

The Multicultural Economy, 1990-2009

Backed by fundamentally strong national and regional economies, U.S. consumers will continue to experience substantial but varying annual gains in after-tax income, which powers their spending on goods and services. The Selig Center's estimates and projections of buying power for 1990-2009 show that minorities—African Americans, Asians, Native Americans, and Hispanics—definitely share in this success, and together wield formidable economic clout.

As these groups increase in number and purchasing power, their growing shares of the U.S. consumer market draw avid attention from producers, retailers, and service providers alike. The buying power data presented here and differences in spending by race and/or ethnicity suggest that, as the U.S. consumer market becomes more diverse, advertising, products, and media must be tailored to each market segment. With this in mind, entrepreneurs, established businesses, marketing specialists, economic development organizations, and chambers of commerce now seek estimates of the buying power of the nation's major racial and ethnic minority groups. Going beyond the intuitive approaches often used, the Selig Center's estimates provide a timely, cost-efficient, and quantitative way to assess the size and vitality of the national, state, and sub-state racial and ethnic markets. This study provides a comprehensive statistical overview of the buying power of African Americans, Asians, Native Americans, and Hispanics for the U.S. and all the states. Data are provided for 1990-2009. Majority—or white—buying power also is reported. [Researchers should note that multiracial buying power is estimated only as a residual, and therefore the estimates are not discussed and should be used with extreme caution.]

Simply defined, buying power is the total personal income of residents that is available, after taxes, for spending on goods and services—that is, the disposable personal income of the residents of a specified geographic area. Unfortunately, there are no geographically precise surveys of annual expenditures and income of the nation's major racial and ethnic groups. Even estimates of expenditures by race or ethnicity are difficult to find, especially for individual states and counties.

The Selig Center addresses this problem by providing estimates of black, Native American, Asian, white, and Hispanic buying power from 1990-2004 for the nation, the fifty states, and the District of Columbia. Also, five-year projections (2005-2009) are provided for all groups. Estimates for Georgia's metropolitan areas and counties and for Florida's metropolitan areas and counties also are included.

These current dollar (not adjusted for inflation) estimates and projections indicate the growing economic power of various racial or ethnic groups; measure the relative vitality of geographic markets; help to judge business opportunities for start-ups or expansions; gauge a business's annual sales growth against potential market increases; indicate the market potential of new and existing products; and guide targeted advertising campaigns.

The estimates for 1990-2003 supersede those previously published by the Selig Center. The revised data for those years, as well as the preliminary estimates for 2004-2009, should be considered only as the first step toward a more comprehensive analysis of the market. Anyone considering the investment of substantial capital in a new enterprise, a new product line, or a new advertising campaign will need extensive feasibility analysis to determine market opportunities more precisely.

Although this book reports buying power estimates for 1990, 2000, 2004, and 2009 only, annual data for the entire period, 1990-2009, are available on the accompanying CD. Similarly, population data are reported only for 1990, 2000, 2004, and 2009, but annual population data for 1990-2009 are included on the CD.

Total Buying Power Statistics

The Selig Center projects that the nation's total buying power will rise from \$4.3 trillion in 1990 to \$7.1 trillion in 2000, to \$8.6 trillion in 2004, and to \$11.1 trillion in 2009. The percentage increase for the nineteen-year period, 1990-2009, is 159 percent, which far outstrips cumulative inflation. (For example, the U.S. Consumer Price Index for All Urban Consumers (CPI-U) will increase by approximately 66 percent during the same period.) Total buying power will expand by 21 percent from 2000 through 2004, and by 29 percent from 2004 through 2009. The compound annual rate of growth in total buying power and the CPI-U for 1990 through 2009 is 5.1 percent and 2.5 percent, respectively.

Diverse forces support this substantial growth. The nineteen-year span encompasses a mild recession in 1990-91, the longest economic expansion in the nation's history from 1991-2000, and another mild recession in 2001. As this is written, GDP again is expanding and the baseline assumption calls for moderate growth through 2009. Although U.S. buying power will grow, the state-level buying power estimates show an uneven expansion. Buying power

is rising much faster in the Mountain and Southern states than in the Middle Atlantic and Central states. Ranked by percentage change in total buying power between 1990 and 2004, the top ten states are Nevada (208 percent), Colorado (161 percent), Arizona (159 percent), Utah (145 percent), Georgia (142 percent), Idaho (138 percent), Texas (136 percent), Washington (125 percent), North Carolina (123 percent), and New Mexico (118 percent).

That the state estimates show differing outcomes is not surprising, given the differences in industrial bases, the importance of exports, dependence on defense spending, construction markets, labor markets, immigration rates, and natural resources. As always, states with low costs of doing business, affordable housing, favorable regulatory environments, modern transportation and telecommunications infrastructure, and educated workforces will continue to attract domestic and international businesses.

Buying Power Statistics by Race

In 2009, the combined buying power of African Americans, Asians, and Native Americans will be more than triple its 1990 level of \$456 billion, and will exceed \$1.5 trillion, a gain of \$1.1 trillion or 242 percent. In 2009, African Americans will account for 62 percent of combined spending, or \$965 billion. Over this nineteen-year period, the percentage gains in minority buying power vary considerably by race, from a gain of 347 percent for Asians to 240 percent for American Indians to 203 percent for blacks. All of these target markets will grow much faster than the white market, where buying power will increase by only 140 percent.

The combined buying power of these three minority racial groups will account for 14.1 percent of the nation's total buying power in 2009, up from 10.7 percent in 1990. This 3.4 percent gain in combined market share amounts to an additional \$379 billion in buying power in 2009. The market share claimed by a targeted group of consumers is important because the higher their market share, the lower the average cost of reaching a potential buyer in the group.

■ Black Buying Power ■

The Selig Center projects that the nation's black buying power will rise from \$318 billion in 1990 to \$585 billion in 2000, to \$723 billion in 2004, and to \$965 billion in 2009, up by 203 percent in nineteen years—a compound annual growth rate of 6 percent. This overall percentage gain outstrips the 140 percent increase in white buying power and the 159 percent increase in total buying power (all races combined). In 2009, the nation's share of total buying power that is black will be 8.7 percent, up from 8.4 percent in 2004 and up from 7.4 percent in 1990. Nationally, African-American consumers will account for almost nine cents out of every dollar that is spent.

The gains in black buying power reflect much more than just population growth and inflation. Of all the diverse supporting forces,

perhaps the most important is the increased number of jobs across the nation. Compared to 1990, employment opportunities have improved for everyone, including African-Americans. The increasing number of blacks who are starting and expanding their own businesses also contributes to the gains in buying power.

Favorable demographic trends help, too, since the black population continues to grow more rapidly than the total population. From 1990 to 2009, the nation's black population will grow by 29.9 percent compared to 12.1 percent for the white population and 23.7 percent for the total population. Also, compared to the white population, larger proportions of blacks are either entering the workforce for the first time or are moving up from entry-level jobs, and this push to buying power will be very important in coming years.

In 2004, the ten states with the largest African-American markets, in order, will be New York (\$67.8 billion), California (\$55.6 billion), Texas (\$53 billion), Georgia (\$49.5 billion), Florida (\$43.3 billion), Maryland (\$40.9 billion), Illinois (\$39.7 billion), North Carolina (\$32.5 billion), Virginia (\$30.4 billion), and Michigan (\$30 billion). Maryland, North Carolina, and Virginia are the only ones among the top ten black markets that did not also rank among the top ten markets for all consumers, however.

The Multicultural Dollar

Where Blacks Spend More

telephone services
personal care items
children's apparel
footwear
major appliances

This vibrant consumer market is widespread; and in 2004, the five largest African-American markets account for 37.2 percent of black buying power. The five states with the largest total consumer markets account for 37.7 percent of total buying power. Similarly, the ten largest black markets account for 61.2 percent of the African-American market and the ten largest total consumer markets account for 55.9 percent of total buying power.

In order, the top ten states ranked by the rate of growth of black buying power over 1990-2004 are Minnesota (302 percent), Nevada (299 percent), Utah (264 percent), Idaho (233 percent), Vermont (207 percent), Georgia (206 percent), Arizona (196 percent), Delaware (172 percent), South Dakota (170 percent), and Washington (167 percent). All have flourishing markets, but only Georgia appears on both the "largest" and "fast-growing" top ten lists. The combination of size and growth rate makes Georgia an especially attractive and dynamic

African-American market. Nationally, the percentage gain in black buying power from 1990 to 2004 will be 127 percent.

Georgia also ranks high in market concentration. From 1990 to 2004, the ten states (including the District of Columbia) with the largest share of total buying power that is black are the District of Columbia (35.8 percent), Mississippi (23.6 percent), Maryland (21.9 percent), Louisiana (20.2 percent), Georgia (20.2 percent), South Carolina (18.6 percent), Alabama (17.1 percent), North Carolina (14.4 percent), Delaware (14.1 percent), and Virginia (13.3 percent). The 4.5 percent increase in African Americans' share of Maryland's consumer market (17.4 percent in 1990 to 21.9 percent in 2004) was the biggest share shift in the nation, followed by a 4.2 percent increase in share in Georgia (16 percent to 20.2 percent) and a 4.1 percent increase in share in Mississippi (19.4 percent to 23.6 percent). The share of buying power controlled by black consumers will rise everywhere except for the District of Columbia (-6.8 percent), Alaska (-0.2 percent), California (-0.2 percent), Colorado (-0.1 percent), Hawaii (-0.1 percent), and New Hampshire (no change). By comparison, African Americans' share of the U.S. consumer market rose from 7.4 percent in 1990 to 8.4 percent in 2004.

Due to differences in per capita income, wealth, demographics, and culture, the spending habits of African Americans as a group are not the same as those of non-black consumers (e.g., white and other races combined). The most recent *Consumer Expenditure Survey* data (for 2002) indicate that the average black household spent in total only 72 percent as much as the average non-black household. The values are for money income, which differs somewhat from total buying power, but nonetheless offers some insights into spending by black consumers.

Despite their lower average income levels, African Americans spent more on telephone services and shoes. Blacks also spent a higher proportion of their money on children's apparel; TVs, radio, and sound equipment; personal care products and services; women's and girl's apparel; and major appliances. They spent about the same proportion of their total outlays on furniture, household operations, shelter, gasoline and motor oil, life insurance, and cash contributions.

Blacks spend a significantly smaller proportion of the total expenditures on entertainment, health care, reading materials, household textiles, and small appliances.

The same survey indicates that black households are only slightly larger than the average non-black household (2.7 persons for blacks versus 2.5 persons for whites and others). Black households are more likely to have children under 18 (0.9 persons for blacks versus 0.6 persons for whites and others) and slightly less likely to have persons 65 and over (0.2 persons for blacks versus 0.3 persons for white and other households). Blacks have approximately the same number of wage earners per household (1.3 wage earners) as white and other

households (1.4 wage earners), but have only 1.3 vehicles per household compared to 2.1 vehicles for white and other households. There is a substantial gap in homeownership rates, suggesting a possible opportunity for market expansion in the years ahead. The data indicate that 48 percent of blacks are homeowners compared to 69 percent of white and other households. Among homeowners, 67 percent of blacks have mortgages compared to 61 percent of whites and others.

■ Native American Buying Power ■

The Selig Center projects that the nation's Native American buying power will rise from \$19.3 billion in 1990, to \$37.2 billion in 2000, to \$47.7 billion in 2004, and to \$65.6 billion in 2009. If these projections hold, this group's buying power in 2009 will be 240 percent greater than in 1990—a compound annual growth rate of 6.7 percent. The 1990-2009 percentage gain is much greater than the increases in buying power projected for whites (140 percent), for the U.S. population as a whole (159 percent), and for blacks (203 percent). It is smaller than those projected for Asians (347 percent)

and for Hispanics (347 percent), however. Despite this fast-paced growth, Native Americans will account for only 0.6 percent of all U.S. buying power in 2009, up slightly from their 0.5 percent share in 1990, when they accounted for only \$19.3 billion in buying power.

Many forces support the continued growth of this group's buying power, but perhaps the most important is gradually improving

employment opportunities for all Americans. Added reinforcement comes from the fact that the Native American population is growing much more rapidly than the total population, and is expected to continue to do so. From 1990 through 2009, the Native American population will grow by 53.1 percent, outpacing the projected gains of 29.9 percent for the black population, 23.7 percent for the total U.S. population, and 12.1 percent for the white population.

Entrepreneurial activity is another major force powering the growth of Native American buying power. The *Survey of Minority-Owned Business Enterprises* released by the Census Bureau in 2001 showed that the number of the number of American Indian-owned firms increased more than twelve times faster than the number of all U.S. firms, and their receipts rose four and one-half times faster than those of all firms. In terms of growth rates, American Indian-owned firms—which primarily are centered in the business services, personal services, and construction industries—outperformed all other groups.

Although comprising less than one percent of the country's population in 2004, Native Americans will control \$48 billion in

**Based on size, growth rate,
and concentration, Georgia is
one of the nation's most vibrant
African-American markets.**



disposable income, which makes this diverse group economically attractive to businesses. The nation's 2.7 million American Indians (including Eskimos and Aleuts) will see their buying power rise from \$19.3 billion in 1990 to \$47.7 billion in 2004, an increase of 147 percent in fourteen years.

In 2004, in order, the ten states with the largest Native American markets are California (\$7.8 billion), Oklahoma (\$4.6 billion), Texas (\$3.3 billion), Arizona (\$3.1 billion), New Mexico (\$2.3 billion), North Carolina (\$1.9 billion), Washington (\$1.8 billion), Alaska (\$1.8 billion), New York (\$1.7 billion), and Florida (\$1.4 billion). This market is slightly more focused on a few states than is the total U.S. consumer market, however. For example, in 2004, the five largest American Indian markets account for 44.2 percent of Native American buying power, whereas the five largest total consumer markets account for 37.7 percent of U.S. buying power. Similarly, the ten largest Native American markets account for 62.2 percent of Native American buying power and the top ten total consumer markets account for 55.7 percent of total U.S. buying power.

Ranked by the rate of growth of Native American buying power over 1990-2004, the top ten states are West Virginia (320 percent), Texas (278 percent), Colorado (266 percent), Tennessee (253 percent), Mississippi (247 percent), Kentucky (232 percent), Vermont (229 percent), Georgia (228 percent), South Carolina (225 percent), and Louisiana (222 percent). Many of these states have relatively small, flourishing markets, but Texas stands out from the other leading states as the third largest Native American consumer market in the nation.

In 2004, the ten states with the largest Native American shares of total buying power include Alaska (9.1 percent), Oklahoma (5.3 percent), New Mexico (5.1 percent), South Dakota (3.4 percent), Montana (3.3 percent), North Dakota (2.5 percent), Arizona (2.1 percent), Wyoming (1.2 percent), Washington (0.9 percent), and Nevada (0.9 percent). Compared to 1990, Native Americans' share of the market will rise the most in New Mexico, Alaska, North Dakota, South Dakota, Oklahoma, and Montana, but will decline slightly in Nevada (-0.2 percent), Hawaii (-0.1 percent), and Washington (-0.1 percent).

■ Asian Buying Power ■

In 2009, 14.1 million Americans—4.6 percent of the country's population—will claim Asian ancestry, which makes them a powerful force in the U.S. consumer market. This racial group's shares of the population were 2.9 percent and 3.8 percent in 1990 and 2000, respectively; and their enormous economic clout continues to attract more attention from businesses and advertisers. (The Selig Center's data for Asians combines two race categories, including those who identified themselves as Asian or as Native Hawaiian and Other Pacific Islander.)

The Selig Center projects that the nation's Asian buying power will more than quadruple over the nineteen-year period, climbing from \$118 billion in 1990 to \$269 billion in 2000, to \$363 billion in

2004, and to \$528 billion in 2009. The 347 percent gain from 1990 through 2009 (at a compound annual rate of growth of 8.2 percent) is substantially greater than the increases in buying power projected for whites (140 percent), the U.S. as a whole (159 percent), blacks (203 percent), and American Indians (240 percent), and matches the 347 percent gain projected for Hispanics.

The group's fast-paced growth in buying power demonstrates the increasing importance of Asian consumers and should create great opportunities for businesses that pay attention to their needs. Because the group includes consumers of so many national ancestries, languages, and such diverse cultures, firms that target specific subgroups—Chinese or Filipino, for example—may find niche markets particularly rewarding.

Although the strong economy helps, Asian buying power also is propelled by the fact that Asians are better educated than is the average American, and therefore Asians hold many top-level jobs in management or professional specialties. The Census Bureau's March 2000 *Current Population Survey* indicates that 44 percent of Asians and Pacific Islanders ages 25 and over have a bachelor's degree or higher compared to 26 percent of the total population. The increasing number of successful Asian entrepreneurs also helps to increase the group's buying power. According to the 2001 *Survey of Minority-Owned Business Enterprises*, the number of Asian-owned businesses—which mostly center on business services, personal services, and retailing—increased more than four times faster than the number of all U.S. firms, and their receipts also rose much more rapidly than all others.

Powerful demographic trends help, too. The Asian population is growing more rapidly than the total population, mostly because of strong immigration, a trend that is expected to continue. In 2009, the Asian population will reach 14.1 million, or nearly double its 1990 base of 7.3 million. This 94 percent gain in population exceeds that projected for any other racial group, yet in comparison, it falls well below the 121 percent gain expected for the Hispanic population.

In 2004, the ten states with the largest Asian consumer markets, in order, are California (\$128.6 billion), New York (\$35.2 billion), New Jersey (\$22.4 billion), Texas (\$21.2 billion), Hawaii (\$18.1 billion), Illinois (\$16.2 billion), Washington (\$11.1 billion), Virginia (\$9.3 billion), Florida (\$8.9 billion), and Massachusetts (\$8.7 billion). Compared to the overall consumer market, the group's spending is much more focused geographically. In 2004, the five and the ten states with the largest Asian consumer markets account for 62.1 percent and 77 percent of Asian buying power, respectively. In contrast, the five and the ten largest total consumer markets account for 37.7 percent and 55.7 percent of U.S. buying power, respectively. California stands out as the nation's only state-level minority racial market that exceeds \$100 billion (\$128.6 billion), and it alone accounts for 35 percent of the nation's Asian consumer market. From 1990-2004, California will account for 34 percent of the expected increase in the nation's Asian buying power, or \$83 billion of the \$245 billion gain.

Ranked by the rate of growth of Asian buying power over 1990-2004, the top ten states are Nevada (532 percent), North Carolina (463 percent), Georgia (453 percent), Minnesota (395 percent),

Nebraska (381 percent), Texas (348 percent), Arizona (335 percent), Colorado (325 percent), Tennessee (323 percent), and Delaware (321 percent). Among the states that will experience fast-paced growth, only fourth-ranked Texas is among the nation's ten largest Asian markets, which makes this state a very lucrative Asian consumer market.

Nationally, Asian consumers' share of the market will increase from 2.8 percent in 1990 to 4.2 percent in 2004, or by 1.4 percentage points. In order, the ten states with the largest shares of total buying power that is Asian in 2004 are Hawaii, where Asians account for 50.8 percent of the state's buying power, California (11.8 percent), New Jersey (7 percent), Washington (5.7 percent), New York (5.6 percent), Nevada (5.2 percent), Maryland (4.2 percent), Virginia (4 percent), Illinois (4 percent), and Massachusetts (3.7 percent). Except for Hawaii, where Asians' market share will drop by 6.4 percent, the share of buying power controlled by Asian consumers will rise in every state. The 3.7 percent gain in Asians' share of California's consumer market (8.1 percent in 1990 to 11.8 percent in 2004) will be the largest share increase in the nation, followed by the 3.6 percent increase in market share in New Jersey (3.4 percent to 7 percent). Also noteworthy is the 2.6 percent gain in share expected in Nevada, (2.5 percent share in 1990 to 5.2 percent in 2004).

■ Hispanic Buying Power ■

The immense buying power of the nation's Hispanic consumers is reshaping the retail and commercial landscape of the United States, and Selig Center projections reveal that Hispanics will control about \$686 billion in spending power in 2004. In fact, Census 2000 showed that more than one person in eight who lives in the U.S. is of Hispanic origin. Moreover, the U.S. Hispanic population will continue to grow much more rapidly than the non-Hispanic population. By 2009, nearly one person out of every six living in the U.S. will be of Hispanic origin.

Over the nineteen-year period, 1990-2009, the nation's Hispanic buying power will grow at a dynamic compound annual rate of 8.2 percent. (The comparable rate of growth for non-Hispanics is 4.9 percent.) In sheer dollar power, Hispanics' economic clout will rise from \$222 billion in 1990, to \$504 billion in 2000, to \$686 billion in 2004, and to \$992 billion in 2009. The 2009 value will exceed the 1990 value by 347.1 percent—a percentage gain that is substantially greater than either the 148.5 percent increase in non-Hispanic buying power or the 158.8 percent increase in the buying power of all consumers. U.S. Hispanic buying power will grow faster than African-American buying power (203 percent) and Native American buying power (240 percent), but will grow at the same rate as Asian buying power (347 percent).

In 2009, Hispanics will account for 9 percent of all U.S. buying power, up from 5.2 percent in 1990. Due to this relatively brisk growth, Hispanic buying power (\$923 billion) will exceed African-American buying power (\$911 billion) in 2008.

Of the many forces supporting this substantial and continued growth, the most important is favorable demographics, but better employment opportunities also help to increase the group's buying power. Because of both higher rates of natural increase and strong immigration, the Hispanic population is growing more rapidly than the total population, a trend that is projected to continue. Between 1990 and 2009, the Hispanic population will increase by 121 percent compared to 14.1 percent for the non-Hispanic population and the 23.7 percent gain for the total population.

The relatively young Hispanic population, with more of them either entering the workforce for the first time or moving up their career ladders, also argues for additional gains in buying power, which will be even more important in this decade than in the 1990s. In 2000, 35 percent of the Hispanic population was under age 18 compared to 26 percent of the total population, and the median age of Hispanics was 26 compared to 35 for the entire population. Clearly Hispanics' spending patterns will determine the success or failure of many youth-oriented products and services. The increasing number of Hispanics who are successfully starting and expanding their own businesses is another potent force powering the growth of this consumer market, as evidenced by the 1.2 million Hispanic-owned firms in the U.S.

Hispanic refers to a person of Mexican, Puerto Rican, Cuban, Central or other Spanish/Hispanic/Latino culture or origin, and is considered an ethnic category, rather than a racial group. Persons of Hispanic origin therefore may be of any race, and since their culture varies with the country of origin, the Spanish language often is the unifying factor. Census 2000 indicates that the majority of Hispanics living in the U.S. are of Mexican origin (58.5 percent), which suggests

The Multicultural Dollar

Where Hispanics Spend More

- groceries
- gas, motor oil
- household textiles
- men's clothing
- children's clothing
- footwear

that a great many Hispanics share similar backgrounds and cultural experiences.

This major group, which will comprise 14 percent of the country's population in 2004, will have disposable income of \$686 billion. In 2004, the ten states with the largest Hispanic markets, in order, are California (\$198.5 billion), Texas (\$119.3 billion), Florida (\$63.7 billion), New York (\$56.6 billion), Illinois (\$31.3 billion), New Jersey (\$26.1 billion), Arizona (\$20.9 billion), Colorado (\$15 billion), New Mexico (\$13.7 billion), and Georgia (\$10.9 billion).



Hispanics and their buying power also are much more geographically concentrated than non-Hispanics. California alone accounts for 28.9 percent of Hispanic buying power. The five states and the ten states with the largest Hispanic markets account for 68.4 percent and 81 percent of Hispanic buying power, respectively. In contrast, the five states with the largest non-Hispanic markets account for only 35 percent of total buying power and the ten largest non-Hispanic markets account for only 53.9 percent of total buying power. The five states and the ten states with the largest total consumer markets account for only 37.7 percent and 55.7 percent of total buying power, respectively.

The top ten states, as ranked by the rate of growth of Hispanic buying power over 1990-2004, are North Carolina (949 percent), Arkansas (924 percent), Georgia (710 percent), Tennessee (664 percent), Nevada (559 percent), Minnesota (541 percent), Alabama (515 percent), Nebraska (473 percent), South Carolina (456 percent), and Kentucky (453 percent). In market size, Georgia, Nevada, and North Carolina also respectively rank tenth, eleventh, and twelfth, so these states are three of the most attractive Hispanic markets in the nation.

Between 1990 and 2004, the share of buying power controlled by Hispanic consumers will rise from 5.2 percent to 8 percent, and the group's share will rise in every state except Hawaii. In 2004, the ten states with the largest shares of total buying power that is Hispanic will be New Mexico (30.8 percent), Texas (19 percent), California (18.2 percent), Arizona (14.4 percent), Nevada (13.4 percent), Florida (13.1 percent), Colorado (10.1 percent), New York (9 percent), New Jersey (8.1 percent), and Illinois (7.8 percent). Nevada's 7.1 percent shift in Hispanic market share, from 6.3 percent in 1990 to 13.4 percent in 2004 will be the nation's largest. Texas will see its Hispanic market share climb from 13.2 percent to 19 percent, a gain of 5.8 percent, which will be a remarkable achievement for a state with such a large, established market. Hispanics' share of the New Mexico market will rise by 5.2 percent, from 25.6 percent to 30.8 percent.

California's Hispanics will claim 18.2 percent of the state's buying power, up 4.9 percentage points from their 13.3 percent share in 1990. Florida's large Hispanic population will claim 13.1 percent of that state's buying power, 4.4 percent more than their 8.7 percent share in 1990.

Because of differences in per capita income, wealth, demographics, and culture, the spending habits of Hispanics as a group are not the same as those of the average U.S. consumer. The most recent *Consumer Expenditure Survey* indicates that Hispanic consumers spent in total only about 84 percent as much as the average non-Hispanic consumer and spent a much higher proportion of their income on goods and services—95.2 percent for Hispanics versus 85.9 percent for non-Hispanics.

Despite their lower average income levels, Hispanic households spent more on groceries, footwear, men's and boys clothing, children's clothing, gasoline and motor oil, and household textiles. Compared to the non-Hispanic population, Hispanics spent about the same proportion of their total outlays on restaurants, alcoholic beverages, housekeeping supplies, furniture, appliances, women's and girls' clothing, public transportation, and personal care products and services.

Compared to the non-Hispanic population, Hispanics spent substantially smaller proportions of total outlays (and substantially less money) on floor coverings, health care, entertainment, reading, education, life and other personal insurance, cash contributions, and tobacco products.

The same survey found that Hispanic households are larger than non-Hispanic households (3.3 persons per household for Hispanics versus 2.4 persons for non-Hispanics); and have twice as many children under 18. On average, there are 1.7 vehicles per Hispanic household compared to 2 vehicles per non-Hispanic household. Also, only 48 percent of Hispanics are homeowners compared to 68 percent of non-Hispanics. Among homeowners, 69 percent of Hispanics have a mortgage compared to 60 percent of non-Hispanics.

Table 1

**U.S. Buying Power Statistics by Race,
1990, 2000, 2004, and 2009**

	Buying Power (billions of dollars)			
	1990	2000	2004	2009
Total	4,277.2	7,113.6	8,600.8	11,068.8
White	3,736.4	5,919.9	7,077.2	8,967.5
Black	318.3	584.9	723.1	964.6
American Indian	19.3	37.2	47.7	65.6
Asian	118.2	268.7	363.2	528.2
Other	85.0	195.7	258.0	371.8
Multiracial	NA	107.2	131.5	170.9

	Percentage Change in Buying Power			
	1990-2004	1990-2009	2000-2004	2004-2009
Total	101.1	158.8	20.9	28.7
White	89.4	140.0	19.6	26.7
Black	127.1	203.0	23.6	33.4
American Indian	147.3	240.0	28.4	37.5
Asian	207.4	347.0	35.2	45.4
Other	203.5	337.4	31.8	44.1
Multiracial	NA	NA	22.6	30.0

	Market Share (percentage)			
	1990	2000	2004	2009
Total	100.0	100.0	100.0	100.0
White	87.4	83.2	82.3	81.0
Black	7.4	8.2	8.4	8.7
American Indian	0.5	0.5	0.6	0.6
Asian	2.8	3.8	4.2	4.8
Other	2.0	2.8	3.0	3.4
Multiracial	NA	1.5	1.5	1.5

Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, May 2004.

Table 2

**U.S. Population Statistics by Race,
1990, 2000, 2004, and 2009**

	Population			
	1990	2000	2004	2009
Total	248,709,873	281,421,906	292,445,030	307,643,178
White	199,686,070	211,460,626	216,731,513	223,826,417
Black	29,986,060	34,658,190	36,480,264	38,949,258
American Indian	1,959,234	2,475,956	2,704,418	2,998,678
Asian	7,273,662	10,641,833	12,117,929	14,088,153
Other	9,804,847	15,359,073	17,285,083	20,254,901
Multiracial	NA	6,826,228	7,125,822	7,525,771

	Percentage Change in Population			
	1990-2004	1990-2009	2000-2004	2004-2009
Total	17.6	23.7	3.9	5.2
White	8.5	12.1	2.5	3.3
Black	21.7	29.9	5.3	6.8
American Indian	38.0	53.1	9.2	10.9
Asian	66.6	93.7	13.9	16.3
Other	76.3	106.6	12.5	17.2
Multiracial	NA	NA	4.4	5.6

	Share of Population (percentage)			
	1990	2000	2004	2009
Total	100.0	100.0	100.0	100.0
White	80.3	75.1	74.1	72.8
Black	12.1	12.3	12.5	12.7
American Indian	0.8	0.9	0.9	1.0
Asian	2.9	3.8	4.1	4.6
Other	3.9	5.5	5.9	6.6
Multiracial	NA	2.4	2.4	2.4

Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, May 2004.

Table 3

**U.S. Hispanic Market Statistics,
1990, 2000, 2004, and 2009**

	Buying Power (billions of dollars)			
	1990	2000	2004	2009
Total	4,277.2	7,113.6	8,600.8	11,068.8
Hispanic	221.9	503.9	686.3	992.3
Non-Hispanic	4,055.3	6,609.7	7,914.4	10,076.5
	Percentage Change in Buying Power			
	1990-2004	1990-2009	2000-2004	2004-2009
Total	101.1	158.8	20.9	28.7
Hispanic	209.3	347.1	36.2	44.6
Non-Hispanic	95.2	148.5	19.7	27.3
	Market Share (percentage)			
	1990	2000	2004	2009
Total	100.0	100.0	100.0	100.0
Hispanic	5.2	7.1	8.0	9.0
Non-Hispanic	94.8	92.9	92.0	91.0

Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, May 2004.

Table 4

**U.S. Hispanic Population Statistics,
1990, 2000, 2004, and 2009**

	Population			
	1990	2000	2004	2009
Total	248,709,873	281,421,906	292,445,030	307,643,178
Hispanic	22,354,059	35,305,818	41,341,191	49,318,361
Non-Hispanic	226,355,814	246,116,088	251,103,839	258,324,817
	Percentage Change in Population			
	1990-2004	1990-2009	2000-2004	2004-2009
Total	17.6	23.7	3.9	5.2
Hispanic	84.9	120.6	17.1	19.3
Non-Hispanic	10.9	14.1	2.0	2.9
	Share of Population (percentage)			
	1990	2000	2004	2009
Total	100.0	100.0	100.0	100.0
Hispanic	9.0	12.5	14.1	16.0
Non-Hispanic	91.0	87.5	85.9	84.0

Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, May 2004.

Table 5

**The Nation's Largest Consumer Markets in 2004
(billions of dollars)**

Rank		Total Buying Power
1	California	1,089.7
2	New York	632.6
3	Texas	628.7
4	Florida	487.3
5	Illinois	402.7
6	Pennsylvania	373.0
7	New Jersey	321.9
8	Ohio	317.4
9	Michigan	292.2
10	Georgia	245.0

Rank	White Buying Power	Black Buying Power	American Indian Buying Power
1	California 772.4	New York 67.8	California 7.8
2	Texas 502.9	California 55.6	Oklahoma 4.6
3	New York 493.0	Texas 53.0	Texas 3.3
4	Florida 418.1	Georgia 49.5	Arizona 3.1
5	Pennsylvania 334.0	Florida 43.3	New Mexico 2.3
6	Illinois 328.5	Maryland 40.9	North Carolina 1.9
7	Ohio 281.9	Illinois 39.7	Washington 1.8
8	New Jersey 256.5	North Carolina 32.5	Alaska 1.8
9	Michigan 248.4	Virginia 30.4	New York 1.7
10	Massachusetts 210.6	Michigan 30.0	Florida 1.4

Rank	Asian Buying Power	Multiracial Buying Power	Hispanic Buying Power
1	California 128.6	California 34.0	California 198.5
2	New York 35.2	New York 12.2	Texas 119.3
3	New Jersey 22.4	Texas 10.0	Florida 63.7
4	Texas 21.1	Florida 7.2	New York 56.6
5	Hawaii 18.1	Hawaii 5.2	Illinois 31.3
6	Illinois 16.2	New Jersey 4.8	New Jersey 26.1
7	Washington 11.1	Illinois 4.6	Arizona 20.9
8	Virginia 9.3	Washington 3.9	Colorado 15.0
9	Florida 8.9	Michigan 3.2	New Mexico 13.7
10	Massachusetts 8.7	Massachusetts 3.1	Georgia 10.9

Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, May 2004.

Table 6

**The Nation's Fast-Growing Consumer Markets in 1990-2004
(percent)**

Rank	Percentage Change in Total Buying Power		Percentage Change in White Buying Power		Percentage Change in Black Buying Power	
1	Nevada	208.0	Nevada	179.6	Minnesota	301.5
2	Colorado	160.9	Colorado	150.5	Nevada	298.7
3	Arizona	159.0	Arizona	146.5	Utah	263.8
4	Utah	145.1	Utah	136.7	Idaho	233.3
5	Georgia	142.4	Idaho	131.9	Vermont	207.2
6	Idaho	138.0	Texas	122.1	Georgia	205.7
7	Texas	136.5	Georgia	119.2	Arizona	196.1
8	Washington	124.7	North Carolina	112.3	Delaware	172.4
9	North Carolina	122.7	Washington	111.4	South Dakota	169.6
10	New Mexico	118.3	Tennessee	107.7	Washington	166.8

Rank	Percentage Change in American Indian Buying Power		Percentage Change in Asian Buying Power		Percentage Change in Hispanic Buying Power	
1	West Virginia	320.3	Nevada	531.5	North Carolina	949.1
2	Texas	277.8	North Carolina	462.6	Arkansas	924.6
3	Colorado	265.7	Georgia	453.1	Georgia	709.5
4	Tennessee	252.9	Minnesota	395.3	Tennessee	664.3
5	Mississippi	246.6	Nebraska	380.5	Nevada	558.5
6	Kentucky	231.9	Texas	348.3	Minnesota	540.6
7	Vermont	228.5	Arizona	334.5	Alabama	515.0
8	Georgia	227.7	Colorado	325.1	Nebraska	472.6
9	South Carolina	225.1	Tennessee	323.7	South Carolina	455.7
10	Louisiana	222.4	Delaware	320.8	Kentucky	452.9

Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, May 2004.