

# Hispanic CLUE

*informa:*

*CREO announces the launch of their new web site. The user-friendly site posts all issues of the CLUE Newsletter, and displays many examples of CREO's expertise in multilingual communications.*

*Check out  
**www.creo-works.com**  
to see how CREO continues  
to address the needs of  
the Hispanic community.*

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# CLUE

*Cultural & Linguistic Understanding of Ethnicity.*

## Financing Challenges & Home Ownership

Latinos have become a driving force in the United States economy and their collective strength has become an undeniable reality .

*•Their buying power has grown greatly in the last decade, and Hispanic men have the highest labor force participation rate of all major American ethnic groups.*

*• In 1998, household median income for Hispanics jumped to \$28,330, a 4.8% increase over the previous year.*

However, despite recent gains in employment, income and earnings, Latinos families continue to lag behind other Americans and do not fully enjoy the benefits of the unprecedented growth in the U.S. economy in the last decade.

Because Hispanics continue to have less access than other Americans to wealth-building vehicles, Latinos families remain economically immobile and financially insecure.

Homeownership, Americans primary asset, is not yet a reality for the majority of U.S. Hispanics.

*•Nationally, only 45.5% of Hispanics families own their homes, whereas 47% of Black families and 73% of White families are home owners.*

*•This represents a 4.7 percent increase from 1994, when only 40.3 percent of Latinos owned their homes. Despite the increase, it is still apparent that "Mi casa NO es su casa."*

*•According to Home Mortgage Disclosure Act data, Hispanics are more likely to be rejected for a mortgage loan application or to receive less favorable terms.*

There are a variety of reasons why Hispanics lag behind their Black and White counterpart in home ownership. Some of the most prominent reasons are a lack of credit history, cultural differences and language barriers.

### Credit Barriers

Perhaps the biggest reason as to why Hispanics trail in home ownership is a lack of credit history.

*•Many immigrants have not been in the U.S. long enough to establish a long-term employment and housing record.*

*•Most immigrants, especially those from Mexico and Central America, pay for everything in cash.*

The problem is not that Latinos have bad credit, it is simply that they have no credit at all.

### Culture barriers

Another obstacle that many Hispanics must overcome is trusting the U.S. banking system.

*•In many Latin American countries banks can not be trusted, and are available only for the wealthy. For this reason, it is difficult to convey to the Hispanic consumer that depositing money into a checking account for a down payment is just as safe as bringing in \$10,000 cash.*

### Language barriers

The language barrier between English speaking banks and Spanish speaking customers add great difficulty in conveying the specific details of getting a home loan. Many Latinos feel less comfortable with technical terms in English and misunderstandings may arise. For example, "no out-of-pocket expenses" may translate in Spanish to "it's not going to cost you anything."

*•Several major financial institutions have hired Spanish speaking loan officers to service their Hispanic customers.*

*•In addition, many informational brochures on banking and borrowing as well as applications are available in Spanish.*

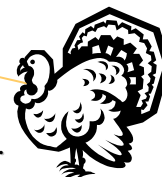
*•Thanks in part to these simple changes, home loans issued to Hispanics have increased 35.4% between 1995 and 1999.*

Because Hispanics not only represent a new emerging market for financial services but they will play an increasingly significant role in the U.S. economy, the financial industry and the broader community should take concrete steps to address the financial security challenges faced by Latinos today.

Economic Trends

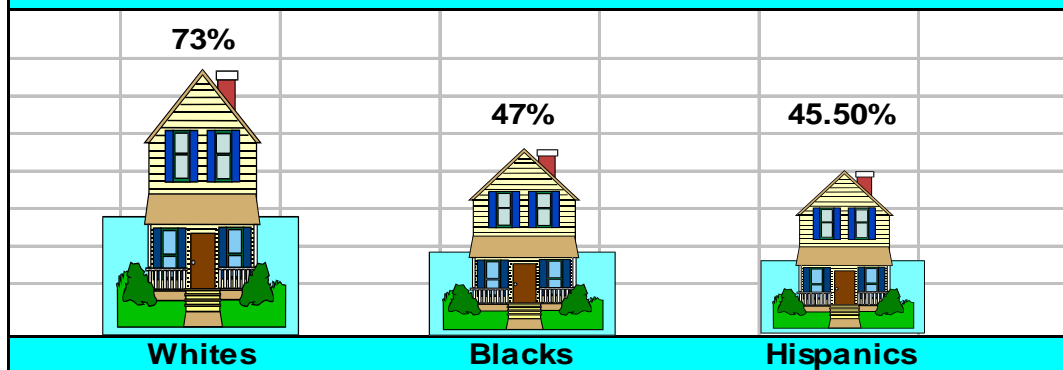


**Did you know** that Butterball's Turkey Talk-Line is also available in Spanish? Feliz día de Acción de Gracias.



# Las Estadísticas

## Home Ownership in U.S. Ethnic Markets



## Upcoming Conferences

**7th Annual Marketing to  
U.S. Hispanics & Latin America**  
January 25-26, 2001  
Wyndham Miami Resort Hotel  
Miami Beach, Florida  
[www.srinstitute.com](http://www.srinstitute.com)  
e-mail: [info@srinstitute.com](mailto:info@srinstitute.com)

**Association of Hispanic  
Advertising Agencies  
2001 Semi-Annual Conference**  
March 29-31, 2001  
Scottsdale/Phoenix, Arizona  
The Scottsdale Plaza Resort  
[www.ahaa.org](http://www.ahaa.org)

## Hispanic Holidays

### November ~ Noviembre

- 1st - Panama - National Anthem Day
- 3rd - Ecuador - Independence of Cuanca, 1820  
- Panama - Independence Day, 1903
- 5th - El Salvador - 1st Declaration of Independence
- 6th - Dominican Republic - Flag Day, 1844
- 11th - Colombia - Independence of Cartagena, 1811
- 19th - Puerto Rico - Discovery Day, 1493
- 20th - Mexico - Revolution Day
- 26th - Colombia - Flag Day, 1861
- 27th - Paraguay - Flay Day, 1842
- 28th - Panama - Independence Day, 1821
- 30th - Bolivia - Flag Day, 1831

# CLUE Newsletter

*A publication of CREO International*

*If you would like to receive a copy of **CLUE** or have suggestions on future topics,  
please contact Josh O'Neill at 612-342-4349*