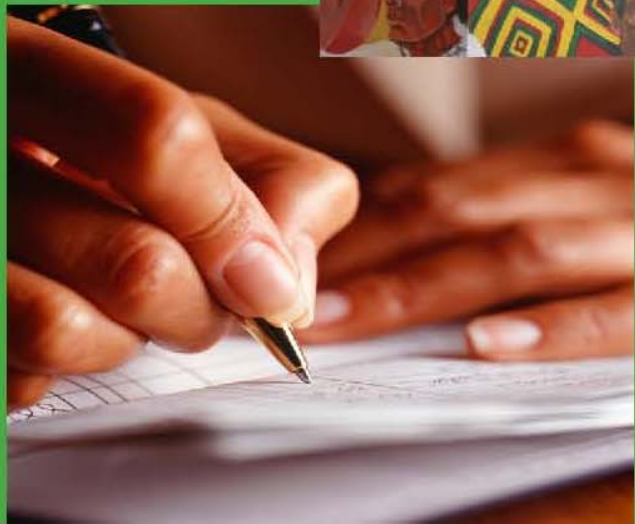
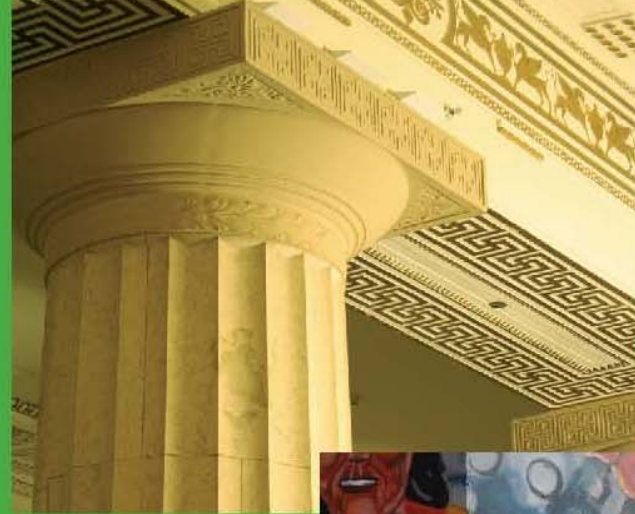


Financial Access for Immigrants:

Lessons from Diverse Perspectives

Federal Reserve Bank of Chicago • The Brookings Institution

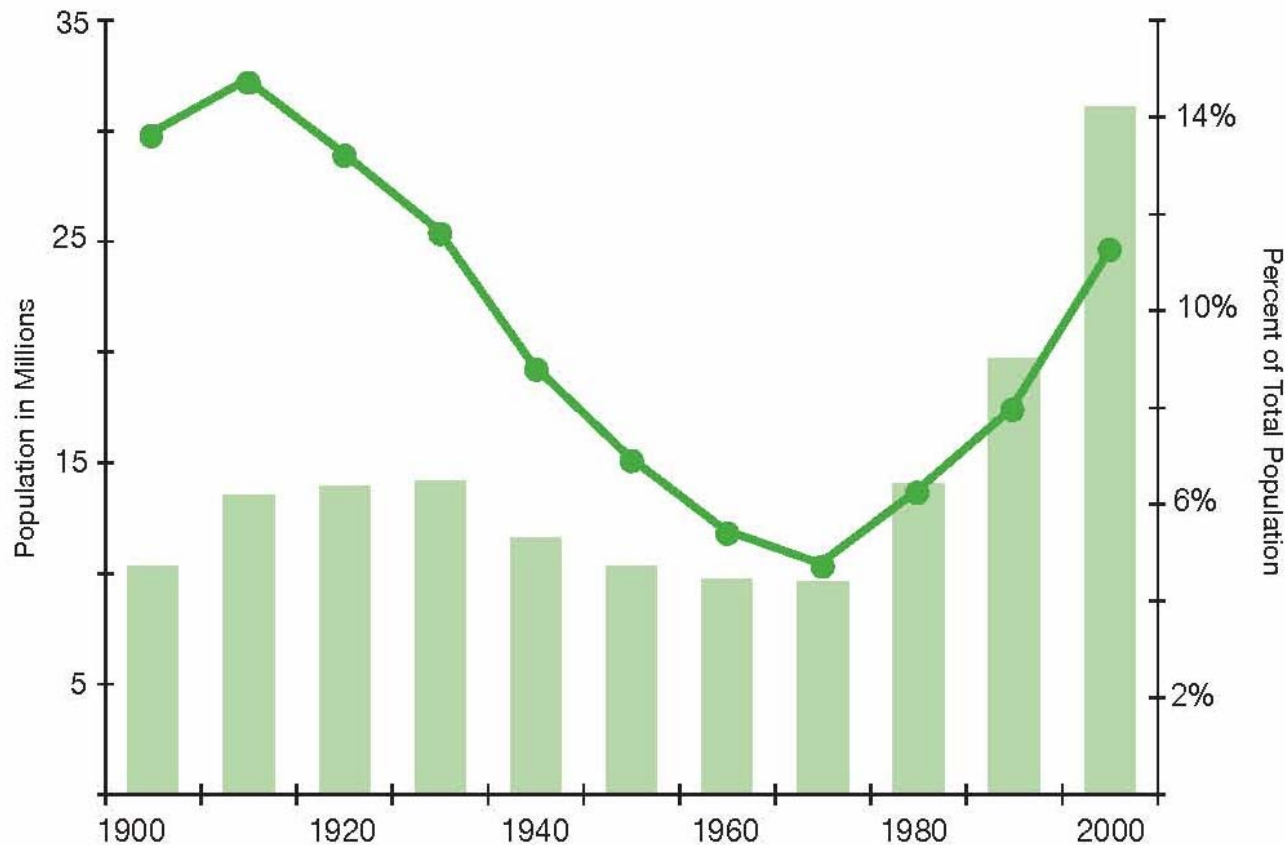


Why is financial access so important?



- Financial access – knowing what one's financial options are and having products and services to choose from – is fundamentally linked to economic prosperity.
- The success of today's immigrants depends on their access to mainstream financial services that can help them save money, buy homes, access credit, start business and otherwise build wealth.






Immigration is at a 70-year high



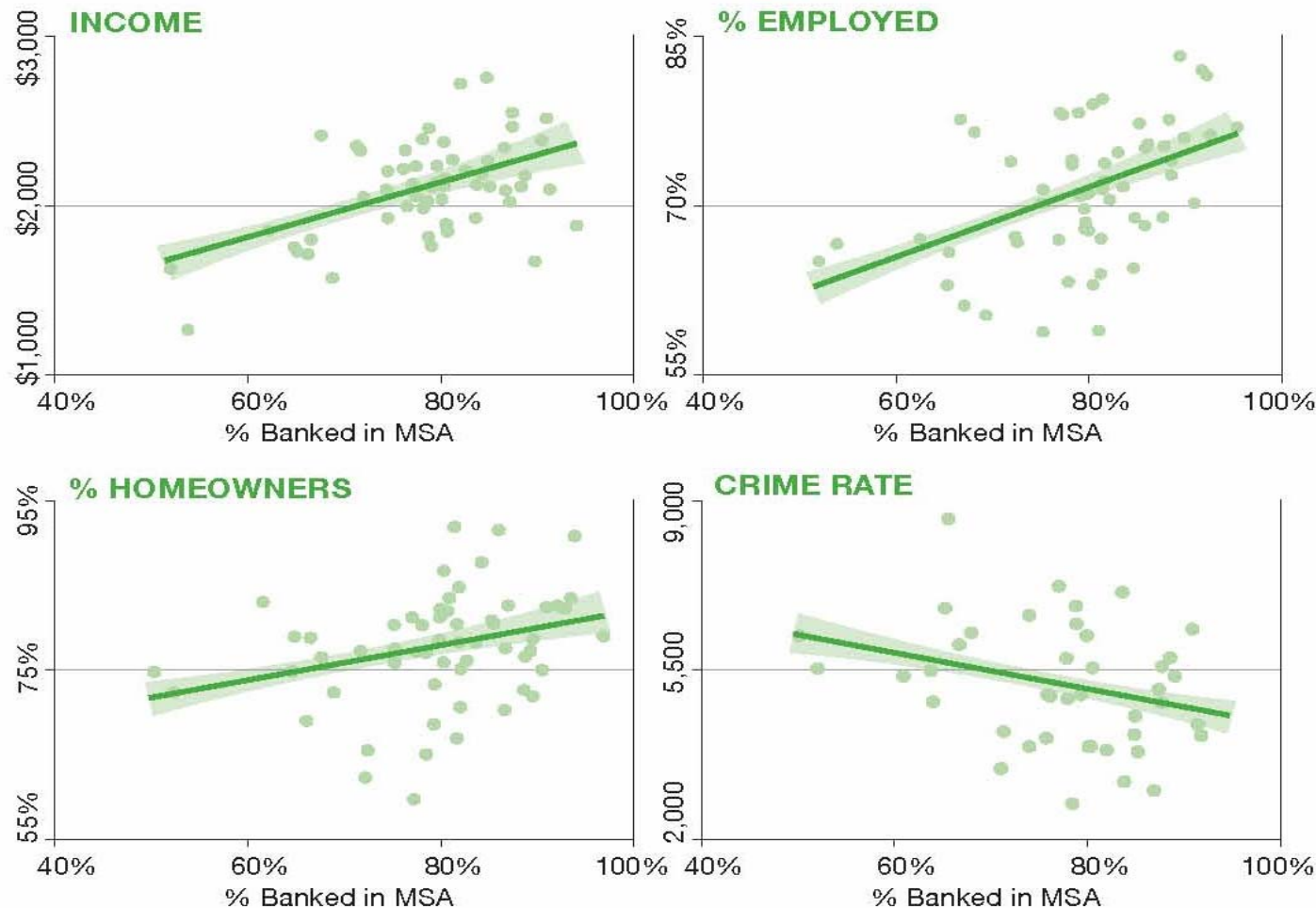
**Total Foreign-Born
and Percentage
Foreign-Born in
the United States,
1900–2000**

- Foreign-Born Population (in millions)
- Percent of Total Population



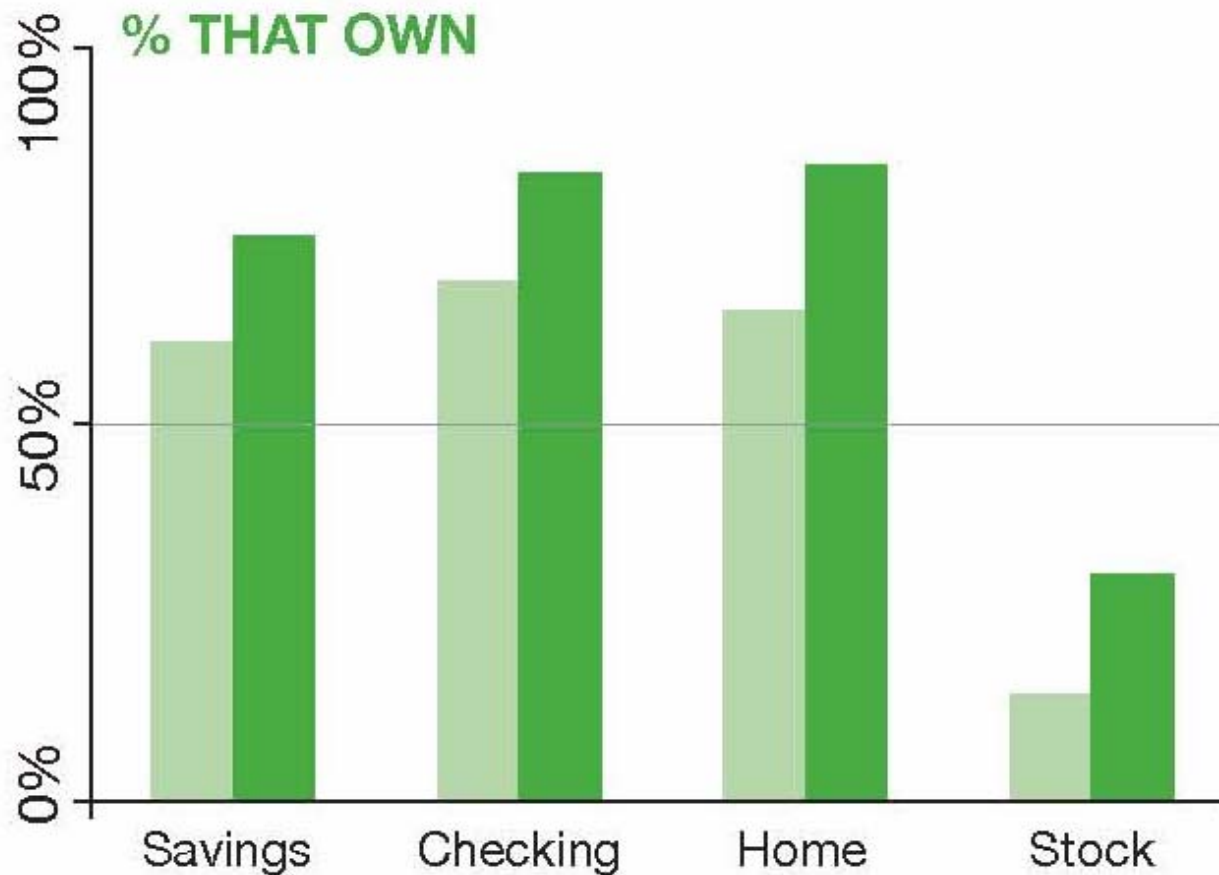
-  States with largest immigrant population
-  Less than 25.5% growth (5 states)
-  25.5% to 57.4% growth (15 states)
-  57.5% to 114.5% growth (18 states)
-  Over 114.5% growth (13 states)

Healthy communities offer broad financial access to all residents



The lines represent a linear relationship between income, employment, homeownership, crime, and the percentage of Metropolitan Statistical Area (MSA) residents who have a bank account.

Immigrants lack broad financial access



Financial Activities of Immigrants and the Native-Born

Immigrants
Native-born

The Customer

Many immigrants use alternative financial services instead of banks



- Immigrants spend \$2 billion each year to send remittances. Unbanked immigrants spend \$2 billion each year to cash checks.
- Why don't immigrants use banks?
 - Socio-economic factors are part of the story
 - Weak institutions in origin countries, legal status, language, length time in the US, living in an ethnic neighborhood also important.

The Industry Banks are reaching out to immigrants



- Remittance products
- Alternative identification
- Changing the “culture” of the institution

“We want to make people comfortable walking in the door, and once they trust us we can talk about additional services...”

Rebecca Vargas, VP of Hispanic Marketing at Citigroup

“Sunday is the busiest day of the week at United Commercial Bank’s branch in Chinatown, where tellers speak Cantonese or Mandarin. Loan officers serve oolong tea. During the Chinese New Year, the bank offers dim sum and suckling pig.”

Erica Brown in Forbes

The Community Many players have a stake in immigrant financial access



- New Alliance Task Force
- Mitchell Bank's Cardinal Bank
- Center for Economic Progress
- Austin, TX Police Department
- Tyson Foods
- Humboldt Park Economic Development Corporation
- Boat People SOS

The Future Opportunities and Challenges



- Reach out to the second generation
- Make the services immigrants demand available at banks
- Leverage high rates of immigrant employment
- Target immigrant neighborhoods

Final Thoughts



- Immigrants make choices about how to navigate the US financial system
- These choices can accelerate integration or slow it down
- We all benefit when financial access is extensive

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