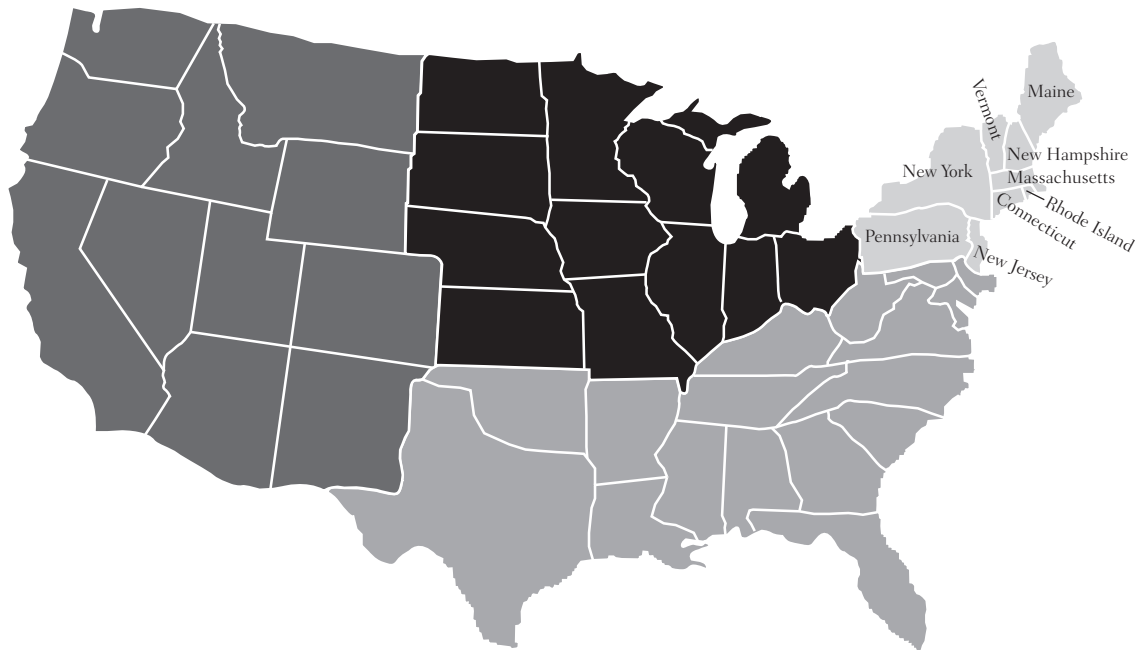


The Hispanic Market In the U.S. Northeast

Celina Bárcenas*



The northeastern shore of what is today the United States witnessed the dreams of the first voyagers to arrive from Europe, voyagers who founded 13 colonies there. With time, the colonies became independent and a new nation saw the light of day. Despite all adversities, they were successful. That is how the American dream was born: sacrifices were worth-

while because that land of opportunity knew how to reward anyone who did his or her best. People from everywhere came to the place where even today, the romantics say that dreams come true.

Many stories have unfolded since then in New York, the cosmopolitan capital not only of the region but of the world; among them, the tale of an 18-year-old from Independencia, Puebla, who had lost his father and arrived in the asphalt jungle with the hope of getting enough money to help his mother

and brothers and sisters in Mexico. Jaime Lucero spent six years as a dishwasher in a restaurant before starting up his own hauling company with his older brother. He became a successful businessman when he went from one used truck delivering merchandise in the New York, Connecticut and New Jersey metropolitan area to a large-scale clothing distribution firm (Gold and Silver, Inc.) with a manufacturing subsidiary in Mexico. In addition to directing his own company, Lucero is the president of Casa Puebla, a Mex-

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ican-origin commercial organization in New York.

His success as a businessman and in the community won Lucero official recognition from the Mexican government, which named him the “godfather” (sponsor) of San Salvador el Seco in July 2001. He was the first of 90 Mexican businessmen who, after becoming successful in the United States, support the economic development of their places of origin through the national “Adopt a Micro-region” program.¹ The Gold and Silver, Inc. manufacturing plant was set up a little over a year ago in the area Lucero “adopted,” creating 750 jobs.²

Jaime Lucero’s story is one of thousands unfolding every day —although not always as successfully— in the northeastern United States among a

population with specific cultural traits and whose purchasing power has increased as the community consolidates. Just as in the first articles in this series, this article is based on the information in the third volume of the Series of Studies on the Hispanic Market, dedicated to the U.S. Northeast.³

DEMOGRAPHICS

The U.S. census classifies nine states as the Northeast based on their socioeconomic homogeneity; the region is divided into two sub-regions based on their history and geography. New England includes some of the states that in the early seventeenth century were the first colonized by the English and later became part of the indepen-

dence movement: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. The second sub-region, the Mid-Atlantic, is made up of New Jersey, New York and Pennsylvania.

According to census data released in 2001, the Northeast has the country’s third largest Hispanic population, despite being the smallest region in terms of the number of states: 14.9 percent of the United States’ 35.3 million Hispanics live there. These 5.2 million come to almost half the number that live in the South (with its 32.8 percent) and less than a third of those who live in the West (which concentrates 43.5 percent). In the Northeast, a little over 2 million Puerto Ricans make up the largest group, while only 479,000 Mexicans and 169,000 Cu-

**TABLE 1
HISPANIC AND MEXICAN POPULATION IN THE NORTHEAST
2000**

STATE	TOTAL POPULATION	HISPANIC POPULATION		MEXICAN POPULATION		
		NUMBER	% OF TOTAL POPULATION	NUMBER	% OF TOTAL POPULATION	PERCENT OF HISPANIC POPULATION
New York	18,976,457	2,867,583	15.1	260,889	1.4	9.1
New Jersey	8,414,350	1,117,191	13.3	102,929	1.2	9.2
Massachusetts	6,349,097	428,729	6.8	22,288	0.3	5.2
Pennsylvania	12,281,054	394,088	3.2	55,178	0.5	14.0
Connecticut	3,405,565	320,323	9.4	23,484	0.7	7.3
Rhode Island	1,048,319	90,820	8.7	5,881	0.6	6.5
New Hampshire	1,235,786	20,489	1.7	4,590	0.4	22.4
Maine	1,274,923	9,360	0.7	2,756	0.2	29.4
Vermont	608,827	5,504	0.9	1,174	0.2	21.3
Total Northeast	53,594,378	5,254,087	9.8	479,169	0.9	9.1

The states are listed in order of the size of the Hispanic population, the largest first.

Source: U.S. Census Bureau 2000 “Hispanic Population” C2KBR/01-3SP.

TABLE 2
GROWTH OF THE HISPANIC POPULATION IN THE NORTHEAST BY STATE
1990-2000

STATE	1990		2000		GROWTH (%) 1990-2000	
	TOTAL POPULATION	HISPANIC POPULATION	TOTAL POPULATION	HISPANIC POPULATION	TOTAL POPULATION	HISPANIC POPULATION
Connecticut	3,287,116	213,116	3,405,565	320,323	3.6	50.3
Maine	1,227,928	6,829	1,274,923	9,360	3.8	37
Massachusetts	6,016,425	287,549	6,349,097	428,729	5.5	49.1
New Hampshire	1,109,252	11,333	1,235,786	20,489	11.4	80.8
New Jersey	7,730,188	739,861	8,414,350	1,117,191	8.8	51
New York	17,990,455	2,214,026	18,976,457	2,867,583	5.5	29.5
Pennsylvania	11,881,643	232,262	12,281,054	394,088	3.4	69.7
Rhode Island	1,003,464	45,752	1,048,319	90,820	4.5	98.5
Vermont	562,758	3,661	608,827	5,504	8.2	50.3
Total Northeast	50,809,229	3,754,389	53,594,378	5,254,087	5.5	39.9

Source: U.S. Census Bureau 2000 "Hispanic Population" C2KBR/01-3SP.

TABLE 3
HISPANIC COMMUNITY BUYING POWER IN THE NORTHEAST
1990-2001

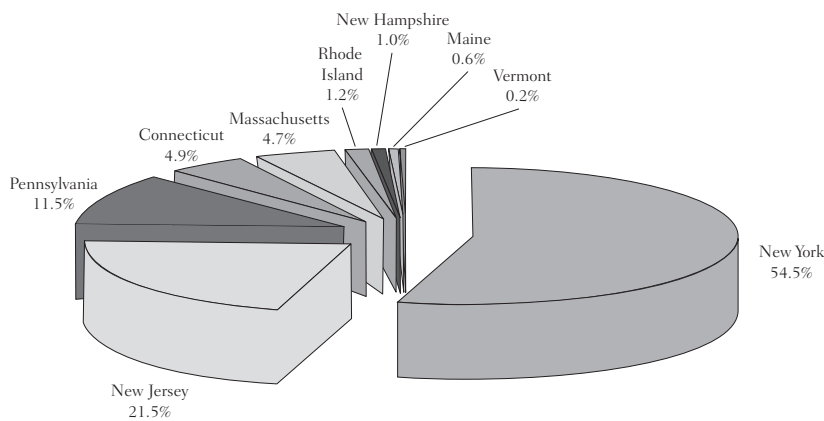
STATE	BUYING POWER (THOUSANDS OF DOLLARS)		INCREASE (%) 1990-2001
	1990	2001	
Connecticut	2,324,115	4,702,694	102.34
Maine	79,341	169,872	114.10
Massachusetts	2,566,983	5,600,841	118.18
New Hampshire	153,245	414,605	170.55
New Jersey	9,135,140	19,674,614	115.37
New York	22,847,265	42,760,478	87.15
Pennsylvania	2,088,708	4,656,305	122.92
Rhode Island	400,476	939,212	134.52
Vermont	48,330	113,061	133.93
Total Northeast	\$39,643,603	\$79,031,682	99.35

Source: Jeffrey M. Humphreys, Selig Center for Economic Growth, "Buying Power of the Beginning of a New Century: Projections for 2000 and 2001," *Georgia Business and Economic Conditions* (Atlanta), July-August 2000.

bans reside there (although the latter with a strong presence).⁴ The origin of the rest of the Hispanic population is not specified in the census, but estimates put the Dominican population at almost 400,000.

Table one shows the distribution of Hispanics by state, starting with the largest, as well as the ratio of Hispanics to the general population. New York and New Jersey come first, not only in absolute numbers, with 2,867,583 and 1,117,191 respectively, but also relative to the states' total population. Massachusetts is third with 428,729, a huge difference if we consider that the state's total population is a little over three-quarters that of New Jersey. Pennsylvania is next with a minimum Latino presence of only 3.2 percent, despite being the second largest state in the region in terms of total population. Connecticut and Rhode Island have a small-

GRAPH 1
DISTRIBUTION OF THE MEXICAN POPULATION IN THE NORTHEAST



Source: U.S. Census Bureau 2000 "Hispanic Population" C2KBR/01-3SP.

er Latino population in absolute terms, but a larger proportion with regard to their total populations. New Hampshire, Maine and Vermont have very low Hispanic populations, far from being significant.

The same table shows the ratio of Mexican-origin population to Hispanics in each state of the region. Mexicans represent only about 9 percent of the total Hispanic population of 5,254,087. This difference may be the result of the relatively recent Mexican migration to the region, which began in the 1970s, compared to Puerto Rican migration which began over a half a century before, in 1917, when they were given U.S. citizenship.

Throughout the United States, the Hispanic population grew rapidly during the last decade of the twentieth century, increasing 57.9 percent from 1990 to 2000. This turned the Hispanic community into the country's largest ethnic minority, surpassing Afro-Americans. In the Northeast, the Hispanic

population grew 39.9 percent in the same period, jumping from 3.7 million to 5.2 million, compared to only a 5.5 percent growth rate in the general population, which rose from 50.8 million to 53.5 million. Looking more closely at the growth trends by state in the region, we can see that the Hispanic population grew faster than the total population in every one, even Vermont, Maine and New Hampshire, those with the smallest concentration of Hispanics (see table 2).

ECONOMIC DATA

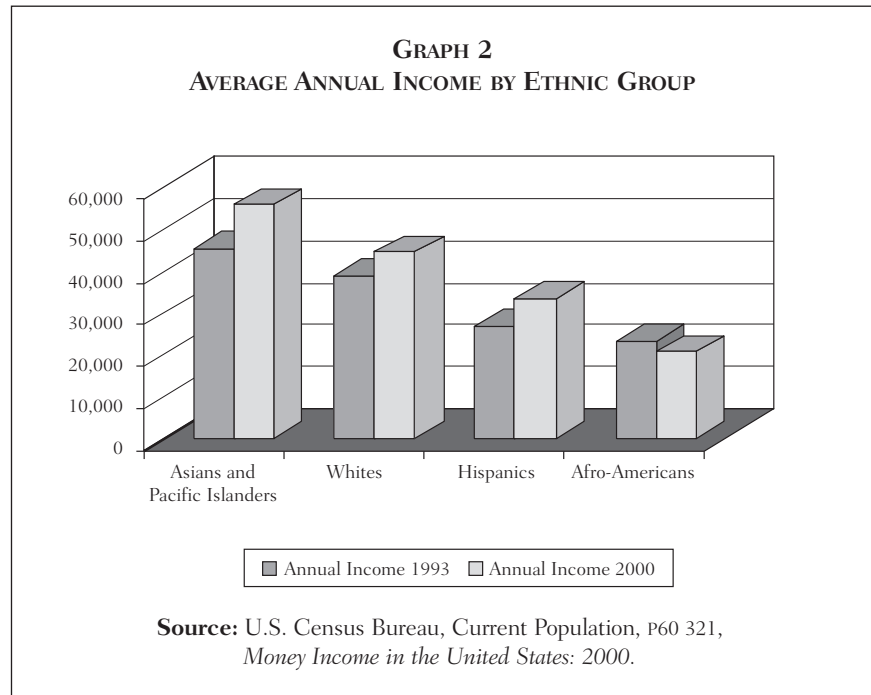
Overall, in 2000, the average annual income for Hispanic households was U.S.\$33,447, an increase of 24.3 percent since 1993 (see graph 2). This notable growth propelled it beyond that of other ethnic groups, like Afro-Americans, who had an average income of U.S.\$30,439 in 2000. During the 1990s, the United States slowly re-

covered from the 1990-1991 recession, and in the last year of the century (1999-2000), achieved a real increase of 5.3 percent in Hispanics' income. These figures, reported by the U.S. Census Bureau, illustrate the situation at a national level, but this average increase was not projected into all the regions in the same way. This is the case of the Northeast, where the average real annual increase in income for Hispanics between 1999 and 2000 was only 3.9 percent, going from U.S.\$28,919 to U.S.\$30,243, U.S.\$3,204 below the national average for this ethnic group. For example, it is 25.1 percent lower than the Midwest, which has the highest income in the country. This can be seen in purchasing power.⁵ Estimates from the Selig Center for Economic Growth put the increase in Hispanic buying power at 118 percent in the last decade, compared to 67.9 percent for the general population.⁶ Hispanics, then, undoubtedly represent an expanding consumer market with great influence in the U.S. economy. Among the factors that have influenced this increased buying power has been greater access to better job opportunities, since the new generations of Hispanics are occupying more professional and management positions that bring them higher wages than their parents and grandparents.

The Selig Center also provided very interesting information about the purchasing power of the Hispanic community in the Northeast. Between 1990 and 2001, Hispanics in this region increased their purchasing power by 99.35 percent on the average (see table 3). New Hampshire was first with a 170.55% increase while in Rhode Island and Vermont, the hike was 134.52 percent and 133.93 percent, respectively,

but despite theirs being the biggest increases in the region, New York Hispanics have the highest buying power. With an 87.15 percent increase, in 2001, it reached U.S.\$42.76 billion, more than 54 percent of the Northeast's total Hispanic purchasing power. New Jersey is second and alone accounts for almost one-fourth of the region's Hispanic buying power, while Massachusetts, Connecticut, Pennsylvania and Rhode Island together make up only 23.5 percent because of their low Hispanic population levels compared to the first states. New York and New Jersey together, then, can be considered the main market in the Northeast, concentrating 75.84 percent of its total Hispanic population and U.S.\$62.4 billion, or 79 percent, of its total buying power.

Another very important particularity of this region is that it is home to the second largest metropolitan area in terms of Hispanic population, after California's Los Angeles-Riverside-Orange area. The region is divided for study into three metropolitan areas, of which the first and most important is made up of counties from four states: New York, New Jersey, Connecticut and Pennsylvania. The second includes 14 counties from Massachusetts, New Hampshire, Maine and Connecticut; while the last is composed of 14 counties from the states of Pennsylvania, New Jersey, Delaware and Maryland. The New York-New Jersey-Connecticut-Pennsylvania area is home to almost 3.9 million Latinos in 30 counties, who make up a little over 18 percent of the general population. The Massachusetts-New Hampshire-Maine-Connecticut area has 358,231 Hispanics, a little more than 6.1 percent of the general population, while the Pennsyl-



vania-New Jersey-Delaware-Maryland area also has few Hispanics, totalling 348,135, or something close to 6 percent of the general population.

New York is key to the growth of the regional and local ethnic economy, with the establishment of businesses that both create jobs and contribute to revitalizing the community economy as a whole. According to census figures, the Northeast has 171,881 Hispanic businesses with annual sales of more than U.S.\$20 billion. By country of origin, 64 percent of the owners are from different Latin American backgrounds; 18 percent, Puerto Rican; 8 percent, Cuban; 5 percent, Spanish; and 5 percent Mexican.

New York concentrates 61 percent of the region's Latino businesses (104,189), which generate a little over half the Hispanic sales, that is, U.S.\$11 billion a year. New Jersey is next, with 36,116 businesses that do a little more than a quarter of regional sales, while Massachusetts, Pennsylvania, Con-

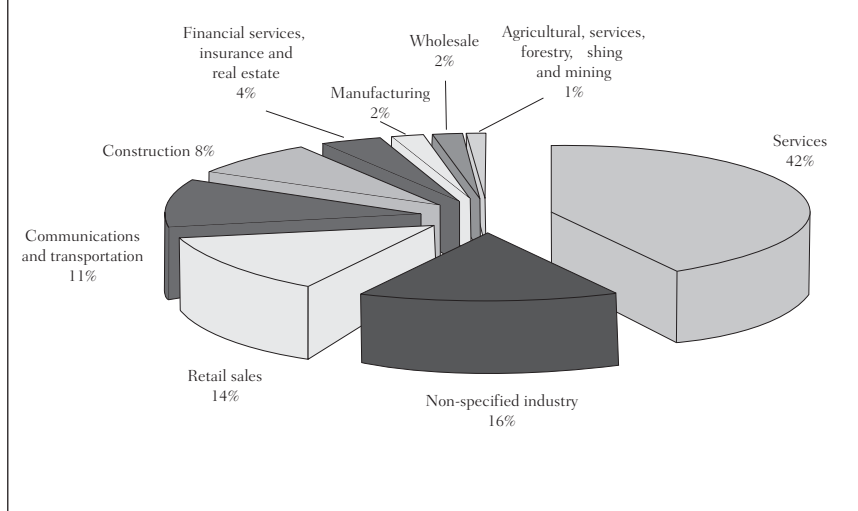
necticut and Rhode Island are jointly home to 17 percent of the region's Hispanic businesses with annual sales of U.S.\$4.27 billion, a little over 21 percent of the total. Maine, New Hampshire and Vermont have fewer than 1,000 Hispanic businesses each, together barely one percent of the region's total, making 1.8 percent of total sales.

The Northeast Hispanic businesses are mainly concentrated in services, retail sales and communications and transportation (see graph 3). It should be mentioned that four of the country's largest Hispanic companies are headquartered in New Jersey, according to *Hispanic Business* magazine, which annually publishes a list of the 500 most important Hispanic businesses in the United States.⁷

CONCLUSIONS

The Northeast is home to an important number of Hispanics. The Puerto Ri-

GRAPH 3
DISTRIBUTION OF HISPANIC BUSINESSES BY SECTOR
(NORTHEAST REGION)



cans, Cubans, Dominicans, Mexicans and other Latinos who live and work day to day in this region have come to occupy an important place in the social, economic and cultural dynamic of the area. In recent years, they have gone from being a small, badly paid ethnic group with no access to job opportunities, to being a strong, successful part of both the regional and the national economy.

If the same kind of growth persists, projections for 2025 point to New York continuing to be the region's most important state in terms of Latino consumers and to at least Massachusetts, Rhode Island, Maine and Vermont doubling their Hispanic population. This projection shows that Hispanics are emigrating to states where their numbers were not significant before and that, day by day, they are strengthening previously small and weak communities, turning them into fundamental links for the development of the United States.

In the last decade of the twentieth century, Hispanics in the Northeast became important actors in local economic relations, which generated a significant amount of dollars for the U.S. economy. Thus, the Hispanic market in this region offers a broad spectrum of possibilities and commercial opportunities waiting to be explored. Following the tradition initiated by the first American colonists in this region, the new Hispanic market can be a catalyst that can make the dreams of those striving for success come true.⁸ **NM**

NOTES

¹ The national "Adopt a Micro-region" program is a Mexican government effort that supports more than 400 micro-regions with high poverty and migration levels through investment from Mexicans in the United States, creating jobs and educational opportunities

to prevent emigration. This program began in July 2001 and by 2002 had turned into the "Adopt a Community" program, broadening out the opportunity to participate to companies set up inside Mexico, with the hope of benefiting more regions. See <http://presidencia.gob.mx>

² B. Mauldin, "Jaime Lucero: The Giant Middleman of Ready-to-Wear," *Latino Leaders*, August-September 2000, pp. 54-59; G. Thompson, "New York Garment Mogul Takes Business Home," *El Seco Journal*, 30 July 2001, <http://www.goldandsilverinc.com/nytimes.html>; and J. Rice, "Mexico Works to Entice U.S. 'Godfathers' for Businesses," Associated Press-San Salvador *El Seco*, <http://goldandsilverinc.com/article2.html>, consulted 17 September 2002.

³ The first two articles in the series were Esther González and Erika González, "The Hispanic Market in the Western U.S.," *Voices of Mexico* 60 (Mexico City) July-September 2002, and Brenda Méndez, "Southern U.S. Markets: A New Niche for Mexican Exports," *Voices of Mexico* 61 (Mexico City) October-December 2002.

⁴ Only 2.3 percent of the U.S.'s 20.6 million Mexicans live in the Northeast, according to the Census Bureau.

⁵ Purchasing power is defined as that part of total personal income, after taxes, available for buying goods and services, interest payments and savings. Around 94 percent of personal income is used for purchasing goods and services and the rest for interest payments.

⁶ Jeffrey M. Humphreys, "Buying Power at the Beginning of a New Century: Projections for 2000 and 2001," *Georgia Business and Economic Conditions* (Atlanta), July-August 2000.

⁷ "The Hispanic Business 500 Directory," *Hispanic Business*, June 2001.

⁸ For more information, see Enrique Martínez Durán, *Noreste* (Mexico City: Fundación de Solidaridad Mexicano-Americana, A.C., March 2002), the third of the Series of Studies on the U.S. Hispanic Market. Also, about this and other regions of the United States, our readers can visit www.fsma.com.mx, where they will find descriptions of this series of studies and other publications of the Mexican-American Solidarity Foundation.