Bringing Immigrants into Mainstream Banking System

Ana Cruz-Taura
Federal Reserve Bank of Atlanta

Consumer Banking in Latin America
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Federal Reserve Bank Community Affairs

- Promotion of efficient markets
- Banking growth and performance
- Consumer protection and education
- Identification of credit and banking needs
- Outreach to underserved markets
- Improved delivery system
- Promotion of ethical business environment
Basic Benefits of Banking

- Safekeeping
- Money management and payments
- Record of financial transactions
- Begin to establish credit
- Access additional financial products
- Lower financial services expenses
Financial Benefits of Banking

- Entrance into mainstream financial system
- Deposit insurance and consumer protection
- Short and long term cost savings
- Asset and wealth accumulation
- Better money management and investment
Defining the Immigrant Market

- Foreign national vs. immigrant
- Documented vs. undocumented
- Socioeconomic diversity
- Various national, ethnic, cultural groups
- Language preferences
- Educational and occupational diversity
- Range of financial proficiency
Child Poverty Rates
Age 0 - 17

Based on US Census data
Federal Reserve Bank Immigrant Banking Initiative

- Research and analysis
  - Center for the Study of Financial Access for Immigrants – Federal Reserve Bank of Chicago
  - Banking on Remittances: Increasing Market Efficiencies for Consumers and Financial Institutions – Federal Reserve Board and Federal Reserve Bank of Atlanta
  - International Remittances: Information for New England Institutions – Federal Reserve Bank of Boston
Federal Reserve Bank Immigrant Banking Initiative

- Outreach and education
  - A Guide to Your First Bank Account
    - Federal Reserve Bank of Atlanta
    - Federal Reserve Bank of Dallas
  - A Guide to Business Credit for Women, Minorities, and Small Businesses
    - Federal Reserve Bank of Atlanta
Federal Reserve Bank Immigrant Banking Initiative

- Products and Policy
  - Directo a Mexico – Fed ACH product
  - New Alliance Task Force – FDIC collaboration
  - Preditory Lending legislation and regulation
Federal Reserve Bank Immigrant Banking Initiative

Potential projects

- Homeland financial education
- Increased collaboration with foreign-based banks and other financial services
- Continued work with US financial institutions
  - Market research
  - Product development
Online Resources
Federal Reserve System

- http://www.federalreserve.gov/community.htm
- http://www.chicagofed.org/community_development/center_for_the_study_of_financial_access_for_immigrants.cfm
- http://www.dallasfed.org/educate/pfe.html
Federal Reserve Bank of Atlanta

Juan Sanchez
Community Affairs Officer (Atlanta)
404-498-7226
juan.sanchez@atl.frb.org

Ana Cruz-Taura
Senior Project/Communications Supervisor (Miami)
305-597-6850
ana.cruz-taura@atl.frb.org