



The 2020 Hispanic Market Report

The New American Mainstream



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EXECUTIVE SUMMARY

It is incredible to think we are three quarters of the way through 2020, one of the most challenging years our country has experienced in the last decade. A year which has been especially challenging for U.S. Hispanics who have been disproportionately impacted from a health and economic standpoint. I believe that Hispanics' resiliency, incredible work ethic, and strong cultural connections will be key to them thriving individually and collectively as a community over the next few years.

Today, Hispanics make up 19% of the U.S. population and nearly a quarter of the youngest generational cohorts, the Millennial and Gen-Z consumers. Hispanics are by far one of the fastest-growing segments of the American population accounting for 56% of the growth over the past two decades, adding 5,170,926 people during this period. The growth trend will continue into the foreseeable future as Hispanics are projected to drive 62% of the population growth through 2025.

The economic environment this year has forced companies to adapt, many pivoting to reach consumers digitally. Hispanics, who are digital-savvy consumers, quickly adapted their way of connecting with each other and the way in which they shop. They have been strong users of social media and streaming services for several years now. We are also seeing Hispanics leverage social media to seek shopping advice. Businesses seeking to connect with Hispanics online should go beyond simply being in-language, they should also focus on being in-culture and culturally relevant.

The fact is Hispanic consumers are driving consumer spending growth in this country, and they should be associated with economic growth. Hispanics are in their prime spending years and will be major contributors of consumer spending growth for years to come. In 2020, Claritas estimates the aggregate household income of Hispanics in the U.S. totals \$1.285 Trillion. Hispanics, with their increasing buying power and influence, are impacting many industries—from financial services, telecommunications, and consumer packaged goods to automotive and tech companies.

Companies that plan to reemerge and grow in 2021 would be wise to include Hispanic consumers in their strategic business growth plans. Hispanics are critical to our country's recovery, and they will be major drivers for our growth and expansion over the next 5-10 years. Simply put, Hispanics are "Good for Business Growth".

I hope you find value in The Hispanic American Market Report. May you have a strong finish to 2020 and ride that momentum into a successful 2021!

In Gratitude,
David F. Mestas



The 2020 Hispanic Market Report

In celebration of Hispanic Heritage Month (Sept 15 – Oct 15), Claritas has released the 2020 Hispanic American Market Report. In this report, we provide you with tons of unique data, analytics and actionable insights that will help you effectively engage the fast-growing U.S. Hispanic population, now and into the near future.

Numbering over 62.8 million in 2020, Hispanics now represent 19% of the total U.S. population—making this group one of the fastest-growing population segments since 2000. Any company marketing to U.S. consumers would be ill-advised to ignore them.

Of course, to target this market, as you would any other, you need to make sure your brand and offerings deeply resonate with these consumers. But what's uniquely challenging about the Hispanic market is its linguistic and cultural complexity.

Immigrants from Mexico, Cuba, Puerto Rico and many other Spanish-speaking countries are included, which means the dialects, cultures, behaviors, interests and values vary perhaps more than you think.

So, to help you get a sense of the overall Hispanic market and how it differs from its non-Hispanic neighbors, here's an overview, plus a few marketing insights to start fleshing out your Hispanic marketing strategy.

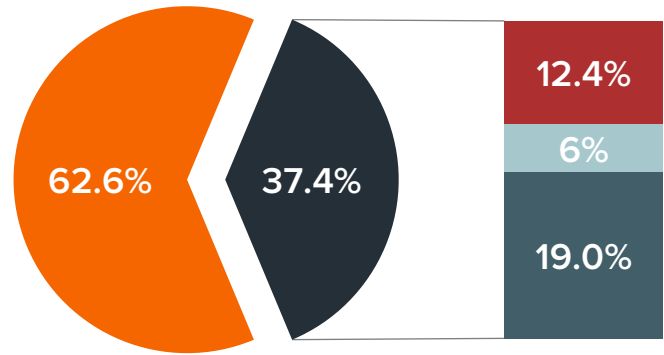
62.8 million
Hispanics currently live in the U.S.

Source: Claritas® AMDS 2020



U.S. Hispanic 2020 Population Facts

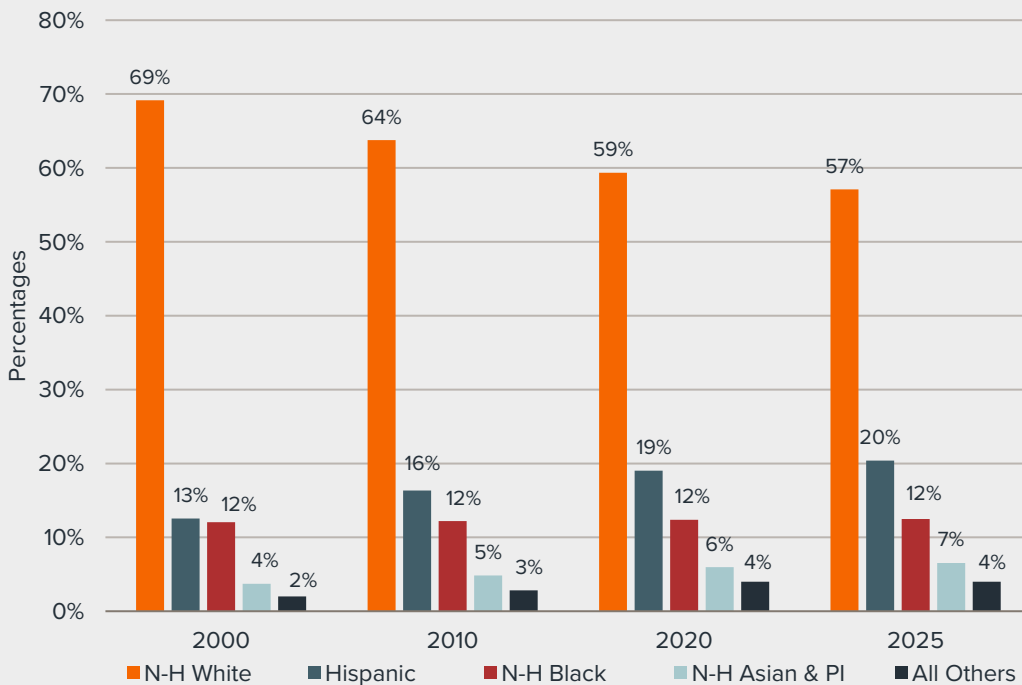
Currently, there are 134,280,015 multicultural Americans in the U.S. and they account for 37.4% of the U.S. population. Hispanics account for the largest multicultural segment at 19% and are the second fastest growing ethnic group since 2000, with 78% growth.



19% of the total U.S. population are Hispanic

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

Percent of U.S. Population: 2000-2025



Source: Claritas® AMDS 2020

By 2025, more than 69.5 million Hispanic Americans will live in the United States.

In terms of percent of the U.S. population, Hispanics will become 20% of our nation's population over the next 5 years. The non-Hispanic Black population will be nearly constant as a proportion of the total population, and White non-Hispanic will decline steadily as a proportion of the total U.S. population.

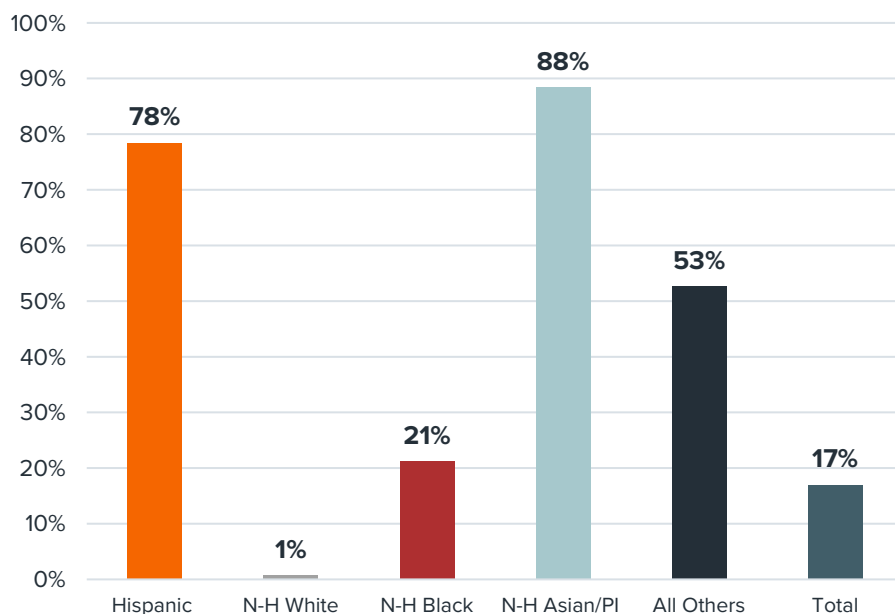
Since 2000, the Hispanic population expanded from 35.3M to over 62.8M

Between 2000 and 2020, the Hispanic population made up nearly 56% of the total growth in the U.S. On the other hand, the non-Hispanic (N-H) White population who make up 59% of the total population, grew at a much slower pace representing only 3% of the total growth between the years 2000-2020.

POPULATION	2000	2010	2020	2025
N-H White	194,525,198	196,791,642	195,964,867	194,670,805
Hispanic	35,303,163	50,474,297	62,872,319	69,550,841
N-H Black	33,947,580	37,684,944	40,863,783	42,568,090
N-H Asian & PI	10,470,977	14,939,805	19,730,457	22,318,141
All Others	7,082,199	8,759,861	10,813,456	11,926,315

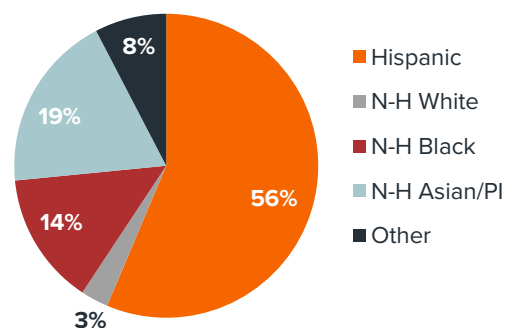
Source: Claritas® AMDS 2020

Population Growth by Percent 2000-2020



Source: Claritas® AMDS 2020

Percent of Total Growth by Race/Ethnicity 2000-2020



These findings suggest that virtually all the growth now and into the foreseeable future will emanate from groups other than the traditional non-Hispanic White population.

62% of the projected growth over the next 5 years will emerge from the Hispanic segment.

As illustrated below, virtually all the growth now and into the foreseeable future will emanate from minority race or ethnic groups. Nearly all 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.



Growth For 20 Year Period 2000 - 2020

Population Segment	Population Growth	Growth During 2000-2020	% of Total Growth
Hispanic	27,569,156	78%	56%
non-Hispanic White	1,439,669	1%	3%
non-Hispanic Black	6,916,203	21%	14%
non-Hispanic Asian/PI	9,259,480	88%	19%
All Others	3,731,257	53%	8%

Into the Future: The Multicultural Boom 2000 - 2025

Population Segment	Average Growth in Population 2020-2025			
	Year	Month	Day	Hour
Hispanic	1,335,704	111,309	3,659	152
non-Hispanic White	-258,812	-21,568	-709	-30
non-Hispanic Black	340,861	28,405	934	39
non-Hispanic Asian/PI	517,537	43,128	1,418	59
All Others	222,572	18,548	610	25

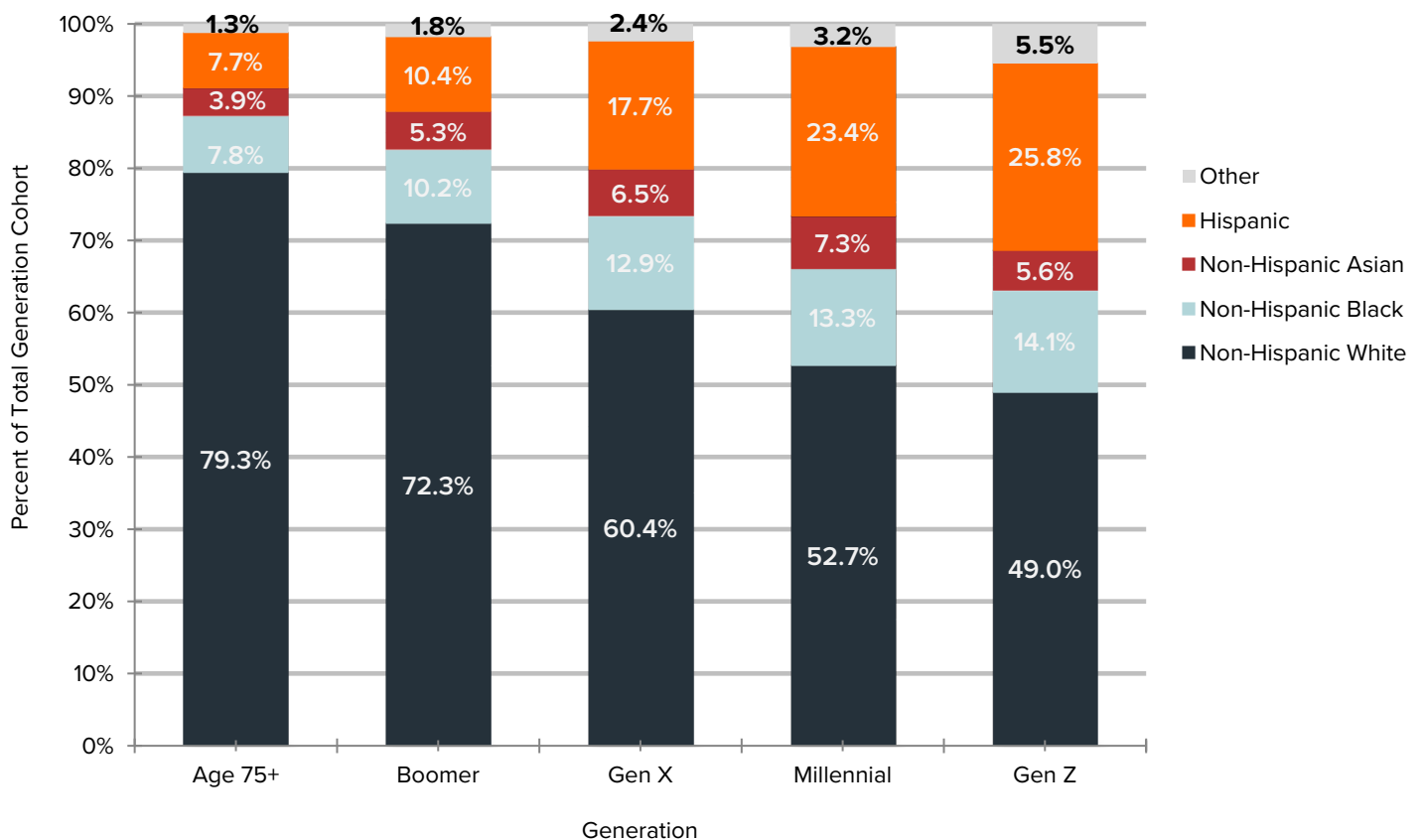
Source: Claritas® AMDS 2020

Today, **23.4%** of the U.S. Millennial population is Hispanic.

In the chart below, we see that the Hispanic generational cohorts increase steadily as we move to the younger cohorts. This is because Hispanics are younger on average than other races and ethnic groups. Considering this trend, for marketers to capture the attention of the Hispanic Millennial and Gen Z consumers, one might want to note that although younger Hispanics might speak Spanish in the home, English dominates conversations with peers. Also, for Hispanics across all generations, especially those who are older, generally prefer marketing that reflects their culture.



Generational Population 2020 - Nationwide



Source: Claritas® AMDS 2020

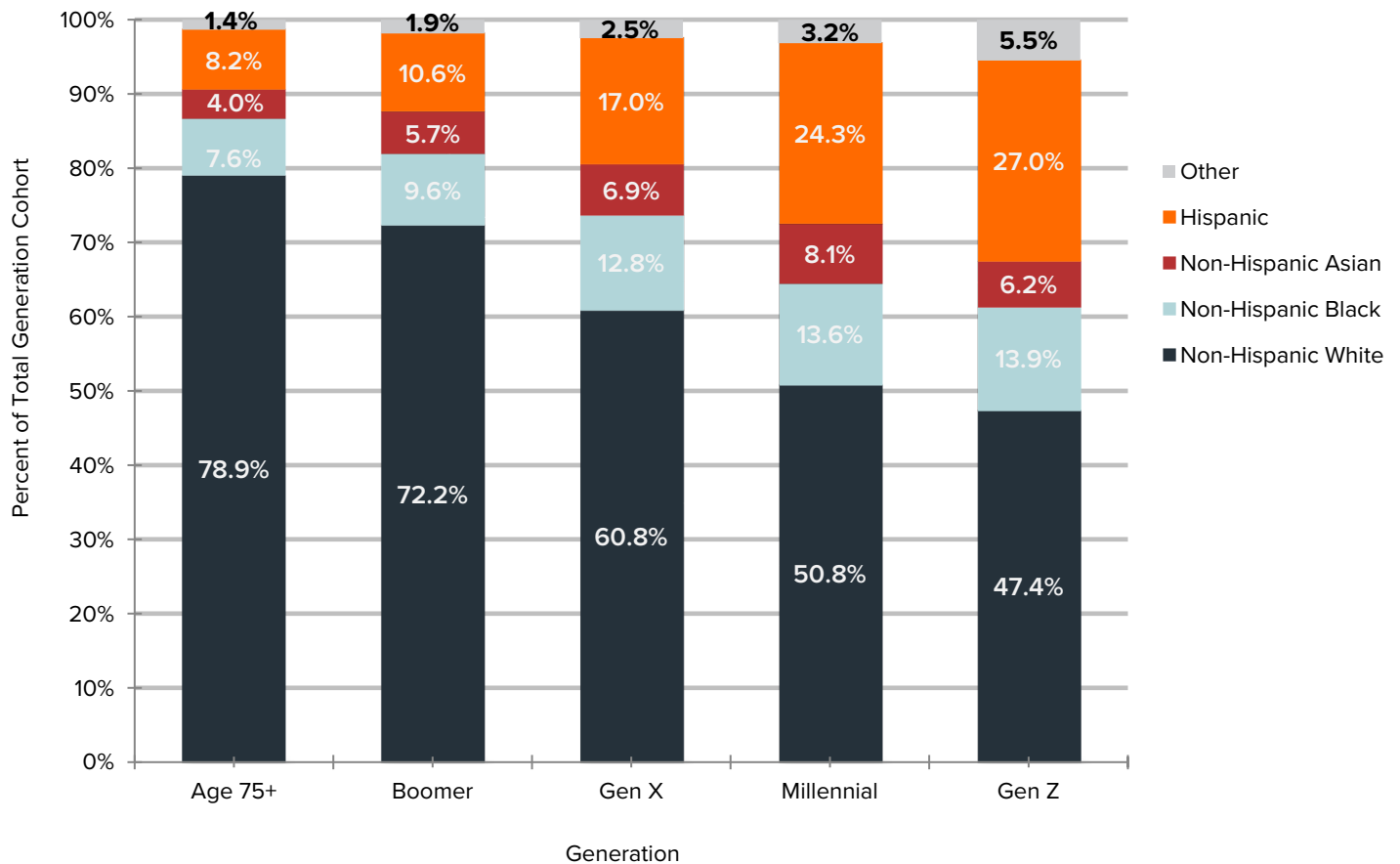
- **Boomer:** Born between 1946-1964.
- **Gen X:** Born between 1965-1980.
- **Millennials:** Born between 1980-1994.
- **Gen Z:** Born between 1996-2015.

By 2025, **27%** of the U.S. Gen Z population will be Hispanic.

America's Gen Z population in 2025 is expected to be very diverse, as over half of the Gen Z population will emanate from groups other than the non-Hispanic White population. These children will identify as mixed race or as part of a minority race or ethnic group. The White population will make up 47.4% of the Gen Z population in 2025, followed by 27% Hispanic, 13.9% Black, 6.2% Asian and 5.5% for multiracial and other populations.



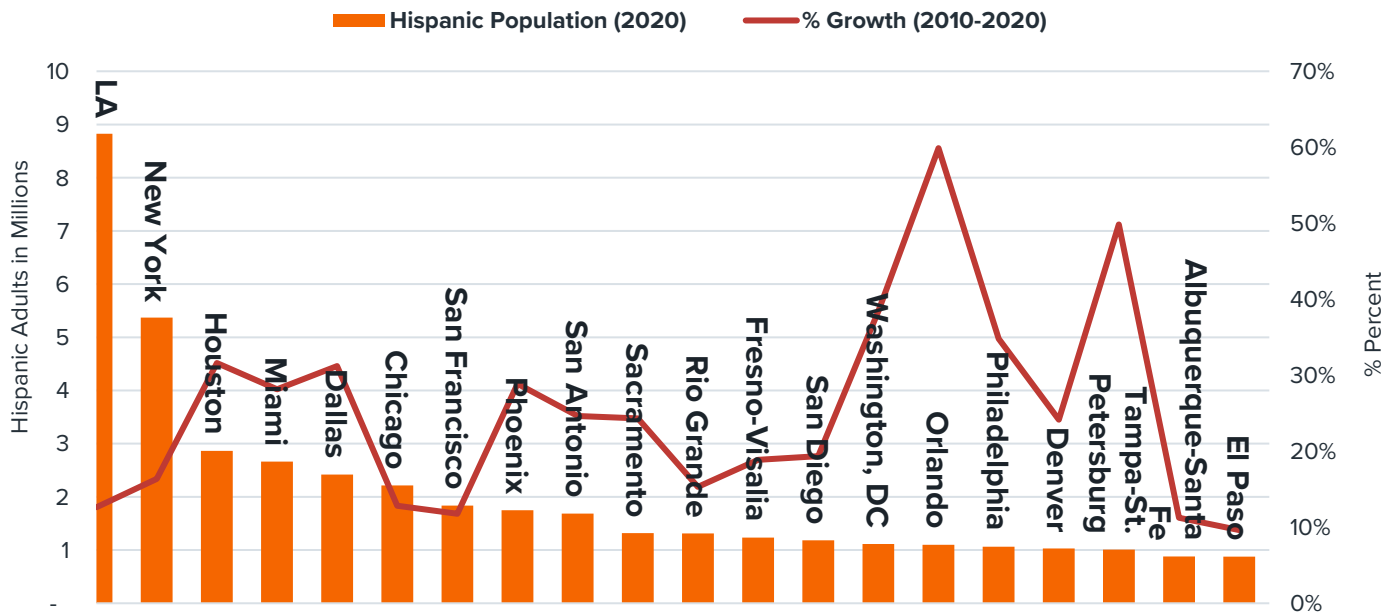
Generational Population 2025 - Nationwide



Where Does the Hispanic Population Live?

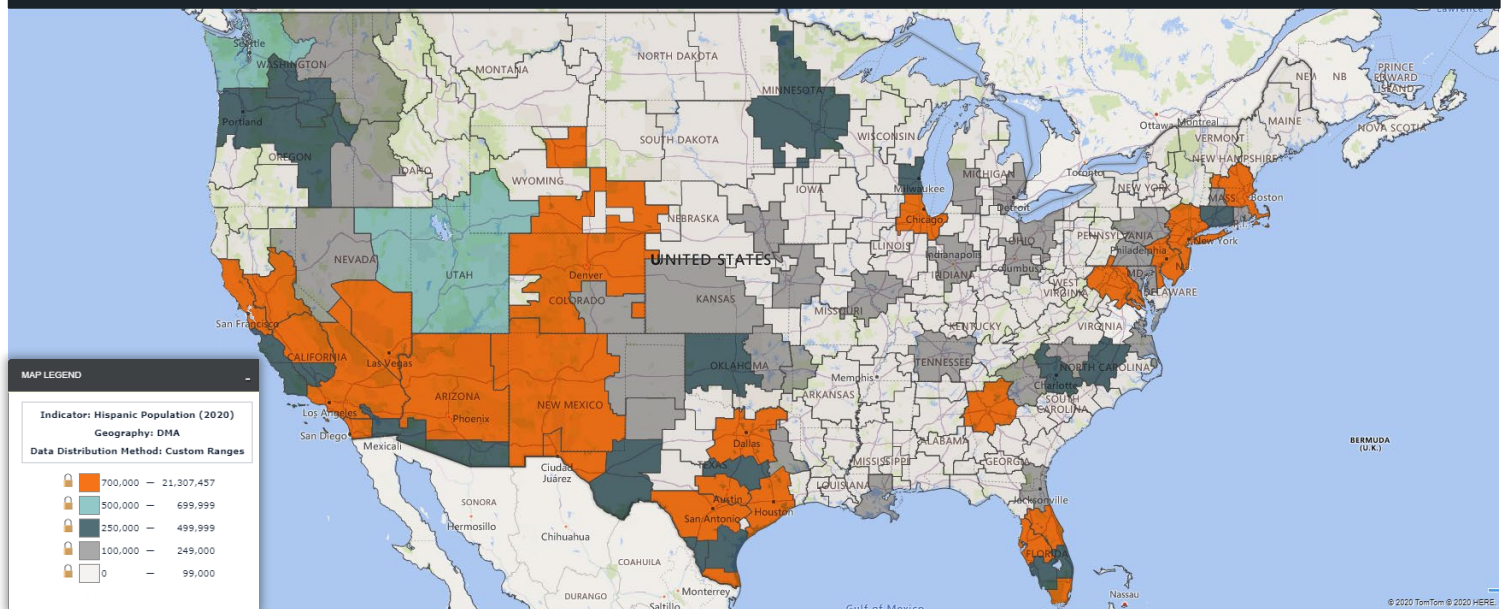
The Hispanic population is concentrated in Los Angeles, New York, Houston, Miami, Dallas, Chicago and San Francisco. Their presence in many other markets is growing as well, with significant growth in Phoenix, Washington, D.C., Orlando, Philadelphia and Tampa-St. Petersburg. On a percentage basis, very strong growth is seen in the southeastern DMAs.

Top 20 DMAs By Hispanic Population vs. Growth (2010-2020)



Source: Claritas® AMDS 2020

2020 U.S. Hispanic Population Distribution by DMA



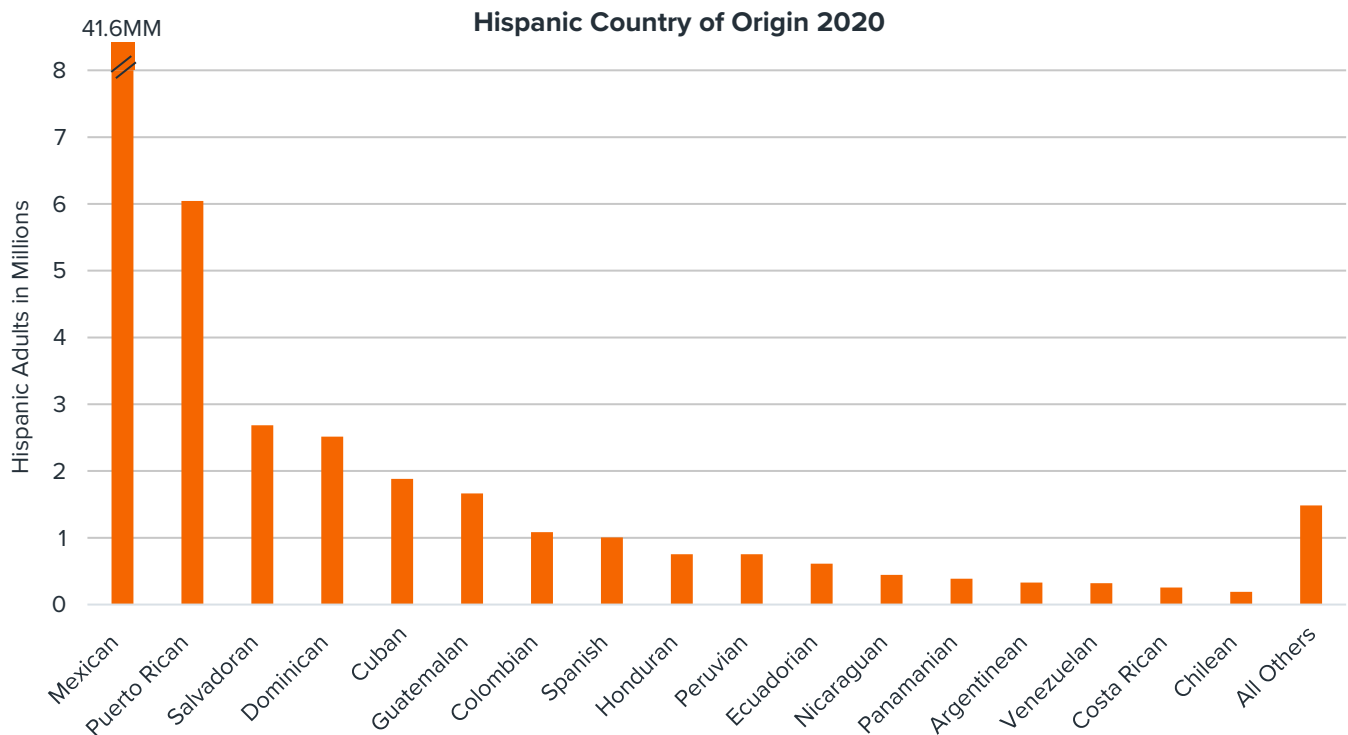
Source: Claritas® AMDS 2020



Country of Origin Matters

Hispanics are by no means a homogeneous group. U.S. Hispanics speak many variations of the Spanish language and like many immigrant cultures, integrate traditions from their countries of origin that influence their decisions such as buying habits. So, in order to market successfully to Hispanics, you must take into consideration their country of origin.

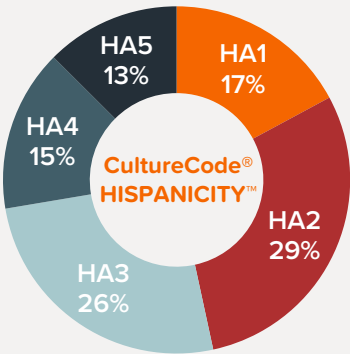
Compounding the complexity of Hispanic country of origin is that of Hispanic language preference. Over 32% of Hispanic Americans are Spanish language dependent or bi-lingual Spanish preferred. Businesses seeking to connect with Hispanics should go beyond simply being in-language, they should focus on being in-culture and culturally relevant and traditionally accurate.



Source: Claritas® AMDS 2020

CultureCode® HISPANICITY™

Hispanicity™ is a Claritas 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 status, income, media usage and a variety of shopping behaviors.



In 2020, 46% of the U.S. Hispanic population classified as being more acculturated (HA1s and HA2s).

Source: Claritas® AMDS 2020

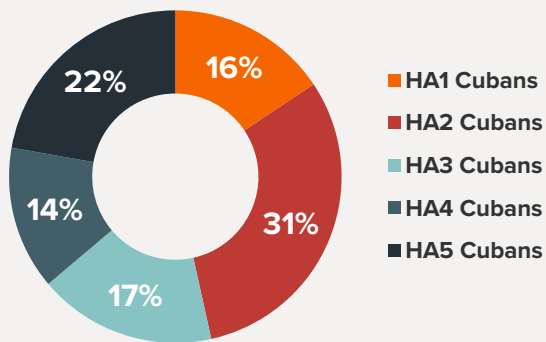
CultureCode applications are used to segment consumers by cultural group, helping you understand preferences and usage across culturally diverse segments to realize market share gains. CultureCode segments helps you identify specific channels based on preference by cultural group; tailor stores to consumer preferences within a trade area or market; and determine the long-term potential of consumer segments by comparing growth and potential across product categories.



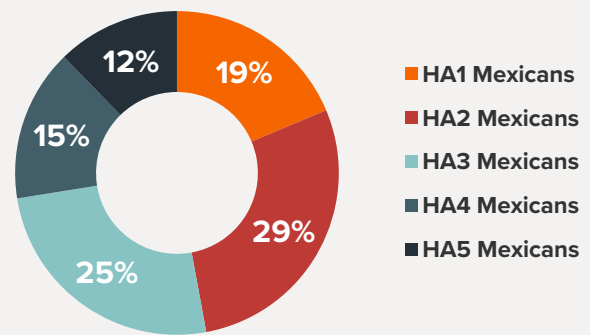
Adoption of mainstream society's values and beliefs			Retention of values and beliefs from one's own culture	
HA1 (Americanizado)	HA2 (Nueva Latina)	HA3 (AmBi-Cultural)	HA4 (Hispano)	HA5 (Latinoamericana)
17.1%	29.5%	25.8%	15.1%	12.5%
English dominant (nearly no Spanish); Born in US; 3rd+ generation. Few Hispanic cultural practices.	English preferred (some Spanish); Born in U.S.; 2nd generation. Some Hispanic cultural practices; often "retro-acculturate".	Bi-Lingual (equal or nearly); Immigrant as child or young adult. Many Hispanic cultural practices.	Spanish preferred (some English); Immigrant as adult; in U.S. 10+ years. Pre-dominant Hispanic cultural practices.	Spanish dominant; Recent immigrant as adult (less than 10 years ago). Primarily Hispanic cultural practices. Identify with home country more than U.S.

Hispanicity Acculturation Segments by Country of Origin

Cuban Americans



Mexican Americans

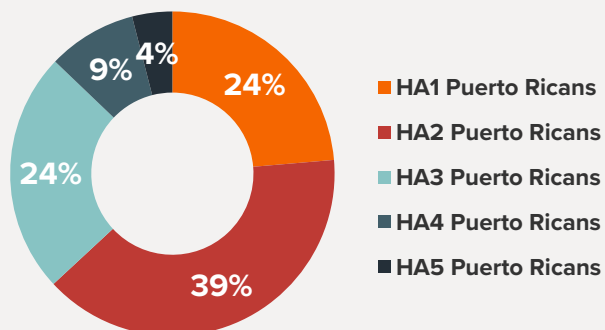


Country of Origin Matters

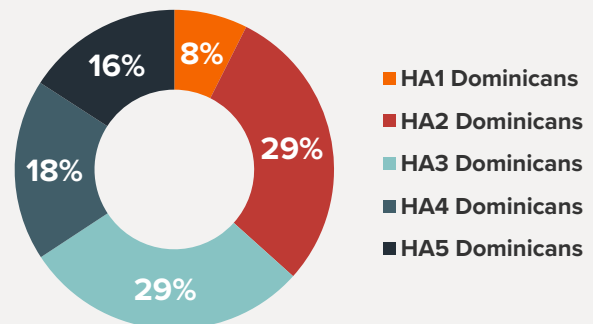
More than 63% of Puerto Ricans in the U.S. classify as more acculturated. These individuals, known as HA1s and HA2s, prefer to speak English and have few Hispanic cultural practices. On the other hand, 36% of Cubans in the U.S. classify as less acculturated. These individuals, known as HA4s and HA5s, prefer to speak Spanish and are immigrants who maintain many Hispanic cultural practices.



Puerto Ricans

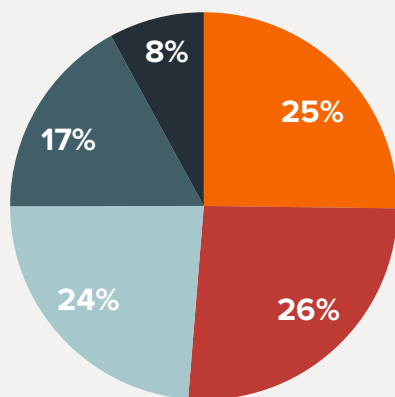


Dominican Americans

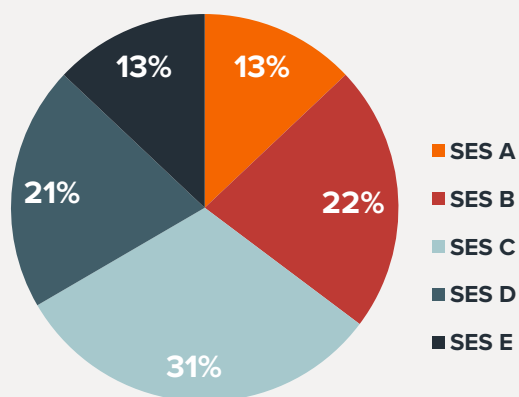


Source: Claritas® AMDS 2020

Total U.S. SES 2020



Total Hispanic SES 2020



■ SES A
 ■ SES B
 ■ SES C
 ■ SES D
 ■ SES E

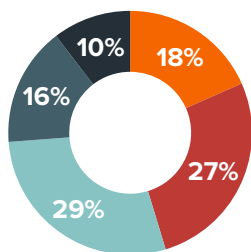
Socioeconomic Status (SES) Attributes

- **SES A (Upper Class)** - HHs with over \$85K/yr, 4-year college or graduate degree, own housing, professional occupations
- **SES B (Upper-Middle Class)** - HHs between \$50K-\$120K/yr, some college or higher education, own housing, professional occupations
- **SES C (Middle Class)** - HHs between \$30K-\$75K/yr, high school graduate to some college, skilled labor or service worker
- **SES D (Lower-Middle Class)** - HHs between \$15K-\$35K/yr, high school or lower education, rent housing, service or labor worker
- **SES E (Lower Class)** - HHs below \$20K/yr, less than high school education; rent housing, labor or service worker or unemployed

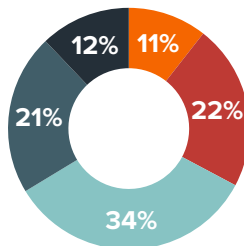
Hispanicity Acculturation Segments by Socioeconomic Status

■ Upper Class ■ Upper-Middle Class ■ Middle Class ■ Lower-Middle Class ■ Lower Class

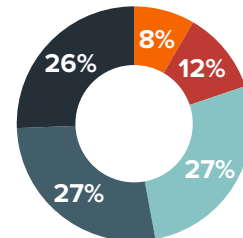
HA1



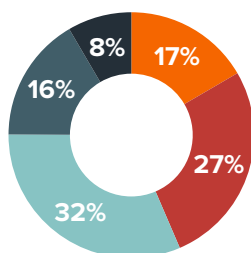
HA3



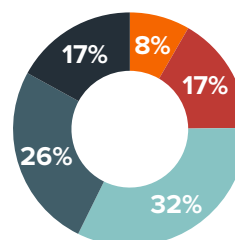
HA5



HA2

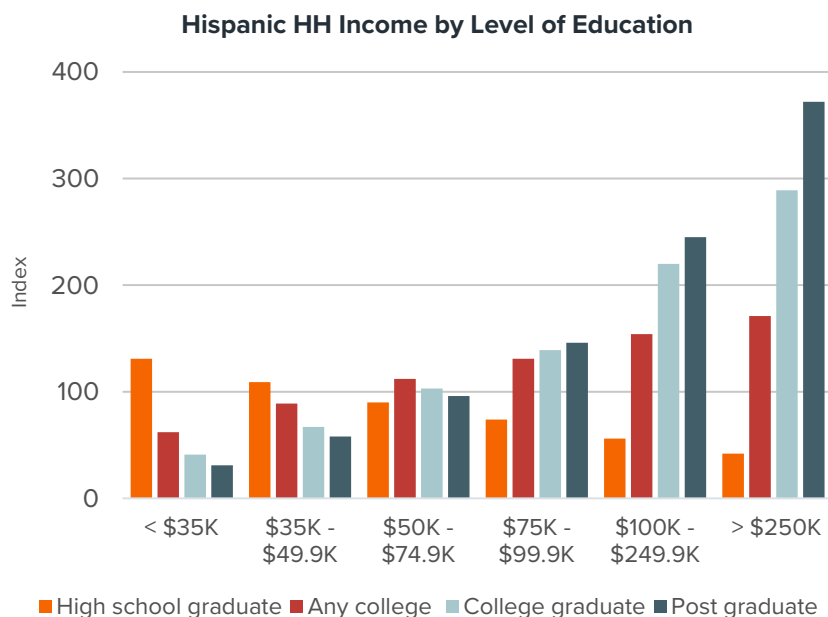


HA4



Source: Claritas® AMDS 2020

The 2020 Hispanic Market Report

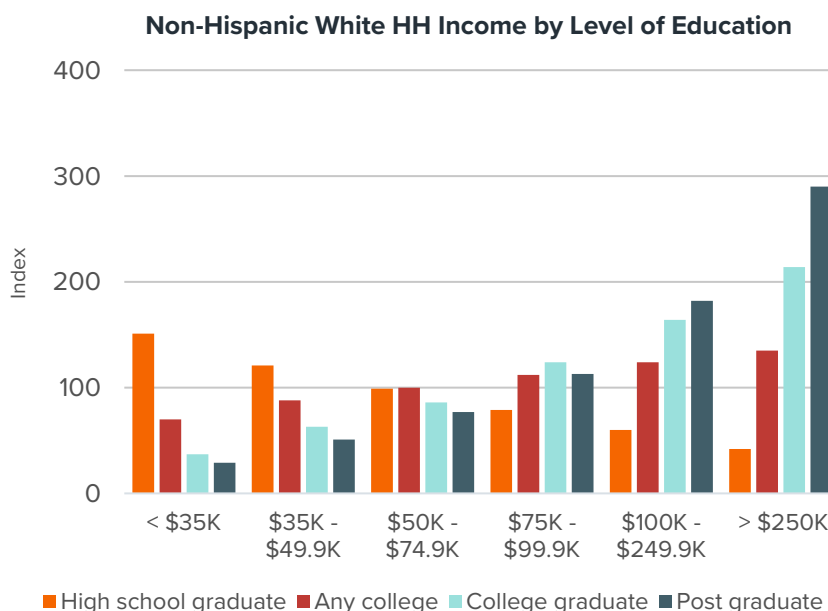


How does level of education improve earning potential for Hispanics?

The graph shows evidence that a college degree and especially a post-graduate degree significantly improves the earning potential for Hispanic households, even more so than for non-Hispanic White households. In fact, Hispanic households with a post graduate degree are 9x more likely to earn over \$250,000 per year than Hispanic households that only have a high school diploma. Hispanic households with a college degree are 4x more likely to earn between \$100,000 and \$250,000 per year than Hispanic households that only have a high school diploma.

Higher education levels are strongly correlated with higher household incomes, especially for Hispanics

Hispanic households who have a post graduate degree are **9x** more likely to be in the top income bracket (\$250k+ per year) than Hispanic households who only have high school diplomas. When looking at non-Hispanic White households, we see that they're only 7x more likely within the same context.



How does level of education improve earning potential for Whites?

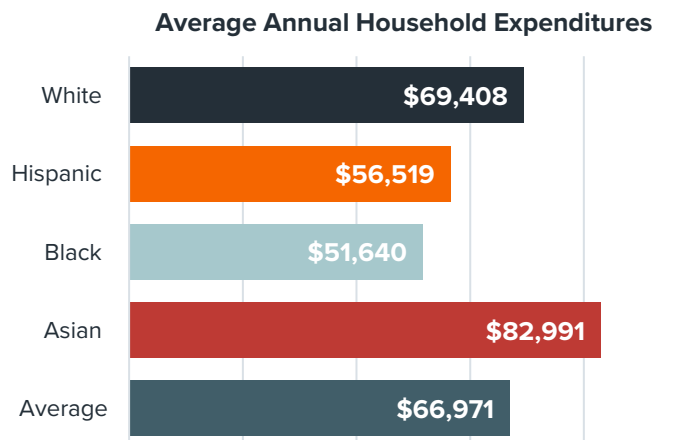
The graph shows evidence that a college degree and especially a post graduate degree significantly improves one's earning potential. For example, White households with a post graduate degree are 3x more likely to earn between \$100,000 and \$250,000 per year than their peer households who only have a high school diploma. Also, the earnings gap between college graduates and those with less education is much wider than households with college degrees and those with post graduate degrees.

Source: Nielsen® Scarborough 2018, Claritas® 2019

* An index of 100 is the average for a U.S. household.

Today, the aggregate household income for Hispanics is **\$1.285T**

Due to Hispanics being in their prime spending years, they are a major driving force to the economy. In fact, the annual aggregate Hispanic household spending in 2020 is projected to be \$978 billion. That makes Hispanics the single largest and highest-spending minority group in the U.S. Any company marketing to U.S. consumers would be ill-advised to ignore the U.S. Hispanic community.

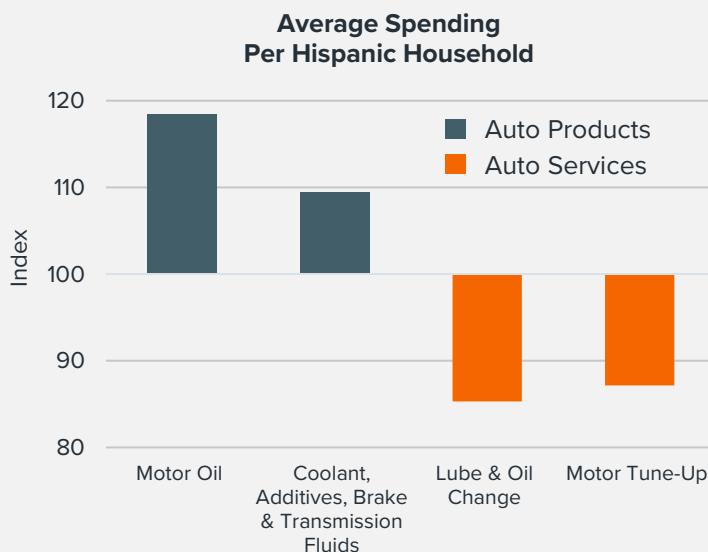


Source: Claritas® AMDS 2020

Spending at Auto Parts & Service Retailers

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. This makes Hispanics an excellent target group for automotive aftermarket retailers.

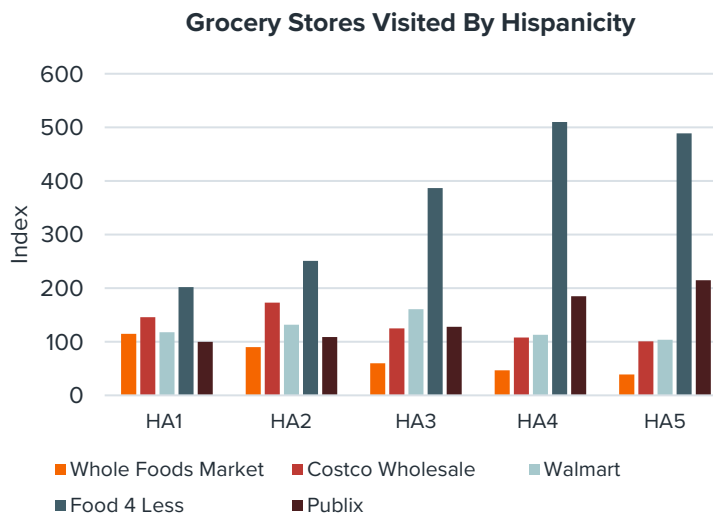
Source: Claritas® CSDx 2020



Spending at Grocery Stores

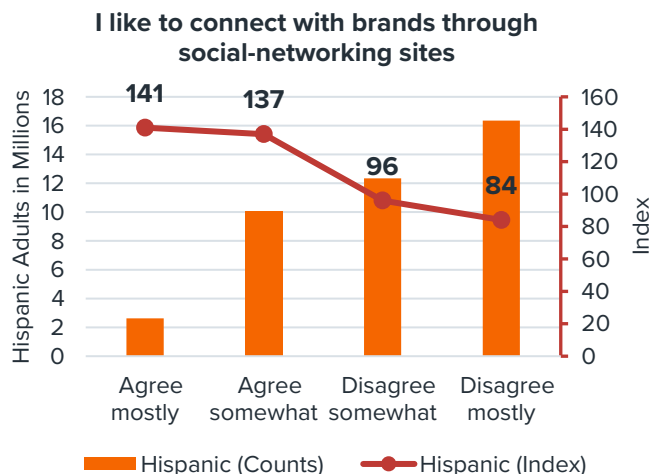
When looking at grocery stores, Hispanics index the highest for bargain shopping at Food 4 Less. Also, the more acculturated tend to shop at Costco and Whole Foods, but the less acculturated tend to shop at Publix.

Source: Nielsen® Scarborough 2018, Claritas® 2019



Hispanics are 41% more likely to connect with brands through social media and they are using it for more than entertainment.

When looking at the major social media sites, we see that Hispanics index highest for Facebook, Instagram and Snapchat. Hispanics turn to these sites not only to be entertained, but to be informed and educated. For example, when looking at reasons why Hispanics visit social media, we see that they are 25% more likely to visit a social media site to review products or services and Hispanic Millennials are 46% more likely. When considering these facts, businesses may want to consider updating their products and services section on their social media profiles to best connect, inform and educate Hispanics about their offerings and maximize their potential to steer traffic to their website.



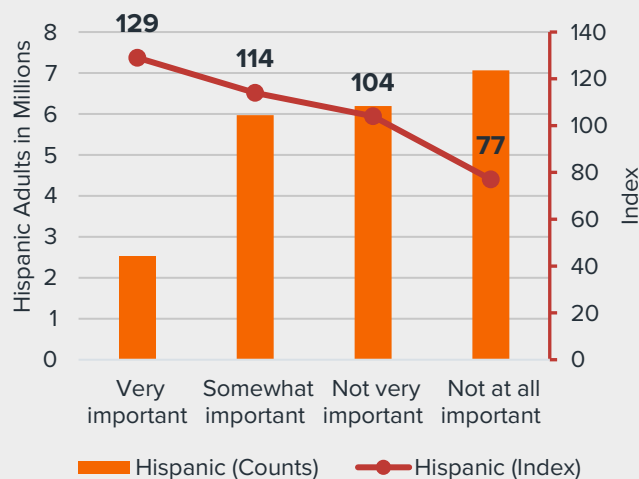
Hispanics are a digital-savvy group, who increasingly embrace mobile and social media platforms. They are also far more receptive to mobile advertising compared to the general population. Ignoring the needs of Hispanics, particularly Hispanic Millennials means missing out on an enormous audience (by far the fastest-growing segment of the population).



Hispanics seek out exclusive offers, coupons and discounts online via deal sites and social media.

When looking at internet sites visited/apps used in the past 30 days, we see that Hispanics indexed highest for Craigslist, eBay, Coupons.com, Groupon and RetailMeNot. This suggests that Hispanic consumers prefer to seek out exclusive offers, coupons and discounts online via bargain sites. In fact, Hispanic Millennials are 19% more likely than Gen X Hispanics to use their mobile device to find coupons online. Not only do Hispanics like visiting sites that offer discounted products, Hispanics also tend to visit social media sites to find additional exclusive offers, coupons and discounts. When considering these facts, it would be wise to launch marketing campaigns to Hispanics that incorporate exclusive offers within the messaging.

I visit or use social media sites to receive exclusive offers, coupons or other discounts

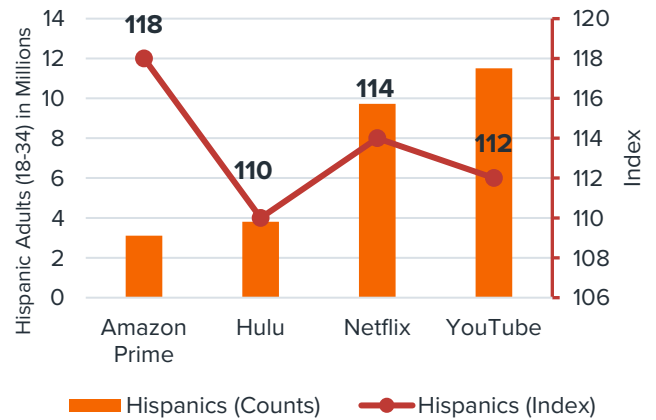


Source: Nielsen® Scarborough 2018, Claritas® 2019

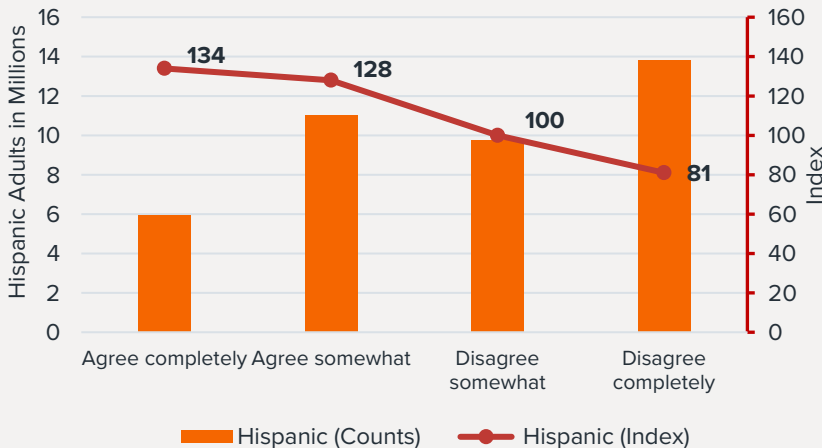
Hispanics are spending less time watching traditional TV and are now using streaming apps via their mobile devices.

Hispanics are 17% more likely than average to view the internet as their main source of entertainment and 16% more likely than average to think of their mobile phone as a source of entertainment. The top ways Hispanics used the internet in the past 30 days on their smartphone include listening to internet radio, watching or downloading movies, social networking and to watch TV programs using online subscriptions. In fact, Hispanics are 34% more likely than average to watch live TV on their mobile phone, 18% more likely than average to stream digital video via Amazon Prime, and 14% more likely to stream via Netflix. With such a significant proportion of Hispanics in the U.S. streaming content online, these platforms have become a viable channel to reach Hispanic consumers.

Streaming services used by Hispanics (Ages 18-34)

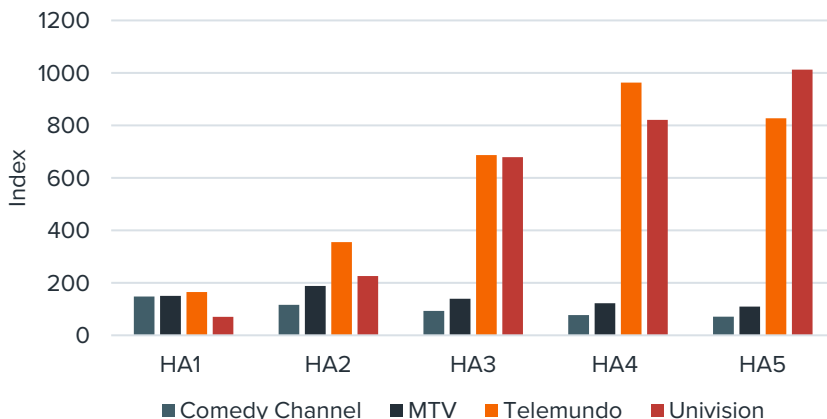


I am interested in watching live TV on my cell phone



Smartphones have become more ubiquitous than ever before. Smartphones now let you do more than steal quick glances at social media. Digital video streaming is on the rise, and more viewers have cut the cord completely, replacing traditional TV watching for streaming platforms, such as Netflix, Amazon, Hulu, Apple and now Disney+.

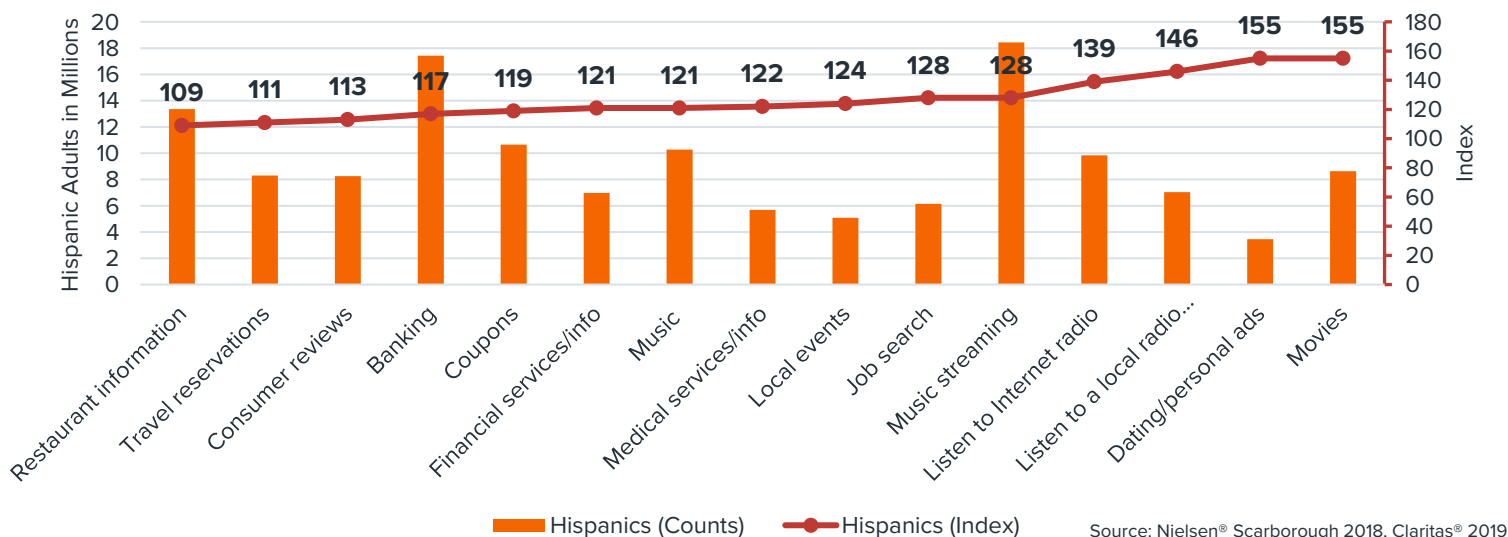
TV Preferences By Hispanicity



In terms of TV preferences, we see that Hispanics who have not yet adopted the American mainstream culture and who have retained their own culture (H4-HA5) prefer to watch Telemundo and Univision. When comparing Telemundo vs. Univision, we see that HA1 through HA4 individuals prefer to watch Telemundo and HA5 individuals prefer to watch Univision.

Source: Nielsen® Scarborough 2018, Claritas® 2019

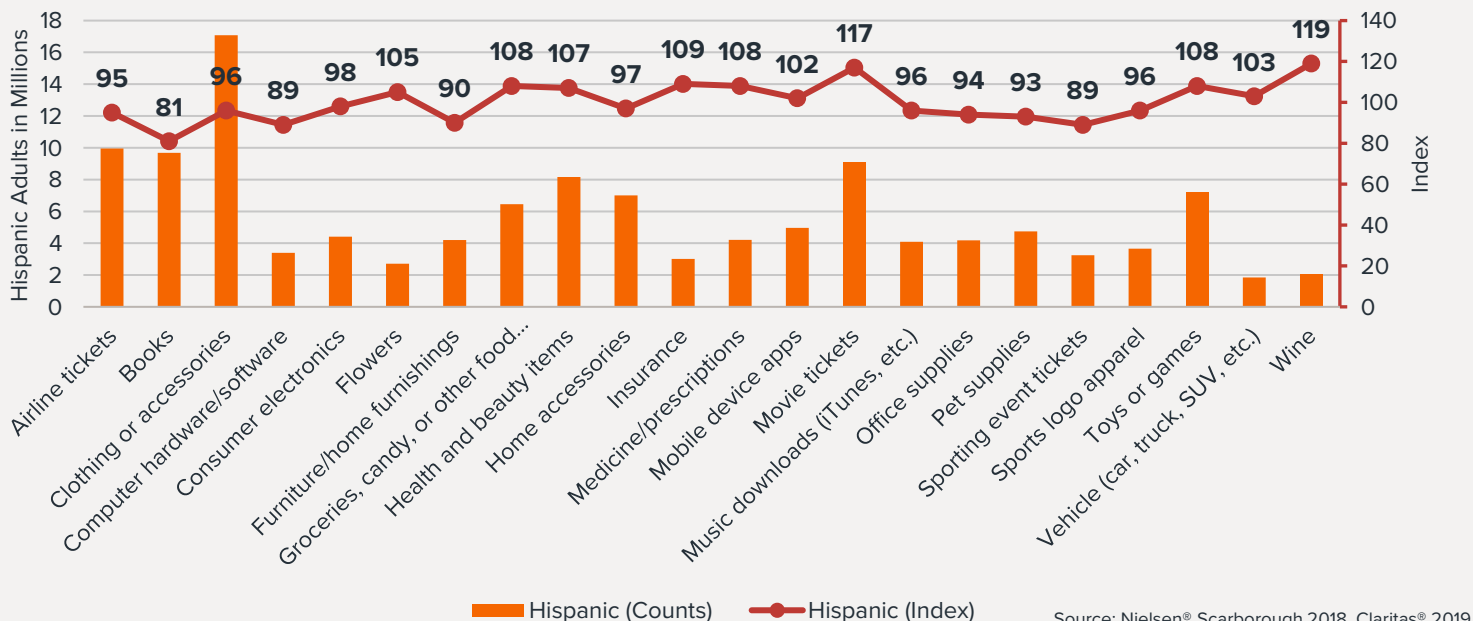
Ways used Internet/apps in past 30 days on smartphone



Online Purchasing Behaviors

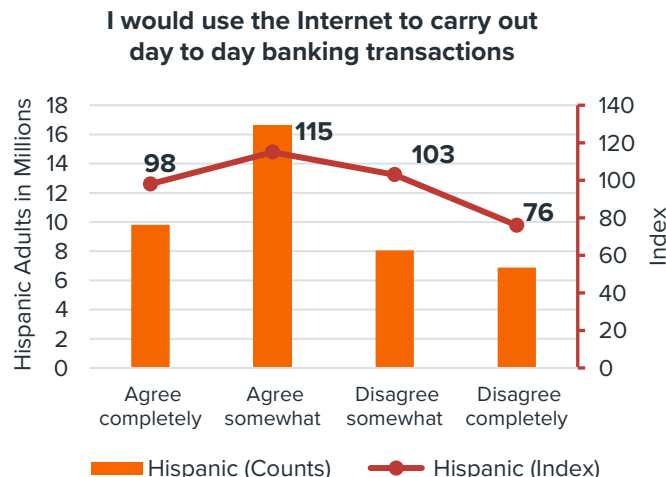
Hispanics view the internet as a great way to make purchases. Beyond the online purchasing data illustrated below, in our research, we discovered that Hispanic Millennials are 41% more likely than the average Millennial to buy pet supplies online and 44% more likely than the average Millennial to buy flowers online. For some categories, Hispanics perform their due diligence online to an even greater degree. For example, Hispanics are 12% more likely to do research online before buying technology products or electronics. They are also 15% more likely to read reviews before buying technology products or electronics and are 37% more likely to be the first of their friends to try new technology products. Below are the items bought on the internet by Hispanics over the past 12 months.

Items bought on the Internet past 12 months



Hispanic consumers are more likely to carry out day to day banking transactions online.

Digitalization and advancements in banking technology are continuing to influence and change how Hispanics interact and do business on a day-to-day basis. These advancements have led to a surge in new banking behaviors and preferences that are transforming how the entire banking industry operates. The chart to the right shows how Hispanics are comfortable using the Internet to carry out banking transactions.

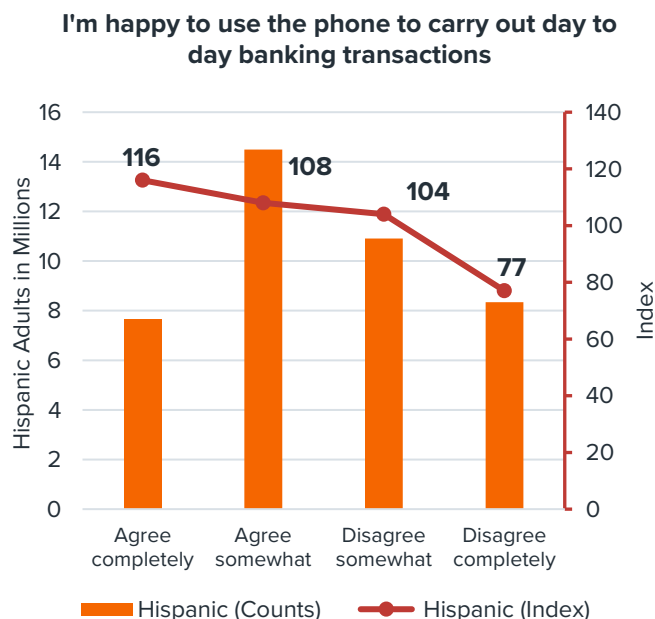


The tech-savvy Hispanic millennial sees banking technology as something that enhances their lives. This demand and popularity of mobile banking will likely help it surpass that of online banking in the years to come.



Mobile banking has become the go-to-method for Hispanics to make deposits, make transfers between accounts and monitor their spending and earnings.

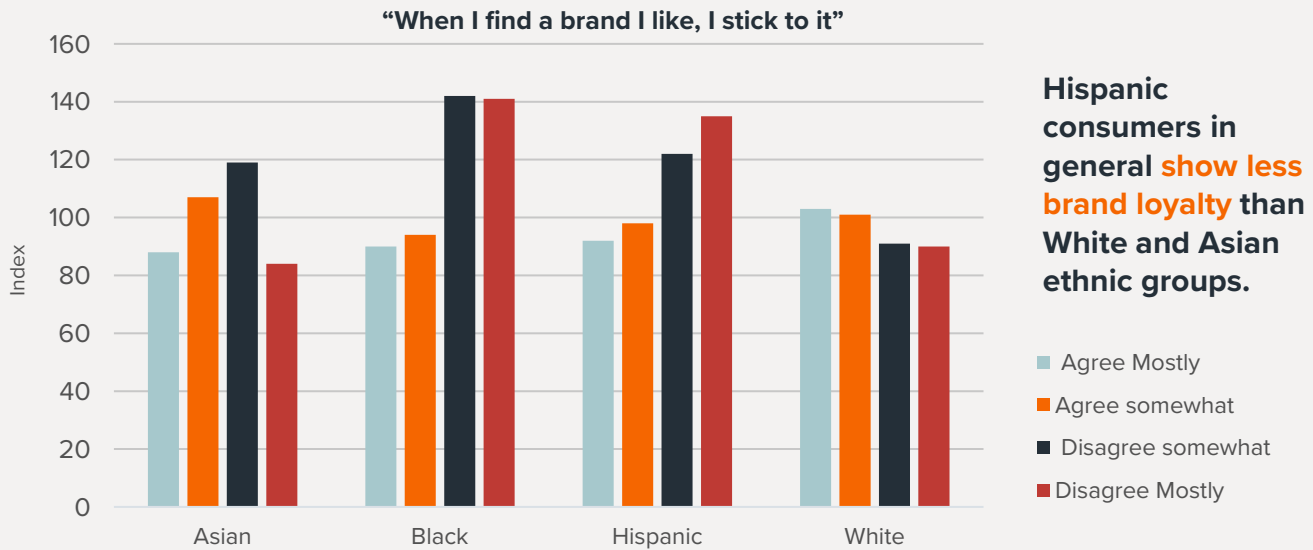
Hispanic consumers not only have a growing need to access financial services on the internet, they desire this access on their mobile phones. When looking at whether Hispanics would be happy using their phone to carry out day to day banking transactions, we see that they are 16% more likely to 'agree completely' with this statement. In knowing that Hispanics tend to be younger in age, and very tech-savvy, it is not surprising that they are more apt to use smartphones and mobile banking apps to carry out day to day banking transactions.



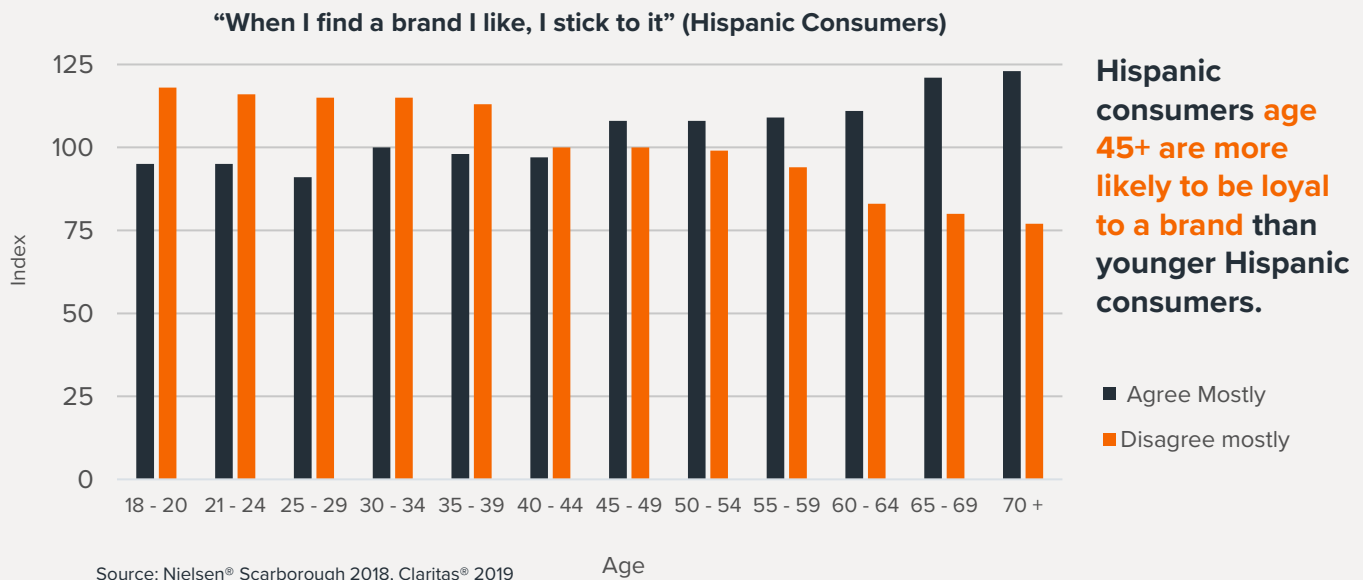
* An index of 100 is the average for a U.S. household.

Source: Nielsen® Scarborough 2018, Claritas® 2019

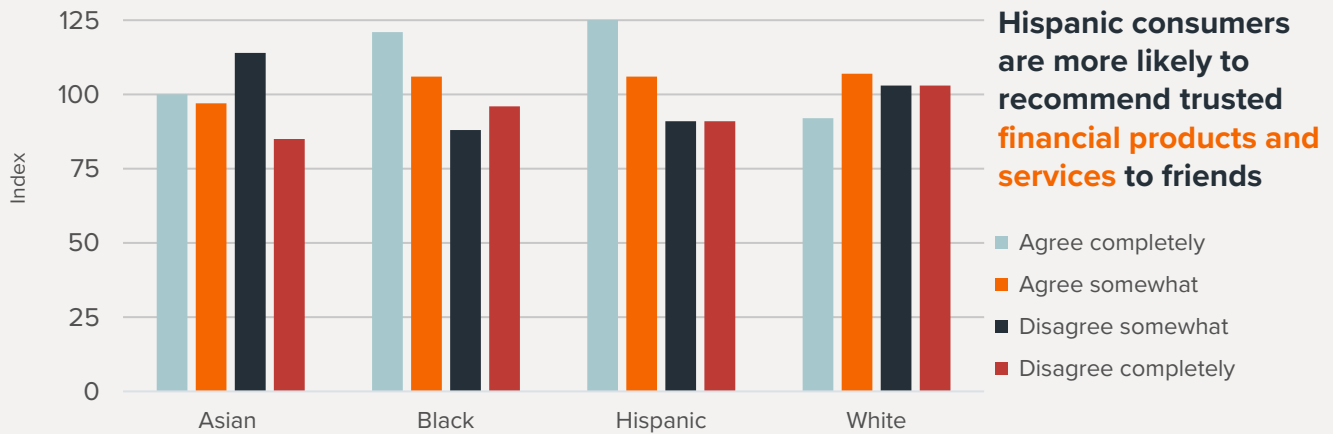
The 2020 Hispanic Market Report



In general, Hispanics are less loyal to brands than other ethnic groups, but the older and least acculturated Hispanics are far more loyal than younger bicultural and acculturated U.S. Hispanics. This shows that age and acculturation levels play an important role for brand loyalty and that the Hispanic market is not as homogeneous as some marketers may think.



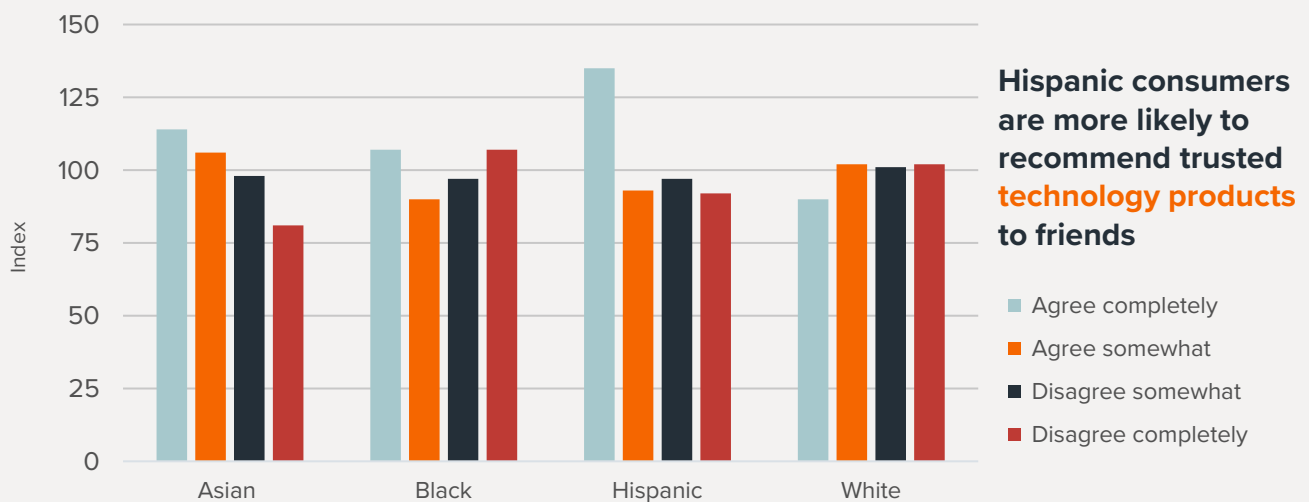
“When I find a financial product or service that I like, I typically recommend it to people”



Multicultural consumers can be developed into loyal influencers, especially for financial & technology brands. In fact, Hispanic consumers are more likely to recommend trusted financial and technology products and services to friends.



“When I find a technology or electronics product I like, I typically recommend it to people”



Source: Nielsen® Scarborough 2018, Claritas® 2019

About Claritas

Claritas is a data-driven marketing company. With over 10,000 highly-predictive demographic and behavioral indicators and the most comprehensive multicultural data, our proprietary data assets give marketers the most complete understanding of the American consumer.

Our industry-leading Identity Graph unifies data from multiple sources, connecting devices to online behavior in a privacy compliant manner and into the intelligence you need to execute seamless multichannel engagements.

Our multichannel execution solutions coupled with powerful analytics and modeling capabilities will make your marketing more effective and increase the ROI on every dollar.

Targeting the New American Mainstream (AMDS) Consumer

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 our various solutions 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 Claritas can be applied to a wide variety of situations and challenges. 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 & Forecasting
- Consumer Segmentation & 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 or call **800.234.5973**



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