LATINOS IN THE CREDIT ECONOMY

by

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ABSTRACT

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Access to consumer credit as a means of building wealth is one of the least examined forms of social inequality. The recent economic crisis in the United States has brought attention to the significance of consumer credit in our nation's economy; however, less understood are the specific obstacles and barriers that prevent low-income individuals from reaching the "American Dream." In an exploratory manner, this study compared credit access, credit literacy, and credit experience of low-income Latinos and non-Latinos to understand how credit might translate into asset-building and home ownership for Latinos, particular for those in new immigrant destinations where access to ethnic resources is limited.

Using survey data on banking practices, credit accounts, and asset ownership gathered from English- and Spanish-speaking residents in northern Utah between 2007 and 2009, this research found that low-income Latino residents are not in the same position to establish credit compared to their low-income non-Latino neighbors. As

expected, Latinos in my study have less actively sought credit cards, auto loans, and other forms of debt than non-Latinos. As a consequence their credit literacy and experience is limited. Half of the Latinos in this study are not financially embedded and operate mainly outside the credit economy.

Surprisingly, this study revealed that having a bank account does not necessarily change one's financial behavior; in contrast to their native-born neighbors, even Latinos with bank accounts habitually paid bills with cash and/or money orders. Lacking access to and an understanding of credit remains a critical problem for most Latino immigrants, and unless changed such practices are likely to affect their wealth-building potential for years to come.

Ironically, choices to remain outside of the credit economy may have spared many immigrants from the kind of financial losses suffered by "financially embedded" individuals during the recent recession. Credit can enable families to purchase assets such as a home that enable them to accumulate wealth. On the other hand, problems with credit can lead to overspending, reliance on credit, bankruptcy, and foreclosure. More research is needed to understand the dynamics of credit and inequality for both Latinos and non-Latinos alike. (157 pages)

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. Lisa M. Ralph

CONTENTS

Page

ABSTRACT iii

ACKNOWLEDGMENTS v

LIST OF TABLES vii

LIST OF FIGURES ix

CHAPTER

I. INTRODUCTION 1

II. LITERATURE REVIEW 6

Asset Ownership and Racial Inequality 6
Credit Access and Building Assets 15
Banking and the Credit Economy 22
The Present Study 25

III. METHODOLOGY 28

The Study Area 28
Data Collection 31
Operationalization of Variables 40

Dependent Variable 41
Independent Variables 42

Data Analysis 46

IV. RESULTS 50

Banking and Ethnicity 50
Credit and Ethnicity 53
Banking, Credit, and Assets 61
Financial Embeddedness and Asset Ownership 67

V. DISCUSSION....73

Banking Practices....75
Credit Experience and Literacy....77
Homeownership....81
Financial Embeddedness....84

VI. CONCLUSION....87

Implications....87
Limitations....89
Suggestions for Future Research....90

REFERENCES....92

APPENDICES....99

Appendix A Hyrum (English) Survey Instrument....100
Appendix B: Hyrum (Spanish) Survey Instrument....109
Appendix C: Logan (English) Survey Instrument....120
Appendix D: Logan (Spanish) Survey Instrument....131

CURRICULUM VITAE....143

LIST OF TABLES

Table		Page
1	Demographic Characteristics of the Study Area	29
2	Sample Population by Town of Residence and Latino Origin	36
3	Demographic Characteristics of the Sample by Latino Origin	38
4	Length of Residence by Latino Origin	40
5	Banking Practices, Barriers, and Literacy by Latino Origin	51
6	Credit Account Holding and Practices by Latino Origin	54
7	Factors Affecting Where to Apply for a Loan by Latino Origin	55
8	Credit Literacy by Latino Origin	57
9	Credit Literacy by Latino Origin (Logan sub-sample only)	58
10	Relationship between Banking Practices and Credit Card Holding	60
11	Credit Literacy and Checking Account Holding by Latino Origin	62
12	Homeownership by Latino Origin	63
13	Homeownership and Financial Embeddedness	64
14	Homeownership and Financial Embeddedness among Latinos	65
15	Homeownership and Financial Embeddedness among Non-Latinos	66
16	Financial Embeddedness by Latino Origin	68
17	Reliability Statistics for Guttman Scales	69
18	Conditional Probabilities of Financial Practice by Level of Financial Embeddedness	70

LIST OF FIGURES

FIGURE Page

1 Conceptual Model 26

2 Map of Study Area 30

3 Conditional Probabilities of Financial Practice by Level of Financial Embeddedness 71

4 Level of Financial Embeddedness by Latino Origin 72

CHAPTER I

INTRODUCTION

The United States currently faces its worst economic crises in decades. What began as a slump in the real estate market in 2007 has expanded into a global recession. The number of home foreclosures has skyrocketed; unemployment has reached record levels; and state governments face fiscal crises. Not only has this crisis affected millions of U.S. households through the loss of income, retirement savings, and homeownership, it has threatened the stability of the U.S. banking and financial system. The present crisis has highlighted our nation's fundamental shift toward a credit-oriented economy. Credit is commonly understood as "the promise to pay in the future in order to buy or borrow in the present; [or] the right to defer payment of debt" (Federal Reserve Bank of San Francisco 2010). Although access to credit has been restricted during the current financial crisis, it has been, and remains, a major avenue toward asset building and wealth accumulation.

Sociologists have long been interested in disparities in wealth and asset ownership, especially disparities that fall along racial-ethnic lines (Oliver and Shapiro 1995; Shapiro 2006). Few social scientists, however, have investigated the processes through which these differences are generated. This study attempts to understand these processes by examining credit access and literacy, since credit has become a primary vehicle to asset accumulation. For example, most Americans today buy homes through mortgage loans, which are, in turn, procured through a credit-scoring system. This credit scoring system affects the cost and conditions associated with mortgage loans. As studies

suggest, credit scores are highly correlated with race and ethnicity (e.g. Belsky and Retsinas 2005; Federal Reserve System 2007). In an exploratory manner, this study examines credit access, credit literacy, and credit experience as a window into racial-ethnic disparities in asset-building.

Studies of wealth inequality tend to compare asset ownership and financial behavior among blacks and whites. In contrast, I am concerned with a relatively understudied population in this literature, namely the Latino population. Studies of wealth among blacks cannot be generalized to the Latino population given the unique histories of these two racial-ethnic groups. These are also two groups that are situated in very distinct ways in the American social fabric. For example, a greater percentage of Latinos are foreign-born in comparison to blacks, and foreign-born Latinos bring with them a unique relationship to financial institutions and a unique approach to financial issues from their countries of origin. As well, they have lower levels of English language fluency and have a mix of legal statuses. Given these unique qualities, the financial behavior and financial situation of Latinos need to be studied in their own right. As such, I compare credit access, credit literacy, and credit experience of Latinos and non-Latinos to understand how credit might translate into asset-building and ownership for Latinos.

In this study, I focus on Latinos in new immigrant destinations, so called because they depart from the traditional immigrant gateways like New York, Los Angeles, and Chicago. In the last two decades, new immigrant destinations have grown economically and demographically as the native- and foreign-born flocked to these places in search of job opportunities and lower costs of living. This research examines an area in northern Utah known as Cache Valley, which features lenient regulation of payday lenders, and,

like most new immigrant destinations, an overall lack of ethnic resources and a relatively limited system of support for immigrant and Spanish-speaking families. This makes the Latino population in Cache Valley, and in new destinations more generally, particularly vulnerable to economic difficulties and an important subset of the population to explore.

In this descriptive and exploratory study, I examine credit among Latinos through a survey of financial barriers, literacy, and practices, which was distributed to low-income residents of Cache Valley between the end of 2007 and the beginning of 2009. These survey data allow me to explore the relationships between banking, credit, and assets. Again, these relationships are critical to explore because they shed light on how individuals build assets and, hence, wealth over time. These data also allow me to describe and evaluate the economic well-being of a vulnerable segment of the U.S. population. Through comparative chi-square analyses of these data, I seek to establish the degree to which low-income Latino residents are in a position to establish credit relative to their low-income non-Latino neighbors. I also examine whether individual members of these groups are embedded in the credit economy or are operating outside the credit economy. Using latent class analysis, I measure this embeddedness through a combination of binary variables that look at bank account holdings, credit access, and credit literacy. Finally, I seek to establish the degree to which credit buys Latinos versus non-Latinos the financial leverage necessary to accumulate wealth, as measured by home ownership.

Raising questions about credit opens up a new, and less examined area of social inequality, what I am calling 'financial embeddedness.'[1] Presumably, the more financially embedded individuals are, the greater access to credit they have, and the greater ability they have to buy a home, start a business, and otherwise build wealth. Measuring financial embeddedness among Latinos not only tells us something about their likelihood of accumulating assets, but it also tells us their level of integration in the U.S. financial system as a group. Have Latino financial practices and their experience with credit enabled them to become a part of the mainstream U.S. economy? Or has credit access become another form of economic marginalization? If so, what are the most crucial factors that limit credit access for low-income Latinos?

I begin this exploratory study by assessing the bank account holdings of low-income Latinos and non-Latinos in Cache Valley, Utah. Do these holdings suggest that each group is, on the whole, integrated into the U.S. banking system? From here, I move to focus on credit. What is each group's level of knowledge about credit issues? What experience does each group have managing credit? And what is the relationship between credit literacy and experience and bank account holding? Finally, I explore the relationship between credit and asset ownership. Is access to and experience with credit related to homeownership for each group? How does financial embeddedness, or integration in the U.S. credit system, relate to homeownership? In the chapters that

[1] Note that my use of the term 'financial embeddedness' is different from the macroeconomic use of the term. Correa (2009), for example, conceptualizes financial embeddedness at the institutional level as a structure of inter-bank linkages. At the international level, Metzler (2002) describes Japan's financial embeddeness in an American-centered international economic order in the 1920s. In this study, personal financial embeddedness deals with the degree to which personal financial behaviors occur within main-stream banking institutions rather than informal financial relationships.

follow, I review the relevant literature and I describe details of the current study, which will explore these questions.

CHAPTER II

LITERATURE REVIEW

In this chapter, I begin by discussing the research on wealth, assets, and race-ethnicity. This research helps us understand racial-ethnic differences in wealth and asset-building. Yet it does not shed much light on how these differences are produced, or what is behind these considerable inequalities. For this, we need an appreciation for how credit access and credit literacy leads to asset accumulation for those deemed "credit worthy." In the second section, I review social and historical changes that have transformed the credit system into a tool for asset building. In earlier eras, racial discrimination in housing, racial differences in socio-economic status, and disparities in financial capital prevented racial minorities from building wealth. Today, access to credit provides a seemingly 'color-blind' way to build assets. I argue, however, that differences in credit access, credit literacy, and credit risk fall along historic racial-ethnic fault lines, helping to fuel racial-ethnic disparities in asset ownership. In the third section, I focus on the dynamics of a dual financial system that has proven advantageous to a financially savvy sub-population, but disadvantageous to many racial-ethnic minorities.

Asset Ownership and Racial Inequality

Sociologists have typically focused on income as an indicator of economic well-being (Keister and Moller 2000). Yet wealth or asset ownership is an equally, if not more important indicator of economic well-being than income (Sherraden 1991). Wealth may be transmitted across generations and may protect individuals and households from a

variety of economic and social problems, such as unemployment and death of an income earner (Keister 2000b; Oliver and Shapiro 1995). In short, wealth and assets provide for short- and long-term financial security. Dalton Conley (1999), for example, showcases how two families with similar levels of household income may have drastically different assets and, hence, different levels of status and security. In each case, the husband-father has an equal employment status and level of pay, but their families experience distinct social outcomes due to differences in homeownership. These differences can be explained, in part, to differences in race and intergenerational transfers of wealth. Note that wealth is also an important source of social prestige and political power.

Economic well-being is understood differently when viewed from the perspective of assets rather than income. My understanding of poverty is also different when I consider assets in addition to income. Income refers to the flow of cash resources, whereas assets are resources that can be converted to cash (Carasso and McKernan 2007). Those who are asset poor do not have resources to draw upon in times of need. This makes them particularly vulnerable to unexpected events (e.g. job loss, medical emergency) and economic crises (e.g. recession, inflation) (Carasso and McKernan 2007; Spilerman 2000). Having assets and wealth provides consumer power and the ability to protect one's standard of living (Spilerman 2000).

In general, asset-poor individuals are not able to take advantage of the economic opportunities available in a society. For example, those who do not own homes cannot benefit from rising property values. Likewise, gains in the stock market are only shared by those who have investments. Several studies have found that the rate of asset poverty exceeds the rate of income poverty (Belsky and Calder 2005; Caner and Wolff 2004;

Carasso and McKernan 2007; Sherraden 1991). Moreover, although the rate of income poverty decreased between 1984 and 1999, the rate of asset poverty barely changed and the severity of asset poverty dramatically increased (Caner and Wolff 2004). Thus, even if income levels increased for poor households, the level of assets for these households remained limited.

Since 1983, numerous national studies have documented the account holdings and assets of American households, revealing marked differences across racial-ethnic lines. These studies have drawn on four large datasets: the Survey of Consumer Finances (SCF), the Survey of Income Program Participation (SIPP), the Panel Study on Income Dynamics (PSID), and the Health and Retirement Study (HSF). For the most part, these national surveys document asset ownership through measures like net worth, financial and non-financial asset holdings, credit card use, homeownership, and household savings.

As a whole, these studies suggest that in spite of income gains, the assets of non-white households remain below that of white households. Data from the 1992 SCF, for example, show that white households have much greater levels of assets and financial wealth than black households (Badu, Daniels, and Salandro 1999). Likewise, data from the 1984-1999 PSID indicate that non-whites are more than twice as likely to be asset poor (Caner and Wolff 2004). Using data from the HSF, Smith (1995) found that the average middle-aged black or Latino household has no liquid assets at their disposal. Finally, the most recent data demonstrate that the median net worth of non-white and Latino families is $25,000, compared to $141,000 for white non-Latino families (Bucks, Kennickell, and Moore 2006).

These empirical findings echo sociological research on the black-white wealth gap. In their landmark work *Black Wealth/ White Wealth*, Oliver and Shapiro (1995) note the centrality of wealth to black-white inequality. Their research is based on information gathered from 11,000 households surveyed between 1987 and 1989 as part of the Census Bureau's Survey of Income and Program Participation (SIPP). They find that differences in wealth or asset ownership reveal dynamics of inequality that are hidden by income measures alone. According to their study, middle class blacks earn seventy cents for every dollar earned by middle class whites, but middle class blacks have only fifteen cents in assets for every dollar held by middle class whites.

The most consistent theme that emerged from Oliver and Shapiro's surveys was that family assets expand choices, horizons, and opportunities for children, whereas the lack of assets restricts or limits opportunities. As opposed to income, education, or occupation, wealth represents the "sedimentation" of earlier racial inequalities, as well as the current dynamics of racial inequity. Sedimentation means that the cumulative effects of the past have solidified black's position at the bottom of society's economic hierarchy. Wealth accumulation depends heavily upon intergenerational transfers and support through gifts, loans, and inheritances. Being poor and without assets themselves, black parents are less likely to loan their children money for down payments on such assets as houses.

Since Oliver and Shapiro's landmark study, research has moved beyond simply comparing blacks to whites to analyze asset inequalities among other racial-ethnic groups. In some respects, the level of wealth among blacks and Latinos are similar relative to white, non-Latinos, although measures of black wealth tend to be lower than

measures of Latino wealth. Based on an analysis of census data by the Pew Hispanic Center, the median income of blacks and Latinos was roughly two-thirds that of white households in 2002 (Kochhar 2004). The median net worth of black and Latino households in 2002 was $5,988 and $7,932, respectively. For white households, that figure was $88,651. Latinos lost nearly a fourth of their net-worth between 1999 and 2001, but were able to recover some of the loss in 2002. The net worth of blacks had been lower than Latinos and fell sharper between 1999 and 2002, following the 2001 recession. High immigration rates explain part of the reason for Latinos relatively low net worth, compared to whites.

In studies of racial-ethnic disparities in wealth, homeownership is considered a key variable. A report by the Pew Hispanic Center based on 2002 Census data, for example, noted that the median net worth of renters is only one percent of the net worth of homeowners (Kochhar 2004). Thus, racial-ethnic disparities in homeownership are a good indication that there are racial-ethnic disparities in wealth. According to a report from Harvard University's Joint Center for Housing Studies (2008), the percentage of white households who owned homes in 2007 was 75 percent. Among black and Latino households, the rates were 48 and 50 percent, respectively. Within the Latino population, there were important variations. In 2002, the rate of homeownership among Latino immigrants who were naturalized citizens was relatively high at 64 percent. In contrast, the homeownership rate of non-citizen Latino immigrants was only 35 percent (Kochhar 2004).

Given that the majority of U.S. residents buy homes through mortgage loans, housing equity has become an equally, if not more important measure of wealth. Using

data from the American Housing Survey, Krivo and Kaufman (2004) found large gaps in the housing equity of blacks and Latinos as compared to whites. These gaps remained after controlling for life-cycle, socio-economic, immigrant, and family characteristics. Blacks and Latinos receive, on average, less equity than whites for each additional year of residence. Krivo and Kaufman (2004) find that ten years of residence is associated with an average gain of $31,570 in home equity for whites, whereas blacks and Latinos gain $15,830 and $18,940, respectively. According to the authors, prior ownership, interest rates, and large or inherited down payments have less effect on the uneven influence of length of residence on home equity between blacks, Latinos and whites. They link differences in equity for Latinos and blacks to discrimination and racial differences in housing and the quality of neighborhoods. Minorities differ dramatically in their ability to accumulate long-term wealth through their homes as compared to whites.

Homeownership is not only a useful indicator of wealth; it is also a useful measure of economic advancement among immigrants. Alba and Logan (1992) brought attention to the importance of homeownership for wealth accumulation and assimilation among immigrants. Using English proficiency to measure immigrant assimilation, they found assimilation to be an important predictor of homeownership among twelve different racial-ethnic groups. Krivo (1995) confirmed Alba and Logan's (1992) findings about the importance of English proficiency in a comparative study of Latinos and non-Latinos in Los Angeles and New York. Krivo also found that the likelihood of home ownership increased with respondents' length of residence. In general, the negative effects of foreign birth continued until after immigrants had been in the United States for 36 years.

In later work, Myers and Lee (1998) examine the rate of advancement to homeownership of immigrants as compared to native-born residents in Southern California in the period between 1980 and 1990. Their findings indicate that a very large percentage of immigrants become homeowners, sometimes exceeding the rates of native-born populations. Household income, education, English proficiency, and marital status were significant predictors of homeownership among all immigrant cohorts and groups. In this regard, the authors note two different pathways to homeownership. Among Asians, many immigrants experience a remarkable level of ownership soon after arrival. The Asian model reflects the high levels of human and financial capital that many Asians bring to the United States, rather than their rapid assimilation. In contrast, Latino immigrants begin with very low levels of assets, followed by two decades of sustained homeownership achievement, albeit still below the level of native-born residents. In later work, Myers and Park (1999) found that occupational achievement also made a significant contribution to homeownership attainment of immigrants. Looking at five metropolitan areas, this relationship was remarkably consistent across housing market, immigrant size, and level of economic growth.

Thus far, I have focused on racial-ethnic disparities in wealth outcomes and asset ownership. Explaining what fuels these disparities is a separate question. Historically, racial discrimination in lending and real estate was the major cause behind differences in asset ownership. In the mid-20th century, banks made it possible for middle-class families to purchase homes through the classic 20-percent-down, fixed-rate, and 30-year mortgage. After World War II especially, the classic home mortgage drew thousands of (primarily white) families to the suburbs. Still, many low- and middle-income families

could not afford these homes. Either the monthly payments were too high or they could not come up with the required 20 percent down payment. As well, many potential borrowers were excluded for religious, racial, or ethnic reasons. Indeed, discrimination in lending made homeownership nearly impossible for most blacks and racial-ethnic minorities in the 1950s.

"Steering" is a practice in which real estate agents do not disclose properties on the market to qualified black American buyers in order to preserve the racial composition and property values of white neighborhoods (Conley 1999). "Redlining" is the practice by which banks marked particular neighborhoods as off-limits for business or mortgage lending, generally because the residents are people of color or poor (Massey and Denton 1993). This practice made it nearly impossible to obtain a mortgage in particular neighborhoods. Even the Federal Housing Administration (FHA) supported redlining and restrictive covenants that barred lenders from extending credit in particular geographic areas. Both steering and redlining were used widely to prevent qualified racial-ethnic minorities from attaining homes until passage of the 1968 Fair Housing Act (Massey and Denton 1993). One study of Chicago real estate agents by Harvey Molotch (1972) in the mid-1960s found that only 29 percent of Chicago agents were willing to rent homes to blacks unconditionally, regardless of the neighborhood composition or the market situation. Half of these agents were black.

In the 1960s and 1970s, several pieces of legislation were passed to end these overt forms of racial discrimination. These include the Fair Housing Act of 1968, the Home Mortgage Disclosure Act passed in 1975, the Equal Credit Opportunity Act in 1974, and the Community Reinvestment Act in 1977. The Fair Housing Act sought to

eliminate discrimination by landlords and sellers in housing rentals and real estate prohibit mortgage lenders from discriminating against borrowers based on race-ethnicity, gender, age, and religion, The Home Mortgage Disclosure Act facilitated prosecution of redlining cases by requiring lenders to identify the size and number of loans extended to specific neighborhoods. Combined with racial composition information, these data have enabled researchers to see if race was a significant predictor after controlling for other factors, thus signaling the likelihood of discrimination. The Equal Credit Opportunity Act prohibits creditors from discriminating in the provision of credit based on the basis of race, color, religion, national origin, sex, marital status or age. Such prohibitions for mortgage lenders are included in the Fair Housing Act of 1968. Finally, in 1977, Congress passed the Community Reinvestment Act (CRA), which required banks to demonstrate that they were extending their services to residents of low-income neighborhoods where capital had been previously denied.

These pieces of legislation helped to minimize overt racial-ethnic discrimination in housing. Nevertheless, homeownership rates for minorities remained 25 percent less than that of whites (Belsky and Retsinas 2005). Why the persistent gap in this major source of wealth? Some studies point to labor market inequalities, barriers to education, and lower levels of pay for comparable education to explain these racial-ethnic disparities. Other studies suggest that discrimination in lending and housing persist in less overt manners despite these landmark pieces of legislation (Holloway 1998; Ibarra and Rodriguez 2006; Ross and Yinger 1999). Massey and Denton (1993) cite 1988 audits by HUD that demonstrated that dark-skinned Hispanics are significantly more likely to experience discrimination in urban housing markets than light-skinned Hispanics (Yinger

1991). Although these variables are important, I argue that we must also look at changes in mortgage and consumer lending. On the surface, the evolution of mortgage lending has made home-buying more "rational" and less open to blatant discrimination. But as I will show in the next section, lending has not become fully color-blind, with credit an understudied factor in racial-ethnic disparities in asset ownership.

Credit Access and Building Assets

In the contemporary United States, building assets typically involves building credit. That is, major assets like homes are purchased primarily through a lending system in which individuals are differentially situated. Therefore, to understand how individuals, racial-ethnic minorities in particular, build assets over time, we need to understand their location in an evolving credit system. Over the past thirty years, the world of consumer lending has changed from a one-size-fits-all credit system in which 'credit-worthy' borrowers have access to credit, to a risk-based credit system in which even credit-risky borrowers have access to credit, albeit at a price (Belsky and Retsinas 2005). Although access to credit has contracted considerably since 2007 due to the U.S. housing and banking crisis, the practice of risk-based lending remains intact. In the practice known as risk-based pricing, lenders offer credit but vary the price of the loan according to the risk profile of borrowers. The good news is that credit has become available to borrowers who once were flatly denied any form of credit. The bad news is that consumer credit, from credit cards to home mortgages, is no longer equal. Based on their credit experience, consumers do not pay the same interest rates or fees, nor do they have the same choices on the terms and conditions of loans.

Risk-based pricing began first in the credit card industry in the 1970s, spread to the automobile- and consumer-loan industry in the 1980s, and was adopted by the mortgage industry in the 1990s. Two major changes have led to this transformation: the rapid growth of capital markets and the increasing use of statistical measures to assess credit risk, also known as credit scores. The rise of global capital markets has enabled investors to be matched to lenders who sell loan portfolios with a certain risk level. The selling of mortgages on the secondary market has removed many lenders from the servicing of their loans. Yet it also has allowed lenders to offer a broader range of lending products from prime conventional loans to subprime loans, which are determined by the credit risk of the borrower. As long as the risk of default is accurately assessed or predicted, and as long as investors are compensated for this risk by the rate of return, investors tend to be satisfied with risk-based pricing and lending (Belsky and Retsinas 2005).

The rise of credit scores has also helped transform the lending industry. Credit scores are based on records of how well individuals have met previous financial obligations and the ability to manage current available credit. These two indicators are used to predict the likelihood of default in the near future. The use of credit scores to assess financial risk has grown exponentially since 1989, when Fair & Isaac Co. presented a general system of credit reporting on mainstream consumer credit accounts. This credit scoring system results in what is known as FICO® scores. FICO scores are based on five main criteria. The first criterion is payment history, which includes any instances of payment delinquency or debt collections. The second is a measure of how "maxed out" an individual is with regard to their credit. This measure includes the

amount of credit used in proportion to credit available and the level of outstanding balances. The third factor assesses the age of the credit file; in general, the longer the history, the smaller the risk. Fourth, 'new credit acquisition' evaluates the extent to which people are seeking out new sources of credit. A number of recently opened accounts suggests that borrowers are "stretched thin" financially speaking. Fifth, and finally, the types of credit are taken into account. Mortgages result in higher ratings than installment loans.

In 1995, Freddie Mac and Fannie Mae, two federally-sponsored secondary-market agencies who purchase and guarantee mortgage loans, strongly encouraged lenders to adopt the use of FICO scores in automated underwriting system. Through the adoption of automatic underwriting, lenders were able to more rapidly predict the likelihood of default based on previous repayment patterns. This national system of credit accounting has expedited the process by which lenders assess risk. Fair Isaac has estimated that by 2005 75 percent of all mortgage loan originations involved the use of FICO scores (Fishelson-Holsine 2005). In this sense, FICO scores have become the standard measure of consumer credit risk in the United States. Three national credit depositories—Trans Union, Equifax, and Experian—provide information that enables lenders to assess the risk of potential borrowers immediately, without any prior knowledge or contact.

The current credit scoring system has several strengths. First and foremost, FICO scores facilitate the movement away from the problems of personal prejudice among loan originators (Fishelson-Holstine 2005). Many proponents of the credit scoring system argue that this objectivity removes tendencies toward racial bias that led to discrimination against racial-ethnic minorities. Indeed, on the surface, credit scores are race-neutral.

Cate et al. (2003) claim that using credit scores also reduces redlining because decisions are made based on the borrower's past experience rather than their location in a particular geographic area. Third, FICO scores have lowered the cost of originating loans and increased loan volume, enabling more consumers to gain access to credit. Between 1983 and 2001, the overall rate of homeownership in the United States rose from 60 to 68 percent (Turner 2003). Homeownership rates increased most dramatically for minority populations from 38 to 47 percent. The use of credit scoring and risk-based models in underwriting has had a sizeable influence on this change (Fishelson-Holstine 2005). Finally, the ability of lenders to use automated credit risk assessment through a single score has increased the securitization of loans for investors. Thus, credit scores have enabled and increased the flow of capital to mortgage lending. In short, credit scoring has made the lending process faster and made credit more accessible.

The credit scoring system is a seemingly rational approach to assess risk and repayment potential. It was developed through formal statistical modeling of consumer behavior using methodical procedures and scientific tools. In this sense, the credit scoring system may be understood through the lens of what Max Weber called 'rationalization', defined as the "process in which social interaction and institutions [are] increasingly governed by methodical procedures and calculable rules" (Edles and Appelrouth 2005:142). Weber saw rationalization as a defining and problematic feature of modern society. Although rational practices may lead to greater efficiency and productivity, they also may lead to what Weber described as an "iron cage" from which the individual is left with little power to escape. Today, all borrowers are subjected to the "iron cage" of lending criteria. There are very few mortgage lenders who do not rely on

FICO scores for loan decisions. Likewise, borrowers are penalized in the form of higher rates, fees, and perhaps denied credit if their financial practices do not conform to the expected standards of financial behavior.

Indeed, there are numerous problems associated with the current credit scoring system. Even small lapses of judgment and minor financial problems can translate into lower scores and higher interest rates. Further, the credit scoring system holds consumers responsible for understanding the credit system and contacting credit bureaus to correct errors in their reports. It has been demonstrated that many consumers lack basic understanding of credit reports and scores (Consumer Federation of America and Providian 2004; Consumer Federation of America and Washington Mutual 2008; Hilgert, Hogarth, and Beverly 2003). Even consumers who have good credit scores and who think their knowledge of credit reports is good, often answer questions about credit incorrectly (Consumer Federation of America and Providian 2004). Another major issue is that the use of credit scoring has disadvantaged those without credit and payment histories – renters, individuals with low levels of income and education, young people, and racial-ethnic minorities (Bostic, Calem, and Wachter 2005). Finally, risk-based lending has made many borrowers vulnerable to sub-prime and predatory lending.

Associated with all of these weaknesses is the fact that the credit scoring system has not eliminated racial-ethnic disparities. According to a 2007 report submitted by the Federal Reserve in compliance with the Fair and Accurate Credit Transaction Act of 2003, “different demographic groups in the United States have substantially different credit scores” (S-1). Blacks and Latinos, in particular, have lower credit scores on

average than non-Latino whites and Asians. Those who are younger (under age 30) also tend to have lower credit scores.

Unfortunately, little research has been conducted on issues of racial disparities in credit scores. This stems from a lack of data from the credit bureaus that links credit scores to race, ethnicity, and other personal data as well as federal laws that prohibit the collection of personal and demographic data on nonmortgage credit. Although on the surface, credit scoring is a race-neutral system, it tends to reproduce patterns of racial-ethnic disparities in credit, and in turn in lending and asset ownership.

Racial differences in credit literacy have also been documented. In a 2004 study of consumers' knowledge of credit, Lyons, Rachlis, and Scherpf (2007) find that consumers who were less educated, older, Latino, and low-income tended to be the least knowledgeable. For this study, data were gathered from a sample of U.S. consumers using randomly selected telephone numbers. Phone numbers were over sampled for African Americans, Latinos, and low-income, non-Latino whites. Researchers also over sampled residents in seven states where consumers could obtain at least one free credit report in 2004. Those individuals with higher levels of credit knowledge were more likely to have had prior experience with credit, which suggests that consumers "learn by doing" and are "more informed when they have gained financial experience" (Lyons et al. 2007: 244).

If credit experience translates into credit literacy, we must examine the factors that lead to credit experience among racial-ethnic minorities. And in this regard, credit access is critical. Without credit access, credit experience is unobtainable and credit literacy is negligible. In this regard, research suggests that race-ethnicity clearly

continues to matter. Latino advocates argue that the mortgage, auto loan, and credit card markets have structural barriers that make it difficult for creditworthy Latino households to access safe and affordable credit (Bowdler 2008). For example, credit scores do not hinge on timely payment of rent, cable, and utilities, which are often the monthly expenses in low-income households (Bowdler 2008).

For Latino immigrants, the credit issue is even more complex. Most immigrants have a thin credit history, meaning they have not had many credit accounts and/or these accounts have only been opened for a short-time. Many Latino immigrants have no credit history at all. According to a study by the Center for Community Capitalism, at least 22 percent of Latinos do not have enough of a credit account history to even calculate a credit score, compared to 4 percent of whites and 3 percent of blacks (Stegman, Quercia, and Lobenhofer 2001). Thin credit histories make it easier for predatory lenders to take advantage of Latino immigrants. According to one estimate by the National Council of La Raza, subprime loans made up nearly 40 percent of Latino mortgages and nearly one fourth of Latino mortgages refinanced in 2002 (Bowdler 2005). Given these trends, it is not surprising that Latino advocates argue that the credit crunch is one of the most urgent issues facing Latino families (Bowdler 2008).

I argue that the problem of credit is a major factor in the racial-ethnic disparities in assets that we see today. In the next section, I explore how banking practices complicate the problem of credit. As I will show, a sizable portion of racial-ethnic minorities do not have banking accounts, which puts credit, and hence assets, far out of reach.

Banking and the Credit Economy

Access to credit and credit literacy presupposes some connection to mainstream financial institutions. Indeed, one of the precursors to being able to obtain a credit card or consumer loan is whether or not the individual holds a savings or checking account. Those individuals who maintain some relationship to mainstream financial institutions, what the literature refers to as being "banked," are more likely to have credit access and literacy. As such, they are more likely to enjoy higher credit scores, better mortgage loans, and more financial assets. Alternatively, those individuals who do not have a relationship to the financial mainstream are less likely to have credit access, respectable credit scores, and low-interest loans. In this regard, the fact that we have financial system deeply divided between the "unbanked" and "banked" is problematic where credit access and asset ownership are concerned.

Access to banks can be limited. Opening a checking account can depend upon one's prior financial history. Most national banks use ChexSystem, a database that reports individuals who have had problems managing check accounts (Seidman and Tescher 2005). This database tracks individuals who may have bounced a check or been involved in fraud during the past five years. Most banks who subscribe to the system deny any applicant who is listed in ChexSystem, no matter what the reason, from opening a checking account for five years, thus forcing individuals to use more expensive check-cashing outlets for their check cashing needs (Beckett 2000). Customers often learn they are listed on the ChexSystem from the bank employee only after asking why their

application for an account had been denied. Several banks also use ChexSystem to screen potential credit card customers.

An estimated 50 percent of U.S. immigrants and 10 percent of all U.S. households lack access to bank accounts (Hogarth, Anguelov, and Lee 2004; Orozco 2003). There are a number of reasons why, including distrust of banks, lack of physical access to banks, and minimum balance requirements (Bair 2003; Consumer Federation of America 2004; Inter-American Dialogue 2004; Suro et al. 2002; Toussaint-Comeau and Rhine 2000, 2002). Lacking such access, many foreign-born and native-born individuals perform most of their financial transactions (e.g. paying bills) using cash and/or alternative financial service providers (e.g. check-cashing outlets) (Toussaint-Comeau and Rhine 2002). Doing so, however, prevents such individuals from establishing long-term relationships with formal financial institutions. These long-term relationships would enable them to accumulate savings, establish credit histories, and become eligible for loans. Using alternative financial outlets also leaves individuals vulnerable to predatory financial practices, which strip income and assets from those who are low-income and, often, unsophisticated consumers.

Although there has always been a shadow banking system, today the consequences of being unbanked are greater. Those who are channeled into a shadow financial system find it more difficult to build the credit history necessary for long-term asset accumulation. As such, ‘banking the unbanked’ has become a critical area of research and policy-making (Bair 2003; Beverly, Tescher, and Romich 2004; Hogarth et al. 2004; Inter-American Dialogue 2004; Orozco 2003; Schoenholtz and Stanton 2001; Suro et al. 2002; Toussaint-Comeau and Rhine 2002). Most of this research, however,

focuses on blacks and/or major cities, leaving a gap where Latino and/or smaller communities are concerned. This literature is also dated in that it predates the shift toward a credit economy. The financial situation of Latinos outside of inner cities offers scholars a window into the economic vulnerability of an understudied low-income group that struggles to get ahead in a credit-driven economy.

It is estimated that roughly 35 percent of Latino households and 40 to 50 percent of Latino immigrant households do not have a bank account (Hogarth et al. 2004; Pew Hispanic Center/Kaiser Family Foundation 2002). Explanations as to why Latinos do not participate in mainstream financial institutions vary greatly. They include the same reasons that many blacks are unbanked, such as distrust of banks, as well as challenges specifically facing Latinos, such as the inability to speak English, lack of information, lack of documentation, and cultural norms related to saving and investing. Efforts to translate materials from English to Spanish has been a priority for many banks seeking the business of Spanish-speaking clients, as have financial literacy programs targeted at Spanish-speakers (Muniz 2004; Newberger, Paulson, and Chiu 2004).

Although identification has also been cited as a barrier to participation in banks, especially for the roughly 30 percent of Latino immigrants who are undocumented, banks are increasingly allowing the use of non-traditional documents. These include the Matrícula Consular identification card issued by the Mexican government for its citizens abroad, as well as the Individual Tax Identification Number (ITIN) issued by the U.S. Internal Revenue Service for tax reporting purposes (Institute of Latino Studies at Notre Dame 2006; Suro et al. 2002). Still, there is great variation between banks with respect

to the forms of identification that they accept. In 2004, 178 banks in 33 states accepted the Matricula consular as a means of identification (Amuedo-Dorantes and Bansak 2005).

Regardless of the explanation, the lack of bank accounts among Latinos and other racial-ethnic minorities makes it more difficult to establish a stable credit history, obtain high credit scores, and purchase such assets as a home. Racial-ethnic minorities without bank accounts are also more dependent upon the services of payday lenders and alternative financial institutions for the majority of their financial transactions (Toussaint-Comeau and Rhine 2002). As a consequence, some scholars argue that there exists a dual-market system (Murrell 2003; Retsinas and Belsky 2008). Retsinas and Belsky (2008) define a dual market structure as one in which low-income and often minority areas are served primarily by one set of institutions, arrangements and products and higher-income, mostly white areas are served primarily by another (see also Choudhry and Fabozzi 2004).

The Present Study

The present study seeks to address gaps in the literature on wealth inequality, the credit system, and the 'unbanked' by examining the financial situation and potential for asset-building among Latinos in new immigrant destinations. In spite of the extensive literature on racial differences in wealth and asset accumulation, the experience of blacks cannot be generalized to Latinos. Their racial-ethnic histories and social locations are different. Latinos are a diverse population with different relationships to banking institutions in particular, and to the credit economy in general. Although there is an emerging literature on Latino financial practices, the majority of these have focused on

Latinos in traditional immigrant destinations like Los Angeles, New York, and Chicago (Amuedo-Dorantes and Bansak 2005; Hogarth et al 2004; Pew Hispanic Center/Kaiser Family Foundation 2002; Seidman and Tescher 2005). Less is known and understood about Latinos in non-traditional immigrant communities. New immigrant destinations offer different contexts than traditional immigrant gateways where ethnic communities and ethnic resources are more readily available. As well, social services that might otherwise help non-English speaking individuals (e.g. bilingual service representatives) are limited in new immigrant destinations.

The relationship between banking, credit, and assets is presented in Figure 1. I conceptualize the relationship between banking, credit, and assets as a cumulative progression of stages toward financial integration. The stages include banking, credit, and asset development. Each stage contains different dimensions, such as access, barriers, literacy, and practice, which build off the dimensions of the previous stage. Banking serves as the foundation for the credit experience, which in turn is the foundation for building assets. These stages combine together to influence an individual's overall level of financial embeddedness.

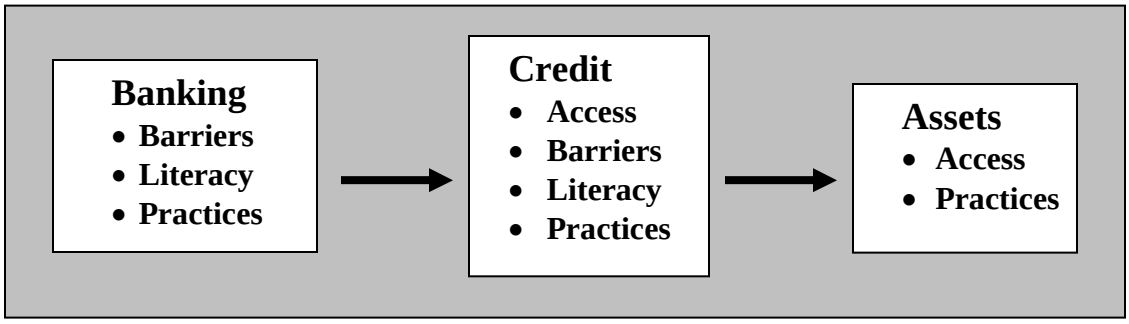

Figure 1. Conceptual Model

Using the context of new immigrant destinations to explore the financial position and practices of Latinos, and their relation to banking practices, credit experience and asset-building potential, this study asks the following research questions:

1) To what degree are Latino and non-Latino residents of new immigrant destinations "banked" and, hence, in a position to establish credit? And are there ethnic differences in the extent to which each group is banked?
2) To what degree are Latino and non-Latino residents of new immigrant destinations knowledgeable of credit issues and experienced in managing credit? And are there differences in levels of credit literacy and credit experience by ethnicity and by bank account ownership?
3) What are the rates of homeownership among Latino and non-Latino residents of new immigrant destinations? And are there differences in rates of homeownership by ethnicity and credit literacy and experience?
4) How are bank account holdings, credit literacy and experience, and homeownership for Latino and non-Latino residents of new immigrant destinations related to their overall level of financial embeddedness in the mainstream economy?

CHAPTER III

METHODOLOGY

This study analyzes data collected from surveys of selected Latino and non-Latino residents in Northern Utah. As one of many new immigrant destinations in the West, this area has experienced significant in-migration of Latinos during the last two decades. Between 1990 and 2000, the number of Latinos in the state of Utah grew by 138 percent (U.S. Census 2000). The change in the state's ethnic composition is quite dramatic for a traditionally homogeneous area. This chapter reviews key characteristics of the study area in which I distributed this survey, details about the survey itself and my data collection techniques, and the measures I used in assessing Latino credit access, financial literacy, and economic well-being.

The Study Area

The study area of my research focuses on two towns in the Logan Urbanized Area in Cache County, Utah. The Logan Urbanized Area was designated in 2000 and includes the town of Logan and ten smaller towns concentrated in an area known as Cache Valley. Cache Valley is about an hour and a half north of Salt Lake City, Utah. In spite of recent urban growth, the area still retains many of its rural characteristics. Cache Valley has a diversified employment sector in agriculture, meatpacking, food processing, light manufacturing, and education.

The population in the area is younger on average, with a median age of 24.6 compared to 28.5 in Utah and 36.7 in the United States (for these and other figures, see

Table 1). Median family income in the Logan Urbanized Area (an average of $55,158 from 2006-8) is below the state and national averages. Between 2006 and 2008 the percentage of persons living below poverty was slightly higher in the area (14.3%) than in the state of Utah (10.0%) and the United States as a whole (13.2%).

Table 1. Demographic Characteristics of the Study Area

Location	Total Population	Percent Latino	Median Age	Median Family Income	Percent Living Below the Poverty Line
Logan Urbanized Area	89,357	9.0%	24.6	$55,158	14.3%
Cache County	109,337	8.7%	24.9	$57,219	13.2%
Utah	2,663,500	11.5%	28.5	$67,372	10.0%
United States	301,237,703	15.1%	36.7	$63,211	13.2%

Source: U.S. Bureau of the Census.2009. American Community Survey 2006-2008

The study area constitutes of selected census blocks in two towns in the Logan Urbanized Area: Logan and Hyrum (see Figure 2). With an estimated population of 48,399, Logan is the larger of the two town. Logan is also the county seat and the home of Utah State University, where this research is based. Located eight miles south of Logan, Hyrum is considerably smaller with a population of about 7,636. The E.A. Miller/Swift meatpacking plant in Hyrum is one of six sites nationwide where highly publicized immigration raids occurred in 2006.

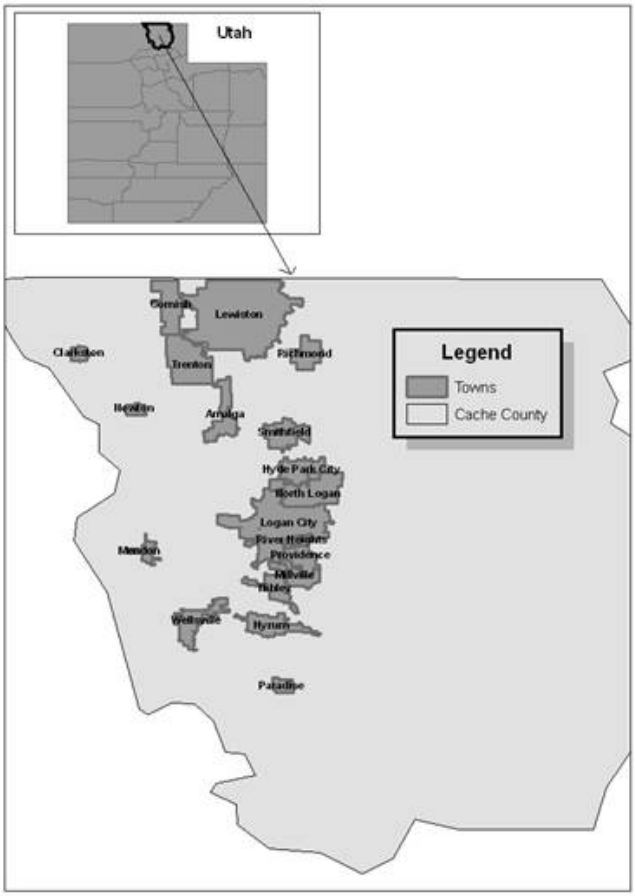

Figure 2. Map of Study Area

Logan and Hyrum were selected for this study because both have experienced a rapid increase in Latino residents during the last twenty years. They also were selected for convenience. Both communities are close and accessible to researchers at Utah State University. Finally, they were chosen because they are home to the greatest number of Latino households in the Logan Urbanized Area and in Cache County overall. Latinos began arriving to the area after being heavily recruited by the meatpacking plants. At the time of their recruitment, most Latinos were living in California and Texas. In 2000, Latinos comprised 8.3 percent of the population in Logan and 13.5 percent in Hyrum. By

comparison, Latinos made up 9 percent of Utah's population that year. Since 2000, the number of Latino residents in Cache County and in Utah has continued to rise. On average, between 2006 and 2008, Latinos comprised 9.0 percent of the population in the Logan Urbanized Area, compared to 11.5 percent in that state of Utah as a whole.[2]

In addition to being a new immigrant destination, Utah is characterized by lenient policies regarding payday lending. Some scholars claim that Utah ranks the third lowest out of all states in its level of regulation of payday lenders. This is due to its lax laws on interest rates, maximum loan amounts, the number of loans a person can have open, and the length of time a loan can be rolled over (Delgadillo and Kelly 2007). Within the state of Utah, Cache County has a higher than average ratio of the number of payday lenders to financial institutions, at 1 to 2.1. The annual interest rates charged for short-term cash advances of payday loans range between 330 and 550 percent, adding an extra burden to those already strapped for cash. Cache Valley's increasing Latino population and lenient payday lending policies make the area an interesting place to study financial behavior.

Data Collection

Data used in this study are part of a larger project called "Bringing Latinos into the Financial Fold" (UAES #869), funded by the Utah Agricultural Experiment Station with Dr. Susan E. Mannon as principal investigator. Data for the project consist primarily of surveys conducted in two iterations between October 2007 and January 2009. The bulk of the surveys in Hyrum were distributed in October of 2007; the bulk of the surveys

[2] Comparable figures for Logan and Hyrum are not available in the American Community Survey 2006-8, on which these more updated figures are based.

in Logan were distributed in 2009.[3] For the purpose of this study, I collapsed these two datasets to run analyses on the relationship between Latino banking, credit, and assets.

Collapsing these datasets is not unproblematic given that the surveys were conducted in two different towns during two different years. But these towns are so similar socio-economically and the lag time between surveys was so small that it is possible to treat both datasets as one. Both towns are part of the same metropolitan area; they are relatively close in distance and share a common labor market; they have similarly concentrated Latino populations; and they are part of the same socio-cultural milieu. Though not ideal, the similarities in the towns, and the fact that only 13 months separated the two iterations of the survey, make it reasonable to collapse the two datasets for the purpose of this analysis.[4]

This research utilized purposive sampling techniques in an effort to solicit sufficient responses from low-income Latino residents in the Logan Urbanized Area. Surveys were distributed to select census blocks in the study area. In both Hyrum and Logan, I selected five census blocks with the highest percentage of Latino households. Surveys were hand distributed to all households (Latino and non-Latino) where personal contact could be made. In an effort to protect against any bias of collecting data from more accessible populations, English and Spanish-speaking households were contacted multiple times at different times of the day as well as on weekdays and weekends.

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[3] Ideally, these surveys would have been distributed in the two areas simultaneously, but limited resources did not make this possible.

[4] In an ideal scenario, I would compare 2007 data from Hyrum and 2009 data from Logan to show that the communities were relatively similar in age, socioeconomic, and ethnic composition. Unfortunately, such data are not available from the American Community Survey.

Because survey respondents were not randomly selected, this is a non-probability sample, which means that tests of statistical significance are not technically feasible. Neither can these findings be generalized to the larger population. Even so, some inferences can be made using tests of statistical significance, with the caveat that any reference to a relationship being "statistically significant" should not be interpreted in a strict sense. Furthermore, basic relationships between banking, credit, and assets can be explored.

The English and Spanish versions of the initial Hyrum survey were distributed in the fall of 2007. The English Hyrum version (consisting of 48 questions) and the Spanish Hyrum version (consisting of 53 questions) asked for information on personal background, economic challenges, and financial practices and attitudes (see Appendix A and B, respectively). The English and Spanish versions of the Logan survey were distributed in January of 2009. In the English Logan questionnaire (consisting of 48 questions) and the Spanish Logan questionnaire (consisting of 56 questions) were more or less similar to the English and Spanish Hyrum versions (see Appendix C and D, respectively).

With respect to the Logan survey, questions were added to assess responses to the most recent economic downturn and to collect more in-depth attitudes towards credit. In addition, the wording of some questions was changed after problems were detected in the first iteration of the survey in Hyrum. For example, the subject pronoun *usted*, meaning you (formal), was added to the question of age in the Spanish survey to emphasize that the question was directed to the respondent rather than their children. Several Latino parents had misinterpreted the question and put their children's age given

the question's position right after a question about the number of children living in their home. Finally, the question order was changed slightly. With the addition of questions about the recent financial crisis, questions about employment and education were moved from the beginning of the survey to the demographic section just after marital status.

Surveys were distributed using a drop-off/pick-up technique. The drop-off/pick-up method has been used in household survey research in rural and small communities in order to reduce coverage error and sample bias of telephone and mail surveys (Steele et al. 2001). In this study, the hand delivery method enabled bilingual research assistants to distribute the survey in either English or Spanish, depending upon the preference of respondents. Research assistants explained the purpose of the project to an adult financial decision-maker and arranged a time to return to pick up the survey, usually within 24 hours. I estimate that it took approximately 20 minutes to complete the survey.

By distributing and retrieving self-administered questionnaires, researchers were able to ensure complete confidentiality and anonymity to respondents, which is important when soliciting information on such sensitive topics as financial practices. No surveys were identified with names or addresses. Using a self-administered questionnaire also helped ensure more detailed and accurate responses on financial matters than respondents would feel comfortable sharing in face-to-face interviews. Establishing trust through one-on-one contact was particularly important for getting survey responses from Latinos in Hyrum due a climate of fear that had persisted in 2007, less than a year after the immigration raids at the E.A. Miller plant.

In total, 128 English- and 72 Spanish-version surveys were collected.[5] This resulted in a total of 200 completed surveys. The drop-off/pick-up technique of self-administered questionnaires resulted in response rates among Latinos and non-Latino households that averaged 51 percent in Hyrum (51 refusals/unreturned surveys and 35 no-contacts) and 51 percent in Logan (43 refusals/unreturned surveys and 67 no-contacts).

For this research, individuals were considered Latino if they: (1) indicated that they were born in Latin America, (2) completed a Spanish version of the survey, (3) self-identified as Latino, and/or (4) reported that they send remittances to Mexico. All other respondents were considered to be non-Latino.[6] As Table 2 indicates, the Hyrum sample is comprised of more Latinos (58%) than non-Latinos (42%). Conversely, the Logan sample has more non-Latinos (70%) than Latinos (30%). A cross-tabulation of town and ethnicity produced a chi-square of 16.420 ($p<.001$), indicating that in our sample Hyrum was more Latino than non-Latino and Logan was more non-Latino than Latino. Thus, town of residence and Latino origin are so highly correlated in this sample that they may serve as parallel measurements or double variables.[7] Although I could compare financial issues by town of residence, I am interested primarily in how ethnicity and financial

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[5] Of the 128 English surveys collected, 44 were from Hyrum and 84 were from Logan. Of the 72 Spanish surveys collected, 44 were from Hyrum and 28 were from Logan.

[6] In the Logan English survey, I failed to include a question asking English-speaking respondents to indicate whether or not their ethnic background was Hispanic/Latino. Given the fact that all but one of the English-speaking residents in Hyrum who self-identified as being Latino met at least one of these conditions, I am fairly confident that this is an accurate method of identifying Latinos in this sample. Those Latinos in Logan who do not meet any of these criteria are likely to be fully assimilated in terms of their financial practices.

[7] Statistically significant differences arose between respondents in Logan and Hyrum on such variables as having a checking account, using cash/money orders to pay bills, cashing a check at a financial institution in the last twelve months, sending remittances, obtaining a copy of their credit report, Latino origin, marital status, and educational attainment. Although initially these differences seem to be substantial, closer

issues are related. Thus, I collapsed the data from Hyrum and Logan and compared financial issues by Latino origin.

Table 2. Sample Population by Town of Residence and Latino Origin

	Latino		Non-Latino		Total	
	Frequency	Percent (%)	Frequency	Percent (%)	Frequency	Percent (%)
Hyrum	51	58.0	37	42.0	88	100.0
Logan	33	29.5	79	70.5	112	100.0
N	84		116		200	

df =1; χ^2=16.420***; *p<.05, **p<.01, ***p<.001.

At this point, I do not have reason to suspect that differences between Logan and Hyrum have significantly affected the outcome of survey data I collected. As mentioned earlier, demographic data is not available to assess the degree to which Hyrum and Logan have changed during the last decade. The data I do have suggests that these two towns are relatively similar during these years. It is known that in spite of the immigration raid in Hyrum in 2006, both towns have continued to become more ethnically diverse with higher levels of Latinos. These towns also remain a part of the same metropolitan area. Unemployment, wages, and labor market differences are not substantial due to the proximity and interconnectedness of these towns. And aside from a large student population connected to the University in Logan, age, income, poverty levels are likely to have remained stable and comparable.

Likewise, I do not have reason to suspect that changes in the national economy between the end of 2007 and January 2009 would significantly alter the basic financial

analysis indicated that each of these variables directly corresponded with the ethnicity of the respondent. Chi-square tests of independence between these variables and ethnicity indicate that except for the variable marital status, each of the variables that were related to town of residence was also related to Latino origin.

account holdings, practices, and credit literacy of residents in Hyrum and Logan. Although foreclosures and unemployment were gradually rising in 2009, banking, credit, and check cashing services remained available in English and Spanish in both towns. In short, I do not have reason to believe that the experience and level of financial integration of most households changed drastically during this period of time. Combining these data sets enabled me to make comparisons between larger Latino and non-Latino populations in terms of financial habits, knowledge, and practices.

In Table 3, I present major demographic characteristics of the Latinos and non-Latinos in a sample in which respondents from both towns are collapsed into one dataset. Age, educational attainment, sex, marital status, religious affiliation, and the presence of children in the household vary between the two groups. Latinos in the sample tend to be younger (average = 34 years) than non-Latinos (average = 40 years). A t-test analysis indicated that the difference in age was statistically significant (t-value= 2.672, $p<.01$). Non-Latinos reported higher levels of educational attainment, with 27 percent having a completed a university degree (compared to 3% for Latinos) and only 6 percent with less than a high school education (compared to 54% for Latinos). Chi-square analyses showed that Latinos had significantly lower levels of education overall ($\chi^2=72.782$, $p<.001$). Latino respondents were more likely to be men in comparison to non-Latinos (65% for Latinos, and 53% for non-Latinos). Latinos were also more likely to be married (72%, as compared to 59% of Non-Latinos). In terms of religious affiliation, the majority of Latinos (74%) were Catholic, whereas the majority of non-Latinos were members of The Church of Jesus Christ of Latter-day Saints (LDS) (68%).

Table 3. Demographic Characteristics of the Sample by Latino Origin

Variable	Latinos	Non-Latinos	Total
	Mean (S.D.)	Mean (S.D.)	Mean (S.D)
Age, in years (*t*=2.672)**	34.34 (9.8)	39.94 (15.4)	37.79 (13.8)
N	63	109	177
Education (df=4; χ2=72.782***)	Frequency (%)	Frequency (%)	Frequency (%)
<High School	43 (54.4%)	7 (6.2%)	50 (26.0%)
High School Diploma	26 (32.9%)	32 (28.3%)	58 (30.2%)
Trade /Tech Degree	4 (5.1%)	14 (12.4%)	18 (9.0%)
Some College	4 (5.1%)	29 (25.7%)	33 (17.2%)
University Degree	2 (2.5%)	31 (27.4%)	33 (17.2%)
N	79 (100%)	113 (100%)	192 (100%)
Sex			
Female	29 (35.4%)	53 (46.9%)	82 (42.1%)
Male	53 (64.6%)	60 (53.1%)	113 (58.0%)
N	82 (100%)	113 (100%)	195 (100%)
Marital Status			
Unmarried	23 (27.7%)	46 (40.7%)	69 (35.2%)
Married	60 (72.3%)	67 (59.3%)	127 (64.8%)
N	83 (100%)	113 (100%)	196 (100%)
Religious Affiliation			
Catholic	59 (73.8%)	4 (3.5%)	63 (32.6%)
LDS	5 (6.2%)	77 (68.1%)	82 (42.5%)
Other	8 (10%)	16 (14.1%)	24 (12.4%)
None	8 (10%)	16 (14.1%)	24 (12.4%)
N	80 (100%)	113 (100%)	193 (100%)
Have Children <18 in home (χ2=22.535***)			
No	15 (18.1%)	57 (51.4%)	72 (37.1%)
Yes	68 (81.9%)	54 (48.6%)	122 (62.9%)
N	83 (100%)	111 (100%)	194 (100%)
Region of Birth			
Cache Valley	—	32 (28.8%)	32 (16.6%)
Utah/Idaho	1 (1.2%)	47 (42.3%)	48 (24.9%)
Other part of U.S.	3 (3.7%)	28 (25.2%)	31 (16.1%)
Mexico	68 (82.9%)	—	68 (35.25)
Other Latin Am. country	10 (12.2%)	—	10 (5.2%)
Foreign Born (non-LA)	—	4 (3.6%)	4 (2.1%)
N	82	111	193

*p<.05, **p<.01, ***p<.001. Note: Only statistically significant chi-square values are reported. Insignificant chi-square values are available upon request.

In terms of family demographics, 82 percent of Latinos in the sample lived in households with children under the age of 18, compared to 49 percent of non-Latinos. The presence of children also differed in a statistically significant manner, with more Latinos than non-Latinos reporting the presence of children in their household (χ^2=22.535, p<.001).

As indicated in Table 4, the majority of non-Latinos in this sample were born either in Cache Valley (29%) or other parts of Utah and Idaho (42%). Among Latinos, the majority was born in Mexico (83%) or another Latin American country (12%). Among Mexicans, roughly a quarter reported being from the state of Michoacan. In terms of length of residence, the majority of foreign born respondents (55%) reported having lived in the United States for at least 10 years. But the proportion of Latinos who had been in Cache Valley for ten or more years was lower compared to non-Latinos (29% compared to 37%). Most Latino and non-Latinos respondents had lived in their current house for 1-5 years (38% for Latinos, and 39% for non-Latinos.) Interestingly, 33 percent of Latinos and 32 percent of non-Latinos in this sample indicated that they had lived in their house for less than a year.

These trends indicate a relatively mobile population. Analyses using chi-square tests indicated that differences in the length of time in Cache Valley was statistically significant (χ^2=11.407, p<0.5). Differences in the length of residence in their current house was also statistically significant (χ^2=8.407, p<.05).

Table 4. Length of Residence in by Latino Origin.

	Latino Frequency (%)	Non-Latino Frequency (%)
Residence in U.S. (Foreign born)		
Less than one year	2 (2.9%)	—
1-5 years	11 (15.9%)	—
6-10 years	16 (23.3%)	—
10+ years	38 (55.1%)	—
n.a.	—	113
N	69	113
Residence in Cache Valley (df=4; χ^2=11.407*)		
Less than one year	16 (20.3%)	10 (9.8%)
1-5 years	17 (21.5%)	27 (24.8%)
6-10 years	16 (20.3%)	9 (8.8%)
10+ years	23 (29.1%)	38 (37.3%)
n.a.	7 (8.9%)	18 (17.6%)
N	79	102
Residence in current house (df=3; χ^2=8.407*)		
Less than one year	27 (33.3%)	36 (31.9%)
1-5 years	31 (38.3%)	44 (38.9%)
6-10 years	16 (19.8%)	10 (8.8%)
More than 10 years	7 (8.6%)	23 (20.4%)
N	81	113

*p<.05, **p<.01, ***p<.001.

Operationalization of Variables

The larger study, on which this research is based, examines the relationship between ethnicity, financial practices, and economic well-being. The present study looks at this relationship, but with a focus on where Latinos and non-Latinos fall on a continuum of what I call "financial embeddedness." Financial embeddedness is a measure of how embedded individuals are in the mainstream U.S. banking and credit system. Hypothetically, the more financially embedded an individual is, the greater their

access to credit, the greater their experience managing credit, the greater their potential for higher credit scores, the greater their ability to obtain loans, and the greater their likelihood of building assets. Rather than simply consider an individual as being "banked" or "unbanked," then, I conceptualize their financial situation as being located somewhere along a continuum of financial embeddedness.

Dependent Variable

The major dependent variable I will use for this study is asset ownership, measured primarily as whether or not an individual holds a home mortgage. Research has shown that levels of net worth in the lowest income quintile are low, if not negative (see Retsinas and Belsky 2008; Carasso and McKernan 2007). Given that the census tracts in which my sample resided are low-income census tracts, the survey measured asset ownership as simply home ownership. It did not ask respondents to report other financial assets or the amount of debts that they held. As I established earlier, homeownership is the major source of wealth for most Americans, particularly low-income households.

Respondents were asked "Do own your home?" and given the choice to select "yes" or "no." If they selected "yes," they were asked "How did you buy it?" Response items here included personal savings, mortgage or bank loan, loan from family members, loan from friends, and other. Homeowners were also asked if they had experienced any problems, such as an increase in interest rate, difficulties making mortgage payments, threat of foreclosure, or dishonest lenders. These items provided insights into the stability or instability of their home mortgage. Buying a home through a bank mortgage is at the

highest end of financial embeddedness in this survey. In the context of a credit economy, homeownership attained through a bank also represents a certain degree of credit experience, credit literacy, and integration into the mainstream economy. The better the quality of credit, the easier it may be for individuals to use their home mortgage as a means to build equity and savings.

Independent Variables

Financial embeddedness suggests a pathway toward asset ownership. It implies that individuals have access to, are knowledgeable about, and are experienced in using bank accounts. Their experience with banking enables them to acquire credit cards and other forms of debt/credit. Through repayment of debts, they develop an understanding of how to use and manage credit. They also prove to lenders that they are credit-worthy. Those who are fully embedded in a credit economy have utilized these financial products to build assets over time. In short, they are in a position to purchase a home and other major assets.

Given my focus on financial embeddedness, I analyze two sets of independent variables in this research: banking account holding and credit literacy and experience. Bank account holding is the first step toward full financial embeddedness. It is also a proxy for credit access, since one must have a bank account to obtain credit in most cases. Having a bank account has been regarded as an initial step toward building a financial identity (Hogarth et al. 2004). The survey measured bank account holding first with the question, “Do you have a checking account?” Response categories for this question were a simple “yes” and “no.”

Bank account holding is also measured with the question, “Do you have a savings account?” This was also a simple yes/no question. Having a savings account indicates that individuals are willing to keep money in a bank rather than under a mattress. For some individuals, savings accounts may be the only bank account they have, particularly if their checking account is closed or if they do not want to use checks. A third measure of bank account holdings is the question, “How do you usually pay your bills?” Survey response items to this question included paying by check, cash, money order, online, or other. Responses were recoded into a yes/no question measuring whether or not the respondent used a check or other bank product (e.g. credit card, online transfer or automatic bill pay) to pay their bills. Respondents who reported using cash and/or a money order to pay their bills were coded as a “no” to this question.

Barriers to bank account holding are also discussed and used to inform the analysis. Past research suggests barriers that inhibit bank account access. Respondents were asked, “If you currently do not have a bank account, what do you see as the greatest barrier to opening one?” Response items included language barriers, identification requirements, a lack of understanding of how to use bank accounts, a lack of trust in banks, high minimum balances or banking fees, banking hours, location of banks, and other. I also conceptualized a lack of banking literacy as another barrier to bank account holding. Banking literacy was measured by asking respondents “Which of the following financial topics would you like to learn more about? Response items included using bank accounts, check cashing options, borrowing money/loans, sending money to another country, establishing credit/credit reports, budgeting/saving money, and other. Respondents were to mark any or all of the topics that were of interest to them.

The second major independent variable is credit literacy and experience. Credit experience is measured primarily through credit account holding. For this, respondents were asked if they had “other debt” (besides a mortgage or car loan). In this sample, the types of debt individuals carried varied from student loans to credit cards to medical bills. Another measure of credit account holdings was if the respondent had a credit card and, if so, how many. Having a credit card demonstrates a greater insertion into the consumer credit market. I recoded the number of credit cards that individuals reported having into a binary measure of whether or not individuals had two or more credit cards. Having multiple credit cards does not necessarily mean individuals have better credit histories, but it does indicate a greater level of experience and history with managing credit. Mortgage lenders typically like to see borrowers with three active lines of credit, preferably from different types of loans. I chose two or more credit cards as an indicator that individuals are taking a more active stance toward seeking and using credit. It also helps differentiate between individuals who have just acquired their first credit card and individuals who have more established credit.

Other credit account holdings about which I asked included having applied for a loan from a financial institution within the last twelve months and buying a car with an automobile loan. Applying for a loan in the past year can indicate whether or not individuals are actively seeking to use credit to meet their financial goals. For car buying with an automobile loan, respondents were asked “Do you have a car?” and, if so, “How did you buy it?” Auto and other installment loans require individuals to discipline themselves to make the fixed regular payments. Interest rates on auto loans may be tied to one’s credit score; the better one’s credit history, the lower the interest rate. A final

question on credit account holdings and practices asked, “Have you seen a copy of your credit report?” A response of “yes” to this question indicates both an awareness of what credit reports are, or a measure of credit literacy, but also a financial practice that suggests embeddedness in a credit economy.

Indicators of credit literacy in this survey include attendance at a financial education class, confidence in one’s knowledge and ability to improve one’s financial situation, and having seen a copy of one’s credit report. For the first, respondents were asked if they had ever attended a class on financial education, for which the response categories were “yes” and “no.” I measured confidence in one’s ability to improve their financial situation using a Likert scale. Respondents were asked to indicate if they strongly agreed, disagreed, agreed, or strongly agreed with the statement, “I have the knowledge and ability to improve my financial situation.” For credit literacy, respondents were also asked “Which of the following financial topics would you like to learn more about? Financial topics of interest were coded, “yes” or “no” if they responded to any of the items in the financial topic series. This gave me a sense of those financial topics about which respondents felt more or less knowledgeable. Additional questions on credit literacy were included in the Logan survey such as “Do you know what a credit report is?” Other items included Likert-scale responses (strongly disagree, disagree, agree, and strongly agree) to statements that they know how to establish good credit, are used to managing various debts, and are used to paying off large debts.

Measures of credit experience were supplemented by a question assessing whether or not a list of factors were considered when individuals were deciding where to apply for a loan. Response items included the ability to speak English (for Spanish

surveys), forms of identification required, where you have a bank account, familiarity with institution, interest rates, hours/schedules, location, and other.. This question was asked specifically of respondents who had applied for a loan in the past twelve months. Thus, it does not get at the barriers to credit that exist for those who had not applied for a loan in the past twelve months. Even so, this measure suggests some of the barriers to credit that might exist in general. To supplement this measure, the survey also asks individuals, "What is the greatest obstacle you face in managing your personal finances?" Responses to this question provided a larger picture of the challenges and barriers that individuals in this sample population face: I do not have enough knowledge about financial institutions in Cache Valley; I do not have sufficient income; I do not have control over the financial decisions in the household, I do not have enough time, I struggle to control my spending; I do not have any obstacles, and other.

Data Analysis

Rather than test specific hypotheses, this research is designed to investigate the degree to which and the process by which consumers are or are not integrated into the mainstream financial system. In this sense, the research is descriptive and exploratory in nature. I begin by examining the relationships between indicators of credit access (banking account holdings), credit experience (credit account holdings and credit literacy), and asset building (homeownership) among Latinos and non-Latinos. I include descriptions of barriers that respondents face in each of these three areas. SPSS software was used to run frequencies and descriptive analyses of the data. Frequencies of the data provide specific measures of how credit access, credit experience, and asset holdings of

Latinos compare to non-Latinos in the study area. The relationships between these variables are analyzed using chi-square tests of independence for categorical variables and *t*-tests for continuous variables. Statistically significant differences between low-income Latinos and non-Latinos neighbors illustrate patterns of financial embeddedness.

Because it cannot be measured directly and can only be inferred from other variables, financial embeddedness is technically a latent variable. Thus, in the final stages of my analysis, I also introduce two techniques to analyze financial embeddedness as a latent variable: (1) the creation of a Guttman-like scale and (2) the examination of latent concepts through latent class analysis. The most common approach to analyzing latent variables is factor analysis. However, factor analysis requires that latent variables be continuous and normally distributed, not categorical. Respondents were asked several questions about their financial behaviors and financial account holdings. Many of these were yes/no questions that resulted in bivariate outcomes rather than numerical or continuous response variables. Therefore, I develop a scale to measure the underlying concept of financial embeddedness. Scales enable one to combine items based on their relationship to latent concepts. Guttman scaling, also known as cumulative scaling or scalogram analysis, is designed to enable researchers to order and respondents according to an underlying unidimensional concept (McIver and Carmines 1981). Louis Guttman developed the scale for items that can be placed on a continuum based on their relationship to an underlying concept (or latent variable).

I first explore the usefulness of a Guttman scale by proposing a ten-item scale that measures the construct financial embeddedness. Each item of a Guttman scale represents a different level of intensity of the latent variable. For example, running for political

office is a much stronger indicator of political involvement than voting or volunteering on a political campaign. The ranking of items on a Guttman scale is cumulative such that answering yes to item 4, indicates a very strong likelihood that a respondent answered yes to previous items 1, 2, and 3, but not to items 5, 6, and 7. Because answers are cumulative, one also can predict the position of the subject along a continuum.

The ten items in the Guttman scale model of financial embeddedness include in this order: having a checking account, paying bills via bank products, having a savings account, having credit card, having other debt, having two or more credit cards, having applied for loan in last 12 months, have bought one's car through an auto loan, obtaining a copy of one's credit report, and having bought one's home through a mortgage. Together these ten-items form a graduated manner of examining the degree to which individuals, both residents and recent immigrants, are financially embedded in the U.S. credit economy. Individual responses may vary slightly from this generalized pattern, but the structure of this scale provides a means to discuss the construction of a latent variable for financial embeddedness and compare differences in financial embeddedness among low-income Latinos and non-Latinos.

It is important to assess any measurement of such constructs through reliability and item analyses. In this study, I use two measures of scale reliability: Guttman's split-half reliability and Cronbach's alpha. SPSS software generates a set of six coefficients, Lambda1 through Lambda6, to evaluate the reliability of a Guttman scale. The reliability coefficient of the Level 3 is the equivalent of Cronbach's alpha (α). Level 4 represents the Guttman's split-half reliability (Garson 2008). The split-half coefficient randomly breaks the scale in half and compares the inter-item correlation of each half. Once a set of

items has been selected, Guttman recommends maximizing the split-half reliability and then using the highest of the lower bound lamdas as the reliability measure for the set of items (Garson 2008). I use Cronbach's alpha. Cronbach's alpha is the most common index of reliability. It computes the variance of the items and the variance of the sum scale in order to estimate the consistency of all items in the scale. Cronbach's alpha ranges from 0 to 1. Generally speaking, a Cronbach's alpha of 0.60 is lenient for exploratory research, 0.70 is considered an "adequate" scale, while some researchers require an alpha of 0.80 or higher for a "good" scale (Garson 2008).

Latent class analysis is the second analytical technique I use to analyze the latent variable financial embeddedness. Latent class analysis enables one to construct clusters or groups, factors, or conduct regression analysis (Garson 2009). For analytical purposes, I decide to view financial embeddedness as a categorical variable with three distinct classes: individuals who are fully embedded into the credit economy, those partially embedded, and those not embedded. Using Mplus software, latent classes, or groups, are formed based on responses to survey items that are linked to the latent variable financial embeddedness. Latent class analysis moves beyond mere categorical groupings. As a statistical technique, it enables one to know the probability that an individual belongs to a particular category. This is especially helpful for understanding the probabilities of more marginal cases where individuals could belong to two different categories. Latent class analysis also enables one to calculate the conditional probabilities associated with each item in the scale. This means that knowing a respondent's answer to a particular survey item, one can predict the probability that an individual would belong to a particular category or level of financial embeddedness.

CHAPTER IV

RESULTS

In this chapter, I present the results of analyses of the financial barriers, literacy, and practices of low-income Latinos and non-Latinos living in Cache Valley, Utah. In the first section, statistics of bank account holdings and variation in such holdings by ethnic group are reviewed. Barriers to opening a banking account are also analyzed and compared across ethnic group. The second section examines credit experience and credit literacy by ethnic group. As well, the relationship between bank account holdings and credit experience is explored through cross tabulations. The third section focuses on the level of homeownership among Latinos and non-Latinos in this sample population. In this section, I compare the relationship between homeownership and credit experience among Latinos and non-Latinos. Next, I explore how we might combine these measures to construct a scale for the latent construct financial embeddedness. This Guttman-like scale is analyzed for its reliability. I then present the conditional probabilities of membership in three categories of financial embeddedness based on these financial measures using latent class analysis.

Banking and Ethnicity

Cross-tabulations of Latino origin and my financial variables reveal important differences in bank account holdings. Chi-square analyses revealed that all of these differences were statistically significant. As Table 5 indicates, a smaller proportion of Latinos had a checking account than did non-Latinos (61%, compared to 83%;

χ^2=12.385, *p*<.01). Latinos were also less likely to have a savings account (40%, compared to 67% for non-Latinos; χ^2=14.137, *p*<.001). In addition to account holdings, Table 5 presents differences in how individuals in my sample pay bills. Fewer Latinos used checks or other bank services (debit cards, online or telephone transfers) to pay their bills (37%, compared to 85% for non-Latinos; χ^2=47.543, *p*<.001).

Table 5. Banking Practices, Barriers, and Literacy by Latino Origin

Banking Practices	Latinos	Non-Latinos	Total	χ^2 Value
Have a checking account (Yes=1)	61.0%	83.3%	74.0%	12.385**
N	82	114	196	
Have a savings account (Yes=1)	39.5%	66.7%	55.4%	14.137***
N	81	114	195	
Pays bills with check/other bank product (Yes=1)	37.3%	85.0%	64.8%	47.543***
N	83	113	196	

Greatest Barrier to Opening Bank Account[a]	Latinos Frequency (%)	Non-Latinos Frequency (%)
Ability to speak English	5 (14.3%)	n.a.
Lack of identification	9 (25.7%)	n.a.
Lack of understanding of banks	3 (8.6%)	—
Lack of trust in banks	—	4 (26.7%)
Minimum balances and fees	2 (5.7%)	4 (26.7%)
Banking hours	1 (2.9%)	—
Location of banks	—	—
Other	15 (42.9%)	7 (46.7%)
N	35 (100.0%)	15 (100.0%)

Banking Literacy	Latino	non-Latino	Combined	χ^2
Financial topics I want to learn more about…				
Use of bank accounts (Yes=1)	24 (34.3%)	7 (7.7%)	31 (19.3%)	17.997***
N	70	91	161	

[a]Note: Totals for each response category for this question are not reported here due to differences between the Spanish and English versions of the survey.
df=1; *p<.05, **p<.01, ***p<.001.

To understand why some respondents might not have bank account holdings, the survey asked about the greatest barrier(s) to opening a bank account.[8] Table 5 summarizes the responses to this question. A majority of Latinos (43%) marked multiple barriers, indicating that it was some combination of a lack of language ability, required identification, money, and understanding of how to use banks that posed a barrier to their opening a bank account. Roughly a quarter (26%) indicated that the lack of identification was the greatest barrier to opening a bank account. The second greatest single barrier to opening a bank account for Latinos was inability to speak English (14%). Among non-Latinos, a majority (47%) also marked multiple response categories. But the reasons were different and included lack of trust, fees, and credit problems. Non-Latinos reported a lack of trust in banks (27%) and minimum balances and fees (27%) as the single greatest barrier to opening a bank account. For both Latinos and non-Latinos, these results should be interpreted with caution. Because this question applied only to those individuals that did not possess a bank account, there was a small number of overall responses (n=35, for Latinos, and n=15 for non-Latinos) to this question.

Another major barrier to bank account holding is a lack of knowledge of how to open a bank account. To some extent, the response category from the previous question about lack of understanding of how to use banks gets at this lack of knowledge. But the survey also asks respondents to indicate which financial topics they wanted to learn more about, which tackles this barrier in a slightly different manner. Presumably survey

[8] For this question, the English and Spanish versions of the survey were slightly different. The ability to speak English and the lack of identification were included in the Spanish versions only, since presumably English would not be an issue for respondents of the English survey version. Lack of identification was included in the Spanish version only because we assume that if the respondent was taking the Spanish survey version, they had a higher likelihood of being an immigrant. Theoretically, the respondent could have been an immigrant for whom lack of identification was an issue, but who chose to answer an English version of the survey. But this was unlikely.

respondents would indicate that they wanted to learn more about a topic only if they knew very little about that topic in the first place. For example, a person who had possessed a bank account for many years would not indicate that they wanted to learn more about how to open a bank account. Thus, interest in learning more about a topic may be read as a lack of knowledge about that topic. In the question assessing interest in financial topics, Latinos expressed a greater interest in learning more about using bank accounts than non-Latinos (34%, compared to 8% among non-Latinos). As Table 5 suggests, this difference was statistically significant (χ^2=17.997, p<.001). To some extent, then, Latinos demonstrated a lack of literacy, or at least a lack of comfort, in using banks.

Credit and Ethnicity

Cross tabulations of credit-related variables also reveal statistically significant differences between Latinos and non-Latinos, as Table 6 suggests. Latinos were less likely than non-Latinos to have forms of debt that were not auto loans or home mortgages (33% for Latinos, 67% for non-Latinos; χ^2=22.242, p<.001). Latinos were also less likely to have a credit card (31%, compared to 55% among non-Latinos; χ^2=10.931, p<.01). The percentage of individuals having two or more credit card dropped for both groups (14% for Latinos, and 27% for non-Latinos). Still, fewer Latinos than non-Latinos held two or more credits, a difference that was statistically significant (χ^2=4.841, p<.05). When asked if they had applied for a loan in the past twelve months, fewer Latinos (19%) than non-Latinos (35%) reported doing so (χ^2=6.111, p<.05). Fewer Latinos (19%) than non-Latinos (42%) also reported buying their car through a car loan. Chi-square analyses indicated that this difference was statistically significant (χ^2=11.166, p<.01). Finally, a

much smaller proportion of Latinos reported having obtained a copy of their credit report (25%, compared to 68% of non-Latinos; χ^2=35.723; p<.001).

As with bank account holding, I wanted to assess the extent to which structural barriers impede the ability of individuals to obtain credit. Unfortunately, there was no specific measure of barriers to credit in this survey. There was a question, however, about factors that respondents considered when deciding where to apply for a loan. This question was asked only of respondents who had applied for a loan in the past twelve months, but it gives us some sense of the factors that might prevent the other respondents

Table 6. Credit Account Holding and Practices by Latino Origin

	Latinos	Non-Latinos	Total	χ^2 Value
Has debt other than car or home loan (e.g. credit card, student loan, medical debt)	32.9%	67.0%	52.8%	22.242***
N	82	115	197	
Has a credit card	31.2%	55.2%	45.4%	10.931**
N	80	116	196	
Has two or more credit cards	13.8%	26.7%	21.4%	4.841*
N	80	116	196	
Has applied for a loan in last 12 months	19.3%	35.3%	28.6%	6.111*
N	83	116	199	
Has gotten a car through auto loan	19.0%	41.4%	32%	11.166**
N	84	116	200	
Has obtained copy of credit report	25.3%	68.4%	50.3%	35.723***
N	83	114	197	

Note: df=1; *p<.05, **p<.01, ***p<.001.

from applying for loans in the first place. As we can see from Table 7, the interest rates offered by the financial institution was the most common factor listed for both Latinos (61%) and non-Latinos (82%) (χ^2=6.039, p<0.05). Latinos were less likely to include familiarity with the institution as a factor in their decision (20%, compared with 52% among non-Latinos; χ^2=11.204, p<0.001). Latinos were more likely than non-Latinos to indicate that the form of identification was critical to their decision (24.4%, compared with 7.4% for non-Latinos; χ^2=6.890, p<0.05).[9] For Latinos, the ability to speak English was a statistically significant factor for 36 percent of respondents.

Table 7. Factors Affecting Where to Apply for a Loan by Latino Origin

	Latino	Non-Latino	χ^2
Ability to speak English (Yes=1)[a]	12 (36.4%)	n.a.	
N	33		
Form of identification required (Yes =1)	10 (24.4%)	6 (7.4%)	6.890*
N	41	81	
Familiarity with Institution (Yes =1)	8 (20.0%)	42 (51.9%)	11.204**
N	40	81	
Interest rates (Yes=1)	25 (61.0%)	66 (81.5%)	6.039*
N	41	81	

df =1; *p<.05, **p<.01, ***p<.001.
[a] Included in Spanish versions only.

The survey also asked about barriers to managing personal finances. This question was slightly problematic in that the survey asked respondents to choose the single greatest barrier, but many respondents chose more than one barrier. Even so, it provides us some clue as to the barriers that respondents face and the ethnic differences

[9] Other factors, such as bank location and hours, were not significant and were not reported here.

in such barriers. Insufficient income was most frequently marked by both Latinos (34%) and non-Latinos (41%). Slightly fewer Latinos (7%) than non-Latinos (10%), however, reported that their lack of control over spending was a major barrier. And more Latinos (14%) than non-Latinos (1%) reported that their lack of knowledge about financial institutions was a major barrier. Of note, 7 percent of Latinos reported that they faced no barrier to managing their personal finances, compared to 21 percent of non-Latinos.

For credit literacy, I used a variety of measures to get at respondents' knowledge of credit matters. The survey asked respondents about financial topics they wished to learn more about. Again, I assume that those topics about which respondents expressed an interest in learning more are those topics about which they have little to no knowledge. As Table 8 reveals, a large portion of Latinos (41%) and non-Latinos (39%) expressed an interest in learning about "establishing credit/credit reports." More Latinos (30%) than non-Latinos (22%) also wanted to learn more about "borrowing money/loans." Note, however, that neither difference was statistically significant. For credit literacy, the survey also asked respondents if they had attended a financial education class. Those who answered "yes" to this question indicate some level of financial literacy. In my sample, Latinos were much less likely than Latinos to have attended a financial education class (6 % compared to 33%; χ^2=19.964, p<0.001), which is statistically significant.[10] As a general measure of credit experience, respondents were asked to indicate whether they strongly disagree, disagree, agree, or strongly agree with the statement, "I have the knowledge and ability to improve my financial situation." The majority (53%) of non-

[10] Roughly half of the respondents who reported having attended financial classes (19 non-Latinos and 2 Latinos) attended classes offered by Utah State University and/or University Extension programs.

Table 8. Credit Literacy by Latino Origin

	Latino	Non-Latino	Total	χ^2
Financial topics I want to learn more about…				
Borrowing Money / Loans (Yes=1)	21 (30%)	20 (22%)	41 (25.5%)	1.341
Establishing credit/ credit reports (Yes=1)	29 (41.1%)	35 (38.5%)	64 (39.8%)	0.145
N	70	91	161	
Have attended a financial education class (Yes=1)	5 (6.1%)	37 (32.7%)	42 (21.5%)	19.964***
N	82	113	195	
Have knowledge/ability to improve financial situation[a]				24.045***
Strongly disagree	11 (15.3%)	5 (4.4%)	16 (8.6%)	
Disagree	31 (43.1%)	21 (18.6%)	52 (28.1%)	
Agree	21 (29.2%)	60 (53.1%)	81 (43.8%)	
Strongly Agree	9 (12.5%)	27 (23.9%)	36 (19.5%)	
N	72	113	185	

*p<.05, **p<.01, ***p<.001. [a]df=3

Latinos agreed with this statement, whereas 43 percent of Latinos disagreed. Difference by Latino origin were statistically significant (χ^2=24.045***).

Responses to questions in the Logan surveys about credit literacy reveal other interesting trends in credit attitudes and experience (See Table 9).[11] These items assessed the level of agreement or disagreement with various statements about knowledge of credit-related issues. About 35 percent of Latinos strongly disagreed with the statement

[11] These questions were asked in the Logan survey version only. Therefore, these results should be read with caution as they do not pertain to the sample as a whole. They are meant to supplement my larger measures of credit literacy.

Table 9. Credit Literacy by Latino Origin (Logan sub-sample only)

	Latino	Non-Latino	Total	χ^2
Know how to establish good credit[a]				20.970***
Strongly disagree	10 (34.5%)c	3 (3.9%)	13 (12.3%)	
Disagree	7 (24.1%)	15 (19.5%)	22 (20.8%)	
Agree	9 (31.0%)	36 (46.8%)	45 (42.5%)	
strongly agree	3 (10.3%)	23 (29.9%)	26 (24.5%)	
N	29 (100.0%)	77 (100.0%)	106 (100.0%)	
Used to managing various debts[a]				21.098***
Strongly disagree	9 (31.0%)c	4 (5.3%)	13 (12.4%)	
Disagree	11 (37.9%)	15 (19.7%)	26 (24.8%)	
Agree	8 (27.6%)	42 (55.3%)	50 (47.6%)	
Strongly agree	1 (6.2%)c	15 (19.7%)	16 (15.2%)	
N	29 (100.0%)	76 (100.0%)	105 (100.0%)	
Used to paying off large debts[a]				9.350*
Strongly disagree	9 (30.0%)c	6 (8.0%)	15 (14.3%)	
Disagree	5 (16.7%)	14 (18.7%)	19 (18.1%)	
Agree	13 (43.3%)	38 (50.7%)	51 (48.6%)	
Strongly Agree	3 (10.0%)	17 (22.7%)	20 (19.0%)	
N	30 (100.0%)	75 (100.0%)	105 (100.0%)	
Know what a credit Report Is[b]				18.073***
Yes	18 (58.1%)	72 (92.3%)	90 (82.6%)	
N	31	78	109	

[a]df=3, [b]df=1; *p<.05, **p<.01, ***p<.001.

that they knew how to establish good credit. In comparison, 47 percent of non-Latinos agreed. This difference was statistically significant (χ^2=20.970, p<0.001).

More than a third (38%) of Latinos disagreed with the statement that they were used to managing various debts. In comparison, more than half of non-Latinos (55%) agreed with this statement. Again, this difference was statistically significant (χ^2=21.098, p<0.001). Interestingly, less than half of Latinos (43%) and slightly more than half of

non- Latinos (51%) agreed with the statement that they were used to paying off large debts (χ^2=9.350, p<0.01). When asked if they knew what a credit report was, slightly more than half of Latinos (58%) and most non-Latinos (92%) answered "yes" (χ^2=18.073, p<0.001).

In addition to structural barriers to obtaining credit and lack of knowledge about how to obtain credit, individuals may not be on the path toward credit given the extent to which they are "banked" and "unbanked." One of the central propositions in this study is that there is a particular progression to asset ownership, namely from banking to credit to ownership. Therefore, we would assume that those respondents who have enjoyed some form of credit are embedded in the U.S. banking system. Table 10 examines the relationship between banking practices and credit card holding.

Table 10 illustrates the relationship between banking practices and credit card holding in the sample. A large majority (91%) of all residents who report having a credit card also have a checking account, which is statistically significant (χ^2=25.423, p<0.001). Slightly fewer credit card holders (85%) report paying bills with a check or other bank product, a relationship that is also statistically significant (χ^2=28.957, p<0.001). More than three fourths (77%) of the combined sample have both a credit card and a savings account (χ^2=31.984, p<0.001), which is also statistically significant.

The relationship between banking practices and credit card holding for Latinos and non-Latinos are also presented in Table 10. About 80 percent of Latino credit card holders had a checking account. This relationship is statistically significant (χ^2=6.723, p<.05). Fifty-six percent of Latino credit card holders paid their bills using a check or

Table 10. Relationship between Banking Practices and Credit Card Holding

	Have a Credit Card			
	No	Yes	Total	χ^2
Banking Practices	%	%	%	
Total Sample				
Have a checking account? (Yes=1)	58.7%	90.9%	73.4%	25.423***
N	104	88	192	
Pay bills with check or other bank product (not cash and/or money order)? (Yes=1)	48.1%	85.2%	65.1%	28.957***
N	104	88	192	
Have a savings account? (Yes=1)	36.5%	77.3%	55.2%	31.984***
N	104	88	192	
Latinos				
Have a checking account? (Yes=1)	49.1%	80.0%	59.0%	6.723*
N	53	25	78	
Pay bills with check or other bank product (not cash and/or money order)? (Yes=1)	27.8%	56.0%	36.7%	5.858*
N	54	24	79	
Have a savings account? (Yes=1)	28.3%	60.0%	38.5%	7.211**
N	53	25	78	
Non-Latinos				
Have a checking account? (Yes=1)	68.6%	95.2%	83.3%	14.370***
N	51	63	114	
Pay bills with check or other bank product (not cash and/or money order)? (Yes=1)	70.0%	96.8%	85.0%	15.695***
N	50	63	113	
Have a savings account? (Yes=1)	45.1%	84.1%	66.7%	19.319***
N	51	63	114	

df=1; *p<.05, **p<.01, ***p<.001.

other bank product (χ^2=5.585, p<.05) and 60 percent had a savings account (χ^2=7.211, p<.01). Both relationships were statistically significant. The percentage of non-Latinos who had both a credit card and a checking account was higher (95%; χ^2=14.370 at

$p<.001$). In comparison to Latinos, the percentage of individuals holding a credit card and paying bills with a check was also higher among non-Latinos (97%; $\chi^2=15.695$), as was the percentage of non-Latinos who had a credit card and a savings account (84%; $\chi^2=19.319$). Again, all of these relationships were statistically significant.

Another aspect of the relationship between banking and credit that may be of interest is whether bank account holders were credit literate or had the desire to be credit literate. In Table 11, three items measuring credit literacy are cross-tabulated with checking account holding: wanting to learn more about credit reports, wanting to learn more about borrowing money, and knowledge of how to improve financial situation. Among Latino checking account holders, 52 percent wanted to learn more about credit reports ($\chi^2=6.384$, $p<0.05$) and 39 percent wanted to learn more about borrowing money ($\chi^2=5.326$, $p<0.05$). In contrast, the relationship between having a checking account and wanting to learn more about credit reports and borrowing money was not statistically significant for non-Latinos.

Banking, Credit, and Assets

Table 12 details differences between Latinos and non-Latinos in home ownership. For both Latinos and non-Latinos in my sample, a little more than 59 percent were renting their home at the time of this survey. Latinos were more likely to have a home that was not purchased through a bank loan (23%, compared to 7% among non-Latinos; $\chi^2=13.435$, $p<0.001$). Most of these homes, which included trailers, were secured through loans and arrangements through family members, friends, and acquaintances rather than mainstream financial institutions. In contrast, non-Latinos were more likely to have

Table 11. Credit Literacy and Checking Account Holding by Latino Origin

	Checking Account		
Credit Literacy Measures	No	Yes	Item Interest Total
Combined (Latinos and non-Latinos)			
Want to learn more about Credit Reports	11 (27.5%)	53 (44.2)	64 (40%)
Want to learn more about Borrowing Money	7 (17.5%)	33 (27.5%)	40 (25.0%)
N	40	120	160
Latinos			
Want to learn more about Credit Reports (χ^2=6.384*)	5 (20.8%)	24 (52.2%)	29 (41.4%)
Want to learn more about Borrowing Money (χ^2=5.326*)	3 (12.5%)[a]	18 (39.1%)	21(30.0%)
N	24	46	70
Non-Latinos			
Want to learn more about Credit Reports	6 (37.5%)	29 (39.2%)	35 (38.9%)
Want to learn more about Borrowing Money	4 (25.0%)[a]	15 (20.3%)	19 (21.1%)
N	16	74	90

*p<.05, **p<.01, ***p<.001. [a] One cell has cell count less than expected 5.

financed their home through a mortgage or bank loan (34%, compared to 18% among Latinos; χ^2=5.916, p<0.05).

Respondents who indicated that they owned their home were asked if they had experienced any problems with their mortgage in the last three years. Among homeowners, 18 respondents (6 Latinos and 12 non-Latinos) reported having problems making mortgage payments. Nine respondents (5 Latinos and 4 non-Latinos) indicated having experienced an increased interest rate. Six respondents (1 Latino and 5 non-Latinos) said they faced the threat of foreclosure. Respondents were asked to mark all

Table 12. Homeownership by Latino Origin

	Latino		Non-Latino		Combined	
	n	Percent	n	Percent	n	Percent
Rents home	49	59.0%	69	59.5%	118	59.3%
Owns home financed through personal loan	19	22.9%	8	6.9%	27	13.6%
Owns home financed through bank loan df=1, χ^2=5.916**	15	18.1%	39	33.6%	54	27.1%
N	83		116		199	100.0%

df=2; χ^2=13.435**; *p<.05, **p<.01, ***p<.001.

items that reply. Overall, Latinos reported 15 incidents or problems with their mortgage, whereas non-Latinos reported 25.

In Tables 13-15, I explore the relationship between banking, credit, and homeownership for the total sample, Latinos, and non-Latinos, respectively. Here, I use key measures of financial embeddedness explored in the previous two sections: having a bank account, paying bills with cash, having a savings account, having a credit card, having some form of debt (not auto loan or mortgage), having two or more credit cards, applying for a loan in the past year, having an auto loan, and obtaining a credit report.

Table 13 details the relationship between these nine measures and financing one's home through a mortgage for non-Latinos and Latinos in the total sample population.[12] In the combined sample, 87 percent of homeowners also have a checking account (χ^2=6.728, p<0.05). Among homeowners, 91 percent pay their bills through a check or

[12] For Tables 13, 14, and 15 only significant relationships are reported in the text.

Table 13. Homeownership and Financial Embeddedness

Financial Embedded Scale Items	Bought Home via Mortgage Yes (%)	n	χ^2
Have a checking account? (Yes=1)	87.0%	195	6.728*
Pay bills with check or other bank product (not cash and/or money order)? (Yes=1)	90.7%	195	21.571***
Have a savings account? (Yes=1)	66.7%	195	3.847
Have a credit card? (Yes=1)	74.1%	196	24.708***
Have other debt that is not car or home (credit card, student loan, medical debt etc.)? (Yes=1)	59.3%	196	1.15
Have two or more credit cards? (Yes=1)	44.4%	196	19.452***
Have you applied for loan in last 12 months? (Yes=1)	44.4%	198	8.878**
Got a car through auto loan? (Yes=1)	59.3%	199	26.095***
Obtained copy of credit report? (Yes =1)	61.1%	196	3.351

df=1; *p<.05, **p<.01, ***p<.001.

other bank product (χ^2=21.571, p<0.001). Seventy-four percent of homeowners have a credit card (χ^2=24.708, p<0.001). Among homeowners, 44 percent have two or more credit cards (χ^2=19.452 and p<0.001) and have applied for a loan within the past year (χ^2=8.878, p<0.01). The majority of homeowners (59%) have obtained their car through an auto loan (χ^2=26.095, p<0.001).

Table 14 outlines the relationship between homeownership and the nine financial embeddedness measures for Latinos. About two thirds of Latino homeowners have a checking account, but the relationship between having a checking account and having a mortgage is not statistically significant. Neither is the relationship between

Table 14. Homeownership and Financial Embeddedness among Latinos

Financial Embedded Scale Items	Bought Home via Mortgage Yes (%)	n	χ^2
Have a checking account? (Yes=1)	66.7%	81	0.294
Pay bills with check or other bank product (not cash and/or money order)? (Yes=1)	73.3%	82	9.856**
Have a savings account? (Yes=1)	46.7%	81	0.395
Have a credit card? (Yes=1)	66.7%	80	10.779**
Have other debt that is not car or home (credit card, student loan, medical debt etc.)? (Yes=1)	46.7%	81	1.473
Have two or more credit cards? (Yes=1)	40.0%	80	9.05**
Have you applied for loan in last 12 months? (Yes=1)	40.0%	82	4.907
Got a car through auto loan? (Yes=1)	46.7%	83	10.111**
Obtained copy of credit report? (Yes =1)	46.7%	82	4.273

df=1; *p<.05, **p<.01, ***p<.001.

homeownership and having a savings account, having other debt, applying for a loan in the past year, or obtaining a copy of a credit report. Nearly three fourths (73%) of Latinos who are homeowners pay their bills with a check or other bank product rather than with cash and/or money orders (χ^2=9.856, p<0.01). Two thirds (67%) of Latinos who are homeowners have a credit card (χ^2=10.779, p<0.01). About 40 percent of Latino homeowners have two or more credit cards (χ^2=9.05, p<0.01). Finally, nearly half of Latino homeowners (47%) have bought their car with an auto loan (χ^2=10.111, p<0.01). Each relationship was statistically significant.

The dynamics differ as we examine the relationship between homeownership and financial embeddedness among non-Latinos in Table 15. Almost all non-Latino homeowners (95%) report having a checking account (χ^2=5.682, p<0.05). A slightly

larger proportion of non-Latinos homeowners (97%) pay most of their bills with a check or other bank product rather than with cash and money orders (χ^2=7.258, p<0.01). Among current or previous mortgage holders, 77 percent have a credit card (χ^2=11.239, p<0.01) and 46 percent have two or more credit cards (χ^2=9.048, p<0.01). Two thirds of non-Latino homeowners (64%) bought their car with an auto loan (χ^2=12.507, p<0.01). As with the combined sample, the relationship between bank-financed homeownership and savings account holding, other debt holding, and obtaining a credit report was not statistically significant among non-Latinos. Among non-Latinos only, the relationship between bank-financed homeownership and applying for a loan in the past year was not statistically significant.

Table 15. Homeownership and Financial Embeddedness among Non-Latinos

	Bought Home via Mortgage		
Financial Embedded Scale Items	Yes (%)	n	χ^2
Have a checking account? (Yes=1)	94.9%	114	5.682*
Pay bills with check or other bank product (not cash and/or money order)? (Yes=1)	97.4%	113	7.258**
Have a savings account? (Yes=1)	74.4%	114	1.578
Have a credit card? (Yes=1)	76.9%	116	11.239**
Have other debt that is not car or home (credit card, student loan, medical debt etc.)? (Yes=1)	64.1%	115	0.217
Have two or more credit cards? (Yes=1)	46.2%	116	9.048**
Have you applied for loan in last 12 months? (Yes=1)	46.2%	116	3.004
Got a car through auto loan? (Yes=1)	64.1%	116	12.507**
Obtained copy of credit report? (Yes =1)	66.7%	114	0.084

df=1; *p<.05, **p<.01, ***p<.001.

Financial Embeddedness and Asset Ownership

Thus far, I have analyzed the extent to which Latinos and non-Latinos in my sample are integrated in the U.S. banking and credit system. I have also examined the relationship between banking practices, credit experience, and homeownership. The results of these analyses are reviewed in Table 16. Table 16 considers ten financial practices that suggest some level of financial embeddedness in the U.S. financial system: having a checking account, paying bills with a check, having a savings account, having a credit card, having some form of debt, having two or more credit cards, having applied for a loan in the past year, having an automobile loan, having obtained a credit report, and having a home mortgage. For all ten measures of financial embeddedness, Latinos rate lower than non-Latinos in a statistically significant manner.

Measuring the probability of an individual being on a path toward asset ownership can be facilitated by the creation of a scale measuring the concept of financial embeddedness. Using SPSS, I ran three different Guttman-like scale models for Latinos, non-Latinos, and the combined sample. Reliability statistics using the Cronbach's alpha and Guttman split-half reliability measures are included for each scale in Table 17. The Guttman split-half reliability measure was maximized for the combined model through minor question reordering, a method recommended by G. David Garson (2009). The best combination with these ten items in the combined model resulted in a Guttman split-half reliability of .738. This resulted in a Cronbach's alpha of .787 for the combined model (see Lambda 4 and Lambda 3, respectively).

Table 16. Financial Embeddedness by Latino Origin

		Latinos		Non-Latinos		Combined Total	
Financial Embedded Scale Items		%	n	%	n	%	N
Checking	Have a checking account? (Yes=1)	61.0%	82	83.3%	114	74%***	196
Pay bills check	Pay bills with check or other bank product (not cash and/or money order)? (Yes=1)	37.3%	83	85.0%	113	64.8%***	196
Savings	Have a savings account? (Yes=1)	39.5%	81	66.7%	114	55.4%***	195
credit card	Have a credit card? (Yes=1)	31.2%	80	55.2%	116	45.4%**	196
other debt	Have other debt that is not car or home (credit card, student loan, medical debt etc.)? (Yes=1)	32.9%	82	67.0%	115	52.8%***	197
# credit cards	Have two or more credit cards? (Yes=1)	13.8%	80	26.7%	116	21.4%*	196
Applied for Loan	Have you applied for loan in last 12 months? (Yes=1)	19.3%	83	35.3%	116	28.6%*	199
Auto loan	Got a car through auto loan? (Yes=1)	19.0%	84	41.4%	116	32%**	200
Credit Report	Obtained copy of credit report? (Yes =1)	25.3%	83	68.4%	114	50.3%***	197
Mortgage	Bought home via mortgage? (Yes=1)	18.1%	83	33.6%	116	27.1%**	199

*p<.05, **p<.01, ***p<.001.

Keeping the items in the same order, I created similar models for non-Latinos and Latinos. Table 17 indicates that the Cronbach's alpha or reliability analysis for this scale among Latinos is .785 (Lambda 3), very close to the reliability measure for the combined model. Thus, the 10-item Guttman scale appears to be a reliable scale for Latinos as well as the combined sample population. The Cronbach's alpha for the non-Latino population is .688, lower than acceptable standards of reliability, which indicate that Cronbach's alphas should approach .80. The reliability analysis for the non-Latino population is lower than the Latino scale and the total population scale, revealing problems with using the same scale with items in the identical order for both Latino and non-Latino populations.

Table 17. Reliability Statistics for Guttman Scales

Lamda	Latino Scale	Non-Latino Scale	Combined Scale
1	0.706	0.619	0.708
2	0.795	0.707	0.793
3	0.785[a]	0.688[a]	0.787[a]
4	0.746[b]	0.614[b]	0.738[b]
5	0.774	0.695	0.771
6	0.823	0.730	0.809
N of items	10		10

N=183; [a]=Cronbach's alpha; [b]=Guttman split-half reliability

The second technique used to measure the latent variable financial embeddedness involved latent class analysis. Table 18 provides the conditional probabilities of membership in three categories of financial embeddedness for each scale item. These categories are: full financial embeddedness, partial financial embeddedness, and no financial embeddedness. Fully embedded individuals have the highest probabilities for each of the ten items. Those not embedded have the lowest probability for all items,

except for having other debt and applying for a loan in the past year. The lowest probabilities for these items pertain to the partially embedded category.

Table 18. Conditional Probabilities of Financial Practice by Level of Financial Embeddedness

Variable	Not Embedded	Partially Embedded	Fully Embedded
Have checking account	0.197	0.938	0.968
Pay bills through bank	0.066	0.831	0.954
Have other debt	0.385	0.320	0.876
Have savings account	0.169	0.573	0.812
Have credit card	0.092	0.391	0.805
Have seen credit report	0.273	0.397	0.796
Have applied for loan in last 12 months.	0.172	0.034	0.607
Bought car through auto loan	0.143	0.186	0.589
Have two or more credit cards	0.000	0.075	0.544
Bought home through mortgage	0.075	0.263	0.479

Figure 3 presents the results from Table 18 in the form of a bar graph. As we can see, individuals who are partially embedded in the credit economy share a high probability of having a checking account, similar to individuals who are fully embedded (.938, compared to .968, respectively). The probabilities for partially and fully embedded categories diverge slightly for paying bills by check (.831 compared to .954, respectively) and having a savings account (.573 compared to .812, respectively).

The greatest differences between individuals who are fully embedded and those who are partially embedded emerge among credit items. The probabilities of having a credit card (.391 for partially embedded and .805 for fully embedded), having seen a credit report (.397 for partially embedded and .796 for fully embedded), having bought a car through an auto loan (.186 for partially embedded and .589 for fully embedded), having two or more credit cards (.075 for partially embedded and .544 for fully

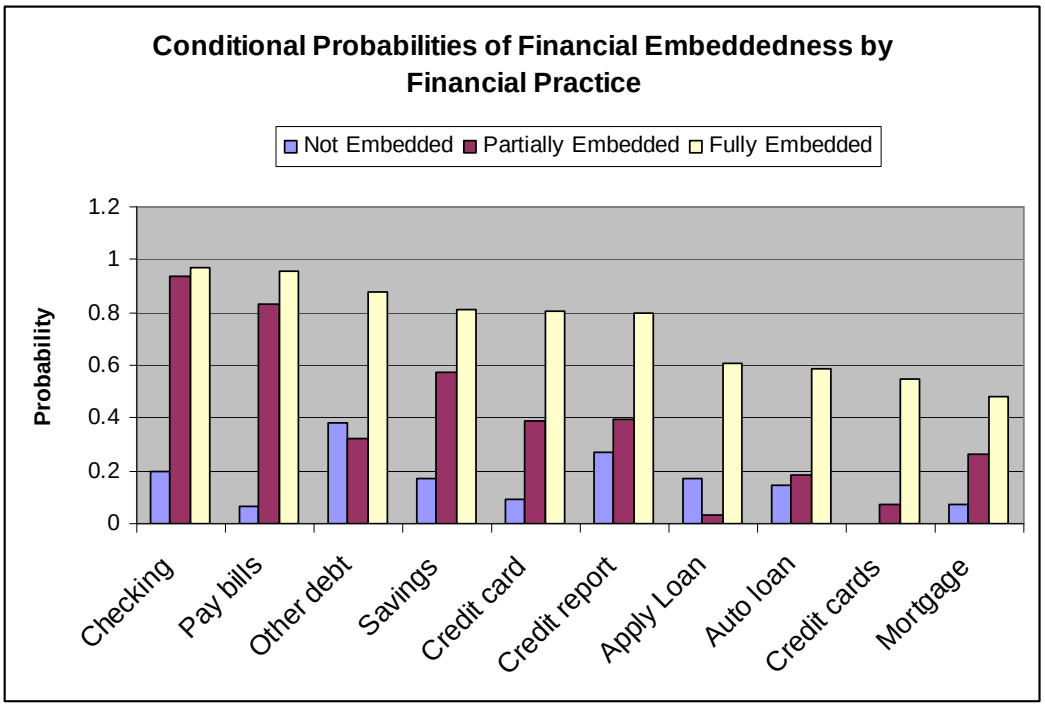

Figure 3. Conditional Probabilities of Financial Embeddedness by Financial Practices

embedded), and having bought a home through a mortgage (.263 for partially embedded and .479 for fully embedded) are all lower among partially embedded individuals.

Partially embedded individuals are the least likely to have applied for a loan in the last year (.034, compared to .607 for fully embedded). As Figure 3 suggests, probabilities for those who are partially embedded generally decrease as we move through the embeddedness scale.

Figure 4 presents the membership in these three categories of financial embeddedness by ethnicity. Close to half of Latinos (49%) are not embedded in the mainstream economy as evident by their financial practices. About 29 percent of Latinos are partially embedded and only 22 percent are fully embedded. Among non-Latinos,

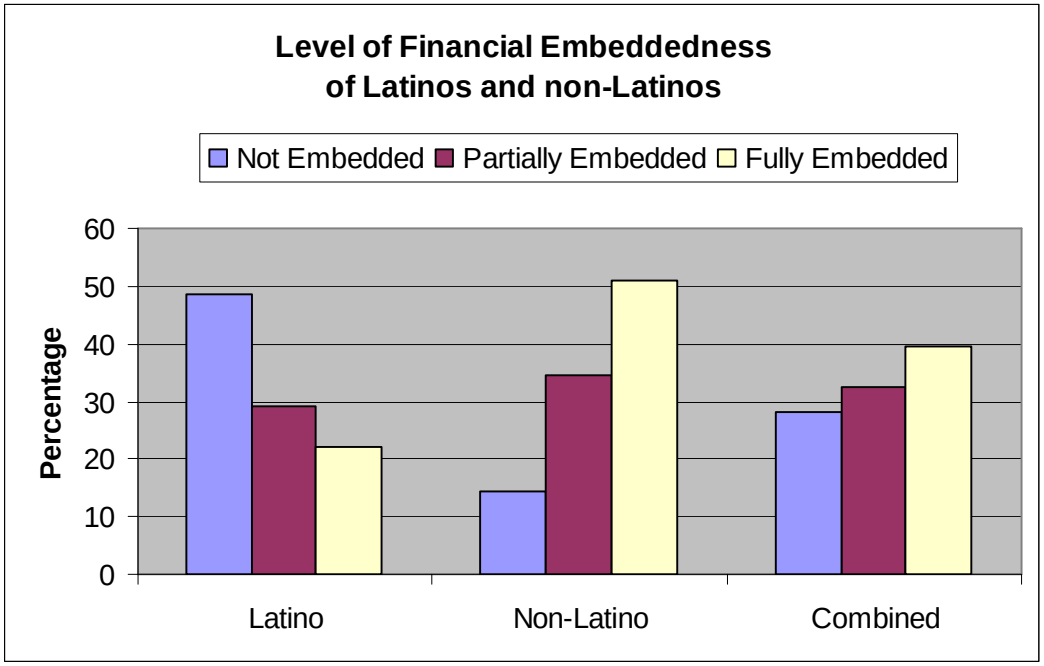

Figure 4. Level of Financial Embeddedness by Latino Origin

half (51%) are fully embedded in the credit economy, 35 percent are partially embedded, and 15 percent are not embedded in the mainstream economy. When Latinos and non-Latinos are combined together, differences in the level of financial embeddedness are less apparent among this low-income population. Among residents in the study area, about 40 percent are fully embedded, 32 percent are partially embedded and 28 percent are not embedded in the mainstream credit economy.

CHAPTER V

DISCUSSION

I began this research with an interest in the process by which individuals do or do not become integrated into the financial mainstream of a credit economy. I was particularly interested in how credit access, credit experience, and credit literacy fuel the process by which disparities in asset-building are produced. Lacking outside sources of wealth, homeownership has been the primary means of building assets among low-income populations. Homeownership presupposes that earlier steps such as having a bank account and establishing a credit history have been taken. Less understood is how this process occurs among low-income Latinos and non-Latinos in new immigrant destinations.

The sociological literature on homeownership and wealth inequality has focused primarily on the experiences and disparities between blacks and whites in the United States. Studies illustrate how racial discrimination and longstanding racial disparities in homeownership have led to segregation and persistent inequalities in wealth (Massey and Denton 1993; Oliver and Shapiro 1995). Others have documented statistically significant differences in the degree to which blacks are banked or unbanked (Beverly et al. 2004; Caskey 1994; Hogarth et al. 2004; Toussaint-Comeau and Rhine 2002). Less studied are the banking practices and asset-building of Latinos and Latino immigrants.

Alba and Logan (1992) and other immigration scholars point to the importance of homeownership as an indicator of financial integration. Their discussion, however, lacks an appreciation for how assimilation dynamics are tied to issues of banking and credit.

As well, studies of the financial practices of Latino immigrants have emerged from traditional immigrant destinations, such as Chicago, California, and New York (Amuedo-Dorantes and Bansak 2005; Inter-American Dialogue 2004; Orozco 2003; Schoenholtz and Stanton 2001; Suro et al. 2002). Very few studies focus on Latinos in new immigrant destinations where access to ethnic resources are more limited.

In comparison to traditional immigrant destinations, new immigrant destinations present additional obstacles to immigrants' financial integration. Established ethnic communities in traditional immigrant destinations often provide strong social networks, means of disseminating information, even access to financial credit and support for new businesses. At the personal level, learning from the experiences of immigrant pioneers can ease adjustment for later immigrant arrivals. In new destinations, these networks and resources are not as readily available. The lack of co-ethnic resources has both social and economic consequences (Portes and Rumbaut 2006). Immigrants' socioeconomic progress is further hindered when language barriers and segregation inhibit interaction between immigrants and established residents, who might inform them about and connect them to mainstream financial institutions.

To explore these barriers, this research has focused on factors influencing banking practices, credit experience and homeownership of Latinos and non-Latinos in a new immigrant destination in northern Utah. Latinos in the sample have demographic characteristics typical of Latinos in other new immigrant destinations. They are significantly younger, less-educated, more likely to be foreign born, and more likely to have children in the home than their native counterparts. Though the study focuses on Latinos in new immigrant destinations, I argue that a focus on credit access, credit

experience, and credit literacy offers a new angle to examine barriers to asset building among all low-income populations.

Overall, Latinos report a lower level of financial integration than their non-Latino neighbors. This is evident in nearly every measure of bank and credit account holdings in the survey. Hence, this research confirms the large discrepancy between the financial account holdings and practices of low-income Latinos and non-Latinos. These inequities are not surprising given differences in educational attainment, region of birth, and financial experiences between these two groups. What is quite interesting is the pathway by which financial integration and asset-building do or do not occur. In the following sections I review the findings of this research as it relates to the research questions I posed earlier in this study.

Banking Practices

Research Question 1: To what degree are Latino and non-Latino residents of new immigrant destinations "banked" and, hence, in a position to establish credit? And are there ethnic differences in the extent to which each group is banked?

My first research question addressed the degree to which Latinos and non-Latinos in my sample were "banked" and therefore in a position to establish credit and, eventually, built assets. I also wanted to know whether or not there were significant ethnic differences in the banking practices of the individuals in my sample. In this study, I departed from past studies, which have tended to view being "banked" as an either/or proposition. That is, I conceptualized being "banked" as a continuum along which individuals fall. The survey offered three measures of being "banked": having a checking

account, paying bills with checks or other bank products (i.e. debit cards, phone transfers, online banking), and having a savings account. I understood these banking measures to be ordered, such that having a savings account would follow from having a checking account and using that checking account to pay bills. Using these measures, I assessed where Latinos and non-Latinos fell on a continuum of banking practices, rather than whether they were "banked" or "unbanked."

My research indicated that more than two-thirds of Latinos (67%) had either a checking or savings account. In addition, a sizable majority of non-Latinos (87%) reported having some form of bank account. These figures suggest that more non-Latinos than Latinos had a bank account, a difference that was statistically significant. Thus, ethnic differences did emerge in bank account holding. Lacking proper identification (27%) and the inability to speak English (14%) were the greatest barriers given by Latinos. The majority of unbanked Latinos (42%), however, offered multiple barriers, indicating that it was some combination of a lack of language ability, required identification, money, and understanding of how to use banks that posed a barrier to their opening a bank account. In contrast, non-Latinos reported a lack of trust in banks (27%) and minimum balances and fees (27%) as the greatest obstacle to opening an account.

Interestingly, banking figures for both Latinos and non-Latinos in the sample were above national averages for low-income populations. We should be cautious, however, in using these figures to conclude that by having some form of bank account, Latino and non-Latino residents in Cache Valley are more financially integrated or further along the continuum toward building assets. A closer look at the financial

practices and knowledge of residents in Cache Valley indicates a more complex picture of financial integration.

One of the key findings of this research is that among Latinos, having a bank account did not necessarily equate to the adoption of related bank practices. A large majority of non-Latino respondents (85%) reported paying their bills with checks or other bank product. This proportion mirrors the percentage of non-Latinos who were banked (87%). In contrast, whereas 68 percent of Latinos surveyed had some form of bank account, only 37 percent paid their bills with a check or other bank product. That is, despite the fact that these Latinos had access to a variety of banking products to pay their bills, they continued to pay bills and otherwise operate in a cash-only system. As we will see, in the process of moving toward financial integration, this difference between account holding and financial practices is crucial. For both groups, the relationship between paying bills through a bank service or product is more closely associated with having bought a home with a mortgage than having a checking account.

Credit Experience and Literacy

Research Question 2: To what degree are Latino and non-Latino residents of new immigrant destinations knowledgeable of credit issues and experienced in managing credit? And are there differences in levels of credit literacy and credit experience by ethnicity and by bank account ownership

My second research question focused on issues of credit. First, I asked about the extent to which Latinos and non-Latinos in my sample were knowledgeable about credit and experienced in managing credit. Second, I wanted to know whether there were ethnic differences in credit literacy and credit experience. Third, and finally, I asked

whether differences in credit literacy and credit experience varied by bank account holding. I used a variety of measures of credit literacy, including whether the respondent had ever taken a financial education class, whether they felt knowledgeable enough to improve their financial situation, and whether they wanted to learn more about borrowing money or establishing credit. The Logan survey provided additional measures of credit literacy (e.g. level of agreement with statements like "I know how to establish good credit"). These measures complimented my basic measures of credit literacy since they were asked of only half of the sample. For credit experience, I asked whether the respondent held credit card(s), whether they had other forms of debt, whether they had applied for a loan in the past twelve months, and whether they had ever obtained a copy of their credit report.

My findings suggested that Latinos and non-Latinos began to diverge on the pathway toward financial embeddedness most strikingly when it came to issues of credit. In general, Latinos reported less credit experience than non-Latinos. For example, just more than half as many Latinos as non-Latinos have a credit card (31%, compared to 55% of non-Latinos) or two or more credit cards (14%, compared to 27%). Similar differences emerged on every other measure of credit experience. That is, fewer Latinos than non-Latinos had some form of debt other than an auto or home loan (19%), had applied for a loan in the past year (19%), or had an auto loan. Finally, only 25 percent of Latinos had obtained a copy of their credit report, compared to 68 percent of non-Latinos. Indeed, it appears that having a credit card and having an auto loan are important thresholds of credit experience. We can say, then, that in this sample, ethnic differences were quite pronounced in levels of formal credit experience.

From the survey data, we also see ethnic differences in credit literacy. Interestingly, roughly the same proportion of non-Latinos (39%) as Latinos (41%) expressed interest in learning more about establishing credit or credit reports. If we take this as a measure of credit literacy, it appears that more than half of non-Latinos and Latinos in this sample are already knowledgeable about credit. It may be that non-Latinos feel that they know enough about how to establish credit and obtain credit. With respect to Latinos, especially those that are foreign-born, it may be that they do not fully understand the credit scoring system and its importance to building assets. Indeed, in questions asked of residents in Logan, less than 60 percent of Latinos knew what a credit report was, compared to more than 90 percent of non-Latinos. It is likely, however, that these learning questions alone do not fully grasp levels of credit literacy among the sample population. That is, not being interested in learning about credit does not necessarily imply that the individual already knows about credit.

Ethnic differences do emerge on other measures of credit literacy. A greater portion of non-Latinos than Latinos had attended a financial education class. And a greater portion of non-Latinos than Latinos agreed with the statement that they had the knowledge to improve their financial situation. In the Logan sample, only 40 percent of Latinos agreed with the statement that they knew how to establish good credit, compared to 77 percent of non-Latinos. Non-Latinos were also more likely to be used to managing various debts and paying off large debts in comparison to Latinos. These data suggest that Latinos are, on the whole, less knowledge about credit issues than their non-Latinos neighbors. To explore this issue further, I asked whether credit literacy varied with checking account holding in addition to ethnicity. That is, are checking account holders

more interested in learning more about credit than non-holders? Among non-Latinos, this relationship was not statistically significant. For Latinos, the relationship between having a checking account and the desire to learn about credit was statistically significant. Half of those who indicated that they were not interested in learning about credit reports did not have a bank account.

For this research question, I also asked whether there was a relationship between credit experience and banking practices. Interestingly, nearly half as many Latinos had a credit card as had checking accounts, whereas among non-Latinos the proportion of having a credit card to having a checking account is roughly two-thirds. For both groups, having a credit card was associated with having a checking or savings account. But because fewer individuals had credit cards, the reverse of this relationship was not true. That is, not all individuals with bank accounts have credit card(s). Among Latinos, the percentage of those who had a credit card as well as a checking account was 80 percent. Slightly more than half of Latino credit card holders paid their bills with a check or other bank product (56%). And about 60 percent of Latino credit card holders had a savings account (60%). These figures are higher among non-Latinos. A large majority (95%) of non-Latino credit card holders also had a checking account, paid their bills through a bank (97%), or had a credit card and a savings account (84%). In sum, bank account holding is a kind of pre-condition for credit experience and literacy, but it is not a guarantee of credit experience and literacy.

Among Latinos, barriers to developing credit experience include a lack of awareness or understanding about credit reports. For non-Latinos, credit experience is not restricted by structural barriers such as language and legal status. Overall, Latinos

demonstrate a slightly less aggressive stance toward credit, with less than a fourth having obtained a copy of their own credit report, compared to more than two thirds of non-Latinos. Through lower levels of credit account holdings, credit literacy, and credit practices, the level of credit experience of Latinos is considerably lower than that of non-Latinos. It should be noted that credit experience offers the potential for, but does not guarantee, a good credit score. In addition to credit accounts and length of history, credit scores rely on each individual's repayment history. Credit experience is unique in that it can help or hinder individuals. Thus, Latinos may have less knowledge of and experience in managing credit, but they may also be at lower risk for becoming debt-ridden.

Homeownership

Research Question 3: What are the rates of homeownership among Latino and non-Latino residents of new immigrant destinations? And are there differences in rates of homeownership by ethnicity and credit literacy and experience?

My third set of research questions revolve around homeownership, which I am using to measure asset-ownership among this low-income population. First, I ask about the rates of homeownership among the Latinos and non-Latinos in my sample. Here, I am particularly interested in how many individuals in the sample financed their home through a bank loan or home mortgage. Second, I ask whether there are differences in these homeownership rates by ethnicity and by credit experience and literacy. In an earlier chapter, I argued that homes were likely to be the only major asset possessed by low-income individuals. Thus, I did not ask about stocks or businesses, which tend to be

two other popular forms of assets. The survey asked respondents whether they rented or owned their home. If they responded that they owned their home, the survey asked how they financed the home. These two questions informed my analysis for this set of research questions.

About 34 Latinos in our survey (or 41%) reported having their own home. As a portion of all Latino respondents this figure is slightly less than the national homeownership rate for foreign-born Latinos, which was 45 percent in both 2007 and 2008 (Kochhar, Gonzalez-Barrera, and Dockterman 2009). However, the number of people who report having their own home can be misleading in terms of being in a position to use homeownership to build wealth. Among these Latinos, only 15 (or 18% of all Latinos) indicated that they bought their home through a mortgage or bank loan. This means that roughly a fourth of Latinos (or 19 respondents) secured their home through loans or arrangements with family members, friends, and acquaintances rather than mainstream financial institutions. It is possible that these individuals have operated outside the formal economy where establishing a credit history may not be needed.

In contrast, a third of non-Latinos residents have bought their home through a mortgage as a part of the mainstream credit economy, which today requires some form of credit history. Among non-Latinos, 39 residents, or a third of the population secured their home through a mortgage. Only 8 (7%) obtained their home through a personal loan or other means. Of those remaining, 69 non-Latinos (60%) report not having a home of their own. These individuals are most likely renting. Among non-Latinos these homeownership rates are also lower than the overall national average of 68 percent in 2008 (Kochhar et al. 2009). Credit access and experience provide key insights into these

differences in homeownership rates. Indeed, the attempt among Latinos to circumvent mainstream financial institutions through personal loans suggests a lack of credit literacy and experience, as well as a lack of wealth.

The different forms of home-financing that I found among Latinos raise questions about the relationship between credit experience and asset building. We may ask if it is possible to build assets through homeownership without a mortgage. I argue that among low-income populations the answers are likely to be no. Individual friends and family members are less likely to be able to finance loans of considerable value. Such loans are more likely to occur with lower-valued properties such as trailers, which are likely not to increase in value over time. In short, this form of informal loan may meet immediate housing needs but it does not serve as a means of acquiring wealth over time. At the same time, however, these informal purchases may have spared local Latinos the costs and risks associated with foreclosure associated with the current crisis. They also may have granted recent immigrants more time to learn about local banking and financial practices before entering the formal credit market.

In a credit economy, the traditional pathway toward homeownership requires a history of banking and credit practices to establish one's credit history in order to qualify for a mortgage. It requires proof that individuals are financially embedded. But only about 67 percent of Latinos with a mortgage had a checking account. Among non-Latinos, this figures jumps to 95 percent. The relationship between having a checking account and having a mortgage is statistically significant for non-Latinos, but not Latinos. Thus, for Latinos, being banked does not necessarily lead to becoming a homeowner, like it has for many non-Latinos.

How Latinos pay their bills appears to be a better predictor of homeownership than having either a checking or a savings account, with 73 percent of Latinos with a mortgage reporting that they paid their bills with a check or other bank product. Although having a credit card and a mortgage is less common among Latinos (67%, compared to 77% for non-Latinos) the relationship between having a credit card and a mortgage is significant among both groups. Slightly fewer Latinos have a mortgage and two or more credit cards (40%, compared to 46% percent among Latinos). Also, fewer Latinos with a mortgage also bought their car through an auto loan (47% compared to 64% for Latinos). Even so, both variables are significantly related to homeownership for both groups.

Financial Embeddedness

Research Question 4: How are bank account holdings, credit literacy and experience, and homeownership for Latino and non-Latino residents of new immigrant destinations related to their overall level of financial embeddedness in the mainstream economy?

My final set of research questions dealt with what I am calling "financial embeddedness." This concept refers to the idea that as individuals adopt mainstream banking practices, gain credit experience, and buy homes through mortgage financing, they become embedded in the U.S. financial system. For immigrants, this may be a sign of financial integration and assimilation. To assess the level of financial embeddedness, I created a scale using the banking, credit, and homeownership measures from the previous three sections. The scale contained ten items: having a bank account, paying bills with a check or other bank product, having a savings account, having a credit card, having a debt other than auto or home loan, having two or more credit cards, having applied for a

loan in the past year, having an auto loan, having obtained a copy of a credit report, and having a mortgage. These items are ordered, such that earlier items/practices are typically pre-conditions for later items/practices.

Results from the Guttman scale analysis of these ten financial measures indicate that there is a general progression toward financial integration that moves from bank account holdings to credit experience to having a mortgage. Reliability measures, however, indicated that responses to these ten items did not strictly conform to a specific path of financial integration. That is, there was a general progression from banking to credit to homeownership, but the actual ordering of the specific items was problematic. I arrived at a somewhat reliable Guttman scale for the combined population, which worked relatively well for the Latino portion of my sample. But this order did not prove reliable for non-Latinos. This could suggest that Latinos and non-Latinos conformed to a slightly different progression of financial embeddedness. The Guttman scale analysis, however, did not allow me to fully delve into this possibility and, in this regard, made it less useful as an analytic tool.

Given the problems associated with the Guttman scale analysis, I used another form of analysis to tackle the latent variable of financial embeddedness. Latent class analysis allowed me to create three categories of financial embeddedness: fully embedded, partially embedded, and not embedded. It also enabled me to calculate conditional probabilities for each of the ten financial measures on these categories. These probabilities are helpful in identifying key questions that divide respondents into these three groups of financial embeddedness. One of the key questions in this regard was how individuals pay their bills. Although “paying bills through bank” was the second item in

the earlier Guttman scale, answering “no” to this question almost always placed individuals into the category of non-financial embeddedness. Thus, this item appears to be a critical determining factor in whether an individual is at least partially embedded in the U.S. financial system.

Having one credit card helps to distinguish those individuals who are partially embedded from those who are fully embedded. The conditional probabilities associated with having two or more credit cards are also of interest. Individuals who have two or more credit cards are mostly like to be fully embedded in the credit economy. None of the individuals who are not embedded have two credit cards. Thus, credit card holding is a powerful determiner of full embeddedness. Together, these probabilities articulate specific patterns of behavior associated with banking practices, credit experience, and asset ownership among this sample population. Questions measuring how people pay their bills, if they have a credit card, and if they have two credit cards appear to be powerful indicators of financial embeddedness at three different levels.

With respect to individual membership in different categories, my findings indicate that close to half of Latinos are not a part of the mainstream economy in their account holdings and financial practices. In contrast, more than half of non-Latinos are fully embedded in the economy. The relationship between individuals and their level of financial embeddedness hinges on their knowledge and use of credit. The greatest differences between individuals who are fully embedded and those who are partially embedded emerge among credit-related items.

CHAPTER VI

CONCLUSION

Through this research, I have demonstrated that banking practices and credit experience are critical to the process by which disparities in asset-building are produced. In this study, I looked at disparities in homeownership in particular, finding that ethnic differences in homeownership are at least partially explained by ethnic differences in banking practices and credit experience. This finding helps us explain and understand persistent inequalities in wealth between Latinos and non-Latinos. In an effort to tease out the dynamics associated with the process of financial integration, I examined steps of reaching homeownership through various account holdings and practices. Homeownership presupposes that earlier steps such as having a bank account and establishing a credit history have been taken. Access to credit, such as credit card holdings, is facilitated through the use of bank services. Disparities in credit access and experience between Latinos and non-Latinos help explain patterns of inequality in homeownership. In this chapter I discuss implications of this research, its limitations, as well as suggestions for further research.

Implications

This research suggests that there are many obstacles and barriers preventing Latinos and low-income individuals more generally from reaching the "American Dream." In this study, I have used homeownership as a key indicator of reaching the "American Dream," revealing disparities in rates of homeownership among Latinos and

non-Latinos in one non-traditional immigrant destination. As I have shown, low-income Latino residents are not in the same position to establish credit compared to their low-income non-Latino neighbors. Latinos in my study have less actively sought credit cards, auto loans, and other forms of debt than non-Latinos. As a consequence their credit literacy and experience is limited.

Findings from survey data suggest that Latino interest in learning about establishing credit is linked to having a bank account. Thus, if more Latinos become "banked" their interest in and motivation to learn about credit may increase. To increase rates of homeownership among low-income groups, and among low-income Latinos in particular, we must backtrack to increase their use of banking services and their knowledge of credit. This research points to the significance of pivotal thresholds, such as paying bills with a check and having a credit card, that may put low-income Latinos and non-Latinos on the path toward asset ownership.

One unique aspect of credit is that it can be both helpful and dangerous. On the one hand, it opens the door for individuals to build assets through loans. Credit can enable families to purchase assets such as a home that enable them to accumulate wealth. For many low-income families homeownership has been the primary means of building wealth and security. On the other hand, problems with credit can lead to overspending, reliance on credit, bankruptcy, and foreclosure. The current recession illustrates these problems. Ironically, choices to remain outside of the credit economy may have spared many immigrants from the kind of financial losses suffered by 'financially embedded' individuals. More research is needed to understand the dynamics of credit and inequality for both Latinos and non-Latinos alike.

To some extent, Latinos may be trying to steer away from having a credit card in order to avoid the problems of consumer debt. They also may be steered by others around them to continue to use cash in a credit economy. Latinos may or may not fully appreciate how such financial strategies can hinder the process of acquiring assets and building wealth. At the same time, they may be more aware of the pitfalls of credit and not see its usefulness in helping to build wealth when properly managed. Financial educators seeking to help Latinos navigate the use of credit face unique challenges, particularly among immigrants in new destinations. Any successful education program needs to carefully balance the danger and potential of credit for asset-building over time, while highlighting the ways in which credit can be used conservatively and strategically to enhance financial well-being and increase assets. In the absence of larger ethnic resources, such outreach efforts may help Latinos in new immigrant destinations navigate the process of financial integration.

Limitations

This research relied on survey data collected from one particular place at one point in time. As well, surveys were distributed non-randomly. Thus, although the study provides a wealth of information, it can not be generalized to the larger Latino population or low-income population in the United States. Indeed, I suspect that the financial practices of Latinos and non-Latinos vary according to the particular social context in which they take place. Even so, these data do suggest that there are key differences in financial practices and financial literacy that lead, over time, to differences in assets and

wealth. In that the goal of this research was to develop questions and hypotheses for future research, this finding is quite valuable.

This study was also limited to the extent that surveys were distributed in two different towns one year apart. It could be that financial conditions changed sufficiently to make comparison of these data problematic, especially since financial conditions have deteriorated so rapidly in the present economic crisis. In addition, the two surveys were not identical, such that some of the more valuable measures of financial literacy were asked in the second iteration. Many of the survey items proved too problematic to analyze, such as the items addressing payday lending. This limited my ability to fully exploit the data and enhance the analysis here. Even so, I argue that the two data sets are sufficiently comparable to consider the data as one data set. Further, enough items were sufficiently valid to explore the relationship between banking, credit, and assets.

Suggestions for Future Research

Financial embeddedness is an under-examined area of social inequality. The more financially embedded individuals are, the greater their access to credit, and the greater their ability to buy a home or finance a new business. One might argue that unless credit experience and literacy increases among low-income residents, they are likely to become further marginalized. The challenges of credit in our current credit crisis—both its negative consequences and decreased availability—indicate that one's relationship to credit may already be another form of economic marginalization with which many low-income people live. Future research can explore credit and the lack of financial embeddedness as a new form of economic disadvantage.

Half of the Latinos in this study were not financially embedded, operating outside the credit economy. This lack of financial embeddedness rested on their banking practices and credit experience. Thus, future research should expand on factors that influence unbanked behaviors among Latinos and other low-income groups, such as the prevalence of payday lending, levels of financial literacy, and the financial practices of close friends and family members. In-depth interviews with Latinos could explore their attitudes and understanding of credit and its relationship to asset-building. As well, survey data on such attitudes among middle- and upper-class homeowners could reveal how relatively privileged groups use credit strategically in the efforts to build wealth and assets.

This study revealed how Latinos in northern Utah paid bills with cash and/or money orders. This practice persisted even among those Latinos who had checking accounts. It is clear, then, that having a bank account does not necessarily change one's financial behavior. Future research could explore the circumstances under which Latinos change from using cash to using various bank products such as checks and debit cards. In particular, studies could explore how financial practices are learned and adopted, as well as how these patterns in adoption vary by ethnicity, income, and foreign-born status.

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APPENDICES

Appendix A Hyrum (English) Survey Instrument

A. Economic Life

1. **Education: (Mark the highest level attained)**
   - ☐ Less than a high school degree
   - ☐ High school diploma (or equivalent degree)
   - ☐ Degree from technical or trade school
   - ☐ Some years at college/university
   - ☐ University degree

2. **Employment Status:**
   - ☐ Employed full-time
   - ☐ Employed part-time
   - ☐ Unemployed
   - ☐ Homemaker
   - ☐ Retired
   - ☐ Other:_____

3. **If you are employed, what type of work do you do in your main occupation?**

   _____

   _____

4. **How did you obtain your job?**
   - ☐ Answered a newspaper/ online ad
   - ☐ Recommended by a relative
   - ☐ Recommended by a friend
   - ☐ Registered at an employment Agency
   - ☐ Other:_____

5. **How long have you had this job?** _____

6. **On average, how many hours do you work each week?** _____

7. **In the last two months, what has been your average monthly take-home pay after taxes?**

   _____

8. **Besides this job, do you have other sources of income?**
   - ☐ Yes
     → If so, please describe: _____
   - ☐ No

9. **Including yourself, how many members of your household contribute to household expenses? _____**

10. **Are you currently providing financial support to anyone not living in your home?**
    - ☐ Yes
      → Who: _____
    - ☐ No

11. **In the past five years, have you experienced any of the following problems that may have brought on financial difficulties? (Mark ALL that apply)**
    - ☐ Death in the family
    - ☐ Illness /Accident
    - ☐ Long-term unemployment
    - ☐ Increased household expenses
    - ☐ Theft/ Fraud
    - ☐ Other: _____

12. **What measures have you taken to deal with these financial problems? (Mark ALL that apply)**
    - ☐ Used personal savings
    - ☐ Borrowed money from relatives or friends
    - ☐ Asked for assistance from social organizations
    - ☐ Sold property or valuable belongings
    - ☐ Worked more hours
    - ☐ Got a second job
    - ☐ Had a family member get a job
    - ☐ Reduced spending or cut back on household expenses
    - ☐ Skipped payments or delayed payment of debts
    - ☐ Declared bankruptcy
    - ☐ Other: _____

B. Financial Life

13. **Where do you conduct most of your financial transactions?**
    - ☐ At a bank (e.g. Wells Fargo)
    - ☐ At a credit union (e.g. USU Credit Union)
    - ☐ At an alternative financial institution (e.g. Quick Pay Day)
    - ☐ Other _____

14. **Do you currently have a checking account?**
    - ☐ Yes
      → Where? _____
    - ☐ No

15. Do you currently have a savings account?

- ☐ Yes
  - → Where? _____
- ☐ No

16. If you currently do not have a bank account, what do you see as the greatest barrier to opening one?

- ☐ Don't understand how to use bank accounts
- ☐ Lack of trust in banks
- ☐ High minimum balances or banking fees
- ☐ Banking hours
- ☐ Location of banks
- ☐ Other: _____

17. Do you currently have a credit card?

- ☐ Yes
  - → How many? _____
- ☐ No

18. Do you own a car?

- ☐ Yes
  - → How did you buy it? (Mark ALL that apply)
    - ☐ Personal savings
    - ☐ Bank loan
    - ☐ Loan from family members
    - ☐ Loan from friends
    - ☐ Other: _____
- ☐ No

19. Do you own your own home?

- ☐ Yes
  - → How did you buy it? (Mark ALL that apply)
    - ☐ Personal savings
    - ☐ Mortgage or bank loan
    - ☐ Loan from family members
    - ☐ Loan from friends
    - ☐ Other: _____
- ☐ No

20. If you currently have a mortgage, have you experienced any of the following in the past three years? (Mark ALL that apply)

- ☐ Increase in interest rate
- ☐ Problems making mortgage payment
- ☐ Dishonest lenders
- ☐ Threat of foreclosure
- ☐ Other: _____

21. Other than home or car loans, do you have any other debt?

☐ Yes
→ What kind(s) (ex. credit card, student loan)? _____

_____

☐ No

22. Have you ever obtained a copy of your credit report?

☐ Yes
☐ No

23. How do you usually pay your bills or household expenses?

☐ Check
☐ Cash
☐ Money orders
☐ Online transfer from bank account
☐ Other: _____

24. Within the past twelve months, have you cashed a check at a financial institution?

☐ Yes
→ Which institution? _____
☐ No

25. If applicable, which factor(s) do you consider in deciding where to cash a check? (Mark <u>ALL</u> that apply)

☐ Forms of identification required
☐ Where or if you have a bank account
☐ Familiarity with institution
☐ Fees
☐ Hours/ schedule
☐ Location
☐ Which bank issued the check
☐ Other: _____

26. Within the past twelve months, have you taken out a loan or borrowed money from a financial institution?

☐ Yes
→ Which institution(s)? _____

_____

☐ No

27. If applicable, which factor(s) do you consider in deciding where to apply for a loan? (Mark ALL that apply)

- ☐ Forms of identification required
- ☐ Where or if you have a bank account
- ☐ Familiarity with institution
- ☐ Interest rates
- ☐ Hours/ schedule
- ☐ Location
- ☐ Other: _____

28. During the last 12 months, have you sent money to a foreign country?

- ☐ Yes
  → Through which institution? _____
- ☐ No

29. If applicable, which factor(s) do you consider in deciding which financial institution to use in sending money overseas? (Mark ALL that apply)

- ☐ Forms of identification required
- ☐ Where or if you have a bank account
- ☐ Familiarity with institution
- ☐ Fees
- ☐ Hours/ schedule
- ☐ Location
- ☐ Other: _____

30. What is the greatest obstacle you face in managing your personal finances?

- ☐ I do not have enough knowledge about financial institutions in Cache Valley.
- ☐ I do not have sufficient income.
- ☐ I do not have control over the financial decisions in the household.
- ☐ I do not have enough time.
- ☐ I struggle to control my spending.
- ☐ I do not have any obstacles.
- ☐ Other: _____

31. Where do you go first to obtain advice for managing your financial affairs?

- ☐ Family/friends
- ☐ Non-profit or social organizations
- ☐ Banks/credit unions
- ☐ Classes/workshops
- ☐ Other: _____

32. Have you attended any classes on financial education?

- ☐ Yes
  → Where? _____
- ☐ No

33. Which of the following financial topics would you like to learn more about?

- ☐ Using bank accounts
- ☐ Check cashing options
- ☐ Borrowing money/ loans
- ☐ Sending money to another country
- ☐ Establishing credit/ credit reports
- ☐ Budgeting/ saving money
- ☐ Other: _____

34. For each question, please circle ONE of the following: STRONGLY DISAGREE, DISAGREE, AGREE, or STRONGLY AGREE.

	Strongly Disagree	**Disagree**	**Agree**	**Strongly Agree**
a. I feel confident about managing my finances.	1	2	3	4
b. I feel anxious about my financial situation.	1	2	3	4
c. I feel confident about my ability to establish priorities in my finances.	1	2	3	4
d. When I have a question or a financial problem, I know where to find help.	1	2	3	4
e. I have the ability to solve my financial problems.	1	2	3	4
f. I can identify financial goals that are appropriate for my economic situation.	1	2	3	4
g. I feel confident that I can reach the financial goals that I set for myself.	1	2	3	4
h. I have the knowledge and the ability to improve my financial situation.	1	2	3	4

C. Personal and Family Life

35. What is your sex?

- ☐ Female
- ☐ Male

36. What is your marital status?

- ☐ Single
- ☐ Married
- ☐ Living with Partner
- ☐ Divorced/Separated
- ☐ Widowed

37. How many people live in your household? _____

38. How many children do you have? _____

39. Are there children under the age of 18 living in your home?

- ☐ Yes
  - → How many? _____
- ☐ No

40. In what year were you born? _____

41. Where were you born (city, state, country)?

_____

42. If you are not originally from Cache Valley, how long have you lived here?

- ☐ Less than one year
- ☐ 1-5 years
- ☐ 6-10 years
- ☐ More than 10 years
- ☐ Does not apply

43. If you are not originally from Cache Valley, where did you live before moving here (city, state, country)?

_____

44. How long have you lived in your current residence?

- ☐ Less than one year
- ☐ 1-5 years
- ☐ 6-10 years
- ☐ More than 10 years
- ☐ Does not apply

45. Do you plan to move away from Cache Valley within the next two years?

- ☐ Yes
  → If so, why?_____
- ☐ No

46. Are you Spanish/Hispanic/Latino?

- ☐ Yes
- ☐ No

47. Which of the following best describes your religious affiliation?

- ☐ Catholic
- ☐ Latter-Day Saint
- ☐ Protestant
- ☐ Other:_____
- ☐ None

48. For each question, please circle <u>ONE</u> of the following: STRONGLY DISAGREE, DISAGREE, AGREE, or STRONGLY AGREE.

	Strongly Disagree	**Disagree**	**Agree**	**Strongly Agree**
a. My neighborhood is a safe place to live.	1	2	3	4
b. In my neighborhood, we do favors for each other.	1	2	3	4
c. In my neighborhood, we share information.	1	2	3	4
d. In my neighborhood, we visit each other in our homes.	1	2	3	4
e. If I needed to borrow $25, I could ask my neighbors.	1	2	3	4
f. If I had an emergency, I could leave my children with neighbors.	1	2	3	4

THANK YOU for your cooperation!

Appendix B: Hyrum (Spanish) Survey Instrument

A. La Vida Económica

1. **Educación: (Marque el máximo nivel alcanzado)**
   - ☐ Menos que Preparatoria/Secundaria (High School)
   - ☐ Graduado de Preparatoria/Secundaria (High School)/Equivalente
   - ☐ Título de una Escuela de Comercio/Técnica
   - ☐ Algunos años de Universidad
   - ☐ Titulo Universitario

2. **Empleo/Trabajo:**
   - ☐ Trabajador de Tiempo Completo
   - ☐ Trabajador de Medio Tiempo
   - ☐ Desempleado
   - ☐ Ama de casa (quehaceres domésticos)
   - ☐ Jubilado
   - ☐ Otro:_____

3. **Si tiene trabajo, ¿qué tipo de trabajo hace usted en su ocupación principal?**

   _____

4. **¿Cómo obtuvo su empleo?**
   - ☐ Buscándolo por periódico o internet
   - ☐ Recomendado por un pariente
   - ☐ Recomendado por un amigo/a
   - ☐ Agencia de empleo
   - ☐ Otro:_____

5. **¿Por cuánto tiempo ha estado en este trabajo?** _____

6. **¿Cuántas horas por semana trabaja?** _____

7. **¿Le pagan en cheque o en efectivo?**
   - ☐ Cheque
   - ☐ Efectivo

8. **¿Le descuentan impuestos de Seguridad Social?**
   - ☐ Sí
   - ☐ No

9. **En los últimos dos meses ¿cuánto le pagan mensualmente en promedio después de quitar los impuestos?**

   _____

10. Además de este trabajo, ¿tiene otras maneras de ganar dinero?

- ☐ Sí
  - → Describe: _____
- ☐ No

11. Incluyéndose usted, ¿cuántos miembros del hogar contribuyen en los gastos de la casa?

_____

12. Actualmente, ¿provee usted ayuda económica a personas que no viven en su casa?

- ☐ Sí
  - → Quien:_____
- ☐ No

13. En los últimos cinco años, ¿ha sufrido cualquiera de los siguientes problemas que les haya causado dificultades económicas? (Marque <u>todo</u> que aplica)

- ☐ Muerte de un familiar
- ☐ Enfermedad
- ☐ Desempleo prolongado
- ☐ Aumento en los gastos de la casa
- ☐ Robo/Fraude
- ☐ Otro: _____

14. ¿Qué medidas tomó usted para solucionar el problema? (Marque <u>todo</u> que aplica)

- ☐ Usó ahorros personales
- ☐ Pidió un préstamo a parientes o amigos
- ☐ Pidió ayuda a organizaciones sociales (ej. Centro de la Familia)
- ☐ Vendió propiedades o bienes de valor
- ☐ Trabajó más horas
- ☐ Consiguió otro trabajo
- ☐ Tuvo que trabajar otro miembro de la familia
- ☐ Redujo los gastos de la casa
- ☐ No pagó o tardó en pagar las deudas
- ☐ Se declaró en Bancarrota
- ☐ Otro: _____

B. La Vida Financiera

15. ¿Dónde hace usted la mayoría de sus transacciones financieras?

- ☐ En un banco (ej. Wells Fargo)
- ☐ En una cooperativa de crédito (ej. USU Credit Union)
- ☐ En una institución alternativa (ej. Quick Pay Day)
- ☐ Otro _____

16. ¿Tiene usted cuenta de cheques en EE.UU.?

- ☐ Sí
  → Donde? _____
- ☐ No

17. ¿Tiene usted cuenta de ahorros en EE.UU.?

- ☐ Sí
  Donde? _____
- ☐ No

18. Si no tiene una cuenta de banco, ¿cuál piensa que sería la barrera más grande para abrir una cuenta bancaria?

- ☐ Habilidad de hablar ingles
- ☐ Falta de identificación
- ☐ Falta de conocimiento en como usar las cuentas de los bancos
- ☐ Falta de seguridad con los bancos
- ☐ Altos balances mínimos y los costos bancarios
- ☐ Los horarios del banco
- ☐ La ubicación del banco
- ☐ Otro: _____

19. ¿Tiene una tarjeta de crédito en EE.UU.?

- ☐ Sí
  Cuantos? _____
- ☐ No

20. ¿Tiene un auto/vehículo propio en EE.UU.

- ☐ Sí
  → Cómo lo compró? (Marque todo que aplica)
  - ☐ Ahorros personales
  - ☐ Préstamo del banco
  - ☐ Préstamo de familiares
  - ☐ Préstamo de amigos
  - ☐ Otro: _____
- ☐ No

21. ¿Tiene casa propia en EE.UU.?

☐ Sí

→ Cómo la compró? (Marque todo que aplica)

☐ Ahorros personales
☐ Préstamo del banco
☐ Préstamo de familiares
☐ Préstamo de amigos
☐ Otro: _____

☐ No

22. Si tiene una hipoteca o préstamo de casa, ha sufrido algunos de los siguientes problemas en los últimos tres años? (Marque todo que aplica)

☐ Aumento de la taza de interés
☐ Dificultades en hacer los pagos mensuales
☐ Prestamistas deshonestos
☐ Peligro de extinguirse el derecho de redimir una hipoteca
☐ Otro: _____

23. ¿Tiene otras deudas?

☐ Sí

→ Que tipo(s) (ej. tarjeta de crédito)? _____

_____

☐ No

24. ¿Ha visto una copia de su reporte de crédito?

☐ Sí
☐ No

25. ¿Ha hecho usted declaraciones de impuestos en EE.UU.?

☐ Sí
☐ No

26. Generalmente, ¿cómo paga sus gastos ("bills") de la casa?

☐ Cheque
☐ Efectivo
☐ Money orders
☐ Por medio del internet
☐ Otro: _____

27. ¿Durante los últimos 12 meses, ¿ha cambiado un cheque (a dinero en efectivo) en una institución financiera?

☐ Sí

→ Cuál institución? _____

☐ No

28. Si ha cambiado un cheque anteriormente, ¿qué factores usted considera para decidir dónde cambiar los cheques a dinero en efectivo? (Marque todo que aplica)

- ☐ Habilidad de hablar español
- ☐ La forma de identificación que se requiere
- ☐ Familiaridad con la institución
- ☐ Honorarios
- ☐ Horarios
- ☐ Ubicación
- ☐ El hecho de que el cheque viene del mismo banco
- ☐ Otro: _____

29. Durante los últimos 12 meses, ¿ha tomado un préstamo de una institución financiera?

- ☐ Sí
  → Cual(es) institución(es)? _____

  _____
- ☐ No

30. Si ha hecho un préstamo anteriormente, ¿cuáles son los factores más importantes que usted considera para decidir dónde aplicar para un préstamo? (Marque todo que aplica)

- ☐ Habilidad de hablar español
- ☐ La forma de identificación que se requiere
- ☐ Familiaridad con la institución
- ☐ Tazas de interés
- ☐ Horarios
- ☐ Ubicación
- ☐ Otro: _____

31. Durante los últimos 12 meses, ¿ha enviado usted dinero a su país o comunidad de origen?

- ☐ Sí
  → Con cual institución?
  _____

  → Dónde?
  _____
- ☐ No

32. Si manda dinero a su país o comunidad de origen, ¿cuáles son los factores más importantes que usted considera para decidir cual institución financiera utilizar para enviar estos dineros al exterior? (Marque <u>todo</u> que aplica)

- ☐ Habilidad de hablar español
- ☐ La forma de identificación que se requiere
- ☐ Familiaridad con la institución
- ☐ Honorarios
- ☐ Horarios
- ☐ Ubicación
- ☐ Otro: _____

o **¿Cuál es la barrera más grande que enfrenta para manejar su situación financiera?**

- ☐ No tengo suficiente conocimiento de las instituciones financieras en Cache Valley.
- ☐ No tengo suficientes ingresos.
- ☐ No tengo control sobre las decisiones financieras de la casa.
- ☐ No tengo el tiempo suficiente.
- ☐ No tengo control de mis gastos.
- ☐ No tengo barreras.
- ☐ Otro: _____

34. ¿A dónde acude primero para conseguir consejos sobre como manejar sus asuntos financieros?

- ☐ Familia/amigos
- ☐ Organizaciones sociales (ej. Centro de la Familia)
- ☐ Bancos/cooperativas de crédito
- ☐ Clases
- ☐ Otro: _____

35. ¿Ha ido a una clase de educación financiera?

- ☐ Sí
  → Donde? _____
- ☐ No

36. ¿De que quisiera saber más con respeto a asuntos financieros? (Marque <u>todo</u> que aplica)

- ☐ Uso de cuentas bancarias
- ☐ Cambio de cheques
- ☐ Préstamos de dinero
- ☐ Envío de dinero a otro país
- ☐ Establecimiento y reporte de crédito
- ☐ Manejo y ahorro de dinero
- ☐ Otro:
  _____

37. Para cada pregunta, responde con una de las siguientes: MUY EN DESACUERDO, EN DESACUERDO, DE ACUERDO, o MUY DE ACUERDO.

	Muy en desacuerdo	**En desacuerdo**	**De acuerdo**	**Muy de acuerdo**
a. Me siento seguro manejando mi dinero.	1	2	3	4
b. Me siento preocupado acerca de mi situación financiera.	1	2	3	4
c. Me siento seguro de mis habilidades para fijar prioridades financieras.	1	2	3	4
d. Cuando tengo una pregunta o un problema financiero, yo sé donde encontrar ayuda.	1	2	3	4
e. Yo tengo la habilidad para resolver mis problemas financieros.	1	2	3	4
f. Puedo identificar metas financieras que sean apropiadas para mi situación económica.	1	2	3	4
g. Me siento seguro de que puedo cumplir las metas financieras que me proponga.	1	2	3	4
h. Tengo el conocimiento para mejorar mi situación financiera	1	2	3	4

C: La Vida Personal y Familiar

38. Sexo:

☐ Femenino
☐ Masculino

39. Estado Civil:

- ☐ Soltero(a)
- ☐ Casado(a)
- ☐ Unión Libre
- ☐ Divorciado(a)/Separado(a)
- ☐ Viudo(a)

40. ¿Cuántas personas en total viven en su casa? _____

41. ¿Cuántos hijos tiene? _____

42. ¿Hay niños que tienen menos de 18 años de edad que viven en su casa?

- ☐ Sí
  → Cuántos?_____
- ☐ No

43. ¿En que año nació? _____

44. ¿Donde nació usted? (ciudad, estado, país):

_____

45. Si nació en otro país, ¿tiene planes para regresar a su país de origen?

- ☐ Sí
- ☐ No
- ☐ No se aplica

46. Si nació en otro país, ¿cuánto tiempo ha vivido en EE.UU.?

- ☐ Menos de un año
- ☐ 1-5 años
- ☐ 6-10 años
- ☐ Más de 10 años
- ☐ No se aplica

47. Si vivía afuera de Cache County en el pasado, ¿cuánto tiempo ha vivido en Cache Valley?

- ☐ Menos de un año
- ☐ 1-5 años
- ☐ 6-10 años
- ☐ Más de 10 años
- ☐ No se aplica

48. Si vivía afuera de Cache Valley en el pasado, ¿donde vivía antes de vivir en Cache Valley? (ciudad, estado, país)

_____

49. ¿Cuánto tiempo ha vivido en la casa donde reside en este momento?

- ☐ Menos de un año
- ☐ 1-5 años
- ☐ 6-10 años
- ☐ Más de 10 años

50. ¿Tiene planes para irse de esta comunidad en los próximos dos años?

- ☐ Sí
- ☐ → Por que saldría?

  _____

  _____
  _
- ☐ No

51. ¿Cual de las siguientes afiliaciones religiosas representa la suya?

- ☐ Católica
- ☐ SUD/LDS
- ☐ Protestante
- ☐ Otra:_____
- ☐ Ninguna

52. Con respecto al ingles, usted diría que:

- ☐ No habla ni entiende
- ☐ No habla pero entiende un poco
- ☐ No habla pero entiende bien
- ☐ Habla y entiende un poco
- ☐ Habla y entiende bien

53. Para cada pregunta, responda con una de las siguientes: MUY EN DESACUERDO, EN DESACUERDO, DE ACUERDO, o MUY DE ACUERDO.

	Muy en desacuerdo	**En desacuerdo**	**De acuerdo**	**Muy de acuerdo**
a. Mi barrio es un lugar seguro para vivir.	1	2	3	4
b. En mi barrio, nos hacemos favores unos a otros.	1	2	3	4
c. En mi barrio, compartimos información unos con otros.	1	2	3	4
d. En mi barrio, nos visitamos las casas de unos con otros.	1	2	3	4
e. Si tuviera que pedir prestado $25, se los pediría a mis vecinos.	1	2	3	4
f. Si tuviera una emergencia, dejaría mis hijos con mis vecinos.	1	2	3	4

¡Muchas gracias por su cooperación!

Appendix C: Logan (English) Survey Instrument

A. Economic Life

1. **In general, how would you describe the impact of the nation's current financial crisis on residents of Cache Valley during the past year?**
   - ☐ Very severe
   - ☐ Severe
   - ☐ Moderate
   - ☐ Slight
   - ☐ No impact

2. **Given the current financial crisis, which of the following changes have you or a member of your household personally experienced during the past year? (Mark ALL that apply)**
   - ☐ Work fewer hours
   - ☐ Job loss
   - ☐ Problems paying debts
   - ☐ Decrease in home value
   - ☐ Problems paying mortgage
   - ☐ Foreclosure
   - ☐ Loss in investments
   - ☐ Other: _____
   - ☐ Does not apply

3. **What measures have you taken to deal with these financial problems? (Mark ALL that apply)**
   - ☐ Used personal savings
   - ☐ Borrowed money from relatives or friends
   - ☐ Asked for assistance from social organizations
   - ☐ Sold property or valuable belongings
   - ☐ Worked more hours
   - ☐ Got a second job
   - ☐ Had a family member get a job
   - ☐ Reduced spending or cut back on household expenses
   - ☐ Skipped payments or delayed payment of debts
   - ☐ Declared bankruptcy
   - ☐ Other: _____
   - ☐ Does not apply

4. **In the past five years, have you experienced any other problems that may have brought on financial difficulties? (Mark ALL that apply)**
   - ☐ Death in the family
   - ☐ Illness /Accident
   - ☐ Long-term unemployment
   - ☐ Increased household expenses
   - ☐ Theft/ Fraud
   - ☐ Other: _____
   - ☐ Does not apply

5. **What measures have you taken to deal with these financial problems? (Mark ALL that apply)**
   - ☐ Used personal savings
   - ☐ Borrowed money from relatives or friends
   - ☐ Asked for assistance from social organizations
   - ☐ Sold property or valuable belongings
   - ☐ Worked more hours
   - ☐ Got a second job
   - ☐ Had a family member get a job
   - ☐ Reduced spending or cut back on household expenses
   - ☐ Skipped payments or delayed payment of debts
   - ☐ Declared bankruptcy
   - ☐ Other: _____
   - ☐ Does not apply

6. **What is your employment status?:**
   - ☐ Employed full-time
   - ☐ Employed part-time
   - ☐ Unemployed
   - ☐ Homemaker
   - ☐ Retired
   - ☐ Other:_____

7. **If you are employed, what type of work do you do in your main occupation?**

   _____

   _____

8. **How did you obtain your job?**
   - ☐ Newspaper/ online
   - ☐ Recommended by a relative
   - ☐ Recommended by a friend
   - ☐ Employment agency
   - ☐ Other:_____

9. How long have you had this job? _____

10. On average, how many hours do you work each week? _____

11. In the last two months, what has been your <u>average</u> monthly take-home pay after taxes?

_____

12. Besides this job, do you have other sources of income?

☐ Yes
→ If so, please describe: _____
☐ No

13. Including yourself, how many members of your household contribute to household expenses?

_____

14. Are you currently providing financial support to anyone not living in your home?

☐ Yes
→ To whom?: _____
☐ No

B. Financial Life

15. Where do you conduct most of your financial transactions?

☐ At a bank (e.g. Wells Fargo)
☐ At a credit union (e.g. USU Credit Union)
☐ At an alternative financial institution (e.g. Quick Pay Day)
☐ Other _____

16. Do you currently have a checking account?

☐ Yes
→ Where? _____
→ How long ago did you open it?_____
☐ No

17. Do you currently have a savings account?

- ☐ Yes
  - → Where? _____
  - → How long ago did you open it?_____
- ☐ No

18. If you currently do not have a bank account, what do you see as the greatest barrier to opening one?

- ☐ Don't understand how to use bank accounts
- ☐ Lack of trust in banks
- ☐ High minimum balances or banking fees
- ☐ Banking hours
- ☐ Location of banks
- ☐ Other: _____

19. Do you currently have a credit card?

- ☐ Yes
  - → How many? _____
  - → How long ago did you get your first credit card?
    - ☐ Less than two years ago
    - ☐ About 2-5 years ago
    - ☐ More than five years ago
- ☐ No

20. Do you own a car?

- ☐ Yes
  - → How did you buy it?
    - ☐ Personal savings
    - ☐ Bank loan
    - ☐ Loan from family members
    - ☐ Loan from friends
    - ☐ Other: _____
- ☐ No

21. Do you own your own home?

- ☐ Yes
  - → How did you buy it?
    - ☐ Personal savings
    - ☐ Mortgage or bank loan
    - ☐ Loan from family members
    - ☐ Loan from friends
    - ☐ Other: _____
- ☐ No

22. If you currently have a mortgage, have you experienced any of the following in the past three years? (Mark ALL that apply)

- ☐ Increase in interest rate
- ☐ Problems making mortgage payment
- ☐ Dishonest lenders
- ☐ Threat of foreclosure
- ☐ Other: _____

23. Other than home or car loans, do you have any other debt?

- ☐ Yes
  - → What kind? _____
- ☐ No

24. Do you know what a credit report is?

- ☐ Yes
  - → Have you ever obtained a copy of your own credit report?
    - ☐Yes
    - ☐No
- ☐ No

25. How do you usually pay your bills or household expenses?

- ☐ Check
- ☐ Cash
- ☐ Money orders
- ☐ Online transfer from bank account
- ☐ Other: _____

26. Within the past twelve months, have you cashed a check at a financial institution?

- ☐ Yes
  - → Where? _____
- ☐ No
- ☐ Does not apply.

27. If applicable, which factor(s) do you consider in deciding where to cash a check? (Mark ALL that apply)

- ☐ Forms of identification required
- ☐ Where or if you have a bank account
- ☐ Familiarity with institution
- ☐ Fees
- ☐ Hours/ schedule
- ☐ Location
- ☐ The fact that the check comes from the same bank
- ☐ Other: _____

28. Within the past twelve months, have you taken out a loan or borrowed money from a financial institution?

☐ Yes
→ Which institution(s)? _____

_____

☐ No

29. If applicable, which factor(s) do you consider in deciding where to apply for a loan? (Mark <u>ALL</u> that apply)

☐ Forms of identification required
☐ Where or if you have a bank account
☐ Familiarity with institution
☐ Interest rates
☐ Hours/ schedule
☐ Location
☐ Other: _____

30. During the last 12 months, have you sent money to a foreign country?

☐ Yes
→ Through which institution? _____
→ Where? _____
☐ No

31. If applicable, which factor(s) do you consider in deciding which financial institution to use in sending money to another country? (Mark <u>ALL</u> that apply)

☐ Forms of identification required
☐ Where or if you have a bank account
☐ Familiarity with institution
☐ Fees
☐ Hours/ schedule
☐ Location
☐ Other: _____

32. What is the greatest obstacle you face in managing your personal finances?

☐ I do not have enough knowledge about financial institutions in Cache Valley.
☐ I do not have sufficient income.
☐ I do not have control over the financial decisions in the household.
☐ I do not have enough time.
☐ I struggle to control my spending.
☐ I do not have any obstacles.
☐ Other: _____

33. Where do you go first to obtain advice for managing your financial affairs?

- ☐ Family/friends
- ☐ Non-profit or social organizations
- ☐ Banks/credit unions
- ☐ Classes/workshops
- ☐ Other: _____

34. Have you attended any classes on financial education?

- ☐ Yes
  → Where? _____
- ☐ No

35. Which of the following financial topics would you like to learn more about?

- ☐ Using bank accounts
- ☐ Check cashing options
- ☐ Borrowing money/ loans
- ☐ Sending money to another country
- ☐ Establishing credit/ credit reports
- ☐ Budgeting/ saving money
- ☐ Other: _____

36. For each question, please circle <u>ONE</u> of the following: STRONGLY DISAGREE, DISAGREE, AGREE, or STRONGLY AGREE.

	Strongly Disagree	**Disagree**	**Agree**	**Strongly Agree**
a. I feel confident about managing my finances.	1	2	3	4
b. I feel anxious about my financial situation.	1	2	3	4
c. I feel confident about my ability to establish priorities in my finances.	1	2	3	4
d. When I have a question or a financial problem, I know where to find help.	1	2	3	4
e. I have the ability to solve my financial problems.	1	2	3	4

f. I can identify financial goals that are appropriate for my economic situation.	1	2	3	4
g. I feel confident that I can reach the financial goals that I set for myself.	1	2	3	4
h. I have the knowledge and the ability to improve my financial situation.	1	2	3	4
i. I know how to establish good credit	1	2	3	4
j. I am used to managing various debt payments.	1	2	3	4
k. I am used to paying off larger debts in installments.	1	2	3	4

C. Personal and Family Life

37. What is your sex?

- ☐ Female
- ☐ Male

38. What is your marital status?

- ☐ Single
- ☐ Married
- ☐ Living with Partner
- ☐ Divorced/Separated
- ☐ Widowed

39. Education: (Mark the <u>highest</u> level attained)

- ☐ Less than a high school degree
- ☐ High school diploma (or equivalent degree)
- ☐ Degree from technical or trade school
- ☐ Some years at college/university
- ☐ University degree

40. How many people live in your household? _____

41. How many children do you have? _____

42. Are there children under the age of 18 living in your home?

- ☐ Yes
  - → How many? _____
- ☐ No

43. In what year were you born? _____

44. Where were you born (city, state, country)?

_____

45. If you are not originally from Cache Valley, how long have you lived here?

- ☐ Less than one year
- ☐ 1-5 years
- ☐ 6-10 years
- ☐ More than 10 years
- ☐ Does not apply

46. If you are not originally from Cache Valley, where did you live before moving here (city, state, country)?

_____

47. How long have you lived in your current residence?

- ☐ Less than one year
- ☐ 1-5 years
- ☐ 6-10 years
- ☐ More than 10 years
- ☐ Does not apply

48. Do you plan to move away from Cache Valley within the next two years?

- ☐ Yes
  - → If so, why?_____
- ☐ No

49. Which of the following best describes your religious affiliation?

- ☐ Catholic
- ☐ Latter-Day Saint
- ☐ Protestant
- ☐ Other:_____
- ☐ None

50. For each question, please circle <u>ONE</u> of the following: STRONGLY DISAGREE, DISAGREE, AGREE, or STRONGLY AGREE.

	Strongly Disagree	**Disagree**	**Agree**	**Strongly Agree**
a. My neighborhood is a safe place to live.	1	2	3	4
b. In my neighborhood, we do favors for each other.	1	2	3	4
c. In my neighborhood, we share information with one another.	1	2	3	4
d. In my neighborhood, we visit with one another in each others' homes.	1	2	3	4
e. If I needed to borrow $25 for an emergency, I could ask my neighbors for help.	1	2	3	4
f. If I had an emergency, I would feel comfortable leaving my children with my neighbors.	1	2	3	4
g. Social conditions in my neighborhood have gotten worse during the past year.	1	2	3	4

THANK YOU for your cooperation!

(Please feel free to share any additional comments here)

Appendix D: Logan (Spanish) Survey Instrument

A. Actividades económicas

1. ¿Generalmente, cómo describiría usted el impacto del crisis financial actual sobre los residentes de Cache Valley durante el último año?

- ☐ Un impacto muy fuerte
- ☐ Un impacto fuerte
- ☐ Un impacto moderado
- ☐ Casi no impacto
- ☐ No impacto

2. ¿Debido al crisis financial/financiera actual, cuál(es) de los siguientes cambios ha sufrido usted o un miembro de su hogar durante el último año? (Marque <u>todo</u> lo que aplica)

- ☐ Trabajar menos horas
- ☐ Perder el empleo
- ☐ Dificultades para pagar las deudas
- ☐ Reducción del valor de la casa
- ☐ Dificultades para pagar el préstamo de casa
- ☐ Pérdida de la casa
- ☐ Pérdida de inversiones
- ☐ Otro: _____
- ☐ No se aplica.

3. ¿Qué medidas tomó usted para solucionar esos problemas financieras? (Marque <u>todo</u> que aplica)

- ☐ Usé ahorros personales
- ☐ Pedí un préstamo a parientes o amigos
- ☐ Pedí ayuda a organizaciones sociales (ej. Centro de la Familia)
- ☐ Vendí propiedades o bienes de valor
- ☐ Trabajé más horas
- ☐ Conseguí otro trabajo
- ☐ Tuvo que trabajar otro miembro de la familia
- ☐ Reduje los gastos de la casa
- ☐ No pagué o tardé en pagar las deudas
- ☐ Me declaré en Bancarrota
- ☐ Otro: _____
- ☐ No se aplica.

4. **En los últimos <u>cinco</u> años, ¿ha sufrido cualquiera de los otros siguientes problemas que les haya causado dificultades económicas? (Marque <u>todo</u> que aplica)**
   - ☐ Muerte de un familiar
   - ☐ Enfermedad
   - ☐ Desempleo prolongado
   - ☐ Aumento en los gastos de la casa
   - ☐ Robo/Fraude
   - ☐ Otro: _____
   - ☐ No se aplica.

5. **¿Qué medidas tomó usted para solucionar esos problemas? (Marque <u>todo</u> que aplica)**
   - ☐ Usé ahorros personales
   - ☐ Pedí un préstamo a parientes o amigos
   - ☐ Pedí ayuda a organizaciones sociales (ej. Centro de la Familia)
   - ☐ Vendí propiedades o bienes de valor
   - ☐ Trabajé más horas
   - ☐ Conseguí otro trabajo
   - ☐ Tuve que trabajar otro miembro de la familia
   - ☐ Reduje los gastos de la casa
   - ☐ No pagué o tardé en pagar las deudas
   - ☐ Me declaré en Bancarrota
   - ☐ Otro: _____
   - ☐ No se aplica.

19. ¿Cómo es su trabajo?
- ☐ Trabajador de Tiempo Completo
- ☐ Trabajador de Medio Tiempo
- ☐ Desempleado
- ☐ Ama de casa (quehaceres domésticos)
- ☐ Jubilado
- ☐ Otro:_____

20. Si tiene trabajo, ¿qué tipo de trabajo hace usted en su ocupación principal?

_____

21. ¿Cómo obtuvo su empleo?
- ☐ Buscándolo por periódico o internet
- ☐ Recomendado por un pariente
- ☐ Recomendado por un amigo/a
- ☐ Agencia de empleo
- ☐ Otro:_____

22. ¿Por cuánto tiempo ha estado en este trabajo? _____

23. ¿Cuántas horas por semana trabaja? _____

24. ¿Le pagan en cheque o en efectivo?

- ☐ Cheque
- ☐ Efectivo

25. ¿Le descuentan impuestos de Seguridad Social?

- ☐ Sí
- ☐ No

26. En los últimos dos meses ¿cuánto le pagan mensualmente en promedio después de quitar los impuestos?

_____

14. Además de este trabajo, ¿tiene otras maneras de ganar dinero?

- ☐ Sí
  - → Describe: _____
- ☐ No

15. Incluyéndose usted, ¿cuántos miembros del hogar contribuyen en los gastos de la casa?

_____

16. Actualmente, ¿provee usted ayuda económica a personas que no viven en su casa?

- ☐ Sí
  - → Quien:_____
- ☐ No

B. La Vida Financiera

17. ¿Dónde hace usted la mayoría de sus transacciones financieras?

- ☐ En un banco (ej. Wells Fargo)
- ☐ En una cooperativa de crédito (ej. USU Credit Union)
- ☐ En una institución alternativa (ej. Quick Pay Day)
- ☐ Otro _____

18. ¿Tiene usted cuenta de cheques en EE.UU.?

- ☐ Sí
  - → Donde? _____
  - → ¿Hace cuánto tiempo se la abrió usted? _____
- ☐ No

19. ¿Tiene usted cuenta de ahorros en EE.UU.?

- ☐ Sí
  - Donde? _____
  - → ¿Hace cuánto tiempo se la abrió usted? _____
- ☐ No

20. Si no tiene una cuenta de banco, ¿cuál piensa que sería la barrera más grande para abrir una cuenta bancaria?

- ☐ Habilidad de hablar ingles
- ☐ Falta de identificación/documentación
- ☐ Falta de información/conocimiento en como usar las cuentas de los bancos
- ☐ Falta de seguridad con los bancos
- ☐ Son muy altos los balances mínimos y los costos bancarios
- ☐ Los horarios del banco
- ☐ La ubicación del banco
- ☐ Otro: _____

21. ¿Tiene una tarjeta de crédito en EE.UU.?

- ☐ Sí
  - Cuántas? _____
  - ¿En cuanto a su primera tarjeta de crédito, cuándo la consiguió ?
    - ☐ Hace menos de dos años
    - ☐ Hace entre 2 y 5 años
    - ☐ Hace más de 5 años
- ☐ No

22. ¿Tiene un auto/vehículo propio en EE.UU.

- ☐ Sí
  - → Cómo lo compró?
    - ☐ Ahorros personales
    - ☐ Préstamo del banco
    - ☐ Préstamo de familiares
    - ☐ Préstamo de amigos
    - ☐ Otro: _____
- ☐ No

23. ¿Tiene casa propia en EEUU?

- ☐ Sí
  - → Cómo la compró?
    - ☐ Ahorros personales
    - ☐ Préstamo del banco
    - ☐ Préstamo de familiares
    - ☐ Préstamo de amigos
    - ☐ Otro: _____
- ☐ No

24. Si tiene una hipoteca o préstamo de casa, ha sufrido algunos de los siguientes problemas en los últimos tres años? (Marque <u>todo</u> que aplica)

- ☐ Aumento de la tasa de interés
- ☐ Dificultades en hacer los pagos mensuales
- ☐ Prestamistas deshonestos
- ☐ Peligro de perder la casa
- ☐ Otro: _____

25. ¿Tiene otras deudas?

- ☐ Sí
  - → Que tipo(s) (ej. tarjeta de crédito)?
  - _____
- ☐ No

26. ¿Sabe qué es un reporte de crédito?

- ☐ Sí
- ☐ No

26b. ¿Ha visto una copia de su reporte?

- ☐ Sí
- ☐ No

27. ¿Ha hecho usted declaraciones de impuestos en EEUU?

- ☐ Sí
- ☐ No

28. Generalmente, ¿cómo paga sus gastos ("bills") de la casa?

- ☐ Cheque
- ☐ Efectivo
- ☐ Money orders
- ☐ Por medio del internet
- ☐ Otro: _____

29. ¿Durante los últimos 12 meses, ¿ha cambiado un cheque (a dinero en efectivo)?

☐ Sí
→ Dónde? _____

_____

☐ No
☐ No se aplica.

30. Si ha cambiado un cheque anteriormente, ¿qué factores usted considera para decidir dónde cambiar los cheques a dinero en efectivo? (Marque <u>todo</u> que aplica)

☐ Habilidad de hablar español
☐ La forma de identificación que se requiere
☐ Familiaridad con la institución
☐ Honorarios/cargos
☐ Horarios
☐ Ubicación
☐ El hecho de que el cheque viene del mismo banco
☐ Otro: _____

31. Durante los últimos 12 meses, ¿ha tomado un préstamo de una institución financiera?

☐ Sí
→ Cual(es) institución(es)? _____
☐ No

32. Si ha hecho un préstamo anteriormente, ¿cuáles son los factores más importantes que usted considera para decidir dónde aplicar para un préstamo? (Marque <u>todo</u> que aplica)

☐ Habilidad de hablar español
☐ La forma de identificación que se requiere
☐ Familiaridad con la institución
☐ Tasas de interés
☐ Horarios
☐ Ubicación
☐ Otro: _____

33. Durante los últimos 12 meses, ¿ha envíado usted dinero a su país o comunidad de origen?

☐ Sí
→ Cómo? (con una persona o por una institución) _____

→ A dónde lo ha mandado? _____
☐ No

34. Si manda dinero a su país o comunidad de origen, ¿cuáles son los factores más importantes que usted considera para decidir cual institución financiera utilizar para enviar estos dineros al exterior? (Marque <u>todo</u> que aplica)

- ☐ Habilidad de hablar español
- ☐ La forma de identificación que se requiere
- ☐ Familiaridad con la institución
- ☐ Honorarios/cargos
- ☐ Horarios
- ☐ Ubicación
- ☐ Otro: _____

35. ¿Cuál es la barrera más grande que enfrenta para manejar su situación financiera?

- ☐ No tengo suficiente conocimiento de las instituciones financieras en Cache Valley.
- ☐ No tengo suficientes ingresos.
- ☐ No tengo control sobre las decisiones financieras de la casa.
- ☐ No tengo el tiempo suficiente.
- ☐ No tengo control de mis gastos.
- ☐ No, no tengo barreras.
- ☐ Otro: _____

36. ¿A dónde acude primero para conseguir consejos sobre como manejar sus asuntos financieros?

- ☐ Familia/amigos
- ☐ Organizaciones sociales (ej. Centro de la Familia)
- ☐ Bancos/cooperativas de crédito
- ☐ Clases
- ☐ Otro: _____

37. ¿Ha ido a una clase de educación financiera?

- ☐ Sí
  → Donde? _____
- ☐ No

38. ¿De que quisiera saber más con respeto a asuntos financieros? (Marque <u>todo</u> que aplica)

- ☐ Uso de cuentas bancarias
- ☐ Cambio de cheques
- ☐ Préstamos de dinero
- ☐ Envío de dinero a otro país
- ☐ Establecimiento y reporte de crédito
- ☐ Manejo y ahorro de dinero
- ☐ Otro:
  _____

39. Para cada pregunta, responde con <u>una</u> de las siguientes: MUY EN DESACUERDO, EN DESACUERDO, DE ACUERDO, o MUY DE ACUERDO.

	Muy en desacuerdo	**En desacuerdo**	**De acuerdo**	**Muy de acuerdo**
a. Me siento seguro manejando mi dinero.	1	2	3	4
b. Me siento preocupado acerca de mi situación financiera.	1	2	3	4
c. Me siento seguro de mis habilidades para fijar prioridades financieras.	1	2	3	4
d. Cuando tengo una pregunta o un problema financiero, yo sé donde encontrar ayuda.	1	2	3	4
e. Yo tengo la habilidad para resolver mis problemas financieros.	1	2	3	4
f. Puedo identificar metas financieras que sean apropiadas para mi situación económica.	1	2	3	4
g. Me siento seguro de que puedo cumplir las metas financieras que me proponga.	1	2	3	4
h. Tengo el conocimiento para mejorar mi situación financiera	1	2	3	4
i. Yo sé establecer buen crédito.	1	2	3	4
j. Estoy acostumbrado/a a manejar varias deudas.	1	2	3	4
k. Estoy acostumbrado/a a pagar a plazos por las deudas grandes.	1	2	3	4

C: La Vida Personal y Familiar

40. Sexo:

- ☐ Femenino
- ☐ Masculino

41. Estado Civil:

- ☐ Soltero(a)
- ☐ Casado(a)
- ☐ Unión Libre
- ☐ Divorciado(a)/Separado(a)
- ☐ Viudo(a)

42. Educación: (Marque el máximo nivel alcanzado)

- ☐ Menos que Preparatoria/Secundaria (High School)
- ☐ Graduado de Preparatoria/Secundaria (High School)/Equivalente
- ☐ Título de una Escuela de Comercio/Técnica
- ☐ Algunos años de Universidad
- ☐ Titulo Universitario

43. ¿Cuántas personas en total viven en su casa? _____

44. ¿Cuántos hijos tiene? _____

45. ¿Hay niños que tienen menos de 18 años de edad que viven en su casa?

- ☐ Sí
  → Cuántos?_____
- ☐ No

46. ¿En que año nació usted? _____

47. ¿Donde nació Usted? (ciudad, estado, país):

_____

48. Si nació en otro país, ¿tiene planes para regresar a su país de origen?

- ☐ Sí
- ☐ No
- ☐ No se aplica.

49. Si nació en otro país, ¿cuánto tiempo ha vivido en EE.UU.?

- ☐ Menos de un año
- ☐ 1-5 años
- ☐ 6-10 años
- ☐ Mas de 10 años
- ☐ No se aplica.

50. Si vivía fuera de Cache County en el pasado, ¿cuánto tiempo ha vivido en Cache Valley?

- ☐ Menos de un año
- ☐ 1-5 años
- ☐ 6-10 años
- ☐ Mas de 10 años
- ☐ No se aplica.

51. Si vivía fuera de Cache Valley en el pasado, ¿donde vivía antes de vivir en Cache Valley? (ciudad, estado, país)

_____

52. ¿Cuánto tiempo ha vivido en la casa donde reside en este momento?

- ☐ Menos de un año
- ☐ 1-5 años
- ☐ 6-10 años
- ☐ Mas de 10 años

53. ¿Tiene planes para irse de esta comunidad en los próximos dos años?

- ☐ Sí
- ☐ → Por que saldría? _____
  _____
- ☐ No

54. ¿Cual de las siguientes afiliaciones religiosas representa la suya?

- ☐ Católica
- ☐ Santos de los Últimos Dias (LDS)
- ☐ Protestante
- ☐ Otra:_____
- ☐ Ninguna

55. Con respecto al ingles, usted diría que:

- ☐ No habla ni entiende
- ☐ No habla pero entiende un poco
- ☐ No habla pero entiende bien
- ☐ Habla y entiende un poco
- ☐ Habla y entiende bien

56. Para cada pregunta, responda con una de las siguientes: MUY EN DESACUERDO, EN DESACUERDO, DE ACUERDO, o MUY DE ACUERDO.

	Muy en desacuerdo	**En desacuerdo**	**De acuerdo**	**Muy de acuerdo**
a. Mi barrio es un lugar seguro para vivir.	1	2	3	4
b. En mi barrio, nos hacemos favores unos a otros.	1	2	3	4
c. En mi barrio, compartimos información unos con otros.	1	2	3	4
d. En mi barrio, nos visitamos las casas de unos con otros.	1	2	3	4
e. Si tuviera que pedir prestado $25 para una emergencia, se los pediría a mis vecinos.	1	2	3	4
f. Si tuviera una emergencia, me sentiría cómoda dejando mis hijos con mis vecinos.	1	2	3	4
g. Las condiciones sociales de mi barrio han empeorado durante el año pasado.	1	2	3	4

¡Muchas gracias por su cooperación!

CURRICULUM VITAE

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Education

2010 (May) Ph.D. (Sociology), Utah State University; (Defended Dissertation August 2009) Title: "Latinos and the New Credit Economy", Susan E. Mannon (chair)

2003 M.S. (Sociology), Brigham Young University
Thesis: "Negotiating Community in Multi-Ethnic Settings: The Story of Notre Dame School and Latin Women in Carbon County, Utah", Lynn England (chair)

1992 B.A. (International Relations; Spanish minor), Brigham Young University

Academic Interests

Social Inequality, Race and Ethnicity, Immigration, Financial and Credit Literacy, Social Theory, Religion, Communities and Social Change, Research Methods

Professional Positions

2009-2010 Visiting Instructor of Sociology, Sweet Briar College, Sweet Briar, Virginia
Social Stratification, Minorities and Race Relations, Intro to Sociology (Fall 2009); Sociology of Immigration, Sociology of Religion, Social Theory (Spring 2010).

2005-2009 Research Assistant, Utah State University, Logan, Utah
Conducted drop-off/pick-up survey data collection among low income residents of Logan and Hyrum, Utah
Helped prepare financial practices survey (English and Spanish)
Conducted newspaper content analysis of payday lending, Latino finance issues

2006-2008 Graduate Instructor, Utah State University, Logan, Utah
Social Inequality (Summer 2008 and Fall 2008)
Social Problems (Spring 2006, Fall 2006, Spring 2007)
Introduction to Sociology, USU Distance Education, (Summer 2006)

2007 Research Consultant/Project Manager, Layton Interchange Project (Community Impact Assessment Survey), Rocky Mountain Social Science and Utah Department of Transportation.

2007 Research Consultant/Project Manager, Geneva Road Reconstruction Project (Community Impact Assessment Survey), Rocky Mountain Social Science and Utah Department of Transportation

2003-2005 Emerging Markets Home Mortgage Consultant (Spanish), Wells Fargo Bank, Salt Lake City, Utah

2003 Mortgage Loan Assistant, Premier Mortgage, Highland, Utah

2000-2002 Research Assistant, Lynn England, Dept of Sociology, Brigham Young University, Provo, UT

- Conducted and analyzed qualitative interviews in Carbon County, Utah for Rural Communities Project
- Prepared newspaper summaries
- Gathered relevant U.S. Census data

1994-99 Associate *Culturgram* Editor, Kennedy Center Publications, David M. Kennedy Center for International Studies, Brigham Young University

- Solicited native reviews of educational briefings on Latin America and Europe
- Edited manuscripts and conference proceedings
- Produced newsletter on faculty and student international activities and research

1993-94 Public Relations Assistant, Provo/Orem Chamber of Commerce, Provo, Utah

1991 Research Assistant, Office of Research, Central/East European Branch, U.S. Information Agency, Washington, D.C.

- Helped produce public opinion poll reports from Eastern Europe for White House and Executive Branch federal agencies
- Prepared current event news files on Central and Eastern European Issues
- Conducted various background research assignments and briefings

1986-87; 1989 Bank Teller, AmeriTrust Bank, Columbus, Ohio, (summers)

Honors and Distinctions

2007 Social Inequality Comprehensive Exam Pass with Distinction (Race and Poverty), Utah State University

2001 Ella Carpenter Jensen Fellowship, Women's Research Institute, Brigham Young University

1985-90 Trustees Scholarship Award Recipient (Four years, full-tuition), Brigham Young University

Peer-Reviewed Publications

2010 Solórzano, Armando, Lisa M. Ralph, and J. Lynn England. 2010. "Community and Ethnicity: Hispanic Women in Carbon County", *Utah Historical Quarterly*, Winter 2010.

2009 Lucy Delgadillo, Lisa Ralph, Amanda Horrocks, Adrie Roberts, and Linda Skogrand. 2009. "Making Learning a Family Affair: Principles for Attracting Latinos to Extension Finance Classes" *Forum for Family and Consumer Issues* 14(2). [On-line: http://ncsu.edu/ffci/publications/2009/v14-n2-2009-summer-fall/index-v14-n2-September-2009.php]

In Preparation for Submission

Ralph, Lisa, Susan Mannon, "Latinos in the New Credit Economy: A Study of Financial Practices in Northern Utah"

Ralph, Lisa. "Diversity, Community, and Changes in Meat Processing Industry: Testing Putnam's Constrict Theory in Rural Iowa"

Presentations at Professional Meetings

2009 Mannon, Susan, Lisa Ralph, Rebecca Smith, PSA. "Latino Financial Practices in Northern Utah", Pacific Sociological Association annual meetings, San Diego, CA, April 10, 2009

2008 Ralph, Lisa. "Diversity, Community, and Changes in Meat Processing Industry: Testing Putnam's Constrict Theory in Rural Iowa" Paper presented at the American Sociological Association annual meetings, Boston, Massachusetts, 5 August 2008

2006 Ralph, Lisa. "The Gendered Nature of Latino Integration in Carbon County, Utah" presented at the Rural Sociological Society annual meetings, Louisville, Kentucky, August 2006

2004 Ralph, Lisa, Armando Solórzano, Lynn England. "Weaving Our Histories: The Presence of Mexicans and Latinos in the Beehive State" Panel discussion. Utah State Historical Society, 52nd Annual Meeting, September 23-25, 2004. Salt Lake City, Utah

2002 Ralph, Lisa. "Negotiating Community in Multi-ethnic Settings: The Story of Latin Women and the Notre Dame School in Carbon County" presented at the Rural Sociological Society annual meetings, Chicago, Illinois, August 2002

2001 Ralph, Lisa. "A Neo-Institutionalist Perspective on Community in Two Multi-Ethnic Mining Towns: Are We Getting Any Closer to An Intercultural Theory of Community" presented at the Rural Sociological Society annual meetings, Albuquerque, New Mexico, 18 August 2001

2001 Ralph, Lisa. "The Subtle Forms of Modern Racism: An Analysis of Whites' Characterizations of Hispanics Using Ordinal Probit Techniques" presented at Pacific Sociological Association's annual meetings, San Francisco, CA, 28 March 2001

Edited Publications

Books (Co-Edited)

2000 David M. Kennedy Center for International Studies. *International Opportunities: A Career Guide for Students* Provo, Utah: Brigham Young University Press.

1995-2000 David M. Kennedy Center for International Studies. *The Nations Around Us, Volume I: Americas and Europe*. 1995-2000 editions. Provo, Utah: Brigham Young University Press.

1995-2000 David M. Kennedy Center for International Studies. *The Nations Around Us, Volume I: Africa, Asia, the Middle East and Oceania*. 1995-2000 editions. Provo, Utah: Brigham Young University Press.

Newsletters/Educational Brochures (Content Editor)

2000 *Culturgrams*, 2000 Edition: (54 countries in Americas, Oceania, the Middle East). Orem, Utah: MSTAR, Inc.

1999 *Culturgrams*, 1999 Edition: (72 countries in Europe, the Middle East, Oceania, and Americas). Provo, Utah: Kennedy Center Publications.

1998 *Culturgrams*, 1998 Edition: (42 countries in Europe and the Middle East). Provo, Utah: Kennedy Center Publications.

1997 *Culturgrams*, 1997 Edition: (67 countries in Europe and Americas). Provo, Utah: Kennedy Center Publications, Brigham Young University.

1995-1998 *International*. (Vols. 1-3). Provo, Utah: Newsletter for David M. Kennedy Center for International Studies, Brigham Young University

Guest Lectures

2008 Ralph, Lisa. Guest lecture for Social Research Methods class (SOC 3110) for Brian Jennings, Utah State University.

2005 Ralph, Lisa. Guest lecture for Introduction to Sociology (Soc. 1010) for Dr. Brad Parlin, Utah State University.

2004-2005	Ralph, Lisa. Team teaching of graduate level Research Methods course (four sections of CNSL 570 and two sections of CNSL 573), with Dr. Mark Dennison, University of Phoenix- Salt Lake City and Ogden, Utah campuses.
2002	Ralph, Lisa. Guest lecture for Contemporary Sociological Theory class (SOC 311), for Dr. Lynn England, Brigham Young University.
2002	Ralph, Lisa. Guest lecture for Social Change and Modernization in Latin America class (SOC 335), for Dr. Lynn England, Brigham Young University.
2001	Ralph, Lisa. Guest lecture for Racial and Minority-Group Relations class (SOC 323), for Dr. Howard Bahr, Brigham Young University.
2001	Ralph, Lisa. Guest lecture for Multicultural America class (SOC 113), for Dr. Lynn England, Brigham Young University.

Service and Volunteer Experience

2010	Session Chair, "Changing Times: Adapting to the New Economic Reality," Eastern Sociological Society Annual Meeting, March 18-21, Boston, MA
2006	Graduate Student Representative, Development Committee, Rural Sociological Society
2005	Committee Member, *Utah Saves*, Salt Lake City, Utah
2003-2004	Executive Director (Finance), *Festival Latinoamericano 2004*, Provo, Utah
2000-2005	Member of Timpanogas Community Network, Provo, Utah
2000	Graduate Student Representative, Program Committee, Rural Sociological Society
2000	Session Chair, Rural Sociological Society's annual meetings, Washington, DC.

MEMBERSHIP IN PROFESSIONAL ORGANIZATIONS

American Sociological Association (2002, 2008 to present)
Eastern Sociological Society (2009-2010)
Pacific Sociological Association (2000-01, 2009)
Rural Sociological Society (1999-2003; 2006)

PERSONAL REFERENCES

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