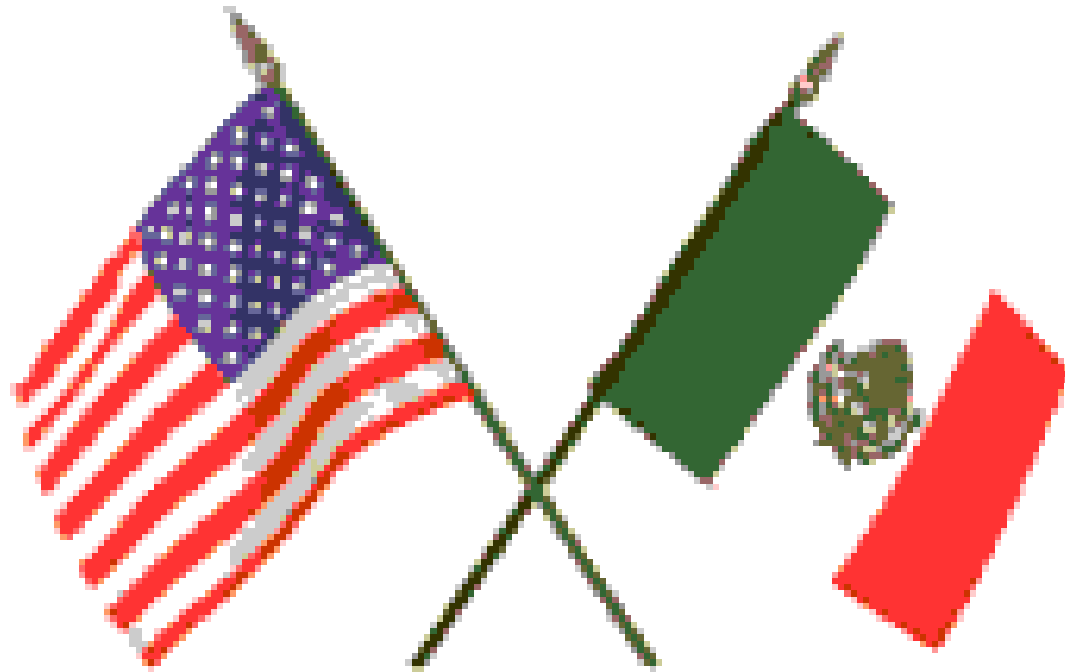


# Remittances

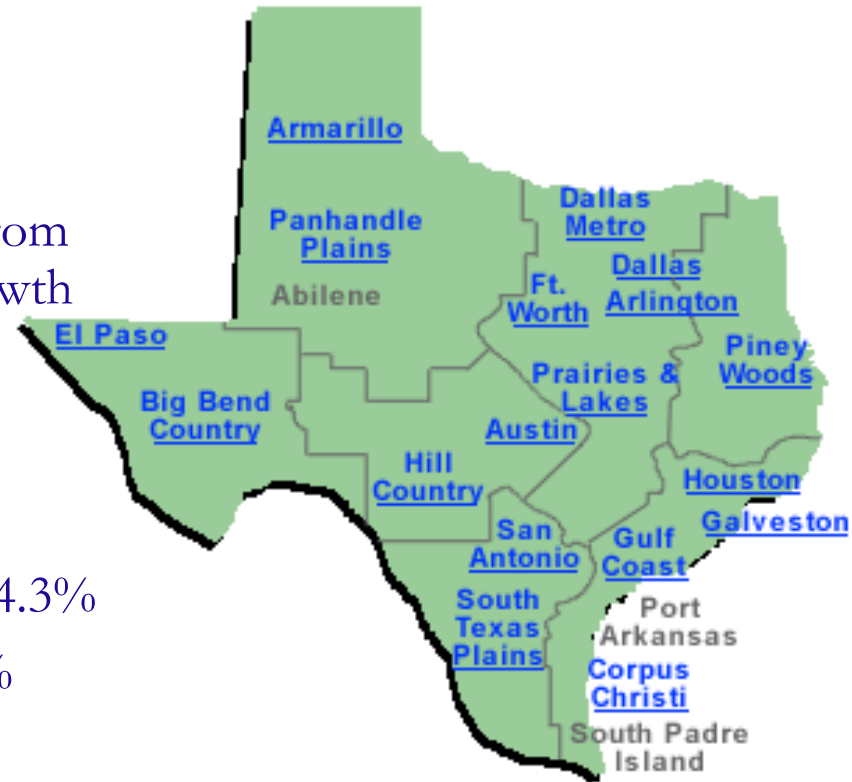
*A Tool for Facilitating Service to the New American*



# Demographic Make-up

*Of the Lone Star State*

- Texas Population: 21.3 million
  - White persons: 71%
  - Hispanics: 32%
- 60% of Texas' population increase from 1990 to 2000 driven by Hispanic growth
- Hispanic Population by County:
  - El Paso County – 78.2%
  - Bexar County (San Antonio) – 54.3%
  - Dallas/Tarrant Counties – 49.6%
  - Travis County (Austin) – 40%
  - Harris County (Houston) – 33%



# Immigration to the U.S.

- More than 65% of Hispanics in the U.S. are of Mexican origin
- Men and women in 96% of Mexico's 2,350 cities and towns now migrate to the United States
- More than 300 million legal crossings are reportedly made from Mexico to the U.S. each year
- The INS estimates that as many as eight million unauthorized immigrants reside in the U.S. - (4.8 million of which are Mexican)



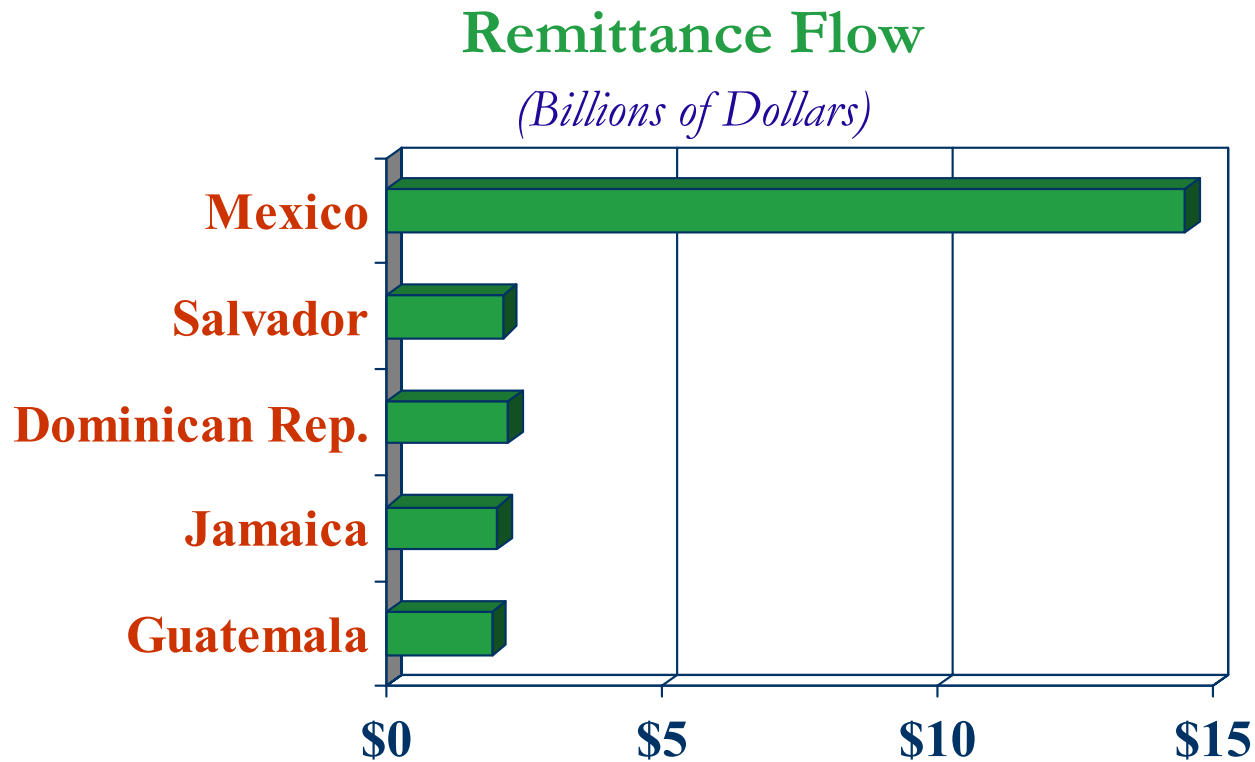
# Ties to Their Homeland

- 69% of foreign-born Hispanics in the U.S. regularly send remittances to family members in their homeland
- 18% of Mexico's population reportedly receives regular remittances from the U.S.
  - Majority of remittance receivers are women
- Beneficiaries of remittances to Mexico are concentrated in five Mexican States:
  - Guanajuato, Jalisco, Michoacan, San Luis Potosi and Zacatecas



# Remittances:

*Where does the Money Go?*



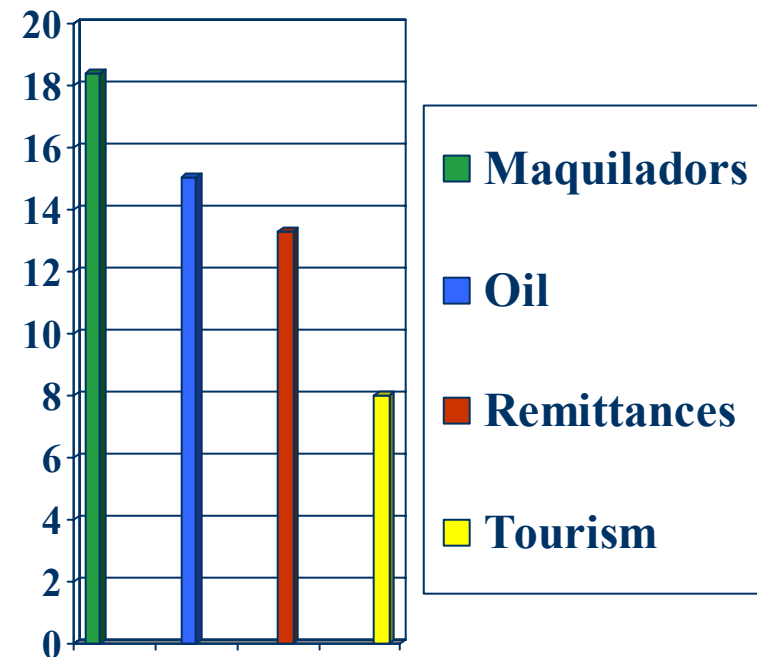
# Remittances:

## *Impact on Mexico's Economy*

- Remittances represent 3rd largest source of income for Mexico
- As much as \$13.3 billion in remittances were sent from the U.S. to Mexico in 2003
- While approximately 10-15% of remitters paycheck is sent to their country of origin, 85-90% stays in the U.S.

## Mexico's Top Sources of Income

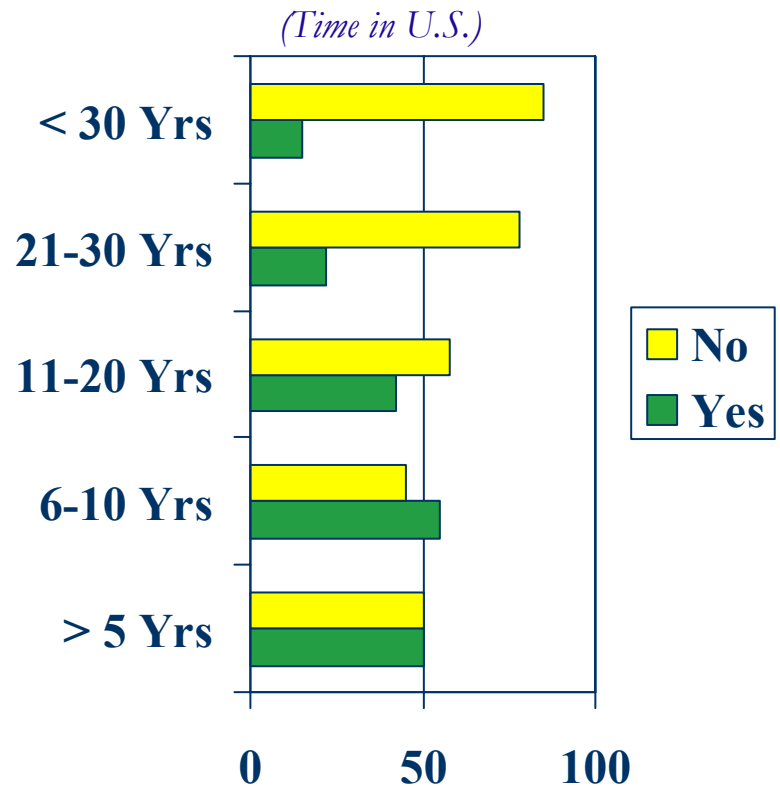
*(Billions of Dollars)*



# Profile of a Remitter

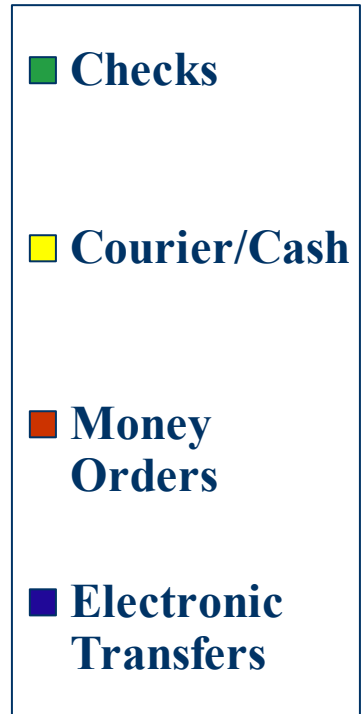
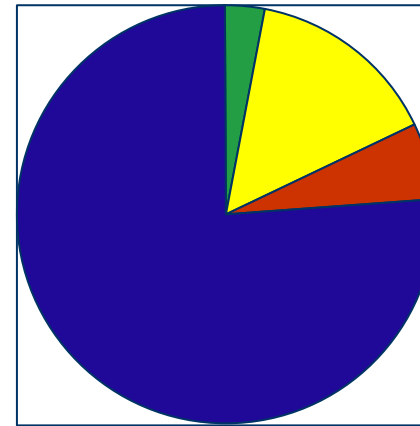
- Young Adult Hispanic male
- U.S. resident 10 years or less (over time remittance decrease with assimilation)
- Immediate family abroad

## U.S. Foreign-Born Hispanics Who Send Money Home



# Method Used to Send \$\$

- Nearly 50% of remitters send money home once a month
- 46% of remitters earn less than \$30,000 a year
- 38% of remitters send (average) \$200 a month
- 70% of remitters use Western Union or Money Gram
- Just 2% use a credit union





# Key Findings...

---



- Just under 10% of the total U.S. population is ‘unbanked’
  - 45-60% of Hispanics in this country are ‘unbanked’
- Less than one-quarter of Hispanics in U.S. who have bank accounts know that some financial institutions offer remittance services
- Nearly all users of remittances considered themselves not well-informed about remittance options
- A sizeable number of remitters report that they would switch to a financial institution to send money transfers, if it were cheaper and offered better exchange rates



# CU Impediments to Serving New Americans



- Infrastructure Barriers
  - Hours
  - Language
  - Location
- Other Factors
  - Lack of Trust
  - Cultural Differences
  - Inexperience with banking system in their homeland



# TCUL Focus Group Findings



- Their immigration status would be revealed
  - Uncomfortable using credit unions/banks that don't accept Matricula
- Lack of information provided in Spanish
- Fear that money would be lost in credit union/bank robbed
- High cost, lack of options for remittance services
  - 57.1% believe it's very important to offer money transfers
- Only 4.8% use banks or credit unions to send money to Mexico
  - Western Union cited as most used



# Why CUs/Banks Not Used?

*TCUL Focus Group Findings*



- 33.3% say fees too high
- 21.2% lack of convenience
- 18.2% lack of trust
- 15.2% fear privacy might be violated – immigration status
- 84.8% of non-users say more likely to open account, if Matricula accepted



---

# Room For Improvement

*TCUL Focus Group Findings*

---

- Not asking for documentation related to legal status
  - Acceptance of the Matricula
- Making loan standards more flexible
  - Bad credit vs. no credit
- Better explanation of fees
- Friendlier Environment
  - Dallas, Fort Worth; Houston participants cited discrimination as issue.



# Recommendations

*TCUL Focus Group Findings*

- Offer products/services in demand
  - Remittances
  - Financial Education
  - Bilingual Staff
  - Materials in Spanish
  
- Understand Immigrants
  - Language/Cultural Difference greatest barriers to overcome



---

# Tips for Tapping Into Market

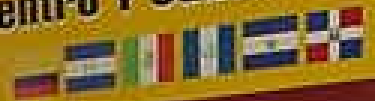
*TCUL Focus Group Findings*

---

- Get involved in local outreach efforts
- Take advantage of partnership opportunities
- Have a branch in their neighborhood
  - Offer full range of bilingual services
  - Provide extended hours of service
- Ensure Spanish language infrastructure support is in place
- Establish in-house focus committee
- Invest early on as brand loyalty is strong among Hispanics

# GIROS A MÉXICO

Centro y Sudamérica



MONEY ORDERS  
de venta al público

INTERNATIONAL  
SOLARISOL  
Econ Co

DolEx DolEx



GIROS a  
**6**

GIROS a  
**3**

JUL 13 2004

OS • BAU TIZO • COMUNION  
ACION • XV AÑOS • BODA

OPEN

MUS  
LAT

132



STRAIGHT  
KID  
GO  
GO  
GO  
PEACH

servicio  
TELÉFONICO  
1800 744 7444  
CORREO  
ELECTRÓNICO  
1800 744 7444

JUL 13 2004

# MEXICO LINDO

PANADERIA   BAKERY

BOLLOS  
ASADOS

BAKERY

CAKES

BREAD

PANADERIA

PASTELIN

MEXICANO

8357

JUL 13 2004





*Dona*

El Comercio  
Organización y Compañía  
MEXICO  
FLORIDA  
LAS CAROLINAS  
ALABAMA  
VIRGINIA  
NORTH CAROLINA  
SOUTH CAROLINA  
LOUISIANA  
MISSISSIPPI  
FLORIDA  
ALABAMA  
VIRGINIA  
NORTH CAROLINA  
SOUTH CAROLINA  
LOUISIANA  
MISSISSIPPI

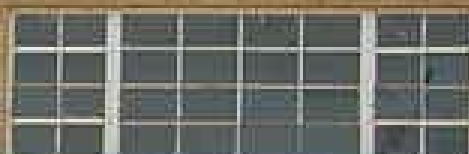


COPIAS  
SACAN  
SE

MEXICO  
A  
DINERO  
DE  
ENVIOS

JUL 13 2004

# THE LAREDO NATIONAL BANK



## BANCO

ENTRADA



ATM



JUL 13 2004

# THE LAREDO NATIONAL BANK

## Banking Hours

**Monday-Thursday** 9:00 a.m. - 6:00 p.m.

**Friday** 9:00 a.m. - 7:00 p.m.

**Saturday** 9:00 a.m. - 3:00 p.m.

**Sunday** 11:00 a.m. - 4:00 p.m.

JUL 13 2004