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## ADVANCES IN TURNING CENTRAL AMERICAN REFUGEES IN MEXICO INTO ENTREPRENEURS

El Salvador, Honduras and Guatemala, countries in which IDEAS has long worked, are mentioned frequently in the immigration news. Central Americans are fleeing violence, ecological disasters, corruption, inequalities, poverty, and the lasting consequences of previous wars. In Mexico, tens of thousands of Central American refugees cannot enter the US and fear to return to Central America. With their numbers in Mexico growing, IDEAS is working on an innovative approach to this immigration crisis. These refugees do not want to depend upon charity or keep living in slums. They want to work to create a dignified life and many are now seeing the benefits of developing a permanent residence in Mexico. Fortunately, IDEAS has had decades of helping low-income families get the training and resources they need to create and grow their own businesses.

In the first two months of 2020, our Executive Director, Carter Garber, and a Mexican colleague traveled to many places in Mexico to meet with key persons who could become allies. We were seeking Mexicans who might share our vision of assisting of those immigrants who want to settle down to build an economically sustainable life in Mexico. We found many who were intrigued in helping refugees in this enterprise development approach but very few who were ready to begin.

We created a formal alliance with CREAR, a microfinance institution based in the city of Monterrey, Mexico (located only 3 hours south of McAllen, Texas and Laredo, Texas). CREAR has been able to train and lend to 614 Salvadorans. Additionally, they are seeking Guatemalans, Hondurans, and Nicaraguans. Many of the borrowers have had businesses in their home countries. With others (as young as 16), they are being taught to create and grow their businesses. Those who have Mexican credentials are to obtain their credit and open their first bank account with a debit card. These loans convert a person from living in a precarious situation to a dignified way of earning a living.

Eduardo was thrilled when he received a loan to buy equipment to do plumbing in an urban community in the north of Mexico. He previously had a small plumbing supply store in El Salvador until he began to be "taxed" heavily by one of El Salvador's three gangs. He fled with only a backpack of clothes. Being able to buy the tools of his trade means that he can put food on his family's small table.



The program also lends to those who have low paid work in automobile assembly plants that ship parts to the US. Sara is a cleaner there who has a child with a condition that has sudden medical emergencies. Previously, she had to borrow urgently from a very usurious money lender. Now she has arranged to get a small line of amount of rotating credit from our ally. She pays it off from payroll deductions and finds the terms very flexible and quite affordable. Once borrowers like Eduardo and Sara pay back well, they establish a credit record in the national credit monitoring system so that they can obtain complementary credit if needed.

IDEAS is working in alliance with CREAR to find donations for training and more loan capital via grants and loans from socially responsible investors. Since we have been experts in impact investing for decades, we have many contacts. We are helping them to expand the number of refugees that CREAR can lend to. In addition, our skills in impact evaluation will be useful as the program grows. Our long-term work in microfinance means that we have contacts and advice that is useful to the alliance.

You can send a check made out to IDEAS to the address below, or to donate online, please click on the link:

<https://www.networkforgood.org/donation/ExpressDonation.aspx?ORGID2=62-1190942>

*Thank you for making a big difference as we work for others!*

**Carter Garber, Executive Director**

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