

CEDA Community Development Fund ATM Demonstration Project

By Harry Pestine



In January 2003, a community development financial institution (CDFI) placed automatic teller machines (ATMs) in the financially underserved communities of Ford Heights and Robbins, Illinois. This move is particularly noteworthy, as the ATMs are operated by a nonprofit organization, the Community Economic Development Association of Cook County (CEDA), and not by a regulated financial institution. CEDA's Community Development Fund (CDF) mission allows them to create, retain and develop small businesses and economic institutions that improve the economic stability of low- to moderate-income communities.

Of the over 400 financial institutions located in the Chicagoland area, there are virtually no banking services or financial institutions located in Ford Heights or Robbins. Until now, residents of Ford Heights and Robbins have had to leave their communities in order to access money and complete simple financial transactions.

"We conducted a community survey on financial services needs and the survey revealed ATMs would benefit the community," said Bernita Lucas, Southeast CEDA executive director. "The best initial step in providing more banking options was through an ATM; however, a full service financial institution is needed. I see this project as a vehicle that can address the critical financial void and bring great opportunities to communities in need," said Lucas. "Our goal is to give residents access to financial services and the banking system," said Yvette Newton-Boutall, CEDA CDF executive director.

Besides accommodating major credit and debit cards, the ATMs will also accept the Illinois Link card, giving residents access to social security and other electronically distributed government payments. The demonstration project uses a tracking system to measure use of the ATMs by number of transactions and dollar volume. The tracking information will be used to show a need for more financial services in the community.

In Ford Heights, the organization placed the ATM in the police station. "This is the first electronic ATM service in the history of this community, so we felt the police station was the most accessible and secure means of housing the ATM. We believe this service will offer a sense of pride and will allow the use of a service that is taken for granted by others," stated Veria Ely, community development director for the Village of Ford Heights. In Robbins, the ATM machine is located in the CEDA Southwest Building.

Local Partners

ShoreBank will partner with the Center for Economic Progress in the project. They will provide the people of Ford Heights and Robbins with checking and savings accounts as well as two free hours of financial literacy counseling and tax preparation services to qualified individuals.

ShoreBank plans to publicize the new ATMs and banking services at information fairs throughout the township. Additionally, Ford Heights will place advertisements in water bills.

For additional information contact, Ms. Bernita Lucas, Southwest CEDA, at (708) 371-1220.

Harry Pestine is the Community Affairs Program Director for Illinois, in the Consumer and Community Affairs Division, Federal Reserve Bank of Chicago. Mr. Pestine is an economic development specialist and a Community Reinvestment Act examiner for the Federal Reserve Bank of Chicago. Prior to joining the Fed, Mr. Pestine worked in the governor's office of economic development in Illinois for 12 years. Mr. Pestine has also been an instructor for the Neighborhood Reinvestment Institute, the National Small Stores Institute, and was an alternate voting member on the board of the Illinois Development Finance Authority.