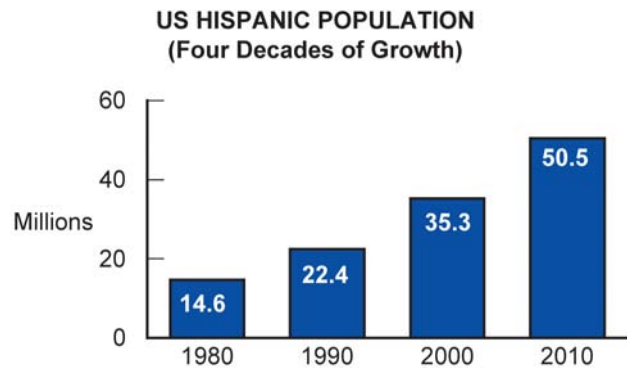


The *Hispanic/Latino* MacroMonitor

With the 2010 U.S. Census, the population of people of Hispanic origin has exceeded 50 million for the first time. The time has come for a shared-cost research program about Hispanic households with comprehensive coverage and customizable results—the *Hispanic/Latino MacroMonitor*.

The Consumer Financial Decisions (CFD) group of Strategic Business Insights (SBI) has produced the MacroMonitor since 1978. Over the course of that innovative and volatile period in financial services, we have demonstrated the capability and expertise to develop and deliver high quality insight about consumer populations.

The growth of the Hispanic population in the United States provides a significant opportunity for many different types of financial institutions. Because the information these institutions need about Hispanics is very similar (for example, demographics, product and service use, financial attitudes, and market size), CFD is proposing to implement a shared-cost, syndicated research program. Each institution will receive all of the information and deliverables at a fraction of the cost of doing the study on its own. More importantly, in addition to the standard deliverables, each institution will receive customized results based on their own objectives. Additional analysis, interpretation, and consulting are also available.



Source: Pew Hispanic Center

WHAT IS THE *HISPANIC/LATINO* MACROMONITOR?

The *Hispanic/Latino* MacroMonitor is a survey of 2,400 Hispanic households' financial decision makers that includes complete information about the household's financial needs. Respondents will be selected so that the results will be representative and projectable to the total population of U.S. Hispanic households.

- ◆ The sample and weighting is designed to enable sponsors to look at subsamples reliably such as specific geographies, country of origin, degree of acculturation, life stage and income, among other variables.

- ◆ The questionnaire will include all products and services, specific institutions, channel use, financial goals and attitudes. Sponsors who sign up prior to fielding will be able to provide input into the survey instrument.
- ◆ The recruiting and fielding will be done in both English and Spanish. The survey will be fielded using the Knowledge Networks Latino Panel, combined with an oversample of households with annual income above \$100,000 drawn from lists provided by Ethnic Technologies.
- ◆ For the design, cleaning, weighting, analysis, and results, CFD will collaborate with Dr. Felipe Korzenny and the in-house experts at Knowledge Networks.
- ◆ The standard deliverables include: Top-line, Tabulations, Graphic Analysis (CGA), Presentation of Findings, and the data pre-formatted for SAS and SPSS.
- ◆ Optional deliverables include: Custom Tabulations, CGAs, Presentations of Findings, Analytic Reports, Data Appends, among other consulting services.

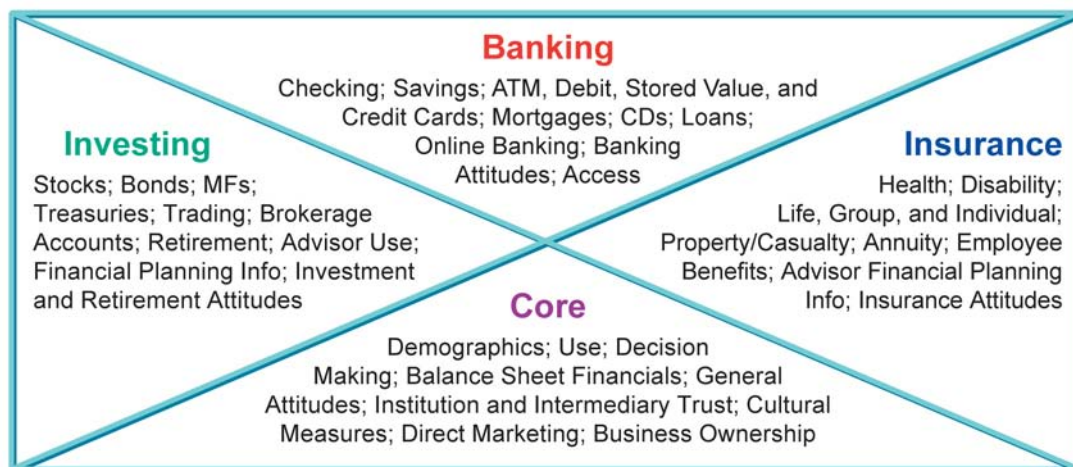
Each of these areas is discussed in greater detail below.

SAMPLING

Hispanic respondents will be sampled so that there will be sufficient representation in the top seven geographic areas while still being projectable to the entire nation. Approximately 300 completed interviews will come from seven key areas (Northern and Southern California, Texas, Southern Florida, New York City metro, Chicago metro, Arizona/New Mexico/Nevada). To ensure that all households have a known chance of being included, 300 additional completes will be gathered from other areas.

In addition to balancing the sample to ensure that key geographies are represented, extra effort will be made to gather sufficient completed interviews to represent key countries of origin. The majority of Hispanic households in the U.S. are of Mexican origin. However, the *Hispanic/Latino* MacroMonitor will gather 300 completed interviews each with Hispanic households from Cuba, Puerto Rico, and all other non-Mexican countries.

SCOPE AND COVERAGE



The *Hispanic/Latino* MacroMonitor will gather information about major areas of financial need: transactions, checking, savings, credit cards, investing, retirement, insurance, mortgages, other borrowing, as well as information and advice. In addition to behavioral questions about incidences and amounts in specific products and services, the *Hispanic/Latino* MacroMonitor will gather information about the types and frequencies of use of various transaction media and the methods of interacting with financial institutions, use and receptivity of direct marketing, and use of specific institutions by name.

The *Hispanic/Latino* MacroMonitor will include several sections addressing products, services, and attitudes prominent among Hispanic households that are not included in the regular MacroMonitor questionnaire. New sections will include: payroll loans, international money transfers, alternative savings vehicles, social acculturation, trust for types of institutions, types of multi-generational households, and primary language spoken in the home. Early sponsors may provide input into the questionnaire.

FIELDING

Respondents will be selected from the Knowledge Networks Latino Panel. Potential households will be contacted (in English and Spanish) and the financial decision maker will be asked to participate in the study. An incentive of \$20 will be offered. Those who agree to participate will be able to fill in the questionnaire in either English or Spanish (it will be possible to switch from one language to the other). Respondents will have up to 10 weeks to complete the questionnaire. Respondents will be encouraged to look up financial information, to take frequent breaks, and to share sections of the questionnaire with other household financial decision makers.

In addition to the panel members, other respondents will be drawn from Ethnic Technologies' national lists of Hispanic households. Potential respondents will be selected randomly from the subsample of the master list based on having an annual income of \$100,000 or more. Potential respondents will be contacted by phone using bilingual recruiters and by mail or email with recruiting information in both English and Spanish. An incentive of \$20 will be offered. Once qualified, respondents will be given up to 10 weeks to complete the survey.

WEIGHTING, CLEANING, AND ANALYSIS

Because of the need to oversample normally under-represented populations to ensure enough respondents for analysis, weighting must account for more than just the traditional age, income, education, and household composition. Fortunately, the national parameters from the 2010 U.S. Census are available and we will use them for setting targets for the traditional demographics, regional information, and country of origin. The results will be checked on an individual basis for unusual response patterns, out of range numbers, and open-end entries. Respondents that exhibit suspect patterns or out of range responses will be flagged for manual review and eliminated from the sample if there is a suspicious overall pattern. Wherever possible, open-end entries will be coded back into existing answer categories. As with the MacroMonitor, variables such as Net Worth, Total Assets, Financial Assets, Investable Assets, and Total Debt will be calculated and included in the data. Where critical items are missing, median values will be imputed and new variables created.

DELIVERABLES

All subscribers will receive the standard deliverables. Optional deliverables are available after the standard items become available. The standard deliverables include:

- ◆ *Database*. Data are provided in ASCII, SAS, and SPSS formats. The data includes calculated variables Net Worth, Total Debt, Investable Assets, and Life Stages.
- ◆ *Standard Crosstabulations*. One comprehensive set of crosstabulations (in .pdf format) with responses to all survey questions. The standard banner includes age cohorts, acculturation stages, country of origin, income, and life stages.
- ◆ *Standard Graphic Analysis*. One set of PowerPoint slides covering the majority of the survey questions. The set will include the acculturation stage segments.
- ◆ *Custom Crosstabulations*. A set of crosstabulations (in .pdf format) incorporating responses to all survey questions. Subscribers may specify a custom banner of up to 18 target populations. Significance testing is available.
- ◆ *Custom Graphic Analysis (CGA)*. One custom set of PowerPoint slides covering the majority of the survey questions with up to six subscriber-specified populations.
- ◆ *Top-Line Findings*. Survey results in questionnaire format and compared against the previous year's regular MacroMonitor results.
- ◆ *Presentation of Findings*. One webinar presentation providing an overview of major findings; an additional three webinars will focus on banking, investing, and insurance.

The optional deliverables include:

- ◆ *Custom Crosstabulations*. Additional sets of crosstabs. Price \$3,000
- ◆ *Custom Graphic Analysis*. Additional sets of CGAs. Price \$3,000
- ◆ *Work Sessions*. A half-day session about a client-selected topic. Includes an introductory presentation of findings followed by an in-depth Q&A session including interactive data analysis. Price \$7,000, plus expenses
- ◆ *Custom presentation*. A one hour presentation about a client-selected topic followed by a Q&A session. Price \$7,000, plus expenses
- ◆ *Custom Report/Executive Briefing*. An analytic report and/or presentation about a client-selected topic. Report/Briefing prices begin at \$7,000, plus expenses
- ◆ *Customer Service*. Additional runs of tables, graphics, analysis, consulting, and other forms of customer service are available on an ad hoc basis. Price \$500/hour
- ◆ *Consulting Services*. Additional ad hoc consulting services including developing and facilitating strategy, ideation, targeting, and marketing are available on a proprietary basis. Prices available upon request.

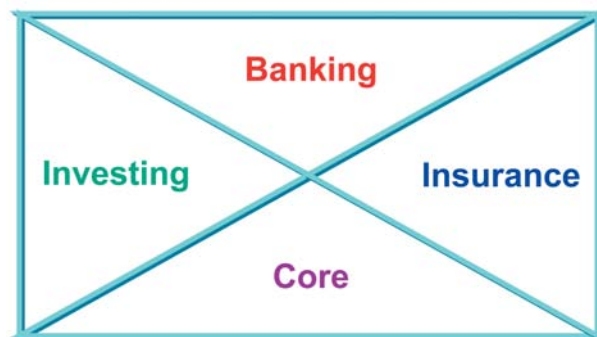
TIMING

SBI estimates that it will take eight months to produce the *Hispanic/Latino* MacroMonitor. The basic timeline is as follows:

0. SBI obtains sufficient funding to begin the program.
1. One month for client input into the questionnaire.
2. One month for preparation for fielding (sampling, recruiting, questionnaire programming pre-testing).
3. Ten weeks (2.5 months) for data collection.
4. One month for data checking, cleaning, creating calculated variables, weighting, and creating the SAS, SPSS, and Quanvert data.
5. Six weeks (1.5 months) for creating and delivering the standardized tabulations and PowerPoint documents.
6. One month for developing and delivering the top-line and webinars.
7. One month for Webinars, customized tables, PowerPoint documents, ad hoc requests custom marketing reports, executive briefings are available for delivery.

PRICE AND OPTIONS

The price for being a full subscriber to the 2011 *Hispanic/Latino* MacroMonitor is \$110,000. This includes all the standard deliverables.



To accommodate those institutions that are interested only in one concentration—either banking, investing, or insurance—SBI is providing an option where those institutions may subscribe to just those areas for a reduced rate of \$60,000. The deliverables for each subset will all include the core demographics, behaviors, financials, attitudes, and cultural variables and those of the subset selected. At any time, subscribers may sign up for the information in the other sections for an additional \$60,000.

Hispanic households are the fastest growing segment in the U.S. today. As one of the largest ethnic groups to become part of the U.S. mosaic, Hispanic households span a range of involvement from newly arrived to fourth generation or more. As they grow and move further into the mainstream, Hispanic households will be changed from the influence of the larger culture, while contributing their own influences to our multicultural society.

Will Hispanics use financial services the same way that other households do or will they differ? The 2011 *Hispanic/Latino* MacroMonitor is the first major program to explore every

area of Hispanic use of financial products and services, across all types of Hispanic populations (by region, income, country of origin, and acculturation) to help financial institutions understand them comprehensively and meet their needs effectively.

ETHNIC TECHNOLOGIES, LLC—HISPANIC INSIGHT

Ethnic Technologies, LLC is the platinum standard in multicultural marketing. The result of over 40 years of continuous ethnic, religious and language preference research, E-Tech allows clients to segment their database by the Hispanic consumer language preference and country of origin more accurately and comprehensively than any other approach. The EthniCenter® also offers an Assimilation Index, which distinguishes Hispanic individuals based on their level of cultural adaptation. E-Tech incorporates a unique approach for the different Hispanic Countries of Origin. After identifying their specific names, E-Tech does a neighborhood analysis using multi-sourced information compiled from our research team. From that data, E-Tech is able to accurately identify the Hispanic individuals' Country of Origin. The incorporation of Enhanced Neighborhood Analytics (ENA) technology in E-Tech establishes a new and unprecedented level of granularity and completeness in the ethnic marketing industry. Clients also benefit from and acquire ethnic mailing, telemarketing and email lists for the Hispanic Consumer. The analytics department at E-Tech offers ethnic data appending services and mapping to provide businesses with an overview of new and existing markets. www.ethnictechnologies.com

DR. FELIPE KORZENNY

Since the Fall of 2003, Dr. Felipe Korzenny has been with Florida State University where he founded and directs the first Center for Hispanic Marketing Communication in the United States. Prior to teaching and conducting research at FSU, Dr. Korzenny was principal and cofounder of Cheskin, and before that, President, CEO, and founder of Hispanic & Asian Marketing Communication Research. Dr. Korzenny conducts research and consults with major Fortune 500 corporations on how to best establish consumer relationships with U.S. Latinos. He is particularly well known for his consumer experience and insights that have helped to develop and position successful products and provide marketing strategy on the U.S. Hispanic market. A prolific writer and presenter on topics involving marketing to Latino and culturally diverse consumers, Dr. Korzenny's full vita can be found at www.korzenny.com/FKresume.htm .

The *Hispanic/Latino* MacroMonitor Subscription Form

We agree to become a sponsor of the **2011 *Hispanic/Latino* MacroMonitor**. We understand that the price below is for full subscription, effective from the date entered below. The products and services in this program are for the sole and confidential use of program sponsors and may not be disclosed to others without SBI's prior approval. Subscription provides a license for one corporate site. Deliverables are on the reverse of this page.

2011 *Hispanic/Latino* MacroMonitor (2,400 respondents) \$110,000_____

OR

- ➔ Banking Version \$60,000_____
- ➔ Investing Version \$60,000_____
- ➔ Insurance Version \$60,000_____
- Additional site license(s) # _____ \$10,000 @ _____
- Additional custom crosstabulation \$3,000_____
- Additional custom PowerPoint \$3,000_____
- Custom Presentation (Expenses extra) \$7,000_____
- Custom Work Session (Expenses extra) \$7,000_____
- Custom Report/Executive Briefing (Expenses extra) Starts @ \$7,000_____

Total fee (custom invoicing available upon request) U.S.\$ _____

Signature _____ Date _____

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

Please fax completed form to SBI: +1 650 859 4544

THE 2010–11 *HISPANIC/LATINO* MACROMONITOR STANDARD DELIVERABLES

- Top-Line volume
- One Standard Crosstabulation
- One Standard PowerPoint
- One Custom Crosstabulation
- One Custom PowerPoint
- Responsive customer service
- One Webinar presenting overall findings
- One Webinar on Banking findings*
- One Webinar on Investing findings*
- One Webinar on Insurance findings*
- CD of Data in ASCII, SAS, and SPSS formats with documentation**

OPTIONAL DELIVERABLES

- Additional Custom Crosstabulation
- Additional Custom PowerPoint
- Custom Work Session
- Custom Presentation
- Site license for other subsidiaries
- Custom Reports
- Executive Briefing Sessions
- Prepaid Customer Service
- Consulting Services
- Data Appends from Independent Sources

Consumer Financial Decisions at SBI collaborates with other consultants, advertising agencies, research companies, and credit bureaus in support of the *Hispanic/Latino* MacroMonitor subscribers and other financial institutions on a wide variety of projects. Call us to discuss how we can help you.

Contacts for more information:

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The Client agrees that it will not use the name of Strategic Business Insights (SBI), Consumer Financial Decisions, MacroMonitor or *Hispanic/Latino* MacroMonitor either expressed or implied in any of its advertising or sales promotional material. Because the project is of an advisory nature, neither SBI nor its employees assume any liability for special or consequential damages arising from the Client's use of the project results. In no event shall SBI's liability to the Client exceed the dollar amount of this agreement. The Client agrees to indemnify, defend, and hold SBI, its officers, and its employees harmless from any liability to any third party resulting directly or indirectly from the Client's use of any project report or other deliverable produced by SBI pursuant to this agreement.

Strategic Business Insights

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* All sponsors will be invited to the overall findings webinar. Sponsors selecting one of the optional concentrations will receive the data from the core and the concentration sections and webinar.