

**Remarks of Robert Hildreth on May 26, 2009 in Washington, DC at the conference  
*Beyond the Fence: Research Lessons on How Immigration and Remittances Shape Global  
Development***

Ali called me two years ago to help him when there was a workplace raid in New Bedford. And we had 400 immigrants that were arrested that day. And we ended up out of those arrested – by the way , I should say about 200 were immediately sent from Massachusetts to Texas – we ended up bailing out half of those in Texas, bringing them back at government expense – a true irony – to Massachusetts where they are going through their due process right now. And it was really Ali's idea. He says it was mine, but I think it was Ali's – to then go on from there and create a National Immigrant Bond Fund where we kept bailing out immigrants in about 11 different workplace site raids around the country. So I hope that created a little good karma for the comprehensive immigration reform which Ali told us about today.

At the time I was doing it, helping immigrants meet bail, it did not occur to me that I was also challenging development theory. Most think the concerns of the theory stop at the border, an academic fence, if you will, excluding the theory from accompanying its clients as they jump the real fence. But as we've heard today, is development theory just concerned about Guatemala, the country from which most of the arrested immigrants in New Bedford came from or is it also concerned about the Guatemalans themselves no matter where they go? I believe there exists a continuum of needs. And where academics and policy-makers place themselves around that continuum says a lot about their world view.

I have placed my new foundation, a Foundation for an Open America, squarely at the end of the continuum in Lynn, Massachusetts. We run after-school and college-prep programs. Lynn is the city of 90,000 and has always been an immigrant city and is now mainly Latino, sadly making the news for its gangs, high dropout rates, high teen pregnancy rates and shootings. Two weeks ago we had a shooting of a man who died in a hockey rink, slayed (ph) across the ice. Yet this same population has one of the highest propensity to save in the state, and sends back to the Dominican Republic and Central America as well as 50 million each year or half the entire Lynn public school budget.

One recent study based on family surveys in Massachusetts estimated that Latinos save almost a quarter of their earnings and send a third back in remittances. So the question is why does a population that generates so much grassroots resources suffer from so much teenage chaos. Seeking an answer, my foundation has begun an experiment, not unlike some of the experiments you heard about this morning. To marry immigrant savings with immigrant education, we have created a college preparatory program for honor roll Latino students in Lynn inviting their families to save \$50 a month which we will match with an additional \$50. So each student, when they graduate, has a \$4,000 college fun.

The program is called La Vida, life, and the 50 students are called scholars. I can report that every family agreed to save – 50 families – and that they are successfully making the

deposits. Incentives, viewed as gangas, for all of those who speak Spanish, which means bargains, can be powerful. Some of the parents have come on hard times over the past 12 months, as you can imagine. But at a \$50 price point, the whole family, including their scholar children, who we help get jobs – an important point – find ways to come up with the money even if they miss a month.

As a community they encourage each other to save, just as do microfinance circles. It is not clear whether parents are participating because of the savings incentives alone, or because the program which provides services to their children such as high-end SAT prep is its own incentive. It's probably both.

At the same time these parents continue – at the same time these parents continue to remit to their home countries. One Dominican parent told me that his father, a retired policeman in Santo Domingo, is fine with receiving us and proud that his grandson has earned this opportunity. This suggests that families divided by a border can still work things out like normal families. Saving for a better life in the U.S. versus saving for remittances may not be an either/or proposition.

All of our programs are based around immigrant savings, encouraging active participation from immigrants – from the immigrants themselves. For example, when we helped pay the bail for arrested immigrants, we only paid half. In the case in New Bedford, 36 immigrant families contributed \$126,000 in bail funds within weeks of the raid. These were not Cubans; these were not Dominicans. These were Guatemalans, many of them not Spanish-speaking Quichean who had been here long enough to come up with resources.

These experience inform a key feature of comprehensive immigration reform which Ali did not mention but which will have each undocumented immigrant paying a \$10,000 fee to register. No doubt most will pay. But there is a fear that many will remain illegal because of the expense. Inviting this group to pay \$50 a month where foundations provide incentive donations may be an answer.

Our foundation will expand its savings incentives based on a three-legged stool. One leg is private money, such as our own, which we believe will – which we believe will find immigrant self-help models attractive. The second is matching government support from already existing programs for low-income savers. The sturdiest leg of the stool may well prove to be the immigrants themselves. When it comes to immigrant savings, it isn't a question of "si se puede," but, "ya lo hecho" – not "yes, we can," but "we're already doing it."

Sometimes we in the foundation confront issues critical to our work that we don't fully grasp – as a matter of fact all of the time, which we don't. We seek out – when we do, we seek out experts and underwrite their research. This conference is an excellent example of what we seek to sponsor. You're helping us to understand our work. Thank you very much.