



The State of the Hispanic-American Consumer

2018

A Simmons Report

The State of the Hispanic-American Consumer: 2018

The influence of the growing Hispanic population on American culture can be felt everywhere, from the music we enjoy to the food we eat to the ways we celebrate. A great example is the ever-growing popularity of Mexican beer, up by 12% since 2013 to nearly one-fifth of all adults 21 or older who are consuming brands ranging from Corona and Dos Equis to Pacifico and Tecate and more. And when we look at consumption, the growth is even more explosive – adults 21+ consumed over 170 million Mexican beers in an average 30-day period, an increase of 32% from 2013.

Although the Hispanic population is growing among all age groups, it's the younger generations where we can see the greatest influence. In fact, while 13% of Americans age 35 and older are Hispanic today (up slightly from 12% in 2013), nearly one-quarter of Americans ages 6 to 34 are Hispanic or of Latin origin (up from 23% in 2013).

To help today's marketers stay ahead of this growing demographic and cultural trend, this report identifies key trends among Hispanic-American consumers. Drawing on insights from Simmons Research, a recognized leader in delivering trusted insights on the Hispanic marketplace, this report highlights important trends in demographics, economics, language, attitudes, and cross-platform and mobile behaviors of this increasingly influential consumer set.

In this report, we will specifically:

- Track the growth of the Hispanic population among key age groups
- Size the market in terms of share of discretionary spend controlled by Hispanics
- Trend the consumer outlook of Hispanics relative to all adults in the United States
- Identify language preferences by generation
- Examine attitudes towards advertising in Spanish
- Show trends in cross-platform media usage by device
- Delve into hour-by-hour smartphone usage by Hispanics

For more information about Hispanic consumers, contact your Simmons Research account manager or visit www.simmonsresearch.com

Population Growth

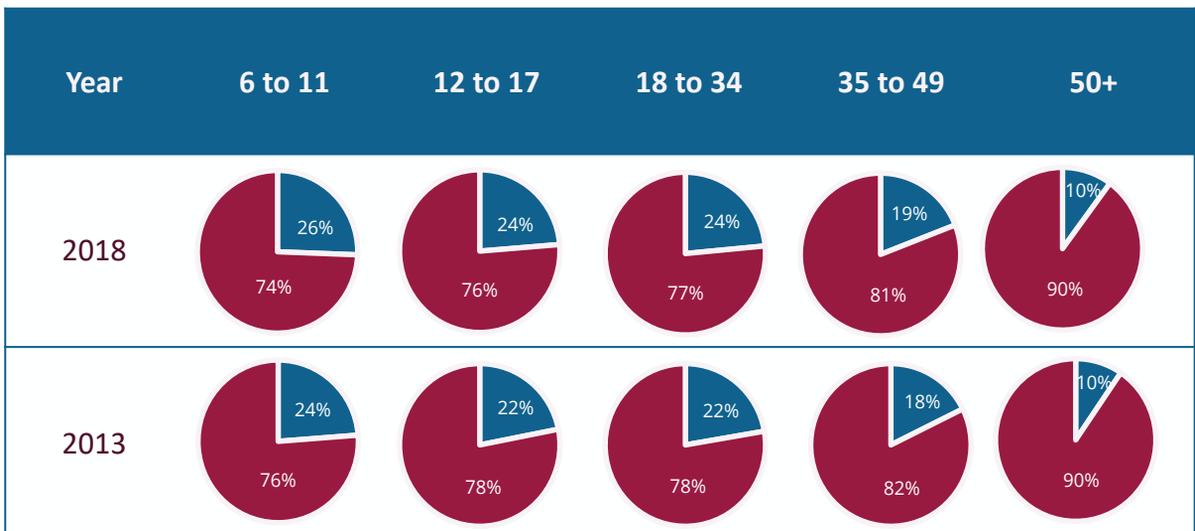
Hispanic population is growing, especially among young cohorts

As the largest ethnic minority group in the United States, the Hispanic population is only growing larger. In 2018, 17.6% of Americans aged 6 years and older identified as Hispanic or Latino, up from 15.3% in 2010. The Hispanic population is increasing in share across all age cohorts, with nearly one-quarter of Americans age 6 to 34 today being Hispanic, compared with about 10% among those age 50 and older. This clearly foretells even greater growth and influence of this segment on the American population in the years to come.

Percent of Americans age 6+ who are Hispanic



Hispanic Population by Age Group



Source: Simmons NCHS, Teens, and Kids studies; Spring 2010 to 2018.

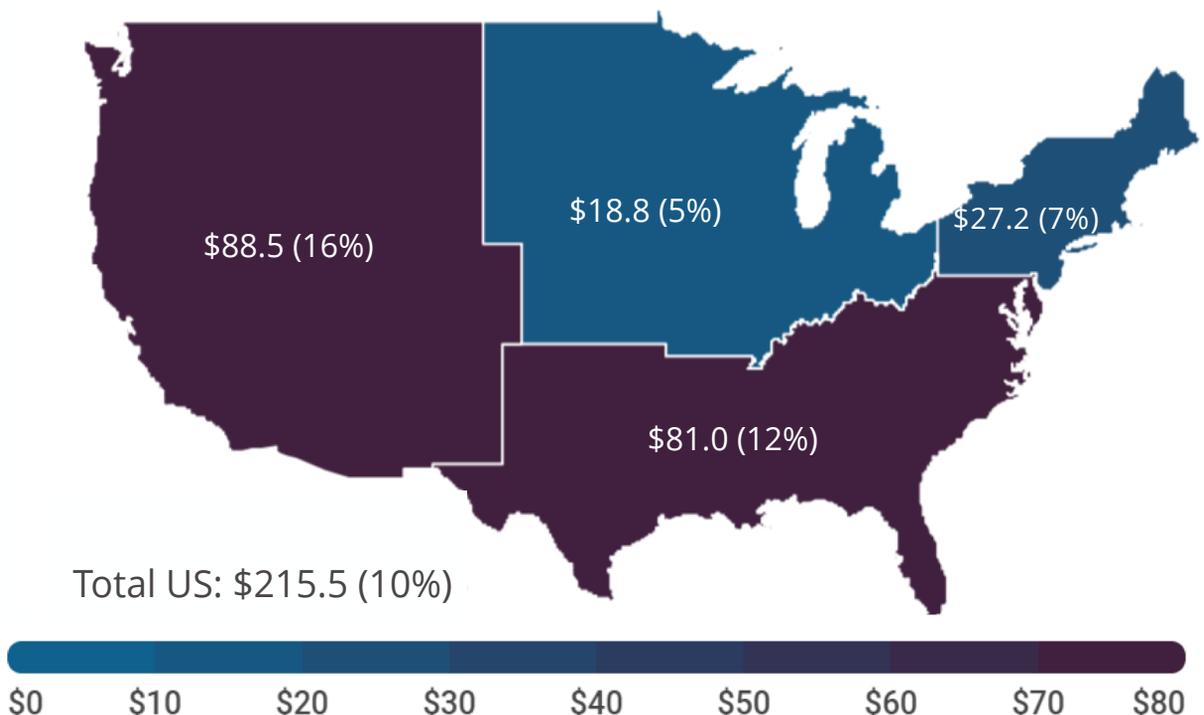
Discretionary Spending Estimates

Discretionary spending among Hispanics outpaces non-Hispanics

Hispanic households account for 10% of all discretionary spending in the United States, with annual expenditures of \$215.5 billion on non-essentials in 2018, up from \$163.4 billion in 2013. In fact, discretionary spending of Hispanic households grew 12% in the past year while spending among non-Hispanic households grew less, at 2%.

Regionally, Hispanic households in the South and West control a much larger share of the region's total expenditures on non-essentials than in the Northeast and Midwest. Specifically, more than one of every eight dollars spent on non-essentials in the South (or 12%) are controlled by Hispanic households, whereas in the Midwest, only one of every 20 discretionary expenditure dollars come from Hispanic households.

Total Discretionary Spend (in Billions) and Percent Controlled by Hispanic Households, 2018



Discretionary Spending by Market

Hispanic control of discretionary spending varies greatly by market

Marketers need to understand the degree to which Hispanic households control total discretionary spend. In the Miami market, for instance, Hispanic households account for nearly one-half (48%) of the area's \$28.7 billion dollars in annual discretionary spending, compared with just 10% of the Washington, D.C. market's \$63.4 billion in annual discretionary spending that comes from Hispanic households.

% of Total Discretionary Spend Controlled by Hispanic Households in Select Markets, 2018

Market	Total Discretionary Spend Estimate (in billions)	Hispanic HH %
Miami	\$28.7	48%
Houston	\$38.6	28%
San Antonio	\$26.5	27%
Los Angeles	\$160.1	24%
Dallas	\$38.5	18%
Chicago	\$66.0	13%
San Francisco	\$89.0	12%
New York	\$152.7	11%
Washington, DC	\$63.4	10%

Consumer Economic Outlook

Hispanic consumers are more cautious about their financial future

Using the Simmons Economic Outlook questions, we can track expectations over time from 2009. Hispanic consumers tend to see themselves as being personally financially better off than American consumers in general, though the gap varies from year to year. This personal optimism should translate into better opportunities for marketers, since Hispanic consumers are more likely to feel that they'll have more money in the year to come.

Interestingly, Hispanics show less optimism recently for the US economy as a whole. In the past 2 years, they have gone from 5 percentage points above American consumers in general to 6 points below, perhaps reflecting the uncertainty around the policies of the new administration.

Consumer Economic Outlook by Ethnicity

Personally Better Off Next 12 Months



Economy Better Off Next 12 Months



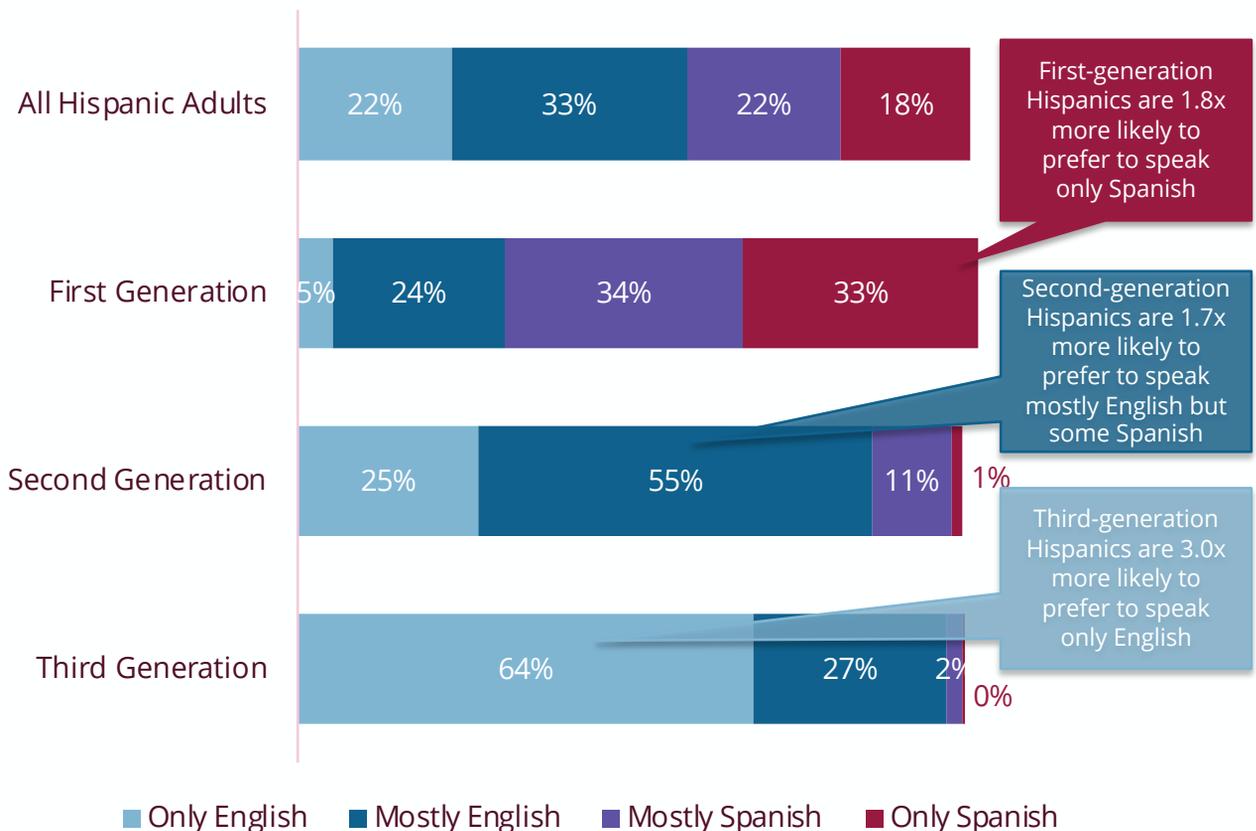
—●— All Adults —●— Hispanic Adults

Language Preferences

3/4 of Hispanic adults prefer to speak at least some Spanish

Among all Hispanics, slightly more than one-half (55%) prefer to speak mostly or only English versus only or mostly Spanish, although there are still a segment of the population that prefers Spanish. However, when we look at Hispanics by generation, those born outside the United States (first generation) favor speaking Spanish by a wide margin. Among second-generation Hispanics, those born in the United States to at least one foreign-born parent, a clear majority prefer to speak either all or mostly in English. Even though nearly two-thirds (64%) of third-generation Hispanics, those born in the United States to American-born parents, say they prefer to speak only in English, the remainder say that they still prefer to speak Spanish at least some of the time.

Language Preferred to Speak by Generation, 2018

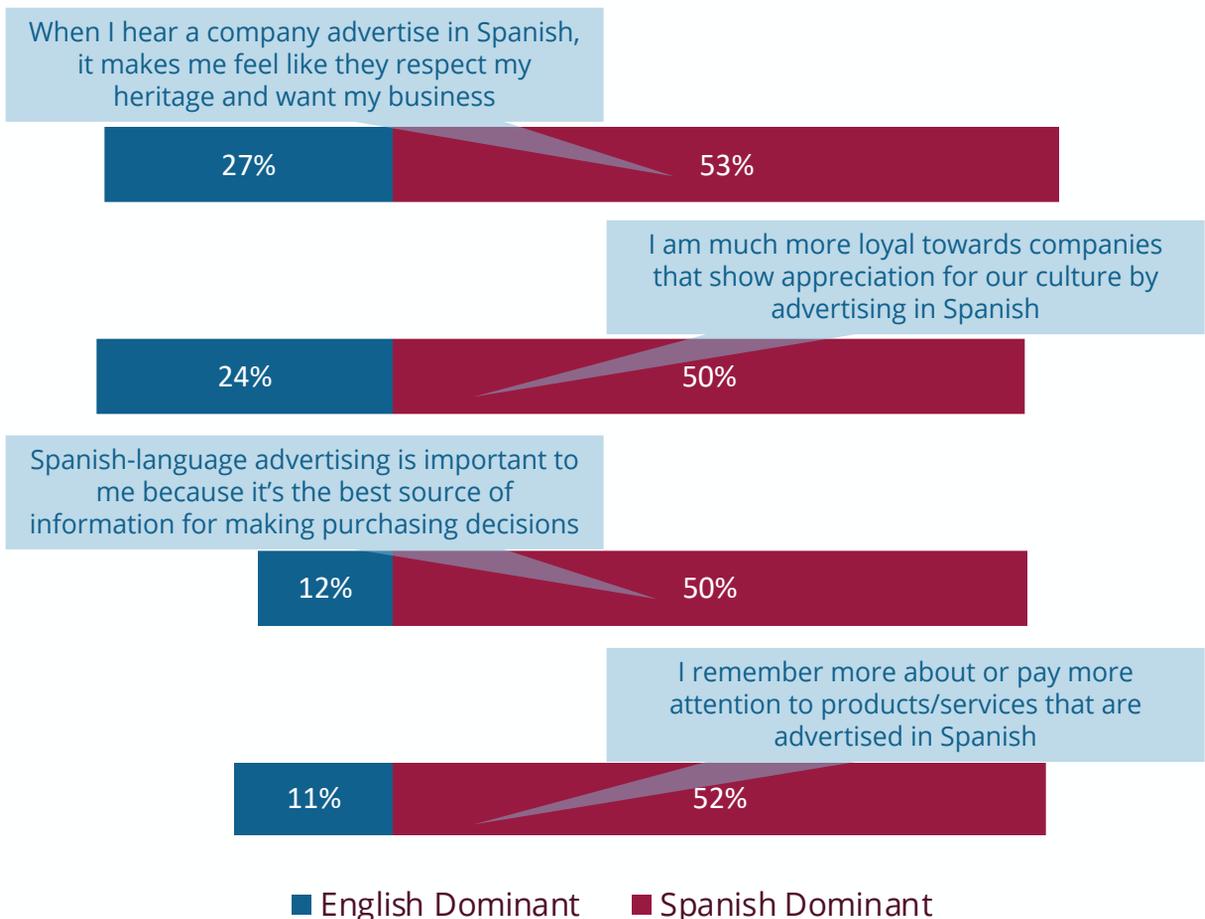


Attitudes Toward Advertising

Advertising in Spanish matters, even among English-dominant Hispanics

Hispanics, even many English-dominant Hispanics, still have emotional ties to the Spanish language that carry over to companies that advertise in Spanish. For instance, 53% of Spanish-dominant Hispanics and 27% of English-dominant Hispanics say, “When I hear a company advertise in Spanish, it makes me feel like they respect my heritage and want my business.” Spanish-language advertising can drive purchase decisions and brand loyalty for this group.

Attitudes Toward Advertising and Media by Language Preference

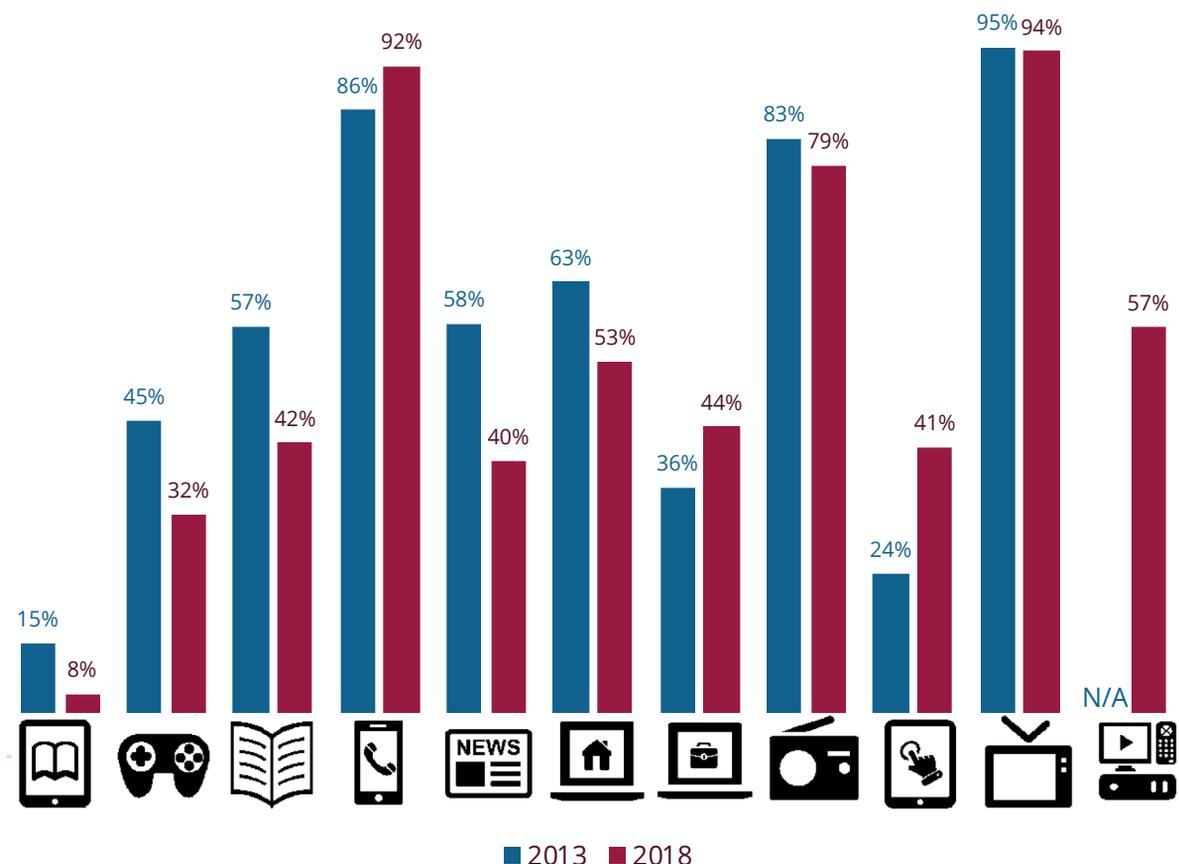


Cross Platform Media Usage

Hispanics' use of digital technology continues to grow

Hispanics have embraced digital technology. Digital tablet use is up 70% since 2013 for this cohort, increasing from 24% to 41% usage over the last 7 days. Mobile phone use is also up, with 7% growth compared with 3% for all adults in the US, and is approaching the mass reach of television among Hispanics and non-Hispanics alike. Streaming media, a new measurement in Simmons Connect, also shows strong numbers for Hispanics, with a 57% penetration versus 55% for the overall population. TV is still the leader, but remains relatively flat across both Hispanics and non-Hispanics alike. The growth in digital media seems to have been at the cost of other traditional media, with magazines, newspapers, and radio all dropping since 2013.

7-Day Cross-Platform Reach, 2013 and 2018

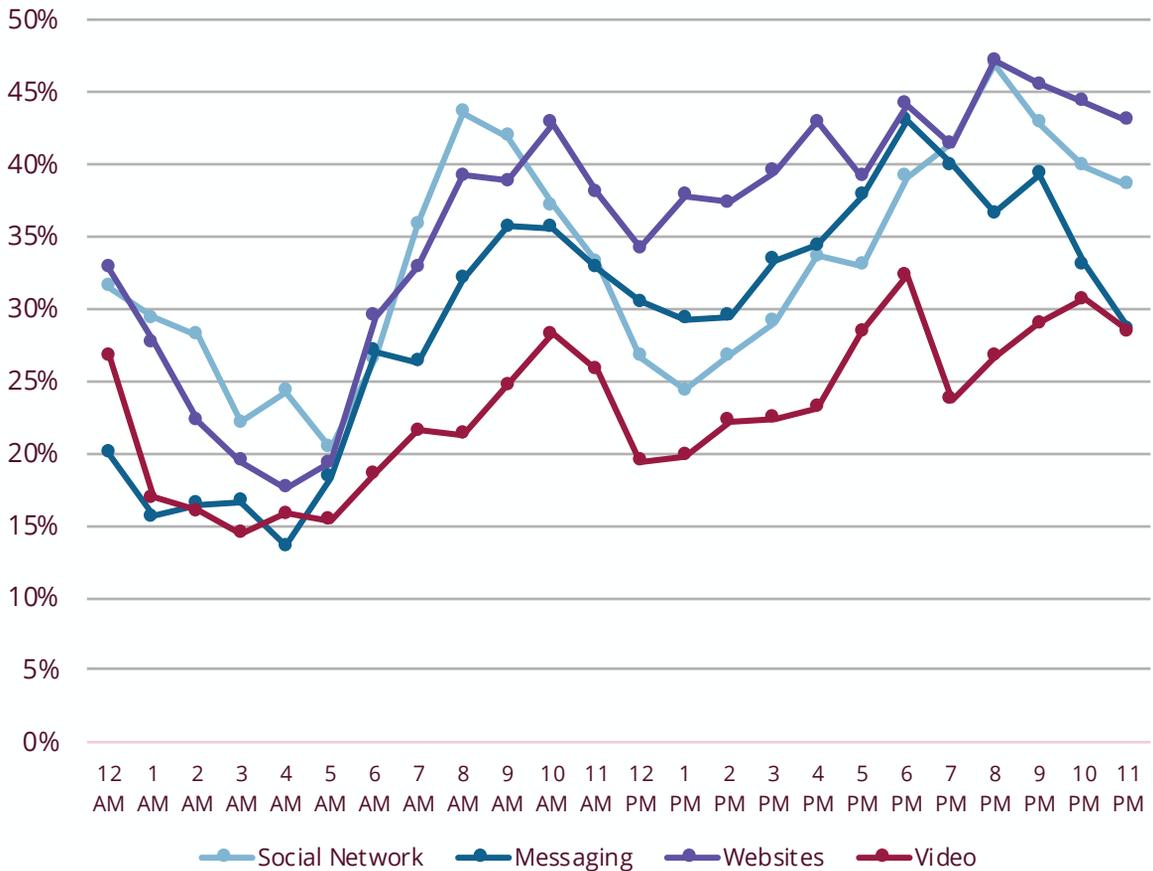


A Day in the Mobile Life

Hispanics are connected via their mobile phone 24/7

With much higher reach on mobile than on other digital platforms, it is no surprise that Hispanics are doing so many things so often on their cell phones. Social networking is clearly an important means of both communication and information-seeking, with usage remaining above 25% across for 20 of 24 hours, peaking at 47% at 8pm. In fact, communication via messaging and information-seeking via websites round out the top three activities on Hispanics' cell phones. Entertainment is still important here too though, with video viewing by more than 15% of Hispanic mobile phone users across 23 of 24 hours, with a peak at 6pm of 32%.

Hispanic Day in the Life: Smartphone



Source: Simmons Connect, Spring 2018 (selected activities)

Summary

- The Hispanic population in the U.S. continues to grow, especially among the younger cohorts. Over one-quarter of kids 6-11 are Hispanic, with 24% in the 12-17 and 18-34 cohorts. Hispanics make up 17.6% of the total 6+ population in the United States.
- Hispanic households account for \$215.5 billion, or 10% of all the discretionary spending in the United States, but control much larger shares of non-essential spending in the West (16%) and South (12%) regions than in the Northeast (7%) and Midwest (5%) regions.
- Hispanic discretionary spending varies by market, with Hispanics controlling 48% of the total non-essential spending in the Miami market and 28% in Houston. Los Angeles (\$38.9B) and New York (\$16.3B) have the highest Hispanic discretionary spend, but these are 24% and 11% of the total market spending, respectively.
- Hispanic adults tend to have slightly more optimistic opinions about their personal finances than American adults in general, though they have some trepidation about the US economy overall recently.
- Slightly over one-half of Hispanic adults prefer to speak at least some Spanish; those born in the U.S. tend to skew more toward English or a mix of both languages.
- Advertising in Spanish matters to all Hispanics, even those who are English-dominant, and can drive purchase decisions and brand loyalty.
- Hispanics' use of digital media technology continues to grow; digital tablet and mobile phone usage are up 70% and 7%, respectively.
- Hispanics are connected via their mobile phone 24/7/365; at any hour of the day or night, at least 20% are using their cell for social networking, with messaging and websites close behind.

About Simmons Research

Simmons Research is the leading source of cross-channel consumer intelligence. Simmons measures American consumer psychographics, preferences, attitudes, and media behaviors by closely overlaying survey and passively measured data using advanced measurement sciences. For more than 60 years, Simmons has helped leading brands, agencies, and media companies effectively engage with consumers, providing measurement of over 60,000 consumer elements, including all major media, 600 attitudes and opinions, 500 product categories, and 8,000 brands. For more information, please visit www.simmonsresearch.com and follow us on Twitter @simmonsresearch.