



Trump's immigration policies are chilling Hispanic discretionary spending

Article

The insight: Hispanic consumers are sharply pulling back on discretionary spending amid fears over the Trump administration's immigration policies and broader economic concerns.

While demand for nonessential goods is softening across the board, it's **falling faster among Hispanic consumers**, according to a Circana report.

The trend is particularly pronounced in southern border states such as Texas, Arizona, and California, where purchases of apparel, footwear, and accessories have softened considerably.

Immigration anxieties: There are growing fears around President Donald Trump's approach to immigration. Hispanic adults are significantly more likely than the general population to be worried about how the immigration crackdown will personally affect them, according to an April poll conducted by The Associated Press-NORC Center for Public Affairs Research.

- Around 1 in 3 are extremely or very concerned that they or someone they know will be directly affected by Trump's immigration policy, while 25% are somewhat worried.
- By comparison, just 15% of white adults, and 18% of Black consumers, are very concerned about the personal ramifications of the crackdown.

Adding fuel to the fire: Immigration is not Hispanics' biggest worry. Per Constellation Brands' internal research, **two-thirds are worried about higher prices for food, gas, and other essentials**—more than the roughly 50% that stress over immigration issues.

- Given that Hispanic household incomes trail the national average, it's not surprising that the demographic is extremely sensitive to inflationary pressures.
- Rising concerns about job losses in industries like construction and agriculture that typically employ more Latinos are also causing consumers to tighten their grip on spending.
- And fallout from companies' DEI rollbacks is also reducing shopping intent: Half (51%) of Hispanics report participating in **economic blackouts**, per a March Harris Poll survey, as the Latino Freeze Movement gains momentum.

Companies feel the heat: As a result, there's been a sharp drop-off in demand for everything from restaurants to clothing to consumer goods to social gatherings.

- Declining sentiment among Hispanic consumers has led to fewer "beer occasions," Constellation CEO Bill Newlands said on the company's Q4 earnings call—a particular problem since the demographic accounts for half of its business.

- Hispanic consumers are both visiting stores less often and spending less per trip, Keurig Dr Pepper’s CEO Tim Cofer said during the company’s Q1 earnings call, noting softer demand relative to the general population.
- Even value-oriented retailers like Walmart are affected. Spending from lower-income Hispanic consumers at the retailer “meaningfully worsened in the early part of 2025,” Morgan Stanley analyst Simeon Gutman told the Financial Times.

Our take: Hispanic consumers command significant market clout, making up one-fifth of the US population with \$2.8 trillion in purchasing power. They account for an outsize share of growth in categories like CPG, beauty, and food and beverage—which leaves companies in those categories most vulnerable to a sharp pullback in Hispanic spending.

As companies have noted, Hispanic consumers’ anxiety will remain heightened so long as concerns around immigration policies remain—which, given Trump’s mass deportations, is likely to be the case for at least the remainder of his administration.

