

## Immigrant Use of Financial Services and Unmet Needs

### *Key Findings*

- The survey results show that asset building and protection services are being utilized by immigrant workers and their families in both the United States and Mexico and that increased bi-national products and services are desired.
- Regarding the availability of services in the U.S., 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%).
- Respondents to the survey currently have the most access to auto insurance (39%), savings accounts (35%), and credit cards (30%).
- The results show that respondents living in the United States for one to five years believe that of the services they do not have, health insurance is the most necessary within the U.S. (61%), followed by auto insurance (44%) and credit to purchase a home (40%). As respondents live in the U.S. longer, their need for financial services remains similar.
- The \$0 to \$15,000 income bracket also reported that access to a savings account, auto insurance, and a pharmacy discount card (38% for all three services) was “Very Necessary” in the U.S. The \$15,001 to \$30,000 income bracket rated auto insurance (55%) and credit to purchase a home (53%) to be “Very Necessary” in the U.S. Meanwhile, the \$30,001 to \$50,000 group ranked auto insurance (53%) and life insurance (41%) as “Very Necessary” to them.
- Although a third of the immigrant population surveyed earns less than \$15,000 annually, approximately half of respondents remit money to Mexico at least a month. Remittances are used primarily for daily expenses (75%), education (23%), and the cost of buying or building a home (19%).
- Nearly a third of respondents (29%) who send money to Mexico are not aware of pricing structures prior to using a remittance service.
- Western Union (32%) and MoneyGram (26%) command the highest usage of remittance services among respondents, while 10 percent use a bank or credit union. Only 7 percent use Directo a Mexico, with 84 percent unaware of both that program and L@Red de la Gente.
- Although security (50%) is the chief concern of respondents using remittance services, hours and location (36%) is reported to be the differentiating factor for those using Western Union and MoneyGram. Price (28%) is also a concern.
- Only 63 percent of respondents possess bank accounts in the U.S. Of banked respondents whose chosen financial institutions offer remittance services (46%), only 21 percent use them.



### *Recommendations*

- Financial institutions and community-based partners must collaborate to support improved financial education and targeted marketing and services for the immigrant community.

- To combat a common mistrust of formal financial institutions within this community, financial institutions must ensure that information about their services is presented in an understandable and unthreatening manner.
  - To meet this community's need for bi-national asset-building and protection services, financial institutions might bundle health care coverage-access to which is the most pressing need to most income groups-with other financial services. Bundling could also occur with remittance transactions and other bank account services, though more research on regulatory barriers and market willingness is needed.
  - Adapting a financial institution's brick-and-mortar orientation and expanding operating hours would improve access to the immigrant community.
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