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Hispanics' Consumer Confidence Increases During Second Quarter of 2020 Despite Persistence of COVID-19

Optimism Inches Up as Economy Reopens, Businesses Cut Prices

BOCA RATON, Fla. (July 15, 2020) – Consumer confidence among Hispanics in the United States edged higher in the second quarter, even as it became clear that the coronavirus pandemic would not be a temporary disruption.

The Hispanic Consumer Sentiment Index increased to 82.8 from 81.3 in the first quarter, according to the Florida Atlantic University Business and Economics Polling Initiative (FAU BEPI) in FAU's College of Business. The index is higher than the general population's consumer confidence sentiment in June of 78.1, as published by the University of Michigan.

Hispanics' consumer confidence weakened at the end of 2019 as concerns grew that the longest economic expansion in history was due to end. But confidence plummeted in the first quarter of 2020 after the first cases of COVID-19 in the U.S. led to a sweeping shutdown of non-essential businesses and millions of job losses.

“Perhaps what has contributed to the second quarter optimism is the reopening of the economy, low interest rates and deep discounting by businesses desperate to increase sales,” said Monica Escaleras, Ph.D., director of FAU BEPI.

In the second quarter of 2020, fewer Hispanics said they are better off financially than a year ago, but 71 percent said they are more optimistic of their future financial situation, compared with 58 percent who felt that way in the first quarter of 2020.

As for the country's economic outlook, 46 percent of respondents said they expect good business conditions in the upcoming year, up from 34 percent in the first quarter. Also, 60 percent of respondents are confident in the long-run economic outlook, compared to 57 percent

in the first quarter. Hispanics who self-identified as Republicans (70 percent) are more optimistic in the long-run economic outlook of the country than Democrats, Independents and non-registered voters.

Despite the better mood overall, fewer Hispanics in the second quarter (42 percent) believe it is a good time to buy a big-ticket item compared to the first quarter (53 percent).

With consumer confidence increasing, fewer Hispanics disapproved of U.S. President Donald Trump's performance compared to the first quarter. His disapproval rating fell 5 percentage points, to 49 percent from 56 percent.

The poll is based on a sampling of 741 Hispanics, 18 years of age and older, from March 1 to June 30. The margin of error is +/- 3.60 percentage points. 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, age and income, according to latest American Community Survey data. The polling results and full cross-tabulations can be viewed at www.business.fau.edu/BEPI.

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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 fau.edu.