FINANCIAL LITERACY for NEWCOMERS
Weaving Immigrant Needs into Financial Education
LUTHERAN IMMIGRATION AND REFUGEE SERVICE

Lutheran Immigration and Refugee Service (LIRS), the U.S. Lutheran expression of service to refugees and migrants in America, has been bringing new hope and new life to newcomers since 1939. In a nation built by immigrants, LIRS carries on the tradition of welcoming newcomers through resettling refugees, protecting unaccompanied refugee children, advocating for fair and just treatment of asylum seekers, and seeking alternatives to detention for those who are incarcerated during their immigration proceedings. Since its founding, LIRS has given hundreds of thousands of people a new start in the United States as they have sought protection from countries where war and oppression have threatened their existence. With initiative and sound stewardship, LIRS seeks creative and lasting solutions to the needs of uprooted people. Our network of affiliates, partners, congregations and volunteers works with us to extend a welcome to newcomers in need regardless of their race, ethnicity or religious beliefs.

RefugeeWorks, a program of LIRS, is the National Center for Refugee Self-Sufficiency and Employment. RefugeeWorks offers training, consultation and publications designed to strengthen the refugee employment network and improve the economic stability of refugees and host communities. RefugeeWorks’ particular interest in how financial literacy influences future financial security for refugees and immigrants prompted the program to develop and implement the Financial Literacy for Newcomers Project, which serves as the foundation of this report.
Financial Literacy for Newcomers

Culture informs financial behaviors and decisions such as who makes financial decisions, what kinds of financial services are used, and how money is spent and saved.
Financial literacy is an essential survival tool for American families, especially as the tapestry of U.S. financial systems becomes increasingly complex. For many low-income families, particularly newly arrived immigrants, financial literacy can be a stepping stone out of poverty. Despite the growing momentum to help more American families become financially secure, immigrants’ financial literacy needs are consistently overlooked. This report seeks to knit stronger bonds between existing financial education initiatives and the needs of newcomers. When immigrants are better equipped to make informed financial decisions, they will reach self-sufficiency more quickly and integrate into their new communities more successfully.

To help immigrants begin their lives in the United States with greater financial promise, LIRS embarked on a year-long study of financial literacy for newcomers with three main goals: to work with partners across the country to identify the most pressing needs of newcomer populations for financial literacy information, to collect and evaluate the usefulness of existing resources on financial literacy for newcomer populations in geographically diverse communities, and to publish a report that details the findings and can act as a guide for organizations in the development and evaluation of financial literacy activities that are responsive to the needs of newcomers.

This report is organized into four main sections including a justification for enhanced financial literacy activities within immigrant communities, common financial experiences that newcomers face in the United States, promising practices in the field and recommendations on how to improve the accessibility of personal finance information for newcomers. Information was collected for the report through an online survey of partner agencies of Lutheran Immigration and Refugee Service (LIRS), five community site visits and a review of existing research. The nonprofit sector, government agencies, financial institutions, private foundations and others with an interest in improving the financial success of new immigrants in the United States will find the report helpful as they consider this specific population and how financial literacy activities can be tailored to improve the financial future of newcomers.

The research review revealed almost no studies that specifically examine the immigrant experience, how it influences financial literacy, and the elements that make a financial literacy program effective for newcomers. However, several consistent themes emerged from the community site visits. When service providers and immigrants were asked about the issues and topics that should be included in financial literacy services for newcomers, their collective responses pointed to several common concerns: building trust with banks, addressing the varied experiences of newcomer populations, overcoming immigration status barriers, the role of remittances, accounting for cultural difference that impact financial decisions, how English literacy influences financial literacy, how wealth-stripping practices impact newcomers, and the impact of living conditions on financial stability.

LIRS recommends several collaborative approaches that weave the unique financial experience of newcomers into educational materials on the American financial system. These methods hold promise for establishing and supporting newcomers’ economic stability and success in the United States. Some of the recommendations presented in the full report include the following:

- greater attention to partnerships between financial institutions and community-based organizations, particularly refugee and immigrant-led organizations;
- increasing the availability of curricula, teaching tools and online resources that address the unique issues of newcomers’ cultures, languages and immigrant experiences;
- engaging certified financial planners in reaching out to and serving newcomers;
- and using relevant incentives to encourage participation in financial literacy programs.

The upward mobility of newcomers is ultimately linked to their ability to make informed financial decisions. New immigrants’ access to accurate and timely financial information soon after their arrival helps to shape their financial future and strengthen communities across the United States as a whole. The challenge is for financial institutions, community-based organizations and others who assist newcomers during their initial adjustment period to work together to improve the availability of programs, materials and services that respond to the specific financial needs of newcomers.
1. Introduction

In the past decade financial literacy initiatives have rapidly come to the forefront amid rising concerns about Americans’ financial management skills. High schools are introducing new personal finance curriculums for students. Companies are offering new avenues for their workers to connect with financial planners, and banks are providing new financial education tools to their consumers. Despite the growing momentum to help Americans become more financially secure, one major population is consistently overlooked and underserved: immigrants and refugees, or newcomers as they are described throughout this report. Their financial needs add new elements that have not traditionally been addressed by mainstream financial education programs and services. As this report will demonstrate, there is great promise for enriching the pattern and texture of existing financial literacy resources by including newcomers’ experiences and desires to gain financial stability in America.

Financial literacy includes the tools and knowledge an individual needs in order to make informed decisions about money management. Other than recent efforts by some financial institutions to reach out to the country’s growing Latino population, many newly arrived immigrants are unable to access the tools and knowledge they need to help them on their path to self-sufficiency. This is the result of two key factors: First, there simply are not enough financial education literature and services available to the diverse populations entering the country. Second, the tools and resources that have been made available to immigrants often do not take into consideration their unique financial experiences.

Providing high-quality, culturally appropriate financial education benefits not only newcomers, but America, as well. It helps to weave newcomers into the U.S. financial system, and promotes positive economic activity in communities across the country. Immigrants yield considerable buying power. By 2009 the purchasing power of the U.S. Latino population alone, many of whom are immigrants, is projected to reach $686 billion, accounting for 9 percent of all U.S. buying power (Humphreys 2004). As Federal Reserve Board Governor Ben Bernanke notes, “Most immigrants today come for economic reasons, driven by the hope of making better lives for themselves and their families. The positive values and attitudes of most contemporary immigrants hold the promise of upward mobility….and they help to make immigration a key source of American economic dynamism” (Bernanke 2004).
2. Purpose and Research Methods

PURPOSE

To help immigrants begin their lives in the United States with greater financial promise, LIRS embarked on a study of financial literacy for newcomers with three main goals:

- to work with partners across the country to identify newcomer populations’ most pressing needs for personal finance information,
- to collect and evaluate the usefulness of existing resources on financial literacy for newcomer populations in geographically diverse communities,
- and to publish a report that details the findings and serves as a guide for organizations in developing and evaluating financial literacy activities that are responsive to the needs of newcomers.

The report is organized into four main sections:

- an overview of the current status of financial literacy among all U.S. citizens and residents as well as a justification for enhanced financial literacy activities within immigrant communities,
- common financial experiences that newcomers face in the United States,
- promising practices in the field,
- and recommendations on improving the accessibility of personal finance information for newcomers.

This particular study addresses the needs of individuals who were born in a country other than the United States, have lived in the United States for less than five years and share a common experience of integrating into a new community despite their diverse ethnic and cultural backgrounds. The nonprofit sector, government agencies, financial institutions, private foundations and others with an interest in improving the financial success of new immigrants will find the report helpful.

RESEARCH METHODS

LIRS performed three complementary information-gathering activities between January-September ’05.

Online Survey—LIRS’s service partners that work with refugees and other newcomers were asked to participate in an online survey about the populations they serve and the financial literacy programming they provide. The survey results offered a general overview of financial literacy programming for newcomers in a variety of communities across the United States, and informed the site selection process described below. In particular, the survey showed consistent themes in how financial literacy programs operate. These themes are discussed in more detail later.

Site Visits—The research team selected five communities to visit to gain greater insight into the financial challenges facing immigrants and the types of programs designed to address their needs. The communities selected varied in geographic size, makeup of newcomer populations and availability of financial literacy activities. The sites were Phoenix, Denver, Minneapolis-St. Paul, Baltimore, and Utica, N.Y. During each three-day visit, LIRS interviewed program directors of social service agencies, adult education programs and resettlement agencies and front-line staff from agencies including community-based organizations, community development corporations, and refugee- and immigrant-led organizations. The immigrants interviewed were from a variety of countries, including Afghanistan, Somalia, El Salvador and almost every country in between. Case studies and examples from each site are included throughout the report. (See the interview protocol in Appendix 1.)

Existing Research—Although available research on financial literacy among new immigrants is limited, several recent studies have addressed financial challenges facing lower-income families, which often include immigrants. The research review offered a solid foundation for developing the site visit interview protocol and confirmed some of the themes that surfaced during the site visits.
3. A Future for Financial Literacy

Just as the demography of the United States is changing, so is the country’s financial system. Financial institutions are consolidating at a rapid pace, electronic transactions are quickly replacing the traditional paper economy, credit card companies are becoming increasingly sophisticated in their outreach, and Americans are faced with an endless barrage of marketing for the latest products and services. It is clearer than ever that financial literacy is an essential survival tool for the typical American family. For many low-income families, particularly immigrants, financial literacy can be a stepping stone out of poverty.

The renewed national interest in financial literacy stems from several recent studies that demonstrate the decline in Americans’ financial management abilities. Some key findings include the following:

- Personal savings as a percentage of personal income decreased from 7.5 percent in the early 1980s to 2.3 percent in the first three quarters of 2003 (Akaka 2004).
- Between 25 and 56 million adults are not using mainstream, insured financial institutions (Akaka 2004).
- In a 2003 survey the median reported value of all household retirement savings was $40,000. Of the total households surveyed, 25 percent had no retirement account at all. Only 47 percent of Americans are confident that they will have saved enough for retirement (Merrill Lynch 2005).
- Americans paid out more than $24 billion in credit card fees in 2004, an 18 percent jump over the previous year (“Fee Party” 2005).

It is well accepted that financial education can improve financial literacy and, more importantly, change financial behaviors (Jacobs, Hudson, and Bush 2000). With a wide array of financial education materials and curricula developed by public and private sector organizations, more consumers have access to financial education programs than ever before, with the exception of immigrant and refugee populations. The research review revealed almost no studies that specifically examine the immigrant experience, how it influences financial literacy, and the elements that make a financial literacy program effective for newcomers.

Latino immigrants are the only immigrant group that has received some national attention from financial institutions and community-based organizations. This is in part because they make up the majority of the current U.S. immigrant population. New immigrants contributed to more than half of the growth in the nation’s labor force between 2000 and 2003, a historical high for the United States. Of these workers, 54 percent were of Latino origin. The remaining 46 percent included immigrants of Asian, African and European descent (Sum et al. 2004).
Given the commonalities in the newcomer experience, the available research on financial literacy among Latino immigrants can be helpful in understanding the current economic status of immigrants from a variety of backgrounds. In their national study “Financial Education in Latino Communities,” the National Council of La Raza (NCLR) identified the following financial behaviors in Latino communities:

- Nearly 50 percent of Latinos do not have a transaction account, such as a savings or checking account, which is a basic starting point in financial management and wealth-building for American families. Over six in 10 foreign-born Latinos with incomes below $20,000 have no formal relationship with a financial institution (Bendixen and Associates 2001).

- 43 percent of Latino workers described their personal knowledge of investing or saving for retirement as “knowing nothing” compared to 12 percent for all workers. (Employee Benefits Research Institute 2003).

- Remittances to Latin America reached a record $30 billion in 2002, with the figure continuing to rise dramatically each year (Multilateral Investment Fund and Inter-American Development Bank 2002).

Consistent with the NCLR report, research findings indicate a wide discrepancy between the growing economic importance of immigrants and their use of U.S. financial systems. Immigrants are often referred to as one of the most vulnerable populations that have no formal relationship with a bank. Of course Latinos are not the only immigrant group without formal relationships with a financial institution. Countless other newcomers, from Liberian refugees to Burmese asylees, do not have checking or savings accounts. This, in part, is because many immigrants have had negative experiences with banks and other financial institutions in the past, one of the challenges addressed in the next section. Given that many immigrants bring with them to the United States a strong value of saving money, there is great potential to connect immigrants with banks in a greater way.
4. Unique Challenges Facing Newcomers

Although the research suggests that immigrants represent a powerful consumer market, many lack a basic understanding of and access to U.S. financial tools, which can hinder their financial stability and integration into communities. This said, it is not enough for financial education tools to be made available in newcomers’ native languages. It is essential that the resources be tailored for a newcomer audience, addressing the unique issues of their cultures, languages and immigrant experiences. Otherwise, immigrants feel further marginalized from mainstream resources.

Service providers and immigrants who participated in research for this report consistently urged that certain subjects be considered in the development of financial literacy services for newcomers. The following sections address those subjects, describing each topic in detail and providing examples from diverse communities:

- **Building Trust:**
  Tackling Varying Experiences With Banks
- **Ensuring Access:**
  Overcoming Immigration Status Barriers
- **Transferring Money Abroad:**
  The Role of Remittances
- **Accounting for Culture:**
  Gender and Religious Influences
- **Learning the Language:**
  How English Literacy Influences Financial Literacy
- **Safeguarding the Future:**
  How Wealth-Stripping Practices Impact Newcomers
- **Living Within Means:**
  The Impact of Living Conditions

**BUILDING TRUST**
Tackling Varying Experiences with Banks

Newcomers arrive with a wide variety of experiences with banks in other countries. Some come from countries with secure financial systems where banks are trusted and heavily utilized by much of the population. Others have known only unsafe and corrupt banking systems. Recent research completed by Anna Paulson of the Federal Reserve Bank of Chicago and Una Okonkwo Osili of Indiana University-Purdue University Indianapolis found that immigrants’ propensity to use financial services in the United States is closely correlated with their financial experiences in their home country. Their data also shows that immigrants are less likely than native-born Americans to have bank accounts, invest in stocks or own a home.

Furthermore, although one would hope that integrating into society might enhance a second generation child’s financial knowledge and behavior this is not the case. The research suggests that immigrants between the ages of 16 and 21 demonstrate the same financial behaviors as older immigrants, highlighting the need for financial education for both parents and children (Singer and Paulson 2004).

During the site visits, several newcomers shared that they usually employ a trial-and-error method to learn about U.S. banks. Those who used banks expressed frustration over fee structures, and reported that they often misunderstood the purpose of various fees. Others expressed unfamiliarity with bank statements, ATM cards and the concept of interest. Those from countries with cash economies raised questions about how to withdraw money once it has been deposited, how to write checks and how to balance a checkbook. Overall, it appears that newcomers need to increase their understanding not only of how banks operate but of what benefit banking services can provide in the long-term.

Service providers at all sites noted that newcomers with limited banking experience are generally uncertain about what happens to deposited money and how funds can be accessed. In some instances, newcomers open bank accounts but do not use them, indicating that they need follow-up support. Another common perception is that money loses value when invested in a bank, but holds more value when used to purchase goods, even small items like electronics or clothing.

An important and related challenge is building knowledge of the U.S. credit system, a completely new concept to many newcomers. Many newly arrived immigrants are unaware of how past-due bills can negatively impact their future ability to qualify for good interest on major purchases such as houses, cars or student loans. Although unsecured credit cards, if managed responsibly, can be a quick way for newcomers to establish good credit, they are susceptible to the additional risks such cards carry. Credit-related questions commonly raised by immigrants include What is credit? How do you...
Some newcomers save their money at home, making them susceptible to burglaries.

Service providers shared that newcomers without adequate knowledge of banking services often choose to store their money at home. Because this practice is often well known in the broader community, newcomers can be easy targets for home burglaries. Financial experts also note that saving cash at home can have repercussions later. Making down payments on cars or houses can raise suspicions among lenders because there is no way to document where the money originated, causing concerns that the applicant may not be able to make consistent monthly payments on a loan.

ENSURING ACCESS
Overcoming Immigration Status Barriers

Building trust in banks is an important step in helping immigrants start to build solid financial futures; however it will not resolve all immigrants’ resistance to financial institutions. Due to complex economic and social conditions in their countries of origin combined with current immigration policies, some immigrants come to the United States without proper documents. As an undocumented immigrant, accessing banking services is even more difficult. Immigrants fear that financial institutions will divulge personal information to authorities.

The Neighborhood Economic Development Advocacy Project (NEDAP) in New York City has conducted in-depth research on information-sharing concerns and their impact on immigrants’ access to and use of banks and credit unions across the country. Their findings reveal that while financial institutions do have certain reporting requirements that impact all customers, no current laws require banks or credit unions to report immigration information or to verify customers’ immigration status before providing services. (See Appendix 3 for more on NEDAP’s work.)

Meanwhile, without access to banking services, immigrants lose a significant portion of their weekly paycheck to check-cashing facilities, which are often unregulated. They also miss out on other bank benefits including reduced fees for remittances. Like immigrants who keep their money at home, undocumented workers with cash in their pockets are more vulnerable to robbery or home burglary.

Although it is important for all newcomers to connect with financial institutions, service providers and newcomers at all five sites admitted that they had limited knowledge about how to open a bank account for individuals without Social Security Cards. Even though there were banks in each of the five cites that accepted alternative documents such as consular IDs, foreign passports and IRS-issued Individual Tax Identification Numbers, neither newcomers nor service providers were aware of these options. The few providers that were well-versed in the requirements had done considerable research on their own and had noted inconsistencies among various branches of the same bank and even among staff at a single branch. In Denver only a handful of immigrants took advantage of a recent “Bank the Unbanked” initiative at Del Norte Community Development Corporation, which was designed to encourage immigrants to open and use bank accounts. Organizers observed that it was difficult for newcomers to trust that documents other than Social Security Card are sufficient to open bank accounts, and recognized a need for strong partnerships with local banks and credit unions to improve newcomers’ access to financial services. Compounding matters further, several community providers noted that newcomers who lack documentation often continue the same pattern of “flying under the radar” even after they gain legal status.

TRANSFERRING MONEY ABROAD
The Role of Remittances

Sending money—sometimes up to half of their earnings—to relatives and friends in their home countries is a common and often expected practice for many immigrants. Remittances sent to overseas families often allow them to buy food and other necessities that they would not otherwise be able to afford. Accordingly, immigrants express a feeling of duty and obligation to provide for their families in their home country through remittances.

Remittances have a significant economic impact on the countries where they are received. Chairman of the Federal Reserve Board of Governors Ben Bernanke commented in an April 2004 speech that “remittance flows to developing countries typically exceed official development assistance, are similar in magnitude to foreign direct investment, and are more stable than either of these other flows.”

In 2002 remittances to Latin America alone reached $30 billion (National Council of La Raza 2004). The U.S. Department of Treasury estimates that remittances to developing countries totaled more
While remittances are common to almost all immigrants, one particular group, refugees, has an additional financial responsibility—repaying the cost of their travel to the United States. The International Organization for Migration (IOM) makes refugee travel arrangements and issues interest-free loans to cover the cost of airline tickets. The refugees sign promissory notes stating that they will repay the loan over a pre-determined period. Repaying these loans helps refugees establish good credit in their new country and repaid loans help fund resettlement travel for other refugees.

ACCOUNTING FOR CULTURE
Gender and Religious Influences

Culture informs financial behaviors and decisions such as who makes financial decisions, what kinds of financial services are used, and how money is spent and saved. During the site visits, service providers specifically noted two cultural values that impact financial decisions for newcomers but are often overlooked in mainstream financial literacy programs: gender roles and religious beliefs.

In many cultures, the male head of the household is responsible for financial decisions and is often expected to be the primary wage-earner. Many new immigrants, especially male heads of household, work more than one job to provide for their family members both in the United States and in their home countries. Since their free time is so limited, service providers shared that it can be difficult to engage male heads of household in financial education programs. When female household members attend such programs there is often no change in the financial behavior of participants’ families, likely because the information is not going directly to the financial decision-makers. In addition, when women have more information about finances than their husbands, family conflict can arise. Service providers need to be sensitive to this possibility to ensure that the financial knowledge they are providing can genuinely help to improve the financial situation of the family.

Religious beliefs, like any values, influence financial behaviors and decisions for many. In fact, service providers consistently spoke about the connection between personal values and financial literacy during the site visits. One of the most critical values that can limit access to mainstream financial services is a tenet of Islam prohibiting Muslims from paying or receiving interest. Like other newcomers, many Muslims desire to use credit cards to establish a strong credit score, and like many Americans, some find themselves getting into debt without adequate knowledge of the responsibilities that come with credit card use. For those who choose to adhere more strictly to Islamic teachings, they are not able to participate in traditional home mortgage programs, retirement plans and investments. Some lenders are responding to this challenge by offering programs that make it possible for Muslims to purchase homes and benefit from other financial services. For example, American Finance House-LARIBA provides home financing for Islamic families living in the region of their base of operations. The lease-to-purchase model is acceptable under both U.S. and Islamic law. There are also several other programs across the country that provide opportunities for home ownership and investment that comply with Islamic teaching. However, the current demand far exceeds available alternative financing options.

LEARNING THE LANGUAGE
How English Influences Financial Literacy

Financial literacy is intrinsically linked with English acquisition. While newcomers often arrive in the United States fluent in several languages and quickly acquire enough oral English to survive, it takes more time and diligent study to acquire the advanced literacy skills needed for more complex written communication. Service providers agreed that these basic skills usually emerge 12–18 months after arrival, but often require five years of regular English communication and practice to fully acquire more
advanced literacy skills. For those with limited literacy in their native languages, it may take even longer to acquire the English skills needed to function in the mostly monolingual environment of the United States.

Advanced literacy skills are especially critical for understanding the terms and conditions that are tied to financial contracts. In Minneapolis some reported that refugees, particularly individuals with limited literacy, tend to be uncomfortable using banks because they are not able to track deposits and withdrawals from their accounts. They often rely on friends and relatives to help them with their banking, particularly when no bank employees speak their language, as is often the case for languages other than Spanish. Without appropriate language support immigrants are not well equipped to protect their money and make informed decisions about managing it.

SAFEGUARDING THE FUTURE
How Wealth-Stripping Practices Impact Newcomers

Non-mainstream fringe financial services appear to be widely available in neighborhoods where newcomers reside, as reported in every city visited for this project. These services include payday lending, rent-to-own stores, predatory mortgage lending, tax refund loans, auto title pawns, multi-level marketing techniques, and identity theft—all of which can lead to unnecessary debt and can prevent wealth-building. Due to their newcomer status, immigrants and other vulnerable populations are often aggressively targeted through direct mail, telemarketing, door-to-door sales and online solicitation.

Service providers in Baltimore and Phoenix noted that newcomers have a tendency to trust others who speak their language even if they do not fully understand the legalities they are agreeing to. In the Twin Cities fraud by a tax preparer of Somali origin affected hundreds of Somali families. In Phoenix one agency reported a handful of cases where a Spanish-speaking real estate agent had used false Social Security numbers on loan papers for undocumented immigrants. This has usually happened without the immigrants’ knowledge, putting them at-risk for serious legal and financial troubles.

LIVING WITHIN MEANS
The Impact of Living Conditions

Day-to-day financial survival is a real challenge for almost all new immigrants. Even though many immigrants arrive in the United States with a range of professional skills, many start out in low-wage, low-skill jobs as they integrate into the American workforce. Newly arrived refugees’ initial residences are often chosen by relatives or agencies involved in their resettlement, while other newcomers typically join family and friends where they have settled or follow leads they hear on job openings. Their first stops are usually in neighborhoods with low-cost housing, often characterized by buildings in need of repair, limited access to goods and services, and other uncertain conditions.

Several service providers noted that since most banks do not have branches in such neighborhoods, many immigrants rely on check-cashing outlets for paying bills and cashing checks. Some states set limits on the fees that check-cashers can charge, but the majority of states do not regulate their activities. In 1997 the Woodstock Institute reported that “the annual cost of a check-cashing outlet in Illinois was...24 to 305 percent higher than obtaining similar services from a bank” (Woodstock Institute 1997).

Immigrants from the focus groups also revealed that while striving to gain financial stability in the United States, they can feel pressure from their neighbors and relatives to own similar material goods as a status of wealth. This situation is common among many American families and newcomers, immigrant and nonimmigrant alike. One man of Hmong descent described intense competition to “keep up” with the latest trends and goods—cars, clothes, electronic equipment or even homes. Conversely, other individuals commented that when they do own nice things, they are sometimes incorrectly accused of engaging in illegal activities such as selling drugs. Immigrants who are more financially secure also feel a responsibility to help others with rent, car purchases and small business loans. This practice can allow an immigrant group to share resources and care for one another in a community-oriented way that other American families may lack.

Even though many immigrants live paycheck to paycheck, they are often able to send a substantial amount of their wages to relatives in their home countries and live within their means here in the United States. The site visits revealed that new immigrants are particularly savvy about saving money. They may live quite frugally and choose to stay in lower-income living conditions for longer periods of time than their American counterparts in order to save for homes, small businesses or other long-term investments. Rising home ownership rates among Latino immigrants is one indication of this trend. For example, according to a 2001 Federal Reserve Survey of Consumer Finances, 44 percent of Latinos owned their own home.
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A Review of Financial Literacy Programs for Newcomers

Community-based organizations are leading the way in designing specific immigrant-focused financial literacy initiatives.

Financial literacy programs can help newcomers and all lower-income families improve their long-term financial stability. Financial education can equip newcomers with accurate knowledge, a strong understanding and useful tools for managing their personal finances. To that end, a variety of providers including government, schools, financial institutions, employers and community-based organizations offer financial literacy programs. Ultimately, the types of programs they offer depends on their organizational mission, available resources and access to target populations.

Community-based organizations (CBOs) appear to be leading the way in designing specific immigrant-focused financial literacy initiatives. Given their reputation and location, CBOs serve as information clearinghouses that can inform other financial education providers about the needs and trends of the community. But many CBOs struggle to maintain funding to support financial education programs that are usually not at the core of their mission-driven work.

Adult education schools also reach newcomers with financial literacy information through their English as a Second Language (ESL) programs. Recognizing the importance of financial education some schools supplement their traditional ESL curricula with extra lessons on financial literacy, using resources such as the FDIC’s Money Smart Curriculum. While ESL classes have the potential to reach many new immigrants, it is difficult to track exactly how students increase their financial literacy skills. Many have irregular class attendance because of work and family responsibilities, and in some areas class schedules are limited. And ESL programs usually measure student progress more broadly by language acquisition rather than by specific content areas such as financial knowledge.

As the two main providers of financial literacy for new immigrants CBOs and ESL programs seem to have the most understanding of the design of such programs; however, they sometimes lack the financial expertise needed to deliver accurate information and answer specific practical questions that arise. The analysis presented here focuses on several common approaches that CBOs and ESL programs employ for immigrant-focused financial literacy programs. In the next section, case studies highlight each practice with helpful tips for others who may be interested in starting a similar program.
CURRICULUM SOURCES

Financial literacy has received a great deal of national attention in recent years due to numerous studies that point to the plummeting rate of savings and the skyrocketing credit card debts among most American families. As a result there are a variety of financial literacy curricula available for those who want to offer classes, workshops or seminars on the topic. The curricula include online activities, videos and printed materials all designed with similar goals to increase finance knowledge.

For immigrants there are a few resources that attempt to reach this increasingly visible population. The FDIC’s Money Smart curriculum is available in seven of the most common languages spoken by immigrants. Several other financial institutions, including Wells Fargo and the Federal Home Mortgage Corp. (Freddie Mac), have translated materials into Spanish.

Those who work closely with immigrant populations report that existing curricula—even those that have been translated into other languages—do not adequately respond to the needs and demands of immigrants. They would like to see materials that better take into account linguistic idioms and cultural values. One specialized curriculum for immigrants of Latino and Hmong origin is available from the Minnesota Community Action Association and online at www.helpmnsave.org.

Service providers agreed that it would be unlikely for a “boxed” curriculum to fit all the specific needs of diverse immigrant populations. Instead, instructors recommend combining materials from a variety of sources in order to create activities that are relevant to a specific targeted population. See the first two case studies for two unique approaches to teaching basic financial concepts using a variety of curriculum sources.

Although mixing curriculum sources presents challenges such as extra time and preplanning work, instructors agree that such flexibility is important since various groups may need to focus on different financial concepts. Since several service providers add to existing curricula in similar ways, a standard supplemental curriculum could be helpful. Such a curriculum could include an introduction to U.S. currency; basic math and reading skills for those that are not literate in any language, and information on identification and the threat of identity theft. For those who come to the United States from less developed countries or rural areas, service providers also include information on common consumer tasks such as comparison shopping, calculating the cost of produce and operating ATMs.

TIMING OF INTRODUCING CONCEPTS

As immigrants adjust and integrate into their new communities, there are many new systems that they must learn to navigate, including the U.S. financial system. The findings suggest that financial literacy develops on a continuum driven by individuals’ financial experiences in their home countries as well as their most pressing needs in the United States.
Initially, consumer tasks such as grocery shopping are the priority. As time goes on, banking, saving, car-buying and home-ownership become more important. Service providers in all of the sites agreed that it is critical to introduce financial concepts at a time when they are relevant to immigrant families’ daily lives. Research also supports this idea, and a recent study from the National Council of La Raza (NCLR) reports that financial literacy programs are more effective when they are tied to a life event or product (National Council of La Raza, March 2004). While gaining more financial knowledge is arguably a reasonable motivation to participate in financial literacy programs, service providers often struggle to attract newcomers to attend classes and workshops. Life events such as buying a home, bankruptcy, death or divorce increase the likelihood that immigrants will participate in financial literacy programs. When a “teachable moment” is not available, incentives can motivate families to seek financial information. For immigrants in particular access to financial tools or products such as savings accounts and mortgage programs are among the most effective practices. Service providers agree that incentives need to be stronger than door prizes or child care to appeal to immigrants who work nontraditional hours or balance more than one job to provide for their families. East Harbor Community Development Corporation and CASA of Maryland include financial literacy in other existing programs that immigrants are more likely to attend. [See Case Studies 3 and 4, p 17-18]

For more advanced topics such as home ownership and credit counseling, the timing can vary based on a family’s specific situation and economic environment. For instance, in Phoenix, where home prices have been relatively low, immigrants are purchasing homes after being in the United States for just two years. In places like Baltimore where home prices are higher, immigrants are typically not able to consider buying a home until much later.

GROUP AND ONE-ON-ONE INSTRUCTION

The standard delivery method for financial literacy information varies based on the audience. Financial planners typically provide information in a one-on-one setting, but lower-income families including immigrants rarely have access to financial planners, so they usually attend group classes or workshops.

The best delivery method for newcomers is to combine group instruction with one-on-one counseling. Group sessions are a good venue for presenting general information that applies to a variety of situations. One-on-one time allows for specific problems or questions to be addressed. Some recognize the importance of one-on-one counseling but lack the needed manpower to reach individuals in this way. Community Housing Resources of Arizona (CHRA) provides one-on-one counseling only because they have seen that it is the most effective way for individuals to change their financial behavior. Their counseling focuses on issues related to debt reduction, credit repair, budgeting and special home loan programs. Since CHRA’s main objective is to help low- to moderate-income families purchase their first homes, one-on-one counseling has proven to be the most effective method of helping the most families achieve this goal.

Other program directors report that group settings allow for open discussion and an exchange of ideas that is not possible in one-on-one settings. During the site visits, service providers and immigrants alike commented that most feel comfortable discussing their personal financial situation around others from a similar background. The challenge with a group setting is having the time to address each individual’s concerns and needs. At Minneapolis’ African Development Center group classes are combined with one-on-one meetings to teach immigrants about the home ownership process in the United States. [See Case Study 5, p 18]
A Review of Financial Literacy Programs

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“You have to approach something like this with an entrepreneurial spirit. This is a new business. It’s a startup, and with that comes a need for flexibility, organization and creativity.”

Carlene Coleman, Director, Faith in the City, Personal Finance Center

[See Case Study 7, p 19]

USING FINANCIAL EXPERTS

While the need for financial literacy training within immigrant communities is great, those currently delivering the training are typically not financial experts. Newcomers generally rely on relatives already residing in the United States to introduce them to the American financial system even though their family members may not have complete or accurate information themselves. Structured financial literacy programs are commonly facilitated by teachers or social workers who only have a basic knowledge of financial concepts. Several financial literacy teachers confided that they often spent considerable time learning about credit reports, home mortgage options and other financial concepts before teaching those topics. As a result, students often receive incomplete or incorrect information, further isolating them from mainstream financial services. The Minnesota Community Action Association’s website is one resource intended to give front-line service providers the resources they need. In addition, the New York City-based Neighborhood Economic Development Advocacy Project’s Immigrant Financial Justice Project offers training to social workers and other community members to equip them with accurate financial information.

Some service providers partner with bank personnel to supplement ESL classes or other financial literacy programs. However, relationships between service providers and financial experts are often disconnected, resulting in programs that either culturally responsive or technically accurate, but not necessarily both. There is great potential for service providers to partner with financial experts, particularly financial planners and bank personnel, to produce financial literacy programs that are both accurate and accessible to newcomers.

There is also a need for greater attention to cultural competency so that when information is presented by a financial expert, it is accessible and appropriate for newcomers. During the site visits, financial experts asked for more information on immigrant populations, noting that they are not well-versed in the backgrounds and current financial challenges facing immigrants. Both immigrants and service providers called for more attention to creating materials on important financial concepts with simplified language targeted to a particular group’s needs. The final two case studies highlight two promising strategies that combine financial expertise with community-based programs and services.

[See Case Studies 6 and 7, p 19]
The following case studies, taken from existing programs in the five visited sites, describe a variety of strategies for implementing financial literacy programs for newcomers. Each one includes at least one approach described in the previous section and offers helpful tips for others who may be interested in starting a similar program.

Case Study 1

A NEW TWIST ON AN OLD GAME: Monopoly Teaches Newcomers Basic Financial Concepts

Overview
Chelsea Wolf of Citizens Bank in Utica, N.Y., wanted to create a fun way for newly arrived refugees to learn about U.S. banking. To achieve this goal she created her own version of Monopoly in which the winner is the one with the most balanced checkbook at the end of the game. She uses the game to teach basic banking skills to newly arrived refugees enrolled in the Job Club at Utica’s Mohawk Valley Resource Center for Refugees (MVRCR).

Program Design
• Up to eight people play on one board at a time.
• Participants start with a paycheck, and as they move around the board, they write checks for rent, other bills and basic necessities.
• After one hour of play, the winner is the person with the most money in their account and a balanced checkbook. The prize is an actual $10 gift card from the bank that can be used at any local retailer.
• Throughout the game participants practice basic financial skills while Wolfe reinforces important concepts.

Funding
As part of the resettlement agency’s Job Club, this introduction to basic banking is supported through refugee employment funding from the Bureau of Refugees and Immigrant Affairs, New York State Office of Temporary and Disability Assistance. Wolf volunteers her time, and material costs are covered by the MVRCR.

Quick Tips
• Make the classes fun.
• Keep a consistent schedule.
• Be prepared to review concepts if you only meet once or twice a month.

“I made the classes fun, and the participants really got a lot out of it. They were engaged and interested every time we met.”

Chelsea Wolf, Trainer, Citizens Bank
**Case Study 2**

**CAN WE TALK?**
An Upfront Approach to Financial Literacy

**Overview**
Like many business development programs, Denver’s Microbusiness Development Corporation (MDC) integrates personal financial education into its business development efforts. After a community-wide assessment, MDC staff found that while there was ample opportunity to learn about basic financial literacy, there was not a forum to examine the deeper issues that can influence financial success for individuals and entrepreneurs. As a result, MDC created a four-part curriculum that addresses beliefs and values and introduces tools for personal financial management—an approach MDC has found particularly helpful with immigrants from diverse cultural backgrounds.

**Program Design**
- Four two-hour workshops are designed to provide an opportunity for immigrants and other MDC clients to evaluate their beliefs and values about money.
- Workshops are held at community locations where groups already meet, such as local high schools and neighborhood associations.
- A pilot project was completed with high school students from immigrant and other lower-income families. A second pilot project is planned for a group of recently resettled Somali Bantu refugees who are working together to establish an urban garden in partnership with Denver’s Mercy Housing.

**Funding**
Piton Foundation provided $35,000 to fund MDC’s pilot program with local high school students. Since this program complements MDC’s small business development efforts, staff salaries for designing and implementing the program are covered under the organization’s general operating expenses.

**Quick Tips**
- Be prepared to talk about tough subjects.
- Look for a niche—a new product that your organization can offer to the community.

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**Case Study 3**

**TURNING TAX SEASON INTO A LEARNING OPPORTUNITY**

**Overview**
At Baltimore’s East Harbor Community Development Corporation financial education ties in naturally with the tax services they offer to Spanish-speaking immigrants in their community. Latino Services Manager Lourdes Montes comments, “When a person gets a tax refund, the question is what to do with the money.” Through a grant from the Internal Revenue Service, East Harbor operates a low-income taxpayer clinic and is the only agency that offers tax services to Spanish-speaking immigrants with limited English proficiency in the Baltimore area.

**Program Design**
- Tax seminars planned in partnership with other local organizations serve the same target population.
- Each monthly seminar draws about 25 people. The seminars explain the benefits of filing taxes and also introduce basic financial concepts.
- Free tax preparation is available for individuals and families that make less than $40,000 per year.
- Assistance is also available for immigrants who need to file for Individual Tax Identification Numbers.

**Funding**
The tax seminars are a part of East Harbor’s full spectrum of financial education that has an annual operating budget of about $80,000. Funding is provided by Goldseker Regional Foundation, City of Baltimore Community Development Block Grant, Annie E. Casey Foundation and the Internal Revenue Service.

**Quick Tips**
- Talk with other organizations that work with the target population to identify their financial needs.
- Tailor each seminar to meet the needs of the participants.
**Case Study 4**

**TEACHING DAY LABORERS FINANCIAL BASICS AT CASA OF MARYLAND, INC.**

“I’ve learned that it’s more effective to go to an existing group than to try to create a reason for a new group to come together.”

Claudia Rodriguez, Financial Literacy Specialist

**Overview**
Every Monday, CASA of Maryland opens its doors to newcomers to purchase CASA identification cards, making them eligible to participate in CASA’s day laborer pool and to access other CASA services. Approximately 100 newcomers come to CASA each week for ID cards and CASA’s orientation to its services and important information about living in the United States. “Welcome to the New Economy,” an introduction to American finances, is included in the orientation.

**Program Design**
- Consists of a one-hour workshop—“Welcome to the New Economy.”
- Uses brightly-colored posters created by CASA’s resident cartoonist to catch people’s attention and support the content.
- Covers topics that introduce newcomers to the importance of identification documents in the United States, the difference between banks and check-cashing services, the advantages of budgeting, establishing financial identity and building credit history.
- Newcomers also learn about CASA’s other financial literacy classes, which are held at their site and at other sites around the community.

**Funding**
Freddie Mac Foundation, Montgomery County Department of Housing and Community Affairs and Provident Bank provide funding. CASA’s entire financial literacy program, which includes the “Welcome to the New Economy” workshop as well as other classes and services, has an annual operating budget of about $100,000.

**Quick Tips**
- Offer classes or information where a group is already gathered.
- Invite local bank representatives to events at your agency to help new immigrants set up bank accounts.

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**Case Study 5**

**AFRICAN REFUGEES FIND A FINANCIAL GUIDE IN MINNEAPOLIS-BASED ORGANIZATION**

**Overview**
The African Development Center (ADC) in Minneapolis combines group and one-on-one instruction to strengthen personal financial literacy among their clients. Typically African refugees and immigrants come to ADC for help in starting small businesses or buying their first homes. Early on ADC staff found that they needed to address personal finances, especially the concept of credit, in order for clients to successfully take such major financial steps.

**Program Design**
- Clients apply for business development assistance, which includes 32 hours of instruction per client.
- Half of the business development assistance is spent on personal finance and the remaining time is used on technical topics such as writing business plans.
- Agency also offers homeownership training, which includes two five-hour workshops on consecutive Saturdays. Once the training is complete clients may access ADC for specific questions as they go through the home-buying process.

**Funding**
$65,000 annual operating budget. Major supporters include Freddie Mac, Wells Fargo Bank, and U.S. Bank.

**Quick Tips**
- Capitalize on what newcomers already know, and balance with what they need to know.
- Recruit and support good staff—they are the key to effective program delivery.
Case Study 6
FINANCIAL EXPERT YIELDS GREAT GAINS FOR NEWCOMERS
Overview
The International Rescue Committee in Phoenix offers financial training classes that cover a range of topics from budgeting to understanding credit to savings and investments. Classes are offered to refugees at any stage of resettlement until citizenship. According to IRC, this program design reflects the fact that all refugees need financial training, not only those buying a home or starting a business. The financial training program coordinator brings experience as a financial counselor to the program, ensuring the delivery of accurate financial information.

Program Design
• Stand-alone workshops cover specific topics such as banking and budgeting, credit, and employment benefits.
• Clients can take workshops in any combination or order.
• Quarterly calendars with scheduled workshops are distributed to the target population and there is no registration process—attendees simply show up.
• Offers relevant incentives for workshop attendance. For example, investment class attendees are offered $25 savings bonds, and youth workshop attendees establish 529 plans with initial deposits of $100.
• One-to-one counseling is available to any refugee with individual needs not covered in the workshop, such as assistance repairing damaged credit.

Funding
The Hong Kong Shanghai Banking Corporation (HSBC) has been a tremendous support to the program, providing the bulk of funding for the past two years. HSBC has also funded a replica of the program in IRC’s Tucson office. A portion of the program is also funded by the State of Arizona Refugee Program.

Quick Tips
• Be diligent about building relationships with staff from other agencies for referrals.
• Be mobile—bring services to settings such as apartment complexes and community meetings where the target market can conveniently attend. This practice removes participation barriers such as transportation and childcare.
• Offer incentives for former participants to host a financial training workshop for their friends.
• Use visuals and activities that encourage active participation and are easily translated into different languages, rather than workbooks and handouts.

Case Study 7
FAITH IN THE CITY PERSONAL FINANCE CENTER LEVERSAGES FINANCIAL EXPERTISE
Overview
A collaborative partnership of seven Lutheran organizations in the Minneapolis-St. Paul metropolitan area, the Faith in the City Personal Finance Center was designed to give working families the tools they need to reach their financial dreams and to increase access to mainstream financial services. As part of its mission, Faith in the City targets residents who are new to the United States. The center benefits from full time financial experts on staff as well as strong volunteer involvement from collaboration members including Thrivent Financial for Lutherans and Augsburg College.

Program Design
• Faith in the City offers a full range of services with varying degrees of professional support, including:
  • individual development accounts
  • consumer and financial education classes
  • internet-accessible computer workstations for financial literacy education and online banking
  • savings clubs
  • a financial reference library
  • a fully functional ATM on site
  • a retail service center
  • a transportation loan fund
• Individuals who need more intensive credit counseling are referred to the financial services division at Lutheran Social Service of Minnesota, the center’s managing partner.

Funding
Annual operating budget is $1.6 million with major funding from Thrivent Financial for Lutherans, the McKnight Foundation and Assets to Independence.

Quick Tips
• Recruit the right people. Staff members and volunteers need to have not only technical finance skills but sensitivity and diplomacy in approaching money matters. Talk to other financial literacy programs about staff qualifications.
• Set clear outcomes. They will act as your guide to remind you of your vision and reason for what you are doing.
Considering the current attention on financial literacy for all Americans, the challenges newcomers face in gaining financial knowledge and skills, and the existing programs that are working to respond to these needs, there is clearly a need for more attention on financial literacy activities that support newcomers in their pursuit of economic success. Achieving this goal will require a coordinated effort among service providers, community leaders, financial institutions, funders and policy-makers. LIRS recommends several collaborative approaches that hold promise for increasing financial literacy among newcomers and ultimately supporting new immigrants’ financial stability and success in the United States.

- **Invest in financial education programs for newcomers.** Financial literacy has received considerable national, state and local attention in recent years, and the momentum needs to continue so more communities, particularly immigrant populations, can benefit from these efforts. Particularly important needs include increased attention on smaller language groups with limited English proficiency and greater sensitivity to the cultural factors that can influence financial literacy for newcomers. We know that financial education programs can improve the personal finance knowledge of individuals and families, ultimately increasing their ability to make informed financial choices and build wealth.

- **Foster partnerships between financial institutions and community-based organizations.** Newcomers often develop relationships with community-based organizations soon after arriving in the United States, coming to trust the services and guidance offered by the organization’s staff. Because of this relationship, CBOs would likely be able to effectively bridge the gap between newcomers and mainstream financial institutions. Financial institutions can also fulfill Community Reinvestment Act requirements to meet the needs of the communities they serve through partnering with CBOs. Partnership efforts might include specially assigned customer service representatives, workshops or classes, translated print materials, and meaningful incentives for those who open accounts.

- **Utilize a variety of teaching techniques that draw on immigrants’ previous experiences and build on their strengths.** Like all adults, newcomers want to be respected for the knowledge and skills that they have. Financial literacy classes need to be sensitive to the population and incorporate effective adult education methods. For example, the learning circle method encourages participants to share stories, and thereby validates the experiences they bring with them to class.

- **Use relevant incentives to encourage participation in financial literacy programs.** Incentives such as savings accounts or home mortgage products can help to engage newcomers in financial literacy programs, especially for male heads of household who have many other responsibilities and demands on their time. First-time homebuyer programs that offer down payment assistance have helped to increase newcomer participation in many communities. Another strategy that holds promise is offering $50 and a savings account for participants who successfully complete required sessions. The International Rescue Committee of Phoenix has implemented such a program.

- **Provide more financial education to the informal networks that support newcomers.** Since newcomers often rely on family and friends to learn about the U.S. financial system, investing in these networks is likely to yield significant returns. Develop financial education programs such as first-time homebuyer programs with relevant incentives for established immigrants. These types of programs can benefit the
established population, and as they share their knowledge with newcomers, they too will receive accurate information on establishing a credit history, the benefits of budgeting, preventing identity theft and other financial topics.

• **Create free online curricula that address basic consumer habits in the United States.** Most service providers agree that there are a variety of financial literacy materials to choose from when designing a financial education program. The one area that appears to be lacking is attention to basic skills such as understanding U.S. currency, saving money on groceries, resisting advertising messages and preventing identity theft. Free online curricula that respond to these issues will give financial education providers a new resource specifically tailored to their needs. There is also potential for online curricula to promote computer literacy among newcomers so that they will eventually be able to access other online financial literacy programs such as Wells Fargo’s Hands-On Banking at [www.handsonbanking.com](http://www.handsonbanking.com).

• **Provide opportunities for newcomers to become familiar with online banking and other technology resources, including online self-directed learning.** For newcomers with limited computer experience financial literacy programs can provide a natural opportunity to further develop computer skills. This short-term strategy can result in long-term gains since basic computer skills can enable individuals to more fully participate in mainstream communication. There are also many self-directed online programs that introduce basic banking and financial literacy topics using video and simple language. These programs could help newcomers with limited English proficiency to improve both their financial knowledge and their English proficiency simultaneously.

• **Increase understanding of alternative documents that are acceptable for opening bank accounts.** For immigrants who do not yet have Social Security cards or driver’s licenses, there is a need to raise awareness about other kinds of documents that banks will accept. These documents include IRS-issued Individual Tax Identification Numbers and consular IDs. A critical element to this strategy is building strong partnerships between financial institutions and CBOs. Since newcomers typically have a strong trust in the CBOs, such partnerships will help them learn to trust banks’ intentions and utilize the full range of available services.

• **Improve the availability of certified financial planning services for newcomers.** Although personal sessions with certified financial planners are typically available only for more affluent families, such services can result in great gains in asset accumulation for newcomers. Many newcomers do not meet the minimum income requirements and are unable to pay the required fees for financial planning services. LIRS recommends exploring options such as a voucher system for families to access financial planning services, pro-bono volunteer opportunities for financial planners within existing community-based financial education programs, and tax incentives for financial planners who serve lower-income families.
7. Conclusion

As this report reveals, financial literacy is an important element of long-term financial stability for all Americans. The process of settling in a new country creates unique challenges for immigrants seeking to gain the skills, knowledge and financial tools they need to build wealth in the United States. But many newcomers bring the strong values of saving money and being responsible community members, which are important fibers for weaving future financial success. Tying newcomers into mainstream financial systems can help to improve the economic vitality of neighborhoods across the country.

The upward mobility of newcomers is integrally linked to their ability to make informed financial decisions. Immigrants’ access to accurate and timely financial information soon after they arrive helps to unite them with products and services that can positively impact their financial future and strengthen communities as a whole. Financial institutions, community-based organizations and other agencies and individuals who assist newcomers during their initial adjustment period must rise to the challenge and work together to improve the availability of programs and materials that respond to immigrants’ specific needs. Financial literacy programs that build on the strengths of particular immigrant groups, adapt materials to their language and literacy backgrounds, include a variety of presentation styles, and work to build bridges with financial institutions hold promise for strengthening financial knowledge and skills among newcomers.
Bibliography


Appendix 1
Online Resources

The following is a list of online financial literacy curricula that service providers during the site visits found particularly helpful and are specifically designed for individuals with limited English proficiency. It is not intended as an exhaustive list, nor does LIRS or the organizations visited endorse any particular product over another.

Becoming Part of Wealth in America
The Minnesota Community Action Association.
Curriculum and leader’s guide available in English, Spanish and Hmong. Spanish and Hmong versions developed in close consultation with representatives from the ethnic groups that speak those languages.
www.helpmnsave.org

Consumer Action
Free multilingual educational guides on a wide range of personal finance topics and other subjects of interest to consumers. Publications are available in Chinese, Korean, Spanish and Vietnamese as well as English.
www.consumer-action.org

FDIC’s Money Smart Curriculum
Free curriculum developed by the Federal Deposit Insurance Corporation (FDIC) to introduce basic financial concepts and build financial confidence among consumers. Materials are available in English, Spanish, Chinese, Korean and Vietnamese.
www.fdic.gov/consumers/consumer/moneysmart

Financial Literacy: Learning the Language of Money
Guidebook created by the Minnesota Department of Employment and Economic Development to improve cross-cultural communication between front-line workers and clients of Somali, Hmong and Latino heritage. Includes information about financial literacy in customers’ countries of origin, and examines how these systems shape customers’ values and perspectives on American financial systems.
www.deed.state.mn.us/youth/MoneySm/FullGuide.pdf

Institute for Social and Economic Development
“In This World” is a financial literacy curriculum for low literacy adults and teens unfamiliar with the U.S. banking system. The curriculum emphasizes experiential learning through visual aids, life skills and real life examples to teach basic personal finance concepts.
www.ised.org

Neighborhood Economic Development Advocacy Project
“Community Financial Literacy and Justice Course” designed for community groups, advocates and organizers in New York City and across the country. “Train the Trainer” sessions and curriculum resources are also available by request.
www.nedap.org/programs/ifjp.html

Federal National Mortgage Association (Fannie Mae)
Fannie Mae’s website features many free resources including “Money Management and Home-Buying Readiness: A Sourcebook for Teachers of ESOL and ABE.”
www.fanniemaefoundation.org
Appendix 2: Participating Organizations

BALTIMORE

CASA of Maryland
www.casademaryland.org

East Harbor Community Development Corporation
www.ehcdc.org

Greater Homewood Community Corporation
www.greaterhomewood.org

Hispanic Apostolate Immigration Legal Services
www.catholiccharities-md.org

International Rescue Committee
www.theirc.org/baltimore

St. Vincent de Paul of Baltimore
www.vincentbaltimore.org

World Relief
www.wr.org

DENVER

Catholic Charities ESL Program
www.catholiccharitiesdenver.org

Colorado Housing Assistance Center
www.coloradohousingassistance.org

Del Norte Neighborhood Development Corporation
www.delnortendc.org

Emily Griffith Opportunity School (EGOS)
www.egos_school.com

Lutheran Family Services Refugee and Asylee Programs
www.lfsco.org

Mercy Housing
www.mercyhousing.org

Microbusiness Development Corporation
www.microbusiness.org

Mile High United Way IDA Program Coordinator
www.unitedwaydenver.org

Mile High United Way Denver Financial Literacy Network
www.unitedwaydenver.org

Young Americans Bank
www.yacenter.org

MINNEAPOLIS-ST. PAUL

African Developer Center
www.adcmnnesota.org

Center for Asian and Pacific Islanders
www.cstpaul.mn.us

Department of Human Services
www.DHS@state.mn.us

Federal Reserve Bank
www.federalreserve.gov

Hmong American Partnership
www.hmong.org

Immigrant Education and Credit Union
(No website available.)

Lao Vets of Minnesota
www.minnesotaaloveteransofamerica.org

Lutheran Social Services
www.lssmn.org

Mercado Central
www.mercadocentral.net

St. Olaf Lutheran Church
www.stolafthuman.org

Women’s Institute for Self-Empowerment
www.womenofwise.org

PHOENIX

Arizona Refugee Resettlement Program
www.azdes.gov/csa/programs/refugee

Betania Community Center
www.ecdcinternational.org

Catholic Social Services
www.catholicsocialserviceaz.org

Chicanos Por La Causa
www.cplc.org

Community Housing Resources of Arizona
www.communityhousingresources.org

Friendly House
friendlyhouse.org

International Rescue Committee of Phoenix
www.theirc.org/where/the_irc_in_phoenix.html

Lutheran Social Ministries of the Southwest
www.lsmsaz.org

UTICA, N.Y.

City of Utica Hope VI Project
www.cityofutica.com

Cornell University
Financial Management Education
www.cornell.edu

Homeownership Center of Utica
www.thehomeownershipcenter.org

Mohawk Valley Resource Center for Refugees
www.mvrcr.org

Oneida County Department of Social Services
www.oneidacounty.org
Appendix 3
Interview Questions

NEWCOMERS
How long have you lived in the United States?
What skills did you bring with you to the United States?
What is your educational background?
How is money in the United States different from money in your home country?
What do you think of when you think about money?
What feelings do you have when you think about money?
How do you know if you have enough money to pay for all your monthly expenses?
Do you use a monthly budget? Is it helpful? Why or why not?
Do you think you have enough money to pay for everything you need?
Do you think it’s important to save money? Why or why not?
How much money do you currently save each month?
Do you save money at a bank or at home?
What financial goals do you have for the next five years (e.g. buying a house or car, going to college, sending money home)?
What kinds of banking services are you aware of? Which ones do you use?
What banks are nearest to where you live and work?
What would help you feel more comfortable using a bank? Do you use a check cashing service? Are you aware of the fees they charge? Why do you prefer this over a bank?
What language do you use when you are speaking with bank workers?

SERVICE PROVIDERS
What characteristics do you observe in clients who successfully manage their money?
What attitudes, beliefs or experiences typically hinder clients from successfully managing their money?
In your experience what is the most common cause of financial problems among newcomers?
In your experience what kinds of financial literacy information do newcomers lack?
Do your clients typically ask their case managers for help with their money issues?
What strategies have you or your staff used to support clients in improving their financial literacy?
Where do you refer clients who have questions about money management?
What barriers do you observe that keep clients from accessing financial literacy programs or financial institutions?
Do you offer any financial literacy programming? If so what curriculum or materials do you use? Would you be willing to share copies of your materials for use in our financial literacy materials review?

BANKS AND CREDIT UNIONS
What are the demographics of your customers?
Do you have any customers with limited English proficiency? If so, what kinds of supportive services do you offer to make the bank more accessible to them?
In what ways does the local branch support the neighborhood or community?
Do you market your programs? If yes, how? If not, why? What messages work with immigrant and refugee communities?
What do you think would help to make the bank more user-friendly, especially for customers with limited English proficiency?
Do you offer any financial literacy education programs? If so, please describe.
Do you have any educational materials produced by the bank? Are they available in any languages other than English?
**CHURCH AND OTHER COMMUNITY LEADERS**

What support do you think newcomers need as they integrate into new communities in the United States?

What support do you offer to newcomers in your community?

Do you work with other organizations or groups within the community to support newcomers? If so, which ones?

In your experience, how important a factor is financial literacy for newcomers’ successful adjustment and integration into the community?

What role do you think your congregation or community group ought to play in helping newcomers to improve their financial literacy?

Do you think that your church or community group could be doing more to support financial literacy among newcomers? What barriers are keeping you from doing that?

**FINANCIAL EDUCATION PROGRAMS**

(These questions from the NCLR Financial Education Report, December 2004, are used with permission.)

What made you decide to run a financial education program? How long has your program been in existence?

For what particular groups are your financial education program tailored? What are key differences among these groups?

How many people do you serve and how many of them participate in your financial education program?

What are your funding sources for financial education?

What financial education curriculum do you use? Do you like the format? What do you like and dislike about the curriculum?

Who are your financial education instructors? Did they receive any training? Do they teach in group setting or one-on-one?

Do you link financial education to other programs? If so, what kind of programs?

How useful is it to have translated financial education materials?

How do you encourage participation in your financial education programs? What is an ideal level of participation? What factors influence participation for immigrants and refugees?

How does your approach to financial education differ from that of other entities?

Do you market your programs? If yes, how? If no, why not? What messages work with immigrant and refugee communities?

Do you partner with other organizations in your community? If so, who?

What are some difficulties you have experienced running the program?

What do you see as the specific socioeconomic challenges immigrants and refugees face (e.g., lack of time for financial education because of long or irregular work hours)?

What cultural characteristics of particular immigrant or refugee communities present unique challenges to meeting their financial education needs?

Do you work with undocumented families? What are the financial questions they frequently raise with your staff?

Has the local population been difficult to work with? Why or why not?

Is your program successful? How do you assess the effectiveness of your program? Do you document outcomes to measure behavioral change or asset acquisition?
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The many, many organizations that participated in the site visits also deserve individual recognition. Their experiences and reflections offered great breadth and depth to LIRS’s understanding of financial literacy among newcomers. These organizations, listed in Appendix 2, are all working valiantly to improve the financial future of newcomers in their communities.

LIRS especially thanks the organizations that are featured in the case studies. Their work provided real-life examples to support the concepts that are discussed in the report. The staff members who contributed to the case studies provided helpful suggestions on both the case studies and the overall report—Yana Balint, Mohawk Valley Resource Center for Refugees; Eli Behr, Micro business Development Center; Carlene Coleman, Faith In the City Personal Finance Center; Jennifer Doran and Jon Vosper, International Rescue Committee of Phoenix; Amy Horning, CASA of Maryland; Lourdes Montes, East Harbor Community Development Corporation; and Hussein Samatar, African Development Center.

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