



Five keys to working with Hispanic clients

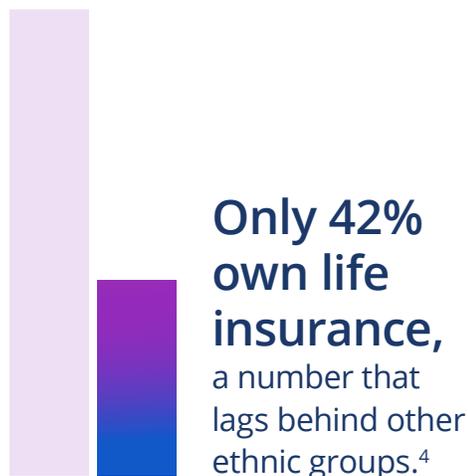
The Hispanic population¹ has increased in size and influence over the past few decades.

The U.S. Office of Management and Budget defines “Hispanic” as a person of Cuban, Mexican, Puerto Rican, South or Central American or other Spanish culture or origin, regardless of race.

It’s a dynamic community that now represents the largest minority group in the U.S. and 18 percent of the workforce.² In fact, measured by GDP, the U.S. Latine economy ranks as the fifth largest in the world!³

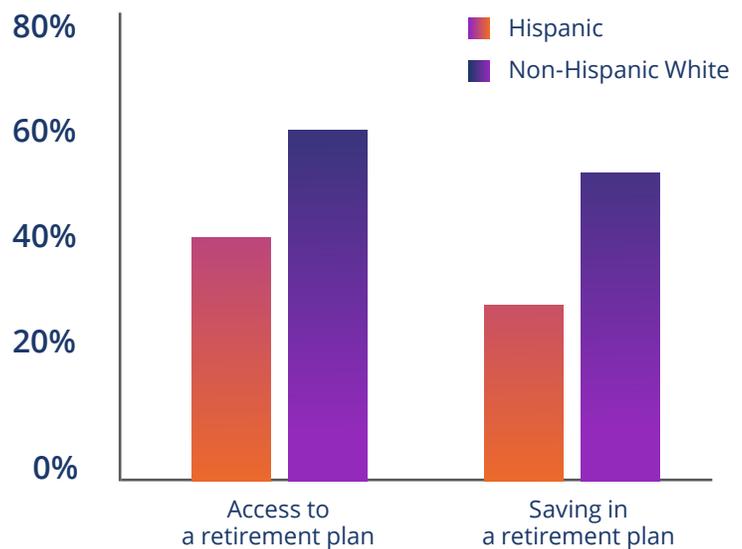
It’s estimated the Hispanic population has \$3.4 trillion of purchasing power

Despite this, the community is not well represented in life insurance ownership



Access to a retirement plan drives saving⁵

Share of workers with a traditional pension or retirement savings plan



There is significant opportunity for financial professionals to build relationships and grow their client base within the Hispanic community. As you expand your efforts in this market, keep these five points below in mind.

1. Know the market composition in your area

While Mexican Americans represent the largest percentage of Hispanics in the U.S. (60 percent),⁶ the Hispanic population is made up of a variety of subcultures.

Depending on where you are in the U.S., there may be a predominance of Puerto Ricans, Salvadorans, Cubans, Dominicans, Colombians or others.

Learning about the Hispanic market in your area doesn't mean that you have to become an expert, but that you make a genuine effort to understand and respect what is important to them. Your effort will be noticed and will help you better connect with your Hispanic clients.

2. Take the time to build a relationship

Depending on cultural dynamics, Hispanics may tend to be more relationship-oriented and less transactional.

Take time to engage and build a relationship by asking open-ended questions and allow them to share their thoughts and goals. Listen for cues about topics that he or she may be passionate about, like family or native country. You can help clients identify financial needs by understanding their family situation, their passions and goals.

Additionally, community involvement can be a powerful way to build relationships and build your business. Consider contributing to Hispanic-centric charities, attending cultural celebrations or supporting Hispanic groups or organizations.

3. Respect and courtesy are critical

Showing respect is critical to reaching Hispanic clients.

It can be demonstrated in many ways including listening without interrupting, learning about what's most important to them, remembering and pronouncing names correctly and engaging people in ways, that make them comfortable. As with most clients, small gestures of courtesy and respect combined with a genuine desire to earn and keep their business can go a long way.

4. Focus on what's important

Placing too much emphasis on planning for the future may not be the right approach with many Hispanic clients.

Cultural beliefs about the unpredictable nature of life and the desire to "live for today" are important components in the belief systems of many Hispanics. It doesn't mean that they will not plan for the future, but certain clients may be inclined to focus more on the present than the future.

Hispanic clients

Personally

- A cross section of cultures (Mexican, Cuban, Columbian, Puerto Rican, etc.)
- Young and family-oriented
- Often bilingual in Spanish and English
- Likely to reside in larger households with children under 18
- Relationship-oriented and less transactional

Financially

- Buying power in excess of \$3 trillion
- Less likely to have ever met with a financial professional
- Increasingly acculturated with rising incomes
- Low in life insurance and retirement plan ownership

The Hispanic American population tends to be relatively young with large families that include children and extended family members. If your clients have multi-generational households, it might be beneficial to talk about the importance of making sure that family members are protected. This approach may resonate given the importance of family within most Hispanic cultures.

5. Communicate in the language most comfortable to your client

Just because a client or prospect is Hispanic, it doesn't mean they want to conduct all conversations in Spanish.

Many are bilingual, and a large number of second and third-generation Hispanics speak English as their primary language. It is worth noting that many Hispanics frequently use "Spanglish," a combination of both languages. This is especially true in informal situations.

You should prepare ahead of time for your meeting with a Hispanic client. Ask him or her in what language they prefer to communicate. If you do not speak or understand much Spanish, arrange to have an interpreter available, if necessary.



Finding the opportunity

The current and projected growth of the Hispanic community in the U.S. offers you a tremendous opportunity. Building relationships through respect, sincerity and an understanding of their needs can help you grow your business and provide a valued service to this community.

Notes and Resources:

¹ Note: The U.S. Office of Management and Budget defines "Hispanic" as a person of Cuban, Mexican, Puerto Rican, South or Central American or other Spanish culture or origin, regardless of race.

² U.S. Bureau of Labor Statistics, bls.gov/blog/2023 October 6, 2023

³ news.asu.edu/20231003 "2023 LDC US Latino GDP Report shows tremendous impact..."

⁴ "The Life Insurance 'Need Gap' for Hispanic Americans" lifehappens.org/research/ September 2022

⁵ crr.bc.edu/the-myriad-stories-behind-hispanic-retirement-saving/

⁶ Neilsberg-Global Research and Advisory Firm, USAFacts/Nonpartisan Government Data, Pew Research Center

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