





U.S. HISPANIC DEMOGRAPHIC PROFILE:

DEVELOPMENTS, IMPLICATIONS, AND CHALLENGES

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I. Overview

An assessment of the social and economic status of the U.S. Hispanic population suggests that, as the 20th century comes to a close, Latinos are at a critical juncture. There now exist at least 25 to 30 years of solid data, and a large and growing body of research, to help inform and shape strategies to address continuing – and in some cases, widening – socioeconomic gaps between Latinos and the rest of American society.

Overall, the Hispanic population was estimated to total 29.2 million in 1997, which constituted 10.9% of the United States population. The majority of Hispanics are native-born, high school graduates, and employed. In addition, Latinos represent a growing proportion of high school and college graduates, as well as business owners. Most Latino households are formed by families, and they continue to make gains in areas which will lead to greater economic stability; however, wide disparities exist in educational attainment between Latinos and non-Latinos, and low median family income levels, as well as high poverty among Hispanic families and children, persist. Troublesome gaps exist in other key areas as well, including health status and housing.

Based on data from the U.S. Census Bureau, the Department of Labor's Bureau of Labor Statistics, and several other sources, the following discussion outlines several notable trends in the social and economic outlook of Latinos, discusses some implications of these data, and presents four challenges that the Hispanic community continues to confront in its pursuit of social stability and economic mobility.

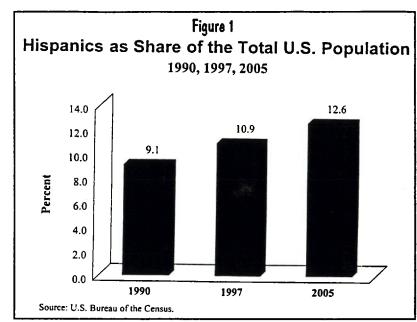
II. Noteworthy Development and Trends

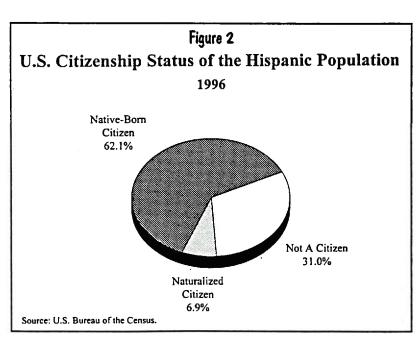
Several trends have characterized the Hispanic population's sociodemographic status since the beginning of the decade. These developments have implications for Latino economic well-being into the next century and demonstrate that Hispanics will play a key role in shaping the nation's future.

1. Significant population growth, from both high fertility levels and immigration. The Hispanic population in the U.S. continues to increase, both in actual numbers and as a proportion of the total U.S. and minority populations. Projections show that, in less than a decade, Latinos will become the nation's largest "minority group." While immigration is, without dispute, a critical factor in explaining the increased number of Latinos in the U.S., Census data also show that natural increase accounts for fully half of U.S. Hispanic population growth. Furthermore, although Hispanics are still likely to live in a handful of states, the population is expanding to "non-traditional" areas of the country.

The term "Hispanic" is used by the U.S. Census Bureau to identify Americans of Mexican American, Puerto Rican, Cuban, Central and South American, and Spanish descent. The terms Hispanic and Latino will be use interchangeably throughout this report. Hispanics may be of any race, and thus, Whites and Blacks may also be Hispanic.

- The number of Hispanics increased 29.6% from 1990 to 1997, while the White and Black populations grew by 5.8% and 10.9%, respectively, over the same period.
- The Hispanic population is projected to increase 23.3% by 2005, to reach a level of 36.1 million, while the non-Hispanic Black population is expected to grow 9.9%, to 35.5 million, over the same period.
- ❖ From 1990 to 1996, Hispanic women between the ages of 15 and 44 had an average of 106.3 births per 1,000 women, compared to 79.6 births for Black women and 65.6 births for White women. The immigration rate for Hispanics was 15.1 persons for every 1,000 over that same period, compared to 2.2 persons and 2.8 persons for the White and Black populations, respectively.
- Approximately three-quarters of the U.S. Latino population reside in California, Texas, Florida, New York, and Illinois. Over the last decade, however, significant increases in the Hispanic population have occurred in the Midwest and other "non-traditional" Hispanic areas; for example, in 2005, the Hispanic population is projected to reach 10% of the total state population of Connecticut.
- Although the vast majority of Hispanics are born in the U.S., the proportion of the Latino population that is foreign-born



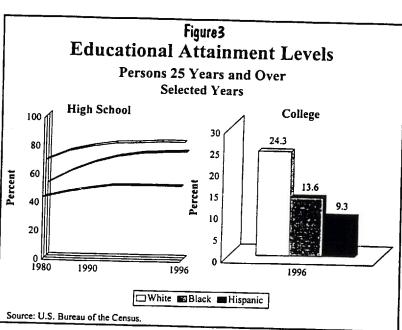


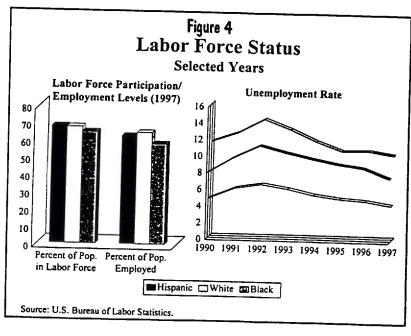
is increasing. In 1990, 64.2% of Hispanics were native-born, 9.4% were naturalized citizens, and 26.4% were not citizens. As of 1996, 62.1% of Latinos were native-born, 6.9% were naturalized, and 31.0% were not citizens.

- 2. Youthfulness and a high proportion of children under 18. Hispanics are likely to play a pivotal role in the nation's future because a large proportion of the current Latino population consists of youth and young adults a significant segment of workers that will be relied upon to ensure the nation's continued economic prosperity.
 - The median age for Hispanics was estimated at 26.5 years in 1997, while the median age estimates for Whites and Blacks were 36.0 years and 29.7 years, respectively.
 - More than one-third (35.1%) of Hispanics were estimated to be under age 18 in 1997, compared to one-quarter (24.8%) of Whites and just under one-third (31.7%) of Blacks.
- 3. Changes in household structure, in part reflecting the shifts experienced by all racial and ethnic groups and the increase in unmarried births to teenagers. Over the past decade, the proportion of Latino single-parent families has steadily increased, while Hispanic teenagers continue to experience significantly high fertility rates. Such outcomes are especially likely to lead to social instability and economic difficulties for Latino families overall.
 - In 1996, slightly more than one-fourth (25.5%) of Hispanic families were female-headed, up from 21.8% of all Latino families in 1980. (In 1996, 14.1% of White families and 46.8% of Black families were headed by women alone.)
 - While only a small proportion (6.9%) of Latino families were headed by single fathers in 1996, the number of such families has increased by 65.2% since 1986, when 6.3% of all families were headed by men alone.
 - In 1995, Hispanic teenagers (ages 15-19) had a higher birthrate than African American or White adolescents (106.7 per 1,000 women, compared to 96.1 and 50.1, respectively), a figure which has steadily increased since the 1980s. Moreover, the birthrate for *unmarried* Hispanic, African American, and White young women ages 15-19 that same year was 78.7, 92.8, and 35.5 per 1,000, respectively.
- 4. Insufficient gains in educational attainment. Hispanic progress in educational attainment has been slow and uneven, relative to the non-Hispanic population. In particular, while the number of Latino high school and college graduates has increased over the past decade, especially among young adult Hispanics, the proportion of the total Hispanic population that has graduated from either high school or college is far short of national averages.
 - In 1995, 49.0% of Hispanic four-year-old-children were enrolled in preprimary education programs, compared to 68.2% of Black, and 60.8% of White four-yearold-children.
 - The number of Latinos 25 and over who graduated from high school increased 25.6% between 1990 and 1996.
 - About three in five (59.9%) Hispanics in the 18-34 age bracket had graduated from high school in 1996, compared to four in five Whites (83.6%) and Blacks (79.0%).

- Although the number of Latino college graduates had grown by 21.5% since 1990, by 1996 only 9.3% of Latinos had graduated from college; by contrast, 24.3% of Whites and 13.6% of Blacks had completed college that year.
- 5. Strong labor force attachment and increasing influence of women workers. One of the most positive factors in the economic status of Latinos is their consistently high propensity to be working or looking for work. In fact, Hispanic men continue to have the highest labor force participation rates of any group of male workers in the U.S. - a proportion which has remained consistently high since the 1980s. As a result, Latinos constitute a large proportion of today's labor market and are especially likely to be hired for a new job; projections suggest they will be an increasingly significant segment of the future U.S. work force. In addition, although Hispanic women are less likely than other women to be in the paid labor force, they have increased their participation among workers, and have outpaced Hispanic men in certain high-paying occupations.
 - Currently, 80.1% of Hispanic men 16 years of age and over are in the labor force, compared to 75.8% of White men and 68.3% of Black men.
 - Two out of every five workers hired for new jobs in 1996 were Latino.
 - Latinos comprised over 10% of America's workforce in 1997 and are expected to constitute a larger share by 2005. In states like California and New York, Hispanics were 26.8% and 11.7%

of the labor force in 1996, respectively.





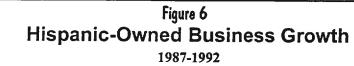
- The proportion of Hispanic women workers who hold managerial/professional jobs increased from 15% to 18% between 1990 and 1996, which is larger than the share of Latino men in these types of occupations. Overall, Latinas have been increasingly likely to join the paid labor force since 1990.
- 6. Increase in Hispanicowned businesses and overall economic power. There have been notable signs of Latino growth and economic power, especially since the beginning of this decade.
 - The number of Hispanic-owned businesses in the country increased 76% between 1987 and 1992, and the receipts generated by these businesses grew 134% more over this time.
 - Hispanic purchasing power stood at \$350 billion in 1997, a 66% rise from 1990.
 - From 1980 to 1990, the number of Latino middle-class families grew by 23% to reach 190,089 families in California, where over one-third of Latinos reside.
- Overall deterioration in economic well-being and an increase in poverty among married couples and children. Despite the economic mo-

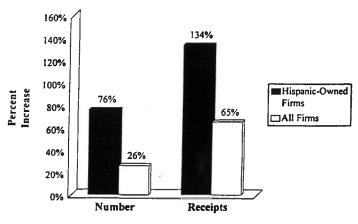
Figure 5

Hispanic Employment and Earnings
by Type of Occupation
1996

	Men		Women	
Type of Occupation Managerial/Professional	Percent Employed 12.1%	Median Weekly Earnings	Percent Employed	Median Weekly Earnings
Technical/Sales/Admin. support Service	15.3%	\$678 \$428	17.4% 38.4%	\$539 \$348
Precision production/Craft/Repair	17.0% 19.4%	\$288 \$409	25.0% 2.9%	\$254 \$322
Operators/Fabricators/Laborers Farming/Forestry/Fishing	27.7% 8.5%	\$316 \$264	14.3% 1.9%	\$251 \$213

Source: U.S. Bureau of Labor Statistics.



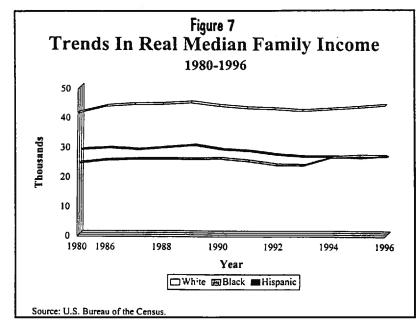


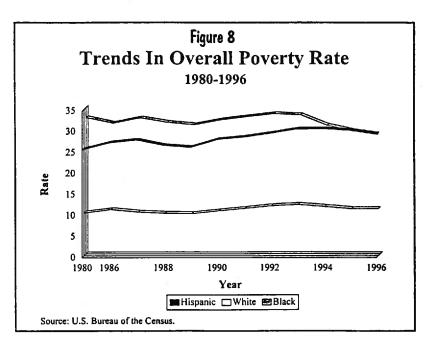
Source: U.S. Bureau of the Census.

bility of an important segment of the Latino community, and the nation's unprecedented recent economic expansion, a significant share of Hispanics has not reaped the benefits

of its labor - even when its members work and live in two-parent households.

- * Hispanic median family income was \$26,179 in 1996, compared to \$44,756 for White families and \$26.522 for Black families. After accounting for inflation, meincome levels declined dian by 6.9% for Hispanic families from 1990 to 1996, and rose by 1.0% for White and by 3.1% for Black families.
- In 1996, Latinos became the poorest group of Americans in the nation; more than one-quarter of both Hispanic and Black families lived in poverty that year (26.4% and 26.1%, respectively), while the poverty rate for White families was 8.6%. At the start of the decade, 25.0% of Hispanic families were poor, compared to 29.3% of Black families and 8.1% of White families.
- Poverty among working Hispanic families has persisted, despite the high labor force participation rate of Latino men and the increased efforts of Hispanic women; one-fifth (20.9%) of Hispanic families with at least one worker were poor in 1996, an increase over 18.2% in 1990. In comparison 17.7% of comparable Black families and 6.6% of comparable White families were poor in 1996.

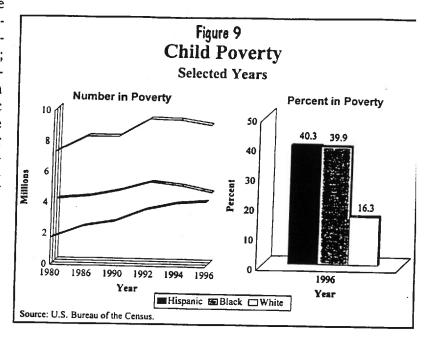


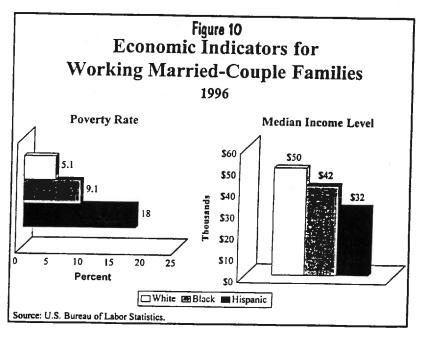


❖ In 1996, two in five (40.3%) Hispanic children were poor, compared to 39.9% of Black children and 16.3% of White children. This poverty rate represents a 47.9%

increase in the number of Hispanic poor children since 1990; over this time period, 1.4 million more Hispanic children became poor. Among Latino subgroups. almost half of Puerto Rican children (49.9%) lived below the poverty level in 1996.

In 1996 nearly one-third (29.4%) of Hispanic children living in married-couple families (those presumably able to fare better in the economy) were poor, compared to one in ten White children (9.2%), and more than one in eight (13.9%) Black children in such families.





III. Implications

Analysis of these data and trends suggests several implications, for the nation, for Hispanic socioeconomic status, and for economic equity overall. These include:

- ♠ Increasingly significant Latino share of students and workers, both nationally and within key states. Based on population growth to date and Census Bureau projections for the beginning of the next century, the nation's social and economic future is directly tied to the outcomes of Latino students and workers. Hispanic children and youth are already a sizable portion of the student population, especially in states like California and New York. Therefore, the public school system's responsibility to these students is an extension of its obligation to these states and their residents, especially since the nation will be dependent on these young people to keep it prosperous over the next century. Similarly, because Hispanic workers are actively engaged in all levels of the workforce and in all sectors of the economy, and because they are a young population who have their prime working years ahead of them, their continued productivity is critical for the nation's growth and stability.
- Potential for persistently serious poverty, given changes in family structure, high, unmarried teenage birth rates, and low education levels. Latinos have the highest poverty rate of all Americans, despite their work ethic and tendency to reside in family households, and a number of factors threaten to deepen Latino poverty further. Although Latino poverty is high among two-parent households, following national trends in family formation, one-quarter of Hispanic families are now headed by women alone. In part because Latinas, as a group, have low education levels, limited work experience, and earn less than their male counterparts, these families are most prone to poverty. Furthermore, the implementation of welfare reform without sufficient job training and the scarcity of high-quality, affordable child care options suggest that the economic prospects of many of these women are discouraging. In addition, an increasingly important determinant of Hispanic poverty - especially Latino child poverty - is the trend toward unmarried teenage births. Teenage pregnancy has been a problem of growing importance in the Latino community because of its implications for economic status. Even though teenage Latinas are more likely than other young women to marry, children born to young parents have a high probability of living in poverty since young women are especially likely not to complete high school. Because of low skills, lack of work experience, and limited job opportunities, both they and young fathers are likely to be financially (as well as emotionally) unprepared to be parents. In this sense, increased education levels are critical to increased Hispanic economic mobility; in fact, education has been shown to be the most important indicator of Latino economic prospects. A 1993 NCLR analysis suggests that if Hispanic educational levels were equal to those of Whites, Hispanic poverty would be reduced by 30%, yet relative to the youthfulness of the population and its growth, Hispanic educational attainment levels are severely lagging.
- ◆ Increasing polarization between higher- and lower-income Latino earners and a declining share of Hispanic middle-income earners. While it is true that a larger proportion of the Latino community is poor now than in 1990, a significant share of

Latinos has enjoyed some measure of economic success. This paradox reflects both the stagnation of wages among low-income Hispanic workers, and growing prosperity for upper-income Hispanics. Although there is insufficient research concerning many aspects of this gap, anecdotal evidence suggests that economic polarization within the Latino community has resulted in an increasing "disconnect" between poor Latinos and those who have moved into middle- and upper-income brackets.

A widening gap between the White concentration in the upper-income groups and a disproportionate Latino concentration in lower-income groups. Based on the economic profile of Latinos, their concentration in low-wage, low-growth jobs; their poor earnings; and their high poverty, there are serious concerns regarding both stagnating and eroding wages (and earnings), particularly in relation to the circumstances of White workers, who are overrepresented in high-wage jobs and high-growth industries. In fact, these gaps – and the resulting unequal income distribution trends – will probably increase without major policy interventions. Moreover, this phenomenon has been magnified in the context of the nation's economic prosperity because Whites disproportionately are benefiting from the surging stock market and lower tax rates on capital gains, while Latinos, as a group, tend not to invest in stocks.

IV. Continuing Challenges

Based on data trends and several recent policy developments, there are many continuing challenges to improving the sociodemographic profile of Latinos; specifically:

- ♦ Barriers to increased educational attainment, especially at the higher education level. Recent college acceptance data which show dismal outcomes for Latino applicants following the prohibition of affirmative action at California and Texas public institutions of higher education suggest a possible trend that poses a new challenge to increasing the proportion of Latino college graduates. Furthermore, the potential spread of such policies, coupled with attacks on bilingual education, threaten to reverse the modest gains in Hispanic educational attainment made since 1990.
- ◆ Continued occupational segmentation. In part because of skill level and employment discrimination, Latinos continue to be overrepresented in low-wage jobs that offer little chance of economic mobility. The proportion of Hispanic workers in professional and managerial occupations, as well as in those jobs that hold the most promise for growth, must increase in order for Latino earnings, income, and economic prospects to improve.
- ▶ Limited experience with traditional mechanisms used for the generation of wealth and accumulation of assets. The increase over the past decade in the number of Hispanic-owned businesses is an important step toward increasing wealth and financial assets in the Latino community. Yet, other routes to economic prosperity must also be tapped; for example, Latinos are more likely to rent, and less likely to own homes, than Whites, a concern given that homeownership is one of the principal ways that Americans acquire wealth. Similarly, participation in the stock market, as well as in pension plans

- and other retirement investments, will be essential for Latinos to actualize their economic potential.
- Persistent ethnic/racial employment and housing discrimination. An increasing body of research has highlighted the significance - and persistence - of discrimination against Latinos and African Americans in the labor and housing markets. In particular, "paired testing" studies demonstrate that Hispanic job applicants encounter discrimination in more than 20% of their encounters with employers, while Latino homeseekers encounter discrimination in about 50% of their encounters with real estate agents, landlords, and lending institutions. Overall, these studies demonstrate that the incidence of discrimination against Hispanics in the labor and housing markets studied is of the same order of magnitude as that experienced by African Americans. A 1993 NCLR analysis showed that eliminating the portion of the Hispanic-Anglo wage gap attributable to discrimination would reduce Hispanic poverty by about 20%. Similarly, elimination of housing quality and cost differences attributable to discrimination, according to the same analysis, would provide sufficient disposable income to move nearly 20% of poor Latino families above the poverty rate. Increases in Hispanic homeownership rates would, in addition, promote concomitant increases in the accumulation of wealth and assets in the Latino community.
- The tendency to use immigration to rationalize low Latino socioeconomic status. Although over two-thirds of Hispanics (62.1% were native-born and 6.9% were naturalized citizens) were U.S. citizens in 1996, and four in five Latino children are native-born (84.3%), there has been a growing tendency by policy-makers and the public to attribute the social and economic outcomes of Hispanics to the relatively lower socioeconomic status of Latino immigrants. However, even when effects of immigration are held constant, there continue to be gaps in both education and poverty levels between U.S.-born Mexicans (the largest Latino subgroup) and Whites. Specifically:
 - Only slightly more than half of native-born Hispanics 25 years and older (55.9%) have attained a high school education level, while the same is true for only one-third (33.7%) of comparable foreign-born Hispanics.
 - Higher education data show that little more than one in nine native-born Hispanics (11.5%) have college diplomas, compared to fewer than one in fourteen (7.4%) foreign-born Hispanics 25 or older.
 - While education does tend to be higher among U.S.-born Latinos, third-generation Mexican Americans have not attained educational levels comparable to those of non-Hispanic White natives. Moreover, when the Mexican population is disaggregated by birth cohort, data show that both male and female third-generation Mexican Americans have *lower* education levels than those in the second generation; in other words, educational attainment is actually decreasing in those generations.
 - With respect to poverty, the latest available data from the 1990 Census suggest that U.S-born Mexicans have only a slightly lower poverty rate than their foreign-born counterparts (24.0% and 28.6%, respectively), while both foreign and native-born

Cubans have a remarkably similar rate (14.5% and 14.3%, respectively). Compared to native-born Whites, who in 1990 had a poverty rate of 8.0%, U.S.-born Mexicans are three times more likely to be poor. Therefore, even when foreign-born Mexicans are "removed" from the data to allow for native-born-to-native-born comparisons, a significant difference is still apparent between U.S-born Mexican and White poverty rates.

Moreover, it can be argued persuasively that in many respects the presence of immigrants in the Latino community, with their strong work ethic, family unity, and espousal of core American values, strengthen Latino families overall. For example:

- A 1991 Children's Defense Fund report on child poverty noted that "male Latino immigrants are more likely to be working or seeking work than male Latinos born in the U.S.," suggesting that some portion of the historically high Hispanic labor force participation rate is attributable to the presence of immigrants.
- Data on homeownership a key indicator of economic stability show that more than half (57.1%) of Hispanic foreign-born householders were homeowners in 1996, a proportion that approaches the national homeownership rate of 65.4%. By comparison, 48.1% of native-born Hispanics are homeowners.

The continued high growth of the Hispanic population will remain an important factor in the overall demographic picture of the nation. In this regard, the gains made by Hispanics in recent years in educational attainment, labor force participation, and business ownership, relative to their economic standing in the 1980s, bode well for the economic future of the nation. Yet, relative to their White and Black counterparts, high school and college graduation rates, family income, and homeownership rates are disproportionately low, while poverty rates and the number of Hispanics without health insurance are disproportionately high. As the U.S. approaches a new century, attention to these critical areas is urgently needed in order for Hispanics to succeed as students, workers, business people, and leaders.

A Snapshot of Puerto Rico

Data for the U.S. Hispanic population presented above do not include the island of Puerto Rico. Below is a brief summary of key social and economic indicators for Puerto Rico island residents. Unlike in the mainland U.S., where socioeconomic data on Hispanics are updated annually through the Current Population Survey, such data on Puerto Rico are available only through the decennial Census; therefore, with the exception of the population data, which are revised yearly, the following data are from the 1990 Census.

Selected Social and Economic Characteristics

- ◆ Population. In 1996, the population of Puerto Rico was 3,783,000, an increase of 7.4% since 1990.
- ♦ Educational Attainment. In 1990, half of island Puerto Ricans 25 years old and over (50%) had high school diplomas, a rate which is slightly lower than that of Hispanics in the U.S. (53%) and of mainland Puerto Ricans (60%). By contrast, Puerto Rico had a higher proportion of college graduates (14%) relative to Latinos or Puerto Ricans on the mainland (9% and 11%, respectively).
- ◆ Labor Force Status. About three in five Puerto Rican men on the island were working or looking for work in 1990 (58%), a proportion significantly lower than that of Latino or Puerto Rican men on the U.S. mainland (81% and 72%, respectively). Fewer than two in five Puerto Rican women on the island were in the paid labor force in 1990 (37%), compared to half of Puerto Rican women (50%) and slightly more than half of Latina women (53%) on the mainland.
- ◆ Unemployment. In 1990, one in five workers was unemployed (20%); the most recent data show that the unemployment rate is roughly 14%, up from 12% in 1996.
- ◆ Income. The median household income in 1990 was \$8,895, significantly lower than that of mainland Latinos (\$22,860) or of mainland Puerto Ricans (\$21,056).
- Poverty. Poverty is more severe in Puerto Rico than among Latinos on the mainland U.S. In 1990, almost three in five persons in Puerto Rico were poor (57%), compared to only somewhat more than one in four U.S. Hispanics (28.1%). Comparatively, almost two in five (39%) Puerto Ricans on the mainland were poor. Puerto Rican children, both in Puerto Rico and on the U.S. mainland, were especially affected by poverty; two in three (67%) were poor in Puerto Rico, while more than half (53%) lived below the poverty level in the U.S. Two in five (40%) Hispanic children on the mainland are poor.

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