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A NEW AMERICA EMERGES —by JD Moya

It goes without saying that a new America has emerged. Each day brings more news of the tremendous growth of the Hispanic population. Revised census data shows new figures of approximately 39 million Hispanics, up from the initial count of 35.3 million. Even more revealing as to the growth of this market are the following facts:

- The Hispanic population accounted ***for over 50%*** of the nation's growth in the last 3 years and is expected to account for 44% of the nation's population growth from 2000 to 2020 and 62% from 2020 to 2050. By the year 2050, the nation's Hispanic population is expected to reach 96.5 million.
- Hispanics have surpassed non-Hispanic African-Americans as the nation's second largest race/ethnic group, ***5 years earlier than projected***, behind only non-Hispanic whites.
- The nation's Hispanic population is young, with about half 28.5 years old or younger. By comparison, non-Hispanic whites were more than a decade older, with a median age of 37.3 years.
- The number of Hispanic-owned businesses in the U.S. increased 86% from 1987 to 2001, from 489,973 to 1,100,000. That compared to a rate increase of 26% for all U.S. business.
- Receipts for Hispanic-owned businesses grew by 134%. In comparison, receipts for all U.S. businesses grew by 67%, from \$2 trillion to \$3.3 trillion.
- About 68% of businesses owned by Hispanics were in California, Texas or Florida. New Mexico, however, had the highest concentration of such companies, with 25% of its businesses being Hispanic-owned.

California today, perhaps, is reflective of the changes coming to the USA:

- ***More than 60% of all new born babies born in CA have Hispanic surnames***
- ***62% of all homes sold in southern CA are to individuals with Hispanic surnames***

The Hispanic is much more likely than the average American to "put family first".

-87% of Hispanic adults believe their most important financial goal is "to make sure they leave something to their family". This is in contrast to 38% of those surveyed among the general US population that put similar emphasis on passing on wealth. -(2002 State Farm Survey)

- 82% of Hispanics chose saving for their children's college education as their primary financial objective -- nearly double the 42% of the general population who did so. (State Farm)

- 73% of Hispanic baby boomers said they were apprehensive about retirement compared to 65% of the general public. (Allstate-"Retirement Reality Check")

However, this high level of concern has not translated into meaningful increases in the number and value of financial tools they hold. Even with the considerations above Hispanics are failing to take advantage of financial products available:

62% of Hispanics listed savings accounts as their main methods of growing a retirement nest egg.

WHY THE DISCREPANCY?

- 1) Hispanics have cultural and language barriers in the US.**
- 2) Hispanics have a distrust of financial tools and institutions.**
- 3) Financial tools are not directed toward Hispanics and their needs. Frequently financial institutions simply translate their existing brochures into Spanish and believe they are in the Hispanic market.**
- 4) US financial institutions - by ignorance or sheer neglect - have failed to reach out to Hispanics.**

Clearly, specialized tools and strategies are needed to help Hispanic families meet the distinct financial needs of their families. Tools and strategies must include appeals to Hispanic's strong love of family. The clear message must be that to help their families they must help themselves first.