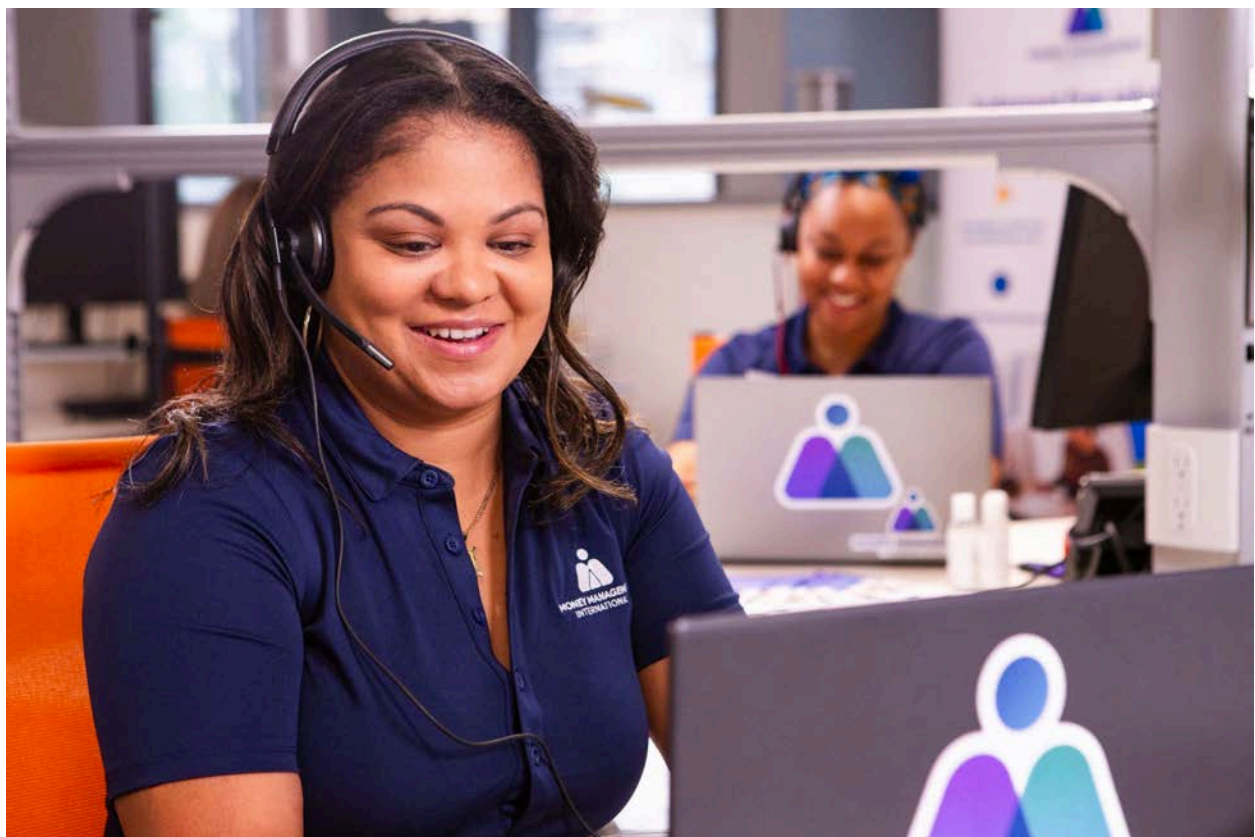


Project Equidad: Using Cultural Insights to Help Hispanics Overcome Financial Challenges

Equipping Consumers for Financial Well-being
with Support from JP Morgan Chase



Introduction:

In 2023, Money Management International (MMI) was awarded a grant from JPMorgan Chase to increase MMI's reach and service delivery to marginalized populations, with a specific focus on the Hispanic community.

MMI has long been an industry thought leader, contributing to the national dialogue on topics that impact the financial lives of diverse households. MMI is advancing the growing discourse around how to best serve the Hispanic community through this publication, highlighting key research results. Included in this white paper are ways we hope to engage stakeholders in partnership so that individuals in need of debt management support get the help they need through the solutions MMI provides. If you are interested in learning more about how you can work with us, please contact Tom.DePoy@MoneyManagement.org.

About MMI

Money Management International (MMI) is a nonprofit that is changing how America overcomes financial challenges. MMI helps create, restore, and maintain a life of financial wellness through empowered choices. For over 65 years, our clients have achieved financial confidence through programs that educate, motivate, and liberate. MMI inspires action by delivering expert professional guidance and timely solutions aligned with our client's goals. Experiencing a financial challenge? Find your solution 24/7 at 866.864.8995 and MoneyManagement.org.

About the Research Study

While MMI has gained significant insight through analysis of existing client surveys and academic research, we seek to better understand similarities, differences, hidden needs, and opportunities that exist in the Hispanic community. To accomplish this, MMI engaged with Black//Brown, a nationally certified Minority Business Enterprise (MBE) specializing in applying diverse insights and strategies through the value chain to drive growth and reinvent consumer engagement. To gain insights specifically related to Hispanics' financial attitudes, Black//Brown commissioned a survey of U.S. consumers across generational and Spanish-dominance acculturation levels.

Methodology

The survey focus was to identify insights that will allow MMI to form strategies that best reach and relate to Hispanic consumers in order to support their financial wellness by engaging with them in counseling and education opportunities.

This survey was conducted online within the United States from September 15–27, 2023 among a total survey sample of 650 U.S. adults ages 18 and older. Of the sample, 400 identified as Hispanics, and 250 identified as non-Hispanic. The survey was offered in both Spanish and English.

Target Audience

- 25–50 years of age
- Self-identify as Hispanic/Latino or non-Hispanic
- Decision makers concerning financial products and services used
- Experienced at least one of the following debt-related events in the past 12 months:
 1. Missed 1+ credit card, rent/mortgage, or loan payments
 2. Borrowed money from friends/family to cover other expenses
 3. Had debt moved to collections
 4. Applied for a personal loan or payday loan
 5. Applied for a consolidation loan
 6. Applied for a balance transfer credit card
 7. Had trouble making their minimum debt payments
- Has credit card debt. In the past 12 months, owed money to and/or paid a rolling balance in installments.

For complete survey methodology, including weighting variables and subgroup sample sizes, contact Thomas.Nitzsche@MoneyManagement.org.

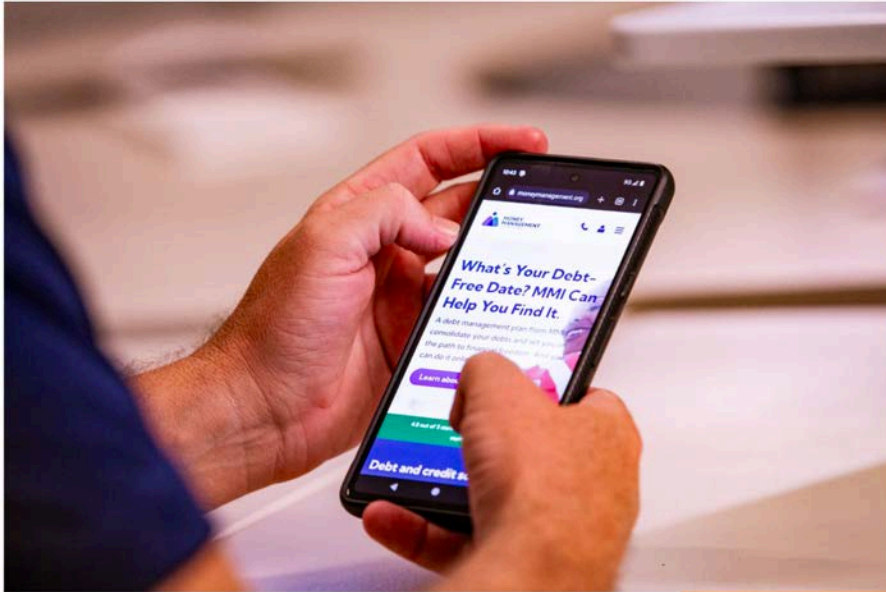
Research Overview

Survey results were delivered to MMI in October 2023. MMI stakeholders and Black//Brown participated in a Hispanic Market Strategic “Kick-Start” Workshop to review the results and understand the audience and its divergence from the non-Hispanic population.

MMI garnered the following key takeaways:

- **The concept of “through, not to” audiences.** The initial audience reached in an advertising campaign is not the final destination. The more culturally authentic the communication and messaging, the more likely it will be shared within their community.
- **Acculturation is a spectrum.** Oftentimes it is believed that our financial counseling content and advertisements must be delivered in Spanish to reach the Hispanic community; however, we learned that more-acculturated second and third-generation Hispanics can be effectively reached with culturally relevant messaging in English.
- **A method for evaluating an advertising campaign across three areas: brand strategy, defined audience, and cultural insight.** Our “aha” moment was understanding cultural insight and incorporating it into the advertisement, thus activating the core audience to connect with its messaging. This awareness will be particularly useful as we seek to create ad campaigns that do more than reflect the Hispanic world but show a “their world is our world” vision. It is not a passing trend or fad. We will continue to research and learn about this audience, seek vendors and partners from the audience, and deliver ads that demonstrate the nuance needed not just to reflect their culture, but prove we understand and respect it.

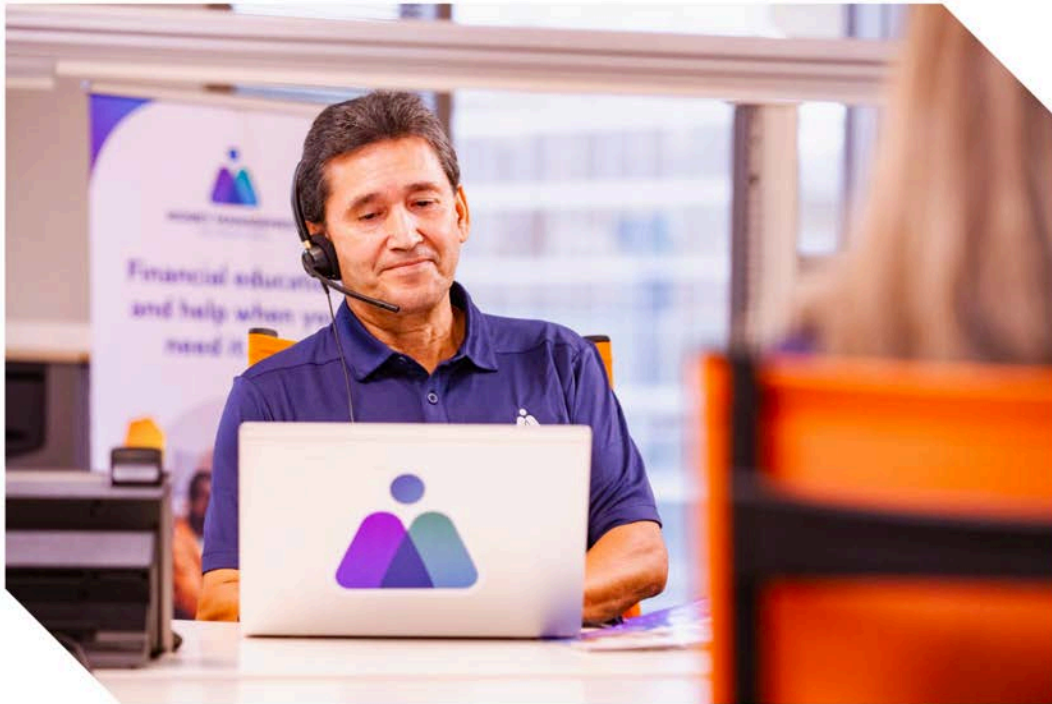
Key Findings



Financial Products and Services

Among Hispanics, the use of financial products and services varies across acculturation segments:

- Less–acculturated Hispanics report higher usage of alternative banking services, particularly money orders, and wiring services. One–fifth report no awareness of secured credit cards.
- In contrast, more–acculturated Hispanics report significantly higher usage of traditional banking and investment services as well as fintech products.
- Biculturals (those who integrate both Hispanic and American customs and values) report higher usage overall of financial products, with a mix of traditional and alternative services.
- When learning about a financial services company, Hispanics are significantly more likely to prefer in–person communications. While younger Hispanics (age 25–44) are more likely to mention advertising in social media, older cohorts (age 45–50) mention testimonials from real people among their favorite sources.



Personal Finances

Compared to non-Hispanics, Hispanic consumers **perceive** themselves as

- Being less disciplined about managing finances
- Having a harder time saving money
- Being less likely to trust financial advisors

In general, more-aculturated Hispanics report weaker personal finances and are more pessimistic about their future outlook than their counterparts. This segment reports the weakest credit score.



Debt

Thinking about debt elicits, for the most part, negative feelings among both Hispanics and non-Hispanics.

- Stress, anxiety, worry, and concern are, by far, the feelings mentioned most often.
- Very few feel very comfortable with debt or their current amount of debt. The majority (50–66%) feel they have too much debt, worry constantly about it, and are embarrassed about owing money.
- For the most part, both Hispanics and non-Hispanics share the same negative sentiments about debt, which is also the case across acculturation levels among Hispanics.
- Among Hispanics, Biculturals report feeling more comfortable with debt. In contrast, half of the less–acculturated do not feel comfortable at all either with debt in general or with their current amount of debt. More–acculturated Hispanics also feel uncomfortable with debt, and report that thinking about debt makes them feel anxious, defeated, and overwhelmed.

Both Hispanics and non-Hispanics have taken action to reduce debt.

- Among Hispanics, reducing household expenses, using savings, and borrowing money from family/friends are the most common actions taken.
- Only about one in six has contacted a financial or debt counselor.
- In general, Hispanics report higher consideration for increasing credit card payments as a way to reduce debt.
- Biculturals are the most likely segment to have contacted a financial or debt advisor in the past 12 months.

When thinking of resources for managing debt, friends/family tops the list for Hispanics and non-Hispanics, followed by financial advisors and bank/credit unions.

- Only about one-third think of credit counselors when asked about resources they could reach out to when they need help or information about how to manage debt.
- Barriers to using a credit counselor/credit counseling service tend to center on a lack of awareness of how to obtain those services, as well as feelings of embarrassment regarding their debt and lack of comfort. Hispanics also report privacy concerns.
- Top-of-mind awareness (the first thing that comes to mind about a particular product category) of credit counselors is limited.

Across all three Hispanic segments (less-acculturated, bicultural, and more-acculturated) leaning upon friends/family to manage debt comes to mind first.

- Awareness of information sources such as financial counselors and advisors to help manage debt is high, but awareness of non-profit and government agencies is lower. One-third of Hispanics and non-Hispanics report seeking information from their bank/credit union in the past 12 months.
- Past 12-month usage of these sources is generally higher among non-Hispanics, particularly the use of credit counselors.

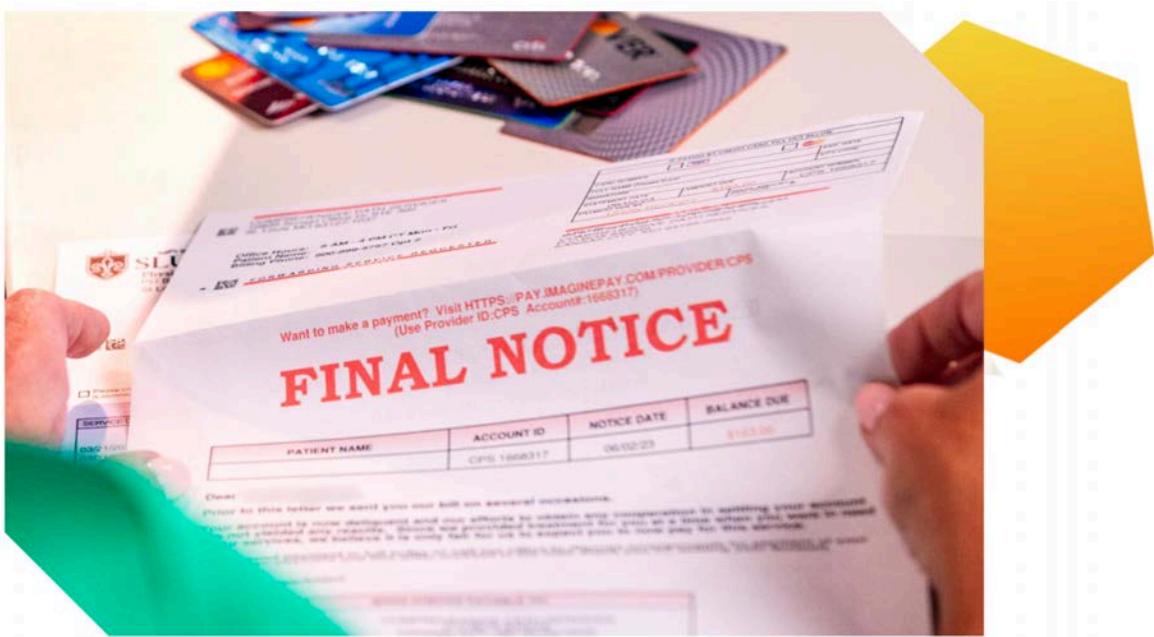
- Those who have used credit counseling report that they found out about it through their bank/credit union. Beyond that, Hispanics more frequently report having seen advertising while non-Hispanics say they heard about it through word-of-mouth.
- **Virtually all describe their experience working with a credit counselor as very or somewhat helpful. More Hispanics than non-Hispanics report the experience as very helpful.**
- A larger proportion of Hispanics than non-Hispanics report not knowing anyone who has ever used a credit counseling service.
- Among Hispanics, the less-acculturated segment is more likely to report not knowing of a credit counselor personally and to feel that they don't need one. Hispanics, regardless of acculturation level, report not knowing how to go about working with a credit counselor, feeling embarrassed talking about debt, and having privacy concerns if they were to work with a counselor.

Total Sample	
Total Hispanic	Total Non-Hispanic
35% Don't know how to go about it	32% Don't know how to go about it
27% I am embarrassed/ashamed to talk to anyone about my debt	26% I am embarrassed/ashamed to talk to anyone about my debt
25% I don't feel comfortable	26% I don't feel comfortable
22% Privacy concerns	18% I worry about them judging me
18% Don't know of any	18% I don't think that anyone can help me
18% I worry about them judging me	
(n=243)	(n=124)

Hispanic: Acculturation Segments

Less Acculturated	Bicultural	More Acculturated
29% Don't know of any	34% Don't know how to go about it	40% Don't know how to go about it
26% Don't know how to go about it	27% I don't feel comfortable	31% I am embarrassed/ashamed to talk to anyone about my debt
26% I am embarrassed/ashamed to talk to anyone about my debt	25% I am embarrassed/ashamed to talk to anyone about my debt	25% I don't feel comfortable
23% Privacy concerns	25% Privacy concerns	19% Don't know of any
23% I don't want to provide personal information	23% I worry about them judging me	18% Privacy concerns
20% I don't think I need it – 20%		
(n=35)*	(n=113)	(n=95)

Overall, there is a large gap between awareness and usage of information sources for managing debt, suggesting a lack of familiarity with – or lack of perceived need for – these services.



Credit Cards

Credit cards are used for a wide range of purchases – including emergencies and everyday expenses.

In general, credit cards are perceived as easy to obtain.

- Significantly more Hispanics than non-Hispanics report being 'not at all comfortable' and 'not at all satisfied' with their level of debt. Only one in ten Hispanics feel comfortable with their debt.
- The majority of both Hispanics and non-Hispanics report paying their credit card on time and meeting or exceeding minimum payment requirements.

Non-Hispanics are more likely than Hispanics to describe their current credit card debt as being under control.

- Among Hispanics, the perception of being 'under control' declines with acculturation level. One-fifth of the more-acculturated feel that their credit card debt is 'completely out of control.'
- Nearly 9 out of 10 say that they have taken actions in the past year to reduce credit card debt – using savings is the top action; non-Hispanics are more likely to have sought advice/help from lenders or settled accounts.

On average...

- Non-Hispanics report a higher amount of credit card debt than Hispanics (\$14.6K vs \$10.5K).
- Among Hispanics, Biculturals report the highest amount of debt – twice as much as the less-acculturated.

On average, both Hispanics and non-Hispanics report:

- Having about 3 credit cards
- Having a balance on about 2 of them
- Currently using about 33% of their credit limit

In addition:

- About half report that their credit card debt increased in the past year.
- Among Hispanics, Biculturals are more likely to use their credit cards for large purchases as well as cash advances to pay other loans. When asked why they use credit cards, less-acculturated Hispanics are the most likely to say that they use them to build a credit history.
- While the less-acculturated are the least likely to use cards to cover expenses or make impulse purchases, other segments use them to manage cash; Biculturals perceive cards as a status symbol and as more secure than debit cards.
- One in three non-Hispanics admit that it feels good to use credit cards and they use them for cash flow purposes. Older females are more likely to mention lack of money as a reason for using credit cards for their expenses.
- Overall, non-Hispanics report a higher credit card debt than Hispanics.

- Half of both Hispanics and non-Hispanics report paying the minimum required credit card payment on the due date.
- One-fourth of Hispanics and one-third of non-Hispanics report paying more than the minimum, and the remaining 15-20% pay less than the minimum required.
- Between 3 and 4 out of ten pay before the due date while about one in ten pay past the due date.
- Among Hispanics, the less-acculturated are more likely to report paying more than the minimum required amount and paying early.
- Overall, the more-acculturated are more likely to pay less than the minimum required and do so late.

How many credit cards do you currently have?
AVERAGE



HISPANICS
(A)
Base: 400

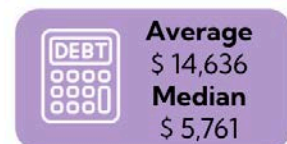


NON-HISPANICS
(B)
Base: 250

How much is your current credit card debt?
AVERAGE



HISPANICS
(A)
Base: 400



NON-HISPANICS
(B)
Base: 250

How many do you currently owe money to?
AVERAGE



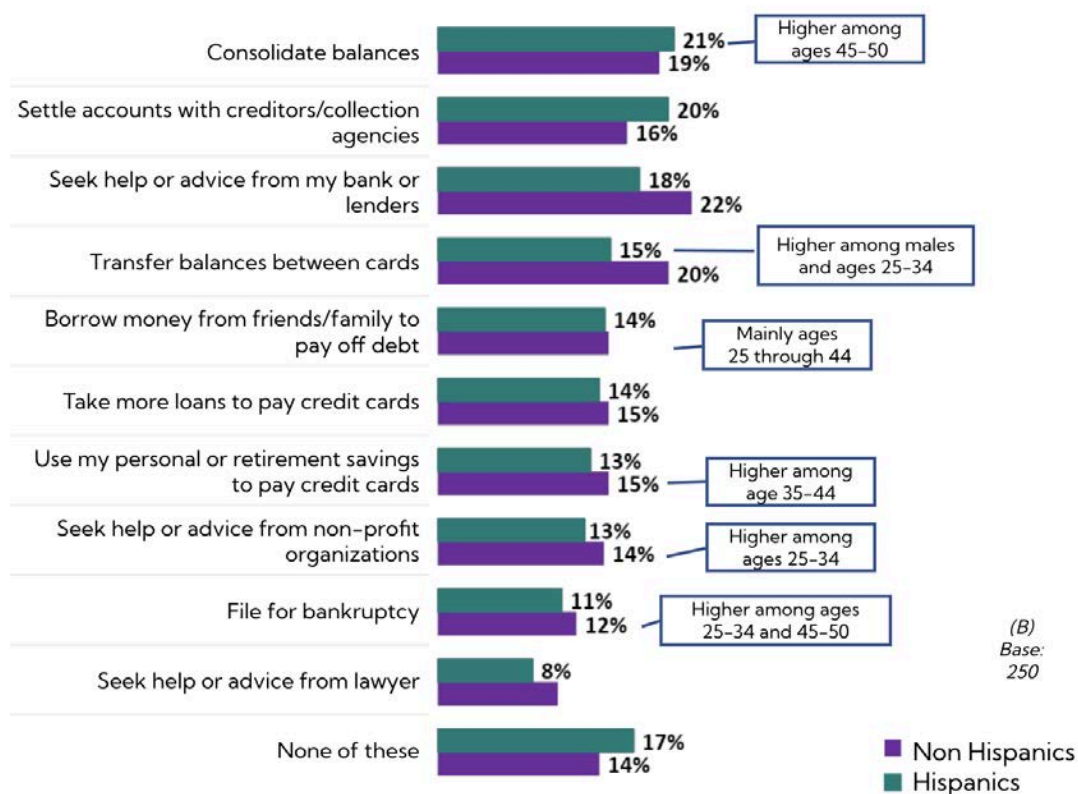
HISPANICS
(A)
Base: 400



NON-HISPANICS
(B)
Base: 250

- In the past year, Hispanics and non-Hispanics have used savings or borrowed money from family/friends to better manage or decrease their credit card debt.
- Non-Hispanics are more likely to have sought help from professionals to help manage debt.
- Overall, 11-17% have not taken any actions – or even considered it – to reduce their credit card debt.

Which have you considered doing in the past year to manage and/decrease your credit card debt?





MMI Awareness, Usage, and Perceptions

The majority of Hispanics and non-Hispanics have never heard of MMI; although the brand has significantly higher penetration among non-Hispanics.

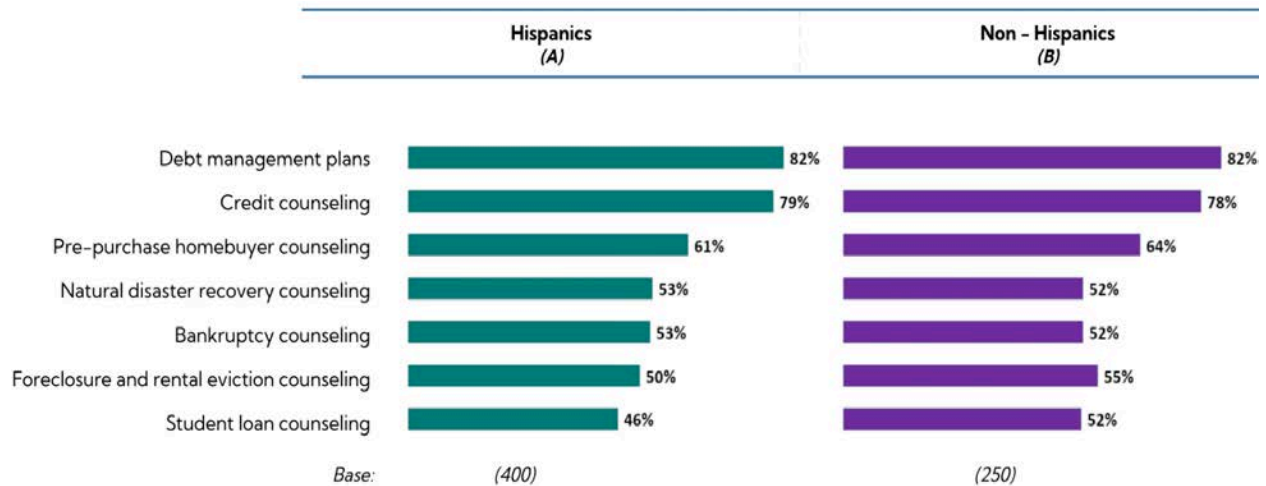
- Those aware learned of the brand via advertising online and on social media; familiarity with the services offered could be improved.

MMI is perceived as a helpful resource.

Among Hispanics, the less-aculturated segment reports significantly higher interest in all MMI offerings, particularly support in Spanish.

- Interest from non-Hispanics and more-aculturated Hispanics is strongest for debt management and credit counseling, but lukewarm to weak for the rest of the services.
- **When asked for interest in different counseling topics, both Hispanics and non-Hispanics report high interest in reaching out to MMI for debt management plans and credit counseling.**

How interested would you be in reaching MMI for counseling on these topics...



MMI Client Insight

Juan Piñón was referred to MMI by his sister, already an MMI client, after revealing his financial challenges to her. He credits this moment of vulnerability with his sibling as the reason for finding a solution and success, ultimately paying off \$47,000 of debt and buying a home for his family. Hear more of his story on MMI's podcast, [Long Story Short](#).



Recommendations

Study results suggest that US Hispanics are interested in MMI offerings. Based on the study findings, the following are recommended actions for consideration.

- **Build awareness across all acculturation segments.**
- **Address barriers to working with credit counselors:**
 - Assure consumers that communications are confidential and that MMI is a trusted organization.
 - Educate on the benefits of working with credit counselors.
 - Guide consumers on how to go about finding and enlisting the help of a credit counselor.
 - Help consumers feel comfortable talking about debt and credit – and that it is not something to be ashamed of.
- **More–acculturated Hispanics are a primary target.**
 - This segment can be reached in English, but we must ensure that MMI has culturally relevant messaging for greater engagement.
 - This segment seems to be struggling to manage their debt – they are the most likely segment to be paying less than the minimum payment, not paying on time, acquiring more debt, having the worst credit score, and making impulse purchases.
- **Less–acculturated Hispanics are very interested in MMI’s offering, particularly if they can work with the organization in Spanish.**
 - This segment is newer to credit cards and debt but seems to be diligent about making their payments and managing their expenses as a way to control their debt.
 - This segment could use guidance to understand the benefits of having and building credit.

-
- They will require communication and support in Spanish, and they have a preference for in-person communication.
 - **The Bicultural segment is also important and is receptive to MMI's offering.**
 - Biculturals have the largest debt and are the segment most comfortable with debt. But they share the same negative sentiments about debt as others – feeling stressed and embarrassed.
 - This segment is the most likely to have worked with financial or credit counselors – but only 1 in 5 has done so. Like others, they do not know how to obtain professional help.
 - While they value support in Spanish, they can communicate in English.

Outreach

Armed with the knowledge gained from the survey results, MMI created a culturally relevant advertising campaign, incorporating the core Hispanic value of “familia”. The campaign ran from November 1, 2023 – January 31, 2024, creating 13.7MM impressions. Of the total impressions, 70% came from the Facebook campaign and 30% from Choozle, a digital advertising software platform.

The campaign exceeded expectations for the number of interactions the advertisements received. Meaningful interaction is critical as it leads to actual engagement with MMI and our services. Overall, the campaign garnered 26,400 interactions, producing 14,689 unique MMI website users. Of these users, 20% spent meaningful time on our site and explored multiple pages, while 80% viewed a single page and left the site, which is typical of an awareness campaign. About 90% of web users came to us from their mobile devices and spent most of their time reading financial education content designed to help them understand the value of a credit counseling session and the benefits of a debt management plan.

Engagement, the measure of how people interact with the ad content, produced quality outcomes that will continue to be felt throughout 2024 and beyond. The audience reached in these campaigns was in the awareness phase of the funnel, becoming familiar with and exploring nonprofit credit counseling as a potential solution for their financial challenges. Of those reached, 58 called MMI and 10 chose to engage via online counseling.

It is important to note that while we use tracking links to monitor advertising performance, it is an imperfect science due to consumer behavior. For example, people may use their mobile device to scroll Facebook, see an ad in their stream, and then later perform a branded search, which diminishes our tracking capabilities. While consumers may do this out of convenience or preference, it is common for consumers to switch platforms to keep their activity private from Facebook and prevent "retargeting" or seeing ads from the same advertiser in the future.

Overall, this campaign contributed to a 69% increase in organic search users and website sessions for MMI in January 2024 as compared to January 2023.



December 2023:

Reach: 126,816
Impressions: 334,872
Link Clicks: 3,071
CPC: \$0.84



January 2024:

Reach: 1,775,541
Impressions: 9,217,109
Link Clicks: 25,105
CPC: \$0.65

Partner with MMI

MMI is committed to aligning with creditors and lenders to provide support to customers who need help with debt management. We hope the survey findings and recommendations serve as a resource to better understand their needs. If you are interested in learning more about MMI and how we may work together please contact:

Tom DePoy, SVP of Industry Relations
602.319.7556 | Tom.DePoy@MoneyManagement.org

Media Highlight

"Mayra Jaramillo spent five years paying down roughly \$30,000 in credit card debt through a debt management plan with Money Management International, improving her credit score in the process. 'I grew up learning that you could pay it later,' she said, but didn't realize how much interest rates of close to 30 percent would make paying off her purchases a challenge. Ms. Jaramillo said her credit score today is 731, an improvement of more than 100 points since she began the debt management program. 'I've noticed that your credit score associates how much trust you can earn with different companies,' she said. 'The better your credit score is, the better your chances of getting a card or a loan that's not high interest'." – [The New York Times](#)



Join industry leaders:

We proudly maintain numerous partnerships across multiple industries, leveraging our talent, technology, and expertise to help organizations and the consumers they serve. Together, we can improve the lives of families and individuals across America.

We are uniquely qualified to earn your trust.

Nonprofit: As a 501(c)(3) nonprofit organization, we take pride in providing unbiased advice and expert guidance to consumers in times of financial instability.

Expertise: We know money management – it's right there in the name. We have over 65 years of experience in financial education. Our certified counselors are empathetic experts with a 12-year average tenure.

Professionalism: We love what we do, but we take our work and your partnership seriously. We pride ourselves on our capability, reputation, and culture.

Security: We are the only agency in our sector to be certified PCI DSS compliant, ensuring our systems and processes are secure.





Connect with us:

