

Nonprofit Says Reaching Latinos Takes Creativity

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By [Ben Jackson](#)

Immigrants from Latin America are the nation's the fastest-growing group, but many banks are just now seeing demographic changes in their markets.

It is those banks that Appleaseed, a nonprofit policy organization in Washington, wants to educate. Last month it published a 39-page guide on how to market financial services to Hispanics.

Banks should not depend on immigrants coming to them, because many have no experience with banks and do not see the benefits of having an account, said Ann Baddour, a senior policy analyst with Appleaseed Texas.

"Also we have a large influx of people coming from countries where financial institutions were not regarded as trustworthy or inviting," Ms. Baddour said.

Many banks have tried to reach out to immigrants by offering remittance services and accepting forms of identification beyond drivers' licenses for opening accounts. But Appleaseed's guide says banks need to think more creatively.

Among its suggestions: Take banking services directly to where large numbers of Hispanics work.

For example, the guide says, the \$850 million-asset Security Savings Bank of Olathe, Kan., has opened a branch and automated teller machine inside a Tyson Foods Inc. meatpacking plant. Security Savings officials also persuaded Tyson's human resources department to add financial classes to its employee orientation.

The branch, which opened in 2002, has signed up 1,600 account holders.

The Appleaseed guide also describes efforts by the \$81 million-asset Mitchell Bank in Milwaukee. Six years ago it opened a branch in a high school to reach potential customers through their children. The kids who run the branch can tell their parents how the banking system works and why it is safe.

James P. Maloney, Mitchell's chairman, said the branch has brought in over \$800,000

in deposits.

Many immigrants are suspicious of banks, Mr. Maloney said. Signs in Spanish and products they can use do not overcome that suspicion, he said, so bankers need to build trust among members of the community and then have them tell their friends.

"Slowly, by word of mouth, people have learned that this is a place you can go as a Latino, documented or undocumented, and obtain services in a Latino-friendly environment," Mr. Maloney said.

He said his bank needs Latinos' business because its neighborhood, once largely Polish and German, changed as immigrants came to Milwaukee seeking service and factory jobs.

"The neighborhood has changed considerably," Mr. Maloney said. "We see that our future is tied to the Latino demographic."

Ms. Baddour said that as more people come into the country seeking work, more banks like Mr. Maloney's will see their neighborhoods change and need to adapt.

"Our target market for this is going to be the smaller institutions that have seen these trends and are trying to figure out how they can participate in them," she said.

Alice Perez, the director of multicultural markets for \$213 billion-asset U.S. Bancorp in Minneapolis, said banks must also get involved with Hispanic communities. Her company, for example, sponsors Cinco de Mayo celebrations and has partnered with *Latina Style* magazine on a scholarship program.

Ms. Perez said such efforts help build good will and establish trust.

She added that, in her experience, immigrants do not necessarily go to the lowest-cost provider of remittance services, for example - they go with one they can trust. "What we are finding in the industry is that cost doesn't drive the behavior," she said. "If they don't trust us, they will take it to the Western Union."

Appleseed is not the first organization that has published a guide on banking the immigrant market. The American Bankers Association published a 120-page guide two years ago and has given away almost 3,000 copies. James Ballentine, its director of grassroots and community outreach, said it is still receiving requests for them.

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