Our market intelligence products provide an unrivalled source of information on inbound tourism. They paint a detailed picture of past, present and future inbound UK tourism trends, helping you gain an insight into how markets and segments are performing, as well as how Britain is perceived by prospective visitors.
Profiling the Hispanic Population of the USA

Introduction
The US Hispanic population is the largest minority segment in the US and is growing at a dramatic rate. This is creating a situation where this demographic is having an increasing influence and importance over the future culture, economy and demographic make-up of the USA.

There are currently 50.5 million Hispanics residing in the US, making up 16% of the total US population, this is an increase from 35.5 million back in 2000 where they only accounted for 13% of the population. Between 2000 and 2010 Hispanics accounted for more than half of the US population increase and are predicted to contribute more than 60% of all US population growth over the next five years. Hispanics are the fastest growing ethnic segment and are expected to grow by 167% between 2010 and 2050 compared to 42% for the total population.

Even though immigration is down sharply, the US Hispanic population continues to increase. Among US Hispanics, the number of foreign born Hispanics has declined from 40% in 2000 to 37% in 2010. Meanwhile the proportion holding US citizenship increased from 71% in 2000 to 74% in 2010.

The US Hispanic population consists of many origins, however by far the majority are those originating from Mexico, making up 63% of the total US Hispanic population. These are followed by the Puerto Ricans and then the Cuban’s making up a 9% and 4% share respectively.

US Hispanics are the largest immigrant group to retain significant culture sustainability and not find themselves disappearing into the American melting pot. Over half (56%) of US Hispanics still predominantly speak Spanish at home and more than half (51%) most often identify themselves via their family’s country of origin. Hispanic incomes are on the increase and their buying power has particular importance, being described as one of the top 20 economies in the world if they were a standalone country.

These figures alone have a tremendous potential impact for the future of the United States and cannot be ignored.

Demographics

Age Cohorts
As the US population ages, the Hispanic segments remain young and the primary feeder of the future workforce. Over 60% of the US Hispanic population is under the age of 35, while 75% is under the age of 45. This contrasts to the non-Hispanic US population

with 41% being under the age of 35 and 54% being under the age of 45. The median age of the US Hispanic population comes in nearly 10 years younger (28 years) than that of the total US population at 37 years (Chart 1).

Chart 1: Age-Cohorts

States of Residence
The states with the greatest number of Hispanics are California (14.01 million), Texas (9.46 million), Florida (4.22 million), New York (3.42 million) and Illinois (2.3 million). The states that have the highest concentration of Hispanics are: New Mexico (46%), Texas (38%), California (38%), Florida (22%), Colorado (21%) and Nevada (27%). Areas within these states contain large pockets of Hispanics where Hispanic growth can be two or three times larger than the total population growth, demonstrating their growing influence across many of the country’s major markets.

Economic Importance

Household Income
Despite the recession, US Hispanic households that earn $50,000 or more are growing at a faster rate than total households (Chart 2), with a significant increase in those households earning more than $100,000 (an increase of 71% between 2000 and 2010 compared to 49% among the total population). In conjunction with this there has also been a slowing of households earning less than $35,000 and per capita income of US Hispanics is higher than any one of the coveted BRIC countries.
Chart 2: Household income growth between 2000 and 2010

Purchasing Power
The spending power of US Hispanics looks to be a force to be reckoned with, currently standing at $1 trillion in 2010 and expected to grow by 50% by 2015 to $1.5 trillion. However Hispanic purchasing behaviour does not mirror that of the general market, they tend to shop less often, spend more per trip and are less likely to purchase products at promotional prices.

In terms of managing their financials, 43% of US Hispanics are either under-banked or unbanked meaning that they either have poor access to mainstream financial services such as banks or have no banking facilities at all. This has meant that a good proportion of US Hispanics do not have access to credit cards, enabling them to operate with little or no debt, which is in stark contrast to US citizens in the general market who have lived off credit for years.

Given both their purchasing power and taking into account the age of a new homebuyer is between the ages of 26 and 46, Hispanics will become a major force in residential purchasing in coming years.

Lifestyles
Socio – Economic Status
Currently fewer than half (47%) of US Hispanic head of households own their own home, which is still some way below that of the total US population whereby 65% of US head of households do. Hispanic households also tend to be larger than those in the general market with just over 26% of households, (where the head of household is Hispanic) consist of five or more people. In contrast in non-Hispanic white family households this is just under 11%. Having an extended family household provides additional disposable income for the family unit and makes the household less economically vulnerable if there is a reduction in income.

The poverty rate among US Hispanics is higher (25%) than for the total US population (15%) and more Hispanic children are living in poverty compared to any other major racial or ethnic group.

An estimated 31% of US Hispanics do not have health insurance which is more than double that of the overall US population.

Culture
US Hispanics are the largest ethnic group to exhibit culture sustainability and have so far refrained from blending into the American melting pot. There are a number of factors that combine to achieve this. Some 51% of Hispanics identify themselves via their family’s country of origin and 47% consider themselves to be very different from the “typical” American.

The Hispanic culture is a blend of many different cultures however one universal theme running throughout all Hispanic cultures is the connection to the Spanish language. An estimated 72% of intermarried parents classify their children as Hispanic in 2011 compared with only 35% in 1991. This metric has more than doubled over this time period, reflecting the increased culture sustainability.

Language
Around 56% of US Hispanics primarily speak Spanish when they are at home, further highlighting the importance of the Spanish language in the Hispanic culture and also the importance of using Spanish to reach the Hispanic market (Chart 3).

However US Hispanics do not underestimate the value of learning English, with 87% of immigrant Hispanics agreeing that it is important to learn English in order to succeed in the US. Bilingual Hispanics have high rates of wanting to read, watch and explore more Spanish language media channels in the next five years, while 90% of Hispanic parents and parents to be want their children to be able to speak Spanish even though they want them to be fluent in English.

Chart 3: Distribution of language ability among US Hispanics
Media Consumption and the use of Technology

Hispanic usage rates of television, smartphones, social networking, online video and other forms of entertainment make Hispanics one of today’s most engaged targets. The combination of the relative youth, culture and language preferences positions Hispanics to become pioneers in new media trends and they are currently found to lead the general market as early adopters of new technologies.

Approximately 60% of US Hispanic households own at least one video enabled cell phone compared to 43% of the general market. Hispanics are three times more likely to have internet access via a mobile device but not have internet at home. Hispanics outpace all other ethnic groups in mobile device data consumption including music and picture downloads at an increasing rate. With their dependence on mobile devices for internet connectivity this could explain why their average bill is 8% higher than the general market.

Real-time TV still ranks highly with US Hispanics and they are less likely to use a DVR player than the average household (31% of Hispanics own a DVR player compared to 41% of the general market). Interestingly Hispanic DVR households are more likely to time-shift English rather than Spanish language programming.

Viewing TV as a family is particularly prominent in Hispanic households with parents and children sharing the same viewing experience. Hispanics co-view 50% of all Spanish language broadcast primetime programming, compared to 48% of the general market co-viewing English language broadcast prime time programming.

In short, Hispanics may use the same technology as the rest of the country but adapt it differently making it more of a culture focused tool.

Travel

Travel Behaviour

An estimated 40% of US Hispanics say they plan on taking a vacation in 2012, with 57% stating that they take a vacation every year. The vast majority (64%) of US Hispanics prefer to return to their homeland during their vacations, taking advantage of their time off to spend it with family while 67% of US Hispanics stated they would rather spend their leisure travels with family however 55% do wish they could visit a new and / or different destination on their next vacation.

US Hispanics tend to slightly favour the web for booking (46%) compared to 41% of American travellers overall. Hispanic travellers tend to travel in slightly larger groups with 31% of US Hispanic travellers having four or more in their party compared to 25% for the average American traveller. This further emphasises travel as a family activity.

The top three US travel destinations for US Hispanics are California, Texas and Florida, while internationally Mexico and the Caribbean are the top choices.

Connectivity

Table 1 looks at the number of aircraft departures and airline seat capacity from parts of the US with a large Hispanic population to Britain, Spain, Mexico and Central/South America.

Table 1 Connectivity analysis from US cities with the highest Hispanic population

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Seats</th>
<th>Departures</th>
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<tbody>
<tr>
<td>New York</td>
<td>Great Britain</td>
<td>3,167,269</td>
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<td>Spanish</td>
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<td>749,525</td>
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<tr>
<td>Mexican</td>
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<tr>
<td>Central/South America ex Mex</td>
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</tr>
<tr>
<td>Spanish</td>
<td></td>
<td>46,622</td>
<td>155</td>
</tr>
<tr>
<td>Mexican</td>
<td>1,586,614</td>
<td>11,340</td>
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</tr>
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Great Britain leads the way in terms of seat capacity for New York and Chicago, while Mexico holds the greatest capacity for Los Angeles, Houston and Phoenix. In the two states with the highest Hispanic population numbers (California and Texas) we see the seat capacity for Mexico and Central and South America in the two cities associated with these states (Los Angeles and Houston) really increase, demonstrating that there is clearly sufficient consumer demand to warrant such high volumes. New York also sees very high seat capacity to/from Central and South America.
Conclusions

The last ten years have demonstrated the dramatic rate to which the US Hispanic population is advancing and future predictions show this is only set to continue. From the figures and findings outlined above it is clear to see that although the Hispanics are advancing in numbers they are still a long way away from fully immersing themselves in American culture.

The population growth and economic figures are startling and with the economy of the United States in the fragile state it is in these are statistics that cannot be ignored. The US Hispanic population has the potential to really drive the future of the American economy, however this will mean companies adjusting their marketing to meet their needs, as evidenced already they do not display the same buying or cultural characteristics as the overall American population.

A key unknown requiring further investigation and analysis is the scale of opportunity that exists to attract the burgeoning Hispanic population in the US to choose Britain as a holiday destination.