

FINANCE



BANKING MANAGEMENT

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King County



PORSESH POLICY
RESEARCH INSTITUTE
Fact-based Analysis & Solutions

Porsesh Policy Research Institute (PR)

- **About Porsesh Policy Research Institute**

Porsesh Policy Research Institute (Porsesh or PR) is a Washington State-based, immigrant-led organization dedicated to empowering immigrants and underserved communities. Through data-driven initiatives, integration services, and educational programs, we strive to foster inclusion, equity, informed policymaking and better services.

- **Major Activities**

Action-Oriented Research – Conducting research to inform policies and programs that drive meaningful change.

Immigrant Integration Services – Providing a range of support services to facilitate successful integration.

High-Quality Trainings – Organizing expert-led workshops and capacity-building programs.

Data-Driven Civic Engagement & Advocacy – Empowering communities through evidence-based advocacy and participation.

Consulting Services – Offering expertise in our specialized areas to support impactful initiatives

Welcome & Introduction to Financial Literacy

- **Introduction**
- **Overview of the presentation**
 - This presentation will guide newcomers through key financial concepts in the U.S. like banking, budgeting, credit, loans, and avoiding fraud.
 - You will learn how to manage your finances effectively, which is crucial for building a successful life in the U.S.
- **Why Financial Literacy Matters**
 - Financial literacy helps newcomers understand the U.S. financial system, avoid common pitfalls, and make informed decisions about money management (Redvive, 2025).
 - It promotes long-term financial stability, enabling you to save, avoid debt, and secure better opportunities.



Why Financial Literacy Matters

•Challenges immigrants face

- Language barriers, unfamiliar financial systems, and a lack of credit history often pose challenges for immigrants (SwitchboardTA, 2025).
- Financial education helps break these barriers and allows newcomers to navigate these systems effectively.

•Key benefits of financial literacy

- Empowers individuals to make informed decisions about spending, saving, and investing.
- Promotes long-term independence by teaching practical skills to avoid debt, save for goals, and plan for the future.





Immigrants in Washington State

- **Context, Challenges, and Financial Literacy Needs for Immigrants in Washington State**
- In recent years, Washington State has experienced a significant influx of immigrants from diverse countries, including Afghanistan, Ukraine, Central America, and Africa. Immigrants often face challenges as they adapt to life in the U.S., such as navigating financial systems, learning English, and securing employment.
- **Key Challenges:**
 - **Language Barriers:** Immigrants speak various languages (e.g., Spanish, Somali, Arabic), which makes understanding financial systems and job applications difficult.
 - **Employment:** Lack of U.S. work experience and recognition of foreign credentials often hinders access to jobs that match their skills.
 - **Cultural Adjustment:** Adapting to new cultural norms, including understanding U.S. banking, taxes, and insurance practices.
- **Financial Literacy Needs**
Culturally sensitive, multilingual financial literacy programs are essential for immigrant integration. These programs should focus on budgeting, saving, understanding credit, and other foundational financial skills.

Understanding the U.S. Banking System

Introduction to Banks

- **What is a bank?**
 - A bank is a financial institution that accepts deposits, provides loans, and offers other financial services. Banks are regulated by the government to ensure safety and reliability.
 - In the U.S., banks are typically divided into categories based on size and services: national banks, credit unions, and online banks.
- **Types of banks:**
 - **National Banks:** Large banks that provide a broad range of financial services across the country (e.g., Bank of America, Chase).
 - **Credit Unions:** Member-owned institutions that often provide lower fees and higher interest rates on savings.
 - **Online Banks:** Banks that operate primarily online, offering competitive interest rates and minimal fees.



Why Use a Bank?



Security of funds

In the U.S., the Federal Deposit Insurance Corporation (FDIC) insures deposits in participating banks up to \$250,000 per account holder.

Your funds are protected even if the bank experiences financial trouble.



Convenience of services

Access to ATMs, online banking, and mobile apps for managing money 24/7.

You can easily transfer money, pay bills, and track expenses using a bank account.



Building credit history

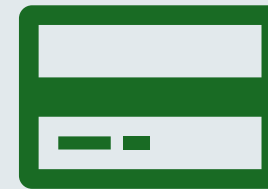
A bank account is an essential first step in building your credit score, which is important for getting loans, renting an apartment, or applying for a credit card.

Opening a Bank Account



Required documents

To open a bank account, you typically need an ID (passport, driver's license, or other government-issued identification), proof of address (utility bill or lease), and proof of immigration status.



Choosing the right account

Decide between a **checking account** for daily transactions and a **savings account** for saving money. Checking accounts often come with debit cards, while savings accounts earn interest over time.

Bank Fees and Services



Common fees

Monthly maintenance fees: Charged by some banks for maintaining an account.

ATM fees: Charged if you use an ATM outside of the bank's network.

Overdraft fees: If you spend more money than is available in your account, the bank may charge a fee.



Minimizing fees

Look for banks that offer free checking or savings accounts with no monthly maintenance fee.

Avoid overdrawing your account by setting up alerts for low balances or linking your checking account to a savings account for overdraft protection.

Types of Banking Services



Types of accounts

Checking Account: A basic account for everyday transactions like paying bills and withdrawing cash.

Savings Account: A higher-interest account designed to help you save money.

Money Market Accounts: These offer higher interest rates, but they may require higher minimum balances or have withdrawal restrictions.



Using digital banking

Mobile apps and online banking allow you to access your accounts, pay bills, and transfer money from anywhere, at any time. This is especially helpful for newcomers who might not yet be familiar with physical banking services.

Credit & Credit Reports

What is Credit?

Definition of credit

- Credit refers to borrowing money with an agreement to pay it back, usually with interest. It allows you to make purchases now and pay for them over time.

Why credit is important

- A good credit history opens up opportunities for borrowing money at lower interest rates and with favorable terms (Annuity.org, 2025).
- It can help when renting an apartment, buying a car, or securing a mortgage.

Types of Credit



Revolving credit

Examples: Credit cards, lines of credit. You can borrow up to a certain limit, and as you pay off your balance, you can borrow more.



Installment credit

Examples: Car loans, personal loans, mortgages. You borrow a set amount of money and repay it in fixed monthly payments over time.

Understanding Your Credit Report



What is a credit report?

A credit report is a document that shows your borrowing and repayment history. It includes information on loans, credit card payments, and any late payments or defaults.



How to obtain your credit report

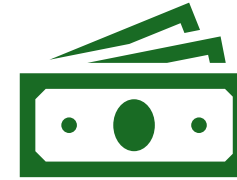
In the U.S., you are entitled to one free credit report per year from each of the three major credit bureaus: Equifax, Experian, and TransUnion. You can request this online at **[AnnualCreditReport.com](https://www.annualcreditreport.com)**.

Credit Scores and Their Importance



What is a credit score?

A credit score is a number that represents your creditworthiness. It ranges from 300 to 850, with higher scores indicating better credit.



Factors affecting your score

Payment history: On-time payments positively impact your score.

Credit utilization: The amount of available credit you use. Try to keep this below 30% of your credit limit (Annuity.org, 2025).



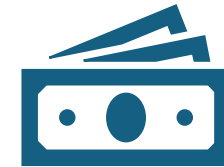
Building and Managing Credit



Building

Building credit

- Start with a secured credit card or become an authorized user on a family member's card.
- Pay bills on time and keep credit utilization low.



Managing

Managing credit

- Pay off high-interest debt first.
- Set up reminders for bill payments to avoid late fees and damage to your credit score (SwitchboardTA, 2025).

Protecting Yourself Against Identity Theft



What is identity theft?

Identity theft occurs when someone uses your personal information to commit fraud, like opening credit cards in your name or stealing your money.



Steps to protect your identity

Use strong passwords for online accounts.

Monitor your credit report regularly to spot any unfamiliar activity.

Budgeting & Managing Money

Why Budgeting is Important

Benefits of budgeting

- Budgeting helps you live within your means, avoid debt, and save money for emergencies or future goals.

Financial stability

- A budget helps you prioritize your spending on essential items like housing, utilities, and food, and prevents unnecessary purchases (Annuity.org, 2025).

Creating a Budget

1

Tracking income and expenses

- Start by recording all sources of income (salary, side gigs, etc.) and all your monthly expenses.

2

Categorizing expenses

- Divide your expenses into **needs** (housing, utilities, groceries) and **wants** (entertainment, dining out). This helps you understand where your money is going.

Budgeting Tools and Methods

- **Apps and tools**
 - Use budgeting apps like Mint, YNAB (You Need A Budget), or GoodBudget to track your spending, set goals, and get financial advice.
- **Manual tracking**
 - Alternatively, use a simple spreadsheet or pen-and-paper method to track your spending and ensure you're sticking to your budget.



50/30/20 Budgeting Rule

- **50% for needs**
 - Essentials like rent, utilities, food, and transportation.
- **30% for wants**
 - Non-essential spending like eating out, entertainment, and vacations.
- **20% for savings and debt**
 - Set aside at least 20% of your income for savings or to pay down debt.



Saving Money

- **Why saving is crucial**
 - Saving ensures you have money for emergencies, like a medical issue or job loss.
- **How to save effectively**
 - Aim to save at least 10-20% of your income. Consider setting up automatic transfers to a savings account to build your emergency fund (SwitchboardTA, 2025).



Increasing Income and Reducing Expenses



Finding additional income sources

Consider taking up a side job or freelancing to increase your income. Websites like Upwork or Fiverr offer opportunities for online work.



Cutting costs

Save money by cooking at home instead of dining out, using public transport instead of owning a car, and cutting back on unnecessary subscriptions or memberships.

Debt Management

- **Managing credit card debt**
 - Prioritize paying off high-interest debt first. Aim to pay more than the minimum payment to reduce the principal balance faster.
- **Avoiding payday loans**
 - Payday loans have high fees and interest rates. Avoid using them if possible (SwitchboardTA, 2025).



Local Success Stories & Community Support

Afghan Refugees Thriving in Washington

- Highlight a few success stories of Afghan refugees who have successfully adapted to the financial systems of the U.S. through local programs. Show how they navigated challenges, improved their credit scores, and achieved financial independence.

Community Support Networks

- Washington State is home to a vibrant Afghan community that provides support to new arrivals. Immigrant and refugee support groups often offer guidance on financial management, job searching, and navigating the U.S. legal and banking systems.



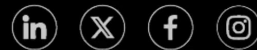
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For client referrals or training requests for your community members, please don't hesitate to contact us.



Additional Financial Resources for Immigrants in Washington State and King County

Refugee and Immigrant Assistance

- **World Relief Seattle:** This organization supports refugees, including Afghan refugees, with financial literacy workshops, help navigating the banking system, and access to other resources like housing and employment support (World Relief, 2022).
- **Refugee Women's Alliance (ReWA):** Provides immigrant women, including those from Afghanistan, with financial education programs and helps them understand how to use U.S. financial systems effectively (ReWA, 2022).

Financial Literacy Programs Specific to Washington

- **Washington State Financial Literacy Coalition:** This coalition focuses on improving financial literacy for immigrants and refugees in WA, with programs that address unique challenges faced by Afghan refugees (WA State Financial Literacy Coalition, 2022).
 - **Tacoma Community House:** Offers free financial literacy courses specifically for refugees and immigrants in Tacoma, including information on banking, managing household finances, and understanding credit (Tacoma Community House, 2022).
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Thank You

THE END!



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