

Reaching Minority Buyers

Financial Education for Latinos: NCALL's 'Finanzas' Program

BY ANN DIPETTA

In America, minority populations continue to grow and change each year. Many minority households lack opportunities or information and experience language and cultural barriers. To keep up, NeighborWorks® organizations must regularly adjust their outreach and service strategies.

In recent years, the National Council on Agricultural Life and Labor Research Fund Inc. (NCALL), a NeighborWorks® organization in Dover, Delaware, has seen a need for financial education for the Spanish-speaking community. Over the past decade, for example, the Latino population in Georgetown, one of NCALL's service areas, has grown from 2 percent to 33 percent.

NCALL has witnessed this increase first-hand through its statewide housing counseling program. Staff have heard tragic stories involving local Latino families and finances, such as one worker who lost \$10,000 in "mattress money" during a house fire. Other reports show Latino families increasingly becoming the target of crimes and robberies because of their tendency to carry cash, rather than use the banking system.

Add to this, substandard housing conditions in Georgetown and central Sussex County. The area suffers from too few affordable apartments, escalating land and housing prices, and rent gouging by local landlords. Many families and single workers are crowding into homes and having to "sleep in shifts."

Faced with these conditions, NCALL created "Finanzas," a financial education program to help local Spanish-speaking workers understand and access basic financial services. The program was developed in partnership with Perdue Farms Inc., one of seven poultry processing plants in Sussex County. Additional partners include Citizens Bank, the Delaware State Housing Authority, and Fannie Mae's Delaware Partnership Office.

In August 2002, one representative from each partner

visited a comparable financial literacy program at Tyson Foods in Rogers, Arkansas, to gather program ideas. Upon their return, NCALL and its partners decided to offer a pilot program from summer 2003 to spring 2004 to assess the needs of the area and measure outcomes.

Finanzas, an Educational Journey

NCALL's bilingual housing counselor taught four six-week classes during the pilot, with two one-hour sessions each week. The training sessions were free and held at Perdue during work hours, making them accessible and affordable to all interested employees. Topics included banking systems and services, checking and savings accounts, predatory lending information, strategies for building and sustaining credit, and homebuyer education. Three sessions were offered in Spanish, one in English. Thirty-six workers attended Finanzas during that first year.

In addition to strengthening families financially, NCALL also considers Finanzas a feeder for homeownership. Once households are comfortable with banks, they begin to see homeownership as an option.

"Right now, the Spanish-speaking community in Georgetown faces severe housing issues," said Joe Myer, executive director at NCALL. "Through financial literacy, these households are becoming more knowledgeable about the American financial system, thereby increasing their homebuying potential." Class graduates who were interested in homeownership were directed to NCALL's homeownership counseling program.

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Measuring Success

NCALL held pre- and post-class tests to measure participants' knowledge and track their financial development. NCALL found that the class directly impacted participants'



NCALL's Luci Campos counsels a customer. COURTESY NCALL

behavior: 26 percent opened checking and savings accounts; 15 percent decided to work toward purchasing a home; and 85 percent gained confidence in the banking system.

Some participants have enrolled in homeownership counseling through NCALL and many have repaired or improved their credit histories.

Overall, NCALL was pleased with the partnership and the results of the pilot. NCALL staff believe that when minority workers become knowledgeable of banking systems and services, they stabilize financially, which has a positive impact on the community.

In fact, the Finanzas program made NCALL a winner for the best strategy for reaching minority homebuyers in the 2004 Innovations in Homeownership Contest, sponsored by Neighborhood Reinvestment Corporation and the NeighborWorks® Center for Homeownership Education and Counseling.

In addition, Perdue realized that by helping its workers develop strong financial habits it helped its own business as well because employees became more confident and secure.

Creating Success

Though there are many ways to reach out to the Latino population, NCALL has found its partnership with Perdue Farms to be the most effective. Myers explained, "We have

tried working with community leaders, churches, and social service agencies. But offering services through a local employer provided a captive and enthusiastic audience. When we offered the program through Perdue, the workers were more apt to participate."

NCALL's housing counselor, Lucia Campos, agrees. "It also helps if you employ an instructor who already has a positive relationship with the community," she says. "If the class is led by a person who is familiar, then trust and respect will already be there, allowing the participants to open up more quickly."

And, finally, organizations must consider funding resources. NCALL now is working to secure ongoing funds so Finanzas can be expanded to the six other poultry processing plants in Sussex County. It is using the pilot results to market the program and hopes to have a countywide project underway by 2005. ■

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