

# \$1.5 Trillion Spending Power of US Hispanics Has a Caveat

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**eMarketer Editors**

In the latest edition of its annual report, the Selig Center for Economic Growth at the University of Georgia's business school pegged total buying power of the US Hispanic population at \$1.539 trillion in 2018. Having added more than \$500 billion since 2010, this figure is expected to grow nearly \$400 billion more by 2023.

<b>US Buying Power*, by Race/Ethnicity, 2000-2023</b>				
<i>billions</i>				
	<b>2000</b>	<b>2010</b>	<b>2018</b>	<b>2023</b>
White	\$6,413.3	\$9,431.4	\$12,147.7	\$13,897.0
Black	\$609.1	\$961.2	\$1,300.2	\$1,533.1
Asian	\$276.4	\$603.5	\$1,013.3	\$1,333.1
Multiracial	\$60.3	\$143.1	\$224.7	\$295.3
Native American	\$40.3	\$82.5	\$114.6	\$136.4
<b>Total</b>	<b>\$7,399.4</b>	<b>\$11,221.6</b>	<b>\$14,800.6</b>	<b>\$17,194.8</b>
—Hispanic**	\$494.0	\$1,018.0	\$1,539.0	\$1,924.0

*Note: numbers may not add up to total due to rounding; \*defined as disposable personal income, meaning the share of total personal income available for personal consumption, personal interest payments and savings; \*\*"Hispanic" is an ethnicity rather than a race, and Hispanics can be of any race; racial group figures add up to total, while a separate breakout for non-Hispanics is not shown*

*Source: Selig Center for Economic Growth, Terry College of Business at The University of Georgia, "The Multicultural Economy 2018," March 21, 2019*

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There is an important caveat, though. While the report said Hispanics accounted for 10.4% of total buying power in the US, that's

significantly smaller than their 18.3% share of the US population.

Despite having an above-average number of members, Hispanic households spend less than total US households do. The Bureau of Labor Statistics' 2018 "Consumer Expenditures Survey" showed Hispanic-headed households making average expenditures of \$50,891, vs. \$60,815 for total US households.

But average spending does tend to be higher among Hispanic households for certain categories. For instance, Hispanic households outspent their non-Hispanic counterparts for mobile phone service, at \$1,313 vs. \$1,125. Apparel and services was another category where Hispanic households outspent non-Hispanic ones, at \$2,097 vs. \$1,812. (An intriguing tidbit: Hispanic males ages 16 and older spent more than non-Hispanic males in that category: \$409 vs. \$335. But Hispanic females underspent non-Hispanic females: \$497 vs. \$590.)

Unsurprisingly, Hispanics make extensive use of digital resources when shopping.

In Q1 2019 polling by GlobalWebIndex, search engines received the most mentions when US Hispanics identified the resources they mainly use when "actively looking for more information about brands, products or services." But more than one in four respondents included consumer reviews, social networks or product/brand sites.

#### **What Sources Do US Hispanic Internet Users Use When Looking for Information About Brands, Products or Services?**

% of respondents, Q1 2019



Note: who mainly use; top 10 listed

Source: GlobalWebIndex, "Commercial Landscape of Hispanics in the USA," July 11, 2019

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Much of the advertising Hispanics see also comes via digital channels. Morning Consult polling from September 2018 asked respondents where they encountered the last advertisement they saw. For about half of Hispanics, the venue was digital, including social media (36%), online video (9%), a website (5%) or an email (3%). In general, 57% felt there was too much advertising on social platforms.

Hispanic consumers often combine shopping in-store with researching online. In January 2019 YouGov polling, US Hispanics were slightly less likely than total respondents to say they prefer researching and buying online, and a bit more likely to prefer researching online and buying in-store. But among Hispanics and others, a plurality voiced a preference for researching and buying in-store.

“For US Hispanics, shopping is a social experience,” said Roberto Ruiz, executive vice president of research, insights and analytics at Univision. “It goes deeper than just a trip to the store to buy what’s needed.”

Learn more about US Hispanics’ finances, including the roles of entrepreneurship and homeownership, in our new report. It looks at their digital usage, how much money they spend, how they spend it, as well as the influence of culture and language preferences.

**Report** by Mark Dolliver Aug 21, 2019

**US Hispanics 2019**