

The Status of Latinos in the Labor Force

Background

Each year, the U.S. Department of Labor's Bureau of Labor Statistics publishes national data detailing various aspects of the labor force. The Current Population Survey, using a sample of 60,000 households, helps shape an understanding of America's workers by providing information about who they are, what types of jobs they occupy, how much money they earn, and what forms of benefits they receive. As the most recent data suggest, no discussion about the U.S. labor market would be complete without addressing the presence of Latinos* in the workforce. In 2006,

Hispanics constituted 13.7% of America's workers.¹ They represented a significant share of workers in selected occupations, while they struggled for parity in others. The characteristics of Hispanic workers are especially useful in explaining their median earnings and participation in employment-based health and retirement plans. This fact sheet presents some essential data on the Latino labor force.

Unless otherwise noted, the following describes Latinos of working age (16 years and older) in the United States in 2006.

Labor Force Participation and Employment Status

In 2006, Hispanics had the highest labor force participation rate and were more likely to be employed than White and Black workers. As Table 1 shows, more than two-thirds of Latinos (68.7%) were in the labor force and nearly the same share was employed (65.2%). Foreign-born Latinos are especially active in the

workforce; they are more likely to seek work and are more likely to have a job than their native-born counterparts. More than seven in ten foreign-born Hispanics of working age participated in the workforce in 2006 and 68.3% were employed.

* The terms "Hispanic" and "Latino" are used interchangeably by the U.S. Census Bureau and throughout this document to identify persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, and Spanish descent; they may be of any race.

The National Council of La Raza (NCLR) – the largest national Hispanic civil rights and advocacy organization in the United States – works to improve opportunities for Hispanic Americans.

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TABLE 1 Labor Force Participation, Employment and Unemployment Rates, and Median Weekly Earnings by Race/Ethnicity, 2006

	Labor Force Participation Rate (%)	Employment Rate (%)	Unemployment Rate (%)	Median Weekly Earnings
Total	66.2	63.1	4.6	\$671
White	66.5	63.8	4.0	\$690
Black	64.1	58.4	8.9	\$554
Hispanic	68.7	65.2	5.2	\$486
Native-born	65.5	61.5	6.2	\$572
Foreign-born	71.5	68.3	4.5	\$430

Sources: U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey: Table 3. Employment status of the civilian noninstitutional population by age, sex, and race; Table 4. Employment status of the Hispanic or Latino population by age and sex, Annual Averages 2006; Table 37. Median weekly earnings of full-time wage and salary workers by selected characteristics, Annual Averages 2006; and "Foreign-Born Workers: Labor Force Characteristics in 2006," Economic News Release, Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics, April 25, 2007; Table 1. Employment status of the foreign-born and native-born populations by selected characteristics, 2005-06 annual averages; and Table 5. Median usual weekly earnings of full-time wage and salary workers for the foreign born and native born by selected characteristics, 2005-06 Annual Averages. Native-born and foreign-born employment rates calculated by the National Council of La Raza.

Age and Educational Attainment

Latinos are a young population. In 2006, the median age for Hispanics was 27.3 years, compared to the median age for the entire United States population, 36.4 years.² Moreover, foreign-born Latinos in the labor force totaled 11,549,000, which was more than half (55.8%) of all Latino workers.³

As Table 2 illustrates, despite their relatively low academic preparation, a large percentage of Hispanic workers hold jobs at all levels of education. In 2006, Hispanics had the highest employment rate out of all workers with less than a high school degree; nearly six in ten Latinos

TABLE 2 Employment Rate by Educational Attainment and Race/Ethnicity, 2006

	Less than high school (%)	High school graduates (%)	Some college or associate's degree (%)	Bachelor's degree or higher (%)
Total	43.2	60.4	69.7	76.3
White	44.6	60.2	69.5	76.0
Black	34.9	61.5	70.5	79.8
Hispanic	59.0	71.3	76.8	79.6
Native-born	42.0	68.5	77.1	82.6
Foreign-born	64.6	73.8	76.4	76.1

Sources: U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey: Table 7. Employment status of the civilian noninstitutional population 25 years and over by educational attainment, sex, race, and Hispanic or Latino ethnicity, Annual Averages 2006; and "Foreign-Born Workers: Labor Force Characteristics in 2006," Economic News Release, Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics, April 25, 2007; Table 3. Employment status of the foreign-born and native-born populations 25 years and over by educational attainment, race, and Hispanic or Latino ethnicity, 2005-06 Annual Averages.

(59%) without a high school education were employed. Latino high school graduates and those who have some college or an associate's degree also held the highest employment rates across these education levels; their employment

rates were 71.3% and 76.8%, respectively. Native-born Hispanics with a bachelor's degree or higher education were more likely to be employed in 2006 than similarly educated foreign-born Hispanics, Whites, or Blacks.

Hours, Wages, and Earnings

Most Latino workers (86.4 %) were employed full-time in 2006.⁴ As a group, these full-time workers had lower median weekly earnings than White and African American workers (see Table 1). In particular, however, native-born Hispanics earned about 33% more per week than foreign-

born Hispanics. Minimum wage* earners and those earning below minimum wage constituted 1.7% of all Latino wage workers in 2006, or 223,000 workers. This was identical to the share of African American wage workers earning minimum wage or below.⁵

Hispanic Women in the Labor Force**

The United States workforce included 8.2 million Hispanic women in 2006. Women composed 39.7% of the Hispanic labor force. As shown in Table 3, compared to White and Black female workers, Latinas had the lowest labor force

participation rate, the lowest employment rate, and the lowest median weekly earnings. Unemployed Latinas numbered 480,000, and their unemployment rate significantly exceeded the national unemployment rate for women.

TABLE 3 Employment Status and Earnings of Women by Race/Ethnicity, 2006

	Labor Force Participation Rate (%)	Employment Rate (%)	Unemployment Rate (%)	Median Weekly Earnings
Total (Women)	59.4	56.6	4.6	\$600
White	59.0	56.6	4.0	\$609
Black	61.7	56.5	8.4	\$519
Hispanic	56.1	52.8	5.9	\$440

Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey: Table 3. Employment status of the civilian noninstitutional population by age, sex, and race; Table 4. Employment status of the Hispanic or Latino population by age and sex; and Table 37. Median weekly earnings of full-time wage and salary workers by selected characteristics, Annual Averages 2006.

* The prevailing Federal minimum wage in 2006 was \$5.15 per hour.

** For a more in-depth look at the Latina labor force, see NCLR Statistical Brief No. 6 *Hispanic Women at Work* by Megan Elliott, 2005. Available at www.nclr.org

Occupational Representation

As Table 4 reveals, Hispanic workers tend to be overrepresented in occupations with low median weekly earnings and underrepresented in occupations with high median weekly earnings. The occupation groups with more than 20% Latino workers in 2006 were as follows: farming, fishing, and forestry occupations (39.7%

Hispanic), building and grounds cleaning and maintenance occupations (31.8% Hispanic), construction and extraction occupations (29.3% Hispanic), food preparation and serving related occupations (21.1% Hispanic), and production occupations (20.6% Hispanic).

Occupation Group	Median Weekly Earnings	Total Latino Workers (in thousands)	Hispanics as percent of total workers occupation group*
Food Preparation and Serving-Related	\$371	1605	21.1
Farming, Fishing, and Forestry	\$387	382	39.7
Building and Grounds Cleaning and Maintenance	\$406	1711	31.8
Personal Care and Service	\$407	618	13.0
Healthcare Support	\$423	410	13.1
Transportation and Material Moving	\$556	1645	18.6
Production	\$559	1932	20.6
Office and Administrative Support	\$572	2321	11.9
Construction and Extraction	\$619	2786	29.3
Sales and Related	\$628	1847	11.1
Protective Service	\$693	300	10.2
Community and Social Services	\$740	183	8.5
Installation, Maintenance, and Repair	\$742	719	13.4
Education, Training, and Library	\$819	593	7.3
Arts, Design, Entertainment, Sports, and Media	\$841	213	7.8
Healthcare Practitioner and Technical	\$905	395	5.6
Business and Financial Operations	\$930	395	6.6
Life, Physical, and Social Science	\$984	59	4.1
Management	\$1,127	1083	7.1
Legal	\$1,144	93	5.7
Architecture and Engineering	\$1,155	167	5.9
Computer and Mathematical Science	\$1,166	160	5.0

* Nationally, Latinos represent 13.6% of the employed labor force. Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey: Table 3. Employment status of the civilian noninstitutional population by age, sex, and race; Table 4. Employment status of the Hispanic or Latino population by age and sex, Annual Averages 2006. Calculation by the National Council of La Raza.

Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey: Table 11. Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity; and Table 39. Median weekly earnings of full-time wage and salary workers by detailed occupation and sex, Annual Averages 2006. Total Latino workers by occupation group calculated by the National Council of La Raza.

Workplace Benefits*

In 2006, about four in ten Latino adult workers** received health coverage at work, compared to more than half of African American and White workers (see Table 5). Even when they had access to a health plan, Hispanic workers participated at a lower rate than Black and White workers.⁶ Participation in employment-based health coverage has been shown to correlate with participation in employer-sponsored retirement plans.⁷ Not surprisingly, Hispanic workers see similar disparities in retirement plans. The most

recent data show 26.5% of Hispanic workers*** participated in an employer-sponsored retirement plan in 2006, compared to 50.4% of White workers and 41.3% of Black workers.⁸ However, the participation rate of native-born Latinos alone was closer to that of African American and White workers; while only 19% of foreign-born Hispanic workers participated in their employer's retirement plan, the participation rate of native-born Hispanic workers was 39%.

	Covered by own Employment-Based Health Insurance			
	Total	White	Black	Hispanic
Total (civilians age 18-64)	44.5	48.3	41.3	30.3
Worked during the year	53.7	56.8	53.7	38.5
Full-time	60.7	64.7	59.8	42.6

Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey, 2007 Annual Social and Economic Supplement: Table HI01. Health Insurance Coverage Status and Type of Coverage by Selected Characteristics: 2006 - White Alone, Not Hispanic; - Black Alone; and - Hispanic Origin.

* For more information on Latinos and employer-based retirement plans, see *Employer-based Pension Plans: How Latinos Fare*, by Luisa Grillo-Chope, 2007. Available at www.nclr.org.

** Data refer to workers ages 18-64. Workers under age 18 are likely to be covered as dependents by their parents' insurance, while workers over age 65 may be eligible for Medicare.

*** The author of the EBRI study restricts the definition of the workforce to include only "full-time, full-year wage and salary workers ages 21-64" in order to more closely match those workers covered by the Employee Retirement Income Security Act (ERISA).

Endnotes

1. U.S. Department of Labor, Bureau of Labor Statistics. Current Population Survey: Table 3. Employment status of the civilian noninstitutional population by age, sex, and race; and Table 4. Employment status of the Hispanic or Latino population by age and sex, Annual Averages 2006. Percentage calculated by the National Council of La Raza.
2. U.S. Census Bureau. 2006 American Community Survey.
3. U.S. Department of Labor, Bureau of Labor Statistics. *Foreign-Born Workers: Labor Force Characteristics in 2006*, Economic News Release, Washington, DC, April 25, 2007: Table 1. Employment status of the foreign-born and native-born populations by selected characteristics, 2005-06 Annual Averages.
4. U.S. Department of Labor, Bureau of Labor Statistics. Current Population Survey: Table 8. Employed and unemployed full- and part-time workers by age, sex, race and Hispanic or Latino ethnicity, Annual Averages 2006. Percentage calculated by the National Council of La Raza.
5. U.S. Department of Labor, Bureau of Labor Statistics. "Characteristics of Minimum Wage Workers: 2006,": Table 1: Employed wage and salary workers paid hourly rates with earnings at or below the prevailing Federal minimum wage by selected characteristics, 2006 annual averages.
6. Clemans-Cope, Lisa and Bowen Garrett. *Changes in Employer-Sponsored Health Insurance Sponsorship, Eligibility, and Participation: 2001 to 2005*, Kaiser Commission on Medicaid and the Uninsured, December 2006: Table 12. Available at www.kff.org.
7. Copeland, Craig. *Employment-Based Retirement Plan Participation: Geographic Differences and Trends, 2005*, Employee Benefit Research Institute, Issue Brief No. 299, November 2006: 10. Available at www.ebri.org.
8. Copeland, Craig. *Employment-Based Retirement Plan Participation: Geographic Differences and Trends, 2006*, Employee Benefit Research Institute, Issue Brief No. 311, November 2007: Figure 2. Available at www.ebri.org.