



## Hispanics in the US: Lifestyle Analysis

The continuing emergence of the Hispanic bloc as a major consumer force among American ethnic groups was recently analyzed by Dr. John Morse of Byron Media. Some of his conclusions and insights on current trends and data:



### Demographics, Education and Purchasing Trends

According to Nielsen Media Research, Hispanic homes have increased 12% over the past 3 years to 15,070,000 (to 50,618,000 Persons 2+). The latest Census report indicates that 52 million Hispanics live in the U.S., with nearly two out of three (65 percent) between 18 and 34. In that context it is helpful to realize that the overall population is expected to grow to 132.8 million by 2050, much of fueled by immigrant children and grandchildren.

At present, the Hispanic population accounts for about 15% of the U.S. labor force and is projected to reach almost 20% by the year 2020. Hispanic employment has grown more than 16% since 2000, while overall U.S. employment has barely grown 2%. A 2012 Nielsen study estimated the buying power of Hispanics in the U.S. at \$1 trillion, increasing to \$1.5 trillion by 2015. In addition, the number of Hispanic households earning more than \$50,000 a year is growing at a faster rate than the general population meaning the Hispanic population is "no longer a sub-segment of the economy."

As Hispanics across the board attain higher levels of education, this has translated into the fastest growing job categories coming in higher levels of education, this has translated into the fastest growing job categories coming in higher-paying management positions and professional occupations. With each successive generation, educational achievements steadily increase and Hispanics are slowly closing the gap with non-Hispanics.

Educational gains will play a key role in today's global economy as Hispanics boost their influence and burgeoning purchasing power. So far, Hispanic purchasing power has increased at a compound annual growth rate of 7.5%, more than twice as fast as the 2.8% growth for the total U.S. in this category. Hispanic purchasing power increased 45% in the last five years, and has reached \$1.38 trillion.

**Dr. Morse:** *"These trends have made Hispanics an increasingly valuable target for advertisers who have come to realize the increased Hispanic buying power. Bi-lingual advertising has now become a standard marketing strategy and ad dollars have increased to programmers reaching Hispanics. In addition, new programmers have entered the media landscape catering to Hispanic tastes and interests, e.g., beIN sports' soccer live events."*

## Hispanics: Social Media and Culture

While second- and third-generation Hispanics still understand the nuances of their culture, English-first households continue to increase. A 2012 Pew study indicates that English is the predominant language in 34 percent of Hispanic homes, a large increase from nine percent in 2011, while Spanish is on the decline. Also, the percentage of owner-occupied homes in the US increased 53% among Hispanics from 2000 to 2012, while the percent of owner occupied homes in the US increased 3% among non-Hispanics.

There's a common element among almost all young Latinos: an appetite to live digitally. Pew also notes that Hispanic millennials are 66 percent more likely to use a mobile device than their non-Hispanic friends. And it is well-known that they are the most active group on social media.

Experian finds 69% of Hispanics surveyed use social media once a day, compared to 62% of non-Hispanics. Hispanics are also six percent more likely to follow companies and brands on social media, and 30% more likely to buy products they see advertised on social media sites. In addition, adult Hispanic smartphone owners are twice as likely as non-Hispanics to say they are interested in receiving ads on their phone, 58% are more likely to purchase products they see advertised on their phone, and 13% are more likely to say they use their phone while shopping to find local deals.

In 2011, American companies spent \$5.7 billion on ads targeting Hispanic viewers. Hispanics remember English language commercials as well as the general population, but Latinos prefer ads by a margin of 51% if viewed in Spanish rather than English.

These trends will only increase as the Hispanic population continues gaining in numbers, buying power and political influence. It is quite possible that companies may already be reaching additional Hispanic consumers and not even realize it.

*Dr. Morse: "An upwardly mobile Hispanic middle class will be a powerful force commanding large amounts of ad dollars in the coming decades. Their increasing role is forecast by the facts that Hispanics skew much younger than the general population, are much more likely to live in urban areas, and are heavy users of mobile digital devices, especially social media."*

*Latinos and Digital Technology, Pew Center, 2012*

*Experian Hitwise Survey*

*Hispanic Trend Project, American Community Survey, Pew Center, 2012:*

*Hispanic Research Study, Nielsen Media Research, 2012*

*Pew Center, Hispanic Research, 2012*

Sources for some of the above information also include US Census data

## Nielsen State of the Hispanic Consumer: The Hispanic Market Imperative 2012

- ⌘ The projected growth of Hispanic buying power is +50% from 2010 to 2015.
- ⌘ The per capita income of U.S. Hispanics is higher than any one of the highly coveted BRIC countries (Brazil, Russia, India, China).
- ⌘ Based on above average consumption of many consumer products and their continued demographic growth, Hispanics will be the dominant and in many cases the only driver of domestic consumer packaged goods sales.
- ⌘ Hispanics are the fastest growing ethnic segment expected to grow 167 percent from 2010 to 2050, compared to 42 percent for the total population.
- ⌘ Because of Latinos' favorable demographics and increasing economic buying power, IBISWorld, producer of Industry Research Reports, has identified seven economic sectors expected to benefit most from Latino demographic change:
  - residential buying
  - food (grocery and restaurants)
  - retail (especially clothing and electronics)
  - education (higher education and technical schools)
  - financial services,
  - transportation (automotive and airline)

- entertainment and media industries

- ⌘ Hispanics are the largest population group to exhibit culture sustainability - that means they are less likely to shed their culture and blend in to the US "melting pot."
- ⌘ Hispanics access media from every platform available and often lead the general market as early adopters of emerging technologies. Hispanics spend 68 percent more time watching video on the Internet and 20 percent more time watching video on their mobile phones compared to non-Hispanic Whites.
- ⌘ Hispanics are three times more likely to have Internet access via a mobile device, but not have Internet at home: overall, Hispanics are 28 percent more likely to own a smartphone than non-Hispanic Whites.

A.C. Nielsen Company (various reports)

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