Research: Hispanics More Optimistic About Their Financial Future

Contributed by Experian Simmons
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According to the Experian Simmons DataStreamSM,Â Hispanics are more optimistic about their future financial well-being than at almost any point during the last 20 months.

As of February, before the tough new Arizona immigration law was announced, fully 41% of Hispanics believed they would be better off financially in 12 months.

Non-Hispanic consumers, too, are increasingly optimistic with 34% saying they will find themselves better off financially in the next 12 months.

Is this positive outlook impacting the Hispanic marketing and media industries in a positive way? Portada recently interviewed more than 50 Hispanic media executives and asked them about their economic outlook.

The results of the survey will be published in Portadaâ€™s Third Quarter 2010 Issue to be published in early June.

Before the beginning of the â€œGreat Recessionâ€• in October 2008, Hispanic Americans were more confident than non-Hispanic consumers that they would be better off financially in 12 months than they are today.

While Hispanic consumersâ€™ financial optimism was challenged during the last year and a halfâ€”at times declining to the poin where it matched or nearly matched that of non-Hispanicsâ€”confidence levels generally remained above those of non-Hispanics during the course of the recession.

One of the theories about why Hispanics appear to have weathered the economic storm while generally maintaining greater confidence than non-Hispanics that their financial situation would improve may be due in part to possible differences in debt level and risk exposure.

One financial burden is credit card debt, which can be a significant source of strain on household finances.

As illustrated in the chart below, the incidence of Hispanics having or using credit cards is significantly lower than that of non-Hispanics both before and during the recession. Â

In recent weeks, Hispanic consumersâ€™ ownership and use of credit cards has dipped while non-Hispanics have shown relative stability on this metric. It is possible that this drop may be a temporary turn and the direction of the trend line may reverse in the coming weeks and months.

It is also possible that this latest trend may endure.

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