



ECONOMIC AND FINANCIAL INCLUSION FOR LATIN AMERICAN MIGRANTS RESIDING IN MEXICO AND MEXICAN RETURNEES

The Institute for Development, Evaluation, Assistance, and Solutions (IDEAS) is an innovative international NGO that has worked for 45 years across four continents in sustainable economic development. For over three and a half decades, it has provided consultancy services in 13 Latin American countries.

In the past, Mexico was a “transit” country for those seeking jobs in the United States. Now, **Mexico has become a “destination”** for populations from Central American countries and many others. In the last 5 years, more than 500,000 people from 11 Latin American and Caribbean countries have applied for and received official residency status in Mexico, and this number increases significantly each year.

At IDEAS, we have worked on developing a **unique offer for 1) refugees and migrant populations residing in Mexico and 2) Mexicans who have returned to their country in recent years.** Given their conditions, both populations often face exclusion. To address this problem, we support them in the challenging journey of employment and **economic inclusion** to develop sources of income, such as: 1) Creating and developing their own businesses or 2) finding formal job positions.



This leads them to have a **dignified life and economic stability.** Well-paid formal employment is often hard to find for resident migrants

and returnees. For this reason, **IDEAS offers business training courses and technical assistance for those looking to start or grow their businesses.**

Some migrants have received advice in their home countries, while others face a steep learning curve to become profitable in an unfamiliar market.

Once refugees leave temporary stays or shelters, they do not always get assistance in finding work and housing. IDEAS knows how to help residents who have chosen to settle down in Mexico so that they can integrate into **economic inclusion.**

We assist Mexicans who are excluded from their economy, including indigenous people, women, and people regardless of their sexual orientations, as well as Mexicans who voluntarily return home or are deported after decades in the USA. All of them navigate paths that can be shared with migrant populations established in Mexico.

We assist migrants who arrive in the country with little money and/or with only small remittances from their families in their home countries. These migrants start formal businesses in their crowded homes or on the streets. If they decide to create their own businesses, they must seek access to:



- financial education (We have innovative courses not offered by anyone else)
- loans and credit cards
- savings accounts, remittances, and other services
- consumer protection

Unfortunately, even those who have developed viable businesses find that most Mexican **financial institutions have difficulties considering potential candidates for loans and other financial services** such as savings accounts and insurance.

This is how **IDEAS**, with 3.5 decades working with microfinance institutions in Latin America, knows the technical language and ways to approach the leaders of these institutions, in order to support them.

We currently work with multiple different institutions, from microfinance institutions, banks, savings and credit entities, to Fintech companies. We seek to encourage these institutions to be part of the solution to financial exclusion.

However, some types of institutions are restricted from offering credit solutions due to their own internal

guidelines. Other institutions assume that they are not allowed to lend and are surprised to learn through IDEAS that the legislation recently has changed to allow immigrants to receive their financial services. At **IDEAS**, we have the support of a national association of pro-bono lawyers who provide these financial institutions with updated information so that they can promote financial inclusion and offer their services to resident migrants.

Some financial institutions, such as savings institutions, have a large amount of capital available to lend but need to shift their focus to view the rapidly growing population of refugees and resident migrants as a potential market. **Others need technical assistance from IDEAS to help them find impact investments, often from the USA or investors from other countries.**

We assist **Mexican investors, family foundations, and other organizations** that need additional information or an incentive to lend their capital. Some institutions also need investment to train staff working with resident migrants. IDEAS works with all of them to create new financial products designed to incorporate resident migrants into their general financial services.



IDEAS has been a pioneer and social entrepreneur.

IDEAS is a pioneering organization in Latin America that promotes microfinance investments that generate a positive social and environmental impact. We initiated the first fund in Latin America to bring private investments to microfinance institutions (MFIs). It takes contributions from American citizens and for-profit and non-profit institutions. Thirty years later, Working Capital for Community Needs (WCCN www.wccn.org) continues to lend to MFIs in 6 Latin American countries. **IDEAS helped to establish another 4 financing institutions.**

In 1991, **we formed the first Micro Financial Institution** in Latin America and the Caribbean. This MFI obtained 100% of its capital from social investors and today continues lending to clients in Nicaragua. For 45 years, IDEAS has been a pioneer and social entrepreneur in many types of sustainable development, socio-economic enterprises, and financial inclusion.

We seek other investors, donors, and allies to be at the forefront of this essential program, which helps Latin American migrants residing in Mexico and Mexicans who have returned to achieve assertive economic and financial inclusion.

We would truly appreciate your help in:

- 1. Sharing information and raising awareness** among the population about the nearly one million Latin American migrants who have chosen to live in Mexico over the last decade, who have legal residency, and for whom the number **needing economic and financial inclusion increases significantly each year.**
- 2. Associated consultants and fundraisers** to help us find one-time and/or recurring donations for all the services this program offers. As well as **volunteers from Mexico and other countries, and students** who wish to do their community service or professional internships with us.
- 3. Support IDEAS with donations** to continue the extraordinary effort to integrate the demand for economic inclusion of resident migrants into the financial services that Mexican institutions could offer to this population. IDEAS makes a significant educational and promotional effort to convince many people and institutions that financial inclusion is necessary. Individuals integrated into the economy can send millions of dollars in remittances to their home countries. Therefore, bringing excluded individuals into economic inclusion not only helps them but also supports national and international economies.
- 4. Assist us in providing technical support to financial institutions.** We undertake the task of adjusting financial products and services (credit, savings, insurance, remittances) to entrepreneurial migrants residing in Mexico.
- 5. Encourage Mexican and foreign investors** to finance financial institutions with the purpose of achieving social and environmental impact for migrants residing in Mexico.

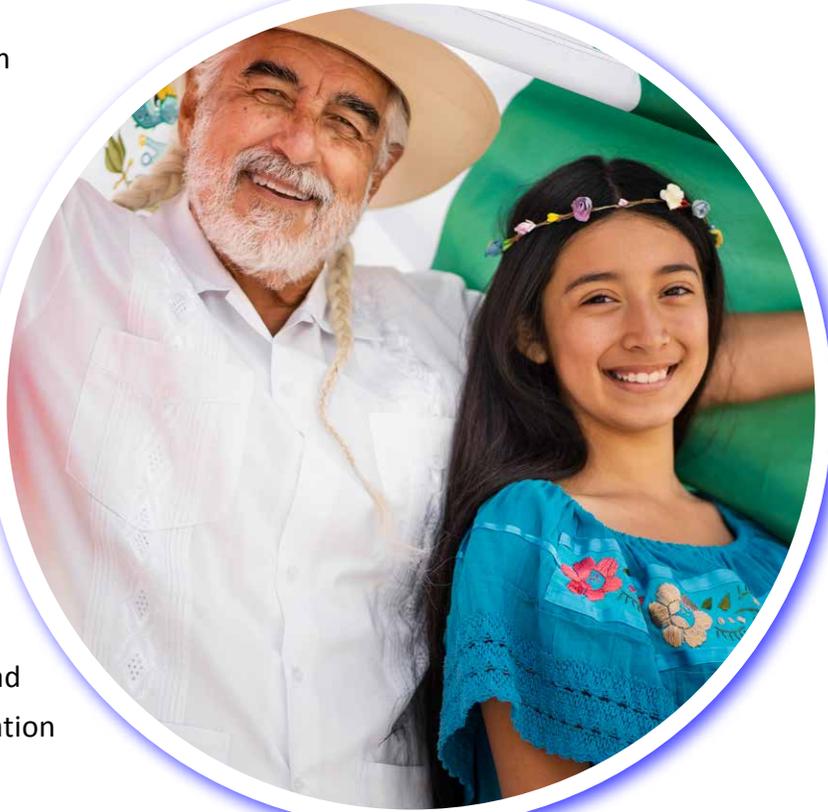


How is the IDEAS team structured?

The IDEAS team for this Mexican program is made up of Mexican professionals and immigrants. They are assisted by associated Mexican and international consultants.

Some achievements of our presence in Mexico

In 2022, we promoted the first microenterprise incubation course for refugees. This course was carried out by the Institute of Design and Technological Innovation of Universidad Iberoamericana in Puebla with our collaboration as advisors to the participants.



Between 2022 and 2023, we have strengthened our institutional relationships with international and national organizations that support the causes of our program. Such as:

- The International Organization for Migration (IOM)
- The Mexican Commission for Refugee Assistance (COMAR)
- Citizen Bridge
- Hispanics for Philanthropy (HIP)

In July 2023, we launched the call for the first financial inclusion course in Mexico designed for refugees and returnees. The course is set to begin in August of that same year.



Entrepreneurial woman succeeds in integrating into Economic and Financial Inclusion in Mexico!

Cándida arrived in Mexico 30 years ago after fleeing the war in El Salvador. She had been excluded from full participation in the Mexican economy ever since; even so, she began cooking and selling some delicious dishes from the kitchen of her small house. Without money to buy more ingredients, she could not meet the growing demand for her dishes or expand her business. Although she had legal immigrant status, no Mexican bank or financial institution offered her the possibility of granting her a loan.

IDEAS provided technical assistance to microfinance institutions. One of them provided her with twenty hours of business and financial training, and subsequently, another offered her an economic loan.

At the age of 67, Cándida received her first initial loan, and with this fund, she covered the purchase of more products and ingredients, better kitchen equipment, and offered a wider variety of dishes, thus increasing her business profits. She also got her first savings account, and now—with additional income—she buys more supplies during the week to prepare for the big weekend sales. During the COVID-19 pandemic, she created a Facebook account so that customers could order, pick up the food, or have it delivered to their homes. She hired another person to help her in the kitchen, thus generating another job, and her business has grown more than in El Salvador.



For more information about IDEAS, find us at: www.ideasnet.org/ in English and www.ideasnet.org/es in Spanish. The pages about this program are <https://ideasnet.org/microempresarios-latinoamericanos-y-retornados-en-mexico/> and <https://ideasnet.org/actions-financial-inclusion-migrant-microentrepreneurs/>

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