

MINORITY BUYING POWER EXPECTED TO RISE

By Steve Miller

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Minority buying power in five years will triple what it was in 1990, indicating continuing major economic strides among blacks and Hispanics, according to a new study from the University of Georgia.

Overall buying power, which is defined as the total post-tax, personal income of residents that is available to spend on goods and services, will jump 148 percent for the period 1990-2008, according to the Selig Center for Economic Growth at the University of Georgia.

Hispanic buying power, however, will jump 357 percent, while that of blacks will increase 189 percent from 1990 to 2008, the study says, continuing the upward mobility of minorities in the United States.

"It doesn't appear that these trends are going to stop," said Jeffrey M. Humphreys, director of the Selig Center. "The only way the Hispanic buying power could diverge from these projections would be a clamp down on immigration. But it would still grow faster than other groups because of the youth of that group."

Between 1990 and 2008, the Hispanic population will increase 137 percent, compared with a 24.8 percent gain for the total population, Mr. Humphreys said.

At 885 percent, North Carolina leads in the projected growth of Hispanic buying power between 1990 and 2008, trailed by Arkansas (859 percent) and Georgia (661 percent).

The businesses that blossom in the Hispanic communities around the country, especially in states where new immigrants are settling, are smaller and often overlooked, said J.R. Gonzales, an Austin, Texas, business owner and chairman of the U.S. Hispanic Chamber of Commerce.

"These businesses are just doing it," Mr. Gonzales said. "These are people who are supporting their families and sending their kids to college, but they are not running huge corporations."

More and more Hispanic-owned businesses, though, are growing larger, which is how the group's buying power continues to increase, Mr. Gonzales said.

"A Hispanic-owned business tends to employ more Hispanics, and as the work force grows, more of those workers move into better jobs, companies employ more people and pay better wages," Mr. Gonzales said.

The Selig Center report uses figures for five minority categories: black, Asian, American Indian, multiracial and other. Hispanics' numbers are reported separately, because they could be listed as white or minority.

Whites this year showed a 14 percent increase in buying power from 2000. For minorities, the increase was 22 percent, the report says.

The study's span so far includes two minor recessions, in 1990-1991 and 2001. But it also takes in the 1990s period of unprecedented economic prosperity.

The growth of both black and Hispanic buying power is predicted to outpace that of whites, which is projected to be 128 percent.

Black prosperity leaped in the 1990s in terms of per capita income, education level and home ownership, among other economic indicators.

High school graduation rates among blacks now equal those of whites, giving them equal footing for entry-level jobs.

Another study earlier this year, by Chicago-based Target Market News, found that if black America were considered a nation, its amount of disposable income would rank 11th in the world.

The Selig Center study confirms what many black economists have lamented: For all the leaps in buying power, there remains a dearth of spending by blacks within the black community.

"It's not power when you spend your money and it doesn't bring your group any significant benefits," said James Clingman, an adjunct professor at the University of Cincinnati in African-American studies and founder of the Greater Cincinnati Northern Kentucky African American Chamber of Commerce.

"I call it black buying weakness," Mr. Clingman said. He noted that the spending habits of the Hispanic and Asian communities put the money into the hands of their communities.

"They spend among themselves all the time, and there is nothing wrong with that," Mr. Clingman said. "That is how you build a legacy of wealth."

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