

TAKING STOCK

Spring 2003 Newsletter
Volume I, Issue 2

Southwest Center for Economic Integrity
509 S. Sixth Ave., Tucson AZ 85701 520-770-7405

SPECIAL EVENT

April 22- Socially Responsible Investing, a seminar on the history and power of SRI as a tool to express your values.

SPECIAL THANKS

- > to **Sharon and Larry Malcolmson** for donating office space and other support to SCEI, and for underwriting the creation of a "Ponies del Pueblo" **pony sculpture to benefit SCEI**. Our pony will be beautifully rendered by artist **Simon Donovan** and auctioned to benefit SCEI in November 2003. For more information visit www.poniesdelpueblo.com.
- > to the **National Economic Development and Law Center** and the **Amazon Foundation** for seed funding.
- > to our generous contributors Jan-Feb 2003: **Briggs and Pat Ackert, Jim and Lucille Burkholder, Ted and Jeanne Hasbrook, and Holly Lachowicz.**
- > and to **Pima County Community Services** and **Bank One** for initial funding of SCEI's payday lending study.

WE APPRECIATE YOUR HELP

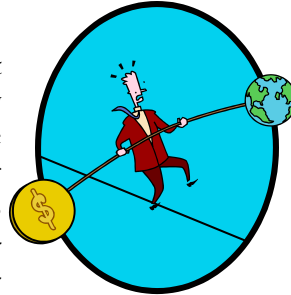
- ◆ SCEI is a 501(c)(3) non-profit, so your gifts are tax deductible. We are sustained by contributions. We also periodically need **volunteers** and in-kind contributions as well.
- ◆ For more **information** please contact our Executive Director **Karin Uhlich** at 520-770-7405.

Payday Loans at Every Corner !!!

What's happened in our community and state to cause so many payday loans shops to open? Virtually everyone seems to have noticed such storefronts opening in almost every neighborhood.

To learn more about this burgeoning industry and its impact, the Southwest Center for Economic Integrity has launched a research project. Over a dozen volunteers have gathered over several weekends in February and March to interview payday loan customers throughout Tucson. Equipped with clipboards, SCEI business cards and \$5 bills (the amount paid to interviewees), our volunteers have waited outside close to a dozen payday lending sites. Exit-

ing customers are asked a series of questions to help us give a better understanding of who turns to these lenders for help and what they ultimately experience as borrowers.



To date we have collected forty-five interviews, with the goal of gathering over fifty by the end of March. The results of the surveys will be incorporated into a lending study requested by the Pima County Board of Supervisors and County Administrator Chuck Huckleberry. That study will also include a component on predatory mortgage and home lending to be completed by the Southern AZ Housing Center. The full study will be completed and presented to the County this summer.

When Dollars Add Up

Day laborers working for Labor Ready know better than most how a couple of dollars a day add up to big money over time. They customarily pay Labor Ready \$1 plus the change on their paycheck in order to be paid in cash. Since they tend to be

paid daily, the fees of up to \$2/day mean as much as \$40 per month lost to check-cashing fees.

The Southwest Center for Economic Integrity has teamed up with the Arizona Attorney General's Office, the Arizona Coalition to

End Homelessness, the Morris Institute for Justice, and many others to address that disturbing loss of income suffered by impoverished workers. Labor Ready historically has extracted some \$10,000/month from

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Our Board of Directors and Staff

SCEI's Board of Directors

Margo Barnes

Maritza Broce

Arturo González

Lowell Jones

Holly Lachowicz

Pam Liberty

Susan Yeich

SCEI Staff

Cecilia Campillo

Amanda Sapir

Karin Uhlich

Board Member Profile: Margo Barnes

Margo moved to Tucson in 2002 after retiring as Senior Vice President for Corporate Communications and Community Affairs for the Bayer Corporation. Over the past 23 years Margo filled similar positions with a number of Fortune 500 companies, including American Medical International, PNC Bank Corp., and the LTV Steel Company.

Margo became involved with the Southwest Center for Economic Integrity to apply her skills and expertise to the cause of promoting ethical profits and responsible commerce. "A company in any industry makes dozens of judgment calls every week that boil down to the balance between the bottom line and the betterment of their communities," Margo notes. "Corporate executives feel immense, immediate pressure to grow profitability. They can quite easily and even understandably lose site of long-term consequences and the role of business in the broader community. I am convinced that that dualistic model of commerce – the false choice between investor return and community return – is slowly evolving to a healthier model. There are now countless examples of companies operating out of a limited 'bottom-line' perspective which ultimately failed because they sacrificed credibility and integrity."

Margo's expertise will be put to good use at the Southwest Center for Economic Integrity. She offers invaluable guidance and insight into SCEI's strategic corporate research activities, and also understands how to effectively communicate SCEI's message through the media to broad stakeholder audiences. "I want to apply my abilities to effect positive change. Profits can certainly be made without trading the betterment of humankind."

Staff Update

Two people have joined SCEI as part-time staff members. **Amanda Sapir** coordinates SCEI's research efforts, including the new study on payday lending to be conducted in Pima County. Amanda most recently served as the Coordinator of the Worker's Rights Hotline for the Southern Arizona Alliance for Economic Justice. In October 2002 she completed a 60-hour intensive training at Cornell University on strategic corporate research. Her experience in field surveying, data compilation and analysis, and persuasive writing will surely serve SCEI well. Also joining SCEI this month is **Cecilia Campillo**. Cecilia worked for many years as the Director of the El Pueblo TCE Clinic serving southside residents exposed to environmental contamination. She also served as a Program Director at the Volunteer Center and has many years of experience as a community activist. Cecilia assists with special projects and office administration. Her outstanding organizational and advocacy skills will be invaluable to us.

Day Labor (continued from page 1)

day laborers across Arizona, many of whom are homeless. Fortunately in 2000 the state legislature passed a law prohibiting day labor companies from charging their workers check-cashing fees. **All other Arizona employers pay the costs of processing payroll**, even those paying in cash like fairs and carnivals. **Labor Ready wants to legalize the check-cashing fees imposed on their workers. Right now they are pushing a bill (Senate Bill 1289) through the legislature to resume the practice of charging workers up to \$2/day (that's up to \$40 month)! SCEI opposes this Bill and hopes for a veto if it makes it to the Governor.**

SCEI has been gathering input from day laborers and working with policy makers to advocate consistent and fair practices within the day labor industry. We believe that **for their hard work, day laborers deserve their full pay.**

Please call Governor Napolitano **today** (628-6580) to thank her for helping AZ day laborers by initiating the Labor Ready lawsuit in 2002. Let her know your thoughts on SB1289. She needs to hear from Arizonans right away! Thank you.

Invest in Your Values: Socially Responsible Investing

Not long ago, Socially Responsible Investing was viewed as sure-fire way to sacrifice investment returns. Many also believed it could do little to actually influence corporate behavior. Both assumptions seem to be proving wrong.

According to Co-op America, the Social Investment Forum, and many other well-established groups in the field, data now demonstrates that Socially Responsible Investing can be a sound option for individual and institutional investors.

Some of the best resource organizations and websites that can help you to learn more about SRI are:

- **Co-op America**
www.coopamerica.org
- **Social Investment Forum**
www.socialinvest.org
- **SRI Academic Studies**
www.sristudies.org
- **Interfaith Center for Corporate Responsibility**
www.iccr.org
- **Investor Responsibility Research Center**
www.iccr.com

SCEI's next event on Socially Responsible Investing is free and open to the public:

Tuesday, April 22, 5:30-7:00 p.m.
Pima Community College
Downtown Campus
Room CC-180

Light refreshments will be served.
Please RSVP by 971-1472.

SRI Tops \$2.3 Trillion*

Socially responsible investing keeps growing in the U.S., delivering healthy returns to investors while offering an ever-expanding array of options. According to a 2001 study by the Social Investment Forum, socially responsible investing (SRI) has grown substantially since 1999. In that time:

- The total volume of SRI assets under management climbed from \$2.16 billion in 1999 to \$2.34 trillion in 2001.
- Nearly \$1 of every \$8 under professional management in the U.S. was part of an SRI portfolio in 2001.
- Socially screened mutual funds are attracting and keeping investor assets better than their unscreened counterparts in the recent market downturn. During the first nine months of 2001, Lipper reported a 94 percent drop in the dollars investors put into all mutual funds, compared to a 54 percent drop for SRI funds.

* Reprinted from Co-op America's Financial Planning Handbook, 2003 Edition.

The Southwest Center for Economic Integrity offers educational seminars in the community to help spread the word about Socially Responsible Investing and to link individuals and groups with resources to explore the SRI option. SCEI does not endorse any particular investment product, manager, or strategy. We do, however, believe that investors should be aware of SRI as an important vehicle to help promote social values.

SRI funds screen for causes which an investor can prioritize according to their own beliefs: environmental protection, international human rights, fair labor practices.

It is important to note that some funds simply offer what is called exclusionary screening (for example, no tobacco, alcohol, or weapons investments) while others engage in a more proactive screening process, targeting investments with companies that demonstrate an active commitment to particular corporate values (for example, affirmative action and diversity).

SCEI believes that SRI offers an important tool for individuals and communities to participate in its overarching mission and purposes: to *promote ethical profits and responsible commerce*. Some companies that have been of concern to us, such as Labor Ready, are publicly-traded. Investor awareness and activism can help to persuade such corporations to reflect on their practices and remember to balance short-term gains with long-term community impacts. Ultimately such a balanced approach can mean avoiding costly legal battles, bad publicity, and expensive measures required to rectify past problems (for example, environmental cleanup costs and penalties). Those savings can lead to stronger long term performance of a company, which in turn means better returns for investors.

We encourage you to take the time to learn more about Socially Responsible Investing. You may find that it is a good way to invest your money, and invest in your values.

PROMOTING ETHICAL PROFITS AND RESPONSIBLE COMMERCE.

**Southwest Center for
Economic Integrity**

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The **Southwest Center for Economic Integrity** engages in research, education and advocacy

- to mobilize and protect marginalized people, and
- to hold corporations and industries accountable to their communities.

Count me in as a supporter of the **Southwest Center for Economic Integrity!**

I'd like to contribute the following:

----- One-time Contribution of \$-----

----- Monthly Pledge of \$----- per month (billed the 15th of each month)

----- Quarterly Pledge of \$----- per quarter (billed the 15th of the first month/quarter)

----- I want to Volunteer. Get in touch to tell me more about opportunities to be involved.

----- Come speak to my congregation, civic organization or group of family and friends.

Name -----

Address -----

Phone ----- E-mail -----

Payment via: Check Credit Card Monthly/Quarterly Amount: ----- Total-----

Circle One: Visa Mastercard No. -----

Exp. Date -----

Signature: ----- Date: -----

NOTE: SCEI is a 501(c)(3) non-profit organization. Contributions are tax deductible to the extent allowed by law.