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**THE TOMÁS RIVERA POLICY INSTITUTE RELEASES SUMMARY FINDINGS ON  
THE UNRECOGNIZED AND RISING AFFLUENCE OF LATINOS**

**Report Sponsored by Merrill Lynch Documents Effective Strategies  
To Harness and Build Latino Wealth and Influence**

**Los Angeles** – The Tomás Rivera Policy Institute (TRPI), based at the School of Policy, Planning, and Development at the University of Southern California, today released its detailed findings and strategies compiled from a host of the nation’s top corporate, financial and Hispanic community-oriented companies and organizations in a new report sponsored by Merrill Lynch. The information was presented at a public conference on April 12-13, 2007, at the Beverly Wilshire Hotel. The income and spending power of the Latino middle class is at its crest because this community is typically 5-10 years younger than the average U.S. population. Most business strategies mischaracterize or currently focus on the first-generation or recently-arrived Latino immigrant; however, the majority of U.S. Latinos are not recent immigrants, and are established in (or quickly moving into) the American middle class

“Our presenters have provided exceptional insight and realistic focus to many facets of the Latino community residing in the United States. The Hispanic middle class will be a significant driving force over the next few decades in American society,” said Harry Pachon, Ph.D., president and CEO of The Tomás Rivera Policy Institute. “Based on the research and recommendations of this group and the latest growth projections released by Los Angeles County, there is little doubt about the opportunity and potential that now exists among middle class and affluent Latinos. With the right political and business will, the economic promise of this market is ready to expand exponentially.”

"At Merrill Lynch, we believe creating wealth in the Hispanic community is a social and economic issue of national importance," said Melissa Scauri, Vice President, Multicultural Marketing,

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Merrill Lynch Global Private Client group. “With that goal in mind, we are proud to partner with the Tomás Rivera Policy Institute to disseminate the insights and strategies found in this report. We feel everyone can benefit from gaining a better understanding of the growing affluence of the Latino community.”

One of the key themes to come out of the conference’s research and business findings is that the acculturation of Latinos – the blending of their cultural beliefs and traditions with American values – is at the core of the ambitions driving the growing ranks of the Latino affluent and middle classes America. The Los Angeles County Department of Finance has projected that Latinos will make up one of every three residents in the California over the next four decades. These new estimates give important prescience to some of the many findings captured in the TRPI summary report beyond basic infrastructure needs and include:

- The American financial system of banking is not adequately set up, or more accurately “adjusting” to meet the needs of Latino consumers evolving into this new middle class. For example, banks could:
  - Offer “standardized” checking and savings accounts with lower minimum balance thresholds (\$10 vs. \$100) and provide debit card only transactions to help keep their costs low.
  - Offer more cash-based banking services to such as check cashing and remittances, money orders, bill pay services and pre-paid phone cards at no or lower cost to attract and retain more Latino banking relationships.
- Home ownership could be dramatically impacted if the lending industry were to rethink current credit scoring methodologies and tracking non-traditional financial activities that Latinos prefer to use. Automation techniques currently used to profile and score individuals are not available or set up to track other potential financial activities such as cash or non-traditional banking relationships.

These are but a few of the key details assembled by TRPI in its summary report from the “Increasing Wealth in The Latino Community” conference. In addition, the summary contains considerable research and clarification of many of the “myths” that are commonly attached to Latino demographics. “Dispelling commonly-held misconceptions and uninformed views of who and what the economic force of the Latino community truly represents is a critical first step in addressing their needs and achieving

common ground on actions that can be taken today in order to build on their growing prosperity,” said Dr. Pachon.

Among some of the conference’s key policy recommendations and business strategies are the following:

- *Reevaluate policies to regulate business practices that foster predatory activity, including payday lenders, refund anticipation lenders, and unscrupulous check cashers. They can also include businesses that charge minorities or low-income buyers more, such as those applying for home or automobile loans.*
- *Engage mainstream financial institutions in providing affordable products and services. This could include checking accounts with affordable monthly fees, no minimum balance, free ATM transactions, bill payment and remittance services, and electronic benefit transfers so government checks go directly into the customer’s account. It also could include access to investment products and retirement accounts.*
- *Encourage the creation of a new kind of financial infrastructure, one that would begin at the city or municipal level and would focus on the provision of financial services to local citizens.*
- *Address the question of Latino economic progress by planting the financial seeds for future generations. The goal is to learn about the psychological, social, behavioral, and economic effects of Saving for Education, Entrepreneurship, and Down payment (SEED) accounts; how to engage working-poor families; which public programs are most likely to garner support; and which systems deliver accounts efficiently to millions of children.*
- *Strengthen support of portal neighborhoods. These neighborhoods are generally the first place of arrival for immigrants and act as a kind of way station where newcomers can develop the necessary skills to integrate into the larger community.*

Information regarding this free conference summary and its contents can be found on the web by visiting [www.trpi.org](http://www.trpi.org). Information about the conference is also available on the website or by contacting:

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## **About TRPI**

The Tomás Rivera Policy Institute is a non-profit, free-standing research organization that advances critical and insightful thinking on key issues affecting Latino communities through objective, policy-relevant research - and its implications - for the betterment of the nation. TRPI is dedicated to the memory of one of its founders, the late Tomás Rivera, who received international acclaim as an educator, author and scholar and had wide ranging vision for all Latinos. TRPI is headquartered at the University of Southern California with satellite offices at Columbia University in New York City. The Institute is governed by an elected board of trustees and an appointed president. Information about the Institute can be found at [www.trpi.org](http://www.trpi.org).

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