

What the Hispanic Population Looks Like



According to the United States 2000 Census, 35 million Hispanic people live in the United States, accounting for 12.5% of the population. Latinos are the fastest growing demographic segment in the country. But what does this statistic mean, who is considered "Hispanic" or "Latino" and how can credit unions best serve this growing market?

Defining the Hispanic population

Like any term used to describe a particular group of people, there's considerable debate about the most appropriate term to describe and identify the group. The most widely used and accepted terms are "Hispanic" or "Latino," although some people incorrectly use the terms "Spanish" and "Mexican."

Hispanic: The term "Hispanic" is generally applied to all Spanish-speaking people and implies a cultural heritage or lineage from Spain.

Latino: "Latino" refers to people originating or having a cultural heritage from Latin America. This term does not imply Spanish her-

itage, but rather the many romance languages derived from Latin (Spanish, French, and Portuguese) that are spoken in Latin America.

Spanish: Many people in the United States refer to any Spanish-speaker as being "Spanish," however, this term should only be used for people from the actual country of Spain. Using this term to group all Spanish-speakers is like calling everyone who speaks English, be they British, American, Australian, or Canadian as "English."

Mexican: Because of the large number of people in the United States who have Mexican origins, people sometimes refer to any group of Spanish-speakers as "Mexicans." Again, use this term only to refer to people actually descended from the country of Mexico.

Chicano: Another term that is growing in popularity in some parts of the country is "Chicano." This is a relatively recent term that many Mexican descendants have used to reflect their unique cultural mix. Mexican-American activists used the term to refer to themselves during the '60s and '70s and "Chicano"—once a derisive term—has now become a more widespread term among Mexican-Americans.

The terms "Hispanic" and "Latino" are the most acceptable terms and they are often used interchangeably. Some people may

prefer one term to another, but the terms are both used equally by government organizations, community groups, and educational institutions.

All of these terms describe a growing number of people in the United States who speak Spanish in all or part of their daily interactions; participate in holidays and special events specific to Spain, Central or South America, or the Caribbean; possess cultural beliefs, behaviors or other factors commonly attributed to people from these areas; and are descendants from countries in these regions. The term Hispanic does not include race as a factor, Hispanics include people who may have white European features as well as Afro-Caribbean features and indigenous features.

Each country in Latin America has its own holidays, dialects and social, economic and political issues. The Hispanic community in the United States is very diverse and most individuals will describe themselves not as Latinos, but as members of their country of origin (Mexican, Puerto Rican, Panamanian, Salvadoran, Cuban, Colombian).

Describing the Hispanic culture

More and more service providers are realizing that each country included in the grouping of "Latino" or "Hispanic" has its own

cultural traditions, festivals, and beliefs. All of these beliefs and traditions influence how people belonging to this culture make their decisions, how they run their homes, and what they purchase. It's important to understand that previous interactions in their home countries, and their treatment in

the United States, influence how they feel about and interact with financial institutions and public services like health care, the police, and schools.

The Hispanic community has many traits typical to the cultures of their original countries, some of which were detailed in a survey

conducted in 2000 by Yankelovich Partners. Nearly all of the people surveyed were extremely proud to be Latino. They believe that they have stronger family ties than most other Americans and that a person's main responsibility is to themselves and their family.

Other Hispanic cultural

Growth of the Hispanic Population

In the past 10 years, the Latino community in the United States has doubled in size and become a major national influence in everything from music to food, clothes, books, and movies. The Latino community has increased in size and scope—in areas such as the Midwest, where it previously had a minimal impact—to become a significant influence in both the public and private sectors. As a result, more and more businesses are finding it important to have fluent bilingual Spanish-English speakers. Businesses are also realizing the need for cultural translators, people who are not only bilingual, but bicultural. Those individuals can provide credit unions and other service-providers with more insight to better methods for reaching and improving services offered to the Latino community (Figure 1).

Since 1990, the Latino population in the United States coming from Central or South America grew 5.6%, while the percentages of people originating from Mexico, Puerto Rico, or Cuba decreased slightly. Mexicans still comprise the vast majority of the Hispanic community (more than half).

Latinos of Mexican origin live mostly in the West and the South, Puerto Ricans in the Northeast, and Cubans in the South. Most Central and South Americans live almost equally in the Northeast, the South, and the West. For example, Hispanics make up 30% of the population in California. California has a large

population of immigrant Mexicans as well as a growing middle-class of Mexican-Americans. The number of Hispanics from El Salvador and Guatemala in California has also increased.

In Texas, the majority of Hispanics are of Mexican origin, but don't associate themselves with their Mexican-American neighbors in California. Instead, they claim a culture all their own. Like California, places such as Houston are seeing an increase in Guatemalan immigrants.

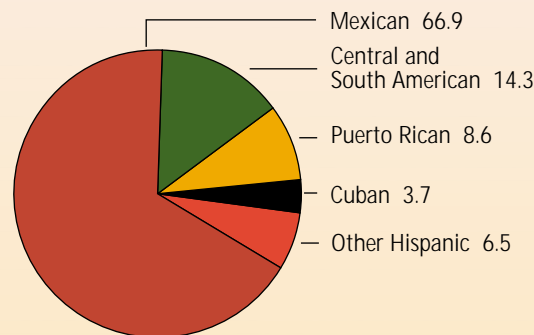
In Chicago, the largest percentage of Latinos is of Puerto Rican descent, although Chicago has a large Mexican population as well.

Puerto Ricans also represent a large percentage of the Latinos in New York. However, the percentage of immigrants from the Dominican Republic, Colombia, and Cuba has increased significantly in New York.

In Miami, Cubans make up a large percentage of the Hispanic and of the city's total population. Miami also has a growing number of Nicaraguans and Colombians, Peruvians, and other South Americans.

Credit unions nationwide need to evaluate the Hispanic market. While Latinos in the United States are still largely concentrated in states such as California and Texas, the Latino population in midwestern states has doubled since 1990.

Figure 1
Hispanics by Origin: 2002
(In percent)



Source: U.S. Census Bureau, Annual Demographic Supplement to the March 2002 Current Population Survey.

distinctions are:

- Hispanic cultures avoid uncertainty and ambiguity by not tolerating ideas and behaviors that go against their popular beliefs and norms. This philosophy carries into buying trends. In many ways, Hispanic consumers are much more likely to endorse upward status or mobility, making them very brand and trend conscious.

- In most Latino cultures, people will avoid making decisions without consensus. Often a Latino individual may give a response they believe someone is expecting, rather than risk stating an opinion that may be contradictory. This tendency is especially true when dealing with an unfamiliar or more educated person.

- The concept of saving face is also very prominent. In many cases, Latinos would rather risk not completely understanding something than risk looking uneducated or uninformed. It is imperative for credit unions to take the extra step to make sure information is both clear and understood.

- Because most Hispanics in the United States come from countries that lack trust in government institutions or where voicing opinions carries serious consequences, they are more likely to believe that

power and authority are facts of life. Hispanics are also more likely to accept that people are not equal and, in most cases, do not believe that class situations can be surpassed.

- Another factor very important for credit unions to understand is that, as a culture, Latinos are more focused on the present than the future. Their needs are more immediate. They are more focused on

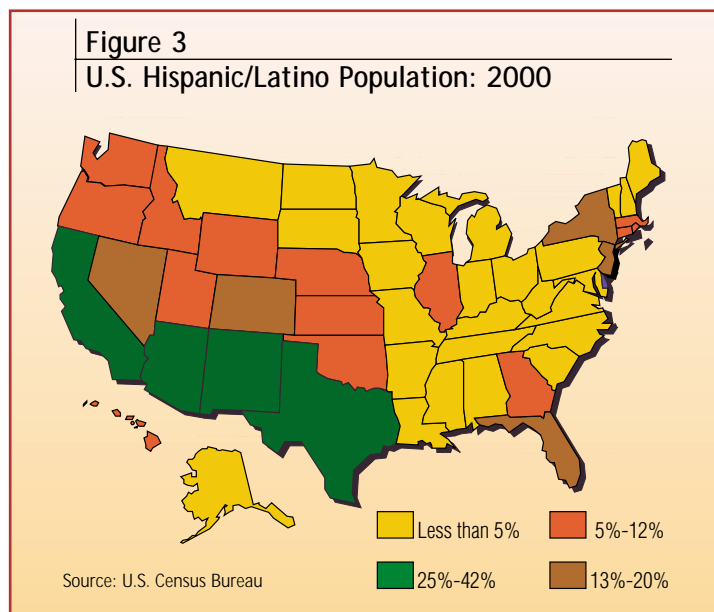
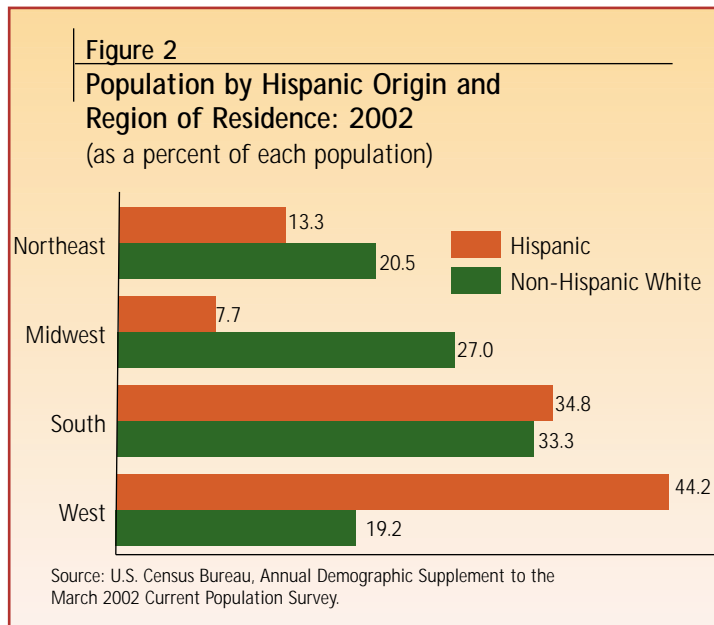
day-to-day living. This affects attitudes toward saving money and planning for education or other future expenses.

- Recognize that facial expressions or gestures are much more common communication tools in most Hispanic cultures. In their culture, people tend to have similar experiences, belief systems, and common understanding of class and educational differences. There is less need for explicit communication within the culture. In the United States most people and businesses put more emphasis on more elaborate communication.

Considering these cultural differences, Latinos will have different expectations for their interactions with credit unions. To build a better relationship with the Hispanic community,

it is important that credit unions understand not only the Spanish language, but all of these cultural aspects as well.

Of course, there are many variances and exceptions in the Hispanic culture. This information is to give credit unions a better background and understanding of Hispanic cultures, but should by no means be considered the only information source.



Identifying the Hispanic market segments

According to David Grace, of the World Council of Credit Unions Inc. (WOCCU), three important target markets are described.

- **Target market one:** recent immigrants. This market includes Latinos living in the United States for one or two years. Better than four of ten (44%) in this market are without financial services. They need materials in Spanish. This market group has a lower income than does the average American.

- **Target market two:** long-term immigrants. This group is comprised of Hispanic people who have been living in the United States for about 20 years. This group speaks Spanish—and limited English—but may not be able to write it. This market does not necessarily need materials written in Spanish.

- **Target market three:** Hispanic heritage. This group may or may not speak Spanish, but they conduct their business in English.

For most credit unions, reaching the first two markets is most difficult and the reason for informational guides such as this one.

Avoiding stereotypes in America

Webster's New Collegiate Dictionary defines stereotype as "a standardized mental picture that is held in common by members of a group and that represents an oversimplified opinion, affective attitude, or uncritical judgment."

Often people fail to recognize their own behavior as stereotyping. However, every person is guilty of stereotyping others, whether they be members of a particular ethnic group, such as Hispanic, those who belong to a specific religious group, University students, businessmen, the elderly, single parents, or blondes.

Stereotypes will always exist, but they can be dangerous if they affect how we treat one another or if they take the place of actual fact. Especially after the Sept. 11

attack on America, there has been a large nationalist movement that puts anything that is not mainstream in danger of being criticized, ridiculed, and subject to prejudicial treatment.

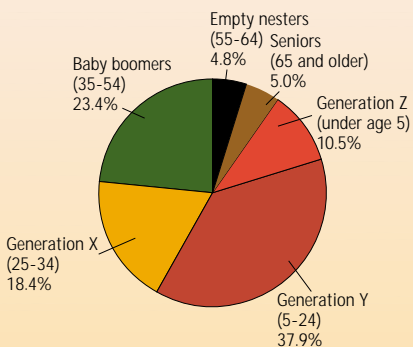
Foreigners: For example, one of the main stereotypes is that all Latinos are foreigners. People may think that Spanish names are somehow not American. In fact, many cities and other places have names of Spanish origin like Los Angeles and Santa Fe. Additionally, many long-standing Irish, German, and French names are now considered American.

Recent immigrants: Another stereotype is that all Hispanics are recent immigrants, even though the latest United States census shows three out of five Latinos are born here. Some of the oldest settlements in this country are of Hispanic origin. In fact, one of the oldest cities under the American flag is San Juan, Puerto Rico.

No economic benefit: The idea of people being foreign may also

Hispanic Age Groups

Figure 1
35.5 Million Hispanic Americans

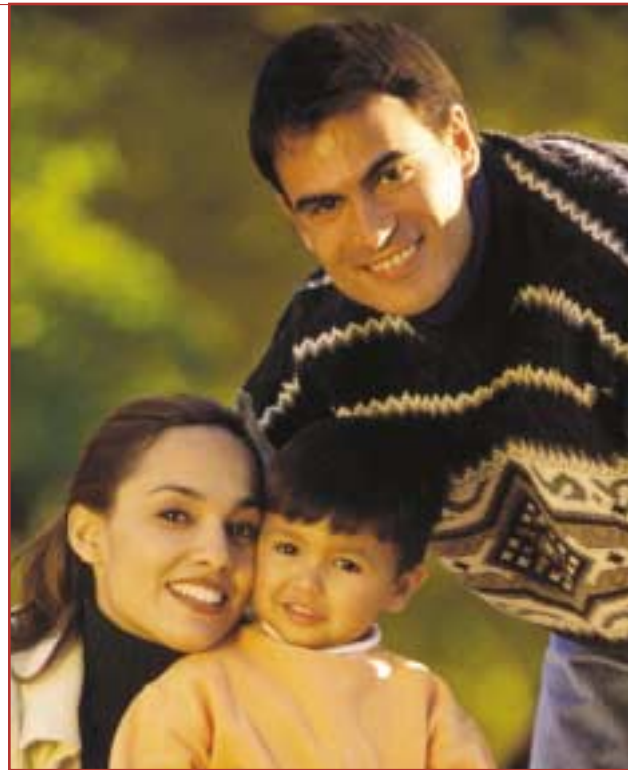


Source: *American Demographics*

The Hispanic population in the United States is very young. The median age of Hispanics (25.8) is more than a decade younger than that of white, non-Hispanics (38.6), according to an *American Demographics* analysis of Census 2000 data (Figure 1). Nearly half of all Hispanics are younger than age 25.

Between the 1990 and 2000 censuses, the growth in Hispanic youth age 15 to 29 years increased 54%, while the white, non-Hispanic population of the same age decreased 11%. More telling is the growth differential for children age 0 to 14, where Hispanics grew 62% and white, non-Hispanics decreased 9.5%. Because the Hispanic population is so heavily weighted toward the young, credit unions should expect a prolonged trend of increased Hispanic influence in popular culture, the economy, and public life.

lead to the stereotypical belief that foreigners have no stake in this system and therefore do not contribute to building the country. Contrary to popular belief, immigrants contribute much more to the United States economy than the benefits they receive. According to the National Academy of Sciences, the average immigrant contributes \$1,800 more in taxes than he or she receives in benefits. The federal government receives approximately two-thirds of immigrant tax dollars.



However, state and local governments provide the bulk of services immigrants use, including education, health, and public assistance. As a result, states and localities are often left with the task of providing services without sufficient revenue.

Job stealers: A more recent prejudicial belief is that foreigners come to America to take jobs away from 'real' Americans. It's a myth that immigrant workers take jobs away from native workers. Immigrants usually take jobs that other people don't want. Mexican workers have also been intermittently welcomed in this country. During World War I, the United States encouraged Mexican workers to work here to offset wartime labor shortages. Then, during the Great Depression, our government deported approximately one-half million people to Mexico, many of whom were American citizens. The same practice occurred during World War II.

Illegal immigrants: Another

misconception about immigrants in the United States is that they all come illegally through the Mexican border. Most immigrants here enter legally with visas. Those who are illegal usually enter with visas and then overstay them, or come across the relatively unregulated Canadian border. Nearly half of all Hispanics live in central cities within a metropolitan area.

Spanish-speaking only: Another stereotype is the belief that all Hispanics can only speak Spanish. According to the 2000 Yankelovich Partners study, 64% of the Hispanics surveyed considered themselves Spanish language dominant, 21% used English and Spanish equally, and 15% were English language dominant. While most Hispanics use Spanish as their first language, they may be offended when others wrongly assume that they do not speak English.

Associative stereotypes: Along with these misconceptions are common associative stereotypes.

For example, that includes ideas such as "all Mexicans eat tacos" and "eat spicy foods and love beans." Ideas such as these diminish the variety and diversity of Hispanic cultures. It also diminishes the importance and validity of their cultures, reducing a multi-leveled, complex culture into a simple stereotype. Think of it this way: There's a popular European belief that all Americans eat McDonald's every day.

These types of stereotypes are seen in advertising or marketing when businesses use stereotypical

images about Hispanics, like sombreros, in their promotional materials. Rather than encouraging the Latino community to use a product or service, such advertising feeds biases and reinforces discrimination.

Recognizing the new America

Credit unions have the opportunity to become leaders in providing financial services to the fastest growing segment of the country. It's important to understand culture, trends, needs, and differences in the community so that your credit union can best serve this important, growing segment of the new America that has emerged in the past decade.

The United States is a country of immigrants and few people can claim to be truly American. Nearly everyone here is a descendant of immigrants. No matter where your country of origin or for what reason your ancestors came here, immigrants founded this country. With immigrants arriving still every

day, this rich heritage continues. Compared to the percentage of people born outside of the United States in 1870 (14%) or in 1910 (14.7%), today's immigration levels account for about 11% of the population.

The Hispanic community is experiencing a different process of acculturation than the immigrants of the 19th century. In the past, immigrants faced an imperative assimilation to survive. Today's immigrants, however, are not limited to the choices or opportunities presented by the American melting pot of the past. It is no longer necessary for immigrants to sacrifice their cultures and language. Maintaining their culture rather than assimilating to the dominant culture greatly affects their financial needs and the services credit unions provide the Latino community.

In the United States today, there is a dominant culture, and many co-cultures. In the past, the dominant culture established the norms and standards for society. But starting with the civil rights movements of the 1950s and '60s, these norms have been increasingly influenced by other co-cultures.

The United States is experiencing Latinization as Jorge Ramos calls it in his book, "The Other Face of America." America is no longer a country made of whites. It is a multi-cultural and multi-racial nation.

As long as there are jobs in the United States and unemployed workers in other countries, immi-

grants will continue to come here—legally and illegally. Here a minimum-wage worker can make in one hour what it would take him or her one or two days to earn in Mexico, El Salvador, or Nicaragua.

It's ironic that a country founded by immigrants, struggles to embrace the new wave of immigration. As the Hispanic community grows, America

will face problems caused by stereotypes, racism, and cross-cultural misunderstandings.

While many businesses and community leaders have expressed positive support of the growing

Latino community, there has been opposition by a group called the Americans for Immigration Moratorium which campaigns for more strict immigration laws.

As anti-immigrant groups emerge, more immigrant-advocacy groups develop as well, such as the Immigrants Support Network or the Lutheran Immigration and Refugee Service. Communities and schools are also becoming involved, providing public education campaigns about immigrants and the Hispanic community. The television media is also involved in numerous public service campaigns and documentaries, such as "The New America" on PBS. The new America is not a melting pot, but as some groups are calling it, a salad tossed full of different ingredients that contribute to its beauty and appeal.

In 10 years,
the Latino
community
has doubled.

Resources

The content provided in this segment includes information from the following sources:

- The Hispanic Population in the United States: March 2002, issued June 2003, U.S. Census Bureau
- The Hispanic Population, Census 2000 Brief, issued May 2001, U.S. Census Bureau
- Hispanic Market Secondary Research Executive Summary, May 2003, Pam Schnagl, CUNA Mutual Group
- David Grace, World Council of Credit Unions Inc.
- Hispanic Agenda for Action (HAA), Office of Minority Health, U.S. Department of Health and Human Services, Washington, D.C., more information can be found at www.haa.omhrc.gov
- The "Other Face of America," Jorge Ramos, HarperCollins Publishers Inc., 10 East 53rd Street, New York, NY 10022
- The NewsHour with Jim Lehrer, February 16, 1998, MacNeil/Lehrer Productions transcript can be found at www.pbs.org/newshour
- The City/La Ciudad, PBS documentary series, more information can be found at www.pbs.org/itvs/thecity
- Hispano Mundo, www.hispanomundo.com
- For a list of Hispanic events, go to www.aviso.net/dir/usa/hispanic/events