

C mmunity *Liaison*

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Working With America's Youth

There is a growing awareness of the importance of and need for financial education for America's youth. Understanding the importance of saving and investing, financial planning, and the potential pitfalls of credit helps children as they move into adulthood take responsibility for their finances and avoid costly financial mistakes. It also teaches children how financial planning and management lead to economic independence. While schools are beginning to take a more active role in financial education, large private sector corporations, most notably banks, thrifts, and other financial securities firms, are taking an active interest in the financial education of this country's youth. On an even broader scale, corporations are also working with children, particularly at-risk youth, through mentor and intern programs designed to help children stay in school, teach them life skills and provide opportunities for them to become productive members of society.

The following articles discuss some of these types of programs that OTS regulated institutions are involved with:

Third Federal Savings Launches Initiative Energizes Math Education in Cleveland-Area Schools

Third Federal Savings is funding a program through Rainbow Children's Museum & TRW Early Learning Center called CHILDREN'S MUSEUM BANK IN A VAULT. The vault will travel to Cleveland-area elementary schools in the Broadway area over the next two months, teaching basic math and money concepts and the importance of saving.

The program is part of "GET SMART. GET AHEAD."—a compre-

hensive Third Federal education initiative to help students in grades K-12 improve their math and reading skills through a focus on banking and personal finance. The initiative will begin with public and private schools in Cleveland's Broadway area where Third Federal is headquartered. Marc Stefanski, chairman and chief executive officer, said one of the initiative's main goals is to reach urban students whose families may be economically disadvantaged.

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or to receive additional copies
please call your local
Community Affairs Liaison
(see page 2)*

OTS Community Affairs Staff

Northeast Region

Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, Pennsylvania, New York, West Virginia, Delaware, & New Jersey

Francis Baffour, Community Affairs Liaison (201) 413-7343 – Ph.
Wendy Pelle, Community Affairs Specialist (201) 413-7509 – Ph.
U.S. Department of the Treasury (201) 413-7540 – Fax
Office of Thrift Supervision
10 Exchange Place, 18th Floor
Jersey City, New Jersey 07302

Southeast Region

Alabama, Georgia, Florida, South Carolina, North Carolina, Virginia, Maryland, Washington, D.C., Puerto Rico, & Virgin Islands

Lynn Bedard, Community Affairs Liaison (404) 888-8443 – Ph.
Kim Lucas, Community Affairs Specialist (404) 888-8532 – Ph.
U.S. Department of the Treasury (404) 897-1861 – Fax
Office of Thrift Supervision
1475 Peachtree Street, N.E.
Atlanta, Georgia 30309

Central Region

Illinois, Indiana, Wisconsin, Ohio, Michigan, Kentucky, & Tennessee

Claude Becker, Community Affairs Liaison (312) 917-5022 – Ph.
Bruce Derbigny, Community Affairs Specialist (312) 917-5066 – Ph.
U.S. Department of the Treasury (312) 917-5002 – Fax
Office of Thrift Supervision
Madison Plaza, Suite 1300
200 West Madison Street
Chicago, Illinois 60606

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North Dakota, South Dakota, Minnesota, Iowa, Nebraska, Colorado, Kansas, Missouri, New Mexico, Oklahoma, Arkansas, Mississippi, Texas, & Louisiana

Aaron Satterthwaite, Jr., Community Affairs Liaison (972) 281-2114 – Ph.
Jason Sweat, Community Affairs Specialist (972) 281-2206 – Ph.
U.S. Department of the Treasury (972) 281-2073 – Fax
Office of Thrift Supervision
122 W. John Carpenter Freeway, Suite 600
Dallas/Ft. Worth, Texas 75039-2010

West Region

Washington, Montana, Oregon, Idaho, Wyoming, California, Nevada, Utah, Arizona, Alaska, Hawaii, & Guam

James Woods, Community Affairs Liaison (415) 616-1551 – Ph.
U.S. Department of the Treasury (415) 616-1752 – Fax
Office of Thrift Supervision
1 Montgomery Street, Suite 400
San Francisco, California 94104

Marie Friederichs, Community Affairs Specialist (206) 553-5469 – Ph.
U.S. Department of the Treasury (206) 553-5475 – Fax
Office of Thrift Supervision
101 Stewart Street, Suite 1210
Seattle, Washington 98101

Washington, D.C.

Sonja White, National Coordinator (202) 906-7857 – Ph.
Caryn Stein, National Liaison (202) 906-7020 – Ph.
Louise Batdorf, Program Analyst II (202) 906-7087 – Ph.
U.S. Department of the Treasury (202) 906-5735 – Fax
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D. C. 20552

“As a company we’re committed to helping our city’s educators with the difficult task of strengthening math and reading skills,” said Stefanski. “Improving students’ math and money management skills and teaching the values of financial planning, responsibility and saving are ways to do that - and increase their chances of living more financially secure lives as adults.”

INITIATIVE TARGETS ELEMENTARY STUDENTS

Led by the Children’s Museum educators, who will supplement classroom mathematics learning, **CHILDREN’S MUSEUM BANK IN A VAULT** will visit 14 public and private elementary schools in the Broadway area. Third Federal and the Children’s Museum plan to expand the program to 100 area schools over time. The program’s approach, which will combine math education with reading, role-play, puppetry and theater, will benefit elementary students.

“Storytelling and real-world applications are two of the most effective ways to teach children,” said Barbara Byrd-Bennett, chief executive officer of the Cleveland Municipal School District.

Many of the school visits will include performances by Pathway Productions, a Cleveland-based troupe of actors, artists and dancers. Using original math- and banking-themed songs and skits, the interactive performances help reinforce learning objectives.

TWO ELEMENTARY SCHOOLS TO GET TUTORS

GET SMART. GET AHEAD. will also put more teachers in the Cleveland Municipal School District. Two tutors whose salaries are being funded by Third Federal will work at Fullerton and Mound, two Broadway-area elementary schools. Both retired teachers, the tutors work three days a week, helping students sharpen their math and reading skills.

“Our hope is that these additional teachers will support the efforts of existing educators, who are working hard to give our children the highest quality education possible,” Stefanski added.

Community *Liaison*

Editor: Sonja White

Production: Rick Shacklette

Printing: John Scott

CREDIT MANAGEMENT CLASSES:

To Help High School Students

Beginning this fall, Third Federal will offer a series of credit management classes within the Cleveland Municipal School District for high school students. The classes, which are similar to a program Third Federal Community Development Services began last year with area urban churches, will serve as a supplement to life skills and economics courses. Third Federal representatives will work with teachers to teach the classes.

“Mismanaging credit and debt can affect you negatively for years and years,” said Stefanski. “By getting into Cleveland-area classrooms with

this information, we hope to equip young adults with the tools they need to make wise choices about their future.”

BROADWAY DEVELOPMENT INITIATIVE

The education program is the most recent addition to a comprehensive long-term approach to facilitate urban revitalization in the Broadway area where Third Federal Savings is headquartered. Patti Choby, community development planner, whose salary is paid by Third Federal Savings, coordinates the program, called the Broadway Development Initiative (BDI). Through BDI, the company is working with nearly 100 partners, including governments, neighborhood representatives, churches, regional planning and development agencies, local non-profit organizations, local health

organizations and others, to develop and implement a master plan.

The company is in the process of expanding its local headquarters with the addition of a 146,000 square foot building adjacent to its main office. The building, designed with the input of community organizations, will include retail space, an auditorium and park areas to benefit both Third Federal associates and residents of the area. The company also is “land banking” properties in the area for future development to include recreational areas, senior citizens residences, new homes and upgraded and new retail and business areas. Geographic scope of the Broadway Development Initiative is a three-mile corridor and a one-mile target area surrounding the immediate investment area ■

For more information about Third Federal Savings’ programs, contact Monica Martines at (216) 441-7346.

At Work In The Community

Telebank, a \$2.5 billion thrift located in Arlington, VA, just outside Washington, DC, provides financial products and services primarily over the Internet. While its reach is national, Telebank takes an active interest in the betterment of its local community.

In 1994, as part of the institution’s commitment to its Arlington community, Telebank established an internship program with Washington Lee High School, a public school in Arlington where over 40% of the students are eligible for free or reduced price lunches. They employ students from Washington Lee for a variety of part-time jobs throughout Telebank, including staff accounting, administrative assistance, and loan administration.

This internship has been highly successful from both Telebank’s and the students’ perspectives. The students benefit by experiencing the job application and interview processes, becoming trained on various PC applications, working in a financial/high tech office environment, receiving course credit towards high school graduation and receiving hourly wages significantly in excess of federal minimum wages. In addition, many of these students have received bonuses at year-end in acknowledgment of hard work and dedication to the bank. The bank benefits by obtaining employees who are conscientious, hard working and diligent in their attendance and responsibilities. The bank maintains an open line of communication with

the school’s guidance office to ensure that the students’ academic standards are not adversely affected by their after school commitment. The Bank also benefits by keeping in touch with the community and its residents.

The program has been so successful that several of the high school interns have accepted full time positions with Telebank after graduation. In these instances, the students are encouraged to pursue college degrees while continuing their employment with Telebank. The bank offers tuition assistance to employees enrolled in continuing classes ■

For more information on the program, call Sang-Hee Yi, Executive Vice President, Telebank, (703) 247-3700.

USAA Educational Initiatives

The USAA Federal Savings Bank, with headquarters in San Antonio, Texas, is committed to local initiatives designed to encourage educational achievement. According to USAA, these initiatives are very important steps in providing an adequate education and, perhaps more importantly, are vital if San Antonio's work force is to meet the challenges of a competitive and productive economic future. Some of these initiatives include:

The USAA Mentor Program

This program was launched in 1988 by USAA Federal Savings Bank's parent company, USAA, in two schools located on the west side of San Antonio. In recent years, that area has been plagued with escalating crime figures, a deterioration of socioeconomic conditions, and increasing school drop out rates. Since 1988, the program has steadily increased to nearly 900 employees, throughout the organization, who volunteer their personal time and provide assistance and support to students. These individuals serve as mentors, in many instances for several years, helping students with homework, career planning, personal development, etc. The mentor program has been honored with numerous national, state, and local awards. Because of its success, USAA has received many requests for information from other organizations and corporations interested in implementing a similar program. As a result, approximately 30 businesses now participate in similar mentor programs with over 2,000 mentors active in fifty-eight schools in the San Antonio area. USAA has also supported the Greater San Antonio Chamber of Commerce in starting a mentoring initiative, which in the first year has reached over 3,000 San Antonio children. In addition, USAA

has supported the creation of the Business Careers High School and the establishment of the International School of Business and Banking at San Antonio's Lanier High School. The Business Careers High School has implemented a mentoring program with over 160 business executives from San Antonio area corporations.

San Antonio Education Partnership

This partnership was instituted in 1988 by former Secretary of Housing and Urban Development and former San Antonio Mayor Henry Cisneros. Unsettled by the high numbers of school drop outs and low standardized test scores, community, business, and educational leaders met to seek solutions to these two particular problems. The result was a program aimed at students who may be at-risk of dropping out of school. Students at eleven local high schools who seek the assistance of the partnership must graduate with a B average and maintain a 95 percent attendance rate. The students are guaranteed scholarships to local colleges and universities upon meeting the partnership requirements. Over 11,300 students have qualified for scholarships pursuant to the partnership. As of the 1998 school year, the partnership provided approximately 4,153 college scholarships totaling more than \$3.8 million.

USAA Federal Savings Bank was one of the founding organizers and has taken an active role in the program. It is one of eleven corporate sponsors in the Adopt-A-School Program. The Bank has adopted Lanier High School on the City's west side in support of the partnership's efforts, and actively participates in Career Days and other school activities.

Junior Achievement

The mission of Junior Achievement is to ensure that every child in America has a fundamental understanding of the free enterprise system. During their formative years, students are taught the foundations of economics and business. The lessons on economics and banking are designed to stimulate the use of financial services in the future and enable the students to be positive contributors to society. From eight volunteers teaching in three schools in the 1988-1989 academic year, the USAA's program has expanded to more than 200 volunteers involved in 16 Community Educational Programs' schools and McDermott Elementary School, a school located very close to USAA, during the 1998-1999 academic year. USAA volunteers (organization wide) are involved with students in 136 classrooms from kindergarten to twelfth grade.

Alamo Community College District Foundation ("ACCD Foundation")

The ACCD Foundation, established in 1984, was created to enhance educational resources and scholarship opportunities at San Antonio's four community colleges: Palo Alto, San Antonio College, St. Phillips', and the new Northwest Vista College. Over the past ten years, the ACCD Foundation board has assisted in raising money for computers, library books, laboratory equipment, and a variety of materials and programs at the colleges. USAA Federal Savings Bank has provided contributions to fund an Endowment Scholarship Grant which is used to provide full-time scholarships for ten individuals in San Antonio College's "Second Chance" educational program. The "Second Chance" program provides education and support to disadvantaged

students who are residents of San Antonio public housing projects.

Education is a process that shapes one's potential. USAA has made it

possible for youths in the San Antonio area to attain an education, to develop their potential while, at the same time, advancing the progress and growth of their immediate community ■

Information for this article was provided by Ms. Jennifer Martens, Community Investment Administrator at USAA Federal Savings Bank.

La Raza

“The People”

America's Latino Community: A Community of Opportunity

As the fastest growing segment of the US population—projected to represent 25% of the US population by 2005—the Latino Community presents an emerging market of opportunity for American businesses.

Thriffs in the metropolitan DC area were given a perspective on the Latino community when Laura Arce, Community Development Director, National Council of La Raza (NCLR) spoke at a recent OTS “Community Speaks” event.

The event, which brought District of Columbia area thriffs together with representatives of community development organizations in the District of Columbia, included presentations from seven area community and economic development agencies.

Ms. Arce offered the following answers to what the National Council of La Raza calls “Twenty of the Most Frequently Asked Questions About the Latino Community.”

1) What does the term “La Raza” mean?

The term “La Raza” has its origins in early 20th century Latin American literature, and translates into English most closely as “the people,” or, according to some scholars, “Hispanic people of the New World.” The term was coined by Mexican scholar Jose Vasconcelos to reflect the fact that the people of Latin America are a mixture of many of the world's races, cultures, and religions - Europeans, Africans, and Native Americans; Arabs and Jews; “old world” and “new world.” Subsequent scholars built on this idea,

pointing out that no other area of the world had experienced this unique mix of race and culture. Some people have mis-translated “La Raza” to mean “The Race,” implying that it is a term meant to exclude others. In fact, the full term coined by Vasconcelos, “La Raza Cosmica,” meaning the “cosmic people,” was developed to reflect not purity but the mixture inherent in the Hispanic people. This is clearly an inclusive concept, meaning that Hispanics share with all other peoples of the world a common heritage and destiny, and that Latinos provide an example of a world in which traditional concepts of race can be transcended.

2) How large is the Latino population?

Hispanics are the third largest population group in the country. The Hispanic population (on the U.S. mainland) was estimated to total 28.3 million in 1996, which constituted 10.7% of the U.S. population. In comparison, Whites and Blacks comprised 82.8% and 12.6%, respectively, of the total population. (Hispanics may be of any race, and thus, White and Black families may also be Hispanic.)

3) How fast is the Hispanic population growing?

The Hispanic population has grown faster than the overall U.S. population since 1990 and is projected to become the largest U.S. minority group by 2005. The number of Hispanics increased 25.3% from 1990 to 1996, compared to 6.4% for the overall population. The Hispanic population is estimated to increase 27.5% between 1996 and 2005, to reach a level of 36.1 million, while the non-Hispanic black population is expected to grow 11.2% to 35.5 million, over the same period. Furthermore, the Latino population is projected to be one-fourth (24.5%) of the total U.S. population by 2050.

4) Why is the Hispanic population growing so rapidly?

The extreme growth in the Hispanic population is largely attributable to increased birth rates and a rise in the level of immigration. From 1990 to 1996, Hispanic women between the ages of 15 and 44 were estimated to average 106.3 births per 1,000 women yearly, compared to 67.7 births for the total population. Moreover, 17.4% of all Hispanic births were to teenage mothers in 1995, compared to 12.8% of all births. In addition, the immigration rate for Hispanics was also higher between 1990 and 1996, with an estimated average of 15.1 immigrants for every 1,000 Hispanic persons per year, compared to 3.1 immigrants for all persons.

5) What is the age breakdown of the Latino population?

Overall, Hispanics are much younger than non-Hispanics, and a large proportion are children. The median age for Hispanics was estimated at 26.4 years in 1996, while the median age estimated for Whites and Blacks were 35.7 years and 29.5 years, respectively. In addition, more than one-third (35.2%) of Hispanics were estimated to be under age 18 in 1996, compared to one-quarter (24.9%) of Whites and nearly one-third (32.0%) of Blacks.

6) Who makes up the Hispanic population?

Hispanics are an ethnically and racially diverse population. In 1994, the Hispanic population on the U.S. mainland was comprised of the following groups: Mexican-American, 64.1%; Puerto Rican, 10.4%; Cuban, 4.2%; Central and South American, 14.0%; and Other Hispanic, 7.3%. While 91.2% of the Hispanic population was estimated to be White in 1996, 5.6% was estimated to be Black.

7) What percentage of Hispanics are immigrants and citizens?

The majority of the Hispanic population was born in the U.S. and has U.S. citizenship. Over three-fifths (62.1%) of U.S. Hispanics were native-born according to 1996 data, while less than two-fifths (38.0%) were foreign-born. Furthermore, 69.0% of Hispanics were U.S. citizens in 1996. Among children, the data for that same year indicate that 87.0% of the Hispanic population under age 18 was native-born and had U.S. citizenship. Finally, persons born on the island of Puerto Rico are also U.S. citizens.

8) Does the U.S. Hispanic population and data include island Puerto Ricans?

Most data and other statistics reported on the U.S. Hispanic population do NOT include data on Puerto Rico, although these data are somewhat similar to those of U.S. mainland Latinos. In 1996, 3.8 million persons lived in Puerto Rico, which represented a 7.4% increase since 1990. According to the 1990 Census, 90.9% of residents were born on the island. With regard to socioeconomic status, less than one-half (49.7%) of island Puerto Ricans 25 years old and over were high school graduates, although one in seven (14.3%) was a college graduate, a figure higher than that of mainland Latinos. Poverty rates in Puerto Rico are quite high, relative to both mainland Latinos and the U.S. in general; over one-half (57.3%) of the island population lived below the poverty level, as did two-thirds (66.7%) of Puerto Rican children. Finally, while one-fifth (20.4%) of island residents were unemployed at the time of the 1990 Census, that figure has declined to approximately 14.0% (1996).

9) Do most Latinos who speak Spanish also speak English?

Yes, the vast majority of Hispanics who speak Spanish are also proficient in English. In 1990, 91.5% of the 17.3 million persons 5 years old and over who spoke Spanish at home also spoke English. In addition, almost three-fourths (74.0%) of Spanish-speakers spoke English "very well" or "well."

10) Are most Hispanic households “traditional” two-parent families?

The majority of Hispanic households are married-couple families, but a significant proportion are also female-headed families. In 1995, over one-half (54.8%) of Hispanic households were married-couple family households; however, nearly one-fifth (19.2%) of Hispanic households were female-headed family households. In comparison, 57.2% of White households, and 33.0% of Black households, were married-couple family households in 1995, and 9.6% and 31.9%, respectively, were female-headed family households.

11) Where do most Latinos in the U.S. live?

The majority of the Hispanic population lives in select states. In 1994, the five states with the largest Hispanic populations were: California, with a Hispanic population estimated at 8.9 million (34.3% of the total U.S. Hispanic population); Texas, 5.0 million (19.3%); New York, 2.5 million (9.6%); Florida, 1.9 million (7.2%); and Illinois, 1.1 million (4.0%). However, regions (states), which have historically had much smaller Latino populations, have experienced significant growth in the last several years. For example, the Hispanic population in the Midwest increased 35.2% between 1980 and 1990 and is projected to increase an additional 43.6% by 2000.

12) What percentage of Latinos are high school and college graduates?

Hispanics have a much smaller percentage of graduates than Whites or Blacks. In 1996, over one-half (53.1%) of Hispanics 25 years old and over had graduated from high school and 9.3% had graduated from college. In contrast, over four-fifths (82.8%) of Whites, and almost three-fourths (74.3%) of Blacks, 25 years old and over had completed high school in 1996, and 24.3% of Whites, and 13.6% of Blacks, had completed college.

13) Are most Hispanics in the work force?

A significant portion of Hispanics are participating in the labor force. In fact, Hispanic men were more likely than either White or Black men to be working or looking for work in 1996; 79.6%, compared to 75.8% and 68.7% respectively. In addition, in 1996, 60.6% of the Hispanic population 16 years old and over, or 11.6 million persons, were employed, which was comparable to Whites (64.1%), and slightly more than Blacks (57.4%). Despite the fact that a comparable percentage of Hispanics, Whites, and Blacks were employed in 1996, the unemployment rate for Hispanics was 8.9%, compared to 4.7% for White workers and 10.5% for Black workers.

14) What types of jobs do most Hispanics have?

Hispanics are generally employed in manual labor and service occupations. In 1996, almost one-half (47.1%) of Hispanic men 16 years old and over were employed in either precision production, craft, and repair occupations (19.4%) or as operators, fabricators, and laborers (27.7%). The majority (60.7%) of Hispanic women were employed in either sales and administrative support occupations (35.7%) or service occupations (25.0%) in 1996. In comparison, both White men and women were concentrated in managerial and professional specialty occupations (28.4% and 31.5%, respectively), and sales and administrative support occupations (17.1% and 38.4%, respectively). Black men and women were employed in similar occupations as Hispanic men and women in 1996.

15) What are the income levels for Latino families?

Hispanic median family income remains well below that of White families, and has declined since 1990. Hispanic median family income was \$24,570 in 1995, compared to \$42,646 for White families, and \$25,970 for Black families. Between 1990 and 1995, real median family income levels fell 10.1% for Hispanic families and 0.9% for White families, and increased 4.0% for Black families.

16) How many Latino families and Hispanic children are poor?

Poverty rates for Hispanic families, working Hispanic families, and Hispanic children remain disproportionately high. In 1995, more than one-quarter of both Hispanic and Black families lived in poverty (27.0% and 26.4%, respectively), while the poverty rate for White families was 8.5%. Moreover, data show that poverty among working Hispanic families is a serious problem; one-fifth (20.6%) of Hispanic families with at least one worker were poor in 1995, compared to 17.5% of comparable Black families and 6.4% of comparable White families. Finally, two-fifths (40.0%) of Hispanic children were poor in 1995, compared to 16.2% of White children and 41.9% of Black children.

17) What kind of impact does the Latino population have on the U.S. economy?

Hispanics are making significant contributions to the overall economy. The number of Hispanic-owned businesses is rising dramatically. In 1992, roughly 860,000 U.S. firms were owned by Hispanics, an increase of 76.1% since the last U.S. Census business

survey in 1987; these firms generated over \$76.8 billion in gross receipts in 1992, compared to \$32.8 billion in 1987. In addition, new research has shown a large and growing Latino middle class in certain areas of the country. In southern California, for example, a recent study revealed that there were nearly four times more U.S.-born Latino households in the middle class than in poverty and over one-half (51.6%) of U.S.-born Hispanic households were owned dwellings. Furthermore, the buying power of the total Hispanic population is projected to be \$350 billion in 1997, an increase of 65.5% since 1990.

18) What is the health status of Latinos?

There are both hopeful and disturbing signs with regard to Hispanic health. On the positive side, smoking, drinking, and illicit drug use are less prevalent among Hispanics than non-Hispanics. In 1996, 24.7% of Hispanics 12 years old and over smoked, compared to 29.8% of Whites and 30.4% of Blacks; 42.0% of Hispanics used alcohol, compared to 54.0% of Whites and 43.0% of Blacks; and 5.2% of Hispanics used illicit drugs, compared to 6.1% of Whites and 7.5% of Blacks. In addition, the infant mortality rate for Hispanics was relatively low. In 1995, the infant mortality rate was 6.1 per 1,000 live births for Latinos, compared to 6.3 per 1,000 for White infants and 15.1 per 1000 for Black infants. However, HIV/AIDS and diabetes are two of the most serious and troublesome health threats affecting the Latino population. Hispanics are disproportionately represented among reported cases of AIDS; while Hispanics constitute 10.7% of the total U.S. population, they accounted for 17.7% of the reported AIDS cases through December 1996, and although they are only 14.5% of the child population, Hispanic children accounted for 23.2% of all pediatric AIDS cases through December 1996. In addition, according to a 1982 - 1984 study, one out of four Mexican-Americans (23.9%) and Puerto Ricans (26.1%) 45 years old and over suffered from diabetes, and up to one-third (33.3%) of Hispanics 65 years old and over were diabetic compared to 17.0% of non-Hispanic Whites.

19) What percentage of the Hispanic population is covered by health insurance?

A large percentage of Hispanics, especially Hispanics who are poor and Hispanic children, lack health insurance coverage. In 1995, one-third (33.3%) of Hispanics, and 40.8% of Hispanics living in poverty, were not covered by health insurance. In contrast, smaller percentages of Whites (14.2%) and Blacks (21.0%), and poor Whites (33.3%) and Blacks

(23.5%), did not have health insurance. Furthermore, over one-quarter (26.8%) of Hispanic children lacked any form of health insurance, higher than both White (13.4%) and Black (15.3%) children.

20) Are Hispanics primarily homeowners or renters?

Hispanics have relatively low homeownership rates. More than two-fifths (42.2%) of Hispanic households were owner-occupied in 1993, which was much lower than the national average of 64.7% of all households. In addition, 45.8% of Hispanic families lived in owner-occupied housing in 1993, which was significantly less than the homeownership rates for all families (72.3%). Hispanics are also less likely to participate in federal low-income housing programs than non-Hispanics. In 1993, approximately 13.0% of public housing renters were Hispanic, while 37.0% were non-Hispanic White, and 47.0% were non-Hispanic Black; similarly, roughly 13.0% of Section 8 tenant-based renters, and 10.0% of Section 8 project-based renters, were Hispanic, while 51.0% and 52.0%, respectively, were non-Hispanic White, and 33.0% and 34.0%, respectively, were non-Hispanic Black.

La Raza's Hope Fund

Ms. Arce's talk also included a presentation on the National Council of La Raza's *Hope Fund*, a newly established revolving loan fund that will provide low interest loans to community development organizations for development projects benefiting the Hispanic community. Eligible Hope Fund projects include *housing, community facilities such as charter schools and Head Start centers; and operating and acquisition lines of credit.* According to Ms. Arce, the Hope Fund is presently capitalized at over \$11 million, with current investment raising activity expected to bring the Hope Fund to over \$20 million. Ultimately, NCLR projects the Fund will grow to \$50 million by the end of Fiscal Year 2000.

According to NCLR officials, the Hope Fund is "a vital component of the organization's community development mission: to build healthy communities through creation of social, political, and economic wealth." Goals of the Hope Fund include *assisting the Hispanic family socially and economically; building wealth for families and the community as a whole, assisting low-income Hispanic communities, increasing access to capital, strengthening NCLR affiliates and building Hispanic-controlled financial institutions and promoting economic literacy.*

Hope Fund community-based organization applicants will receive technical assistance from NCLR's Office of Technical Assistance and Constituency Support (TACS), which has field offices in Los Angeles, Phoenix, San

Antonio, Chicago and in the Washington DC headquarters office.

By providing non-traditional financing to Hispanic community-based organization sponsored projects generally not qualifying for traditional financing, NCLR says it expects the Hope Fund to address what it calls the

“financial services gap” in the Hispanic community ■

The National Council of La Raza is a “private, nonprofit, nonpartisan, tax-exempt organization established in 1968 to reduce poverty and discrimination, and improve life opportunities for Hispanic

Americans.” Financial institutions wishing to learn more about the National Council of La Raza, the Hope Fund and investment opportunities can write to NCLR at their headquarters offices at 1111 19th Street, NW, Suite 1000, Washington, DC 20036 or can telephone them at (202) 785-1670.

The Economic Development Administration

Facing the Economic Challenges of Today for a Better Tomorrow

The Economic Development Administration (EDA), was first established under the Public Works Act of 1965. In 1998, Congress passed the Economic Development Administration Reform Act of 1998, which reauthorized EDA for five years. In the intervening thirty years, EDA, an agency of the Department of Commerce, had survived without specific appropriations through sheer will power and because of support for its programs on the state, local and tribal levels.

EDA recently celebrated the passage of its new legislation at its 1999 Western Regional Conference held in Long Beach, CA, from April 27-29, 1999. The theme of the conference was “New Approaches for Economic Development.” Over 450 people attended the conference, representing economic development planning districts, state, local and tribal governments, nonprofit development organizations, federal agencies and business development revolving loan funds.

While EDA’s efforts have finally been rewarded with reauthorization, its main purpose has not changed: to generate jobs, help retain existing jobs and stimulate industrial and commercial growth in economically distressed areas. EDA’s mission is to assist in the economic renewal of communities impacted by long-term economic distress, as well as sudden and severe economic dislocation, including recovery from the economic impacts of natural disasters, military base closures, changing trade patterns and depletion of natural resources.

EDA funds projects that help distressed communities attract new industry, encourage business expansion and retention, diversify local economies, adjust to structural changes in a local economic base and generate long-term, private sector jobs. EDA grant funds may be used for the development of public infrastructure and community facilities, support of economic development planning

efforts, building and expanding local economic development organizational capacity in distressed areas, and capitalization of business development revolving loan funds.

EDA provides assistance to rural and urban areas experiencing high unemployment, low per capita income or other severe economic distress. EDA believes that distressed communities must be empowered to develop and implement their own economic development and revitalization strategies. Based on local and regional priorities, EDA works in partnership with state and local governments, regional economic development districts, public and nonprofit organizations and Indian Tribes. EDA grantees are required, in general, to provide matching funds of at least 50% of each project. Match share can be provided by the grantee, by local governments, nonprofits or financial intermediaries, through issuance of bonds, or by other conventional financing mechanisms.

In recent years, EDA has become one of the major federal players in providing economic recovery assistance following natural disasters, such as the Midwest Flood of 1993, the Northridge Earthquake, Hurricane Andrew, and the depletion of the Alaska fisheries. EDA and the Federal Emergency Management Agency (FEMA) recently formed a partnership. They will work together to coordinate hazard mitigation programs and disaster preparedness activities designed to help communities become more resistant to natural disasters. It will include a jobs training course designed to teach economic development and emergency management officials how economic development planning can incorporate issues associated with hazard risk and mitigation and development of disaster resistant economies. For more information contact Natalie Mills at 202/482-5813 or e-mail her at nmills@doc.gov.

Under a national technical assistance grant, EDA has recently developed a number of publications which may be of assistance to financial institution community development and compliance staff. Copies of each of the publications can be obtained, free of charge while supplies last, by faxing a request to the Economic Adjustment Division of EDA in Washington, D.C., at 202/482-3742.

Socioeconomic Data for Understanding Your Regional Economy: A User's Guide is a resource for socioeconomic data users and analysts of all levels. It includes sections on tools for obtaining and using data, the various agencies and organizations which collect and organize the data, key sources of regional data, data intermediaries, statistical resources, the best web sites, and techniques for understanding the data once you have it. **The User's Guide** is supplemented by a Web site designed specifically as a

resource for regional economic data analysts, with links to each of the major on-line resources and specialized data sites, <http://www.econdata.net>

The *Economic Development Directory* is a contact listing, by state, of EDA funded Economic Development Districts, Indian Planning Grantees, Business Development Revolving Loan Fund Grantees, Trade Adjustment Assistance Centers, and University Centers. It also includes a map of the EDA Regions and regional personnel listings ■

For more information about the Economic Development Administration and its programs, contact its Headquarters Office in Washington DC at 202/482-5081 or one of the six EDA Regional Office in Philadelphia, Atlanta, Chicago, Denver, Austin or Seattle.

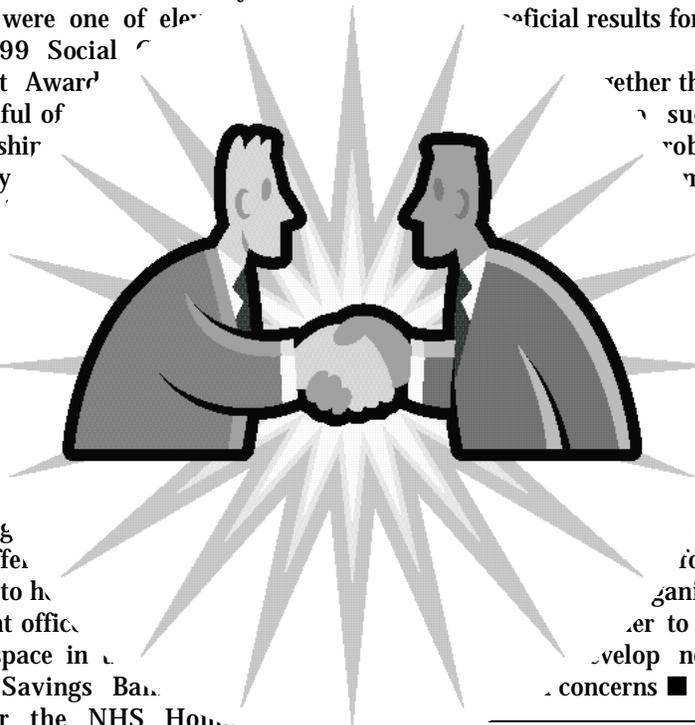
Profile of Success

A Partnership in Action

In the first quarter 1999 edition of the Community Liaison, we profiled the work of the NHS of Bedford-Stuyvesant and its financial institution partners. We are pleased to announce that the NHS of Bedford-Stuyvesant and Roosevelt Savings Bank were one of eleven national winners of the 1999 Social Compact Awards. The Social Compact Award is presented biennially to a handful of corporate-community partnerships from across the country in recognition of business success in low-income neighborhoods and the building of long-term neighborhood alliances that create market opportunities. Each winning partnership receives a grant of \$10,000 to further the work of the nonprofit partner.

Roosevelt Savings Bank's partnership with the NHS of New York City began in 1992 when the bank's CEO offered a challenge grant of \$100,000 to help the NHS of Bedford-Stuyvesant office. The partnership expanded when space in a local branch of Roosevelt Savings Bank was donated and remodeled for the NHS Home Maintenance Training Program. This program, offered twice a year, provides residents with a ten-week "hands-on" course in basic home repair and meets for three hours once

a week. Walter Mullins, Senior VP of Marketing at Roosevelt, volunteered to be an instructor and has taught the beginners course for the last six years to 525 residents. The Home Maintenance Training Program has achieved significant results for the bank and the community.



Together the NHS and the bank have been able to successfully address a serious problem in lower income communities: the inability to handle home maintenance and repairs because of the costs associated with hiring professionals. Program graduates have saved up to thousands of their home repair costs by learning to maintain their homes. Moreover, the integrity of the neighborhoods remain in tact.

The bank created the Patrick Community Center, in honor of a former NHS employee, where organizations and leaders can gather together to discuss community issues and develop necessary resources to address community concerns ■

(Information for the article was provided by the NHS of Bedford-Stuyvesant)

CRA Ratings and Evaluations now Available on Web Site

The Office of Thrift Supervision (OTS) recently added a new Community Reinvestment Act (CRA) page on the OTS Web site that provides on-line access to savings association CRA ratings and recent CRA public evaluations. Visitors may access the web page at <http://www.ots.treas.gov/cra.html>. The CRA requires financial institutions to help meet the credit needs of their local community, including low- and moderate-income neighborhoods, consistent with safe and sound lending practices. CRA performance evaluation is part of each financial institution's compliance examination.

The OTS CRA Web page includes a link to the OTS CRA search form database. The database includes a complete list of public CRA performance ratings for savings associations regulated by the OTS along with access to the most recent

and any immediately prior public evaluation for each savings association. The page also includes links to CRA-related press releases, including national CRA ratings and quarterly CRA examination schedules, testimony and speeches.

OTS will continue to make lists of institutions' CRA ratings available to the public through the Information Management and Services Division, Office of Thrift Supervision, 1700 G Street, N.W., Washington, D.C. 20552, or telephone (202) 906-6677. Copies of individual CRA performance evaluations are also available directly from the institutions or through the OTS regional offices ■

For copies of news releases or other documents visit the OTS web page at www.ots.treas.gov.

Community Notes

On April 28, the first of a series of workshops on financing affordable homeownership in rural communities was held in Memphis, TN. The workshop demonstrates how RHS' leveraged loans can help open the door to affordable home ownership for low-and moderate-income families in rural America. OTS -- along with RHS and other members of the Rural Home Loan Partnership (RHLP) -- is a co-sponsor of these events. Additional workshops are planned for June 17 in Manchester, New Hampshire and July 21 in Columbia, South Carolina. For additional information, you may call Roberta Youmans, Federal Housing Finance Board, at (202) 408-2581.

Upcoming Events and Training Opportunities . . .

July 11-14: The Council for Urban Economic Development Annual Conference, Chicago, IL. Additional information can be found on their website at <http://www.cued.org> or by calling (202) 223-4735.

July 22-25: The National Association of Housing and Redevelopment Officials (NAHRO) Summer Conference, Minneapolis, MN. Please call (202) 289-3500 or refer to their website at <http://www.nahro.org>.

July 24-28. The National Conference of La Raza Annual Conference, Houston, TX. Refer to the information on their website at <http://www.nclr.org> or call (202) 776-1770.

August 30-September 3: The Neighborhood Reinvestment Training Institute New Orleans, LA. Additional information can be found on their website at <http://www.nw.org> or by calling (800) 438-5547.

September 12-15: The American Bankers Association and Federal Housing Finance Board will co-sponsor a community and economic development conference – *Building From a Position of Strength* -- at the Renaissance Hotel in Washington, DC. Call (800) 338-0626 for more information.

Future editions of the Community Liaison will highlight thrift industry community development activities and related issues and regulatory initiatives. We welcome your comments, as well as information about your institution's community development activities. Please contact your regional OTS Community Affairs Liaison, or write to us at our email address: community@ots.treas.gov. We look forward to hearing from you.