

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 477

Approved OCTOBER 11, 2007

WHEREAS, Western Union charges the highest transaction fees and gives one of the lowest exchange rates in the industry that will generate more than \$20 billion in annual revenues in 2007, with profit margins for companies like Western Union as high as 30%; and

WHEREAS, The typical user of remittance services is a low-wage immigrant worker who lives in urban America, makes \$15,600 annually and sends home \$293 a month, almost 30% of his or her net monthly income. These remitters spend up to \$300 a year on costly transaction fees and disadvantageous exchange rates, which equals one week's salary for the remitter or at least sixty days' salary for their kin in San Salvador, Mexico City, Santo Domingo and Manila; and

WHEREAS, From local surveys conducted by the Transnational Institute for Grassroots Research and Action (TIGRA), Western Union commands 55% of transactions in the city. Immigrants living in Providence will lose at least \$5.5 million in onerous fees and exchange rates to Western Union in 2007, a huge source of income loss for immigrant families; and
~~we believe onerous charges in the multi-billion dollar money transfer industry place an undue economic burden on low income immigrant families in the United States and in their communities of origin while creating an increased reputational risk for our company.~~

~~According to the World Bank, the remittance market will generate more than \$15 billion in annual revenues in 2006, with profit margins for companies like Western Union as high as 30%.~~

~~Migrant worker remittances, projected to reach \$260 billion globally in 2006, constitute the second largest source of external funding for developing countries after Foreign Direct Investments (i.e., foreign aid) and are considered an economic life vest for the families of 200 million international migrants who send money home.~~

~~The typical user of remittance services is a low wage immigrant worker who lives in urban America, makes \$15,600 annually and sends home \$293 a month, almost 30% of his or her net monthly income. These remitters spend up to \$300 a year on costly transaction fees and disadvantageous exchange rates, which equals one week's salary for the remitter or at least sixty days' salary for their kin in San Salvador, Mexico City, and Manila.~~

~~The actual cost of sending money incurred by remittance agencies ranges from \$2.95 up to \$5.54 per transaction. Senders are charged up to \$25 in fees and exchange rate commissions per transaction. This represents a major loss of income for poor families worldwide. Studies show that a 10% increase in remittances from each individual sender would result in 3.5% decline in the poverty level of the remitters' families, approximately 33 million people worldwide. We believe these high fees and disadvantageous exchange rates are a barrier to more money being sent home.~~

WHEREAS, Western Union depends on immigrant communities for its enormous profits yet it ignores the need for reinvestment into those communities. Since starting its own foundation in 2000, Western Union has spent 415 cents (\$.4105) for every \$100 of corporate profit — lagging far behind Wal-Mart (\$2.30+.20) and Ben & Jerry's (\$7.50). None of these grants were made to any Rhode Island immigrant neighborhood; and

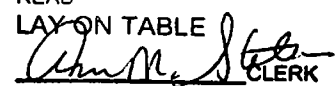
WHEREAS, The Board of Directors of Western Union have refused to respond to demands of the TIGRA campaign to lower fees, set a fair exchange rate, and commit to community reinvestment despite thousands of postcards, emails, phone calls, and direct face-to-face appeals since September, 2006; and

WHEREAS, TIGRA and the campaign reflects the aspirations of close to 200 immigrant organizations in the United States working in diverse communities from Mexico, Dominican Republic, Somali, Filipino, El Salvador, Honduras, Brazil, Bosnia, Liberia, and many more have called for a boycott of Western Union services until the company agrees to their demands; and

IN COUNCIL
SEP 20 2007

READ

LAY ON TABLE


CLERK


WHEREAS, The City of Providence was the first jurisdiction to pass a Resolution on September 11, 2005, in support of TIGRA's efforts, and has been requested once more to provide leadership on this issue.

~~Western Union has faced numerous lawsuits based on predatory fees and unfair exchange rates. These suits have resulted in millions of shareholder dollars being spent on settlements. These practices, along with the Company's relatively low degree of community reinvestment, increase the risk our Company faces in the competitive consumer market.~~

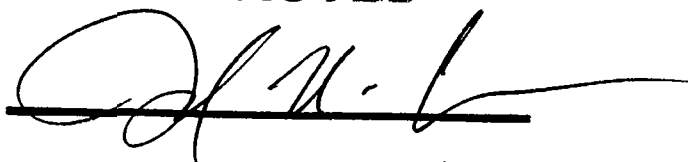
NOW, THEREFORE, BE IT RESOLVED, RESOLVED, the shareholders request that the Western Union Board of Directors undertake a special review of the effect of the company's remittance practices on the communities served and report to shareholders on its findings including any policy changes instituted as a result of the review. The review shall also compare Western Union's fees, exchange rates, and pricing structures with other companies in the industry and evaluate Western Union's community reinvestment and corporate giving practices relative to its competitors. This report, prepared at a reasonable cost and omitting proprietary information, shall be available to all shareholders no later than September 1, 2007 that the Providence City Council gives our wholehearted support to the Boycott Western Union campaign to stop the predatory relationship of the company with immigrant communities, and urge the company to become a genuine partner of sustainable development of communities they serve.

IN CITY COUNCIL
OCT 4 2007
READ AND PASSED


PRES.


CLERK

APPROVED



MAYOR 10/11/07