

News

# New study shows people of Hispanic descent feel less optimistic about state of the economy

WLRN 91.3 FM | By [Wilkin Brutus](#)

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David Goldman / AP Via Miami Herald

People of Hispanic descent across the country are feeling less optimistic about the state of the economy in the second quarter of 2022. That’s due to many factors, including rising inflation and a possible recession, according to an economics [poll](#) by Florida Atlantic University.

Consumer confidence among the multi-ethnic Hispanic population, the fastest growing population and a growing base for the demand of goods and services, had actually increased in the first quarter of the year compared to the last quarter of 2021. But there's a bleak outlook now.

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Monica Escaleras, chair of the economics department at FAU and director of the Florida Atlantic University Business and Economics Polling Initiative (FAU BEPI), said the unemployment rate among Hispanics, many of whom are working in hospitality, had decreased in the first quarter.

But consumer sentiment eventually started plummeting as the cost of living kept rising.

“So with the rebound of the economy, many people got their jobs back and so forth,” Escaleras said. “But now in the second quarter, my suspicion is that people’s patience is going down.”

The Federal Reserve raised rates by three-quarters of a percentage point (0.75%) on Wednesday to address stubborn inflation. It's the fourth rate hike this year in a broad effort to cool the hottest inflation in four decades. And [data](#) from the U.S. Bureau of Labor Statistics show that all sorts of items from food to electricity continue to go up. Gas prices, however, are [finally](#) dropping.

The FAU poll sampled adults of Hispanic descent from April 1 to June 30 and the margin of error of the poll was +/- 4.41 percentage points.

Escaleras said people are losing patience with how long it's taken for the economy to rebound. And there's been a significant decrease in how families viewed their personal finances a year ago.

“Only 56% say that they’re better off today than a year ago. And I think the big reason for that is not that they don’t have a job. It’s the cost of living,” Escaleras said. “I mean, if the inflation rate is 9.1%, you can have a job ... but you could see that the wage is not taking you as far as it did maybe a year ago.”

“When we ask the questions about the country as a whole in five years or so, we're looking at the long term economic outlook, 50% of Hispanics feel that the economy is going to be good.”

And what about buying a home?

“If this is a good time to buy a home, only 37% of Hispanics say that is a good time to buy a home,” Escaleras said.

Stubborn inflation hurts the ability to buy a reasonably affordable home, car, and make business investments. And, as a result, low consumer demand affects the economy in the tri-county area, Miami-Dade, Broward and Palm Beach counties, where the “inflation rate is over 10%, so is higher than the national average.”

Escaleras said that the economic outlook among Hispanics and the general population won’t improve any time soon because “the cost of credit, the cost of borrowing is going to go up and that’s going to go up for consumers as well as for businesses.”

“And in terms of businesses, it’s going to be more expensive for them, too. So, therefore, perhaps the unemployment rate is going to start going up.”

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