

Northwestern Mutual: Future Hispanic Business Leaders Outsmart Others in Personal Finance Quiz

MILWAUKEE ([BUSINESS WIRE](#)), August 31, 2011 - Future Hispanic business leaders tallied higher scores on a personal finance quiz than average Americans but still need access to more information, according to survey results announced by Northwestern Mutual – the World’s Most Admired Life Insurance Company in 2011 according to [FORTUNE](#) magazine.

Gregory Jones is Northwestern Mutual's director of diversity and inclusion. (Photo: Business Wire)

On August 8, 2011, half (50%) of [ALPFA](#) 2011 Annual Convention attendees passed Northwestern Mutual’s [Financial Matters Quiz](#), which tests people’s knowledge of financial concepts and products.

This outpaces the national average of [31% who passed the quiz in November 2010](#).

Most ALPFA attendees had a strong grasp of basic financial concepts:

Most understood the definitions of diversification (95.8% answered correctly), asset allocation (88.3%) and dollar-cost averaging (57%).

A vast majority understood the value of some financial products, accurately selecting the benefits of disability insurance and fixed annuities (85.5% and 87.4% respectively).

“If you want to see who tomorrow’s financially-secure business leaders might be, see who’s consistently strengthening their money management skills today,” said Gregory Jones, Northwestern Mutual director of diversity and inclusion. “The results show that half of the next generation’s Hispanic business chiefs who passed our quiz are better prepared to achieve financial security both for themselves and for the organizations they’ll guide.”

The results did reveal some financial knowledge gaps among ALPFA 2011 attendees.

With regards to financial concepts:

Half of respondents (52.8%) grasped that, historically, stocks have offered the best protection against inflation compared to bonds

Nearly two thirds, (72%) realized that “529 plans” are used for college savings, as opposed to health care or retirement

Just over half (57%) of respondents knew that the average rate of inflation is closer to 3% than 6% or 9%

Survey results also revealed:

One-in-five (18.7%) knew that permanent life insurance policy owners can earn dividends

About one-in-seven (13.1%) understood that the cash value built up within a permanent life insurance policy is tax-deferred and can be accessed at any time

“The results echo many recent studies showing that the benefits of permanent life insurance – growth, flexibility and guarantees – aren’t well-known by all Americans, including those of Hispanic origin,” continued Jones. “This honest assessment will hopefully spur professionals to learn more about permanent life insurance and other personal finance tools.”

Multimedia Extras

[YouTube Video: Northwestern Mutual announces “Financial Matters” study](#)
[Northwestern Mutual’s “Financial Matters” Personal Finance Quiz](#)

About the Research

Conducted on Monday, August 8, 2011, 214 ALPFA attendees answered [Northwestern Mutual’s “Financial Matters” Quiz](#), which tests people’s knowledge of financial concepts and products.

This poll marks the first in series of polls by Northwestern Mutual, with the aim of bringing continued awareness

to personal finance issues. The company will also conduct similar surveys at:

National Association of Women MBA (NAWMBA) National Conference
National Black MBA Association (NBMBA) Conference and Exposition
National Society of Hispanic MBAs (NSHMBA) Conference and Career Expo

About Northwestern Mutual

The Northwestern Mutual Life Insurance Company – Milwaukee, WI ([Northwestern Mutual](#)), the “World’s Most Admired” life insurance company in 2011 according to FORTUNE® magazine, has helped clients achieve financial security for more than 150 years. As a mutual company with \$1.2 trillion of life insurance protection in force, Northwestern Mutual has no shareholders. The company focuses solely and directly on its clients and seeks to deliver consistent and dependable value to them over time. Northwestern Mutual and its subsidiaries offer a holistic approach to financial security solutions including: [life insurance](#), [long-term care insurance](#), [disability insurance](#), [annuities](#), [investment products](#), and [advisory products and services](#). Subsidiaries include Northwestern Mutual Investment Services, LLC, broker-dealer, registered investment adviser, member FINRA and SIPC; the Northwestern Mutual Wealth Management Company, limited purpose federal savings bank; and Northwestern Long Term Care Insurance Company; and [Russell Investments](#).

About ALPFA:

[ALPFA](#) is the largest Latino association for business professionals and students with chapters nationwide and over 16,000 members. ALPFA is dedicated to enhancing opportunities for Latinos and building leadership and career skills. ALPFA is a nonprofit entity registered with the Internal Revenue Service. Membership is open to anyone who shares our values, vision and mission. Visit www.alpfa.org for more information.

Photos/Multimedia Gallery Available: <http://www.businesswire.com/cgi-bin/mmg.cgi?eid=6845185&lang=en>

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