

The Plight of the New American



by Dick Ensweiler,
Texas CU League CEO
and CUNA Chairman

“José” came to the United States about three years ago for many of the same reasons as the immigrants before him and the millions who will follow. A laborer earning a modest, but honest wage, José wants to give his three chil-

dren a better childhood than he had. Like any other parent, José wants his children to never have to worry about school supplies or their next meal. The American Dream is very much in José’s sight. He is determined to succeed because his children’s futures are at stake.

Chances are that you know José or someone like him. According to the U.S. Census Bureau, Hispanics represent 13.3% of the U.S. population, a share expected to grow to 15.5%, or 48 million people, by 2010.

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Unfortunately, Hispanics’ incomes are not keeping pace. The Pew Hispanic Center reports that Hispanic households’ median income is two-thirds that of

Caucasians households’. Hispanics’ net worth is less than 10 cents for every dollar of Caucasians’ wealth. And only 47% of Hispanic households owned homes in 2002, compared with 75% of Caucasian households.

I believe that there is a connection between these statistics and the way Hispanics deal with money. Former U.S. Treasurer Rosario Marin estimates that Hispanics comprise 40% of the 10 million people in America who do

not have direct relationships with mainstream financial institutions.

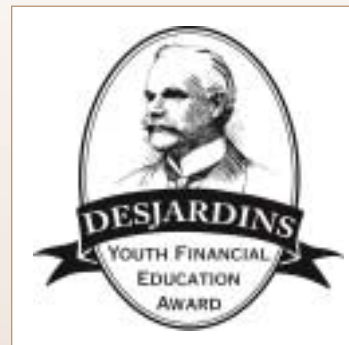
By and large, Hispanics don’t have bank accounts because of mistrust, lack of experience, language barriers, and fear of immigration status. Their priorities are more basic needs, such as finding work and a place to live. So it is no surprise that a State Farm Insurance study found that 75% of Hispanics are very concerned about their financial well-being.

The credit union movement must take a proactive role in educating Hispanic and other immigrant communities about financial matters. We must turn them away from the more costly transaction-based service providers, such as check cashers, payday lenders, and pawn shops. We must attract them to credit unions, where they have the opportunity to build wealth.

Serving immigrant Americans will require a long-term commitment. To be successful we need to build a strong presence in their communities. We need to offer them financial education, low service fees, and more affordable mortgages and remittance services.

NCUA Board Member Deborah Matz recently announced that data from third-quarter call reports reflect a sharp decline in asset growth. Her advice for turning back this trend is to make loans to new members. Specifically, she said, credit unions should target Hispanics and Asians, who also are under-represented in credit union membership. Similarly, NCUA Board Chairman JoAnn Johnson emphasizes the importance of financial education at every opportunity.

I encourage all credit unions to help bridge the gap of wealth disparity that exists between recent immigrants and those of us whose families arrived in the U.S. generations ago. The futures of José, his children, and the credit union movement depend on it. ■



2004 Desjardins Youth Financial Education Award

The Desjardins Award recognizes the following credit union organizations as the best of the movement’s efforts to improve youth financial literacy. Look for their entries on display at CUNA’s Governmental Affairs Conference in Washington, D.C.

2004 Winners:

- South Carolina Credit Union League
- Washington Credit Union League and Affiliates
- Michigan Credit Union League
- Alternatives Federal Credit Union (Ithaca, N.Y.)
- Jeffco Credit Union (Lakewood, Colo.)
- OSU Federal Credit Union (Corvallis, Ore.)
- Norm Nolette Chapter of Credit Unions (Maine)

2004 Honorable Mentions:

- California Credit Union League
- Maine Credit Union League
- Motown First Federal Credit Union (Hamtramck, Mich.)
- Chocolate Bayou Community Federal Credit Union (Alvin, Texas)
- Linn-Co Federal Credit Union (Lebanon, Ore.)
- DuPont Beaumont Federal Credit Union (Nederland, Texas)
- U of C Federal Credit Union (Boulder, Colo.)