

## "Hispanic population" and "declining" in the same report? Say what?

Over the last three decades, The San Jose Group has been a part of and seen many "firsts." A couple of weeks ago, we saw another "first" - the words "Hispanic population" and "declining" in the same report. That's right - the Pew Hispanic Center released a study that revealed that **Mexican immigration is down by as much as 67% since 2001.**

Because we are talking about the largest subgroup inside of our market, we felt compelled to take a closer look and unpack the implication that this trend might have on today's brands that are banking on the growth, not the decline, of this important market.

The July 22, 2009, study, "Mexican immigrants: How many come? How many leave?" reported that the U.S. saw as many as **600K** new arrivals from Mexico from 2001-2002 and only **200K** from 2008-2009. This study also reported that in the same years of comparison, emigration back to Mexico from the U.S. was virtually **zero in 2001** as compared to **100K in 2008**. So, doing the math, this translates into 500K fewer Mexican immigrants in the U.S. in 2008 as compared to 2001.

So do brands have a reason to be concerned? Could the U.S. economic downturn actually be creating a shortage of Hispanic consumers for brands to target? Is there a "mass exodus" brewing? In looking at the numbers, we can happily conclude that **this trend is not a game changer for Hispanic marketers.** While a 67% decrease between the years of comparison is significant, other trends and stats speak to the bigger picture:

- 1) The Pew report states that this fluctuation in Mexican immigration has been taking place since 2002, well before the 2009 downturn, and is most likely attributable to a combination of economic conditions and changes in U.S./Mexico border policy.
- 2) The 500K fewer immigrants represents only **1.1%** of the total Hispanic population of **45 MM**.
- 3) Even though **500K** fewer Mexican immigrants arrived between 2002 and 2008, the total U.S. Hispanic population as a whole has shown annual growth of **1.2 MM per year**, with **60%** of this growth being **driven by natural births**. This means that the Hispanic segment still accounts for **50%** of U.S. population growth and continues to be **the primary reason** that our country's entire population is growing.
- 4) The immigrant population helps to fuel the **un-acculturated** portion of our market, which is **25%** of the U.S. Hispanic population vs. the **66%** that is defined as **bicultural, or partially acculturated**. So it is reasonable to say that the largest critical mass of our market would be not as affected by this trend.
- 5) Regardless of immigration decline, the Hispanic segment population is still on track to reach **60 MM** by 2020.

So, everyone can breathe a sigh of relief on this one. Our U.S. Hispanic population growth will continue to surge, even if immigration appears to be going through a slow season. About the only change we would recommend in response to this trend is, perhaps, to shift some of our attention toward "the other new arrivals" - the 1 million new Hispanic babies born in the U.S. every year and their moms!

George L. San Jose, president & chief creative officer of The San Jose Group, a multicultural advertising agency.

### Hispanic DMA Spotlight: Dallas

- 1.7 million Hispanics
- reside in the Dallas DMA representing 25% of the total population
- 47% of Hispanics in Dallas own their home
- Median household income is \$40K

Source: Claritas 2008

San Jose Consulting is the premiere marketing insights and strategy consulting firm that specializes in the Hispanic and multicultural segments of the U.S. and Latin America.

As a division of The San Jose Group (SJG), we draw from the resources of the largest group of marketing agencies specializing in the Hispanic markets of the Americas.

For the last 20 years, we have helped dozens of brands convert their biggest Hispanic and multicultural segment challenges into workable, measurable and sustainable solutions.

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