

# WASHINGTON COUNTY COMMUNITY ACTION ORGANIZATION

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- Parenting Education
- Transitional Housing
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A United Way Agency

January 27, 1995

MEMO

FAX To: Dan VanOtten 503-986-2020

From: Jerralynn Ness

Subject: Farmworker Credit Union

I am sending to you a copy of a memo from my staff regarding our involvement in a collaborative effort to establish farmworker credit unions around the state. In summary, we have not been able to establish that there is a significant need for this service in our community. We have, however, established that there is a need for consumer advocacy, outreach to provide information, referral and linkages to needed services, advocacy to address consumer exploitation and consumer education on how our system works.

If a "Farmworker Advocate" position, to carry out these needed services, could be included in the statewide proposal, we would be very interested in participating. Is this possible? Please give me a call after you've had a chance to read and mull this over. Thanks Dan!!

1/26/95

TO: JERRALYNN & CHERYL  
FROM: JUDY  
RE: FARMWORKER CREDIT UNION PROPOSAL

I know you need this by today, so excuse the lack of organization of this memo!

As you know, our experience and efforts in this area have extended over the past year, involving Dan, Leon, Kristin and myself. We attended organizational meetings around the state, held local meetings, invited other agencies to participate, attempted to solicit farmworker support, conducted a survey, met with Credit Union reps and with reps from 4 different banks, surveyed all the vendors offering financial services such as check cashing, money orders, etc. and met with Josie from OHCS. We summarized all this activity in a report.. At the end of our last meeting, basically the only person who had any enthusiasm for the project was Bob from OLS.

Generally speaking, we concluded:

There was no local base of support for a credit union, either among farmworkers or "agency" people.

The amount of time, energy and expertise needed to commit to such a project was daunting, whether it was starting a new credit union or working with an existing one.

The need for a credit union was never identified in either our survey or in the survey Kristin was conducting for OHCS. We also reviewed the survey results statewide and no mention was made of a credit union or any other kind of financial services.

Given the incredible variety and vastness of needs expressed by farmworkers, a credit union was very low priority.

Even assuming that farmworkers have unmet credit/banking/financial needs, there are a multitude of services available to meet the needs, and reps from the financial institutions are actively marketing them. Also, a number of small businesses have sprung up to address some of the needs - some good, some not so good - but having "an edge" because of the cultural connections, style of operations, etc.

Cultural considerations don't seem to have been discussed: for example, the "model" credit union demonstrated to the participants of the meetings was a Puerto Rican-run inner city credit union, which had actually already been operating for many years before it was taken over by the new group. This is very different from a rural perspective.

Washington County's migrant population is unlikely to benefit; many of the settled out migrants are leaving farm work, and many work in the electronics industry. A credit union is available to most high-tech employees.

Given these conclusions, there seems to be little interest or enthusiasm at this time to be involved in the formation of a credit union. And we really have put in a lot of effort and a lot of staff time in this undertaking. As I told Jerralynn, we do see a need for some type of consumer advocacy; we have done some, but as you know, a staff person could spend all of their time dealing with just one individual's problems. Some suggestions we have had are:

Get Consumer Credit Counseling to provide bilingual staff for counseling farmworkers with bad credit/budgeting problems. Many of their large bills are medical bills.

Work with OSU Extension to make more budgeting information available.

Work with OLS to investigate consumer fraud and advocate on behalf of individuals. This seems to be the area most farmworkers have trouble with - bad deals with credit, buying used cars, installment plans, loans, etc.

Provide consumer education to clients: how "our system" works; what to avoid, beware of, etc.

No matter how I read the memo from Dan VanOtten, it still sounds like the only plan is to establish a credit union. If that is the case, the only role I can see us taking on is if the state operates the project and we do outreach, once the project is established. I cannot see us getting involved in a "partnership" administering the project here, given the incredible need for technical expertise and the lack of need and interest we have encountered. But, this is only my opinion.