

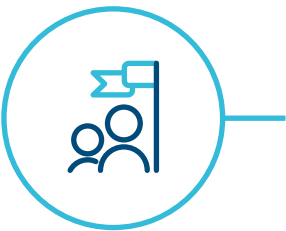


FINANCIAL
HEALTH

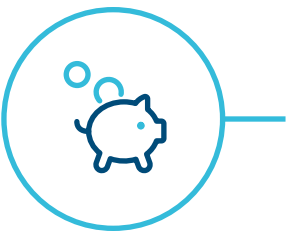
Secure Your Financial Foundation and Build for the Future

T. Rowe Price completed research on diverse communities in January 2020. The research provided specific insights on Hispanic and Latino investors. This is a high-level overview of the findings.

The Hispanic and Latino investor: Planning for the future



The Hispanic and Latino community values saving. Just as previous generations of Hispanic and Latino parents saved to help their kids succeed, today's generation is following their lead. The research found, though, that the Hispanic and Latino community wants guidance on how to best prioritize their financial goals.¹ Saving for the family means saving for many things, including education, an emergency fund and retirement. More than most other groups, the Hispanic and Latino community expressed trouble prioritizing their financial objectives. A financial professional can help these investors determine where to direct their resources.



T. Rowe Price's research showed that 65% of Hispanic and Latino surveyed felt confident they were saving enough for the future.² Of those saving for retirement, 96% contribute to a 401(k), a rate slightly higher compared to other groups.³

NEXT WAVE HISPANIC AND LATINO INVESTORS

Are an economic powerhouse

\$2.3T

The Hispanic and Latino community contributes \$2.3 trillion yearly in economic activity in the U.S.

8TH

If the U.S. Hispanic and Latino community were its own country, its gross domestic product (GDP) would rank as the 8th largest GDP globally⁴

Are intentional

37%

began investing after starting a family

Are involved in their finances

43%

want a coach to manage some of their investing, but not all decision-making

78%

want a financial professional to custom-design a strategy just for them⁵

¹ T. Rowe Price Next Wave of Wealth Research Study, January 2020. Study includes interviews with high-earning Hispanic and Latino community members and peer groups to better understand goals, needs, and pain points

² T. Rowe Price Next Wave of Wealth Research Study, January 2020.

³ T. Rowe Price Retirement Savings & Spending Study September 2020. Study includes those 18+ in various ethnic groups.

⁴ The Economic State of the Latino Community in America, Joint Economic Committee, US Congress.

⁵ T. Rowe Price Next Wave of Wealth Research Study, January 2020.



A majority (54%) of the Hispanic and Latino community said they value security in investing, while 42% leaned more toward opportunity.⁶ Determining the right balance of security and opportunity is key to deciding where and how to invest. A financial professional can help investors find the spot where they feel most comfortable on the opportunity vs. security spectrum.

It's important for Hispanic and Latino investors to find a financial coach who's a good fit—someone who truly understands their specific needs and will guide them every step of the way. Taking the time to identify a professional who is the right fit can lead to a long and close relationship. Hispanic and Latino investors value referrals from friends or family members to find a trustworthy financial professional. Searching the internet can also be a good way to explore options.



Hispanic and Latino investors often want to be “in-the-know” when it comes to their investments. In fact, 64% want to know as much as possible about these topics.⁷ A coach can help investors gain a better understanding of how to protect and grow their financial picture, allowing the investor to make more informed decisions. Many financial professionals can offer or steer investors to online education programs to explore.

With the right coach as a guide, the investor can work from a customized strategy to continue building toward their family's future. Financial professionals can provide as much management and coaching as the investor wants, as it's an individual decision. Hispanic and Latino investors are interested in working with a financial coach, but T. Rowe Price's research showed that Hispanic and Latino investors want to choose from different fee structures, such as a monthly or annual flat fee or subscription rate.



3 Ways to Make Your Goals a Reality

✓ Evaluate advice providers

The first step is to find the right financial coach to help you wade through the education and strategy process. Ask friends and family for referrals and look for recommendations online. When interviewing financial professionals, ask about the types of investment models they use, how they structure financial strategies, and their fee structures.

✓ Build your knowledge

After you find the right coach, learn all you can about financial topics, using recommended online learning tools and by asking questions. Getting comfortable with the different investment types and determining where you want to put your dollars will help you move forward confidently.

✓ Put your strategy in action

Once you have a financial strategy, it's time to implement it. Take regular steps toward your goals with guidance from your professional. Making regular contributions to your investments with automated deductions is one way to stay on the path. But continue to reevaluate every time you get a raise or your situation changes, increasing your contributed percentage yearly at a minimum.

⁶ T. Rowe Price Next Wave of Wealth Research Study, January 2020. Investors rated how they valued security vs. opportunity on a scale of 1–10. 1 represented security (more concerned with preserving the original value of their investments), while 10 represented opportunity (more comfortable with possible substantial declines in pursuing higher levels of growth). 42% of Hispanic and Latino investors identified themselves in the 5–10 range.

⁷ Ibid

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