



The Hispanic American Market Report: Understanding The New American Mainstream

Part 3 – April 2019

The face of America is changing, and multicultural consumers already represent the majority of the expected growth in the United States now and in the future.

In this third report of the Claritas New American Mainstream series, we'll identify the Hispanic American segment in great detail, specifically their population growth, household income and cumulative lifetime spending within key categories.

Currently, more than 64 million Hispanics live in the United States, making this group the second fastest-growing population segment since 2000, with 83% growth.

Continue reading to understand why this is a group that marketers can't afford to ignore.

Numbering over
64 million in 2019,
Hispanics represent 19.5% of
the U.S. population and are
the second fastest-growing
population segment since
2000.

Executive Summary

In this day and age where businesses are hyper-focused on growth – in revenues, profits, market share, mind share and share of wallet – the U.S. Hispanic population represents a path to growth in more ways than one.

Only a few decades ago, the Hispanic population was an emerging niche made up primarily of migrant workers in agriculture, factories and in lower-level service occupations. Today, Hispanics make up one-fifth of the American population overall and more than two-thirds of population growth nationwide. They also are beginning to leave their mark on mainstream business and popular culture – just check in with your local chamber of commerce and listen to your local top 40 radio station and you'll know why.

Perhaps more importantly, the long-term trajectory of Hispanic spending outpaces the population overall. Due to their younger average age and growing spending power, currently active Hispanic households will out-spend non-Hispanic white counterparts by well over half a million dollars during the remainder of their lifetimes.

These facts represent strategic pillars for corporate business planning on which any responsible, investor-backed corporation should build its 2020 five-year action plan. Many corporations are doing exactly that, meanwhile those who are difficult to convince will have some "explaining to do" when it comes to analyzing financial metrics at their future board meetings.

Aiming at the future, instead of marketing via the rearview mirror, makes complete sense – nurturing those consumers that will represent a long lifetime of revenue so that loyalty increases, cost of acquisition decreases and all the dashboard metrics light up in green. Yes, green is the color of the season and it's just fine to profit from consumers so long as they feel represented, well-served and respected – not only in the advertising messaging but also in everyday customer service at all touch points.

Today's chief marketing officer must be part creative artist, part data scientist, part financial analyst and part technologist...those are a lot of parts to play but becoming a virtuoso CMO will lead to a lengthy and rewarding career while serving consumers in a manner they will appreciate. Not the golden rule, but the platinum rule – and for Latinos the "pLatino rule" which I often use in reference treating customers the way they wish to be treated while recognizing their culture of heritage.

I hope you enjoy the Claritas Hispanic American Market Report – and I wish you the best of luck in closing a successful 2019 and gaining momentum in 2020 and beyond!



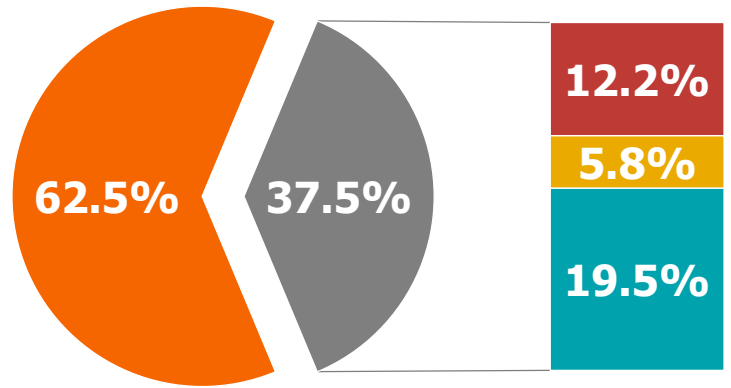
César M. Melgoza



U.S. Hispanic 2019 Population Facts

Currently, there are 133,211,770 multicultural Americans in the U.S. and they account for 37.5% of the U.S. population.

In addition, Hispanics account for the largest multicultural segment at 19.5%, and are the second fastest growing ethnic group since 2000, with 83% growth.

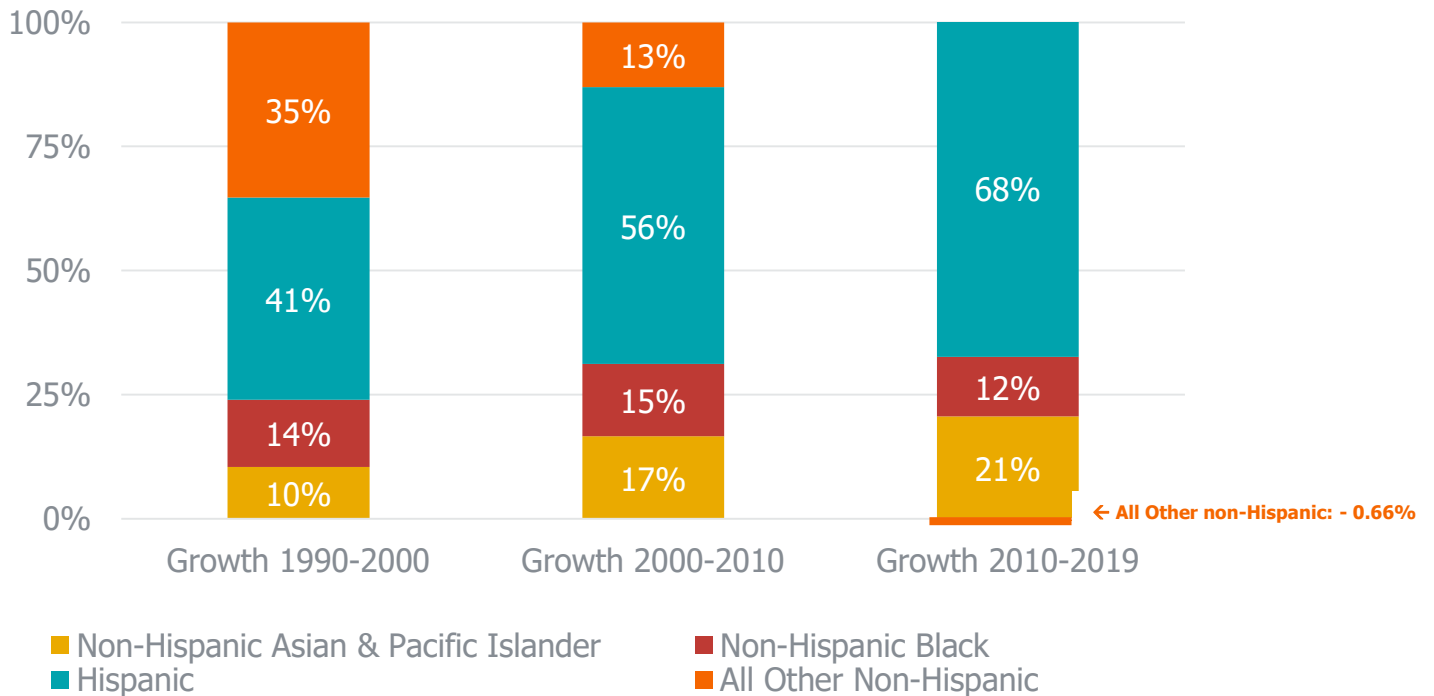


- Non-Hispanic All Others
- Non-Hispanic Black
- Non-Hispanic Asian & Pacific Islander
- Hispanic

Source: Geoscape® AMDS 2019

Since 2000, Hispanic Americans represent the second fastest growing ethnic group at **83%**.

Population Growth 1990-2019



Source: U.S. Census Bureau for 1990-2010 and Geoscape AMDS 2019

The Hispanic population grew **83%** from 2000-2019, expanding from over 35 million to over 64 million.



Today, 64,415,826 Hispanics live in the United States. Hispanics have been the second fastest-growing population segment since 2000, showing 83% growth. Virtually all of the growth now and into the foreseeable future will emanate from groups other than the traditional “majority” Non-Hispanic White population.

Growth During 20 Year Period 2000 - 2019

Multicultural Group	Population Growth	Growth During 2000-2019	% of Total Growth
Non-Hispanic Whites	1,510,265	0.8%	3.2%
Hispanics	29,177,345	83%	61%
Non-Hispanic Blacks	6,443,658	19%	13%
Non-Hispanic Asian & Pacific Islanders	8,758,829	84%	18%

Source: Geoscape® AMDS 2019

Into the Future: The Multicultural Boom 2019 - 2024

Nearly all of the U.S. population growth since 2000 has come from multicultural segments, and that trend is likely to continue in the future. The Hispanic population continues to show significant growth, thus representing one of the biggest opportunities for marketers to grow their businesses in the future. The Non-Hispanic white population is declining steadily as baby boomers age and fertility rates remain low.

Multicultural Group	Average Growth in Population 2019-2024			
	Year	Month	Day	Hour
Non-Hispanic Whites	-60,156	-5,013	-165	-7
Hispanics	1,536,315	128,026	4,209	175
Non-Hispanic Blacks	315,492	26,291	864	36
Non-Hispanic Asian & Pacific Islanders	483,004	40,250	1,323	55

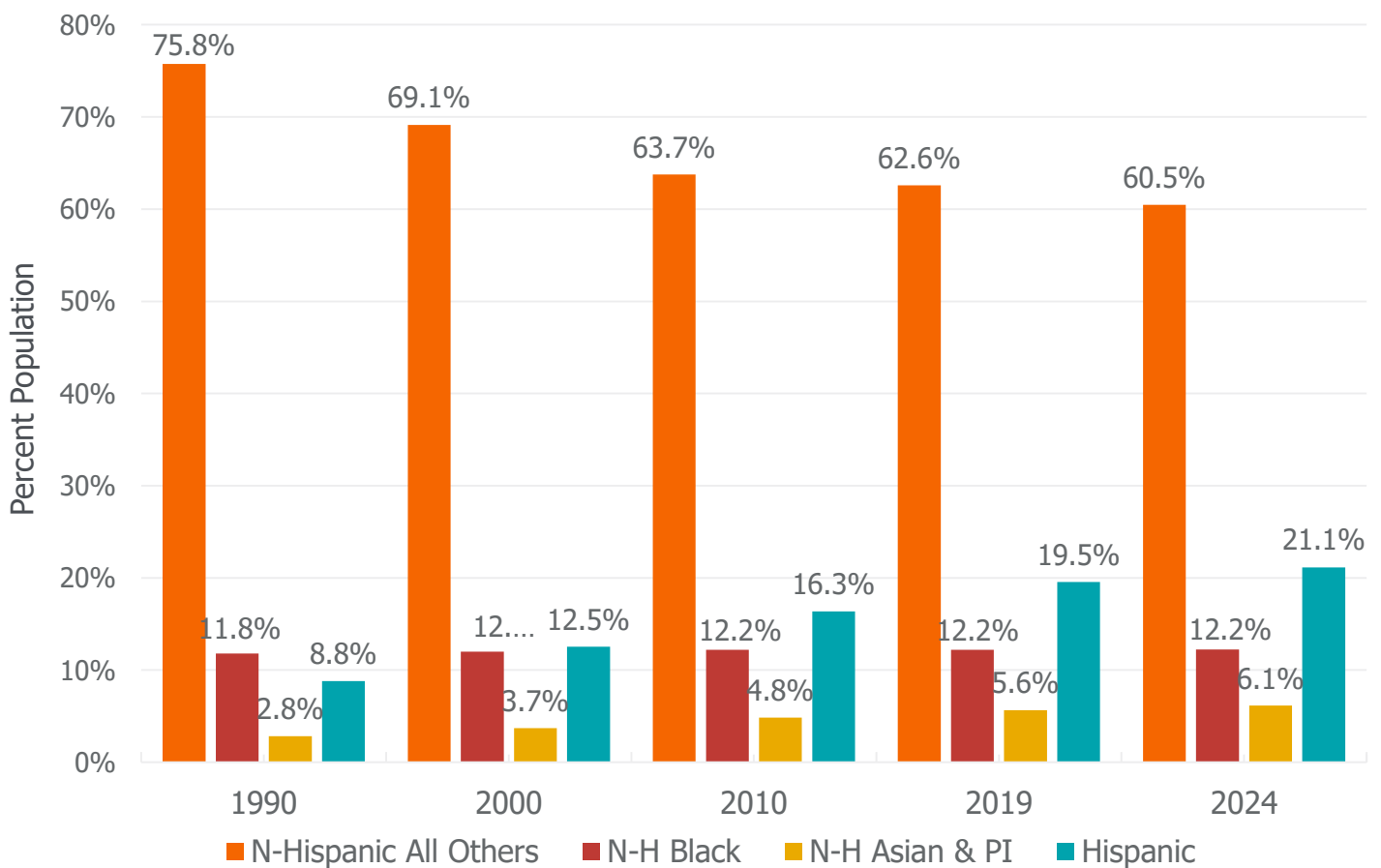
Source: U.S. Census Bureau for 1990-2010 and Geoscape AMDS Projections for 2019-2024.

By 2024, more than **72 million** Hispanic Americans will live in the United States.



Hispanics and Asians are becoming a larger portion of our nation's population. The Black population is growing, but is nearly constant as a proportion of the total population. Meanwhile, the Non-Hispanic White population proportion has been declining steadily as a proportion of overall American population.

Percent of the U.S. Population: 1990-2024



Source: U.S. Census Bureau for 1990-2010 and Geoscape AMDS Projections for 2019-2024.

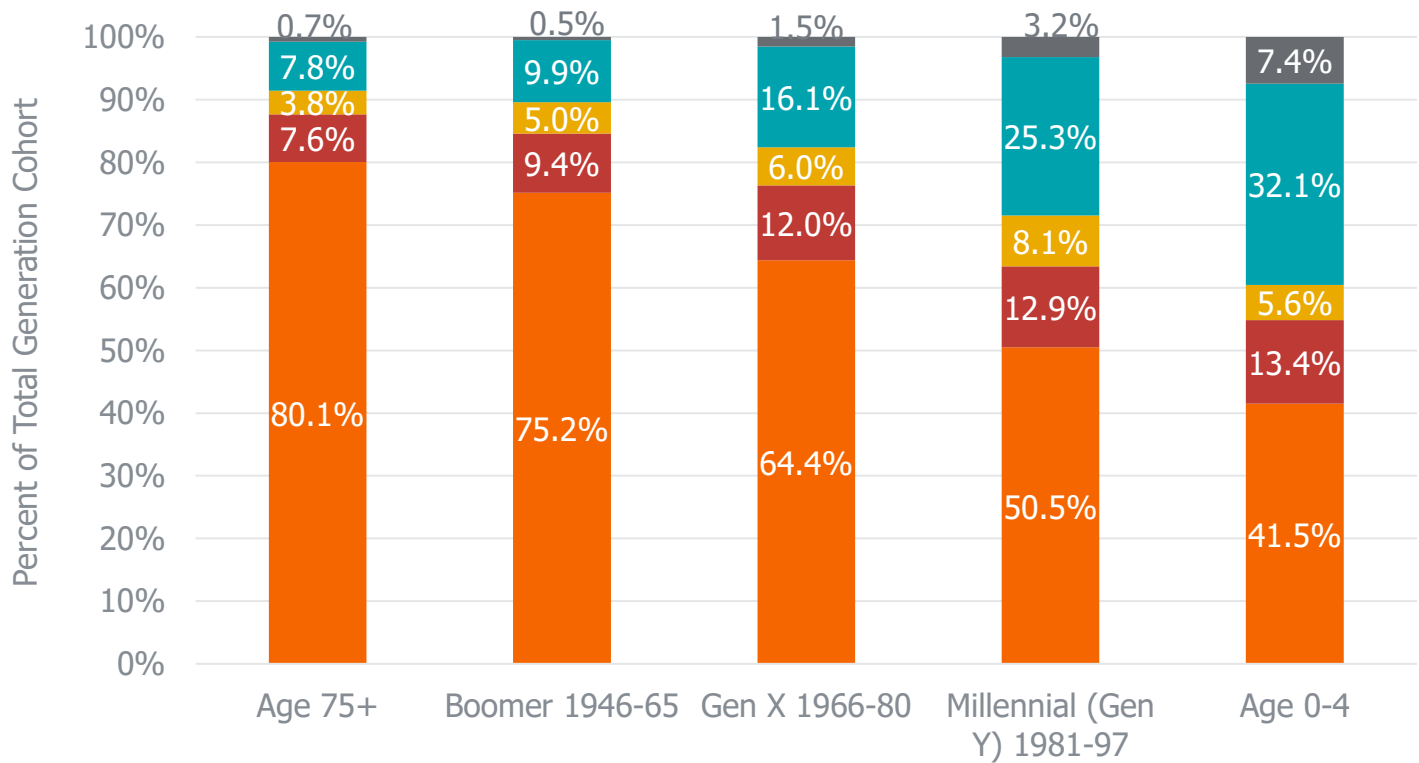
By 2024, **25.3%** of the U.S. millennial population will be Hispanic.



Younger age groups are made up from a more diverse population, while older age groups tend to be less diverse. This dramatic trend in ethnicity by generation will have deep implications for marketers in the years and decades to come.

Generational Population 2024 - Nationwide

- Non-Hispanic Other
- Hispanic
- Non-Hispanic Asian
- Non-Hispanic Black
- Non-Hispanic White

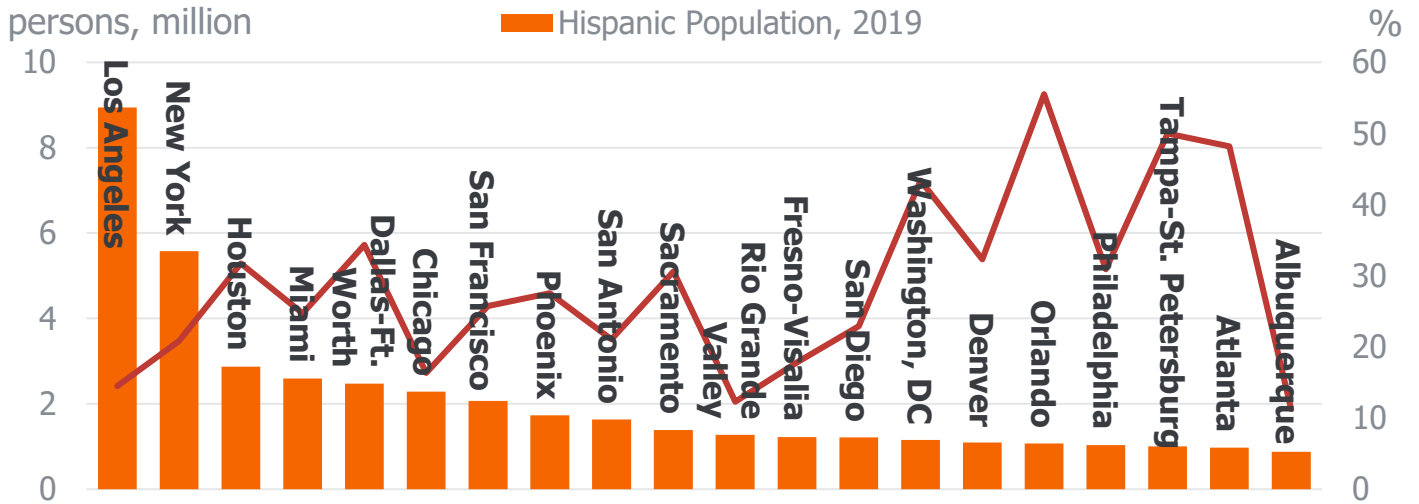


Source: U.S. Census Bureau for 1990-2010 and Geoscape AMDS Projections for 2019-2024.

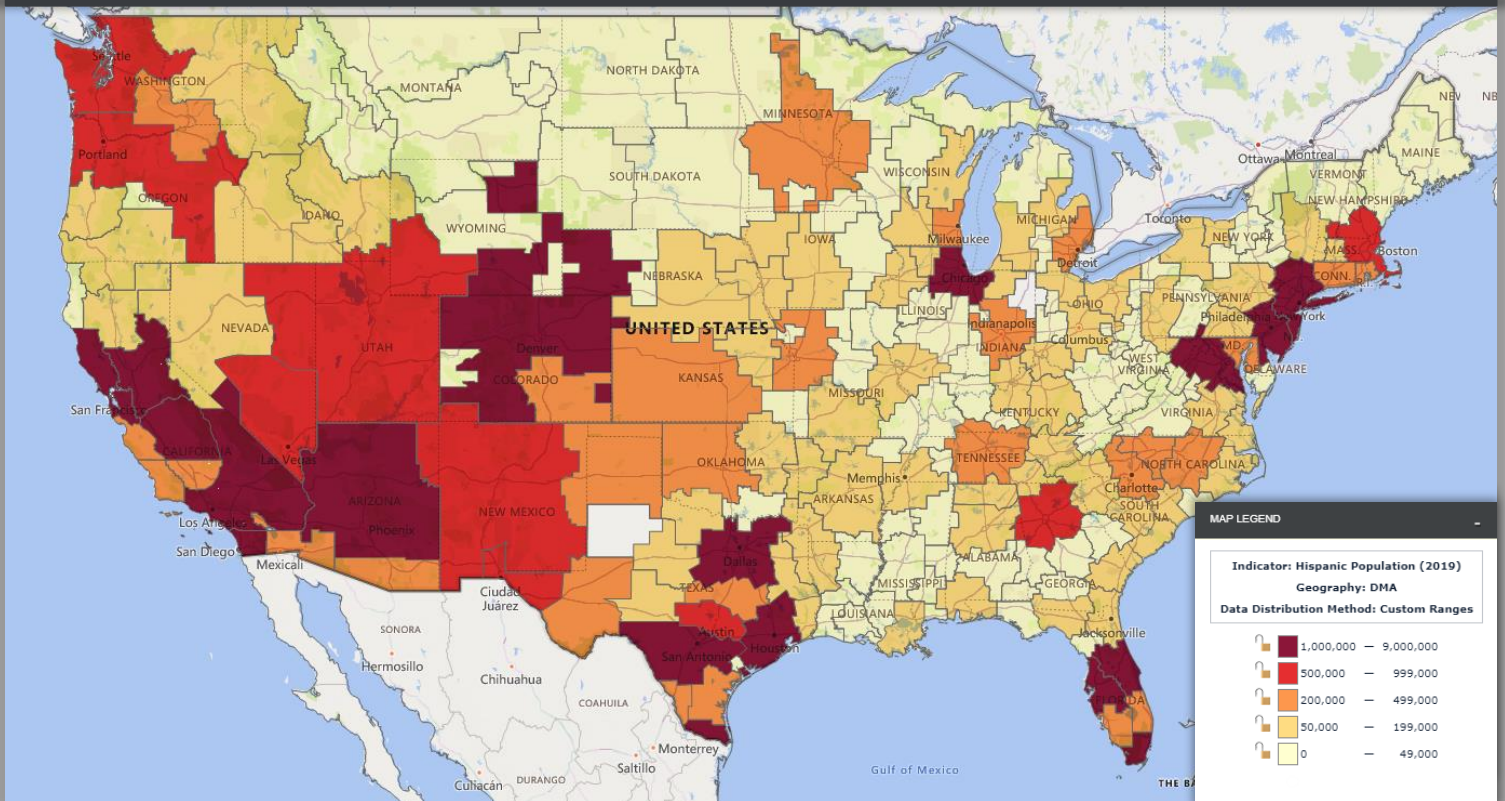
Where Does the Hispanic Population Live?

The Hispanic population segments are concentrated in Los Angeles, New York, Houston, Miami, Dallas, Chicago and San Francisco. Their presence in many other areas is growing as well, with significant growth in Phoenix, San Antonio, Sacramento and San Diego. On a percentage basis, very strong growth is seen in the southeastern states.

Top 20 DMAs By Hispanic Population vs. Growth (2010-2019)



2019 U.S. Hispanic Population Distribution by DMA

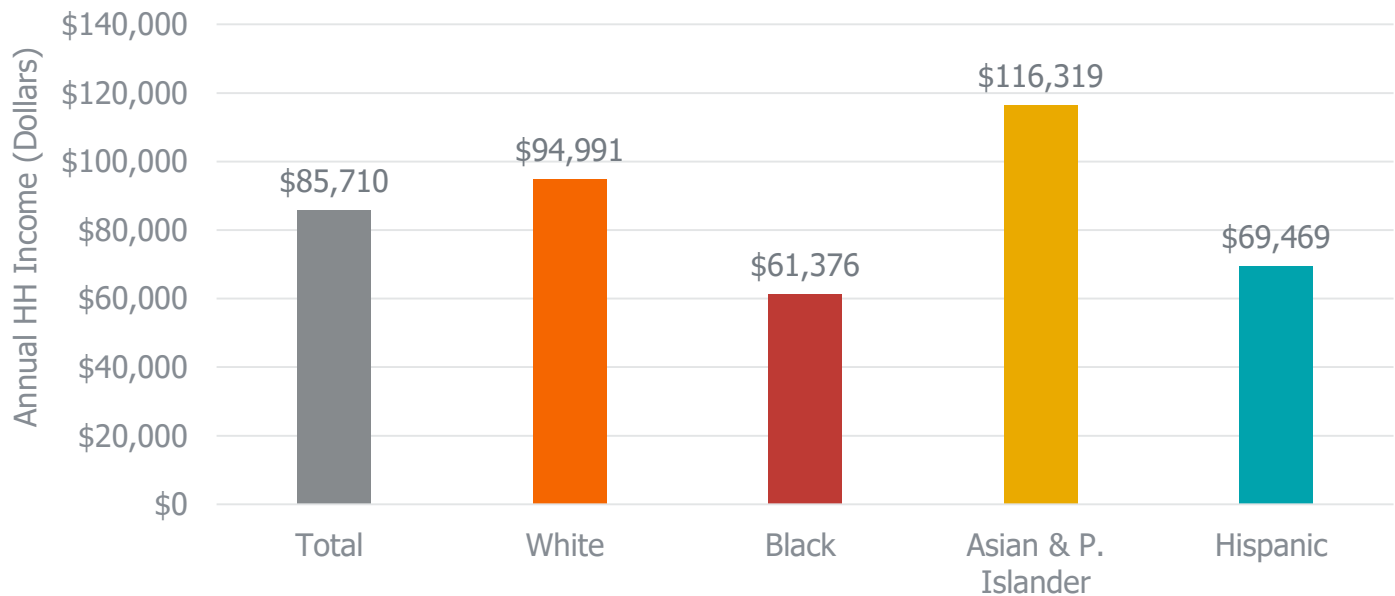


Source: Geoscape® AMDS 2019

The Average U.S. Hispanic Household Makes \$69,468

Compared to the overall 2019 median annual household income, the median Hispanic household income is the second lowest ahead of Blacks, and followed by Whites and Asians. Median Hispanic household income is 14% lower than the total U.S. household. Average Hispanic household income in 2019 is \$69,468.61, which is 19% lower than the overall household income and 66% lower than Asian household income. This is partly due to their younger ages, as well as their tendency for employment in lower earning jobs.

Mean Annual Household Income



Source: Geoscape® AMDS 2019

Population	HHs	Median HH Income	Mean HH Income	Aggregate HH Income
Total	125,018,808	\$60,194	\$85,710.10	\$10,715,375,124,299
White	94,015,753	\$70,727	\$94,990.84	\$8,930,635,153,323
Black	15,506,334	\$43,966	\$61,376.06	\$951,717,660,040
Asian & P.I.	6,230,709	\$91,414	\$116,319.15	\$724,750,796,367
Hispanic	17,589,124	\$51,747	\$69,468.61	\$1,221,892,028,115

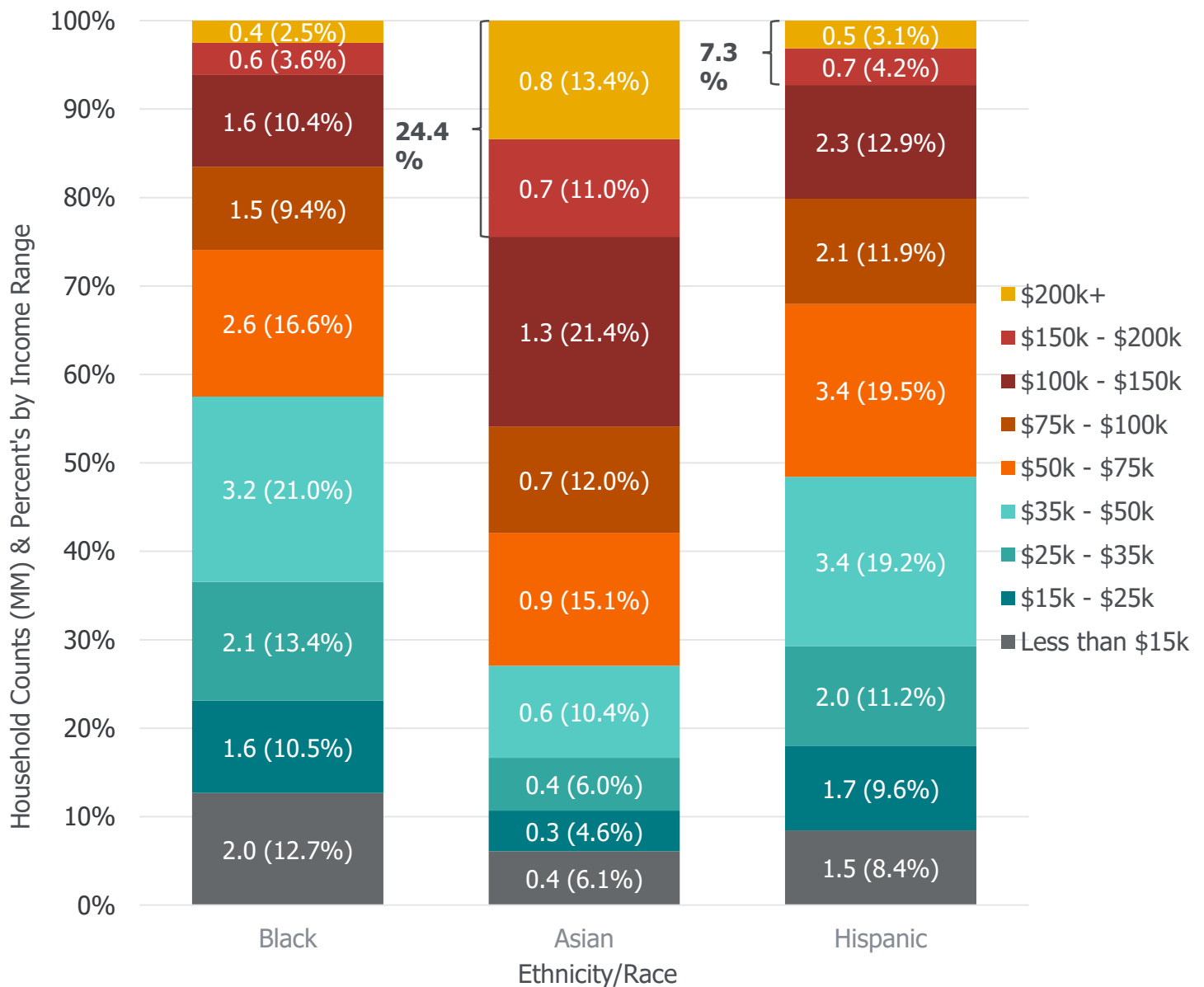
Source: Geoscape® AMDS 2019

Nearly 52% of Hispanic Households Will Earn More Than \$50,000 in 2019

Annual household incomes have risen slowly during the past few post-recession years. For Hispanic households, the average household income in 2019 is \$69,468.61 and approximately, 7.3% of Hispanic households earn \$150,000 or more per year. On the lower end, 48.4% of Hispanic households will earn \$50,000 or less per year.

Only 3.1% of Hispanic households will earn more than \$200,000 in 2019 – a far lesser proportion than the Asian segment.

Income Ranges By Ethnicity/Race

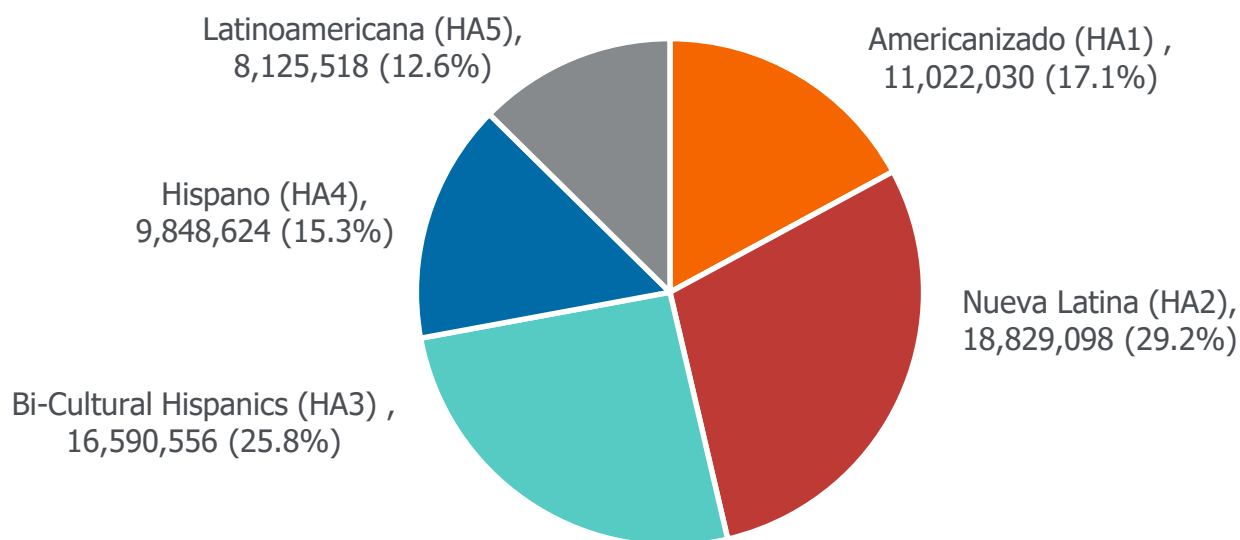


Source: Geoscape® AMDS 2019

Diversity of Hispanic Americans

Hispanicity™ is a Geoscape® CultureCode® measuring the degree to which people of Hispanic heritage in the United States retain elements of their Hispanic culture, while they acquire elements of the American culture. Hispanicity can be dimensionalized by various characteristics, including country-of-origin, life stage, socioeconomic strata, income, media usage and a variety of shopping behaviors. Hispanicity can also be appended to a customer file or list used for traditional direct marketing or for digital advertising. The result is an unprecedented level of detail that enables marketers to understand the dynamics of the diverse American consumer and market to them more effectively.

Hispanicity Acculturation Segments for Hispanic Population 2019



17.1%

Americanizado

HA1

English dominant (nearly no Spanish); Born in US; 3rd+ generation. Few Hispanic cultural practices.

Tendencies:

- Watches MTV2 & VH1
- Watches UFC on TV
- Single-never married
- Work in tech
- Shop at Whole Foods

29.2%

Nueva Latina

HA2

English preferred (some Spanish); Born in U.S.; 2nd generation. Some Hispanic cultural practices; often "retro-acculturate".

Tendencies:

- Students
- Works in Office & Administrative Support
- Watches Universo & Telemundo
- Shops at Sam's Club

25.8%

AmBi-Cultural

HA3

Bi-Lingual (equal or nearly); Immigrant as child or young adult. Many Hispanic cultural practices.

Tendencies:

- Lives with parents
- Boxing fans
- Attends U.S. Soccer Games
- Shops at Walmart

15.3%

Hispano

HA4

Spanish preferred (some English); Immigrant as adult; in U.S. 10+ years. Pre-dominant Hispanic cultural practices.

Tendencies:

- Blue collar
- Largest families
- Late-night Spanish TV
- Watch Mexican Soccer League

12.6%

Latinoamericana

HA5

Spanish dominant (nearly no English); Recent immigrant as adult (less than 10 years ago). Primarily Hispanic cultural practices. Identify with home country more than U.S.

Tendencies:

- Least educated
- Migrant laborer
- Shop at Hispanic Grocery
- Lowest internet usage

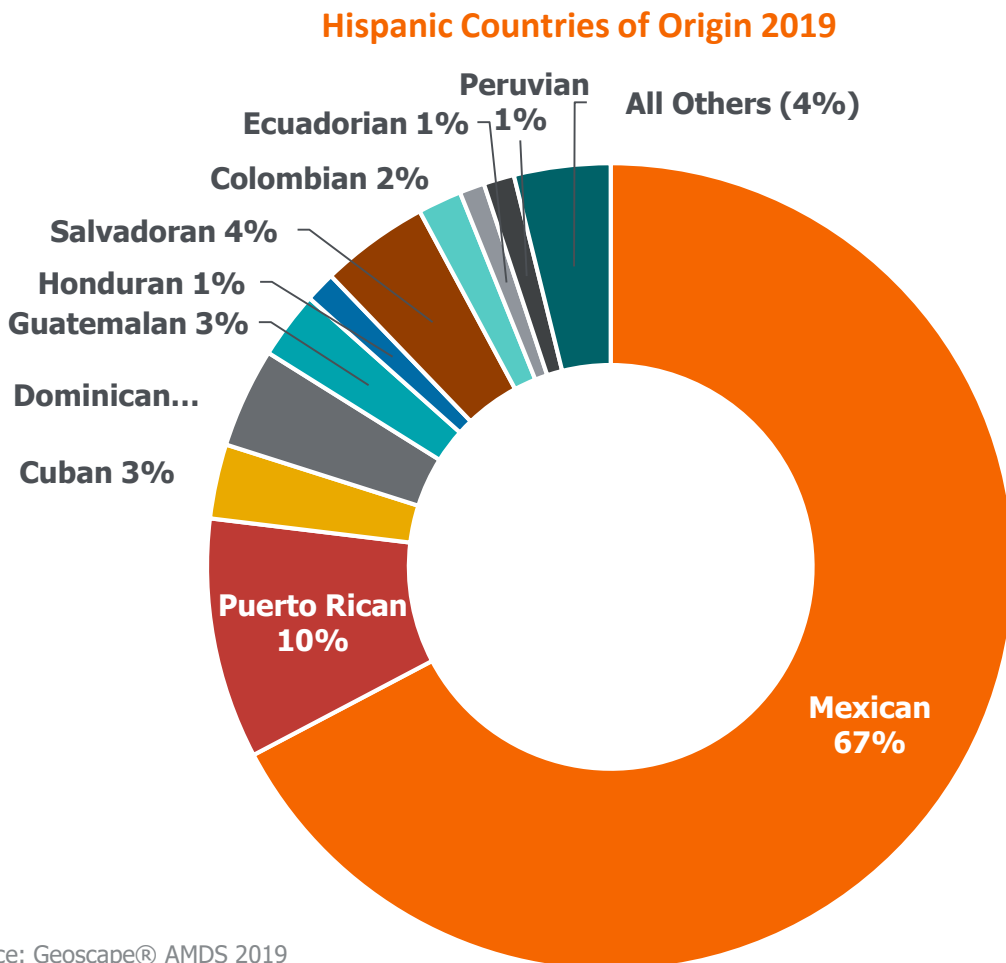
Source: Geoscape® AMDS 2019

Country of Origin: Hispanic Americans

When product developers think of the Hispanic market, it's important to realize it is not a single group. Hispanics in America come from many different countries, representing a wide variety of cultures, customs and preferences.

These sub-cultures are very different, so it makes it quite hard to deliver a culturally sensitive message. Hispanics from Mexico form the largest segment at 67%, followed by slightly decreasing portions of Puerto Ricans, Dominicans, Salvadorans and Cubans.

Two-thirds of U.S. Hispanics are of Mexican origin, the second largest ancestry group is Puerto Rican at 10%, followed by Dominican and Salvadoran at 4% each.



Source: Geoscape® AMDS 2019

Today's Hispanic Households Will Spend \$538,636 More than White American Households in their Lifetime

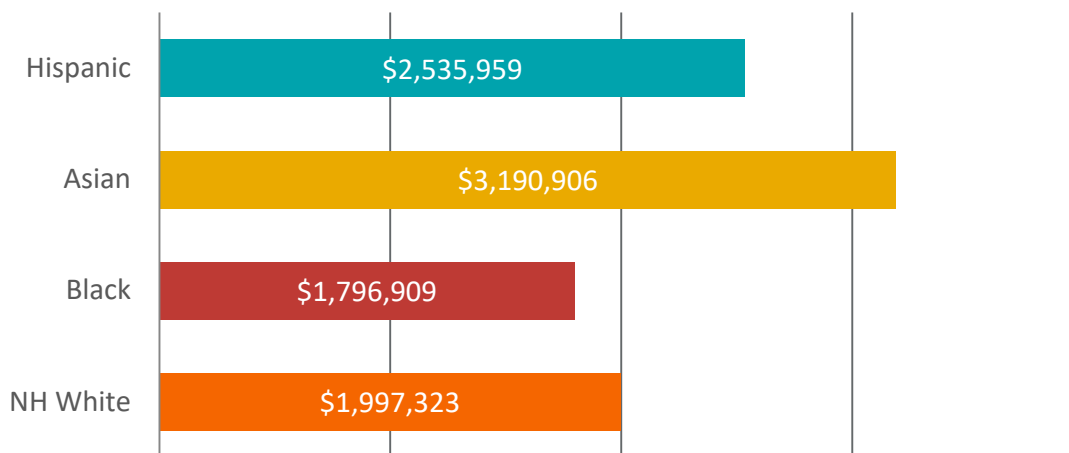
Cumulative lifetime spending shows the consumer spending potential that exists for the remaining life of an average active household. For marketers, this is a strong indicator for determining the ROI that can be achieved from acquiring a brand-loyal household.

Acquiring a household today and retaining it throughout its lifespan will result in very distinct cultural variation and cumulative revenue due to age, spending and life expectancy.

Hispanic households will spend the second most behind Asians, and followed by Black and White American households. Each sector varies, and often the average spending per household also is higher, even if income is lower. Differences in lifespan contribute to higher lifetime spending in Hispanic and Asian consumers.

The continued rapid growth in the Hispanic and Asian U.S. populations will result in an aggregate spending worth that has become difficult to ignore – making it more important and strategic for corporations to shift their investment priorities. The average Hispanic household will spend about \$538,636 more than the average non-Hispanic White American household over their respective remaining lifetimes.

Remaining Average Household Cumulative Life Spending



	Median Age	Median Adult Age	Life Expectancy	Span in Years
Hispanic	27.3	37.6	82.4	44.8
Asian	36.8	43.1	83.8	40.7
Black	33.8	43.9	77.7	33.8
Non-Hispanic White	44.4	51.9	82.6	30.7

Source: Geoscape® AMDS 2019

Hispanic Households Spend About 5% More Annually on Apparel and About 1.4% More Annually on Food at Home Than the Average U.S. Household

Due to a lower disposable income, Hispanic American households spend less overall annually on consumer goods and services than the average U.S. household. However, there are some spending categories where Hispanics spend more than the average U.S. household annually.

For example, Hispanics spend roughly \$2,300 annually on apparel – 5% more than the average U.S. household for all apparel sub-categories, including men’s, women’s & children’s clothing & footwear. Hispanic households also spend \$4,740 annually on food at home – about 1.4% more than average U.S. households.

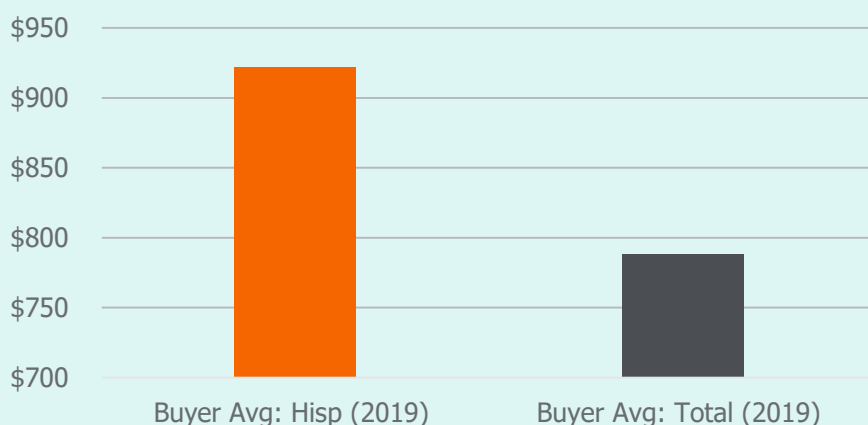
In addition, Hispanic American households also spend:

- 21% more on Men and Boys Apparel than average U.S. households
- 25% more on Men’s Active Sportswear than average U.S. households
- 28% more on Apparel for Children Under 2 than average U.S. households
- 28% more on Footwear for Men, Boys, Women and Girls
- Also, within the Food at Home category, not only do they spend 15% more on meat and eggs, they also spend 9% more on fruits & vegetables

Household Products

Hispanic households spend 17% more on soaps, detergents & other laundry and cleaning products. This is primarily due to their larger family size. This makes Hispanics an attractive target group for many large CPG manufacturers.

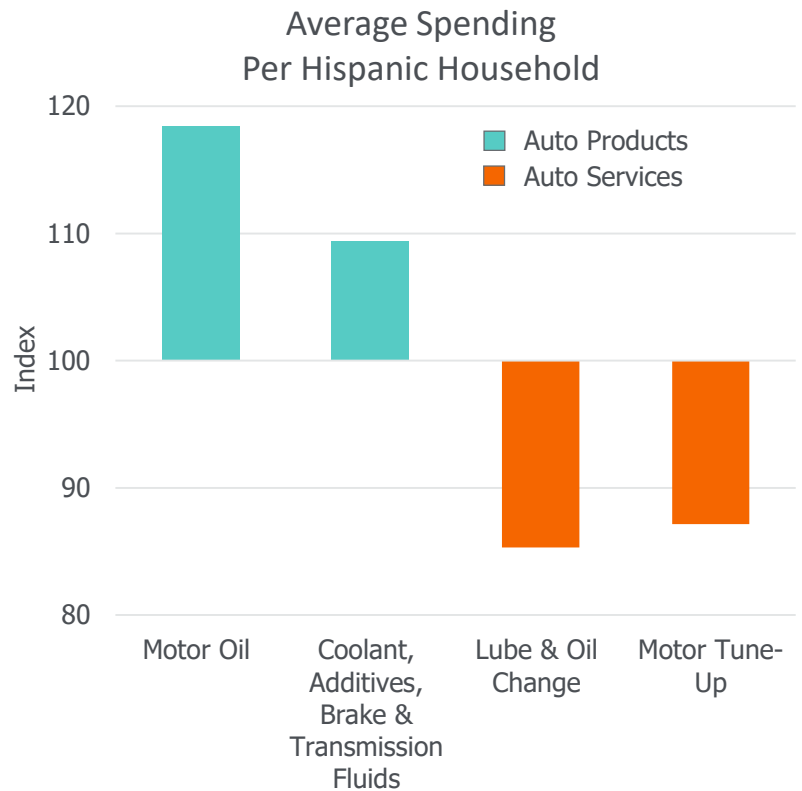
Household Annual Spending on Soaps, Detergents, and Other Laundry and Cleaning Products



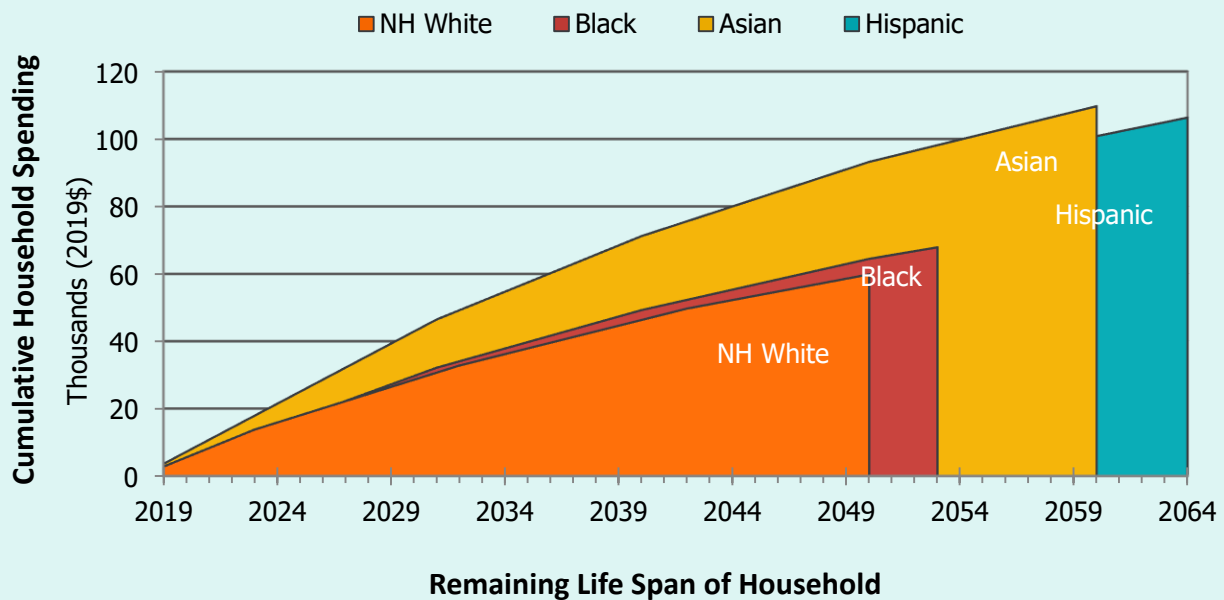
Transportation

Hispanic households spend 15% less on vehicle services (lube, oil change) and 13% less on tune-ups. However, Hispanic households spend > 18% more than the average household on motor oil and > 9% more on coolant, additives, brake and transmission fluids – indicating that Hispanics are purchasing these products directly and servicing their own vehicles, rather than paying a service provider (e.g. garage etc.) to perform maintenance on their vehicles.

This makes Hispanics an excellent target group for automotive aftermarket retailers and for manufacturers of motor oil & other vehicle parts & fluids.



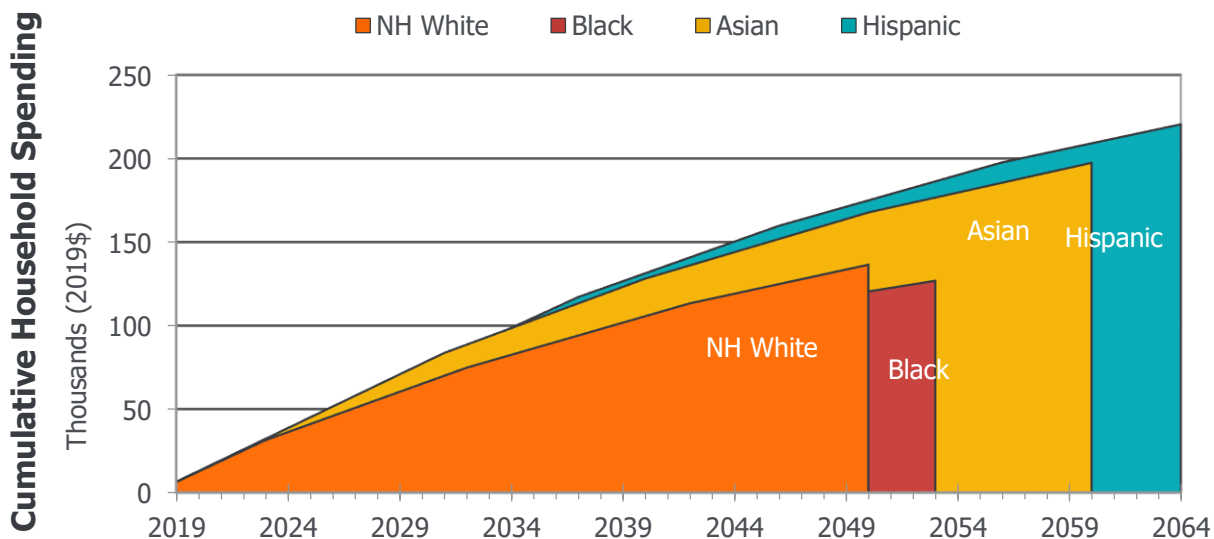
Apparel



Source: Geoscape® AMDS 2019, Consumer Spending Dynamix (CSDx) 2019

Hispanic American households spend \$2,286 annually on apparel – 5% more than average U.S. households for all apparel sub-categories, including men’s, women’s & children’s clothing & footwear.

Food at Home

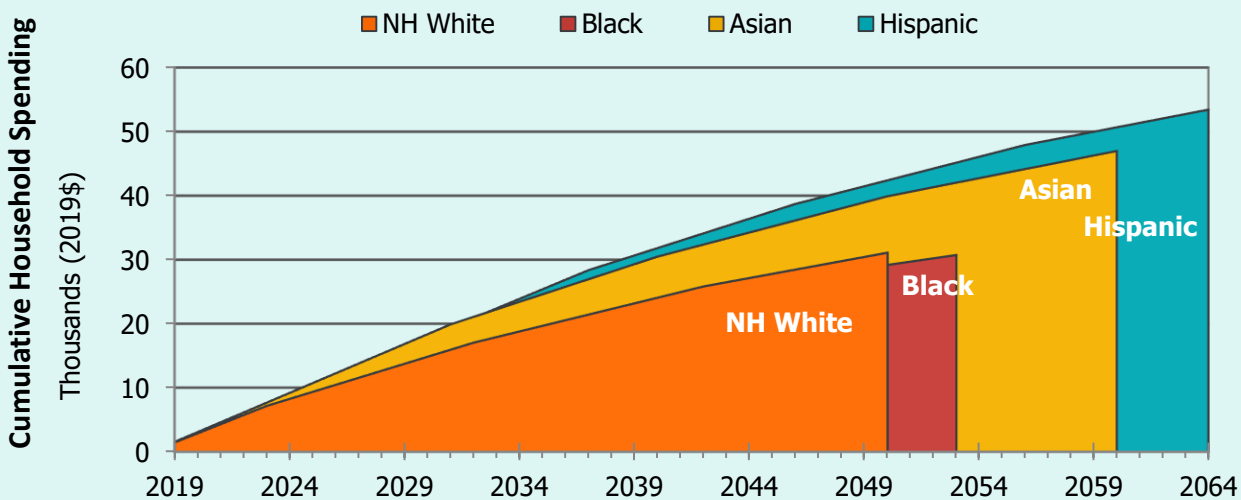


Remaining Life Span of Household

Source: Geoscape® AMDS 2019, Consumer Spending Dynamix (CSDx) 2019

Hispanic American households spend around \$4,740 annually on food at home – which is roughly 1.4% more than average U.S. households. In comparison, Black Americans have the lowest annual household spend on food at home at \$3,553.20. For meat & eggs, Hispanics spend 15% more than the average and for fruits & vegetables they spend almost 9% more than the average U.S. household.

Food Away from Home Quick Service Restaurants



Remaining Life Span of Household

Source: Geoscape® AMDS 2019, Consumer Spending Dynamix (CSDx) 2019

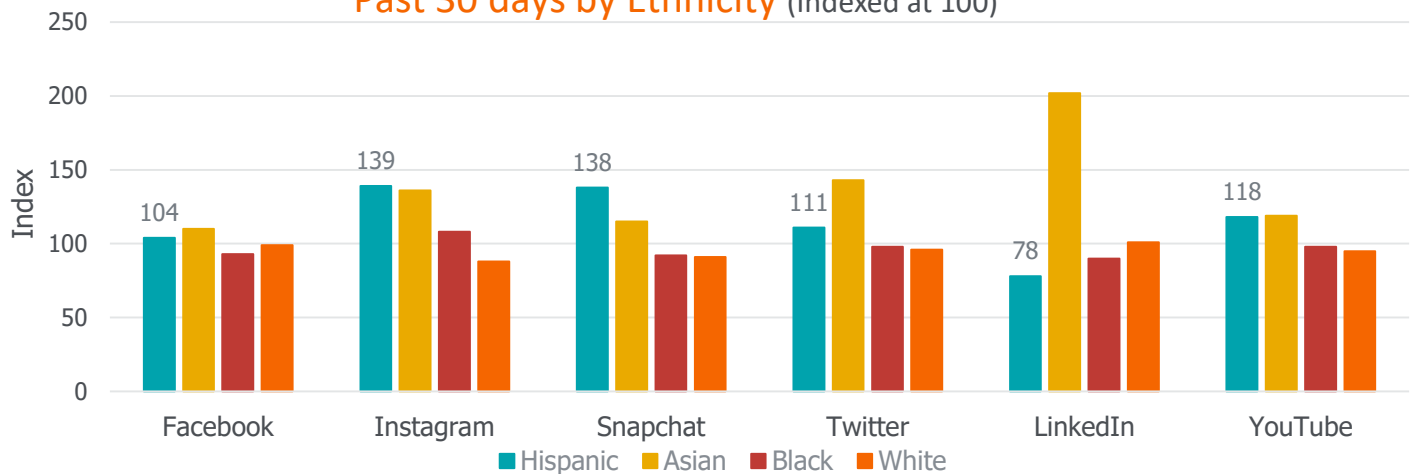
Hispanic American households spend over \$3,000 annually on quick service restaurants (for lunch & snacks).

The Top 2 Social Media Networks for Hispanics are Instagram and Snapchat

In the past 30 days, Hispanic American adults have indexed higher than Whites and Blacks on all social media sites/apps except for LinkedIn. Out of the top six social media sites/apps, Hispanic Americans indexed highest on Instagram and Snapchat and lowest on LinkedIn.

On LinkedIn, more specifically, Hispanics are more than two times less likely than the average Asian household to have used LinkedIn in the past 30 days. Hispanic American adults also indexed second highest over the past 30 days on their smartphone device usage.

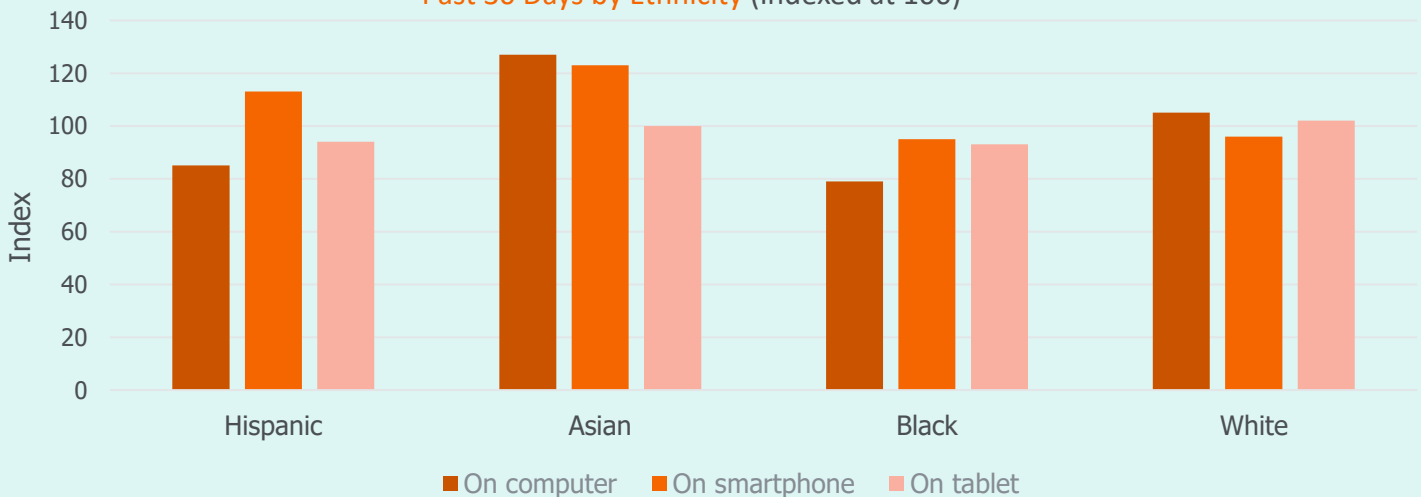
Adult Social Media Site/App Usage in the Past 30 days by Ethnicity (Indexed at 100)



Source: Geoscape® AMDS 2017, Nielsen Scarborough, 2017

Hispanics are More Likely to Access Social Media from Their Smartphones Compared to Other Ethnic Groups

Ways Social Networks Were Used in the Past 30 Days by Ethnicity (Indexed at 100)



Source: Geoscape® AMDS 2017, Nielsen Scarborough, 2017

About Claritas

Claritas helps companies **identify** customers. Not just any customers – their best customers. We help engage and **deliver** those customers when and where they want to be engaged. And finally, we help clients **optimize** those engagements with remarkable transparency and precision in near-real-time.

Our tools and data define who your best customers are, how they behave, and how to connect with them. With powerful original research, trusted data partnerships, and an expert analytics team, we provide the why behind the buy that is the key to selling smarter and winning bigger.

Targeting the New American Mainstream

To capture multicultural growth opportunities, you must first understand them: their likes, dislikes, preferences, behaviors, etc. These insights let you create personas, tailor messages and promotions specific to their wants and needs. Marketers leverage Claritas' deep understanding of multicultural segments, using tools, such as Geoscape CultureCodes across local, national and digital markets for smarter targeting, smarter planning and smarter buying to help drive bigger profits.

Multicultural Insights to Shape a Smarter Plan

Data from Geoscape American Marketscape Datastream (AMDS) can be applied to a wide variety of situations and challenges using computerized applications, such as the online Geoscape Intelligence System (GIS). Some of the applications are listed below.

- Strategic Planning
- Market Potential Assessment
- Product Development & Positioning
- Database mining & modeling
- Retail Site Selection & Distribution
- Marketing Communications & Media Planning
- Promotions & Direct Response
- Market Research: Surveys, Focus Groups, etc.
- Industry specific intelligence applications
- Sales potential and forecasting
- Consumer segmentation and targeting
- Customer relationship management
- Investment Valuation
- Public & Social Services
- Budget Allocation
- Staffing
- In-store experience management
- Retail shelf-space planning

To learn more about how to find and win your next multicultural consumer, visit www.claritas.com/geoscape or call **800.234.5973**.