

# FINANCIAL LITERACY NEEDS AND ISSUES IN SOUTH FLORIDA'S HAITIAN COMMUNITY

Working Paper Series: SL WPS 03



Prepared by: Gepsie M. Metellus, Leonie M. Hermantin,  
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## **I. INTRODUCTION TO THE HAITIAN NEIGHBORHOOD CENTER, SANT LA'S MISSION AND OBJECTIVES**

**Our History:** The Haitian Neighborhood Center, Sant La, was founded in December 2000 by a group of community leaders and service providers that were concerned by the chronic gaps in the provision of services to the Haitian/Haitian-American community of South Florida. Sant La's goal is to address the chronic service gaps resulting from the community's social isolation and lack of awareness about available community resources.

**Our Board of Directors:** Sant La is led by a broad-based community board with representatives from the Haitian community, the business community, and key public and private agencies.

**Our Mission:** Sant La's mission is to empower, strengthen and stabilize South Florida's Haitian community by providing free access to information and existing services to ensure its transition from a struggling immigrant community to a successful and stable one.

**Our Constituency:** Sant La serves members of the Little Haiti community, the Haitian community of South Florida, the community at large, other non-profit organizations and governmental and educational institutions.

**Our Objectives:** Sant La's objectives are to provide information and referral services in the areas of social services, education, homeownership opportunities, economic self-sufficiency, access to healthcare and legal services.

**Our Staff:** Sant La boasts a professional staff of academic, linguistic and cultural competence. Our staff is knowledgeable about the Haitian community and has earned its trust and respect because of our history of involvement in numerous community initiatives.

## II. GENESIS OF THE HAITIAN COMMUNITY OF MIAMI-DADE COUNTY

At the dawn of the formal Haitian emigration period, the first wave of immigrants who arrived in the United States between the 1950's and the early 60's, were the professional and highly skilled Haitians exiled by the Duvalier regime. The second wave of emigration to South Florida occurred in the 1970's, and consisted mainly of persons essentially from the middle and lower middle classes, who settled primarily in the Northeastern states. During the 1970's, the socio-economic conditions in Haiti further deteriorated with widespread corruption, an increasingly repressive state, inadequate basic social and economic infrastructure and a total neglect of the peasant population. Throughout the 1970's and 1980's, these problems were compounded by the inherent social inequalities in Haiti. This gave rise to a mass exodus consisting primarily of poor peasants and urban dwellers who became known as the "*Haitian Boat People*." Haitians fled deteriorating conditions in Haiti and traveled by boat to the Bahamas and Florida in hope of a better life. While some reunited with family members living in other U.S. regions, the great majority remained in Florida. They settled, for the most part, in the South Florida communities of Pompano Beach, Fort Lauderdale, Overtown, and Edison/Little River.

Today, the "*Boat People*" phenomenon persists more than ever, because the socio-economic conditions that engendered it also persist. In fact, today, a greater number of Haitians of all social origins are compelled to leave Haiti to seek safe haven and a better life in the United States and elsewhere in the world.

Once inhabited mostly by middle-class whites, the City of Miami became the highest point of concentration of Haitian refugees in South Florida throughout the 1970's and 1980's. By the late 1970's, there was a solid presence of Haitians in the Edison/Little River area. Because massive groups of Haitian refugees settled throughout this enclave, the neighborhood was christened "*Little Haiti*".

Simultaneous to the influx of Haitian refugees directly from the island nation and the Bahamas, there was a continuous wave of Haitian migration to Florida from the Northeastern United States and Canada. The latter group consisted of first generation immigrants who had worked arduously for many years, were fleeing the cold weather and were seeking an alternative environment similar to Haiti's tropical climate and lifestyle. These groups established themselves in such neighborhoods as Kendall, Miami Shores, North Miami, El Portal, and Miami Gardens. As the financial condition of Haitians who established themselves in Little Haiti improved, they also moved further north of Miami-Dade County and have also settled in large numbers in neighboring Broward County.

Today, the estimated 400,000 Haitians and Haitian-Americans who inhabit the cities of North Miami, Miami Shores, El Portal, Opa Locka, North Miami Beach, Homestead, Florida City and various sections of unincorporated Dade County include both Haitian "*boat people*" and Haitians who relocated from the Northeastern States.

Over the years, the Haitian-American community of Miami-Dade County has increasingly affirmed its position as a growing, thriving and permanent element of Miami-Dade County's cultural mosaic. This group of recent refugees, turned immigrants, turned American citizens, has fought many battles and has endured many controversies. Haitians have come a long way since the 1970's. This past decade, eight Haitian-Americans were elected or appointed to office in various South Florida jurisdictions, including the State Legislature.

Although firmly on the path to the socio-economic and political mainstream, there still exist a number of socio-economic problems affecting the quality of life of a great number of Haitians.

### **III. PURPOSE AND METHODOLOGY FOR IDENTIFYING COMMUNITY NEEDS**

In Miami-Dade County, multiple needs assessments have been conducted to gain greater insight into critical issues affecting specific communities. While policy makers have become increasingly aware of the specificity of needs affecting Haitian-Americans residing in Miami-Dade County, the needs of the Haitian community have not always been identified and documented through a systematic process that directly engages community residents. In recognition of this gap, Sant La has, for the past two years, conducted surveys and focus group sessions gauging issues related to gaps in access and service delivery in the Haitian community. We have administered surveys and facilitated focus group discussions around issues related to youth crime, crime reporting, neighborhood services, financial literacy, civic engagement, US immigration policy, child welfare needs, health access as well as elderly needs.

In addition, Sant La has systematically conferred with members of its Community-Based Organization Roundtable (the CBO Roundtable) in order to confirm emerging needs and trends such that a collective strategy could be developed. The CBO Roundtable members, who for the most part are neighborhood-based providers, are well positioned to articulate neighborhood needs as expressed by their respective clients.

The following description of issues affecting the community and the analysis of existing gaps in services are based on information collected in our continual efforts to assess community needs.

## **IV. FINANCIAL LITERACY**

### **Introduction**

*“Miami, We’re Still Number One!”* These headlines became a call to action, the fighting words challenging elected officials, policy-makers and community organizations to tackle the daunting statistics showing that approximately 31.2% of the Miami-Dade County’s population lived below the national poverty level.

In spite of their shocking impact, these statistics finally exposed the realities of many of Miami-Dade County’s neighborhoods, from Overtown to Liberty City, Little Havana and Little Haiti to name a few. These profiles of poverty were very familiar to Sant La since most areas with a significant Haitian population were considered by most indicators to be neighborhoods mired in many social problems engendered by poverty. In Little Haiti the average income for a salary of four remained \$14,000 for many years.

When the community came together to tackle this problem, looking anew at successful anti-poverty strategies and models, Sant La became increasingly engaged in articulating and proposing culturally specific approaches needed to promote asset-building and wealth creation in the Haitian community. Our model was comprised of three main components including needs assessment, education and outreach, and the creation of concrete linkages to existing asset building opportunities.

In order to implement its vision of economic empowerment, Sant La partnered with local and national institutions. We received the financial backing of the John S. and James L. Knight Foundation, First Data Western Union Foundation, Bank of America and Washington Mutual to support our financial empowerment campaign. We also joined the Human Services Coalition’s Greater Miami Prosperity Campaign (GMPC) and Miami-Dade County’s Board of Commissioners. Sant La, for the past three years, served as one of the free tax preparation sites serving the Haitian community of Northeast Dade.

In the process of assessing the Haitian community’s financial literacy, we conducted very extensive surveys, including phone interviews, questionnaires, and focus group sessions, gauging understanding of commonly utilized tools for wealth creation.

This Financial Literacy Working Paper Series includes description of our needs assessment process, an inventory of services currently available as well as an identification of gaps in services. We have also offered recommendations which hopefully will improve on the delivery of financial services and place our community on the path to prosperity.

## NEEDS ASSESSMENT

Sant La conducted four surveys utilizing multiple interviewing methods including random phone interviews, face to face interviews with Sant La clients and two focus group meetings with neighborhood residents and professionals with extensive experience in providing financial services to the Haitian community.

### SURVEY FINDINGS

The first group, which will be identified as Group One, consists of clients who visited Sant La during tax season for assistance with the preparation of their tax returns. Group Two was selected randomly from a phone list. In light of the income limitations imposed by the VITA sites, most Group One participants earned less than \$34,000 a year. The income levels for Group Two, however, are still indicative of a community with very limited earning power. Seventy percent of those surveyed earned between 0-\$30,000, about 24% earned between \$30,000-\$60,000 and only 6% netted between \$60,000- \$100,000.

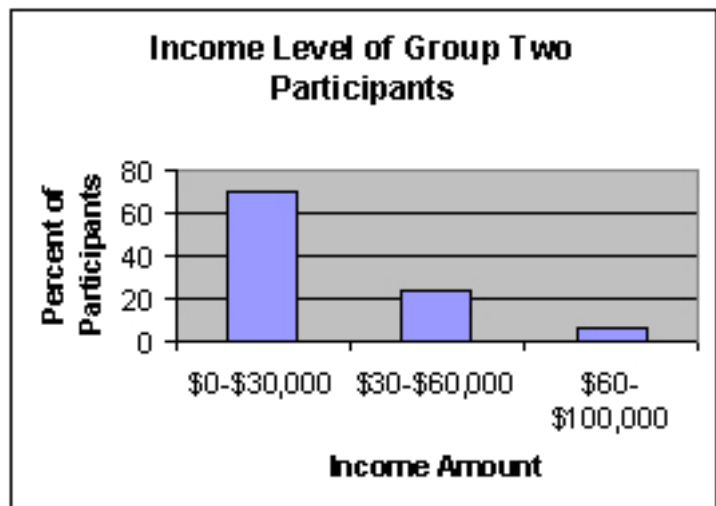
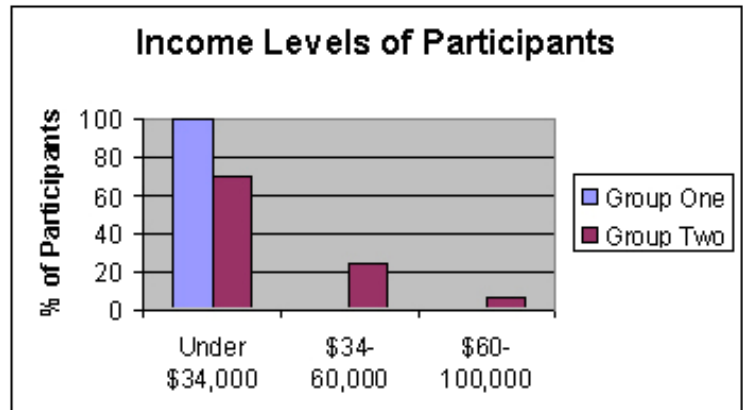
In both groups, over 100 individuals participated in these surveys, with a range in ages from 18-71. About 54% of those surveyed have lived in the United States for more than ten years and less than 30 years; and about 16% have lived in this country for more than 30 years.

- **Home Ownership**

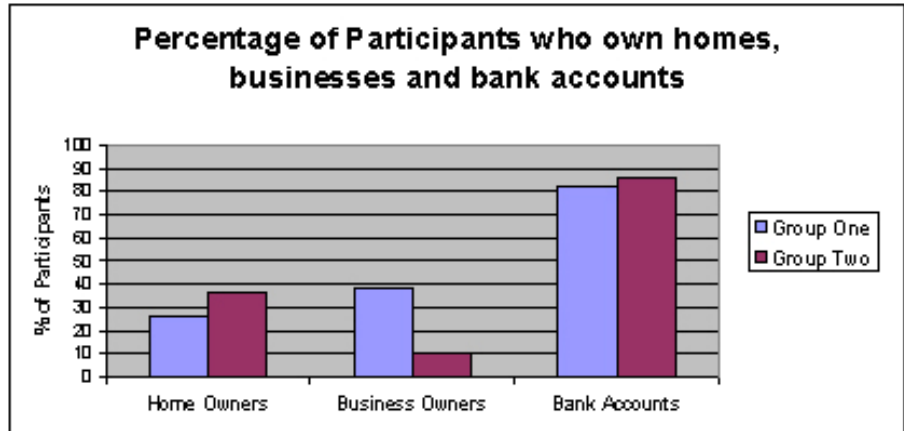
The home ownership rate was relatively low across the board, in Group One, 26% claimed ownership of their home, compared to 36% in Group Two.

- **Business Ownership**

The rate of business ownership was much higher in Group One, where 38% reported that they operated a business as opposed to 10% for Group Two. This is very interesting since participants from Group One were selected from a pool of low-wage earners.



- Bank Accounts**  
 82% of Group One participants have bank accounts compared to 86% in Group Two. Both groups showed a strong preference for savings accounts.



- Loans**  
 With regards to access to bank loans, only 20% of Group One members have ever borrowed money from a bank and 16% have borrowed money from family and friends.

With Group two 32% have borrowed from banks while 4% have borrowed from family and friends.

- Credit Card Usage**

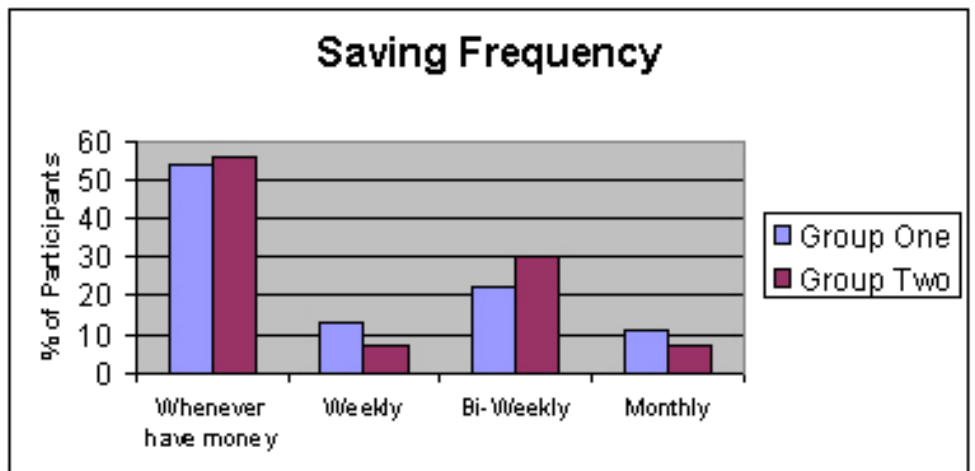
Among Group One respondents, 44% state that they have used or are currently using a credit card. With regards to Group Two, 36% claims to have used credit cards.

- Credit History**

Most respondents (about 72%) stated that they did not have a good credit history. Interestingly enough 14% responded that they had bad credit because of making late payments; 46% said that it was because they had never bought anything on credit; 4% because they co-signed loans for family members; 4% because they issued bad checks; and 4% because they exceeded their credit limit.

- Saving Frequency**

Many Group One (54%) respondents admit to saving money whenever they have enough money; 13% save on a weekly basis; 22% save bi-monthly; and 11% monthly.



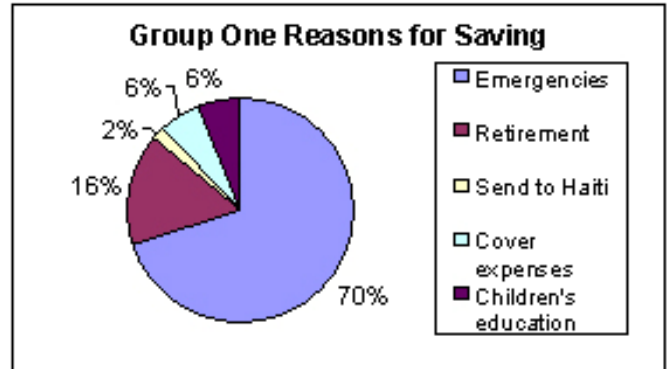
Group Two respondents follow a similar pattern of saving frequency with 56% saving whenever they have enough money; 7% saving on a weekly basis; 30% bi-monthly; and 7% monthly.

- **Reason for Saving**

When asked to state their reason for saving, both groups answered in very similar ways:

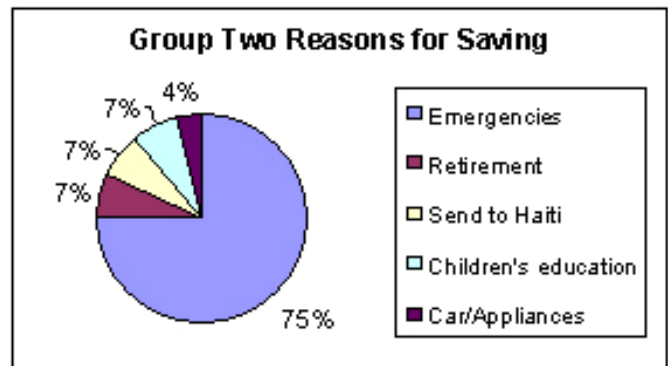
**Group One**

- 70% respondents save mostly for emergencies
- 16% towards retirement
- 2% to assist relatives in Haiti
- 6% to assist relatives in Haiti
- 6% for their children’s education



**Group Two**

- 75% respondents save mostly for emergencies
- 7% for retirement
- 7% for relatives in Haiti
- 7% and for their children’s education
- 4% towards the purchase of cars and appliances



**FOCUS GROUP SESSIONS**

Sant La conducted 2 focus group sessions. The first one was carried out with a group of 4 Haitian-American professionals working in the Haitian community in the area of finance or fiscal management, and the other focus group session was conducted with neighborhood residents.

**Focus Group I- Finance Professionals**

The first focus group sessions was attended by Jean Monestime, a real estate broker and financial advisor, Wilfrid Pierre, a real estate broker and financier; Jacques Pierre-Louis of Little Haiti Housing Association and Patrick De Lansheer, counselor with Catholic Charities’ IDA program. Participants were asked questions about general cultural issues they encountered when working with Haitian clients and what were the gaps in information and education they believed could be addressed with financial literacy training.

- **Cultural Baggage**

Participants were asked whether Haitian immigrants had brought with them some cultural baggage, which may have influenced the way in which they made financial decisions.

Many agreed that Haitians had brought with them decision-making processes informed by the culture of scarcity, of thriftiness and the absence of financial institutions responsive to the needs of the average citizens. They cited as example the fact that in order to secure a loan in Haiti, one must have connections. Credit in Haiti is not the issue, access is guaranteed by whom you know. In the US they argue it is different, access is guaranteed with good credit ratings and fiscal discipline rather than personal contacts.

Participants also stated that people are not used to banking practices beyond opening a savings account. Some people still save money under their mattresses. Even a checking account can be problematic to some who still resort to purchasing money orders, even when they have such accounts.

Focus group members argue that while Haitians understand the necessity to save money, they know very little about ways to make their resources grow. They have no familiarity with investments and other wealth-building practices.

- **Barriers**

When asked to list some of the major problems they encountered when dealing with Haitian clients, most respondents cited:

- **Lack of education and experience with financial matters:** clients have no sense of what to expect when seeking out financial assistance.
- **Lack of trust:** as a consequence of having been victimized by other Haitians when accessing services such as car financing or immigration services, clients are oftentimes reluctant to trust the judgment of another Haitian, even when Haitian professionals have the linguistic and cultural competency to work with them.
- **Lack of a stable job:** The job market in which many working class Haitians compete for jobs is constantly shifting. Many work in the service sector, which is either seasonal, or demand based. Jobs are not guaranteed. When workers are not needed, they are asked not to come to work.
- **Lack of discipline:** Participants describe lack of discipline as the constant pull of competing needs Haitian clients must face when deciding how to spend their resources.
- **Documentation:** Haitian clients don't know the importance of documentation. They do not keep certain records and lose a great amount of time in recuperating documents. One of the most serious problems they face is the documentation of cash payments. Many in the community are still operating on a "cash only" basis and have a very difficult time in accounting for these transactions.

- **Available financial education services**

When asked to list the neighborhood-based organizations providing financial education services to the community. They listed Little Haiti Federal Credit Union, Micro-Business USA, ACCION USA, Catholic Charities and Church World Services, Credit Counseling Services, HACHO, Miami-Dade Neighborhood Housing Services, Little Haiti Housing Association and Tools for Change. They also enumerated the services offered as the following:

- Help clients qualify for home purchases

- Provide business loans for low-income individuals
- Teach skills and strategies needed to build a good credit history
- Teach skills and strategies needed to save money
- Teach skills and strategies needed to prepare a budget
- Teach skills and strategies needed to repair credit

Focus group participants stated that most programs do not provide the following skills:

- Financial Planning
- Debt management needed to avoid foreclosure and bankruptcy
- Wealth-building strategies
- Business management skills

Workshop participants argued that it was important to launch an intensive financial education campaign targeting the general population. They also added that these services are not readily available to the general public and are offered to a specific clientele, mostly low-income families planning to purchase a home for the first time. There are no existing programs offering a comprehensive approach to financial education. They stated that any method of providing any program in financial literacy should take into consideration the audience's level of education and prior experience. Workshop participants also argued that while Haitian radio and television programs are critical to providing general information about financial literacy, the most effective means of educating the community about financial literacy remains the one-on-one interactive approach.

## **Focus Group II- Neighborhood Residents**

The focus group session with neighborhood residents was used as a means to flesh out some of the issues identified in the person-to-person and phone questionnaires. The group was composed of 10 neighborhood residents with ages ranging from 20 to late 50's. There was one participant who identified himself as an entrepreneur; the other group members were students, minimum wage workers or unemployed.

### **Banking Services**

When asked where they banked, most respondents stated that they use either *Washington Mutual* or *Bank of America*. These financial institutions were selected because of their convenient location near home and workplace and because they offered advantageous incentives.

When asked whether their respective banks helped them understand the US financial system, most stated this issue was very complex, but that in general, access to informational services was very limited. However, most banks have hired Creole speaking staff, available to answer questions, although most respondents point to the fact that the key to accessing information in this context is to know which questions to ask. This, they argue, can be very difficult for many in the community who are unaware of banking services beyond the ubiquitous savings and checking accounts.

Respondents state that they are not aware of any educational or informational workshops designed to educate them about other financial services. "We utilize their services. But they don't really help us understand the way things work."

For those who do ask questions, the frustration also emerges when they are handed informational printed material such as brochures. Respondents pointed to the community's limited proficiency in English as well as challenges in literacy.

### **Saving and Budgeting**

When asked how members of the community managed to save money on their limited resources, most respondents pointed to the "forced" savings system called "*eso, sou-sou or main*". In the *eso*, each person agrees to contribute a certain amount; for example, if 15 people contribute \$100 each, the available amount is \$1,500. Every week, a participant gets the entire amount namely \$1,500 (Brackey 2005).

When asked whether Haitian individuals are accustomed to preparing budgets, most respondents stated that Haitians always find a way to manage their resources. They added that while Haitians are unable to write formal budgets they do it in their own way, sometimes without even being aware that they are in fact budgeting. Respondents stated that the community could definitely benefit from more formal trainings in budget preparation. Many participants identified the "*eso*" as a form of budgeting.

## **Financial Education**

When participants were asked to list subjects they felt could be taught in a financial literacy class, most agreed on the following:

- Credit
- Credit cards
- Loans
- Investments
- How to borrow money
- How to save
- How to grow money
- How to manage money in general
- How to manage borrowed funds

When asked how workshops could be made more accessible, most respondents agreed that they should be offered at venues popular and accessible to the community. They listed adult schools, the radio, Haitian television, and churches.

## **EMERGING ISSUES<sup>1</sup>**

As reputable institutions, government bodies and neighborhood organizations are increasing their efforts to educate and empower low-income communities with asset building tools and resources, an army of charlatans and con artists have also emerged to take advantage of members of this community rendered more vulnerable by their distrust of official institutions and lack of English proficiency.

### **Tax Preparation Fraud**

Many neighborhood tax preparers are involved in fraudulent preparation of income tax returns. The fee charged by many of these preparers is based on the dollar amount secured for the client. Tax preparers have in many documented cases, lied about client income, especially in cases where the client may be eligible for the Earned Income and Child Tax Credits. In a number of these cases, clients are encouraged to lie about their real status and make fraudulent claims to the IRS in order to maximize their returns. Since the EITC and Child Tax credits are only offered to married couples or heads of households, many married couples file separately as single heads of households, doubling the amount of EITC returns per family, doubling the fee charged by the preparer. Tax preparers are also notorious for creating non-existing businesses (one woman's business was yard sale operator) often times without the client's knowledge. These individuals for the most part never sign the tax returns and there is no documentation of their involvement when the IRS conducts increasingly routine audits of low-income returns.

These issues have very serious impact on the community's financial health. Affected individuals have negative credit records and find themselves mired in debt for many years since their payment to the IRS includes interests and penalties.

### **Identity Theft**

The issue of identity theft is one which is increasing exponentially in the Haitian community, victimizing mostly middle aged, elderly Haitians with limited literacy skills and English speaking proficiency. Most of these individuals have impeccable credit histories. Many are victimized by trusted members of their families. Oftentimes when a crime occurs, these individuals are reluctant to report it, for fear of denouncing family members. The crimes of identity theft usually involve credit cards, and victims find themselves forced to pay for extravagant purchases.

These incidents also have a very negative impact on the community's financial health. Victims become even more fearful of banking institutions, retreating to the extent possible to "cash only" transactions. They are reluctant to share personal information such as social security numbers with financial institutions, whom they usually blame for the abuse of their good credit. They are usually more inclined to blame the banks and the

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<sup>1</sup> These examples are based on Sant La's client's experiences as well as with conversations with Frantz Jean-Louis, the Haitian liaison at the North Miami Beach Police Department.

credit card companies for their relatives' fraudulent behavior. While they want to be made whole by the financial institution, they are frequently unwilling to report the crime to the authorities.

Other victims of identity theft willing to report the crime find themselves unable to do so, since crime reporting in this context involves multi-jurisdictional concerns very rarely accessible to low-income non-English speaking individuals. Most individuals contact their local police and become extremely frustrated with the system when no visible action is taken subsequent to a formal police report.

### **Predatory Practices**

The purchase of a car or the purchase of a home can be extremely expensive in the Haitian community, especially when individuals turn to the trusted businessmen and women bombarding the Creole speaking airwaves with commercials about great deals and services. Once the contracts are signed and fine print left unread, many individuals find themselves saddled very expensive with car or mortgage notes most cannot afford to pay (Miami Herald 2005; Rodriguez 2005).

Rapid Anticipation Loans also connected to Income Tax preparation, are short term loans (usually 24 day loans) which are extended towards an individual's tax returns. Many of these tax preparers preying on their clientele lack of education, simply do not inform them that they are indeed applying for RAL. Most remain unaware of these problem when the refund is forwarded by the IRS in a timely manner. Clients become painfully educated about the high interest rate of the RAL when the IRS does not send the return within the term of the loan. One individual who expected a return of \$4,000 and "signed for an RAL" is facing a total payment of \$7000 to the financial institution with advanced the loan. In spite of repeated requests, the tax preparer refuses to give her a copy of her RAL application.

## **INVENTORY OF AVAILABLE SERVICES**

### **Little Haiti Housing Association's Homeownership Training**

LHHA provides extensive home owner education and credit counseling for qualified homeowners. The eight-week course is taught in Haitian Creole and includes the following:

- Renting Vs. Buying
- Budgeting
- Shopping for a Home
- What to Know about Banking
- What to Know about Using Credit cards
- Importance of Insurance: Home Owner, Wind Storm, Flood, Life
- Process of Financing a Loan
- Maintaining your Home

### **Neighborhood Housing Services- Homebuyer Education and Counseling**

NHS offers educational services in English, Spanish and Creole and they include:

- Orientation Seminars
- Homebuyer education classes
- Credit counseling and mitigation assistance
- Pre-Purchase counseling
- Post-Purchase counseling
- Foreclosure Prevention

**Minority Development and Empowerment, Inc.** is a community-based organization serving the Haitian community of Broward County. MDEI offers a financial literacy program using the Federal Deposit Insurance Corporation (FDIC) curriculum, Money Smart. The purpose of the workshops is to bring awareness of financial matters and the subjects covered are:

- Banking Basics
- Income and Expenses
- Budget
- Account Management
- Credit Management
- Introduction to loans and mortgages

**Fann Ayisyen Nan Miyami, Inc.**, a social service and advocacy agency, offers a Community Economic Development program designed to create income and opportunities for unemployed or underemployed individuals. Individuals are trained in business operation skills (inventory, marketing, customer service, sales, money management, etc.). FANM also assists business owners with façade renovation, code compliance and job creation.

**Micro-Business USA** is a not-for-profit organization whose mission is to support financial self-sufficiency for low-income families via opportunities to make, borrow, save and manage money.

In addition to its micro-lending program, Micro-Business USA offers a Matched Saving Fund Program which also includes Financial Literacy training and a \$2: \$1 match for savings made by low income people who are saving for home or business ownership. They distribute promotional flyers in Creole, however it is not clear whether the Financial Literacy training program is conducted in Creole.

**The Human Services Coalition's Prosperity Campaign:** The Human Services Coalition of Dade County (HSC) works to empower individuals and communities to create a more just society by promoting civic engagement, economic fairness and access to health and human services. HSC works with neighborhood-based nonprofits - prosperity centers - to better reach low-wage workers in the community and to promote the prosperity campaign. Individuals can access benefits such as the Earned Income Tax and Child Tax Credits, refundable tax credits of over \$4,300 for low-income working families and individuals. In addition to encouraging its partners to offer financial literacy programs, the Prosperity Campaign is actively promoting the Benefit Bank, an internet-based program that helps clients file or apply for the following:

- **Taxes** – Federal taxes, including Earned Income Tax Credit, Child Tax Credit, Additional Child Tax Credit, Child & Dependent Care Credit, and the Hope & Lifetime Learning Credit, amended taxes for up to three years and state taxes.
- **Benefits** – Food Stamps, State Children's Health Insurance Plan (Florida Kidcare), Child Care Subsidy, Medicaid, Pharmaceutical Coverage for the Elderly, Low-Income Home Energy Assistance (LIHEAP), and Voter Registration.

**Haitian Neighborhood Center, Sant La**, is a neighborhood resource center, member of the Human Services Coalition's Prosperity Campaign. Sant La has served as a free tax preparation VITA site for the past three years. Sant La has partnered with ACCION USA to prepare a small business record journal modified to fit needs and skill levels of small business owners in the Haitian community. Sant La offers a financial literacy program using modified elements of course material provided by Bank of America, Washington Mutual and Federal Deposit Insurance Corporation (FDIC) curriculum, Money Smart, tailored to meet the needs of Haitians as identified through its surveys and focus group sessions. In response to the issues identified through the needs assessment, Sant La has expanded the focus of its financial literacy program by offering workshops focusing primarily on financial literacy education for small business owners, and financial literacy classes at community adult education centers. Sant La's outreach and education financial literacy campaign is conducted on the air through its television program Teleskopi.

## **ACCION USA**

ACCION USA is nonprofit, community-based organization whose mission is to make access to capital a permanent resource for small business owners. ACCION USA is a member of the largest microlending network in the United States. ACCION USA has a satellite office in Little Haiti, servicing Dade County's Haitian community of Little Haiti and North Dade.

In addition to its microlending activities ACCION also offers financial literacy education programs aimed at young adults and teenagers to grasp the concept of credit, finance and overall wealth management.

## RECOMMENDATIONS

This financial needs assessment offers a glimpse into a community, which in spite of its documented poverty, has the requisite financial discipline to be well on the path to prosperity. As reflected in the survey results, a significant number of Haitians save and have for the most part gained a degree of familiarity and comfort with their financial institutions. It is evident that any strategy to get people on the path to prosperity should take existing behaviors and attitudes into consideration. **While poverty is the common denominator that binds low-income communities, tools of fiscal empowerment must look beyond the statistics and take into account social and cultural traditions, which set them apart and can be protective factors or assets upon which to build successful programs.**

## BANKS

Survey responses indicate that banks are important elements in any strategy of financial empowerment. Over 90 percent of all respondents have bank accounts. Respondents indicate ease of access to banking centers and to their Creole-speaking staff members. What is still problematic with regards to financial empowerment is ensuring access to information that will take them beyond the traditional savings methods and into investment and financial growth strategies. Although most banks located in predominantly Haitian neighborhoods have hired Creole-speaking staff, they have relied for the most part on their existing marketing material to promote other investment and growth opportunities. As aptly stated by a focus group participant, *“...it is good to have bank employees who speak Creole, but they are there to answer your questions. What good is that if you don’t know what questions to ask?”* Banks, who have for the most part pledged their support to the prosperity campaign and to financial literacy, must take this matter into consideration. Members of the Haitian community do not need to be convinced to open a bank account; most of them have done so already.

**We recommend that banks and other financial institutions tailor their anti-poverty campaigns to the needs of the targeted community. What this means in low-income communities which are already “banked” is a strategy going beyond the traditional offerings targeting the “unbanked”. The Haitian community of Miami-Dade County needs to be educated about asset building mechanisms that go beyond checking and savings accounts. Moreover, banks need to understand that print material, promoting their financial services do not for the most part penetrate the Haitian market. Outreach and information must be conducted via Haitian radio and television.**

### **Existing Financial Literacy Programs:**

The inventory of existing financial literacy programs points to the absence of a comprehensive strategy by service providers. Financial literacy programs have been used to support home ownership promotion and have been tailored to impart information about

good credit, home financing etc. Financial literacy has not been used as an educational tool to promote wealth-building strategies. The recent efforts to promote prosperity in South Florida also reflect this pattern. The Greater Miami Prosperity Campaign has been very successful at bringing together neighborhood-based partners able to provide neighborhood residents with free tax preparation services and financial literacy education. VITA sites are encouraged to utilize the Benefits Bank to prepare tax returns and to connect residents to benefits such as food stamps and cash assistance. Partner agencies are not encouraged to strengthen existing programs to include core principles of asset building and wealth promotion. Moreover, GMPC partnerships with banks are based to some extent on the assumption that most low-income communities are not connected to the banking system. Although some community may have limited access to banking institutions, others especially immigrant enclaves are well integrated. Immigration status remains a major obstacle in some communities.

**We recommend that countywide campaigns give greater voice to neighborhood issues and concerns.**

#### **Entrepreneurs:**

When asked whether they had their own businesses, 38% of the individuals who earned less than \$34,000 a year stated that they did. These figures are informally confirmed by ACCION USA data, which indicate that the majority of applicants for business or credit builder loans are low-income wage earners. These are the weekend flea market vendors, home based businesses, import/export, catering, hat makers and seamstresses. ACCION's database also includes potential applicants who do not qualify for loans because of a need for credit counseling or better record keeping skills.

Both County and City have developed programs designed to meet the needs of small businesses. The County supports the activities of the Haitian American Center for Economic and Public Affairs, Inc. ( HACEPA) and FANM two organizations promoting economic development in the Haitian community. HACEPA offers workshops and seminars to business as well as one-on-one technical assistance. Although both economic development programs at FANM and HACEPA include a financial literacy component, it is not the main focus of their activities.

**We recommend the inclusion of core financial literacy educational modules in all economic development programs especially those involving small business development components.**

#### **Fraudulent Practices**

As discussed earlier, the emergence of crimes involving identity theft, tax preparation fraud and predatory lending practices are problems require more complex solutions. Victims cannot dial 911, report the crime and expect a timely resolution of the problems. **These problems require a multipronged approach which involves a coordinated response by local, state and federal agencies. Members of the communities must also**

**have access to legal services able to provide them with the type of representation needed to navigate through the multiple jurisdictions such cases involve. Outreach and information campaigns must be conducted in the most culturally relevant manner to arm individuals with information needed to identify, prevent, deter fraudulent and criminal activity with direct impact on a community's capacity to climb out of poverty**

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