

Remarks for FY2022 Budget Proposal

Treasurer Melissa Conyears-Ervin

When I spoke to you last year, I spoke of the tremendous challenges that surrounded us. We were in the middle of a global pandemic and no vaccines were yet available. The economy had taken a devastating hit from the shutdowns that rapidly spread across the country and globe. Yet our objectives remained—and continue to remain—in place. First and foremost, the City Treasurer's Office (CTO) aims to ensure the preservation of principal and, by doing so, avoid losing existing capital. Secondly, the CTO strategically sets thresholds for maintaining adequate liquidity of cash flow, ensuring the city can pay its bills. Finally, we target obtaining the highest risk-adjusted return using all of the available tools in our financial toolbox, including all investments and strategies allowable under statute.

Despite the challenges of 2020, there were glimmers of hope—the markets recovered quickly, and the City's investment portfolio ended the year strong. I am proud to say that even during a pandemic, we were able to generate investment income of more than \$133 million in 2020. The CTO now holds approximately \$9 billion in assets.

Since I took office, in addition to protecting taxpayer investments, the CTO has also focused heavily on financial empowerment and issues of economic justice, and these are issues that are important to residents of the city. As I remind my staff daily, we can make money, but our real impact is the change we bring to our residents' lives.

During the 4th quarter of 2019, the CTO held its first ever Broker Dealer Symposium. The goal of the symposium was to introduce myself to the Broker Dealers with whom the CTO conducts business and to set expectations related to diversity, equity, inclusion, and corporate social responsibility for companies looking to partner with the Office. After the initial meeting, the Office was able to approve 33 Broker Dealers for the 2020 calendar year who met the standards set by what the office calls the CTO Broker Dealer Scorecard, which was built to measure companies' efforts related to diversity, equity, inclusion, and corporate social responsibility. Through March 31 of this year, we have traded \$3.837 billion in securities and more than 57 percent of that was transacted with minority-, women-, disabled- and veteran-owned firms. We implemented Version 2.0 of our Diversity Scorecard this year. Since then, we have reduced 33 Broker Dealers to 28 with our latest selection. The CTO remains on track to exceed the trading volume conducted with minority firms compared to previous years and the Office is extremely proud of the work we did to make it happen.

In 2021, the CTO also continued its successful pivot to holding events virtually. We continued our Money Monday with Melissa webinar series, which provides resources that are available through local, state, and federal government agencies, nonprofit organizations, and private corporations. The series features notable guests on topics such as rent and mortgage relief, grants and loans, keeping your credit healthy, small business assistance, tax assistance and updates, and much more. In April we participated in Money Smart Week by hosting a week of financial empowerment events with resources focused on building generational wealth, housing and rental assistance, paying for college, the importance of banking, Fintech Summit for Youth, and much more.

In June of 2020, the CTO, in partnership with Illinois State Treasurer Michael Frerichs, launched the Advancing Equity in Banking Commission, which is tasked with examining traditional banking practices and policies and how they affect Black and Brown residents of Chicago and Illinois. The Commission is made up of CEOs from financial institutions across the state who are committed to examining everything from lending practices to hiring and career development practices. In June of this year, the Commission shared the initial results of its internal inquiries and shared the internal policy changes each has since instituted to address the significant racial disparities in lending, hiring, and promoting. We are proud to support the recently passed Equity in Lending Ordinance for the work it does to close racial disparities in this area.

In late 2020, the CTO secured a groundbreaking and crucially important partnership with Operation HOPE, the largest nonprofit provider of financial literacy and economic empowerment services for both adults and youth. Through our partnership with the HOPE Inside initiative, we launched a year-long program that offers credit and money management resources to all Chicagoans—for free. In Financial Literacy Development workshops, Chicagoans have been able to create a budget, learn to understand and fix errors on their credit reports, and start planning for homeownership. In Complimentary Coaching Sessions, counselors have helped people make a plan for getting out of debt and raising their credit scores. In the 700 Credit Score Initiative, participants have had the opportunity to receive 18 months of continuous counseling that can raise their credit scores by 120 points. So far, this program has provided 916 financial empowerment services, including credit counseling enrollments, bank referrals, credit and money management workshops, disaster preparedness workshops and more. Coaches are currently serving more than 200 residents throughout the Chicagoland area.

In March of this year, we proposed the creation of a Municipal Depository Task Force, which would examine the process of selecting the municipal depositories. Our goal was to dramatically streamline the process and—in doing so—inject equity by removing barriers to smaller, community-based financial institutions like credit unions and small banks.

In 2020, we held a virtual financial services career fair and a one-day financial summit called “Building Wealth Today for Tomorrow” to help residents continue building wealth. On September 23, we will continue our collaboration with Operation HOPE for another “Building Wealth Today for Tomorrow” Virtual Financial Summit designed to assist residents with financial information on building generational wealth for themselves and their families. On October 14, we will hold the next Chicago Treasurer’s Financial Services Virtual Career Fair, an event to connect Chicago’s leading candidates with the Financial Services Industry. This career fair will offer entry-, mid-, and senior-level positions, as well as internship opportunities to help Chicagoans jumpstart their career.

We are looking forward to closing the year strong in both financial performance and the valuable resources and programming we provide for the residents of Chicago. We look forward to working with all of you in the months and years ahead as we invest in Chicago’s communities.

Thank you.