

# TAKING STOCK

Southwest Center for **Economic Integrity**

Spring 2005 Newsletter  
Volume III, Issue 1

P.O. Box 41972, 21 E. 15th Street, Tucson AZ 85717-1972  
(520) 882-2165 info@economicintegrity.org

## SPECIAL THANKS TO OUR GENEROUS DONORS DEC 2004-FEBRUARY 2005:

> Joanne Basta and Gary Bachman, Tom Berning and Nancy O'Neill, Nancy Bissell, Marc and Terry Cahill-Frost, Robbie and Helen Dick, Howard Druch, Barbara Holtzman, Lowell Jones and Teresa Cowan Jones, Liz Kennedy and Barbara Prebis, Anthony King, Holly Lachowicz, Omer and Celia Lamborn, Dr. Kenneth Langton, Pam Liberty and Lisa Bibbens, Toni and Alison Martinez, Darrell Miller and Bob Mihallik, Melanie Morrison, Ann Nichols, Gordon and Elizabeth Packard, Diana Rix and David Gibbs, Carla and Zingarelli Rosenlicht, Starr Sanders and Andy Silverman, Ivy Schwartz and Kathy Altman, K. Schweighardt, Jana Sebring, Jeanne Shirly and Sal Nuccio, Joe Stevens, Carolyn Trowbridge and Keith Bagwell, Jan Vasilius, Nancy Wall, Bruce Wenger, Matthew Wheeler, Charles and Betsy Zukoski

## COME CELEBRATE OUR 3rd ANNIVERSARY!

Sunday, May 1, 4:30-6:00pm

Blue Willow Restaurant

2616 N. Campbell Avenue

Please RSVP by 4/26: 882-2165

### 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.
- ◆ For more information please contact us at 520-882-2165

## To Challenge Payday Lenders...

### ...Southern Arizona Lawmakers Lead

Representative Marian McClure and Senator Toni Hellon introduced bills at the state level to reshape the payday lending industry. Both have been working closely with the SW Center for Economic Integrity (SCEI). SCEI has coordinated bi-partisan work on the bill with an extraordinary coalition of groups including the AZ League of Credit Unions, Westmarc (a Maricopa region business, government, education and community association), the Attorney General's Office and others. **HB2551 passed in the Arizona House on a 40-19 vote** (see page 4).

*"Consumer groups and financial counselors who work with military families say service men and women make ideal customers for payday lenders because they are young, financially inexperienced, and have low incomes that leave them in need of additional cash."* - Kelly Griffith, SCEI, In testimony before the

*AZ House Committee on Public Institutions and Retirement*

**HB 2551 specifically protects military families** - who often fall prey to payday lenders - **and prevents companies from charging more than 15% every two weeks** for loans issued. Another victory to note: a Bill *expanding* similar types of high-cost "small consumer loans" was defeated in the Arizona House.

**ACTION ALERT!**  
Call your State Senator now  
to voice *your* opinion on  
HB2551: 1-800-352-8404

### ...South Tucson Women Lead

Ten women in South Tucson recently joined the **Arizona Federal Credit Union** as part of an SCEI pilot project to help families avoid high-cost financial services like payday lending. Several of the women noted that they have had bad experiences with banks in the past. However, after an initial visit with staff at AZ Federal CU, they decided to enroll as members. If pleased with the CU services, they can help encourage others to turn to credit unions instead of payday lenders and high-cost check cashing shops. **Casa Maria** has provided tremendous support for this pilot effort. Seed funding has been awarded by **St. Philip's Episcopal Church** which we hope to get matched. We're grateful for all of the support!

## Volunteer Spotlight

When former Food Bank Executive Director **Charles “Punch” Woods** suggested that SCEI recruit **Maggie Gerring** as a volunteer, we had no idea just how incredibly helpful she would be to us. Maggie was a founder of the South Park Credit Union (now **Arizona Federal Credit Union**) located near S. Park Avenue on Silverlake Road (adjacent to the City of South Tucson). She retired from AZFCU a few years ago, and has become an instrumental advisor to SCEI as we develop a program to bridge area residents out of high-cost payday loan and check-cashing outfits (see front page article). Maggie’s contributions to the work of SCEI represent just a small fragment of her overarching commitment to our community. In fact, at the 2005 annual Martin Luther King, Jr. southside breakfast banquet, Maggie received an award for her tireless efforts over the years to promote family financial security. Her work has no doubt improved the lives of countless families and children on the southside, in South Tucson and beyond. We’re thankful Maggie includes SCEI in her “retirement” schedule!



**Maggie Gerring** (left) received recognition at the southside MLK breakfast from **County Supervisor Ramon Valadez** (center) and Tucson **City Councilmember Steve Leal**.



**Julia Hearon** (right) will soon offer SCEI presentations to community groups regarding payday lending and other topics. For a presentation please call SCEI at **882-2165**.

**Julia Hearon** began volunteering with us in the fall of 2004 after attending the **Borderlands Theater** production of *Nickel and Dime* co-sponsored by SCEI. She attended the play at the urging of **Dr. Eldon Schafer**, visiting professor at the University of Arizona School of Business. Julia works in the School as the Department of Accounting Graduate Program Coordinator. She moved to Tucson from Flagstaff after earning a Bachelors Degree in Political Science at NAU and serving as the manager of scholarship and mentoring programs at Big Brothers and Big Sisters of northern Arizona. Julia hopes to earn her Doctoral degree in Sociology. “I was drawn to the work of the Southwest Center for Economic Integrity because I plan to study stratification and how social systems and networks work for and against families,” says Julia. Julia has assisted SCEI with the Bread and Roses photography project (see below) and will soon be offering educational powerpoint presentations on SCEI’s payday lending research to community groups. If you would like such a presentation for a group you’re affiliated with, please call us at 882-2165. Chances are you’ll hear back from Julia!



## unseenamerica

Four workers participated in SCEI photography classes and then exhibited their beautiful works through the **unseenamerica** project. The project was a collaboration with the New York **Bread and Roses** Cultural Project 1199/SEIU. Costs were underwritten by the Office of UofA President **Peter Likins**, with additional in-kind and financial support from **Jones Photo** and **Morrison, Ekre and Bart Management Services, Inc.**

Left: “Friends” by **Lo’Retta Santos**.

**Thanks** to everyone who purchased “Bread and Roses” raffle tickets! The drawing winner was our very own Board Member **Maritza Broce** (she didn’t draw the winning stub... honest!). The raffle raised close to \$1,000 for SCEI and the Bread and Roses Cultural Project.

# Join Us To Celebrate SCEI's Third Anniversary!

Sunday, May 1, 4:30-6:00pm  
Blue Willow Restaurant  
2616 N. Campbell Avenue  
Tucson, AZ

## Invited "Integrity Honorees"

- ◆ Arizona State Representative Marian McClure  
(Primary Sponsor of Arizona Payday Lending Legislation)
- ◆ New Mexico State Representative Antonio Lujan  
(Primary Sponsor of New Mexico Day Labor Legislation)
  - ◆ Arizona League of Credit Unions
  - ◆ New Mexico Coalition to End Homelessness

Come enjoy light refreshments  
in a beautiful garden patio setting

Please RSVP by April 26th to 882-2165 or return the form below.

-----  
\_\_\_\_\_ Yes I'll be attending SCEI Celebration Sunday, May 1 (no cost to attend)

\_\_\_\_\_ No I can't attend

\_\_\_\_\_ Here is a donation of \$\_\_\_\_\_ to help sustain the important work of SCEI  
(credit card form is available on the back cover of this newsletter).

\_\_\_\_\_ I'd like to volunteer or invite SCEI to present to my group. Please get in touch.

Name \_\_\_\_\_ Phone \_\_\_\_\_ E-mail \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

# Emerging Partnerships

The Southwest Center for Economic Integrity builds community partnerships to make our work stronger. In recent months new opportunities have emerged that could lead to further progress in pursuit of our mission – *“To build economic strength by promoting fairness, understanding, and community action”*:

- ◆ **Chicanos Por La Causa** in Tucson contacted SCEI to explore research in a southside area of Tucson. Our study would help CPLC to enhance the efficacy of their planned “mobile financial services” center.
- ◆ Members of the **Unitarian Universalist** congregation in Sierra Vista have contacted us to discuss the possibility of an SCEI study on the impact of payday lending on military personnel stationed at Fort Huachuca.
- ◆ SCEI contacted **St. John’s Catholic Parish** on S. 12th Ave. in Tucson to offer support for the **Arizona Attorney General’s** new satellite consumer services site opening there soon.
- ◆ SCEI co-sponsored a community forum on predatory mortgage lending with **ACORN**, and continues broader work on the issue with the **Southwest Fair Housing Council**.

## House Vote on HB2551 (cont’d from p. 1)

Member Name	Vote	Member Name	Vote	Member Name	Vote
Amanda Aguirre	Y	John M. Allen	Y	Manuel V. "Manny" Alvarez	Y
Mark Anderson	Y	Ray Barnes	N	Andy Biggs	N
Tom Boone	Y	David T. Bradley	Y	Jack A. Brown	Y
Judy Burges	N	Jennifer J. Burns	Y	Meg Burton Cahill	Y
Olivia Cajero Bedford	Y	Ted Carpenter	Y	Cheryl Chase	Y
Ted Downing	Y	Eddie Farnsworth	N	Steve Gallardo	Y
Martha Garcia	Y	Pamela Gorman	N	Chuck Gray	N
Trish Groe	N	Pete Hershberger	Y	Steve Huffman	Y
Russell L. Jones	Y	Ann Kirkpatrick	Y	Laura Knaperek	Y
Bill Konopnicki	Y	Leah Landrum Taylor	Y	Phil Lopes	Y
Linda Lopez	Y	David M. Lujan	Y	Lucy Mason	N
Marian A. McClure	Y	John McComish	N	Debbie McCune Davis	Y
Nancy G. McLain	Y	Robert Meza	Y	Ben R. Miranda	NV
Rick Murphy	N	John B. Nelson	Y	Warde Nichols	N
Tom O'Halleran	Y	Jonathan Paton	Y	Russell K. Pearce	N
Gary L. Pierce	N	Tom Prezelski	Y	Doug Quelland	N
Michele Reagan	N	Pete Rios	Y	Bob Robson	N
Colette Rosati	N	Kyrsten Sinema	Y	David Burnell Smith	N
Bob Stump	Y	Albert Tom	Y	Stephen Tully	Y
Jerry P. Weiers	Y	Steven B. Yarbrough	N	James P. Weiers	Y

◆ We also work with group nationally and internationally, including the **Word and World** seminary, the **North American Alliance for Fair Employment** and the **National Network of Sector Partners** (a program of the **National Economic Development and Law Center**).

◆ And our most inspiring work has been in direct partnership with talented and courageous **low-wage workers**: the dozens of **writers** and the class of **photographers** contributing to our Nickel and Dimed and **unseenamerica** projects; the **day laborers** stepping forward to file complaints against unscrupulous day labor companies in Phoenix, as well as those participating in our recent survey in New Mexico; and **payday loan borrowers** willing to share their experiences and the impact of that industry on their lives and families.

SCEI recognizes that we can be most effective by contributing our strengths, resources and ideas to broad efforts involving many stakeholders. As you learn more about our work, we hope you will let us know of other opportunities for community partnerships and collaboration.

*Thank you!*

## You Can Promote Economic Integrity

By Lowell Jones, Board President

In our last issue of *Taking Stock*, our Treasurer **Holly Lachowicz** shared the development goals adopted by the SCEI Board of Directors for 2004-2005. Our plan includes raising \$32,000 by June 30 from individual contributors, with the balance of our \$152,000 budget coming from grant sources, contracts and special events.

We are pleased to share that, as of February 28, 2005, individuals have contributed just over \$14,000 to SCEI. We now need just **\$18,000 more to reach our annual goal!**

Consider the impacts leveraged through SCEI's partnerships and modest budget:

- ◆ New protections for day laborers have been adopted in New Mexico this year.
- ◆ Enforcement action to protect day laborers has been initiated in Phoenix.
- ◆ Legislation to reign in the payday lending industry will likely pass in the Arizona legislature this year. In addition we've educated military families, policy makers, and many others about the perils of payday loans.

We accomplish a lot with a little, and sincerely appreciate everything *you* contribute to our work to strengthen local economies in the southwest. Thank you!

---

SCEI cited in [Christian Science Monitor](#)

## Investors Reject Problem Day Labor Companies

According to a December 20, 2004 article in the [Christian Science Monitor](#) newspaper, our efforts to protect day laborers continue to have an impact :

*“Labor Ready, a public company, frequently finds itself screened out of socially responsible portfolios as researchers cite a number of red flags in the firm’s history. Two examples include a pending class action suit brought by former employees in California and a \$150,000 settlement in December 2002 with Arizona workers* who claimed the company illegally charged them for check-cashing service... “The ball rests primarily in the court of ethically minded investors to insist that the companies they own raise expectations of the firms they use,” according to **Karin Uhlich**, executive director of the SW Center for Economic Integrity in Tucson.” SCEI continues to work with groups across the country to promote fair employment practices and a level playing field for businesses struggling to compete against unethical companies. SCEI believes that “high road” economic practices, in fact, benefit and strengthen entire communities.

### Other Highlights

> [New Mexico’s Day Labor Act \(HB672\)](#) passed in the state House and Senate this month with overwhelming bipartisan support. The legislation mirrors day laborer protections adopted in AZ in 2001. SCEI has offered ongoing t.a. to the coalition supporting the bill.

> In February SCEI worked with **Central AZ Shelter Services** to help the **Attorney General’s office** and the **William E. Morris Institute for Justice** interview several day laborers. The workers believe their right to be paid the minimum wage and other protections are being violated by two day labor companies in the Phoenix area. We’ll keep you posted as this important enforcement work progresses.

> SCEI staffer **Kelly Griffith** now provides semi-annual trainings to the **Naval Marine Corp Reserves** on predatory financial services. She also maintains contact with financial counselors at **Davis-Monthan AFB**. Payday lenders often draw business from military families, many of whom earn modest incomes and undergo economic stress.

Southwest Center for **Economic Integrity**

21 E. 15th Street  
P.O. Box 41972  
Tucson, AZ 85717-1972

Non-Profit Org.  
US Postage  
PAID  
Tucson, AZ  
Permit No. 123

*Come Celebrate  
on May 1st!*

BOARD OF DIRECTORS

Maritza Broce  
Lowell Jones, President  
Holly Lachowicz  
Pam Liberty  
Miguel Ortega

STAFF

Cecilia Campillo  
Kelly Griffith  
Amanda Sapir  
Karin Uhlich

The Southwest Center for Economic Integrity  
engages in research, education and advocacy  
to promote high-road business practices  
and strengthen local economies.

**Won't You Join Our Efforts?**

I'd like to contribute the following:

Enclosed is my contribution of \$\_\_\_\_\_

\_\_\_\_\_ I want to Volunteer.

\_\_\_\_\_ Come speak to my congregation or civic organization

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_ E-mail \_\_\_\_\_

Payment via:      Check      Credit Card...      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.