

A CLOSER LOOK

A Closer Look takes topics from previous and current issues of *Bridges* and examines them from a local perspective.



...AT THE KENTUCKIANA REGION

Latino Immigrants Flock to Kentucky

Immigrants to the United States, particularly Latinos, are increasingly choosing Kentucky as their home. Attracted by Kentucky's low cost of living, immigrants have emerged in both urban and rural areas and, through numbers alone, have the capacity to transform the economic marketplace in

these communities.

Between 1990 and 2000, the state's Latino population, one of the fastest growing communities in the country, increased by 194 percent, reaching nearly 60,000.

Data collected in the last census show that the number of Latinos living in Jefferson

County, which includes the city of Louisville, has nearly tripled since 1990, from roughly 4,300 to 12,300. However, the real number is believed to be much higher.

The Latino immigrant population represents a lucrative and largely untapped market for financial institutions. While

Latinos hold substantial buying clout, they are more likely to be "unbanked," or without a bank account, than any other ethnic group.

This first issue of *A Closer Look* is a follow-up to a cover story, "Banking Latino Immigrants," featured in the Autumn 2002 issue of *Bridges*.

Mexican Consulate Event Presents Opportunities for Banks, Immigrants

On a rainy, dreary Saturday last March, hundreds of Mexican nationals living in Kentucky and Indiana stood in line to receive identification cards that will provide them with access to mainstream financial services.

More than 600 people lined up at a mobile processing center set up by the Mexican consulate of Indianapolis at the offices of the Hispanic/Latino Coalition in Louisville. The identification card, called a "matricula consular," is issued by the Mexican government to its nationals living in other countries. The card includes the name, address, birth date, birthplace and a photograph of the holder. People applying for a matricula consular must present proof of Mexican nationality, verification of identity and proof of residence in the United States.

The Hispanic/Latino Coalition played a key role in the mobile center's ability to process hundreds of identification cards. Required paper-



Jose Castro reaches for his new "matricula consular" identification card during a March 27 event in Louisville, Ky. In his arms is his son, Alexander, and behind them is his wife, Beatriz Hernandez. Photo Credit: © The Courier-Journal

work was completed inside, and high-speed lines to the Internet transmitted information to the Mexican government for verification. The government-backed identification has security features that raise the comfort level of U.S. institutions wanting to offer financial products and services to Mexican nationals.

Two financial institutions, National City Bank and Republic Bank, realized the significance of the mobile processing center's ability to issue

matriculas consulares on the spot and offered to sponsor the event.

The Indianapolis affiliate of National City Bank maintains a close relationship with the Mexican consulate. Bank Vice President Deborah B. Williams worked with the nonprofit Hispanic/Latino Coalition to coordinate the Louisville event.

National City Bank also staffed a booth and opened 25 accounts, Williams said. The bank will continue to partner with the coalition, hire

more bilingual employees and work on financial literacy initiatives, such as homebuyer education workshops in Spanish, she said.

Republic Bank's Sonia Perez, customer service manager, learned about the consulate's visit when she attended a Hispanic Business Association meeting in Louisville. The bank offered to be a sponsor and also had a booth at the event. Perez and another bilingual employee set up accounts for about 35 people who had come to get matriculas consulares, she said.

The new customers apparently spread the word about the value of a bank account, Perez said, because many who received their cards that day are still streaming in to open accounts. Customer referrals, Spanish-language radio ads and involvement in community events are all critical in attracting Hispanic customers, she added.

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Kentuckiana Banks Reach Out to Latino Immigrant Population

Attracting Latino markets is the new “turf” for bank competitors of all sizes...and for good reason. Bankers eager to capture this large, young and fast-growing market will reap numerous benefits.

Cynthia Durant, U.S. Bank community development manager, recently illustrated the strong market awaiting banks. The average opening deposit for Latino account holders is several thousand dollars, she said. And it is not uncommon for a customer to open a checking account with \$10,000 cash, a testament to the savings habits of Latino immigrants, she said.

Although there are challenges associated with serving the Latino market—language, culture and identification issues—progressive bankers are rolling up their sleeves and developing products and services that work.

Two banks using these techniques in the Kentuckiana region are BB&T and U.S. Bank.

BB&T decided to take a grassroots approach in tapping the Hispanic market. In 2002, the bank developed a Spanish-language series of community outreach audiotapes aimed at the 1.9 million Latinos in its footprint. The popular 60-minute tapes do not promote BB&T products. Rather, they emphasize important informa-



Translator Yasmin Metivier narrates BB&T's Spanish-language community outreach tapes.

tion that a newcomer to the United States would need to know, such as how to get health care or a driver's license.

U.S. Bank has had its banking materials translated into Spanish. The bank also provides new customers with a sample check that shows, in Spanish, how to fill it out. One-on-one instruction is available.

Both banks recognize that bilingual employees are essential to a successful relationship with Latinos.

BB&T has designated certain bank branches as “Hispanic Banking Centers.” The centers employ bilingual personnel and offer brochures and videotapes about bank products in Spanish.

U.S. Bank has six bilingual call centers serving Latinos.

Both banks offer accounts that help immigrants send

money to relatives at a low cost and in a safe manner, their spokesmen said.

“Secure Money Transfer,” a U.S. Bank product, is an ATM card-based international money transfer service that allows a person to send money to Mexico or elsewhere in the United States. The sender, who does not have to be a U.S. Bank customer, may transfer a maximum of \$1,000 twice a month. An \$8 fee is charged per transfer if the sender has a U.S. Bank account. If not, the fee is \$10 per transfer.

This spring BB&T launched a new product, “EnvioFacil” or “EasySend,” that also allows Latinos to transfer money back home.

Customers establish an EnvioFacil account with cash. They then send their families a packet with instructions on

how to withdraw cash from the account by using the EnvioFacil card at an ATM. Accounts can have a maximum value of \$2,500 each month. The minimum deposit is \$25; the maximum is \$1,000.

To help immigrants obtain credit and establish a credit history in this country, U.S. Bank also offers: “Credit Builder Secured Loan,” which provides loans of between \$1,000 and \$10,000 secured by a certificate of deposit; “Secured Visa,” a credit card with a limit of between \$300 and \$5,000; and “Capital,” a partnership between U.S. Bank and the U.S. Hispanic Chamber of Commerce and its affiliates to offer a small-business working-capital program.

Besides products and services, a strong relationship with the Latino community is critical, says U.S. Bank's Durant. She is a member of the Nashville Hispanic Chamber of Commerce and encourages her peers to become involved in community groups. “Community involvement does not cost a bank anything, and it is one of the best ways to show any community that you really care,” said Durant.

For more information, visit U.S. Bank's web site at www.usbank.com or call BB&T's Teresa Mackey at (336) 733-1006.

Mexican Consulate Event

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Currently, 13 states, including Indiana, accept the matricula consular as valid identification. While Indiana accepts the cards as a secondary form of identification for Mexican nationals seeking driver's licenses, the cards are not accepted by Kentucky or any of its local governments.

Louisville was the second Kentucky stop for the mobile consulate, which will visit 10 Kentucky cities.

The office serves Mexican nationals in most of Indiana, Kentucky and southern Ohio.

For more information, contact the consulate at (317) 951-0005 or through www.consulmexind.com.



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