



Hondurans want to be Stockholders Not Just Stakeholders and Share the Wealth

Shaping Hondurans Future in the Bronx with a Wealth Sharing Vision

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New York – New Horizon Investment Club a Honduran-American organization, announces its plan to make a real estate investment in the Bronx's Community District 3. According to the Club's president Jose Francisco Avila, This planned investment will represent Honduran-Americans first effort to participate in the Borough's 2002 – 2005 Strategic Planning Statement's goal of building and preserving housing and community facilities. In addition, they plan to complement Community Board 3's 197-a (community based) plan primary goal to increase housing production.

New Horizon's significant interest in realizing their first real estate investment in the neighborhoods included in Bronx Community District 3 stems from the fact that the Bronx is home to 10,206 Hondurans. That represents 48% of the Bronx's Central American population, according to the New York City Department of Planning's Demographic Profile: New York City and Boroughs, 1990-2000. Furthermore, Hondurans represent 1.6% of the Bronx's Total Hispanic Population. However, by some estimates, the Honduran population has reached over 100,000. Some community leaders are of the opinion that the difference between the Census numbers and the estimates is buried in the 83,363 who classified themselves as "Other Hispanic". The Other Hispanic category represents the largest Bronx population change between 1990-2000; the 344% increase was larger than that of both the Mexican and Dominican subgroups.

According to the Borough's 2002 – 2005 Strategic Planning Statement, Community District 3 experienced an increase in population as a result of new construction; this contributed to big population gains. When we consider the fact that 80% of the Honduran population resides within Community District 3, we can see that they represent 11% of the District's 68,574 population according to the 2000 US Census.

Bronx residents represent 68% of New Horizon's total membership and of those, 52 or 50% of the total membership, reside within Bronx Community District 3. Furthermore, New Horizon sees the Bronx as an opportunity to invest in one of America's "Emerging Markets".

Lower income should not be a barrier to participation in the economic advancement of their community, said Mr. Avila. The Club is currently working with Bronx real estate agents, searching for a residential building to purchase and expect to complete the transaction in the first quarter of 2004. A limited liability company has been set up to sell interests in the company to members. This is based on the premise that ownership will give them a stake in the property and it will also help them obtain tangible economic benefits from neighborhood revitalization efforts as they engage in commercial development and operation in the future.

Private markets are recognizing that poor communities hold a wealth of undervalued assets - buildings, infrastructure, and human capital with the promise of strong return on investment. Traditional approaches to economic development have not included an explicit return for residents because residents were not seen as active partners, stockholders in the development process.



This project will allow Hondurans to participate as stockholders not just stakeholders in future development projects. It includes members as vested partners with the public, private and not for profit sectors in the process of building a strong, healthy community in which we can live and prosper.

During his state of the Borough address, last February 26th, Borough President Adolfo Carrión, Jr. stated *“We will not break the grip of poverty and dependency until we create avenues for people to climb up the economic ladder.”* According to Mr. Avila *“We see our initial real estate investment as the groundbreaking ceremony for the construction of the avenue that will allow our people to reach the first rung of the economic ladder. Once we’ve reached that rung, it’s our intention to keep climbing until we become active participants in the Bronx’s and New York City’s economic development.”*

Real estate investment provides opportunities for increasing member’s assets and for strengthening their voices in local economic and public policy decisions. Furthermore, Property earnings have served to build the wealth of generations of families throughout U.S. History.

In the same address, last February, the Borough President stated *“We will create strategic partnerships for the empowerment of families. One such partner will be the NY Stock Exchange and its Chairman Richard Grasso. We will develop The Bronx Wall Street Financial Education Program for Bronx Families. We will get our youngsters to work in the financial industry. We will get our families to invest and save. And we will get our family finances in order.”*

The Club has been empowering people by meeting once a month in Our Lady of Victory Catholic Church’s basement at 1512 Webster Avenue, teaching members how to become successful strategic long-term investors by using the National Association of Investors Corporation’s profitable path of learn-by-doing investing in common stocks. In addition they’ve had the opportunity to enhance their knowledge of business and investing through personal finance seminars on topics such as: budgeting, insurance, financial planning and income taxes. In other words, New Horizon developed The Bronx’s Wall Street Financial Education Program for the Honduran Families and is teaching them how to get their finances in order while learning wealth accumulation strategies.

As the 1990s produced increasing evidence of a widening wealth gap in America, community development practitioners, policymakers, and academics paid increased attention to financial asset accumulation strategies in addressing poverty.

As of last December, the Club has raised over \$100,000 in capital. Due to the uncertainty of the stock market since September 11th, 2001, the majority has been held in money market accounts. In November 2002, the members made a decision to diversify the investment portfolio by investing in real estate and the planned investment in Community District 3, will be the realization of that plan.

New Horizon Investment Club was founded on May 21st, 2000 by ten Hondurans with the objective of pooling their financial resources to learn how to invest in the stock market and subsequently become active participants in the economic development of the Honduran Community Residing in New York City.