



World Council



FINANCIAL INCLUSION FOR MIGRANTS AND REFUGEES

Insights From Credit Unions

June 2024



CONTENTS

Foreword	1
Cross-Cutting Recommendations	3
California: Patelco’s Journey to Support Migrants and Refugees.....	6
Poland: A Whole-of-Society Response.....	12
Ecuador: Jardín Azuyo’s Diversifying as De-Risking Strategy.....	19
Brazil: Welcoming Spirit to Migrant Financial Inclusion.....	27
Massachusetts: Metro’s Experience in Serving Migrant Members	35
Methodology	40



FOREWORD

WOCCU is pleased to publish this report on the role credit unions play in supporting migrants and refugees worldwide. Migration is on the rise: there were 281 million migrants globally in 2020 (*World Migration Report 2024*). During these turbulent times, the numbers will only continue to increase. As WOCCU's programs worldwide – from Peru to Ecuador to Ukraine – have increased financial inclusion for migrants and refugees, we continue to ask: *What roles can credit unions play in the integration of migrants and refugees?*

This research looked at four countries to understand the range of approaches credit unions are taking to support migrants. We listened to the experiences of migrants as they worked to build new lives. Our research was based on a limited number of interviews and does not intend to generalize each country or migration experience. Many humanitarian organizations like UNHCR publish reports on migrant and refugee financial inclusion, which provide country-level trends.

“credit unions can play a critical role in supporting migrant financial and economic inclusion simply by doing what they do best: providing equitable and sustainable financial services.

In all five case studies, we found a commitment from credit unions to support migrants and refugees in improving their access to financial services. Moreover, there are numerous ways in which credit unions are responding to increasing migration, highlighting important practices for other credit unions globally. Many factors influence migrants' financial health, but financial inclusion and access to appropriate financial services and products was a common thread in the cases we examined.

We believe, therefore, that credit unions can play a critical role in supporting migrant financial and economic inclusion simply by doing what they do best: providing equitable and sustainable financial services. However, it is not enough to simply enroll migrants as members, because they

face additional barriers. Credit unions interested in meaningfully supporting migrants must actively work to understand their unique perspectives and challenges. Only by doing so can credit unions address key barriers to migrants' financial inclusion while also seizing new business opportunities to improve their financial success.



Thanks are extended to WOCCU’s Board of Directors, in particular Rafal Matusiak (Poland) and Dallas Bergl (U.S.) for financial sponsorship by their credit union associations that made this study possible. A special thank you is offered to Dr. Kimberley Wilson and her students at Tufts University’s Fletcher School for profiling Metro Credit Union in Massachusetts. We express our appreciation to Manfred Dasenbrock and the Sicredi team (Brazil), Dr. Marilete T. De Marco (Brazil); Diego Andrade and the WOCCU Economic Inclusion Project team (Ecuador); Rafal Matusiak and the National Association of Cooperative Savings and Credit Unions (NACSCU) team, Dr. Edyta Krzysztofik (Poland); and U.S.-based credit unions - Michele Enriquez and Shaida Samimi of Patelco Credit Union in California and Charlene Bauer of Metro Credit Union in Massachusetts. Finally, thank you to the WOCCU project management team under the leadership of Angelina Tracy, and to Rosemary Ventura, our lead research consultant, for their commitment from start to finish of both phases of this research project and for coordinating the work of our partners in each country.

Elissa McCarter LaBorde
President & CEO
World Council of Credit Unions



CROSS-CUTTING RECOMMENDATIONS

Promise in Credit Union Support for Migrant Financial Health

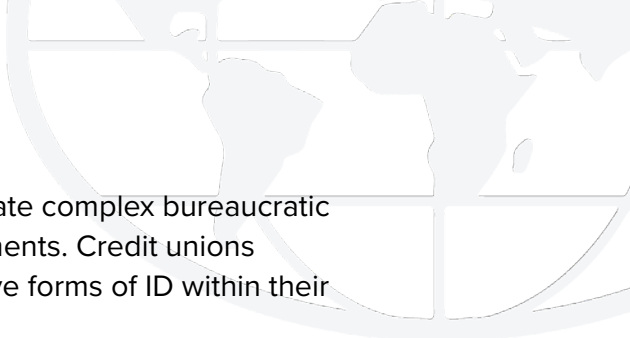
The findings of our research, particularly the four in-depth case studies, point to important steps that credit unions can take to support migrants and refugees.¹

Support migrants by enabling them to access basic savings and payment services. Our research found that the single most valuable role for credit unions is using a sustainable model to provide non-predatory financial services to migrants. While some credit unions also support humanitarian efforts like providing temporary shelter, food, and clothing, it is the core financial services that prove most valuable. In their first weeks in a new country, migrants need access to basic savings accounts and payment services options. In some contexts, they also need accounts in which governments or humanitarian organizations can deposit “welcome” funds. They often need safe locations to store their initial earnings and an ability to make payments for rent, utilities, and other expenses.

Treat migrants as a business opportunity, not charity. Migrants often represent a significant potential area for new membership growth. When credit unions approach migrant services as part of their business strategy, they are more likely to channel sufficient effort into understanding the unique needs and tackling the unique barriers that migrants face.

Reaching migrants as potential members means proactively addressing barriers. Credit unions should analyze the most common barriers that migrants in their country face when trying to become members. Across the case studies, three of the most common challenges were:

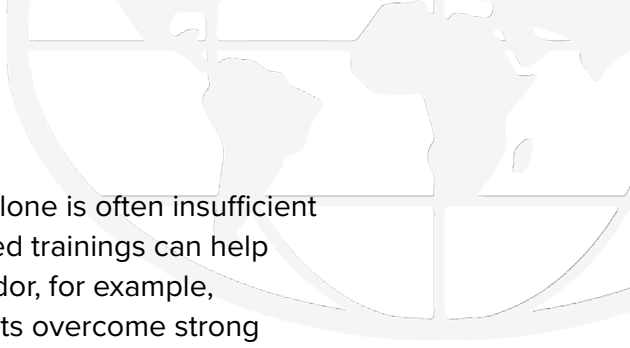
¹ Except in the cases specifically focusing on refugees, we follow the IOM's approach to using “migrant” as an umbrella term in reference to people who move from their country of origin for a range of reasons and under varying legal statuses, including refugees and asylum seekers.

- 
- **Documentation:** many migrants struggle to navigate complex bureaucratic processes for legally obtaining all required documents. Credit unions should explore whether they can accept alternative forms of ID within their national regulatory frameworks.
 - **Language:** though translation services may be resource-intensive, credit unions should explore ways to support non-native speakers in accessing information on their websites, in written documents, and at points of service.
 - **Awareness of available services:** specific marketing campaigns may be necessary to inform migrants of credit unions' services and products. Migrants often learn through referrals from other migrants, so partnerships with companies employing migrants and community organizations present key marketing opportunities.

Understand the distinct economic profiles and financial needs of different segments of potential migrant members. Just as savvy credit unions undertake efforts to better understand their existing member profiles, they should also gather insights into current and potential members who are migrants. At a minimum, this can entail reading existing analyses – often by national and international NGOs – on barriers to migrants' economic inclusion. In most areas with significant migrant populations, organizations like UNHCR frequently publish surveys of ongoing needs. Other groups produce in-depth qualitative and ethnographic needs assessments. Credit unions themselves can refine their understanding of migrant needs into specific profiles, informed whenever possible by in-depth interviews with migrants.

Use a nuanced understanding of migrants' financial needs to consider additional products and services. Beyond the core credit union offerings of savings accounts, ATM cards, and payment services, migrants often seek the following additional services:

- **Remittances:** migrants around the world need remittance services to send and receive money to and from other countries. Cost effective remittance services are one of the most popular services credit unions can offer, and one of the more profitable.
- **Credit lines:** after their initial arrival, migrants often need access to credit, both for entrepreneurial and personal purposes. A key challenge for credit unions is that most migrants arrive with no credit history in the new country, and credit unions may be wary that they will leave the country. Efforts to surmount these challenges are detailed in the case studies. For example, Poland is tackling this at the national level, in coordination with Ukrainian credit history providers. In California, another credit union offers specific credit building products to migrants.

- 
- **Financial education:** though financial education alone is often insufficient to address migrants' financial health needs, tailored trainings can help address specific gaps or misconceptions. In Ecuador, for example, outreach and education helps Venezuelan migrants overcome strong negative beliefs about cooperative models. In California, Afghan migrants are beginning to trust the U.S. financial system through training to understand the importance of building credit.

Partnerships are essential for understanding and reaching migrant members. In almost all the case studies, strong partnerships are key to credit unions' success in offering appropriate services to migrants. Partnerships with employers as well as international and local NGOs can help credit unions understand the different needs of migrants in specific regions of a country. They are also an excellent way to spread the word among migrants about the valuable products and services credit unions offer.



JOURNEY TO SUPPORT REFUGEES AND MIGRANTS: **PATELCO IN NORTHERN CALIFORNIA**

Patelco Credit Union prioritized community engagement as a first step in its journey to support refugees and migrants. Patelco serves communities across Northern California, including the Bay Area, Sacramento, and San Jose, as well as the employees of over 1,100 large and small


businesses throughout the country. As one of the largest credit unions in the U.S., Patelco has made a name for itself by proactively expanding services to underserved populations, such as first-generation high school and college students and individuals who have been formerly incarcerated.

PATELCO IN A SNAPSHOT


A full service, not-for-profit financial cooperative founded in 1936 by employees at Pacific Telephone and Telegraph Co. (now AT&T) who raised \$500 to create a credit union.¹

As of 2023, it had ...

500,000 members

 **36 neighborhood branches**
and a virtual branch

 **\$9 billion**
in assets

 **Partnerships** with high schools, colleges,
businesses, and community organizations

Patelco's Mission: ***to build our members financial health and well-being***

¹ <https://www.patelco.org/about-patelco/who-we-are>



For Patelco employee Shaida Samimi, this community-minded spirit extended into her personal life after she started volunteering at the Sacramento Food Bank in 2020. Shaida's 'say yes and help' philosophy brought her into contact with families who left Afghanistan following the August 2021 U.S. withdrawal. Many fled Taliban retaliation for having previously worked with the U.S. government and had made arduous journeys through multiple countries over many months to reach California. Shaida herself is an Afghan refugee since 1981, and she immediately became involved with providing families with food, housing, and clothing.

Soon, Shaida also began helping families enroll their children into local schools and open bank accounts. Through this work, she witnessed firsthand both the immense value of bank accounts, enabling refugees to deposit, save, and withdraw money. She also observed the many obstacles facing refugees when navigating the existing banking system, in particular their documentation being insufficient to open new accounts and their lack of credit history.

As an employee on Patelco's Membership Development team, Shaida shared her personal commitment to support Afghan refugee families with her team. She saw this as a potential opportunity for Patelco to improve its partnerships, grow its members, and expand into local refugee and migrant communities. From Shaida's initial efforts, Patelco's outreach and support for refugees and migrants evolved into two full-fledged membership development programs.

Since 2021, Patelco has developed partnerships with 12 different humanitarian NGOs, including the International Rescue Committee (IRC), World Relief, and Opening Doors.

Patelco learned that it is essential to quickly open bank accounts for refugees so they can disburse resettlement and welcome funds to families who urgently need them. For many of Patelco's partners, it is also important to work with trustworthy, non-predatory financial institutions that refrain from saddling extravagant fees onto vulnerable households. Patelco's NGO partners have found that when they do not directly support the process of opening accounts with financial institutions like Patelco within the first 30 days, refugees often open accounts in commercial banks with strong name recognition but exorbitant fees and predatory loan rates. NGO staff later have to go back and help refugees close these commercial bank accounts, so it is a good investment to help refugees become members at credit unions like Patelco.

Overcoming Unforeseen Documentation Challenges

One of the first barriers Patelco's Membership Development Team faced in opening accounts for refugees was documentation and proof of residency requirements. Most of the Afghan families Patelco worked with carried federal work authorization cards, a legal form of identification issued by the U.S. government. However, these cards were not commonly accepted by financial institutions as a valid ID. The Membership Development Team worked extensively to educate and advocate within Patelco to accept this new form of identification. When discussing the underlying compliance risks, they made the case that these cards are federally issued IDs with all the data points included on other accepted IDs like passports: picture, legal name, birthday, and issue and expiration

dates. Shaida helped her colleagues see the issue from the point of view of refugees, and they were eventually successful in expanding the list of acceptable IDs.

Meeting Patelco's two-year proof of residency requirement was another obstacle for newly arrived refugees. The Membership Development Team again worked out a solution with the Compliance Department to accept a temporary address with a letter of certification by one of their trusted partner organizations. To mitigate internal risks, they emphasized to partners and refugees opening accounts that the certified letter will only work temporarily, and that they needed to provide a permanent address as soon as they were able to find stable housing.

Understanding the Financial Needs of a New Clientele

Patelco knew that the products and services they offered refugees should be tailored to their financial needs and profiles. Their decisions were informed by the following insights:

- Patelco's humanitarian partners shared their analysis of the different financial needs and priorities, which supported Patelco's ongoing planning and coordination.
- Shaida's personal contact with refugee families and her hands-on approach meant she often spent hours getting to know Afghan families, helping them access financial services while also listening to and acknowledging their stories.
- Patelco's "education-first" approach to financial inclusion means emphasizing financial education that is not "one-size-fits-all," but responds to audience-specific needs.

The Membership Development Team directly provides a substantial portion of the financial education offered to new refugee members. They have learned from their experiences working with refugees from different countries. For example, they have found that Ukrainians tend to be more financially savvy because they previously banked in a more advanced, trustworthy financial system back in Ukraine. Their biggest needs tend to be an orientation to the specifics of Patelco and the U.S. banking system.

Patelco found that Afghan refugees, on the other hand, often carry a deeply held mistrust of banking systems, based on decades of active conflict in Afghanistan since the 1970s. Many experienced putting money in a bank, only to find there was no guarantee of being able to withdraw it or that it would be worth anything. Patelco's financial education training, therefore, starts with in-depth explanations of what a non-profit credit union means in practice and how Patelco deposits are federally insured up to \$250,000. Additionally, it is tailored for Afghan women, many of whom have never had a bank account before.

Shaida differentiates between two groups of Afghan migrants: those who came starting around 2005-2006 on Special Immigrant Visas and generally have much higher education levels, and those who came in the aftermath of the 2021 Taliban takeover. Though the first group has been in the U.S. for decades, many still have been unable to get their diplomas or professional licenses registered or accepted in the U.S. For example, Shaida spoke with one Afghan doctor who eventually gave up trying to get his medical degree recognized and took out loans to start a new nursing degree.

Most of Patelco's new Afghan credit union members are part of a second group of refugees that arrived after 2021. Often, they do not speak English and have few resources remaining after their journey. Many have only employment authorization cards. Shaida holds trainings for this group in English, Farsi, and Dari, carefully describing what credit scores are used for and how they can start building their credit history. While savings and checking accounts are the most basic products, Patelco determined that their marquee credit-building ScoreUp Loan would also be an appropriate product for many newly arrived refugees.²

From Refugees to Other Migrants

Patelco's initial work with refugees helped build internal appetite for expanding services to reach other migrant groups. Shaida notes that in general, the new refugee members have proven to be responsible, mature clients who very rarely have issues with overdrawing accounts or not paying debt on time. In short, they are valuable customers contributing to Patelco's membership growth. As a result, the Membership Development Team began exploring how to serve other non-refugee migrants better.

California has always been home to a large foreign-born population: 27% of Californians

IMMIGRANTS IN CALIFORNIA⁶

- 10.4 million immigrants in California
- 592,000 refugees
- 60,000 people with Temporary Protected Status⁷
- Of all immigrants, 49% are from Latin America and 40% from Asia; among immigrants who arrived between 2013 and 2022, 51% are from Asia and 35% from Latin America.
- 34% have a bachelor's degree; 48% have no more than a high school diploma

were born outside of the United States, and 46% of children in California have at least one immigrant parent (as of 2022).³ These numbers conceal the fact that 82% of immigrants have some legal residency status, including 54% with U.S. citizenship.⁴ Michele Enriquez, the head of the Membership Development Team, felt strongly about addressing the injustice of migrants who pay taxes through a U.S. Individual Taxpayer Identification Number (ITIN), but are nonetheless turned away by many financial institutions. Migrants in California alone pay \$137.5 billion in taxes into state, local, and federal systems,⁵ yet many are unable to open basic savings accounts.

2 Patelco's ScoreUp Loan has a low flat rate of 5.5% and can range from \$500-\$5,000. With this product, members make payments towards their selected loan amount to build credit with on-time payments (reported to credit bureau) and build savings, as the amount becomes available at the end of their selected term of up to 36 months. Members with no credit or bad credit can also take advantage of this product to help build credit and savings at the same time.

3 <https://www.ppic.org/publication/immigrants-in-california/>

4 <https://www.ppic.org/publication/immigrants-in-california/>

5 <https://map.americanimmigrationcouncil.org/locations/california/>

6 <https://www.ppic.org/publication/immigrants-in-california/> and <https://map.americanimmigrationcouncil.org/locations/california/>

7 <https://immigrationforum.org/article/fact-sheet-temporary-protected-status/>

Patelco's Membership Development Team sought to understand what forms of identification migrants with ITINs commonly have. As they did with refugee documentation issues, they worked with the Compliance Department to expand the acceptable list of documents to open Patelco accounts.

Patelco then developed a suite of products and services tailored for the ITIN audience, which they launched in May 2023. Starting with a basic savings account as the requisite for being a credit union member, they expanded to checking accounts that enable members to make payments and get debit cards. Patelco then added credit products like a line of credit (to work as an overdraft source with an eligible deposit account), secured credit, and their award-winning⁸ ScoreUp Credit Builder Loan. In quarter 3 of 2024 for the ITIN members, Patelco aims to launch auto loans for up to \$50,000.

TRACKING MIGRANT AND REFUGEE OUTCOMES

Patelco does not want to collect data on members' legal residency status but does want to gain broad insights into the outcomes and product use patterns of different member segments. Their innovative solution has been to code new members with the partner organization or outreach effort that recruited them as new members. This gives Patelco an approximation of the members' details without compromising their privacy or risking potential discrimination based on their legal status.

Patelco's current efforts focus on reaching potential new members with the ITIN suite of products and services. Outreach efforts are particularly important because ITIN migrants have been turned away from U.S. financial institutions for decades. Lacking the resources for a mass marketing opportunity, Patelco is turning to a grassroots approach. They have organized an internal task force to coordinate and stimulate outreach and partnership efforts from employees in various branches. They are also in the process of translating into Spanish numerous documents with relevant product information, such as loan applications and legal terms.

Reaping the Positive Results of their Efforts

The results to date have validated the Membership Development Team's underlying conviction that proactively supporting the financial inclusion of migrants and refugees is a valuable long term business strategy for Patelco. They have also challenged internal negative conceptions about migrant populations, especially that they are poor, are not good savers, and would not be profitable members. The following statistics illustrate Patelco's experience with ITIN members:

- **ITIN members who have joined since launching the ITIN Task Force have the highest relative percentage of savings across Patelco.** ITIN members who joined Patelco during this time were highly engaged, with an average of nearly two deposit products per membership, over \$6,500 in balances, and 160 total loan products.

⁸ 2023 Desjardins Adult and Youth Financial Education Award, CUNA, <https://www.cuna.org/content/cuna/cuna-org/about/awards.html>

- Since launching the ITIN Task Force in May 2023, **Patelco has doubled the amount of new memberships for ITIN holders.** Patelco welcomed an average of 45 members per month from May 2023-March 2024.⁹
- Patelco's member growth through community partnerships has hit a self-sustaining point. The Membership Development Team invested tremendous effort in developing initial partnerships with humanitarian organizations, networks like the BALANCE Hispanic Heritage Forum, and other local community groups. Now, Patelco has many nonprofits and city or state organizations reaching out to them for partnerships.
- Once they worked out initial challenges, Patelco's partnerships have proven to be great for membership growth. For example, the Oakland IRC recently informed Patelco they expect to support 500 refugees from Afghanistan, Ukraine, and Central America and hope to open at least 100 new accounts before the end of the year.

⁹ For comparison, Patelco monthly average was 4,349 new members with SSN during the same time period.

Key Learnings

- Developing products and services for a new market segment takes substantial time and investment but is a tremendous business opportunity for long term member growth.
- Change can happen within credit unions when passionate individuals spearhead efforts.
- Partnering with NGOs and other organizations connected to migrants and refugees is a great way to understand specific financial needs and recruit new potential members.
- Partnerships also help mitigate compliance risks. For example, proof of residency requirements are hard for refugees to meet on their own, but credit unions can mitigate risks when reputable organizations temporarily take responsibility for individuals.
- Organizational change requires patient internal education efforts. It is important to foster dialogue challenging conventional assumptions, such as the presumed profitability of potential members and underlying risk calculations behind certain policies.
- Ultimately, to move institutional change forward and make it sustainable, it is important to be able to demonstrate the business case. For Patelco, the results have spoken for themselves and have convinced internal and external stakeholders that partnerships for refugee and migrant financial inclusion are a sound strategic investment.

POLAND: A WHOLE-OF-SOCIETY RESPONSE

Nearly 6.5 million refugees have fled Ukraine following the February 2022 full-scale Russian invasion. Millions more have been internally displaced. As one of Ukraine's largest and most economically prosperous neighbors, Poland has received many of these refugees. Polish authorities have recorded 19.8 million border crossings from Ukraine since February 2022.¹ UNHCR estimates there will be around 1.1 million refugees from Ukraine living in Poland in 2024.² In response, Poland's government, private sector, organizations, and individuals quickly and collectively welcomed and met immediate needs. Now, across Polish society, stakeholders are turning to the longer-term economic inclusion of Ukraine's refugees.

While Ukrainian refugees who fled following the 2022 Russian invasion have been the focus of much international attention, they are not the only migrants from Ukraine in Poland. The following are the three main groups of migrants from Ukrainians living in Poland:

- **Ukrainian citizens living in Poland before February 2022:** In the prior decade, there had been a large influx of Ukrainian workers (mostly temporary) in Poland. A UNHCR publication produced by Deloitte estimates the number of Ukrainian workers in Poland rose from 33,000 in 2013 to 627,000 in 2021.³ The 2021 Polish national census estimated over 1 million Ukrainian citizens before the war, some of whom returned to Ukraine to join the army.⁴ These migrants are eligible for residence and work permits as foreigners in Poland, but they are not provided with refugee status and government social benefits.
- **Third-country nationals living in Ukraine and displaced to Poland:** The government of Poland does not provide estimates for the size of these groups, but it has created distinct legal frameworks. These individuals are not given refugee status; rather, they can reside in Poland on a 15-day consent basis. They cannot take steps to legalize their stay in Poland.⁵
- **Ukrainian asylum seekers and refugees who came after February 2022:** This group has been granted status that extends beyond the conventional refugee status. Their rights in Poland mirror those of Polish citizens, with full eligibility for social benefits and equal access to work, education, and healthcare.⁶ As of March 2024, 90% are women, children, or older people.⁷ Overall, they have relatively high levels of educational, with 60% of adults possessing higher education degrees.

1 <https://data.unhcr.org/en/situations/ukraine>

2 <https://data.unhcr.org/en/documents/details/106081>

3 <https://data.unhcr.org/en/documents/details/106993>

4 <https://data.unhcr.org/en/documents/details/106993>

5 <https://ukraina.interwencjaprawna.pl/options-for-third-country-nationals-other-than-ukrainian-citizens-residing-in-poland-on-a-15-day-permit/>

6 <https://thedocs.worldbank.org/en/doc/899da35b4a168c6426798f5760a71964-0570012023/original/Poland-Report.pdf>

7 <https://data.unhcr.org/en/documents/details/106993>

Most attention from the Polish government and international organizations has focused on this third group of migrants. This case study also focuses on the financial inclusion of these Ukrainian refugees.

Poland's Response to Russia's 2022 Invasion

In the first six weeks following Russia's full-scale invasion of Ukraine on February 24, 2022, over 2.5 million Ukrainians arrived in Poland. On March 4th, the EU triggered a Temporary Protective Directive (TPD) granting immediate protection to these Ukrainians. This enabled them to access housing, work, medical care, and education across the EU, instead of relying on a patchwork of country-specific frameworks.⁸

Like several other countries, Poland went beyond the TPD requirements in its support of Ukrainian refugees. For example, the Polish government simplified border crossing procedures for Ukrainians, ensuring these forcibly displaced people can legalize their status as refugees through a Polish personal identification number (PESEL). Additionally, the government included Ukrainian families in a monthly family cash benefit program of 500 Polish Zloty (\$126 USD), now extended to 800 Zloty (\$202 USD) for each child.⁹ It also offered a suite of social services and

benefits to support Ukrainians' immediate needs and integration into society, including finding jobs and enrolling children in school.

To help local authorities bear the costs of integrating millions of refugees, the Polish government created an Aid Fund in March 2022 through Bank Gospodarstwa Krajowego. This mechanism helps the government disburse large amounts of financing to local governments, such as the €2 billion package from the European Investment Bank.¹⁰ The Polish government also appointed two new institutions to address the needs of Ukrainians – the Government Plenipotentiary for War Refugees from Ukraine and the Minister for Social Inclusion of Ukrainian Refugees.¹¹

Within Polish society, communities, nonprofit organizations, companies, and individuals have shown unprecedented levels of solidarity and generosity to Ukrainians starting in the first days of the 2022 invasion. This includes credit unions, their members, and employees. In Poland, individuals and organizations transported refugees from border points, housed and fed families, and helped them find accommodations. They also provided Polish language classes, organized childcare opportunities, facilitated job opportunities, helped them navigate the country's bureaucracy, and supported many other emergent needs.¹²

8 <https://www.migrationpolicy.org/events/EU-temporary-protection-directive-ukrainians#:~:text=Since%20its%20first%20activation,to%20varying%20degrees%20by%20country>.

9 The government provides this through a national family program originally called "Family 500+" and recently raised to "Family 800+" in 2024, raising the monthly payment to 800 Polish Zloty (\$203 USD). <https://www.gov.pl/web/family/family-800#:~:text=Under%20the%20'Family%20800%20plus,800%20per%20month%20per%20child>.

10 <https://www.eib.org/en/press/all/2022-399-the-eib-and-bgk-successfully-issued-the-first-tranche-of-bonds-under-the-eib-solidarity-package>

11 <https://thedocs.worldbank.org/en/doc/899da35b4a168c6426798f5760a71964-0570012023/original/Poland-Report.pdf>

12 <https://fxb.harvard.edu/wp-content/uploads/sites/2464/2024/01/Poland-Building-Inclusion-Sustaining-Solidarity-Report.pdf>

International organizations like UNHCR, UNICEF, OCHA, and IOM continue to play key roles. They are helping to coordinate the efforts of 103 local, national, and international groups through the Regional Refugee Response Plan.¹³ This aims to ensure programs and resources are addressing the shifting needs of refugees. To monitor and inform broader humanitarian efforts, they also conduct and publish rigorous surveys of refugees.

Credit unions in Poland have been an enormous part of this warm generosity to Ukrainians. For example, Kasa Stefczyka is the largest credit union in Poland. Presently, it has over 2,000 members with Ukrainian citizenship living in Poland. Kasa Stefczyka's Ukrainian members have access to all available credit union services, including saving accounts, deposits, payments and loans as well as insurance. Still, credit unions continue taking steps to reduce barriers to membership for interested Ukrainians. In addition, to reduce language barriers, Kasa Stefczyka developed a dedicated website in Ukrainian and Russian describing available services. It also created an interactive voice response service enabling Ukrainians to leave a voice message and receive a call back in their preferred language.



Refugees' Economic Inclusion Needs and Barriers

Poland's current labor market inclusion of refugees represents a significant achievement. Just two years after the start of the war, working-age refugees participate in the labor market at similar rates to Polish citizens. Using World Bank indicators and ILO estimates, Deloitte estimates the rate for Polish citizens at 58%, while refugees are likely between 59-61%.¹⁴

Employment barriers: Despite this, many refugees consider themselves to be under-employed, doing jobs below their skill levels and earning insufficient income. A UNHCR survey found a mismatch between Ukrainian refugees' employment opportunities and skill sets, including a lack of decent jobs (22%) and a lack of jobs suited to their skills (16%).¹⁵ Additionally, 36% of refugees faced language barriers. Refugees also cite the need for jobs that provide flexible working hours and childcare services, particularly given the number of mothers raising children without their partners in Poland.¹⁶ Additionally, many refugees have experienced employment discrimination, including lower salaries and different conditions than Polish employees.¹⁷ Finally, many refugees have childcare responsibilities, so a lack of available childcare or workplace flexibility limits their potential job options.

13 <https://data.unhcr.org/en/documents/details/106305>

14 <https://data.unhcr.org/en/documents/details/106916>

15 <https://data.unhcr.org/en/documents/details/106916>

16 <https://reliefweb.int/report/poland/ukrainian-refugees-polish-labor-market-assessment-conflict-affected-population-poland-mid-2023>

17 <https://www.rescue.org/press-release/irc-report-reveals-urgent-needs-ukrainian-refugees-poland-amidst-legal-uncertainty>

Income sources: Two-thirds of Ukrainian refugees rely on employment in Poland as their primary sources of income. Some (8%) have their primary income through remote work in Ukraine, and many receive social protection benefits from the Polish (42%) and Ukrainian governments (18%).¹⁸

Coping behaviors: A good indicator of financial health is how people respond when income sources cannot cover household costs and expenditures. A 2023 needs assessment found that around half of Ukrainian refugee households employ

emergency, crisis, or stress coping strategies. These include using savings to cover expenses (33%), reducing health expenses (16%), using degrading sources of income (8%), and reducing education expenses (7%).¹⁹

Financial services access: One particularly encouraging financial health indicator is that 90% of Ukrainian refugee households have an account with a formal financial service institution (FSI) in Poland.²⁰ This can be partly attributed to the diligent work of a coalition of financial, regulatory, and international development actors.

PROFILE Alina (pseudonym) fled Ukraine with her child in March 2022 because her city is close to the Russia border. Initially she had challenges in Poland renting an apartment and finding a good job. She currently has a job with a formal contract and receives additional income through the government's 800+ family program. She is glad she did not have to take on debts to finance her journey and that there is free education and healthcare in Poland. When she is short on money, she cuts back on spending, uses previous savings, and sells things she no longer needs. She is a credit union member and has not had any problems accessing the financial services she wants to use.

The Proactive Responses of Financial Institutions in Poland

Newly arrived Ukrainians need to quickly open accounts at Polish FSIs to receive government cash support and enable other payments. Within two weeks of the February 2022 invasion, the Polish Financial

Supervision Authority (KNF) issued guidance to the broader financial service sector.²¹ It emphasized the need to provide basic payment accounts enabling deposits, withdrawals, and payment instruments like ATM cards. Amid wild currency fluctuations, the National Bank of Poland and the National Bank of Ukraine struck an agreement in March 2022 allowing Ukrainians to exchange Ukrainian Hryvnia for Polish Zloty at a stable official rate.²²

18 <https://data.unhcr.org/en/documents/details/106916>

19 <https://data.unhcr.org/en/documents/details/106916>

20 <https://data.unhcr.org/en/documents/details/106916>

21 <https://thedocs.worldbank.org/en/doc/899da35b4a168c6426798f5760a71964-0570012023/original/Poland-Report.pdf>

22 <https://thedocs.worldbank.org/en/doc/899da35b4a168c6426798f5760a71964-0570012023/original/Poland-Report.pdf>

Since the war began, some Ukrainians arrived with no valid identification documents or documents only in Cyrillic letters, challenging Poland's stringent customer authentication requirements. In response, the KNF passed guidance enabling FSIs to provide limited-use debit card accounts for a maximum of one year with a limit of €1,000.²³

Polish FSIs further worked to address barriers for Ukrainians accessing appropriate financial services. For example, many FSIs exempted Ukrainians from fees like ATM withdrawals and normal account maintenance fees. Many FSIs, including Polish credit unions, also translated information on their websites and account documents into Ukrainian, English, and Russian.

Polish credit unions, guided by the principle of "people helping people", base their activities on relationships with the local community, supporting refugees in finding work and employment or opening, in cooperation with the local government, an information point for refugees at the credit union headquarters.

Overcoming Unknown Credit histories

As Ukrainians began establishing new lives in Poland, a new challenge emerged: some Ukrainians sought credit lines for entrepreneurial activities or personal use like car loans and mortgages. However, most Ukrainians had no credit history in Poland. To assess credit risks, in addition to meeting requirements to comply with strict international Know Your Customer anti-money laundering and counterterrorism efforts, Polish FSIs need credit histories.

To address this issue, the International Finance Corporation, along with other international partners, has established a "Digital Data Corridors" initiative.²⁴ They have created a coalition of Ukrainian and Polish credit information providers, regulators, and experts to transfer credit histories, verify identities, and share bank transaction data across international borders, while respecting digital privacy. This has allowed Polish FSIs to make calculated risks in extending lines of credit to Ukrainian refugees.

Credit Unions Outreach to Ukrainians

From the earliest days of the 2022 Russian invasion, credit unions in Poland have offered multiple forms of assistance to Ukrainian refugees, both in addressing immediate humanitarian needs and supporting their financial and economic inclusion. Rafal Matusiak, Board Chairman of the National Association of Cooperative Savings and Credit Unions (NACSCU), points out that providing support for the broader community is inscribed in credit union DNA: the broader mission is "people helping people," so naturally Polish credit unions have sought opportunities to provide meaningful support.

At the time of preparation of this report, there are 18 credit unions in Poland with over 1.3 million members. The largest of them operates nationwide. The rest operate regionally or locally. Polish credit unions are present in each of 16 voivodeships and approximately 80% of counties. They manage assets worth over PLN 10 billion (approximately 2.5 billion USD).

23 <https://thedocs.worldbank.org/en/doc/899da35b4a168c6426798f5760a71964-0570012023/original/Poland-Report.pdf>

24 <https://www.ifc.org/en/stories/2022/ukraine-refugees-digital-data-corridor>

Credit Union Financial Services

Credit unions across Poland recognize the importance of providing Ukrainians with the same opportunities and access to financial services and products as Polish citizens. Yet many branches have not experienced much interest from Ukrainians in opening accounts and using services, noting the surprisingly low numbers of new Ukrainian members following the 2022 outbreak of war. Credit unions have even taken additional outreach steps like trying to engage with employment agencies working with refugees. When the Chmielewski credit union created a special account for Ukrainian refugees with reduced or eliminated account activity fees, very few refugees used the new accounts. While the exact reasons are not clear, some plausible explanations for this include the following: credit unions are local institutions, and thus are less recognizable than large, well-branded banks. To become a member of a credit union there are some additional required formalities and costs. For example, in most credit unions a potential member has to join an association to create a preexisting bond, a requirement by law for credit union membership. This entails paying an introductory fee for the membership unit.

Additionally, credit unions in Poland are different from those in Ukraine – typically Ukrainian credit unions are smaller and offer only basic services for members. As a result, some Ukrainian refugees may not be accustomed to the possibility that a credit union

can serve as their main financial institution. Because Polish credit unions are highly localized in their level of operations, they often only offer accounts and other services in Polish currency, while banks offer savings accounts, credit and other services in foreign currencies. Lastly, language differences may also play a factor. Although there are some similarities between the Ukrainian and Polish languages that make it easier to communicate on everyday topics, the Polish and Ukrainian equivalents of the name "credit union" are completely different. This applies to both formal names and their abbreviations used in advertising messages.

The Ukrainian nationals interviewed for this case study expressed little unmet demand for financial services despite credit union sector proactive support. One credit union member shared that she was actively saving money, but not in the credit union. Three Ukrainians expressed that they did not inquire about a loan and take on financial commitments given uncertainties about their incomes and their futures in Poland. This may merit evaluating closer the needs of the Ukrainian population in Poland to understand their needs better.

Still, credit unions continue taking steps to reduce barriers to membership for interested Ukrainians. In recognition of ongoing language barriers, Kasa Stefczyka, developed a dedicated website page in Ukrainian and Russian describing services. It also created an interactive voice response service: Ukrainians leave voice messages and receive callbacks in their language.

Direct Humanitarian Assistance and International Solidarity

Credit unions' support for Ukrainians extends beyond financial inclusion to providing direct humanitarian assistance. From the start of the 2022 war, there has been an outpouring of solidarity from credit unions around the world. They have fundraised millions of dollars among their own members to support the humanitarian efforts of Polish and Ukrainian credit unions. NACSCU and partner credit unions in the U.S. later created the Via Stella Foundation to coordinate the donations and aid efforts.²⁵ These initiatives include: purchase and delivery of ambulances with medical supplies and power generators, financing apartment rentals for refugees, coordinating medical visits for women refugees, delivering school supplies, and providing financial and mental health support for 100+ Ukrainian orphans in Garczyn Center.

NACSCU and the Via Stella Foundation also coordinate and provide guidance to individual credit unions on ways they can contribute. Credit unions have rented apartments for families, directly employed or secured employment for individuals, and served as distribution points for humanitarian supplies, information, and external financial assistance, among other forms of support. They continue to look for additional opportunities to support the integration and assimilation of Ukrainian refugees.

25 <https://www.viastella.pl/polish-american-aid-to-ukraine/>

26 <https://data.unhcr.org/en/documents/details/108765>

27 <https://data.unhcr.org/en/documents/details/105903>

28 <https://www.google.com/url?q=https://data.unhcr.org/en/documents/details/106993&sa=D&source=docs&ust=1716658699587316&usg=AOvVaw2f6CxViB1ybVPjx2BJvn50>

Ongoing Humanitarian Needs

Two years since the Russian invasion, Poland's efforts to welcome Ukrainian refugees continue. The recent rise in hostilities in the Kharkiv region resulted in the evacuation of at least 8,000 individuals in May 2024.²⁶ Despite continuing humanitarian needs, funding for Polish and international NGOs decreased significantly from 2022 to 2023.²⁷ There is also uncertainty regarding the future of the current legal frameworks for Ukrainian refugee protections. For example, the EU's TPD is set to expire in March 2025.

Despite these uncertainties, Poland's tremendous whole-of-society efforts are paying off. The country has managed to facilitate the incorporation of millions of refugees into Polish society. Additionally, there is growing evidence that Ukrainian refugees are having a positive impact on the Polish economy. A Deloitte study estimates that Ukrainian refugees will contribute in the long-term to a 0.9-1.35% increase in Poland's GDP.²⁸ For individuals, local organizations, government entities, and FSIs, including credit unions, there are long-term benefits to Poland's whole-of-society approach to welcoming Ukrainian refugees.

DIVERSIFYING IS DE-RISKING: JARDÍN AZUAYO IN ECUADOR

Jardín Azuayo is Ecuador’s second largest credit union by assets. According to the credit union’s CEO Juan Carlos Urgiles Martinez, “A business case speaks louder and lasts longer than a humanitarian moral appeal.” To drive sustainable change in an institution, he recommends focusing on the underlying business rationale. Juan Carlos has witnessed many international organizations appeal to Ecuadoran businesses to hire Venezuelan migrants.

He noticed that moral arguments about human rights have been far less persuasive in convincing businesses to expand work with migrants than arguments demonstrating a business rationale: tapping into a highly skilled migrant labor force. Similarly, he insists that Jardín Azuayo can only provide sustainable support for the financial health of Venezuelan migrants if they are considered new potential market segments with diverse needs, not a ‘humanitarian obligation.’

JARDÍN AZUAYO IN A SNAPSHOT²

Headquartered in Cuenca, Ecuador, Jardín Azuayo is a savings and credit cooperative that models the credit union principles of member-owned governance, sustainability, community stewardship, and financial inclusion. Founded in 1996, it is one of the fastest growing credit unions in Latin America.

As of 2023, it had ...

726,000 members



67%
are active
accounts



49%
are
women



75%
are in underserved
rural areas

Strong member participation:

Over 11,000 members joined in developing the 2024–2028 Jardín Azuayo strategic plan.



70 offices, **107** ATMs, and **991** access points with solidarity agents

² <https://www.jardinazuayo.fin.ec/>

Balancing Social and Financial Objectives for a Sustainable Business Model

From its founding days, Jardín Azuayo has prioritized balancing social and financial objectives in its business model. The credit union was established in 1996 in response to the widespread destruction of the Josefina Landslide Disaster in Paute, Ecuador.³ The original 120 members wanted to create a financial institution that would offer competitive interest rates and invest in improving the conditions of rural communities. Initially, they considered a microfinance model but determined that a member-owned savings and credit cooperative would best fit the community's long-term financial and social development needs.

Providing appropriate financial services and products for underserved, overlooked populations is baked into Jardín Azuayo's DNA. Its aim is to serve rural populations, underbanked women, poor households, indigenous groups, and other structurally marginalized groups. In fact, this is a core component of the organization's long-term sustainable membership growth. Over the years, Jardín Azuayo has used innovative approaches to better incorporate these groups into its business model. For example,

in response to limited access to smartphones among its membership, the cooperative developed a rural "solidarity agent" model. This equips local small business owners in areas far away from Jardín Azuayo's branches with knowledge and infrastructure to serve as banking agents.⁴ There are now over 991 solidarity agents across Ecuador. Jardín Azuayo also launched an award-winning innovative \$20 million diversity and inclusion social bond in 2023. This uses its proceeds to better serve women, low-income, indigenous, and migrants, including through exploring alternative credit ratings approaches.^{5,6}

Banking Venezuelan Migrants

Starting around 2017, growing numbers of Venezuelan migrants presented Jardín Azuayo with a new market segment of underbanked potential members. From Jardín Azuayo's perspective, serving migrants is a valuable, though challenging, opportunity to expand longer term membership and diversify its savings and credit portfolio. Initially, the organization's leadership did not know what services and products would be most appropriate for different groups of migrants. Similarly, the shifting landscape of legal migration pathways meant that many migrants did not have the paperwork and identification required to open bank accounts.

3 <https://cuencahighlife.com/twenty-first-anniversary-of-the-josefina-landslide-observed-in-paute-one-of-the-worst-disasters-in-ecuadors-history/>

4 <https://incofin.com/wp-content/uploads/Incofin-IM-Successful-Models-for-Financing-the-Rural-and-Agricultural-Sectors.pdf>

5 [https://www.environmental-finance.com/content/awards/environmental-finances-sustainable-debt-awards-2024/winners/social-bond-of-the-year-financial-institution-award-for-innovation-use-of-proceeds-\(social-bond\)-Jardín-azuayo.html](https://www.environmental-finance.com/content/awards/environmental-finances-sustainable-debt-awards-2024/winners/social-bond-of-the-year-financial-institution-award-for-innovation-use-of-proceeds-(social-bond)-Jardín-azuayo.html)

6 <https://www.worldbusinesscapital.com/ecuador-cooperative-Jardín-azuayo-obtains-loan-of-10-million-from-wbc-guaranteed-by-dfc>

Partnerships to Support New Migrant Membership Expansion

WOCCU has worked with Jardín Azuayo since 2002, accompanying them through the process of refining their governance model and providing technical assistance with regulatory processes. Starting in 2020, through funding support of the U.S. Agency for International Development (USAID), WOCCU launched the Economic Inclusion Project (EIP), an ambitious effort in Ecuador and Peru to increase the economic and financial inclusion of vulnerable Venezuelan migrants and local populations.

VENEZUELAN MIGRATION, BY THE NUMBERS

- 7.7 million Venezuelans living in other countries around the world, mostly in Latin America and the Caribbean.⁷
- Ecuador has the third largest population of Venezuelan migrants after Colombia and Peru.⁸
- 500,000 Venezuelans in Ecuador, the majority arriving after 2015.⁹
- 871,000 total migrants in Ecuador, the majority having arrived in previous decades.¹⁰
- 1.2 million Venezuelans have passed through Ecuador in transit to other countries since 2017.¹¹

EIP works with trusted credit unions like Jardín Azuayo to expand and adapt services for this new market segment. Jardín Azuayo reports that it has been helpful to have an outside organization assisting them expand their services to a new clientele. WOCCU has contributed through the following:

- **Priming Venezuelan migrants to be excellent credit union members.** WOCCU assists migrants with re-validating diplomas, professional, or technical licenses. EIP also provides entrepreneurship and employability workshops and trainings, including linking participants with seed capital to start or evolve their business ideas. WOCCU's financial education classes focus on orienting participants to the Ecuadoran financial system. Jardín Azuayo knows that many migrants carry negative associations with cooperatives from their experiences in Venezuela, so it is particularly important that these classes reframe the positive role of cooperatives like credit unions in serving communities in Ecuador.
- **Advancing national policy work to reduce barriers to financial services.** WOCCU's regulatory advocacy recently achieved an important victory when Ecuador's national regulatory bodies passed a resolution allowing Venezuelans to open and operate basic bank accounts with a wider range of IDs. Now they can use citizenship cards or passports, including IDs that have expired within a period up to five years. This has enabled many previously excluded migrants to access basic financial services like savings, digital services, and payments.

7 <https://reporting.unhcr.org/operational/situations/venezuela-situation#:~:text=According%20to%20the%20Regional%20Inter,Latin%20America%20and%20the%20Caribbean.>

8 <https://respuestavenezolanos.iom.int/en/stories/regularization-brings-hope-and-stability-venezuelan-migrants-ecuador>

9 https://www.acaps.org/fileadmin/Data_Product/Main_media/20230919_ACAPS_briefing_note_Ecuador_Venezuelan_migrants.pdf

10 <https://reliefweb.int/report/ecuador/ecuador-juggles-rising-emigration-and-challenges-accommodating-venezuelan-arrivals>

11 <https://www.migrationpolicy.org/article/ecuador-migration-trends-emigration-venezuelans>

- **Providing insights into the Venezuelan migrant population in Ecuador.** WOCCU undertook a 2023 national survey of the labor market inclusion of Venezuelans in five Ecuadorian cities. Among other insights, it found 38.8% of Venezuelans have access to financial services.¹² This is substantially higher than 16% in 2020 when the project began.¹³ The population also has a high educational attainment level, with 35% possessing a technical, professional, or postgraduate degree. However, many work in lower paying jobs outside their area of expertise because they are unable to formally validate their degrees in Ecuador. For example, 81% of Venezuelans with professional degrees have not been able to register them in Ecuador. To date, EIP has supported 2,986 individuals through the certificate or degree revalidation process.¹⁴

REGULARIZING IDENTIFICATION AND MIGRATION STATUS

- Irregular migration status and lack of Ecuadorian identification documents is one of the greatest challenges for Venezuelan migrants. Without valid visas and IDs, they cannot legally work, access social services, or open bank accounts.
- Migration policy regimes have changed multiple times since 2017, alternately restricting legal status and visas and then expanding migration regularization pathways.
- The current process requires Venezuelans to complete a biometric registration process, apply for a two-year temporary residence visa, and access an Ecuadorian ID card.

Understanding the Market Segment

WOCCU's survey and other analysis has provided Jardín Azuayo with an excellent starting point for understanding the financial needs of Venezuelans in Ecuador. But with three decades of experience in Jardín Azuayo serving hard-to-reach populations, CEO Juan Carlos knew the importance of developing even more specific profiles of market segments. In an interview, he described the typology of four migrant profiles, noting that many Venezuelans change profiles as they become more established

and financially stable in Ecuador. Jardín Azuayo does not formally use the profiles as part of their business modeling, but it provides the credit union's leadership with a shared understanding of the common market profiles. This allows individual branch managers to identify the most appropriate services for different groups and work to reduce additional barriers impeding their financial health.

For each of Jardín Azuayo's market profiles, we have included a real example (using pseudonyms) from our interviews with Venezuelan migrants in Ecuador.

12 <https://www.r4v.info/sites/default/files/2023-10/Estudio%20de%20Inclusion%20Laboral%20EIP%20EC.pdf>

13 <https://www.r4v.info/pt/node/5190#:~:text=Tiene%20como%20prop%C3%B3sito%20conocer%20las,y%20demanda%20de%20servicios%20financieros.>

14 https://www.woccu.org/global_programs/projects/peru_ecuador



PROFILE 1: A person who recently arrived and does not yet have valid migration documents or IDs, who is strongly reliant on humanitarian assistance or help from others, while working informal jobs.

Financial needs: Referrals for assistance, particularly with regularizing their migration status.

Belinda arrived in Ecuador five months ago with her husband and seven year-old daughter. Finding formal, steady work has been impossible because they do not have passports. They only have IDs that they have been told do not allow them to open bank accounts or get temporary visas. They currently receive humanitarian assistance from the U.S. Department of State's Bureau of Population, Refugees, and Migration (PRM).¹⁵ Belinda works odd jobs cleaning cars and houses and selling Venezuelan snacks. When she is able, she saves "under the mattress," though she had two bank accounts in Venezuela and would like to open one in Ecuador. The remittances she sends to her family in Colombia and Venezuela will likely increase in size and frequency as she becomes more financially stable.


PROFILE 2: A person who has regularized migration documents but is still working informal jobs without a stable source of income. They may have Venezuelan professional or technical diplomas, but have not yet registered these in Ecuador and are therefore working lower skilled jobs.

Financial needs: bank accounts for savings and receiving/making payments; support for validation and registration of diplomas; entrepreneurship and employability training.

Opportunities: basic account products to diversify savings portfolio; gateway to other services.

Ana Lucia came to Ecuador with her cousin in 2019. She initially struggled to find work. When she finally found a job at a club, her husband and daughter joined her. When the pandemic hit, they relied on savings while also selling lemons on the street, earning \$10 per day. They temporarily received food assistance from PRM, then eventually were able to save up and open their own street food business three years ago. Ana Lucia's husband has an engineering degree but none of his paperwork is certified so he is unable to secure better paying jobs. They are both avid savers, diligently stashing away money every week and month. However, they were previously told they cannot open bank accounts because their passports are expired. Thanks to the recent regulatory change, they now are eligible to open accounts with banks like Jardín Azuayo.

¹⁵ <https://www.state.gov/bureaus-offices/under-secretary-for-civilian-security-democracy-and-human-rights/bureau-of-population-refugees-and-migration/>



PROFILE 3: A person who is working a steady formal job after regularizing their migration documents. They have been in Ecuador for several years and have established a social network. They may bring over family members from Venezuela.

Financial needs: deposits, payments, savings, remittances, withdrawals, online payments.

Opportunities: using a range of services, including remittances; “word-of-mouth” advertising to other migrants within their networks about financial services.

When Maria Elena and her husband came to Ecuador seven years ago, they thought it was only going to be a temporary trip to support their daughter in her treatment for breast cancer. However, her daughter grew sicker, and they ended up spending all \$6,000 of their savings. Maria Elena cleaned houses while using her economics background to help other migrants regularize their documents for a small fee. In 2019, Maria Elena started her own cake-selling micro-business. After participating in a business planning workshop with WOCCU, she received seed capital through a partnership with Jardín Azuayo. She was able to buy mixers, a better oven, baking materials, and kitchen supplies to expand her business.

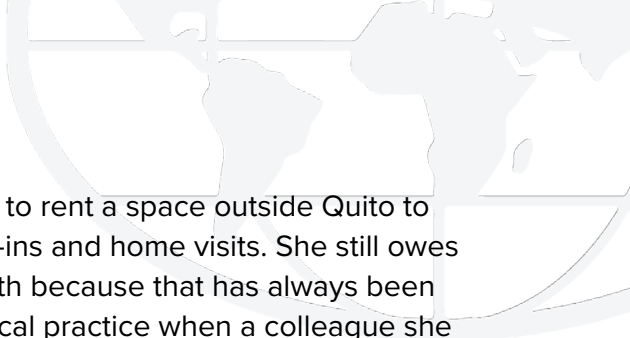
Maria Elena and her family were financially stable with decent savings until her husband became very ill. He was hospitalized, had two operations, and developed a life-threatening infection. They were in dire need of credit to pay for the \$1,500 antibiotic treatment. The manager of Jardín Azuayo called to offer her a \$1,000 line of credit, which served as a lifeline for their family. Since then, Maria Elena has referred many friends and neighbors to Jardín Azuayo.

PROFILE 4: A person has a steady formal job and is well-established socially and financially but wants to ratchet up their income-generating activities by accessing a credit line or loans.

Financial needs: credit lines or loans; advanced products like automated savings plans

Opportunities: diversifying credit portfolios with small and medium sized loans; new member recruitment

Ruth was a nurse in Venezuela before coming to Ecuador with her husband and adult daughter in 2016. After much time and tenacity, they are now well-established and financially stable. It took Ruth 2.5 years and \$1,000 to get her nursing licenses and diplomas validated and stamped in Venezuela and then registered in Ecuador. During that time, she worked as a baker. Ruth wanted a bank account to make deposits and transfers. She was rejected at Banco Pichincha because her passport had expired. Eventually, the Ecuadorian Ministry of Health registered her nursing degree and gave her a job in a remote mountainside health post without water or electricity. The job allowed her to get her documents regularized, at which time she immediately opened an account at Jardín Azuayo.



In 2020, Ruth took out a loan from Jardín Azuayo for \$3,000 to rent a space outside Quito to establish a small clinic as an independent nurse, taking drop-ins and home visits. She still owes \$600, but she pays back more than the minimum every month because that has always been her financial planning mindset. She also joined a private clinical practice when a colleague she knew from Venezuela reached out. Ruth is particularly proud to have worked for the past two years as a community nursing instructor at the Metropolitan University of Ecuador in Quito, training others to contribute to the country's health care system. Ruth now has three steady sources of income, responsibly services her debt, manages multiple financial accounts, and uses services like prepaid debit cards, mobile money, and remittances.

Working with Migrants De-risks Portfolios

From Jardín Azuayo's perspective, Venezuelan migrants – just like members of other communities they serve in Ecuador – are an important new market segment. They are part of diversifying the customer base in each product portfolio that helps reduce the overall risks to the credit union.

Jardín Azuayo's CEO Juan Carlos is excited about the potential of further expanding the diversity of customer profiles and receiving referrals from other migrants as a way to de-risk Jardín Azuayo's savings and credit portfolios. It is ultimately a sound business strategy while also rooted in the credit union's overall mission to serve the social and developmental needs of its members and their communities.

Jardín Azuayo's experience in Ecuador yields important insights on other aspects of working with migrants, including the following:

- Savings accounts are the basic credit union product, offering an excellent entry for migrants. Often, migrants open savings accounts, then request debit cards, and then eventually start using remittance services.
- Jardín Azuayo sees the value in continuing the challenging but important work of extending credit to migrants without credit histories. Many migrants, particularly established professionals, have lower estimated delinquency rates than the general population. However, it is important to mitigate overall portfolio risk. That is why it is beneficial to partner with organizations like WOCCU that can provide entrepreneurship and business training classes. These significantly increase Jardín Azuayo's ability to extend small loans (under \$3,000) to migrants.
- It can be very costly for the credit union to recruit migrant members, even through partnerships with organizations like WOCCU. However, this investment pays off when migrants refer other migrants to become members. Over 50% of Jardín Azuayo's new members (both migrants and Ecuadorians) join based on personal referrals.

Key Learnings

- The business case is strong for expanding credit union services to Venezuelan migrants. Further, the business rationale is more compelling to credit unions than humanitarian appeals. For Jardín Azuayo, growing its membership, de-risking through diversification, and maintaining a cohesive credit union identity is aligned with the cooperative principles.
- Offering services to migrants helps de-risk savings and credit portfolios, while expanding new members. Opening savings accounts often leads to using other more profitable services like debit cards, remittances, loans, and credit cards.
- Migrants are not homogeneous, nor are their needs. Credit unions need a refined understanding of the different migrant profiles, the services that may be most valuable to them, and the unique barriers each person faces.
- NGOs can assist credit unions in developing a more refined understanding of migrant needs and support migrants to be valuable, responsible members.

Additional Resources

- R4V: Inter-Agency Coordination Platform for Refugees and Migrants from Venezuela. Over 200 organizations to coordinate efforts under a unified response plan in Latin America and the Caribbean. <https://www.r4v.info/en/home>
- WOCCU (2020) *Estudio de Inclusión Financiera de refugiados y migrantes venezolanos y población local en las ciudades de Lima (Perú), Quito y Guayaquil (Ecuador)*. In Spanish: <https://www.r4v.info/en/node/5190>
- WOCCU (2023) Proyecto de Inclusión Económica: Estudio de Inclusión Laboral: Refugiados y migrantes venezolanos en las ciudades de Quito, Guayaquil, Cuenca, Manta y Machala. <https://www.r4v.info/sites/default/files/2023-10/Estudio%20de%20Inclusion%20Laboral%20EIP%20EC.pdf>
- Rural Finance Partnership: *Successful Models for Financing the Rural and Agricultural Sectors* <https://incofin.com/wp-content/uploads/Incofin-IM-Successful-Models-for-Financing-the-Rural-and-Agricultural-Sectors.pdf>
- Carolina Mejia-Mantilla, February 21, 2024: *Venezuelans in Chile, Colombia, Ecuador, and Peru can contribute to development*. World Bank's Latin America and Caribbean blog. <https://blogs.worldbank.org/en/latinamerica/venezuelans-chile-colombia-ecuador-peru-migration-development>

BRINGING BRAZIL'S WELCOMING SPIRIT TO MIGRANT FINANCIAL INCLUSION

Brazil is a country where individuals, organizations, and governments work towards supporting the basic needs, human rights, and economic inclusion of migrants and refugees. International organizations estimate that around 690,000¹ migrants² have moved to Brazil in recent years. In response,

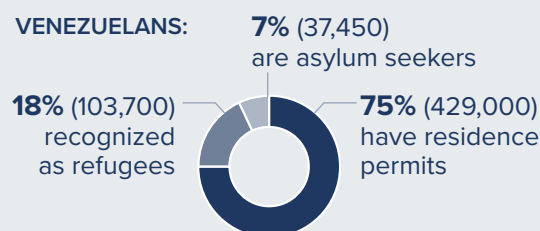
the federal government has created one of the most liberal migration policies in Latin America. For example, Brazil has extended special legal visa arrangements to Venezuelans, Haitians, Syrians, Afghans, Ukrainians, and other nationalities.³

REFUGEES AND MIGRANTS IN BRAZIL: A SNAPSHOT

As of 2023, it had ...⁴

Over 690,000 recent refugees and migrants

Venezuela: The majority (510,500) are from Venezuela, mostly crossing at Brazil's northern land border in Roraima state. More than 114,000 have been relocated to other parts of the country, over half going to the southern states.



Afghanistan: 10,985 humanitarian visas issued to Afghans between September 2021 and January 2024. Most come through the Sao Paulo international airport, where a strong network of temporary shelters has sprung up for newly arrived Afghans.

Haiti: 80,000 Haitians with different legal statuses living in Brazil.

Other nationalities: Syria, Bolivia, Cuba, Ukraine, Senegal, Angola, DRC

1 <https://reporting.unhcr.org/brazil-factsheet-6093>

2 Unless otherwise noted, the term "migrant" is used here in reference to all legal categories of individuals from other countries residing in Brazil, in alignment with the International Organization for Migration's definition: <https://www.iom.int/about-migration>

3 <https://reporting.unhcr.org/brazil-factsheet-6093>

4 Estimates from UNHCR (<https://reporting.unhcr.org/brazil-factsheet-6093>) and R4V (<https://www.r4v.info/en/brazil>)



Brazilian immigration authorities have created streamlined processes that allow migrants of different legal categories to quickly secure documentation and identification cards within the first 90 days of living in Brazil. This includes provisional IDs, work and social security cards, and tax ID numbers. These enable migrants to access social services, free healthcare, public education, and open bank accounts. Indeed, a survey of Venezuelans found that 98% have all their necessary legal documents and 96% have access to the health care system.

Individuals and organizations – at the local, national, and international levels – similarly contribute to welcoming and supporting migrants. Both informal groups and formal organizations have established welcome networks to receive migrants at the airports and borders, offering translation services and attempting to meet immediate needs such as food and shelter. International organizations such as UNHCR, IOM, and IFC have worked to coordinate short- and long-term response efforts and ensure adherence to international standards of protection and human rights. They have also collaborated with government counterparts such as the Central Bank and federal states on numerous policies and projects to support migrants.⁵

Promising Opportunities

Brazilian financial service institutions (FSIs) – including credit unions – have a significant opportunity not only to contribute to the financial inclusion of migrants but also to seize a profitable business strategy. Several nationally representative surveys showed that migrants are a promising market segment: 64% of Venezuelans are working in formal jobs or have a steady source of income, and 87% express the intention to stay in Brazil for at least the next 12 months.⁶ Additionally, 64% of migrants have a mobile phone, enabling digital financial transactions.⁷

Survey research also showed migrants have a strong appetite for a range of financial services, despite having minimal access. Currently, only 62% of migrants have a bank account in Brazil, compared to 87% of the adult Brazilian population.⁸

A study⁹ by IFC surveyed migrants on their current access to financial services, their experience using financial services in their countries of origin, and the services they would like to use in Brazil. The study also analyzed the estimated potential revenues and market opportunities for each financial service that migrants prioritize. In total, they estimate the unserved potential migrant market opportunity at \$460 million Reais, or \$89.6 million USD.

5 See, for example, UNHCR and Cidade de Sao Paulo Secretário de Assistência e Desenvolvimento Social: Guia para acolhimento de pessoas refugiadas e migrantes. March 2024.

6 <https://www.r4v.info/es/document/jna-2023-analise-conjunta-multissetorial-das-necessidades-de-refugiados-e-migrantes-da>

7 <https://www.ifc.org/en/insights-reports/2024/economic-opportunity-for-financial-inclusion-of-fdp-brazil>

8 <https://www.ifc.org/en/insights-reports/2024/economic-opportunity-for-financial-inclusion-of-fdp-brazil>

9 IFC's study surveys 1,070 forcibly displaced people in Brazil. Because they include migrants who have lived in Brazil for longer, their analysis and projections are based on a total of 1.5 million migrants and refugees in Brazil, far larger than the 690,000 UNHCR estimates.

Estimated Market Opportunities for Providing Financial Services to Migrants:

Remittances

- Need: 66% of migrants are mostly using informal sources to remit money
- Opportunity: 653,000 migrants do not use formal channels but would like to, amounting to a potential revenue of \$74 million Reais (\$14.4 million USD).

Savings Accounts

- Need: migrants look for savings accounts early, often before finding formal work. Savings accounts are often a gateway for migrants, who open them first, then later use other more profitable services at the same FSI.
- Opportunity: IFC estimates that 514,000 migrants do not currently have digital savings accounts, amounting to a potential revenue of \$1.9 million Reais (\$370,300 USD).

Personal Credit or Loans

- Need: only 35% of migrants surveyed currently have access to personal loans and/or a credit card (often with low credit limits).
- Opportunity: IFC estimates that there are 228,000 migrant users with sufficiently stable incomes and low risk profiles for credit, amounting to a potential revenue of \$117-224 million Reais (\$22.8-43.6 million USD).

Commercial Loans, Including Microloans

- Need: only 3% of surveyed migrants were able to obtain a business or microloan to start and/or grow their entrepreneurial activities. Often the only alternatives are loan sharks or personal connections.
- Opportunity: IFC estimates there are 62,000 eligible migrant customers with viable risk profiles, amounting to a potential revenue of \$73 million Reais (\$14.2 million USD).

EARLY PROOF OF CONCEPT

While most larger commercial FSIs are not explicitly working to include migrants, several smaller banks are. Banco Perola, Banco do Povo Credito Solidario, and Banco Omni are working with UNHCR and IFC to develop credit lines and micro loans designed to meet the needs and risk profiles of migrants.¹⁰

For Brazilian credit unions, serving migrants presents a double opportunity. Credit unions can tap into a viable potential market opportunity while supporting the financial inclusion of a growing part of the social fabric in Brazilian communities.

¹⁰ <https://www.ifc.org/content/dam/ifc/doc/2023-delta/unhcr-and-ifc-cooperation-for-the-inclusion-of-refugees-and-migrants-in-brazil-en.pdf>

Migrants Face Additional Barriers Accessing Financial Products

Credit unions, like other FSIs in Brazil, may assume that allowing migrants to become members is sufficient to ensure their financial inclusion. However, the experience of migrants has proven otherwise, as seen both in national surveys and interviews with migrants for this case study. Prudent credit unions need to intentionally tackle the most common barriers and conduct due diligence at a local level to understand if migrants in their specific geographic areas are experiencing additional challenges. A few of the most common challenges include:

- **Misinformation about IDs:** Migrants are turned away for lack of documentation despite possessing legal documents like provisional IDs. Credit union employees may lack an understanding of which migrant documents have been deemed acceptable to open bank accounts.¹¹ Banks need to conduct robust internal education on acceptable migrant IDs.
- **Negative preconceptions:** Internal education efforts also need to challenge prevalent misconceptions of migrants as poor, high-risk, and unprofitable clients. Statistics like average incomes of migrants, reported intentions to stay in Brazil, and their business needs can be

helpful. However, analyzing the financial performance of existing migrant account members speaks for itself in terms of creditworthiness and reliability.

- **Implicit requirements to have formal income:** Migrants need financial services as soon as they arrive in Brazil, often before they find a formal job. Many migrants start working informal jobs or undertaking entrepreneurial activities to earn income, then begin working in more formal jobs over time. Not only do the requirements for formal income sources exclude migrants from valuable services like savings and payment products, but also, they miss an opportunity to gain potentially loyal members who will use other profitable services like remittances.
- **Communicating available services:** Migrants may not know about financial products and services available to them. Language barriers may prevent them from understanding existing materials, or they simply may not know where to look to learn about products. Getting the word out and reaching migrants with information about services and products is a necessary early step to address new migrant members. Strategies may vary based on the specific migrant groups in a specific area but could include translating information on credit union websites and other marketing materials. To reach new migrants, credit unions can consider partnering with community groups and companies that employ significant numbers of migrants.

¹¹ <https://www.ifc.org/content/dam/ifc/doc/2023-delta/unhcr-and-ifc-cooperation-for-the-inclusion-of-refugees-and-migrants-in-brazil-en.pdf>

Sicredi's Interest in Expanding Support for Migrants' Financial Inclusion

Sicredi is proud of its origins. In 1902, a small credit union opened in Nova Petrópolis, the first in Latin America. Since then, Sicredi has grown to a large national network with 7.5 million members in 2,600 service units organized in over 100 credit unions under five central cooperatives. It has over \$324.5 billion Reais in assets (\$62.7 billion USD). Sicredi also has highly formalized management structures and governance processes. Its national and regional boards, in conjunction with the Sicredi Foundation, have prioritized community inclusion and sustainability, as seen in its support for the Global Compact and UN Sustainable Development Goals, as well as its 2023 sustainability report.¹²

Sicredi proactively supports financial inclusion for women, youth, and other community members. As of 2023, it has 48 Women's Committees, 32 Youth Committees, and eight Inclusion, Diversity, and Equity committees, each advancing proactive initiatives to support community members' financial inclusion.

Sicredi is currently embarking on a journey to better support the financial inclusion of migrants. To date, the commercial opportunity to serve migrants has been secondary to Sicredi's humanitarian motivations, with the business case now coming into sharper focus. At the national level, Sicredi has an open-door policy that treats migrants the same as Brazilian nationals. Migrants can apply to join if they meet the requirements; however this can be challenging given the complex regulatory environment. Sicredi's credit unions operate

across a large and diverse country with varying opportunities, so they defer to individual cooperatives to initiate additional efforts with migrants.

In Tapera, a town of around 25,000 in Rio Grande do Sul, the Sicredi cooperative recognized that over 3,000 Venezuelans were working at a meat processing plant, many of whom were struggling with language barriers when trying to access financial services. Sicredi responded by hiring Spanish translators to go to the factory and help with education and account enrollment.

In Medianeira (population 46,500) where the case study interviews were conducted, Sicredi has several opportunities to reach more migrants by addressing barriers to membership. One interviewee shared that he had been turned away from Sicredi when an employee told him he could not open an account with a provisional ID, prompting him to open an account with a rival financial institution. Two large national meat processing factories have factories in Medianeira, including one structured as a cooperative. Sicredi Vanguarda – one of three credit unions in the area – has 119 migrant members out of around 6,000 total members. To better include migrants, the credit union would need to adjust its statutes and bylaws. For example, migrants must have lived in Brazil for a minimum of a year and must show proof of their income. More flexibility would enable more migrants to join the credit union.

Despite continued barriers, interest in better serving migrants is spreading from Sicredi cooperative to cooperative. For example, another credit union in the south of Brazil is currently serving a considerable number of migrants, enrolling 686 with checking accounts, 232 with saving accounts, and 147 with a credit line. 77% are active in the past 24 months.

12 https://www.sicredi.com.br/media/produtos/filer_public/2024/05/21/sustainability-report-23.pdf

Understanding Financial Inclusion From Migrants' Point of View




Statistics and market revenue projections only tell one part of a story; credit unions interested in supporting the financial inclusion of migrants need to listen to stories and experiences of migrants themselves. Though this case study does not draw generalizable findings from interviews, our research partner spoke with several migrants in Medianeira to better understand different personal and financial inclusion experiences.

PROFILE 1: **Nestor** arrived in Brazil four months ago from Venezuela with his wife and daughter. He now works at two different meat processing plants. He tried to open an account with Sicredi but was told they would not accept his provisional ID because he needed a national civil ID card. Instead, he opened a checking account with Banco do Brasil, a Brazilian government bank, and now uses savings and payments products there. He plans to request a personal credit line, even with a small limit like \$1,000 Reais (\$190 USD).

PROFILE 2: **Peterson** is a Haitian who has been living in Medianeira for almost three years. He works in meat processing and sells homemade products like hot sauces to supermarkets and clients via Whatsapp. A year ago, Peterson became a franchised money transfer agent. He loves Brazil, hasn't had any documentation or visa challenges, and is glad he was able to bring over his family, even though he is still paying off the bank loan that financed it. Peterson has multiple accounts serving different business and personal needs. He banks with Bradesco, Cresol, Itau, and has online accounts with three other banks that he uses for his money sending business.

PROFILE 3: **Oksana** is a 50-year-old Ukrainian astrophysics professor. She came to Brazil in June 2022 with her two children with the support of the Araucaria Foundation and a university in Parana, where she now works. Individuals in Medianeira have been exceptionally kind: our research partner housed Oksana and her family for 15 days when they first arrived. Her dentist in Brazil gives her free treatments because he loves talking about astronomy with Oksana. She uses Nubank and Banco do Brasil to receive her paychecks and has heard positive things about Sicredi but assumed they only offer credit card services.



PROFILE 4: Roberto and his wife left Cuba for Brazil three years ago, tired of bad governance and impossibly low salaries. He believes Brazil is the best country in Latin America, especially because of the support it provides for refugees like him. When he arrived in Medianeira, he did not know any financial institutions, but a friend recommended Sicredi. Roberto was able to open a savings and checking account very quickly, which was important because he needed the checking account for critical payments like rent. Even though he found stable work at a meat processing factory, he doggedly pursued his dream of financial security. Roberto wanted to work as an Uber driver, so he made a proposal to the credit union for financing. Sicredi agreed to the loan, and now Roberto pays back approximately \$60,000 Reais (\$11,700 USD) on the original loan of around \$30,000 Reais (\$5,800 USD).

PROFILE 5: Darwin is a Venezuelan who has lived in Brazil for three years with his wife. He initially worked informally as a mason, and his wife used to work in a pig slaughterhouse. Both are happier now with their jobs: he works at a poultry slaughterhouse and she works in a supermarket. They opened an account at Sicredi because friends told him it was a great credit union. He now has a checking and savings accounts, along with credit and debit cards.

Key Learnings

Key learnings from Brazil experience for credit unions to seize the opportunity to serve migrants:

- **There is opportunity to engage migrants early in their journey to gain full formal employment.** Many migrants need financial services long before they find formal employment. Further, migrants relying on informal jobs or entrepreneurial activities often have sufficient income to be profitable customers. Achieving these changes may involve reforming credit union bylaws and adapting policies, including documentation requirements.
- **There are unique market needs of migrants in a particular geographic area.** It is important to understand the needs and profiles of potential customers. International organizations and the Brazilian government routinely conduct and publish surveys from nationally representative surveys. Existing ethnographic work can provide additional insights into experiences and barriers of specific groups of migrants¹³ Large employers as well as local and regional groups and organizations supporting migrants often have a more granular understanding of the migrants in their area. Finally, credit unions can conduct their own informal interviews and focus groups with migrants.

¹³ An excellent example: <https://www.opendemocracy.net/en/beyond-trafficking-and-slavery/migrant-lives-in-brazil-5/>

- **Migrants require additional support in their journey as credit union members.** Financial education continues to be an important starting point for migrant engagement. This includes employee education on documentation requirements; education about the types of products and services that exist, and translating basic information about products and services that are suitable for their needs. Being proactive to help migrants overcome barriers to financial inclusion and find their place as credit union members will reap dividends into the future and ensure long-term success.

Additional Resources

- IFC, UNHCR (2020). Two-page information brief for financial institutions about serving refugees and migrants. In Portuguese: <https://www.acnur.org/portugues/wp-content/uploads/2020/10/Guia-Acesso-a-Servicos-Financeiros-Refugiados-e-Migrantes.pdf>.
- UNHCR, IOM, Brazil Central Bank et al. (2023). Financial information booklet for migrants and refugees. In English: https://www.acnur.org/portugues/wp-content/uploads/2023/06/Cartilha-de-Informacoes-Financeiras-para-Refugiados_INGLES.pdf.
- UNHCR, City of Sao Paulo (2024). Guide for migrants and refugees for accessing the Brazilian social services system. In Portuguese: <https://www.acnur.org/portugues/wp-content/uploads/2024/03/WEB-Guia-para-acolhimento-de-pessoas-refugiadas-e-migrantes-1.pdf>
- Missão Paz: Definitions of migrants and refugees. In Portuguese: <https://missaon-spaz.org/conceitos-e-governanca/>
- UNHCR: Livelihoods Strategy Brazil 2023-2025. In English: <https://www.acnur.org/portugues/wp-content/uploads/2023/09/Livelihoods-Strategy-UNHCR-Brazil-2023-2025.pdf>
- R4V platform 2023: Needs Analysis of Venezuelan Migrants and Refugees in Brazil. In Portuguese: <https://www.r4v.info/es/document/jna-2023-analise-conjunta-multissetorial-das-necessidades-de-refugiados-e-migrantes-da>
- IFC, UNHCR (2024). The Economic Opportunity for Financial Inclusion of Forcibly Displaced People by the Financial Sector in Brazil. In English: <https://www.ifc.org/en/insights-reports/2024/economic-opportunity-for-financial-inclusion-of-fdp-brazil>



SERVING MIGRANT MEMBERS: METRO IN MASSACHUSETTS

A Brief History

Founded in 1926, Metro Credit Union (Metro) serves more than 200,000 members through its network of 18 retail branches. Metro manages assets of \$3.4 billion with a loan-to-share ratio of 109%. Serving 11 counties in Massachusetts and three in New Hampshire, the credit union operates under the direction of a volunteer board, which oversees the management team and 350 employees. Metro has earned many accolades, including recognition by the Boston Business Journal for being among the most charitable companies in Massachusetts. Metro is also a Juntos Avanzamos¹ (“Together We Advance”) designated credit union, an honor given to financial institutions for their commitment to serving and empowering Hispanic and migrant consumers.

Metro’s branch locations reflect the demographics of the communities it serves. For example, Haitians, Dominicans, and Central Americans reside in many cities and neighborhoods Metro serves, and Metro’s membership and employees mirror those populations.

1 <https://inclusiv.org/initiatives/juntos-avanzamos-together-we-advance/>

2 ITIN is a tax processing number only available for certain non-resident and resident aliens, their spouses and dependents, who cannot get a social security number (SSN) in the United States.

Recruiting and Serving Migrant Members

Metro goes to great lengths to make new arrivals feel welcome — in fact, so welcome that it is the credit union of choice for hundreds of employers in Massachusetts. Many of Metro’s partners, hire migrants who are then able to become a member of the credit union.

To establish membership at Metro, a \$5 deposit is required, which represents a member’s share of ownership in the credit union and the start of a successful financial experience. While Metro advertises extensively, new arrivals tend to find Metro by word-of-mouth. It is common for existing members to introduce their extended families to Metro, one member at a time. Typically, the existing member will accompany relatives to the branch, in many cases acting as interpreters or anchors of support.

Metro also receives new migrant members from its network of local non-profit partners. These partners provide a range of services, from teaching English to helping procure work authorization, a U.S. Individual Taxpayer Identification Number (ITIN)², a driver’s license, or other documents suitable for opening a Metro account. La Colaborativa, for instance, focuses on newly arrived Latin Americans and Haitians. The organization helps them with food resources and walking them through the steps of acquiring

documentation, such as work authorizations. They work with the organization, Summer Youth, to find jobs and ultimately accounts with Metro.

Once someone becomes a member, a Metro professional then works with them to understand their immediate goals and advises them on which accounts and products will best serve their needs. Staff dedicate time to assisting new account holders in managing the interfaces they are most likely to use, such as ATMs, debit cards, and online apps with their various tools and transactions. While using digital services is a familiar activity for most Americans, Metro knows that newcomers will experience many “financial firsts” — first attempts at using a card, first attempts at building a credit history, or first attempts at setting up automatic payroll deposits. To eliminate any friction between new members and their financial success, Metro employs a human-centered, hands-on approach, guiding them through various functions, from making deposits to withdrawing cash.

Since English is often a new language for migrant members, Metro’s team solves this challenge by hiring staff that represent an array of languages: Arabic, French, Spanish, and Creole, to name a few. Staff fluent in a language other than English — typically their mother tongue — are on-call to help other staff translate for members making a request or facing a challenge.

Another way Metro has smoothed the experience for new members is by making secondary identity documents more flexible. IDs comply with regulatory requirements but offer members more choices. While a sanctioned photo ID is required as a primary ID, Metro offers many options for a secondary ID or proof of address.

An Expanding Suite of Products to Meet an Evolving Set of Needs

When a potential Metro member arrives in Massachusetts, their first need often relates to managing day-to-day life. They may be getting work as a day laborer in construction or cleaning homes. Because they frequently share their living space — up to 20 family members in an apartment for example — one of their first financial needs is the safety and privacy for any spare cash they might have accumulated. The mattress and pocket methods are too exposed for effective cash storage. An account with Metro ensures both safety and privacy. Once the member receives work authorization, they are eligible for a steadier salary. Most employers require direct deposit and Metro offers this service.

At this point, a member may feel ready to start building a credit history (often in hopes of buying a car). Metro credit-building products can help with a Credit Builder Loan, a Prosperity Loan, or A Metro Visa® Secured card. They also may hope to naturalize, get a Green Card (work visa), and eventually become a citizen. Metro’s Citizenship Loan is designed to help pay expensive attorney fees. If they are earning sufficient income they might embark on a search for new living space. In Massachusetts, landlords usually require first and last month’s rent, something challenging to accumulate with savings alone. In this instance, Metro’s Celebration Loan may be an option. Over time they may receive promotions or increased pay and a car loan or mortgage may be needed. While no member follows a pre-determined financial path, the schematic below shows what a member’s journey with Metro might look like as their income grows.



A Possible Economic Pathway and Products to Support It

Goals, Tasks, and Realities	Arrive in US. Stay with friends and relatives	Begin to learn English, get work authorization, want credit	Study to become certified in a skill (electrician; nurse assistant)	Seek less congested living space.	Interested in pathway to citizenship	Locate a better job	Seek to own a home
Economic Implications	Earn day wages	No credit history; need to build it	Eligible for steady salary; ready for a credit card	Need first and last month's rent for deposit	Must pay legal fees	A car may be required	Financing required
Possible Metro Services	Basic accounts; Debit card; Online banking	Credit Builder Loan or a Metro Visa® Secured card	Direct-Deposit; Metro Saver Visa Credit card	Celebration loan	Citizenship loan	Auto loan	Mortgage

PROFILE 1: Marie

Marie's Journey: From Port-au-Prince to Boston

Marie, a long-time member of Metro Credit Union, immigrated to the U.S. in 1989 from Port-au-Prince, Haiti. Before her move, Marie faced the profound loss of her husband, who had passed away. She first arrived in Florida, where her cousin lived, and then moved to the Boston area. Initially, she worked as a housekeeper for a cleaning services company, and later, she studied to receive her Certified Nursing Assistance (CNA) license. Marie has since dedicated 34 years to working in nursing homes as a Certified Nursing Assistant.

Marie's Financial Journey with Metro Credit Union

In Haiti, Marie's husband managed their finances, and neither of them used banking services. Upon arriving in the U.S., Marie needed a place to cash her checks from her housekeeping work and pay her bills. A friend who was already a member recommended Metro Credit Union, praising it as a reliable financial institution, and she has been a loyal member ever since.

Marie's positive experience with Metro led her to introduce her family to the credit union after aiding their immigration to the United States. She helped her two children, both of whom attended high school and college in the Boston area, to open accounts at Metro. Her daughter, now an accountant, manages Marie's finances and is also a member of Metro, as is her son. Marie also brought her nieces and nephews, totaling five family members, to Metro Credit Union.

Financial Independence and Community Support

Saving money is crucial for Marie. Reflecting on the challenges of supporting a big family, she stated, "When you have a big family here, to put food on the table is a lot. Especially, now." In addition to saving through her Metro accounts, Marie participates in a susu (a traditional savings group). This effort has been beneficial for her and others in the group, helping with significant expenses like buying a house or covering funeral fees. Marie has owned her home since 2005, with her daughter managing the mortgage and other bills. Despite recognizing the need for a loan from Metro to fix her attic, Marie remains hesitant to take on debt.



PROFILE 2: Madoche Ulysse

Madoche Ulysse's Journey: From Port-au-Prince to Boston

Madoche Ulysse immigrated to the U.S. in 2006 from Port-au-Prince, Haiti, seeking better income opportunities. With his brother and sister already in the U.S., Madoche first traveled to Dominica before arriving in St. Thomas, where he worked in construction for a year. Eventually, he joined his siblings in the Boston area. There, he attended a local English community school that advertised a job fair hosted by the Waterford Hotel Group, which led to his first job in the U.S., working in hospitality. Madoche has since progressed in his career at the hotel and now works as a purchasing clerk.

How Madoche Found Metro Credit Union

At the beginning of his employment, the Waterford Hotel Group offered Metro Credit Union to its employees. This prompted Madoche to open an account with Metro, following recommendations from colleagues. "People said credit unions are better for people like us," Madoche recalls, meaning credit unions are better than banks. He opened both savings and checking accounts and was pleased with the service. Consequently, he advised his two sisters to transfer their accounts from a larger bank in the Boston area to Metro Credit Union and personally brought them in to open their accounts. Madoche has since introduced five other family members to Metro.

Madoche's Relationship with Money

Madoche has become a homeowner, guided by Metro Credit Union's free online seminar for first-time home buyers. While he ultimately didn't take out a loan from Metro, he finds great value in the financial education provided by the credit union. Belonging to a sol (a traditional savings club) with 32 members and led by his brother-in-law, Madoche has cultivated a strong sense of financial community and support. He has also become financially savvy in investments through his own online research and education, using apps like Stash, Robinhood, and Coinbase to grow his money. He uses Stash and Coinbase to save for his children's education and Robinhood for his own savings.

PROFILE 3: Alex, Metro Credit Union

Alex's Journey: From Ukraine to Peabody, Massachusetts

Alex, the Peabody Branch Manager of Metro Credit Union, immigrated to the U.S from Ukraine. In Ukraine, she earned a financial degree and worked as a district manager for a bank. Alex believes that "the banking language is like an international language," which helped her navigate her career transition in the U.S.

In search of a banking position, Alex first attended a job fair at Santander, where she started as a teller and quickly rose to the position of relationship manager. However, she grew tired of the hard-sell culture and desired a role focused more on relationship management. A friend recommended Metro Credit Union, and after a referral, Alex joined Metro. She is now the Peabody Branch Manager, dedicated to serving her community.

Alex's Approach to Serving Migrant Members at Metro Credit Union

At Metro, Alex emphasizes the importance of understanding and meeting the specific needs of each member. She feels passionate about her work, saying, "I want to feel it and know that the product I pick is right for the person." This personalized approach is especially significant when working with the migrant community.

Most migrant members at the Peabody branch come from Morocco and Cuba. Typically, one family member opens an account first. After building trust with Metro, they often bring other family members to open their own individual accounts. Alex understands the sensitivity around paperwork involving citizenship and authorization. Many migrants, despite having the proper documents, find the process intimidating. Alex provides empathetic support, saying, "I share with them what I would like to hear as an immigrant myself, to help me better understand our members."

Practical Support and Financial Education

New migrant members at Metro often prefer to be issued physical debit cards immediately, as having something tangible is important to them. Alex educates them on the essentials of using their accounts and digital banking tools. She explains, "A debit card is like a key to your house, and your house is the checking account." She helps members enroll in the mobile app, use online tools, and operate ATMs. She also focuses on teaching members how to manage travel notifications since many families travel frequently with their cards. To ensure that members understand how to avoid unnecessary overdraft fees, Alex goes to great lengths to explain options.



METHODOLOGY

This research project was conducted in two phases. In Phase I, conducted in fall 2023, WOCCU, in partnership with Tufts University, surveyed credit unions in the US, Poland, Brazil, and Ecuador. The primary objective was to assess which credit unions are serving refugees and migrants either with direct financial services or through humanitarian efforts in collaboration with community organizations. Additionally, Phase I sought to ascertain refugee and migrant data (gender, age, nationality, etc.) as well as understand what additional services credit unions wish they could provide. Phase II, conducted between February and June 2024, built upon the desk research and survey data from Phase I and included in-depth interviews with credit union leaders and refugee members. It resulted in case studies from four different countries.

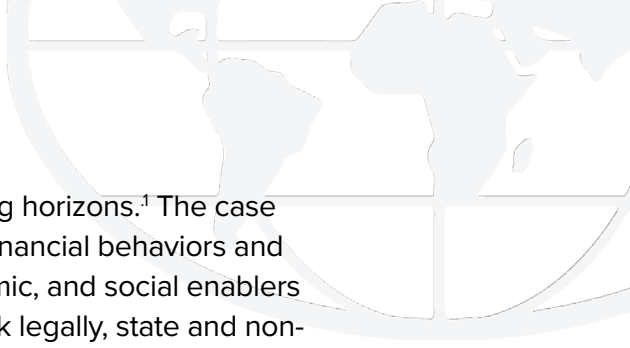
Guiding Research Questions

What roles can credit unions play in the integration of migrants and refugees?

- What are the principal financial needs of migrants and refugees in each of the case studies, and what is their current state of access to financial services?
- What are credit unions currently doing with migrants and refugees?
- What more could credit unions do to directly and indirectly support the financial health of migrants and refugees?
 - What common barriers do credit unions face in providing additional support for migrants and refugees, and how can they overcome these obstacles?

Financial Health Framework

The research used a financial health framework that assesses financial well-being holistically, focusing on the ability to build resilience to shocks and plan strategically for future opportunities. The Journeys Project at Tufts University adapted for the context of refugees and migrants a financial health framework published in 2017 by the Center for Financial Inclusion (CFI) in partnership with the Center for Financial Services Innovation. It simplifies CFI's six indicators into four indicative abilities: 1) meeting daily consumption needs; 2) recovering from financial shocks; 3) raising lump sums to invest in assets or take advantage



of opportunities; and 4) continually expanding planning horizons.¹ The case studies consider the intersection of migrant/refugee financial behaviors and priorities. They also examine broader political, economic, and social enablers and barriers, such as immigration status, ability to work legally, state and non-state assistance for migrants/refugees, and social attitudes towards migrants (e.g. hospitality, xenophobia, etc.). Finally, the case studies explore how the services, products, and referrals of credit unions and financial institutions can enable migrant/refugee financial health.

Case Study Methodology

The case studies are not generalizable to broader groups of migrants and refugees. They feature anecdotal stories that shed light into how credit unions can best support migrants and refugees. Broader trends are mentioned as background context, but these are limited in terms of providing representative findings. The strategies that migrants employ to meet their needs in a country or region are contextually based responses to the particular legal, financial, and social frameworks they encounter. Similarly, credit unions face different regulatory environments, market dynamics, and partners. Case studies allow a focus on the dynamic interplay of variables in the context of an entire social unit (each case), rather than focusing more strictly on a smaller set of variables.

Terminology

These cases include financial inclusion efforts directed towards individuals in a range of migration circumstances. Some have left their country of origin for primarily economic reasons, others because of wars, violence, or prosecution, and others for a combination of reasons. The terms “asylum seeker” and “refugee” refers to a subset of migrants seeking specific legal status recognition. Unless otherwise noted, the term “migrant” is used here as an umbrella term in reference to all legal categories of individuals (including refugees) residing outside their countries of origin, in alignment with the International Organization for Migration’s definition.²

1 Karen Jacobsen and Kim Wilson, “Supporting the Financial Health of Refugees. The Finance in Displacement (FIND) Study in Uganda and Mexico,” The Fletcher School, Tufts University, December 2020.

2 <https://www.iom.int/about-migration>

Data Sources

The data for these case studies was drawn from in-depth, semi-structured interviews with migrants and credit union leadership, comprising the following:

- **Ecuador:** four interviews with migrants from Venezuela (two credit union members, two non- members); one interview with credit union leadership; one interview with credit union partner (WOCCU).
- **California:** four interviews with migrant credit union members from Afghanistan; two interviews with credit union leadership.
- **Brazil:** three in-person interviews with migrants; two additional virtual interviews with migrants; three credit union members; two non-members; migrants from Haiti, Cuba, Venezuela, and Ukraine; two interviews with credit union leadership.
- **Poland:** five interviews with credit union leadership (including one representative of a national credit union organization); four interviews with Ukrainian refugees (two credit union members, two non-members).
- **Massachusetts:** four interviews with migrant members (Haitian, Ukrainian); in-depth interviews with two branch managers, also immigrants, and roundtable discussion with six branch managers, also immigrants; several interviews with VP of Outreach and Advocacy; meeting with Metro CU Chairman.

We gathered additional data through desk research on current migration statistics, efforts to support the economic inclusion of migrants, and legal frameworks and policies regarding migrants' legal status. We also looked at migrants' ability to work, their access to financial tools, and other structural barriers to their financial health. We also used data from the Phase I survey of credit unions and other data provided by featured credit unions.

We are deeply grateful to our research partners in each of the countries, without whom the case studies would not have been possible. They conducted interviews, provided translation and additional analysis, and verified findings and conclusions. Thank you to Dr. Marilete T. De Marco (Brazil), Diego Andrade and his team (Ecuador), Michele Enriquez and Shaida Samimi (California), and Dr. Edyta Krzysztofik (Poland).