Financial Education for Migrant Communities:

Reaching Latin American Immigrants in the United States and Low Income Families in Mexico and Guatemala
Appleseed’s Approach

• Identify Community Characteristics.
• Increase positive financial service options.
• Advocate for improved remittance services.
• Create bridges between communities with financial needs and financial institutions able to serve them.
• Provide accessible information about financial service choices.
• Educate individuals to avoid fraudulent services.
• Develop legal research regarding market regulation and consumer protection.
Increase Positive Financial Service Options

- Educate banks and credit unions about successful ways to reach immigrant and low income communities.
- Engage regulators to improve financial services for immigrants and low income communities.
- Profile successful initiatives.
- Advocate for improved market practices.
Educate About Financial Service Options and Avoiding Fraud

Appleseed developed financial education brochures designed to:

- Address key financial topics to motivate and prepare the community to effectively use and trust financial services.

- Educate consumers on how to assess the pricing and service transparency of remittance products to ensure that consumers are getting a fair deal.

- Mexico Appleseed developed two new titles for Mexico and Guatemala (in Spanish and in Maya Kakchiquel)

- Make the information appealing and understandable to people of lower reading levels.
Effective Financial Education Strategies

- Integrate education into financial settings, such as taking out a loan. Financial education alone per se does not promote the **significant learning** needed to change behaviors.
- Financial education and access to financial institutions should be seen as a **means to an end**.
- Consider a variety of vehicles: videos, 1-on-1, brochures, **media**
- Consumer Protection: Integrate information about **fraud or abusive** practices and the comparison of financial services with general financial education.
- Education is a two-way street: educate community members and learn from community members to **target unmet needs**.
- **Remittances alone are not enough** to attract unbanked communities to formal financial institutions.
Impact

• Over the last three years, banks and credit unions have increased service to this market.
• Appleseed participates as a key player in the FDIC’s Alliance for Economic Inclusion
• Bank regulators and trade associations are distributing our publications and incorporating our recommendations into their practices.
• Appleseed has distributed around 500,000 brochures
• Several Report releases
Recent and actual projects in Mexico on the Financial Area

• Relationship with IME:
  – Financial Needs Survey made in the Mexican Consulate of Chicago.
  – Participation on IME’s financial education Task Force.

• “Financial Education for Community Development and Financial empowerment”
  – Mercy Corps and Western Union Foundation

• Micro Credits, Micro Insurance and Credit Cards
  – Consumer Protection, Education and Regulation
## Ranking of Financial Services Needed

<table>
<thead>
<tr>
<th>Service</th>
<th>United States</th>
<th>Mexico</th>
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</thead>
<tbody>
<tr>
<td>Health insurance</td>
<td>65</td>
<td>40</td>
</tr>
<tr>
<td>Auto insurance</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td>Credit to purchase a home</td>
<td>54</td>
<td></td>
</tr>
<tr>
<td>Savings account</td>
<td>53</td>
<td></td>
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<tr>
<td>Life insurance</td>
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<tr>
<td>Pharmacy discount card</td>
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<tr>
<td>Credit card</td>
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<tr>
<td>Educational insurance</td>
<td>44</td>
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<tr>
<td>Credit to make other purchases</td>
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<tr>
<td>Credit for a small business</td>
<td>35</td>
<td></td>
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<tr>
<td>Repatriation insurance</td>
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<tr>
<td>Other</td>
<td>7</td>
<td>3</td>
</tr>
</tbody>
</table>
Contact Information

Maru Cortazar
Appleseed México
Phone in México (5255) 5661 5153
mcortazar@appleseednetwork.org