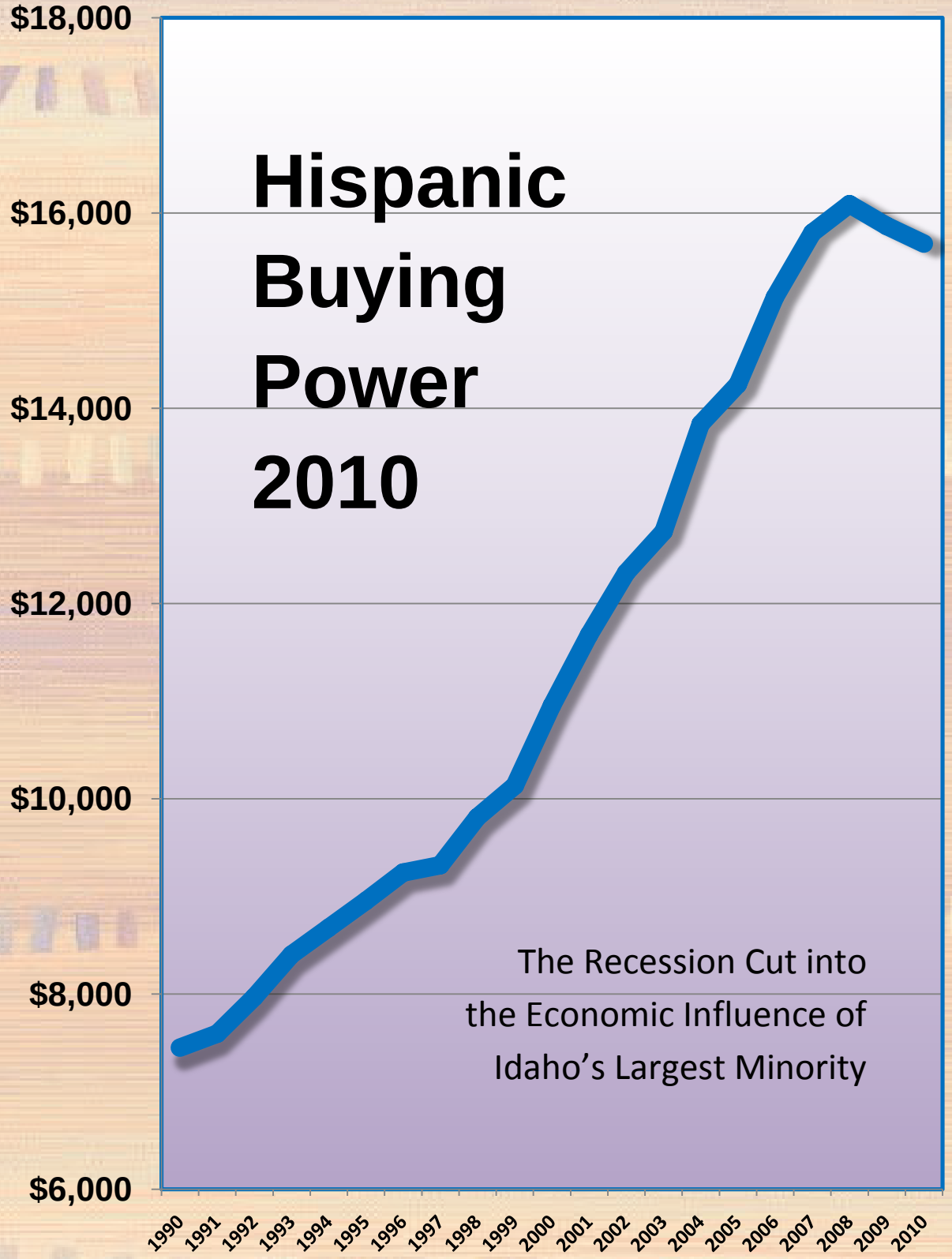
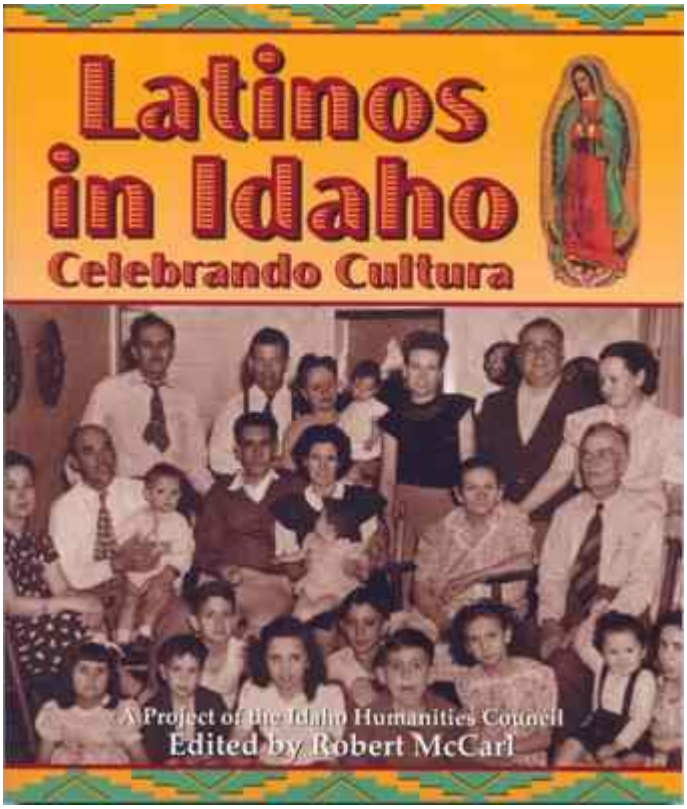


Hispanic Buying Power 2010

The Recession Cut into the Economic Influence of Idaho's Largest Minority

IDAHO
DEPARTMENT OF LABOR

C.L. "Butch" Otter, Governor
Roger B. Madsen, Director



C.L. "BUTCH" OTTER, Governor
Roger B. Madsen, Director

Prepared by
Idaho Department of Labor
Communications and Research
317 W. Main St.
Boise, ID 83735

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Recession Blunted Rise in Hispanic Buying Power

What seemed an unwavering rise of Hispanic economic influence in Idaho ran into the recession in 2010. For the first time in two decades the per capita buying power of Idaho Hispanics fell.

Estimates developed by the Selig Center for Economic Growth at the University of Georgia showed total Hispanic buying power in Idaho rose 5.2 percent from 2009 to nearly $2.8 billion. That was nearly three times the increase the rest of the state's population posted, but 31 other states had even stronger growth.

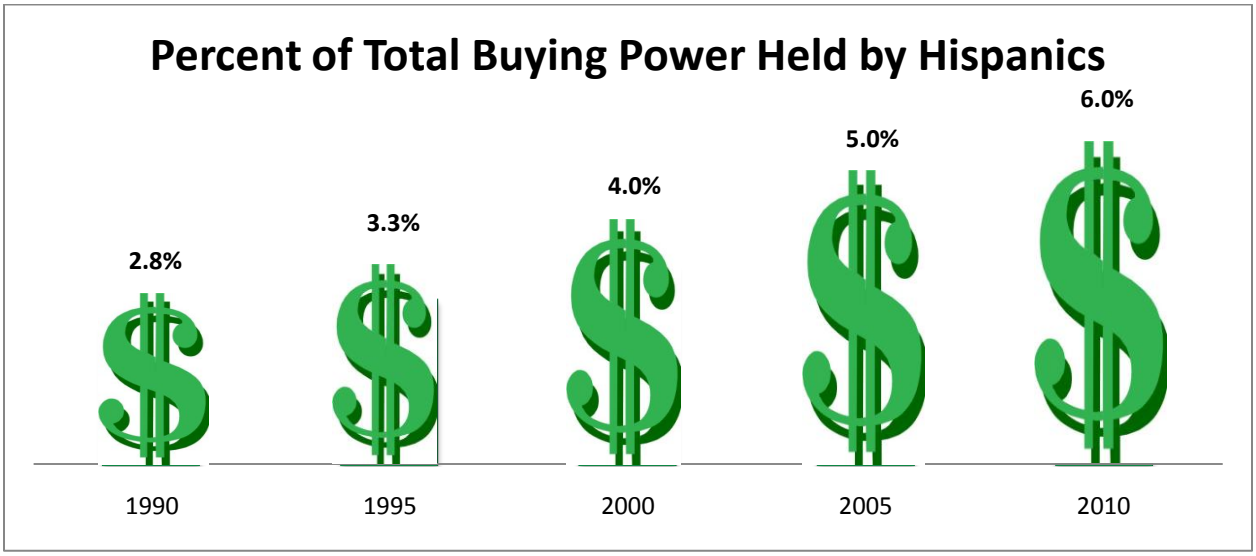
But the number of Hispanics grew even more at 6.4 percent, and per capita buying power fell just over 1 percent from $15,868 in 2009 to $15,687 in 2010.

The buying power of non-Hispanics in Idaho rose just 1.8 percent from 2009 to $43.2 billion. That was closer to the middle of the states – 21 had lower growth rates. Non-Hispanic per capita buying power rose because the non-Hispanic population grew only 0.9 percent. Non-Hispanic per capita buying power was double the Hispanics at nearly $31,000.

Reflecting that disparity, the U.S. Census Bureau estimated that 30 percent of Idaho Hispanics lived in poverty compared to under 14 percent of non-Hispanics.

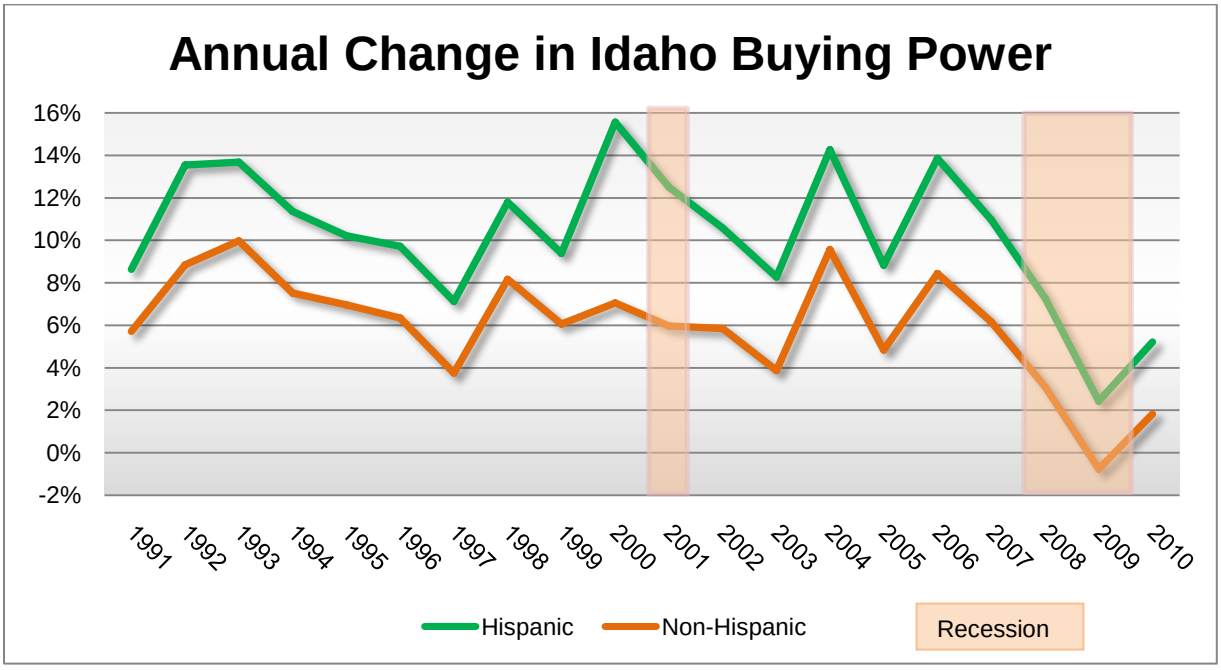
Buying power is the after-tax personal income people have to spend on virtually everything from necessities like food, clothing and housing to luxuries like recreation equipment and vacations. It does not include money that has been borrowed or that is saved from previous years or that is spent by tourists from other states or countries.

Between 1990 and 2009, Hispanic buying power increased 565 percent while the Hispanic population rose 212 percent.



Every year through 2008, the buying power of Idaho Hispanics rose faster than Idaho's Hispanic population. In 2009 there was a slight shift in the other direction but not enough to bring per capita buying power down. That differential widened in 2010, causing the decline.

But the comparatively strong population growth was primarily responsible for Hispanics increasing their share of Idaho's total buying power to 6 percent, up two-tenths of a point from 2009.



Still there was further erosion of Hispanic buying power in 2010. Twenty counties saw a decline in total buying power by their Hispanic residents compared to14 counties posting a decline in 2009. But only 14 counties saw the buying power of non-Hispanics fall, down dramatically from 31 in 2009.

In what may have been a reflection of the economy bottoming out and preparing for a recovery, 16 counties recorded increases in total buying power for both Hispanics and non-Hispanics in 2010, double the eight where buying power was up in 2009 for both.

In addition to counties where total buying power declined, Hispanics in 21of Idaho's 44 counties saw their share of total county buying power fall in 2010 compared to 14 counties in 2009. Most of those counties in both years, however, have comparatively small concentrations of Hispanics. Of the 19 counties where Hispanics made up over 10 percent of the population, only Clark, Fremont, Jefferson, Owyhee, Payette and Washington were among those with declining shares of total buying power.

Despite the dramatic increase in Hispanic economic status over the past two decades, the share of buying power Hispanics hold is still lower than the share of population Hispanics make up in every county but Bear Lake in Idaho's southeastern corner.

The erosion of buying power only underscores the economic impact of the recession on Idaho's Hispanic population. From 2007 to 2009, the heart of the recession, median income in Hispanic households in Idaho dropped more than 10 percent to under $33,000 while the median income of non-Hispanics fell a one third of that and remained over $45,000. Half the households have higher income than the median, and half have lower.

The number of Hispanic households receiving food stamps jumped from 10 percent in 2007 to 17 percent in 2009 – both double the non-Hispanic rates – and the number of Hispanics living in poverty grew from 35,000, or 24.5 percent, in 2007 to nearly 47,000, or 29 percent, in 2009. By comparison, the non-Hispanic poverty rate rose from 11 percent in 2007 to 14 percent in 2009.

The unemployment rate among Hispanics in the Idaho labor force doubled during the recession from 7.3 percent in 2007 to 14.5 percent in 2009. That was primarily the result of new entrants into the labor force being unable to find work. Unlike non-Hispanics, the number of Hispanic workers fell less than 200 to just under 63,000 in 2009 while non-Hispanic workers dropped 27,000 to 596,500, a 4 percent decline.

The Selig Center forecasts that the economic influence of Hispanics will continue growing faster than non-Hispanics as the state pulls out of the recession. Hispanic buying power should again approach the 9 percent annual gain projected prior to the recession to exceed $4 billion by 2015 while non-Hispanic buying power should run at over 5 percent a year, reaching $56 billion.

2008 Household Spending as a Percentage of Income

Item	Hispanic	Non-Hispanic
Total	$43,052	$51,457
Food at Home	9.4%	7.2%
Food Away From Home	5.9%	5.3%
Housing	36.2%	33.6%
Apparel and Services	4.9%	3.4%
Transportation	18.5%	16.9%
Health Care	3.6%	6.1%
Entertainment	4.2%	5.8%
Personal Care	1.3%	1.2%
Reading	0.1%	0.2%
Education	1.6%	2.1%
Alcoholic Beverages	0.7%	0.9%
Tobacco Products	0.3%	0.7%
Miscellaneous	1.4%	1.7%
Cash Contributions	2.3%	3.6%
Personal Insurance and Pensions	9.6%	11.3%

Source: Selig Center for Economic Growth, U.S. Bureau of Labor Statistics' 2008 U.S. Consumer Expenditure Survey.

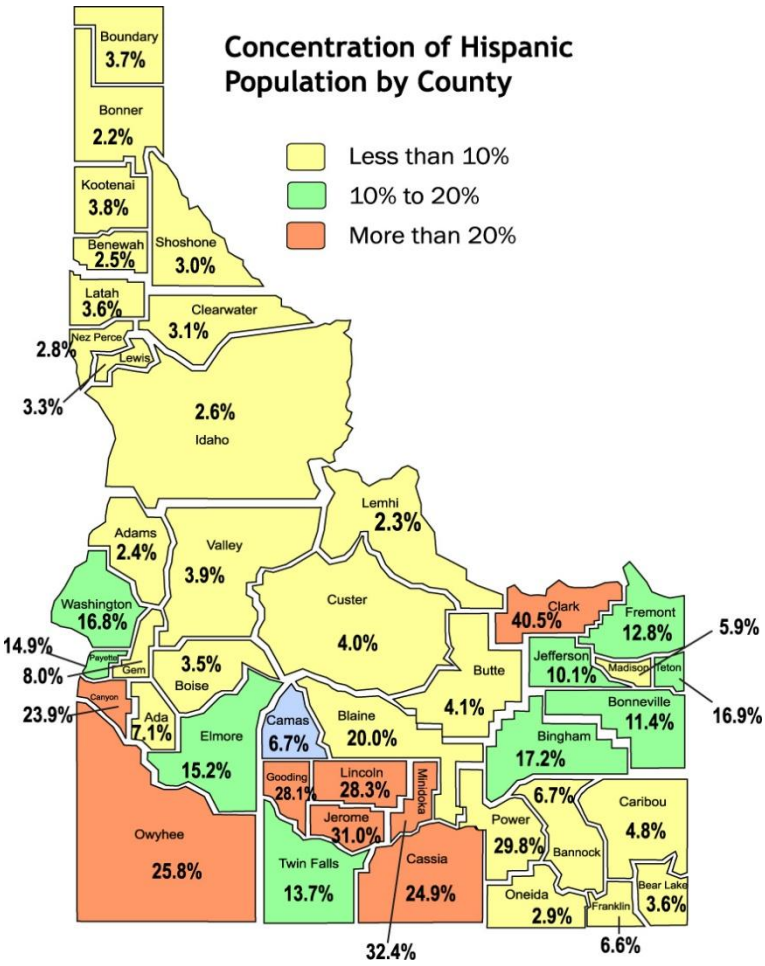
In 2008, the most recent year for which data are available, Hispanic households nationally spent 75 percent of their income on essentials — food, clothing, shelter and transportation — while non-Hispanic households spent an average of 66 percent. That was a decrease of one percentage point from the initial recession level in 2008 for both Hispanic and non-Hispanic households. Higher food spending was more than offset by lower housing and transportation costs for both Hispanics and non-Hispanics

Still, Hispanic households spent 22 percent more on food, both at home and away; 44 percent more on clothing; 8 percent more on housing and 9 percent more on transportation than non-Hispanics.

The growth of Idaho's Hispanic population and its economic influence is a statewide phenomenon, but the impact varies from county to county.

Aaron Campos checks the meat case in Campos Market in Boise.

In Clark County, Idaho's smallest with fewer than 1,000 residents, Hispanics make up 40 percent of the population and accounted for 29 percent of the buying power in 2010, down nearly four percentage points from 2009. In eight other heavily Hispanic southern Idaho counties, Hispanics accounted for between 13.5 percent and 20 percent of total county buying power. Power and Cassia held their own from 2009 to 2010, and five of the others all gained share including Minidoka, which picked up more than three percentage points to hit 20 percent of buying power to complement 32 percent of the population. Only Owyhee County recorded a decline, and it was fractional, keeping Hispanic buying power at over 17 percent.



In contrast, the 10 counties north of the Salmon River have the lowest concentration of Hispanics as a block, and their economic influence is minimal. The share of buying power in northern Idaho ranges from just 1 percent in Nez Perce County to 3.4 percent in Shoshone County. Hispanics in the biggest county, Kootenai, claimed 2.5 percent of the buying power.

In 2009, the U.S. Census Bureau estimated that 48 percent of Idaho Hispanics 25 and older did not have a high school diploma and another 26 percent had no education beyond high school. Just 26 percent of Idaho Hispanics had education beyond high school. Among non-Hispanics, just 61 percent had education beyond high school.

This disparity is primarily responsible for many Hispanics being relegated to lesser paying jobs that limit their buying power overall and in relation to non-Hispanics.

Hispanic Buying Power By County, 2009-2010

County	2010 Buying Power ($000)	% of Total Buying Power	% of 2010 opulation	2009 Buying Power ($000)	% of Total	09-10 Change
State	$2,759,375	6.0%	11.2%	$2,622,739	5.8%	5.2%
Ada	$518,167	3.7%	7.1%	$510,073	3.8%	1.6%
Adams	$1,503	1.6%	2.4%	$1,763	2.1%	-14.7%
Bannock	$84,711	3.6%	6.7%	$79,261	3.4%	6.9%
Bear Lake	$6,984	4.2%	3.6%	$6,149	3.8%	13.6%
Benewah	$3,237	1.4%	2.5%	$3,734	1.7%	-13.3%
Bingham	$126,881	9.9%	17.2%	$120,070	9.6%	5.7%
Blaine	$53,629	7.0%	20.0%	$53,638	6.7%	0.0%
Boise	$3,058	1.4%	3.5%	$4,397	1.9%	-30.5%
Bonner	$14,506	1.3%	2.2%	$16,348	1.5%	-11.3%
Bonneville	$195,630	5.9%	11.4%	$174,396	5.5%	12.2%
Boundary	$6,054	2.4%	3.7%	$6,840	2.8%	-11.5%
Butte	$1,086	1.7%	4.1%	$1,515	2.5%	-28.3%
Camas	$904	2.5%	6.7%	$854	2.4%	5.9%
Canyon	$732,760	14.2%	23.9%	$681,017	13.5%	7.6%
Caribou	$3,164	1.6%	4.8%	$3,743	2.0%	-15.5%
Cassia	$76,942	13.5%	24.9%	$72,268	13.5%	6.5%
Clark	$6,911	28.9%	40.5%	$7,570	32.8%	-8.7%
Clearwater	$4,559	2.0%	3.1%	$3,992	1.9%	14.2%
Custer	$2,697	2.3%	4.0%	$3,642	3.2%	-26.0%
Elmore	$75,162	9.9%	15.2%	$78,872	9.9%	-4.7%
Franklin	$12,840	3.5%	6.6%	$15,049	4.2%	-14.7%
Fremont	$26,007	7.1%	12.8%	$27,751	8.0%	-6.3%
Gem	$22,261	5.0%	8.0%	$24,152	5.6%	-7.8%
Gooding	$61,218	16.5%	28.1%	$51,204	14.9%	19.6%
Idaho	$4,580	1.3%	2.6%	$3,753	1.1%	22.1%
Jefferson	$38,680	4.6%	10.1%	$37,289	4.7%	3.7%
Jerome	$101,563	17.7%	31.0%	$90,013	16.6%	12.8%
Kootenai	$100,546	2.5%	3.8%	$98,037	2.5%	2.6%
Latah	$15,890	1.8%	3.6%	$12,921	1.5%	23.0%
Lemhi	$3,138	1.6%	2.3%	$4,682	2.4%	-33.0%
Lewis	$2,279	2.6%	3.3%	$2,179	2.6%	4.6%
Lincoln	$30,393	20.0%	28.3%	$22,495	16.7%	35.1%
Madison	$23,788	2.8%	5.9%	$18,887	2.2%	25.9%
Minidoka	$101,889	19.8%	32.4%	$94,635	19.3%	7.7%
Nez Perce	$10,864	1.0%	2.8%	$10,989	1.0%	-1.1%
Oneida	$1,656	1.4%	2.9%	$1,702	1.5%	-2.7%
Owyhee	$40,123	17.3%	25.8%	$39,741	17.7%	1.0%
Payette	$51,128	8.0%	14.9%	$53,579	8.3%	-4.6%
Power	$31,689	17.0%	29.8%	$31,119	17.0%	1.8%
Shoshone	$9,685	3.4%	3.0%	$8,534	3.0%	13.5%
Teton	$23,648	7.2%	16.9%	$21,155	7.0%	11.8%
Twin Falls	$149,803	7.3%	13.7%	$142,943	7.2%	4.8%
Valley	$6,611	2.0%	3.9%	$7,467	2.6%	-11.5%
Washington	$21,617	9.3%	16.8%	$22,911	10.0%	-5.6%

Source: Selig Center for Economic, University of Georgia and U.S. Census Bureau

Non-Hispanic Buying Power by County 2009-2010

County	2010 ($000)	2009 ($000)	Change	Population Change
State	$43,210,187	$42,433,827	1.8%	0.8%
Ada	$13,509,564	$13,118,731	3.0%	1.9%
Adams	$91,530	$79,619	15.0%	13.8%
Bannock	$2,249,207	$2,230,089	0.9%	-0.2%
Bear Lake	$163,975	$157,155	4.3%	3.3%
Benewah	$228,439	$224,650	1.7%	0.7%
Bingham	$1,184,448	$1,159,153	2.2%	1.2%
Blaine	$702,630	$736,254	-4.6%	-5.5%
Boise	$223,519	$231,462	-3.4%	-4.4%
Bonner	$1,125,665	$1,126,147	0.0%	-1.0%
Bonneville	$3,118,944	$3,037,811	2.7%	1.6%
Boundary	$256,384	$252,181	1.7%	0.6%
Butte	$60,660	$56,326	7.7%	6.6%
Camas	$36,429	$35,960	1.3%	0.3%
Canyon	$4,250,465	$4,247,402	0.1%	-0.9%
Caribou	$192,955	$187,965	2.7%	1.6%
Cassia	$486,312	$457,823	6.2%	5.2%
Clark	$14,719	$13,000	13.2%	12.1%
Clearwater	$223,892	$203,849	9.8%	8.7%
Custer	$117,686	$111,309	5.7%	4.7%
Elmore	$684,896	$726,191	-5.7%	-6.6%
Franklin	$347,239	$336,766	3.1%	2.1%
Fremont	$342,952	$320,580	7.0%	5.9%
Gem	$423,696	$409,114	3.6%	2.5%
Gooding	$286,179	$276,126	3.6%	2.6%
Idaho	$355,973	$336,259	5.9%	4.8%
Jefferson	$791,414	$743,004	6.5%	5.4%
Jerome	$439,940	$428,367	2.7%	1.7%
Kootenai	$3,933,232	$3,925,543	0.2%	-0.8%
Latah	$865,520	$882,178	-1.9%	-2.9%
Lemhi	$206,015	$200,952	2.5%	1.5%
Lewis	$87,302	$84,578	3.2%	2.2%
Lincoln	$113,056	$106,915	5.7%	4.7%
Madison	$834,683	$858,626	-2.8%	-3.8%
Minidoka	$379,038	$366,614	3.4%	2.4%
Nez Perce	$1,111,862	$1,099,158	1.2%	0.1%
Oneida	$119,301	$116,203	2.7%	1.6%
Owyhee	$178,023	$171,269	3.9%	2.9%
Payette	$570,993	$575,688	-0.8%	-1.8%
Power	$145,386	$143,535	1.3%	0.3%
Shoshone	$287,938	$283,763	1.5%	0.5%
Teton	$294,508	$269,678	9.2%	8.1%
Twin Falls	$1,869,885	$1,814,067	3.1%	2.0%
Valley	$321,246	$278,390	15.4%	14.2%
Washington	$211,481	$205,387	3.0%	1.9%

Source: Selig Center for Economic, University of Georgia and U.S. Census Bureau

Methodology

The Selig Center for Economic Growth at the University of Georgia calculated buying power for various races and ethnicities including Hispanics and non-Hispanics for the nation and each of the 50 states. These estimates were calculated using national and regional economic models, univariate forecasting techniques and data from various federal government sources. The model developed by the Selig Center integrates statistical methods used in regional economics with those of market research. In general, the process has two parts: estimating disposable personal income and allocating that estimate by race or ethnicity based on both population estimates and variances in per capita income. The estimates of disposable personal income, or the total buying power of all groups regardless of race or ethnicity, for 1990-2009 equal disposable personal income as reported in the National Income and Product Accounts tables by the U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System in March 2010. Based on that data, the Selig Center prepared projections of total buying power for 2010-2015.

Because the Selig Center defines buying power as disposable personal income, the state-by-state estimates of the total buying power of all consumers for 1990-2009 are identical to the estimates of disposable personal income issued by the U.S. Bureau of Economic Analysis in 2009. Based on trends in the historical data, the Selig Center prepared independent estimates of total buying power for 2010-2015.

Buying power is not the equivalent of aggregate money income as defined by the Census Bureau. Because the Selig Center's estimates are based on disposable personal income data obtained from the Commerce Department rather than money income values issued by the Census Bureau, the result is significantly higher estimates of buying power. The difference primarily results from the fact that the Census Bureau data are gathered through a nationwide survey sample of households and respondents tend to underreport their incomes. It should also be emphasized that the Selig Center's estimates are not equivalent to aggregate consumer expenditures as reported in the Consumer Expenditure Survey that is conducted each year by the U.S. Bureau of Labor Statistics.

The Selig Center's estimates of total buying power were allocated to each racial group and Hispanics based on Census Bureau population estimates and variances in per capita personal income by race or ethnicity.

For 1990-2015, a relative income adjustment factor was estimated for each group for each geographic area to compensate for the variation in per capita personal income and by extension in per capita disposable personal income that is accounted for by race or ethnicity. These factors were calculated on an annual basis using data regarding income by race and Hispanic origin from Census 2000 and per capita money income data by race for local areas that were gathered during the 1990 Census of Population and Housing. The Selig Center also relied on national-level data obtained from the Census Bureau's Current Population Surveys.

The absence of current detailed data at the state and sub-state level clearly makes the buying power estimates and projections for all of the racial or ethnic groups less precise, increasing their statistical error.

The center's buying power estimates for Idaho where allocated among the counties on a per capita basis, then adjusted by the ratio that the median Hispanic and non-Hispanic household incomes of each county had to the median Hispanic and non-Hispanic household incomes of the state. The county

median household income data came from the 2009 American Community Survey that averages data over the previous five years so estimates can be made for small geographic areas like Clark County, which has fewer than 1,000 residents. In cases with excessive margins of error, adjustments were made based on data from the 2000 census adjusted for wage inflation for disposable income.