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

People of Hispanic descent across the country are feeling less optimistic about the state of the economy in the second quarter of 2022. Thanks 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 break out now.

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Escarceñ 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 highest inflation in four decades. And data from the U.S. Bureau of Labor Statistics shows that all sorts of items from food to electricity continue to go up. Gas prices, however, are seen dropping.

The FAU poll sampled adults of Hispanic descent from April 1 to June 30 and the margin of error of the poll was +/- 4.1 percentage points.

Escarceñ said people are losing patience with how long it’s taken for the economy to rebound. Poverty has been a significant decrease in how few families viewed their personal finances a year ago.

"Only 35% say they've better off today than a year ago. And I think the biggest reason for that is that they don't have a job. It's the cost of living," Escarceñ said. "I mean, if the inflation rate is 8.1%, you can't pay bills...but you could see that the wage is not taking you as fast 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 get 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 go. Escarceñ said.

Stuttering 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 first country sector, Latin Excel, Broward and Palm Beach counties, where the inflation rate is over 10%, so far higher than the national average.

Escarceñ 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."

Wilkie Brutas
Wilkie Brutas is a reporter and producer for WLRN and a guest faculty member at the Frontier Institute. The South Florida native produces stories on topics surrounding local news, culture, art, politics and current affairs.