

# Insight

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Selig Center for Economic Growth

September 2014

## The Multicultural Economy

### Special Focus on Asian Buying Power by Subgroup in 2014

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Approximately 17.7 million Americans—5.5 percent of the country's population in 2014—claim Asian ancestry, which makes the group a powerful force in the U.S. consumer market. The Selig Center estimates that Asian buying power equals \$770 billion in 2014, up 180 percent from its 2000 value of \$275 billion. Asian consumers' share of the nation's total buying power is 6 percent in 2014, up from only 3.8 percent in 2000.

The group's fast-paced growth and growing market share of U.S. buying power demonstrates the increasing importance of Asian consumers in the domestic consumer market and creates opportunities for businesses that pay attention to their needs. Because the U.S. Asian population reflects different national ancestries, languages, and diverse cultures, firms that target specific subgroups, such as Asian Indian or Chinese, for example, may find niche markets particularly rewarding. This article therefore provides buying power estimates for 2014 for subgroups of the Asian population in the U.S., supplementing the buying power data and analysis presented in *The Multicultural Economy*, which can be purchased from the Selig Center for \$125 at [www.selig.uga.edu](http://www.selig.uga.edu).

The table on page 2 provides 2014 buying power estimates for 17 selected groups of Asian consumers for which sufficient demographic data were available at the national level from the *American Community Survey*. These groups collectively account for 96.4 percent of the Asian population. In terms of buying power, Asian Indians comprise the largest of the groups that constitute the Asian American market. They account for

\$195 billion in buying power, or 25.3 percent of U.S. Asian buying power.

While the Chinese (excluding Taiwanese) are the second largest group in terms of buying power, accounting for \$176 billion, or 22.9 percent of Asian buying power, they constitute the largest sub-group in terms of population. Filipinos constitute the third largest group in terms of both population and buying power, accounting for \$120 billion in buying power or 15.7 percent of Asian buying power. Koreans are the fifth largest group in terms of population, but rank fourth in terms of buying power, accounting for \$65 billion, or 8.4 percent of the U.S. Asian market. Vietnamese rank fifth in terms of buying power, but fourth in terms of population. Vietnamese account for \$57 billion, or 7.4 percent of Asian buying power. Data limitations preclude estimates for several groups with relatively small populations (e.g., Bhutanese, Malaysian, Mongolian, Okinawan, and Sri Lankan), for persons who did not specify a category, or for persons who specified two or more categories. The statistics for these groups are reported as "other," and represent only 3.6 percent of Asian buying power in 2014.

#### Asian Indians

Although Asian Indians account for 18.9 percent of the nation's Asian population, their above-average per capita disposable personal income means they control 25.3 percent of the Asian buying power, or \$195 billion. Overall, the Asian Indian population is much younger than either the general

### Asian Buying Power by Selected Group in the U.S. in 2014

Group	Asian Population (number)	Asian Buying Power (\$ thousands)	Percent of Total Asian Buying Power	Per Capita Buying Power (\$ thousands)
Asian Indian	3,349,273	194,735,559	25.3	58
Chinese (ex. Taiwanese)	3,852,203	175,846,759	22.9	46
Filipino	2,919,963	120,499,479	15.7	41
Korean	1,593,135	64,803,745	8.4	41
Vietnamese	1,840,107	56,960,853	7.4	31
Japanese	856,990	50,216,654	6.5	59
Native Hawaiian & Other	596,654	16,493,153	2.1	28
Pakistani	402,465	14,665,163	1.9	36
Taiwanese	168,701	10,002,790	1.3	59
Cambodian	282,243	7,293,535	0.9	26
Thai	200,688	6,990,548	0.9	35
Laotian	233,236	6,387,787	0.8	27
Hmong	291,534	4,881,887	0.6	17
Bangladeshi	161,040	4,265,453	0.6	26
Nepalese	95,315	2,641,875	0.3	28
Indonesian	71,625	2,488,245	0.3	35
Burmese	125,543	2,325,951	0.3	19
Other*	642,288	28,037,417	3.6	44
All Groups	17,683,004	769,536,852	100.0	44

\*Other includes Bhutanese, Malaysian, Mongolian, Okinawan, Sri Lankan, other Asian specified, other Asian not specified, and two or more categories.

Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia, June 2014.

U.S. population or the U.S. Asian population. The 2012 *American Community Survey* indicates that the median age of Asian Indians is 32.8 years compared to 37.4 years for the total population and 36 years for U.S. Asians.

Also, a much smaller proportion of Asian Indians are of traditional retirement age. For example, in 2012, only 7 percent of Asian Indians were over 65, compared to 13.7 percent of Americans or 10.3 percent of Asians. A very high percentage of Asian Indians are in their prime working years, which adds to the group's buying power. Asian Indians also are much more likely to be married, and average 3.1 persons per household.

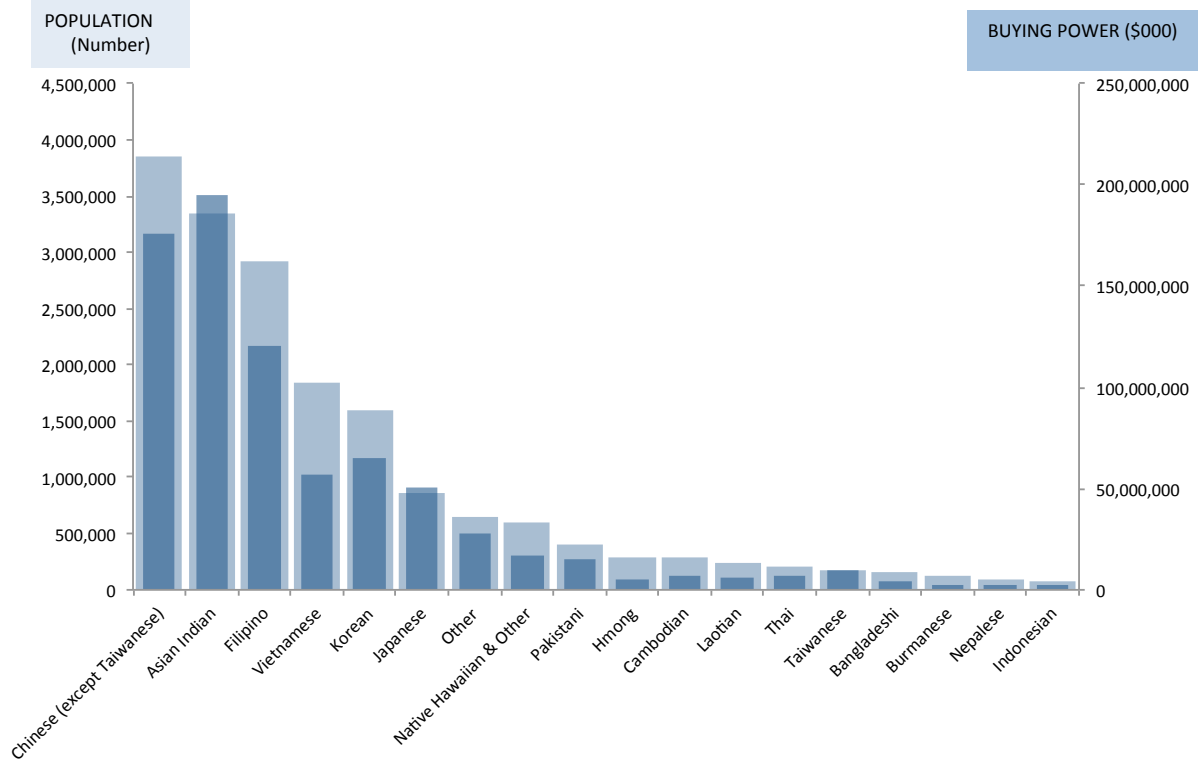
The economic rewards of education also provide a big boost to Asian Indians' buying power. Because they are much better educated than other groups—39.7 percent of Asian Indians had an advanced degree compared to 10.9 percent of the overall U.S. population or 21.2 percent of U.S. Asians—Asian Indians hold top-level private sector jobs in management, business, and the sciences.

In addition, compared to the U.S. population overall, Asian Indians over age 16 are much more likely to be employed. The 2012 *American Community Survey* shows that 69.4 percent of Asian Indians were in the labor force compared to 57.5 percent of all Americans and 60.4 percent of Asians. Similarly, only 4.4 percent of the Asian Indian population was unemployed.

Given their high levels of educational attainment and high rates of employment, it is not surprising that Asian Indians' per capita incomes are quite high. Also, the poverty rate for Asian Indian families is only 5.3 percent compared to 11.8 percent for the overall U.S. population or 9.8 percent for Asians.

Compared to the average American family, Asian Indian families are much more likely to rent instead of own their homes, but the median value of their homes is \$349,200 compared to only \$171,900 for the total U.S. population, or \$335,300 for U.S. Asians.

### Asian Groups' Buying Power At a Glance



Source: Selig Center for Economic Growth, June 2014

### Asian Groups' Buying Power By Rank

Buying Power	Rank	Per Capita Buying Power
Asian Indian	1	Taiwanese
Chinese (ex. Taiwanese)	2	Japanese
Filipino	3	Asian Indian
Korean	4	Chinese (ex. Taiwanese)
Vietnamese	5	Other
Japanese	6	Filipino
Other	7	Korean
Native Hawaiian & Other	8	Pakistani
Pakistani	9	Thai
Taiwanese	10	Indonesian
Cambodian	11	Vietnamese
Thai	12	Nepalese
Laotian	13	Native Hawaiian & Other
Hmong	14	Laotian
Bangladeshi	15	Bangladeshi
Nepalese	16	Cambodian
Indonesian	17	Burmese
Burmese	18	Hmong

Source: Selig Center for Economic Growth, June 2014



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