

Debit cards serve immigrants

By Erika Hayasaki

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TIMES STAFF WRITER

NEW BRUNSWICK, N.J. — Jose Manuel Aparicio had come up with all kinds of ways to stash his construction job wages: He slipped bills between pages of books hidden in his bedroom closet and stuffed money into an old sock in his laundry -- places thieves weren't likely to look.

Without a bank account, "somebody can steal it," said the 20-year-old, who came to the U.S. from Mexico three years ago. "That's it, my money is gone."

Then three months ago, Aparicio applied for a special debit card created for immigrants who don't have Social Security numbers, which are required to open savings or checking accounts. They're also for people who just don't trust banks.

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A nonprofit worker center here called New Labor, which helps immigrants learn English and find jobs, in November became the first in the nation to offer the Sigo card -- combining “go” with Spanish for “yes.”

The center has distributed 300 cards. The program -- affiliated with MasterCard -- is underway at eight other worker centers across the country, including two in Los Angeles: the Pilipino Worker Center and the Institute of Popular Education of Southern California. Organizers hope to make it available to thousands of immigrants at 160 worker centers nationwide, enabling them to use ATMs and store credit card machines, pay bills online and avoid high fees for sending money home or cashing checks.

Janice Fine, a Rutgers University labor relations professor who helped create the program, said immigrants often felt intimidated by banks. Fine helped survey 480 immigrants who were members of worker centers, which charge dues and lobby for better conditions for low-wage workers. Of those surveyed, 47% said they did not have a

bank account. The Sigo cards are offered by worker centers because they have developed bonds with immigrant communities.

Last week, Bank of America announced a program to issue credit cards to Spanish-speaking immigrants who may not have Social Security numbers at 51 branches in Los Angeles County. Other major banks, including Wells Fargo and Citibank, have launched similar initiatives.

Critics have denounced such efforts to integrate illegal immigrants into the banking and credit world as aid to criminals, but Sigo organizers worry such offers by traditional banks will take advantage of low-income immigrants.

“It’s not like they’re doing it out of the goodness of their heart,” said Lauren Leimbach of Community Financial Resources, a nonprofit that helped launch Sigo along with the Center for Community Change. Banks “are going to make very good money off of them.”

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Several banks have marketed prepaid cards similar to Sigo, but often charge higher fees.

Sigo cards, which cost \$4.95 to start and \$2.50 a month to maintain, are similar to gift cards. But users can add to their card balance by signing up for direct deposit of their paychecks or by making deposits at a worker center or drugstore. Also, duplicate cards

can be sent to relatives in other countries, allowing them to withdraw money by paying only the fee for using the ATM.

Worker centers require cardholders to provide just one form of identification to open an account, which could include records from the immigrant's home country.

A portion of the card fees helps support the center.

German Flores, 28, who moved to the U.S. from Mexico as a teenager, used to stash his money under a mattress. Then several years ago, while walking home after cashing a paycheck from his job paving driveways, someone jumped from behind a tree, hit Flores on the head and stole his wallet with his identification and \$200.

After Flores was finally able to obtain the proper identification to open a bank account, he discovered how difficult it was to make transactions. The bank closed before he got off work. He had to pay fees to send money to support his younger sister in Mexico.

A member of New Labor, Flores recently decided to apply for the Sigo card.

“Most people like that because they don't have to pay extra money to share money with their family,” he said.

On a recent afternoon, Aparicio brought his newly acquired card -- with a colorful image of a big city skyline and the MasterCard logo on it -- to New Labor, where an employee explained how it works.

The Sigo card requires a PIN number. When Aparicio first received it, he did not know how to use an ATM machine, and thought he was supposed to speak his personal identification number aloud to store clerks.

Standing near a sign at New Labor that read: “Buy it. Load it. And Go!” a staff member told Aparicio to send his mother in Mexico the duplicate card. When she received it, he could call an 800-number to activate it.

Aparicio said he used to spend \$25 to \$35 to wire most of his earnings to his family for safekeeping. Now he can help support his parents, who own a farm in Mexico, while keeping enough to cover his rent and food in New Jersey.

“This is more safe,” he said. “If you stay here and you don’t have money with you, how are you going to live?”

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