



New Study Reveals Disparities Between U.S. and Foreign-Born Latinos in Dallas/

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DALLAS, Texas – According to the Dallas/Ft. Worth Latino Trendline, sharp differences are evident between U.S. and foreign in terms of their demographic and socioeconomic characteristics, media usage and quality of life – differences that can shape marketing and political campaigns.

The study, conducted annually by Dallas-based Rincon & Associates, noted that the Dallas/Ft. Worth metropolitan area is now estimated 1.5 million Latinos, whose numbers have nearly tripled from their 1990 population of 525,474. The explosive Latino current aggregate income of \$17 billion, and potential to swing close political elections has led to increased interest among marketers to target this important segment. However, nearly two-thirds (62.5 percent) of Latino adults were foreign-born and one-third (37.5 percent) were born in the U.S. – a demographic fact that requires a differential marketing strategy. According to Rincon, the principal investigator, the study revealed important disparities between these two segments:

Demographics

- U.S.-born Latinos were over three times more likely (65.3 percent) to have graduated from high school than foreign-born Latinos (17.9 percent). This disparity in education has important implications for the reading difficulty of advertising materials in Spanish language, especially when targeted to the foreign-born segment.
- Nearly seven in ten U.S.-born Latinos (68.6 percent) had a household income of \$30,000 or higher, compared to less than one-third of foreign-born Latinos (31.8 percent). Income disparities can greatly influence the ability of foreign-born Latinos to purchase products and services or make charitable contributions.
- When given the choice by a bilingual interviewer, 85.7 percent of U.S.-born Latinos preferred to be interviewed in English and 91.7 percent of the foreign-born preferred Spanish as the language of the interview. In general, the language that is preferred when provided an option points to the language in which they have higher comprehension, which in turn enhances communication. In legal and healthcare settings, comprehension testing should be given top priority.
- Latinos varied considerably in their ability to understand English. Nearly six in ten foreign-born Latinos (58.9 percent) understood English either "not well" or "not at all" compared to only 3.4 percent of U.S.-born Latinos. The vulnerability of the foreign-born in understanding English underscores the importance of providing translators for important public services as well as for legal documents.
- U.S.-born Latinos did not find Spanish-language commercials more convincing than English-language ones despite that they can understand Spanish. Interestingly, although the ability to understand Spanish was high for both U.S.-born (83.8 percent) and foreign-born Latinos (99.6 percent), U.S.-born Latinos believed that Spanish-language commercials were not necessarily more convincing than English-language ones (see attached Table 1). Ironically, over 90 percent of national advertising expenditures targeted to Latinos are dedicated to Spanish-language media – a practice that should be re-aligned.

Media Usage

- For general television news, the viewing choices for U.S.-born and foreign-born Latinos were highly segregated. U.S.-born Latinos were more likely to view English-language networks like FOX (26.5 percent), ABC (21.3 percent), and NBC (16.1 percent) while foreign-born Latinos primarily viewed Spanish-language networks Univision (74.1 percent) and Telemundo (11.9 percent). These highly segregated viewing patterns underscore the importance of broadcasting information that is critical to all areas, on both English and Spanish-language networks.
- Latinos are embracing the expanded circulation of two daily Spanish-language newspapers, *Diario La Estrella* and *El*

appear ready to abandon the readership of English-language dailies as their primary newspaper. In terms of the new Latinos believed would do the best job of covering Latino people and events in their community, Diario La Estrella a an edge (12.7 percent) over the Dallas Morning News (7.9 percent) and Al Dia (6.3 percent). In the Dallas market, launched September 29 of last year and Diario La Estrella accelerated their circulation about two years ago, the rea comparable for the two newspapers at 19 percent while frequency of readership was higher for Al Dia than Diario La addition, the newspaper that would be most likely to become their primary newspaper over the next 12 months incl Morning News (26.5 percent), Diario La Estrella (9.4 percent), Star-Telegram (7.6 percent), and Al Dia (5.2 percent

- The recent escalation in the competition for the Dallas/Ft. Worth Latino newspaper readership between Al Dia and D was associated with losses in readership levels for other Spanish-language newspapers since the 2001 period. For e four-week losses in readership shares since 2001 were noted for El Sol de Texas (-12.5 percent), El Hispano News (El Extra (-8.3 percent), El Informador (-6.4 percent), El Heraldo News (-5.2 percent), La Prensa (-4.8 percent), and News (-4.6 percent).
- Foreign-born Latinos tuned in primarily to Spanish-language radio stations, while the listening choices for U.S.-born more varied. During the prime-time 7am to 10am segment, foreign-born Latinos listening primarily to Estereo Latino percent), KESS 107.9 (16.6 percent), Super Estrella 104.9 (9.9 percent), and Amor 107.1 (8.1 percent). By contras Latinos listened primarily to KICK 99.1 (14.1 percent), The Beat 97.9 (8.9 percent) and Estereo Latino 94.1 (8.0 pe
- Latinos paid more attention to a commercial that included a Latino in it. On a scale of 1 to 10, where 1 means "does me at all" and 10 means "describes me completely," the average rating was 6.9 for all Latinos, 7.6 for the foreign-t U.S.-born Latinos (see attached Table 1). Latinos are clearly more engaged when they view a commercial that inclu it, which should be an important consideration for marketers.

Civic Participation & Quality of Life

- Overall, over four in ten Latinos (42.3 percent) were currently registered to vote. However, U.S.-born Latinos were more likely (84.5 percent) to be registered voters than foreign-born Latinos (17.2 percent). The higher consumption language media by U.S.-born Latinos points to the importance of including an English-language strategy to reach th Latino voters.
- About one-third (32.1 percent) of U.S.-born Latinos would like to see George W. Bush re-elected as president, comp ten (21.5 percent) foreign-born Latinos. Since President Bush received about one-third of the Latino vote in the 200 election, it appears that he has not lost or gained support among Latino voters in the Dallas/Ft. Worth area. A recer of U.S. Latinos in January 2004 by the Pew Hispanic Center showed that 47 percent of Latinos would prefer a Demo to win the 2004 presidential election while 37 percent preferred George W. Bush.
- Over four in 10 Latinos (43.4 percent) approved of the way President Bush was handling his job, nearly four in ten disapproved, and less than two in ten Latinos (17.4 percent) were unsure. This approval rating was similar to the a noted in the Pew Hispanic Center poll of U.S. Latinos taken after the capture of Saddam Hussein, which confirmed a rating of 47 percent for Bush's handling of the situation in Iraq and an approval rating of 45 percent for his handling economy. The direction that this apparent split takes among DFW Latinos in the 2004 election may change substani public policy initiatives related to Latinos become more apparent.
- U.S.-born Latinos in the Dallas area evaluated Mayor Laura Miller's job performance more negatively than foreign-b Dallas-area Latinos were more likely to rate Mayor Laura Miller's job performance as "good" (42.4 percent) or "fair" while relatively fewer Latinos rated her job as "excellent" (7.0 percent) or "poor" (16.1 percent). However, U.S.-bor nearly three times more likely than foreign-born Latinos (9.3 percent) to judge the mayor's job as "poor" (26.4 per U.S.-born Latinos comprised a larger segment of the likely voters than the foreign-born, the higher negative ratings subject of some concern to Mayor Miller and her position on Latino-related issues.
- Despite substantial publicity surrounding the Mayor Miller's desire to fire Dallas City Manager Ted Benavides, he app fairly solid ground with Dallas-area Latinos. Dallas-area Latinos were more likely to rate City Manager Ted Benavide performance as "good" (48.5 percent) or "fair" (34.9 percent), while fewer Latinos rated his job as "excellent" (9.6

"poor" (7.0 percent).

- Nearly three in ten Dallas-area Latinos (30.1 percent) were aware of the Latino Cultural Center, while over one in ten (11.5 percent) Latinos had visited the center since its opening. U.S.-born Latinos were about three times more likely to have visited the Latino Cultural Center than foreign-born Latinos. The reasons cited for not visiting the Center included lack of information about the Center, difficulty in finding the location, lack of transportation, and a lack of interest. Center marketing staff should pay more attention towards publicizing the Center's location, bus routes, and reinforcing the points of interests to Latino consumers.
- Over one-third (34.1 percent) of Latinos were uninsured. Foreign-born Latinos were more likely (41.1 percent) than U.S.-born Latinos (22.5 percent) to be uninsured. Moreover, U.S.-born Latinos were nearly twice as likely (57.3 percent) as foreign-born Latinos (28.1 percent) to have private health insurance coverage. The lack of insurance coverage, lower income and limited access to financial institutions greatly increases the dependence of foreign-born Latinos on indigent care.
- Nearly three in ten Dallas-area Latinos (27.3 percent) depended primarily on Parkland Health & Hospital System to meet their family's healthcare needs during the past two years. Foreign-born Latinos (24.1 percent) were twice as likely to use Parkland as U.S.-born Latinos (12.3 percent). Current efforts by Dallas County Commissioners to evaluate the eligibility of patients for care at Parkland should give strong consideration to the potential negative impact of refusing care to nearly 40,000 Latino households in the Dallas area who depend on Parkland to meet their healthcare needs.
- Slightly over half (52.2 percent) of Latinos were homeowners, which may reflect a slight upward bias due to the telephone methodology employed in the study that may include the more stable homeowners than renters. Six in ten U.S.-born Latinos (60.0 percent) were homeowners while less than half (47.5 percent) of the foreign-born owned a home. According to the study, however, the homeownership rate among Dallas/Ft. Worth Latinos improved only slightly from 39.9 percent in 1990 to 42.5 percent in 2000. Removing barriers to homeownership among Latinos should be a higher priority for City leaders.
- Nearly half of Latinos (46.9 percent) believed that job layoffs and unemployment was a "very big" or "fairly big" problem in the Dallas/Ft. Worth area, a finding that was slightly lower than the proportion of Americans (52.0 percent) in a recent survey who were asked the same question. This finding counters the public perception that Latinos, especially immigrants, do not have the same advantage in the employment sector over Americans.

Consumer Behavior

- In evaluating eight store dimensions that influenced where they shopped, Latinos placed relatively more importance on linguistic factors in comparison to non-linguistic ones. In terms of the dimensions considered "very important," Latinos placed more importance on the availability of friendly staff (90.3 percent), having the lowest prices (86.0 percent), and having a safe neighborhood (80.5 percent). Other "very important" store dimensions included having bilingual staff (75.1 percent), offering brands they liked (70.3 percent), providing product labels in Spanish (60.9 percent), having store signs in Spanish (59.6 percent) and providing television, radio or newspaper advertisements in Spanish (59.6 percent). U.S.-born Latinos generally placed more importance than the foreign-born on the availability of product labels, store signs, and advertising in Spanish. Retailers should closely examine the nativity of potential customers in their trade area as one method for prioritizing decisions about store locations and operations.
- Latinos spent an estimated \$1.7 billion in area supermarkets during 2003. Estimated Latino supermarket expenditures were greater at Fiesta Mart (\$431 million), Carnival (\$250 million), and Albertsons (\$176 million). Foreign-born Latinos shopped primarily at Fiesta Mart and Carnival, while U.S.-born Latinos included broader options like Albertsons, Fiesta Mart, and Wal-Mart Super Center. Supermarkets, in particular, have been quite successful in adapting their shopping environments to the specific needs of U.S. and foreign-born Latino consumers.
- Less than two in ten Latinos (17.1 percent) were planning to buy a home within the next 12 months. Over half of Latinos (51.1 percent) planned to buy a home within the next 12 months preferred a pre-owned home, while one-quarter planned to buy a new home. The most likely price range for their home purchase was \$75,000 to \$100,000. The homebuilding and real estate industry should closely evaluate the home buying needs of Latinos to ensure that Latinos are not locked out of home buying opportunities by unaffordable housing, undesirable locations, the absence of bilingual real estate agents, or other barriers.

- Over two in 10 Latinos (21.5 percent) were planning to buy an automobile within the next 12 months. Latinos who own an automobile were more likely to prefer a used car (53.0 percent) rather than a new one (35.6 percent). The models purchased included Ford, Chevrolet, Honda and Nissan-Datsun. Automobile dealers should consider expanding their selection when selling to Latinos or perhaps creating more innovative financing programs for new cars.
- Over one-quarter (26.6 percent) of foreign-born Latinos currently used the matricula consular, an identification card issued by the Mexican Consulate. The matricula was used primarily by area Latinos to cash checks (42.7 percent) and open check (22.4 percent), while other uses include obtaining a job (15.7 percent), getting utility services (16.6 percent), and library books (12.0 percent). The ability to use the matricula for financial transactions was especially beneficial to them since nearly two-thirds (62.9 percent) did not use credit cards and nearly four in ten (37.1 percent) were unbanked.

The study findings underscore the potential danger of relying on a single marketing or linguistic strategy to target Dallas/Ft. Worth Latinos. For example, a Spanish-language strategy may be less effective when targeting Latino children and U.S.-born Latinos and more effective when targeting foreign-born Latinos.

According to Hispanic Business, over 90 percent of advertising expenditures targeted to Latinos are invested in Spanish-language advertising which is used primarily by foreign-born Latinos. However, the need to provide a better balance to these spending trends was highlighted in a recent study of U.S. Latinos by the Pew Hispanic Center that pointed to fundamental changes in the manner in which language use among second and third-generation Latinos is changing. The study revealed that while the foreign-born (first generation) comprised 75 percent of the Latino growth between 1970 and 2000, the foreign-born are predicted to comprise only 25 percent of the growth between 2000 and 2020. Consequently, informed marketers should begin to tailor their advertising and marketing strategies to the language, media, values, interests and consumption behavior of U.S. and foreign-born Latinos.

The Dallas/Ft. Worth Latino Trendline is a tracking study that monitors consumer and quality of life issues for Dallas/Ft. Worth Latinos. The study is based on a 20-minute telephone interview of a randomly selected sample of 600 Latino adults residing in the Dallas/Ft. Worth CMSA. The survey has a margin of error of plus or minus 4 percent at a confidence level of 95 percent. The survey was conducted from November 3rd to December 3rd from the interviewing facilities of Rincon & Associates. All respondents were provided the interviewing language by bilingual interviewers. The syndicated study is sponsored and conducted by Dallas-based Rincon & Associates, a market research firm that specializes in ethnic consumer research throughout the United States.

Source: Rincon & Associates