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Hispanics' Consumer Confidence Weakens Entering 2020 as Many Grow Less Optimistic About Their Financial Situation

BOCA RATON, Fla. (January 13, 2020) – Consumer confidence among Hispanics in the United States was weaker in the fourth quarter of 2019 as a majority are less optimistic about their financial situation and the economic outlook for the United States going into the new year, according to a new national consumer sentiment index conducted by the Florida Atlantic University Business and Economics Polling Initiative (FAU BEPI) in FAU's College of Business.

The Hispanic Consumer Sentiment Index (HCSI), taken from October through December 2019, stands at 100.9, which is down five points from the third quarter of 2019 when the HCSI stood at 105.9. However, the Index is four points higher than it was in the first quarter of 2019, and its overall average for the year was 99.6, which is five points above its 2018 average. The fourth quarter HCSI is around three points higher than the fourth quarter score of 97.2 for the overall U.S. population as published by the University of Michigan.

Overall, 66 percent of Hispanics said they are financially better off today than a year ago, down four points from the third quarter. Looking ahead, 73 percent of Hispanics indicated they would be better off over the next year, down one point from the third quarter. Younger Hispanics, including those 18-34 years old (76 percent), and those 35-54 (75 percent), are more optimistic about the coming year than those above 55 years old (61 percent).

Regarding the short-run economic outlook in the upcoming year, the view was relatively unchanged, with 65 percent of Hispanics saying they expect the country as a whole to experience good business conditions, down slightly from 66 percent in the third quarter. Once again, Hispanics between 18-34 years old (71 percent) and those between 35-54 years old (68 percent) are more optimistic about the short-run economic outlook of the country than those above 55 years old (48 percent).

Hispanics' long-run outlook was down considerably, with 65 percent of Hispanics

expecting good times for the country as a whole over the next five years, a drop of seven points from the third quarter (72 percent).

Overall, 65 percent of Hispanics think it is good time to buy big-ticket items, down four points from 69 percent in the third quarter.

“It is troublesome to see that Latinos are entering the new year less optimistic about their finances and economic outlook of the United States since they are a critical foundation of support for the American economy,” said Monica Escaleras, Ph.D., director of FAU BEPI. “This could mean less consumer spending from Latinos in 2020.”

The survey was conducted nationally from Oct. 1 to Dec. 31, 2019. The random polling sample consisted of 642 Hispanics, 18 years of age and older, with a margin of error of +/- 3.87 percent. The survey was administered using both landlines via IVR data collection and online data collection using Dynata. Responses for the entire sample were weighted to reflect the national distribution of the Hispanic population by region, education, gender and age according to latest American Community Survey data.

For more information, polling results and full cross-tabulations, visit business.fau.edu/bepi or contact Monica Escaleras, Ph.D., at mescaler@fau.edu.

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About FAU BEPI:

The Florida Atlantic University Business and Economic Polling Initiative conducts surveys on business, economic, political and social issues with a focus on Hispanic attitudes and opinions at regional, state and national levels via planned monthly national surveys. The initiative subscribes to the American Association of Public Opinion Research and is a resource for public and private organizations, academic research and media outlets. In addition, the initiative is designed to contribute to the educational mission of the University by providing students with valuable opportunities to enhance their educational experience by designing and carrying out public opinion research.

About Florida Atlantic University:

Florida Atlantic University, established in 1961, officially opened its doors in 1964 as the fifth public university in Florida. Today, the University, with an annual economic impact of \$6.3 billion, serves more than 30,000 undergraduate and graduate students at sites throughout its six-county service region in southeast Florida. FAU's world-class teaching and research faculty serves students through 10 colleges: the Dorothy F. Schmidt College of Arts and Letters, the College of Business, the College for Design and Social Inquiry, the College of Education, the College of Engineering and Computer Science, the Graduate College, the Harriet L. Wilkes Honors College, the Charles E. Schmidt College of Medicine, the Christine E. Lynn College of Nursing and the Charles E. Schmidt College of Science. FAU is ranked as a High Research Activity institution by the Carnegie Foundation for the Advancement of Teaching. The University is placing special focus on the rapid development of critical areas that form the basis of its strategic plan: Healthy aging, biotech, coastal and marine issues, neuroscience, regenerative medicine, informatics, lifespan and the environment. These areas provide opportunities for faculty and students to build upon FAU's existing strengths in research and scholarship. For more information, visit www.fau.edu.