

The Record (Bergen County, NJ)

February 6, 2005 Sunday

All Editions

SECTION: SPECIAL SECTION / BUSINESS; NORTH JERSEY BUSINESS
FORECAST 05; Pg. X05

Banks extend reach to serve minorities;
Growth among Asian-Americans, Hispanics

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Sam Damiano, president of the New Jersey League of Community Bankers, is proud of his Italian-American heritage.

So how did he become chairman of the Miss Asian American Pageant, to be held this summer for the first time on the East Coast?

He says he got involved in the pageant's planning after giving a speech at an Asian-American Chamber of Commerce meeting to promote his trade group's business lending program.

Afterward, the multilingual Damiano - who speaks Japanese, Italian and a little German - was besieged by Chinese- and Indian-American entrepreneurs seeking more information about loans. He was then approached by Autumn Feng, publisher of the Edison-based weekly newspaper American Chinese Times, about helping to bring the pageant to the Newark Performing Arts Center. Damiano then recruited SBLI of Massachusetts, a life insurance company endorsed by the community bankers' group, to be a major sponsor.

"One thing just led to another," Damiano said.

Damiano, who heads a trade organization with 69 member banks, says his involvement with Miss Asian American is just one example of bankers reaching out to growing minority communities.

"It's really a nationwide initiative, and in New Jersey we are closer to it," he said.

Asian-Americans are about 6 percent of the state's population and Latinos represent about 14 percent. Both groups are growing faster than other ethnic groups, and their economic clout is growing faster, too.

In municipalities with large Asian populations like Fort Lee and Edison, and in those with large Hispanic populations such as Paterson and Union City, bankers are hiring bilingual tellers, loan officers and branch managers as they seek to

boost deposits and increase profits from home, car and business loans and international transaction fees.

Alexandra Liftman, a spokeswoman for Bank of America, the top deposit holder in New Jersey, said the bank has taken notice of the entrepreneurial spirit in immigrant communities.

Bank of America - which two years ago paid \$1.6 billion for about a 25 percent stake in Grupo Financiero Santander Serfin, the Mexican subsidiary of Spain's Santander Central Hispano bank - expects more than three-quarters of its U.S. retail banking growth over the next decade to come from the Hispanic market. Over the past two years, half of the bank's new hires nationwide were bilingual. Most of its ATMs in New Jersey are either bilingual or trilingual offering a choice of English, Spanish or Chinese script, Liftman said. In January it announced a plan to drop certain money transfer fees to Mexico in an effort to get new accounts from immigrants who send money home to family members. Citigroup has a similar program with lower-cost money transfer fees for account holders.

Naturally, the ethnic niche banks in New Jersey are keyed into the boom.

Broadway National Bank in Fort Lee, which caters to Korean-Americans, was the top U.S. Small Business Administration-backed lender among small banks in New Jersey last year, making 101 SBA loans.

Banco Popular, founded more than a century ago in Puerto Rico, continued to expand in New Jersey last year. The bank entered the state in 1994, acquiring four branches from the failed Carteret Savings, and opened its 13th New Jersey branch last February, in Clifton.

Los Angeles based Nara Bank, a specialist in the Korean-American market, has opened a loan office in Palisades Park and has said it plans to open full-service branches in New Jersey.

"Financial institutions and banks have become more focused on Asians because of their level of wealth," said George Wolper, president of Spectrem Group, a Chicago-based research firm. Spectrem found that Asian-Americans account for 5 percent of U.S. households with more than half a million dollars in assets to invest.

Hispanics' fortunes and spending are also on the rise. After-tax income in Hispanic New Jersey households has more than doubled from \$9.1 billion in 1990 to \$19.1 billion in 2000. Their income is projected to grow to \$36.3 billion by 2008, according to the Selig Center for Economic Growth at the University of Georgia.

Midsized Valley National Bank, based in Wayne, is determined not to be left out.

At its branch on Canal Street in Manhattan's Chinatown, one of seven branches acquired when it bought Merchants Bank a few years ago, English and Chinese are spoken. In Valley's Union City branch, "just about 100 percent" of the staff is bilingual, said spokeswoman Cathy Erickson. In December, Valley launched a Spanish version of its online banking service.

Valley hired a New York City marketing firm a couple of years ago to help it attract more Spanish-speaking customers, she said.

Neil Hall, head of retail banking in New Jersey for PNC Bank, said Pittsburgh-based PNC is also doing "a lot more" Spanish-language marketing in cities like Paterson, Newark and Camden.

"You have to get more local," he said.

According to the Statewide Hispanic Chamber of Commerce, the Hispanic population in New Jersey is about 40 percent Puerto Rican. There are also large numbers of Cuban-Americans, and an increasing presence of immigrants from Mexico, the Dominican Republic, Colombia, Peru, Ecuador, El Salvador and other countries in Central and South America.

Many of the more recent Latino immigrants are distrustful of banks and have never had bank accounts or mortgage loans. In many Central and South American countries only wealthy people put their

money in the bank.

So more New Jersey banks are trying to bring them into the fold by speaking their language in the branches, advertising in Spanish newspapers and TV shows, and by offering low-cost checking accounts and more affordable wire transfer services for those who frequently send money home.

Some now accept "matricula consular" ID cards issued by the Mexican Embassy to undocumented Mexicans living in the United States, as partial proof of identity so they can more easily open bank accounts.

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