



OFFICE OF THE CITY TREASURER
MELISSA CONYEARS-ERVIN · TREASURER · CITY OF CHICAGO

FY2024 Budget Proposal Remarks **Oct. 27, 2023 – City Treasurer Melissa Conyears-Ervin**

- Good morning, Chairman Ervin, Vice Chair Lee, and members of the committee.
- I am pleased to join you today to share a summary of my office's accomplishments on behalf of the people of Chicago over the last year, and to provide a look ahead for 2024.
- Let me start with the numbers. Currently, my office has \$10.3 billion assets under management, a \$1 billion increase over last year – and a \$2.8 billion increase since taking office in May of 2019.
- Through August 31, our portfolio has returned approximately \$245 million. By comparison, that number for all of 2022 was \$176 million, and \$116 million for all of 2021.
- In fact, of the more than \$11 billion traded by the CTO in 2023, 53% was executed with minority firms, including \$1.7 billion with Hispanic-owned firms and \$2.1 billion with Black-owned firms.
- When all is said and done at the end of this year, we would anticipate portfolio earnings close to or exceeding \$400 million – a 127% increase in earnings year over year.
- I'm proud of this trend, and I'm proud of my investment team for realizing these returns for taxpayers – despite what has been a sustained period of market turbulence.
- The CTO continues investing the city's dollars in ways that reflect the values of the people we represent and that have a maximum impact on Chicagoans, our communities, and our finances – as well as our collective future.
- In the past this has meant working with this Council on ensuring *no Chicago funds* are going to support gun manufacturers or tobacco companies.
- As we go forward, we are exploring other opportunities to advance our sustainability goals.
- In managing the City's portfolio, we remain fixed on our core objectives:
 - Ensuring the preservation of principal and strategically setting thresholds for maintaining adequate liquidity, so the City can pay its bills.
 - And obtaining the highest possible risk-adjusted return for the City by using all the available tools in our financial toolbox – including all investments and strategies allowable under statute.
- There is, however, a third objective, required by statute and one I take very seriously – providing financial education and literacy programs that empower Chicagoans to build sustainable wealth and a brighter future, while helping to build stronger, healthier communities in the process.

- In 2023, the CTO invested \$10 million in a community bank, so we can make more resources available to individuals and small business owners in disinvested and under-resourced communities in need of commercial and residential development.
- We invested \$25 million in a fund with Fannie Mae and Freddie Mac that is providing the resources to help hundreds of Chicagoans get the mortgage assistance they need to become first-time homebuyers in Chicago's South and West Side neighborhoods.
- Another way in which the CTO promoted economic development is by bringing resources from community organizations and businesses together for individuals and business owners.
- We created the Empowerment Scholarship program.
- Thanks to newly forged public and private partnerships, 10 Chicago students entering college for the first time in 2023 were awarded \$5,000 each to help with expenses.
- We also partnered with the "Goldman Sach's 10,000 Small Businesses" program to offer entrepreneurs a 13-week financial business education -- at no cost to them -- to gain access to the information and resources for growing their businesses.
- The CTO also launched "Spend Smart, Eat Smart" at senior centers throughout the city, and other new financial education and literacy programs including "Wealth Wednesday," Pre-Game, the Financial Youth Education and Empowerment Symposium, and more.
- In addition to these programs, others such as "Money Mondays with Melissa," HOPE Inside, and more that we launched during the pandemic, are still going strong.
- In fact, two-thirds of all participants in the credit repair and building program raised their scores to prime levels, the score by which lending becomes affordable for most borrowers to purchase a home.
- Last summer, I was proud to co-host the Advancing Equity in Banking Commission once again, where we learned of some of the essential programs and steps that our financial institutions have taken toward creating real and lasting change.
- Their increased outreach and recruitment efforts among people of color means scores of good jobs have been created for Chicagoans.
- New investments by participating institutions will create thousands of affordable housing opportunities and expand lending in under-resourced communities as well as provide resources for returning citizens that will help reduce recidivism.
- And just three weeks ago, we hosted our third-annual "Building Wealth Today for Tomorrow" Financial Empowerment Summit and Career Fair.

- Thanks to the CTO's sponsors and community partners, more than 3,600 Chicagoans registered to gain insights into financial services and build relationships for new career opportunities with financial experts and recruiters.
- In addition to business leaders and local contacts, participants heard from living legends Andrew Young and "Magic" Johnson, all in person at the UIC Forum.
- By providing access to financial education and resources like these, we can help build a safer, more prosperous Chicago for everyone who calls our great city home.
- 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 – and building on these efforts next year.
- We look forward to working with you all in the months and years ahead as we invest equitably in Chicago's communities.
- I just want to conclude by acknowledging the obvious – the City's overall finances are stretched, there isn't enough to go around, and tough choices have to be made.
- My team is small, but it is mighty, and our track record shows we provide a remarkable return on investment.
- Thank you for your time and support over the years.
- I look forward to your questions.