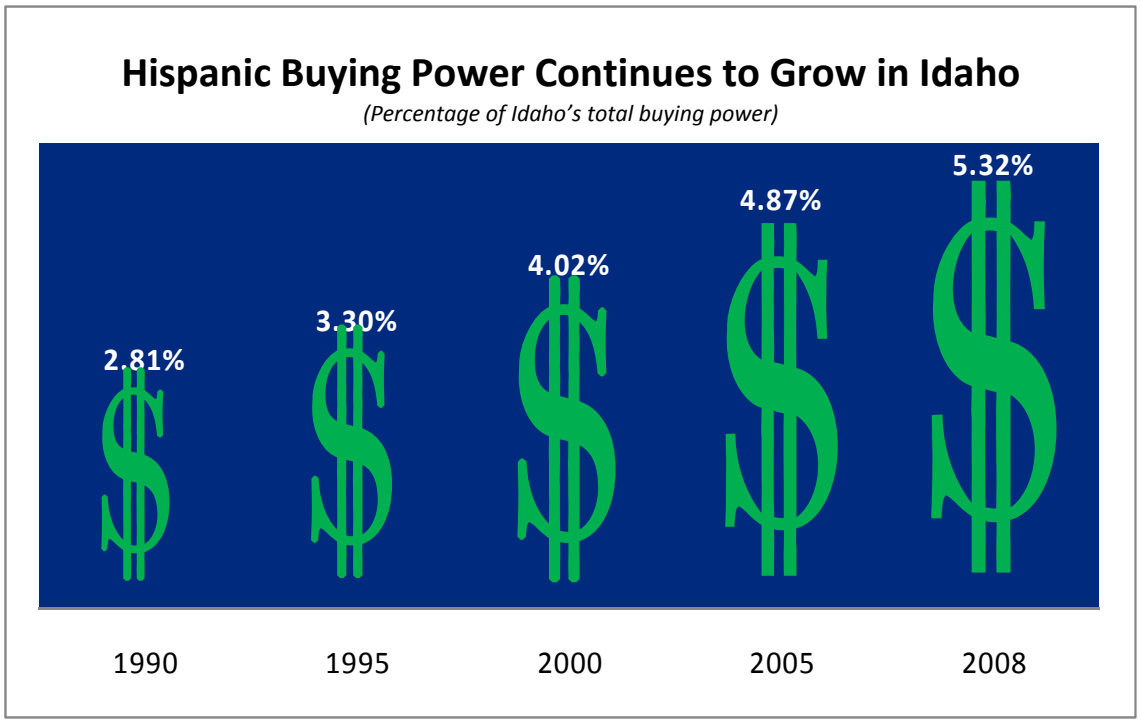
# Idaho Hispanic Buying Power 2008

**The growing economic influence of Idaho's largest minority, even as the economy is slowed by a national recession**




IDAHO
DEPARTMENT OF LABOR
C.L. "Butch" Otter, Governor
Roger B. Madsen, Director

Lucio Prado, chairman of the Idaho Hispanic Chamber of Commerce, and executive assistant Xochitl Sierra, were recently recognized by the U.S. Hispanic Chamber of Commerce as the nation's best small Hispanic chamber.

**C.L. "BUTCH" OTTER, Governor**
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# Hispanic economic influence continued increasing in Idaho during 2008 despite the onset of the national recession

The buying power of Idaho's largest minority grew faster in 2008 than the buying power of Hispanics nationwide and faster than the state's non-Hispanic population, according to estimates made by the Selig Center for Economic Growth at the University of Georgia.

The buying power of Idaho's non-Hispanic population rose 7 percent, a half percentage point more than growth nationally. But Idaho's Hispanic buying power jumped another 11.3 percent, a full percentage point more than Hispanics nationwide.

That increase came on top of a 9 percent gain in 2007 to give Hispanics 5.3 percent of total buying power in Idaho last year – an estimated $2.33 billion of total state buying power of $43.9 billion. In 2007, Idaho Hispanics controlled 5.1 percent of all buying power.

Buying power is the after-tax personal income people have to spend on virtually everything from necessities like food, clothing and housing to luxuries like recreation equipment and vacations. It does not include money that has been borrowed or that is saved from previous years or that is spent by tourists from other states or countries.

In less than two decades, Hispanics have doubled their proportion of Idaho's population from 5 percent to 10 percent. That growth has brought a cultural and economic diversity to the state that is creating new opportunities for both Hispanics and non-Hispanics alike.

The 24 percent of Idaho Hispanics living in poverty remains more than double that of non-Hispanics, and there is still a significant gap between Hispanic and non-Hispanic household incomes. But that gap had been gradually closing up until the recession hit at the end of 2007. Median income in Hispanic households jumped almost 27 percent in Idaho from 1999 to 2007, bringing it to within nearly 80 percent of the statewide median. Hispanic household income was 77 percent of the Idaho median in 1999.

In 2008, however, there were some noticeable regional declines in the percentage of local buying power controlled by Hispanics. That could indicate the recession was having a greater impact on Hispanics in those counties than elsewhere or that the dramatic economic slowdown convinced some to leave the state. The U.S. Census Bureau will not release 2008 estimates of Idaho's Hispanic population until May.

Still the forecast by the Selig Center estimates that the economic influence of Hispanics will continue growing through the recession and beyond. By 2013, the center estimates Hispanic buying power in Idaho will jump another 51 percent, a third faster than the non-Hispanic side of the economy, to exceed $3.5 billion. That would account for 6 percent of all the buying power in Idaho.

In 2006, Hispanic households nationally spent 74 percent of their income on essentials — food, clothing, shelter and transportation — while non-Hispanic households spent an average of 67 percent. That was a decline of nearly three percentage points for Hispanic households from 2003 — primarily the result of lower food costs, something non-Hispanic households benefited from as well but not to as great an extent since they spend less of their income on food to begin with.

Hispanic households spent 12 percent more on food, both at home and away; 30 percent more on clothing; 6 percent more on housing and nearly 10 percent more on transportation.

While the growth of Idaho's Hispanic population and its influence on the economy is a statewide phenomenon, the impacts vary from county to county.

In 2008 Hispanics controlled over 10 percent of the buying power in 10 of Idaho's 44 counties, all in the southern part of the state and the same 10 as in 2007. But Cassia, Minidoka and Clark counties all posted a third to a half percentage point decline from a year earlier.

**Annual Household Spending As a Percentage of Income**

| Item | Hispanic | Non-Hispanic |
|---|---|---|
| Total | 100% | 100% |
| Food at Home | 8.6% | 6.9% |
| Food Away From Home | 5.7% | 5.6% |
| Alcoholic Beverages | 0.8% | 1.1% |
| Housing | 35.8% | 33.6% |
| Apparel and Services | 5.3% | 3.7% |
| Transportation | 19.2% | 17.4% |
| Health Care | 3.9% | 5.9% |
| Entertainment | 3.6% | 5.1% |
| Personal Care | 1.2% | 1.2% |
| Reading | 0.1% | 0.3% |
| Education | 1.5% | 1.9% |
| Tobacco Products | 0.3% | 0.7% |
| Miscellaneous | 1.3% | 1.8% |
| Cash Contributions | 3.1% | 3.9% |
| Personal Insurance and Pensions | 9.5% | 11.1% |

**Source: Selig Center for Economic Growth, U.S. Bureau of Labor Statistics' 2006 U.S. Consumer Expenditure Survey.**

Declines in buying power strength were recorded in 20 other counties, including a drop of two full percentage points in Bannock County, where Hispanic buying power fell from 4.9 percent of the county total to 2.9 percent in 2008. Most of the others were only a tenth of a point or two, but another possible indication of the harder impact the recession was having on Hispanics, who overall have less education and lower job status than the non-Hispanic population. In 2007 the Census Bureau estimated that over 40 percent of Idaho Hispanics 25 and older had less than a high school education and 34 percent worked in agriculture or service occupations. By comparison, only 12 percent of the total population over 25 had no high school diploma, and less than 18 percent worked in agriculture or the service sector.

**Hispanic Buying Power By County, 2007 and 2008**

| | 2007 | | | 2008 | |
|---|---|---|---|---|---|
| County | Buying Power | % of Total | % Of Total Population | Buying Power | % of Total |
| State | $2,095,723,000 | 5.1% | 9.8% | $2,331,608,000 | 5.3% |
| Ada | $446,939,915 | 3.5% | 6.6% | $525,601,952 | 4.1% |
| Adams | $1,365,812 | 1.7% | 3.2% | $1,474,842 | 1.7% |

| | | | | | |
|---|---|---|---|---|---|
| Bannock | $101,319,831 | 4.9% | 5.5% | $64,726,048 | 2.9% |
| Bear Lake | $2,823,693 | 1.9% | 3.3% | $2,848,361 | 1.8% |
| Benewah | $2,532,909 | 1.2% | 2.1% | $2,595,597 | 1.2% |
| Bingham | $95,202,722 | 8.4% | 14.9% | $95,751,820 | 8.1% |
| Blaine | $70,311,710 | 9.4% | 17.1% | $74,147,215 | 9.5% |
| Boise | $5,448,582 | 2.4% | 4.3% | $5,615,571 | 2.4% |
| Bonner | $13,349,686 | 1.3% | 2.3% | $13,951,611 | 1.3% |
| Bonneville | $125,802,910 | 4.6% | 9.2% | $158,384,073 | 5.1% |
| Boundary | $5,046,275 | 2.1% | 3.9% | $5,614,681 | 2.2% |
| Butte | $2,084,371 | 3.3% | 5.8% | $2,122,972 | 3.2% |
| Camas | $1,049,000 | 3.3% | 5.8% | $1,092,948 | 3.2% |
| Canyon | $529,901,888 | 11.3% | 20.9% | $581,702,638 | 12.0% |
| Caribou | $5,143,346 | 2.6% | 4.6% | $5,241,602 | 2.5% |
| Cassia | $54,425,369 | 11.7% | 22.2% | $54,776,225 | 11.2% |
| Clark | $4,673,682 | 22.4% | 40.0% | $4,773,081 | 22.0% |
| Clearwater | $2,626,208 | 1.3% | 2.6% | $2,851,202 | 1.4% |
| Custer | $3,239,806 | 3.2% | 5.5% | $3,260,206 | 3.0% |
| Elmore | $68,540,608 | 8.8% | 13.4% | $71,486,395 | 8.7% |
| Franklin | $12,893,231 | 3.9% | 6.9% | $13,341,140 | 3.8% |
| Fremont | $22,646,122 | 7.4% | 13.0% | $23,068,406 | 7.2% |
| Gem | $18,980,164 | 4.6% | 8.1% | $19,252,157 | 4.5% |
| Gooding | $43,253,252 | 12.8% | 23.1% | $44,816,281 | 12.7% |
| Idaho | $3,759,620 | 1.1% | 1.9% | $3,720,639 | 1.0% |
| Jefferson | $31,451,850 | 5.2% | 9.9% | $31,926,270 | 4.9% |
| Jerome | $63,666,583 | 13.4% | 25.5% | $67,457,032 | 13.4% |
| Kootenai | $63,375,205 | 1.8% | 3.4% | $99,505,687 | 2.5% |
| Latah | $12,370,114 | 1.4% | 2.8% | $12,635,194 | 1.4% |
| Lemhi | $2,790,881 | 1.6% | 2.8% | $2,836,867 | 1.5% |
| Lewis | $1,329,450 | 1.7% | 3.0% | $1,332,792 | 1.6% |
| Lincoln | $12,023,473 | 11.2% | 20.6% | $13,020,333 | 11.4% |
| Madison | $16,708,141 | 1.9% | 4.3% | $16,846,406 | 1.8% |
| Minidoka | $73,429,565 | 16.5% | 29.3% | $74,900,888 | 16.2% |
| Nez Perce | $8,441,861 | 0.9% | 2.4% | $8,621,714 | 0.8% |
| Oneida | $1,555,611 | 1.5% | 3.0% | $1,761,371 | 1.6% |
| Owyhee | $31,986,021 | 13.7% | 23.9% | $32,161,738 | 13.2% |
| Payette | $58,654,075 | 10.3% | 14.3% | $61,377,927 | 10.1% |
| Power | $26,402,553 | 14.8% | 27.0% | $27,672,136 | 14.9% |
| Shoshone | $3,779,998 | 1.4% | 2.4% | $3,814,886 | 1.3% |
| Teton | $19,100,767 | 7.7% | 13.5% | $20,378,536 | 7.4% |
| Twin Falls | $138,098,450 | 7.6% | 11.9% | $118,867,416 | 6.6% |
| Valley | $5,425,330 | 2.0% | 4.0% | $6,309,230 | 2.2% |
| Washington | $22,202,987 | 9.8% | 17.3% | $22,590,361 | 9.5% |

**Source: U.S. Census Bureau, Selig Center For Economic Growth, Idaho Department of Labor**

## Methodology

The Selig Center for Economic Growth at the University of Georgia calculated buying power for various races and ethnicities, including Hispanics and non-Hispanics, for the nation and each of the 50 states. These estimates were calculated using national and regional economic models, univariate forecasting techniques and data from various federal government sources. The model developed by the Selig Center integrates statistical methods used in regional economics with those of market research. In general, the process has two parts: estimating disposable personal income and allocating that estimate by race or ethnicity based on both population estimates and variances in per capita income. The estimates of disposable personal income, or the total buying power of all groups regardless of race or ethnicity, for 1990-2007 equal disposable personal income as reported in the National Income and Product Accounts tables by the U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System. Based on that data, the Selig Center prepared projections of total buying power for 2008-2013.

Because the Selig Center defines buying power as disposable personal income, the state-by-state estimates of the total buying power of all consumers for 1990-2007 are identical to the estimates of disposable personal income issued by the U.S. Bureau of Economic Analysis in 2008. Based on trends in the historical data, the Selig Center prepared independent estimates of total buying power for 2008-2013.

Buying power is not the equivalent of aggregate money income as defined by the Census Bureau. Because the Selig Center's estimates are based on disposable personal income data obtained from Commerce Department rather than money income values issued by the Census Bureau, the result is significantly higher estimates of buying power. The difference primarily results from the fact that the Census Bureau data are gathered through a nationwide survey sample of households and respondents tend to underreport their income. It should also be emphasized that the Selig Center's estimates are not equivalent to aggregate consumer expenditures as reported in the Consumer Expenditure Survey that is conducted each year by the U.S. Bureau of Labor Statistics.

The Selig Center's estimates of total buying power were allocated to each racial group and Hispanics based on Census Bureau population estimates and variances in per capita personal income by race or ethnicity.

For 1990-2013 a relative income adjustment factor was estimated for each group for each geographic area to compensate for the variation in per capita personal income, and by extension, in per capita disposable personal income, that is accounted for by race or ethnicity. These factors were calculated on an annual basis using data regarding income by race and Hispanic origin from Census 2000 and per capita money income data by race for local areas that were gathered during the 1990 Census of Population and Housing. The Selig Center also relied on national-level data obtained from the Census Bureau's Current Population Surveys.

The absence of current detailed data at the state and sub-state level clearly makes the buying power estimates and projections for all of the racial or ethnic groups less precise, increasing their statistical error.

The center's buying power estimates for Idaho where allocated among the counties by population and then weighted by the ratio that the median Hispanic and non-Hispanic household incomes of each county had to the median Hispanic and non-Hispanic household incomes of the state.