

## **Differences in Perceptions of Financial Management Between Immigrants and Non-immigrants: Implications for Adapting Programs**

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### **Problem Statement and Background**

The recent trend of increased Hispanic immigration into areas of the United States that were formerly not heavily populated with Hispanics (U.S. Bureau of the Census, 1998) has increased the need for cross-cultural understanding between immigrant groups and educators working with Hispanic clients. Georgia is one of the areas in the U.S. that is experiencing a significant increase in Hispanic immigrant families, and the Cooperative Extension Service in Georgia has received requests for consumer education programs that target this group. In response to this demand, a collaborative research and outreach project was undertaken to adapt a successful low-income consumer education Extension program to an Hispanic audience. The adapted program was used in conjunction with an evaluation instrument to determine if the adapted program was suitable for Hispanic immigrants.

Working with low-income families requires a familiarity with common traits characterizing this population, such as variable income and credit availability (Lewis, 1993). When low-income families are of a different cultural background, an understanding of their cultural values and different needs is also imperative (Zuiker and Bae, 1993). Consumer education programs have been designed to help low-income families (Hogarth, Harrison, & Cascio, 1995; Chan et al., 1999), but may not serve the needs of immigrant families. Researchers have identified a need for consumer education with Hispanic immigrants (Wagner and Soberon-Ferrer, 1990; Fan & Zuiker, 1994) and programs specifically designed for limited-English proficiency are important (Lown, Steggell, and Chandler, 1995).

Recent immigrants' ability to adapt and survive changes as they shift from one stage of migration to another. Sluzki (1979) outlined five stages of migration; understanding the various stages of migration will help the educator work with recent immigrants (Zuniga, 1992). The first two stages, preparatory and act of migration, pertain to the decision and actual process of migration. The third stage, period of overcompensation, may find immigrants doubting their decision as they begin to adjust to a new culture, and immigrants may choose to exaggerate their own culture. The fourth stage, period of decompensation, is often a period of crisis as immigrants become more integrated into the new country. The last stage, transgenerational impact, occurs when children are acculturated into the new country and conflicts between children and parents may occur.

Hispanics are defined as people who come from, or are decedents of, people from Spanish-speaking countries or territories. However, there is much complexity among Hispanic families, due not only due to the country of origin and the stage of migration, but also to a family's goals and reasons for immigrating. Some members of the family may be native-born while others may be foreign-born, a situation which affects not only emotions and attitudes but also the family member's eligibility for government benefits (Zuniga, 1992; Wallendorf and Reilly, 1983).

The Spanish language is a unifying characteristic of the Hispanic population and most recent immigrants know only a limited amount of English. Language barriers have been associated with disadvantages in the market place and vulnerability to consumer fraud (Caplovitz, 1963). While this problem is not new, it is now more geographically widespread, and educators may be called upon to help the growing Hispanic segment of the population.

### **Research Procedures**

The pilot project was conducted with a sample of low-income families in an area of Georgia where the increase in Hispanic population growth has been over 90% in the past seven years (Boatright & Bachtel, 1999). The project involved two university students, a researcher and a state extension specialist. The county agent in the area was responding to a request from employers working with the Better Beginnings Program, a program designed to improve the well-being of low-income mothers of children in a Head-Start program. Six of the mothers were non-immigrants and were not Hispanic. Eleven of the mothers had immigrated within the past 10 years, primarily from Mexico, and were in the third and fourth stages of migration.

Each mother attended an educational session and was given money management information and materials specifically designed for low-income families, with Spanish-speaking mothers given a Spanish-language version. One university student was Spanish-speaking and assisted the extension agent in delivering the consumer education program.

An English or Spanish version of a questionnaire was given to each mother. Six questions were read orally, either in English or Spanish, to the mothers (see Table 1). In addition, mothers were asked to write down their money goals and any additional questions that they had. Questions were answered during the session whenever possible. The money management session was evaluated by asking mothers to answer whether they thought that the materials and information would help them, "a great deal/much," "somewhat/a little," or "would not be helpful." Data were entered and frequencies were computed. More sophisticated data analysis was not

Table 1. Money Well-being: Frequency of Response, Divided into Hispanic Immigrants and Non-immigrants

Question *	Agree/always		Not sure/sometimes		Disagree/never	
	Hispanic	Non-immigrant	Hispanic	Non-immigrant	Hispanic	Non-immigrant
I have enough money to meet basic family needs	4	3	5	3	1	0
I always pay the amount due on my bills by the due date.	7	0	3	3	0	3
I plan how I'm going to use the money I have and stick to my plan.	6	1	5	3	0	2
I write down how much I make and spend so I know where my money goes.	3	2	4	2	3	2
I have good credit record in my own name.**	3	1	0	1	2	4
	Doing Great		Doing OK		Struggling	
Question*	Hispanic	Non-Hispanic	Hispanic	Non-Hispanic	Hispanic	Non-Hispanic
When I think about money, I feel my family is:	0	0	1	3	10	3

\* Questions in Spanish are available upon request.

\*\* Six Hispanic mothers checked "No Answer" to this question. N=11 Hispanic immigrants and 6 non-immigrants.

appropriate because of the small sample size. Results of the data analysis are presented in Table 1 and discussed in the next section of this paper.

### Summary of Findings

Approximately half of mothers in both groups felt that they have enough money to meet basic family needs; the rest of the mothers reported that they sometimes have enough money, with the exception of one immigrant mother. However, almost all the immigrant mothers reported struggling with money, while half of the non-immigrant mothers said they were struggling.

Answers to three questions related to financial planning are especially revealing. The immigrant women appear to exercise better financial management, with seven of the 11 women stating that they always pay their bills when due. Six of the immigrant women said they always plan how they are going to use their money and stick to their plan, and the remainder stated that they sometimes did this. All but three of the immigrant mothers reported that they always or sometimes keep a written record of income and expenditures. In contrast, none of the non-immigrant mothers said that they always pay their bills in full by the due date, and half of the mothers said they never pay their bills by the due date. Only one of the non-immigrants reported always making a plan and three reported sometimes making a plan for spending money; however two-thirds of the non-immigrants reported either always, or sometimes writing down their income and expenses.

There were also distinct differences between the two groups of mothers about their credit records. Three of the 11 immigrant women reported that they had a good credit, while only one of the six non-immigrant women reported having a good credit record, and four reported they did not have a good credit record. Only five of the 11 immigrant women reported having a credit record, which may indicate that they have not yet qualified for credit.

There were some similarities of goals between the two groups. Four women (2 non-immigrant, 2 immigrant) expressed goals related to buying a house. One non-immigrant and two immigrants wanted to buy a car. One non-immigrant wanted to earn more money and one immigrant wanted to get a job. There were also some distinct differences in goals between the two groups of mothers. Three of the non-immigrants wanted to be able to manage their money better, while none of the immigrants listed a similar goal, though one of the immigrants wanted to start a savings account for her children and one wanted to pay off a hospital debt. Other goals of the immigrant mothers were to bring a mother to America and buy two beds.

All the women were willing to discuss their situations and ask for help. When asked how helpful the educational materials were, most (5 of 6) of the non-immigrants and slightly more than half (6 of 11) of the immigrants said that the materials would help them "a great deal." The remainder stated that the materials would be "somewhat helpful."

### Implications for Consumer Education

This pilot study indicates that it is important to gain knowledge about the target audience. A needs assessment would help educators know the level of English proficiency, stage of migration, goals, and specific consumer education needs of the target audience. This information should then be used to prepare programs appropriate for the audience.

Findings of this study indicate that the non-immigrant mothers need help with managing money, especially use of credit. The goals of the immigrants tended to be very specific and educators could help immigrants develop plans for accomplishing these goals. While most of the immigrants had little if any credit, as they move to the next stage of migration, they may receive credit card solicitations and be tempted to overuse credit. Therefore, information could be given to warn them of potential future problems common in the U.S.

Extension is often requested to deliver education in a group setting, where participants typically have something in common, such as employees in one business or mothers of children in a Head Start program. When these groups contain both immigrants and non-immigrants, Extension agents might facilitate focus groups so that the two groups could learn from each other. The focus group approach could take advantage of the different skills of immigrants and non-immigrants. For example, the non-immigrants should be able to help the immigrants locate goods and services. Similarly, close association with recent immigrants might help the non-immigrants gain insights into managing money. A key finding from this study is that designing consumer education programs for a certain income level is not sufficient, even when the program is available in Spanish, because groups with similar incomes but different goals and cultural backgrounds have very different needs. Consumer education programs therefore, must be designed to meet the specific goals of the target groups.

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