MONEY UNDER THE MATTRESS:

AN EXAMINATION OF MEXICAN IMMIGRANTS'

BANKING HABITS IN THE U.S.

by

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This paper examines factors that influence the likelihood that a Mexican immigrant will open a bank account in the United States. Using data from the Mexican Migration Project, regression analyses are used to evaluate how personal characteristics of immigrants and U.S. government policies impact this probability. The U.S. policies which are considered include the USA PATRIOT Act, legislation which includes provisions to curb money laundering; and the *matrícula consular*, an identification document issued by the Mexican government and endorsed by the U.S. Treasury, which is commonly used for opening accounts in the U.S. Analyses focus on states bordering Mexico, particularly California. Estimations show that the PATRIOT Act results in a decrease in the percentage of Mexican immigrants who open accounts, while encouragement of the use of the *matrícula consular* is associated with a significant increase. The effects of personal characteristics of immigrants on that likelihood are also discussed.

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Introduction

In the year 2000, Mexican immigrants made up 7.8 million of the 14.5 million foreign-born United States residents who emigrated from Latin America. In the same year, Mexican immigrants made up 3% of the total U.S. population. In 2002, the American Community Survey reported that the state of California had the highest number of Mexican immigrants – 4 million – comprising 11.7% of its total population. Texas ranked second with 2.1 million Mexican immigrants (9% of its total population), and Illinois came in third with 668,000 (Grieco).

Immigrants play a huge role in both the business and financial sector; undocumented immigrants add 700,000 new customers to the U.S. economy each year, while legal immigrants add 600,000 (Grow). As ties between the U.S. and Mexico strengthen, and the Mexican immigrant population grows, U.S. financial institutions should expect to experience rapid growth in their retail sectors.

Several policies implemented by the U.S. government affect how many Mexican immigrants decide to open bank accounts. In 2001, the U.S. government put into place the USA PATRIOT Act, dictating identification requirements for clients of thousands of financial institutions across the nation. In the following year, the U.S. Treasury issued a memorandum endorsing the "*matrícula consular*," an identification document used by thousands of Mexican immigrants.

Supporters of the PATRIOT Act claim that it defends and protects financial institutions from fraud and money-laundering; critics believe it may lessen the willingness of many "peaceable" immigrants to participate in the financial sector. Supporters of the Treasury's endorsement of the *matrícula* argue that it encourages

Mexican immigrants to establish and integrate themselves in the U.S. economy; critics believe it reduces the positive and protective effects of the PATRIOT Act.

Thus far, no study has examined how these two policies have affected the likelihood of Mexican immigrants to open bank accounts in the United States. Furthermore, few studies have examined the characteristics of Mexican immigrants already in the banking system, such as sex, age and income. Analysis of these characteristics is important in marketing to these populations, and it is even more important to ensure that financial institutions are marketing the right *products* to these populations.

This paper uses a database detailing the lives of over 6000 household heads emigrating from Mexico between 1982 and 2004 to show that the USA PATRIOT Act significantly reduced the number of accounts opened by undocumented Mexican immigrants, while the encouragement of the *matrícula* significantly and simultaneously increased this number. The first analysis finds that in California - the U.S. state with the highest percentage of Mexican immigrants - the PATRIOT Act, on average, decreased the likelihood of undocumented Mexican immigrants opening accounts by seven percentage points; the endorsement of the *matrícula* increased this likelihood by almost 30 percentage points, although it is not statistically significant. The second analysis finds that in all four states bordering Mexico, the PATRIOT Act led to a decrease of seven percentage points in the likelihood of opening an account for undocumented Mexican immigrants, while the endorsement of the *matrícula* increased this likelihood by about 40 percentage points.

The influence of both the PATRIOT Act and the Treasury's endorsement of the *matrícula* on the tendencies of the sample affirms that these two policies have significantly impacted Mexican immigrants, especially those undocumented. These results should demonstrate to policy makers and to financial institutions that there are positive and negative impacts of certain policies, and that further study is needed to determine the effects of these and other policies on the Mexican immigrant population.

In addition, both analyses find that the most significant personal characteristics affecting the likelihood of opening a bank account include: age, years of education, months of experience in the United States, level of language skills, method of payment, use of help from a U.S. bank, monthly savings, and number of banks in one's Mexican hometown. These results are important because they provide financial institutions with the personal characteristics that most significantly affect whether Mexican immigrants will open bank accounts. Financial institutions can use this information to more accurately target their marketing toward this growing section of the population.

The USA PATRIOT Act and Endorsement of the *Matrícula Consular*

In 2001, the U.S. government established the USA PATRIOT Act, an acronym for [the] "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism" Act. Implemented after the attacks of September 11, 2001, and as an addition to the Bank Secrecy Act passed in 1970, its goals include fighting terrorism and defending the country against other crimes such as money laundering and illegal immigration. Section 326, in particular, focuses on protection against illegal financial activity in U.S. financial institutions, and requires that every

customer of one of these institutions be fully identified. In addition, the institution must keep records (name, address, etc.) of each customer on file, and must consult lists of known terrorists to assure that the customer is not listed. Section 326 also requires the Secretary of the Treasury and others to recommend how to: (1) provide financial institutions with the proper information regarding customers from foreign countries who want to open accounts, (2) require foreign nationals to apply for an identification number similar to a social security number or tax identification number, and (3) aid financial institutions in using identification information in opening accounts.

These requirements provide financial institutions with some control and security when dealing with customers from foreign nations whose financial history is undisclosed and difficult to obtain. However, the Act's "unintended effect was to deal a big blow to many community-based banks whose customers include a large number of undocumented immigrants" (Tung). Many Mexican immigrants who illegally immigrate into the U.S. now face harsh identification measures, when many of them have no identification at all. On the other hand, Mexican immigrants have the advantage of obtaining a particular piece of identification called the *matrícula consular* to help them to open financial accounts.

The *matrícula consular*, an identification card much like a driver's license, has been in existence since the 19th century. The Mexican government provides a *matrícula* for $28, on the condition that the applicant presents a birth certificate and another piece of official photo ID. Immigrants in the U.S. must also have proof of a U.S. address. The *matrícula* did not become popular as a primary piece of identification until the late 20th century; more recently, its popularity has been growing among Mexican immigrants

trying to open bank accounts. In fact, half of the 5.6 million undocumented Mexicans in the U.S. use the *matrícula* (Taparia, 1). Amuedo-Dorantes, et al, state, "The Mexican government has advocated its approval and the U.S. Treasury currently allows the recognition of the *matrícula consular* as a means to grant Mexican immigrants access to the U.S. banking system" (1).

Beginning in 2001, Wells Fargo became one of the first banks to use the *matrícula* as primary identification. At that time, the bank opened only 3,400 immigrant accounts each month. By October 2003,

> this number had grown to 22,000 per month, a seven-fold increase, and the number of accounts opened using the Consular ID had surpassed a quarter of a million. Within a year, maintaining the same pace of growth, Wells Fargo opened half a million accounts for migrants using the *Matrícula Consular.* (Taparia, 2-3)

A Wells Fargo branch manager says *matrícula* holders are "bringing [them] all the money that has been under the mattress" (Grow).

The amount of "mattress money" coming into financial institutions grew after July of 2002, when the U.S. Treasury published a memorandum "not discouraging" the use of the *matrícula* as a means of identification. By July of 2004, 178 banks, 33 states, 163 counties, and 377 cities acknowledged the ID (Taparia, 2). To further improve security measures, the Mexican government has created a "High Security *Matrícula Consular*" (MCAS) with features to prevent undocumented immigrants from falsifying the former type of the *matrícula* (Bair, 13).

Review of the Literature

Existing literature examining financial behavior and customs of immigrants in the U.S. is extensive. Many authors choose to remain broad in the groups of immigrants they study; several focus on immigrants of Latin American descent rather than on individuals from individual countries. However, very little research has been presented regarding the specific characteristics of Mexican immigrants and their decisions whether to open a bank account upon immigrating into the United States. Extensive research on the effects of either the PATRIOT Act or the endorsement of the *matrícula consular* on those decisions is also unavailable.

Amuedo-Dorantes, et al (2005), examine trends and characteristics of banked and unbanked migrant household heads for the past 50 years using the Mexican Migration Project (MMP107) database. They find that the proportion of banked migrants has increased over this period, and that the banked tend to be younger, documented, and more fluent in English than the unbanked. The banked also tend to come from communities in Mexico with relatively more banks than in the Mexican communities of the unbanked.

Amuedo-Dorantes & Bansak (2005) discuss the banking trends and behavior among Mexican migrants in the U.S., the "determinants of the use of banking services," and how Mexican migrants' access to U.S. banking influences their practices of transferring money to Mexico, according to their legal status. They use the MMP107 as their dataset, although they focus on those migrants who have returned to Mexico and are surveyed in their hometowns. They create a basic model for the likelihood of a Mexican migrant being banked, while holding several other factors (income, age, sex, etc.) constant. The authors find that the most significant factors (at the 1% significance level) between banked and unbanked migrants are: documentation status, level of English

knowledge, monthly earnings in the U.S., duration of their last trip, leaving a spouse in Mexico, and residence in Florida or Kansas. However, the authors do not indicate the specific years that they study; the reader must assume it is simply a time-series analysis of banking trends from 1982 to 2005. Nevertheless, this study provides a solid foundation for further research on this topic.

In her analysis of Latin American immigrants, Sheila Bair (2003) concludes, "legal status is the predominant reason why they have not established bank accounts" (19). Bair's interviews with "financial institution officials, community activists and others involved in efforts to bring more recent Latin American immigrants into regulated, federally insured depository institutions cite requirements under the Bank Secrecy Act (BSA) and [the] USA PATRIOT Act as potential obstacles to their efforts" (7). Bair attributes the problem to the institutions' fear that expanding their foreign-born customer base will cause the federal government to increase its regulation of these institutions. Banks also fear that with the expansion of this customer base, improving foreign-born identification programs could incur significant costs.

Through her research of ten financial institutions across the U.S., Bair finds that banks appreciate the flexibility that the USA PATRIOT Act provides in creating customer-identification programs, but feel the U.S. Treasury should finalize its decision to allow these banks to accept foreign-government-issued IDs (like the *matrícula*)[1]. She summarizes, "denying banks and credit unions the ability to serve immigrants lacking U.S. government identification [through PATRIOT Act regulation]… would force this population to rely on higher cost, [and] less regulated financial service providers" (35).

[1] In late 2003, the Treasury issued a statement maintaining its original decision to accept foreign-government-issued IDs.

Bair finds that for some banks, the USA PATRIOT Act has not changed the way they market toward the Latino population. Other banks are "concerned with potential impact of Section 326 of the Patriot [sic] Act on undocumented workers and the related bureaucratic red tape" (47), or worry that the regulations will curtail the use of the *matrícula*. Finally, Bair mentions that for Wells Fargo,

> the Patriot [sic] Act does increase customer identification requirements, which might ultimately lead to banks shying away from dealing with non-customers. [However] Wells Fargo officials express the view that the Patriot [sic] Act, while imposing a number of new requirements on financial institutions, does not raise unnecessary impediments to the provision of financial services to Latin American immigrants. (55)

Bair's findings support the idea that, although certain legislation may hinder some immigrants' willingness to interact with the U.S. financial system, individual financial institutions can counteract these effects by creating individualized programs for the Latin American community in the U.S.

In response to the documentation obstacle, Suro, et al (2002), say "the growing acceptance by U.S. banks of Mexican consular ID cards is now rapidly alleviating this predicament for undocumented immigrants from that country" (14). The Texas Appleseed Foundation (2004) agrees that "accepting the *matrícula consular* as identification… is important in attracting the Mexican immigration population that does not have access to a Social Security number" (6).

Hypotheses

Analysis of previous literature on this topic concludes that the major personal obstacles hindering Mexican immigrants from opening accounts in the U.S. are lack of documentation, lack of English-speaking ability, and level of financial education.

Knowing this, documented immigrants would be expected to have a higher likelihood to open an account than undocumented immigrants; those immigrants with higher English-speaking abilities should have a higher likelihood than those with lower abilities. The data do not include a variable for "financial education," but there is a variable for immigrants that get financial assistance from banks in the U.S. The immigrants who receive this financial assistance should be expected to have a higher likelihood of opening a bank account than those who do not.

Other personal characteristics expected to be statistically significant and positive in their impacts on the likelihood of opening a bank account are number of months of U.S. experience, and number of banks in an immigrant's hometown in Mexico. An immigrant with more U.S. experience may be more accustomed to U.S. culture. Likewise, an immigrant with many banks in his/her *municipio* may be more familiar with the banking system than other immigrants.

Since the USA PATRIOT Act was implemented in 2001, statistical analysis will define the variable for the PATRIOT Act as data gathered after 2001 to test the Act's effects on the likelihood of opening a bank account. Some analysts have found that the USA PATRIOT Act lessens the enthusiasm of many Mexican immigrants to open bank accounts because it requires more identification measures. Therefore the variable for this is expected to have a negative impact on the likelihood.

Similarly, the U.S. Treasury issued its memorandum supporting the use of the *matrícula* in 2002; therefore the data after 2002 will be examined to find the effect of the *matrícula*'s endorsement. The *matrícula* variable is expected to have a positive effect on the likelihood of both legal and illegal Mexican immigrants opening an account, because

it provides a form of identification that is recognized by most financial institutions and is easily obtainable by both the documented and undocumented immigrant.

The variables for the PATRIOT Act and endorsement of the *matrícula* will be interacted with the variables for California and for all border states to find specific effects of each piece of legislation on Mexican immigrants from each state. In addition, the variable for undocumented immigrants will be interacted with demographic and legislative variables for these states in order to detect any differences in impact between illegal and legal immigrants. Individuals expected to be most affected by both the USA PATRIOT Act and approval for the *matrícula*'s use are undocumented immigrants living in any of the bordering states (California, Texas, New Mexico, Arizona), especially California. Three reasons support this expected result: first, California is the state with the highest number and percentage of Mexican immigrants; second, many undocumented immigrants do not have proper identification to open accounts, suggesting that the USA PATRIOT Act will severely restrict their ability to do so; and third, the approval of the *matrícula* will provide many undocumented immigrants with the proper identification so that they may open accounts. Also important to note is that more than two-thirds of the banked immigrants in the sample reside in California, meaning this state should have more meaningful results than other states in the sample.

Methodology

Regression analysis. Regression analysis is a standard statistical method to determine how the values of independent variables "x" impact the value of the dependent variable "y," holding all other variables constant. For example, one can find how likely a

male Mexican immigrant would be to open an account in the U.S. just by looking at how many males versus females have opened accounts. How does one find the difference in likelihood between a 50-year-old male immigrant and a 25-year-old male immigrant? How about the difference between the 50-year-old male and a 25-year-old female? With regression analysis it is possible to compare many different personal (e.g., age), trend, and event variables with the bank account variable in order to find each variable's independent effect on the focus dependent variable, holding other variables in the model constant. The regression analysis in this study will demonstrate the extent to which the USA PATRIOT Act affected *undocumented* immigrants in California compared with *documented* immigrants in that state.

Equation Specification. The binary choice model that is used in these regressions will specify the dependent variable as follows:

Bank Account = 1 if immigrant owns a bank account, and

Bank Account = 0 if immigrant does not own a bank account.

The probit regression model used takes on the form:

$$\text{Bank Account} = \beta_1 X + \varepsilon$$

Where X represents all explanatory variables, and ε is an error term.

Data and Variables. The data compiled by the Mexican Migration Project (MMP107) will be used to run the regressions for this analysis. MMP107, based at Princeton University and the University of Guadalajara, has collected data from Mexican migrants both in the U.S. and in Mexico since 1982. MMP107 gathers information at the individual, household, and community levels, including household characteristics, migration experiences, community life, and the U.S. experiences of almost 6000 families.

Interviews take place in both countries; migrants that have returned to Mexico are interviewed in the winter months, and established immigrants in the U.S. are interviewed in the summer months. These two interview processes create a database that is a "representative binational sample" (MMP107).

Using MMP107, regression analysis will determine which factors influence Mexican immigrants' likelihood of opening a bank account, the magnitude of the factors' effects, and the statistical significance of each magnitude. These influences include personal characteristics, as well as general trends and legislation, i.e., the USA PATRIOT Act and the endorsement of the *matrícula*. The MMP107 database contains over 800,000 observations on migrants since 1982. The data used in this regression analysis will restrict itself to household heads, of which there exist about 6000 observations. The household head data are the only data that present information on banked or unbanked status. The sample size is reduced from 6000 to 3955 due to insufficient data being dropped. Table 1 (see Appendix) provides descriptive statistics of each variable.

Results

Table 2, in the Appendix, shows the marginal effects, from the probit estimation, of the likelihood of a Mexican immigrant opening a bank account, with a focus on California. The "income" variable has been omitted due to insufficient data. The characteristic variables that are significant at the 1% level include: *age, education years, undocumented, U.S. experience, language skills, paid in checks, savings, banks in hometown,* and *California*; the variable *help from bank* is significant at the 5% level. Although the *age* variable is significant, an increase in age leads to a decrease in the

likelihood of opening an account by .1 percentage points; this suggests that age has little effect on the likelihood of opening an account in this sample. However, the other results suggest that as years of education, months of U.S. experience, amount of savings, and/or number of banks in hometown increase, the likelihood of opening an account increases as well. Similarly, if an immigrant has U.S. documentation, speaks English, is paid in checks, receives help from a U.S bank, and/or resides in California, the likelihood that he/she will open an account also rises. In fact, the likelihood increases by 7.5 percentage points if the immigrant speaks English, or is paid in checks, and it increases by 22.7 percentage points if the immigrant receives help from a bank. This is a significant increase considering the sample's average likelihood of opening an account of 7%.

The variable for *married* is surprisingly not statistically significant across observations, indicating that Mexican immigrants that are married are not significantly more likely to open accounts than unmarried immigrants. This may be in part due to the nature of the sample; the observations in the sample are all household heads, who are most likely already married. Also surprising is that remittances (transfers of money to Mexico) do not seem to play an important role in the likelihood of opening accounts among the sample. This is important because many banks use remittances as a marketing tool to attract immigrants in order to cross-sell other products to these immigrants once they are customers. However, several non-bank money transfer firms provide the same remittance services for immigrants, usually at higher costs than banks. Many of these non-bank firms are able to keep the business of Mexican immigrants because of their lower identification measures, their locations in more Mexican communities, and Spanish-speaking cashiers. Therefore, the insignificance of remittances in opening

accounts for many Mexican immigrants suggests that banks should market less on a remittance and product base, and more on a community and language base.

Table 2 also shows the significant effects in the interaction terms between California, undocumented immigrants, and the PATRIOT Act versus the endorsement of the *matrícula*. The coefficient on *California*Undocumented*Patriot* shows that the likelihood of undocumented immigrants who are living in California to open an account in the U.S. drops by seven percentage points when associated with the PATRIOT Act. However, the endorsement of the *matrícula* is not statistically significant in increasing the likelihood of opening a bank account for undocumented immigrants in California[2].

When looking at only undocumented immigrants interviewed in the U.S. (shown by the variable *California*Undocumented*Patriot*In U.S.*), analysis shows that the PATRIOT Act still has a significantly negative effect on the likelihood of opening accounts. This suggests that most of this policy's effect is found among those immigrants still in the U.S., not among those who are interviewed in Mexico after their return from their stay in California. The *matrícula*'s effect on undocumented Mexican immigrants is not shown due to insufficient sample sizes.

Among undocumented immigrants in California, the results affirm the hypothesis that the PATRIOT Act negatively influences the likelihood of opening an account. While the trend is positive for the PATRIOT Act and the *matrícula*'s endorsement across all observations, both are statistically insignificant. This suggests that these policies had the most effect among undocumented immigrants in California. Furthermore, the variable for

[2] Both *California*Undocumented*Patriot* and *California*Undocumented*Matrícula* have sample sizes of more than 100; the insignificance of *California*Undocumented*Matrícula* is most likely not due to a small sample size.

California shows an increase in the likelihood of opening an account by 3.5 percentage points, suggesting that Mexican immigrants living in this state are already more likely to open accounts than those living in other states in the sample. Again, this may be due to the high percentage of banked immigrants that reside in California as opposed to other states in the sample.

Further analysis reveals that by interacting the variables *U.S. experience*, *banks in hometown, language skills,* or *education years* with the variable *California*Undocumented*Matrícula*, the likelihood of opening a bank account increases. Although these variables are significant, the magnitude of their effects are far smaller than the magnitude of the effects when these variables are omitted; for example, Table 2 shows that when *U.S. experience* is interacted with *California*Undocumented*Matrícula*, the likelihood to open an account only increases by .1 percentage points, while *California*Undocumented*Matrícula* by itself (even if insignificant) increased the likelihood by 29.8 percentage points. Likewise, when interacting any of these variables with the variable *California*Undocumented*Patriot*, the likelihood of opening an account is decreased, but the magnitude of the effects on this likelihood is fairly small compared to the effects without interacting these extra terms. This suggests that the PATRIOT Act and the endorsement of the *matrícula* more significantly influenced Mexican immigrants with *less* months of U.S. experience than those with *more* months of U.S. experience.

Table 3 shows the marginal effects from the probit estimation including all states bordering Mexico (California, Texas, New Mexico, and Arizona). The *border* variable in this analysis is positive, suggesting that Mexican immigrants in these bordering states are

opening more accounts each year. In these states, the effects of the PATRIOT Act on the banking decisions of undocumented immigrants remain somewhat unchanged, but the effects of the *matrícula*'s endorsement become significant at the 10% level of significance. In fact, the likelihood that an undocumented immigrant from these bordering states will open a bank account increases by 39.9 percentage points after the *matrícula*'s endorsement. This is significant given the sample size of 138 observations that fall into the *Border*Undocumented*Matrícula* category. This suggests that within these four bordering states, the U.S. Treasury's endorsement of the *matrícula* significantly encouraged undocumented immigrants to open bank accounts.

When examining just those undocumented immigrants who are interviewed in the U.S. (*Border States*Undocumented*Patriot*In U.S.*), analysis shows that the PATRIOT Act still has a significantly negative effect on the likelihood of opening accounts among these bordering states. This suggests that most of the PATRIOT Act's impact falls upon immigrants still residing in the U.S., as opposed to upon those who are interviewed in Mexico after their return from these states. Again, the *matrícula*'s effect among undocumented immigrants still in the U.S. is not examined due to insufficient sample size.

In addition, interacting the variables *U.S. experience* or *banks in hometown* with the variable *Border*Undocumented*Matrícula* reveals that the likelihood of opening an account increases; similarly, interacting either of these variables with the variable *Border*Undocumented*Patriot* decreases the likelihood. The magnitude of these effects are still much smaller than when the variables are not interacted with each other. Table 3 shows that when *U.S. experience* is interacted with *Border*Undocumented*Matrícula*,

the likelihood of opening an account increases by only .1 percentage points instead of by the 39.9 percentage points brought about by *Border*Undocumented*Matrícula* by itself. Again, this suggests that undocumented immigrants with less U.S. experience living in these border states were more affected by the endorsement of the *matrícula* and the PATRIOT Act than were those with more U.S. experience.

Conclusion

The USA PATRIOT Act and the endorsement of the *matrícula consular* have had significant impacts on the banking decisions of immigrants, especially those undocumented, in U.S. states that border Mexico. The results of this study suggest that the more stringent identification measures required by the PATRIOT Act inhibit many immigrants from entering the financial system. However, the results also indicate that the U. S. Treasury's encouragement of the *matrícula* provides many more immigrants with sufficient identification to counteract the effects of the PATRIOT Act. While it is difficult to extricate the specific influences of each policy, this study suggests that the PATRIOT Act negatively influenced Mexican immigrants' decisions to open bank accounts in the U.S., while use of the *matrícula* had a positive effect, as predicted by the hypotheses.

Although the PATRIOT Act has a significant effect on the likelihood of opening a bank account in the analysis of California, this effect increases ever so slightly when opening the analysis up to all bordering states. Furthermore, analysis of these four bordering states shows a significant effect of the endorsement of the *matrícula* not present in the California analysis on the likelihood of undocumented immigrants. In

addition, while the PATRIOT Act and the endorsement of the *matrícula* do not seem to have a significant effect on the likelihood of opening accounts across *all* immigrants in the U.S., they do seem to play important roles in undocumented Mexican immigrants' financial decisions in California, Texas, New Mexico, and Arizona; this suggests the potential of these four states to influence U.S. policy decisions.

While the general trend is a *decrease* in the number of bank accounts opened by Mexican immigrants each year according to the sample, these results illustrate how financial and political policies can further influence the decisions of this population. The United States government implemented the USA PATRIOT Act to combat terrorism and to prevent money-laundering; however, as a side effect, the Act tends to discourage Mexican immigrants from opening bank accounts.

Furthermore, these results illustrate the effect that personal or cultural experiences may have on personal choices; analysis reveals that for many Mexican immigrants, their months of experience residing in the U.S. and their total savings, among other factors, may significantly impact their decision to open a bank account. Ultimately, financial institutions should take these factors into consideration when tailoring their programs to this population.

Appendix

Table 1. Descriptive Statistics of Variables

Variable	Mean	Std. Dev.	Min	Max
Dependent Variable				
Bank Account	0.16	0.37	0	1
Regressors				
Survey Place	0.19	0.39	0	1
Male	0.96	0.20	0	1
Age	44.59	14.81	17	92
Married	0.86	0.34	0	1
Education Years	5.44	4.05	0	28
Undocumented	0.60	0.49	0	1
U.S. Experience	77.62	95.26	1	780
Friends in U.S.	6.20	13.62	0	300
Language Skills	0.27	0.44	0	1
Paid in Checks	0.71	0.46	0	1
Help from Bank	0.01	0.10	0	1
Remittances	224.18	473.40	0	12000
Savings	169.77	386.18	0	10000
Banks in Hometown	8.45	20.24	0	237
Trend	14.09	4.52	6	23
Patriot Act	0.09	0.28	0	1
Matrícula Consular	0.06	0.24	0	1
California	0.53	0.50	0	1
Border States	0.72	0.45	0	1
California*Undocumented**Matrícula*	0.02	0.13	0	1
California*Undocumented*Patriot	0.02	0.14	0	1
Border*Undocumented**Matrícula*	0.02	0.14	0	1
Border*Undocumented*Patriot	0.03	0.16	0	1
California*Undocumented*Patriot*In U.S.	0.00	0.04	0	1
California*Undocumented**Matrícula** U.S. Exp.	0.92	9.98	0	288
California*Undocumented*Patriot*U.S. Exp.	1.26	12.75	0	288
Border*Undocumented*Patriot*In U.S.	0.00	0.04	0	1
Border*Undocumented**Matrícula**U.S. Exp.	1.04	10.47	0	288
Border*Undocumented*Patriot*U.S. Exp.	1.45	13.28	0	288

Number of Observations = 3955

Table 2. Marginal Effects from Probit Estimation of Likelihood of Opening a Bank Account, California.

Variable	dy/dx	Std. Err.	z	P>z	[95% C.I.]		X
Survey Place	0.113	0.02	6.33	0.00	0.08	0.15	0.19
Male	-0.022	0.03	-0.80	0.43	-0.08	0.03	0.96
Age	-0.001	0.00	-2.93	0.00	0.00	0.00	44.59
Married	0.019	0.01	1.64	0.10	0.00	0.04	0.86
Education Years	0.005	0.00	3.91	0.00	0.00	0.01	5.44
Undocumented	-0.028	0.01	-2.84	0.01	-0.05	-0.01	0.60
U.S. Experience	0.001	0.00	14.04	0.00	0.00	0.00	77.62
Friends in U.S.	0.000	0.00	0.18	0.86	0.00	0.00	6.20
Language Skills	0.075	0.01	5.68	0.00	0.05	0.10	0.27
Paid in Checks	0.074	0.01	8.79	0.00	0.06	0.09	0.71
Help from Bank	0.227	0.11	2.12	0.03	0.02	0.44	0.01
Remittances	0.000	0.00	-1.52	0.13	0.00	0.00	224.18
Savings	0.000	0.00	4.40	0.00	0.00	0.00	169.77
Banks in Hometown	0.001	0.00	3.47	0.00	0.00	0.00	8.45
Trend	-0.001	0.00	-0.73	0.47	0.00	0.00	14.09
Patriot Act	0.039	0.04	0.90	0.37	-0.05	0.12	0.09
Matrícula Consular	0.021	0.04	0.48	0.63	-0.06	0.10	0.06
California	0.035	0.01	3.74	0.00	0.02	0.05	0.53
California*Undocumented**Matrícula*	0.298	0.23	1.32	0.19	-0.14	0.74	0.02
California*Undocumented*Patriot	-0.067	0.01	-5.27	0.00	-0.09	-0.04	0.02
California*Undocumented*Patriot*In U.S.	-0.061	0.02	-3.72	0.00	-0.09	-0.03	0.00
California*Undocumented**Matrícula**U.S. Exp.	0.001	0.00	0.92	.356	0.00	0.00	0.92
California*Undocumented*Patriot*U.S. Exp.	-0.001	0.00	-1.20	.231	0.00	0.00	1.26

Marginal effects after probit — Observations = 3955

y = Pr(bank) (predict) — Pseudo R^2 = .43

= .07090613

Table 3. Marginal Effects from Probit Estimation of Likelihood of Opening a Bank Account, All Border States.

Variable	dy/dx	Std. Err.	z	P>z	[95% C.I.]		X
Survey Place	0.118	0.02	6.49	0.00	0.08	0.15	0.19
Male	-0.026	0.03	-0.90	0.37	-0.08	0.03	0.96
Age	-0.001	0.00	-3.00	0.00	0.00	0.00	44.59
Married	0.018	0.01	1.56	0.12	0.00	0.04	0.86
Education Years	0.005	0.00	4.06	0.00	0.00	0.01	5.44
Undocumented	-0.027	0.01	-2.76	0.01	-0.05	-0.01	0.60
U.S. Experience	0.001	0.00	14.29	0.00	0.00	0.00	77.62
Friends in U.S.	0.000	0.00	0.31	0.76	0.00	0.00	6.20
Language Skills	0.072	0.01	5.52	0.00	0.05	0.10	0.27
Paid in Checks	0.076	0.01	8.87	0.00	0.06	0.09	0.71
Help from Bank	0.228	0.11	2.13	0.03	0.02	0.44	0.01
Remittances	0.000	0.00	-1.60	0.11	0.00	0.00	224.18
Savings	0.000	0.00	4.42	0.00	0.00	0.00	169.77
Banks in Hometown	0.001	0.00	3.94	0.00	0.00	0.00	8.45
Trend	-0.002	0.00	-1.38	0.17	0.00	0.00	14.09
Patriot	0.058	0.05	1.16	0.25	-0.04	0.15	0.09
Matrícula	0.010	0.04	0.24	0.81	-0.07	0.09	0.06
Border States	0.020	0.01	2.05	0.04	0.00	0.04	0.72
Border States*Undocumented**Matrícula*	0.399	0.23	1.74	0.08	-0.05	0.85	0.02
Border States*Undocumented*Patriot	-0.073	0.01	-7.65	0.00	-0.09	-0.05	0.03
Border States*Undocumented*Patriot*In U.S.	-0.067	0.01	-6.60	0.00	-0.09	-0.05	0.00
Border*Undocumented**Matrícula**U.S. Exp.	0.001	0.00	1.43	0.15	0.00	0.00	1.04
Border*Undocumented*Patriot*U.S. Exp.	-0.001	0.00	-1.37	0.17	0.00	0.00	1.45

Marginal effects after probit — Observations = 3955

y = Pr(bank) (predict) — Pseudo R^2 = .42

= .07198845

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