Exploring the Hispanic Culture

A Program Produced Jointly by
Credit Union National Association and
COOPERERA Consulting
Introduction

This course on Exploring Immigrant Cultures helps you understand the changing needs of your community. To help your credit union grow and continue to prosper, it’s imperative to reach out to new members. Often times that means reaching out to the emerging immigrant markets, specifically the Hispanic community. This course helps you understand nuances of these new markets, and how to apply this knowledge to your daily work.

Objectives

Our objectives are to:

• Understand why your credit union should reach out to emerging markets, placing a special emphasis on Hispanics and immigrant groups;
• Recognize the acculturation process of Hispanics;
• Explore generational differences of Hispanics; and
• Understand how these cultural differences affect your role at the credit union and your interaction with members and potential members.

Credit Union Industry & Emerging Markets

The credit union movement in America began as a cooperative effort among common people to pool their money and share it among one another. “People helping people” remains a fundamental cornerstone to the credit union philosophy and should guide our response to demographic changes and challenges.

Before we focus on emerging markets, it’s important to touch on trends confronting the credit union movement. Today’s credit unions face critical challenges, placing the industry at a crossroad where it must contend with its continued growth and continued relevance. These challenges include:

• Aging membership. As the general population ages, so too ages credit union membership. The national average age of a credit union member is currently 47 years old. Failure to attract younger members, whose need for financial services is greater, puts a credit union at risk for declined growth.
• Decline in the number of credit unions. As of January, 2008 there were 8,425 credit unions nationwide, 849 fewer than in 2005. Declining membership, compliance issues, and competition are leading to more and more mergers among credit unions, thereby decreasing the credit union count nationwide.
• Increased regulatory scrutiny. To validate their tax-exempt status, credit unions face scrutiny and pressure from regulators and legislators to demonstrate they are meeting their social mission of serving people of modest means.
• Intense competition. Opportunities to penetrate the middle and upper income markets are saturated as national, local, and fringe financial competitors all vie to meet their needs.

Despite these challenges, credit unions are in a position to fulfill our philosophy by serving the emerging markets in the community.

The Force of the Hispanic and other Emerging Markets

The opportunity for member and asset growth can be realized by focusing on emerging markets. Largely untapped markets prove important based on the conditions you find detailed in this section.

Exploding Population

According to 2006 United States Census Bureau statistics, 1 of every 3 residents is a minority. Minorities represent 100.7 million of the total United States population, with Hispanics as the largest group and the trend for growth is expected to continue.

- Hispanics, 44.3 million (14.8 %)
- African-Americans, 40 million (13.4 %)
- Asians, 13.1 million (4.4 %)

The population growth rates were:

- Hispanics, 3.4 %
- Asians, 3.2 %
- African-Americans, 1.3 %

According to Census projections for 2050, Hispanics will account for 30 percent of the population, compared to African-Americans and Asians at 15 and 9 percent, respectively.

Minorities now assume the majority of the population in California, Hawaii, New Mexico, Texas, and the District of Columbia.