

Idaho Multicultural Buying Power Spring 2022



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Introduction

This report is intended to examine multicultural diversity through the buying power of cultures and ethnicities in Idaho. Using data from the Selig Center for economic growth, the report evaluates changes in population, buying power, Idaho's market concentration and nationwide rankings, and changes in consumer spending across cultures and years. Select years have been evaluated dating back to 1990 with 5-year projections through 2025.

Executive Summary

Idaho has been experiencing rapid growth in recent years, ranking in the top states for population growth. Cultural diversity in Idaho has also been growing, with Idaho's minority races rising from just 3% in 1990 to over 8% projected in 2025. Idaho's Hispanic population has grown even more from 5% in 1990 to comprising 14% of the projected population in 2025.

Idaho's cultural market concentration continues to expand. From 2010 to 2020, the Hispanic population ranked 15th nationwide in its share of total buying power for Idaho. The Hispanic market share of consumer spending is projected to increase 42% from \$6.4 million in 2020 to \$9.1 million by 2025. Buying power for American Indians and multiracial cultures ranked in the top 20 U.S. states for total share of buying power in Idaho. Conversely, market concentration for Asian and Black populations ranked low in Idaho among U.S. states, at 45th and 50th, respectively.

From 2010 through 2020, Idaho ranked high for growth in consumer spending. For nearly all cultures, growth in consumer spending has outpaced the U.S. average. While gains in consumer spending for Asian American in Idaho fell slightly short of the U.S. average, it ranked as the second highest growth in Idaho, 96% higher in 2020 compared with 2010. Over the same time period, per capita buying power has increased across all cultures by more than 30%. Hispanic people had the highest growth in per capita buying power, increasing by 65%.

Since 1990, the share of Idaho's white population has been decreasing; however, for the selected years in the Selig report, its share of buying power has successively increased, suggesting rising buying power for white Idahoans. The opposite trend is seen particularly for multiracial Idahoans, with their Idaho market share lagging behind their population share. A similar but even more pronounced contrast is seen between Hispanic and Non-Hispanic populations, with a discrepancy between market share and population share projected to reach 5.4% in 2025. The same trend is seen in U.S. aggregate data. Per capita buying power across all cultures continues to grow; however, the growth rate differs among cultures.

For many, the majority of spending is on housing, making up approximately one-third of annual spending costs. For data in the Selig report, spending across the top 5 categories for every culture are similar. Together, housing and transportation make up nearly half of consumer spending for the typical American household.

Population Growth

Idaho has been experiencing rapid population growth in recent years, and with that comes change in cultural diversification. Though Idaho’s population continues to be predominately white – comprising 93% in 2020 – the cultural share of minorities has progressively increased over the years. From 1990 through 2020, Idaho’s minority populations have grown tremendously, from less than 30,000 in 1990 to over 150,000 in 2020, a more than five-fold increase. The change in minority populations has significantly outpaced the growth rate of Idaho’s white population. Figures 1A and 1B show the relative growth of Idaho’s multicultural population, forecasted through 2025. In the 2020 estimates and 2025 projections, the multiracial group comprises the greatest share of minority populations, followed by Asian Americans and American Indians. Idaho’s Black population continues to make up the smallest share of minority cultures examined in the Selig report.

Idaho’s Hispanic population has grown at a similar pace, from just over 50,000 Hispanic people in 1990 to over 230,000 in 2020. In 2025, Idaho’s Hispanic population is projected to comprise 14% of all Idahoans, up from 5% in 1990.

Idaho Cultural Diversity

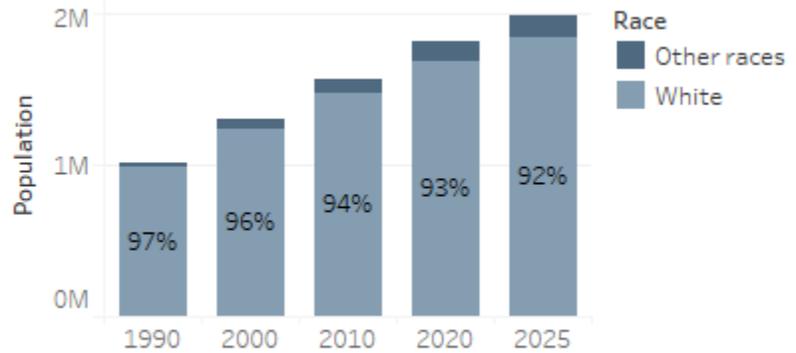


Fig 1A. Share of Idaho’s majority population compared to the share of all minority races.

Idaho Minority Populations

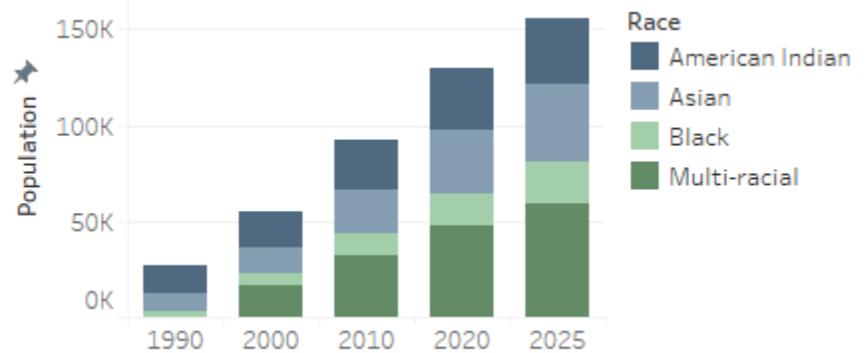


Fig 1B. Population of Idaho’s minority races by year.

Idaho Hispanic Population

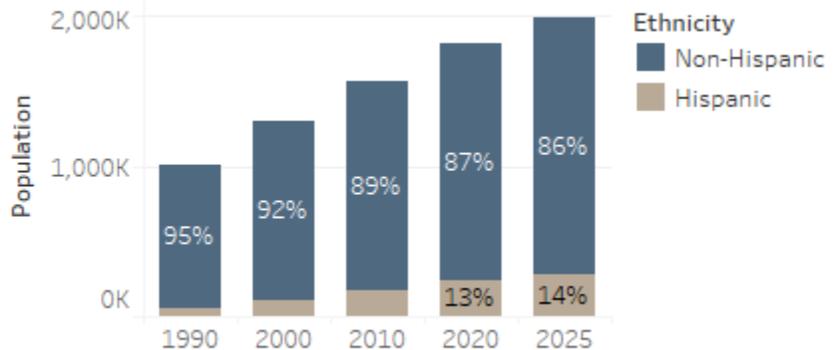


Fig 1C. Share of Idaho’s population by Hispanic and Non-Hispanic ethnicities.

Market Concentration

While Idaho’s market share of consumer spending in 2020 for the Asian American and Black populations ranked low among U.S. states, at 45th and 50th respectively, the share of consumer spending for American Indian and Multiracial people ranked much higher, both in the top 20 U.S. states. Figure 2 shows how Idaho’s 2020 multicultural share of consumer spending compares with all other states.

Where does Idaho rank for multi-cultural consumer spending?

Comparison of Idaho to all other states for the share of 2020 total consumer spending , by race and ethnicity.

By race



By ethnicity



Fig 2. Idaho (red star) comparison to other U.S. states (grey dots) of the market share by race / ethnicity within each state.

Additionally, the state’s Hispanic population ranked 15th in Idaho’s market share of consumer spending in 2020 and is projected to increase 42% from \$6.4 million to \$9.1 million by 2025.

Since 1990, the total buying power share for minorities in Idaho has continued to expand. In 2020, the total share of buying power from Idaho’s minority cultures represented 4.8% of total buying power, up from 1.9% in 1990. In 2025, the minority share of Idaho’s buying power is projected to increase another 0.4 percentage points to 5.2%.

The figures in the Selig report show how each culture in Figures 3A and 3B has progressively expanded its buying power. In Idaho, the Asian American culture has generally represented the majority share of minorities in Idaho. In 2020, Asian American buying power reached \$1.2 million, equivalent to that of multiracial buying power. In 2025, multiracial buying power is expected to marginally surpass Asian

American buying power. Hispanic buying power has increased from 3% of the total in 1990 to a projected 8% of the total in 2025.

Minority Buying Power

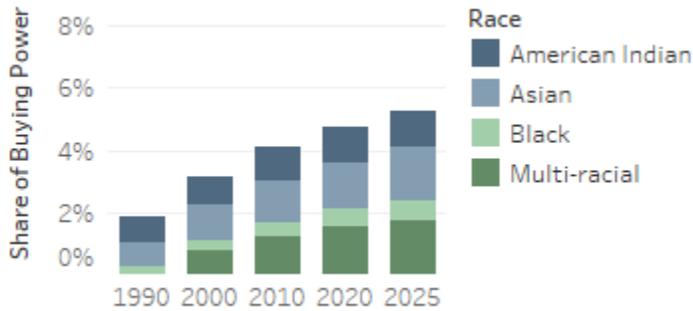


Fig 3A. Total share of buying power for Idaho's minority from 1990 - 2025.

Hispanic Buying Power

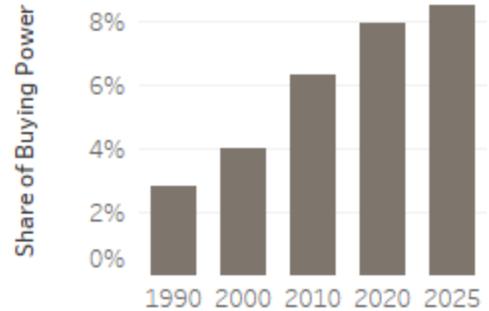


Fig 3B. Total share of buying power for Idaho's Hispanic population from 1990 - 2025.

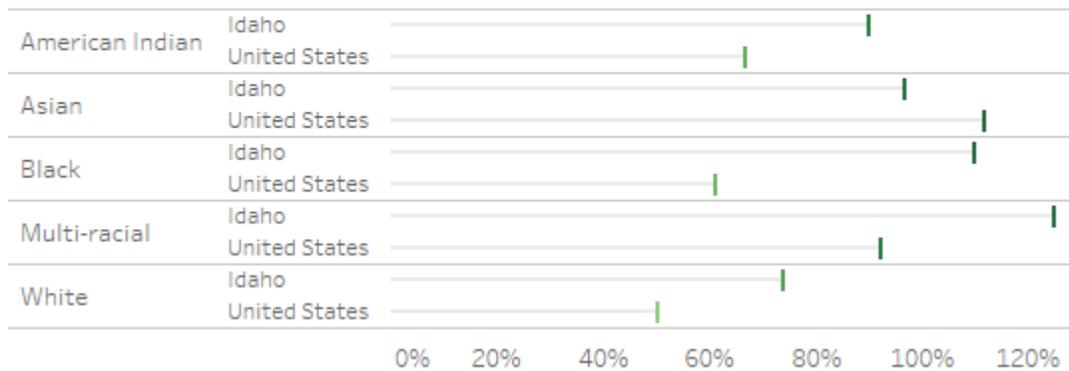
Consumer Growth

From 2010 – 2020, Idaho experienced some of the highest multicultural consumer growth in spending across all U.S. states. White people, Black people and American Indians ranked in the top 5 highest percent change of consumer spending over this time period. Figure 4 shows nearly all races and

2010 - 2020 Growth in Consumer Spending

Idaho - U.S. Comparison

By race



By ethnicity

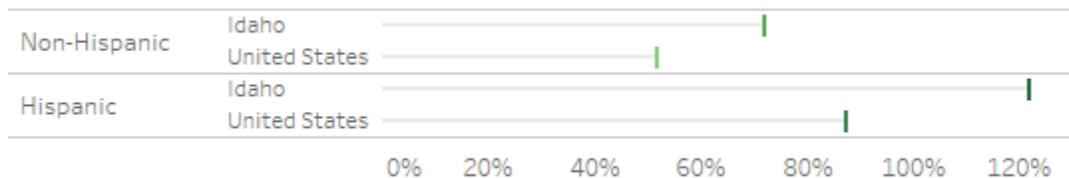


Fig 4. Comparison in market growth by race / ethnicity from 2010 - 2020.

ethnicities grew at a faster rate than the U.S. average. While Asian American consumer growth in spending fell slightly short of the U.S. average, it had the second greatest change in Idaho by race, a 96% increase.

Idaho’s multiracial population had the greatest increase in consumer spending, growing from \$551 million in 2010 to over \$1.2 billion in 2020, more than doubling with an increase of 125%. Over the same time period, Idaho’s multiracial population grew 48%, suggesting rising strength in per capita buying power for multiracial Idahoans.

Figure 5 shows the changes in per capita buying power from 2010 – 2020 by race and ethnicity. All races experienced an increase in per capita buying power, ranging from 30% to 55% higher in 2020. Hispanic people, however, had the greatest increase in per capita buying power, growing by 65%.

Per Capita Buying Power

By Race & Ethnicity

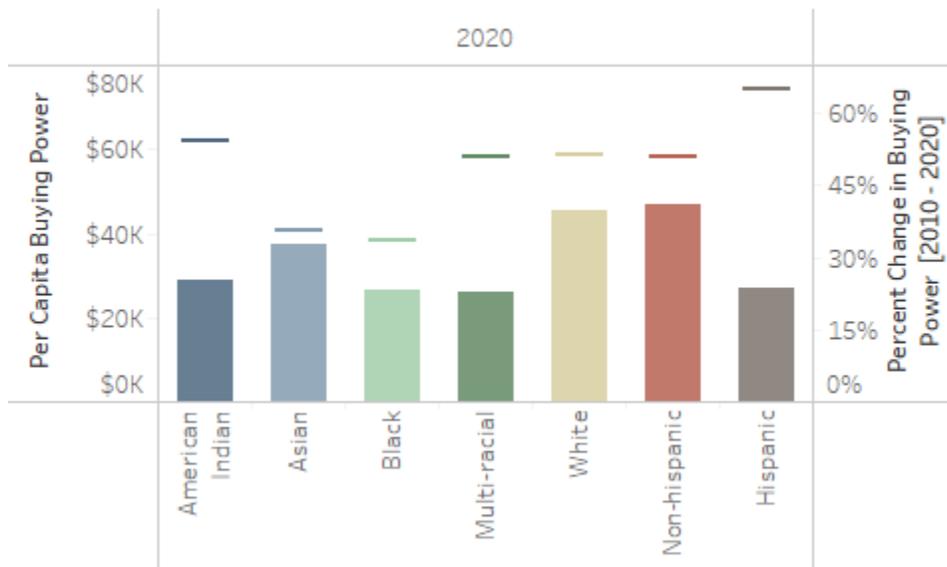


Fig 5. Per capita buying power in 2020 by race and ethnicity (solid bars); and percent change from 2010 (lines).

With Idaho’s population growth and continued influx of diverse cultures, the distribution of buying power is also changing. However, the racial and ethnic shares that make up Idaho’s population does not always equate to the buying power of each demographic. This can be conceptualized by comparing the difference in market share to population share. Considering the scenario where buying power within a given culture always remains constant, there would be no difference between population share and market share over time. However, when the population share grows at the faster rate than market share, it suggests a relative decrease in buying power for a particular culture. As an example, Figure 6A illustrates the discrepancy between total market share of consumer spending (by year) as compared with the share of population.

Since 1990, the difference between the white market share of consumer spending and its share of Idaho’s population has grown from 0.8 percentage points to a projected 2.6 percentage point difference in 2025. Conversely, minority races have a smaller market share of consumer spending than their

respective population share. Note the calculated difference between these two measures are based on aggregate data from the Selig report, hence the pooled variance is unknown; results should be taken on a qualitative basis. Since 1990, particularly the white and multiracial cultures considered in the Selig report have expanded the discrepancy further in the same direction, whether that means greater buying power for a shrinking share of white Americans, or lesser buying power for a growing share of minority races. In particular, the trend is moving in a negative direction for multiracial Americans. However, it should be noted that this trend appears to begin leveling off for 2025 projections.

Market vs. Population Share

Discrepancy between multi-cultural share of consumer spending and share of population

By race

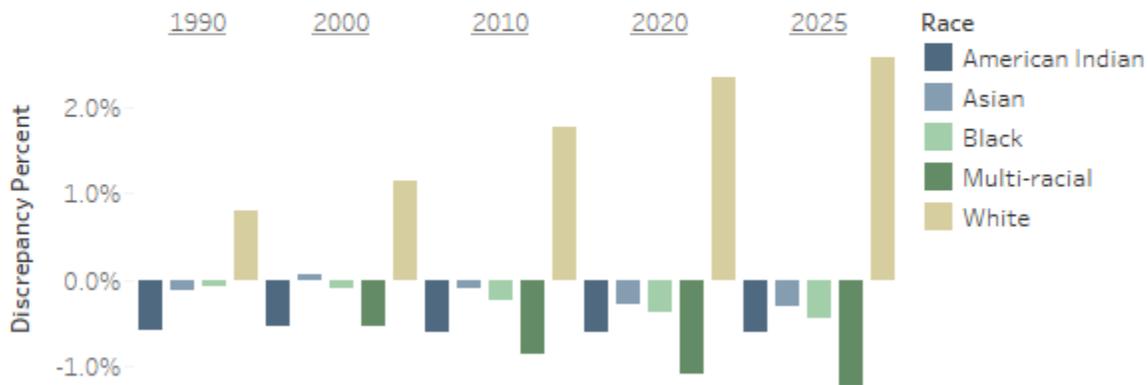


Fig 6A. Population Share versus market share by race.

As shown in Figure 6B, pattern is even more pronounced for Hispanic and non-Hispanic ethnicities, with percentage point differences in market share to population share upward of 5 percentage points since 2010. A similar trend is seen using U.S. aggregate data. As with race data, the growing discrepancies

By ethnicity

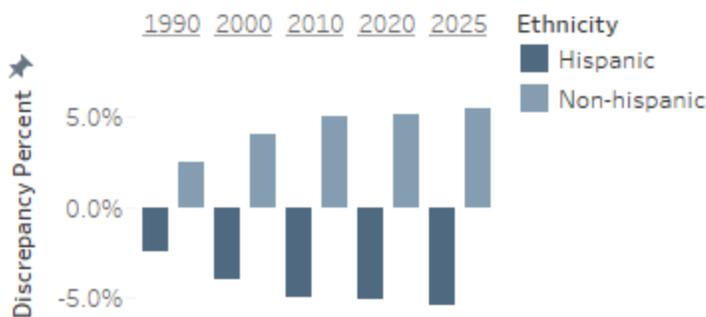


Fig 6B. Population share versus market share by race.

seen between 1990 through 2010 appear to be slowing down in the latest projections. Table 1 details the market and population share for both race and ethnicity.

Population vs. Market Share

Discrepancy between multi-cultural share of consumer spending and share of population

By race

	2025		
	Discrepancy	Market Share	Population
American Indian	-0.6%	1.2%	1.8%
Asian	-0.3%	1.7%	2.0%
Black	-0.4%	0.6%	1.1%
Multi-racial	-1.2%	1.7%	3.0%
White	2.6%	94.8%	92.2%

By ethnicity

	2025		
	Discrepancy	Market Share	Population
Hispanic	-5.4%	8.5%	13.9%
Non-hispanic	5.4%	91.5%	86.1%

Table 1. Discrepancy between market share and population share for race and ethnicity.

Consumer Spending

For many, the majority of spending is used on housing, making up approximately one-third of annual spending costs. Figure 7 shows that for the races and ethnicities included in the Selig report, spending

Top 5 Spending Categories

By race & ethnicity

Product	Asian	Black	Hispanic	Non-Hispanic	Average
Housing	34%	36%	35%	33%	33%
Transportation	15%	18%	20%	17%	17%
Personal Insurance & Pensions	14%	10%	10%	12%	11%
Health Care	6%	7%	6%	8%	8%
Food At Home	7%	8%	9%	7%	7%

Fig 7. Top 5 spending categories by race and ethnicity (as available in the Selig report). Data reflects US averages and is not specific to Idaho spending trends.

across the top 5 categories for every culture are approximately the same. Following housing, the top 5 categories include transportation, personal insurance, health care and food at home. Together, housing and transportation make up nearly half of consumer spending for the typical American household.

In total, Asian American ranked highest in their annual average spending, at \$73,433 and more than 15% higher than the average American household. Black American annual average spending for the same year was \$47,230, approximately 25% lower than the average American household. Figure 8 shows how the average annual household spending for the cultures examined in the Selig report.

Average Annual Spending

U.S. Averages

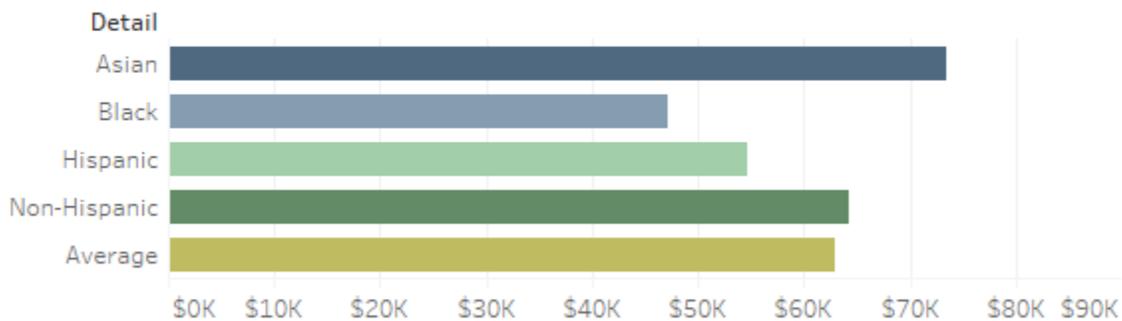


Fig 8. Average annual spending by race & ethnicity. Data is sourced from the Selig Center for Economic Growth and based on the Consumer Expenditures Survey, 2020.

Summary

Idaho's cultural diversity has been changing alongside the state's rapid population growth. Idaho's minority population is projected to reach 8% in 2025, and Idaho's Hispanic population nearly 15%. Nationwide, Idaho ranks 15th in buying power for Hispanic Americans and in the top 20 for American Indians and multiracial cultures.

Consumer spending for nearly all cultures grew at a faster rate than the U.S. average from 2010 through 2019, with Idaho's Black and multiracial population more than doubling total buying power. Per capita buying power has increase by more than 30% for all cultures over the same time period, with Hispanic people leading with an increase of 65%. While per capita buying power has been increasing across all cultures, the relative change differs. This is particularly evident in Hispanic versus Non-Hispanic populations, where a discrepancy between market share of buying power and population share is over 5%.

For many, the majority of spending is used on housing, making up approximately one-third of annual spending costs. Spending across the top 5 categories for every culture is approximately the same. Together, housing and transportation make up nearly half of consumer spending for the typical American household.

Methodology

Data for this report is compiled and retrieved from the Selig Center for Economic Growth. According to the *2021 Multicultural Economy* report methodology used in this report, “Estimates were calculated using national and regional economic models, univariate forecasting techniques, and data from various U.S. government sources. The model developed by the Selig Center integrates statistical methods used in regional economics with those of market research. In general, the estimation 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.” Aggregate measures produced are calculated from relevant tables in the Selig report.