

Hispanic buying power rising in US, bolstering consumer sectors

Article

A note on language: “Hispanic” refers to someone that comes from or has a background in a Spanish-speaking country. This article only discusses Hispanic consumers that reside in the United States. This is the first of two reports.

The opportunity: Hispanics are a **key driver** of US population growth, and brands that recognize the increasing influence of this digitally savvy community will be poised to benefit

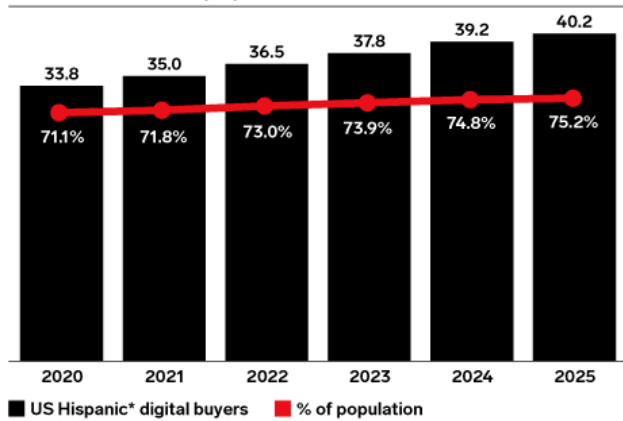
from its immense purchasing power.

Why it's worth watching: Hispanics are a growing group within the US consumer market, making up almost 20% of the population. They constitute **18.5% and 19.4%** of US female and male consumers, respectively, making the community a viable target audience for marketers.

- The buying power of this demographic group rose by **87%** from 2010 to 2020—outpacing the 51% increase in non-Hispanic purchasing power over the same time.
- By 2025, Hispanics will account for **12% of all US buying power**, and more than 75% of this demographic group will be using ecommerce channels, **per** our forecast.

US Hispanic* Digital Buyers and Penetration, 2020-2025

millions and % of population



Note: ages 14+; digital buyers defined as internet users who have made at least one purchase via any digital channel (including online, mobile and tablet) during the calendar year; *can be of any race

Source: eMarketer, May 2021

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eMarketer | InsiderIntelligence.com

What's next: On the strength of its expanding, younger generation, Hispanics will have over \$2 trillion of disposable income in 2021.

What this means: Marketers must work to understand Hispanics' spending patterns to improve their chances of reaching this growing market. Currently, Hispanics account for a **small proportion** of overall advertising spending.

- Certain industries, especially consumer goods, have an outsized opportunity to capture more shopping dollars from this demographic group. Currently, Hispanics' spending power is felt most in categories such as groceries, shoes, clothing, and cellphone services. Hispanics will

account for **34% of growth in apparel spending in the next five years**, exceeding \$48.85 billion in future revenue.

Key takeaway: The Hispanic consumer can't be defined by a singular archetype, given the community's vast cultural, financial, and social differences. Brands ignore this group at their peril, missing out on opportunities to build relationships with this diverse set of consumers.

Coming up: A second report in this series will address Hispanics' use of digital tools.