

Plaza Bank adds Latino element to efforts to reach local unbanked

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As I write this, I wonder how the banking landscape might continue to shift before this goes to print. There is so much turmoil in our industry, culminating in last week's takeover right in our own back yard.

So I thought: What better time to write about something going really right in our region?

Starting in January 2008, Plaza Bank and other financial institutions began working with the city of Seattle toward the launch of a new initiative called Bank on Seattle-King County (BSKC). BSKC is an initiative that pools resources from the banking community, nonprofit community, and local government in an effort to provide affordable, accessible financial services to people who don't currently hold checking or savings accounts. Although we are the only new bank involved, Plaza Bank is among 22 banks and credit unions to participate in this program and with this level of dedicated collaboration, the program saw a successful launch last week.

Its purpose is very meaningful to us, since Plaza Bank was founded to offer a full range of commercial and retail services with a unique vision to reach out to the Latino community — including the unbanked.

According to Hispanic Consumers in the Puget Sound Region, a study conducted by Conexion Marketing and Seattle University in 2007, only 56 percent of Latinos in our region have a bank account. Market research firm Synovate's 2008 U.S. Diversity Markets Report said 77 percent of Latinos nationwide have a bank account. While this national figure is larger and does represent a 7 percent jump over 2004 numbers, it illustrates a contrast with the U.S. general market, in which 90 percent are banked.

We know that much of the discrepancy is based on the cultural and language barriers of immigrants in general; for example in many countries, such as my native Mexico, there is no equivalent of Federal Deposit Insurance Corp. insurance — and people have lost their life savings when their banks collapsed. So in addition to the obvious solution of providing service in Spanish for those who prefer to bank in their native language, it's important to help the Latino community understand U.S. banking and the importance of credit, and develop that trust in financial institutions.

We're proud of our mission and the progress we have made. In fact, among recent Latino bank startups, we are now the country's second largest, with \$88 million in assets. Two years after the grand opening of our Kent Station branch, Plaza Bank is still well capitalized. We are accomplishing our mission, and growing while doing it.

We are thrilled to see the city of Seattle working to achieve similar goals in helping local banks provide products and services tailored to the unbanked. They will be able to give this issue much more visibility than any single bank could, and we are always eager to align with efforts that echo our own.

We have partnered with KCTS and its newly launched Spanish-language affiliate, V-Me, to help provide financial literacy tips to public television viewers. We continue to partner with community organizers and to educate consumers at local Latino events. Our partnership with BSKC was a logical fit, and we were grateful to offer up best practices from our own local experience in product development and community involvement to reach the unbanked.

So what will the efforts of BSKC mean for us? Well, as a partnering bank, for us these efforts will translate into increased financial relationships, not only from new retail activity but also from business customers who believe in the values we espouse and support our efforts. Throughout King County, this program will add more exposure to our commitment to establishing trust and security with people who are not using traditional banking services.

More significant is the economic promise consumers and their families enjoy once they embark on their financial journey — perhaps achieving the American dream of homeownership, or sending their kids to college.

And on the way toward the BSKC goal of seeing 10,000 consumers newly banked over the next two years, we will all benefit as we create a community of residents who are better informed, are better positioned to achieve their financial goals and teach them to their children, and can contribute to our economy and our society in greater ways.

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