BANKING ON HISPANICS FOR GROWTH
Meet our experts:

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EVP, Strategy & Insights
Univision Communications Inc.

Kathy Steinberg
Senior Consultant, PR Research
Harris Poll
Our research

Univision partnered with Harris Poll to gain a deeper understanding of Hispanic attitudes and behaviors as related to the financial services industry.

Survey Method
- Self-administered online survey available in Spanish and English

Field Period
- June 27 – July 17th, 2017

Screening Criteria
- U.S. Residents
- 18-54 years old

Total Sample
- n=1,506
- Hispanic n= 1,001
- non-Hispanic 505
Provide Marketers With...

✓ A deeper understanding of the untapped Hispanic growth opportunity including busting common myths and misperceptions

✓ Actionable insights on the similarities and differences between Hispanic and non-Hispanic drivers and barriers to using financial services

✓ The knowledge required to create a winning strategy with Hispanics, including a best in class case study
Key steps to realizing your Hispanic opportunity

1. Recognize the power of U.S. Hispanics
2. Understand what drives them: Hispanic financial goals
3. Identify financial frustrations and needs that must be addressed
4. Learn how to engage and win with Hispanics
1 Recognize the power of U.S. Hispanics
59M
Hispanics in the U.S.

18%
of the total U.S. population

54%
of projected total population growth 2017 - 2027

Source: U.S. Census Bureau 2017 - 2027 National Projections.
16M Hispanic adults 18-34 in the U.S.

22% of the total U.S. adult 18-34 population

100% of projected total adult 18-34 population growth 2017 - 2027

Source: U.S. Census Bureau 2017 - 2027 National Projections.
More years of effective buying power

<table>
<thead>
<tr>
<th></th>
<th>NH White</th>
<th>African-American</th>
<th>Asian-American</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Life Expectancy</strong></td>
<td>79</td>
<td>75</td>
<td>87</td>
<td>82</td>
</tr>
<tr>
<td><strong>Median Age</strong></td>
<td>43</td>
<td>34</td>
<td>37</td>
<td>29</td>
</tr>
<tr>
<td><strong>Years of Effective Buying Power</strong></td>
<td>36</td>
<td>41</td>
<td>50</td>
<td>53</td>
</tr>
</tbody>
</table>

17 more years

Increasing affluence

Growth 2001 - 2017

+313% in Hispanic households earning $100k+
vs. +137% for non-Hispanics

Projected Growth 2017 - 2022

+23% in Hispanic households earning $100k+
vs. +12% for non-Hispanics


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Using financial services today

% Currently Using Products/Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Hispanic</th>
<th>non-Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debit/ATM Card</td>
<td>75%</td>
<td>78%</td>
</tr>
<tr>
<td>Checking/Savings</td>
<td>50%</td>
<td>72%</td>
</tr>
<tr>
<td>Credit Card</td>
<td>50%</td>
<td>70%</td>
</tr>
<tr>
<td>Mortgage</td>
<td>29%</td>
<td>41%</td>
</tr>
<tr>
<td>Auto Loan</td>
<td>20%</td>
<td>24%</td>
</tr>
<tr>
<td>Retirement Account/Plan</td>
<td>16%</td>
<td>31%</td>
</tr>
<tr>
<td>Personal Loan</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td>College Savings Account</td>
<td>1%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Simmons Spring 2017 Full Year. Auto Loans Scarborough 2017 Release 1 (Retirement Account/Plan = 401k; College Savings Account = 529)
Growth outpaces non-Hispanic

% Growth of Financial Services Users 2012-2017

- Debit/ATM Card: Hispanic 37%, Non-Hispanic 17%
- Checking/Savings: Hispanic 61%, Non-Hispanic 17%
- Credit Card: Hispanic 36%, Non-Hispanic 13%
- Mortgage: Hispanic 30%, Non-Hispanic 9%
- Auto Loan: Hispanic 31%, Non-Hispanic 1%
- 401k: Hispanic 57%, Non-Hispanic 31%
- Personal Loan: Hispanic 29%, Non-Hispanic 27%
- 529 Accounts: Hispanic 59%, Non-Hispanic -0.2%

Source: Simmons Spring 2017 Full Year. Auto Loans Scarborough 2017 Release 1 (Retirement Account/Plan = 401k; College Savings Account = 529)
Driving growth in financial services

Hispanic Contribution to Financial Services User Growth 2012-2017

- Debit/ATM Card: 25% Hispanic, 26% Non-Hispanic
- Checking/Savings: 26% Hispanic, 23% Non-Hispanic
- Credit Card: 36% Hispanic, 30% Non-Hispanic
- Mortgage: 31% Hispanic, 22% Non-Hispanic
- Auto Loan: 74% Hispanic, 13% Non-Hispanic
- 401k: 57% Hispanic, 31% Non-Hispanic
- Personal Loan: 29% Hispanic, 14% Non-Hispanic
- 529 Accounts: 100% Hispanic

Source: Simmons Spring 2017 Full Year. Auto Loans Scarborough 2017 Release 1 (Retirement Account/Plan = 401k; College Savings Account = 529)
Interested in your products

80% are interested in learning how financial services/products can help them achieve life goals vs. 78% of non-Hispanics

84% of Spanish Only/Mostly
77% of Both Equally
75% of English Mostly

Source: Univision Hispanic Financial Journey Study, Conducted Online by Harris Poll in June – July 2017
Very interested in your products

42% are very interested in learning how financial services/products can help them achieve life goals vs. 33% of non-Hispanics

48% of Spanish Only/Mostly
36% of Both Equally
32% of English Mostly

Source: Univision Hispanic Financial Journey Study, Conducted Online by Harris Poll in June – July 2017
2 Understand what drives them:

Hispanic Financial Goals
Financial stability is a top priority for all

Top Life Priorities Right Now

<table>
<thead>
<tr>
<th>Hispanic</th>
<th></th>
<th>non-Hispanic</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Family</td>
<td>76%</td>
<td>1. Family</td>
<td>70%</td>
</tr>
<tr>
<td>2. Financial Stability</td>
<td>41%</td>
<td>2. Financial Stability</td>
<td>43%</td>
</tr>
<tr>
<td>3. Physical Health</td>
<td>40%</td>
<td>3. Overall Quality of Life</td>
<td>42%</td>
</tr>
<tr>
<td>4. Work</td>
<td>32%</td>
<td>4. Physical Health</td>
<td>38%</td>
</tr>
<tr>
<td>5. Overall Quality of Life</td>
<td>28%</td>
<td>5. Emotional/Mental Health</td>
<td>23%</td>
</tr>
</tbody>
</table>

Source: Univision Hispanic Financial Journey Study, Conducted Online by Harris Poll in June – July 2017
But, definitions of prosperity differ

**Hispanic**

- “To be successful and to be moving along with set goals”
- “To have a better life than you did before”
- “Being able to afford what I want to do”
- “To move forward and actually improve your worst situations”

**non-Hispanic**

- “A feeling of being in control and successful”
- “The ability to live daily without struggles”
- “Living comfortably”
- “A stress free life”

Source: Univision Hispanic Financial Journey Study, Conducted Online by Harris Poll in June – July 2017
“I define wealth by the **level of happiness** you have with the current state you are in. If you are healthy, standing on your own two feet, don't owe anybody anything, and have a beautiful family, then I think you are pretty wealthy.”

Miami Male
Age 18-24
But, definitions of prosperity differ

Hispanic

non-Hispanic

“A feeling of being in control and successful”

“The ability to live daily without struggles”

“Living comfortably”

“A stress-free life”

“To be successful and to be moving along with set goals”

“To move forward and actually improve your worst situations”

“Being able to afford what I want to do”

“To have a better life than you did before”

Source: Univision Hispanic Financial Journey Study, Conducted Online by Harris Poll in June–July 2017

progression

stability
Current goals reflect earlier life stage

Financial Goals - **Today**

<table>
<thead>
<tr>
<th>Hispanic</th>
<th>Non-Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Building up my savings</td>
<td>1 Building up my savings</td>
</tr>
<tr>
<td>2 Paying down debt</td>
<td>2 Saving for retirement</td>
</tr>
<tr>
<td>3 Saving for my child's education</td>
<td>3 Paying bills/getting by</td>
</tr>
<tr>
<td>4 Paying bills/getting by</td>
<td>4 Paying down debt</td>
</tr>
<tr>
<td>5 Saving for retirement</td>
<td>5 Managing day-to-day spending</td>
</tr>
<tr>
<td>7 Starting my own business</td>
<td>10 Starting my own business</td>
</tr>
<tr>
<td>41%</td>
<td>53%</td>
</tr>
<tr>
<td>37%</td>
<td>41%</td>
</tr>
<tr>
<td>34%</td>
<td>39%</td>
</tr>
<tr>
<td>31%</td>
<td>38%</td>
</tr>
<tr>
<td>31%</td>
<td>30%</td>
</tr>
<tr>
<td>25%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: Univision Hispanic Financial Journey Study, Conducted Online by Harris Poll in June – July 2017
Future goals shift towards long-term planning

Hispanic Financial Goals

Today
1. Building up my savings 41%
2. Paying down debt 37%
3. Saving for my child's education 34%
4. Paying bills/getting by 31%
5. Saving for retirement 31%

5+ Years from Now
1. Building up my savings 45%
2. Saving for my child's education 35%
3. Saving for retirement 33%
4. Creating an emergency fund 32%
5. Paying down debt 32%

Source: Univision Hispanic Financial Journey Study, Conducted Online by Harris Poll in June - July 2017
Do have a financial plan

53%

do have a financial plan
vs. 58% of non-Hispanics

53% of Spanish Only/Mostly
54% of Both Equally
53% of English Mostly

Source: Univision Hispanic Financial Journey Study, Conducted Online by Harris Poll in June – July 2017
Barriers to Achieving Financial Goals

- **24%** feel like they’re already behind and don’t know how to catch up
  - vs. **21% of non-Hispanics**

- **21%** don’t know where to get the best financial information
  - vs. **12% of non-Hispanics**

Source: Univision Hispanic Financial Journey Study, Conducted Online by Harris Poll in June – July 2017
3
Identity financial frustrations and needs that must be addressed.
Frustrations abound

<table>
<thead>
<tr>
<th>Feel Undervalued</th>
<th>Unfulfilled Expectations</th>
<th>Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>51%</td>
<td>69%</td>
<td>22%</td>
</tr>
</tbody>
</table>

feel very or somewhat or undervalued by the financial services industry

vs. 46% of non-Hispanics

say that financial services companies do not or only partially meet their expectations

vs. 57% of non-Hispanics

are extremely or somewhat dissatisfied with the financial services information currently available

vs. 16% of non-Hispanics

Source: Univision Hispanic Financial Journey Study, Conducted Online by Harris Poll in June – July 2017
Need more information

Barriers to Using Financial Services

19% feel that they don’t have the information needed to make an informed decision about financial services vs. 19% of non-Hispanics

39% are afraid of making the wrong decision vs. 30% of non-Hispanics

35% don’t know what services are right for them vs. 28% of non-Hispanics

Source: Univision Hispanic Financial Journey Study, Conducted Online by Harris Poll in June – July 2017
For Hispanics, it’s not about fees

Only 29% say that “too many fees” is a barrier to using financial services vs. 41% of non-Hispanics

Source: Univision Hispanic Financial Journey Study, Conducted Online by Harris Poll in June – July 2017
Looking for your messages

67% actively seek information about financial products and services
_vs. 56% of non-Hispanics_

73% of Spanish Only/Mostly
60% of Both Equally
59% of English Mostly

68% are always looking for new ways of getting financial products and services information
_vs. 58% of non-Hispanics_

74% of Spanish Only/Mostly
65% of Both Equally
58% of English Mostly

Source: Univision Hispanic Financial Journey Study, Conducted Online by Harris Poll in June – July 2017
Learn how to engage & win with Hispanics
Know their preferred sources of information

Sources of Information for Finance and/or Investments

- **Friends/Family**
  - Hispanic: 27%
  - non-Hispanic: 23%

- **Financial/Retirement Websites**
  - Hispanic: 26%
  - non-Hispanic: 22%

- **Financial/Bank Adviser**
  - Hispanic: 23%
  - non-Hispanic: 23%

- **TV Ads**
  - Hispanic: 19%
  - non-Hispanic: 13%

- **TV Shows**
  - Hispanic: 18%
  - non-Hispanic: 10%

- **Online Ads**
  - Hispanic: 18%
  - non-Hispanic: 11%

- **Mailed Information**
  - Hispanic: 16%
  - non-Hispanic: 14%

- **Social Media**
  - Hispanic: 15%
  - non-Hispanic: 8%

- **Information from Employer**
  - Hispanic: 14%
  - non-Hispanic: 12%

Know their preferred sources of information

Sources of Information for Finance and/or Investments

- **Hispanic**
- **non-Hispanic**

<table>
<thead>
<tr>
<th>Source</th>
<th>Hispanic</th>
<th>non-Hispanic</th>
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<td>14%</td>
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Interested financial services ads

2x more likely than non-Hispanics to find ads for financial services interesting

Source: Simmons NCS/NHCS Spring 2017 FY; Base: A18+ “Any Agree” with the statement
Communicate in their preferred language

- 87% appreciate businesses that communicate with them in Spanish.
- 73% believe there should be more commercials directed specifically to Hispanics.
- 88% say companies that make sincere efforts to be part of, or invest, in their community deserve their loyalty.

Source: Kantar Futures, 2017 – Base: A18+
“I speak English just fine. But my husband and some other family members don’t. These decisions involve us all, so it’s important that we all understand what we’re signing up for.”

Dallas Female
Age 40-44
Spanish ads create a connection

“When a financial services company advertises in Spanish, it gives me more of an emotional connection with the company.”

Source: Univision Hispanic Financial Journey Study, Conducted Online by Harris Poll in June – July 2017
That emotional connection matters

“In the past 30 years scientists have shown that we are much more likely to retain something mentally when we have a strong emotional response to it. Ads imprint themselves on the cortex when they touch the heart.”
Spanish-language financial ads on Univision outperform English-language financial ads among total Hispanics.

Financial Category Broadcast TV Ad Performance Among Total Hispanics

- Ad Memorability: 57% Univision, 37% English-Language
- Brand Memorability: 46% Univision, 18% English-Language
- Message Memorability: 28% Univision, 12% English-Language
- Ad Likeability: 40% Univision, 10% English-Language

Even among Bilinguals

Financial Category Broadcast TV Ad Performance Among Bilingual Hispanics

<table>
<thead>
<tr>
<th>Category</th>
<th>Univision</th>
<th>English-Language</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad Memorability</td>
<td>58%</td>
<td>34%</td>
</tr>
<tr>
<td>Brand Memorability</td>
<td>48%</td>
<td>15%</td>
</tr>
<tr>
<td>Message Memorability</td>
<td>30%</td>
<td>10%</td>
</tr>
<tr>
<td>Ad Likeability</td>
<td>44%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Case Study: Commitment to Hispanic consumers pays off
Chase consistently invests in Hispanics

Chase Spanish-language TV Share of Total TV Spend

Leverage Hispanic insights,

**Custom Hispanic**

Aired Jan 2017 – Aug 2017

**Total Market**

Airing Aug 2017 – Present

Have you dominated living your way?
And continues to grow with Hispanics

Chase Hispanic Users

<table>
<thead>
<tr>
<th>Year</th>
<th>Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3.4M</td>
</tr>
<tr>
<td>2013</td>
<td>4.8M</td>
</tr>
<tr>
<td>2014</td>
<td>5.0M</td>
</tr>
<tr>
<td>2015</td>
<td>5.5M</td>
</tr>
<tr>
<td>2016</td>
<td>5.6M</td>
</tr>
<tr>
<td>2017</td>
<td>6.4M</td>
</tr>
</tbody>
</table>

Source: Simmons NCS/NHCS Spring 2012-2017 FY; Base: A18+
And continues to grow with Hispanics

Chase Hispanic Users vs. Spanish-language % of Total TV Spend

Source: Simmons NCS/NHCS Spring 2012-2017 FY; Base: A18+
**Key takeaways**

1. U.S. Hispanics are large in scale, financially viable and driving population and financial services growth.

2. Hispanics are interested in and want to use financial services to achieve their financial goals.

3. The lack of marketing to Hispanics has motivated them to proactively seek out financial information.

4. Hispanics are looking for financial ads, and Spanish creates a stronger connection.

5. Financial companies that make sincere efforts to engage Hispanics, are rewarded with loyal consumers.
Thank You