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Video | US Economics

Quantifying the Impact of Hispanic Growth on the Consumer Wallet

Although Millennials remain a large & important cohort, outside Hispanic segment growth will be the key driver of future consumption trends. The segment will comprise 50%+ of US population growth over the next 5 years. We identify growth areas and our equity analysts outline companies to benefit.

Watch the video:



Related Research

[Consumer Trends: N. America Insight: Quantifying the Impact of Hispanic Growth on the Consumer Wallet \(02 May 2016\)](#)

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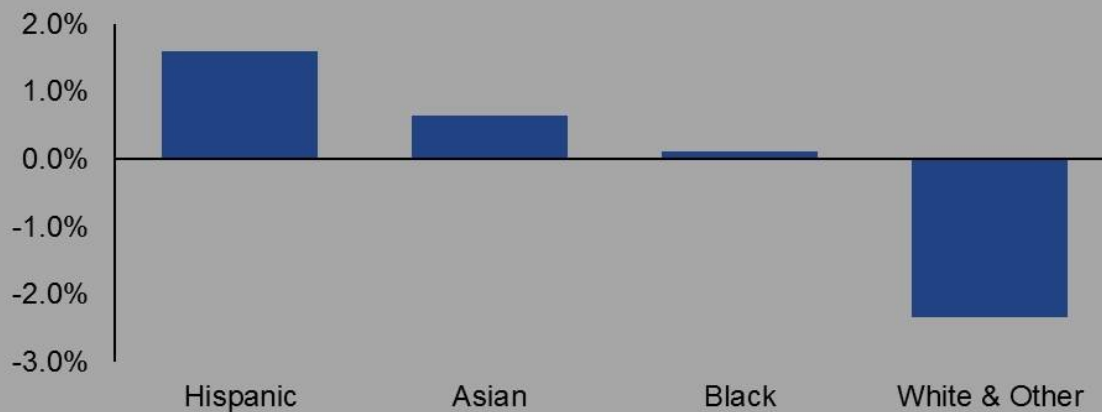
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Key Exhibits

Growth in both the size and income of the Hispanic population—the largest increase of any cohort—will likely lead to important gains in wallet share

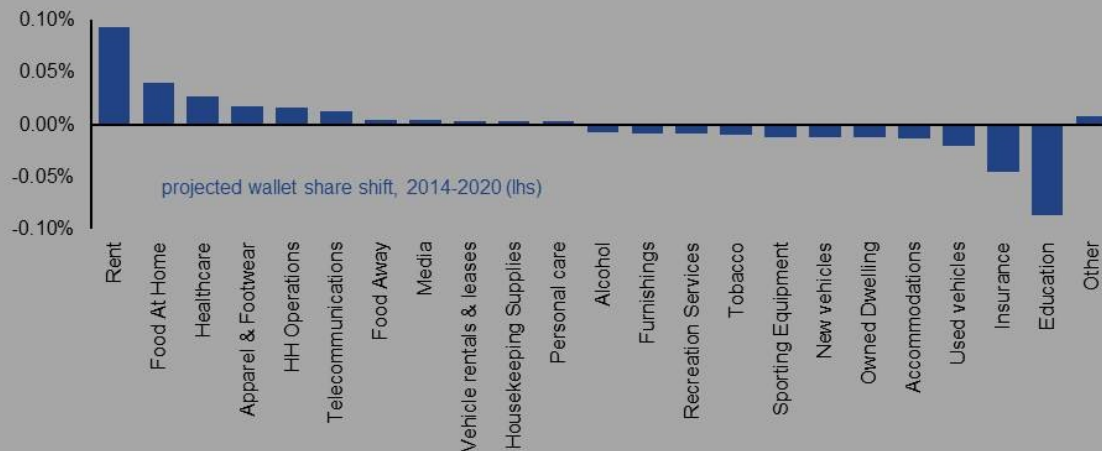
projected shift in wallet share, 2014-2020



Source: Consumer Expenditure Survey, US Census, Morgan Stanley Research

Demographics Will Likely Be Supportive of Growth in Rent, Food at Home, Healthcare, Apparel, Household Supplies and Cell Phones

projected impact of demographics only on wallet share change



Source: Consumer Expenditure Survey, US Census, Morgan Stanley Research



Top Analysts and Strategists Outline Implications

Sub-Sector	Impact
Specialty Retail, Dept Stores & Off-Price	Fortifies our favorable stance on the Off-Price subsector
Restaurants	Fast food broadly has greater exposure to the Hispanic population and benefits most from its growth.
Retail Food & Drug	Our analysis shows that Hispanic consumers overindex to food purchased for home consumption and for organic products in particular.
Consumer Staples	In beverages, the Hispanic population has a higher propensity to spend on beer, versus wine or spirits.
Healthcare	Focus on lower-cost methods of care should benefit 'full-service' pharmacies.
Technology	Faster growth in the Hispanic population is likely to improve smartphone ownership and Apple share given brand preference and penetration, but potentially slow eCommerce penetration.
Autos & Shared Mobility	Outsized growth of the Hispanic population could be relatively beneficial for auto dealers with a greater percentage of their stores and sales in those states with high Hispanic representation.
North-American Property & REITs	Positive on the margin for single-family rental and apartment REITs below the top of the rent scale.
Housing	Downward pressure on home ownership.
S+R	Studies show that Hispanic voters favor strong environmental policies.

Source: Morgan Stanley Research

Launching Consumer Wallet Video Series: Sector Impact of Outsize Hispanic Growth

- Food at Home vs Dining out with **John Glass** and **Vinnie Sinisi**
- Apparel with **Kimberly Greenberger**
- Housing with **Jim Egan** and **Greg van Winkle**
- Packaged Food and Beverages with **Dara Mohsenian** and **Matt Grainger**
- Autos with **Adam Jonas**
- Healthcare with **Ricky Goldwasser**
- Technology and E-commerce with **Katy Huberty** and **Brian Nowak**

Source: Morgan Stanley Research



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