

# Catholic Conference of Ohio

July 2, 2007

## **PRESS ADVISORY**

The Ohio Bishops met on June 27, 2007 and approved the following actions:

### **Ohio Poverty Campaign**

Endorsed the Catholic Charities USA Campaign to reduce Poverty in the United States in half by 2020, and instructed the Catholic Conference of Ohio's Department on Social Concerns to develop and recommend a Strategic Plan for implementing this Campaign in Ohio. SEE ATTACHED POVERTY BACKGROUND MATERIALS.

### **Payday Lending**

Went on record as supporting Initiatives that protect the working poor and all Ohio consumers from the spiraling indebtedness caused by payday lending, and directed the Catholic Conference of Ohio's Department on Social Concerns to study and recommend ways our church communities can help in the promotion of alternative lending programs, such as credit unions and small loans, as well as the creation and promotion of financial awareness education programs. SEE ATTACHED PAYDAY LENDING BACKGROUND MATERIALS.

### **Death Penalty**

Endorsed and individually signed an ecumenical letter to Governor Strickland calling for a comprehensive and balanced study and moratorium on Ohio's Death Penalty. SEE ATTACHED DEATH PENALTY BACKGROUND MATERIALS.

### **Immigration**

Endorsed the efforts of the United States Conference of Catholic Bishops' promoting comprehensive immigration reform and directed the Catholic Conference of Ohio's Department on Social Concerns to communicate this support to Ohio elected officials. SEE ATTACHED BACKGROUND MATERIALS.

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# Catholic Conference of Ohio

## BACKGROUND ON THE POVERTY CAMPAIGN

Catholic Charities USA's Campaign to Reduce Poverty in America is a multi-year, multi-faceted approach to alleviating poverty in the United States. The goals of Catholic Charities USA's ***Campaign to Reduce Poverty in America*** are:

1. To reduce poverty in the United States by 50 percent by the year 2020.
2. To call upon the government to do more to serve those who are poor, and to improve public policies that strengthen and support families.
3. To educate policymakers and the public about the struggles of those living in poverty and the good work of those who serve them in local communities.
4. To engage those who are most impacted by government policies to be active participants in developing solutions to reducing poverty.
5. To work with individuals and organizations across the country to address poverty in our country.

The national meeting of CCUSA is being held in Cincinnati this year from September 13-16. Each of the Catholic Charities agencies in Ohio has endorsed this campaign.

## OHIO POVERTY STATISTICS\*

- In 2005 an estimated 1,392,000 people in Ohio were poor (12.3% of the population).
- In 2005 an estimated 304,000 families in Ohio were poor (9.7% of all families).
- In 2005 an estimated 13.6% of Appalachian Ohio, a 29-county area, was poor compared with 10.2% of the remainder of the State.
- In 2005 Cleveland was ranked as the poorest big city in the nation with over 31% living in poverty. Cincinnati (21%), Toledo (20%), and Columbus (17%) were also ranked high.
- Since the year 2000, the number of persons living in poverty in Ohio has increased by over 20% (240,000 additional persons).
- Ohio currently has the 8<sup>th</sup> highest unemployment rate in the United States.
- Poverty rates vary by circumstances: families with children, as well as families with no one working full-time-year-round, are at greater risk of poverty than are families with no children and families with at least one adult working fulltime-year-round.
- Poverty rates vary by characteristics: non-Hispanic whites, people with more formal education, and older adults are less likely to be poor than are minorities, people with less formal education, younger adults, and children.

## OHIO POVERTY CAMPAIGN IMPLEMENTATION IDEAS

1. Develop a Campaign and “tool kit” regarding Ohio Poverty. Such a “tool kit” could include:
  - An Ohio Bishops’ letter of support;
  - A social analysis of Ohio poverty;
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  - Incorporation of real–life stories of hope and challenge;
  - Catholic Social teaching principles, particularly building upon “Deus Caritas Est;”
  - An Ohio adaptation of the themes identified in the CCUSA Campaign of family stability, economic well-being, housing, healthcare and food;
  - A call to prayer, action, service, advocacy and “commitment” (Resources, community action, redirection of programs/services).
2. Develop and recommend a consultative process for both the Catholic Conference and each diocese that will help in strategic planning and offer ways our church can become more *intentional* in our efforts to reduce poverty. Such a process could garner the advice and involvement of parishioners, social services and health care boards, business and civic leaders, educators and community advocates.
3. Coordinate, adapt and promote the various excellent educational resources already developed by CCHD, CCUSA, USCCB, National Catholic Rural Life, Catholic Health Care, Catholic Committee on Appalachia, Justice for Immigrants, and CRS.
4. Expand and strengthen our parish outreach efforts related to pastoral ministry with the poor, legislative advocacy, education, Catholic Social Teaching, community organizing and public-private partnerships.

\*2006 US Census Report, and Ohio Dept. of Development, April 2007 Ohio Poverty Report

# Catholic Conference of Ohio

## BACKGROUND ON PAYDAY LENDING

Many working families in Ohio live from paycheck to paycheck. When these families experience an unforeseen expense, they often turn to payday lenders who market their product as emergency loans. However, these payday loans almost invariably lead families further into financial crisis.

Payday lending (sometimes called cash advance) is the practice of using post-dated checks or electronic checking account information as collateral for short-term loans. To qualify, borrowers only need personal identification, a checking account, and an income from a job or a government benefit like Social Security or disability pay. Because the loans come due on payday, borrowers expect to have money in their accounts to cover the checks. Many borrowers, however, find that paying back the entire amount of the loans on payday leaves them without funds necessary to meet other basic living expenses, such as electricity, rent, and groceries.

Borrowers who do not have the funds to repay their loans and meet their other expenses are faced with three choices:

1. Seek an additional payday loan from another store,
2. Pay off the original loan, and the next day take out another loan from the very same store, or
3. Default, and consequently incur bounced check fees by the payday lender and non-sufficient fund (NSF) fees by their banks while still owing the full amounts of the original debt.

Research from the Center for Responsible Lending (CRL) shows that the payday lending business model is designed to keep borrowers in debt, and not to provide one-time assistance during a single or occasional time of financial need. Borrowers who receive five or more loans a year account for 90 percent of the lenders' business. The cost of payday lending to approximately five million Americans is \$4.2 billion annually with the typical payday borrower paying back \$793 for a \$325 loan. We are concerned that exorbitant interest rates and fees in the payday lending model may be a modern form of usury.

According to a recent report by Policies Matter Ohio, payday lending locations in Ohio have increased dramatically from 107 in 1996 to 1,562 in 2006. That represents nearly a 1,400% increase in 11 years. Ohio's payday lending industry is extremely volatile with lending locations opening and closing frequently within a given year. For example, in 2005, 113 payday lending locations closed, but 357 new locations opened. Payday lenders were concentrated in mostly urban areas in 1996; by 2006 they were located in urban, suburban, and rural neighborhoods. Statistics show that although most payday lenders (in absolute terms) are in large urban counties, less populated counties have a greater number of lenders per capita. In Ohio, payday lending sites are now more numerous than McDonalds, Burger King, and Wendy's restaurants combined and, like these restaurants, most of Ohio's payday lenders are chains or franchises.\*

## **OHIO LAW \*\***

Ohio law allows payday loans up to \$800. Ohio law sets maximum rates for both the interest charges and the origination fees. The interest rate is capped at five percent for each month or fraction thereof. Ohio law allows origination fees based on the amount of the loans. These origination fees significantly raise the annual percentage rate (APR) to 391%.

Ohio law does not allow a borrower to take out a second loan with a payday lender until the first loan is paid to that lender. As a result, borrowers often obtain several different loans simultaneously from other payday lenders.

## **MOMENTUM FOR CHANGE**

Cleveland Diocesan Social Action Director, Tom Allio, chairs the Ohio Coalition for Responsible Lending (OCRL). In addition, the Youngstown Diocesan Social Action Office and Catholic Charities Regional Office are members of the coalition. Catholic social action leaders from the Archdiocese of Cincinnati and the Diocese of Columbus have also been involved in this effort. Recently, Representative William Batchelder (R-Medina) agreed to be the major sponsor of legislation to regulate payday lending in Ohio. Representative Matt Lundy (D-Elyria) has agreed to be a joint sponsor. The OCRL anticipates a very bi-partisan initiative that will involve numerous co-sponsors. The coalition anticipates a bill will be introduced in early fall.

The Ohio Coalition for Responsible Lending currently is addressing the issue of payday lending on several fronts: education and awareness for consumers, alternate solutions to short-term financial stress, and legislative reform. Legislatively, the coalition is working to amend and supplement existing Ohio laws to mirror the Talent-Nelson amendment to the 2007 Defense Reauthorization Act signed into law by President Bush on October 18, 2006. This measure was passed after the military complained about the proliferation of payday lenders on or near bases and the detrimental impact they were having on military families. As a result of this action, the Ohio Coalition for Responsible Lending decided to pursue a similar course for all Ohio consumers. The Ohio legislation would include the following safeguards:

- A cap of 36% on the APR,
- At least a 90-day repayment term, repayable in installments,
- No personal checks or other unfair collateral (such as a car title),
- Full consideration of the borrower's ability to repay the loan, and
- No mandatory arbitration clause.

## **THE HUMAN FACE OF PAYDAY LENDING**

Phil Betourne works full time in a grocery store in Canton. He says he makes enough money to "get by." When Phil's wife was involved in an automobile accident, banks would not lend him money. This was Phil's first trip to a payday lender. Phil had unpaid utility bills and was facing foreclosure on his home. One loan led to another until eventually Phil had 10 payday loans simultaneously. He found himself caught in a cycle of borrowing, repaying and then borrowing again.

Beverly Cousar of Columbus has a job that pays her \$10 per hour. She is a member of a Catholic Campaign for Human Development funded organization called BREAD. Beverly shared her story on June 6, 2007 to a packed briefing of Ohio House members and their aides in a Riffe Building Conference Room. Holding back tears, Beverly told a personal story of taking out a \$500 loan to assist her son in Texas pay his rent. She ended up paying \$3,000 for that loan over a six-month period of time.

Howard Yost is a 69-year-old resident of Marietta. Yost originally took out a \$100 loan to help him get through the month. Howard ended up owing \$801 on that loan. He said that it would have taken most of his Social Security check and he would not have any money for food, rent or utilities. "I felt trapped and frustrated," said Yost. "It is a lot like an addiction."

## **PASTORAL CONSIDERATIONS**

The Department on Social Concerns raises this issue of payday lending out of our concern for the poor and working poor in the state. We are especially concerned about the negative impact payday loans have on family life, the greater community and local businesses. By charging such excessive fees and interest rates, payday lenders are victimizing those who can least afford it. The burden of multiple loans causes people to make difficult choices regarding food, rent, utilities and medicine. We know from experience that this causes further demands on an already overextended Catholic Charities' system.

Catholic Social Teachings regarding the dignity of persons, our concern for the poor and vulnerable, the pursuit of the common good, as well as economic justice principles calling for fairness, equitable profit, and an avoidance of usury animate this position.

While short-term payday loans fill a niche for consumers, the payday lending business model based upon revenues from repeated fees that trap borrowers in a cycle of debt needs to be reformed. People of faith should remain vigilant and involved in the process of reforming this industry.

\*Rothstein, David, et. al. Trapped in Debt: The Growth of Payday Lending in Ohio. Policy Matters Ohio and Housing Research & Advocacy Center, Feb 2007.

\*\*Ohio Revised Code (ORC). Sections 1315.35, 1315.39, and 1315.44.

# Catholic Conference of Ohio

## BACKGROUND ON THE DEATH PENALTY

- Ohio has executed 26 inmates since 1999. Only Texas has had more executions.
- Ohio has executions scheduled for July 10, 2007, September 18, 2007 and October 18, 2007.
- Twelve cases in Ohio are part of a class action suit against lethal injection. Final appeals are pending in the Ohio 'Supreme Court. It is possible that this suit could result in the swift executions of all twelve before spring, 2008.
- There is not sufficient legislative or executive support to abolish the death penalty in Ohio, however, there appears to be some openness on the part of the Attorney General, several legislative leaders and key persons on the Governor's staff to pursue a study and moratorium.
- Ohioans to Stop Executions is a statewide coalition comprised of faith based organizations, community organizations, and concerned citizens who seek an end to the death penalty.

## CALLING FOR A STUDY OF OHIO'S DEATH PENALTY

The review of Ohio's death penalty ought to be comprehensive and balanced, and include the following issues:

**The risk of executing an innocent person:** Ohio has had five exonerations, including the 2005 release of Derrick Jamison of Hamilton County. Mr. Jamison's case bears many characteristics common to wrongful convictions, including discrepancies in eyewitness identification and jailhouse snitch testimony. Ohio ought to look at the causes of wrongful convictions and determine if our state is doing all we can to minimize them, as well as address the risk of executing an innocent person.

**Fairness and arbitrariness:** Across the country and here in Ohio, study after study has found that race – particularly the race of the victim – the location of the crime, and the socio-economic status of the defendant may impact which crimes receive the death penalty. The US Court of Appeals for the Sixth Circuit has gone so far as to call the racial imbalance on Ohio's death row "glaringly extreme."\* The vast majority of death row inmates in Ohio and across the United States were too poor to afford their own attorneys. Our state ought to know where disparities and biases exist and what steps, if any, can be taken to eliminate them.

**Cost:** The 1999 execution of Wilford Berry, a mentally ill man, cost the state of Ohio \$1.5 million. The bill paid by taxpayers included \$5,000 for a satellite truck to announce the execution, and up to 10% of the annual budget of the state's capital crimes section for a full five years. The cost of the death penalty is not simply a burden of the taxpayer. In states where cost studies have been conducted, they have found that the complexity of death penalty cases drive up costs exponentially – drawing critical and scarce human and fiscal resources away from law enforcement and victims' services. Yet Ohio has never conducted a study of the death penalty's costs in our state.

**Deterrence:** No study to date has found conclusive evidence that the death penalty deters murders, though there are conflicting studies that have attempted to demonstrate a deterrent effect. In a nationwide survey, 67% of police chiefs said that they did not believe the death penalty significantly reduced homicides and they ranked it last among effective measures to reduce violent crime.\*\* Ohioans need to examine the evidence and draw our own conclusions.

**The impact on victims:** Studies in other states have found that the death penalty's length and numerous reversals take a terrible toll on victims' family members, while critical services for homicide survivors are underfunded or inadequate. Ohio ought to conduct a survey of the services our state provides to homicide survivors and determine whether they are sufficient, in addition to determining the impact the death penalty system has on family members.

An examination of Ohio's death penalty is long overdue. While other studies have been conducted by independent entities over the years, they have all been piecemeal and without the weight of government scrutiny behind them. Only a nonpartisan and unbiased comprehensive study – one that looks at all the issues from fairness and accuracy to the economic impact, deterrent value, impact on victims' families, and other aspects of the system – will set Ohio on a better path in ensuring integrity in our criminal justice system.

Executions ought not to move forward as long as such serious doubts remain. Executions make the death penalty about individual and often horrific crimes, raising the emotional tenor of the issue and preventing a reasoned and thoughtful consideration of what's best for Ohio regarding its death penalty policies. Further, executions cannot be reversed if a study were to find errors in certain cases or other aspects of the system that ought to be remedied.

For these reasons, Ohio should suspend executions and commission a thorough and balanced study of our state's death penalty.

\*Coleman v Mitchell, 2001 FED App. 0367P (6th Cir.), October 10, 2001.

\*\*On the Front Line: Law Enforcement Views on the Death Penalty, Richard C. Dieter, Esq., Executive Director, Death Penalty Information Center, February 1995, [www.deathpenaltyinfo.org](http://www.deathpenaltyinfo.org).

## **ECUMENICAL SIGN-ON LETTER CALLING FOR AN OHIO MORATORIUM ON THE DEATH PENALTY**

We, the undersigned faith leaders, reflecting the rich diversity of faith traditions and spiritual practices observed in Ohio, stand together in expressing our deep concern about the death penalty in Ohio. As faith leaders, the public often seeks our guidance and direction on tough issues. We write to you today to ask you to impose a moratorium on executions, while the many problems surrounding our state's death penalty are studied and addressed.

We join the many Ohioans questioning our state's death penalty system, which has consistently shown to be ineffective, unfair, and inaccurate. The death penalty not only applies disproportionately to the poor and to people of color, but also continues to make fatal mistakes, with 123 people – including five from Ohio – now freed from death rows across the country due to evidence of innocence. The more we execute, the more likely it is that we will execute an innocent person, if we haven't already. This concern is heightened for us as Ohio continues to be one of the top executing states in the U.S.

We also have concerns about the way the death penalty fails murder victims' family members. As religious leaders, we are sometimes looked to as resources for victims' families in the aftermath of murder. So we have a special interest in advocating for policies that serve their needs and promote healing and wellbeing. Yet there is growing evidence that the death penalty does the opposite – prolonging victims' pain and delaying healing while appeals and reversals force families to relive their trauma again and again.

Finally, we write to voice our unease about the way our state's death penalty diverts funds from other needs. With the prosecution of a single capital case costing millions of dollars and in light of the serious economic challenges that face Ohioans, the valuable resources that are expended to carry out death sentences would be better spent investing in programs that work to prevent crime, such as improving education, providing services to those with mental illness, and putting more law enforcement officers on our streets. We should make sure that money is spent to improve life, not destroy it.

Many Ohioans are concerned that the system is not carried out fairly or accurately. Public opinion on the death penalty has shifted dramatically in the last five years as a result of mounting evidence of these problems. A majority of Americans now support a moratorium on executions while the system's flaws are studied and addressed.

As people of faith, we take this opportunity to reaffirm our opposition to the death penalty and to express our belief in the sacredness of human life and in the human capacity for change. It is this respect for all life that prompts us to join with other death penalty opponents and proponents across the state now advocating for a moratorium. When a human life is at stake, there is simply no room for error. If Ohio is going to maintain a death penalty, it is both reasonable and imperative that we step back and take a critical look at how the system is working and what ought to be done with it moving forward.

We urge you, Governor Strickland, to take a closer look at the reality of capital punishment in Ohio and seek ways to achieve healing and restorative justice for all those who suffer because of violent crimes. Please impose a moratorium on executions in Ohio; time is ripe to halt executions while a study is conducted.

Sincerely,

# Catholic Conference of Ohio

## BACKGROUND ON IMMIGRATION REFORM

Immigration reform has stalled at the federal level. There remains great divisiveness both within the legislature and throughout the community. Our immigrant outreach workers report an increase in prejudice and incidents of violence towards many Ohio immigrant workers. There is much fear throughout our Hispanic communities. The heightened enforcement practices have resulted in abusive profiling, insensitive treatment of family members, and increased reports of workplace injustice.

There is a need in Ohio for:

- Greater civility, thoughtful discussion and prayerful reflection regarding societal attitudes and approaches toward immigrant workers. Immigrant workers provide important and necessary contributions to the common good of our state through the work they perform and the taxes they pay;
- A recommitment to the vision and goals expressed in the 2001 Ohio Bishops' pastoral statement, *God's Welcoming Presence: A Call to Stand in Solidarity with Ohio's Immigrants*;
- Our Catholic community to continue being a source of spiritual strength, neighborly love, refuge and vocal advocacy for the dignity and human needs of immigrants;
- Congressional delegates to urgently persist in the passage of federal comprehensive reform based upon the principles developed by the United States Conference of Catholic Bishops. Such reform should include a more workable *guest worker* program and provide a viable path to citizenship for current immigrant workers;
- An end to harassment, violence, and unnecessary raids. Immigrant workers are NOT more of a security and safety threat to Ohioans than other persons;
- Praying the *Justice Prayer* developed by the United States Conference of Catholic Bishops' Justice for Immigrants Program.

### The Justice Prayer

Come, O Holy Spirit!

Come, open us to the wonder, beauty, and dignity of the diversity found in each culture, in each face, and in each experience we have of the other among us.

Come, fill us with generosity as we are challenged to let go and allow others to share with us the goods and beauty of earth.

Come; heal the divisions that keep us from seeing the face of Christ in all men, women, and children.

Come, free us to stand with and for those who must leave their own lands in order to find work, security, and welcome in a new land, one that has enough to share.

Come, bring us understanding, inspiration, wisdom, and the courage needed to embrace change and stay on the journey.

Come, O Holy Spirit, show us the way.