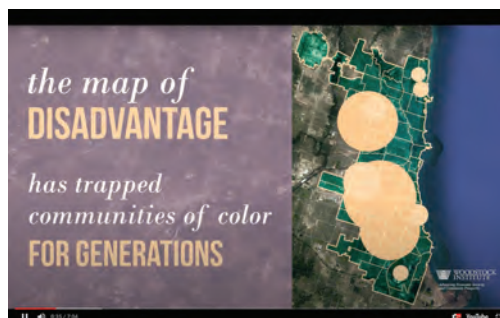
ECONOMIC JUSTICE AWARDS ►

The pandemic brought out our creativity, as we re-envisioned our annual gathering and awards event in June 2021. The virtual event brought together 115 community leaders, lenders, and other friends and supporters of Woodstock Institute.

At the Economic Justice Awards event, we issued a new call to action. Our report ***CRA Mortgages: A Failure to Implement*** presented the discouraging conclusion that community lending had changed little over the decades. We set ourselves an ambitious goal: to “Change the Map.”

Participants brainstormed ways to create economic equity and racial justice in Chicago’s historically segregated areas, which overlap with all the indicators of the racial wealth gap. This gap is shown clearly on maps of Chicago that overlay these indicators. Some of those ideas, such as growing community-led institutions, are feeding into our community outreach and other work today.

We also recognized leaders who helped drive the significant progress we saw in 2021. Those included state Senator Jacqueline Collins, who helped shepherd the Black Caucus’s economic justice agenda through the Legislature, and Kesha Thompson Warren, a small business owner whose story of getting stuck in a predatory loan and calls for change played a key role in advancing the PLPA.





FY 2021 ▶

FINANCE REPORT: JANUARY 1 – DECEMBER 31, 2021

STATEMENT OF FINANCIAL POSITION	12/31/2021	12/31/2020
ASSETS		
Current Assets	619,240	719,478
Net Property and Equipment	5,063	5,546
Other Assets	16,701	22,234
Total net assets, year-end	\$641,004	\$747,528
LIABILITIES		
Total Current Liabilities	71,918	46,934
Unrestricted Net Assets	438,526	349,531
Temporarily Restricted Net Assets	130,560	350,793
Total liabilities and net assets	\$641,004	\$747,528
REVENUE AND EXPENSE	12/31/2021	12/31/2020
REVENUE		
Grants and Contributions	828,908	917,356
Contracts & Other Income	755	9,219
PPP & Employee Retention Support	149,643	149,913
Total support and revenues	\$979,306	\$1,076,488
EXPENSE		
Program Services	656,007	493,969
Management, General & Fundraising	454,537	323,889
Total expenses	\$1,110,544	\$817,858
Change in net assets	(\$131,238)	\$258,630



DONOR PROFILE: MICHAEL SENG

For University of Illinois at Chicago School of Law Professor Michael Seng, data analysis is a big part of what separates today's economic justice work from the Civil Rights era in which he came of age. Emphasis on the value of analyzing research is one reason he invests in Woodstock Institute.

"When the era of 'separate but equal' ended with Brown v. Board of Education you had a footnote in the decision about social science research," Seng says. "Now it's 'where's the data?' The money I give to Woodstock is well used – they are very accomplished researchers, doing research nobody else is going to do."

A native Iowan, Seng received his B.A. and law degrees at University of Notre Dame. In 1968, he took a position at Jenner & Block in Chicago, where Seng embraced opportunities to work on civil rights issues, then led a legal services office in downstate Cairo.

Seng returned to Chicago in 1976 to take a position as a professor at John Marshall Law School (now part of the University of Illinois at Chicago). He continued to follow housing and civil rights issues, and he took notice when the U.S. Department of Justice won fair housing lawsuits by collecting and analyzing data showing patterns of discrimination.

In 1992, Professor Seng helped found the Fair Housing Legal Support Center & Clinic at the School to educate the public and provide legal assistance in housing cases. The Center was a legal venue to highlight the risks from subprime lending in the early 2000s. Seng has been honored for his work by the Illinois State Bar Association and the Catholic Lawyers Guild.

"I always liked the idea of Woodstock as more than just a think tank," Seng says. "They're about conducting really good research, making information available and actively participating in the legislative process."

We appreciate Professor Seng's investment in our work!

THANK YOU TO OUR SUPPORTERS: FOUNDATION, CORPORATE AND INDIVIDUAL INVESTORS, JANUARY 1 – DECEMBER 31, 2021

OVER \$100,000

The Chicago Community Trust

\$50,000 to \$99,999

Grand Victoria Foundation

JPMorgan Chase

Polk Bros Foundation

US Bank

\$25,000 to \$49,999

Americans for Financial Reform Education Fund

Capital One Financial

CIBC

Citi

Driehaus Foundation

First Midwest Bank

Neighborhood Housing Services of Chicago

PNC Bank

Woods Fund of Chicago

\$10,000 to \$24,999

Associated Bank

Big Cat Foundation

Lending Club

Mastercard

Northern Trust Company

TCF Bank

Wintrust

\$2,500 to \$9,999

BMO Harris Bank

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MUFG Union Bank

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AT WOODSTOCK INSTITUTE, WE'RE WORKING TO CREATE AN
ECONOMY WHERE EVERYONE HAS ACCESS TO THE FINANCIAL
SERVICES AND RESOURCES THEY NEED TO PROSPER.

WE CONDUCT RESEARCH AND ADVANCE POLICIES TO CREATE A
JUST FINANCIAL SYSTEM IN WHICH LOWER-INCOME PEOPLE AND
COMMUNITIES OF COLOR CAN SAFELY AND SUSTAINABLY BORROW,
SAVE, AND BUILD WEALTH.



WOODSTOCK
INSTITUTE

1973-2023



Anniversary Celebration + Economic Justice Awards

SAVE THE DATE

Join us to celebrate 50 years of collaborative work to create a just financial system and close the racial wealth gap. Guests will include community leaders, government officials, and representatives from financial institutions.

THURSDAY, JUNE 8, 2023

5:00 pm – VIP Reception

5:30-7:30 pm – Main Reception & Program

University Club of Chicago

76 E Monroe Street | Chicago, IL 60603

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