

## Fact Sheet on Affirmative Action and Latinos

### Affirmative Action To Address Past And Present Discrimination Against Hispanics Is Necessary

#### ❖ Current Studies Demonstrate High Rates of Employment Discrimination Against Latinos.

- Despite the fact that Latino men have the highest labor force participation rate of any group, the Hispanic unemployment rate is twice that of Whites, and Hispanic median incomes are only about 65% of that of Whites.<sup>1</sup>
- At least five independent labor market studies over the 1982-1990 period have found that, after controlling for factors known to affect employment and earnings, a significant proportion of the "earnings gap" between Hispanics and Anglos is attributable to employment discrimination. One study found that, for many Hispanics, discrimination has actually **increased** over the past 20 years.<sup>2</sup>
- Using a new technique known as a hiring audit, researchers from the Urban Institute found that White job applicants received 33% more interviews and 52% more job offers than **equally qualified** Hispanics. Using similar techniques, the Fair Employment Council of Greater Washington has documented that Latinos have more than a one-in-five chance of encountering discrimination when applying for a job.<sup>3</sup>
- Recent government studies clearly demonstrate that, even when Hispanics are hired, they are promoted and compensated at significantly lower levels than their equally qualified White counterparts.<sup>4</sup>
- The cost to the Hispanic community attributable to employment discrimination, in terms of unemployment and lost wages, has been estimated to be nearly \$11.7 billion annually.<sup>5</sup> Viewed another way, nearly 90,000 poor Hispanic households would be lifted above the poverty level if employment discrimination were eliminated.<sup>6</sup>

#### ❖ Hispanic Children Experience Substantial Discrimination in the Educational System.

- Nearly one-half of Latinos are high school dropouts, compared to about less than one-fifth of non-Hispanics. Less than one in ten Hispanics is a college graduate, compared to nearly one-quarter of non-Hispanics.<sup>7</sup>
- Recent studies by the University of Chicago show that Hispanic elementary and secondary school students have been increasingly segregated during the past decade. Latino students now experience the highest rates of school segregation of any minority group.<sup>8</sup>



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- Despite progress in recent years, Hispanics remain severely underrepresented in higher education compared to their proportion in the population. In addition, although enrollment rates have increased, graduation rates for Latinos remain disproportionately low.<sup>9</sup>

❖ **Latinos Remain Severely Underrepresented as Business Owners.**

- National data demonstrate that Hispanics are significantly underrepresented as business owners, and Latino business ownership is particularly scarce in high-growth, high-profit industries.<sup>10</sup>
- Studies conducted for state and local governments following the Supreme Court *Crosby* decision demonstrate that Hispanic-owned firms continue to experience substantial disadvantages. In Texas, the legislatively mandated study on "Historically Underutilized Businesses" found "irrefutable" evidence of large-scale marketplace discrimination against minority- and women-owned firms.<sup>11</sup>

**Although Affirmative Action Has Facilitated Some Progress for Hispanics, Much More Needs to be Done**

❖ **Studies Demonstrate that Affirmative Action is an Effective Tool in Addressing Discrimination.**

- Studies by the Office of Federal Contract Compliance (OFCCP), the U.S. Commission on Civil Rights, the Citizens Commission on Civil Rights, and others show that affirmative action is an effective tool for increasing the diversity of the public and private work force. For example, an OFCCP study of 77,000 companies with more than 20 million employees showed that minority employment increased by 20%, and female employment by 15%, after the implementation of affirmative action plans.<sup>12</sup>
- Similar studies show that affirmative action is effective in improving the representation of minorities in higher education and in promoting the more equitable distribution of government contracts to minority- and women-owned businesses.<sup>13</sup>

❖ **While Latinos Have Yet to Fully Benefit from the Policy, Affirmative Action Can Help to Address Discrimination.**

- There is substantial evidence that in areas in which affirmative action offers the greatest potential, Hispanics are still significantly underrepresented. For example, Latinos are severely underrepresented in the federal, state, and local governments.<sup>14</sup>
- There is little reason to believe that, absent affirmative action, Hispanic employment, access to higher education, or participation in government contracting would be higher than today. However, there is substantial evidence that the situation of Latinos would be worse without affirmative action; the University of California at Berkeley (UCB), for example, estimates that the percentage of Latino and African American students at UCB would drop from 22% to 8% if affirmative action were eliminated.<sup>15</sup>
- There are, moreover, a number of case studies which demonstrate that, properly implemented, affirmative action results in substantial gains for Hispanics. According to data compiled by Equal Rights Advocates in San Francisco, an affirmative action consent decree in that city's fire department

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has substantially increased employment of women and minorities, including Latinos. In 1985, for example, the San Francisco Fire Department (SFFD) included 79 African Americans, 24 Asians, and 88 Hispanics; currently there are 141 African Americans, 152 Asians, and 158 Latinos.

- Although there are widespread myths and a few anecdotal incidents suggesting that affirmative action has "gone too far," or results in "reverse discrimination," or that it benefits unqualified or undeserving persons, these arguments are not supported by research. For example, there is simply no reliable statistical evidence which demonstrates that so-called "reverse discrimination" is anything more than a trivial problem.<sup>16</sup> Similarly, reviews of the academic or job performance of purportedly "unqualified" beneficiaries of affirmative action strongly suggest that affirmative action recipients perform as well as or better than their supposedly "more qualified" counterparts, other things being equal.<sup>17</sup>
- Thus, the elimination of affirmative action in employment, education and contracting would mean that Latinos — who now constitute about 10% of the U.S. population and workforce — would be asked to continue to suffer the consequences of discrimination without any proactive government protections.

*For more information on NCLR's activities or positions on civil rights issues including affirmative action, please contact Charles Kamasaki or Lisa Navarrete at (202) 785-1670.*

## Endnotes

1. Emily G. McKay, ed., *State of Hispanic America 1991: An Overview*, Washington, D.C.: National Council of La Raza, February 1992, pp. 4-5. For more recent data, see U.S. Bureau of the Census, *Current Population Survey*, March 1994, and other reports in this series.
2. These studies are described in detail in Claire Gonzales, *The Empty Promise: The EEOC and Hispanics*, Washington, D.C.: National Council of La Raza, December 1993, pp. 3-5.
3. Cited in *The Empty Promise*, op. cit., pp. 6-7. The hiring audit tests for differential treatment in hiring by having closely matched pairs of testers, one from a minority group and another from the majority group, inquire about or apply for the same job. Since the technique controls for differences in job qualifications — in each case the minority applicant has equal or greater qualifications — significant differences in treatment can clearly be identified as discrimination. The Urban Institute study is reported in *Immigration Reform: Employer Sanctions and the Question of Discrimination*, Washington, D.C.: U.S. General Accounting Office, March 1990; the Fair Employment Council study is reported in Marc Bendick, et. al., *Discrimination Against Latino Job Applicants: A Controlled Experiment*, Washington, D.C.: Fair Employment Council of Greater Washington, April 1992.
4. Federal Glass Ceiling Commission, *Good For Business: Making Full Use of the Nation's Human Capital*, Washington, D.C., March 1994.
5. *The Empty Promise*, op. cit., p. 5.

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6. Sonia Perez and Deirdre Martinez, *State of Hispanic America: Toward a Latino Anti-Poverty Agenda*, Washington, D.C.: National Council of La Raza, July 1993, p. 34.
  7. *State of Hispanic America 1991*, op. cit., pp. 8-9.
  8. Studies cited in *State of Hispanic America*, op. cit., p. 10. See also, Report of the Harvard Project on School Desegregation, "The Growth of Segregation In American Schools: Changing Patterns of Separation and Poverty Since 1968," Washington, D.C.: National School Boards Association, December 1993.
  9. American Council on Education, *Twelfth Annual Status Report on Minorities in Higher Education*, Washington, D.C.: February 1994.
  10. See, for example, Emily G. McKay, *Hispanic Business Ownership: A Profile*, Washington, D.C.: July 1987. See also, footnote 11.
  11. Cited in Rodolfo de la Garza, "Entrepreneurial Initiatives and Wealth Creation Among Latinos: What Policies Make a Difference," Austin, TX: Tomas Rivera Center, forthcoming, 1995. De la Garza also presents and analyzes national data in some detail.
  12. See, for example, U.S. Commission on Civil Rights, *Affirmative Action in the 1980s: Dismantling the Process of Discrimination*, Washington, D.C.: January 1981; Citizens Commission on Civil Rights, *Affirmative Action to Open Doors of Job Opportunity, A Policy of Fairness and Compassion That Has Worked*, Washington, D.C.: June 1984.
  13. See, for example, "Entrepreneurial Initiatives and Wealth Creation Among Latinos," op. cit., for data related to business-related programs. See also, American Council on Education, *Minorities in Higher Education*, Washington, D.C. (annual reports). For example, the 1994 American Council on Education Report notes that, between 1987 and 1992, the enrolled-in-college rate gap between Hispanics and Whites decreased by seven and four percentage points, respectively. The report describes programs and activities that appear to have accounted for these improvements; in virtually every case, affirmative action is an essential element of these successful recruitment and retention strategies.
  14. See, for example, Charles Kamasaki and Raul Yzaguirre, "Black-Hispanic Tensions: One Perspective," Paper presented at the 1991 Annual Meeting of the American Political Science Association, Washington, D.C.: August 1991.
  15. Equal Rights Advocates, Memorandum on Affirmative Action, January 12, 1995.
  16. *Discrimination Against Latino Job Applicants*, op. cit. If "reverse discrimination" were taking place, one would expect a substantial number of employers to prefer minority over White job applicants in controlled studies; in practice, hiring audits demonstrate that this is rarely the case.
  17. See, *Affirmative Action in the 1980s*, op. cit., and *Affirmative Action to Open the Doors of Job Opportunity*, op. cit. For a thoughtful, highly personal discussion of this issue, see also, Keynote Address of Hugh Price, President of the National Urban League, before the Commonwealth Club in San Francisco, CA, February 10, 1995.

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- ◆ Emily G. McKay, *Hispanic Business Ownership: A Profile*  
September 1987 28 pp.
- ◆ Denise De La Rosa and Carlyle Maw, *Hispanic Education: A Statistical Portrait, 1990*  
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- ◆ Testimony on the Department of Education Office of Civil Rights' Policy on Student  
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- ◆ Claire Gonzales, *The Empty Promise: The EEOC and Hispanics*  
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- ◆ Deirdre Martinez, *Hispanics in the Workforce: A Chartbook*  
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- ◆ Lisa Navarrete with Charles Kamasaki, *State of Hispanic America 1994,  
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July 1994 43 pp.

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