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EXECUTIVE SUMMARY

BRIDGING THE GAP

Overcoming Barriers to Immigrant Financial Empowerment in Northwest Queens



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Every day, immigrants in Northwest Queens struggle to find work, obtain legal status, and manage their finances. While immigrant consumers are an integral part of the New York City economy—spending and saving money and paying taxes—many face multiple barriers to financial empowerment. This means that many immigrants struggle to build the kind of wealth that could enable them to buy a home, pay for higher education, save for retirement, and lead to overall long-term economic stability and security. While many immigrant consumers do save money, many do not trust mainstream financial institutions because they do not provide linguistically or culturally competent services. Others are concerned about hidden or excessive fees. As a result many immigrant consumers utilize fringe financial services that tend to be predatory and exploitative.

This report will explore how immigrants in Northwest Queens save and manage money and the barriers they face in doing so. Additionally, it will also highlight the complicated relationships immigrants have to banks and other mainstream financial services as well as the tools and mechanisms that do and do not work in promoting immigrant financial empowerment. It will also look at the role that community-based organizations play in promoting financial empowerment. The report will also provide concrete suggestions for how policy makers and financial institutions can improve financial empowerment for immigrant communities.

Key Findings:

The following data is based on surveys that were collected by organizers at New Immigrant Community Empowerment, Chhaya CDC, and Queens Community House during clinics and other community meetings. Surveys were translated into multiple languages including Spanish, Bangla, Nepali, and Tibetan and were administered to respondents in Northwest Queens.

Finding 1: Immigrant consumers report that they are regularly saving money.

- 3 out of 4 respondents set aside money for future needs.
- 9 out of 10 respondents set aside money on a monthly basis.

Finding 2: While many immigrant consumers report having had a savings or checking account, many also report that they have closed or stopped using those accounts.

- 3 out of 4 respondents have a savings or checking account in a bank.
- Almost half of respondents have had a bank account but closed or stopped using it.

Finding 3: Fees and penalties deter people who do not have a bank account from opening one and force people who once had a bank account to close it.

- Almost half of respondents have had a bank account but closed it.
- Over a third of those who closed or stopped using a bank account did so because of excessive fees, a fifth because of hidden fees, a fifth because of a negative balance.

Finding 4: Lack of cultural competency and services in non-English languages is a barrier to immigrant banking. This is particularly severe for South Asian languages.

- 4 out of 10 Bangla speakers and 7 out of 10 Nepali/Tibetan speakers said banks do not offer services in their primary language.
- Over half of the Nepali/Tibetan respondents said it was at least a little difficult to conduct banking in English.

Finding 5: Spanish-speaking immigrants are less likely to have a bank account than those who are speakers of other languages, yet more financial services are provided in Spanish than other foreign languages.

- 9 out of 10 Spanish-speakers say that banks offer services in Spanish.
- However, 4 out of 10 Spanish-speakers don't use a checking or savings account at a bank.

Finding 6 : Some immigrant consumers indicated that they continue to use non-bank financial services.

- Almost a third of respondents prefer a check cashing or remittance agency to a bank or credit union.
- Over half of the respondents would go to friends or family if they needed money.
- Only 1 in 10 would get a bank loan if they needed money for an emergency.

Finding 7: Community-based organizations tend to be the best options for providing a range of financial empowerment services to immigrant communities.

Select Recommendations

The following recommendations were developed by Northwest Queens Financial Education Network (NQFEN) organizations and are based on the data collected through surveys, policy, and legal research. They are rooted in the needs and priorities of low-income immigrant communities in Northwest Queens. The New York City Mayor, City Council, city agencies, and other policy makers should ensure that the recommendations in this report are implemented and that current laws and programs are strengthened in order to improve immigrant financial empowerment in New York City.

1. New York City policy makers and banks should ensure that more resources are allocated to community-based organizations (CBO) so that CBOs can provide culturally appropriate and language accessible services to immigrant consumers. The Community Reinvestment Act and New York City's Responsible Banking Act are two mechanisms that can be used to encourage this.
2. Banks should offer low minimum-balance requirements and eliminate burdensome and hidden fees in order to encourage immigrant bank account ownership.
3. New York City policy makers should ensure that banks and other financial services are providing quality language services and operating with increased cultural competency.
4. New York City policy makers should help raise awareness of the rights of consumers when using non-bank or fringe financial services.
5. New York City policy makers should press financial institutions to accept the IDNYC as a primary ID to open accounts and to extend credit, as permitted under federal law.
6. New York City policy makers should help to establish a community development credit union in Northwest Queens.
7. Community Reinvestment Act regulators and the Responsible Banking Act Advisory Board should consider all of the NQFEN recommendations as key benchmarks for all banks to meet when assessing their response to low and moderate-income people and neighborhoods.

ABOUT THE AUTHORS

Northwest Queens Financial Education Network (NQFEN)

This network's primary goal is to work with low-income immigrant participants, many of whom have little to no experience using commercial banks in the United States. NQFEN seeks to establish a structure through which immigrants can learn important financial concepts, address difficulties they face as consumers, and, in the long run, access reputable financial products, build credit, and realize their personal financial goals

NQFEN Members

Chhaya CDC



Based in Jackson Heights, Queens, New York, Chhaya Community Development Corporation (Chhaya) – meaning “shelter” or “shade” – is dedicated to creating stable and sustainable communities by increasing civic participation and addressing the housing and community development needs of New Yorkers of South Asian origin and their neighbors. www.chhayacdc.org

Community Development Project



The Community Development Project (CDP) at the Urban Justice Center strengthens the impact of grassroots organizations in New York City's low-income and other excluded communities. We partner with community organizations to win legal cases, publish community-driven research reports, assist with the formation of new organizations and cooperatives, and provide technical and transactional assistance in support of their work towards social justice. www.cdp.urbanjustice.org

New Immigrant Community Empowerment



New Immigrant Community Empowerment (NICE) is a community-based, non-profit organization that works to ensure that new immigrants can build social, political, and economic power in their communities and beyond. NICE envisions a world where all people - regardless of status - live and work with dignity and justice. www.nynice.org

Queens Community House



Queens Community House is a multi-site, multi-service settlement house that serves the diverse populations of Queens. Our mission is to provide individuals and families with the tools to enrich their lives and build healthy, inclusive communities. Through a broad network of programs operating out of 25 sites in 11 neighborhoods, we offer Queens residents a needed support system at every stage of life, helping them to develop the knowledge, confidence, and skills to change their lives for the better and become active participants in their larger community. www.queenscommunityhouse.org

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