The Mission Asset Fund’s Immigrant Financial Integration Initiative (IFII) recently conducted an extensive in-depth survey to analyze the financial attitudes and behaviors of Spanish-speaking Latina/o immigrants who either live or work in San Francisco’s Mission District. The Mission District is a historic gateway for new immigrants and provides a vibrant, living context to understand many of the complex issues that low-income immigrant families confront across the country. This Survey Brief is part of a series that analyzes the results from 250 survey respondents and 7 focus group discussions conducted to look at how low-income immigrants integrate into the financial mainstream. Following are key findings from segmenting the survey data between “recent” and “established” immigrants.

**Recent Immigrants vs Established Immigrants**

Recent Latina/o immigrants are navigating the financial mainstream with severe disadvantages: 51% of recent immigrants do not have a checking account; 40% do not have prior experience with bank accounts before coming to the U.S.; 61% rely heavily on financial advice from friends and family that may be inadequate and inconsistent; and many are steered towards predatory financial products that entrap them in vicious cycles of indebtedness.

The longer that Latina/o immigrants live in the U.S., the more likely they are to integrate and have greater access to financial products such as credit cards, retirement accounts and life insurance; all of which allows them greater opportunities to build a solid financial portfolio and build assets through time. According to the survey, 70% of established immigrants, those who have lived in the U.S. for more than 5 years, reported having an active checking account; 39% use credit cards; and, 15% have a retirement savings account. While these figures are significantly lower than the general population, they are greater than those of recent immigrants which suggest a certain progression towards financial integration over time.

The process of integration may not be so linear, however. MAF’s survey revealed that 15% of immigrants that previously had a checking account closed it and reverted to being unbanked. For these individuals, using a check casher may be simpler than dealing with the complicated and surprising features of bank accounts. Indeed, the shock from excessive fees was a main reason why people closed their accounts, as demonstrated by the following focus group participants:

“...when the bank opens up an account for you, a lot of things are going on and you end up losing money since they (the bank) keep charging more and more. A person will finally say, ‘You know what? Just give me my money back, it’s better under my mattress.’”

- Barbara, MAF focus group participant

“... I wanted to close my account and they (the bank) wanted to charge me to close it. I had $220 and was charged $50 to close it because I fell below the minimum balance required.”

-Jose, MAF focus group participant

For immigrants like Barbara and Jose, the path to the financial mainstream may not be straight and narrow. Many get diverted and stuck in predatory and fringe financial products that deplete wealth rather than build it. Culturally relevant financial products - those that conform with what people actually do with their money - may be what they need to keep them fully engaged and in the financial mainstream.
Immigrant Financial Integration Initiative: Understanding the Financial Behaviors and Attitudes of Latina/o Immigrants

**Percent Without an Active Checking Account**

<table>
<thead>
<tr>
<th>Years Living in the U.S.</th>
<th>All Foreign Born Latinos (1)</th>
<th>All Latinos in the U.S. (2)</th>
<th>All Individuals in the U.S. (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 (1)</td>
<td>51%</td>
<td>35%</td>
<td>24%</td>
</tr>
<tr>
<td>10 (1)</td>
<td>23%</td>
<td>25%</td>
<td>30%</td>
</tr>
<tr>
<td>15 (1)</td>
<td>25%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>20+ (1)</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>20+ (1)</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Sources: (1) MAF Survey, 2009; (2) Financial Services and Asset Building Brief, CFSI and AFN, October 2008; (3) Underbanked Consumer Study – InBrief, CFSI, July 2009

**Percent Who Consider the Following as “Very Important”**

<table>
<thead>
<tr>
<th>Bank Account Features</th>
<th>Good Customer Service (1)</th>
<th>Low Fees (1)</th>
<th>No hidden fees (1)</th>
<th>Convenient locations and hours (1)</th>
<th>Spanish speaking (1)</th>
<th>Online bill pay (1)</th>
<th>Remit money (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>81%</td>
<td>73%</td>
<td>73%</td>
<td>57%</td>
<td>55%</td>
<td>41%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Sources: (1) MAF Survey, 2009

**Educational Attainment Levels**

<table>
<thead>
<tr>
<th>Education Levels</th>
<th>Elementary (1)</th>
<th>Middle School (1)</th>
<th>High School (1)</th>
<th>Associates degree (1)</th>
<th>Bachelors degree (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18%</td>
<td>19%</td>
<td>32%</td>
<td>9%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Sources: (1) MAF Survey, 2009

**Rating their Current Financial Situation**

<table>
<thead>
<tr>
<th>Levels of Happiness</th>
<th>Neutral (1)</th>
<th>Unhappy (1)</th>
<th>Very unhappy (1)</th>
<th>Happy (1)</th>
<th>Very happy (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>33%</td>
<td>29%</td>
<td>23%</td>
<td>13%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Sources: (1) MAF Survey, 2009

**Homeownership Rates**

<table>
<thead>
<tr>
<th>Ownership Type</th>
<th>MAF Survey Rent (1)</th>
<th>MAF Survey Own (1)</th>
<th>Mission Rent (1)</th>
<th>Mission Own (1)</th>
<th>San Francisco Rent (2)</th>
<th>San Francisco Own (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>94%</td>
<td>6%</td>
<td>89%</td>
<td>11%</td>
<td>65%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Sources: (1) MAF Survey, 2009; (2) San Francisco Neighborhood Market DrillDown, Social Compact, March 2008; (5) U.S. Census 2000
**Key Survey Findings**

- **70%** of established Latina/o immigrants have an active checking account compared to **43%** of recent immigrants.

- **42%** of established Latina/o immigrants had a bank account in their home country compared to **60%** of recent immigrants.

- **39%** of established Latina/o immigrants use credit cards compared to **17%** of recent immigrants.

- **19%** of established Latina/o immigrants used a check cashier or supermarket to cash a check in the past month compared to **25%** of recent immigrants.

- **54%** of established Latina/o immigrants received financial advice from family and friends compared to **61%** of recent immigrants.

- **53%** of established Latina/o immigrants have health insurance compared to the **28%** of recent immigrant.

- **15%** of established Latina/o immigrants have retirement savings compared to **4%** of recent Latina/o immigrants.

- **66%** of Latinas/os that plan on staying in the U.S. as long as they can, all of their life or until they retire have an active checking account compared to **33%** of those that plan on being here less than 5 years.

**DEMOGRAPHICS**

**MAF Survey Respondents**

- 250 Spanish-speaking immigrant Latinas/os that live and/or work in the Mission
- 22% are recent immigrants (5 years or less in the U.S.)
- 78% are established immigrants (more than 5 years in the U.S.)
- 55% are female
- 45% are male
- 66% earn less than $19,200 per year (30% of SF AMI)

**Mission District and San Francisco**

- 71,611 residents in the Mission
- 31,000 Latinas/os in the Mission
- 31% speak only Spanish

**SOURCE:**

(4) San Francisco Neighborhood Market DrillDown, Social Compact, March 2008
(6) Socio-Economic Profile of the Mission District, MEDA, February 2006

**TAKE AWAY MESSAGES**

- Recent Latina/o immigrants need culturally relevant financial education to help them integrate effectively into the financial mainstream.

- Latino communities need responsible and appropriate products for savings, borrowing, and building mainstream credit.

- Financial institutions and nonprofit organizations need to work together to bridge the mistrust that Latinos have of banks.
Methodology

MAF utilized a participatory action research model to conduct the survey and focus groups. MAF created a survey of 35 questions to gather information about respondents' personal, household, and financial situation. We also inquired about their views and attitudes about finances and financial institutions. In the course of 6 weeks (May to June 2009), MAF staff and volunteers collected 250 surveys from respondents that represented 10 different countries in Latin America. The survey has a margin of error of plus/minus 6%.

MAF conducted on-site presentations with the staff and clients of other community based and social service organizations in the Mission District. Volunteers conducted targeted outreach to merchants, street vendors and Latina/o immigrant students. Participants in MAF’s Individual Development Account (IDA) program and in its peer lending circles program (“Cestas Populares”) also took part in the survey.

MAF invited 70 survey respondents to participate in 7 segmented focus groups discussions to learn more of their views, experiences and attitudes towards money.

About MAF

MAF’s mission is to expand access to financial services, savings and investment opportunities for Latino and Latina immigrant of the Mission District to build a more secure economic future for themselves, their families and their community.

Acknowledgements

MAF would like to thank the Annie E. Casey Foundation for their generous support of the Immigrant Financial Integration Initiative (IFII). We are also very grateful to the members of the Financial Integration Study Working Group which includes: Janis Bowdler, Jose Cisneros, Sarah Gordon, Kathy Li, Leigh Phillips, Nick Pagoulatos, Ida Rademacher, Bárbara J. Robles, and Refugio Rochin. Their feedback and support throughout the process was critical. And the volunteers that helped collect surveys and conduct focus group discussions were vital to the success of the initiative overall. Finally, the data and analysis expressed in this Survey Brief are solely those of MAF staff.