

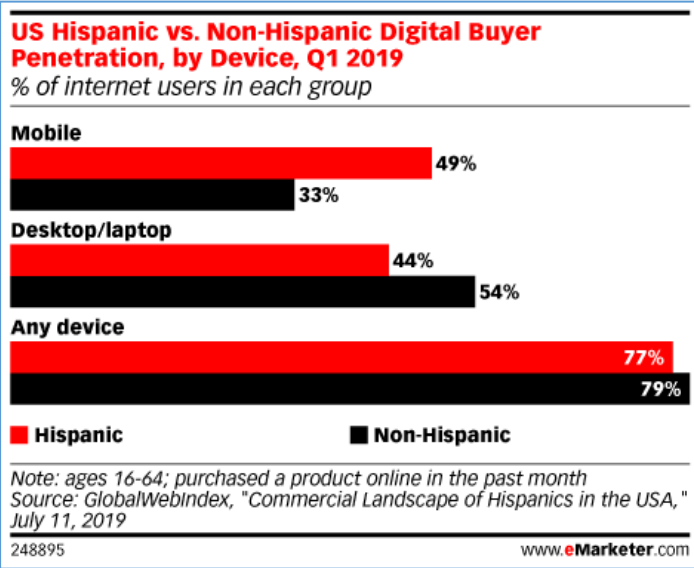
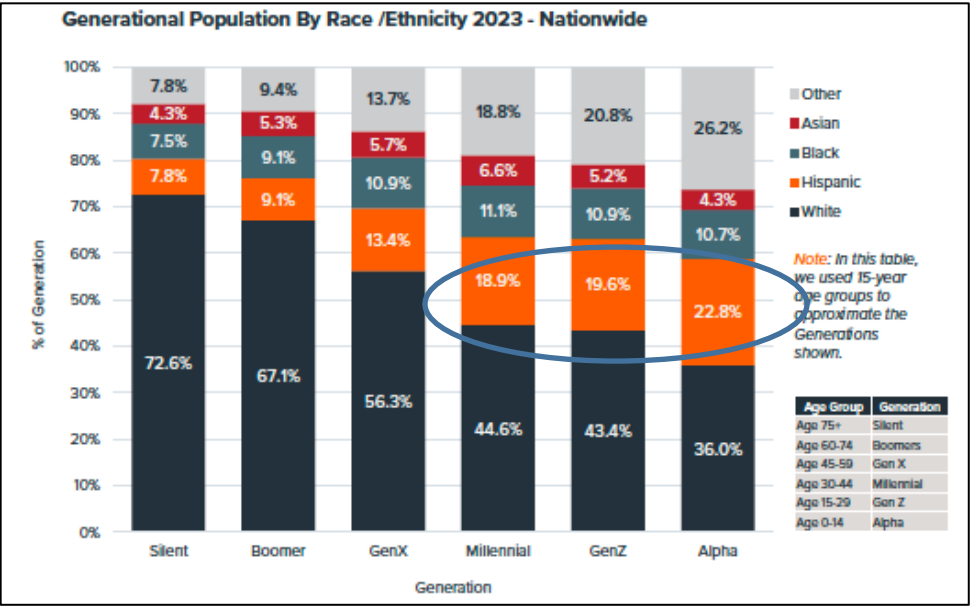
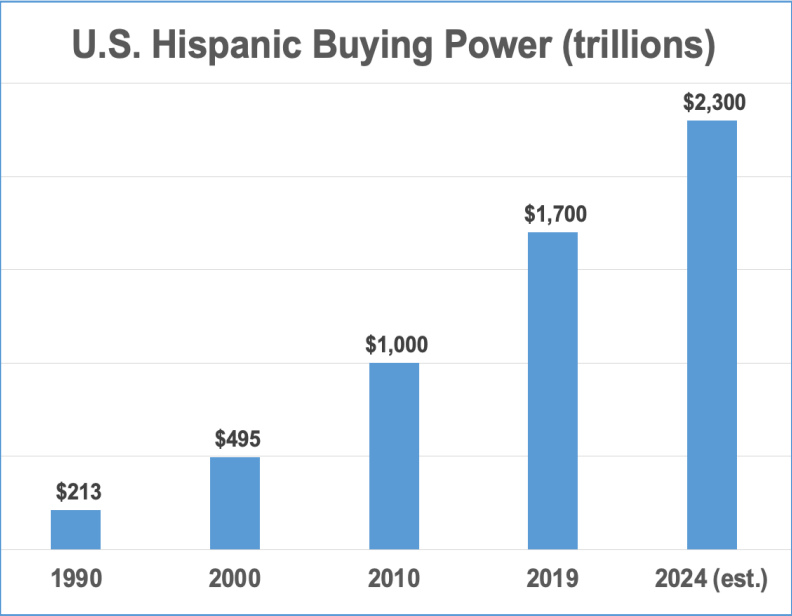
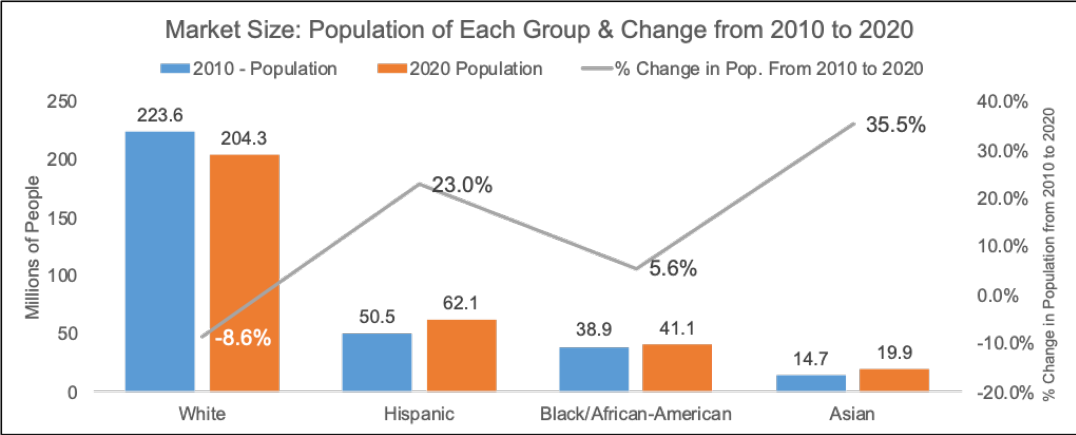
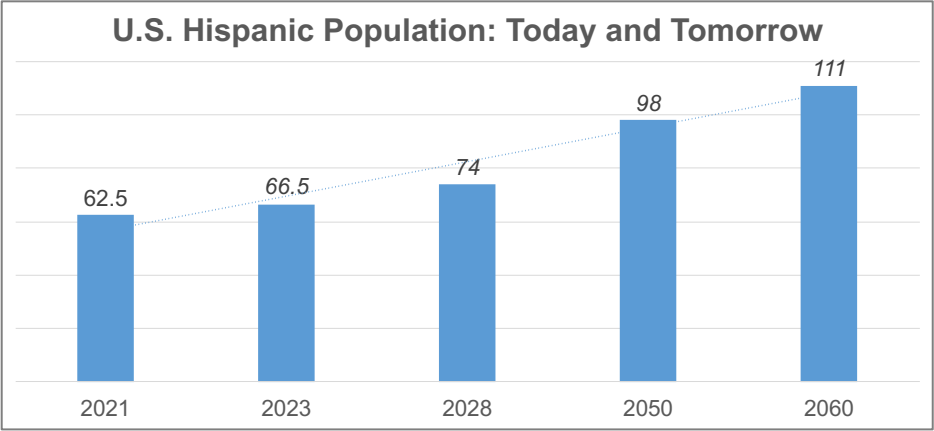
Dynamics of the U.S. Hispanic Market

Prepared for:

By:



U.S. Hispanic Market Opportunity: Large (67M), fast growing (23%), increasing economic power (\$2.3T), young, indexing high on mobile, w/ 5th largest GDP in the world. (opp. in backyard)



The terms “Hispanic”,
“Latino” and ”Latinx” are used
interchangeably in this
presentation.

Summary of Findings : Macro View

- With a GDP of \$2.8T, the fifth largest in the world, the Hispanic market of 62.5M is an excellent opportunity.
- Its demographics – fast growing, young, with increasing levels of educational attainment, and a projected population of 74M by 2028 – suggest a sustained positive return on marketing investment.
- 1 in 5 of Millennials, GenZ or Alphas are Hispanic.
- Latinx consumers, including those 35+, index high on tech devices – smartphone, video game consoles – and apps, such as YouTube and WhatsApp.
- Hispanic business owners (5M) are growing faster than the general pop., ringing up \$460 billion in receipts. Roughly 400K employer-owned firms employ 2.9M people (many of them likely to be Hispanic).
- Latinos are more “socially active” online (blogging, commenting, etc.); partially due to younger age profile.

Summary of Findings : Distinguishing Characteristics

- Most Latinos are NOT assimilating – the estimated size of the bi-cultural market is about 30M and growing. The unacculturated segment is large (16 - 19M) and the acculturated sizeable (13 -16M).
- Each acculturation segment has distinguishing language and behaviors associated with Latino culture; even the most acculturated have some manifestations of Hispanic culture.
- Even 3rd generation Latinos have some Hispanic cultural orientation.
- While English proficiency has increased, there is still much Spanish spoken at home. We estimate 42M people do so.
- Multi-generational households are common among Latinx (26%). These families share resources, info, and offer product recommendations.
- Hispanics tend to reside in specific geographies. By targeting 10+ large metros, it's possible to find 21M Latinos that are likely to Spanish.

Summary of Findings : Financial View

- While household income lags that of Whites – Latinos with \$75K+ income growing relatively faster.
- Latinx ownership of transaction accounts is similar to that of Whites. However, large gap in median value. CD ownership barely exists with huge gap compared to assets held by non Hispanic Whites.
- Life event purchases - car ownership is on par with Whites – may represent an opportunity for loan/lease purposes. Home ownership lagging Whites but may want to investigate.
- Hispanic households appear to be more cautious making financial choices, and more likely to be dissatisfied with banking and financial services. Some Latinos, including Millennials, send money to family located in the U.S.
- Nevertheless, overall Hispanics index lower on usage of P2P. Note, that P2P usage is higher among all people with incomes of \$75,000+.
- Remittances are an opportunity.
- Many Latinos live in “banking desserts” – this may be an opportunity.

Summary of Findings : Education, Brand Engagement and Word-of-Mouth

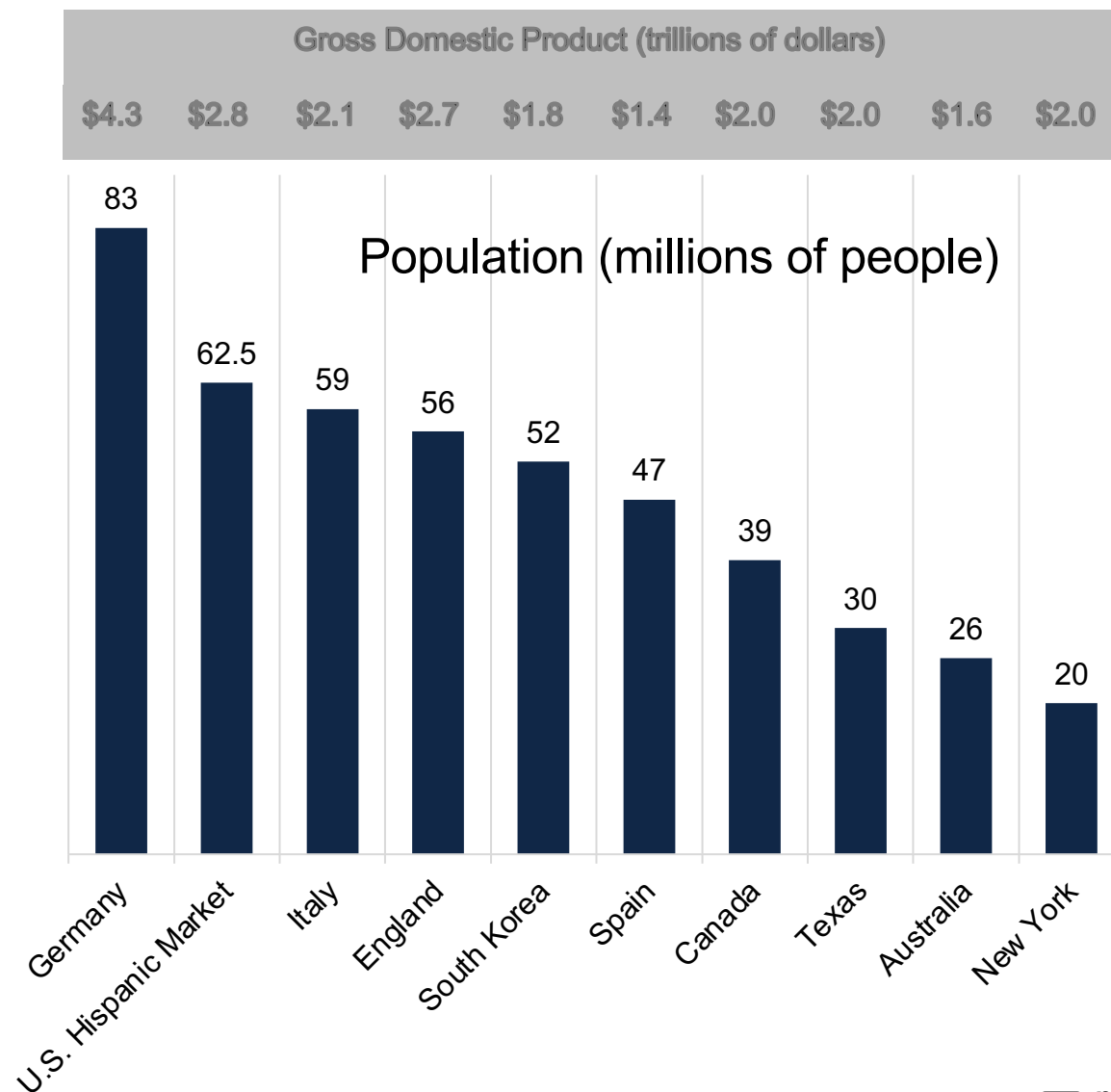
- Hispanics enrollment at post secondary institutions growing much significantly faster than overall student enrollment. 3.8M enrolled. Consider partnerships with post secondary institutions as one way to engage this market.
- Recent immigrants (past five years) have higher levels of educational attainment than previous Latino generations. Important to keep in mind for marketing, communication and service initiatives.
- Hispanics like brands that are playing a positive role in their lives and their community. Explore the different ways that COMPANY can “play a positive role” in their lives and their community and communicate those ways, in a culturally appropriate manner.
- Word-of-mouth can be an important lever when engaging with Latinos. un-acculturated Hispanics (new immigrants and first generation) are more prone to use WOM than acculturated Hispanic consumers, who in turn, are more prone to use WOM to brag about their online shopping than non-Hispanic/Whites in the USA.

Marketing Considerations

- Align the attributes of Hispanic consumers with those of the brand to maximize business success. It's about understanding the culture of the consumer, and her aspirations, relationships, needs and experiences. Examine the attributes of the brand and figure out the best way to align with the values of the Latino consumer. This can identify the differences that will make a difference. Robust qualitative research, followed by quantitative is an excellent starting point.
- Targeting at the micro-market level – is a good tool to reach the desired target segment. Be it targeting Spanish-speaking Latinos, targeting areas where Hispanics are the majority of the population or are approaching “majority” status, or targeted based on household income.

US Latino GDP now 5th largest in the world

- U.S. Hispanic Market – a huge business opportunity – spread across America.
- Bigger in population size (62.5M – as of 2021) than Italy, England, or Spain.
- Larger than Texas and New York combined.
- The U.S. Hispanic market GDP is \$2.8T.
- Its GDP is greater than that of every country on this chart, except Germany.
- GDP Growth (2010 to 2020) of US Latinos is 3rd fastest, after China and then India.



5 Things to Remember About the Latinx Market

Large &
Fast Growing

Younger

Increasing
Econ Power

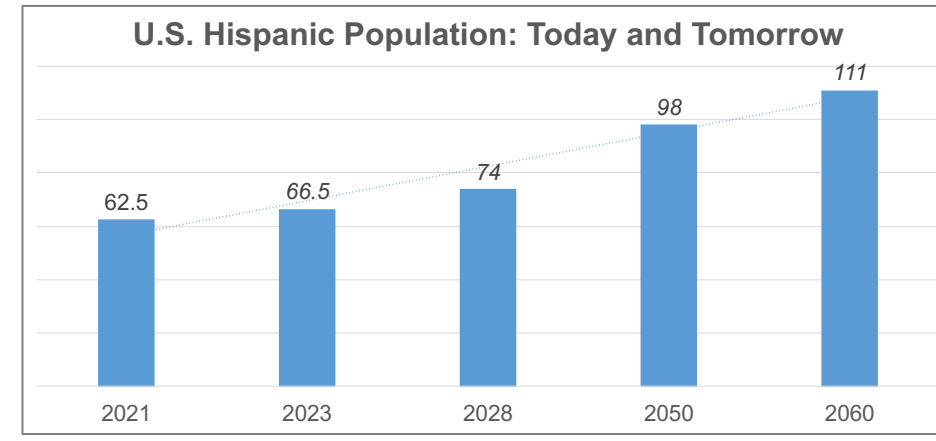
Tech-Savvy

Highly Social

US Hispanic Market: Large and Growing Quickly

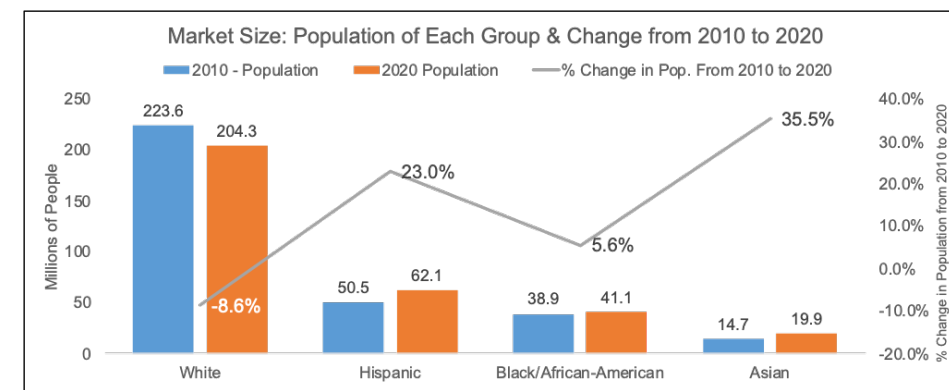
Population Growth

Pop. Size: 63M - 67M.
Will hit 74M in five years.
Grow by ~25M between 2028 to 2050



Growth vs. Other Segments

Non-Hispanic White: -8.6%.
Black: 5.6%
Hispanic: 23.0%
Asian: 35.5%.



Takeaways / Implications

- › Hispanic growth will continue, even with immigration controls/reform.
- › 7.5M more Latinos in 5 years – about the pop. size of Washington state (sustained growth in near future).
- › From a diverse segment perspective, Hispanic is significantly bigger and growing faster than Black/AA market.
- › Asian-American market growing quickly (high disposable income).
- › *Suggestion: tackle one market first, learn, then expand to other segments.*

Hispanics Make Up an Increasing Percentage of Younger Generations

12

- One-fifth of the U.S. Millennial Population is Hispanic
- Diverse Markets are the Majority among Younger People

Generations by Race/Ethnicity

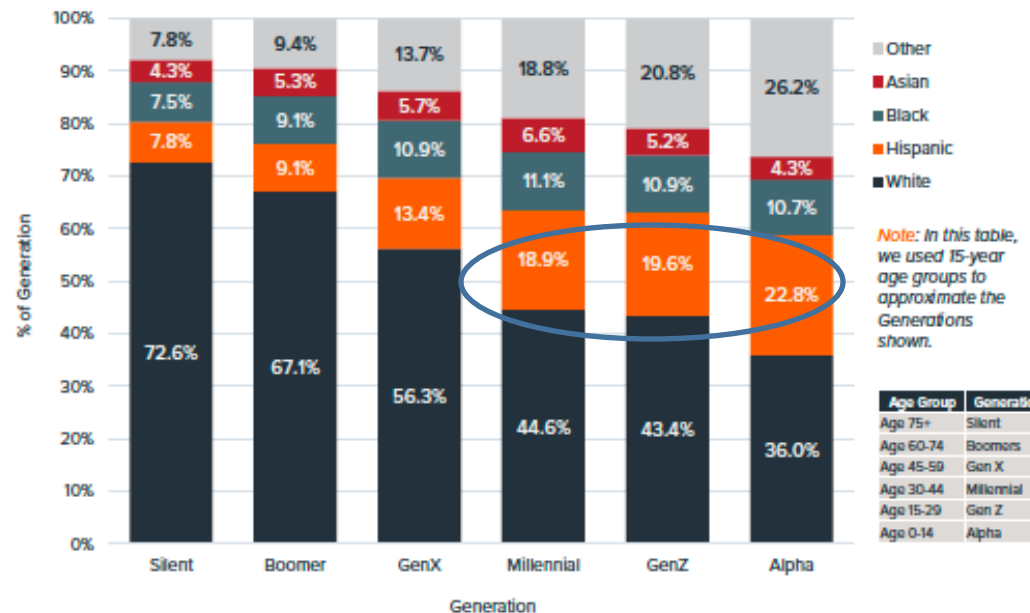
Claritas data: in 2023 Latinx are:

- › 13% of GenX
- › 19% of Millennials
- › 20% of GenZ
- › 23% of Alpha

Five years from now (2028)

- › 48% of GenX are non-White
- › 58% of Millennials are non-White
- › 60% of GenZ are non-White
- › 67% of Alpha are non-White

Generational Population By Race /Ethnicity 2023 - Nationwide



Takeaways / Implications

- › The White population is the majority among Silent, Boomer and GenX. Diverse markets are the majority among Millennials, GenZ and Alpha.
- › Hispanics make up an increasing percentage of each subsequent younger generation.
- › Whites, and the Asian and the Black populations, also decrease as a percentage of younger generations.
- › This pattern continues to hold five years from now. By 2028, 21% of Gen Millennials and Gen Z will be Hispanic; 24% of Alpha are Latinx.
- › The increasing non-White younger generations require a non-homogeneous marketing and targeting approach.
- › To reach Hispanic generations with cultural marketing, need to use cultural cues and the language they are most comfortable with and trust the most.

Hispanic Buying Power | Fast Growth & Spreading Across America

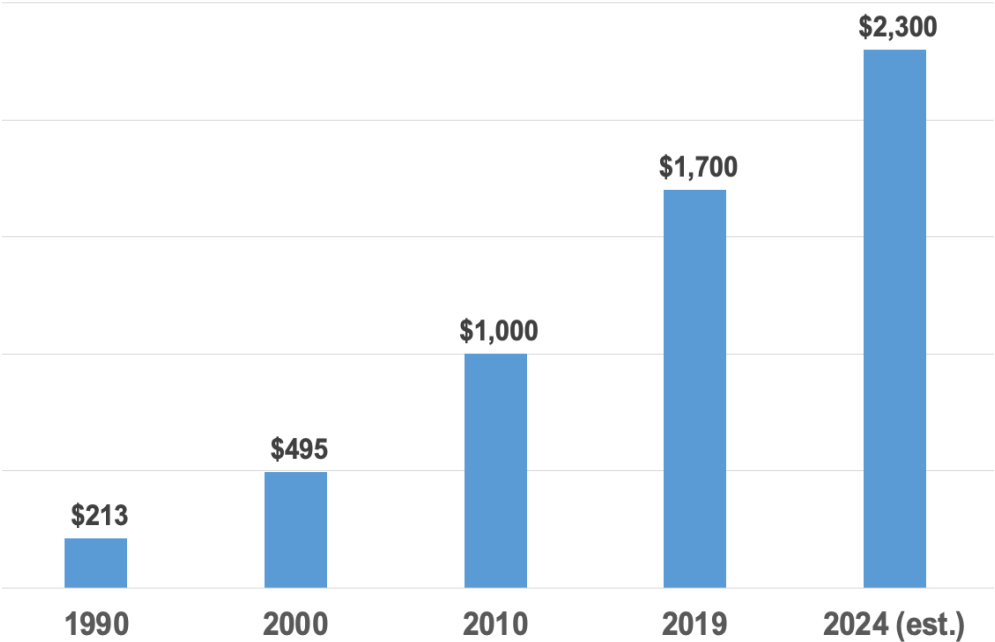
Buying Power of the Hispanic Market:

- › 8X increase from 1990 to 2019
 - › Was \$1.7 trillion in 2019
- › Projected to be \$2.3 trillion by 2024

Growth Rate

- › Double digit positive growth through 2024 – 34%

U.S. Hispanic Buying Power (trillions)



Buying Power Growth Rates	1990 to 2000	2000 to 2010	2010 to 2019	2019 to 2024
Hispanic	133%	108%	69%	34%
White	67%	48%	40%	23%

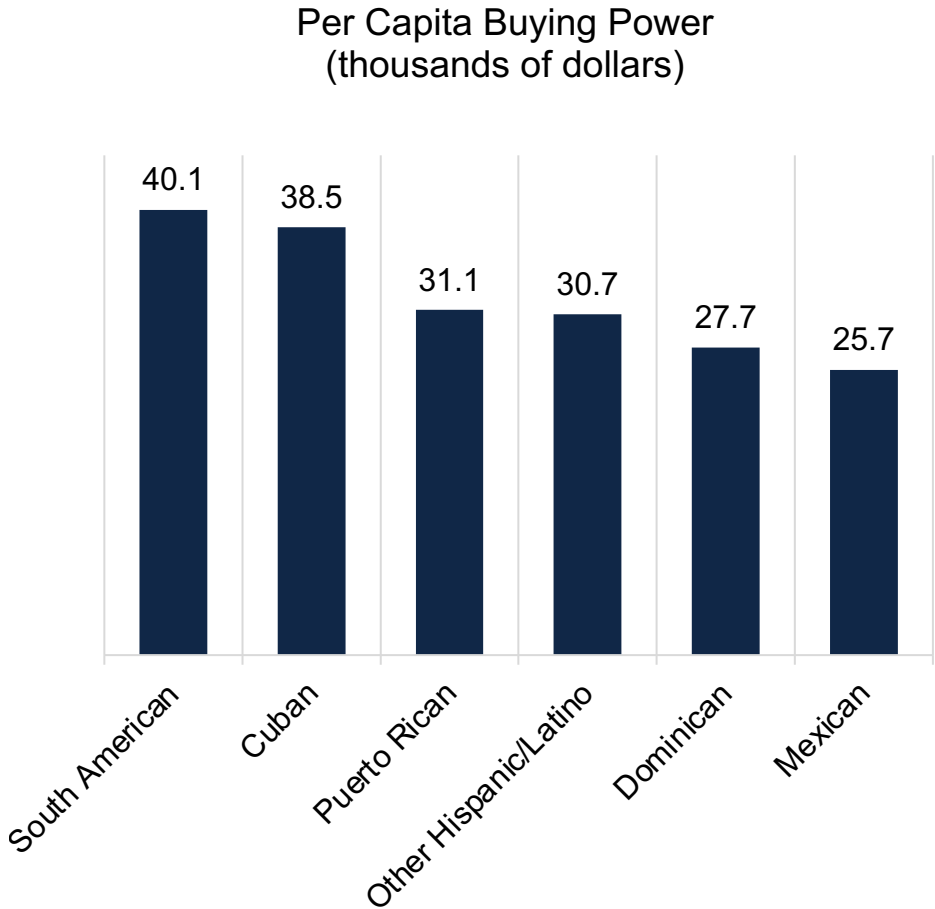
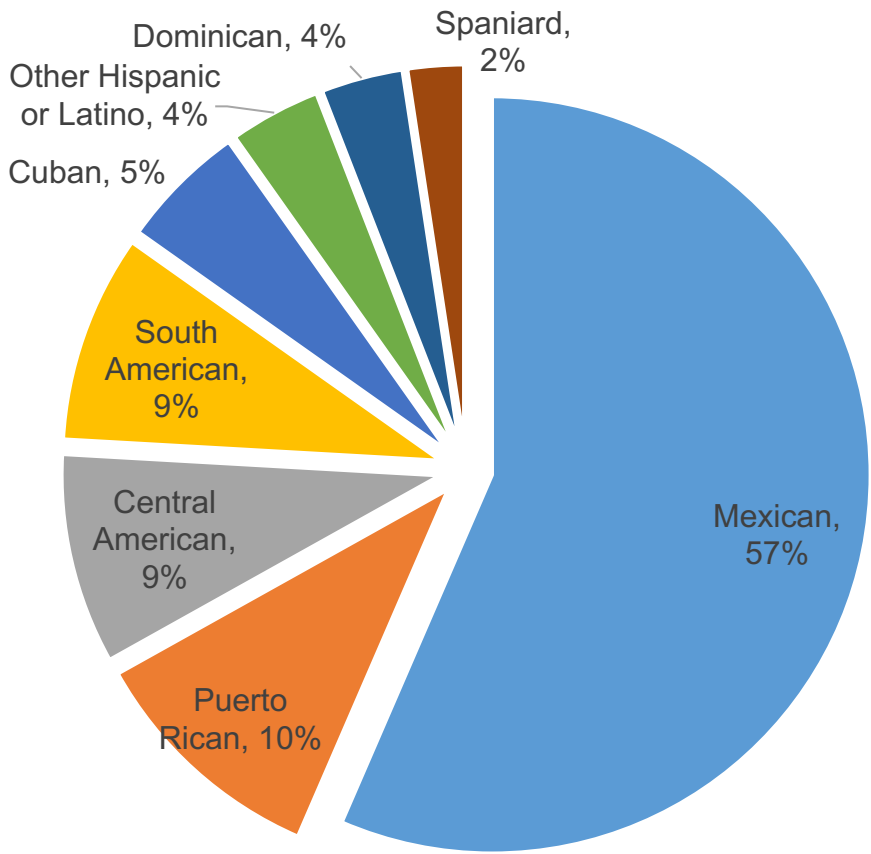
Takeaways

- › Continuous growth in buying power among Hispanics.
- › Favorable demographics: natural increase, immigration, relatively young; Hispanics entering workforce or moving up career ladders.
- › Buying power currently focused in four big states but spreading across America (2024 projections):
 - › California: \$ 608B
 - › Texas: \$ 398B
 - › Florida: \$ 277B
 - › New York: \$ 173B
 - › New Jersey: \$ 84B
 - › Illinois: \$ 80B
 - › Arizona: \$ 72B
 - › Washington: \$ 42B
 - › Pennsylvania: \$ 38B
 - › Massachusetts: \$ 37B
 - › Georgia: \$ 36B
 - › New Mexico: \$ 36B
 - › Nevada: \$ 33B
 - › Maryland: \$ 30B

Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, June 2019.

Buying power is the total personal income of residents that is available, after taxes, for spending on virtually everything that they buy, but but does not include dollars that are borrower or that were saved in previous years. It is not a measure of wealth, and it does include what tourists pend during during their visits.

Hispanic Buying Power | almost Equal Distribution Among Hispanics of Mexican and Non-Mexican Descent



Takeaways

- › The Hispanic market is not homogeneous.
- › Mexican-Americans make up a majority (57%) of the buying power but have the lowest per capita buying power.
- › At the same time, because the Mexican-American group is so large, there are large variations in per capita income within the market.
- › From a remittance perspective, the value of the amount remitted may vary by Hispanics' country of origin & their per capita buying power.
- › Hypothesis: Banked, unbanked, and underbanked rates are likely to vary somewhat by country-of-origin.

Total buying power (2019): \$1.743T; Mexican: \$986B; Non-Mexican: \$757B.

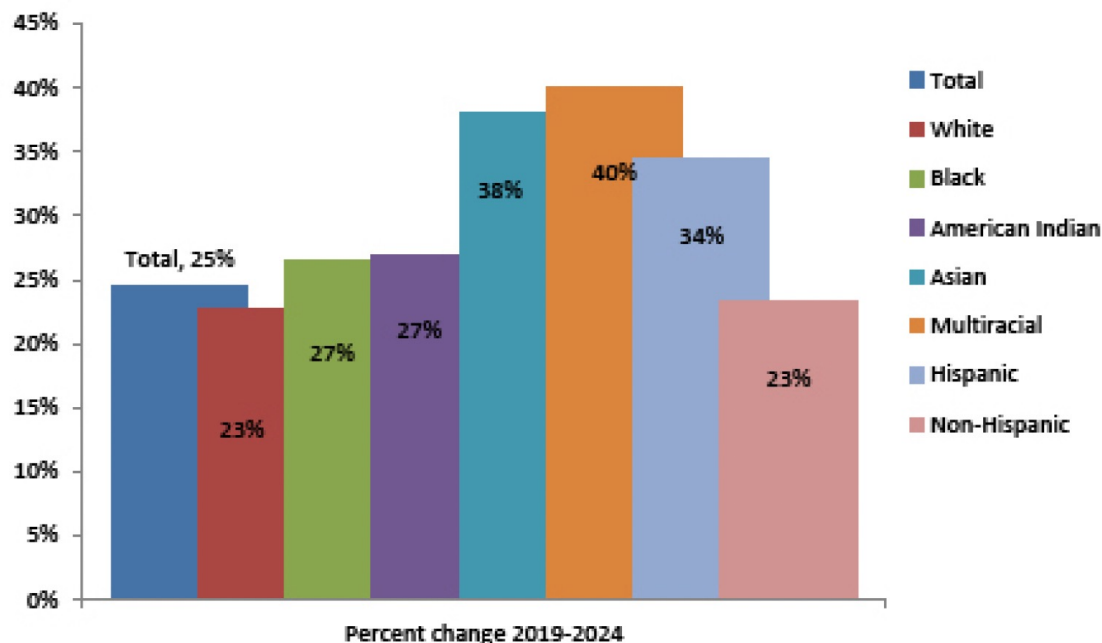
Projected Change in Multicultural Buying Power

15

Between 2019 and 2024:

- › Asian: +38%
- › Hispanic: +34%
- › Black: +27%
- › White: +23%

Projected Change in Buying Power, by Race and Hispanic Origin,
United States, 2019-2024



Takeaways / Implications

- › The Hispanic and Asian markets are growing faster than the Black market which help explain the change in buying power.
- › While the Black market's growth in buying power is relatively less (than Asian and Hispanic), this market represents over 40M people.
- › Banking-related services are likely to be attractive to some African-Americans who over-index on being unbanked or underbanked.
- › The multiracial segment as a proportion of the total population is still relatively small – monitor this segment since projections indicate this group will get bigger over time.

Hispanic Entrepreneurs | Small Businesses – The Backbone of America

16

Growing Number of Business Owners:

- › From 2007 to 2012:
 - › Hispanic: +46%
- › All U.S. firms: +3%

The Numbers:

- › In 2021, 5 million Latino-owned businesses (employer and non-employers)
- › About 1 in 10 are employer businesses
 - › As of 2018:
 - › 350K Latino employer businesses generated \$460 billion in revenue and employed 2.9 million people
- › 2021 estimates are between 400K to 500K Latino employer businesses

“Latinos are 1.7 times more likely to start a business than other demographic groups, representing the fastest growing segment of the small business ecosystem”.

- Stanford Graduate School of Business

Takeaways

- › Hispanic entrepreneurs are the future face of Main Street and a growing contributor to the U.S. economy.
- › Latino business owners know their communities and will have earned the respect of its members.
- › Many of the 2.9M people employed by Latino employer businesses are likely to be Hispanic.
- › Engaging Latinx business owners may be one way to inform Latinos about financial services, COMPANY and the solutions it offers.
- › Some business owners themselves may be prospects for COMPANY's services.
- › There are several national non-profit Hispanic-led organizations working with the US Hispanic business community.

Broadband at Home, Mobile Phone Ownership & What's App Usage

- › Broadband @ Home (2018):
 - › Whites (72%)
 - › Blacks (57%)
 - › Hispanic (47%)
- › Smartphones (among Internet users - 2018)
 - › Black (91%)
 - › Hispanic (87%)
 - › White (84%)
- › WhatsApp
 - › 52% of Hispanics
 - › 18% of Black pop
 - › 12% of White

Types of Mobile Phones Owned by US Internet Users, by Race/Ethnicity, Jan 2018

% of respondents in each group

	Smartphone	Feature phone	Don't have a mobile phone
Black	91%	6%	3%
Hispanic	87%	8%	2%
White	84%	11%	4%
Other	92%	6%	-
Total	86%	10%	3%

Note: n=1,078; "don't know" responses not shown
Source: YouGov as cited in company blog, Feb 20, 2018

239124

www.eMarketer.com

WhatsApp User Penetration, by Race/Ethnicity US, 2019

% of Population

Asian	15.0%
Black	17.7%
Hispanic*	52.0%
White	12.3%
Other**	16.7%

Source: eMarketer, March 2019 (see below for notes and methodologies).

www.eMarketer.com

Takeaways

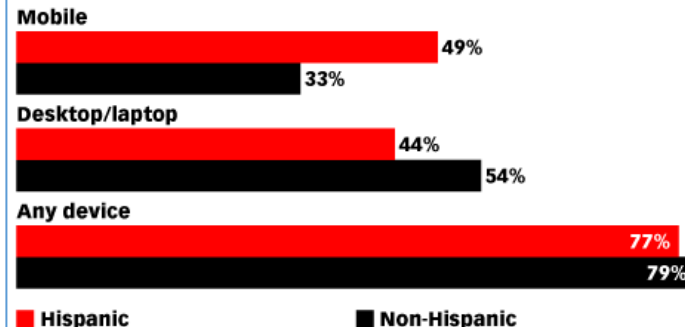
- › Broadband - Hispanics still on wrong side of the digital divide.
- › Among internet users, smartphone ownership is similar between Hispanic and White; appears higher for Black.
- › WhatsApp penetration significantly higher among Hispanics. EMarketer forecasts 47M US Hispanics using WhatsApp by end of 2023.
- › WhatsApp may be a gateway to the Hispanic market.

Among internet users 16-64

- › % Purchased a Product Online PM:
 - › Hispanics more likely than Non-Hispanics to have purchased on Mobile
 - › But less likely to have purchased on desktop/laptop
- › % Purchased a Product Online in Past Month:
 - › Moderate increase since 2020 (71%) and projected to reach 75% of population by 2025.

US Hispanic vs. Non-Hispanic Digital Buyer Penetration, by Device, Q1 2019

% of internet users in each group



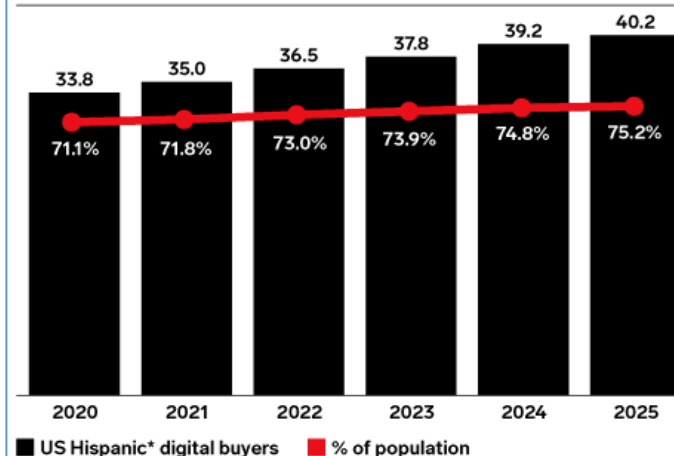
Note: ages 16-64; purchased a product online in the past month
Source: GlobalWebIndex, "Commercial Landscape of Hispanics in the USA," July 11, 2019

248895

www.eMarketer.com

US Hispanic* Digital Buyers and Penetration, 2020-2025

millions and % of population



Note: ages 14+; digital buyers defined as internet users who have made at least one purchase via any digital channel (including online, mobile and tablet) during the calendar year; *can be of any race
Source: eMarketer, May 2021

267148

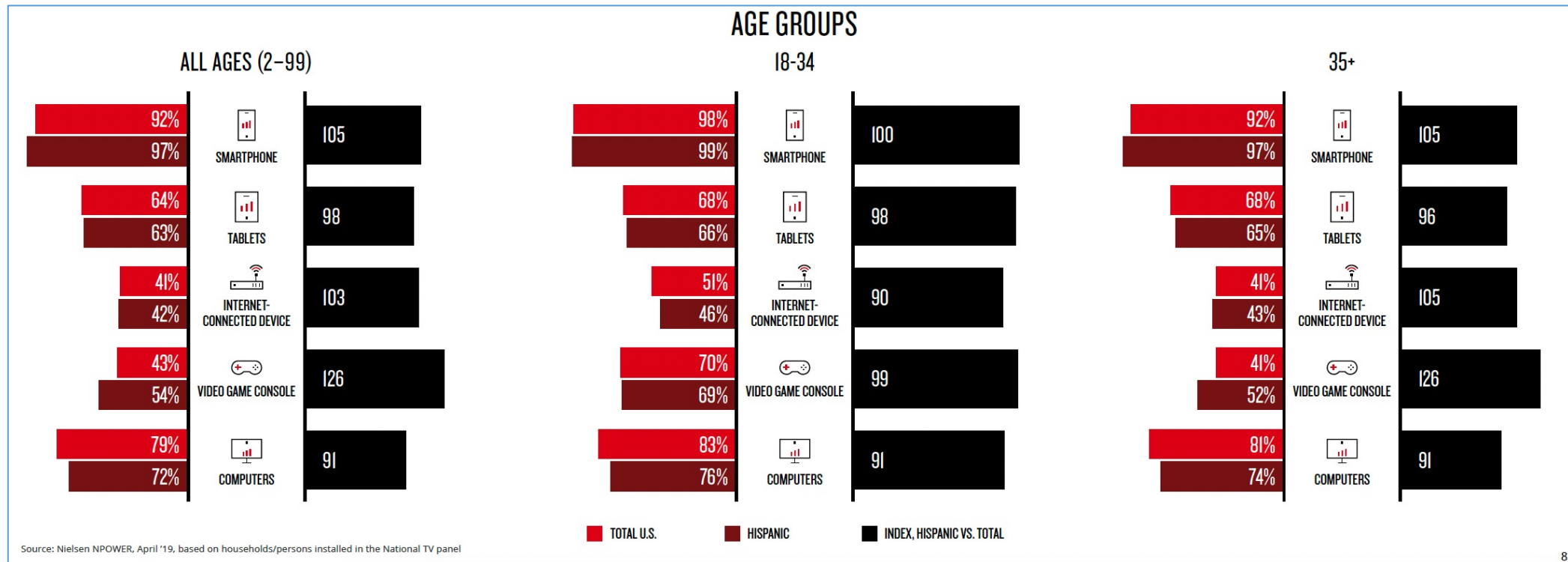
eMarketer | InsiderIntelligence.com

Takeaways

- › Internet Users and Mobile seems to be the right "path".
- › Is it only younger Latinos who like technology?

"Older" Hispanics & Tech | What Nielsen Data Says & Reports 19

"Latinx consumers' love of technology is hardly confined to the younger generations. Ninety-seven percent of Latinx households own a smartphone, and older Hispanics (those aged 35+) surpass the total population in their age group even more than younger Hispanics (those aged 18–34). Older Hispanics over-index the general population by 5% for smartphone ownership, while the younger group is equal with its counterparts in the general population." - 2018



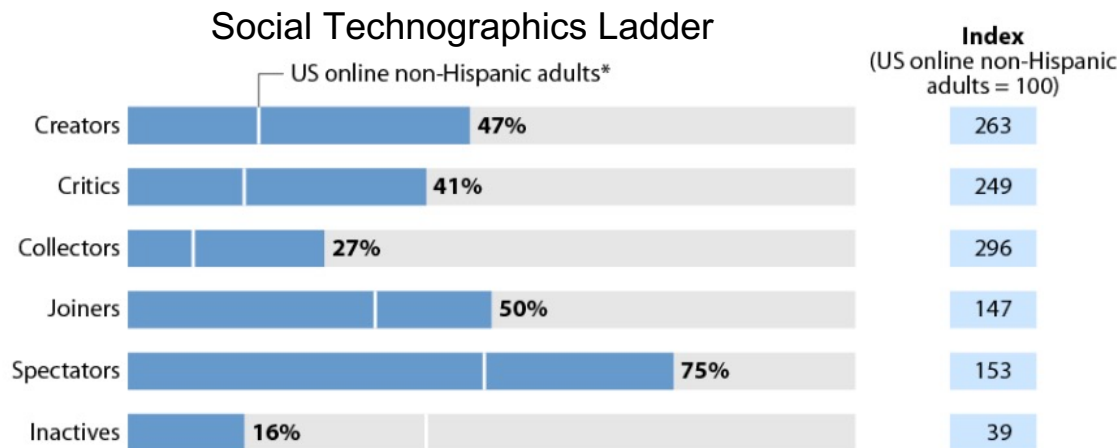
Nielsen continues . . . *"Older Hispanics also surpass the general population by 5% for having an internet-connected device to augment their online experience. Perhaps most surprising, they over-index their 35+ general-market counterparts by 26% for owning a video game console. Having a video game console in the house is indicative of the **trend of multigenerational living** and the desire to have the best and latest in entertainment options for kids and grandkids."*

Are Hispanics More “Social”? Forrester’s 2008(!) & Nielsen (2019) Suggest That’s Still the Case

20

Forrester’s Technographic Data:

- › Online Hispanics index higher than online Non-Hispanics on different ways of measuring “social computing”



What the labels mean:

- **Creator** – publish a blog, publish your own web page, upload video, upload audio/music.
- **Critics** – post ratings/reviews of products or services; comment on someone else’s blog
- **Collectors** – Use RSS feeds, “vote” for Web sites online
- **Joiners** – Maintain profile on social networking site, visit social networking sites
- **Spectators** – read blogs, listen to podcasts, watch video from other users, read online forums
- **Inactives** – none of the above.

Takeaways

- › Nielsen says: Hispanics surpass the general population by 37% in agreeing with the statement:
 - › “I like to share my opinions about products and services by posting reviews and ratings online”.
- › Weekly time social networking (on smartphone):
 - › Hispanic: 7:42; Non-Hispanic: 6:33
- › Do Hispanics’ higher index on Social because of their younger age?
 - › Age is certainly a factor.
- › If measured and controlled for age and language, we hypothesize that on some “social” measures, such as word-of-mouth, older Hispanics would index higher than non-Hispanics of the same age cohort.
- › Collectivist nature puts importance on the group over the individual, and thus more likely to look to other to help guide product choices.

Leverageable Insights to Drive Business Decisions and Outcomes²¹

Multigenerational Households.

Intergenerational households
by race/ethnicity
Thoughts on who is in the household.

Language.

Number of Spanish-speakers.
English proficiency.



Culture.

Unacculturated, Bi-cultural, Acculturated.
Sizing acculturation groups.
Nativity and cultural orientation.

Geography.

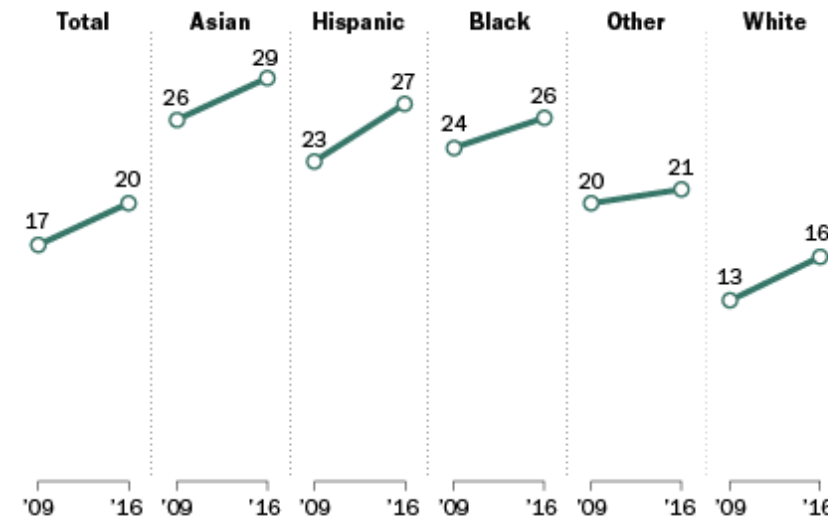
Where Latinos live.
Finding pockets of Spanish-speakers.

Multigenerational Households:

- › Overall, 59.7M people live with in multiple generation households (or 18%)
- › Census 2021 data - % of each segment that lives in a multiple generation household:
 - › White (13%)
 - › Asian (24%)
 - › Black (26%)
 - › **Hispanic (26%)**
- › Pew data from 2016 also shows increasing percent of people in multigenerational households; with Whites less likely

Whites less likely than other racial and ethnic groups to live in multigenerational households

% of population in multigenerational households



Takeaways

- › Factors that impact multigenerational living:
 - › Immigrant status
 - › Geography (more often in western states)
 - › Pooling financial resources
 - › Protect against poverty
 - › Age - young adults (25 to 29)
- › Intergenerational families may share resources, information, offer product recommendations.
- › In Hispanic market, the family may include nuclear family, cousins, uncles and aunts, close long term family friends, grandparents and even caretakers.
- › There may be a multiplier effect when marketing to multigenerational Hispanic households.

The Hispanic Market is Not Homogeneous in Many Ways Including Degree of Acculturation

A model of Hispanic consumer acculturation (Korzenny):

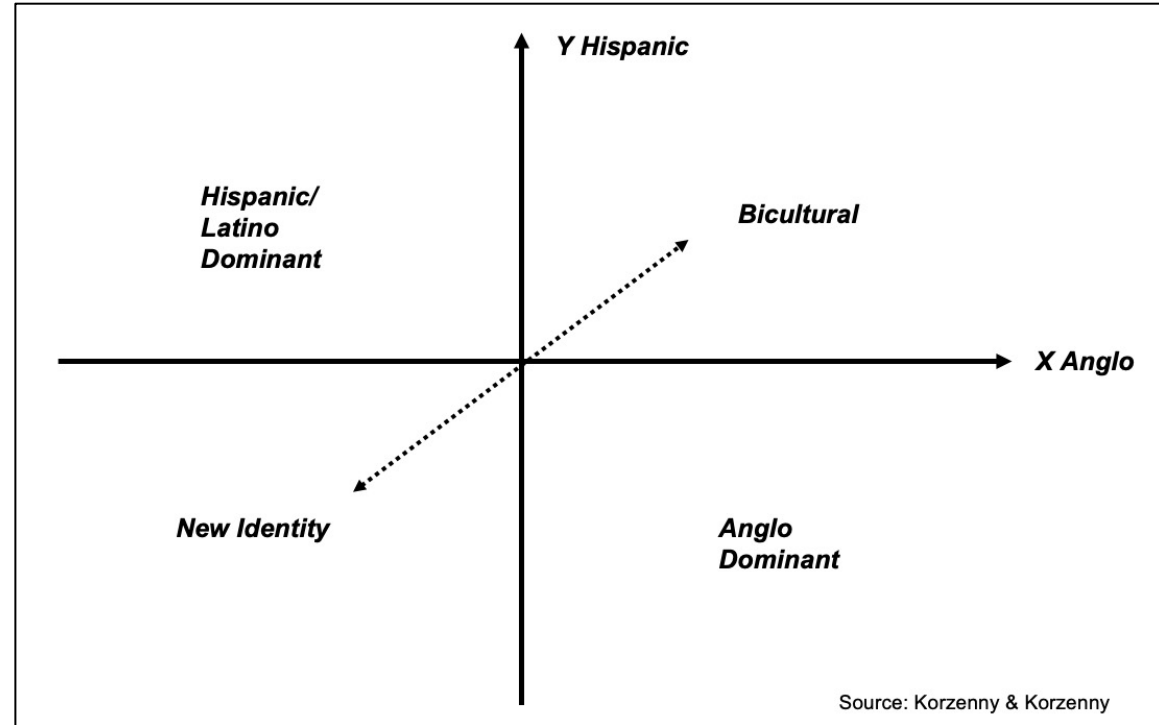
- › Hispanics can keep their original culture.
- › They can keep their original culture and add elements of the second culture.
- › Latinos can abandon their original culture in favor of the second culture.
- › They can claim a new identity.

Acculturation: It happens in a continuous manner, and there may be gradations of cultural acquisition

Graphic use two indexes to reflect one or the other cultural orientation.

Y axis represents language and behaviors associated with Latino culture.

X axis represents English-dominance and behaviors typically associates with an Anglo orientation.



Hispanic / Latino Dominant

- Culturally and linguistically defined by Hispanic origin
- Depend on Spanish for communication
- Values aligned with values of country of origin
- Heavily dependent on Spanish-language didactic info to make consumer decisions
- Tend to be open to commercial messages because depend on them for learning about products or services
- Not adopted cynicism that characterizes “assimilated” counterparts

Y Hispanic

Bicultural

- Combine their cultural repertoires to different degrees
- Navigate between Hispanic and Anglo cultures
- Tend to make consumer decisions based on the relevance of cultural cues of the situation and their reference group when making choices
- Have more ample repertoire of behaviors available to them
- The position where most Latinos find themselves eventually – who do NOT give up their Hispanic culture but who learn how to navigate the mainstream culture

X Anglo

- Not allied themselves with US Anglo-dominant culture; not preserved to any large extent the culture of their parents because they do not identify with it
- “Not from here and not from there” – 3rd culture individuals
- Identify themselves as Chicanos, Nuyoricans, Raza, etc.
- Feel pride in unique identity
- Either reject or are unable to identify with their culture of origin or the dominant US culture
- Like to experiment innovate because they have little to lose
- Wear unusual clothing (baggy pants, drive extravagant cars)
- Many of their innovations set trends that other groups pursue later
- They build a cultural identity out of the need for one

New Identity

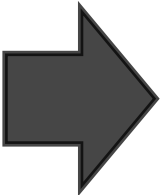
- Largely adopted Anglo behaviors and orientation
- Still have some emotional relationships with Hispanic cultural manifestations but who generally identify themselves as “Americans”
- Likely to speak English almost exclusively
- Cynicism towards commercial messages
- Living through a period of “root” searching as realize their Hispanic background is now desirable and valuable
- Many prompting their children to learn the Spanish that they either have forgotten/never learned
- A process of retro acculturation is likely to take increasing importance among them

Anglo Dominant

Sizing Hispanic Acculturation Segments

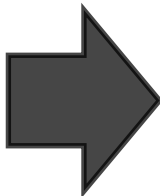
Preference Analytics examined acculturation measurement analysis from the following several companies:

- › Collage
- › Claritas
- › GfK's Knowledge Panel

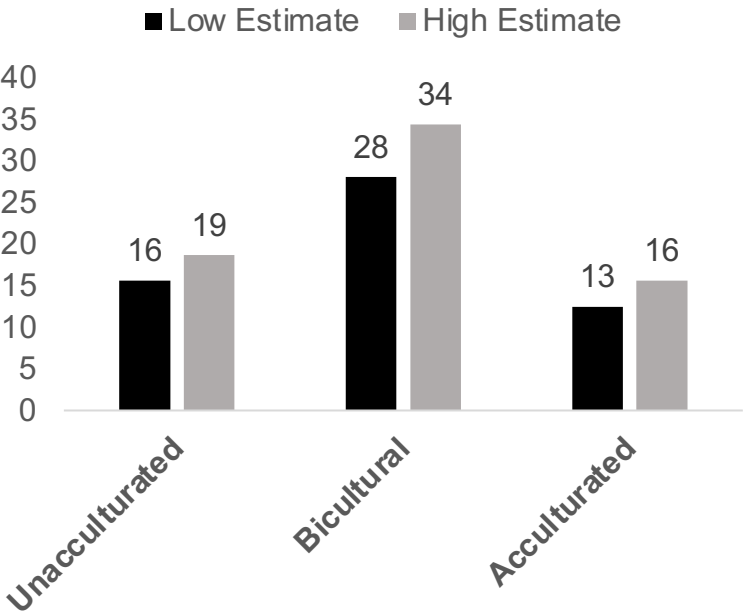


And built our own estimate

Acculturation Segment	Estimate
Unacculturated	25% to 30%
Bicultural	45% to 55%
Acculturated	20% to 25%



And Estimated # Millions of Hispanics in each Acculturation Group



For bicultural, a mid-point was also calculated: 31.2M

Unacculturated Group:

- › 15.6M-19M Latinos
- › Dependent on Spanish information to make decisions
- › Open to messaging since need to learn about products and services
 - › Less cynical about advertising
 - › Strong ties to country of origin

Considerations

- › Less likely to be knowledgeable about and use P2P domestically. But may be more relatively interested in learning about benefits of P2P.
- › Would need to be communicated in both Spanish and English
- › Need support available in Spanish.
- › Mirror Spanish-version of COMPANY's English-language website (with cultural adaptation) is likely to resonate.
- › Relatively more interested in a future Remittance offering given strong ties to country of origin.
- › Though discretionary income is likely to be lower than other acculturation segments. Remittance amount and frequency may be less than other segments.
- › Spanish and English communication recommended with support available in Spanish.

Bicultural Group:

- › 28M to 34M Latinos
 - › Bilingual.
- › Depend on cultural cues of the situation. Uses reference groups to make decisions.
- › Navigate between Hispanic and Anglo cultures.

Considerations

- › Larger than the unacculturated group.
- › Hypothesize there are two sub-groups based on generation and household income.
- › May be good candidates for P2P and possibly remittances.
- › This group may play role between unacculturated and more acculturated segments. May be translator with a foot in each world. Can be the “angels” / support person(s) for the unacculturated.

A Generational (Nativity) View of Latinos & Acculturation

Generational Distribution of Hispanics:

- › First generation (individuals who are foreign born) - 34%
- › Second generation (those with at least one foreign-born parent) – 31%
- › 3rd generation (those with two US native parents) – 35%
- › Roughly 20M people in each generation.

Why this matters:

- › The future Latino demographic will be increasingly bicultural and bilingual.
- › Understanding cultural levers will be important for acquisition and engagement.
- › Hypothesis exists that nativity is a good predictor in understanding what Latinos consume in media.

Age and Language by Nativity Level (source: Beniflah)

30

Age by Foreign Born / US Born Status:

- › As expected, US Born Latinos skew younger – half are 17 and under.

	Foreign Born	U.S. Born
17 and Under	6%	47%
Gen Y	26%	27%
Gen X	37%	14%
Boomer	24%	9%
Silent Generation	7%	3%
Total	100%	100%

Language by Nativity Level:

- › Spanish only or more Spanish than English is dominant in Gen 1.
- › Gen 2 - one quarter speak Spanish & English about the same, with 60% speaking more English or English only
- › Gen 3 – English dominates (though a few speak some Spanish)

Language Use at Home	Gen 1	Gen 2	Gen 3+	Total
Spanish Only	26.5%	3.9%	0.3%	14.3%
More Spanish than English	34.7%	9.7%	0.3%	19.9%
About the Same	23.8%	25.5%	8.9%	20.6%
More English than Spanish	10.3%	37.4%	29.2%	21.9%
English Only	4.7%	23.5%	61.3%	23.3%
Total	100%	100%	100%	100%

Cultural Orientation:

- › “HCOS” – Hispanic Cultural Orientation
 - › “ACOS” – Anglo Cultural Orientation
 - › Measured on 1 to 5 scale
- › Higher on the scale, the stronger the cultural orientation

Degree of Acculturation

	Low	Medium	High
HCOS	4.1	3.8	3.1
ACOS	3.2	4.0	4.2

	Millennial		Gen X		Boomer	
	Foreign Born	U.S. Born	Foreign Born	U.S. Born	Foreign Born	U.S. Born
HCOS	4.0	3.3	4.0	3.2	3.9	3.2
ACOS	3.5	4.1	3.3	4.1	3.4	4.1

Takeaways:

- › HCOS and ACOS do a decent job measuring acculturation – they move as expected.
- › US born Latinos have a relatively stronger American cultural orientation than a Hispanic orientation.
- › At the same, US born Latinos still retain some Hispanic cultural orientation, including those who are Millennials and Gen Xers.
- › Implication: Important to understand the cultural levers of the bilingual / bicultural consumer.

Measures of Spanish Language Usage in the U.S.:

- › 42M Americans speak Spanish at home. Almost all of them are Hispanic.
- › Many (~10M) are under 20 years of age.
- › Some are between 5 and 14 – a potential signal of future bilingualism.
- › 14M Latinos who are 20 to 39 speak Spanish.
 - › Major life events (e.g., household formation, marriage, children, new car, home purchase, etc.) occur in this age cohort
- › 55% of Spanish speakers are native-born.
- › 17M speak English less than “very well”.

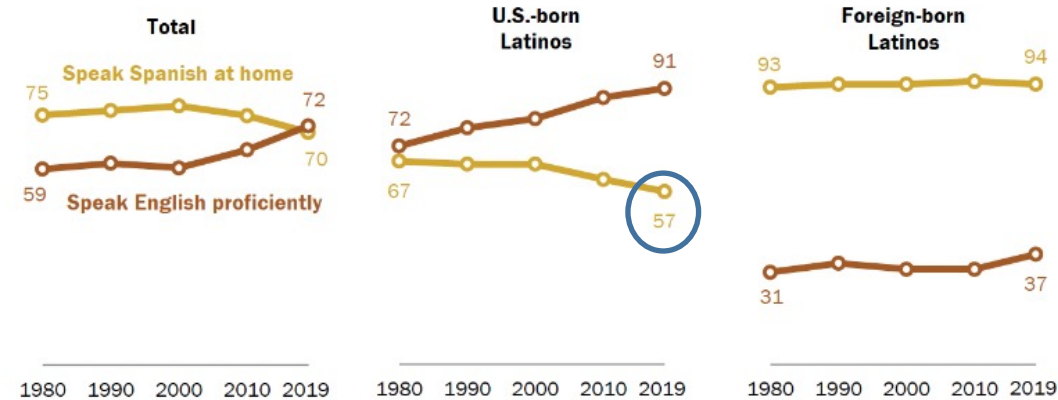
PEW Data Indicates Bilingualism Among U.S. Hispanics

33

Speaking English Proficiently & Speaking Spanish at Home:

- › A similar percentage of Hispanics speak Spanish at home today as in 1980.
- › English proficiency has increased.
- › Among *U.S. born Latinos*, very high levels of English proficiency; but *six in ten speak Spanish at home*.
- › Among foreign-born Latinos, 94% speak Spanish at home, with only 37% speaking English proficiently.

% of Latinos ages 5 and older who ...



Takeaways & Considerations

- › Spanish language usage is widespread and not going away. Six in ten US born Latinos speak Spanish at home.
- › Bilingual marketing / communications makes practical sense.
- › Consider the educational level of Hispanic subgroups. English proficiency decreases quickly at lower levels of educational attainment.
- › Familiarity with P2P solutions may vary by educational attainment.

Geography is an actionable way to identify concentrations of Spanish speaking Latinos

The top 50 metros include 28M consumers who speak Spanish at home

- › One half (14M) reside in five metros: LA, NY/NJ, Miami, Houston, Dallas.
- › By adding a few more metros, it's possible to find 21M consumers who speak Spanish at home.
- › Chicago; Riverside, San Francisco greater bay area, Phoenix, Washington/Arlington, San Antonio; San Diego

Geography Matters A Lot When Targeting Latinx

Because Latinos tend to reside in specific areas, geography is an important targeting variable that can be used to maximize marketing effectiveness

- › Examples of geographic targeting:
 - › Targeting Spanish-speaking Latinos.
 - › Targeting areas where Hispanics are the majority of the population or are approaching “majority” population status.
 - › Targeting based on Latino’s household income.
- › Targeting based at the micro-market level can be effective:
 - › Geo measures: Zip-code, but more efficiently Zip+4.
 - › Can also be used to identify areas where not to market:
 - › Census tracts where people live in poverty and unlikely to have income to purchase certain products such as private health insurance or financial services.

Leverageable Insights to Drive Business Decisions and Outcomes³⁶

Finances.

Income and wealth.
Financial assets.
Unbanked, bill pay, P2P.
Cautious spending.
Satisfaction.
Supporting the family.
Banking desserts.

Brand Engagement.

Playing a positive role in the lives of
Hispanics and their community.



Education.

Post-secondary enrollment.
Educational attainment by country-of-origin.

Word-of-Mouth.

Brand mentions by race/ethnicity.
Quantifying how culture affects WOM and why it matters (Journal of Electronic Marketing and Retailing)

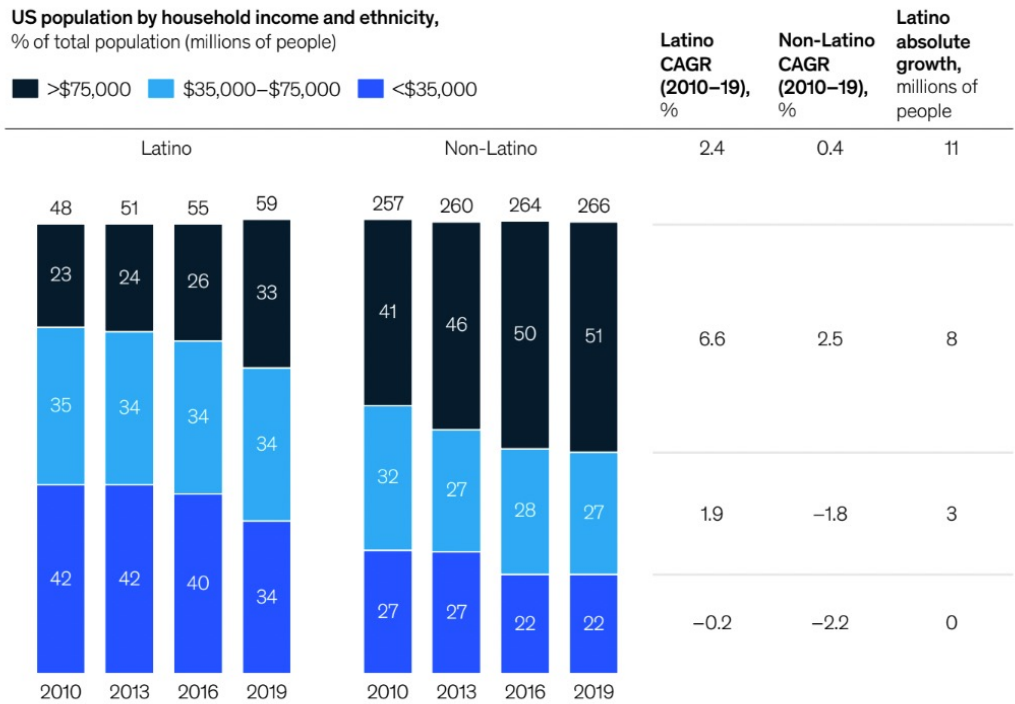
Income of Hispanics vis-a-vis non-Hispanic Whites / Non-Hispanics

Income & Wealth:

- › Survey of Consumer Finances (2019) shows that overall, Hispanic family income is relatively lower than that of non-Hispanic Whites.
- › Hispanic income is roughly 60% of White, Non-Hispanic income and has held steady in this range since 2004.
- › McKinsey has identified that high-income households have been the fastest-growing segment of the Latino population.
- › And McKinsey reports that Latino wealth has grown by an average of 7% annual for past 20 years (twice the rate of non-Latino White wealth).

	White, Non-Hispanic	Hispanic	Hispanic Income as % of White, Non-Hispanic Income
1989	\$60,000	\$29,060	48%
1995	\$55,000	\$35,900	65%
2004	\$66,830	\$37,590	56%
2013	\$61,290	\$35,660	58%
2019	\$69,230	\$40,720	59%

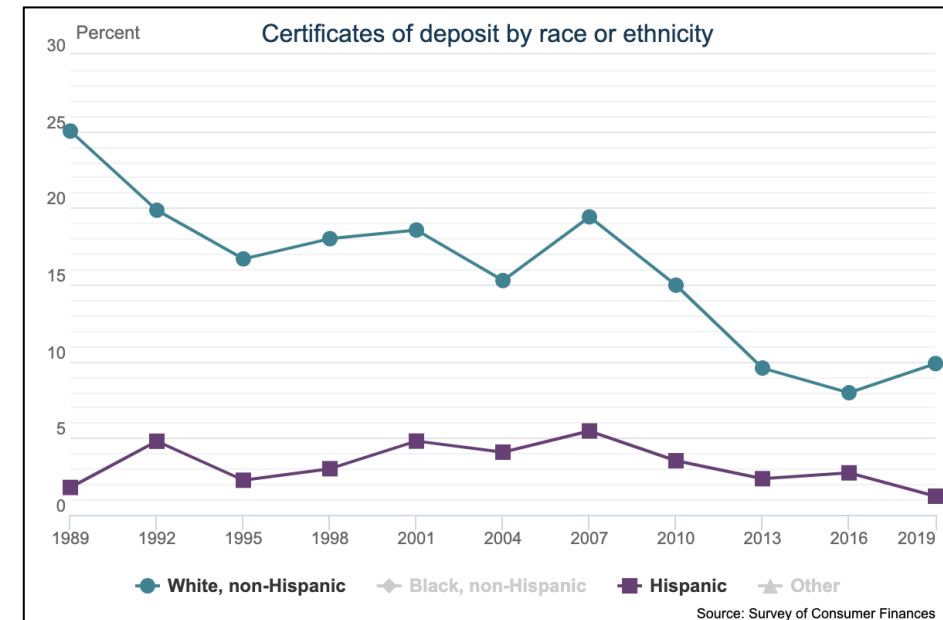
High-income households have been the fastest-growing segment of the Latino population.



Source: Current Population Survey (CPS), US Bureau of Labor Statistics, 2003–2016

Finances:

- › **Transaction accounts** (checking, savings, money market deposit accounts, money market mutual funds):
- › Hispanics have increased their usage over the past decades, but median value lags (\$1,950 vs. \$8,200).
- › **Certificates of Deposits:**
- › Decreased for both Hispanics and Whites. Only 1% of Hispanics hold CDs. Median value lags significantly (\$28,000 vs. \$2,000)
- › Important to keep mind that we are looking at each market in total. Usage and median values will vary based on household income.



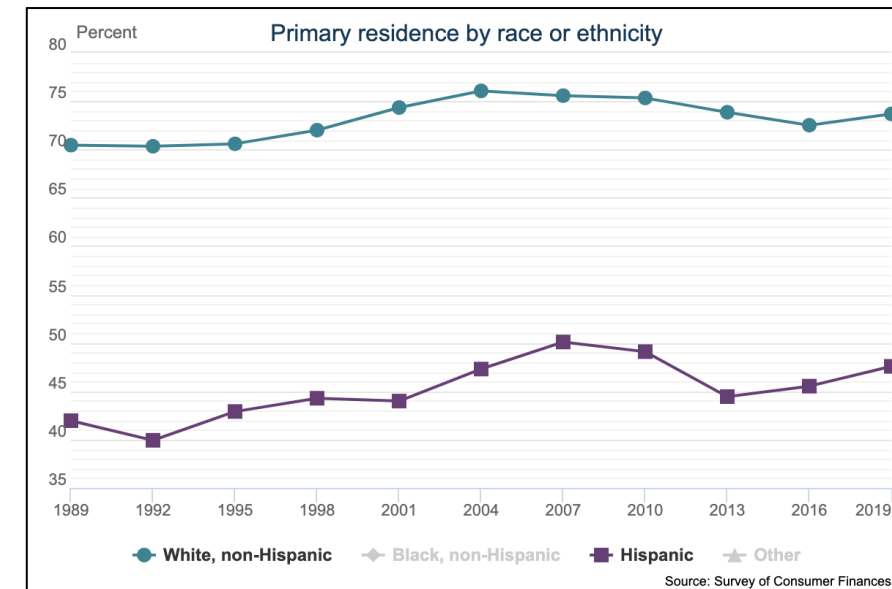
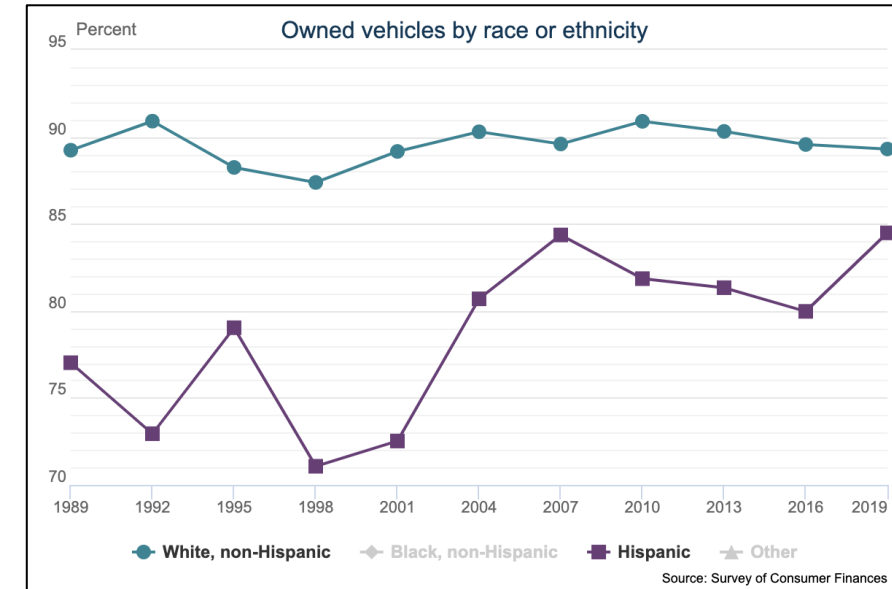
Cars and Homes

› Owned Vehicles

- › Hispanic car ownership has increased since the early 2000s and is now almost on par with Whites. The gap in median value between White and Hispanic was \$3,000 in 2019.

› Primary Residence Ownership:

- › Home ownership lags the White market (74% vs. 48%). There is an upward trend since 2013 but too early to tell whether it will be sustained.
- › Gap in median value was \$230,000 as of 2019.



FDIC (2019)

› **Underbanked or Unbanked Rates**

- › 14% of Latino households are underbanked or unbanked; compared to 3% of White households.

› **Bill payment services**

- › More often used by younger households, less educated households, and Black and *Hispanic* households.

› **P2P services**

- › 31% of consumers indicate they use P2P payment services.
 - › Asian households – 38%
 - › White – 33%
 - › Black – 28%
 - › *Hispanic – 24%*
- › P2P usage is higher among households with incomes of \$75,000+, those with a college degree, younger and middle-aged households, and working-age nondisabled households.
- › More often used among banked households (32%) vs. unbanked households (9%).

McKinsey : Latino households make more cautious financial choices, more likely to be dissatisfied with banking and financial services, more likely to support family members

McKinsey (2020) – note the year of analysis

- › **Their Global Sentiment Survey suggest that Latinos were “cautious spenders”:**
 - › 31% cut back on spending (versus 26% Non-Latinos)
 - › 31% delayed spending given their economic situation
 - › 44% increasingly looking for ways to save money (compared to 38% among Non-Latinos)
- › **McKinsey also identified . . .**
 - › Latinos 6X more likely to be dissatisfied with banking and financial services (fees, insurance premiums, interest on personal loans). This needs further investigation.
- › **Support of family members and remittances**
 - › 44% Latinos use extra money to help a family member in the United States when they have disposable income.
 - › 72% of Latino Millennials help a family member – compared to 53% among Non-Latino Millennials
 - › 32% of Latinos send remittances to family outside U.S. (some send up to 30 percent of their income abroad)
- › **Consideration:**
 - › Results are interesting but need more current data – requires further exploration.
 - › Conduct new quantitative research to gain deep understanding of Latino’s finances.
 - › Examine results by acculturation level, income, and age to flush out insights.

Banking Deserts (McKinsey and FDIC)

42

McKinsey reports using FDIC data . . .

- › **Using census tract data, analysis shows there are:**
- › 38,131 census tracts containing
- › 34.5M Latinos, who
- › Live in a banking dessert, with
- › most tracts located in CA, TX, NY, IL, NM, and that . .
- › Hispanics 1.4 times more likely than White households to live in a community with this type of access issue

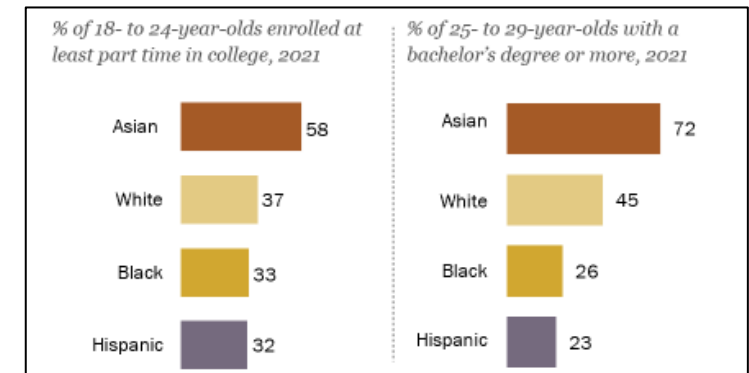
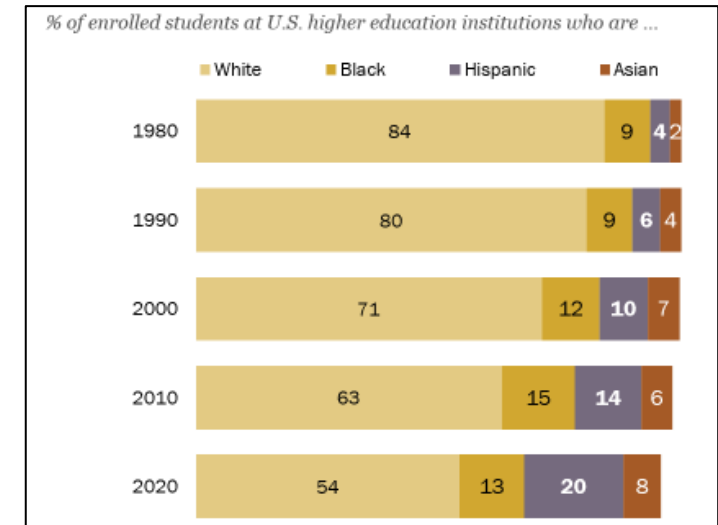
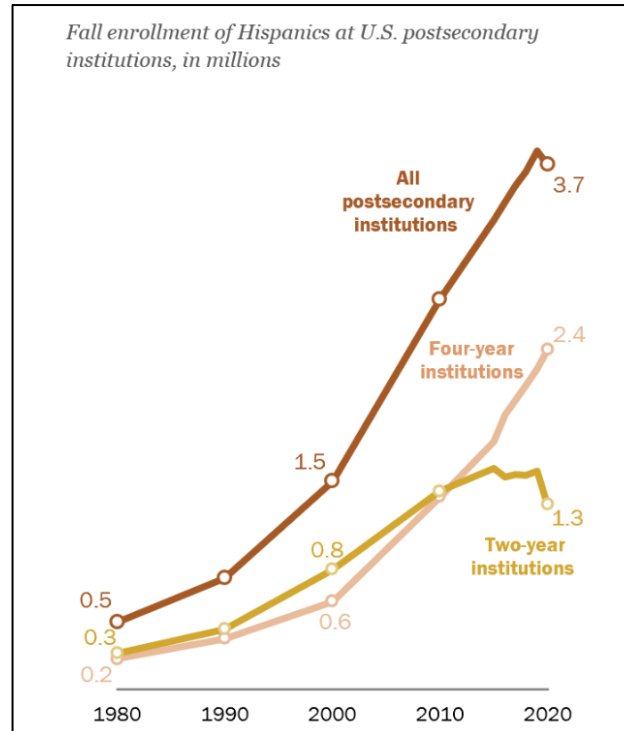
Recap of “Financial” Findings | Considerations

Recap

- › Latino income is growing but lags that of non-Hispanics.
- › The \$75,000+ sub-segment of the Hispanic market is growing.
- › Car ownership (life event) is on par with Whites – may represent an opportunity for loan/lease purposes.
- › Home ownership may be an area to investigate (depends on competitor offerings and satisfaction with).
- › Remittances clearly an opportunity.
- › Explore P2P:
 - › Hispanics index lower on usage of P2P – unfamiliar with? Have an unmet need?
 - › Many Latinos, including Millennials, send money to family members in the U.S.
 - › May want to examine opportunity among those below and above the \$75,000 income threshold.
- › Among those with a bank, there appears to be some dissatisfaction with banking services.
- › Is there a way to turn “Banking desserts” into an opportunity?

Pew insights about Latino's Educational Attainment

- Hispanic enrollment at postsecondary institutions saw big increase from 1.5M in 2000 to 3.8M in 2019 (driven by growth as share of overall US population).
- Hispanic enrollment at 4-year institutions increased by 287% vs. overall student enrollment at 50%.
- Latinx make up one-in-five students enrolled at post secondary institutions in the US.
- Despite growing enrollment, relatively lower share of young Hispanics (32%) enrolled in college or have obtained a bachelor's degree. Comparisons: Black (33%), White (37%), Asian (58%).
- According to Pew, financial constraints are a major reason why Hispanics do not finish a four-year degree.(need to work to help support family or couldn't afford a four-year degree).

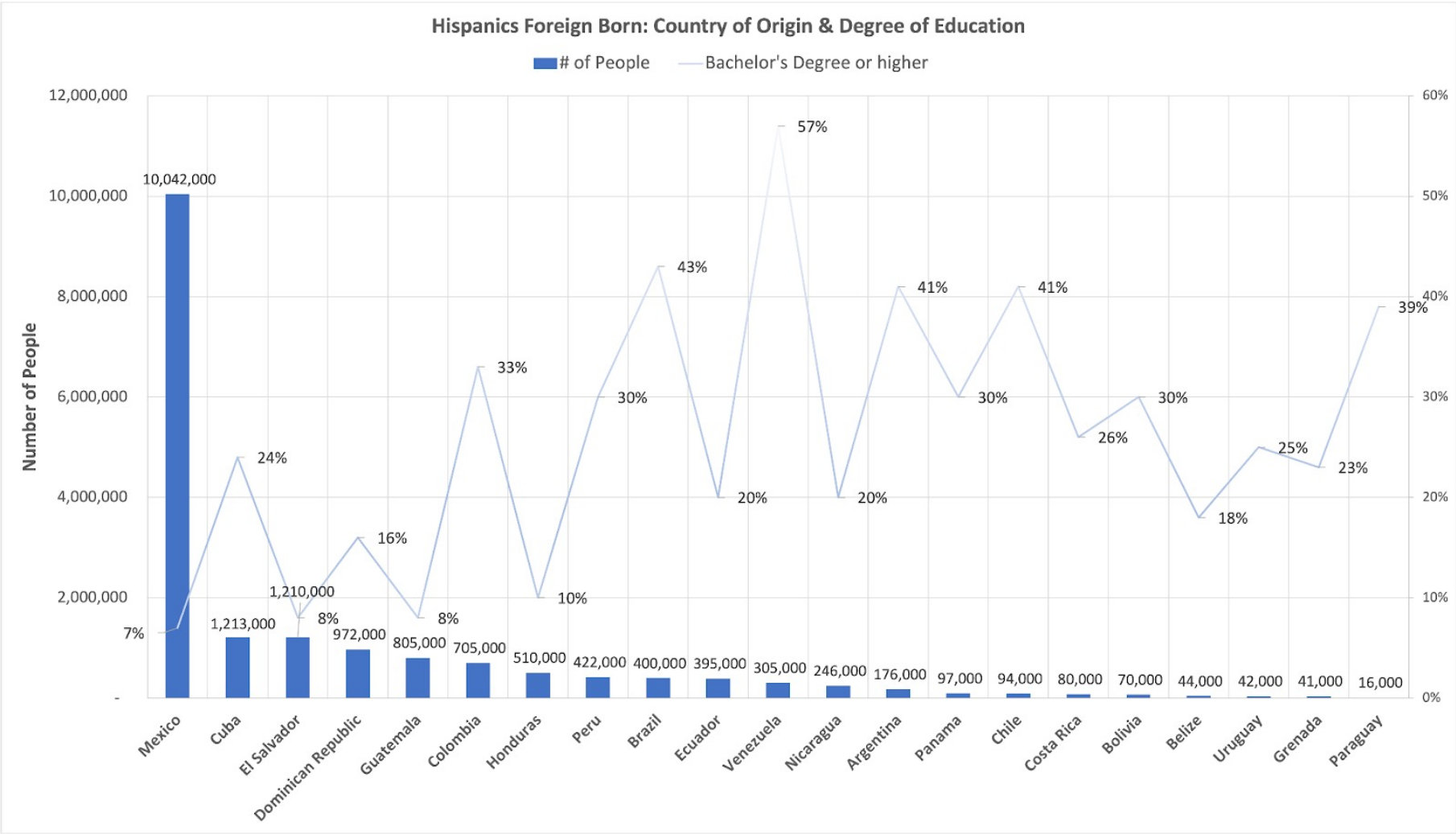


Partnering with colleges may be one channel to drive awareness of COMPANY and its solutions

Educational Attainment by Country of Origin (Foreign Born)

Companies may want to consider educational attainment in their brand communications and services

- › Mexican-Americans have lowest level of educational attainment while South Americans tend to have highest levels (chart on right).
- › Latino immigration patterns are changing. Recent immigration indicates that only one-third of recent immigrants (2013 to 2018) were from Mexico.
- › Recent immigrants have higher levels of educational attainment. Venezuelan immigrants numbered 125,000 between 2013 to 2018 and are likely to increase given crisis in their home country.



Hispanics like brands that are playing a positive role in their lives and their community.

› Research from Zeno/We Are All Human:

› Only 54% of Hispanics feel their values are currently shared and reflected by brands.

› 84% of US Hispanics indicate that they would be “more favorable” towards brands that they feel are “playing a positive role” in their lives and their community.

›

81% of US Hispanics indicate they would be “more likely to be a customer” of a brand that they feel is “playing a positive role” in their lives and their community.

Consideration: Explore the different ways that COMPANY can “play a positive role” in their lives and their community and communicate those ways, in a culturally appropriate manner.

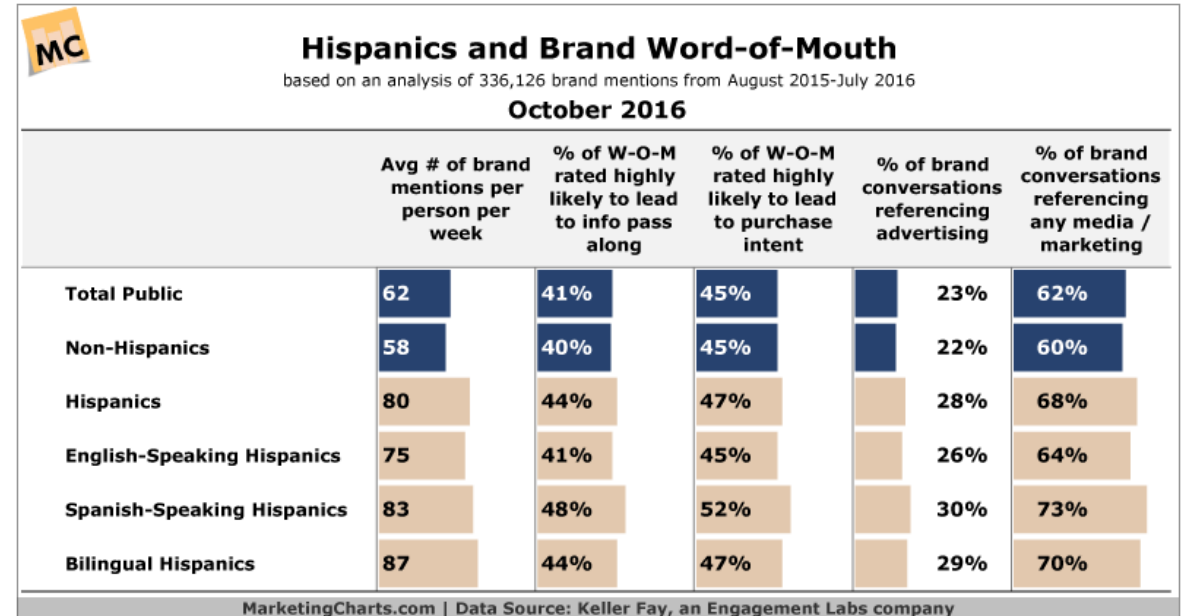
Word-of-Mouth Measures

› Brand Mentions (2015-2016)

- › Research from Keller Fay showed that Hispanics are not only more likely to engage in word-of-mouth than the general public, but also more likely to pass along information they hear to others.
- › Brand mentions are higher among all Hispanic sub-groups (including English-speaking) compared to Non-Hispanics. Spanish-speaking Hispanics scored the highest on this measure.

› Category Analysis

- › The percent of Hispanic and non-Hispanic respondents having at least one conversation per day in the Financial Services category:
 - › Non-Hispanics (25%)
 - › Hispanics (31%)
 - › Spanish-speaking/Bilingual Hispanics (33%)



How Word-of-Mouth (the sharing of info about their online purchases) Varies across Segments and Cultural Groups

WOM - International Journal of Electronic Marketing and Retailing*, 2017

- › Sample of 2,850 survey to measure and model the impact of WOM.
- › Findings support premise that acculturation is a moderator of WOM and confirms the predictive value of culture on consumer attitudes and behaviors.
- › Results indicate that ***un-acculturated Hispanics (new immigrants and first generation) are more prone to use WOM than acculturated Hispanic consumers, who in turn, are more prone to use WOM to brag about their online shopping than non-Hispanic/Whites in the USA.***
- › The model revealed that WOM plays a mediating role in increasing consumer preference for premium products.

* Chapa, S., Korzenny, F. and Rodriguez-Mori, H (2017) 'Bragging about online purchases: comparing consumer word-of-mouth among Hispanics and non-Hispanics groups, *Int. J. Electronic Marketing and Retailing*, Vol. 8, No. 2, pp.157-171.

Why Cultural Values Matters When It Comes to WOM | Hispanic Marketing

Why cultural values matter (quoting from the Journal):

- › Customer referrals of new clients are becoming a key predictor for enhancing the value of the brand (Stein and Ramaseham, 2015).
- › Hispanic cultural values moderate their attitudes and behaviors as consumers (De Matos and Rossi, 2008).
- › Cultural values are learned at an early stage of one's life, and because they are acquired in an exceptionally unconscious way, it is difficult for individuals to shift (Hofsted, 1980, 1991; Korzenny and Korzenny, 2012).
- › Marketers can benefit from studies that apply cultural psychology theory by predicting and controlling the impact of WOM on consumer behavior (De Matos and Rossi, 2008).
- › Hispanics are not only loyal to the brands they use, but also to their family, language, and culture; that loyalty can be extended to the people with whom they talk and refer in their conversation (Korzenny and Korzenny, 2012; Robles, 1994; Swope, 1989).
- › When positive WOM is used, a positive outcome linked to consumer attitudes and behavior can be expected. This is why Hispanic marketing experts are creating integrating marketing campaigns using high community involvement tactics that may result in positive WOM (Castillo Adamo, 2015; Ure, 2015).

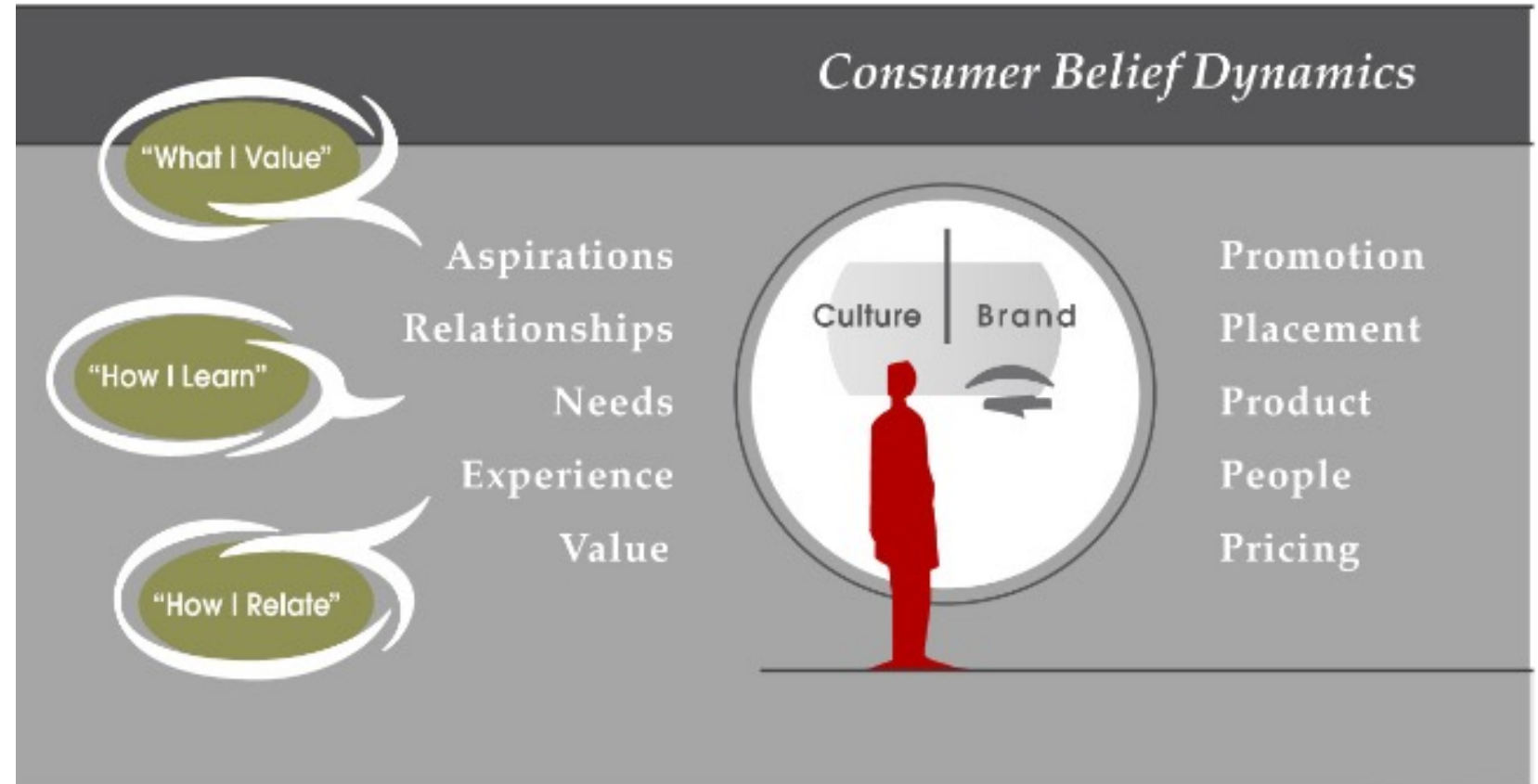
* Chapa, S., Korzenny, F. and Rodriguez-Mori, H (2017) 'Bragging about online purchases: comparing consumer word-of-mouth among Hispanics and non-Hispanics groups, *Int. J. Electronic Marketing and Retailing*, Vol. 8, No. 2, pp.157-171.

The Difference(s) that Make the Difference

50

Aligning Attributes of Consumers with those of the Brand:

- › Examine aspirations, relationships, needs, experiences of the Hispanic market. We look at the culture of the consumer.
- › Examine attributes of the brand – from a Marketing “P”s perspective.
- › Then align the attributes of the brand with those of the consumer to make sure the business initiative maximizes the marketing investment.
- › Qualitative research followed by quantitative research is a crucial step to the alignment process.



Asymmetric Marketing and example

Capturing market share via asymmetric marketing *

- Where competing brands apply unequal resources, and where the least resourced competitor uses alternative methods and tactics to exploit market opportunities.
- Alternative methods and tactics offer quick results below competitors' radar screens (scrutiny).
- Why employ asymmetric marketing?
 - The brand is entering a crowded marketplace where entrenched competitors maintain a high "Share of Voice".
 - The brand is testing or piloting new concepts.
 - The brand is building capabilities requiring a learning period.
- To improve efficiency/effectiveness in multicultural markets a brand can apply target spend in micro-markets; small markets with high representation of the target audience.
- Applying micro-market marketing tactics keeps the initiative below the radar and out of sight from competitors in order to establish a foothold for winning the target audience.
- The foothold is leveraged with in-market sales campaigns that drive target audiences to selected sales professionals best equipped to meet consumers needs and close the sale.

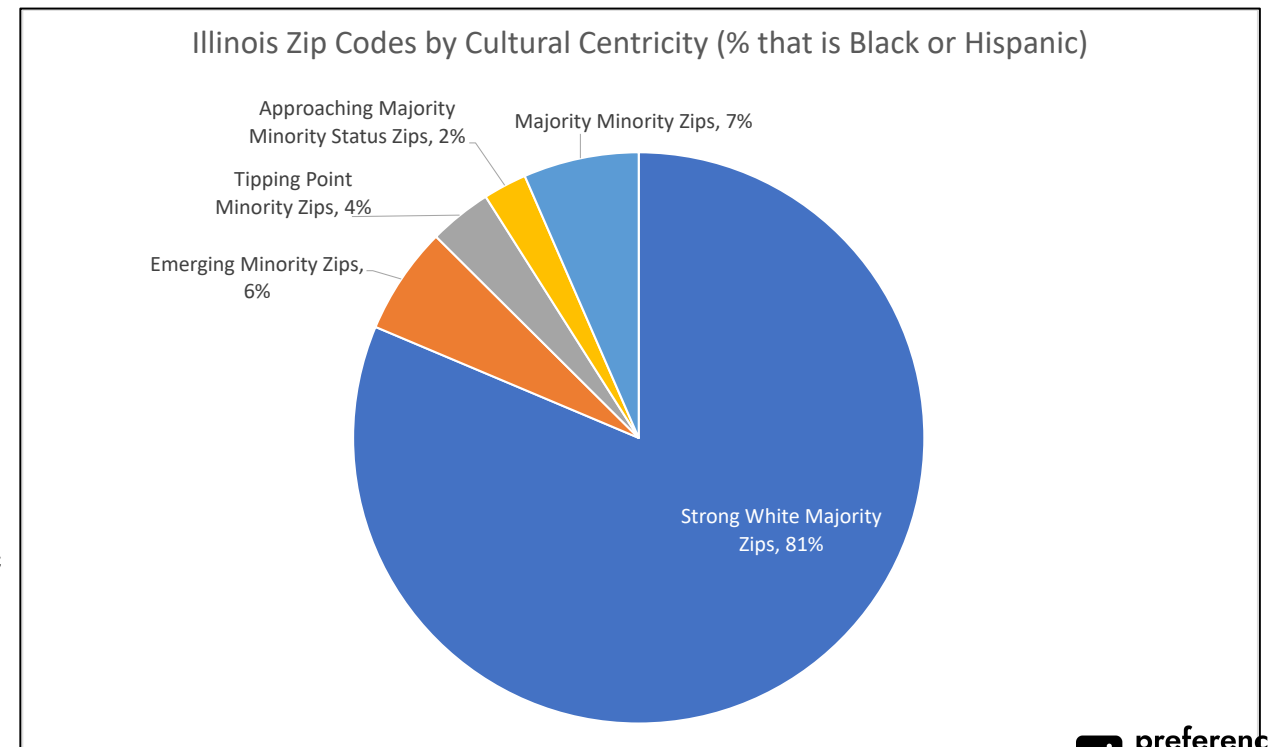
Overcoming Competitors “Share of Voice” via Micro-Market Marketing and “Cultural Centricity”

- Micro-market marketing and cultural tipping point:
 - This method begins by modeling the optimum audience, the Target Audience.
 - The model consists of characteristics that define your best existing clients (product/services mix, persistency, etc.); and characteristics of consumers most likely to respond to offerings.
 - For multicultural marketing a “cultural tipping point” is determined (quantitatively designed) and incorporated into the model.
- The brand then identifies micro-markets: ZIP codes, ZIP+4, Census Tracts, etc. that best meet the model’s elements.
- The micro-markets are clustered to create a virtual market for capturing The Lion’s Share of Voice.
- When does a micro-market become cultural-centric?
 - When a micro-market’s cultural composition is highly represented by one cultural group over other cultural groups; at this point the market becomes centric to its dominant culture.
 - Non-dominant residents begin to adopt or adapt to cultural nuances of the majority. They begin to respond, like those of the dominant culture, to cultural cues.

Analysis reveals a Diversity of Explosion at the Micro-Market level in Illinois . . .

- A micro-market analysis at the Zip Code level was conducted for Illinois. Each zip code was examined on multiple factors including race/ethnicity, usage of Medicaid, household income, and “cultural centrality”.
- In this initial pass at analysis, a basic measure of “cultural centrality” was measured by determining the percentage of the population in each zip code that was either Hispanic or Black.
- Illinois has 1,385 zip codes. Each zip code was classified on the percentage of the population in each zip that is either Black or Hispanic.
- For example, zip codes where more than 50% of the population is Black/Hispanic are called “Majority Minority” zips. Zip codes in Illinois zip were classified into five groups:

- **Majority Minority** Zip Codes: 50% + of the Population is Black or Hispanic
- **Approaching Majority Minority** Status: 40% to 49% of the pop is Black/Hispanic
- **Tipping Point** Zips: 30% to 39% of the pop is Black/Hispanic
- **Emerging Minority** Zips: 20% to 29% of the pop is Black/Hispanic



Micro-market analysis indicates which zips to focus outreach efforts

- **Majority Minority** zips: 2.1M Black or Hispanic consumers. 3X as many Black/Hispanic consumers as White consumers.
- **Approaching Majority Minority.** Just under half a million (~465K) Black or Hispanic consumers. ~670K White consumers.
- **Tipping Point Minority.** ~357K Black/Hispanic consumers. 691K White consumers.
- **Emerging Minority.** 430K Black/Hispanic consumers . 3X as many White consumers (1.3M) as Black/Hispanic consumers.

Zip Codes That Are:					
	Majority Minority	Approaching Majority Minority Status	Tipping Point Minority	Emerging Minority	White Majority
# People Who Are:					
White	876,973	671,620	690,882	1,302,112	5,334,108
Black	1,145,827	114,340	156,362	179,744	200,387
Hispanic	1,006,824	350,884	206,908	249,883	376,200
# Zips:	90	34	49	84	1121

- There's approximately the same number of Hispanic as Black consumers in *Majority Minority* zip codes.
- In all other zip code groupings, the number of Hispanic consumers is greater than that of Black consumers.

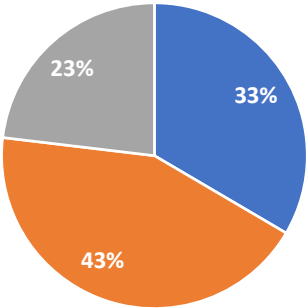
- **Majority Minority** Zip Codes: 50% + of the Population is Black or Hispanic
- **Approaching Majority Minority** Status: 40% to 49% of the pop is Black/Hispanic
- **Tipping Point** Zips: 30% to 39% of the pop is Black/Hispanic
- **Emerging Minority** Zips: 20% to 29% of the pop is Black/Hispanic

Micro-market analysis reveals which geographies have a higher incidence of Medicaid

- Zip codes with a higher proportion of Multicultural Consumers are more likely to have a higher incidence of Medicaid. Targeting by multiple layers – culture, Medicaid – can increase marketing effectiveness

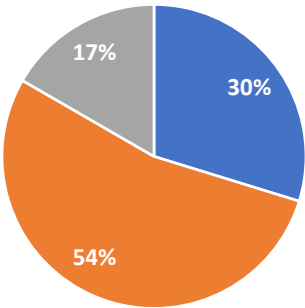
Incidence of Medicaid in
White Majority Zips

■ High ■ Medium ■ Low



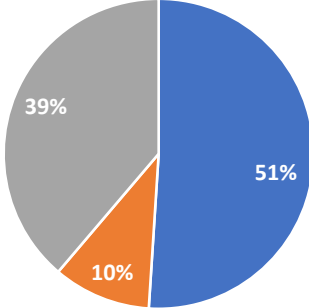
Incidence of Medicaid in
Emerging Minority Zips

■ High ■ Medium ■ Low ■



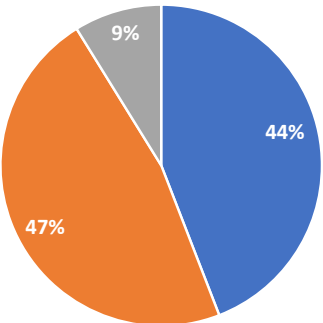
Incidence of Medicaid in
Tipping Point Minority Zips

■ High ■ Medium ■ Low



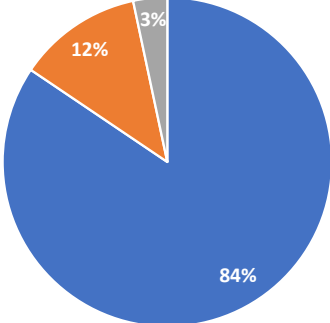
Incidence of Medicaid in
Approaching Majority Minority Status Zips

■ High ■ Medium ■ Low



Incidence of Medicaid in
Majority Minority Zips

■ High ■ Medium ■ Low



- **Majority Minority** Zip Codes: 50% + of the Population is Black or Hispanic
- **Approaching Majority Minority** Status: 40% to 49% of the pop is Black/Hispanic
- **Tipping Point** Zips: 30% to 39% of the pop is Black/Hispanic
- **Emerging Minority** Zips: 20% to 29% of the pop is Black/Hispanic

Appendix

Type of Apps Used by Younger & Older Hispanics And Comparisons to General Market

58

REACH OF DIGITAL APPS: HISPANICS, BY AGE GROUP

	AGES 18-34		AGES 35+	
	Total Reach	Index, Hispanic to General Market 18-34	Total Reach	Index, Hispanic to General Market 35+
Search engines/portals and communities	93%	101	87%	101
Entertainment	92%	101	85%	103
Computers and consumer electronics	90%	103	84%	102
Multi-category commerce	80%	104	72%	95
News and information	72%	102	64%	94
Telecom/internet services	79%	105	72%	108
Finance/insurance/investment	73%	104	60%	100
Travel	47%	110	36%	96
Corporate information	33%	119	26%	92
Education and careers, app	28%	107	19%	121
Automotive	3%	118	2%	68

Source: Nielsen Media Impact, February 2019

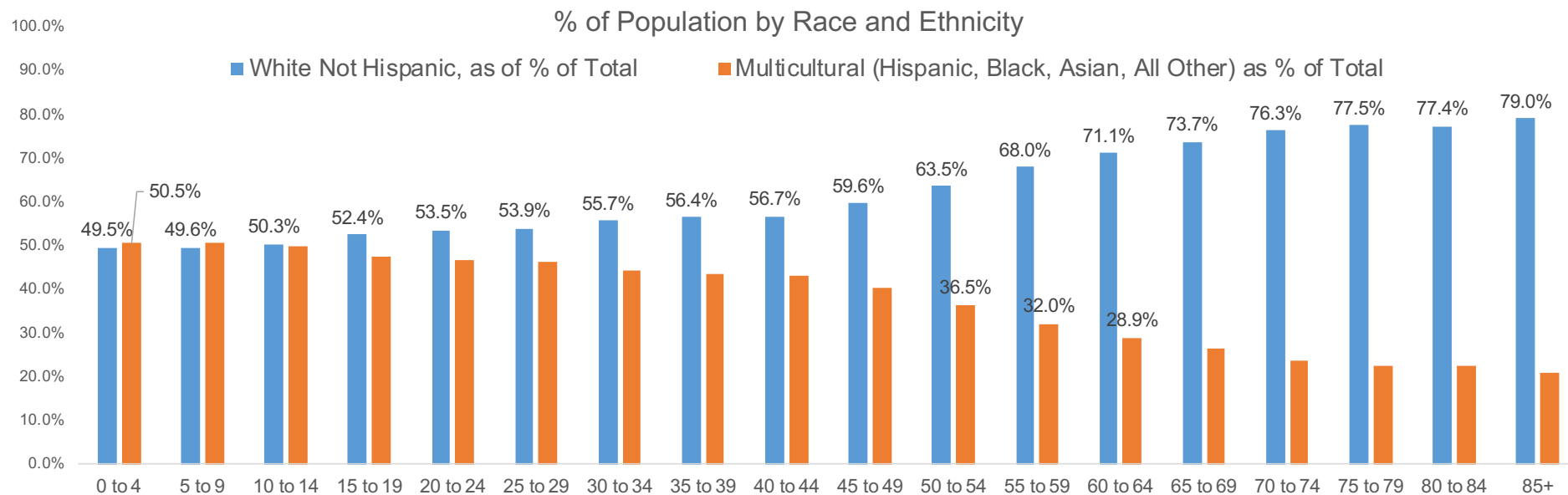
Takeaways

- › Understanding app usage may help companies understand where Hispanics spend time on their path to purchase.
- › The Nielsen media impact data says:
- › **Both younger (18-34) and older (35+) Latinx adults index similarly to the general population on using most types of apps**, with search engines, entertainment and electronics having the highest reach among Hispanics of all ages.
- › **Finance / insurance / investment may be relevant.** Younger Hispanics index higher than their general population cohort. And older Hispanics index the same as the general market cohort with these types of apps.
- › Older Latinx adults surpass the general population most on reach of apps dealing with education and careers with 19% using these apps. These apps reach younger Hispanics at a higher rate.

The Next Generations Will Include a Wave of Multicultural Consumers

59

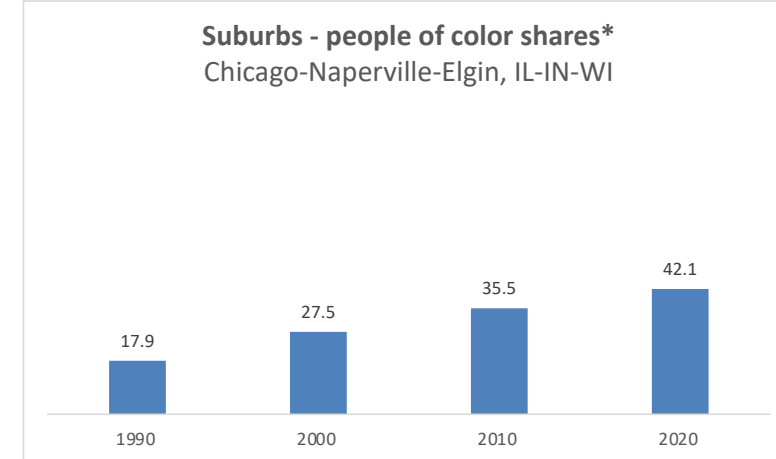
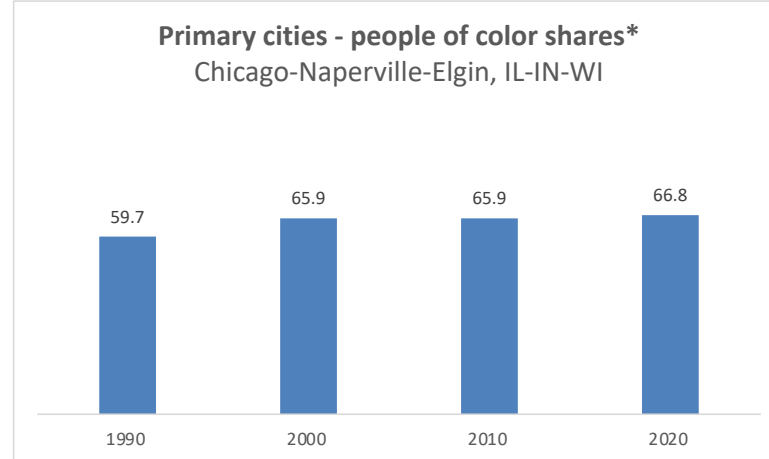
- Diversity is highly correlated with age. Each younger age cohort is increasingly diverse.
- 1 in 2 individuals under the age of 15 are multicultural. Roughly 4 out of 10 individuals between the age of 15 to 54 are multicultural.
- There is less diversity among the population that is 55+.



Implication: It's important for companies to understand the age and race/ethnicity profile of its current and prospective customers. Regardless of what a company is selling, a significant proportion of its clientele will be Multicultural Consumers. Companies that sell primarily to younger Baby Boomers will find that about one-fourth of their customers are Multicultural Consumers. Those selling to Gen Xers (currently 41-56 years old) will encounter even more Multicultural Consumers. And those selling to young adults or teens will find that nearly 1 in 2 of their customers or prospective clients are Multicultural. Sustained long-term business success requires understanding selling to and servicing multicultural consumers.

The "diversity explosion" is evident in major metros and in the suburbs

- While people of color together comprise more than two-fifths (42%) of the US population, they now comprise over half (50%) of the combined population of major metro areas. ([source: Brookings](#))
- All major racial groups are more likely to live in **suburbs** than cities. 76 percent of Whites reside in the suburbs, 61 percent of Hispanics live in the suburbs and just over half (54%) of Blacks reside in these areas.
- Within the **primary cities** of the Chicago-Naperville-Elgin metro area, people of color account for 67 percent of the population, an increase of 7 percentage points since 1990.
 - Within the **suburbs** of all these cities, 42% of the population are people of color. This represents a 7% percentage point increase since 2010, a 14-percentage point increase since 2000, and 24 percentage point increase since 1990!



The declining white population share is pervasive across the country's major metros

61

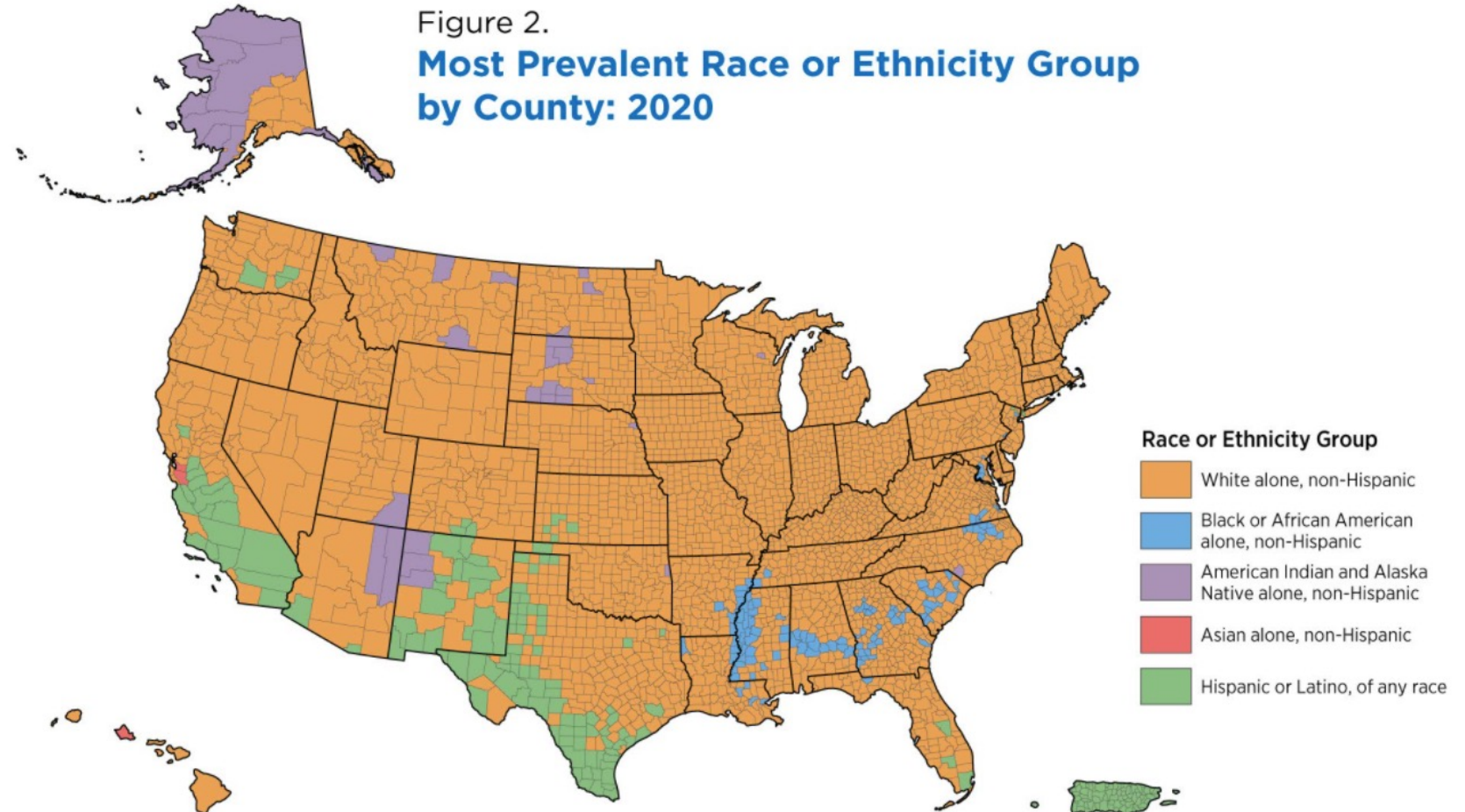
- As of 2019, 25 of the 100 largest metropolitan areas have minority-white populations, including the major metropolises of New York, Los Angeles, Washington D.C., and Miami – as well as Dallas, Atlanta, and Orlando, Fla., which reached this status by 2010.

States	Percent of Total- 2019					
	White*	Black*	Native American*	Asian American*	Two or more races*	Latino or Hispanic
McAllen-Edinburg-Mission, TX	5.9	0.4	0.1	0.9	0.2	92.5
El Paso, TX	11.6	3.1	0.3	1.3	0.8	82.9
Urban Honolulu, HI	17.9	2.5	0.2	50.7	18.7	10.0
Fresno, CA	28.6	4.6	0.6	10.5	1.9	53.8
Los Angeles-Long Beach-Anaheim, CA	29.4	6.4	0.2	16.6	2.3	45.1
Miami-Fort Lauderdale-Pompano Beach, FL	29.7	20.3	0.1	2.6	1.2	46.1
Stockton, CA	30.5	7.1	0.4	16.5	3.5	42.0
San Jose-Sunnyvale-Santa Clara, CA	30.7	2.3	0.2	37.6	3.1	26.1
Riverside-San Bernardino-Ontario, CA	30.9	7.1	0.4	7.2	2.3	52.1
Bakersfield, CA	32.8	5.2	0.6	4.8	1.9	54.6
San Antonio-New Braunfels, TX	33.2	6.6	0.3	2.7	1.5	55.7
Houston-The Woodlands-Sugar Land, TX	35.2	17.1	0.2	8.0	1.5	38.0
Albuquerque, NM	38.6	2.4	5.5	2.3	1.8	49.4
San Francisco-Oakland-Berkeley, CA	38.9	7.2	0.2	28.0	3.9	21.9
Las Vegas-Henderson-Paradise, NV	41.7	11.9	0.5	10.6	3.8	31.6
Memphis, TN-MS-AR	42.8	47.5	0.2	2.3	1.4	5.8
Oxnard-Thousand Oaks-Ventura, CA	44.7	1.8	0.3	7.6	2.4	43.2
Washington-Arlington-Alexandria, DC-VA-MD-WV	44.9	25.1	0.2	10.6	2.9	16.3
San Diego-Chula Vista-Carlsbad, CA	45.0	4.7	0.4	12.4	3.4	34.1
Dallas-Fort Worth-Arlington, TX	45.0	16.1	0.4	7.4	1.8	29.3
Jackson, MS	45.2	49.9	0.1	1.2	0.9	2.6
New York-Newark-Jersey City, NY-NJ-PA	45.5	15.9	0.2	11.8	1.6	25.0
Orlando-Kissimmee-Sanford, FL	45.7	15.8	0.2	4.6	1.8	31.9
Atlanta-Sandy Springs-Alpharetta, GA	46.2	34.4	0.2	6.3	2.0	11.0

Most Prevalent Race or Ethnicity Group :

County-level analysis indicates where the populations are concentrated

- The most prevalent racial or ethnic group was the White alone non-Hispanic population. It decreased from 63.7% to 57.8%.
- The Hispanic or Latino population was the second-largest racial or ethnic group, comprising 18.7% of the total population. This population is most prevalent in the Southwest and West. In 2020, this population became the largest racial or ethnic group in California. In Texas, the difference in size between the White alone non-Hispanic population (39.7%) and the Hispanic or Latino population (39.3%) shrank to 0.4 percentage points.
- The Black or African American alone non-Hispanic population was the third-largest group at 12.1%. This population is the most prevalent in parts of the South.



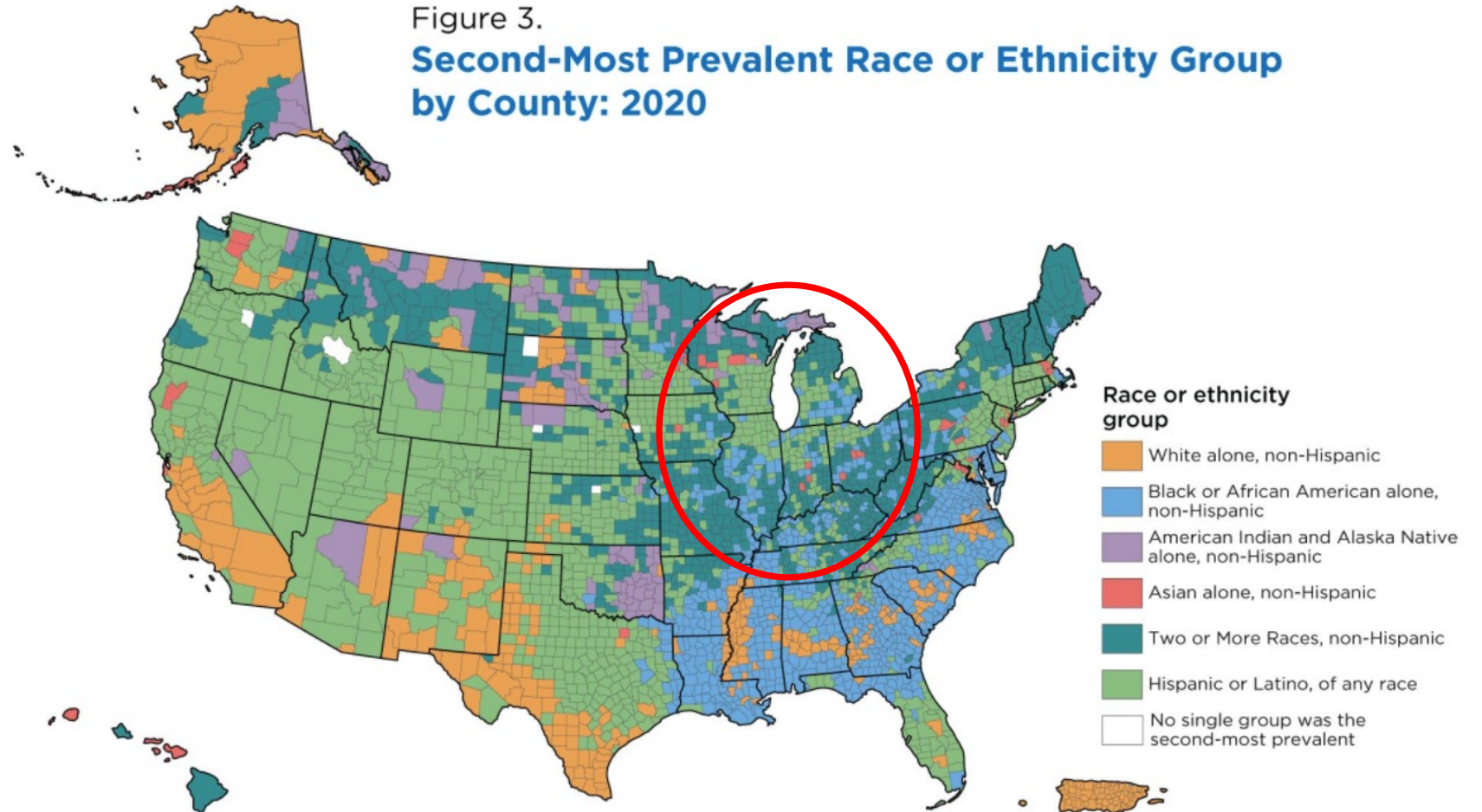
Second Most Prevalent Race or Ethnicity Group

The country is increasingly diverse

- The presence of the Hispanic or Latino population as the second-most prevalent group spanned the entire continental United States, with large numbers of counties in every region.
- Counties where the Black or African American alone non-Hispanic population was the second-most prevalent group are mostly concentrated in the South; it was also the second-most prevalent group in parts of the Northeast and Midwest.
- Following a similar pattern as in 2010, the Asian alone non-Hispanic population was the second-most prevalent group in several counties throughout the Northeast, West, Alaska and Hawaii.

Figure 3.

Second-Most Prevalent Race or Ethnicity Group by County: 2020

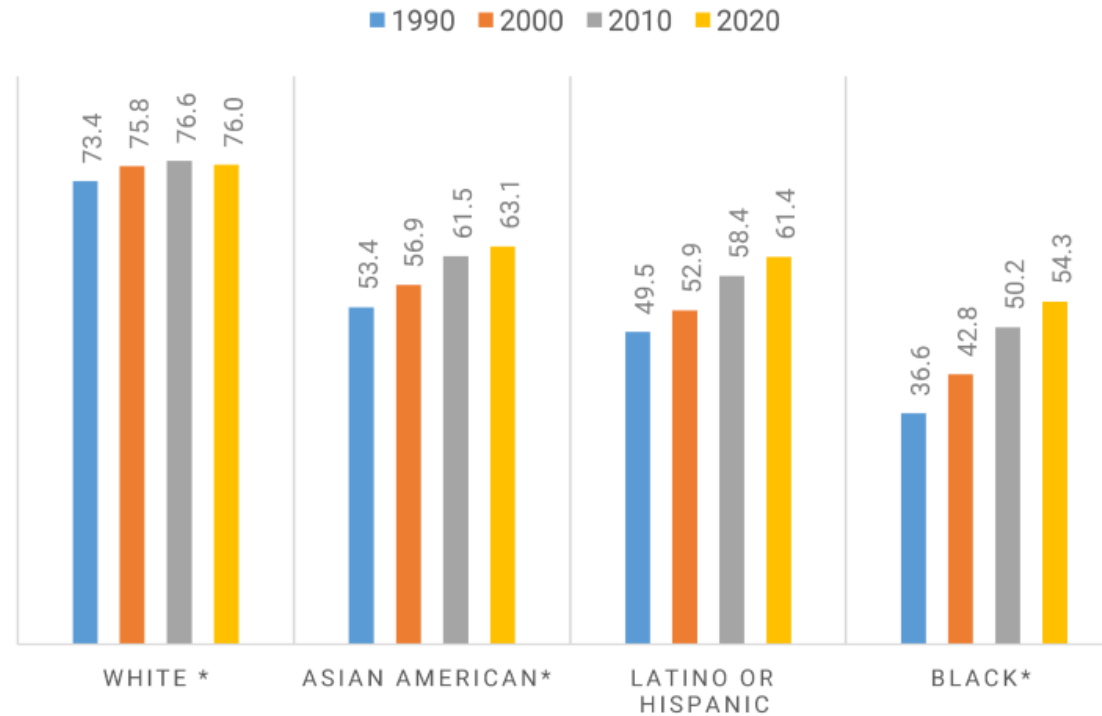


Share residing in suburbs – race-ethnic groups

FIGURE 1

Share residing in suburbs, race-ethnic groups, 1990-2020

Major metropolitan areas



Source: William H. Frey analysis of 1990-2020 U.S. decennial censuses

*Non-Hispanic members of group; Asian American includes persons identified as Asian, Native Hawaiian, and Other Pacific Islander

Note: Major metropolitan areas are 56 metropolitan areas with populations exceeding 1 million in 2020

B | Brookings Metro

The Hispanic Population is Expected to Add An Average of 3,517 Members Every Day from 2021 to 2026

In Contrast, the non-Hispanic White Population is Projected to LOSE an Average of 1,057 People Each Day

Source: Claritas, September 20, 2021

Population Segment	Average Growth in Population 2021-2026			
	Year	Month	Day	Hour
Hispanic	1,283,588	106,966	3,517	147
non-Hispanic White	-385,705	-32,142	-1,057	-44
non-Hispanic Black	320,929	26,744	879	37
non-Hispanic Asian/PI	491,410	40,951	1,346	56
All Others	215,440	17,953	590	25

“Around two out of every three people added to the American population in the next five years will be Hispanic” –
Ron Cohen, VP of Product Strategy at Claritas