Multicultural Center of Expertise:
Insights and strategies to reach racially and economically diverse consumers

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CUNA Mutual Group
• How do we view culture and what do the trends say?

• Does culture matter to business performance?

• What can we learn from 12,000+ consumers about financial attitudes and values?
CULTURAL LENSES & TRENDS
NH WHITE 61%
ASIAN 5%
HISPANIC 17%
AFRICAN AMERICAN 13%
OTHER 4%
RACE/ETHNICITY
American Diversity by Generation

<table>
<thead>
<tr>
<th>Generation</th>
<th>Age 80+</th>
<th>Multicultural (all other)</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td>SILENT</td>
<td></td>
<td>16.9%</td>
<td>83.1%</td>
</tr>
<tr>
<td></td>
<td>AGE 70-79</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>AGE 60-69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BOOMER</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>AGE 50-60</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>AGE 45-50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEN-X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>AGE 40-44</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>AGE 30-39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MILLENNIAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>AGE 20-29</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>AGE 10-19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEN-Z</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>AGE &lt;9</td>
<td>50.8%</td>
<td>49.2%</td>
</tr>
</tbody>
</table>

Source: Nielsen Pop-Facts. CY 2015 aggregate of single year by race ethnicity (ASHE) with collapse Race/Ethnicity into “core” diversity cohorts.
Where do multicultural consumers fall in the income spectrum?

<table>
<thead>
<tr>
<th>INCOME TIERS BY RACE</th>
<th>Lower</th>
<th>Middle</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL ADULTS</td>
<td>29%</td>
<td>50%</td>
<td>21%</td>
</tr>
<tr>
<td>WHITE</td>
<td>23%</td>
<td>52%</td>
<td>25%</td>
</tr>
<tr>
<td>HISPANIC</td>
<td>43%</td>
<td>48%</td>
<td>10%</td>
</tr>
<tr>
<td>AFRICAN AMERICAN</td>
<td>43%</td>
<td>45%</td>
<td>12%</td>
</tr>
<tr>
<td>ASIAN</td>
<td>25%</td>
<td>47%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Does culture matter to business performance?
PRODUCT: Performance can differ by race/ethnicity

TruStage 2015 LIFE Response Rates

- African American
- White/Other
- Hispanic
- Asian
Differences remain even when controlling for HH income and more
Diverse teams make better business decisions
SERVICE: Beneficiary-related calls as % of total policies
The power of the “Curb Cut” effect

### Ethnicity Monthly Trends

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Jul'17</th>
<th>Aug'17</th>
<th>Sep'17</th>
<th>Oct'17</th>
<th>Nov'17</th>
<th>Dec'17</th>
<th>Jan'18</th>
<th>Feb'18</th>
<th>Mar'18</th>
<th>Apr'18</th>
<th>May'18</th>
<th>Jun'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caucasian</td>
<td>2.02%</td>
<td>2.01%</td>
<td>1.63%</td>
<td>2.35%</td>
<td>1.78%</td>
<td>2.22%</td>
<td>2.50%</td>
<td>1.89%</td>
<td>1.40%</td>
<td>1.02%</td>
<td>1.05%</td>
<td>0.27%</td>
</tr>
<tr>
<td>African American</td>
<td>1.73%</td>
<td>1.93%</td>
<td>1.77%</td>
<td>2.12%</td>
<td>1.55%</td>
<td>2.15%</td>
<td>2.34%</td>
<td>1.94%</td>
<td>1.78%</td>
<td>1.12%</td>
<td>1.00%</td>
<td>0.43%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>1.29%</td>
<td>1.80%</td>
<td>2.77%</td>
<td>2.54%</td>
<td>1.72%</td>
<td>1.47%</td>
<td>2.37%</td>
<td>1.85%</td>
<td>1.78%</td>
<td>1.08%</td>
<td>0.72%</td>
<td>0.49%</td>
</tr>
<tr>
<td>Asian</td>
<td>1.49%</td>
<td>1.75%</td>
<td>1.21%</td>
<td>3.16%</td>
<td>0.83%</td>
<td>3.27%</td>
<td>2.41%</td>
<td>2.18%</td>
<td>0.51%</td>
<td>0.75%</td>
<td>0.36%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Unknown</td>
<td>3.27%</td>
<td>1.96%</td>
<td>3.15%</td>
<td>2.37%</td>
<td>2.80%</td>
<td>3.08%</td>
<td>2.42%</td>
<td>2.19%</td>
<td>1.18%</td>
<td>1.43%</td>
<td>1.08%</td>
<td>0.37%</td>
</tr>
</tbody>
</table>
ATTITUDES & VALUES

What can we learn from 12,000+ consumers about financial attitudes and values?
What Matters Now™
Insights from Multicultural Consumers

truSTAGE®

CUNA Mutual Group
• What Does the Data Show

• Why are There Differences
“I consider a Credit Union to be my primary bank”
Car & Home Ownership

- Car Ownership:
  - Multicultural: Approximately 80% (yellow) and 50% (grey)
  - White: Approximately 90% (yellow) and 80% (grey)

- Home Ownership:
  - Multicultural: Approximately 70% (yellow) and 50% (grey)
  - White: Approximately 90% (yellow) and 80% (grey)

CUNA Mutual Group Attitudes and Values Survey, 2017
African Americans are 2x more likely to take out a student loan than Whites
Hispanic consumers are 9X as likely as Whites to acquire a small business loan in the next five years!
Investment Product Ownership

- White: 69%
- African American: 52%
- Hispanic: 49%
- Asian: 69%
- Other: 64%

Source: CUINA Mutual Group Attitudes and Values Survey, 2017
Convenience is more than 2x as important to Hispanic consumers

Q: I look for convenience in my financial products and services, even if it means higher rates or fees.

- White: 9%
- African American: 16%
- Hispanic: 23%
- Asian: 10%
- Other: 9%

CUNA Mutual Group Attitudes and Values Survey, 2017
Which financial institutions can consumers conveniently access near their area?
Q: I would prefer to keep all my financial products and services with a single institution.
African Americans and Hispanics are more likely to research using mobile apps.

- White: 24%
- African American: 39%
- Hispanic: 40%
- Asian: 21%
- Other: 36%

CUNA Mutual Group Attitudes and Values Survey, 2017
Q: It’s important that companies make an effort to be active in my local community

- **HISPANIC**: 61%
- **AFRICAN AMERICAN**: 55%
- **WHITE**: 42%
- **ASIAN**: 53%
• What Does the Data Show

• Why are There Differences
Themes
Multicultural consumers rank considerably higher than Whites in these six areas

- Optimism
- Hustle
- Living in the Moment
- Worry
- Generosity
- Community vs. Individual
“I worry about my family’s financial stability on a daily basis”

Percentage that worry about financial stability

TruStage What Matters Now™ Consumer Survey, January 2018
Worry
How Worried Are You About ...

- Having enough $ for retirement
- Rising cost of healthcare insurance
- Saving enough for child's college
- Paying student loans
- Paying rent/mortgage
- Paying bills
- $ to take care of parent/loved one
- $ to take care of children
Worry
How Worried Are You About ...

- Having enough $ for retirement
- Rising cost of healthcare insurance
- Paying student loans
- Paying rent/mortgage
- Paying bills
- Saving enough for child's college
- $ to take care of parent/loved one
- $ to take care of children

CUNA Mutual Group Attitudes and Values Survey, 2017
How Fintech Partnerships Can Make Financial Planning More Inclusive

A growing number of fintech companies are targeting their apps at the Hispanic market - and for good reason. Hispanic consumers are twice as likely to research financial products and services using mobile apps, according to CUNA Mutual Group's 2018 TruStage What Matters Now consumer research.
Q&A