

The multicultural economy 2006

Jeffrey M. Humphreys

Backed by fundamentally strong national and regional economies, U.S. consumers will continue to have 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 1990-2011 show that minorities--African Americans, Asians, Native Americans, and Hispanics--definitely share in this success, and together wield formidable economic clout. The numbers are impressive. In fact, both the African-American and the Hispanic consumer markets already are larger than the entire economies (GDP measured in U.S. dollars) of all but nine countries in the world.

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. [Researchers should note that

multiracial buying power is estimated only as a residual, and therefore the estimates are not discussed and should be used very cautiously.]

Simply defined, buying power is the total personal income of residents that is available, after taxes, for spending on virtually everything that they buy, but it does not include dollars that are borrowed or that were saved in previous years. It is not a measure of wealth, and it does not include what tourists spend during their visits.

Unfortunately, there are no geographically precise surveys of annual expenditures and income of all 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 African American, Native American, Asian, White, Hispanic, and non-Hispanic buying power from 1990-2006 for the nation, the fifty states, and the District of Columbia. Also, five-year projections (2007-2011) 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 (unadjusted 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; indi-



cate the market potential of new and existing products; and help to guide targeted advertising campaigns.

The estimates for 1990-2005 supersede those previously published by the Selig Center. The revised data for those years, as well as the preliminary estimates for 2006-2011, 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.

Total Buying Power Statistics

The Selig Center projects that the nation's total buying power will rise from \$4.3 trillion in 1990 to \$7.2 trillion in 2000, to \$9.5 trillion in 2006, and to \$12.4 trillion in 2011. The percentage increase for 1990-2011 is 190 percent, which far outstrips cumulative inflation. (For example, the U.S. Consumer Price Index for All Urban Consumers (CPI-U) will increase by approximately 74 percent during the same

period.) From 1990-2006, total buying power will rise by 123 percent and the consumer price index will rise by 54 percent. Total buying power will expand by 33 percent from 2000 through 2006, and by 30 percent from 2006 through 2011. By comparison, the percentage change in the consumer price index for 2000-2006 and for 2006-2011 will be 17 percent and 13 percent, respectively.

Diverse forces support this substantial growth. The 22-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 2011. 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 2006, the top ten states are Nevada (281 percent), Arizona (211 percent), Colorado (193 percent), Utah (189 percent), Idaho (172 percent), Texas (170 percent), Georgia (163 percent), New Mexico (150 percent), Florida (147 percent), and North Carolina (144 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, domestic migration rates, and natural resources. As always, states with low costs of doing business, favorable regulatory environments, updated transportation and telecommunications infrastructure, and educated workforces will continue to attract businesses.

Buying Power Statistics by Race

In 2011, the combined buying power of African Americans, Asians, and Native Americans will be \$1.8 trillion—nearly quadruple its 1990 level of \$454 billion—which amounts to a gain of \$1.3 trillion or 289 percent. In 2011, African Americans will account for 61 percent of combined spending, or \$1.1 trillion. Over this 22-year period, the percentage gains in minority buying power vary considerably by race, from a gain of 434 percent for Asians to 270 percent for American Indians to 237 percent for blacks. All of these target markets will grow much faster than the white market, where buying power will increase by 175 percent.

The combined buying power of these three minority racial groups will account for 14.3 percent of the nation's total buying power in 2011, up from 10.6 percent in 1990. This 3.7 percent gain in combined market share amounts to an additional \$456 billion in buying power in 2011. 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.

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■ Black Buying Power ■

In 2006, African Americans will constitute the nation's largest minority market, and their economic clout will energize the U.S. consumer market as never before. The Selig Center projects that the nation's black buying power will rise from \$318 billion in 1990 to \$590 billion in 2000, to \$799 billion in 2006, to \$1.1 trillion in 2011, up by 237 percent in 22 years. This overall percentage gain outstrips the 175 percent increase in white buying power and the 190 percent increase in total buying power (all races combined). In 2011, the nation's share of total buying power that is black will be 8.7 percent, up from 8.4 percent in 2006 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, one of 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 black business owners also contributes to the gains in buying power. The *2002 Survey of Business Owners* released by the Census Bureau in 2006 showed that the number of black-owned firms increased by 45 percent from 1997 to 2002, or about four and one-half times faster than the 10 percent increase in the number of all U.S. businesses. Also, their receipts grew slightly faster than those of all others. This reconfirms the trend reported in *The Survey of Minority-Owned Business Enterprises* released by the Census Bureau in 2001, which showed that the number of black-owned firms increased almost four times faster than the number of all U.S. firms, although during those years (1992-1997) their receipts grew more slowly than all the others.

Another positive factor pushing up the group's buying power is that African Americans are becoming more educated. Census data show that the proportion of blacks with high school diplomas rose by 10 percent from 1993 to 2003, and that gain was the largest reported for any group. Despite these impressive gains, the percentage of African-Americans (80 percent) who are high school graduates was still lower than the percentage of whites (85.1 percent) or Asians (87.6 percent) who are high school graduates. Also, in 2003, only 17.3 percent of blacks had a bachelor's degree compared to 27.6 percent of whites.

Favorable demographic trends help, too, since the black population continues to grow more rapidly than the total population. From 1990 to 2011, the nation's black population will grow by 33.7 percent compared to 18.5 percent for the white population and 25.4 percent for the total population. Also, the black population is younger: Census 2000 data indicate that the median age of blacks is only 30.2 years compared to 37.7 years for the white population. Compared to the older white population, larger proportions of blacks will be entering the workforce for the first time or will be moving up from entry-level jobs. Conversely, fewer blacks

are at their career pinnacles, where the annual percentage increases in wage and salaries often begin to decelerate, or are of traditional retirement age. In 2004, only 8.1 percent of blacks were over 65, compared to 13.5 percent of whites. Also, blacks increasingly are setting trends for young adults of every race. This is not surprising given that 30 percent of the black population was under 18 years old compared to 24 percent of the white population in 2004.

In 2006, the ten states with the largest African-American markets, in order, will be New York (\$75.6 billion), Texas (\$58.1 billion), California (\$55.7 billion), Georgia (\$54.4 billion), Florida (\$52.7 billion), Maryland (\$47 billion), Illinois (\$39.4 billion), North Carolina (\$35.9 billion), Virginia (\$35.1 billion), and Michigan (\$31.8 billion). Of these, however, Georgia, Maryland and North Carolina are the only ones that did not rank among the top ten markets for all consumers.

In order, the top ten states ranked by the rate of growth of black buying power over 1990-2006 are Nevada (449 percent), Idaho (434 percent), Utah (386 percent), Montana (368 percent), Minnesota (354 percent), South Dakota (313 percent), Arizona (294 percent), Maine (294 percent), Vermont (289 percent) and Wyoming (251 percent). All have flourishing African-American consumer markets, but none of these states is among the nation's ten largest black consumer markets. Nevada ranks highest (30) in terms of the size of its black consumer market.

From 1990 to 2006, the ten states (including the District of Columbia) with the largest share of total buying power that is black are the District of Columbia (31.1 percent), Mississippi (24 percent), Maryland (22 percent), Georgia (20.5 percent), Louisiana (20.3 percent), South Carolina (18.4 percent), Alabama (17.3 percent), Delaware (14.6 percent), North Carolina (14.5 percent), and Virginia (13.1 percent).

The 4.6 percent increase in African Americans' share of Mississippi's consumer market was the biggest share shift in the nation, followed by a 4.5 percent advances in both Georgia and Maryland. The share of buying power controlled by black consumers will rise everywhere except for the District of Columbia (-10.4 percent), California (-0.5 percent), and Alaska (0.0 percent or no change in market share).

Despite their lower average income levels, African Americans lead in some categories. For example, they spent more than non-blacks on natural gas, electricity, telephone services, and footwear. Also, blacks spent a higher proportion of their money on groceries, housing, and women's and girls' clothing. These findings strongly imply that utilities, telecom firms, clothing and shoe stores, and grocers would do well to market themselves directly to black consumers.

The same survey indicates that black households are only slightly larger than the average non-black household (2.6 persons for blacks versus 2.5 persons for whites and others). Black households also are slightly more likely to have children under 18 (0.8 persons for blacks versus 0.6 persons for whites and others). They have approximately the same number of wage earners per household (1.2 wage earners) as white and other households (1.3 wage earners), but have only 1.3 vehicles per household compared to 2 vehicles for white

and other households. Only 74 percent of black households own or lease at least one vehicle compared to 90 percent of non-black households.

Moreover, there is a substantial gap in homeownership rates, which suggests a possible opportunity for market expansion in the years ahead. The 2004 data indicate that 49 percent of blacks are homeowners compared to 70 percent for non-black households. A decade ago, only 42 percent of blacks owned homes.

■ Native American Buying Power ■

The Selig Center projects that the nation's Native American buying power will rise from \$19.7 billion in 1990, to \$39.1 billion in 2000, to \$53.9 billion in 2006, and to \$73 billion in 2011. If these projections hold, this group's buying power in 2011 will be 270 percent greater than in 1990. The 1990-2011 percentage gain is much greater than the increases in buying power projected for whites (175 percent), for the U.S. population as a whole (190 percent), and for blacks (237 percent). It is smaller than those projected for Asians (434 percent) and for Hispanics (457 percent), however. Despite this fast-paced growth, Native Americans will account for only 0.6 percent of all U.S. buying power in 2011, up slightly from their 0.5 percent share in 1990, when they accounted for only \$19.7 billion in buying power.

Many forces support the continued growth of Native American 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 2011, the Native American population will grow by 53.1 percent, outpacing the projected gains of 33.7 percent for the black population, 25.4 percent for the total U.S. population, and 18.5 percent for the white population. Also, the Native American population is relatively young. Census 2000 indicates that the median age of Native Americans is 28 years compared to 37.7 years for whites.

Although comprising only one percent of the country's population in 2006, Native Americans will control \$54 billion in disposable income, which makes this diverse group economically attractive to businesses. The nation's 2.9 million Native Americans (including Eskimos and Aleuts) will see their buying power climb from \$19.7 billion in 1990 to \$53.9 billion in 2006, an increase of 173 percent.

In 2006, in order, the ten states with the largest Native American markets are California (\$8.2 billion), Oklahoma (\$5.3 billion), Texas (\$3.7 billion), Arizona (\$3.6 billion), New Mexico (\$2.4 billion), North Carolina (\$2.1 billion), Alaska (\$2 billion), Washington (\$2 billion), Florida (\$2 billion), and New York (\$1.9 billion). This market is only slightly more focused on a few states than is the total U.S. consumer market. For example, in 2006, the five largest American Indian markets account for 41 percent of Native

American buying power, whereas the five largest total consumer markets account for 38 percent of U.S. buying power. Similarly, the ten largest Native American markets account for 60 percent of Native American buying power and the top ten total consumer markets account for 56 percent of total U.S. buying power.

Ranked by the rate of growth of Native American buying power over 1990-2006, the top ten states are West Virginia (454 percent), Mississippi (357 percent), Texas (320 percent), Tennessee (316 percent), Georgia (305 percent), Florida (301 percent), Kentucky (297 percent), Iowa (276 percent), Colorado (269 percent), and South Carolina (255 percent). Many of these states have relatively small, flourishing markets, but Texas and Florida stand out as the third and ninth largest Native American consumer markets in the nation, respectively.

In 2006, the ten states with the largest Native American shares of total buying power include Alaska (8.9 percent), Oklahoma (5.3 percent), New Mexico (4.8 percent), South Dakota (3.4 percent), Montana (3.4 percent), North Dakota (2.6 percent), Arizona (2.1 percent), Wyoming (1.2 percent), Nevada (1 percent), and Washington (0.9 percent). Compared to 1990, Native Americans' share of the market will rise the most in New Mexico, North Dakota, South Dakota, and Montana, but will decline slightly in Hawaii, Nevada, Oregon, and Washington.

■ Asian Buying Power ■

In 2011, 15.7 million Americans—5 percent of the country's population—will claim Asian ancestry, which makes the group a powerful force in the U.S. consumer market. This racial group's shares of the population were 3 percent and 4 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 quintuple, climbing from \$117 billion in 1990 to \$269 billion in 2000, to \$427 billion in 2006, and to \$622 billion in 2011. The 434 percent gain from 1990 through 2011 is substantially greater than the increases in buying power projected for whites (175 percent), the U.S. as a whole (190 percent), blacks (237 percent), and Native Americans (270 percent), but is lower than the 457 percent gain projected for Hispanics. At \$427 billion in 2006, the U.S. Asian market already outshines the entire economies of all but sixteen countries—it is smaller than the GDP of the Netherlands and larger than the GDP of Belgium.

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.

Demographics are a key, 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 2011, the Asian population will reach 15.7 million, or more than double its 1990 base of 7.5 million. This 108 percent gain in population exceeds that projected for any other racial group, yet in comparison, it falls well below the 126 percent gain expected for the Hispanic population.

Another factor contributing to Asian buying power is that nearly all Asians are urbanites. Data show that 95 percent of Asians lived in metro areas in 2002 compared to only 78 percent of non-Hispanic whites. The economic rewards of education also provide a big boost. Asians are much better educated than is the average American, and therefore Asians hold many top-level jobs in management or professional specialties.

In 2006, the ten states with the largest Asian consumer markets, in order, are California (\$140.5 billion), New York (\$41.5 billion), New Jersey (\$26.8 billion), Texas (\$25.9

billion), Hawaii (\$20.4 billion), Illinois (\$18.7 billion), Washington (\$13 billion), Virginia (\$12.6 billion), Florida (\$12.2 billion), and Massachusetts (\$10.9 billion).

Compared to the overall consumer market, the group's spending is much more focused geographically. In 2006, the five and the ten states with the largest Asian consumer markets account for 60 percent and 76 percent of Asian buying power, respectively. In contrast, the five and the ten largest total consumer markets account for 38 percent and 56 percent of U.S. buying power, respectively. One positive implication of this extreme geographic concentration is lower marketing costs. Still, zip-code mailings, the use of selective media, the Internet, and other techniques can be used to reduce the costs of reaching Asians in states where the group's market share is slim.

In 2006, California stands out as the nation's only state-level minority racial market that exceeds \$100 billion (\$140.5 billion), and it alone accounts for 33 percent of the nation's Asian consumer market. The only state-level minority market that is larger is the Hispanic market in California, and it is defined based on ethnicity rather than race. From 1990-2006, California will account for 31 percent of the expected increase in the nation's Asian buying power, or \$97 billion of the \$310

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billion gain. Despite the geographic focus of this consumer market, Asian buying power is attaining critical mass in a growing number of states. In 2000, only six states had over \$10 billion in Asian buying power. By 2006, eleven states had over \$10 billion in Asian buying power, and by 2011, fourteen states will have reached this benchmark.

Ranked by the rate of growth of Asian buying power over 1990-2006, the top ten states are Nevada (762 percent), North Carolina (579 percent), Georgia (565 percent), Nebraska (512 percent), Minnesota (487 percent), Arizona (481 percent), Delaware (467 percent), Texas (462 percent), New Hampshire (460 percent), and South Dakota (449 percent). Texas is the only one of these states that is among the nation's ten largest Asian consumer markets, but Georgia ranks fourteenth, Nevada ranks seventeenth, North Carolina ranks eighteenth, Minnesota ranks nineteenth, and Arizona ranks twentieth. From a business-to-consumer perspective, these states are among the nation's rapidly emerging Asian markets.

Nationally, Asian consumers' share of the market will increase from 2.7 percent in 1990 to 4.5 percent in 2006. In order, the ten states with the largest shares of total buying power that is Asian in 2006 are Hawaii, where Asians account for 50 percent of the state's buying power, California (11.4 percent), New Jersey (7.8 percent), Washington (6.2 percent), New York (6 percent), Nevada (5.8 percent), Maryland (4.8 percent), Virginia (4.7 percent), Illinois (4.4 percent), and Massachusetts (4.3 percent). Except for Hawaii, where Asians' market share will drop by 8 percent, the share of buying power controlled by Asian consumers will rise in every state. The 4.4 percent gain in Asians' share of New Jersey's consumer market (3.4 percent in 1990 to 7.8 percent in 2006) will be the largest share increase in the nation, followed by the 3.7 percent increase in market share in California (7.7 percent to 11.4 percent). Also noteworthy is the 3.3 percent gain in share expected in Nevada (2.6 percent share in 1990 to 5.8 percent in 2006).

■ Hispanic Buying Power ■

The immense buying power of the nation's Hispanic consumers continues to energize the nation's consumer market, and Selig Center projections reveal that Hispanics will control about \$798 billion in spending power in 2006. In fact, Census 2000 showed that more than one person in eight who lives in the U.S. is Hispanic, and the U.S. Hispanic population continues to grow faster than the non-Hispanic population. By 2011, nearly one person out of every six living in the U.S. will be of Hispanic origin.

In sheer dollar power, Hispanics' economic clout will rise from \$212 billion in 1990, to \$490 billion in 2000, to \$798 billion in 2006, and to almost \$1.2 trillion in 2011. The 2011 value will exceed the 1990 value by 457 percent—a percentage gain that is far greater than either the 176 percent increase in non-Hispanic buying power or the 190 percent increase in the buying power of all consumers. U.S. Hispanic buying

power will grow faster than African American buying power (237 percent), Native American buying power (270 percent), and Asian buying power (434 percent).

In 2011, Hispanics will account for 9.5 percent of all U.S. buying power, up from only 5 percent in 1990. Due to this brisk growth, Hispanic buying power will essentially equal African American buying power in 2006, and will exceed it in 2007.

Of the myriad 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 2011, the Hispanic population will increase by 126.4 percent compared to 15.4 percent for the non-Hispanic population and the 25.4 percent gain for the total population.

The relatively young Hispanic population, with more of them either entering the workforce for the first time or advancing in their careers, also argues for additional gains in buying power. Hispanics' spending patterns already help to determine the success or failure of many youth-oriented products and services. In 2004, 34 percent of the Hispanic population was under age 18 compared to 25 percent of the total population. Also, in 2004, only 5.2 percent of Hispanics were over 65, compared to 12.4 percent of the total population.

Hispanic refers to a person of Mexican, Puerto Rican, Cuban 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 uniting factor. Census 2000 indicates that the majority of Hispanics living in the U.S. are of Mexican origin (58.5 percent), which suggests that a great many Hispanics share similar backgrounds and cultural experiences. Nonetheless, spending patterns differ significantly based on country of origin, and the composition of the nation's Hispanic population is changing. The proportion of Mexicans is dropping, while the numbers of those from Cuba, Central and South America, and other Spanish-speaking areas continues to rise.

This major group, which will comprise 14.7 percent of the country's population in 2006, will have disposable income of \$798 billion. In 2006, the ten states with the largest Hispanic markets, in order, are California (\$214.5 billion), Texas (\$140.2 billion), Florida (\$82.2 billion), New York (\$63.3 billion), Illinois (\$34.8 billion), New Jersey (\$30.5 billion), Arizona (\$26.4 billion), Colorado (\$18.5 billion), New Mexico (\$15.1 billion), and Georgia (\$12.4 billion).

Hispanics and their buying power are much more geographically concentrated than non-Hispanics. California alone accounts for 27 percent of Hispanic buying power. The five states and the ten states with the largest Hispanic markets account for 67 percent and 80 percent of Hispanic buying power, respectively. In contrast, the five states with the

largest non-Hispanic markets account for only 38 percent of total buying power and the ten largest non-Hispanic markets account for only 56 percent of total buying power.

The top ten states, as ranked by the rate of growth of Hispanic buying power over 1990-2006, are Arkansas (1,174 percent), North Carolina (1,042 percent), Tennessee (833 percent), Georgia (832 percent), Nevada (748 percent), Alabama (679 percent), South Dakota (652 percent), Minnesota (633 percent), South Carolina (626 percent), and North Dakota (623 percent). In market size, Georgia, Nevada, and North Carolina also rank tenth, eleventh, and fifteenth, respectively, so these states are three of the most attractive Hispanic markets in the nation.

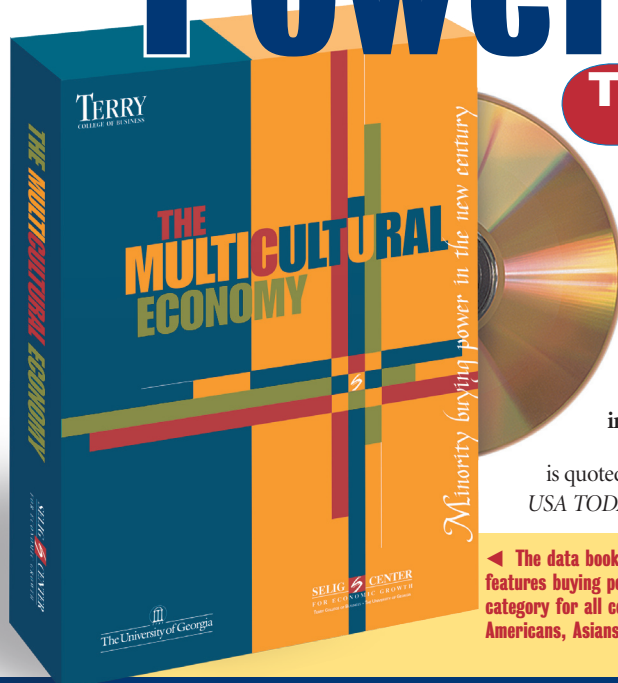
Between 1990 and 2006, the share of buying power controlled by Hispanic consumers will rise from 5 percent to 8.4 percent, and the group's share will rise in every state. In 2006, the ten states with the largest Hispanic market shares will be New Mexico (29.6 percent), Texas (19.5 percent), California (17.4 percent), Arizona (15.2 percent), Florida (14.6 percent), Nevada (13.8 percent), Colorado (11.1 percent), New York (9.2 percent), New Jersey (8.8 percent), and Illinois (8.3 percent). Nevada's 7.6 percent shift in Hispanic market share, from 6.2 percent in 1990 to 13.8 percent in 2006 will

be the nation's largest. Texas will see its Hispanic market share climb from 12.4 percent to 19.5 percent, a gain of 7.1 percent, which is a remarkable for a state with such a large, established market. Hispanics' share of Florida's market will rise by 5.9 percent, from 8.7 percent to 14.6 percent. Arizona's Hispanics will claim 15.2 percent of the state's buying power, up 5.4 percentage points from their 9.8 percent share in 1990. New Mexico's Hispanic population will claim 29.6 percent of that state's buying power, 5.3 percent more than their 24.4 percent share in 1990.

Despite their lower average income levels, Hispanic households spent more on groceries, telephone services, major appliances, vehicle purchases, gas and motor oil, men's and children's clothing, and footwear. Also, they spent a higher proportion of their money on housing. They spent about the same amounts as non-Hispanics on alcoholic beverages, utilities, housekeeping supplies, furniture, small appliances, women's and girls' clothing, public transportation, and personal care products and services. Compared to non-Hispanics, they spent substantially smaller proportions of total outlays (and substantially less money) on health care, entertainment, education, and personal insurance and pensions.

Power Source

The Multicultural Economy Minority Buying Power in 2006



The enormous economic clout of the nation's **Hispanics, African Americans, Asians, and Native Americans** is detailed in the new 2006 edition of the popular and widely-quoted study of minority buying power.

Developed by the Selig Center for Economic Growth, this definitive data series for 1990-2006 and the projections for 2007 through 2011 are essential to business analysts, marketing specialists, product developers, advertisers, and researchers. Completely revised data are available for the **U.S. and all fifty states; and county data are included for Georgia and Florida.**

Used by companies nationwide, the Minority Buying Power data series is quoted in *Business Week*, *The Wall Street Journal*, *The Financial Times* and *USA TODAY*.

◀ The data book-and-CD package also features buying power data by expenditure category for all consumers, African Americans, Asians, and Hispanics.

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Table 1

**U.S. Buying Power Statistics by Race,
1990, 2000, 2006, and 2011**

	Buying Power (billions of dollars)			
	1990	2000	2006	2011
Total	4,270.5	7,187.6	9,525.5	12,364.9
White	3,816.2	6,231.2	8,159.6	10,479.1
Black	318.1	590.2	798.9	1,071.7
American Indian	19.7	39.1	53.9	73.0
Asian	116.5	268.8	426.9	621.5
Multiracial	0.0	58.3	86.3	119.4
	Percentage Change in Buying Power			
	1990-2006	1990-2011	2000-2006	2006-2011
Total	123.1	189.5	32.5	29.8
White	113.8	174.6	30.9	28.4
Black	151.1	236.9	35.4	34.2
American Indian	173.1	270.1	37.9	35.5
Asian	266.5	433.6	58.8	45.6
Multiracial	NA	NA	47.9	38.4
	Market Share (percentage)			
	1990	2000	2006	2011
Total	100.0	100.0	100.0	100.0
White	89.4	86.7	85.7	84.7
Black	7.4	8.2	8.4	8.7
American Indian	0.5	0.5	0.6	0.6
Asian	2.7	3.7	4.5	5.0
Multiracial	NA	0.8	0.9	1.0

Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, June 2006.

Table 2

**U.S. Population Statistics by Race,
1990, 2000, 2006, and 2011**

	Population			
	1990	2000	2006	2011
Total	249,622,814	282,192,162	298,958,833	313,033,865
White	209,366,661	228,620,482	239,384,160	248,049,069
Black	30,648,345	35,812,716	38,442,994	40,973,449
American Indian	2,058,726	2,673,462	2,913,226	3,152,937
Asian	7,549,082	11,157,047	13,582,340	15,683,367
Multiracial	NA	3,928,455	4,636,113	5,175,043

	Percentage Change in Population			
	1990-2006	1990-2011	2000-2006	2006-2011
Total	19.8	25.4	5.9	4.7
White	14.3	18.5	4.7	3.6
Black	25.4	33.7	7.3	6.6
American Indian	41.5	53.1	9.0	8.2
Asian	79.9	107.8	21.7	15.5
Multiracial	NA	NA	18.0	11.6

	Share of Population (percentage)			
	1990	2000	2006	2011
Total	100.0	100.0	100.0	100.0
White	83.9	81.0	80.1	79.2
Black	12.3	12.7	12.9	13.1
American Indian	0.8	0.9	1.0	1.0
Asian	3.0	4.0	4.5	5.0
Multiracial	NA	1.4	1.6	1.7

Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, June 2006.

Table 3

**U.S. Hispanic Market Statistics,
1990, 2000, 2006, and 2011**

	Buying Power (billions of dollars)			
	1990	2000	2006	2011
Total	4,270.5	7,187.6	9,525.5	12,364.9
Hispanic	211.9	489.4	798.3	1,180.0
Non-Hispanic	4,058.7	6,698.2	8,727.2	11,184.9
	Percentage Change in Buying Power			
	1990-2006	1990-2011	2000-2006	2006-2011
Total	123.1	189.5	32.5	29.8
Hispanic	276.8	457.0	63.1	47.8
Non-Hispanic	115.0	175.6	30.3	28.2
	Market Share (percentage)			
	1990	2000	2006	2011
Total	100.0	100.0	100.0	100.0
Hispanic	5.0	6.8	8.4	9.5
Non-Hispanic	95.0	93.2	91.6	90.5

Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, June 2006.

Table 4

**U.S. Hispanic Population Statistics,
1990, 2000, 2006, and 2011**

	Population			
	1990	2000	2006	2011
Total	249,622,814	282,192,162	298,958,833	313,033,865
Hispanic	22,572,838	35,647,334	43,883,740	51,113,433
Non-Hispanic	227,049,976	246,544,828	255,075,093	261,920,432
	Percentage Change in Population			
	1990-2006	1990-2011	2000-2006	2006-2011
Total	19.8	25.4	5.9	4.7
Hispanic	94.4	126.4	23.1	16.5
Non-Hispanic	12.3	15.4	3.5	2.7
	Share of Population (percentage)			
	1990	2000	2006	2011
Total	100.0	100.0	100.0	100.0
Hispanic	9.0	12.6	14.7	16.3
Non-Hispanic	91.0	87.4	85.3	83.7

Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, June 2006.

Table 5

**Total Buying Power by Place of Residence
for U.S. and the States, 1990, 2000, 2006, and 2011
(thousands of dollars)**

Area	1990	2000	2006	2011
United States	4,270,546,000	7,187,588,000	9,525,535,874	12,364,856,106
Alabama	56,892,094	93,705,340	126,162,990	161,456,547
Alaska	11,146,891	16,582,016	22,471,400	28,590,174
Arizona	55,744,215	115,336,078	173,514,553	248,728,321
Arkansas	30,604,138	51,896,680	70,866,256	90,843,683
California	565,376,110	908,421,421	1,230,532,016	1,631,715,090
Colorado	56,893,189	122,175,115	166,825,626	231,230,714
Connecticut	76,112,391	113,910,086	147,343,338	188,083,132
Delaware	12,369,781	20,665,960	29,182,945	39,590,496
District of Columbia	13,836,194	19,077,560	27,507,662	36,320,398
Florida	228,406,282	398,171,543	563,490,152	762,781,194
Georgia	100,713,305	197,964,309	264,831,607	352,173,595
Hawaii	21,455,557	30,111,430	40,748,101	50,860,761
Idaho	14,161,345	27,239,511	38,493,451	52,097,323
Illinois	208,084,531	340,995,806	422,237,520	519,626,333
Indiana	85,413,705	144,059,123	183,457,810	231,635,062
Iowa	42,741,469	68,495,981	90,406,477	113,407,344
Kansas	39,630,790	64,751,475	84,545,696	107,206,626
Kentucky	50,317,464	86,422,615	111,394,451	141,944,214
Louisiana	57,786,904	91,956,619	106,330,304	123,489,826
Maine	18,952,143	28,727,638	38,636,771	49,786,537
Maryland	94,031,126	152,970,399	214,100,732	289,682,185
Massachusetts	119,217,310	192,839,055	254,265,311	330,304,384
Michigan	154,298,844	253,237,498	311,807,883	383,931,634
Minnesota	75,960,736	134,132,209	175,892,372	228,842,056
Mississippi	30,715,121	53,940,038	71,199,433	90,247,883
Missouri	79,684,604	132,734,215	173,752,424	220,161,612
Montana	11,038,689	18,280,780	26,113,329	34,625,090
Nebraska	25,355,028	41,271,287	55,745,894	71,476,665
Nevada	21,809,482	53,123,247	83,047,959	122,079,369
New Hampshire	20,347,691	35,438,019	47,671,004	63,724,075
New Jersey	165,978,303	269,957,676	345,752,265	438,643,481
New Mexico	20,409,014	35,660,986	51,025,838	67,168,622
New York	363,717,112	548,702,197	686,861,432	847,033,125
North Carolina	101,265,797	189,004,196	247,372,246	318,423,580
North Dakota	9,219,127	14,487,082	19,227,592	24,916,537
Ohio	178,669,921	275,725,462	341,342,076	414,832,834
Oklahoma	44,964,884	74,326,510	98,939,081	128,929,503
Oregon	45,260,613	82,018,788	107,637,394	137,418,624
Pennsylvania	206,454,745	314,199,399	400,332,560	498,066,378
Rhode Island	17,744,308	26,330,056	36,160,582	46,904,017
South Carolina	49,347,434	86,508,979	114,663,822	149,301,121
South Dakota	10,332,176	17,504,911	23,837,032	31,096,176
Tennessee	74,014,663	133,501,176	179,109,286	232,969,743
Texas	266,483,516	522,985,766	719,434,568	977,463,559
Utah	22,846,381	46,661,059	66,076,497	89,709,691
Vermont	8,900,488	14,644,579	19,508,625	25,507,544
Virginia	111,106,619	186,231,945	268,777,432	364,486,238
Washington	86,667,670	161,428,707	210,417,447	272,883,741
West Virginia	23,240,552	35,307,979	47,076,524	59,070,537
Wisconsin	77,499,111	131,662,787	171,614,378	218,868,898
Wyoming	7,326,437	12,104,707	17,793,731	24,519,832

Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, June 2006.

Table 6

The Nation's Largest Consumer Markets in 2006
(billions of dollars)

Rank	Total Buying Power	
1	California	1,230.5
2	Texas	719.4
3	New York	686.9
4	Florida	563.5
5	Illinois	422.2
6	Pennsylvania	400.3
7	New Jersey	345.8
8	Ohio	341.3
9	Michigan	311.8
10	Virginia	268.8

Rank	White Buying Power	Black Buying Power	American Indian Buying Power
1	California 1,009.5	New York 75.6	California 8.2
2	Texas 627.1	Texas 58.1	Oklahoma 5.3
3	New York 561.9	California 55.7	Texas 3.7
4	Florida 492.3	Georgia 54.4	Arizona 3.6
5	Illinois 360.6	Florida 52.7	New Mexico 2.4
6	Pennsylvania 360.2	Maryland 47.0	North Carolina 2.1
7	Ohio 303.9	Illinois 39.4	Alaska 2.0
8	New Jersey 284.4	North Carolina 35.9	Washington 2.0
9	Michigan 268.0	Virginia 35.1	Florida 2.0
10	Massachusetts 230.4	Michigan 31.8	New York 1.9

Rank	Asian Buying Power	Multiracial Buying Power	Hispanic Buying Power
1	California 140.5	California 16.6	California 214.5
2	New York 41.5	New York 6.0	Texas 140.2
3	New Jersey 26.8	Hawaii 5.0	Florida 82.2
4	Texas 25.9	Texas 4.6	New York 63.3
5	Hawaii 20.4	Florida 4.3	Illinois 34.8
6	Illinois 18.7	Washington 3.3	New Jersey 30.5
7	Washington 13.0	Illinois 2.7	Arizona 26.4
8	Virginia 12.6	Virginia 2.7	Colorado 18.5
9	Florida 12.2	Michigan 2.6	New Mexico 15.1
10	Massachusetts 10.9	Oklahoma 2.6	Georgia 12.4

Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, June 2006.

Table 7

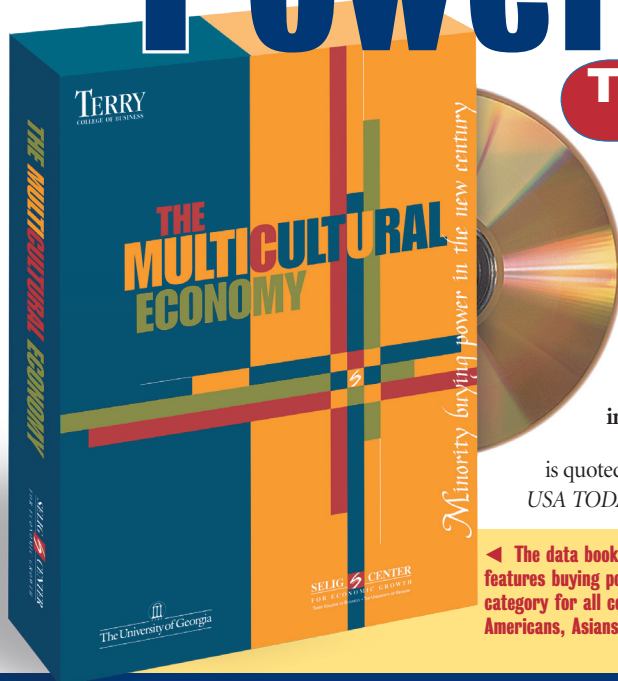
**The Nation's Fast-Growing Consumer Markets in 1990-2006
(percent)**

Rank	Percentage Change in Total Buying Power		Percentage Change in White Buying Power		Percentage Change in Black Buying Power	
	1	Nevada	280.8	Nevada	254.3	Nevada
2	Arizona	211.3	Arizona	202.9	Idaho	433.5
3	Colorado	193.2	Colorado	186.3	Utah	385.7
4	Utah	189.2	Utah	183.8	Montana	368.0
5	Idaho	171.8	Idaho	167.5	Minnesota	354.2
6	Texas	170.0	Texas	159.3	South Dakota	312.9
7	Georgia	163.0	New Mexico	142.1	Arizona	294.2
8	New Mexico	150.0	Georgia	140.8	Maine	294.2
9	Florida	146.7	Wyoming	138.5	Vermont	288.6
10	North Carolina	144.3	North Carolina	136.3	Wyoming	251.4

Rank	Percentage Change in American Indian Buying Power		Percentage Change in Asian Buying Power		Percentage Change in Hispanic Buying Power	
	1	West Virginia	453.5	Nevada	762.3	Arkansas
2	Mississippi	356.9	North Carolina	579.4	North Carolina	1,041.6
3	Texas	319.6	Georgia	564.8	Tennessee	832.5
4	Tennessee	315.8	Nebraska	511.8	Georgia	832.2
5	Georgia	305.0	Minnesota	486.5	Nevada	747.8
6	Florida	300.6	Arizona	481.0	Alabama	678.8
7	Kentucky	297.2	Delaware	467.6	South Dakota	651.9
8	Iowa	275.6	Texas	462.1	Minnesota	633.0
9	Colorado	269.3	New Hampshire	460.0	South Carolina	625.6
10	South Carolina	254.7	South Dakota	448.6	North Dakota	622.8

Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, June 2006.

Power Source



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