

Hispanics Are Less Upbeat About Their Finances, but Younger Hispanics Have a Rosier Outlook

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As the recession fades into the past, Hispanic income has been rising. However, it remains well below the average for total US households. For our [latest report on the Hispanic cohort in America](#), we took a look at their attitudes on finances, finding that they are less upbeat than US consumers in general about their current economic situation. But a sense of upward mobility is an important part of their outlook.

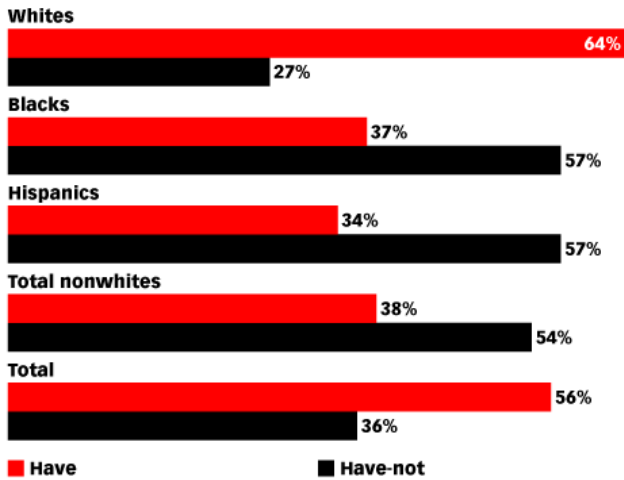
According to the Fed's "Report on the Economic Well-Being of US Households in 2018" report, 67% of Hispanics said they're "at least doing OK financially," compared with 75% of total respondents. The figure was higher—at 81%—among Hispanics with a bachelor's degree or more. But even among those with a high school diploma or less, 58% put themselves in the "at least OK" category.

More recent surveys probed Hispanics' sense of the economic class they inhabit. In NBC News/Wall Street Journal/Telemundo polling from September 2018, 41% of US Hispanics characterized themselves as "middle class." The rest were more likely to classify themselves as "poor" (13%) or "working class" (34%) than as "upper middle class"

(7%) or “well-to-do” (3%). In February 2019 Gallup polling, 34% of Hispanics identified themselves as “haves” and 57% as “have-nots.”

Do US Consumers Consider Themselves a “Have” or a “Have-Not”?

% of respondents, by race/ethnicity, Feb 2019



Note: ages 18+; respondents were asked to choose one group
Source: Gallup, April 3, 2019

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Young Hispanic adults appear to be a bit more upbeat about their financial outlook, according to polling. When the Harvard Institute of Politics surveyed 18- to 29-year-olds in March 2019, about two-thirds of Hispanic respondents rated their financial situation either “fairly good” (56%) or “very good” (12%). Just 8% called their outlook “very bad,” while 21% rated it “fairly bad.” Along the same lines, February 2019 polling by GenForward found 18% of Hispanics ages 18 to 34 “very optimistic” and 33% “somewhat optimistic” about their financial future. Just 23% were pessimistic, including 7% as “very” pessimistic.

While many Hispanics have misgivings about their current finances, that sentiment coexists with satisfaction about the trajectory. This latter element was evident in the Fed’s “Well-Being” survey when it asked respondents whether they are better off financially than their parents were at the same age. Across levels of education, Hispanic respondents were more than twice as likely to say “better off” than “worse off.” The gap was widest among those with a bachelor’s degree or more, with 61% picking “better” and 19% “worse.”

This sense of upward mobility is especially strong among Hispanic young adults. The Harvard Institute of Politics polling asked 18- to 29-year-olds whether they expected to be better off, about the same, or worse off financially than their parents are now when they reach that age. Hispanics were about four times more likely to say “better off” than “worse off,” at 42% vs. 10%.

In looking at millennial research from his firm, Mario X. Carrasco, co-founder and principal of ThinkNow Research, has seen this optimism among young Hispanics. “We looked at key markers of the American dream: home ownership, education, kids. Across the board, Hispanics still believe in those traditional markers, and they’re really the last leg holding up this dying 'idea' of the American dream. Hispanics are still driving that for this country.”

Jose Villa, president of marketing agency Sensis, noted that this belief is strongest among immigrants—people who “came to this country for a better life”—and their kids. “We do see that the closer they are to being immigrants, the more optimistic and the stronger their belief in the American dream is,” he said. “As you become more acculturated, you become a little less optimistic and positive.”

For more on how US Hispanics’ finances look 10 years after the recession, read our latest report.

Report by Mark Dolliver Aug 21, 2019

US Hispanics 2019



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