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FEDERAL TRADE COMMISSION

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FEDERAL TRADE COMMISSION

In the Public Workshop on:)
)
THE HISPANIC CONSUMER:)
PROMOTING OURTEACH, PREVENTING)
FRAUD:)
BEST PRACTICES IN THE HISPANIC)
COMMUNITY)
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MAY 12, 2004

Conference Room A
Federal Trade Commission
601 New Jersey Avenue, NW

The above-entitled matter workshop commenced
on Wednesday, May 12, 2004, at 12:55 p.m

1 P R O C E E D I N G S

2 MS. SHANOFF: I think we're a couple minutes
3 late in starting so we should get going. Isn't this
4 great? Thank you, everyone, for coming. Good
5 afternoon. I am really thrilled to welcome you to the
6 FTC's conference center to start out and to this
7 Hispanic Outreach Forum.

8 Today's session opens what we think and what
9 promises to be a terrific, terrific event, one that
10 focuses on creative approaches to outreach and law
11 enforcement in order to help protect Hispanic consumers
12 from fraud.

13 I am Carolyn Shanoff. I've met some of you. I
14 hope later to get a chance to meet everyone. I'm
15 Associate Director for Consumer and Business Education
16 here at the FTC, and like you, I am really looking
17 forward to these sessions and the exchange of
18 information and the benefit of all of your experience
19 and expertise and opinions.

20 Clearly, the Hispanic market is a high growth
21 market, more and more attractive to marketers and the
22 media, which have products and entertainment to sell,
23 more and more attractive to federal, state and local
24 government agencies, which have important information to
25 impart.

1 At the same time, I think, it's safe to say it's
2 more and more attractive to scam artists who have
3 fraudulent business opportunities to promote, miracle
4 weight loss products to peddle, questionable financial
5 products to push.

6 We'll be hearing from marketers, journalists, and
7 representatives of government agencies about the issues
8 that the Hispanic consumers regard as most important,
9 what sources of information are the most trusted and
10 generally which outreach practices can be most
11 successful.

12 Today's lineup starts with a look at the
13 demographic aspects of the Latino market by Jeff
14 Passel. Jeff, raise your hand.

15 Jeff is Principal Research Associate at the
16 Urban Institute. His research focuses on immigration
17 policy, the demography and adaptation of immigrants and
18 the measurements of immigration. Before joining the
19 Institute, Jeff directed the Census Bureau's program of
20 population estimates and projections and its research on
21 demographic methods for measuring census undercount.

22 He's a frequent advisor to associations and
23 government agencies ranging from the CIA to the National
24 Institutes Of Health, and the author of a number of
25 books as well as articles on Mexican migration and

1 population projections, among other subjects.

2 Now, before Jeff speaks and we get ourselves
3 back on our time line, I would like to pass along a few
4 house rules and reminders, so listen carefully. If you
5 leave the building and try to reenter, you'll need to go
6 through security screening again. For security reasons,
7 we need for you to wear your name tag at all times and
8 would caution that you if you notice anything
9 suspicious, please report it to the guards in the lobby.

10 Please turn off your phones and pagers or set
11 them to vibrate. We need to let you know that the fire
12 exits are through the main doors at the front of the
13 building on New Jersey Avenue or through the pantry area
14 and into the corridor and out on to G Street. I think
15 that that's that direct.

16 In the event of an emergency or a drill, please
17 proceed with FTC staff to the Union Labor Life Building
18 diagonally across Massachusetts Avenue. You'll see
19 large groups of people. Follow them.

20 The bathrooms are located across the lobby, and
21 finally, a word to panelists, when you would like to
22 speak, please turn your name card on end as a signal to
23 your moderator that you would like to say something.

24 Now, it gives me great pleasure to introduce
25 Jeff Passel from the Urban Institute to start us off.

1 Thanks very much everyone.

2 MR. PASSEL: Thank you, Carolyn. I would like
3 to thank the FTC for this opportunity. Let me figure
4 out how to get my thing going here. There I go.

5 I'm, as you heard, a demographer. We
6 demographers like to say demography is destiny, and
7 while that may not be entirely the case, demography and
8 demographic aspects of populations can play a
9 significant role in economic factors, in social factors
10 and in a number of political factors as well.

11 I'm sure most of you are familiar with the
12 general themes that I'll be talking about today, but I
13 hope to give you some concrete figures, some concrete
14 data and some background for the rest of the discussion
15 this afternoon.

16 My address and email are on the last page of the
17 handout. Feel free to contact me if you have questions
18 or if you need more information. I work for a research
19 organization, but we like to help people and provide
20 information whenever we can.

21 What I'm going to try to cover today are a
22 number of different aspects of the Latino or the
23 Hispanic market. I'm not a marketer, so I use the term
24 market with some trepidation. We usually talk of
25 populations, but first: How many Latinos are there in

1 the United States? Where are they since you have to
2 reach them? Some what I've called here market segments,
3 looking at different age groups, youth, young adults,
4 baby boomers.

5 There are -- generations plays a role, a
6 significant role in the Hispanic population, and I'll
7 talk a little about that, and I focus in here on what
8 I've learned to call purchasing power. I think of it as
9 income, but the marketing population seems to call it
10 purchasing power, and I'll try to look at some trends
11 from the recent past into what we demographers call the
12 near-term future, but for 12 to 15 years is a very long
13 time in terms of economic factors.

14 The Latino population is one of the fastest
15 growing in the country, depending on how you define
16 populations, but between 1980 and 2000, it grew by 250
17 percent, adding a significant group of people to the
18 country.

19 If we think of minority populations as people
20 who are not white non-Hispanic, the Latino population
21 has been the largest since at least 2002, depending on
22 how you count it.

23 A lot of these changes have been driven by
24 immigration over the last quarter of a century or so,
25 and this affects a lot of characteristics of the

1 population: Its age structure, family patterns,
2 language usage, a number of different aspects.

3 The role of immigration in growth of the
4 Hispanic population has increased steadily over the last
5 20 years or so to 2000. The change that's occurred
6 since 2000 or 2001 is that immigration has stopped
7 increasing, but there seems to be no real slow down, so
8 there is no post 9-11 decrease in immigration in any
9 discernible way.

10 The numbers are at roughly the level they were
11 in '98, '99, 2000, but we have seen the -- the numbers
12 have, like I said, stopped increasing, but very large
13 numbers are still coming, and we're at the very
14 beginning of a change here in terms of the demographic
15 patterns within the Latino population.

16 As this, what we demographers call the second
17 generation and the third generation, that is, people
18 born in the United States -- the second generation are
19 borne in the United States to immigrant parents. The
20 third generation and higher are born in the United
21 States to U.S. foreign parents. More growth is coming
22 from the second generation now than from immigration,
23 and that's a change that we just have seen, and it has
24 implications for the near term.

25 Here's a couple of numbers. In 1950, there were

1 about 4 million people that we would now call Latinos in
2 the United States. By 2000 that was up to 35 million,
3 so very rapid growth.

4 My projections, and these are similar to the
5 ones the Census Bureau has done, I like to think mine
6 are a little bit better, but they're not that different,
7 project the numbers out to roughly a hundred million or
8 about 25 percent of the population by 2050.

9 In looking at these, it's not clear what we will
10 mean in 50 years by the Latino population, and that's a
11 significant factor that's not built into these
12 projections. These assume that this population is what
13 we mean by the Latino population today.

14 It could make -- because of intermarriage
15 patterns, it could be substantially bigger or
16 substantially smaller with basically the same underlying
17 demography, just depending on how people choose to
18 identify it.

19 This line is the black population, and you can
20 see it crossed around 2000, 2001, and the black
21 population will continue to grow but nowhere nearly as
22 fast as the Latino population.

23 I'm not going to spend a lot of time on this.
24 This is the generational composition of the population.
25 The blue at the bottom is the share of the Latino

1 population that immigrant constitutes. The red is the
2 share in the second generation, and the yellow is third
3 and higher.

4 And you can see from 1970 to 1990 a steady
5 increase in the share of the population that was made up
6 of immigrants, and post 2000 with these projections, the
7 number -- the number continues to increase, but the
8 share that is made up by immigrants starts decreasing
9 slightly, and that slack is picked up by the second
10 generation.

11 The handout has some more detailed information
12 on the age structure. One of the things about the
13 second generation, U.S. born children of immigrants is
14 that it's a very young population. It has a median age
15 of about 12 right now, but it's going to be growing
16 rapidly over the next 20, 25 years.

17 The Latino population historically has been very
18 concentrated, and it still is to a very great degree.
19 What I call on the handout and in the maps the historic
20 core, the five states in the southeast, California,
21 Texas, Arizona, Colorado, New Mexico. There is a big
22 concentration in the New York City area, New York-New
23 Jersey, in Florida and in Illinois, concentrated around
24 Miami and Chicago.

25 Those areas had about 85 to 89 percent of the

1 Latino population for most of the last 30 years. That
2 began to change in the 1990s, late 1980s, but really the
3 mid 1990s it's really accelerated. Two things
4 happened.

5 One is that Latinos were moving out of the core
6 areas into new areas in different parts of the country.
7 New communities began to emerge, and that affected the
8 flow of immigrants. In the late 80s, early 90s,
9 immigrants would go from California to Texas and then
10 move from California to North Carolina or from
11 California to Iowa.

12 By the late 1990s, those migration streams,
13 particularly from Mexico, started going straight into
14 these new areas, so we have these new communities
15 emerging with the growth being fed by new immigration
16 streams, and the momentum towards these has picked up,
17 with the population more than doubling in the 1990s,
18 outside of the core areas.

19 This map just shows the growth. The solid red
20 are the States with the faster proportion of growth in
21 the Latino population between '90 and 2000. Those seven
22 states in the southeastern U.S. and Nevada, the Latino
23 population more than tripled between '90 and 2000, in
24 some cases from small numbers, but still.

25 The red and white states, those 16 states, the

1 numbers more than doubled in the 1990s, so you can see
2 this spreading out occurring on this map with a few of
3 the core areas having fairly rapid proportion of
4 growth: Arizona, Colorado, Florida and Illinois also
5 growing rapidly.

6 This chart takes these areas and puts some
7 population numbers on them, so you can see here the
8 numbers in California increased quite a bit between '90
9 and 2003. It's just that the rate of growth was not as
10 fast as in other parts of the country, and what I think
11 is interesting is the area outside of the nine core
12 states, the number grew by 144 percent, increasing from a
13 little over 3 million to almost 8 million outside of
14 these traditional settlement areas.

15 In thinking of the Latino market, I'm going to
16 focus here on the demographic aspects of it and some of
17 the economic aspects. There's obviously a lot more to
18 think about. There's issues of culture. There's issues
19 of language, and what exactly do we mean when we talk
20 about a market. I'm going to leave that to people who
21 know a lot more about that than I do and talk about some
22 of the things that I do know about.

23 The market itself is shaped by income, how much,
24 how big is the income, what share of the national income
25 Latinos have, how fast is it growing, the size of the

1 market, how many people and how much income and where.

2 So we've seen here, in what I presented so far,
3 rapid population growth, where the numbers are
4 increasing, new markets developing geographically with
5 the dispersal. What you'll see when I show you this is
6 that the Latinos generally have low incomes, but the
7 income is increasing rapidly for a number of reasons,
8 partly if we think of the aggregate income, more people
9 means more income.

10 We also are seeing fairly sizeable growth in
11 family income, and then a couple of other factors. I've
12 looked specifically at education, and there's some
13 charts in the handout on education. Education in the
14 United States is very, very strongly related to income,
15 and actually this shows it.

16 The left-hand bars look at generations: Recent
17 immigrants, long-term immigrants, second and third
18 generation, and you can see for the Latino population a
19 fairly steady progression of improving incomes with
20 generation, with time in the U.S., but at levels quite a
21 bit below those of the white non-Hispanic population.

22 On the right-hand side I have four broad
23 education categories, and you can see both for Latinos
24 and the white population a tremendous relationship
25 between education and income, very, very much higher

1 incomes for college graduates than for people who have
2 not completed high school.

3 There's a big gap, and the size of that actually
4 surprised me when I ran these numbers, between Latinos
5 and whites. Part of it due to things that are not
6 controlled for in there. The white population tends to
7 have more advanced degrees. They tend to be a little
8 bit older. They tend to have more experience. They
9 tend not to have language issues, but part of it, at
10 least 20 percent of that gap I think is due to other
11 factors which may be discrimination and other things,
12 but that's not the topic.

13 The key thing is this change with education, and
14 there is an interesting thing going on in the Latino
15 population that's going to lead to higher incomes
16 because basically over the next 10 to 50 years, there's
17 going to be a shift of the population into higher income
18 groupings.

19 A higher percentage of Latinos will be in the
20 second and third generation, as I showed you before, so
21 that's going to lead to higher incomes. The new Latinos
22 coming into the work force have much better, much, much
23 higher levels of education than the older people leaving
24 the work force, so the overall working -- work force is
25 going to be improving in education just through this

1 sort of aging process.

2 In addition, a higher percentage -- in addition
3 there are improvements in education. That's another
4 strong factor, and we see that, and then we see the
5 shift within the work force into more in the second and
6 third generation, so all of those factors lead to higher
7 incomes in both the near term and the longer term.

8 Just to put some numbers on this, in 2002, the
9 last year that I have income data for, estimated about
10 \$600 billion in purchasing power in the Latino
11 population. That's about 7 and a half percent of the
12 U.S. total, and we can see that the income difference I
13 just showed you worked through here because Latinos are
14 about 14 percent of the overall population.

15 However, we see very rapid growth for the 2000
16 to 2005 period that would project 55 percent income
17 growth in Latinos in that period, in purchasing power,
18 higher than the growth in purchasing powers for whites,
19 blacks and Asians, and the projections out beyond this
20 suggest about 60 percent growth every five years.

21 That's about 10 percent annual increase in
22 purchasing power, and that's a number I think to people
23 in marketing and people interested in markets means
24 something significant.

25 The shares projected to reach about 11 percent

1 by 2015, and the overall purchasing power, my
2 projections, Latinos will pass blacks next year. The
3 white share -- although the number increases, the share
4 of the total drops to about three quarters.

5 This is just -- this puts some numbers on it,
6 and the projection out to 2015, that's almost \$2
7 trillion in purchasing power in the Latino population by
8 2015, and as I said, this is the share of the U.S.
9 total. It's gone from about 6 percent in '96 to about 7
10 and a half percent as I said, and this projection has it
11 go up to 11 percent, and that's from population growth
12 but also income growth.

13 I'll try to do this quickly. This looks at
14 the -- just in terms of the long-run, and this is very
15 long-run, as I said Latinos are projected to reach about
16 a quarter of the population. All of the population
17 groups we project will be getting older.

18 In the short run is what I'm going to talk
19 about. There's some significant changes in age
20 structure, and the Latino population growth patterns are
21 quite different from the overall numbers.

22 These are a little complicated. I'll just talk
23 about one and then pull the highlights out. The
24 left-hand panel is the population age 12 to 17 broken
25 down by race group, and the Hispanic population is this

1 bluish purple or whatever color that is. It's blue on
2 my screen. I'm not sure what that is.

3 The right-hand panel is the change over the
4 five-year period from 2000 to 2005, so Latinos are 15
5 percent of the 12 to 17 year olds in 2000, 17 percent in
6 2005. If we look at the overall change, we see an
7 additional 600,000 Latinos, a subtraction of about a
8 hundred thousand whites, so you can see that.

9 Actually for the next two five-year periods,
10 overall the population is projected to decrease, but the
11 Latino population increases in both of those, so in this
12 segment of this age group, we see a significant increase
13 in Latino representation over a fairly short period of
14 time for us demographers anyway.

15 This is the 18 to 24s, fairly rapid growth for
16 Latinos projected over the next 15 years. There's a big
17 increase between 2000 and 2005 in whites, but after that
18 the Latinos constitute virtually all of the growth in
19 the population in this sort of labor force entry group.

20 This is the one I think is most interesting for
21 a lot of reasons. This is the 25 to 44. This is family
22 formation group. This is first time home buyers, people
23 with kids in school, a really significant market group,
24 and we see a steady increase in Latino share, numbers
25 and share from 14 percent to 20 percent.

1 Again virtually all of the change -- actually
2 between 2000 and 2005 this overall group is projected to
3 get smaller, but Latinos are projected to add 1.9
4 million into this fairly large age group. Whites are
5 projected to lose 4.3 million, so for the next 15 years,
6 this age group is going to see sizeable increments of
7 Latinos where overall there's not much growth at all.

8 The sort of corollary of that is the baby boom
9 group, the what to 64. This is a group that's growing
10 at least through 2015, and a lot of this is coming from
11 the white population. Latinos add a fairly steady,
12 million, million and a quarter into this group, but it's
13 a rather small segment, again 8 to 11 percent of this
14 group versus 14 to 17 percent of the overall
15 population.

16 So the dynamics are a bit different due to the
17 role of immigration, the role of fertility and the
18 demographic effects.

19 Some major demographic changes in the country:
20 The Latino numbers are continuing to grow, increase and
21 have increased rather remarkably in the last
22 generation. The share of the total we're projecting to
23 steadily increase driven in part by immigration, but one
24 of the key factors here is the emergence of new areas
25 and new growth centers.

1 We see a generational shift coming as the second
2 generation begins to enter adulthood over the next 5 to
3 20 years. Education levels are still lower than the
4 overall population but are projected to improve and
5 improve quite a bit, and that leads to a growing market
6 share.

7 As the income gap is reduced and the
8 multiplicative effect of income growth and population
9 growth creates a very, very rapidly growing population.

10 So I hope this will help in your deliberations
11 for the rest of the day, and like I said you have my
12 phone number and my Email. If there are any questions,
13 don't hesitate to call.

14 PANEL DISCUSSION: PERSPECTIVES ON THE HISPANIC MARKET

15 PANEL MEMBERS:

16 PABLO M. ZYLBERGLAIT, Acting Assistant Director,
17 International Consumer Protection, FTC

18 JULIA BENCOMO LOBACO, Deputy Editor, AARP Segunda
19 Juventud, AARP

20 GEORGE FRANCO, Chairman & CEO, National Financial
21 Corporation

22 J. MELVIN MUSE, Chairman & CEO, Muse Cordero Chen &
23 Partners

24 LUIS VASQUEZ-AJMAC, President, MAYA Advertising and
25 Communications, Inc

1 MR. ZYLBERGLAIT: Thank you, Jeff. My name is
2 Pablo Zylberglait. I work for the Commission's
3 International Division of Consumer Protection, and I
4 want to thank you again for something that is very
5 sobering, and I think it does a very good job of setting
6 up for the panel we're about to go into.

7 If you have a few minutes later, maybe you can
8 tell me how I can increase my purchasing power by 10
9 percent every year because I somehow missed that. But
10 I'm not right on the demographic here.

11 MR. PASSEL: You just have to clone yourself.

12 MR. ZYLBERGLAIT: There you go. There's the
13 answer.

14 Before I introduce our distinguished panelists,
15 I would like to give a brief idea of what it is that
16 we're going to be talking about for the next few
17 minutes. We have two panels today, and the first panel,
18 we would like to focus on what we've talked about, the
19 Hispanic/Latino market, and I don't want to offend
20 anybody so we'll use the word indistinguishably, so my
21 apologies if it's insensitive to anybody, but what is it
22 that we're talking about?

23 And just to give you an illustration that
24 actually takes us outside of the U.S. I was talking to
25 Julia before we started the panel, and one of the

1 advantages of my jobs is it sends me to far away places
2 in the world, and I was in Northern Finland a few weeks
3 ago, Lovisa, Finland, and one of the things that they
4 were serving, I was telling Julia the story about
5 Finland, and she cut me off and she said, Chips and g
6 salsa.

7 And actually no, I said reindeer quesadillas,
8 okay. It's a very difficult-- it's easy just to say
9 chips and salsa, but it's a very sophisticated consumer,
10 it's a very sophisticated kind of splicing that we need
11 to do to analyze what is it that the Hispanic Latino
12 market entails, so the first panels is going to be about
13 what is it that we are talking about, who is it that
14 we're describing, and how is it that we can do a good
15 job, a better job at communicating with this population,
16 with this market.

17 And I think the second panel later in the
18 afternoon is going to focus more on once we've defined
19 who these folks are and what this market is, how do we
20 communicate the specific messages we're here to talk
21 about, how to prevent fraud or get across whatever
22 message it is you're trying to communicate.

23 Obviously there's going to be some overlap.
24 These are experts in the field as are the panelists in
25 the second part of the program, so there's going to be

1 some overlap, and there are going to be things that we
2 are going to talk about right away that are going to
3 deal with specific messages.

4 Without any further adieu, let me just introduce
5 you to our distinguished panelists. I'm going to try to
6 go in order from my right outwardly.

7 Julia Bencomo Lobaco is deputy editor of AARP's
8 Segunda Juventud, which is AARP's bilingual publication
9 for Hispanics 50 plus. She has more than 20 years as a
10 bilingual editor, reporter and columnist.

11 George Franco is a member of the Board of
12 directors of the U.S. Spanish Chamber of Commerce. He's
13 chairman and CEO of National Financial Corporation.
14 He's also the CEO of Avente Research, a member of the
15 Federal Reserve Bank of Chicago Advisory Council, and he
16 currently serves as chairman also of the National
17 Council on Financial Access based here in Washington,
18 D.C.

19 Jo Muse leads Muse, Cordero, Chen & Partners by
20 specializing in reaching multicultural consumers. As
21 the agency's executive creative director, he oversees
22 the creative development of advertising. He is active
23 in various professional organizations and community
24 organizations, including the American Association of
25 Advertising Agencies, and he's also the author of the

1 "The Shaman Chronicles: The Seven Senses of
2 Multicultural Marketing."

3 And I knew we were on to something when we asked
4 Jo to be on our panel when I saw Joe's web site, and he
5 quotes the cartoon character Super Chicken, which means
6 he must be in touch with pop culture. He must have his
7 finger on the pulse.

8 Finally, and I hope this is correct because he
9 came in a little late, is Luis Vasquez.

10 MR. VASQUEZ-AJMAC: That is me. No impostors
11 here.

12 MR. ZYLBERGLAIT: Good, good, because the
13 National Association of Realtors was the other building.

14 He is president and founder of MAYA Advertising
15 & Communications and has more than 20 years of
16 experience in Hispanic marketing and minority outreach.

17 So how about a good welcome applause for our
18 panelists.

19 (Applause.)

20 MR. ZYLBERGLAIT: Let us jump right into this
21 after hearing all these numbers and talking about this
22 Hispanic markets, final examine in a demographic class.

23 The U.S. Hispanic market is very diverse in
24 terms of geography, income, ethnicity in language. How
25 do these differences in English proficiency as well as

1 Spanish literacy, ethnicity, varying levels of
2 education, and geography give us insight about Hispanic
3 consumer trends, sort of like the \$55,000 question.

4 Does anybody want to throw the first stone I
5 guess?

6 MR. MUSE: Here's a thought. By defining the
7 Hispanic market, and obviously that's a governmental
8 monitor that encompasses a great deal, perhaps way too
9 much cultural and ethnic differences than we should
10 tackle today, but understandably when you try to create
11 a kind of homogeneous outlook in a population, you don't
12 take into account the trends and differences and
13 migrations of attitudes and behavior.

14 I think when you try to find a single answer to
15 the question, how do we decipher, how do we understand
16 this marketplace, we have to recognize that our
17 understanding is simplistic. It's not defined like
18 wisdom. It's kind of what we make up as we go along the
19 way.

20 So one of the things that we like to do in our
21 place, given that we reach out to multicultural
22 audiences of many different demographics and
23 ethnicities, we like to take a look at the commonality
24 of audiences, so where many of us at this table would
25 define Hispanic consumers to be consumers who speak

1 Spanish, for example, we recognize that over 50 percent
2 of this huge marketplace likes to enjoy their media
3 through non Spanish speaking audiences.

4 Now, there's a great deal said and will be said
5 perhaps today about that bulk of the audience, the other
6 50 percent in terms of the Hispanic marketing, Spanish-
7 language interests, but we like to think that other 50
8 percent is the part of the marketplace that's really
9 going to really create trends that impact what happens
10 in America for years to come.

11 So one way of defining my answer to your
12 question is you cannot categorize Latinos or any ethnic
13 group in a way that makes them seem like they exist in
14 these hermetically sealed envelopes. It just ain't the
15 case, and I know my demographer friend would admit that
16 one of the fastest growing ethnicities in this country
17 are the people who check the box "other."

18 So whoever the others are are going to start to
19 define themselves differently so the market itself based
20 on our 1970s, 60s definition of Hispanic means little if
21 you don't define yourself that way. You may define
22 yourself very differently.

23 So for the sense of this panel, we're going to
24 be very linear, but I'm just kind of opening up the
25 opportunity to look at things quite differently.

1 MR. VASQUEZ-AJMAC: I would like to throw in my
2 two cent cobbles to that. I think one of the key things
3 that I would ask you all to think about, and I know it's
4 an overused phrase, but think out of the box.

5 What that means is one size does not fit all.
6 Yeah, we can talk about regions or political LAs.
7 They're very different, but one size does not fit all.

8 What we've noticed as a trend at MAYA is more
9 and more people are niche marketing. Reaching out to
10 middle aged men like me is way different than reaching
11 out to hiphops than to Latino soccer moms than working
12 class.

13 I think the more important thing we've got to
14 get beyond the issue of immigration. We are Americans.
15 There's a word called Latino Americano, which means one
16 of Latino American origin, so let's think about, first
17 of all, we are Americans, and I think that's part of the
18 thinking out of the box.

19 And I think the other thing is, yes, never more
20 so. Take advantage of the fact that we are bilingual,
21 take advantage of the fact that we speak Spanish,
22 English and in some cases Spanglish.

23 One of my first clients for over ten years now
24 actually happens to be here, Kevin Kayso, formally with
25 Pepco, and I'll just bring up something they've done

1 very innovative. They're the utility company here.
2 They gave us a mission, outreach to the community. I
3 loved it. It was pretty much a blank slate, and one of
4 the things we told them to effectively reach out to
5 young Latinos, you've got to do it in Ingles, English,
6 Spanish, Spanglish.

7 The project has been overwhelming, so I guess
8 the last point here is think out of the box. One shoe
9 doesn't fit all.

10 MS. BENCOMO LOBACO: And I'll add my three cents
11 worth. I think what has been stated obviously is
12 terrific, but just to add to that, I think that not only
13 when we look at the ethnic backgrounds and we look at
14 geography, we need to also look at a Mexican American in
15 California will have different purchasing habits from a
16 Mexican American in Chicago or a Mexican American in
17 Florida or a Mexican American, if you can find them, in
18 New York.

19 No, I know, I know, but I think you need to
20 really look at that, and as an example, the Miami Herald
21 had a story, and they mentioned that with financial --
22 and that's a very -- an area for scams. We were talking
23 about deceptive advertising. They were stating that in
24 Los Angeles, a Mexican American looking at those types
25 of products would have a higher level of understanding

1 of a lot of those products than someone necessarily -- a
2 Mexican American in Chicago.

3 So that tells you in so many areas how many ways
4 we need to look at this market.

5 MR. FRANCO: I will also add my own comments, if
6 I may, Pablo. I think there's certainly a very
7 sophisticated dynamic component of the Latino community,
8 but it's also okay for us to be counted as one. We are
9 different in many ways, different cultures.

10 I think of the Honduran banking group who came
11 up in the United States to market to the Hondurans who
12 were here in the U.S. From a money transfer and
13 remittance standpoint because they wanted to reach that
14 niche, and they had their own unique ways of doing that
15 that were different than the way they had reached the
16 Mexican markets because they were now doing business in
17 the U.S.

18 But from a corporate America perspective, we
19 together -- united we're terrific. We bring focus. We
20 bring attention. I remember the meetings with Ford
21 Motor Company, very sophisticated at the way they market
22 to this population, to the entire population, and they
23 were losing market share in the -- in what they referred
24 to as the Hispanic markets and were finding creative
25 ways to help regain that market share.

1 They found that the Hispanic entrepreneurs who
2 ran their dealerships, although there were very few out
3 of many thousands of the total dealerships, they were
4 outperforming two and a half to three times net revenue
5 than all other groups within their population.

6 They learned something new about how to market
7 and reach and help to recover some of the numbers they
8 had been slipping in, losing to Toyota and Honda as a
9 matter of fact.

10 The point here is I think as it relates to the
11 Hispanic community as a whole, it's an exciting time to
12 be Hispanic, and we all do speak the same language, and
13 not just within the Hispanic population but within the
14 entire population, and that's the language of
15 economics. Numbers are the same to all of us, and so
16 that's something I think not to be lost in the analysis
17 here.

18 MR. ZYLBERGLAIT: So in a way we've kind of come
19 full circle. Joe has explained and I think Luis was
20 also explaining how you need to slice it thinner to get
21 the message across, but on the other hand you mentioned,
22 George, how you want to achieve economies of scale as a
23 market, so keeping in mind that not all of us have the
24 economies of scale to slice it so thin, if you will,
25 what are some of the particular issues that are

1 particularly important to the Latino/Hispanic
2 communities and what are the preferred sources of
3 information for Hispanics to get to these sources of
4 information?

5 MR. VASQUEZ-AJMAC: I would like to take a lead
6 on that. One other important point that I will say to
7 most of you, and my presumption is that you are working
8 in the federal government, are interested in reaching
9 out to the Latino community, and the big point here
10 would be buy U.S. Latino.

11 One of the biggest challenges that we have found
12 at MAYA is the pot is growing. More and more people are
13 getting into the Latino marketplace from NBC's
14 Telemundo, et cetera, et cetera, tons of agencies, and
15 what is happening is Latino owned firms, the NOVA
16 communities, especially if you are in public relations,
17 are so to speak getting squeezed out, and so if you want
18 us to be a part of that solid middle class, if you want
19 us to continue to be the number 1 home buyers in
20 America, you must buy I recommend U.S. Latinos.

21 And to suggest they're not qualified firms, no
22 creo, I don't think so, so that would be one of the key
23 points that I would say it you, but what I would also
24 share in regards to how do we reach them.

25 We just recently conducted an 11 city market

1 research study for Ameri Group, one of the largest
2 managed care companies, around the nation and all over
3 to really try to find the silver bullet. Short answer
4 there are no silver bullets out there, but what we found
5 over and over again is that television plays a huge role
6 in the lives of Latinos.

7 That is, we consume a lot of Spanish language
8 television, and a lot of English Language Television.
9 Again I think as you probably -- I don't know how many
10 people are from other marketers, but I think the other
11 important thing is there's a lot of players out there.

12 It's not two Spanish language networks. In some
13 cases like in LA, Miami, the number 1 stations reaching
14 our community are independents so there's a lot of
15 opportunity. Followed by that is radio. Radio is
16 really good, and I think more importantly, beyond just
17 saying radio, when you combine radio and you combine
18 television, the recall for your message, whether it's a
19 public awareness message, whether it's a brand message,
20 is powerful.

21 Yes, quick mends media also can play an integral
22 role in your mix, but what we find in hard to reach
23 populations, especially in urban areas, is the outdoor
24 advertising, the out of home, and it goes beyond
25 billboards. It is the POPs, the point of purchase on

1 the countertops.

2 I'm sure that my other colleagues have plenty
3 more to add, and let me just end it there.

4 MS. BENCOMO LOBACO: And I think one of the
5 other things, when you do go out there and we do speak
6 about radio and talked about television, but I think we
7 have to remember that Spanish and English -- I know that
8 I have read where Latinos tend to like the idea that an
9 ad offers both English and Spanish or is offered in each
10 language, not just in one or the other because we are
11 bilingual, and we do -- sometimes we're more comfortable
12 reading -- listening to Spanish but reading in English.

13 So when you go out there you need to keep that
14 in mind, that they're both -- we like to hear both. We
15 don't want to be categorized as only Spanish speakers or
16 only English speakers. We like to have somebody reach
17 out to us in both so we can feel comfortable with
18 whichever one we want to read or listen to at the time.

19 MR. FRANCO: I would like to just add a quick
20 comment to that, to Julia's comment. I as a Hispanic, I
21 speak English. I speak Spanish. I read English. I
22 read Spanish, but I communicate primarily in English,
23 but I feel more welcome when I see something in Spanish
24 or an attempt or an effort.

25 U.S. Bank has been very effectively and very

1 aggressively going after Hispanic markets. They have
2 their national Hispanic initiative, and they've gone out
3 of their way to really translate things into Spanish,
4 and that indicator, it gives one a sense of what the
5 interest is on the part of an organization, in this case
6 the example of U.S. Bank, to reach the market, to
7 welcome the market, to bring them in to the fold, so to
8 speak, and I think that's very significant. It is to
9 me.

10 MS. BENCOMO LOBACO: I think you can call that
11 marketing with heart. I think a lot of the way that we
12 are reached most effectively and a lot of the ways that
13 Latinos look at ads and make their buying decisions is
14 based on family. What does the family -- I mean, I know
15 that I've got several siblings, and when I'm going to
16 make a big decision, I talk to mom and dad. I talk to
17 my brothers. I talk to my sisters, and one brother is a
18 banker, which investment should I make.

19 You need to reach out and consider the entire
20 family when you're putting together your ads, your
21 outreach.

22 MR. VASQUEZ-AJMAC: Just to add on on this the
23 bilingual material, and I totally agree with George and
24 Julia, but I think the point here is the Latino
25 household is bilingual and some primarily speak in

1 Spanish and others in English, so when you're able to
2 combine the both, and I would really suggest a brochure
3 over print ad copy, it does work really powerful.

4 And what we have found to be best practices at
5 MAYA is if you're targeting Latinos, have a lot of the
6 content in Spanish. Yes, you can have a universal
7 Spanish, and I've heard a lot of translation horror
8 stories, so you also can have crypt notes of what you
9 have in Spanish in English.

10 And the last thing I'll say is based on
11 research, pictures are worth a thousand words, over and
12 over, especially for you that are doing health work,
13 public education work. Pictures are worth a thousand
14 words that complement the copy that you do have.

15 Colors are also very, very significant. I know
16 we all love bright colors, but over and over, the
17 research that I've done, put something pastel, you put
18 something loud, I've got to tell you, things that are
19 bright really jump out for you but for our community, so
20 those are just other things that might help you as you
21 develop outreach materials.

22 MR. MUSE: Yeah. It's critical in taking a look
23 at a marketing -- strategic approach to a marketing
24 problem. If what we do is marginalize Hispanic
25 consumers to be Hispanic consumers that only speak

1 Spanish or Hispanic consumers that only speak English or
2 Hispanic consumers that perceive themselves as Hispanic
3 or Hispanic consumers that perceive them as white, you
4 end up with sedimentation neurosis.

5 I think what's critical is when you go after
6 these marketplaces, the first most important task is to
7 define your marketplace based on demography that's
8 important to you, the customers. Once you do that, you
9 start to find that you may have a plethora of consumers,
10 different tones, different textures.

11 You've developed programs that reach them, but
12 you have to maintain a critical analysis of the brand
13 message, brand communication. It's communicated in the
14 way that resonates with all your customers, whether they're
15 watching a television ad on a Spanish language
16 television or turn to a sports program on ESPN.
17 Whatever languages are involved, let's assume that we
18 provide the messages that resonate with those
19 audiences.

20 It reminds me of a campaign which we just.
21 Completed for HHS and the Center for Medicaid Services
22 to the Latino market, and it was critical to find a way
23 to communicate with beneficiaries and the caregivers to
24 help the Hispanic consumer better understand its
25 benefits and how to practice and use some Medicaid

1 services.

2 What we knew initially was that there would be a
3 problem communicating to a relatively younger demo and
4 the older demo, and we decided to use Spanish language,
5 and not only were we successful in this kind of dual
6 communication but it out-delivered the communication in
7 the general market.

8 We ended up beating some of our competitors in
9 terms of results, but the results have to resonate from
10 brand perspective, we believe, and more importantly, I
11 think as we move forward, information is the key and
12 being able to speak directly to these audiences and
13 really educate them with regard to some concern will
14 make them the better arbiter of the message. It will
15 help make sure that they don't get prayed upon by those
16 who try to give them false messages.

17 One key piece of research that actually was
18 announced this week in Hispanic Market Weekly was some
19 Simmons data that suggested that Latino consumers,
20 particularly those who listen and get their messages in
21 Spanish, are decidedly more receptive and responsive to
22 messages, advertising messages, more so than the general
23 consumer, and there was a lot of questions as to why
24 that was true. There was actually no argument that it
25 was true. I mean, the response levels are much higher,

1 which probably is why some of the predators are
2 practicing in the Hispanic community.

3 One of the concerns was that there's a limit to
4 the access for certain programming for Latino consumers,
5 particularly those who get their messages in Spanish,
6 and therefore they tend to be somewhat more receptive to
7 the messages that come across Spanish language
8 television.

9 MS. BENCOMO LOBACO: When we talk about age, I
10 know we talked about the Latino community being skewed
11 to a very young age, but there are about five million
12 Latinos who are 50 plus, and about half of those are
13 from 50 to 59 years old, so that is a very good target
14 for all of you in terms of getting the information out
15 there.

16 Again in getting the information out, I think
17 you need to look at not just print and not just at the
18 TV and radio, but you also need to look at Internet.
19 For instance, at AARP, the Segunda Juventud magazine,
20 what we do is we have a longer article in Spanish. We
21 do a brief summary in English, and a lot of people in
22 focus groups have said they like to make sure that they
23 understood the Spanish by reading the English summary.

24 Then we have our web site, which provides the
25 whole story in English and the full story in Spanish,

1 and a lot of us in the 50 to 59 group, I'll include
2 myself in that group, are asked by our parents to look
3 for information, consumer information, health
4 information, all of those things on the Internet,
5 because they're still afraid to get on, but they're
6 asking us do look for that information.

7 So you really need to -- and we're a lot more
8 willing to sit in front of the computer. Like my
9 parents came to visit a couple weeks ago and said,
10 You're just like your brother, you spend all your time
11 sitting in front of that darn computer, so I think
12 that's a really good source.

13 And if you're targeting people like my age who
14 can then take that message that you want to get across
15 to even older or younger, but mostly older people who
16 need to get that information.

17 MR. VASQUEZ-AJMAC: Pablo, if I can.

18 MR. ZYLBERGLAIT: Please.

19 MR. VASQUEZ-AJMAC: Julia triggered a couple
20 thoughts that I would like to share with you. You
21 brought up the issue of brand development and branding,
22 and I was quite surprised when Homeland Security got
23 itself together. In fact Tom Riggs was talking about
24 branding. Branding, it was just one of the first times
25 I've ever heard people talk about that here in the

1 District.

2 But I think the important point of what I'm
3 saying, What is branding? From our perspective really
4 branding your image. It's what you want to convey
5 yourself, and there's brand value proposition, but let's
6 say it is the image that you want to convey to the rest
7 of the world.

8 There needs to be consistency, but the more
9 important thing with branding here is the difference
10 between making a sale, not making a sale, and that's why
11 successful companies like Pepsi, like Sears, like
12 Proctor and Gamble spend a ton of money in brand
13 development because it works.

14 I know if you're the federal government
15 sometimes you can't afford to do advertising. Just thin
16 about the ONDCP, one of the most successful campaign.
17 Why? Because they're spending a ton of money there.

18 So one of the challenges for you is really to
19 look for advertising dollars for your brand
20 development.

21 The other thing beyond buying U.S. Latino in
22 terms of what do you do to better do your outreach, I
23 would really say do your homework, do your research.
24 That would be really one of the most important things I
25 would recommend and not just by hiring a firm but really

1 because a lot of people will say, You're Latino you must
2 know.

3 Well, it doesn't matter what I think. It
4 doesn't matter what our creator thinks. It's more
5 important what does that target audience think about the
6 concept, the message, and so what I would really say to
7 you is do your research, do your homework.

8 You can simply go online. There's a plethora of
9 information out there about your given area. If you've
10 got money, there's always your quantitative and
11 qualitative research. Even if you don't have it, you
12 can also do an informal copy testing if you're
13 developing brochures, public service announcements,
14 other materials, and again assuming that some of the
15 folks here are from the federal government.

16 But I would really say the key to your success
17 is ultimately to do your research first. Then you
18 determine what's the message going to look at. What's
19 the vehicle to get the message out. Do we need PR. Do
20 we need advertising, and you probably need it all, but
21 that would probably be the other thing that I would say
22 that would be a good way to get going to do your
23 research.

24 MR. ZYLBERGLAIT: Let me revisit a couple things
25 you mentioned in a little more detail. I was inspired by

1 what Julia said about purchasing decisions. Number 1,
2 do you see any change in how the Latino market makes
3 purchasing decisions in general? Number 2, what types
4 of advertisements seem to appeal the most to this
5 demographic, and you mentioned the point of purchase,
6 TV, radio, et cetera, but what types of advertising
7 specifically.

8 And, number 3, again with a compound question.
9 You mentioned the generic Spanish. I would be
10 interested to hear what kind of Spanish you find works
11 to the broadest appeal. I thought I had differences
12 between Latin America. We have a colleague in my office
13 from Spain. It's like someone In English talking so
14 someone in Scottish. We just don't understand each
15 other most of the time in Spanish, so what are your
16 thoughts on that?

17 MR. MUSE: First off, we've been doing this for
18 about 20, 25 years, and there's a group of advertising
19 marketers who spend a lot of time in Spanish language,
20 so we kind of invented our own jargon, our own Spanish,
21 that has its flavor in a national content, so it's kind
22 of, I perhaps shouldn't use the word faster, but it
23 helps create commonalties in language, and it's been
24 very successful, and we've all become pretty adjoined to
25 its use.

1 What was the other question you started with?

2 MR. ZYLBERGLAIT: How do you make purchasing
3 decisions?

4 MR. MUSE: We should note that last year \$8
5 billion was spent with Latinos online, and that's a
6 growing number, so obviously there's a need for us to
7 recognize the importance of Latinos online.

8 I have an anecdotal experience with a shopping
9 web site five years ago out of Mexico who really wanted
10 to reach select Latinos in southern California, the
11 regions, to purchase on their web site the goods that
12 they want to send to Mexico and then to pay for those
13 goods and services to be trucked into the family and
14 friends in Mexico, a remarkable idea.

15 It was very decompressed and it was very
16 successful, so successful they got bought out by folks
17 that I think in Spain and are no longer a client, but
18 the idea I think of ECommerce is extraordinary.

19 I think one of the things that I'll point to
20 you, I won't talk about television and who has been
21 successful in that and who has been successful in radio,
22 but we have found that direct mail is fast becoming a
23 medium that cannot be denied with the ability to reach
24 Latinos based on surname in certain areas and to really
25 learn better how to handle the language issue, whether

1 it's bilingual or you find some ways, Spanglish in fact,
2 to reach that marketplace.

3 The results that we're getting from direct mail
4 opportunities is well above the national averages for
5 direct mail. I'll stop at those two.

6 MR. VASQUEZ-AJMAC: On the point of making
7 purchasing decisions, what really jumped out in my mind
8 was the word las mujera (phonetic), the women, by and
9 large. Over and over again from work that I've done for
10 home buying, health care, food, grocery stores, front
11 line decision makers are woman in the Latino household.

12 In fact Joe brought up an interesting point
13 regarding direct mail. The Direct Marketing Association
14 study out, and the thing blew me away was, number 1,
15 some Latinos 50 percent, don't know what the sampling
16 was, said they wanted more junk mail. I went, Wow, so,
17 yes, there is an opportunity there.

18 I think the other thing that is interesting
19 equally is that we are buying a lot on the phone, more
20 so than any other Americans so that's another way to
21 go. Keep in mind before you start putting your money
22 there about how many times do you want to pick up the
23 phone for a stranger to make a pitch to you, so I would
24 definitely move with caution on that one.

25 I guess regarding -- and I think there's two

1 different things here. When I'm talking creative,
2 that's something and also then translating educational
3 promotional terms, but I think above all, make sure you
4 have a Latino writer on board doing your work. It's not
5 enough just to have someone who has a bacca (phonetic)
6 surname.

7 That's not my role, so, number 1, make sure you
8 have the experts on board, Latinos that not only can
9 write but understand the culture, know how to motivate
10 those hot buttons and if you're doing brochures, doing
11 newsletters, that kind of work, web work, what we find
12 as best practice is to bring together a group of
13 Latinos, ideally someone representing the Caribbean,
14 Central, South America, and we can't forget Mexicanas
15 either and Spain, but the idea is you bring people
16 together to work on written work like newsletters and
17 brochures.

18 And, yes, it can be very complicated the word.
19 Case in point, the word bus, las communita, las wawa,
20 las autobus (phonetics)? What do you do, and so
21 sometimes what you have to do is you have to interweave
22 that within the material and then more importantly there
23 are some words that simply don't just don't need to be
24 translated like the name of your organization.

25 I would say you don't translate your name, keep

1 it that way, but also the Internet. Everyone knows
2 Internet. Everyone knows Email, so keep in mind that
3 there are some words that you just simply just don't get
4 go there.

5 MS. BENCOMO LOBACO: American Demographics had
6 an article recently, and they found when looking at
7 shopping of different ethnic groups and racial groups,
8 it says a quarter of Hispanics say their kids have a
9 significant impact on the brands that they buy, and that
10 they tend -- we tend to make shopping a family affair.

11 Again going back a little bit to what I had
12 mentioned in terms of keeping the family in mind, also
13 it says Hispanic consumers are twice as likely as their
14 non Hispanic counterparts to base their marketing
15 decisions on ads, on ads, and that they like to be
16 advertised to in both English and Spanish rather than
17 just in one and that their decisions are equally
18 influenced -- I know I've been talking about family, but
19 this says friends and neighbors as well as celebrities
20 play a role, so keep all of those in mind.

21 MR. FRANCO: Pablo, I want to go back to an
22 excellent point that Luis made or touched on a moment
23 ago, and from the perspective of the work we do at the
24 U.S. Spanish Chamber of Commerce, there are very
25 exciting things happening in the Latino markets today.

1 Latinos are outpacing all other groups in terms
2 of start ups of new businesses. Things are just
3 happening, and it's a very exciting time and a
4 phenomenal market to have been to. It's just growing by
5 leaps and bounds, and I think there's tremendous
6 opportunity there as well.

7 There's also another point that came to mind as
8 Luis was talking earlier in his discussion, and it has
9 to do with leadership. It's important I think to have
10 Hispanics in leadership positions making decisions to
11 effectively reach Hispanic markets. There's something
12 about the chemistry that occurs when that happens.

13 Interesting enough, I've served for a number of
14 years on an advisory council of the Federal Reserve, and
15 I was asked to testify recently at the J.P. Morgan Chase
16 Bank on merger hearings in relation to that merger of
17 this new bank coming together, institutional over a
18 trillion dollars in asset size, second largest bank in
19 the world, after the merger.

20 But the topic came up as it relates to
21 leadership at the board level and Hispanic leadership
22 there, and interesting enough, the thought there was
23 should we be doing this, is it the right thing to do,
24 and that all may be true, and I don't question that at
25 all, but there are different reasons for doing that.

1 It's the business case reasons. To really most
2 effectively tap those markets, it's important to have
3 strong leadership who really comes from within those
4 markets and understanding them from a whole other
5 perspective.

6 So that can't be missed, and I do agree I think
7 if I interpreted correctly Luis referred to the fact
8 that we as Hispanics lag in many ways. The African
9 American community has done a phenomenal job of, as we
10 say back at the local Hispanic Chamber of Commerce in
11 Wisconsin, of getting their share of lockastea
12 (phonetic). They've done a great job.

13 We have not done as well, although that's
14 growing, and based on Dr. Passel's statistics here
15 earlier, it's great to see that the growth is happening
16 very quickly, but much here related to the Latino
17 markets and of course leadership roles as it relates to
18 effectively tapping the Latino market.

19 MR. VASQUEZ-AJMAC: George, you bring up a great
20 point, and I think it's something that needs to be a
21 little bit repeated and emphasized, in fact HACR, the
22 Hispanic Association of Corporate Responsibility, came
23 out with a recent study.

24 Now, keep in mind I've been at this for over 20
25 years. I look young, but I've been out there for a long

1 time, but keep in mind that when I first started this,
2 less than 2 percent of all ad dollars were being spent
3 against the Latino community. Now, almost, what, about
4 13 years later since I started by my business, we're
5 creeping up. Right now it's about 4 percent of all
6 advertising dollars.

7 What's wrong with that picture? You heard the
8 stats, \$600 billion, the largest ethnic minority group
9 in the United States, you know, but what's going on?
10 Going to George's point, what the problem is is we're
11 not at the table.

12 While we represent 12 percent of the civilian
13 work force, less than 2 percent of us Latinos are in
14 fact on boards of directors. Less than 1 percent
15 actually of us Latinos are running Fortune 500. Until
16 we're at the table, until we are brand managers, that's
17 when really you will see a significant change.

18 And it does make a huge difference having a
19 Latino being at the table because what I've learned
20 living here in the District all my life, it's not what
21 you know, it's who you know, and that really does play a
22 big role, but more importantly in fact in the HACR
23 report.

24 And in fact you can probably go online and find
25 it yourself, it did talk about the direct impact, those

1 businesses that had Latinos on their board of directors
2 actually were doing far better than those that were not
3 so it's not just a matter of diversity, and we've got to
4 get beyond that word because diversity is not just a
5 black and white issue. It is really a more inclusive
6 issue, but we've got to talk about dollars and cents.

7 And again it goes to that whole point if we want
8 to have the Latino community be self sufficient, going
9 on to college, we need to be a part of that solid middle
10 class.

11 MR. MUSE: I'm reminded, and I have a couple
12 comments here, in that we are an equal opportunity
13 employer, it's critical for us to look beyond ethnicity
14 and culture. It's more an amazing notion that people
15 have defined cultures and languages as the only ones who
16 can deal with those cultures and languages, and which is
17 simply not the case.

18 What's important for us to look at, however, is
19 the culture that's a transparent source of power in
20 language as well as reaching consumers. I remember once
21 sitting actually here in Washington, and I was sitting
22 with one of my partners, and we were speaking, and right
23 behind us was a conversation going on in Spanish, and it
24 intrigued us so we turned around to look, and it was
25 these two what looked like Japanese men speaking fluent

1 Spanish and we were stopped for a second to -- we were
2 reminded that they were from I think Brazil or Peru, and
3 we stopped and had a conversation with them, and it is
4 one of those amazing notions that you have to
5 understand, culture does not care about ethnicity.

6 One other example of that is I was presenting
7 some work to a client for Spanish language, and I
8 introduced them to my media director, and at first I
9 told them -- because he tended to be -- well, he was a
10 Jack Mormon, a wonderful guy, but he was a little
11 racist, and he knew it. The great thing about this
12 particular client is he knew he was racist, and we
13 talked about it.

14 But he said to me, he said, Well, who is this
15 Monica Chen you're bringing in? I said, Monica Chen is
16 the media director, and she's fluent in Spanish. She
17 was raised Spanish I think in Mexico, and she's an
18 extraordinary woman. He said, She couldn't possibly
19 know my media campaign for Latinos.

20 I said, What do you mean she couldn't know
21 it. He said, Well, she's not Spanish. Meet her, so he
22 comes and meets her. She's extraordinary. She does an
23 incredible campaign, and we sold out a fight at his
24 casino in Vegas.

25 And after the fight -- what was extraordinary

1 were the numbers of Latinos that came to this particular
2 fight, but afterwards we were standing by the slot
3 machines, and he was smiling ear to ear and he knew his
4 count was going to be through the roof, and he looked at
5 me and said, Well, I guess that Monica Chen knows her
6 Hispanic market, and I said, Well, she certainly does.

7 So it's just important to know that culture and
8 language often times transcend the notions of
9 ethnicity.

10 MR. ZYLBERGLAIT: Let me go to the issue of
11 telemarketing I believe, Luis, you raised it a second
12 ago or a few minutes ago. What types of telemarketing
13 calls are Hispanics getting are and are they in English
14 or Spanish or both and how are they reacting to
15 telemarketing other than the fact that they're possibly
16 buying more than the average person. Do you have any
17 idea?

18 MR. VASQUEZ-AJMAC: Again, we don't do a lot of
19 telemarketing, and part of it to me, yeah, I like to be
20 effective in marketing. You have to hit people all over
21 the place, but to me it seems a little bit intrusive, so
22 if you want to learn more, obviously I mentioned the
23 Direct Marketing Association, they probably do have
24 their study on board -- online so you might want to go
25 to that, but I don't really have much to offer on that.

1 MR. MUSE: There's some remarkable things
2 happening in telemarketing. I was introduced to a
3 system not too long ago called Patriot, and this system
4 although it's not a government system, they have a great
5 name for it, but it's able to actually pinpoint the
6 caller through a telemarketing service. Actually I need
7 to go back a little further.

8 They can tailor make communication based on
9 typical household incidents to whatever communication
10 you want, whether it's a general in the Army speaking or
11 a celebrity. People love celebrities in any language.
12 I hate telemarketing calls, but the word is that if you
13 use a celebrity on a telemarketing call, people will
14 listen. Don Ho talks about some God forsaken trip to
15 Hawaii, people will listen on the phone.

16 It's like nothing I've ever seen, but what they
17 also are able to do is that caller, if they decide to
18 respond and call a service center, this system can
19 direct them to the nearest service center in their
20 neighborhood and have the phone ring while they're still
21 on the line to be involved in the call and to actually
22 be talked to by someone in Spanish or whatever
23 language. This is what's happening in telemarketing,
24 and it's coming to your home soon.

25 MR. ZYLBERGLAIT: How do you all expect the U.S.

1 Spanish market to change in the next five years, in the
2 next ten years, maybe in the next 15 years? Jeffrey
3 mentioned some of the demographic changes. What do you
4 think as far as advertisement and message in the next
5 ten years or so?

6 MR. VASQUEZ-AJMAC: I think one of the biggest
7 trends you will probably see in the general market is
8 probably more people that look like me in some general
9 commercials. I've already started to see that trend.
10 Probably telemundo will also follow suit in that regard,
11 and I think it does make a difference when you are
12 marketing to the majority of our population.

13 I'm going to throw out a big word out there,
14 most of us are (Spanish) or mixed blood. And you have
15 to keep that in mind. Yes, we come in all colors there
16 is Fuji Moora. There is Carmen Diaz. There is Sammy
17 Sosa, but a good majority of the population here are
18 European and indigenous blood, so keep in mind that will
19 be probably one of the biggest trends.

20 I think another thing that will probably happen,
21 it's already started, you will probably see more Spanish
22 language ads coming on board as well. That will be
23 another big big trend. I also think that we've had an
24 influence on culture, and one thing about the Latino
25 community that I feel really proud about is that we are

1 proud about who we are, whether we're Central Americans,
2 South Americans, and we haven't been included in
3 everything.

4 But what I'm seeing here, as with the big bomb
5 of Chaquita and Ricky Iglesias, a lot of our culture is
6 now becoming part of the main thing. We talked about
7 quesadillas in Iceland. What's the number one condiment
8 in America right now? It's salsa, and so what the
9 biggest change will probably be, and it goes back to we
10 didn't cross the border, the border crossed us, you will
11 probably see us really much more a part of the American
12 mainstream.

13 And to that point I was out vacationing in
14 Ketchum, Idaho, about two years ago, pretty exclusive
15 resort. First time I was there, and this is a little
16 mining town, cowboy town, and lo and behold in the
17 middle of main street, an ad in Espanola.

18 So what I'm saying is we're not just an urban
19 city, community. We are now going into the deep south,
20 Atlanta, North Carolina, and so those can be sort of the
21 biggest changes, it's just not going to be just in urban
22 settings but all over middle America.

23 MS. BENCOMO LOBACO: I think when Luis talks
24 about pride in our culture, so many times we have been
25 considered as being a culturated, assimilating, all of

1 these things, but now there's a term that I've heard
2 recently, retro acculturation, and because the Latino
3 culture and all of these things have become so much part
4 of the mainstream, many Latinos, especially a lot of
5 younger ones who had pushed away the Spanish culture and
6 their culture, are now seeing that, hey, it's kind of
7 cool and they want to learn the language and find out
8 how to do the Sasa and how to dance Sasa and are buying
9 a lot of albums, ethnicity, so that's a whole -- again
10 in the future we're going to be seeing that it's almost
11 a rebirth of the culture amongst those in our culture.

12 MR. MUSE: Don't watch race in the next 15
13 years, watch culture, and the reason for that is very
14 simple. With regard to culture what you're going to
15 find is that the dominant culture appropriates the
16 culture of the ascending in a market. That's just the
17 nature of things for hundreds of hundreds of years.
18 It's not going to change. It will continue.

19 What you will find, however, is that there will
20 be a political influence that will rise with Latinos so
21 it will be in the communities they live in and certainly
22 international level. I think it will be a very short
23 period of time, probably two, maybe four years where Los
24 Angeles, the second largest city in this country, will
25 have a Latino mayor. I know the right guy as well to

1 select.

2 The other aspect of culture influence is that as
3 this evolving American culture gets exported, as it
4 does, it becomes a national universal culture,
5 international culture, and I think the international
6 culture will also have a blending effect in terms of
7 what we call popular culture.

8 And then I think the final thing that's
9 important in terms of what I see over the future besides
10 an extension of opportunities for Latinos in a
11 professional context as well as a consumption context is
12 there's going to be more information coming up from the
13 government with regard to really helping Latinos with
14 issues that they face, whether it be nutrition, whether
15 it be false advertising, whether it be predatory
16 practices of advertisers.

17 There will be more of that kind of advertising,
18 and then finally, we will finally determine that the 50
19 percent of the population, some 20 million people who
20 speak English, who are Latino and prefer to receive
21 their messages in English, will actually get their own
22 television station.

23 CTV is already about, and it's Spanish language
24 culture in English, and I think what you'll see is more
25 of that. It will effect your networks. There will be

1 more of that combination of cultures. It's a mixing.
2 It's an excited time.

3 MR. VASQUEZ-AJMAC: Pablo, just other thoughts
4 that just made me think about this, I think one of the
5 other biggest trends you will see. We will become
6 visible. We will no longer be this sleeping giant. We
7 will become visible.

8 Here are the numbers. We're almost 15 percent
9 of the total population, but we're not in board rooms.
10 There's no one in the Senate right now, heaven forbid
11 the White House, but we will become visible. In fact
12 this makes me think about this movie which I'm totally
13 intrigued with, and it's coming out, actually being
14 released on the 14th, it's called A Day Without
15 Mexicans.

16 And I think the most significant part, this is
17 in California, what would happen in California when 14
18 million Latinos disappear. What will happen when six,
19 seven million Latinos in Los Angeles disappear? Yeah,
20 we can get into this stereotyping about dishwashers and
21 nannies, but we have a direct impact, especially in
22 California which is what, the eighth, ninth largest
23 economy in the world.

24 We have a tremendous impact, so the most
25 important thing is that we will become visible people.

1 People begin to not just give us lip service, not just
2 do the minimum for us. I really do believe that that
3 will probably be one of the biggest things will be at
4 the table.

5 MR. ZYLBERGLAIT: Let me raise a self serving
6 question here. What would your advice be say for a
7 federal agency on fairly tight budget trying to reach
8 the Hispanic Latino community with fairly broad
9 messages, not very cemented things like fraud and work
10 at home schemes or things of the like or for other
11 federal agencies, if you had to customize, if we could
12 steal your advice, how would you customize? How would
13 you do it on a fairly small budget?

14 MR. FRANCO: I have a response to that if I may.
15 Isn't one of the things we're finding as it relates to
16 the corporate America environment, which I think also
17 would apply to the government sector, is strategic
18 partnerships. They're often a very cost effective way
19 in which to reach a particular population, a specific
20 group.

21 An example of what was done at the U.S. Hispanic
22 Chamber was a strategic partnership with U.S. Bank,
23 again a relatively national footprint, and their mission
24 was to go out and reach and tap the markets from a
25 banking perspective, both consumers and small business

1 banking services, so what they did was they partnered
2 with the Chamber.

3 And through the 158 local affiliates throughout
4 the country, materials were dispersed. The message was
5 delivered. There's deal flow coming in through those
6 Chambers, but it's the way that U.S. Bank has been able
7 to leverage that relationship.

8 Yes, you think about what are the numbers coming
9 in and how many deals are coming through, but they're
10 finding that their greater success is coming by just
11 being able to message that they're partnered there, and
12 because it turns out that many of the companies,
13 Hispanic owned business, small businesses coming in, in
14 many cases sole proprietorships, are consumers who are
15 coming in for banking services and are not members.

16 But yet the fact that there is the brand image
17 connection for them through the strategic partnership
18 enables them to very effectively win the confidence over
19 of the small business owner and the sole proprietor to
20 come in and do business with the bank, so strategic
21 partnerships can be a very effective and cost effective
22 way of reaching the market.

23 MR. VASQUEZ-AJMAC: I'm going to share ten tips
24 with you, and I'm going to assume we're not talking
25 about brand development or advertising. We're talking

1 public affairs, public relationships, and if anyone has
2 the desire I'll be able to Email this to you.

3 Based on best practices, a couple things I'll
4 share with you in terms of what you could do. Number 1,
5 buy U.S. Latinos. It does make a difference when you do
6 buy Hispanic owned firms. We hire other Latinos. We
7 mentor other Latinos. We do business with Latinos.

8 There is cooperative economics going on, trickle
9 down, so that would be, number 1, I would suggest to
10 you.

11 Materials do matter. In fact we're launching a
12 nationwide campaign with the Federal Reserve Board on
13 direct deposit, and our campaign materials will be quite
14 different in Los Angeles or on the main land. They do
15 make a difference.

16 I think the other thing is translation, hold on
17 to your money. People see right through that. In
18 fact. The New York Times came out with a piece this
19 past December about translations, and first of all
20 Latinos, they recognize those from a million miles away,
21 and if it's badly translated then you're not going to
22 redeem yourself.

23 So again I would say start from scratch and then
24 get a back translation from Espanola to English. The
25 other thing I would suggest you do is if you're doing PR

1 work, make it easy to cover your story. For example,
2 this morning we had a crisis communications media event
3 for WASA, the water people here. I'm sure you've heard
4 about the led. They're based out in Blue Plains over
5 there in Anacostia.

6 The media is not going to come all the way over
7 there for a Latino community event, so we make it easy.
8 We had it in Mount Pleasant, Adams Morgan, kind of the
9 Latino hub so that does make a big difference as well.

10 I think the other thing is keep in mind, and
11 we've talked about the abundance of Latino media, there
12 is so much media out there. There is CTV, which is a
13 cable English language network.

14 The fastest growing segment of the Latino media,
15 what is it? Magazines. There's so many magazines right
16 now. In fact a new one just came out for young Latinos,
17 15, Latinita, and heaven forbid whatever else is out
18 there, Cosmetology Espanola. There's a lot of that out
19 there.

20 Yes, there's a divide unequivocally, but we're
21 fast getting online. Big sites, Yahoo in Espanola,
22 others are out there as well so there is an abundance of
23 opportunities for you to get your story, but again I
24 would say if you have limited time, effort, I would
25 focus on television. It's one of the ways that does

1 reach a good many of our folks.

2 The other thing that I would also say is don't
3 overlook general market media, translation mainstream
4 media. Almost every major daily right now from the
5 Houston Chronicles, Los Angeles Times, the Miami Herald
6 have dedicated beat reporter, even the television
7 stations, they call up and go, What do you guys got
8 going, so they are interested.

9 Why? We're consuming a lot. They want
10 eyeballs, not just the reality of it. They want stories
11 that relate to us, so again don't overlook the general
12 market media.

13 The other thing is with medial relations and so
14 forth, it's about personal relationships. Get to know
15 reporters that cover your area, take them out to lunch.
16 They love drinks also. Host a little meet and greet in
17 your event. The main thing is public relations, the
18 word is relations, and that is what's really key here.

19 The other thing is follow up. If you have an
20 event follow up. Make sure that if they didn't cover
21 it, that you send them stuff to make it easy. If it's a
22 national event, get them a net release. Make it easy
23 for them to cover up and follow them up. Even if they
24 don't cover your story, begin the relationship.

25 The other thing I would also suggest to you is

1 have an event that has a Latino theme around it. In
2 fact we did the unveiling of the Bound Market Foundation
3 web site's Tomorrow Money. We had Motty Carmen Aponte
4 of the Puerto Rican Federal Affairs, Javier Destare,
5 (phonetics) a congressman that had a Latino feel to it.

6 I think that also definitely does make a
7 difference, and I would agree with Joe in terms of, yes,
8 celebrities. Celebrities make a big difference in
9 drawing media attention to your event, but if you can't
10 find celebrities, you're not in Hollywood, there's also
11 politicians, other kinds of leaders.

12 The key is high visibility people will help
13 attract the media attention that you need and want
14 covered, and if you like, you can send me an Email to
15 Luis at MAYADC.COM, and I'll be happy to send you this
16 sheet.

17 MS. BENCOMO LOBACO: To piggyback a little I
18 think on the celebrity aspect, we think celebrity and we
19 think national international, but what about the local
20 celebrities? What about the top rated person on
21 television or the top anchor, news anchor, not just
22 politicians but you have your activists who are known in
23 our communities and who are respected and whose voices
24 are listened to, the neighborhood activist who's out
25 there at all the board meetings, he or she will be

1 listened to.

2 They are some of the very best spokespeople
3 people.

4 MR. MUSE: My suggestion, if you have a small
5 budget and you need to find some inventive ways of
6 extending it, is you get more money. Getting more money
7 ensures results when we use professional services, and I
8 can tell you dozens of times I've had clients, well
9 meaning clients come with little bitty dollars to try to
10 do remarkable things and they just don't happen. Sure.
11 You can do some stuff and make it look good, but if you
12 want to produce meaningful results, particularly in this
13 market that's worth billions of dollars, spend millions
14 of dollars to produce the results and get the money.

15 They can find it. If they can't find the money,
16 then let somebody else do it.

17 MR. ZYLBERGLAIT: At this point, I would like to
18 turn it to the audience and see if you have any
19 questions, and when I call on you, please state who you
20 are and spell your name, please. The gentleman right
21 here.

22 MR. GONZALEZ: Good afternoon. Thank you to all
23 of you. It's fantastic to have you here talking to us.
24 My name is Rick Gonzalez, and I'm with the Virginia
25 Hispanic Chamber of Commerce. G O N Z A L E Z. Again

1 thank you.

2 I have a question open to everyone, but
3 primarily it's something that's been alluded to in this
4 conversation, and I know it may open a bag of worms, but
5 if you could discuss a little bit about -- let me
6 backtrack.

7 Being from Virginia we have a unique situation
8 that is not common throughout the nation. Most places
9 you have a lot of Puerto Ricans, a lot of Mexican
10 Americans and a lot of Cubans, of which I'm one of
11 those.

12 But in Virginia we have these nationalities
13 represented which is unique in itself, and on top of
14 that we have multiple cultures, multiple religions and
15 multiple traditions and classes which come from these 24
16 nations. How would you go about trying to reach out to
17 a group in an area that is that diverse in the Hispanic
18 Latino community?

19 MR. VASQUEZ-AJMAC: Rick, I've lived all my life
20 here in the Mid Atlantic Region pretty much. I've done
21 a lot of work with a lot of the leading companies here.
22 But I'll use Pepco as an example here, a local utility
23 company.

24 When they came to us to develop a brand
25 initiative to instill trust, confidence in Pepco, they

1 gave us carte blanche. One of the things we actually
2 did was create a commercial. Some of you may have seen
3 it here in the District of Columbia in Virginia. It ran
4 all over the place. One of the things we did as part of
5 that commercial -- first of all there were no words.

6 What really carried that message was images, a
7 diverse group of Latinos, Afro Latinos, all kinds of
8 mixed-blood Latinos, but the idea was to celebrate
9 Latino heritage here in the District of Columbia because
10 by and large, you don't think about it here in the Mid
11 Atlantic Region. It's a different world when you go
12 outside of the Beltway.

13 So that was one way that we developed an
14 effective brand initiative, and then the spot was played
15 over and over again, but it's just a small way of what I
16 would say to you.

17 I think the other things is, yes, there is a
18 suelo comun (phonetic), common ground. There are issues
19 that do affect us, whether it's language, whether it's
20 again religion. 90 plus percent of us are Catholic so
21 you can find those common threads, but as I mentioned
22 earlier on, don't take it from me. Let's put it to the
23 test. Let's determine what is the goals that you want
24 to achieve.

25 Joe is right, a lot of people want to see so

1 much for so little, and I always say save your money
2 until you get it right, but I think the main thing is
3 what are the goals? You have to take baby steps.
4 Things aren't going to happen overnight and that -- the
5 big thing I would say is determine what do you want to
6 achieve, and let's do our research against what you want
7 to achieve.

8 That would be one of the first things I would
9 recommended that you do.

10 MS. BENCOMO LOBACO: And I think I would
11 recommend looking to your communities. What is there
12 within that diverse community of 24 different groups
13 that really all of them care about? What is an issue?
14 What is a locale, what is something that -- all of them
15 can come together to talk about, and then you can always
16 bring in other issues as well.

17 But finding within the communities what it is
18 that everyone or most everyone can really gather around
19 and say, yes, this is important to all of us.

20 MR. MUSE: We completed a project for the
21 federal government not too many years ago. We launched
22 the ONDCP program, and in launching that program we
23 developed the most diversified advertising program in
24 government history, it still stands as the most
25 diversified, and in that program we have 14 different

1 languages but originally we established from the very
2 beginning a tool, we called it the zone of commonality
3 where we're looking for these common perspectives.

4 And I don't think it's any different whether
5 you're talking about 14 to 20 different Hispanic
6 cultures or cultures that speak different languages.
7 Once you come up with the commonalties, you can build
8 upon communication programming that includes broadcast
9 in some cases, but I think in your case, Virginia,
10 you're probably going to do a lot more outreach and find
11 ways of cementing and communicating these commonalties
12 so that it resonates with the targets you're after.

13 And then having the defined metrics in terms of
14 the results you want helps us out in making sure we are
15 successful.

16 MR. VASQUEZ-AJMAC: Can I just add one more
17 thing? This reminds me of one of my long-term clients,
18 Wringley Brothers, came to us God knows almost eight
19 years ago, and I was doing a lot of work in the
20 southwest, Texas, California, and after two to three
21 years of helping them sell a ton of tickets, I
22 approached them. They're headquarters is based here in
23 Virginia, one of the largest businesses here, and I
24 said, Can we do something locally here in the District
25 of Columbia.

1 And they basically thought, Are you crazy, are
2 there any Latinos, and I said, Yeah, there's a ton of
3 them, and I said but if we do it, you have to do it my
4 way. You have to follow my lead on this one, and so the
5 couple things that we ended up doing for this program,
6 and they kind of went through their calendar and they
7 said, oh, Easter Sunday, that's the worst day we have
8 sales, and I'm thinking, Oh, you're giving me the worst
9 day and all the people are going to be at church.

10 I said, Okay, I'll take on the challenge, but
11 you have to do it my way. So a couple things we did,
12 and I'll say this because some of you will go, What if
13 they call, what do we, et cetera, so what I said was,
14 Let's do the following.

15 First of all I know there is an affinity for the
16 circus in Latin America. We've all gone to it at some
17 point in our lives. And more importantly, Wringley
18 Brothers had many Latin American performers, performers
19 from Spain, Cuba, all over the place so it just made
20 sense to use them.

21 So things we did was, number 1, we created a
22 bilingual night, bilingue. Everything that the MC said
23 would be said in Spanish. We got media partners
24 together, both Spanish language Univision, radio, TV,
25 general market media. We got big corporations behind us

1 who wanted to reach out to this community.

2 There was a grass roots marketing component as
3 well. We would bring a taste of the circus to
4 disadvantaged kids, get to your parents. What's the
5 results? The results -- and I was freaking out. It was
6 about 3:30, four o'clock, and I'm constantly looking out
7 at ticket sales, and there's barely a trickle of
8 people.

9 Well, by about 5:30 as the show was beginning we
10 had sold out to mucho Latinos, 10,000 people. We had to
11 turn away families crying, so the key thing about this
12 is that a lot of times people say, Oh, they don't have
13 the money. They can't afford it. These people were
14 putting down a hundred, 150 a family to come to the
15 circus. That's their ticket, their popcorn, all of that
16 stuff.

17 The other thing was it was an integrated
18 marketing campaign. That mucho Latino concept that we
19 developed here locally up to date is the best attended,
20 most profitable, best publicized event. Wringley has
21 taken this and made it its signature event and is now
22 rolling this out around the nation, and who came to
23 that? Central Americans, South Americans, Caribbeans,
24 everyone came out to that event.

25 So you can take something, if you know how to

1 reach the community, you have walked in their shoes, and
2 make it work for you.

3 MR. ZYLBERGLAIT: I have the person over here,
4 and if you could just -- they're going to give you a
5 Mike and state your name.

6 MS. GONZALEZ: My name is Lennie Gonzalez, G O N
7 Z A L E Z, no relationship but good friends. You asked
8 a question, Pablo, and I cannot pronounce your last
9 name, and nobody responded to you regarding the
10 translation. I understand what Mr. Vasquez is saying,
11 get the Latino -- the Spanish speakers to work.

12 I work in a government agency, in a state
13 government agency. There's no Latinos working there but
14 me and somebody else, so a lot of communications, press
15 releases, things like that would not come in in
16 English. Nobody responded, what is the best Spanish?
17 Is there a best Spanish? How do we do that?

18 I cannot write press releases. It's not my
19 job. I don't have the authority. I have to work with
20 what they give me, and how do we make it better to be
21 able to target our audience to make sure that the
22 audience gets the message?

23 MR. MUSE: Use professionals. There are
24 free-lance writers in this area who will be happy to
25 take your communication and make it work in Spanish or

1 any language. Just find the professionals in the
2 writing community who are willing to do the work, and as
3 you do, I'm sure trade journals and different ways --
4 even associations.

5 MS. BENCOMO LOBACO: I think professionals, not
6 just when he talks about writers, I mean there is a big
7 difference between a writer and someone who in fact
8 knows how to convey the style, looking at style, looking
9 at sending the message a different way, not just
10 translating something literally.

11 So when you talk about professionals, really
12 look at someone whose profession is to be interpreting,
13 translation, those sorts of things, whether it's for
14 spoken or written word.

15 MR. ZYLBERGLAIT: I've had the opportunity to
16 take a look at some of the press releases that go out in
17 Spanish, and I've had to tweak some words costiada which
18 to some communities means nothing, so why not use the
19 simpler word, tiada (phonetics), which to most people
20 would make sense.

21 Sometimes you do run into words like truck.
22 It's going to be a different word pretty much in every
23 city in the United States in Spanish, so use the
24 experts, but you have to try to use the lowest common
25 understanding. Don't be too cute I think with the

1 words. I'm not an expert. Take that with a grain of
2 salt.

3 I had the lady over here and then over there.

4 MS. PORRICO: My name is Myriam Porrico, M Y R I
5 A M, P O R R I C O and I actually work for Montgomery
6 County government at the Office of Consumer Protection,
7 and while you're saying that basically what are the best
8 ways to reach out to the community, and you're
9 absolutely right, one of the best ways I guess is radio,
10 TV, ECommerce, all the things that you mentioned and
11 using the celebrities, et cetera.

12 We find out that those are the same means that
13 people are using to scam Hispanics. How do we
14 counteract that? How do we protect our community from
15 being scammed?

16 MR. ZYLBERGLAIT: I'll be happy to let the
17 panelists direct that, but I'm glad you raised it, but
18 it's going to be the thought for the second panel today,
19 but maybe we can just kick start a little bit if anybody
20 has any thoughts.

21 MR. VASQUEZ-AJMAC: I think, Myriam, one of the
22 things maybe I didn't make clear but I think ultimately
23 in an effective marketing mix of what I find over and
24 over again as the best practices to reach anyone is word
25 of mouth.

1 We talked about partnership developing,
2 coalition building, and I really do believe in whatever
3 you do as part of your marketing mix, there should be a
4 partnership component, and I use that word partnership
5 because too many times I find clients coming, we have to
6 get to the community, let's use this group, no, it's not
7 a one shot deal when you go in there. It's about
8 cultivating a partnership, a relationship.

9 And so I would say that as part of the one of
10 the most effective ways to counter some of this
11 advertising is really getting people to sit down face to
12 face to talk to people. It's a lot of money. It's a
13 lot of hard work but it makes a huge difference.

14 Then my philosophy is you have to fight fire
15 with fire. If there's someone out there doing these
16 deceptive ads on television, well, you need to get your
17 message out there as well, and if you can't afford that,
18 you need to start thinking about some guerilla marketing
19 techniques, how do you get to the attention to get on
20 television without having to pay for it.

21 So the thing is television sometimes is too
22 expensive, I can't afford it, and sometimes you can't
23 afford not to do it, so again I would just say that
24 would be my two cents worth on that.

25 MR. MUSE: Here's a clear success story and

1 probably many more success stories regarding protecting
2 consumers, but particularly Spanish language issues.
3 There's no better way to do it than information based
4 campaigns, probably broadcast media with some connection
5 to a web site as well as a phone information line in
6 Spanish.

7 You do that, you'll get the incremental results
8 you're looking for. You'll get the metrics that your
9 boss is going to want so that you get a return on
10 investments so you can keep doing it so those particular
11 tools work best.

12 MS. PORRICO: Let me just make a comment.
13 Actually I am counteracting by basically doing the same
14 thing, what you just said, and I guess I'm always
15 looking for other ways of doing it, and one thing that
16 has worked really, really well is using actually a real
17 example and bringing it to the radio station alive and
18 talking about the case and having other people call and
19 then come to the office.

20 And then again we're talking about small
21 budgets. We're talking about a reduced staff, and we
22 just want to find better ways to protect our
23 communities.

24 MS. BENCOMO LOBACO: I think one of the things
25 that was brought up earlier about again partnerships or

1 partnering with the media. When you talk with the
2 media, when you come up with stories, having been a
3 reporter and editor, if someone calls me up with those
4 real stories, with a very powerful story, I'm going to
5 listen. I'm going to want to put it in my newspaper and
6 my magazine, on the radio and TV.

7 But another point that was brought up earlier,
8 when you come to me with that real story, make sure that
9 the individual is going to be willing to talk, make sure
10 that they're willing to, if they need to go on
11 television or be on the radio, to have their photo
12 taken, make sure that you have your talking points, make
13 things available to the reporter or the editor.

14 Make things as easy as possible for those on the
15 other side and as compelling as possible because I had
16 written down right before you said that, I think one of
17 the most important ways to reach the audience is with
18 those real stories. If they know their neighbor was
19 affected this way, that's when they listen, when they
20 can say, I read about Maria having gone to this store
21 and having bought something that was advertised in this
22 way and then ended up bait and switch, whatever.

23 But those real stories are what make people
24 listen and remember.

25 MR. ZYLBERGLAIT: We have a question over here

1 and then the lady and then the lady over there.

2 MS. SMALL: My name is Bridget, Small, from
3 AARP, and I'm interested in the question of the
4 challenge of conveying a message nationally. I've heard
5 different suggestions from the group here. I have heard
6 a statement that a person from Mexico living in
7 California or living in Chicago or living in New York
8 will have a different level of understanding, like a
9 media sophistication so that's kind of versioning based
10 on where someone has ended up geographically.

11 I've also heard that a message would be
12 different based on -- someone's primary language only in
13 Spanish are more prone to victimization so that sounds
14 like a versioning based on primary language.

15 So I'm facing the challenge of conveying a
16 message nationally, so first of all, I would like
17 someone to tell me, do you -- particularly the agencies,
18 is it possible to do that? Is there one message that
19 could be conveyed to the Latino audience nationally or
20 is it going to be critical to version based on
21 geography, version based on primary language and the
22 example that Mr. Franco give, cooperating with a bank
23 nationally with different Hispanic chambers? Did you
24 version that regionally or did the bank just say, Here's
25 our message, roll it out, here's the material?

1 MR. FRANCO: It was nationwide.

2 MS. SMALL: I know but did they version, was
3 there --

4 MR. FRANCO: Was there different versions per
5 region is what you're saying? No, there wasn't. There
6 was consistency.

7 MS. SMALL: I'm curious, I would like to hear
8 more communication about regional version, versioning by
9 language, whether it's useful, whether it's possible to
10 do it nationally.

11 MR. VASQUEZ-AJMAC: Bridget, on my point on
12 niching, if you can do, its always better. Marketing is
13 like politics. It can be local. There's differences,
14 but as I mentioned earlier on, we're now in the -- we've
15 just completed an 11 market research study for Ameri
16 Group, and the main thing is they're looking to develop
17 a brand, come up with a single message.

18 And so as part of that we actually, first of
19 all, went to the streets. We went to our target
20 audience, low income folks that rely on Medicaid and
21 other health services, and we conducted what we called
22 street intercept. We asked them a series of questions
23 from what do you think about health care, where do you
24 get your information, very broad kinds of questions.

25 I think the sample came back over 1,600 people

1 responded. I think the more important thing, I was just
2 amazed by the level of interest and participation, so
3 part of it is you've got to go ask the people what
4 works.

5 Secondly, we conducted a variety of focus groups
6 around the nation, and that was really also testing
7 messaging, colors, all that kind of information. Over
8 125 folks participated in these follow focus groups
9 around the nation, and what we found afterwards, once we
10 got all of this research and went through everything, we
11 found some consistencies.

12 We found consistencies that is helping our
13 client develop an effective brand campaign. The thing
14 that we had found that were relevant to this community
15 so they would buy that health insurance was issues like
16 respect, access, good care. People didn't want great
17 care. They wanted good care. They recognized in their
18 minds that getting generic drugs versus brand drugs was
19 quite different.

20 And so the point that I want to emphasize as
21 this goes to the thing, I would you got to do your
22 research, that's number 1. You have to determine what
23 you want to do with this research as well. Is it about
24 building AARP's membership base? Is it about building
25 awareness that when we become 50 or 55, whatever the

1 threshold is, that we know that you exist.

2 So the main thing is you have to have a clear
3 idea what is it you want to achieve, and, yes, you can
4 come up with a brand message over and over. Successful
5 companies like GM do it and others, and Joe mentioned
6 ONDCP, we worked on that account as well, and they've
7 been very consistent, the anti drug.

8 That's the other part of that messaging, and it
9 seems to have worked, as he suggested in all languages,
10 and our work in the Latino community has resonated all
11 over the place as well.

12 MS. SMALL: In the spirit of disclosure, I am
13 not the brand person. I'm interested in how to talk to
14 people about ID theft, so I have a message --

15 MR. VASQUEZ-AJMAC: Do your homework.

16 MS. BENCOMO LOBACO: Coming from AARP, Segunda
17 Juventud, what we do in our magazine and what I've
18 always done in all of our places where I have written
19 stories, edited stories, and when I talk to my writers,
20 and it goes back again to using real people, and you use
21 real people from across the country, I always tell my
22 writers, We're going to do a story on voting. We're
23 going to do a story on lupus. Be sure you get someone
24 who is from the west, from the midwest, try to get a
25 geographic mix, get the ethnic mix. We don't want

1 everyone to be of Mexican descent. We want to have the
2 Puerto Ricans. We want to have the Dominicans.

3 We want to reach out because again when someone
4 is in my case reading something about ID theft, which
5 this issue has been about ID theft, you want to make
6 sure people can connect and say again I recognize myself
7 in that person, and I think you have the message,
8 national message, but you have local or regional people
9 giving that message.

10 MR. FRANCO: Pablo, if I may, going back to
11 Bridget, that's an excellent question, and that unfolds
12 in my mind, going back to your original question and
13 comment regarding versioning, in the particular case of
14 the National Chamber with the U.S. Bank program, the
15 spectrum of products and services was consistent
16 nationwide.

17 What was different and unique was the launch in
18 each community and how that happened. That had to be
19 designed differently on a per community basis, but in
20 your example, from an identity theft program, you're in
21 the best of all worlds.

22 From a strategic alliance perspective you're in
23 a situation where you can in effect have partners out
24 there that would be willing to fund your mission because
25 of their business case and economic impact. You in fact

1 -- I can see very easily where you would AARP from the
2 perspective of what you want to achieve there would
3 actually generate revenue off of your mission as opposed
4 to paying.

5 It's a tremendous opportunity there. The
6 business case is so strong for those who are adversely
7 effected where identity theft occurs, the banks, the
8 insurance companies and other service providers.

9 MS. WINICK: My name is Lona Winick, and, yes, I
10 do speak Spanish, W I N I C K.

11 My question is more of a comment to the
12 panelists. You guys have all touched on how to reach
13 the Latino consumers. I think the number 1 point, back
14 to our friend Maria, is consistency. I mean, don't have
15 Maria go on the air, get off the air and let the story
16 die there. Use the media for an educational campaign,
17 dissemination of information.

18 That's something that consumers need to see as
19 an ongoing effort. Don't go in and out of the
20 marketplace as a token effort. If you are going to run
21 an integrated campaign, don't just run it for two or
22 three weeks, just continue on an ongoing basis.

23 MS. FRASIER: Hi, my name is Connie Kin Frasier
24 I'm with the American Advertising Federation, and to a
25 large degree, Bridget touched on my question, but I

1 really wanted to see what the panelists had to say in
2 regards to an earlier statement where they said that
3 results resonate from brand perspective.

4 And I think oftentimes when we think about
5 branding we think of branding of product, and in many
6 instances, you all mentioned products that were well
7 branded, but I think for this audience, their product is
8 more so of a service type nature maybe, so if you could
9 give some examples on how you might go about branding
10 for more of a service oriented product, I think that
11 might be helpful as well.

12 MR. VAZQUEZ-AJMAC: Connie, we're right now in
13 the midst of launching a new campaign for the Centers
14 for Disease Central, CDC, and it's actually probably one
15 of the very few national Latino initiatives that CDC is
16 doing, and from my perspective the most important thing
17 that we need to get out there is what does CDC stand
18 for.

19 It stands for the ultimate authority for health
20 care, and so as we're developing this campaign on
21 antibiotics, beyond the fact that we've got to get the
22 message out there, the most important thing for us is
23 really to begin to brand, what is CDC, what does it
24 stand for, and then again going -- as I mentioned to
25 Bridget we're doing our research. We're doing market

1 research in Miami, in Colorado. We're testing various
2 mechanisms to reach out to this community as well.

3 So I hope that that adds a response to your
4 question.

5 MS. FRASIER: In a sense you're branding the
6 organization more so than a specific issue at that point
7 or a combination of both.

8 MR. VASQUEZ-AJMAC: I think part of it once
9 people understand what CDC stands for like McDonald's,
10 burgers, IBM computers, the idea is when they see CDC,
11 first of all that they trust where the information is
12 coming, and I think a lot of my Latino colleagues will
13 say, Yeah, the governments, Latinos, we're scared of
14 them.

15 Yeah, there's a lot of that but I think it's
16 part of that is they have an outreach to us, and so I
17 would also echo what Joe says is that we need the
18 federal government to start stepping up and reaching
19 into our community. In fact a has been, the Hispanic
20 association group, came out with a recent study, and it
21 talked about those that were succeeding in outreaching
22 to our community, they're getting a big return on our
23 investment.

24 But one of the groups, one of the sectors that
25 is clearly lagging behind in its commitment to the

1 Latino community is the federal government. Case in
2 point ONDCP, we've talked about ONDCP. I can only tell
3 you they've had about, what, a hundred full page ads
4 that went out to dailies. Not one Latino Spanish
5 newspaper got those ads.

6 What's up with that? So the reality of it is
7 that we need to put some pressure on the federal
8 government to begin to start doing some effective
9 outreach, and it can't be piecemeal. It's got to be
10 consistent. It's not a three month deal. There has to
11 be a real commitment.

12 MR. ZYLBERGLAIT: The person in the front, and
13 do you have a question in the back, and then someone
14 over here?

15 MS. CHEES: Hello. My name is Niakia Chees, and
16 I'm with the Better Business Bureau, and I'm laughing to
17 myself. Recently what we do is we provide reports to
18 the public to help them out, to help them know if a
19 company is a scam and do scam alerts, so we don't have a
20 lot of money to, as this gentleman suggests, hire
21 someone.

22 You say the media is a great way to get messages
23 out, but a lot of times we find -- we just started
24 giving out Hispanic reliability reports, like Spanish
25 reports so Hispanic consumers can call us up and we can

1 let them know if a company has complaints and things
2 like that.

3 To spend a press release to the media, no
4 offense to anyone, saying we give reports in Spanish, it
5 would never go anywhere, but if there's a scam or
6 something juicy they'll be there. What happens if you
7 have no resources? You can call the Better Business
8 Bureau and get a report before you use a company. You
9 can call and see if they have complaints. You can call
10 and see if this is a reliable company.

11 How do you get that message out when you have no
12 money, when you can't hire a staff, you can't have two
13 different sets of literature, one to go out to one
14 demographic and the other. What is next?

15 MR. MUSE: I like door to door. That's pretty
16 cool.

17 MR. ZYLBERGLAIT: Every chance we get that's
18 possible to tell the public that you are one of the
19 resources, including in Spanish media. We try to do
20 that if it's any consolation.

21 MS. MONTES: One of the things we have found in
22 California is it's very important to do media briefing
23 is that you have to educate the media on the issues.
24 It's true that when you address an issue, if it doesn't
25 sound sexy, it may not get covered, and so what we have

1 found to be very, very effective is to do a media
2 briefing where we actually bring media together and
3 educate them on these issues and we feed them and that
4 has worked.

5 MR. ZYLBERGLAIT: You might want to state your
6 name for her purposes.

7 MS. MONTES: My name is Anna Montes, M O N T E
8 S, and I'll be speaking on the next panel so I have a
9 lot of things I want to talk about, and I'm going to
10 roll.

11 MR. ZYLBERGLAIT: One question in the back of
12 the room and the lady over here and the gentleman.

13 MS. HETZER: Hi, I'm Maurene Hetzer, H E T Z E
14 R, from MBNA America in Wilmington, Delaware, and my
15 question is: We talked a little bit about the increased
16 purchasing power that we see within the Latino and
17 Hispanic. What is the preferred financial vehicle by
18 that community base for those, that increased purchasing
19 power?

20 MR. ZYLBERGLAIT: I heard someone say dollars.
21 Does anyone have any comments?

22 MS. BENCOMO LOBACO: I know credit card use is
23 not as high as the Latino community.

24 MS. HETZER: That's not the answer I wanted.

25 MR. VASQUEZ-AJMAC: Going back to -- maybe that

1 wasn't the answer you wanted, but once again the HACR
2 report that came out, and you go to HOT.org really one
3 of the big ladders in outreaches of the community were
4 financial institutions.

5 In fact what they said was for example the
6 financial institutions spend 3.1 billion dollars in
7 advertising their products, whether they're mutual
8 funds, credit cards whereas they only spend \$67 million
9 on the Latino community.

10 So in order to make money, you've got to spend
11 money, and clearly the financial institutions aren't
12 doing so.

13 MS. BENCOMO LOBACO: It's also the message that
14 you put out there that Latinos tend to believe people
15 with authority, and if you can -- and trust people, I
16 think if you can come across with your message that this
17 is safe, reliable, you can trust us, I mean that has to
18 be part of your message because otherwise you're not
19 going to reach the community.

20 MR. ZYLBERGLAIT: And if it helps, I don't
21 expect you to spell my last name correctly, but the
22 first name is P A B L O, not Pablo table. I get a lot
23 of those in the mail.

24 We had a question back here and then the last
25 question over there.

1 MS. DAVIS: Cindy Davis, San Diego City
2 Attorneys Office, the consumer and environmental
3 protection unit. I'm coming at this as a prosecutor and
4 was interested where you previously made some remarks
5 about creating strategic partnerships and you had
6 mentioned Union Bank as one of your partners.

7 In the prosecutors world we have to be fairly
8 careful about creating, quote, strategic partnerships in
9 that these entities ultimately may become defendants in
10 the future case, you would not want our logo or anything
11 associated with that.

12 Do you have any suggestions for the prosecutors
13 in the audience with respect to the kinds of strategic
14 partnerships because being a government agency, we're
15 facing the same budget situation that I'm sure the rest
16 of you are. We would love to hire someone to translate
17 our brochures and our PR materials. That's simply not
18 going.

19 My investigator speaks Spanish. I write them.
20 She translates them. That's as good as it's going to
21 get from our department.

22 Do you have any suggestions with regard to
23 partnerships that would make sense for prosecutors to
24 get messages out particularly with respect to consumer
25 fraud issues?

1 We do a very good job getting free PR from your
2 media and that we highlight stories. We usually have
3 juicy stories that we can tag on consumer tips on to,
4 but as far as print materials, the expense is just not
5 in our budget, and I don't know if you have any
6 suggestions in that regard.

7 MR. VASQUEZ-AJMAC: We're right now in the
8 middle of wrapping up a year long project for the child
9 support enforcement, which is about prosecution, and so
10 one of the things that we're doing for them that might
11 be helpful to you and your colleagues is, first of all,
12 we're actually doing an environmental scan. They're
13 doing a lot of good work all over, and the whole idea is
14 to get sorry dead broke parents out there to fulfill
15 their obligation.

16 So, first of all, what I would suggest is rather
17 than reinventing the wheel, see what other people are
18 doing, check out -- that was part of our assignment was
19 to see what the office were doing. This project was to
20 help reach out to African Americans, Asians, Latinos and
21 a host of other groups. That would be one thing.

22 To answer your question specifically it seems
23 that some of your natural allies could be the Hispanic
24 Bar Association. There are also major important
25 organizations out in our communities, civil rights group

1 like MALDF, the Mexican American Legal Defense Fund,
2 very strong around the nation, specifically LA.

3 LULAC is another group. What I would say is
4 part of the whole thing on relationship building is you
5 have to get out there. Take advantage of all these
6 conferences to begin to build those personal
7 relationships. Then once you have those relationships,
8 go to them, ask for the favor.

9 MR. FRANCO: I would just add one other to that
10 list, and that's other government agencies, strategic
11 alliances with other governmental agencies who have
12 certain -- where you have missions that overlap and
13 strategies that can be deployed using other funding as
14 well.

15 MS. BENCOMO LOBACO: What about your cities, the
16 public libraries working with community groups,
17 community centers? I think that those are -- even your
18 churches.

19 MR. MUSE: Or trade associations if you don't
20 have a particular company involved.

21 MR. ZYLBERGLAIT: We have one last question,
22 we're unfortunately running out of time, for the
23 gentleman. Final question for you.

24 I'm sorry, did you want to address something
25 about this? Yes, yes, one final quick comment and then

1 the final comment to you.

2 MS. RUTH STEMMLE: I happen to work with the
3 State's Attorneys Office in Prince George's County, 67
4 prosecutors in our county, and I am their Latino
5 outreach person for that office, and what we do, we
6 organize regular community forums with a community.

7 We reach out to the community agencies in the
8 area and invite them to be part of this community, but
9 in some cases educational forums and opportunity to tell
10 us what their concerns are, and we identify problems and
11 the issues that we can address with them, and deal with
12 churches.

13 We have strong partnerships with the Arch
14 Diocese of Washington in that area. We work for the
15 colleges. We reach out to the community in the school
16 systems by meeting their principal and the students
17 themselves in their individual student meetings. We
18 work with the government agencies, local government
19 agencies in our county.

20 We identify resources to apply for additional
21 funding. For additional -- Air Force in reaching out to
22 the community, and a number of things that I like to
23 talk to you about that. It's a very exciting, and I
24 think a very successful initiative that we have there.

25 MR. ZYLBERGLAIT: Thanks. One final question

1 for you.

2 MR. ORIFILA: I'm Fernando Orfila, and there's
3 going to be a teaser, what we call in the business, and
4 I'm a reporter for Negocios, and I'm going to be with
5 Anna the next panel, but actually answering your
6 question from the Better Business Bureau, it's not so
7 difficult.

8 Basically give them a list with a reporter name
9 or the assignment desk name. That will be it, and
10 actually my main problem with the Better Business Bureau
11 is from time to time I contact you, no, no, no, and
12 sometimes you don't have anybody to speak with me in
13 Spanish, and that's my main problem, and we're going to
14 discuss it in the next panel if you want, but that's one
15 of the things that we from the media see.

16 Okay, I can talk about this but who is going to
17 be my specialist, who is going to be my, I don't know,
18 my Maria.

19 MR. ZYLBERGLAIT: Thank you. You should all
20 take advantage of the break time to network to hobnob,
21 to get all these things together, but not before we give
22 a great round of applause to our panelists.

23 (Applause.)

24 (Break in the proceedings.)

25

1 PANEL DISCUSSION: EFFECTIVE COMMUNICATIONS WITH
2 HISPANIC AUDIENCES.

3

4

5 PANEL MEMBERS

6

7 MARIA RODRIGUEZ, President, Vanguard Communications

8 ROBERT E. BARD, President and CEO, Latino Style Magazine

9 JUDY J. CHAPA, Senior Advisor for Money Smart, FDIC

10 ANA M. MONTES, Director, Technology and Consumer

11 Education, Latino Issues Forum

12 FERNANDO ORFILA, Personal Finances Reporter and Analyst,

13 Univision

14 TERESA A. SANTIAGO, Chairperson and Executive Director,

15 New York State Consumer Protection Board

16

17

18 MS. SHANOFF: All right. I think we're ready to
19 start, probably a few late comers, and that will be just
20 fine.

21 I am delighted to introduce to you, to start the
22 second half of our afternoon, and introduce Maria
23 Rodriguez. Raise your hand.

24 Maria is the President and owner of Vanguard
25 Communications, a full service public relations firm

1 that is committed to the marketing and promotion of
2 social issues. I want you to know that in March 2003
3 Vanguard became the first Hispanic woman owned firm to
4 earn the highly coveted PR Week PR Agency of the Year
5 Award, and I think you'll see leadership in action this
6 afternoon as Maria takes on this panel.

7 So please join me in welcoming Maria Rodriguez,
8 Robert Bard, Judy Chapa, Anna Montes, Fernando Orfila
9 and Teresa Santiago.

10 MS. RODRIGUEZ: Thank you, and welcome to the
11 second panel of today's session. I think that there
12 probably will be a little bit of overlap on some of the
13 things that we've talked about in the first panel, but I
14 actually think that's a good thing because certainly the
15 marketers in the room, now that we have to hear things
16 three, four maybe five times before we actually process
17 that information and get it and be able to walk away
18 from here today and remember some of the key points that
19 were raised.

20 I want to start by first thanking the FTC for
21 putting together this forum because it really -- I think
22 everyone when they walk away from here will feel like
23 they learned a lot, and it says a lot about the
24 leadership of the agency, that they've pulled these
25 incredible speakers, all of these speakers, both panels

1 together, and then tomorrow's panel in terms of their
2 commitment to the community, to these issues and to
3 their partners, to all the other agencies and nonprofit
4 organizations and corporations who are out there trying
5 to learn how to best do this.

6 I had the pleasure of speaking with each one of
7 my panelists before today's panel so I could learn a
8 little bit about them and a little bit about their
9 experience, and I'm here to tell you that you're in for
10 a treat because these folks are incredibly impressive.
11 They really know what they're doing, and they do it very
12 well.

13 Robert Bard, I'm going to start to my right, is
14 president and CEO of Latino Style Magazine, and he
15 happens to have it right here for those of you that
16 aren't familiar with it. I'm sure you are.

17 Latino Style has a unique market focus. It
18 really focuses exclusively on the Latino professional
19 working woman and on Latino business owners, but in
20 addition to that, Robert started the Bard Company which
21 is a consulting public affairs, public relations
22 marketing firm advertising that specializes in the
23 Hispanic market.

24 Judy Chapa is the Senior Advisor for Outreach to
25 Hispanic Populations in the United States for a program

1 called Money Smart, which is of the Federal Deposit
2 Insurance Corporation, the FDIC. It's a financial
3 education program. It's primarily designed to educate
4 low and moderate income people about basic money
5 management and banking issues.

6 She's worked also in communications marketing
7 and PR in many settings, including government, corporate
8 and nonprofit sectors so she brings a wealth of that
9 experience to us today.

10 Anna Montes is the director of technology and
11 consumer education at the Latino Issues Forum. We've
12 talked a lot already today about the divisional divide.
13 Anna is a real expert in this. Her forum is a nonprofit
14 public policy and advocacy institute. It's based in San
15 Francisco, but they work on behalf of the Latino
16 community across the state of California and even at
17 times on a national level.

18 Anna brings to the panel also lots of experience
19 particularly working with hard to reach communities,
20 especially those in rural and low income communities.

21 Fernando Orfila is the business reporter with
22 Univision, and he serves as the editor of the money
23 section or the Univision.com. In addition to reporting
24 for Univision's local station in Miami, some of you may
25 recognize him because he appears twice a month on

1 Univision's national program called "Despierta America"
2 America, and on that program he talks about personal
3 finances and economic issues that affect the Hispanic
4 community.

5 And he may get embarrassed by me saying this,
6 but just this week he became the first Hispanic
7 television journalist to win the Excellence in Financial
8 Journalism Award from the New York State Society of
9 Certified Public Accountants.

10 MR. ORFILA: Thank you.

11 MS. RODRIGUEZ: Congratulations, Fernando.

12 MR. ORFILA: Thank you.

13 JUDGE: Teresa Santiago is the chair and
14 executive director of the New York State Consumer Board,
15 and it is considered the State's top consumer watch
16 dog. She is also the driving force behind Comite
17 Noviembre, Puerto Rican Heritage Month. It's a
18 nonprofit organization that promotes and commemorates
19 Puerto Rican heritage across the country.

20 Teresa also brings a wealth of experience beyond
21 her current role, both in relationships and working with
22 the media, with civic organizations, with community
23 organizations and nonprofit and private sector agencies.

24 So I welcome all of the panelists here today and
25 look forward to a really fascinating discussion.

1 We're going to get right into a couple of the
2 questions focused on how do we do this well, how do we
3 particularly combat the strategies that are being used
4 by corporations with lots of money to put these scams
5 out there to the Latino community?

6 And I thought I would start with Anna Montes,
7 who has worked really hard on a calling card scam in
8 California. Maybe you can tell us a little bit about
9 what were the keys to its success.

10 MS. MONTES: Sure. This is actually part of a
11 state wide campaign to address a number of different
12 issues that impact the limited English speaking
13 community in California, and in California, calling
14 cards is still a very, very vague issue in terms of how
15 marketing is done.

16 I was really happy to hear that the concern, one
17 of the concerns today is, How do you get the message out
18 that there are ways to get help, and also the fact that
19 we have to recognize that that is a big scam that's
20 impacting the Latino community.

21 So what we've done actually, we are part of a
22 campaign that, first of all, was funded by a settlement
23 against two telecommunication companies that slammed and
24 crammed Asian and Latino communities in language, and
25 we're actually co-sponsoring a piece of legislation

1 called Truth in Advertising, by the way. If you sell in
2 language you should buy terms and conditions, but
3 anyway.

4 So what we did was as part of the settlement, we
5 worked out an agreement that a community foundation
6 would administer a community based outreach program
7 because if you're really talking about reaching the hard
8 to serve, limited English speaking and poor community
9 because dollars is not just in high income. We're
10 talking about dollars because of numbers, and that's why
11 they're going after that particular community.

12 So you need to work with community based
13 organizations, so our strategy has been to train and
14 fund community based organizations on how to do consumer
15 education and how to do complaint resolution working in
16 partnership with various agencies.

17 We also developed very, very simple fact sheets,
18 and I was really happy to see the brochures out there
19 because they were very, very simple. There were
20 materials that people will pick up, that people will
21 read, and so what we did is we developed very simple --
22 I didn't bring the language ones because we did nine
23 fact sheets. We do nine languages in California, but
24 they're just really really simple.

25 We tried to do nice graphics. We did first of

1 all what is a prepaid phone call. What is a calling
2 card because companies also are targeting Latinos with
3 company cards, and they're misleading communities or
4 misleading people on what you actually get from the
5 calling card.

6 As a matter of fact, we just got two consumers
7 back over \$5,000 because of misleading information on
8 the calling card. How do we do that? Latino issues
9 didn't do that. The community based organizations that
10 we worked with did that. They participated in a
11 training and they learned about the issues and then they
12 learned how to do some complaint resolution and they did
13 outreach into their community because one of the other
14 things that's really important to us in terms of being
15 successful in getting this information out is that you
16 need to reach people that people trust.

17 And so that's why it was really important for to
18 us do it in community based organizations, community
19 based organizations that do have offices in local
20 community, that to do outreach to local communities.

21 Now, the other thing that you also have to
22 remember because this is a very important strategy, and
23 I'm really recommending this strategy, is that you
24 cannot expect community based organizations to take your
25 information, to learn your issues and provide that

1 service for free.

2 And the reason it's not going to happen and the
3 reason why it's not going to happen is because even
4 though they are providing information, even though they
5 are advocates, it's another task, and it's a task that
6 requires staff time and training, so that's what we
7 did. It's cost efficient. It works, and the word does
8 get out.

9 We also utilized ethnic media, span language
10 media. Our most successful effort was an interview with
11 a client on Univision, generated over 200 phone calls.
12 We were going crazy trying to gets names and numbers out
13 to people throughout California because the calls came
14 from throughout California.

15 We also have a media campaign that we put
16 together to put out this information which has been
17 very, very effective. I talked about doing media
18 training. You do need to educate the media on these
19 issues because it's -- who hears about slamming and
20 cramming now? You don't hear about that.

21 Who hears about the prepaid phone calls? Who
22 hears about calling cards scams? You don't hear about
23 it. You don't hear about it until something really
24 happens, so with the media briefing that we did and are
25 continuing to do, we are able to get this information

1 out and let people know that not only are we aware that
2 this is happening, but there's somebody in your
3 community that you can call who is bilingual, who can
4 talk to you.

5 MS. RODRIGUEZ: Thanks, Anna. Judy, you've been
6 working with Money Smart particularly with low and
7 moderate income Latinos. Could you talk a little bit
8 about the keys to success of that program?

9 MS. CHAPA: Yes. Actually a lot of what Anna
10 just mentioned sounded very familiar, and I would say
11 that some of the keys to our success has been, number 1,
12 partnerships. I express that in all the aspects that
13 I've done, our partnerships with the nonprofit
14 organizations and to Anna's point, nonprofit
15 organizations I think are becoming like the end user and
16 the end all to everybody.

17 And Anna brought up a good point. You can't
18 expect these organizations to continue to do everything
19 for either corporations or government agencies and not
20 expect to get anything back in return because they're
21 already taxed to the max, and they're already providing
22 their own services so when you come to them, even if
23 you're a government agency and you're giving them a
24 great product and they want to help you, they may not
25 have the resources in terms of man-hours or people to be

1 able to do that.

2 And unfortunately, another sad reality is
3 government agencies don't always have the budgets that
4 you need, so a new program that we be launching at FDIC
5 is the Money Smart volunteer program, so my compromise
6 was, okay, I cannot give the nonprofit organizations
7 that we're partnering with monies, but I can give them
8 trained volunteers so that those organizations that we
9 currently partner with, if they need help, we will help
10 them by providing them with trained volunteers to help
11 teach Money Smart.

12 For those of you don't know, I probably should
13 have started off by telling you that Money Smart is a
14 ten module education that takes you all the way from why
15 should you have a financial relationship with a
16 financial institution or credit union all the way to
17 buying your house, what are your rights as a consumer,
18 et cetera.

19 And the curriculum -- another reason for the
20 success is the curriculum is very basic. It's
21 flexible. It has interactive exercises. The
22 participants in the class can teach, can take part in
23 how to write a check, how to balance a checkbook, et
24 cetera.

25 Another thing is that we've made it available in

1 five languages. Spanish was the first language that we
2 created it into. It's also Vietnamese, Chinese, Korean
3 and I'm missing one. Chinese, Vietnamese, Korean, I'm
4 missing a language. No. English. Spanish and English,
5 that's five okay. Money Smart works.

6 And the most important thing about this program
7 is that it's free, so everybody loves free, and we're
8 also getting ready to make this available online on an
9 interactive web site which will be available in English
10 and Spanish, and we recognize the divide in working with
11 a nonprofit organization, so we're also working to try
12 and provide nonprofit organizations with computers so
13 that they have increased access to being able to use our
14 products.

15 So I think to just regroup, partnerships and
16 getting someone, as Anna said, that the consumers trust
17 because financial institutions are horrible places to be
18 unbanked and element of trust is key in trying to
19 establish a meaningful relationship, and it's not about
20 getting them educated, but it's also about getting them
21 into the bank.

22 So the other partnerships that have been
23 important to us is we solicit all of our federally
24 insured banks which are all of those FDIC things you see
25 at the banks, all of those members are also Money Smart

1 partners so we have our bankers who go out and teach
2 bilingually, in Spanish.

3 Instead of waiting for customers to come into
4 our banks, we're having our bankers go out into the
5 community as a demonstration of the value we do want to
6 give to our customers and we're able to communicate to
7 you in your language, which we also find to be very,
8 very helpful.

9 So those are the some of the things that we
10 consider to make our program a success.

11 MS. RODRIGUEZ: Teresa, one of the communities
12 that is really difficult to reach are new immigrant, and
13 you have been trying to educate that community about
14 immigration consulting fraud.

15 And I think it would be great to hear about what
16 you have done here because that's such a difficult group
17 to reach.

18 MS. SANTIAGO: First of all, I am the government
19 agency with a very small budget and very limited
20 resources, so to reiterate what Judy and Anna are saying
21 about partnerships, that's how I survive. That's how
22 this agency survives. We partner with other agencies.
23 We partner with community based organizations, and
24 that's how this immigration consulting fraud, education
25 -- comprehensive education program has been developed.

1 And I have my brochures too so I'll just show
2 them off, and we have them in several other languages
3 also, but we kicked it off in Hispanic community because
4 that's where the greatest need was.

5 What we did was just that. We partnered with --
6 we have a government citizenship unit this. They
7 brought it to our attention first and said, This is
8 happening in our communication. We have an outreach
9 unit that works directly in the community with the
10 citizenship unit.

11 The whole translation piece that we talked about
12 before we work in conjunction with these agencies. We
13 tell them, Would you read this, does this sound the way
14 it should be. We have those relationships with other
15 agencies within the state of New York.

16 So this project basically came from one other
17 agency bringing us the issue that there were pockets in
18 the State of New York where new immigrants, specifically
19 Latino immigrants, were being taken by immigration
20 consulting fraud and being taken for thousands of
21 dollars.

22 So we sat down. We said -- the agencies all
23 came together and we sat down and talked about it and we
24 said, Well, how do we do this, how do we -- once they're
25 taken, it's very, very difficult to get any money back

1 because these so-called consultants take your money and
2 then they're gone, so to go after them and to try to get
3 money back for these new immigrants, it's not going to
4 happen, so -- or if it happens, it's in a very rare
5 situation.

6 So what we did is, well, the next step is
7 education and what do we want to tell them and how do we
8 tell them, so again it became a very -- we talked about
9 what was the issue, what was the message. We made it
10 very simple. We made it in different languages.

11 Specifically we launched it as a matter of fact
12 a few weeks ago at the government's mansion. Governor
13 Pataki was there. He launched it. We also used a
14 celebrity, a Miss Universe who is of Dominican descent,
15 she there to launch this event with us, so all of the
16 things that we heard before we've used.

17 We have to partner with different organizations
18 and media partners, but the most important part of this
19 program was our relationship with the community based
20 organizations. They were the ones that gave us
21 credibility. They're the ones that we're going to use
22 to go into the communities, to make sure that when we go
23 into that community, there has been someone that has had
24 a relationship, that has built a relationship.

25 And so if there are any fears about government

1 agencies going into these communities or skepticism, that
2 that kind of like goes away, so it's very important that
3 we do deal -- we do make those partnerships.

4 All this to say, there is a need to make sure
5 that whether you're a government agency or a community
6 based organizations or whatever service you provide,
7 that you to do a grass root campaign. You have to go to
8 the community. The community is not going to come to
9 you, especially new immigrants. They don't know that --
10 they're not versed in the laws of this country. They
11 are not versed in the language.

12 They don't understand the language, so you have
13 to make it a point to go out to the community, and again
14 even if you're a government agency, find other
15 government agencies that will partner with you to make
16 your message clear and to bring it out to the
17 community.

18 MS. RODRIGUEZ: Thanks, Teresa. Robert, you
19 deal with a very different audience. Latino Style has a
20 more highly educated audience, and you have an upcoming
21 big story on consumer fraud, and I think you kind of
22 approached that uniquely to a strategic alliance that I
23 think the group would love to hear that.

24 MR. BARD: Before we get there, can I see a show
25 of hands, how many of you think you've gotten ripped off

1 at some point? And how many of you think that you
2 addressed the action and were successful to your
3 liking? How many of you are monolingual Spanish
4 speakers?

5 See, fraud and consumer fraud particularly
6 effects every single one of us, and if you add to it the
7 fact that we have a population that is not familiar with
8 the language, not familiar with the system, and in many
9 cases doesn't even want to be found, chances are that
10 you would be able to address something like this is not
11 going to happen unless you bring together massive
12 resources.

13 And on the work that we do with our magazine,
14 it's a little bit different. We look -- the major issue
15 that we are looking at in fraud is the issue of identity
16 theft. That is really pervasive and a major issue, and
17 we've been able to enter a partnership with both the FBI
18 and the Secret Service to work on a program.

19 If I tell somebody in the Latino community, Hey,
20 I'm working with the FBI, you want me to help you out,
21 it's like -- I think one of the crucial things that we
22 need to do is to put the face -- because people think
23 that consumer fraud is you just lost a couple dollars.

24 Consumer fraud can be so extremely dangerous. I
25 had a personal experience with that. I had a lady that

1 worked for me in Los Angeles when I was based there who,
2 her and her husband, gave all their money, all their
3 funds, to a supposed attorney that was doing their
4 naturalization to discover -- and then one day she comes
5 to the office and she is telling me, Oh, I'm so happy,
6 look, we got all our cards, all our papers, and she
7 shows me her card.

8 And I immediately see it's -- you could have
9 done it on a Xerox machine. Turns out that it was a
10 fraud, and in Los Angeles that happened at the time we
11 were having the naturalization, that happened all over
12 the place.

13 The most effective way that we found at that
14 point in time to get the message out was, one, through
15 community organizations like Teresa and Judy have spoken
16 about, but at the same time the media was extremely
17 helpful, and Univision particularly took a major lead
18 role in addressing that issue.

19 But the fact is that for consumer fraud to be
20 able to be addressed in our community and to begin to
21 really educate our community, you really need to work
22 with the organizations to get the community trust, and
23 when we put our programs together, after that happened
24 to us, to somebody that I knew, we got involved in
25 putting a program together in LA, and this was like the

1 early 80s.

2 And I found that the most effective way to work
3 was through the churches, and we took the time to go and
4 meet with our Arch Bishop Mahoney, and he was willing to
5 give us the time and the space at the church to talk to
6 the people and tell them, This is really a problem that
7 you have to be aware of, but at the same time we have
8 major organizations in this country that really work
9 very hard on these issues, and they have a very good
10 relationship with the media.

11 One of the major organizations of course the
12 National Council of Latino that is headquartered here in
13 D.C., and is probably one of the community association
14 organizations. The other one is LULAC, the League of
15 United Latino American Citizens, and they disseminated a
16 lot of the information.

17 For the media the problem is this. For you to
18 be able to get a message to the non English speaker,
19 besides using television, you probably -- the little
20 community papers would be the people that you would work
21 with and radio stations in how to package your message
22 that is an information message that can feel
23 programming.

24 That is not like a PSA kind of thing, that you
25 feel you're giving information that it's programming,

1 that the people will be interested in, and you put a
2 face to it and you find somebody who is willing to talk
3 about it, and I'm sure that across the families, you
4 find that you have to reach them on many different
5 levels.

6 For us any program that we do, we're very
7 fortunate that we reach the household through the head
8 of the household whether -- by the head of the household
9 I mean the woman because the woman is the person -- they
10 say that the man is the head of the household. Well,
11 you know, the woman is the neck, and points the head
12 anywhere she wants to, so you need to reach the
13 mothers.

14 Another vehicle that we use fairly effectively
15 is we went through the schools and talked to the
16 children. For new immigrants sometimes the children are
17 the best source of information, and they can help their
18 parents and guide their parents in some of these
19 issues.

20 I don't think that a peer media approach will
21 work. I think that it will be tuned out after awhile,
22 but I think a media approach that is balanced with
23 community organizations participation, and if you
24 involve -- everybody talks well, in the Hispanic
25 community and you know all of us -- well, I don't want

1 to say all of us, a lot of us end up going to church at
2 one time or another, and a couple of words there, and
3 even and I use the church media.

4 The church has their own media to reach the
5 public, and they can distribute that as well.

6 MS. RODRIGUEZ: Thanks. Fernando, you cover
7 these issues every day, and sometimes they can be, no
8 offense, but a little bit dry, these issues, so what
9 advice do you have in terms of how to frame the message
10 so that folks will be more ready to hear it basically?

11 MR. ORFILA: What I'm going to do was what
12 Robert did was account. First, as a reporter I need to
13 know my audience, so let's see, how many people from
14 here are in the federal government and how many people
15 are in local government.

16 Let's go for federal. Let's go for local and
17 let's go for grass roots or private companies, three of
18 them, a few of them. That's the first thing you have to
19 know about your audience is who are you going to, and if
20 I ask how many of you have a credit card, okay?

21 So it doesn't matter where you are. If you're
22 in Miami, if you're working for a local station or if
23 you're in Washington working for the federal department,
24 what matters is what the basic things, so previously we
25 hear that -- we heard that we have to segregate the

1 different audience that we have, and actually I do the
2 opposite.

3 I'm a reporter and I have to go for at least 70
4 percent of the audience, so I go for the basics. I have
5 to go for the basic Spanish. That was a question all
6 over last -- at the last forum that we have, and it was
7 in the news room, what we do is we ask ourselves, I have
8 a Dominican on my side, I have a Columbian, I'm
9 Argentinian, could we use this word, no, we can't. Can
10 we use this, yeah, we should.

11 And the other thing is dictionary. The
12 dictionary, it's beautiful. It's beautiful, and you can
13 get it online REA.COM, and it's online, and you can
14 check any word. If it doesn't appear there, you
15 shouldn't be using it. So, huh? Basically that.

16 And in money matters, when I ask about credit
17 cards, money matters affect every people, poor families
18 and middle sized families and rich families, and one
19 thing that we generally don't understand about the
20 Hispanic population is we think that the poor families
21 are the ones that have more problems financially
22 talking.

23 And actually the latest research that I saw was
24 that the families getting from 50,000 and up were the
25 ones with the worst scenario, because when you have --

1 you don't have, you cannot expend, and you have to
2 manage with that much. When you have, the problem is
3 that you tend to forget how much do you have and you
4 start spending with credit cards and things like that or
5 loans, and then you cannot manage the debt that you get
6 into.

7 Another thing that I usually cover is the ID
8 theft. I know I was talking to some people here on the
9 break, that I tend to take it very seriously and very
10 carefully because we Hispanics do this too, the
11 Hispanics, as the person that worked with you, they
12 could get Social Security, fake Social Security cards
13 because they need it to work, so we cannot take that
14 issue as, Hey, there are thefts over there taking your
15 identity because they could be my neighborhood.

16 So we have to say, How to protect yourself and
17 show them a different way also to go for it. For
18 instance, one of my -- we talk about our sexist stories
19 and things like that. In the spirit of America I talk
20 about the ITIN. I don't know if anybody here knows
21 about it.

22 It's an individual tax identification number
23 that you could get even though if you're an undocumented
24 immigrant to pay taxes, and you can use that for credit
25 reasons and things like that, and I talk about that in

1 the Spirit of America, and my office is ten minutes from
2 the studio, and within those ten minutes, I received
3 three different calls, and the last one was from the IRS
4 saying, What did you talk about on the Spirit of
5 America, our 800 number is burning.

6 So I was talking about the ITIN, how to get --
7 first actually 50 percent of the undocumented people by
8 the IRS numbers have this number, but the other half
9 they don't know, so ID theft we have to take -- from my
10 perspective we have to take this matter very seriously
11 and very carefully because we don't want to patronize
12 the Hispanics talking about this, and we don't want to
13 point at them saying, Hey, what are you doing, so it's a
14 very difficult issue. I just wanted say that.

15 MS. CHAPA: Can I? What you were talking about
16 in terms of how the IRS does -- because it goes down
17 with a maticula card (phonetic), and the issue with that
18 is that the maticula card is only recognized by certain
19 councils and not all of them, and it varies from state
20 to state so that has become an issue.

21 In terms of, before anybody asks, our policy is
22 we allow individual banks to make that decision for
23 themselves, so you know, that's where we come down on
24 that, but that's why probably maybe that local office
25 didn't, but there are many, many states and banks that

1 do accept that because that's why I'm familiar with it
2 because that's a form that many banks do accept and we
3 encourage that in terms of opening a checking account.

4 MR. ORFILA: Letter of term was a vote I think
5 that you could actually call or send an Email saying if
6 you want it --

7 MS. CHAPA: When I was still with the Department
8 of Treasury, that's why I know about it. And the other
9 point I wanted to make real quick is the fact that you
10 said people with money get in trouble because if you
11 don't have it, you don't spend it.

12 That's a unique characteristic to the Hispanic
13 community because I was raised that because way we were
14 raised cash. I didn't even have a credit card until I
15 was 28 years old, and when I tell that to my non
16 Hispanic friends, they freak out. It's like, how could
17 you not have had a credit card, and the fact of the
18 matter is if you don't -- my father said, If you can't
19 afford to pay for it in cash, you don't need it.

20 And so those kind of characteristics are very
21 specific to the Hispanic community. Those numbers would
22 not be the same if you look at the general market
23 because it's quite the opposite. The non Hispanic
24 market looks at, If I don't have it I can charge it and
25 I can pay for it later so they do get in a lot of

1 trouble the less money they have, and it's a cultural
2 nuance, whatever that means, but still that is something
3 very unique to our culture.

4 MR. ORFILA: The thing that we have from our
5 country in Latin America, and I think we discussed it
6 over the phone. Maria, and you can use it is we are a
7 cash based culture because in Argentina during the 80s,
8 hyperinflation. It wasn't inflation, it was
9 hyperinflation 3,000 points a year would make my money
10 disappear so we don't use to have credit in Mexico.

11 The same that we have an Ecuador and Venezuela,
12 so the basic thing is, as I said before, you have to
13 know your audience, and you have to use their background
14 on your advantage over here.

15 MR. BARD: One of the problems we have is that
16 we love the most dangerous word that probably exists in
17 any language, and that's something that Judy said. We
18 like free. Free. Anything that's free, it's like a
19 magnet that is impossible it seems to resist. Everybody
20 -- you hear free everybody is there.

21 MS. CHAPA: And every marketer knows that.

22 MR. BARD: It's used in so many ways that make
23 you believe that things are free when they really are
24 not or try out for three months for free and then you
25 can say you don't want it. Well, the fourth month they

1 start charging you, and it turns out you were committed
2 for a whole year.

3 MS. CHAPA: Or you're really too lazy to take it
4 back and you get right back to it. I mean, it's like
5 the fourth month, you go, Okay, I'll just keep it it's
6 easier.

7 MS. RODRIGUEZ: Teresa?

8 MS. SANTIAGO: Yes. Fernando touched on
9 something in New York. It's becoming a fraud, a very
10 terrible fraud which is their private companies selling
11 identification cards anywhere from \$95 to \$350, and
12 people they believe that it is a federal government
13 card. It is a government sanctioned card, and we have
14 gotten a slew of calls with this -- with these
15 identification cards.

16 And another thing I want to bring up, that the
17 message we have been able to send out specifically on
18 this particular issue, we have partnered with Shame On
19 You, I don't know if you know New York Channel Two,
20 Arnold Diaz, and he did an undercover story based on the
21 information that we gave him, as well as Julius Desione
22 (phonetic) did the same thing. I wanted to mention, I
23 forgot to mention it before, is that Julius Desione has
24 become a partner of this immigration consulting fraud,
25 and they are going to be doing PSAs to inform the

1 community of our 800 number if they have any complaints
2 or if they just want the information they can call our
3 800 number and do it.

4 Those media partners are crucial to getting the
5 information out, so I just wanted to throw that out.

6 MS. RODRIGUEZ: I wanted to -- go ahead.

7 MR. BARD: One of the things I think is crucial
8 to do, if you are a program manager that handles media
9 for an organization, you need to establish personal
10 relationships with the media because that is going to
11 change the whole dynamic on how you get across and how
12 often you get it across and whether you can get a
13 station or the newspaper or a radio station to really
14 endorse your issue.

15 It is extremely difficult, for instance, to get
16 the media to carry the whole load. No matter how much
17 Univision wants to carry the message, you probably --
18 it's an enterprise that is a money making enterprise, so
19 you're not going to see your PSAs in prime time. You're
20 going to see them at three o'clock in the morning or if
21 you don't have a relationship that is integrated as part
22 of the programming of the station, it's going to be very
23 difficult to get in there.

24 In newspapers, you look at community newspapers,
25 it's extremely difficult to get something published

1 unless you pay them because they're really struggling,
2 and their space is really limited, and they really kind
3 of service the account that supports them economically,
4 but the relationships is what is crucial because instead
5 of getting a PSA, at least in my opinion when I used to
6 run programs like that, PSAs was my last venue of
7 approach.

8 I would just talk to the reporters. I would
9 talk to the editors if that was a possibility for that
10 kind of information and try to talk to them about the
11 importance of the issue. And believe me, media, it's a
12 very difficult -- it's a very different kind of a
13 monster of business because it's not like a hardware
14 store that you go there and you buy something and if you
15 don't like it you can return it or throw it out.

16 Media really impacts on the lives of people, and
17 we change people's opinion, and we're the sources of
18 information, so we have a role that is totally
19 different, so no matter how mercenary you think the
20 media is, the media will always recognize that the first
21 mission is to serve the public.

22 And once you establish a relationship with a
23 reporter or a writer or a specialist or an organization
24 actually, organizations have their own ways of
25 disseminating things. These days most of us I think

1 disseminate a lot of information through the Internet
2 through different networks that we have that allow us to
3 go to a lot of different places which leads me to
4 another thing.

5 The Internet these days we're making major
6 efforts to get Hispanics and that do not speak English
7 to get online, and if you get online, you know what is
8 there. This major fraud that is going on right now --
9 are you guys familiar with these cards I think Pfizer
10 came out that you can buy a set price for your
11 prescriptions? It's like an enrollment card.

12 Well, they're selling those all over the place
13 now, and they're being sold. You buy it here, and it
14 turns out it's a company in Thailand that is doing that,
15 and it's impossible to redress, so if you have
16 information that you need to get out, you need to be
17 consistent. You need to maintain it. You need to
18 develop the relationships and make sure that every time
19 the message gets out you pat the station or the paper or
20 the radio station on the back because that kind of keeps
21 the relationship rolling.

22 MS. RODRIGUEZ: Teresa.

23 MS. SANTIAGO: I agree 100 percent, but if
24 they're going to give me a PSA, I'm going to take it. I
25 don't know care what time the show is up, but again the

1 media relationships that we've been able to do are
2 crucial to the message that we sent out, and again
3 absolutely starting a dialogue, calling them, having
4 them -- even if it's sometime a matter that we have a
5 column right now, a monthly column which is the third
6 Wednesday of every month, that came out of a luncheon.

7 I was sitting next to the publisher, and we
8 started talking about consumer fraud, and she said, You
9 know what, let's partner, whatever the message you think
10 we should be sending out there, let's do it again.

11 I've been talking to Univision about the same
12 thing. They're telling me they're getting hundreds of
13 letters on consumer fraud. They want the Consumer
14 Protection Board to help them answer these questions.
15 We're the authority. We partner and this all comes from
16 relationships.

17 MR. ORFILA: Let me just add one thing. I'm
18 sorry. Go ahead.

19 MS. MONTES: Go ahead.

20 MR. ORFILA: Basically I'm a reporter. I get
21 paid to find information, but a lot of our audience,
22 they don't know how to search, and if it is difficult
23 for me to find information, imagine what's for them, so
24 it's important for you to partner. I hear partnership.
25 I think that I wrote it down a long time ago. The best

1 partnership that you have is the news local media.

2 You should have on your speed dial the
3 television, the radio, the newspaper, the magazine, and
4 you should know -- as Robert said you should know them.
5 I know that it was said previously that you should take
6 us to lunch, but I couldn't tell you that the Univision
7 doesn't allow that, so don't go there, and I assume all
8 the companies don't.

9 I'm saying and seriously because sometimes if
10 you go with an offer like that, the real reporter will
11 say, Hey, what's up, give me the information, I will
12 decide if it's important enough, and just step back.

13 MS. RODRIGUEZ: Anna, before you chime in, I do
14 want to say this. Fernando hasn't brought this up but
15 he told me in conversation given that he is a business
16 report at Univision, which is obviously one of the
17 largest media to reach Latino communities, and he's
18 probably going to be regret that I'm saying this, but he
19 told me he doesn't get hardly anybody calling him to
20 pitch a story.

21 MS. CHAPA: Okay. With your permission.

22 MR. ORFILA: Let me tell you, when I became the
23 editor for the web site, the money section of our web
24 site, I took I think it was two or three days getting
25 the numbers of all the Hispanic Chambers of Commerce,

1 locally, national everywhere. I sent faxes to any of
2 those presenting myself saying, Hey, this is me, send me
3 the information.

4 Just the Hispanic Chamber of Commerce, the
5 National Chamber of Commerce answered me, and that's the
6 only fax that I received from. Let's assume there are
7 two Chambers of Commerce per state, so we should have a
8 hundred.

9 MS. RODRIGUEZ: Anna?

10 MS. MONTES: I just wanted say, I'm talking --
11 when I'm talking about the press, I'm talking about the
12 community newspapers. I'm talking about the local radio
13 stations. They're extremely important in terms of
14 putting information out to the community numbers and
15 you're going to get a lot more bang for the buck if you
16 put -- if you purchase ads in those newspapers than you
17 will for a major daily ad.

18 And I think that's where one of the problems
19 lies, and that's a money saver for you. It's really,
20 really important to put them in the bilingual press.
21 When we do media briefings we have to do it with the
22 local press, and we feed them. We'll have a continental
23 breakfast or something.

24 But the thing is I'm talking about a briefing,
25 I'm talking about having speakers from the department

1 come and talk about several issues, giving out material
2 and educating them on why identity theft is such a big
3 problem, why calling cards is such a big problem,
4 because one of the things that we found, we did a
5 national briefing on Latinos and AIDS and the media
6 especially a lot of the traditional press would not --
7 they were not covering it.

8 And so it was an issue that was not reaching a
9 lot of our local community members, so we did that
10 national briefing, and we found that we were getting a
11 lot of coverage after that. It was extremely successful
12 for them to see how important it was to cover that
13 issue, so that's primarily what I was directing that
14 comment at.

15 The other thing is you can find a lot of lists
16 online, but a lot of times they're not current, and the
17 other thing is is that you also have a lot of so-called
18 community newspapers that's just regurgitating national
19 news, so you really need to find the newspaper that's
20 covering local issues.

21 So how do you find those? Well, there are
22 directories, and they're very good directories, but you
23 also need to talk to communities about that. You need
24 to talk to community based organizations about that
25 because they do have relationships with the press, and

1 they work with them on regular basis.

2 The other thing I wanted to talk about is how to
3 effectively utilize the Internet to get the message out
4 and what we've done is we've created a web site called
5 Community for Telecom Rights, and it's telecom rights, T
6 E L E C O M R I G H T S.com, net, .org. We wouldn't get
7 org. It is net. It's .net. Right now what we have on
8 there is a list of all the organizations working on it,
9 and it's pretty private right now, but we're going to be
10 putting all of our materials on there in the eight
11 languages as soon as we wrap up the year because we also
12 were doing testing.

13 So utilizing the Internet. The best use of the
14 Internet to reach populations, especially limited
15 English speaking as I stated before and as we've all
16 been stating, is community based organizations, so that
17 web site was created for the community based
18 organizations, and even though it will be open up to the
19 public later.

20 It's a way to sustain keeping the information up
21 there. It's a way to keep information posted on a
22 regular basis, and it also is a way for the community
23 based organizations to download the information as they
24 need it, because you don't need to print 50,000 copies
25 and have it sit in an office. You don't need to print

1 500 copies and have it sit in an office.

2 So we put all of the files online as PDF files
3 for the community based organizations to be able to
4 download them. We also created an extensive list of
5 resources so the community based organizations can go on
6 there and get direct links to agencies, to additional
7 information, a lot of your information connected to it
8 so they can go online and see it.

9 So it's -- one of your expectations when you're
10 putting on all the information online that's really very
11 important. In California, a lot of our community
12 members did not know who the California Public Utilities
13 Commission is. They don't know who they are. They
14 don't what they regulate. They don't know what they
15 do. A lot of people don't know who you are. They don't
16 know what you do, and they don't know what kind of
17 information you put out so again those kinds of CBOs is
18 really, really important.

19 The other thing is staffing. You've got to have
20 staff online, and I really caution using translation
21 services where you give out an 800 number. People call
22 in and they get kicked over to somebody else. In
23 California we were doing that and people were calling an
24 800 number and they talked to an individual who said,
25 Hold on a minute, let me get somebody on, if you ever

1 got a live voice and once people came on, callers hung
2 up, and especially people who did not speak English hung
3 up.

4 The other thing is diversity training is really
5 really important. You need to make sure that
6 people that do work with communities where culture is
7 very, very important you really have to be sensitive to
8 a lot of different things because they will put a child
9 on the phone to speak for them. They will speak very,
10 very slowly. They will ask you to repeat.

11 We did a study, and I made calls to an 800
12 number, Spanish speaking calls, and I got through in
13 Spanish so I did okay, but I was told to go back to
14 Mexico. I was told, Why are you calling, this is the
15 California Public Utilities Commission, we only speak
16 English here.

17 I was told a lot of different things and we did
18 the study after the PUC sent out a press release
19 announcing their bilingual hotline, okay? So I think
20 you really have to make sure that you utilize staff that
21 are sensitive. If they're Spanish speaking, it's really
22 important that they can -- they're not just book learned
23 because you can tell.

24 And also I don't understand my daughter right
25 now, she's taking Spanish classes. She has a teacher

1 who speaks Castellon Spanish, and she's always asking me
2 for help. I said you know what, I've never heard that
3 word in my life, don't even ask me, so you really have
4 to be very sensitive to that.

5 But that's what I wanted to say in terms of like
6 staffing, translations. You test it. We use community
7 based organizations to get the translations for this
8 project, because in San Francisco we have people from a
9 lot of different Latin American countries, so we did
10 translations. We sent it out to the CBOs. Staff
11 themselves tested it and then they sent it out to
12 clients that tested and then it came back to us and we
13 put it up online and were distributing it.

14 But we're still -- you always have to test it.
15 You always have to make sure that you document if
16 there's any problems with the translations you're
17 doing. Not all community based organizations can do
18 translations but they know somebody who can, and it's
19 also cost efficient that way as well.

20 What you spend on a professional translator is
21 probably going to cost four or five times more than what
22 it's going to cost utilizing a community based
23 organization. If they can't do it, find a translator,
24 but still test it, and you have to test it in that
25 community.

1 MS. RODRIGUEZ: You know, Teresa, you brought up
2 this one particular group announced their bilingual
3 hotline and then they didn't really have folks that
4 really understood the community that would be calling
5 understand. You learn from those kinds of mistakes, and
6 I'm sure that everyone on the panel has seen some of the
7 common mistakes, pitfalls that people make in trying to
8 reach out to the Latino.

9 And I would invite you to share one or two of
10 those with the group that we can learn from. Teresa, do
11 you want to go first?

12 MS. SANTIAGO: When I came on board at the
13 Consumer Protection Board, it was about a year ago, a
14 little bit over a year, we have a wonderful call unit.
15 They take over 20,000 calls a year, though we didn't
16 have a bilingual person on the call unit. That changed
17 quickly, and I added some other bilingual staff, and it
18 is crucial to have sensitive people on the other line,
19 even the call unit, even the non Spanish speaking call
20 unit, and they are excellent.

21 I'm very proud of our call unit. They handle --
22 I have to tell you a little bit about the Consumer
23 Protection Board. We are a 30 person agency. We are
24 tiny compared to other state agencies, and the work that
25 comes out of this agency is amazing, and it's because of

1 the partnerships that we have been able to do with other
2 state agencies that makes us work better, that makes us
3 share resources, but again it's very important to --
4 you're right, you cannot launch an 800 number, bilingual
5 800 number, and I have my executive deputy here who will
6 tell you that she -- we tested this. We made sure that
7 the calls were coming in, that the phone was being
8 answered and that everyone knew exactly what to do.

9 We had drills about this because we didn't want
10 to go through an embarrassment like that. There have
11 been times where translations, yeah, we may use a word
12 that was not appropriate, and immediately we changed
13 that, but we also have the opportunity to work with
14 other people like in the office. Right now we have a
15 woman that's Honduran, a woman that's Peruvian, Puerto
16 Rican, Columbian.

17 So we really show the translations through
18 everyone and we all come together and say, Okay, does
19 this make sense and that's very, very important.

20 MS. RODRIGUEZ: Other folks?

21 MS. CHAPA: In terms of Hispanic outreach, I
22 agree with everything that's been said, but I take it to
23 the -- the grass root to the extreme, and maybe it's
24 because most of my experience is in the corporate sector
25 out in the communities, and yes, the community based

1 organizations have been very, very supportive of all my
2 efforts these 20 some odd years and big supporters of
3 mine, but maybe it's because I've had fun industries
4 alcohol, tobacco, banking, politics.

5 But I think that you need to test it, but what I
6 have also -- I do the research but I take it to the next
7 level. I have gone out and I talk face-to-face with the
8 consumers themselves. I've always had a start up. I've
9 always been an office of one and grown from there, so
10 I've never had colleagues that I can bounce things off.

11 So what I do is I literally go out into the
12 communities and talk to my consumers whoever, are going
13 to be using the products and services that I'm
14 marketing. When I worked in the bank business, I went
15 out to 120 branches all over the United States, and I
16 went into those branches and I pretended not to speak
17 any English, and I saw how I got treated, and I saw if
18 they had bilingual employees, and it wasn't enough that
19 they had a Spanish language brochure that had literally
20 been translated but didn't make sense.

21 I had people telling me, You need to come back
22 on Tuesday and Thursdays when we have so and so who is
23 bilingual and then somebody will be able to take care of
24 you. That's not just cutting it if you're going to be
25 calling yourself a diverse employer.

1 The other mistake I see a lot of companies do
2 is, yes, you're going to outreach to the Hispanic
3 communities so we're going to do an advertising
4 community. Great, but can you handle the fulfillment?
5 Do you have employees within the company that are
6 bilingual and everybody is talking about the sensitivity
7 issue.

8 And I have I call -- you need to have bilingual
9 but you also need to have bicultural, and that's the
10 nuances of the culture sensitivities that many of these
11 services that we're trying to market need.

12 The other thing is it's not enough to just use
13 the community, and I use that word literally, use the
14 community for the services and goods that we purchase or
15 that we use, but you also want to do business with that
16 community as well, so if you have a marketing campaign
17 and you're asking them to buy your product, then you
18 better be just as diligent in trying to use them as your
19 vendors and choose them for procurement opportunities
20 within your business.

21 So there needs to be a fully integrated outreach
22 effort to that community in order to show that you truly
23 are making the sincere effort and that you truly do want
24 them as the consumer. It has to be a fully integrated
25 effort, all the way to HR to procurement opportunities

1 for that Hispanic community, and I've seen a lot of
2 companies who just do advertising and think that's it.
3 I'm going to do a really good job.

4 And communities, especially community based
5 organizations, become much more sophisticated, that
6 might have worked ten years ago, it doesn't work anymore
7 because they know that it's just a half felt effort and
8 it's just we want your business but that's all went, and
9 in order to be successful today, you need to have a
10 fully integrated effort.

11 MS. RODRIGUEZ: Any other panelists want to
12 comment on this?

13 MR. ORFILA: Yes. I would ask first one
14 question: Do we really want to get in touch with this
15 audience because as everybody said before if it's like
16 if you want to, be prepared because if not, you're
17 losing the people that call you. You're losing the
18 people that got in touch with you and they're not coming
19 back. That's my first question.

20 If you really want to, you have to be prepared.
21 You have to have the staffing, you have to have the 1
22 800 working. You have to have all that staff working.

23 The second thing is once again we discuss in the
24 first panel about the diversity of our community, and a
25 lot of the help that for instance the federal government

1 have is not for undocumented immigrants, so if you want
2 to reach the immigrants that are legally here, you
3 should say up front because if not you'll have a lot of
4 undocumented immigrants calling you, hoping that they
5 could buy a house with you, hoping that they can do
6 this, do that, and they cannot.

7 And once again, once they hear and, no, they
8 will not come back. Let's see three years from now if
9 everything changed, so I would go for -- we were talking
10 before the audience, Go for your community, talk with
11 your community because another thing was the previous
12 forum, there was the case about Ford trying to improve
13 their marketing campaign, and they were trying to figure
14 it out, but they didn't talk to Hispanics.

15 It was like, Okay, you want to reach us, talk to
16 me. It happened to me also in some companies that I
17 worked, that it's like the head of the company, it's
18 American, it's I don't know, whatever you want, and they
19 tried to reach the Hispanic community by their
20 standards, my boss's standard, and it was like, huh-uh,
21 it's not going to work, so first get in touch and
22 remember, from the millions of Hispanics that we have
23 here, we assume we have 11 million, undocumented
24 approximately -- between 7 and 11. Nobody knows for
25 sure.

1 So you have to know that if you're going for the
2 Hispanics that are legally here. You have to tell them
3 that upfront because, for instance, 40 percent of the
4 small businesses created in the U.S. are Latinos, are
5 women, but if you go for the SBA or you go for the --
6 that is the SBA web page, they cannot get any funding.
7 They cannot get any help because probably they are
8 undocumented.

9 So be truthful because one thing that comes out
10 of this panel and the other panel is that we trust a
11 lot, the Hispanics trust a lot. That's why we get into
12 so much trouble. We trust this guy that tries to sell
13 me the prepaid card. We trust the other one. We trust
14 this guy that's talking about money. Who is this guy
15 talking about money? So we trust a lot, and if you
16 misuse this trust, that trust, that's going to be really
17 bad for you.

18 MS. RODRIGUEZ: Anna.

19 MS. MONTES: I think the other thing is what's
20 very effective is to train community leaders to do
21 events in the neighborhood in the communities where
22 people live like in San Francisco, the mission district
23 or Bayview Hunters Point or different parts of the city
24 or go into the communities.

25 One of the things that doesn't work, we have

1 hearings in California where people can decide on their
2 fate as telecommunication consumers on whether or not to
3 raise rates, and they don't go because the meetings are
4 held at the commission. The word doesn't get out
5 anyway. They either do poor outreach or anyway.

6 The thing is you need to go into the communities
7 and do the training if you really want to train
8 community leaders, and the other thing is really you
9 have to make sure it's not just executive directors
10 going from community based organizations. You need to
11 have enough room for them to bring staff because a lot
12 of times what ends up happening is community leaders
13 gets identified as the executive director of this very
14 large organization.

15 Well, community leaders are people that are
16 involved in community activities, so a training for
17 community leaders includes community based
18 organizations, but it also includes parents that are
19 real involved. It includes just different individuals
20 that are civically engaged on many different levels and
21 you put the word out, and you don't do it just from your
22 agency.

23 We do a lot of partnerships. We partner with
24 several, state, city, corporations, grass root
25 organizations, but if you really want to get the word

1 out about something that you're doing, it really has to
2 be a partnership because the mailing list or the people
3 that you partner with are going to be the once that
4 bring in the people you want to talk to.

5 For example, we would partner with several
6 different groups, get the mailing list together and then
7 invite the people to come out to some kind of training.
8 You also need to talk to people beforehand and identify
9 their issues because what you think is really important
10 might not be what's happening in that community.

11 So identity theft is very important, but maybe
12 people are having more problems with phone cards than
13 they are with identity theft. That doesn't mean you
14 can't tie that in. You can, but you really need to do
15 that.

16 The other thing is -- that's it. Those are my
17 comments.

18 MS. RODRIGUEZ: I'm going to open it up for
19 questions, but before I do that, I'm going to do
20 something dangerous with a group of Latinos, which is
21 I'm going to ask you if you would like to -- in a sound
22 bite, so ten words or less, is there something that you
23 really want to make sure that the folks here take away
24 with them before we get into questions, so your sound
25 bite for the day, whoever wants to go first.

1 MR. BARD: Well, I think we've all stated over
2 and over again whether it's the media, whether it's
3 community organizations, invest your time in
4 relationships.

5 MS. RODRIGUEZ: Judy?

6 MS. CHAPA: Oh, my God. I can't say anything in
7 less than ten words. Well, relationships are very
8 important and financial education is the key to
9 empowerment in terms of informed consumers, the best
10 consumer you can be.

11 MS. RODRIGUEZ: Anna?

12 MS. MONTES: Be consistent, follow up, be
13 strategic in your planning and keep it simple.

14 MS. RODRIGUEZ: Fernando.

15 MR. ORFILA: That's it basically. Going back,
16 know your audience, your community, whatever you want to
17 reach. Know them by heart. That's really important.

18 MS. RODRIGUEZ: Teresa?

19 MS. SANTIAGO: Grass roots, be able to go into
20 that community. Be bilingual, have people that look
21 like you going into that community and with media
22 partners, make sure that you're giving them the
23 information testimonials from people that have been
24 scammed and give the information in Spanish. Give them
25 everything that you can to have that media

1 relationship.

2 MS. RODRIGUEZ: Great, thank you. That was
3 pretty good, ten words or less.

4 We will open it now for questions, and there are
5 folks with microphones, and if you were here earlier, it
6 looked like the microphones weren't working, but I
7 understand they are working. You just have to put your
8 mouth really close to the mike.

9 Please also when you start say your name and
10 spell it, please, for the recording. Questions?

11 MS. GOODSON: Hello, my name is hello my name is
12 Janie Goodson, J A N I E, G O O D S O N. I'm with the
13 Center for Responsible Lending, a nonprofit policy and
14 resource organization. One of our focuses is predatory
15 mortgage lending, and I have read that in several Latin
16 American countries, you have to have a substantial down
17 payment to buy a home, like 50 percent or more.

18 And the theory in the article I was reading was
19 that this prevents, this may prevent many Latinos from
20 trying to become homeowners.

21 One question I had is whether it may make
22 Latinos more prone to accept loans on bad terms because
23 they're excited to get credit like if somebody will give
24 you a loan, you'll take it, and I'm wondering if anyone
25 can speak to either that issue or other kind of national

1 economic differences that affect how people view issues
2 in the U.S. economy?

3 MR. BARD: You know predator lending is really a
4 major problem in our community, and it is so much so
5 that the major lenders like Citibank and the other
6 mortgage companies have their own programs to address
7 those in play.

8 Because like the panel mentioned, we're so much
9 of a cash economy. It makes us not only victims to
10 predatory lending, it makes us victims of crime because
11 if you know you have a stash of cash in the house,
12 believe me there are people who want to come in there
13 and take it.

14 We produce across the country with a Magazine, a
15 program we called the Latino Style business series, and
16 they issue of finance is always a major issue, access to
17 capital, and even with people that are established, you
18 were mentioning how the business owners start the
19 business. There are more Latinos that start their
20 business, for instance, with their credit cards, with
21 the family savings, from second mortgages.

22 So we're very susceptible, but any major bank
23 that you can talk about, and I'm sure Judy can talk to
24 this, has their eye on predator lending in their
25 markets.

1 MS. CHAPA: That's true, and actually when
2 Robert mentioned about the large amounts of cash, I have
3 literally, and I was stunned, I've never seen so much
4 money in my life. I was in a bank in Denver, Colorado,
5 and this elderly couple, immigrant Mexicans, came in and
6 they had \$10,000 in cash in brown paper bags. I kid you
7 not. And they had been saving it, saving and saving,
8 and they were coming into start the process to buy a
9 home, and so you're absolutely right.

10 That is one of the big issues in terms of not
11 only predatory lending but crime, and predatory lending
12 is one of the reasons why financial education among the
13 financial institutions is so important because we're
14 trying to steer consumers away from these types of
15 practices and trying to educate them so that they know
16 what to stay away from and to know not to go to those
17 types of services and go to a financial institution that
18 is not going to rip them off.

19 MS. MONTES: In the Latino company -- well in
20 the Latino community it is not so much stocks and bonds
21 and credit cards. It's owning a home so that's critical
22 within -- because Latinos, that's the sign of the
23 American dream, and that's a sign of wealth.

24 MS. RODRIGUEZ: Questions over here?

25 MS. PANLENER: I just wanted to add -- .

1 MS. RODRIGUEZ: Please say your name and spell
2 it.

3 MS. PANLENER: Juanita, P A N L E N E R, and I
4 work at Bangor Communications, and I just wanted to add
5 that a couple years ago I did a number of focus groups
6 about Latino's perception of the banking system, what
7 they know about, yeah, the financial system in the
8 United States, and one of the things that it just sort
9 of -- this conversation is reminding me of is a lot of
10 the predatory institutions, they communicate to Latinos
11 in their own language.

12 You might be able to speak to them in Spanish,
13 so they seem trustworthy, and so if we're already
14 trustworthy and hey, they're talking to us in English
15 but this bank over here that's actually legitimate isn't
16 speaking to us in our language, then wait, what, we need
17 a social security number too, no, so then, yeah, it just
18 makes it more competitive for us.

19 MS. RODRIGUEZ: Back there.

20 MR. ELKINS: Hershall Elkins, E L K I N S, state
21 of California Attorney General's office. Our office, we
22 have 35 million people in California, and of course we
23 have the largest Hispanic population, and there are with
24 our agency and other agencies close to a million
25 complaints that come in a year. There are a million

1 people who are licensed.

2 So there are two issues. Number 1 is getting
3 information out in which we don't want the claims. You
4 want to get information. For example in one of the
5 actions that we brought against a predatory lender that
6 only had -- was using rates for sub prime, 70 percent of
7 their customers were prime. They didn't know it. They
8 didn't recognize it.

9 So that information we would like to get out,
10 not because we want to get the complaint but we want to
11 get to the education. The second thing we want to get
12 is complaints, so that we can bring actions against the
13 company. We're not that good on individual complaints
14 solving it.

15 We tried to do this in a way obviously, but
16 we're not that successful because there are too many
17 people, so the issue is how do we get those two messages
18 out to the media or elsewhere? If we want general
19 information we just want to get out -- but we don't --
20 you're talking about getting claims coming in.

21 I've done that before, and I recognize thousands
22 of complaints that have come in following and, number 2,
23 to get the information so that we can bring the
24 actions. That is the trusting is we'll bring the
25 actions against these companies, but we won't

1 necessarily solve your particular problem.

2 How do we do that?

3 MS. MONTES: I'll speak to what we do in our
4 project. What we do is our agencies do two things.
5 They do education and they also take complaints. We
6 have on our web electronic database. It's a statewide
7 database, and they've all been trained to do intake so
8 when a person comes into the office, they're asked to
9 bring in documents. All of the information is entered
10 into the database.

11 We're working with the California Public
12 Utilities Commission to follow up on complaints. We
13 want to work with the district attorneys office to
14 follow up on complaints, and we will be at some point
15 generating reports on a regular basis, but we are doing
16 that by the partners that we have with the different
17 agencies that we are building in California and also
18 with other legal services and pro bono attorneys and the
19 community based organizations.

20 So that's how we're collecting complaints and
21 following up on complaints.

22 MR. ORFILA: From the T.V. Point of view for
23 instance it's going to be difficult to divide the two
24 things. If you are going to put a message out, there is
25 90 percent chance that you are going to get the

1 complaints related to that because at the time of
2 writing the piece, writing the story, I would have to
3 end with, If you are involved in something like is, I
4 will -- but for my piece I will need to have a 1-800
5 number, and we need to have that.

6 So it's going to be really difficult just to put
7 information out without having any feedback information
8 on that. And from the TV perspective,. The only way I
9 would go for it, it's really with news information
10 venous information, okay, we're going to bust this
11 company, this agency, and this address and this address
12 and it's going to be a really good video, that's what
13 you have to say for TV.

14 It's going to be a really good video, really
15 good story because you can film this, da-da-da-da, so
16 that would be your hook for the information.

17 MR. ELKINS: All of that I appreciate, the hook
18 and so forth, and the issue is we'll give the 800 number
19 and we'll tell them how to talk to us, but it's the
20 disappointment issue in the fact that we'll be contacted
21 and we'll accept complaints from everybody but what we
22 really do is try to solve the problem overall, and how
23 do you avoid disappointment by the individuals we may
24 not be able to solve their particular problem or get
25 their money back.

1 MR. ORFILA: In that case I would explain it
2 once you are-- you've been interviewed or somebody from
3 the agency is going to interview, your SOT you should
4 talk to those people and say I need to talk to this. So
5 before the-- off camera. You could say, You know what,
6 you can ask me whatever you want but I need my SOT, but
7 I need to be-- but we cannot solve every single case.
8 You could say it and you could talk with a reporter and
9 then you can -- he would be in charge of mixing it with
10 the information.

11 But also on your end you could -- since you
12 cannot solve those particular cases, perhaps you could
13 have a list of people that could help these people,
14 other communities.

15 MS. CHAPA: Have a list of referrals that might
16 be able to if you can't. That's what I always do. If
17 I'm not the end solution, I at least try to offer them
18 an alternative of people who may be able to help him.

19 MS. MONTES: We refer out, yeah. If we have
20 particular issues. We educate them on the issues to try
21 to help them understand why they can't help them, try to
22 help them understand what happened and why they can't do
23 anything, they have no resource, and then we refer them
24 out.

25 MS. RODRIGUEZ: Teresa?

1 MS. SANTIAGO: I wanted to talk to the
2 education, about that you really need people to go out
3 to the community. You need to go and they have to speak
4 the language and look like us.

5 MS. ELKINS: We can't go out to the community.
6 We have 35 million in the state of California. We don't
7 have the staff to go out to 35 million people. It is
8 not productive.

9 MS. SANTIAGO: You have to start somewhere.

10 MS. ELKINS: The productive thing, the 40 years
11 I've been in this, the productive thing is bring the
12 actions that will produce the results. You bring the
13 action. You try to get.

14 MS. SANTIAGO: If the story is that they could
15 have gotten this loan, but not because they were
16 trying -- they were good, they were good candidates for
17 every loan, and they wouldn't have to go to this
18 alternative loan system, okay, that's a story that you
19 need to get out there into the community. That's the
20 education piece.

21 You need to -- you have to find a way of bring
22 that out to the community, whether that's through the
23 media or whether that's going door to door or doing --
24 if you can't do it as an individual, then do a forum do
25 a conference but get the information out to the

1 community. That's crucial no matter how many millions
2 of people you have you have to get it out there.

3 MS. RODRIGUEZ: Question over here.

4 MR. ORFILA: If you would have numbers like 70
5 percent of the people that go forward, this type of
6 loans, they could go for a real good loan, that would
7 catch me as a reporter.

8 MS. ELKINS: We have gotten restitutions this
9 last year of over a half billion dollars in predatory
10 lending for individuals, and I've been in this business
11 before, many of you have been alive, and we started out
12 going bit by bit to try to solve it, but at this stage,
13 with the huge numbers that are around, I think in order
14 to be effective, you have to concentrate on numbers.

15 The idea of going out and being very nice -- a
16 hundred people here, 50 people here, it's fine if you
17 want to do that, but in fact to really work it you've
18 got to do it in numbers.

19 MR. ORFILA: I'm saying this from my
20 perspective. As the media if you send me a press
21 release saying 70 percent of the people that go for this
22 type of loan could have gotten a different loan, then I
23 could use that information because they would understand
24 it, and they could do an educational piece. You could
25 go for the news staff that I told you before or you can

1 go for the educational.

2 But the thing is there's another thing there are
3 few business reporters in Spanish and, so you have to
4 have translators for the audience, but you have to
5 translate to them so you have to make it really
6 understandable for them.

7 Like I'm saying 7 people out of ten, they could
8 have gotten 5.5 interest rate on 30 years but they went
9 to this agency and they got 9.5.

10 MS. RODRIGUEZ: I have someone right in the
11 front here.

12 MS. PARNES: Lidia Parnes, P A R N E S, and I'm
13 with the Federal Trade Commission, and Hershall, I
14 wanted to respond a little bit to what you were saying.
15 I think from the law enforcement perspective, and at the
16 FTC we do a lot of consumer but we also ultimately are a
17 law enforcement agency.

18 Of course the expectation is that you and we are
19 going to bring cases that have an impact on the most
20 people, but I think as part of what this is all about
21 because I don't think anybody would suggest that your
22 role in the Attorney General's office of the State of
23 California is to go out to every community in California
24 and reach out.

25 But it certainly isn't, and we can't be in every

1 community across the country, but what we all can do I
2 think is to reach out to the community based
3 organizations and the Spanish language media in our
4 areas and give the information to them and then they in
5 turn pass it on.

6 MS. ELKINS: I agree. I think you're absolutely
7 right.

8 MS. RODRIGUEZ: We only have a few more minutes
9 left. Are there other questions. Over here.

10 MS. PORRICO: Basically I wanted to make a
11 comment --

12 MS. RODRIGUEZ: Could you state your name again,
13 please.

14 MS. PORRICO: Myriam Porrico, Montgomery County
15 government. In terms of the relationships, the
16 relationships with the media, of course I would put them
17 in the number 1 place because they really made my job
18 easier. They really did everything for me, but the
19 partner has to develop into a relationship, and that
20 relationship, it becomes a personal relationship with
21 the reporters.

22 With the TVs, since I couldn't really go for an
23 ad because I didn't have any budget, really I started
24 working with giving them really nice stories where they
25 could come and cover to a point if you develop a

1 personal relationship, then the reporter will actually
2 -- this is radio and TV, they will actually call you
3 when they don't have anything else, and they'll ask, Do
4 you have anything interesting.

5 But the other side is basically that yes, you
6 have to be ready for them, because when you go on a
7 radio show, for example, and you present a case and you
8 have hundreds of people who have the same similar cases,
9 then you go back to your office and you have to be ready
10 yourself to take those calls, return those calls or you
11 have to have the staff to do it.

12 The other comment I want to make is in terms of
13 the translations. We talked about two pieces the
14 translations, one being the individual. Well, the
15 different countries that the Latinos and Hispanics come
16 from and that you have to address really to that
17 community, yes, you need to have a common language
18 that's one important piece.

19 The other one was that being bicultural, but I
20 would add a third piece to that and that is of you're
21 having a document of any kind translated, make sure that
22 the individual knows the subject because it's not the
23 same thing.

24 I'll use myself as an example. I work with the
25 health care field, and in the past when I worked -- now

1 that I'm working for housing and community, that
2 involves consumer protection, and I was asked to do
3 translations. At the beginning I said no, because I
4 really don't know yet what this office really does.

5 I was ready to make my -- do my first
6 translation only like maybe two months after I started
7 the job because then I really could communicate what the
8 office wanted to communicate by knowing exactly what I
9 was talking about.

10 MS. CHAPA: That's very important I'm glad you
11 said that because that's a constant battle for me.
12 Whenever anyone has asked me in my different capacities,
13 Well, don't we have someone that speaks Spanish, let
14 them do it. I go, Why would you do that, would you have
15 the janitor who speaks English write your press release
16 in English? It's like dead silence.

17 Just because you speak English doesn't make you
18 a great writer, and that's the same thing because you
19 can speak Spanish does not mean you're capable of
20 writing a press release. Come on. So you need to keep
21 that in mind. That's very important.

22 MR. ORFILA: I would like to add something about
23 the relationship media for TV or radio. It's only one
24 word sweeps. We journalists are kind of lazy people,
25 and in sweeps we looks that's what I'm saying, every May

1 July, August, September, those are the months when the
2 Nielson searches for the TV audience, and they decide
3 what's the ratings, and that's where we prepare our best
4 pieces.

5 And if you call me, or if you call any reporter
6 and you will say you know what, we have a great story
7 about this, they will hear you very, very carefully.
8 They will decide if it's good or not but.

9 MS. CHAPA: You know this is being taped so.

10 MS. RODRIGUEZ: We have time for one last
11 question, and you are the lucky guy.

12 MR. HERRERA: Thank you very much because I came
13 from LA, right? My name is Pastor Herrera, H E R R E
14 R. That's my name. It's not my title, okay. Just a
15 couple of things. I just wanted to share with you our
16 own experience in LA, and, Robert, you were talking
17 about I guess it was the 241-I campaign that you were
18 working with in LA.

19 One of the reasons I think that's a really good
20 model is because in addition to the children getting the
21 information, we also went to the adult schools, and
22 believe me, in California, there's a big network of
23 adult schools, and I don't know if this is true in some
24 of the other communities here in this country, but here
25 the students are really there to learn and they absorb

1 information that you bring them, and that was a really
2 good way of getting the information out.

3 Another avenue is talk radio. This has been an
4 increasing phenomenon in the Latino community, the
5 Spanish speaking Latino where they want people to go
6 there and talk, and you answer questions, and believe me
7 it's a great way to educate the information.

8 One of my responsibilities also at the
9 Department of Consumer Affairs is to regulate cable so
10 I'm really tied into public access. Every community has
11 a public access channel. That's a golden opportunity
12 for you to get the message out also so you can get
13 there, get your message out and people, producers,
14 they're willing to do that.

15 I wanted to ask a question to the panel real
16 quickly, if you want to in ten words or less, because
17 education appears to be very important to any community
18 that's really having problems with consumer protection,
19 and how do you -- do you have any advice to us to be
20 able to have additional resources or if we don't have
21 the resources, where can we get some resources to really
22 do a campaign where we could hire a person to really
23 make an effort to educate our communities?

24 MS. CHAPA: I actually I'll go first. There are
25 some organizations that do give grants to

1 organizations. NEFE is one of them, and American
2 Express Foundation gives grants and monies out to
3 organizations that are endeavoring in education issues.
4 And they also list others once you get to that web site.

5 So I know there are several foundations out
6 there that specifically give them -- no. NEFE, NEFE.ORG
7 is the web site, and the other one, I'm sorry. I said
8 that really fast, and the other one is the American
9 Express Foundation. They offer money specifically for
10 education causes to underserved communities.

11 MR. BARD: One of the things that we used to do
12 all the time is pretty much all the major marketers of
13 -- the Spanish marketers let's say the car companies
14 that has some kind of program that is focusing on a
15 particular issue, a lot of them have to do with programs
16 with car safety.

17 Car safety is an issue. And in car safety it's
18 a number of things because it could be from how to use
19 it to. What's the real kind of car, real kind of seat
20 that you should have, and as part of -- yeah, the child
21 safety seats. Actually part of that campaign that was
22 funded in a partnership, and I don't remember which auto
23 company it was, led to the removal of a particular car
24 seat from the market that was one of the major sellers.

25 So if you talk to any of the major four

1 foundations, all of these foundation all have programs
2 they focus on and they're willing to assist you in
3 that. At the same time, because of the nature of the
4 business they have massive relationships with media.

5 I mean, if Ford company calls and tells me,
6 Listen I you to run PSA on this thing, you know what?
7 He's going to respond. Why? Because they have a major
8 relationships. You can find the same thing with the
9 banks, with the insurance companies.

10 All these companies have -- specially insurance
11 companies have consumer fraud insurance companies that
12 kind of probably play a major role, so the State Farms
13 and Allstates and all of them.

14 MS. CHAPA: They're spending a lot of money
15 right now, the insurance companies, on Hispanic
16 outreach.

17 MR. BARD: They're doing base massive campaigns
18 on financial literacy for instance. A all of them are
19 doing this.

20 MS. RODRIGUEZ: Obviously we could keep talking
21 and talking about this and I'm really glad that the FTC
22 for putting this together, and maybe you'll need to do
23 another one, but how about a round of applause.

24 (Applause.)

25 MS. SHANOFF: Thank you. Thank you all. Thank

1 you, Maria. It was just a great afternoon. I'm now
2 really delighted to introduce Howard Beales, the
3 Director of FTC's Bureau of Consumer Protection since
4 June 2001.

5 Many of you may recognize Howard's voice or his
6 face from the many interviews he's done on radio and
7 television. Howard is an economist, and he may think
8 his areas of expertise are advertising and other aspects
9 of consumer protection regulations, but I think his true
10 claim to fame is his ability to translate complex
11 concepts into plain language.

12 So please join me in welcoming Howard Beales.

13 MR. BEALES: Thank you, Carolyn. Coming from
14 you that's high praise indeed.

15 We've come to the end of a busy and productive
16 day, and I would especially like to thanks the panelist
17 who volunteered their time to address the important
18 issues of developing and promoting of outreach in the
19 Hispanic community.

20 I'm sure we all agree that educated consumers
21 are our best defense against consumer fraud. If our
22 goal is to stop consumer fraud before it happens, and I
23 know it is, consumer outreach is critical. Consumers
24 must know where to get useful information, who to call
25 and where to complain.

1 As an economist I don't usually like to tell
2 antidotes, but here's one that I think really
3 illustrates the power of an informed consumer. A couple
4 weeks ago we held a press conference to announce our
5 Hispanic Law Enforcement Outreach Initiative.

6 One of the participants was Parla Coranodo, a
7 young woman who been a victim of a company who
8 advertised fraudulent work at home opportunities.

9 She described to the press how she confronted
10 the company about their failure to honor their promises
11 to her, telling the company that she would file a
12 complaint with the authorities. The company laughed,
13 told her go ahead, file a complaint, no one is going to
14 do anything about it.

15 Well, Parla wasn't going to be waved off like an
16 annoying fly or I should say a cicada. She called the
17 FTC's consumer complaint line and told one of our
18 Spanish language agents her story, and that was one of
19 the companies we sued that day. We got a temporary
20 restraining order that stopped the scam. We convinced
21 the Judge to freeze the company's assets. That's the
22 power of an educated consumer.

23 Here at the FTC we're committed to excellence in
24 our outreach to Spanish speakers. We're making consumer
25 information available in plain Spanish, not legalese.

1 We've distributing radio public service announcements in
2 Spanish, and we're pitching consumer news in to the
3 Spanish language media, and we're trying to build
4 partners with organizations, businesses and leaders in
5 the Hispanic community, all of you who can help us get
6 out our fraud prevention methods.

7 We all have a role to play in preventing
8 consumer fraud. You have my pledge that the FTC will
9 continue to fight fraud aimed at Hispanic consumers, and
10 I hope we can count on you to do your part too.

11 Thank you again for attending. I hope to see
12 you all at tomorrow's session where our panels will look
13 at how to protect Spanish consumers from fraud.

14 Thank you all for being here.

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1 C E R T I F I C A T I O N O F R E P O R T E R

2

3 CASE TITLE: HISPANIC OUTREACH FORUM

4 HEARING DATE: MAY 12, 2004

5

6 I HEREBY CERTIFY that the transcript contained
7 herein is a full and accurate transcript of the tapes
8 transcribed by me on the above cause before the FEDERAL
9 TRADE COMMISSION to the best of my knowledge and belief.

10

11 DATED: MAY 21, 2004

12

13

14 DEBRA L. MAHEUX

15

16

17 C E R T I F I C A T I O N O F P R O O F R E A D E R

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19 I HEREBY CERTIFY that I proofread the transcript
20 for accuracy in spelling, hyphenation, punctuation and
21 format.

22

23 DIANE QUADE

24

25