

Hispanic Buying Power

Radio Variedades 1460 AM's TOP PICK



The immense buying power of the nation's Hispanic consumers is reshaping the retail and commercial landscape of the United States, and Selig Center projections revealed that Hispanics controlled about \$686 billion in spending power in 2004. In fact, Census 2000 showed that more than one person in eight who lives in the U.S. is of Hispanic origin. Moreover, the U.S. Hispanic population will continue to grow much more rapidly than the non-Hispanic population. By 2009, nearly one person out of every six living in the U.S. will be of Hispanic origin.

Over the nineteen-year period, 1990-2009, the nation's Hispanic buying power will grow at a dynamic compound annual rate of 8.2 percent. (The comparable rate of growth for non-Hispanics is 4.9 percent.) In sheer dollar power, Hispanics' economic clout will rise from \$222 billion in 1990, to \$504 billion in 2000, to \$686 billion in 2004, and to \$992 billion in 2009. The 2009 value will exceed the 1990 value by 347.1 percent—a percentage gain that is substantially greater than either the 148.5 percent increase in non-Hispanic buying power or

the 158.8 percent increase in the buying power of all consumers. U.S. Hispanic buying power will grow faster than African-American buying power (203 percent) and Native American buying power (240 percent), but will grow at the same rate as Asian buying power (347 percent). Over the nineteen-year period, 1990-2009, the nation's Hispanic buying power will grow at a dynamic compound annual rate of 8.2 percent. (The comparable rate of growth for non-Hispanics is 4.9 percent.) In sheer dollar power, Hispanics' economic clout will rise from \$222 billion in 1990, to \$504 billion in 2000, to \$686 billion in 2004, and to \$992 billion in 2009. The 2009 value will exceed the 1990 value by 347.1 percent—a percentage gain that is substantially greater than either the 148.5 percent increase in non-Hispanic buying power or the 158.8 percent increase in the buying power of all consumers. U.S. Hispanic buying power will grow faster than African-American buying power (203 percent) and Native American buying power (240 percent), but will grow at the same rate as Asian buying power (347 percent).

Of the many forces supporting this substantial and continued

growth, the most important is favorable demographics. Because of both higher rates of natural increase and strong immigration, the Hispanic population is growing more rapidly than the total population, a trend that is projected to continue. Between 1990 and 2009, the Hispanic population will increase by 121 percent compared to 14.1 percent for the non-Hispanic population and the 23.7 percent gain for the total population.

The relatively young Hispanic population, with more of them either entering the workforce for the first time or moving up their career ladders, also argues for additional gains in buying power, which will be even more important in this decade than in the 1990s. The increasing number of Hispanics who are successfully starting and expanding their own businesses is another potent force powering the growth of this consumer market, as evidenced by the 1.2 million Hispanic-owned firms in the U.S. expanding their own businesses is another potent force powering the growth of this consumer market, as evidenced by the 1.2 million Hispanic-owned firms in the U.S.

Source: Selig Center for Economic Growth's The Multicultural Economy, 1990-2009

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