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B-SCHOOL NEWS

By Jeffrey Gangemi

Demand for Hispanic MBAs Is *Caliente*

The rapidly growing Hispanic population in the U.S. has companies hunting executives who are tuned into the language and culture

Richard Delgado, a third-generation Mexican American, says his Hispanic background set him apart when he graduated from Southern Methodist University's [Cox School of Business](#) at the peak of the dot-com bust in 2003. Despite a tough job market, he got a sales position with chemical company Celanese ([CE](#)). He later moved to Merrill Lynch ([MER](#)), where he helped launch a national marketing initiative targeting the burgeoning Hispanic upper class.

His current position as a national account sales manager for Dallas fiberglass manufacturer Owens Corning ([OWENQ](#)) is also a nod to his heritage. "The reason I have my job is because I'm bilingual and Hispanic," Delgado says. "Many more people making buying decisions these days are Hispanic, especially contractors."

And manufacturing companies aren't the only ones looking for talent like Delgado. Nancy Sims, president of the [Robert A. Toigo Foundation](#), an organization dedicated to helping underrepresented minorities enter the finance industry, says finance companies and investment banks, recognizing Hispanics' rising numbers in the U.S., have started asking for Hispanic students, particularly those who are fluent in Spanish.

As a group, the 41.3 million U.S. Hispanics are both the fastest-growing segment of the population -- now constituting 14% -- and the youngest. The median age for Hispanics was 26.7 in July, 2003, compared with 35.9 for the overall U.S. population, according to the U.S. Census Bureau. Those kinds of numbers bring purchasing power that's hard to ignore.

WAR FOR TALENT. Hispanics, who now spend an estimated \$700 billion annually, will spend \$1 trillion by 2010, according to Hispantelligence, the research arm of *Hispanic Business Magazine* in Santa Barbara, Calif. In addition, higher-paying managerial and professional jobs are the fastest-growing occupational categories for Hispanics (see BW, 1/17/05, "[Tapping a Market That Is Hot, Hot, Hot](#)").

But with Hispanic MBA students representing only 4.5% of the B-school populace, according to research by the Graduate Management Admissions Council, the pipeline is not flowing fast enough to satisfy the changing demographic (see BW, 5/12/03, "[B-Schools: A Failing Grade on Minorities](#)"). Many MBA recruiters are scrambling ever harder to attract the top Hispanic candidates.

Companies like Merrill Lynch are now hosting targeted events on campus, offering scholarships, and promoting internal Hispanic support networks, to compete with huge consumer-products companies like Procter & Gamble ([PG](#)), whose core business depends on reaching a variety of consumers.

"It's a war for talent," says Elizabeth Wamai, head of global markets and investment banking diversity recruiting for Merrill in New York. "If you don't attempt to market to Hispanics differently, you're missing out on a key talent pool."

The recruiting strategy is all about the bottom line. For any company to market its products to Hispanics effectively, it needs to employ people in management with a combination of education, experience, and firsthand knowledge

of the culture, says Pilar Avila, vice-president for marketing at Palladium Equity Partners in New York, one of the largest Hispanic-owned private-equity firms in the country.

MAKING CONNECTIONS. To keep its supply of Hispanic talent fresh, P&G has worked to bring next year's [National Society of Hispanic MBAs](#) conference and job fair, which gathers many of NSHMBA's 7,000 members and more than 300 corporate participants -- along with a heap of attention for the sponsor -- to its headquarters in Cincinnati.

Many of the top schools partner with NSHMBA to offer scholarships. Michael Negrón, interim president of NSHMBA, says that more than \$4 million has been awarded in the past five years. With institutions like [Harvard Business School](#) and [MIT Sloan School of Management](#) pursuing relationships with NSHMBA, that number will undoubtedly grow.

Increasingly, outside organizations like the Toigo Foundation and NSHMBA not only provide scholarships but also connect students with recruiters. Often, those Hispanics who do make it to B-school lack the social networks and mentors that other students have.

To address that need, fellows selected by the Toigo Foundation are paired with a professional mentor in their chosen field and an alumni coach, usually a Toigo alumnus who is three to five years out. They help the student navigate the MBA scene and make connections in the business world.

HEARTS AND MINDS. Some schools are also trying nontraditional techniques to train leaders who are sensitive to Hispanic topics. The Hispanic American Business Leaders Assn. at Cornell University's [S.C. Johnson Graduate School of Management](#) launched a Hispanic case competition. And Southern Methodist University has begun offering a course called "Hispanic Marketing."

Ed Rincón, president of Rincón & Associates Marketing, a Dallas research firm, and adjunct professor at Cox, teaches the class to help all students learn how to market to this growing population.

Elva Arista, a recent EMBA graduate who took Rincón's class, found herself in demand among recruiters, including consulting firms, consumer packaged goods companies, and marketing outfits. Now manager of human resources at Commercial Metals, Arista says the class wasn't just for Hispanics but was filled with a variety of students who recognize the need for understanding the ever-larger Hispanic population.

Even Rincón admits, however, that the Hispanics in his class are at an advantage because of their innate cultural knowledge and language skills (see BW Online, 5/20/04, "[Marketing With a Spanish Accent](#)"). "To design a campaign [targeted at Hispanics], you have to understand their psychology," he adds. For MBAs who can do that, the job field is wide open.

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Edited by Phil Mintz

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