

Merrill Lynch Expands Hispanic Focus

May 29, 2003

NEW YORK -- The wealth of affluent Hispanics is growing faster than that of the general community, notes Merrill Lynch.

"The number of Hispanic households earning more than \$100,000 a year grew 126 percent between 1991-2000, compared to 77 percent for the general American population," said Ms. Subha Barry, first vice president and head of Merrill Lynch's multicultural and diversified business development group.

"And it is expected to continue," she forecast today. "This is one reason why Merrill Lynch is expanding its Hispanic wealth management focus, which has grown strongly in the U.S. over the past few years, around the globe," said Ms. Barry. Merrill Lynch's multicultural and diversified business development group aims to be the preeminent wealth management firm among the Hispanic market."

Mario Paredes, director of Hispanic business at Merrill Lynch's multicultural and diversified business development group, attributed: "One reason for this continued growth during the downturn in the stockmarket is that many wealthy Latinos are small business owners who choose to reinvest in the family business rather than stocks and bonds."

He noted this growth was despite the fact that Hispanics have traditionally used financial products and services less than the general population.

Studies by Merrill Lynch show the Hispanic community is highly conservative when it comes to business and finance, with a strong propensity towards saving. "Education and saving for future education needs, for the next generation, continues to be a high priority," said Mr. Paredes.

He also added that the majority of Hispanic businesses are family owned, making for complex inheritance planning. "Accordingly, alongside investment management advice, we provide a full range of estate planning services to accommodate the wealth distribution from one generation to another."

Merrill Lynch has some 350 Hispanic American financial advisors, he said, and is recruiting more. Merrill Lynch was recognized by Latina

Style Magazine as one of the 50 best companies for Hispanics & Latinos to work for in the U.S.

Mr. Paredes noted there are some 3.7 million affluent Hispanics in the U.S. It is estimated they will have a combined buying power of \$292.4 billion by 2006, equivalent to almost two-thirds of the \$452 bn buying power for the 37 million people of the overall Hispanic market.

Nearly two-thirds of affluent Hispanic households are in three states - California, Texas and New York.

He said the Hispanic population in the U.S. has grown by 57 percent since 1990, and in 22 states the Hispanic population has more than doubled over this time.

Hispanics make up 12.5 percent of the total U.S. population, making it largest minority. This group grows by 2.5 people every minute. It is a relatively young market, with 75 percent of Hispanics under the age of 40.

The market is itself diverse, with no "one" Hispanic market. Some 66 percent of Hispanics coming from Mexico, 15 percent from South and Central America, 9 percent from Puerto Rico and 4 percent from Cuba. The U.S. is the third largest Spanish-speaking country after Mexico and Spain.

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