

## Appleseed This Week

### New Study Highlights Unmet Financial Needs of Immigrants

**December 18, 2008** - A new study released by **Appleseed** examines the use of, and access to, financial services by Mexican immigrants in Chicago, proposing improved practices on the part of financial institutions and money-service businesses. Published in partnership with Huron Consulting Group, the report concludes that immigrants' ability to build and protect financial assets must be supported by broader access to banking services, personal credit, and insurance.



"**Immigrant Use of Financial Services and Unmet Needs**" can be read in full [here](#). Among its [key findings and recommendations](#) are:

- ⊙ Asset building and protection services are commonly utilized by immigrant workers and their families in both the U.S. and Mexico, and additional bi-national services are desired.
- ⊙ Respondents have the least access to the following financial services: repatriation insurance (95% have no access), educational insurance (93%), and credit for a small business (92%). The services in highest demand are savings accounts, auto insurance, credit to purchase a home, life insurance, and pharmacy discount cards.
- ⊙ Financial institutions and community-based partners must collaborate to support improved financial education for immigrant workers while also providing targeted marketing and services.
- ⊙ To combat a general mistrust of formal financial institutions, banks and credit unions must ensure that information about their services is presented in an understandable and unintimidating manner.

In addition to recommending ways to strengthen the financial outlook of Latino communities, the study recommends practices by which financial institutions can capture a greater share of the market.

Indeed, the immigrant market is sizable and in many respects untapped, despite its demonstrated propensity to save and make regular payments. One example of how to meet this community's need for bi-national asset building and protection services would be to bundle health care coverage - access to which is the most pressing need to most income groups - with other offerings. Bundling also could occur with remittance

transactions and other bank services, though more research on regulatory barriers and market willingness is needed.

According to executive director **Betsy Cavendish**, increased outreach to the immigrant community by these institutions "would help draw attention to other banking and insurance services, for which there is substantial demand but limited understanding."

"Unmet Needs" is the first in a series of three reports to be released by Appleseed over the next six weeks. Examining successively broader segments of the low-income population, these reports call for greater outreach efforts among providers of financial services - banks, lenders and remittance companies.

**For more information on Appleseed, visit [www.appleseednetwork.org](http://www.appleseednetwork.org). To support the work of Appleseed, donate [here](#).**

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