



THE + PLUS IDENTITY

SHIFTING PARADIGMS AND THE FUTURE
OF LATINO CULTURE IN THE U.S.

FEBRUARY 2013

LATINWORKS, THE COUNTRY'S MOST GLOBALLY RECOGNIZED MULTICULTURAL CREATIVE AGENCY, AND ETHNIFACTS, A NEXT GENERATION CONSUMER RESEARCH CONSULTANCY AND SYNDICATED INSIGHTS PROVIDER, HAVE JOINED FORCES TO FIELD A NEW INVESTIGATION OF LATINO CULTURE IN THE U.S. AND SHED NEW LIGHT INTO WHAT THE FUTURE MAY HOLD FOR MARKETERS.

THE GOAL IS TO SEARCH FOR AN ALTERNATIVE PARADIGM TO REPLACE THE NOTION IN WHICH LATINOS MOVE UNI-DIRECTIONALLY AWAY FROM A CULTURE NICHE AND INTO A MELTING POT.

AN ONLINE SURVEY WAS CONDUCTED AMONG 1,000 ONLINE RESPONDENTS REPRESENTATIVE OF THE U.S. LATINO ADULT POPULATION, AND FOCUSED ON UNCOVERING THE CONTEMPORARY CULTURE, SHIFTING DYNAMICS AND MOTIVATIONAL MAGNETS OF THE NEW CONSUMER LANDSCAPE.



TABLE OF CONTENTS

- 04 ESSENTIAL GLOSSARY OF TERMS
- 09 THE AGE OF TRANSCULTURATION
- 11 PERSPECTIVE
- 13 ONENESS & OTHERNESS
- 16 THE LATINO CLOSET
- 18 CULTURAL PARITY
- 21 THE AMBICULTURAL MIDDLE
- 29 AMERICAN AND LATINO EQUITY
- 33 FORECULTURE™
- 36 TIP OF THE ICEBERG
- 39 CONTACTS



+ ESSENTIAL GLOSSARY OF TERMS



WE HAVE BECOME SO ACCUSTOMED TO USING CERTAIN TERMS THAT CONTINUE TO PROVIDE A COMFORTABLE FRAMEWORK FOR DISCUSSIONS IN CONFERENCE ROOMS. HOWEVER, MANY OF THESE TERMS ARE PROGRESSIVELY STRAYING FARTHER AWAY FROM WHAT THEY WERE ORIGINALLY INTENDED TO REPRESENT, AND FAILING TO CAPTURE WHAT IS REALLY IN PEOPLE'S HEARTS AND MINDS.

IT IS DIFFICULT TO VISUALIZE THE FUTURE WHILE USING LANGUAGE OF THE PAST, SO WE KICK OFF THIS REPORT WITH A SIMPLE YET POWERFUL OFFERING: LET'S RETHINK SOME OF THE TERMINOLOGY THAT WE OFTEN TAKE FOR GRANTED AND ALSO INTRODUCE NEW VOCABULARY THAT CAN HELP RE-FRAME THE CONVERSATION AS WE MOVE FORWARD.





AMBICULTURAL™

The ability and willingness to function competently in two cultures or someone with that ability and willingness. For U.S. Latinos, this is not a transition between two cultures; it is an aspirational and behavioral destination that includes cultural behavioral shift from both the unassimilated and the assimilated sides of the traditional culture change model.

BICULTURAL

While in spirit, it is similar to Ambicultural,™ in the context of U.S. marketing, this term has been used to define Latinos who are in a transitional phase of their acculturation process, but are not quite American yet.

COLLECTIVE (SOCIAL) CONSCIOUSNESS

A term coined by French sociologist Emile Durkheim (1858-1917) to refer to the shared beliefs and moral attitudes that operate as unifying forces within society. The concept can be traced back to Plato, who talked about ideas in the context of pure mental forms that were imprinted in the soul before birth. They were collective in the sense that they embodied the fundamental characteristics of a thing rather than its specific peculiarities.

CULTURE

An integrated pattern of human knowledge and fulfillment of ideals, motivated by social learning and symbolic thought. In the twentieth century, "culture" emerged as a concept central to anthropology, encompassing all human phenomena aside from genetics that came to be interpreted as the evolved human capacity to classify and represent experiences with symbols, and to act imaginatively and creatively. Some of the key instruments of culture are religion, social justice, science, language, technology, art, trade, and sports.

CULTURAL BRANDING

A concept that was formally introduced by Douglas Holt only a few years ago, and is deeply rooted in Joseph Campbell's vision on how important myths from around the world have survived for thousands of years. Cultural branding can play an extremely important role in soothing people's anxieties in their quest for personal identity, particularly in times of market fluctuation, social crisis or ideological conflict. Consistency is not as important as historical fit, so whenever there are significant cultural shifts or disruptions in society, a brand must re-think and sometimes re-invent its go-to-market strategy, by embracing transformation, seeking tension resolution and building new connections. This is what helps a brand evolve and mature over time.





CULTURAL PARITY

The emerging trend of having significant and effectively equal exchange and adoption of cultural traits between Latinos and non-Latinos, with Latino influence on American culture occurring at rates similar to the influence of American national culture on Latinos.

CULTURAL REROUTING

The dynamic and multidirectional process of culture shifting that refers to the many possible directions of culture change. For U.S. Latinos, it refers to adding or adopting, discarding, recovering, merging, and creating cultural elements in the context of two cultures - the one of country of origin and the American national culture.

CULTURE SUSTAINABILITY

The recent and fast emerging capability of U.S. Latinos to become well integrated into the American national culture and successfully retain significant elements of their country of origin culture. This phenomenon is unprecedented in U.S. cultural history and is being made possible by the use of personal technology for borderless social networking and by societal forces that celebrate ethnicity.

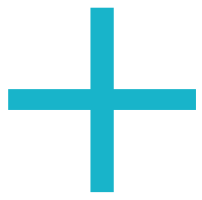
FORECULTURE™

A futuristic and insightful view of the marketplace intended to frame the next big cultural wave deriving from the U.S. transitioning to "minority-majority" status. The hypothesis, developed by LatinWorks, debunks the traditional bi- polar view under which the market splits into "general" and "multicultural", and instead highlights the rapid growth of a new generation with a "transcultural" mindset, that is jumping to the forefront of social consciousness and consumption. EthniFacts uses the term **CulturEdge™** to describe the expansive cultural space led by open-minded individuals who are instigating social transformation.

NATIONAL CULTURE

The generally accepted set of norms, behaviors, beliefs and customs that pertain to the population of a particular country or sovereign state. National culture influences attitudes toward work, family, life, religion, education, economic and political structures and business practices. The Dutch Sociologist Geert Hofstede grouped the interaction between national culture and organizational culture around several main categories, including the degree to which a society accepts the distance between different levels of social and economic power, individualism vs. collectivism, masculinity vs. femininity, the extent of acceptance and adaptation to uncertainty and risk, and variations in the definition of time in relation to near- and long-term investment, planning and social initiatives.





TRANSCULTURATION

A dynamic intercultural process in which people deconstruct their initial cultural identity and start forming new connections between elements of different cultures (neoculture). Coined by historian Fernando Ortiz in Cuba (1940), the term intends to convey a social phenomenon that is different from multiculturalism, which constitutes a mere mechanical mix (mosaic) of co-existing cultures. According to Richard Slimbach, "transculturalism is rooted in the quest to define shared interests and common values across cultural and national borders".

+ THE AGE OF TRANSCULTURATION





THE AGE OF TRANSCULTURATION

10

One of the major issues that occupied marketers' minds and conversation forums in 2012 is whether it still makes sense to have a general market and a multicultural strategy. In the era of consolidations and efficiencies, this is a logical question. The problem is that, in most cases, people continue to rely on the melting pot theory and the acculturation model as a basis for the discussion, leading them to believe that the growth of English-speaking Latinos justifies integrating them into the general market strategy.

The focus of many conversations today is on multicultural influence but this maintains an artificial separation between Latinos and non-Latinos. Even in the context of the "total market" hypothesis, researchers and advertisers continue to base their point of view on the "us-VERSUS-them" model. This approach does not reflect reality when the population of some of the biggest U.S. cities is over 51% - in some cases over 70% - multicultural.

In today's ecosystem, cultural parity and transculturation are becoming a natural alternative to acculturation. A transculturalist does not "trade in" his culture for another nor does he impose his original one on others; instead he synthesizes something new out of different ideas and cultures to form his identity. Thus, transculturation is based on the breaking down of boundaries, leading to a sense of cosmopolitan citizenship, independent of conventional structures. Who we are by birth and where we are is not as relevant as it used to be. This phenomenon is certainly not exclusive to Latinos; however, because they are growing and playing a central role among the country's youth and actively expressing themselves, they are promoting a new awareness towards universal truths that unite people behind cross-cultural ideals.

In this **AGE OF TRANSCULTURATION**, people's psyches can no longer be defined according to static segmentation models because their identity is multifaceted, fluid and situational.



+ PERSPECTIVE



While the prevalent marketing tensions still center on opposites pulling apart, consumers are expressing an undeniable gravitational pull towards the center of the cultural identity spectrum. From their perspective, the tensions are actually arising from the effort in merging a broader range of ideals.

The central premise of this report is that Latinos are engaging in an unprecedented dynamic regarding culture - they are turning the adage of "ni de aqui, ni de alla" (meaning, "neither from here, the U.S., nor from there, the country of origin") into a transformational "from here AND from there." Instead of choosing one and dispelling the other, they are assertively both, gradually re-defining the middle ground space and becoming more comfortable with their "AND" status.

They are developing the **PLUS+ IDENTITY**, embracing a bigger, more inclusive definition of Latino and American identity and gaining increased confidence in what their Latino essence brings to themselves and others.

The **PLUS+ IDENTITY** is not necessarily about influencing others. Instead, it is a new destination that will become increasingly attractive for generations to come.

Ultimately, our observations lead us to believe that this gravitational pull will dramatically affect the national culture, drawing significant participation of people with diverse ethnicities and other demographic traits, into a new social consciousness.



When track & field athlete Leo Manzano won the silver medal in the 1500 meters at the London Olympics, he clutched an American flag in one hand and Mexican flag in the other. Speaking to Fox Latino News, Manzano said, "I'm still very much connected to my Mexican heritage, but my home is the U.S. I wouldn't change it for the world." Fox News surmised that it is possible to love more than one country, and it is possible to represent more than one people.

+ ONENESS & OTHERNESS



ONENESS & OTHERNESS

14

Since the 17th and 18th centuries, when Anglo-European became the dominant cultural paradigm for the United States, influxes of immigrants have been systematically marginalized and categorized as "Others" who exist outside the American social mainstream. Until recently, acculturation by non-Anglos was portrayed as a one-way street leading to a homogenous, white-centric American mainstream. But as Richard Alba and Victor Nee point out in *Remaking the American Mainstream: Assimilation and Contemporary Immigration*, "the American Mainstream, which originated with the colonial northern European settlers, has evolved through incremental inclusion of ethnic and racial groups that formerly were excluded and accretion of parts of their cultures to the composite culture." In recent decades, as Latinos, African Americans, Asians and other groups have expanded their demographic presence and economic clout, and white Americans are on the brink of becoming a numerical minority, this mutual transformation of immigrants and the American mainstream has accelerated. As Latinos and other previously marginal groups lose their minority status, the awareness and appreciation of a culturally and ethnically diverse America will move to the center of the national conversation and point the way to the nation's collective future.

Today, the notion of multicultural millennials is redundant. Teenagers growing up in Los Angeles or Houston, regardless of their backgrounds, are exposed to a set of complex variables on a daily basis that their parents and grandparents can barely grasp. If you are a millennial and pretend to be insulated from the cultural evolution, you will start experiencing the modern meaning of "otherness" and risk being left behind.

We're living an interesting paradox, in which embracing "otherness" is the best route towards "oneness". The more we resist the former, the farther away we get from the latter. In essence this is part of human nature. People want to belong, be part of something. At the same time, people want to be unique, living up to their own sense of identity.





ONENESS & OTHERNESS

15

Latinos have traditionally been considered an addendum to American society. Finally, when they are being accepted as part of the bigger picture, they seem to be redefining the rules. The world has changed so much in the last decade alone, that they have a different perspective now. They love America and consider themselves Americans, but they are multilingual and open-minded Global citizens who hold a unique perspective about how America is perceived abroad and they see an enormous opportunity to strengthen ties around the world.

To understand the evolution and impact of Latino culture in the U.S., we now focus on the shifting paradigms that describe their cultural journey over time, and what we anticipate as we look towards the future.



+ THE LATINO CLOSET



THE LATINO CLOSET

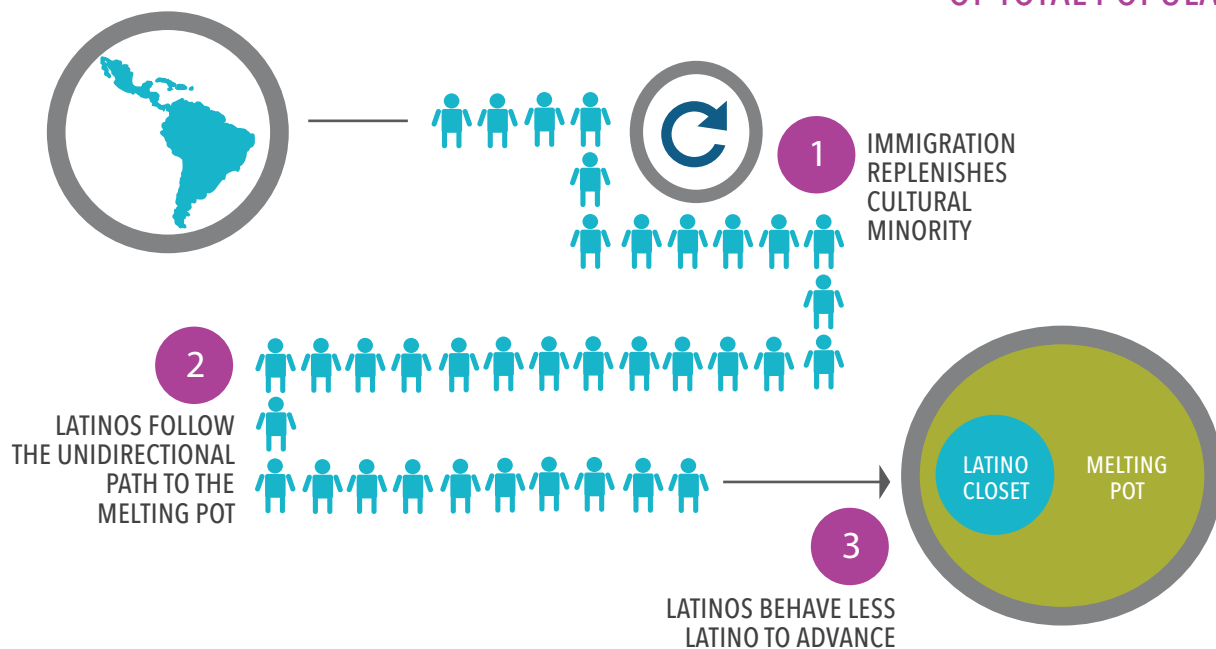
AN OBSOLETE PARADIGM

17

The term "Hispanic" did not exist as a national identifier until 1970 when the U.S. Census first used it to enumerate the nation's Latino population. "Hispanics" soon became recognized as fast growing and in 1990 were expected to become the largest minority group, but their importance and centrality were relatively minimal. The perception was more often that they lived in ethnic and urban areas, only in some regions of the U.S., and with a relatively small impact on society.

By 2000, growth continued and within two years, they became the largest minority group, nearly a decade earlier than the Census Bureau expected. Immigration increased steadily in the initial decade of the new century, mostly from Mexico and Central America providing a constant influx of language and cultural reinforcement to U.S. Latinos. At this time, mainstream society ignored its ethnic constituency and Latinos were outsiders looking to the general marketplace for a path to success. The way to succeed was to behave less Latino. Some vanguard activists came out of the Latino closet in the 60's and 70's giving a voice to these disenfranchised communities.

1970 - 2000
LATINOS REACH 12.5%
OF TOTAL POPULATION

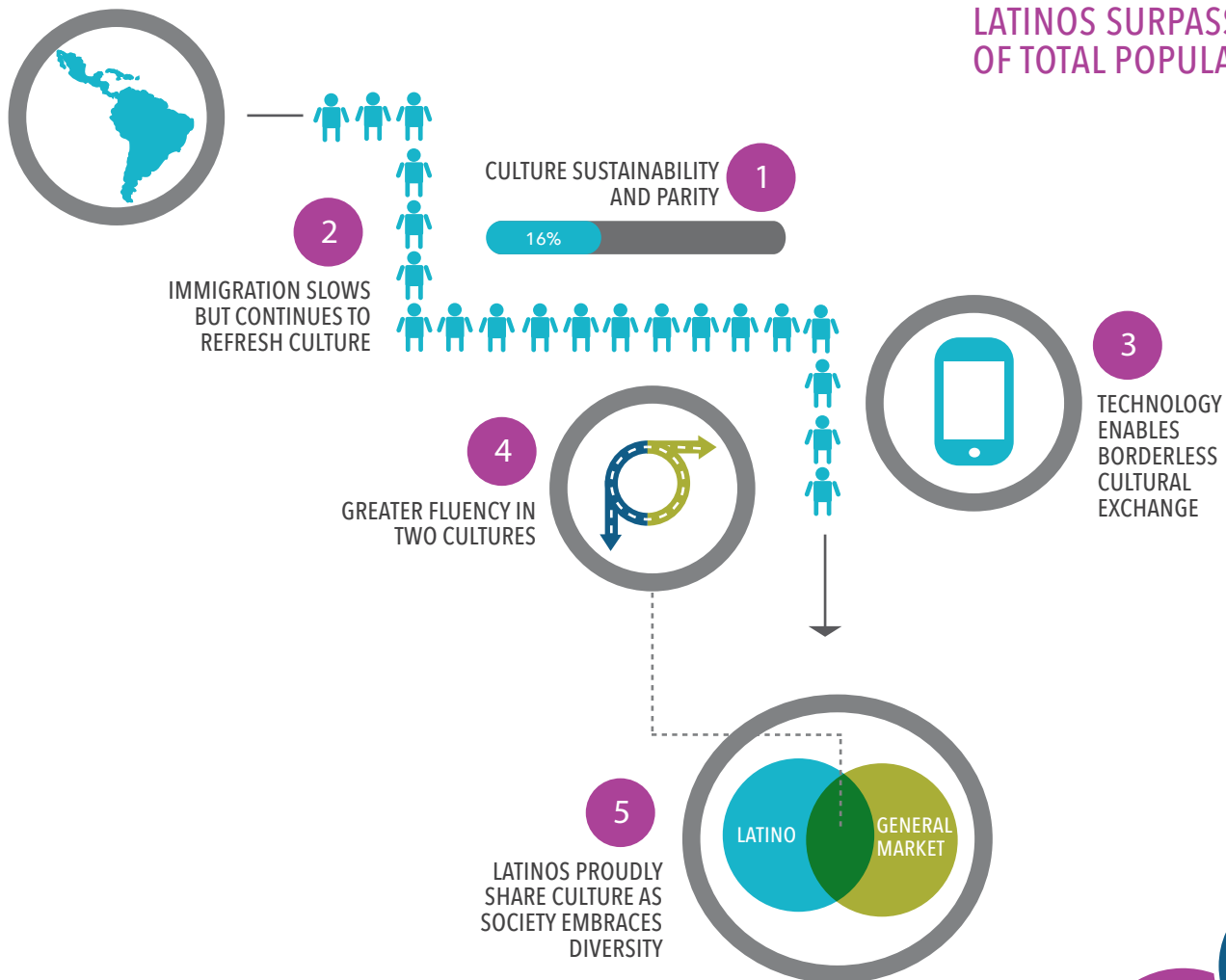


+ CULTURAL PARITY



In today's marketplace, Latinos are no longer outsiders nor a self-contained minority; they are the engine of growth for the younger population and American work force. Their size and newly recognized societal importance has shifted from niche to central in a growing number of markets across the country. The dynamic role of culture change impacts personal motivational triggers, lifestyle, needs and consumption preferences. At the core of culture change is the unprecedented likelihood that Latinos (and other ethnic groups) in the U.S. now have the potential to embed fully into the American national culture and yet maintain major elements of their culture of origin. This is a transformative experience with almost no historical precedent supported by powerful evidence that explains and predicts culture sustainability and parity.

2000 - 2010
LATINOS SURPASS 16%
OF TOTAL POPULATION



Culture Sustainability and parity are reinforced by key indicators including 90% who want their children to speak Spanish 90% who are proud of being Latino, 89% who say almost everyone knows they are Latino, and 86% who say being Latino feels very natural and comfortable.

*Indicators based on exactly/ somewhat like that.

I WANT MY CHILDREN TO SPEAK SPANISH AS WELL AS THEY SPEAK ENGLISH



I AM PROUD TO BE LATINO



BEING LATINO FEELS VERY NATURAL AND COMFORTABLE TO ME



ALMOST EVERYONE I KNOW KNOWS THAT I AM LATINO



+ THE AMBICULTURAL MIDDLE



THE AMBICULTURAL MIDDLE

CULTURAL REROUTING

22

The pull between American and Latino identity is creating an ambicultural middle ground that has become an increasingly attractive destination for individuals moving from opposite sides of the identity spectrum. Most Latinos are either in the ambicultural middle, or they aspire to move there. Historically, the term bicultural has been used to describe the mid-point transition from a Latino to a more American lifestyle. Bicultural implies being a little bit of this and a little bit of that, but Ambicultural is about being all American and all Latino simultaneously. Ambicultural encompasses the current and aspirational desires of a majority of Latinos who choose to fully embrace both the Latino AND American sides of their personal and social selves. We call this cultural rerouting.

Said another way, Latinos who feel equally American and Latino overwhelmingly (85%) want to stay that way, just as 45% of those who feel more Latino than American, and 71% of those who feel more American than Latino, want to shift to the ambicultural middle.



ASPIRE TO THE AMBICULTURAL MIDDLE
SHIFT FROM CURRENT TO DESIRED IDENTITY

71%

OF LATINOS WHO
CALL THEMSELVES
"MORE AMERICAN."

85%

OF LATINOS WHO
CALL THEMSELVES
EQUALLY LATINO
AND AMERICAN

45%

OF LATINOS WHO
CALL THEMSELVES
"MORE LATINO."

...WANT TO BE
EQUALLY LATINO
AND AMERICAN
IN THE FUTURE

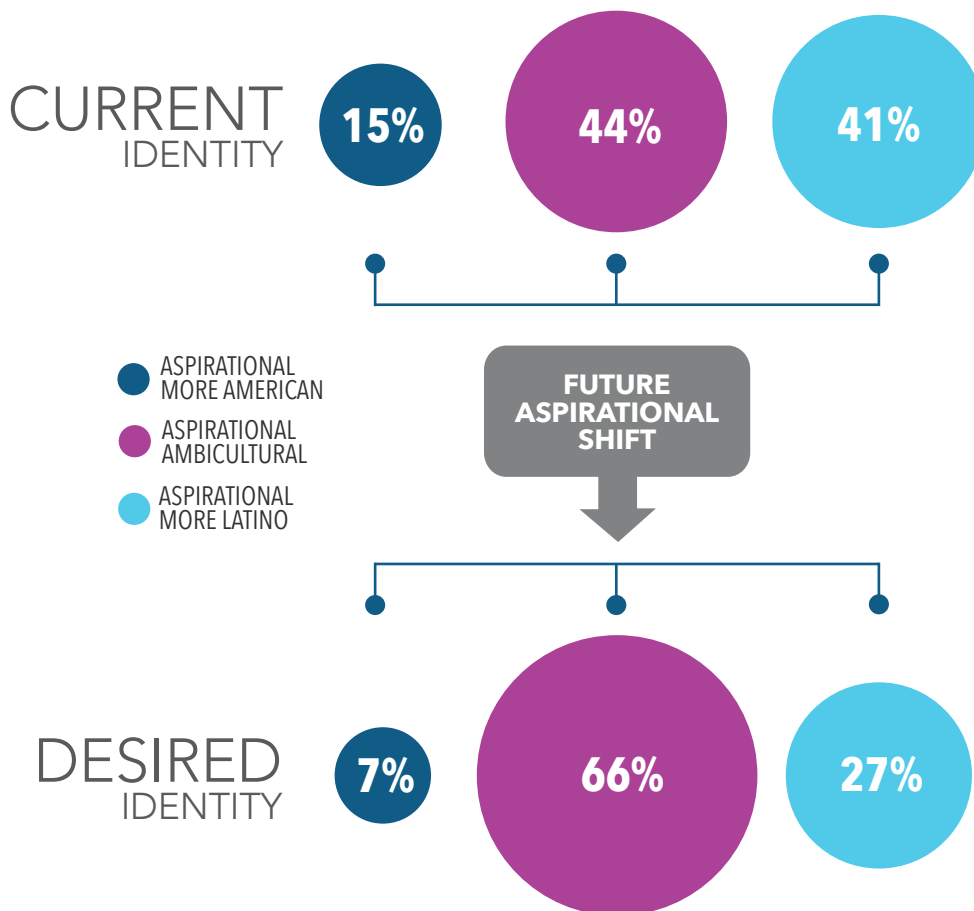


THE AMBICULTURAL MIDDLE

CULTURAL REROUTING

If Latinos are not already in the ambicultural middle, most say they would like to be there and if that sentiment is fulfilled, the three identity categories would shift dramatically. The Ambicultural middle would increase from 44% to 66%, the "More Latino" segment would decrease from 41% to 27% and the "More American" would tumble from 15% to 7%, as shown below.

Q: WHICH OF THE FOLLOWING BEST DESCRIBES HOW YOU ARE RIGHT NOW / HOW YOU WOULD LIKE TO BE...?





THE AMBICULTURAL MIDDLE

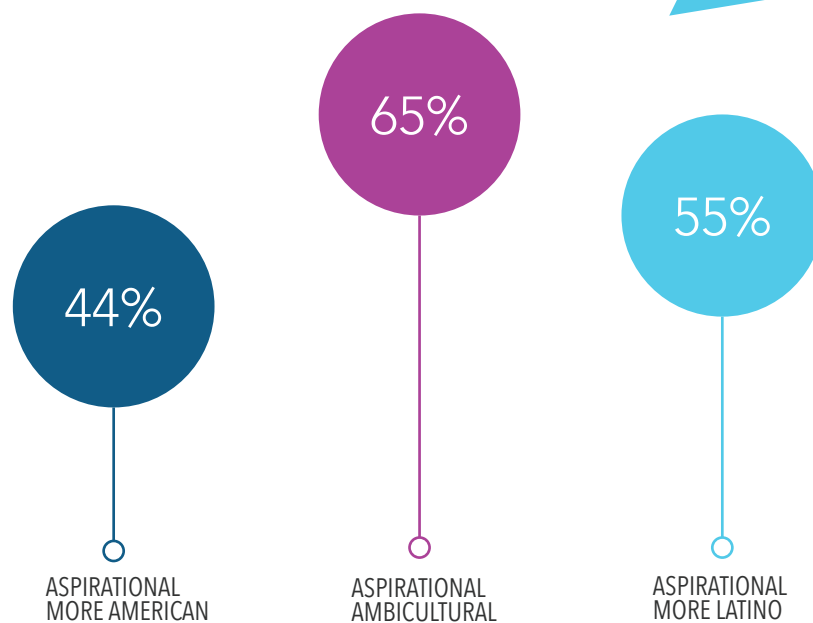
CHARACTERISTICS OF ASPIRATIONAL AMBICULTURALS

This section reviews transcultural behaviors and attitudes among Aspirational Ambicultural Latinos, those who aspire to become more Ambicultural or to remain in the Ambicultural middle - represented by the 66% of the total sample in the previous graph.

We honed in on this group because they are the best indicator of future shifts among the Nation's Latino population. True to form, Ambicultural Latinos sometimes behave similarly to the More Latino segment, and at times more similarly to the American segment. In a few cases, like the chart below, they stand apart from both.

Ambicultural Latinos adapt easily to new situations, an important trait likely learned from immersing themselves across Latino and American cultures. When people are open to new cultures, they are flexible and make connections easily. In today's fluctuating economic, political, and ideological landscape, this particular trait could constitute a significant advantage.

ADAPTS EASILY TO NEW SITUATIONS





THE AMBICULTURAL MIDDLE

CHARACTERISTICS OF ASPIRATIONAL AMBICULTURALS

Q: HOW MANY DIFFERENT COUNTRIES HAVE YOU LIVED IN?

NUMBER OF COUNTRIES LIVED IN

ASPIRATIONAL MORE LATINO

33% 67%

ASPIRATIONAL AMBICULTURAL

49% 51%

ASPIRATIONAL MORE AMERICAN

63% 37%

● ONE ● TWO OR MORE



GEOGRAPHIC REGION OF FRIENDS IN SOCIAL NETWORKS

ASPIRATIONAL MORE LATINO

60% 40%

ASPIRATIONAL AMBICULTURAL

72% 28%

ASPIRATIONAL MORE AMERICAN

78% 22%

● U.S. ● LATIN AMERICA & OTHER REGIONS

Today, 51% of Aspirational Ambicultural Latinos have lived in two countries or more, and 14% visit Latin America often. Add the technological global connections, like the 28% who regularly connect with Latin Americans on social networks, and it becomes evident that about half of these Latinos are global citizens who easily traverse cultures and borders.

Q: HOW FREQUENTLY DO YOU TRAVEL TO LATIN AMERICA?

TRAVEL TO LATIN AMERICA

ASPIRATIONAL MORE LATINO

57% 32% 11%

ASPIRATIONAL AMBICULTURAL

59% 27% 14%

ASPIRATIONAL MORE AMERICAN

65% 25% 11%

● RARELY OR NEVER ● ONCE IN A WHILE ● OFTEN

Q: OF 100% OF YOUR FACEBOOK OR SOCIAL NETWORK FRIENDS, BREAKOUT THE PERCENTAGES OF THE REGIONS AROUND THE WORLD WHERE THEY CURRENTLY LIVE.



THE AMBICULTURAL MIDDLE

CHARACTERISTICS OF ASPIRATIONAL AMBICULTURALS

Aspirational More Americans are more likely to know a language other than Spanish or English. Most Ambicultural Latinos in this study know English, Spanish, and 13% know another language, most likely French, Italian or Portuguese. A third expect to know another language in 5 years, which has a good likelihood of being French, Italian or Chinese. The interest in different languages is fundamental to the cross-cultural mindset and their sense of curiosity.

LANGUAGES KNOWN

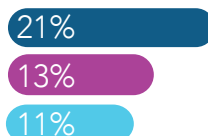
SPANISH



ENGLISH



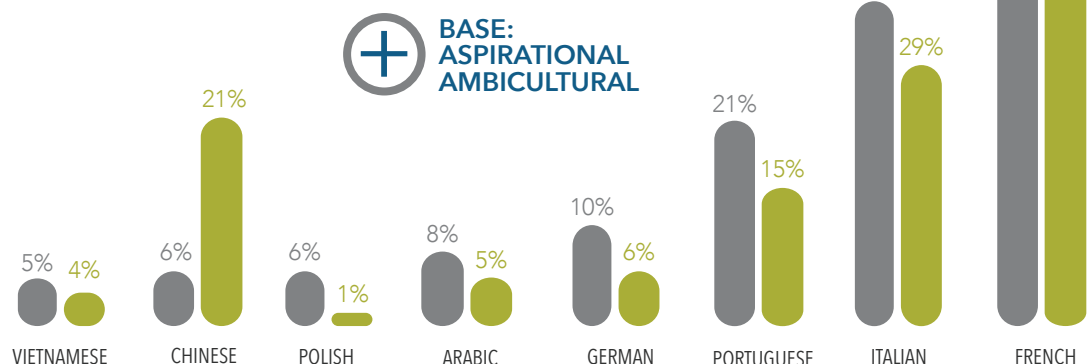
OTHER



Q: HOW WELL DO YOU SPEAK ENGLISH/SPANISH? (A LITTLE OR BETTER SHOWN) NOT COUNTING ENGLISH OR SPANISH, DO YOU HAVE A WORKING KNOWLEDGE OF ANOTHER LANGUAGE?

- ASPIRATIONAL MORE AMERICAN
- ASPIRATIONAL AMBICULTURAL
- ASPIRATIONAL MORE LATINO

LANGUAGES SPOKEN TODAY OR EXPECT TO HAVE WORKING KNOWLEDGE OF IN 5 YEARS



- CURRENTLY SPOKEN
- EXPECT TO KNOW IN 5 YEARS

Q: NOT COUNTING ENGLISH OR SPANISH, DO YOU HAVE A WORKING KNOWLEDGE OF ANOTHER LANGUAGE? WHAT LANGUAGE? IN THE NEXT FIVE YEARS, DO YOU SERIOUSLY EXPECT TO HAVE A WORKING KNOWLEDGE OF A LANGUAGE YOU DON'T CURRENTLY KNOW? (IF YES) WHAT LANGUAGE(S)? FIGURES FOR ASPIRATIONAL AMBICULTURALS WHO KNOW OR EXPECT TO KNOW ANOTHER LANGUAGE.



THE AMBICULTURAL MIDDLE

CHARACTERISTICS OF ASPIRATIONAL AMBICULTURALS

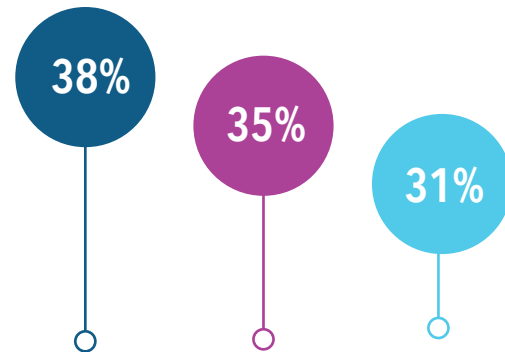
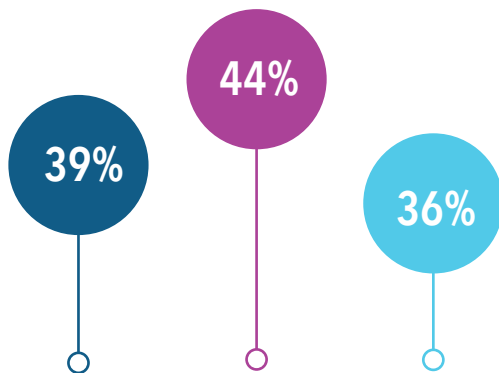
Aspirational Ambiculturals tend to be in long-term relationships with other Latinos, however, they are very open to relationships with non-Latinos. Over a third say they now have a relationship with someone of a different race or ethnicity. Among those with children who date, 44% say their children are dating non-Latinos.

Q: WHAT ARE YOUR EXPERIENCES AND FEELINGS ABOUT HAVING A SERIOUS RELATIONSHIP WITH SOMEONE OF A DIFFERENT RACE?

RELATIONSHIPS WITH SOMEONE OF A DIFFERENT RACE/ETHNICITY NOW HAVE ONE

Q: ARE YOUR CHILD(REN) DATING ...?
(BASE: HAVE CHILDREN WHO ARE DATING)

CHILDREN DATING NON-LATINOS



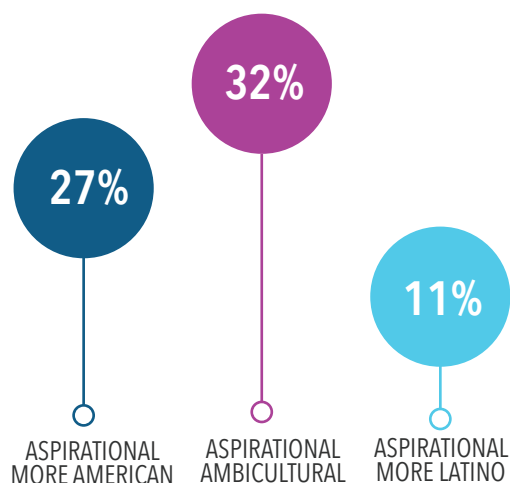
- ASPIRATIONAL MORE AMERICAN
- ASPIRATIONAL AMBICULTURAL
- ASPIRATIONAL MORE LATINO



THE AMBICULTURAL MIDDLE

CHARACTERISTICS OF ASPIRATIONAL AMBICULTURALS

HANG OUT WITH PEOPLE OF MORE THAN ONE ETHNICITY



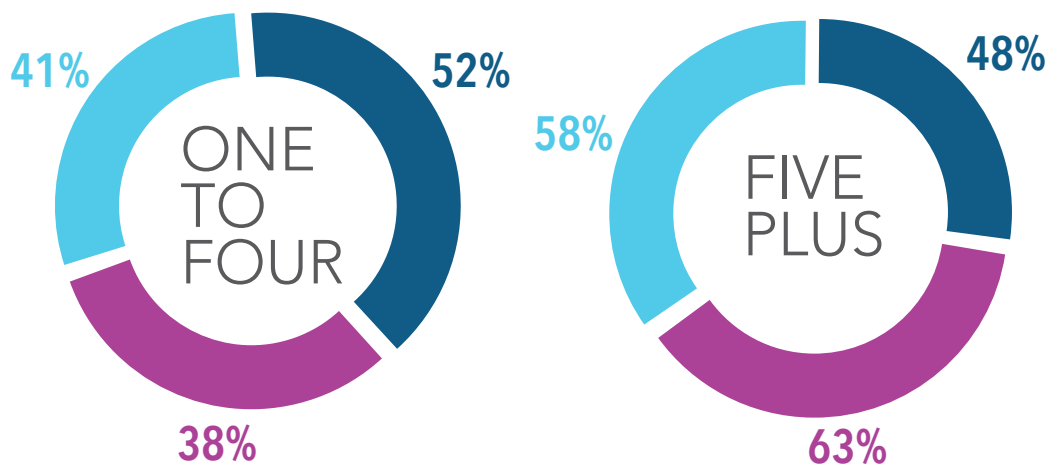
Q: ARE THE PEOPLE YOU GO OUT WITH OF ONE OR A MIX OF ETHNIC GROUPS?

Aspirational Ambiculturals are highly sociable, particularly intermingling with other ethnicities. They also tend to have larger social circles of five or more friends, similar to the sociable More Latino segment.

Q: HOW MANY FRIENDS OR ACQUAINTANCES DO YOU SEE IN PERSON ON A REGULAR BASIS?



NUMBER OF FRIENDS SEEN ON A REGULAR BASIS



- ASPIRATIONAL MORE AMERICAN
- ASPIRATIONAL AMBICULTURAL
- ASPIRATIONAL MORE LATINO

+ AMERICAN AND LATINO EQUITY

WHAT DOES BEING AMERICAN/LATINO MEAN TO YOU

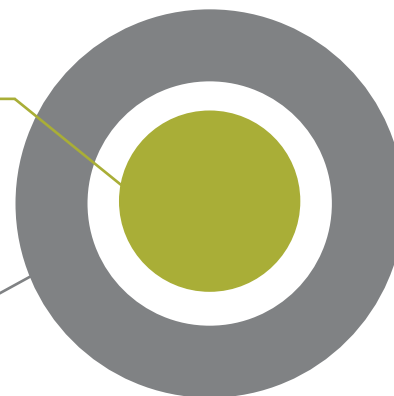
3^{TOP}
LATINO

82% FAMILY
39% HOME
23% COMMUNITY

3^{TOP}
AMERICAN

52% ECONOMICS
39% FREEDOM
38% EDUCATION

+ BASE:
ALL
LATINOS



Being Latino is related to a set of personal values that connect to family and social identity. There is a two-way connection between the core and the outer circle of American-related aspirational and social values. The meaning of being Latino is in the core set of values that nest within Americanness, and work in sync with it. Everyone has both. When one interacts with different people, one may pick and choose how much they want to tap into each. Identity is a fluid and dynamic process under which circumstances, situations or contexts change and the emphasis of identity shifts from one part of the person to another.

At the same time, these dueling aspirations and ideals can be in conflict. Can Latinos progress economically and hold onto their tight-knit family values and lifestyle? How much conflict arises when Latino parents are faced with sending their children away to college? American and Latino aspirations can be at odds and create tensions that challenge them personally, but also stimulate new perspectives and pathways for moving forward.

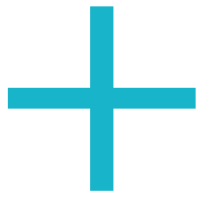


AMERICAN AND LATINO EQUITY

MEANING OF SUCCESS

Definitions of success vary for those who aspire to be Ambicultural, More Latino or More American, which is indicative of conflicting ideals. Those who aspire to be More American set their sights on making money, becoming more educated and getting ahead in their careers or jobs. This does not rank in the top tier for other identity types. People who aspire to be More Latino dream of saving for retirement, and those who aspire to be Ambicultural are more likely to want to be fit and healthy.

The contrast between definitions of success for different identity segments is considerable. Aspiring Ambiculturals have more in common with the More Latino segments who prioritize family, sending kids to college and owning a home, versus the More American segment who is more focused on economic and educational success.



AMERICAN AND LATINO EQUITY

MEANING OF SUCCESS

32

Q.: WHAT DOES SUCCESS MEAN TO YOU? PICK 3, BY THOSE WHO ASPIRE TO BE MORE LATINO, AMBICULTURAL OR MORE AMERICAN

TOP 6 EXPRESSIONS OF SUCCESS BY ASPIRATIONAL IDENTITY GROUP



- UNIQUE TO ONE IDENTITY GROUP
- COMMON TO DIFFERENT SEGMENTS

+ FORECULTURE™

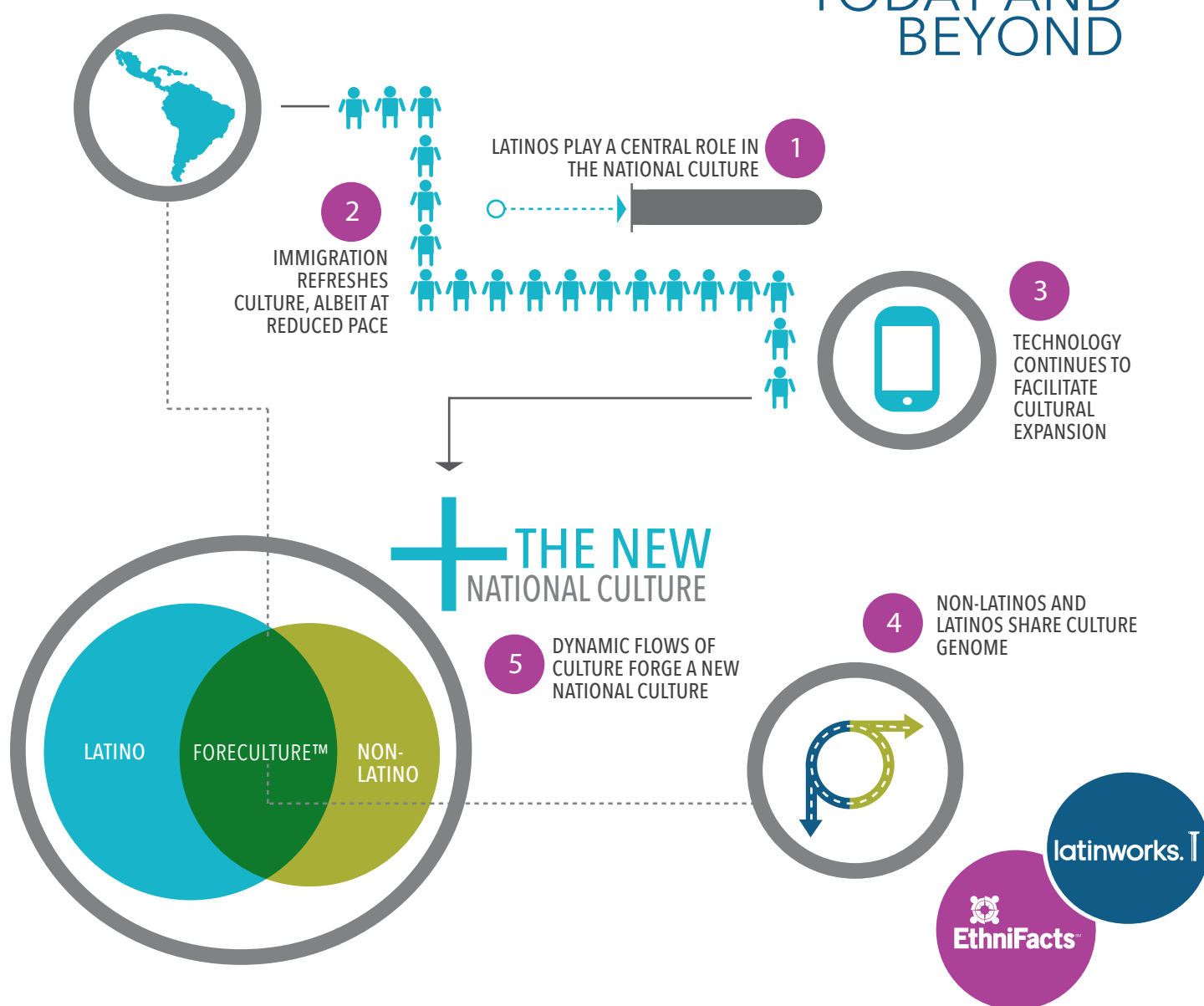




The National Culture is reshaped by Latinos who are the largest ethnic segment today. The silo approach to multicultural markets, which compartmentalized them as separate from the general market mainstream, is being replaced by a more dynamic model that recognizes multiculturalism as a fact of life.

In this shifting landscape, there is a natural convergence of cultures being led by open-minded individuals who seek out new experiences across cultures. **Foreculture™** refers to this expansive sharing space where cultural exploration and exchange take place. The convergence of America's multicultural classes is the driving force behind the new National Culture in which ethnicity and race are blended into the values, attitudes and behaviors that drive society and the new economy.

TODAY AND BEYOND



Latinos strongly believe that they both influence and are influenced by White non-Latinos, and they believe their influence to be bigger than the other way around. Self-designated ratings are obviously subjective, however, they indicate a confidence about Latinos' ability to affect others.

Latinos in all geographic areas recognize a high level of reciprocal influence between Latinos and non-Latino Whites leaving the notion of the Latino closet behind. Given the latest trends, we expected to find a high degree of reciprocal influence in ethnically blended communities, but we also found significant reciprocal influence in very high and low dense Latino areas. The high marks reflect the spirit of Foreculture™ where the blending of cultures is becoming increasingly commonplace across the U.S.

LATINO PERCEIVED INFLUENCE ON NON-LATINO WHITES



HIGH INFLUENCE RATINGS BY
% LATINOS IN ZIP CODE

<25%

48%

45%

25-49%

55%

42%

50-74%

64%

53%

75%+

67%

43%

 LATINOS INFLUENCING
NON-LATINO WHITES

 NON-LATINO WHITES
INFLUENCING LATINOS

Q: PLEASE INDICATE HOW WELL
EACH STATEMENT DESCRIBES
EXACTLY HOW YOU ARE? (BASED
ON 8 TO 10 RATING USING SCALE
OF 1 TO 10 WHERE 10 EQUALS
EXACTLY LIKE YOU).

+ TIP OF THE ICEBERG



TIP OF THE ICEBERG

FUTURE WATCH ON CULTURE

37

Below the proverbial demographic tip of the iceberg is an unprecedented shift in the process we have known as the American melting pot. Already the largest ethnic population in the U.S, Latinos exhibit characteristics that ensure significant future growth. Demographically, youthfulness and persistently higher fertility than other Americans will fuel annual growth rates that will be 4 to 5 times the rates of non-Latinos. Geographically, the proximity of Latinos' countries of origin to the U.S. virtually guarantees that future immigration patterns will again generate additional growth even though we are currently in a low immigration cycle.

Our real focus is on the contemporary cultural dynamic that creates U.S. Latinos. The skeptics have traditionally preferred to wait out the absorption forces of the melting pot. Clearly, our research concludes that they do it at great risk to the wellbeing of their companies and organizations. This study provides compelling evidence that Latinos have a unique, deeply felt, and broadly exhibited cultural makeup and far more importantly, this cultural persona is certain to endure. We call this culture sustainability.

Latinos are not alone on this journey. The rest of America is aware of Latinos and at least from the Latino perspective, this awareness is increasingly positive and translates into another unprecedented phenomenon. Latinos have become more central and more influential on American culture and its values and tastes. So, the adage of Latinos becoming American is increasingly turned to Americans becoming more Latino. The reality is that both are true. We call this culture parity.

Combined, sustainability and parity are creating new transformational spaces where cultural openness, discovery, innovation, and exchange are a valuable new currency in how people relate to each other. These are the social spaces and processes where the future can be found now. At LatinWorks, this is **Foreculture™**. At EthniFacts, this is the **CulturEdge™**. For both of us, it is the future.

Our research has identified cultural trends that have attained solid traction and that appear to have the potential to create long-term transformation in the national culture of the U.S. The widely-discussed significant role that Latinos played in the recent national election combined with the experts' projections about their growing civic engagement have added a dramatic accent and a confirmation of the viability of these trends.





Nonetheless, our research eye simultaneously recognizes at least three significant factors that could impact the direction and velocity of these unprecedented social and cultural trends. We find it useful to frame them as questions about the future.

First, will Latinos actually walk their talk of culture sustainability? Clearly, there is persuasive evidence of aspirational culture change among Latinos and a desire to move to the ambicultural sweet spot. Will a robust and long-term set of culture shift behaviors follow these compelling aspirations? We see solid evidence that this shift has begun, but only time will tell if it ends up as a solid long-term behavioral trend, a passing fad, or an unrealizable aspiration.

Second, will society (the non-Latino portion) continue to embrace the idea of Latinos integrating as participants in and creators of the U.S. national culture and simultaneously enjoying and displaying significant elements of their culture of origin? Or, will there be some push back and resistance that tells Hispanics they can't have their cake and eat it too? We see mixed signals that could shift the public discourse in one direction or the other. Sheer demographics and widespread awareness suggest the former but only time will tell how engrained our **PLUS+ IDENTITY** will become.

Third and perhaps most excitingly, will Guy Garcia's vision of a New American culture actually create a post-Melting Pot amalgam that absorbs and transforms both the Latino identity and the national identity? Transculturation implies a dynamic, continuously moving target that research on culture needs to keep an eye on. Once again, only time will tell if this process will spotlight or obscure the distinctive Hispanic actor in the national culture stage.

Success in the business of understanding and reaching the hearts of people to cause them to engage with products, ideas, and civic principles is driven by objective observation. Thus, we embrace the duality of catching the early waves of transformation and remaining aware that the wave may be fleeting. We plan a permanent future watch on the trends. The data covered in this report is a fraction of what we have already collected.

LatinWorks and EthniFacts, in tandem with our clients, plan ongoing collaboration on monitoring the future of culture change. We are working with corporate partners to pin down specific research on consumer and civic culture in contemporary America. The focus of these efforts will cover a wide array of topics - consumer behavior and attitudes, civic engagement, volunteerism and philanthropy, employment and careers, and a broad range of lifestyle orientations. Inquiries regarding these topical initiatives are welcome.



+ CONTACTS

