



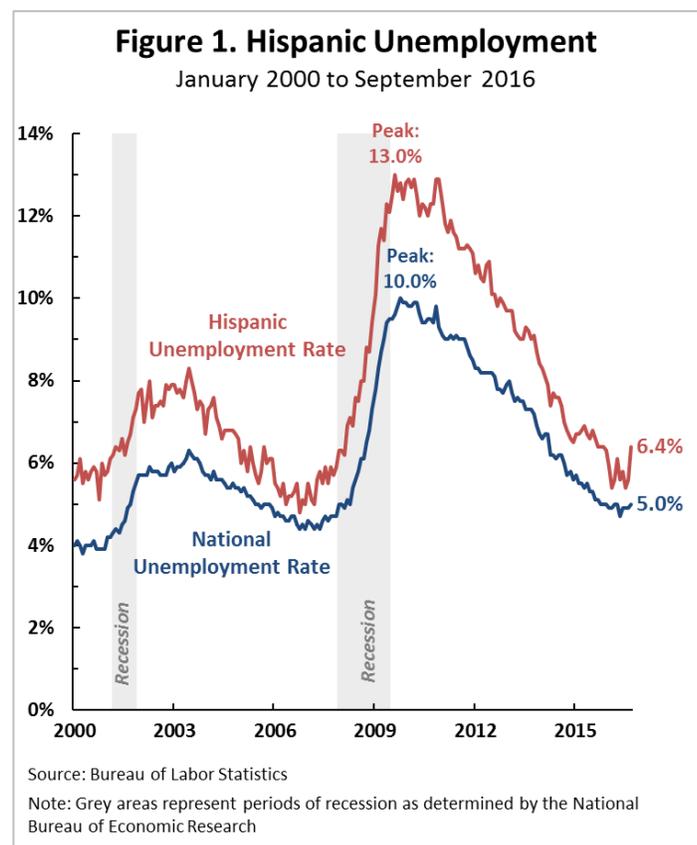
The Economic State of the Latino Community in America

This fact sheet provides a snapshot of the current economic state of the Latino community in the United States, updating and interpreting key data from the JEC Democratic staff report, “[The Economic State of the Latino Community in America](#),” released last year. This update includes the latest statistics on many of the major indicators of economic well-being for the nation’s Hispanic community, including population growth, employment and earnings, the role of Latinas, wealth and retirement security. Together, these data help paint a portrait of Latinos and their economic prospects for the future.¹

Hispanics are the second fastest growing minority group in the United States. More than 56 million people of Hispanic or Latino ethnicity live in the United States today, comprising over 17 percent of the country’s total population.² On average, Latinos are significantly younger than the rest of the U.S. population—their median age of 28.7 years is roughly 10 years younger than that of the overall population.³ By 2045, more than one in four people living in the United States will identify as Hispanic or Latino.⁴

Immigration is no longer the primary driver of growth in the Latino community. The number of Hispanics living in the United States increased by nearly 1.2 million last year, accounting for almost half of the growth in the U.S. population during that period.⁵ Immigration, which used to be the primary driver of growth in the Hispanic population, accounted for less than 30 percent of this most recent increase.⁶ The remainder of the increase (more than 70 percent) was due to natural growth, with births outnumbering deaths.

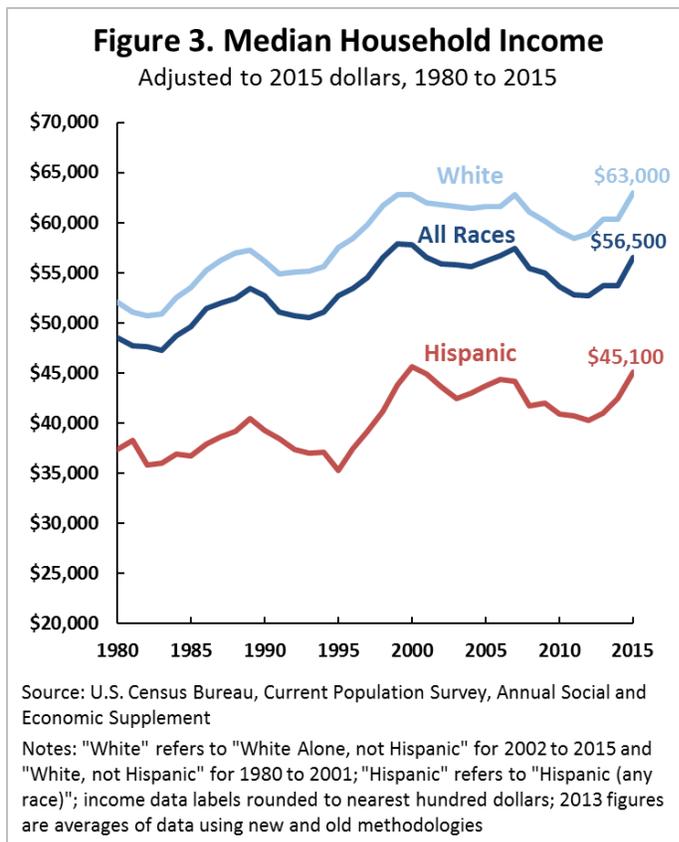
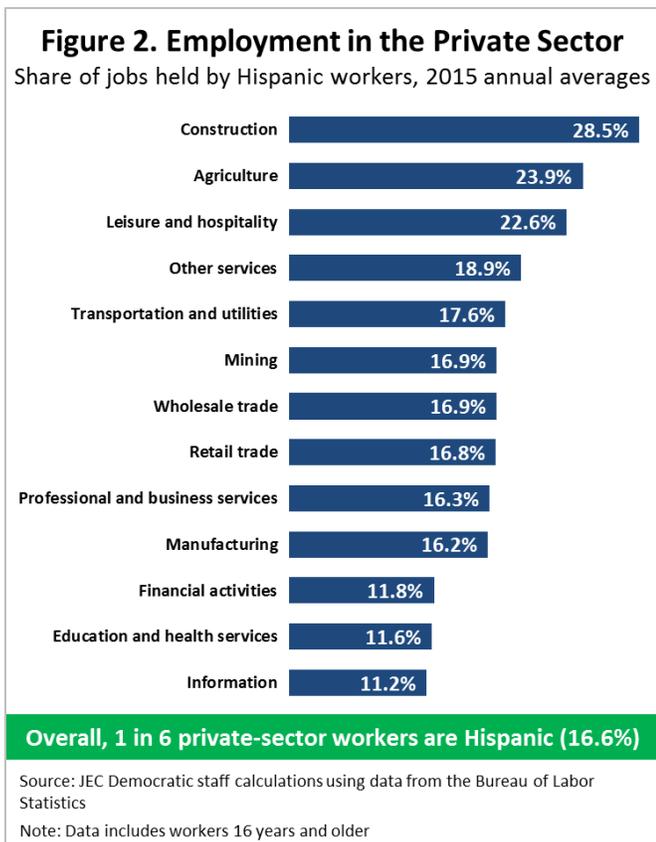
The unemployment rate for Hispanic workers stands at 6.4 percent. By comparison, the unemployment rate for white workers is currently 4.4 percent.⁷ Unemployment rates for Latinos historically have been higher than for non-Hispanic whites and for the population as a whole. Following the Great Recession, the unemployment rate for Latinos hit a high of 13.0 percent in the summer of 2009—three points higher than the peak unemployment rate of 10.0 percent for the general population (see **Figure 1**).



Latinos make up nearly 17 percent of the private-sector workforce. Their share of employment is larger in the construction, agriculture and leisure and hospitality industries: nearly 3 in 10 jobs in the construction industry and 1 in 4 jobs in the agriculture and leisure and hospitality industries are held by Latinos (see **Figure 2**).⁸ Across all industries, one-quarter (25 percent) of Latinos work in service occupations, compared to less than 16 percent of white workers.⁹ These occupations include food service, grounds keeping and maintenance jobs.

Hispanic households experienced the largest percentage gain in real (inflation-adjusted) median income among all major racial and ethnic groups last year. In 2015, real median income of all Latino households was \$45,150, up \$2,600 (6.1 percent) from 2014. Despite that increase, income for the typical Hispanic household was \$17,800 less than the median income of non-Hispanic white households (\$62,950) (see **Figure 3**).¹⁰ Hispanic workers typically earn less than three-quarters of what white workers earn for full-time work—\$618 per week versus \$854 per week.¹¹ This large disparity in earnings contributes to the gap in income between Hispanic and white households.

More than one in five Latinos lived in poverty in 2015. Last year, 21.4 percent of Hispanics lived below the poverty line, including 5.3 million children. While the poverty rate for Hispanics children fell three percentage points to 28.9 percent in 2015, it remains more than double the rate for non-Hispanic white children (12.1 percent).¹² Growing up in poverty can have serious consequences for a child’s economic well-being. For example, roughly one in four Latino children live in a food-insecure household.¹³ Growing up in persistent poverty can also hurt a child’s educational achievement and employment prospects in adulthood.¹⁴



Latinas face a 46-percent pay gap compared with white men. In 2015, the median earnings of Hispanic women who worked full time, year-round were \$31,100, substantially less than the median earnings of non-Hispanic white men (\$57,200). In other words, Latinas were paid 54 cents for every dollar paid to white men. At this rate, the typical Hispanic woman would need to work more than 10 additional months (through October 2016) to make what the typical non-Hispanic white man made in 2015. Latinas also earned \$4,560 (or 12 percent) less than what the typical Latino man earned in 2015.¹⁵

By some measures, U.S.-born Latinos are better off economically than foreign-born Latinos. On average, U.S.-born Latinos are younger than those born outside the United States. They are also more likely to be fluent in English.¹⁶ Incomes also tend to be higher in households headed by U.S.-born Latinos. In 2015, the median income of U.S.-born Latino households was more than \$8,000 higher than that of foreign-born Latino households.¹⁷ Higher incomes are due in part to higher levels of educational attainment among U.S.-born Latinos: 81 percent of U.S.-born Hispanics over the age of 25 have graduated from high school; only 52 percent of foreign-born Hispanic adults have high school degrees. Nearly 19 percent of U.S.-born Hispanics hold a bachelor's degree or more, compared to less than 11 percent of foreign-born Hispanics.¹⁸

The Latino community accounts for a combined \$1.3 trillion in economic activity. Their contributions are projected to top \$1.7 trillion by 2020.¹⁹ Latinos own 3.3 million businesses in the United States, accounting for more than 40 percent of all minority-owned businesses.²⁰ Together, those businesses generate almost \$500 billion in economic activity annually.²¹

Hispanics are 1.4 times more likely than the general population to become entrepreneurs.²² The vast majority (90 percent) of immigrant entrepreneurs are Hispanic.²³ In recent years, Hispanics have become entrepreneurs at a faster rate than all of the other major racial/ethnic groups.²⁴ Latinas have been strong contributors to the high rates of entrepreneurship among Hispanics.²⁵ However, the robust entrepreneurship in the Hispanic community also comes with challenges. Because a high number of Hispanic entrepreneurs are immigrants, Latino business owners often must overcome large hurdles to be successful, including lack of access to capital and high rates of failure.²⁶

White households typically have 10 times more wealth than Hispanic households. In 2013, the median net worth of Hispanic households was only \$14,000 compared to about \$142,000 for white households—a difference of \$128,000.²⁷ The wealth divide increased following the Great Recession. The median net worth of Hispanic households fell by over 40 percent from 2007 to 2013, compared to a drop of 26 percent among white households.²⁸ Home equity makes up a higher proportion of overall wealth for Hispanic households, despite the fact that they are much less likely to own their own home.²⁹ Currently, 45 percent of Latino households own their home, compared with nearly 72 percent of non-Hispanic white households.³⁰

Disparities in employment, earnings and wealth all contribute to the fact that Hispanics are less financially prepared for retirement than other groups. Latinos are less likely to be covered by employer-sponsored retirement plans. According to a 2013 report by the National Institute for Retirement Security, only 12 percent of Latino households have access to a defined benefit pension that guarantees lifetime income—half the rate of white and black households. Almost 70 percent of working-age Latino households do not own assets in a retirement account compared to 37 percent of white households. Only one in five Latino households headed by someone between the ages of 24 and 64 has more than \$10,000 in retirement savings, while half of white households have more than \$10,000.³¹

Current Measures of Economic Well-Being for the Hispanic Population by State (2015)

State	Hispanic Share of State Population	Unemployment Rate		Household Income (Median)		Poverty Rate	
		Hispanic	White	Hispanic	White	Hispanic	White
Alabama	4.0%	5.2%	5.6%	\$36,162	\$51,754	32.0%	13.0%
Alaska	7.0%	6.3%	6.2%	\$63,937	\$81,711	9.3%	6.5%
Arizona	30.7%	7.7%	5.6%	\$40,643	\$57,485	26.3%	11.0%
Arkansas	7.0%	5.1%	4.9%	\$37,051	\$46,393	33.1%	14.5%
California	38.8%	8.2%	6.2%	\$49,682	\$75,933	21.0%	10.0%
Colorado	21.3%	6.9%	4.5%	\$46,041	\$70,332	19.4%	8.2%
Connecticut	15.4%	10.9%	5.2%	\$42,731	\$81,324	24.9%	6.1%
Delaware	9.0%	5.2%	5.5%	\$45,277	\$65,267	29.6%	7.5%
District of Columbia	10.6%	4.6%	3.1%	\$65,973	\$124,801	11.6%	6.9%
Florida	24.5%	6.5%	5.9%	\$41,776	\$54,626	20.6%	11.0%
Georgia	9.3%	5.6%	5.2%	\$41,252	\$60,125	27.5%	11.1%
Hawaii	10.4%	6.8%	5.2%	\$60,320	\$74,197	16.2%	9.8%
Idaho	12.1%	6.7%	4.9%	\$40,819	\$49,245	23.9%	13.5%
Illinois	16.9%	7.8%	5.0%	\$49,122	\$66,237	19.4%	8.7%
Indiana	6.6%	6.4%	5.0%	\$41,020	\$53,080	27.0%	11.6%
Iowa	5.6%	7.1%	3.5%	\$38,141	\$56,646	25.6%	10.0%
Kansas	11.6%	6.7%	4.0%	\$40,814	\$57,799	22.2%	10.0%
Kentucky	3.3%	5.8%	6.1%	\$39,219	\$46,917	29.1%	16.8%
Louisiana	4.9%	6.4%	5.4%	\$41,476	\$56,661	24.1%	12.4%
Maine	1.5%	5.6%	5.1%	\$52,226	\$52,062	18.5%	12.7%
Maryland	9.5%	5.5%	4.2%	\$65,708	\$85,530	14.2%	6.5%
Massachusetts	11.2%	8.6%	5.0%	\$38,195	\$77,091	27.8%	7.8%
Michigan	4.9%	9.2%	5.5%	\$41,844	\$55,083	23.8%	11.9%
Minnesota	5.1%	7.4%	3.4%	\$43,380	\$66,979	20.8%	7.3%
Mississippi	2.9%	6.1%	5.8%	\$40,480	\$50,609	27.4%	13.4%
Missouri	4.0%	5.0%	4.6%	\$42,260	\$52,707	26.0%	12.1%
Montana	3.6%	3.0%	3.9%	\$38,584	\$50,858	18.9%	12.5%
Nebraska	10.4%	6.3%	2.6%	\$39,247	\$59,078	25.7%	9.1%
Nevada	28.1%	8.3%	7.1%	\$45,665	\$58,723	20.0%	10.5%
New Hampshire	3.3%	6.8%	4.1%	\$58,149	\$70,659	19.4%	7.5%
New Jersey	19.7%	7.0%	5.4%	\$47,365	\$83,881	20.2%	6.3%
New Mexico	48.0%	7.7%	5.5%	\$38,246	\$54,864	24.8%	11.9%
New York	18.8%	8.5%	4.9%	\$41,657	\$70,379	25.5%	10.0%
North Carolina	9.1%	7.3%	5.3%	\$34,935	\$54,700	30.8%	11.3%
North Dakota	3.4%	NA	2.2%	\$49,183	\$62,480	15.0%	8.9%
Ohio	3.5%	9.5%	5.1%	\$38,515	\$55,448	26.4%	11.2%
Oklahoma	10.1%	5.4%	4.6%	\$40,251	\$51,874	24.6%	12.4%
Oregon	12.7%	8.0%	6.4%	\$44,462	\$55,803	26.4%	12.9%
Pennsylvania	6.8%	11.5%	5.0%	\$35,695	\$60,327	30.3%	9.4%
Rhode Island	14.4%	10.4%	5.0%	\$35,455	\$64,284	29.5%	9.4%
South Carolina	5.4%	5.9%	5.6%	\$38,901	\$55,677	29.5%	11.3%
South Dakota	3.5%	5.1%	2.8%	\$41,553	\$56,177	21.7%	9.5%
Tennessee	5.1%	6.2%	5.2%	\$38,383	\$50,779	30.7%	13.8%
Texas	38.9%	6.1%	4.5%	\$43,345	\$68,654	22.8%	8.6%
Utah	13.7%	4.2%	3.7%	\$46,677	\$66,516	19.5%	9.2%
Vermont	1.7%	NA	3.7%	\$53,162	\$58,031	12.7%	9.6%
Virginia	9.0%	6.0%	4.3%	\$62,913	\$71,403	14.3%	8.7%
Washington	12.4%	7.5%	5.4%	\$47,065	\$66,681	20.6%	10.0%
West Virginia	1.4%	NA	7.0%	\$42,289	\$42,349	23.3%	17.3%
Wisconsin	6.6%	6.9%	3.3%	\$41,280	\$59,056	25.9%	9.0%
Wyoming	9.9%	7.7%	4.4%	\$46,370	\$61,683	15.4%	10.3%

Notes: "NA" = data omitted due to low sample size; poverty rates were derived using the American Community Survey, which gives a higher estimate (14.7 percent for the entire population in 2015) than the official poverty rate (13.5 percent), which uses the Current Population Survey; Hispanic refers to individuals of any race who identify as being of Hispanic or Latino origin. White refers to individuals not of Hispanic or Latino origin who identify their race as being white, not in combination with any other race; household income data are rounded to nearest hundred dollars.

Source: JEC Democratic staff tabulations of data from the 2015 American Community Survey (1-year estimates) using American FactFinder.

Sources

- ¹ In this report, the terms “Hispanic” and “Latino” are used interchangeably to refer to anyone who identifies as being of Hispanic or Latino origin. They may be of any race.
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- ³ U.S. Census Bureau, [American Community Survey](#), 2015, Table B01002: Median Age by Sex (Total Population), B01002I: Median Age by Sex (Hispanic or Latino) and Table B01002H: Median Age by Sex (White Alone, not Hispanic or Latino).
- ⁴ U.S. Census Bureau, [2014 National Population Projections: Summary Tables](#), Table 11.
- ⁵ U.S. Census Bureau, [Annual Estimates of the Resident Population by Sex, Race and Hispanic Origin: April 1, 2010 to July 1, 2015](#).
- ⁶ JEC Democratic staff calculations based on U.S. Census Bureau 2015 Population Estimates – [Estimates of the Components of Resident Population Changes by Race and Hispanic Origin for the United States: April 1, 2010 to July 1, 2015](#).
- ⁷ Bureau of Labor Statistics, [Table A-2. Employment status of the civilian population by race, sex, and age](#), as of September 2016.
- ⁸ Bureau of Labor Statistics, [Table 18: Employed persons by detailed industry, sex, race, and Hispanic or Latino ethnicity, 2015 annual average](#).
- ⁹ Bureau of Labor Statistics, [Table 10. Employed persons by occupation, race, Hispanic or Latino ethnicity, and sex](#), 2015 annual average.
- ¹⁰ Carmen DeNavas-Walt and Bernadette D. Proctor, [“Income and Poverty in the United States: 2013,”](#) U.S. Census Bureau (September 2014).
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- ¹⁷ JEC Democratic staff tabulations based on data from the Current Population Survey Table Creator.
- ¹⁸ Renee Stepler and Anna Brown, [“Statistical Portrait of Hispanics in the United States,”](#) Pew Hispanic Center (April 19, 2016).
- ¹⁹ Matt Weeks, [“Asians, Hispanics driving U.S. economy forward, according to UGA study,”](#) *UGA Today* (September 24, 2015).
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- ²¹ Ibid.
- ²² Robert W. Fairlie, Arnobio Morelix, E.J. Reedy and Joshua Russel, [“The Kauffman Index of Startup Activity,”](#) National Trends (2016).
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- ²⁴ *The Kauffman Index*, [“Entrepreneurial Demographics, National,”](#) (accessed October 12, 2016); and [“Better Business: How Hispanic Entrepreneurs Are Beating Expectations and Bolstering the U.S. Economy,”](#) Partnership for a New American Economy (April 1, 2014).
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- ²⁹ JEC Democratic staff calculations based on data from U.S. Census Bureau, [Tables on Wealth and Asset Ownership](#), Table 2: Percent Holding Assets for Households, by Type of Asset Owned and Selected Characteristics: 2011 and Table 5: Mean Value of Assets for Households by Type of Asset Owned and Selected Characteristics: 2011.
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