

## **Market Outlook [January 2009]**

### ***A New Dawn in Minority Demographics***

Economically speaking, not a lot has changed since the previous installment of this column. In short, the outlook remains grim, including for the holiday shopping season. Yet in electing Barack Obama as its 44th president, the United States has reached an historic milestone with enormous implications. Whether one voted for Mr. Obama or not, the timeliness of his message—hope, change, national unity—cannot be denied, with consumer optimism already up as this column is being written just a few days after the election. According to Gallup Poll Daily tracking, the percentage of Americans saying the economy is “getting worse” has fallen four points since November 4, while the percentage rating the economy “poor” is down three points.

Of course, with our President-elect not even having taken office yet, it’s still much too early to draw any broad conclusions about America’s economic destiny under the new administration, as it will be for months if not years to come. But the 2008 election carries a clear message for marketers and retailers of every persuasion in that it puts an exclamation point on this new multicultural era in American life. As has been widely reported in the press, while Obama drew an unprecedented (for a Democrat) percentage of White votes, Black voters almost universally went for the biracial candidate while Hispanics broke for him three to one.

In other words, a “rainbow coalition” put Mr. Obama over the top, a coalition that is, by all demographic accounts, the future of this nation. According to the U.S. Census Bureau, Hispanics will climb to 47.8 million—or 15.5 percent of the population—in 2010, and to 53.6 million (16.6 percent) in 2015. Also growing faster than White households, the African-American population will approach 40.5 million in 2010 and 42.9 million in 2015, or more than 13 percent of the population. As of 2008, both groups are way underrepresented as pet owners, with household ownership rates at 30 percent for Blacks and 43 percent for Hispanics, respectively, compared with 60 percent for White households, according to Simmons consumer survey data.

In this pet market lack lies opportunity. Indeed, with the Obama household currently looking for a “first dog” of its own, already that African-American percentage is about to make an uptick certain to be heard, and echoed, around the world.