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**AL HOFELD, JR. UNVEILS PROPOSALS FOR CREATING JOBS
AND ACCESS TO CAPITAL FOR ILLINOIS BUSINESSES**

*Hofeld Decries Incumbent's Failure to Advocate for Minority and Small Businesses; Calls
Out Raoul's Acceptance of \$1,500 in Campaign Money from Payday Lenders*

Today, Al Hofeld, Jr., candidate for the Illinois State Senate in the 13th Legislative District, unveiled his proposals to address what he called “the urgent and growing crisis of joblessness and the persistent lack of access to capital that stifles entrepreneurs, small businesses and economic growth on Chicago’s south side.” Hofeld is the founder of two, successful small businesses that have created jobs and capital on the south side.

“As unemployment continues to rise to record levels, Illinois’ number one policy priority should be job creation and supporting businesses of all sizes, but especially small, minority-owned businesses” said Mr. Hofeld. Citing studies indicating that state and federal stimulus dollars have, by and large, not resulted in jobs and contracts for minority-owned businesses and workers, Hofeld elaborated that “it is not merely about creating jobs and capital but also about *ensuring access*” for all.

In addition to his own public interest law firm, Mr. Hofeld founded the South Side Community Federal Credit Union. Certified as a Community Development Financial Institution (CDFI) by the U.S. Department of the Treasury, the credit union is a not-for-profit, grassroots financial institution with a social mission: to fight poverty through, in part, pooling the community’s money to make affordable loans to consumers, entrepreneurs and community businesses. Hofeld noted that the credit union has brought in excess of \$7 million in capital to the south side – much of it raised personally by Hofeld - and created at least 12 jobs since opening in 2003. 88 community businesses are members of the credit union.

“The credit union was founded as a direct alternative to payday lenders, currency exchanges and other predators that suck capital out of poor communities in the 13th District. By not overcharging people, the credit union allows people to gradually save something with which to eventually start a business or buy a home.”

The same commitment to empowering low-income residents and entrepreneurs of the 13th District cannot be attributed to incumbent State Senator Kwame Raoul, **who has accepted \$1,500 in campaign contributions from the payday lending industry.** As allowed under state law, payday lenders typically charge in excess of 400% APR for

small loans of \$500 or less, then renew them repeatedly, as most people cannot repay them immediately; the result is that the interest due snowballs. Specifically, the incumbent has accepted:

- \$1,000 from the Illinois Small Loans Association (ISLA), which represents 81 percent of the payday loan industry in Illinois;
- \$250 from AmeriCash Loans (payday lender); and
- \$250 from First Cash Financial Services (payday lender).

Hofeld noted studies indicating that “Payday lenders target low-income communities of color, siphon capital out of neighborhoods, and ruin people’s financial lives. **By taking campaign contributions from legal loan sharks, my opponent** makes clear that he is out of touch with the predicament of his low-income constituents who are struggling to make ends meet.” Hofeld vowed to never take contributions from payday lenders and other financial predators and vowed to fight for more stringent regulations on payday lending.

Hofeld also pointed out that the incumbent’s voice has been absent from the fight to help minority contractors and workers, particularly African-Americans in the 13th District, gain access to state construction contracts and jobs.

The Hofeld campaign has learned, through the response to a FOIA request sent to the Illinois Department of Transportation (IDOT) that, despite repeated requests made to him by African-American contractors for help when they weren’t getting contracts from the Dan Ryan Reconstruction Project, **Senator Raoul made absolutely no contact of any kind with IDOT throughout the duration of the entire project.**

“The incumbent’s lack of advocacy for his constituents is unbelievable.” Hofeld said that, had he been the State Senator during “the Dan Ryan fiasco,” not only would he have made honest inquiries with IDOT, but he would have used the powers of the office to the fullest to advocate for businesses and workers – by introducing new legislation, convening public hearings, causing subpoenas to issue, making a case in the media, and filing lawsuits. “But my opponents approach was simply to do nothing, not to stand up and fight for his constituents.” Hofeld, who for years has advocated for the homeless and victims of predatory home loans, said that the incumbent is silent all over again now as businesses and workers of color get passed over for contracts and jobs from the federal and state stimulus funds. “Where is his voice now? It is silent. He just is not the kind of person who is an advocate for people.”

When elected, Mr. Hofeld will advocate for multiple initiatives that will help create more jobs and businesses and expand access to capital. His proposals include:

- Immediately restore state budget cuts pass HB 174, which will preserve and create jobs and further stimulate the economy;

- Increase support and training for home-based businesses, small-scale community-based businesses and worker-owned businesses that create jobs;
- Fund the Office of Urban Assistance in the DCEO, which was created to coordinate state services and programs to address the needs of businesses;
- Require that all companies of certain scale that receive state funds create an apprentice program for minorities, including African-Americans;
- Require that 25 percent of all jobs created by each contract funded in any part with state dollars have to go to minority – including African-American – contractors and workers and those who live in the geographical community where the project is located;
- Create more vigorous citizen monitoring and enforcement of minority contracting laws and hiring goals;
- Coordinate economic development policy with workforce development policy, so that workers are trained to fill the jobs created in their communities; and
- Restore funding cuts to and expand the highly effective Job Training & Economic Development workforce training program;

Mr. Hofeld also noted that, as a state senator, he will create and propose legislation to:

- Expand the availability of capital and loans to minority – including African-American - businesses seeking to grow and expand, through an Illinois Community Reinvestment Act and/or making deposit of state funds by the Treasurer contingent on active bank lending;
- Prohibit unnecessary credit checks by employers when they are unrelated to prospective employee’s ability to perform the job; and
- Increase the number of categories of jobs that ex-felons can hold to create more opportunities for them to become productive citizens.

Mr. Hofeld finally noted that the only real long-term solution to the job crisis in Illinois’ urban communities is to create equity in the funding for public education. “Quality education and training will make our young people in the inner cities desirable as workers and will make our neighborhoods desirable as places for businesses to locate.”

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