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Clubhouse Banks

Many Clubhouses have their own in-house banks, to facilitate members' access to banking and budgeting services. Consequently, we thought an ICCD Download&Discuss article on this topic might be useful for Clubhouses. As we began canvassing Clubhouses on the topic, it became clear that part of the discussion about Clubhouse banks must also include the basic question: Should a Clubhouse have a bank? As most local communities already have banks, why, when and how should a Clubhouse then establish its own bank?

Obviously, this is not just an issue about banks. It pertains to issues that range across the entirety of Clubhouse life. Clubhouses exist in order to overcome deprivations typically experienced by people with mental illness. A Clubhouse does this in two ways:

- By establishing a Clubhouse a community that is separate from the larger community, where nurturing relationships are developed among members and staff working together to provide services to each other.
- By building bridges out from the Clubhouse enabling members to access and utilize opportunities and services in the larger community.

Practical considerations are a principle factor in choices Clubhouses make regarding these two alternatives: what works best for members at a particular time; in a particular Clubhouse; in a particular nation, town, or city. For example, some Clubhouses are able to assist members in finding suitable housing through existing community resources, while in other situations Clubhouses need to operate their own housing program. A prime consideration is whether a Clubhouse service would provide benefits that members would be denied or would have difficulty accessing in the larger community. Optimally, the two alternatives are balanced by a complementary relationship where one promotes the other – for example, in the way that participation in the work-ordered day at the Clubhouse leads to work on Transitional Employment.

Managing and budgeting personal income and expenses is a challenge for everyone, but the challenge is particularly acute for many Clubhouse members who must live on very little income compared to most people in society. The use of a bank is a necessity for people generally in managing income and expenses. How can Clubhouses best enable members to use banking services in managing their money? Different Clubhouses have reported different experiences regarding this issue and have arrived at different approaches and different and sometimes opposing views. Following is a summary of the benefits reported both from Clubhouses having a bank and from Clubhouses assisting members in using community banks without a Clubhouse bank.

Benefits of having a Clubhouse bank:

- The convenient location of a bank within the Clubhouse encourages and promotes the use by members of the safety and structure provided by a bank, including making deposits, withdrawals of cash, and preparing checks for the payment of bills.
- The Clubhouse location facilitates the use of staff/member assistance in managing and budgeting money.
- Small amounts of money can easily be withdrawn on a daily basis, helping people living on monthly entitlement checks adhere to a budget and get through a month without running out of money.

- A Clubhouse bank becomes integrated into the work-ordered day, with members and staff working together to operate the bank and thereby with members helping each other with a money management service.
- Computer programs such as Quickbooks can be used for the record keeping of accounts.
- A loan service can be included in a Clubhouse bank, enabling members to obtain loans when they would not be eligible for loans from a commercial bank.
- Restrictive procedures of commercial banks are avoided, such as balance requirements, fees, penalties for overdrafts, and rejection of people with poor credit.
- Time consuming trips to community banks for members without cars are avoided.
- The Clubhouse can arrange for banking operations to be audited by a professional accountant and the bank can be maintained through a Clubhouse account with a community bank.
- Familiarity with banking procedures through use of a Clubhouse bank can prepare members for subsequent use of a community bank.

Benefits of assisting members in using community banking services while not operating a Clubhouse bank:

- The use of community banks enables members to participate in normal banking and financial services and thereby reduces stigma and promotes integration with society. “Walking into a bank with everyone else and conducting business is empowering, rehabilitative, and normalizing.” (Stepping Stone Clubhouse, Brisbane, Australia)
- Establishing a Clubhouse bank limits such integration by fostering reliance on a banking service segregated from normal society.
- Use of a community bank gives members access to services such as ATM cards, credit, loan, and mortgage opportunities, check services, and the ability to earn interest.
- Clubhouses can advocate with local banks to reduce restrictive barriers and increase the usability of their services for members.
- If transportation to banks is a problem, the Clubhouse can provide transportation or develop a transportation strategy, as many Clubhouses do with Transitional Employment jobs.
- Use of a community bank gives members independence and privacy in the management of their financial affairs and eliminates the possibility of paternalistic oversight by the Clubhouse.

The management of personal finances is crucial to the quality of life of everyone. From the experience of different Clubhouses in finding different approaches effective, it is evident that each Clubhouse must examine its particular situation to find the most helpful approach for its members. We urge each Clubhouse that is searching for ways to help members manage their money to weigh the pros and cons of the approaches summarized here. Then the Clubhouse should evaluate the experience, problems, and attitudes of members with money management, as well as local banking policies and procedures, in devising an approach that best meets needs, preferences, and aspirations.

We are grateful to the Clubhouses that provided us with information and insight about this issue, including: Liberty Centre, Nebraska; Independence Center, Missouri; Fountain House, New York; Gateway House, South Carolina; Canefields Clubhouse, Queensland, Australia; and Stepping Stone, Queensland, Australia.

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