

More Than Just Language: A Look at Diversity Among Hispanic Boomers

Overview

The potential of the Hispanic market is not new news anymore. Hispanics, now the nation's largest minority group at 42 million, are the fastest-growing group in the country. It is estimated that by 2020, one in every five Americans will be Hispanic. According to the Selig Center for Economic Growth at the University of Georgia's Terry College of Business, the buying power of Hispanics is projected to grow to more than \$1.2 trillion five years from now.¹ Among the US Boomer segment (born between 1946-1964), Hispanics represent approximately 10% of the population – over 7 million consumers.

Companies are aware of the importance of targeting Hispanics and many of them are already doing it - some aggressively, others cautiously. To date, however, the focus has been mainly on the less acculturated segment, or Spanish-dominant Hispanics. Why? Behaviors of less acculturated Hispanic consumers can be significantly different from Caucasian consumers, not only the obvious language difference but also their lifestyles. Companies frequently have to either tailor their General Market strategies or develop a new approach to reach less acculturated Hispanics effectively.

What about the more acculturated Hispanic Boomers? Can we simply group these Hispanic Boomers with "General Market" Boomers, or do they require communication specifically targeted to them?

The *Wall Street Journal* recently reported that "marketers are starting to rethink how they advertise to Hispanics, using less Spanish language advertising. Even with a shift to more advertising in English there still appears to be differences from the General Market in terms of cultural identity, values and motivations for behaviors."² Diversity goes beyond just language differences. Companies are recognizing the potential of the acculturated, are beginning to understand that they are different from both the General Market and the less acculturated, and are developing different strategies for reaching them.

Focalyst worked with Millward Brown's Multicultural Practice to better understand the more acculturated Hispanic Boomer segment.

Note to the reader: For brevity's sake, the term "Hispanic Boomers" throughout the report refers to the combined population of Acculturated and Bicultural Hispanic Boomers and does not address the Spanish-speaking Unacculturated Hispanic Boomers.



Key Findings

Hispanic Boomers differ from General Market Boomers on a variety of levels, from demographics to life goals. Just as the General Market Boomer population is diverse, Hispanic Boomers exhibit differences not just from the General Market, but from each other as well, and it is not only about English or Spanish fluency.

While there are common values around family and traditions, Acculturated Hispanic Boomers and Bicultural Hispanic Boomers have different life experiences, different goals for the future, and differing attitudes about life. For these reasons, marketers trying to reach either of these segments may miss out on both if they use a General Market message.

Notable findings:

- There are more trailing Hispanic Boomers than in the General Market, meaning that they have additional years before many will be reaching the age when critical insurance and financial decisions are made.
- Hispanic Boomers live in larger households, often made up of younger children, adult children, or older relatives. With extended families, Bicultural households have the largest household composition.
- Acculturated Boomers are the most likely to be a caregiver for a family member, with 14% recently taking on this role.
- Besides supporting larger households, a quarter of Hispanic Boomers are providing substantial financial support to someone outside of their homes.
- Both Acculturated Hispanic Boomers and Bicultural Hispanic Boomers are aspiring for a better life, but the Acculturated are using education to further themselves, while Bicultural are entrepreneurial.
- Despite experiencing more negative life events and not having many of the educational and financial advantages that the General Market and even the Acculturated Hispanic Boomers have had, Bicultural Hispanic Boomers have very positive attitudes about life.

Methodology

This report is based on survey results from two sources: 1) the Focalyst View survey of 17,040 Boomer Americans (including 482 Acculturated Hispanics and 243 Bicultural Hispanics - the mail questionnaire for this study was in English therefore Spanish dominant households were not included); and 2) a nationally representative Multicultural Segmentation Study conducted by Millward Brown that interviewed 1,300 respondents in the language of their choice.

How big is the more acculturated Hispanic Boomer segment?

In researching the total Hispanic population, Millward Brown's Multicultural Practice has divided Hispanics by their level of acculturation, finding a correlation between acculturation and specific attitudes and behaviors (Figure 1). **Unacculturated**

Hispanics represent approximately 10% of the Boomer population – over 7 million consumers

Hispanics are foreign born, speak Spanish in the home, and identify strongly with their native culture. **Bicultural Hispanics** are consumers born either in the US or in Latin America that identify with aspects of both cultures.

Foreign-born Bicultural Hispanics are likely to have many years living in the US and are bilingual. **Acculturated Hispanics** are U.S. born and speak primarily English. They identify strongly with American culture, but still keep ties with their Hispanic culture. Based on Millward Brown's Multicultural Study, two-thirds of Hispanic Boomers are either Bicultural or Acculturated. For the purposes of this report, we will look deeper into these two segments.

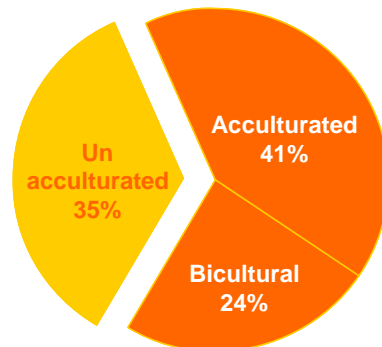
Figure 1

Hispanic Boomers by Acculturation

2 in 3 Hispanic Boomers are "more-acculturated"

Unacculturated

- Foreign born
- Spanish dominant
- Higher consumption of Spanish media
- Strong self identification with Hispanic culture



Acculturated

- US born
- English dominant
- Highest consumption of English media
- Strong self identification with the American culture, still keeping ties with their Hispanic background

Bicultural

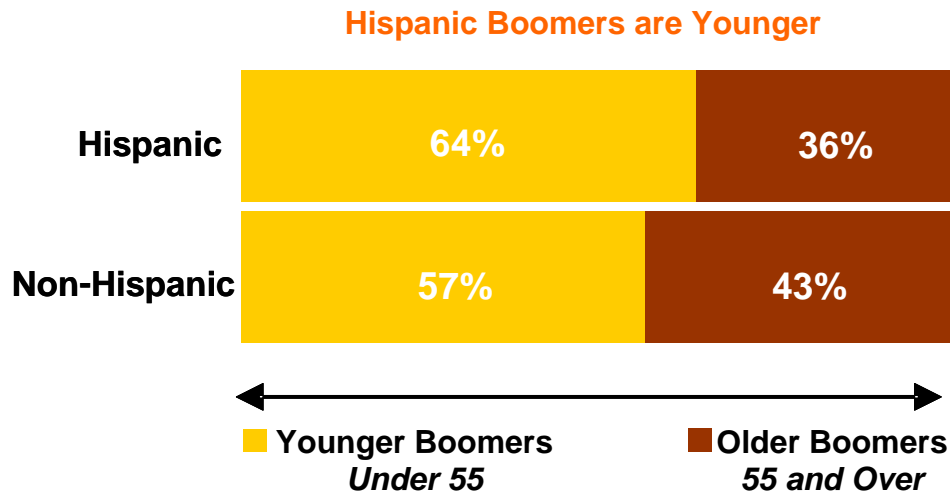
- US born, or foreign born living many years in the country
- Bilingual, significant use of the Spanish language in specific situations
- Consume both English and Spanish media
- Self identification with both cultures

Source: Millward Brown '06

Hispanic Boomers are younger and have relatively lower income than General Market Boomers

Hispanics, in general, are the youngest ethnic segment in the US and this holds true within the Boomer population. More Hispanic Boomers are in the lagging (younger) Boomer segment than the General Market (Figure 2). According to the most recent Census data, 64% of Hispanic Boomers fall into the younger age range compared with 57% of the non-Hispanic population. This has significant implications for businesses such as finance and insurance, as there are additional years before many Hispanic Boomers will be reaching the age when many critical insurance and financial decisions are made.

Figure 2



Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2006.

Bicultural Hispanic Boomers are the least likely to have any college education and are the most likely to be married or partnered. Hispanic Boomers are in the work force in the same proportion as their General Market counterparts but they earn less annually. Roughly 3 in 4 work either in a full time position or are working part time (approximately 14% of the Boomer population is currently unemployed or retired, regardless of ethnicity). In spite of their similar working status, Hispanic Boomers have lower income than the overall Boomer population. On average, Biculturals earn 23% less than General Market Boomers on an annual basis.

Figure 3

Demographic Profiles of General Market and Hispanic Boomers

	General Market Boomers	Total Hispanic Boomers	Acculturated	Bicultural
Average Income	\$73,921	\$64,456	\$68,475	\$56,607
% College Educated*	73%	65%	69%	55%
% Married or Partnered	69%	68%	64%	75%
% Employed/Retired**	77/15	76/9	75/10	77/7

*Some college +; **the unemployment rate does not vary among groups from ~14.5

Source: Focalyst View

It Starts at Home

Another key difference is that Hispanic Boomers live in larger households than the General Boomer Market (Figure 4). They are more likely to have an adult other than a spouse/partner in the household, often an older relative or an adult child. Being a relatively younger population, many Hispanic Boomers still have younger children living with them – 49% of Bicultural Boomers versus only 37% of the total US Boomer population. The result is that younger Hispanic Boomers are likely to be "sandwiched" between caring for children and caring for elders.

Figure 4

Household Composition

Proportion of boomers living with...	US General Market Boomers	Total Hispanic Boomers	Acculturated Hispanic Boomers	Bicultural Hispanic Boomers
<u>Other Adults 18+, other than Spouse/Partner</u>	30%	37%	38%	35%
Children/Grandchildren	22%	27%	28%	26%
Parents	5%	7%	7%	6%
Grandparents	0%	1%	1%	1%
Other relatives (aunt,uncle,cousin,etc.)	3%	5%	5%	5%
Unrelated	3%	4%	5%	2%
<u>Other household members under 18</u>	37%	45%	42%	49%
Own Children	26%	30%	28%	32%
Grandchildren	5%	8%	9%	7%
Nieces/Nephews/Other Related Children	2%	3%	2%	4%
Children not related	1%	1%	1%	0%
Average household size	2.9	3.3	3.2	3.6

Source: Focalyst View

These demographic differences, particularly age and income, heavily impact values, aspirations and life events. Family is often strongly associated with Hispanic values. Family comes first for Hispanic Boomers, as it does for General Market consumers (65% versus 64%, no statistically significant difference). However, the concept of family and how each group manages family relations may be different. As we have seen from

A quarter of Hispanic Boomers are providing substantial financial support to someone outside of their household

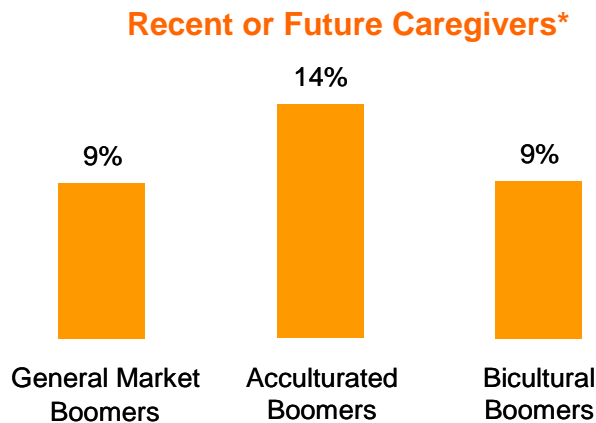
Hispanic household composition, the concept of family often includes extended families (i.e. grandparents, uncles, cousins), and can be tied directly into what one is willing to do for one's family.

Caring/support of family members is inherently part of the Hispanic culture and can manifest itself as caregiving or providing financial support. A quarter of Hispanic Boomers are providing significant financial support to someone that does not live in their household, compared with 18% of the General Market. It should be noted that the majority of the General

Market support goes to adult children at school, while for Hispanics, the majority is going to elder adult relatives. Either way, these consumers are already living with less, and in many cases are stretching further to help support others.

With older adults in the household, caregiving becomes a major issue facing Hispanic Boomers, and appears to be having more of an impact on Acculturated Boomers (Figure 5). The impact is somewhat less on Bicultural Boomers, who were foreign born and likely have most of their older family members still living in their native country.

Figure 5



*Became a caregiver in the past 12 months or anticipate becoming a caregiver in the next 12 months.

Source: Focalyst View

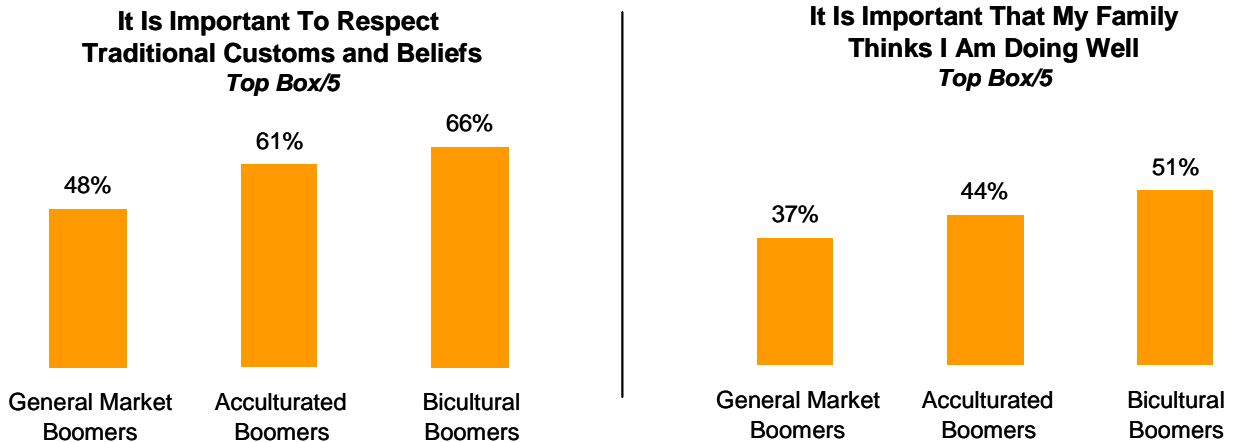
Family and cultural ties extend beyond finances and a sense of responsibility, but are core values that provide a common denominator among Hispanic Boomers. Respecting traditions is more important for Hispanic consumers than for General Market Boomers – particularly among the Bicultural segment (Figure 6). With the recent growth of the Hispanic market, this willingness to respect and follow traditions from their Hispanic background seems to be becoming stronger in what is referred to as *retro-acculturation*.

Work/success, or sometimes more importantly, letting others know about one's own personal success is more important among Hispanic consumers, especially among those who migrated from Latin America (Bicultural Boomers). One very important way Hispanics show their success is through their homes, which they see as a reflection of their own image (81% vs. 75% General Market). They are often receiving family as visitors, thus it is important for them to keep up the appearance of their home.

81% of Hispanic Boomers say how their home looks is an important part of who they are

Figure 6

Cultural Ties and Family are Key Values for Hispanic Boomers



Source: Focalyst View

This concept of family among Hispanic Boomers is an important one for marketers to understand. Companies in the wellness category, for example, may need to re-think the way they target Hispanic Boomers because of these situations. One option could be to provide services to make the lives of Boomer caregivers easier. Financial services marketers should try to help them cope with the demands that their family obligations place on their wallets. Home furnishing manufacturers and retailers should tap into the feeling of pride in their homes.

Aspirations for the Future

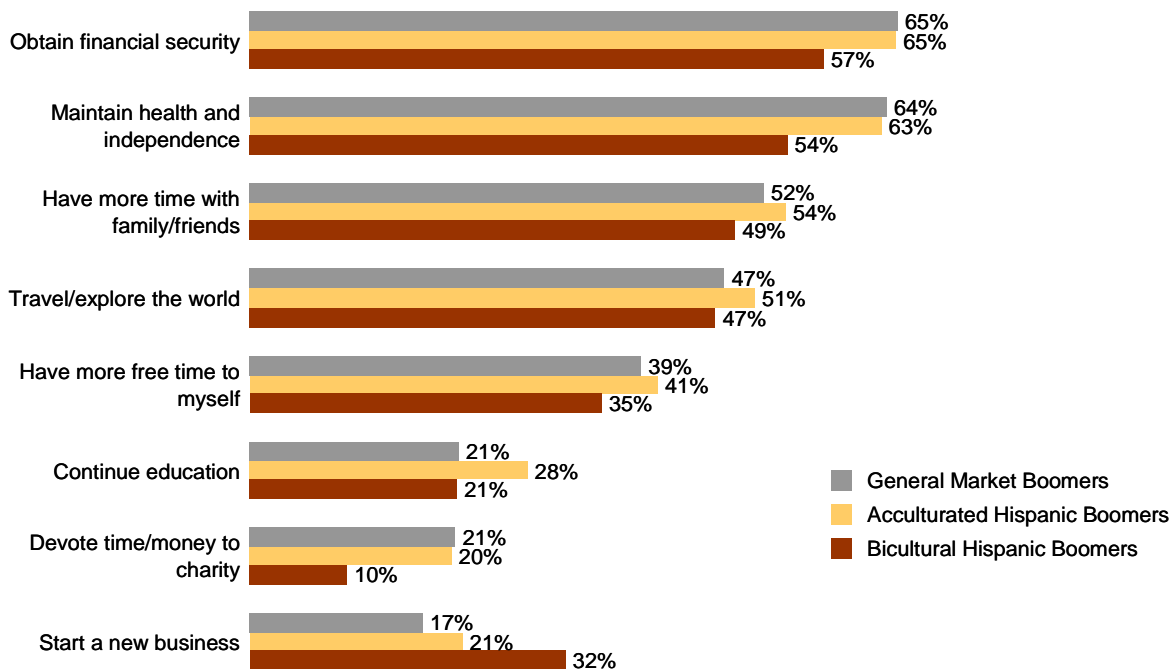
The Focalyst View analyzed several aspects of the Boomers' lives and found interesting differences (and similarities) between Hispanics and General Market consumers and their goals for the future.

Among all Boomers the desire to have financial security and maintain their health are paramount but there are some interesting differences (Figure 7). Acculturated Hispanic Boomers are more likely to aspire to continue their education (28%), perhaps as a way to close the income gap with the General Market Boomer.

Bicultural Hispanics are less likely overall to be aspirational, except when it comes to starting their own business – they are almost twice as likely to desire to start a new business than the General Market consumer. Again this goal may be attributable to seeking a path that leads to greater income or a reflection of the motivation and adventurousness that brought them to another country.

Figure 7

Life Goals of General Market and Hispanic Boomers



Source: Focalyst View

In general, both Acculturated and Bicultural Hispanic Boomers seek progress and a better future – but go about achieving it via different routes. Acculturated Hispanic Boomers do it via education, while the Bicultural are more entrepreneurial.

Attitudes About Life

Events experienced in life, whether planned or unplanned, can have an important impact on attitudes and behaviors. Findings from the Focalyst View reveal that Hispanic Boomers are more likely than the General Market to experience negative life events around finance and career, such as unexpected debts and job loss, and this is most prevalent among the Bicultural.

However, despite experiencing more negative life events and not having many of the educational and financial advantages that the General Market and even the Acculturated Hispanic Boomers have had, Bicultural Hispanic Boomers have very positive attitudes about life. They are just as or more likely to feel that they have been fortunate and have accomplished as much in their lives as the General Market Boomers (Figure 8).

Figure 8

Hispanic Boomers Are Positive About Their Place in Life

	General Market	Acculturated	Bicultural
I have accomplished a great deal in life	77%	76%	80%
Compared to most people I have been fortunate in life	82%	82%	86%
I look and feel younger than most people my age	69%	74%	72%

Source: Focalyst View

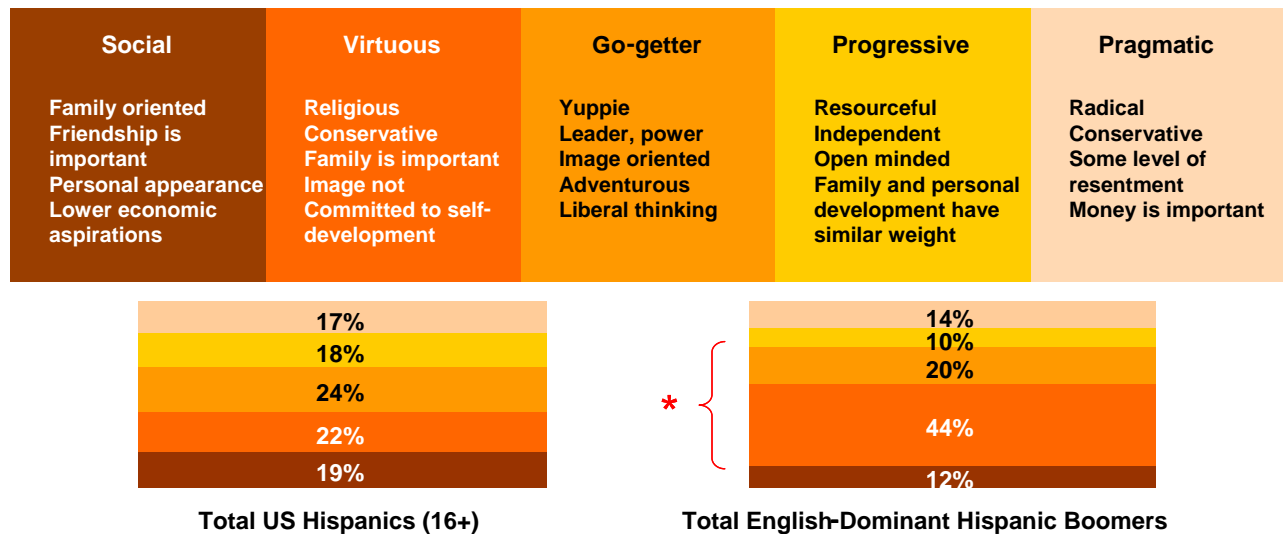
Although they appear on the surface to be living with less, they may be much better off at this stage of their lives than they would have expected when they were younger and/or in their native country. There is a common phrase among some Hispanics, "Estamos mal, pero vamos bien"... "things are bad, but we are doing well." This statement reflects the optimism, even in bad situations, that we see among these Hispanic Boomers.

Hispanic Segmentation

A deeper reflection of the diversity within the Hispanic population was revealed in a segmentation study conducted by Millward Brown's Multicultural Practice (Figure 9).

Figure 9

Hispanic Lifestyles



Source: Millward Brown '06

The segmentation identified five Hispanic lifestyles when segmenting the total adult

Hispanic population: Social, Virtuous, Go-getter, Progressive and Pragmatic consumers.

The predominant lifestyle among Hispanic Boomers is the Virtuous Hispanic (over 4 in 10), a relatively conservative person for whom religion plays a very important role in his/her life. They are respectful of traditions and are strongly family oriented. Another 20% of Hispanic Boomers are "Go-getters", a group that in many aspects is the opposite of the Virtuous. They have strong liberal thinking, are image oriented, open to change, and are risk takers. But these two segments do not define every Hispanic Boomer – some are more Social, some are more Progressive, and others are Pragmatic. As we have seen, these are all accurate reflections of the Hispanic Boomer groups, go way beyond language, and clearly exhibit how very different they can be from one another.

Conclusion

Just as Hispanic Boomers differ from the General Market, they cannot be lumped together; language-spoken is only one way to divide this population. There are a variety of demographic, attitudinal and behavioral differences depending on where they were born and their acculturation level. Marketers need to go beyond language and understand the diversity that exists within the Hispanic Boomer population.

Acculturated Hispanic Boomers are more like the General Market but their emphasis on home, family and tradition may call for different messaging than mainstream Boomers. Bicultural Hispanic Boomers are more positive overall, despite negative life events and lower education/income. Biculturals are also more motivated and adventurous than either the General Market or Acculturated making an aspirational message more appealing.

In a future Insight Report, we will look deeper into the financial picture, attitudes toward health and adoption of technology in the Hispanic Boomer population.

Focalyst™ (www.focalyst.com) is a leading source of information and insights about Baby Boomers and Mature consumers. As a Millward Brown specialty practice supported by AARP Services Inc.,SM Focalyst offers a broad range of qualitative and quantitative custom research solutions. Focalyst pioneered the largest, most comprehensive study ever conducted about Boomers and Matures and has the unique expertise to help marketers better understand and connect with this important demographic. For more information about Focalyst call 212.548.7270 or email Jackie.Bartolotta@focalyst.com.

Millward Brown's Multicultural Practice is a specialty group focused on providing research consultancy and market insights on Hispanics, African Americans and Asian Americans. Most recently, MB's Multicultural Practice conducted a lifestyles segmentation of the US Hispanic market, approach that went beyond language to analyze Hispanic consumers on a diverse array of dimensions. For more information about the Multicultural Practice of Millward Brown, call 630.955.8993 or email David.Burgos@us.millwardbrown.com.

¹ Selig Center, "The Multicultural Economy 2007,"
http://www.terry.uga.edu/news/releases/2007/minority_buying_power_report.html.

² *Wall Street Journal*, "Pitches to Hispanics Get More Nuanced," January 8, 2008.