



**Understanding the
Perceptions and
Challenges of Hispanic
Financial Advisors and
College Students
Interested in the Field:**
A Comprehensive Study

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INTRODUCTION

The Financial Alliance for Racial Equity (FARE) is an Ohio-based 501(C)6 nonprofit organization with tax exempt status with the IRS. FARE members include financial services firms, industry partners, and historically Black colleges and universities (“HBCUs”). We aim to transform the financial services industry to better serve diverse employees and communities—current and future generations—using actionable and measurable solutions.

In 2018, Nationwide, along with the American College of Financial Services, initiated the [R.I.S.E. Research](#) to determine why there was a lack of Black financial professionals in the financial services industry. The R.I.S.E. Research identified insights that lead to actionable solutions to increase the number of Black financial professionals and improve their opportunities for success in the financial services industry. To advance these solutions and contribute to lasting change in the industry, Nationwide has partnered with leading financial services organizations, industry partners, and HBCUs to form the Financial Alliance for Racial Equity (“FARE”).

A key 2024 FARE initiative is to understand the perceptions and challenges faced by Hispanic financial professionals as well as students considering careers in the financial services industry and implement targeted programs to increase Hispanic representation in the financial services industry. . We will accomplish this by conducting primary research to understand these specific perceptions, attitudes, needs, and challenges.

OBJECTIVES

The primary objective of the research is to:

1. Better understand perceptions and attitudes of Hispanic financial professionals working within the financial services industry.
2. Better understand Hispanic student perceptions and needs of the financial services industry. In addition, we are seeking to understand core drivers that inform what majors these students select and what types of messaging resonates when they are considering job opportunities, companies to work for, and careers.
3. To improve the opportunities for success among Hispanic financial professionals by addressing their unique needs and challenges within the financial services sector.

Ideally, the research within the Hispanic Segment will foster a financial services industry that actively embraces diversity, ensuring that Hispanic individuals have equal opportunities to succeed alongside their peers. Through this research, we endeavor to uncover and address the unique challenges faced by the Hispanic segment, paving the way for long-lasting transformation towards diversity and inclusivity within the industry.

This objective is prioritized as the first step in our research because it serves as the foundation for comprehending the unique experiences and challenges faced by the Hispanic community within the financial services industry. Understanding their perceptions is crucial because it enables us to identify the barriers, biases, and opportunities that exist within the industry. By doing so, we can lay the groundwork for fostering a more inclusive and equitable environment.

Ultimately, understanding how to increase the number of Hispanic professionals creates a foundation for lasting change, where the industry evolves to better reflect the diversity of the population it serves, promoting financial inclusivity and equity.

The second objective, generating insights leading to actionable solutions, is of paramount importance as it directly addresses the critical issue of underrepresentation of Hispanic professionals within the financial services industry. By generating insights into the barriers and opportunities, we can pave the way for actionable solutions that aim to bridge the gap and increase Hispanic representation. This will include fostering inclusivity, quantitative growth, and long-term impact.

Addressing the unique needs and challenges of Hispanic financial professionals is significant because it directly focuses on ensuring that Hispanic financial professionals have an environment that enables them to thrive. It addresses the unique needs and challenges faced by this segment of the population, which, when left unaddressed, can hinder their progress and success in the financial services sector. Empowerment, retention and advancement, and an inclusive and supportive environment are vital to achieving greater diversity, equity, and inclusion within the financial services industry.

Together, these objectives aim to empower and support Hispanic professionals, improve opportunities for success, and contribute to achieving greater diversity, equity, and inclusion within the financial services industry.

ABSTRACT

This research project aims to investigate the underrepresentation of Hispanics in the financial services industry and the challenges they face. According to 2020 Census data, there are 62.1 million Hispanics living in the United States. This group represents 18.9 percent of the total U.S. population, the nation's second largest racial or ethnic group after non-Hispanic whites. According to Zippia, 9.5% of financial professionals in the financial services industry are Hispanic or Latino.

By surveying Hispanic financial professionals and students considering careers in the financial services sector, we seek to uncover the perceptions, challenges, and unique needs of the Hispanic segment. The research findings will be used to develop actionable solutions and foster lasting change within the industry to increase diversity and inclusion for Hispanics.

Two *hypotheses* will be tested during the research:

1. Many Hispanic individuals and students do not actively pursue or engage with the industry due to a lack of awareness about available opportunities, a perception that the industry may not adequately understand their needs, or a lack of trust in financial institutions.
2. The limitations that deter Hispanic individuals from engaging with the financial services industry may include insufficient access to inclusive financial advice, inadequate understanding of their unique needs within the sector, and a lack of sensitivity to cultural and diversity-related issues.

RESEARCH QUESTIONS

Details and questions for qualitative research could include:

Perceptions and Barriers:

- a) What are the primary perceptions and attitudes held by Hispanic individuals towards the financial services industry as a career path?
- b) What are the key barriers or challenges that deter Hispanic students from pursuing careers in the financial services sector?
- c) How do Hispanic financial advisors perceive their representation and inclusion within the industry?

Educational Pathways:

- a) What educational pathways and resources do Hispanic students typically utilize when considering careers in the financial services sector?
- b) What educational and mentorship opportunities are available to support Hispanic students pursuing financial services careers?

Workplace Environment:

- a) How do Hispanic financial professionals perceive the workplace environment and culture within the financial services industry?
- b) What are the unique workplace challenges or biases faced by Hispanic professionals?

Access to Opportunities:

- a) What are the primary sources of information and opportunities for Hispanic individuals to enter the financial services field?
- b) Are there specific access challenges that Hispanic individuals encounter in accessing industry-related resources and networks?

Retention and Advancement:

- a) What factors contribute to the retention and career advancement of Hispanic advisors within the financial services sector?
- b) Are there particular support structures or mentorship programs that prove effective in promoting career growth for Hispanic professionals?

Role of Education and Awareness:

- a) To what extent is financial education and awareness among Hispanic communities correlated with increased interest and representation in the industry?
- b) How can financial education be further promoted within Hispanic communities to encourage careers in financial services?

Initiatives and Programs:

- a) What industry-specific programs or initiatives have been effective in increasing diversity and inclusion for Hispanic individuals in the financial services sector?

- b) What improvements or innovations could be made in these programs to further support Hispanic representation?

Mentorship and Support:

- a) What role does mentorship play in the career development of Hispanic financial professionals?
- b) What are the best practices and recommendations for establishing mentorship programs within the industry?

Community and Industry Collaboration:

- a) How can collaboration between the Hispanic community and the financial services industry be improved to enhance opportunities for Hispanic individuals?
- b) What strategies or models have been successful in achieving such collaboration?

These primary research questions can provide a comprehensive understanding of the challenges and opportunities faced by Hispanic individuals in the financial services industry and can guide the development of actionable solutions to foster diversity and inclusion.

Here are the high-level research questions that are more suited for quantitative research:

Educational Pathways:

- a) What educational pathways and resources do Hispanic students typically utilize when considering careers in the financial services sector?

Role of Education and Awareness:

- a) To what extent is financial education and awareness among Hispanic communities correlated with increased interest and representation in the industry?

Initiatives and Programs:

- a) What industry-specific programs or initiatives have been effective in increasing diversity and inclusion for Hispanic individuals in the financial services sector?

Mentorship and Support:

- a) What are the best practices and recommendations for establishing mentorship programs within the industry?

These questions involve aspects that can be quantified to some extent, such as the prevalence of certain educational pathways, the impact of financial education and awareness, program effectiveness, and measurable best practices for mentorship programs.

METHODOLOGY

RESEARCH DESIGN:

To conduct this research, a mixed-methods approach will be employed, leveraging a combination of **qualitative** and/or **quantitative** methods. The study will utilize a combination of surveys, interviews and focus groups, to gather comprehensive data from current students attending HSIs, faculty and staff members working at HSIs, and Hispanic financial advisors who have worked in the industry for at least two years.

The small focus groups provide an opportunity for more nuanced and detailed qualitative data that can paint a comprehensive picture of the issues and potential solutions in the context of Hispanic representation in the financial services sector.

PHASE 1: Focus Group(s)

Audience	Desired Outcomes
<ul style="list-style-type: none"> • 3-5 students (HSIs) • 2 university partners (HSIs) • 5 Hispanic advisors 	<ul style="list-style-type: none"> • In-Depth Understanding of the experiences, perceptions, and challenges faced by Hispanic students considering careers in the financial services industry, • Key issues, concerns and barriers faced by Hispanic students pursuing financial services careers. • Qualitative Insights: beneficial needs and support systems students, faculty and staff feel would be beneficial to increase representation / From advisors: perspective on attracting talent and retention strategies. • Rich Anecdotal Data: Gather rich anecdotal data that can provide context to quantitative survey results and help frame the research findings in a real-world context. • Diverse Perspectives: Ensure a diverse range of perspectives from students, faculty, staff, and advisors to validate and triangulate findings across these distinct stakeholder groups. • Recommendations: Develop recommendations based on the insights and experiences shared by participants that can guide efforts to address the underrepresentation of Hispanic individuals in the financial services industry.

Potential PHASE 2: Qualitative Survey(s)

Audience	Desired Outcomes
<ul style="list-style-type: none"> • n = 1000 students (HSIs) • n = 500 faculty and staff (HSIs) • n = 500 Hispanic financial advisors 	<ul style="list-style-type: none"> • Validation of Hypotheses: Determine whether the survey responses support or refute the two hypotheses presented in the research. Specifically, the surveys should help assess the extent to which a lack of awareness, perception issues, or trust concerns are deterring Hispanic individuals from engaging with the financial services industry. Additionally, evaluate whether limitations such as insufficient access to inclusive advice, inadequate understanding of their unique needs, and cultural sensitivity are contributing factors. • Identification of Perceptions and Challenges: Gather detailed information about the specific perceptions, challenges, and unique needs of the surveyed groups regarding the financial services industry. Explore their attitudes, beliefs, and concerns related to pursuing careers in this field or engaging with financial professionals. • Insights into Trust and Awareness: Gain insights into the level of trust individuals have in financial institutions and their awareness of available opportunities in the industry. Assess whether there is a gap in understanding the opportunities and services that are tailored to the needs of the Hispanic community. • Cultural Sensitivity and Inclusivity: Explore the respondents' experiences and views regarding the cultural sensitivity and inclusivity of the financial services sector. Determine whether they feel their cultural backgrounds and diversity-related issues are adequately addressed. • Recommendations for Change: Based on the survey responses, develop recommendations and actionable solutions to address the identified challenges and perceptions. These recommendations should be aimed at fostering change within the industry to increase diversity and inclusion for Hispanics. • Foundation for Data Analysis: Provide rich qualitative data that can be analyzed alongside quantitative survey results, interviews, and focus group data to generate a comprehensive understanding of the issues and potential solutions regarding Hispanic representation in the financial services sector.

The qualitative surveys are an essential component of the research, helping to gather in-depth insights, validate hypotheses, and provide a foundation for developing recommendations to drive lasting change within the financial services industry.

RESEARCH SUBJECTS/PARTICIPANTS:

The sample population will consist of students, aged 18 and above, currently attending HSIs, as well as faculty and staff members currently employed at HSIs. The sample population will include Hispanic financial advisors currently working in the financial services industry. Random sampling techniques will be employed to ensure a representative sample that encompasses different demographics.

SCREENING CRITERIA

Life Stage	Demographics	Diversity	AGE
HSI current students	50/50 female/male	Random Sampling:1st generation 2nd generation, Immigrant and Non-Immigrant	18>
HSI faculty members	50/50 male/female	Random Sampling:1st generation,2nd generation, Immigrant and Non-Immigrant	18>
HSI staff members	50/50 male/female	Random Sampling:1st generation, 2nd generation, Immigrant and Non-Immigrant	18>

Financial Professional	Designations	AUM	Channel	Products
At least 2+ years of experience	25% CHFC 25% AFC 50% other	Less than \$1M AUM	Wirehouse, Independent, Regional, RIA, Broker-dealers, Wealth Management, Insurance	A mix of investment (stocks, bonds, mutual funds, ETFs), insurance (life, health, annuities), retirement (401(k)s, IRAs, pension plans), and estate planning (wills, trusts & probate)
At least 2+ years of experience	25% CHFC 25% AFC 50% other	\$1M - \$5M AUM	Wirehouse, Independent, Regional, RIA, Broker-dealers, Wealth Management, Insurance	A mix of investment (stocks, bonds, mutual funds, ETFs), insurance (life, health, annuities), retirement (401(k)s, IRAs, pension plans), and estate planning (wills, trusts & probate)
At least 2+ years of experience	25% CHFC 25% AFC 50% other	\$5M - \$25M AUM	Wirehouse, Independent, Regional, RIA, Broker-dealers, Wealth Management, Insurance	A mix of investment (stocks, bonds, mutual funds, ETFs), insurance (life, health, annuities), retirement (401(k)s, IRAs, pension plans), and estate planning (wills, trusts & probate)
At least 2+ years of experience	25% CHFC 25% AFC 50% other	> \$25M AUM	Wirehouse, Independent, Regional, RIA, Broker-dealers, Wealth Management, Insurance	A mix of investment (stocks, bonds, mutual funds, ETFs), insurance (life, health, annuities), retirement (401(k)s, IRAs, pension plans), and estate planning (wills, trusts & probate)

We will survey distinct categories or groups based on AUM, allowing for a broad spectrum of advisors. We aim to use a **stratified sampling approach** to ensure representation from each AUM category. This technique involves randomly selecting advisors from each category in proportion to their presence in the overall population. For example, if the actual population of Hispanic advisors in the industry is .05% with >\$25M AUM, we would require a selection of .05% of advisors in the category to participate in our research.

Data will be collected through structured surveys designed and presented by the accepted vendor to measure awareness, perceptions, and trust levels. Additionally, in-depth interviews will be conducted to gather qualitative insights and explore the challenges faced by current students attending HSIs who could be considering career path in financial services, as well as faculty and staff members working at those HSIs. Focus groups and in-depth interviews will also be conducted with Hispanic advisors who have worked within the financial services industry for at least two years. Collected data will be analyzed using statistical techniques, content analysis, and thematic analysis to identify patterns, trends, and potential solutions.

The research findings aim to provide valuable insights and recommendations to financial professionals, DEI industry leaders, policymakers, and relevant stakeholders, enabling them to develop more inclusive and tailored financial services that cater to the unique needs of individuals within the Hispanic community. Ultimately, this research aspires to foster financial empowerment and improve the overall well-being of this marginalized population.

In essence, these designations go beyond just technical financial knowledge, incorporating elements of counseling and holistic planning that could be crucial when working with diverse communities, including Hispanic individuals.

Proposal & Questions Submitted

Vendor proposals should be submitted via email to the point of contact shown below. The vendor's proposal must be dated, and a point of contact (including an E-mail address) must be included in the proposal.

Attn: FARE Coalition for Hispanic Segment Research; FAREcoalition@nationwide.com

All questions regarding this RFP must be put in writing and sent via email to the attention listed above.

Evaluation Criteria

This Request for Proposal is issued as a competitive procurement. The contract(s) resulting from this Request for Proposal will be awarded to the responsible Vendor(s) whose offer, (a) conforms to this solicitation (b) is most advantageous to FARE, and (c) costs are competitive; and may include other factors, which may be considered.

The following evaluation factors and sub-factors and respective weightings will be used to determine the “best value” to FARE and its client.

- (a) Technical Evaluation (**70%**)
 - Experience
 - Personnel
 - Technical/Management Approach

- (b) Business Evaluation (**30%**)
 - Cost/Pricing
 - Acceptance of Terms and Conditions

Project Specific Requirements

Technical/Management Approach. As part of the vendor proposal, please provide a description of the anticipated technical and management approach for carrying out the requirements of the Statement of Objectives. Such detail will include, but will not be limited to the following (if applicable):

- I. Background – describe the project in general terms.
- II. Objective – describe the end product or results expected from the vendor.
- III. Scope – describe the general scope of what, tools, services, etc. the vendor will be providing (the “Work”).
- IV. Provide high-level descriptions of the work FARE associates will need to provide to you and any associated dependencies.
- V. Period of Performance- provide an estimated length of time required to complete the Work.
- VI. Project Execution/Approach- describe the life cycle, methodology, and process of executing the Work. Describe how the Work will be managed and by whom.
- VII. Task or Requirements – specify the detailed Work and management requirements that the vendor will be performing, specify the detailed Work and management requirements that FARE will be performing.
- VIII. Deliverable or Delivery Schedule- define deliverables/milestones to be achieved and due dates.
- IX. Quality Control Management/Procedures (Risk Mitigation)- describe the approach the vendor will use to ensure that Work and deliverables meet the requirements of FARE (to include vendor’s approach for identifying, tracking, reporting, and resolving any issue or risk. Please include the roles and responsibilities of both parties).
- X. Quality Assurance- describe, as a procedure or set of procedures the vendor intends to take to ensure that all Work and deliverables under development (before work is complete, as opposed to afterward) meet specified requirements.
- XI. Service Level Agreements (SLAs).
- XII. Testing- describe the methodology and process for testing and the roles and responsibilities (vendor versus FARE).
- XIII. Acceptance Criteria - define when acceptance occurs.
- XIV. Knowledge Transfer - describe how the vendor will assist FARE to self-manage the deliverable(s) (i.e., system/application/report) after the completion of the Work.

- XV. Special Requirements - describe, if any, special requirements needed in order to perform the Work (ex: need access to FARE network, need access to secondary research, etc.).
- XVI. Subcontracting – Describe any subcontracting arrangements that you will utilize if selected to proceed with this engagement; and
- XVII. Vendor’s Point of Contact - State who will be the Vendor’s point of contact for this effort and vendor contact information.

PRICING

Pricing Considerations

FARE believes the vendor's proposal includes the most competitive pricing, both initially and throughout the partnership. FARE aims to collaborate with its suppliers to continuously find ways to reduce costs and enhance value.

Fee Structure

Pricing can be established with a **Time and Material with a ‘Not to Exceed’ Cap.**

- Invoice payments must be tied to delivery and FARE acceptance of project deliverables for both pricing models.
- Project deliverables and delivery dates are required. Competing firms are expected to illustrate how the delivery will be managed and the percentage of fees at risk if deadlines are missed.
- We are not predisposed to the lowest-cost model; however, we do expect a competitive proposal with

RESEARCH TIMELINE

Please note the dates below are tentative dates and may be changed by FARE at any time. All changes will be communicated to vendor.

Activity	Target Date
RFP distributed to Vendors	1/29/2024
Vendor questions Due	2/29/2024

Definitions

FARE: *The Financial Alliance for Racial Equity* is a 501(c)6 non-profit organization and coalition of financial services firms, industry partners, and Historically Black Colleges and Universities (HBCUs) with a mission to increase racial diversity, drive greater equity, and foster inclusion within the financial services industry and communities served.

AFC: The *Accredited Financial Counselor* designation is centered on equipping financial professionals with the skills to provide effective financial counseling. This certification emphasizes the importance of clear communication and a nuanced understanding of the unique needs and challenges faced by individuals and communities. Holders of the AFC designation are trained to provide personalized and culturally sensitive financial guidance, fostering a comprehensive approach to improving financial well-being. This could be especially helpful in engaging with Hispanic students and professionals, as it emphasizes a more personalized and culturally sensitive approach to financial advice.

ChFC: The *Chartered Financial Consultant* designation is awarded by The American College of Financial Services and signifies expertise in financial planning. Professionals with a ChFC designation are well-versed in various aspects of financial planning, including insurance, investments, taxation, retirement planning, and estate planning. This knowledge is valuable when engaging with individuals from diverse backgrounds and addressing their specific financial needs. This broader scope allows financial professionals to address various aspects of an individual's financial situation, which could be particularly relevant when considering the unique needs of the Hispanic segment.

Financial Advisor: A financial advisor is a professional who offers expert guidance and advice to individuals and organizations on various aspects of financial planning and management. Financial advisors assist clients in making informed decisions related to investments, retirement planning, risk management, estate planning, and overall financial well-being. They provide personalized strategies and recommendations to help clients achieve their financial goals, improve financial stability, and navigate complex financial situations.

HSIs: HSIs, or Hispanic-Serving Institutions, are institutions of higher education in the United States that have a high enrollment of Hispanic or Latino students. The federal government designates these institutions based on specific criteria, including the percentage of Hispanic enrollment and the institution's mission to serve the Hispanic community. To be recognized as an HSI, an institution must have an undergraduate full-time equivalent enrollment that is at least 25% Hispanic.

Hispanic: "Hispanic" or "Latino" generally refers to individuals with cultural ties to Spanish-speaking countries or regions, including but not limited to Latin America and Spain.

1st generation Hispanic: Individuals who were born outside the United States and have immigrated to the country. These individuals are the first generation in their family to be born in the U.S. They may have been born in a different country, and their parents, who are immigrants, made the journey to the United States. The term "1st generation" emphasizes the individual's immigrant status and distinguishes them from subsequent generations born in the U.S.

2nd generation Hispanic: Individuals who were born in the United States but have at least one parent who is an immigrant. In other words, these individuals are the second generation in their family to be born in the U.S., and their parents are 1st generation immigrants. The term "2nd generation" highlights their U.S. birth while acknowledging the immigrant background of their parents.

Immigrant: An individual of Hispanic or Latino origin who has moved to the United States with the intention of establishing permanent residency. Immigrants may come to the United States for various reasons, such as family reunification, employment opportunities, refugee status, or seeking asylum. Once in the U.S., immigrants undergo a legal process to obtain permanent residency or citizenship, allowing them to reside in the country on a long-term or permanent basis. The term "immigrant" distinguishes these individuals from temporary residents or non-immigrants who are in the U.S. for a specific, temporary purpose.

Non-immigrant: A Hispanic non-immigrant to the United States refers to an individual of Hispanic or Latino origin who is residing in the United States temporarily and does not have permanent residency or citizenship status. A non-immigrant is authorized to stay in the United States for a specific and temporary purpose, such as studying, working, or visiting. This population may include individuals on various visa types, such as student visas, work visas, or temporary visitor visas. It's important to note that the term "non-immigrant" implies a temporary stay, and individuals in this category are expected to return to their home country after the completion of their authorized period of stay.