

LATIN REVIEW 2006

Report on credit and saving typologies for South
Florida's Hispanic markets



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What is Latin Review:?

- The South Florida Hispanic communities represents a window of opportunities for marketers. It is a community with demographics contrasting significantly with other US Hispanics given its diversity of origins, as well as its markedly different educational, professional and income profiles. This survey aims to present the communalities and contrasts within the Hispanic Community based on country of origin, years of residence and acculturation.
- Contrary to other migratory waves, Hispanics have combined assimilation with fidelity to roots and customs. Oftentimes they keep ties that bind to their home countries, family and otherwise.
- Latin Review aims to present these opportunities as well as the way to reach this market. In its second edition, Latin Review covers all principal Hispanic Communities by country of origin and the consumer insight this budding market represents if marketers understand the nuances of each individual community.

Following are the subjects covered in this edition:

- **Consumer profile:**
 - Demographics
 - Acculturation
 - Values
- **Financial habits**
 - Banking habits, stateside and abroad
 - Remittances
 - Credit status
- **Telecom usage**
 - Cell phone and Internet usage.
 - International Long Distance Telecom usage
- **Media access**
 - General and by media



Latin Review published editions

In each of Latin Review editions, the aim is to cover specific Hispanic Communities and regions in the US. Latin Review 2006 is the second edition rolled. Following editions will be carried out, Hispanic's origin and regions will defined according to our client's need.

Edition I (May 2004)

Covered Hispanic communities in South Florida, with emphasis towards the Venezuelan and Colombian communities

Edition II (January 2006)

Covered Key Hispanic communities in South Florida: Argentina, Brazil, Colombia, Peru, Venezuela, Chile, Mexico, Central America and other South American countries.



Methodology

Latin Review is a face to face, mall intercept survey covering Hispanic specific high traffic areas.

Target definition: males and females, 18 to 65 years of age, first generation residents, with at least 6 months in the US.

Geographic coverage: Miami Dade, Broward and Palm Beach counties.

Confidence level: 95%

Sampling method: random multi stage sampling covering 70 sampling points in 22 census based high probability Hispanic profile areas across the three counties.



Sample distribution

By Country of origin	n
Argentina	48
Colombia	60
Mexico	39
Venezuela	48
Peru	43
“Other” South America (Paraguay, Bolivia, Ecuador, Uruguay and Chile)	68
Central America (Costa Rica, Guatemala, Honduras,, El Salvador, Nicaragua, Panama)	54
Cuba	40
Dominican Republic	20
Total respondents	420



- Hispanic Markets - Hispanic's demographics based on their credit and savings behavior

- How much can Hispanics in South Florida save?:

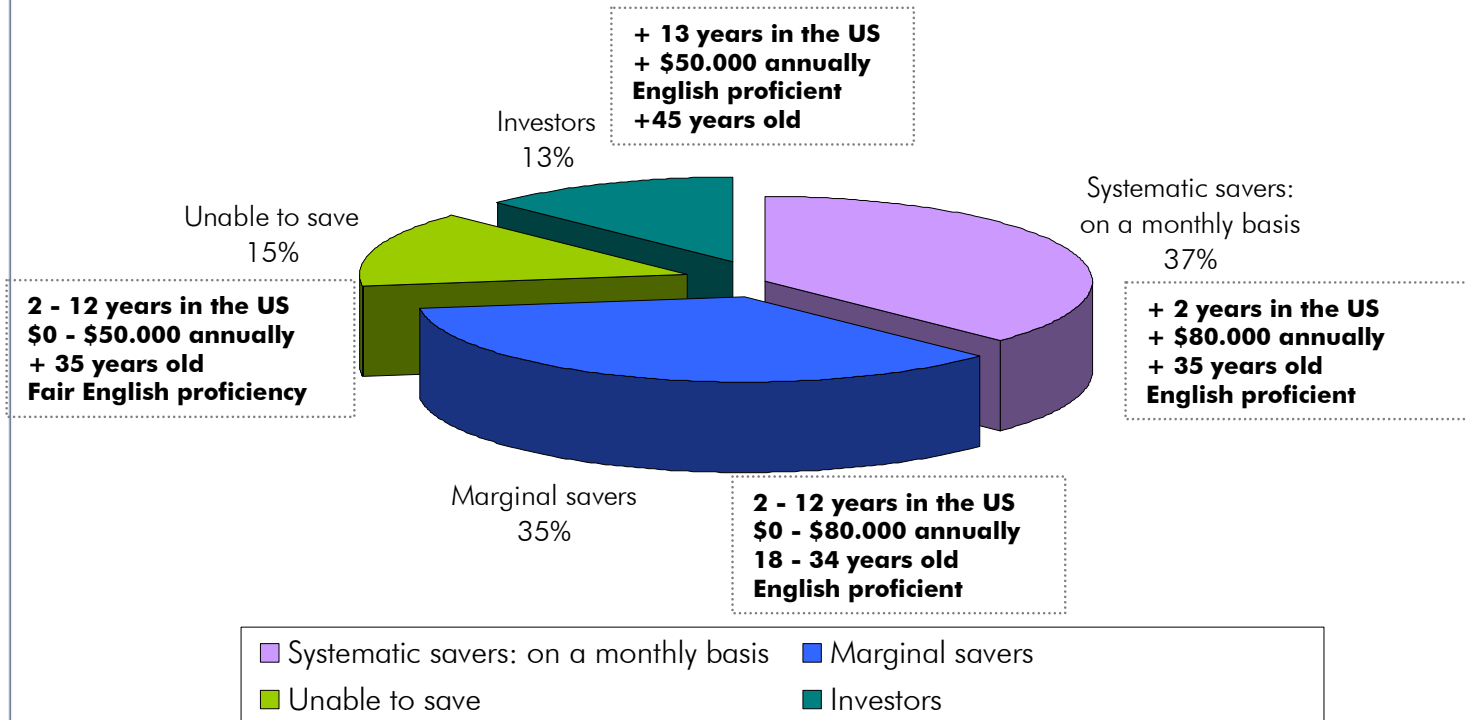
Saving typologies: Systematic Savers, Marginal Savers, Investors and Unable to Save

- Motivation to save - What are they saving for?
- Access to credit

Credit typologies: No Credit, over extended, Aspiring more Credit and Comfortable Status Quo.



How much can you save?



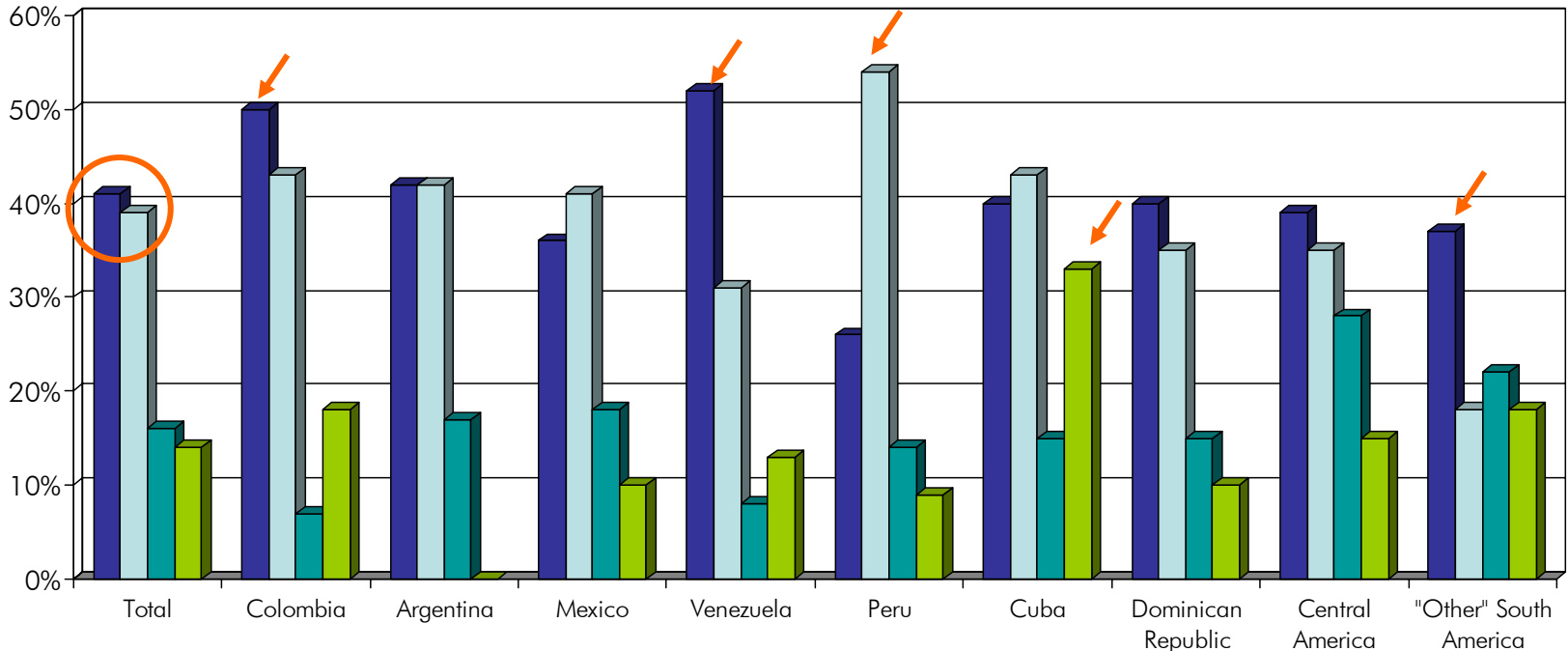
Note: age range of respondents 18 – 66 years old

The survey showed four different saving profiles:

- 1) Four out of ten are **Systematic Savers**, who save on a monthly basis
- 2) A similar portion are **Marginal Savers**, who can save small amounts on a non systematic basis
- 3) 14% are in the **Investor** category
- 4) 16% are **unable to save** anything at present



How much can you save?



Average income (thousands)

\$57

\$63

\$54

\$53

\$53

\$44

\$64

\$67

\$54

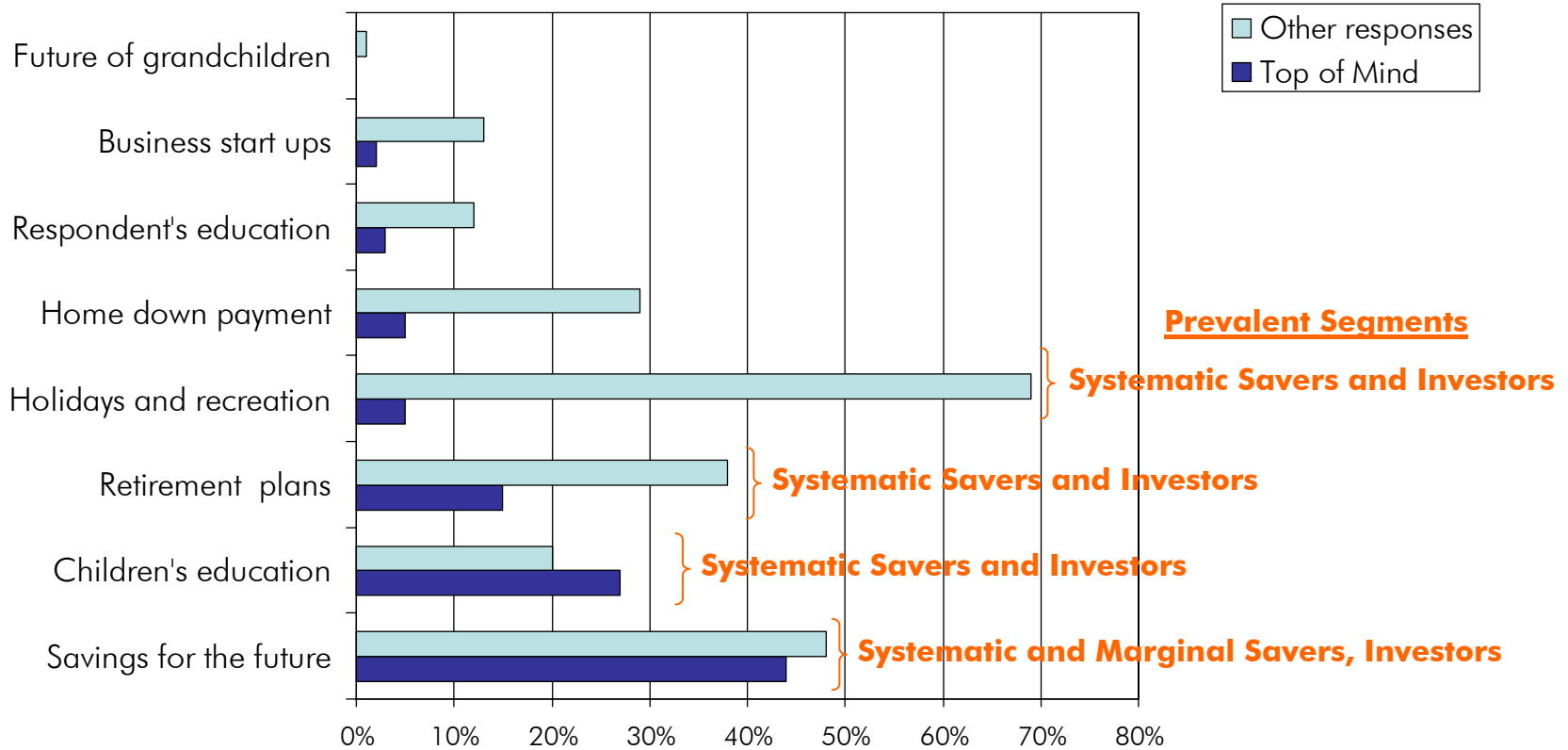
\$64

- **Colombians show the highest proportion of savers of any Kind**
- **Systematic Savers are more prevalent among Venezuelans and Colombians, where one out of two nationals are in this category**
- **The highest proportion of investors was found among the Cuban community members interviewed**

- Systematic savers: on a monthly basis
- Marginal savers
- Unable to save
- Investors

• **With 16% of respondents unable to save at all, this highest proportion was found among Central Americans**

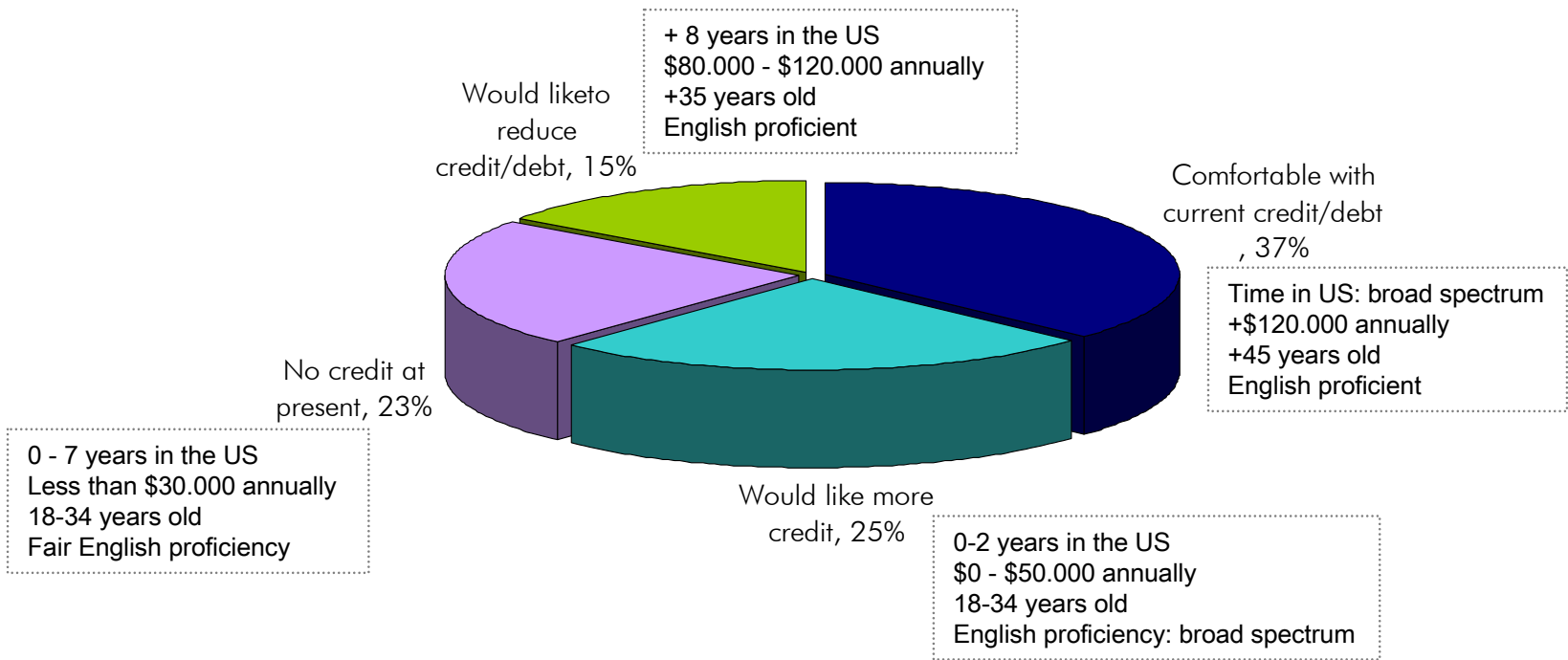
What do you save for?



Offspring's education and Retirement Plans as well as having resources for the future, are the key saving motivators, additionally to having money for vacations and recreation



How is my credit?

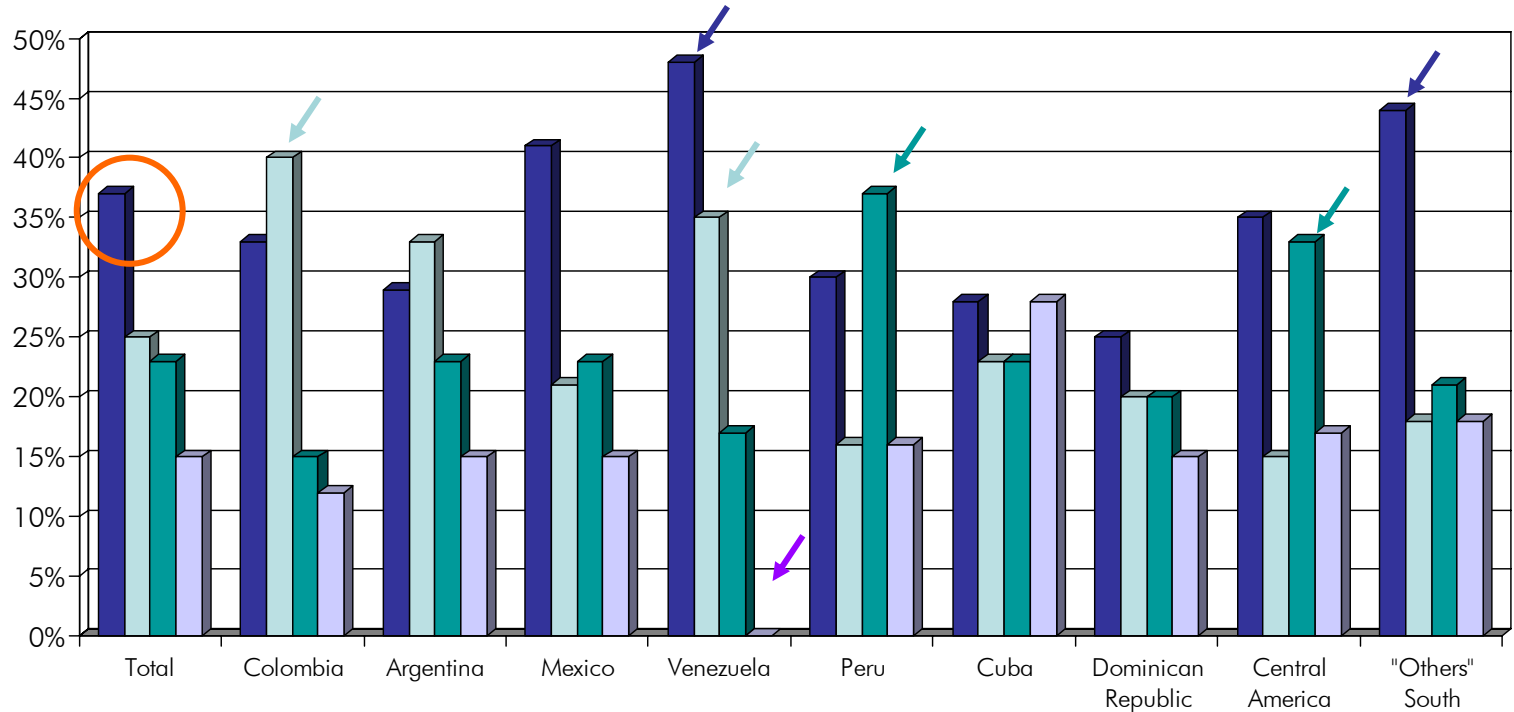


The survey showed four different credit profiles:

- 1) **Close to four out of ten persons surveyed felt comfortable with their current credit management, these are basically people with over \$120,000 annual income, bilingual, and older than 45 years old.**
- 2) **A similar proportion do not have credit at present, these are basically people that earn less than \$30,000 annually, fair English, between 15 and 34 years old and with less than 7 years in the US.**
- 3) **One out of four Hispanics surveyed would like more credit. These group has less than 2 years in the US, earn an income of less than \$50,000 and are between the ages 18 to 34 years old.**
- 4) **15% would like to reduce credit levels. These are basically earning between \$80,000 to \$120,000 annually, are over 35 years old and have lived more than 8 years in the US.**



How's my credit?



Average annual income (thousands)	\$57	\$63	\$54	\$53	\$53	\$44	\$64	\$67	\$54	\$64
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Average years residing in FI	6.67	5.41	6.28	6.9	4.59	5.47	11.94	7.25	7.22	6.42
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■ Comfortable with current credit/debt
 ■ Would like more credit
 ■ No credit at present
 ■ Would like less credit/debt

Members of the Colombian, Venezuelan, Argentinean and Cuban communities tend to show the highest potential for more increased credit. Central Americans could be a target for opening credit, given their income potential



Attitude towards credit

When comparing credit situation by country of origin, Cubans score the highest in their will to decrease debts (28%), being also the community with the longest time of residence in Florida (12 years old). Venezuelans, being the community of most recent arrival (4.6 years), are the ones that feel more comfortable with their current credit/debt level (48%) and none of them felt they would like to decrease debt

Mexicans and Hispanics from Other South American countries (Chile, Bolivia, Paraguay, Bolivia and Ecuador), seem to be mainly comfortable with current credit/debt level; while Peruvians (37%) and Central Americans (33%) conform the communities presently with less access to credit.

