

# Tailoring Financial Resources and Marketing for an Underserved Hispanic Community

## ARTICLE |

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**G**ains in education and homeownership have Hispanics poised for improvement in income and net wealth. For now, though, they still have difficulty accessing credit and getting financial services tailored to their needs. For our [recent report on US Hispanics](#), we spoke with demographics experts about what financial services companies need to keep in mind as they market to this community.

"There's still a large percentage [of US Hispanics] who say it's difficult to get a home mortgage, citing an insufficient credit score as their top reason," said Mario X. Carrasco, co-founder and principal at [ThinkNow Research](#). "That's one of the biggest barriers to homeownership among this cohort. But this isn't an indication that Hispanic consumers are less credit-worthy, just that they have an insufficient credit score history."

Insufficient credit score history is the product of being newer to utilizing credit. The Hispanic population's median age is 29, which is younger than the overall US population's median age, and is just coming into prime home-buying years.

It doesn't help matters that the financial sector has been slow to connect with Hispanics and inform them about services they would find helpful. Jose Villa, president of marketing agency [Sensis](#), said that Hispanic consumers recognize the lack of education around retirement and financial instruments, "but have a real desire to learn about and engage with these services."

This requires a long-term investment in educating the community, and "that's why some financial service companies get frustrated," Villa said. "You're not going to convert them into customers in a year. It's going to take a multiyear effort. It's a multi-pronged education, customer journey that you have to take Hispanics down."

Another difficulty is that when marketers and financial services companies target this cohort, they often do so in a manner that tends to lack cultural context.

"Marketers often mistake Spanish-language proficiency for preference, spending resources on a Spanish-language strategy instead of on a market-specific, segmented Hispanic engagement strategy," said David Acosta, 2019 president of the [National Association of Hispanic Real Estate Professionals](#). "Companies that address consumers in-culture, as opposed to defaulting to in-language, will win."

Taking a long-term, culturally-specific approach will likely pay off in the future. Despite a slow recovery from the Great Recession, 46.6% of Hispanics are homeowners, according to the US Census Bureau, though that figure is still lower than the 64.1% national average. Hispanics have become a mainstay of the housing market. A May 2019 [blog post](#) by Freddie Mac said Hispanics accounted for 62.7% of net homeownership gains in the past decade.

### US Home Ownership Rates, by Race/Ethnicity, Q2 2019

% of population in each group

White (non-Hispanic)	73.1%
Hispanic*	46.6%
Black	40.6%
Other	55.0%
—Asian, Native American, Hawaiian and Pacific Islander	57.7%
<b>Total</b>	<b>64.1%</b>

Note: \*of any race

Source: US Census Bureau, "Current Population Survey: Housing Vacancies and Home Ownership (CPS/HVS)," July 25, 2019

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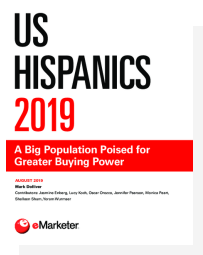
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Rising homeownership will position increasing numbers of Hispanic consumers for gains in wealth that, over the long run, tend to arise from owning one's home.

For more insights on the US Hispanic community, eMarketer PRO subscribers can read our latest report:

**Report** by Mark Dolliver Aug 21, 2019

**US Hispanics 2019**



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