



IDEA:

The 4 key catalysts in finances
for immigrants

Mario Alberto Di Costanzo Armenta
President of the "National Commission for the
Protection and Defense of Financial Services Users"
(CONDUSEF)



31.8 million

Let's do the math

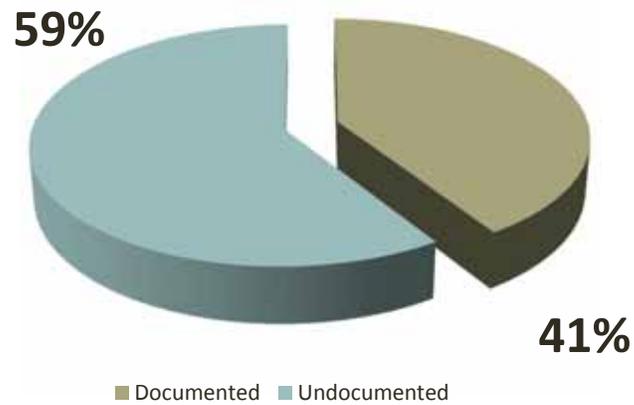
11.7 million

A brief overview of relevant figures
of them are immigrants



Source: United States Census Bureau, 2010 US Census

So...how many of them are undocumented?



Source: Department of Homeland Security (US), 2011

Immigrants send remittances

They send 300 USD (on average) to their families

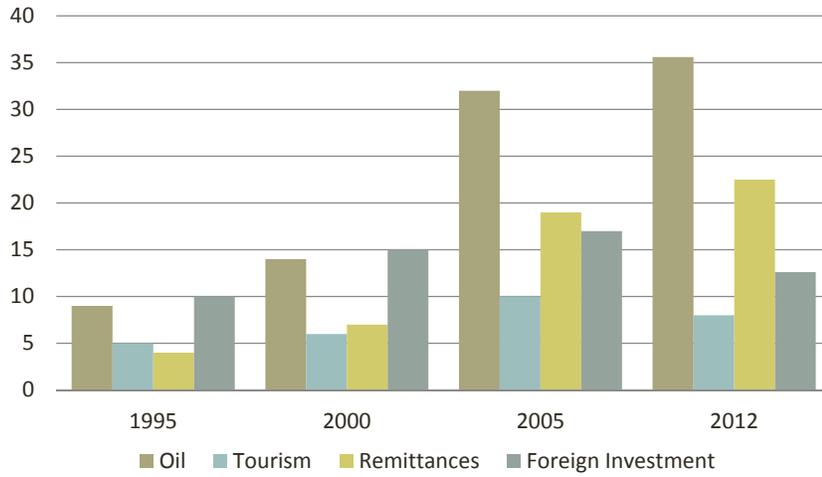
On average, they used to earn \$7,000 pesos (\$555 USD) before leaving

This means they are sending 50% of their original income back



Source: CONAPO, based on information provided by Banco de México (BOP)

Remittances are key



Source: CONAPO, based on information provided by Banco de México (BOP)

In some States, like
Today they represent
Michoacán or Guanajuato

21.5

out of every

%

of the Mexican GNP
pesos come from
remittances



Source: Questionnaire to Embassies and General Consulates of Mexico, 2010 (CONDUSEF, IME)

So, who
is our
average
Joe?



Young (On average, 25 years old)

Language Barrier

Economically and financially excluded

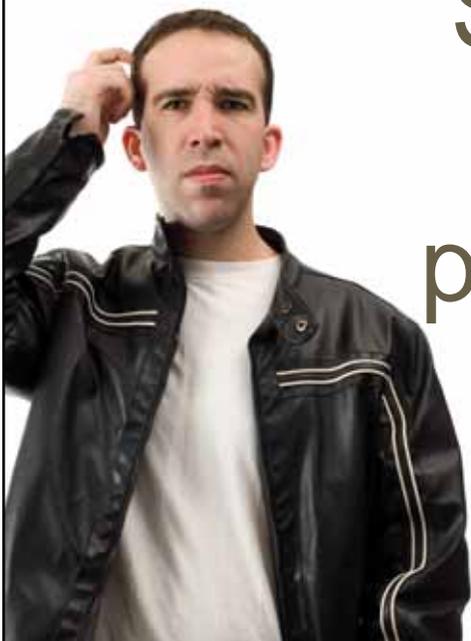
Source: Questionnaire to Embassies and General Consulates of Mexico, 2010 (CONUSEF, IME)



However, immigrants are entrepreneurs

- ❑ 18% of small and medium businesses in the US are owned by immigrants
- ❑ It is twice as probable for an immigrant to open a business than it is for someone who was born in the US
- ❑ One in every four new businesses in 2011 were started by immigrants

Source "Open for Business", Partnership for a New American Economy (2012)



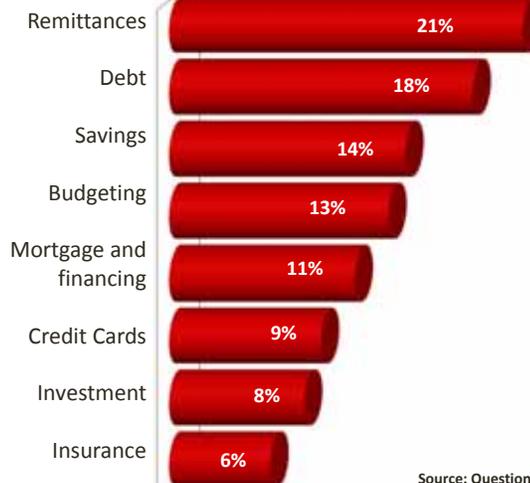
So, what is the problem?

Structural changes and challenges in the family economy due to immigration

For immigrants

- High costs of living.
- Up to 36% of income sent home.
- Lack of information that may result in higher costs and commissions.
- Fear to approach authorities/financial institutions.

What do they want to know about?



Source: Questionnaire to Embassies and General Consulates of Mexico, 2010 (CONDUSEF)

Why are they not using financial services?



For those who stay in Mexico

- Changes in family structure/ decision makers
- Possible sudden increase of income with no planning
- Financial uncertainty
- Difficulty to cash checks or receive transfers
- 6 out of every 10 pesos are spent and not saved/invested
- Loss of up to 7% net income due to changes in MXN – USD exchange rate.
- Lack of banking options in the area forces families to use non authorized entities (high risk of scams)

Here's an **I.D.E.A.**

A model of key catalysts to
leverage income and improve
the finances of immigrants.



Information
Development
Education
Access

Information



RIGHTS AND
POSSIBILITIES



OPTIONS AND TOOLS



EFFICIENT DECISION
MAKING



*The main problem nowadays is not the **lack** of information, but the **excess** of information and options in the market.
Great progress has been made in **transparency***

Develop financial capabilities/literacy

Financial literacy is key in the development of Human Capital



- How to **budget** my life and **save money** through intelligent planning.
- How, when and why to purchase **insurance**?
- What are my **mortgage** options to buy a house considering my income?
- How to plan and open a **business**.

Financial Education

(Or on how to acquire financial capabilities and reach financial literacy)



Tools that are:

Differentiated

Accessible

Interesting and Diverse

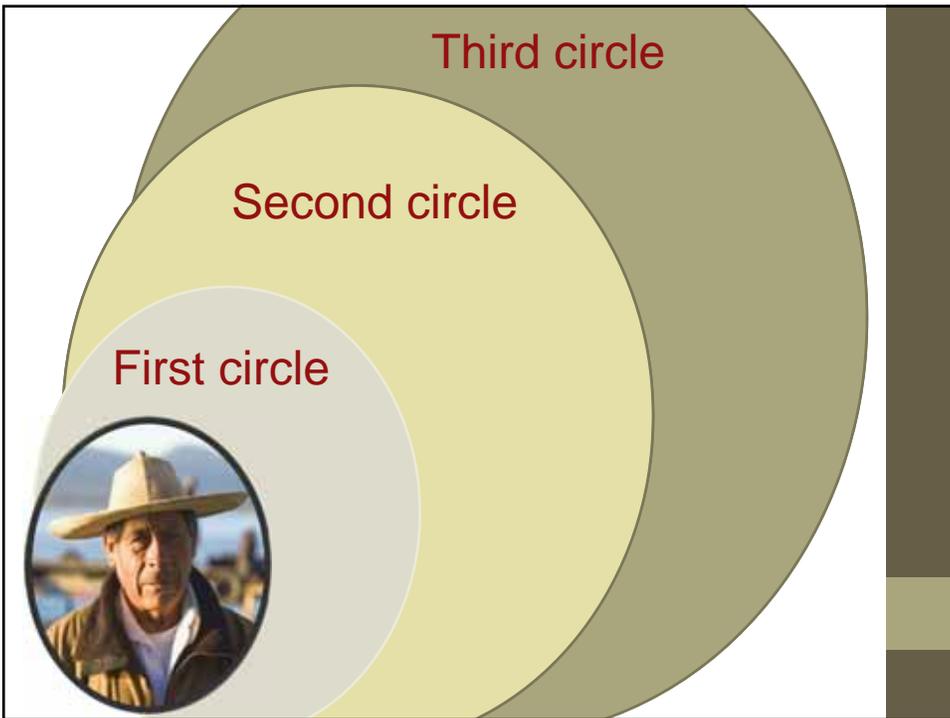
Understandable

Preventive

Relevant and updated



Access to financial institutions and tools



The
I.D.E.A.(L)
world



DECISION MAKING
SHARED RESPONSIBILITY
INTELLIGENT INVESTMENT
ENTREPRENEURSHIP
SUSTAINABILITY
JOBS
AN INTEGRAL SOLUTION

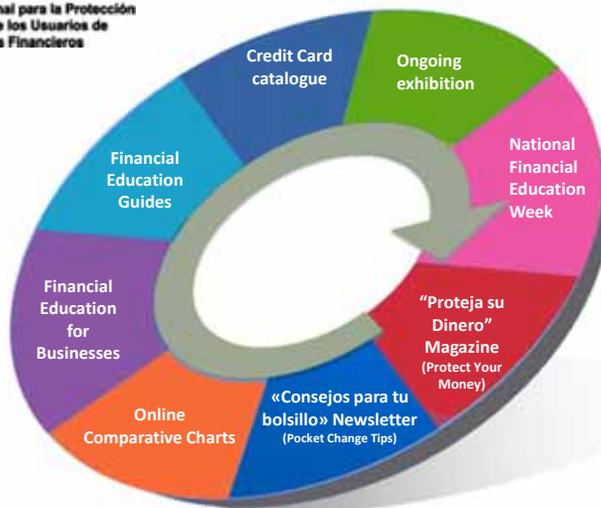


What is being done

- REMESAMEX
- Transparency and Information
- Community building
- Financial Education and tools



Comisión Nacional para la Protección
y Defensa de los Usuarios de
Servicios Financieros



Challenges and opportunities



- ✓ **INCREASE TRUST**
- ✓ **SPREAD INFORMATION**
- ✓ **PROMOTE SMART ENTREPRENEURSHIP**
- ✓ **ENCOURAGE INVESTMENT**
- ✓ **COLLABORATION**
- ✓ **BETTER FINANCIAL SERVICES FOR IMMIGRANTS (in MEXICO & US)**
- ✓ **DIGNIFY IMMIGRATION**

CONTACT INFO:

Mario Alberto Di Costanzo Armenta,
PRESIDENTE
Comisión Nacional para la Protección y
Defensa de los Usuarios de Servicios
Financieros.
www.condusef.gob.mx

