

ICADV's Economic Empowerment Project Update

Spring 2008

Economic Empowerment Individual Advocacy Training

In March, ICADV held its second Economic Empowerment Individual Advocacy Training (the first was held in October 2007). This training focuses on one-on-one economic advocacy with survivors. Based upon feedback from the October group, portions of the training were restructured and lengthened slightly; the training now offers more time to practice how help survivors with credit and budgeting issues. And, it now goes into depth on how to take a survivor's economic challenges and help her create a personalized Economic/Credit Action Plan. The training ended with an additional section on bankruptcy (and will soon add information on foreclosure), and gave attendees time to examine how economic empowerment fits into their individual agency and work. Because the training is different than the one we offered last fall, those who attended in October will be able to register for upcoming Individual Advocacy trainings (the next being in the fall of 2008). So, if you are seeking more information and support on how to work one-on-one with clients around economic advocacy, this training will be for you. More information to come later.



Student Loan Information for Survivors

Survivors may be able to defer their student loan payments due to their domestic violence history. Some lenders consider domestic violence to be a financial hardship and may be willing to grant her deferred payments or work with her to create a more reasonable payment plan. In the best case scenario, she would contact her lender before she has stopped paying on the loans or they have gone into a delinquent status. However, if the loans have become delinquent and she believes that it happened because of her abuse, the lender may be willing to work out something with her. In any situation, it is worth asking if she is willing to disclose her abuse to her lender.



Insurance Information for Survivors

In Illinois it is illegal to charge higher premiums for insurance or deny insurance coverage because the customer is a victim of domestic violence. This includes life insurance, health insurance, and property insurance. Advocates can help if an insurer claims that her experience with domestic violence puts her into a higher risk category and therefore wants to charge her higher fees, deny her insurance coverage, or deny an insurance claim.

ICADV Economic Empowerment Project Website

This spring, ICADV will be adding an Economic Empowerment Project section to its website. These pages will have general information about the project, as well as resource information for advocates. This is going to become a great tool for advocates. Look for it soon!

Second Chance/Secure Credit Cards

Many survivors are unable to get a traditional credit card because of their past credit history. One of the ways to build up one's credit score (and have more access to credit in the future) is through a secure credit card. With this, a woman would give the bank a deposit (minimum deposits vary), and she will be given a credit card for up to that amount. She should charge small amounts on the card and pay it off each month in order to begin building a positive credit history. She should bear in mind that the credit limit will be small (only what she put down), the interest rate will be higher than most cards, there will probably be an annual fee (these vary as well), and there will be fees if she is late with payments or goes over her limit. Ideally, a secured credit card should only be used as a method to build a positive credit history. The good news is that these often become unsecured cards after one year of good payment history (meaning she would get her deposit back and she would have a regular credit card, with a potentially lower interest rate). A list of resources for secure credit cards will be sent to advocates soon, and the information will also be available on ICADV's website.

Second Chance Checking

As we know, many survivors have been locked out of the banking system because of negative information in their past. Once their names are put into ChexSystems (the national reporting agency that compiles information on returned checks and overdrafts), it can take several years to be removed from the system. For many women, this means having to turn to Check Cashing and PayDay Loan businesses. The good news is that some banks have begun to offer alternatives for those who have not had a great banking history, but are looking to make it better. A list of these resources will be sent to advocates soon, and the information will also be available on ICADV's website.



Credit Freezes and Fraud Alerts on a Credit Report

A Credit Freeze may be a good option for a survivor fearing identity theft or having additional credit taken out in her name by her abuser. Putting a freeze on her credit report is free, although there is a fee to remove it later. When she puts a freeze on her report, it means that no one can take out any new credit until the freeze is lifted. Essentially, her credit is "frozen" until she decides to remove the credit freeze. This also means that she cannot take out any new credit either, including getting a loan or opening a new credit card. When she is ready to take out new credit, she must remove the freeze which will cost her a fee – generally \$10 for each of the three credit bureaus (for an estimated total cost of around \$30).



A Credit Freeze is different than a Fraud Alert. A Fraud Alert is completely free, but must be renewed every 90 days. This short statement on her credit report notifies a business that she is concerned about identity theft or someone taking out credit in her name. She requests that no one take out credit in her name unless she is actually present.

There are safety concerns with both a credit freeze and a fraud alert. If she is still with or feels vulnerable to her partner, doing either of these things could jeopardize her safety. If her abuser attempts to get credit in her name, he will be denied and told that there is a fraud alert or a credit freeze on her report. They may not reveal any of the details, but she should know that her abuser will likely find out she has put a freeze or alert on her report.

Economic Advocacy/REAP Facilitator Training

This spring and summer we will be convening two more Economic Advocacy/REAP Facilitator Trainings. The next training will be on April 30 and May 1, 2008 in Springfield. Following that, the training will be offered again in mid-August in Palatine. This intensive two-day training covers the entire REAP Curriculum. The feedback we have had about this training has been overwhelmingly positive. Advocates leave with new information on how to help their clients deal with all types of economic situations. The training is structured for advocates to use in a support group setting, but all advocates who do individual counseling and case management will gain new information and skills to help survivors. Both trainings have limited space, so it is recommended to sign up early. If you have any questions about the training, the project or the curriculum, please contact Kelly or Joan.



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Economic Empowerment in Illinois

How is it going?

**In less than one year & as of
February, 2008...**

- **More than 124 advocates from around the state have attended our REAP Economic Empowerment Trainings .**
- **Illinois Domestic Violence Programs have held 140 Economic Empowerment sessions for domestic violence survivors.**
- **These sessions have educated more than 650 domestic violence survivors. We expect this number to continue to grow.**

Assets Illinois Update

The Education IDA for Assets Illinois has been pushed back a few months. The rules have recently been published, but it will still take a few months before those rules are approved. Once they are approved, this DHS program will be ready to begin and advocates can start helping to enroll women who want to seek post-secondary education. Undocumented women and those who have defaulted on student loans in the past will be a top priority because they are not able to receive traditional financial aid.

Also, remember that the housing IDA has been up and running for the past few months. This program can be especially helpful for women in transitional programs because they have up to two years to save for and purchase a home.

Economic Empowerment Listserve

The Economic Empowerment listserve is up and running! This has been a great communication tool between all of the economic empowerment advocates. Over the coming months, this listserve will be used for communication and announcements. To join or send an email to the listserve, contact icadv-econ-project@googlegroups.com.