

Permission to dream

How ex-investment banker Bob Hildreth is helping immigrants—legal and illegal alike—get educated to get ahead. BY THOMAS MATLACK

FREE FOR ALL: BOB HILDRETH THINKS MICROFINANCE HOLDS THE KEY TO IMPROVING THE LIVES OF IMMIGRANTS—AND FIXING WHAT AILS THE ECONOMY.

CHELSEA, MASSACHUSETTS, just over the Mystic River from Boston, is one of the most densely populated areas of the country. Bankruptcy and corruption drove the town into state-appointed receivership in the 1990s, and its reputation for crime is hardly undeserved. Chelsea saw 10 murders in 2010, most of them knifings and many drug related. One teenager was forced to kneel before being shot in the back of the head.

But that's not all there is to Chelsea.

On a recent evening at Chelsea High School, 80 moms and dads, some teenage

kids and a handful of babies packed into a classroom listening to Magaly Valentin, an animated Spanish speaker. The audience reflects the origins of the city's immigrants, with people from Guatemala, the Dominican Republic, El Salvador and Puerto Rico. Many are legal residents, but just as many are not. At a back table, salsa, chips, salami, brownies and two-liter bottles of Coke are available.

A saving circle—a monthly meeting of high school parents to discuss savings, plan fundraisers and learn about higher education, sponsorships and ways to finance

and laughs. "You know, that's what happens in Hollywood, not for us."

She makes clear that the saving circle is for parents of all Chelsea's high school children, legal and illegal. "You have to be a citizen to apply for FAFSA," she says in Spanish, "but colleges don't give a shit who you are if you have the money to pay tuition." This eases the awkward separation of legals from illegals for the next part of the evening, in which the legals will file their FAFSAs electronically while the illegals will hear about the scholarships for which they are eligible.

Bob Hildreth is also in the audience, his blue suit, glasses and yellow tie looking completely out of place in one of the roughest neighborhoods in America. He's wearing a bright red and white scarf from River Plate, a Buenos Aires soccer club. Still, he knows the name of every volunteer in the school and he's been smiling proudly at the standing-room-only crowd. Hildreth, founder and executive director of Families United in Educational Leadership (FUEL), wants to increase educational funding, end poverty and embrace immigrants—legal and illegal alike—all at the same time. This saving circle is part of FUEL's effort to do just that.

"The immigration rights debate is going nowhere but backward," Hildreth says, "but there is a need for immigrant integration. Immigrant children make up the largest percentage of students in our inner city schools, and they are failing. FUEL is trying to reverse this by getting low-income parents involved. Improving the education of immigrants is important for America and for our country's willingness to accept future generations of immigrants."

NOT EVERYONE AGREES WITH Hildreth, to put it mildly. In the U.S., and throughout Europe too, immigration has returned as a fierce and polarizing political issue, as the recession has squeezed incomes and jobs. Last year, Arizona enacted a controversial immigration law that allows police to identify, prosecute and deport illegal immigrants and to demand documentation of anyone they suspect of being in the country illegally. Some have praised the law as protecting

Americans and American jobs, while others have condemned it as draconian and discriminatory. The Inter-American Commission on Human Rights has described U.S. immigration enforcement as unjust.

The Arizona Senate recently defeated several additional bills designed to deter illegal immigration. But other states—such as Alabama, Georgia and South Carolina—are pursuing the same kinds of legislation. Business leaders warn that the laws will jeopardize the fragile economic recovery. Indeed, a group of lawmakers and Silicon Valley investors want the government to make it easier, not more difficult, for foreign-born entrepreneurs to start businesses in the U.S.

Hildreth got involved in the issue three years ago, when the Department of Homeland Security raided the Bianca factory mill in New Bedford, Massachusetts, and imprisoned 400 illegal workers. Half, all Mayan-speaking Guatemalans, were taken to a Texas prison. When Hildreth heard what was going on, he got in touch with the pro bono attorneys representing the arrested immigrants and went to a community meeting with the families. In the back of the room, he muttered to one of the attorneys that if one of the immigrants needed bond but didn't quite have it, he might be willing to pay half. "I thought maybe one, two, three people would take it, because bonds were \$5,000 each," Hildreth recalls. "Forty families took me up on it. And all of a sudden, I had to fork over \$120,000."

Hildreth got lots of attention as a result, including a front-page article in *The Wall Street Journal* in which he said, "The raid ... was extremely un-American." Glenn Beck, the national radio and television host, devoted a program to Hildreth. "I can think of plenty of crazy ways to waste a couple hundred thousand dollars," Beck said. "But if busting illegals and their employers is un-American, I would hate to see what this guy thinks is American."

Hildreth stood by his belief that defending the rights of the Guatemalan immigrants was no different than defending those of his own Irish ancestors, however. Hildreth's mother was a history teacher, so the importance of immigrants to the U.S. had been taught to him early. "Pick up any

American history book, and you would think that American immigrants were angels coming in," he says. "All the inventors were from Germany, Austria and Russia."

But, he points out, one of the very first laws passed by the first U.S. Congress was the Alien and Sedition Act, intended to keep out the French. "At that time, we thought they were dangerous, just like people who think immigrants now might be terrorists," Hildreth says. "Nativism has been consistently dark in our history."

Hildreth's finance initiative worked. He got the illegals out of jail. What's more, the families paid him back. Hildreth gave the money to legal aid, but the whole experience gave him an idea.

Immigrants earn more money than most people think; they have less to spend because they send a lot of it home to support their families. The Guatemalans in New Bedford didn't even speak Spanish; they were Mayans, the poorest of the poor. But even they paid Hildreth back. He realized that immigrants should be spending more of their money on their kids' futures, on

the material, so that over the course of a high school career, parents will be exposed to all 24 classes.

In 2010, its first full year of operation, FUEL raised some \$400,000. More than 300 families in Lynn, Chelsea and Boston are now involved. The 12 high school graduates from the Lynn pilot program are the first in their families to attend college; all together, the group pulled down a whopping \$2.6 million in scholarships and 60 college acceptances. In collaboration with the University of Massachusetts Amherst and Bunker Hill Community College, FUEL offers 25 full scholarships each year; two young men from Chelsea High School are already attending UMass Amherst on full scholarships.

THERE ARE SOME 11 MILLION illegal immigrants in the U.S. To Hildreth, those people represent an enormous economic and cultural resource, not a threat. And there is sound economic evidence to back him up. Most experts regard the direct effect of immigration on

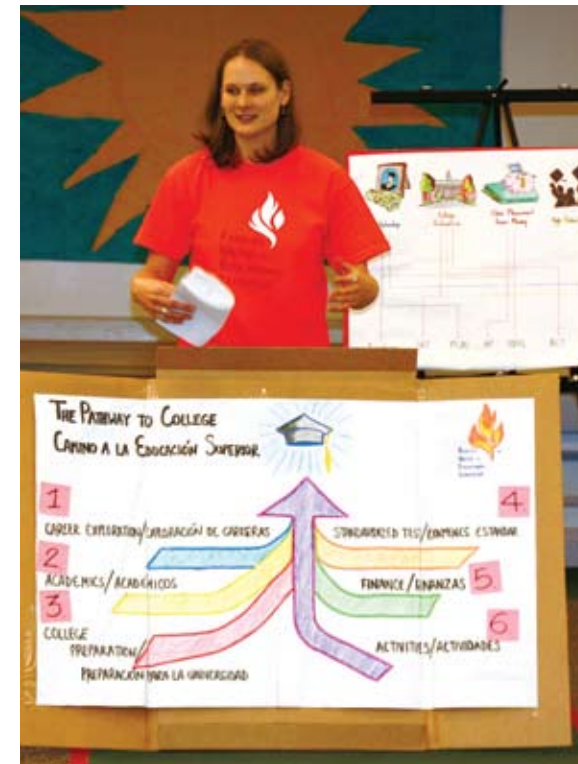
and lower costs of goods and services."

Hildreth points to the Longwood Medical Center in Boston, one of the most prestigious health care research centers in the world, where just about no one is a native English speaker. "The Koreans, the Japanese, Italians barely understand what the bosses are telling them," he says with a grin. He argues that immigrants are willing to work incredibly hard at wages citizens would refuse.

Hildreth earned his fortune during a career in Latin American finance at the IMF, Citibank, Drexel Burnham Lambert and his own brokering company, International Bank Services. His connection to South America was strengthened a decade ago when he bought a 12,000-acre eucalyptus farm in northern Uruguay, near the Brazilian border. He hires workers to keep up the fences that allow herds of sheep to weed his property and pays them not in currency but in sheep. Every eight years, he harvests his eucalyptus trees, selling them to the local paper company, which clear cuts them and drags the logs away. Eucalyptus trees regrow right from the stumps into new mature trees eight years later.

In 2000, Hildreth downsized his investment firm and—briefly and unsuccessfully—took up teaching history at Chelsea High. He never gave up his belief in financial literacy, though. FUEL's goal is to grow to 500,000 families across the U.S. Hildreth wants the concept of matching grants to replace the emphasis on scholarships. He doesn't believe in handing out money for education unless parents, no matter how poor, are financially committed to their kids' futures. "A match is always better than a scholarship," he says, "because a match implies that the parents are actually doing something and getting involved, rather than just waiting for the check to come in the mail."

Parental involvement is becoming essential, as the cost of four years of private college has reached nearly a quarter of a million—at a time when both state and federal budgets face unprecedented deficits. President Barack Obama has proposed continued support for programs that make college accessible to all qualified candidates.



CLOCKWISE FROM TOP LEFT: ROCKING THE SAVING CIRCLE; RALLYING FAMILIES AT CHELSEA HIGH SCHOOL; BERUK AND FILIMON KIROS, THE FIRST CHELSEA HIGH STUDENTS TO RECEIVE SCHOLARSHIPS TO UMASS AMHERST; BOB HILDRETH HUGS ILLEGAL IMMIGRANT LUIS EDUARDO DELGADO ON HIS RELEASE FROM JAIL.



“Undocumented immigrants contribute more to public coffers in taxes than they cost in social services”

FRANCINE LIPMAN, AN IMMIGRATION EXPERT AND CHAPMAN UNIVERSITY LAW PROFESSOR

helping them get educated and contributing to breaking the cycle of poverty. Hildreth, an economist by training, came up with FUEL as a microfinancing concept for immigrant families.

To be part of FUEL, parents agree to save \$40 per month for their high school child, and attend at least six saving circles to learn about the college application and funding process. FUEL matches the \$40 and assists parents and children in preparing for college. Hildreth and his team have written up 24 lesson plans and hold 12 sessions a year. After two years, they recycle

the economy as positive. The belief that illegal migrants exploit the U.S. system and cost more in services than they contribute is “undeniably false,” Francine Lipman, an immigration expert and professor of law at Chapman University, wrote in the *Harvard Latino Law Review*. “Undocumented immigrants actually contribute more to public coffers in taxes than they cost in social services. They contribute to the U.S. economy through their investments and consumption of goods and services, filling of millions of essential worker positions, resulting in subsidiary job creation, increased productivity

PHOTOGRAPHS (CLOCKWISE FROM TOP LEFT): FUEL (3); JACQUELYN MARTIN/AP IMAGES

But higher ed funding is in crisis.

Hildreth is convinced that families play a crucial role in getting our society out of that crisis. Hildreth demands that at least one adult per child—a parent, grandparent or family friend—come to the saving circles before the free money can be dispensed. In his opinion, an adult has to take an interest in the child for that child to have a chance to succeed. “We can’t just test our way to success,” he says. In Massachusetts at least, his ideas are working. FUEL serves legal and illegal immigrants alike, but has also expanded to Boys & Girls Clubs and to traditionally African-American communities.

Back at the Chelsea saving circle, Richard Oliveras, a burly, dark-complexioned

man, gathers his notes, ready to try his hand at filling out the electronic FAFSA. His child is a freshman at Chelsea High School, and he has a son at Virginia Tech.

Oliveras, born in the Bronx, has a Puerto Rican background, but has lived in Chelsea for 23 years. “Love this town,” he says. “It’s been good to me and my family.” He is determined to send his children to college and is aware of the difficulty, “especially for a lot of immigrants who don’t speak English. Many are scared of the process itself.” Which is why he admires FUEL. “When you have folks explaining it to you in your language, it makes it a lot easier. Folks are hungry for knowledge. There are children at the school who may not be citizens but who are great students.”

Those are the students in whom Hildreth wants to invest. “America needs a Dream Act,” he says, not another Alien and Sedition Act. “It would allow hundreds of thousands of some of our best students to get to college. It would give hope to all of the struggling undocumented students to do well in school. For me, America is about the freedom to do well. It’s not about protecting native-born Americans from competition from those who want to come here and strive.” ■

THOMAS MATLACK is a recovering venture capitalist who co-founded *The Good Men Project* (goodmenproject.com), which has enabled him to write about more than a few good men.