








Latino\* Pennsylvanians represent the fastest-growing minority group in the Keystone State.† Between 2010 and 2015, the Hispanic population in Pennsylvania grew by 20%, (by contrast, the non-Hispanic population in Pennsylvania remained the same). During this period, the Hispanic population in the state increased at nearly twice the growth rate of Latinos nationwide (12%).<sup>1</sup> The high growth of Hispanics in Pennsylvania is due, in part, to immigration trends and Puerto Rican newcomers settling in the state.<sup>2</sup>

At a time when Pennsylvania’s economy continues to see slow gains in recovery from the Great Recession, the economic status of the growing Hispanic population is increasingly important. The Hispanic community’s youth, work ethic, and industrious spirit contribute to and strengthen the state’s economy. However, a growing number of Latino families in Pennsylvania face a mixed picture of progress, setbacks, and stalled growth.

Examining Latino outcomes across a range of indicators in Pennsylvania can help other states prepare for similar demographic trends and ensure that more individuals, including Latinos, have greater opportunity to become economically secure. NCLR is proud of its presence and impact in Pennsylvania, and is committed to advocating for policies that not only allow Latinos to contribute to the economy, but also share in the Keystone State’s economic opportunities.

**PENNSYLVANIA HISPANIC SNAPSHOT**

	<b>Latinos in Pennsylvania</b>	<b>All of Pennsylvania</b>
 Population <sup>3</sup>	<b>837,487</b>	<b>12,787,209</b>
 Labor Force Participation Rate <sup>4</sup>	<b>55%</b>	<b>59%</b>
 Unemployment Rate <sup>5</sup>	<b>10%</b>	<b>6%</b>
 Median Household Income <sup>6</sup>	<b>\$34,491</b>	<b>\$53,115</b>
 Poverty Rate <sup>7</sup>	<b>32%</b>	<b>14%</b>
 Renters Facing High Rental Costs <sup>8</sup>	<b>63%</b>	<b>51%</b>
 Eligible Voters <sup>9</sup>	<b>440,000</b>	<b>9,746,000</b>

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

† This report was authored by Renato Rocha, Policy Analyst, Wealth-Building Initiative, Economic Policy Project at the National Council of La Raza. Samantha Vargas Poppe, Associate Director of the Policy Analysis Center at NCLR’s Office of Research, Advocacy, and Legislation, provided substantive editorial insight.

## TRENDS THAT ENCOURAGE ECONOMIC SECURITY

- **Increase in Latino-Owned Businesses:** The number of Latino-owned businesses in Pennsylvania increased from 22,777 to 34,808 between 2007 and 2012. This amounts to more than a 50% increase for Latino-owned businesses, despite a 1% decrease in the overall number of self-owned businesses in Pennsylvania during that same time period.<sup>10</sup>
- **More Latinos Are Entering the Financial Mainstream:** The number of unbanked\* Latino households in Pennsylvania decreased by 14 percentage points from 29% to 15% between 2011 and 2013. However, as Latino households become increasingly banked, Hispanics are still not fully incorporated into the financial mainstream. During this same time period, the number of underbanked† Hispanic households nearly doubled (a 93% increase), compared to only a 20% increase in underbanked White households.<sup>11</sup>
- **Latino Children’s Health Coverage Remains Above Average:** Between 2013 and 2014, there was no statistical increase in the proportion of uninsured Latino children. Pennsylvania’s rate of uninsured Hispanic children remained approximately two percentage points lower than the national average of 10%. Children’s health coverage is critical for the financial well-being of families as insurance helps parents weather unexpected health care costs.<sup>12</sup>
- **Latino Access to Employer-Sponsored Retirement Plans Is Higher than Average:** In 2015, slightly more than half of Latinos (54%) in Pennsylvania had access to retirement funds. This rate is significantly higher than the national retirement plan access rate (38%) for Hispanics. Access alone, however, does not provide Hispanics with long-term financial support. Only 42% of Latinos with access to a retirement plan participate, compared to 56% of the state as a whole.<sup>13</sup>

## TRENDS THAT OBSTRUCT ECONOMIC SECURITY

- **Hispanics Face Lagging Employment Prospects:** Latinos in Pennsylvania have one of the highest unemployment rates of any racial or ethnic group. One in 10 (10%) Latinos is unemployed, nearly double the unemployment rate (6%) of the overall population. In terms of labor force participation, Hispanic women have the lowest employment-to-population ratio (48%) among all other men and women in the state.<sup>14</sup>
- **Latinos Have Lower Household Income:** In 2014, the median income for Latino households in Pennsylvania was \$34,491, compared to \$53,115 for the state overall and \$56,327 for White households.<sup>15</sup> Additionally, 32% of Latino households had incomes below the federal poverty line, compared to only 10% of White households in Pennsylvania.<sup>16</sup> Contributing to Latino poverty in Pennsylvania is the state’s minimum wage of \$7.25, which equals the federal wage floor and is not indexed for inflation. Pennsylvania’s low minimum wage does not cover agricultural, domestic, or tipped workers—industries with high concentrations of Latino workers.<sup>17</sup>
- **Many Latinos Use Alternative Financial Services:** From 2011 to 2013, there was no considerable reduction in the proportion of Hispanic households that use alternative financial services (AFS).‡ In 2013, slightly more than half of Latino households (56%) continued to use AFS. This rate is markedly higher than the AFS usage rate of White households (37%) in Pennsylvania.<sup>18</sup>

---

\* The FDIC defines households without a checking or savings account as unbanked.

† The FDIC defines households that have checking or savings accounts, but rely on alternative financial services, as underbanked.

‡ The following are examples of alternative financial services: nonbank money orders, nonbank check-cashing services, nonbank remittances, payday loans, rent-to-own services, pawn shop loans, refund anticipation loans, and auto title loans.

- **Fewer Latinos Own a Home:** In 2014, Pennsylvania ranked 39th in the country in terms of rate of Hispanic homeownership.<sup>19</sup> Only 42% of Hispanics in Pennsylvania own a home, 32 percentage points lower than the White homeownership rate of 74%.<sup>20</sup> Additionally, given that the share of Hispanics facing high rental costs is 12 percentage points higher than the overall state population, Hispanic households are at greater risk of instability and homelessness.<sup>21</sup>
- **Hispanics Least Likely to Have a College Degree:** Fewer than 15% of Latinos ages 25 or older in Pennsylvania have a bachelor's degree or higher, representing the group with the lowest percentage of college degree recipients among all other racial and ethnic groups in the state. Asians and Whites lead college degree attainment in Pennsylvania at 53% and 31%, respectively.<sup>22</sup>

## WHAT REGISTERED VOTERS IN PENNSYLVANIA ARE SAYING

- The top three issues to Hispanic voters are: fixing the economy (47%), immigration reform (29%), and anti-Latino discrimination (20%).
- Fewer than half (41%) of Latino voters say that the economy is moving in a better or much better direction. One out of two Hispanics is worried that they or someone in their household might become unemployed in the next year.
- Nearly one-third (30%) of Hispanic voters report that their finances worsened during the last year, and more than half (62%) of registered Latino voters in the state reported trouble paying their bills at least once during this time.
- A vast majority (95%) of Hispanic voters in Pennsylvania believe that hard work should be rewarded, and that tax credits are a key to helping working families (93%).<sup>23</sup>

## CONCLUSION

It is clear that the hard work of Latinos in Pennsylvania has resulted in some improvements. The number of Latino-owned businesses has been on the rise, and the proportion of unbanked Hispanic households has decreased. Additionally, Latinos have performed better than national trends on children's health coverage, and access to employer-sponsored retirement plans. Despite these advances, it is evident that hard work alone is not enough.

Across the country, the Latino community continues to drive growth, and contribute to the country's prosperity. As a result, it is critical that national, state, and community leaders create and advance solutions that reward hard work and begin to reverse course on growing wealth inequality.

Our leaders have a tremendous opportunity to build on recent socioeconomic gains to lead the country toward greater equity. They can do this by supporting policies that:

- Expand access to refundable tax credits.
- Restore the value of the minimum wage.
- Increase access to safe financial products.
- Preserve homeownership and keep rents affordable.
- Enhance access to and participation of workplace-based retirement plans.
- Result in more students ready to succeed in college and career.

Investing in an agenda that promotes equitable treatment makes sound political and economic sense. Improving economic security for Latinos is essential not only for the well-being of the Hispanic community, but for the future of our country. A stronger Latino community means a stronger America.

# ENDNOTES

Unless otherwise noted, all electronic sources were accessed August 2016.

- 1 U.S. Census Bureau, American Fact Finder “Annual Estimates of the Resident Population by Sex, Age, Race, and Hispanic Origin for the United States and States: April 1, 2010 to July 1, 2015” Table PEPASR6H.
- 2 Migration Policy Institute, “Pennsylvania: Demographics and Social” (Washington, DC: Migration Policy Institute 2016), <http://www.migrationpolicy.org/data/state-profiles/state/demographics/PA>; and Pew Charitable Trusts, *Puerto Rican Newcomers Seek Work, Family on the Mainland* (Washington, DC: Pew Charitable Trusts 2016), <http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2015/09/01/puerto-rican-newcomers-seek-work-family-on-the-mainland>.
- 3 NCLR, “Latino Population Statistics: Pennsylvania” (Washington, DC: NCLR 2016), <http://publications.nclr.org/bitstream/handle/123456789/1506/PA.pdf?sequence=41&isAllowed=y>.
- 4 Bureau of Labor Statistics, “States: employment status of the civilian non-institutional population, by gender, race, Hispanic or Latino ethnicity, and marital status, 2014 annual averages,” <http://www.bls.gov/lau/table14full14.pdf>.
- 5 Ibid.
- 6 U.S. Census Bureau, American Fact Finder “Median Household Income in the Past 12 Months (In 2014 Inflation-Adjusted Dollars), 2014” Table B19013; and “Median Household Income in the Past 12 Months (In 2014 Inflation-Adjusted Dollars) (Hispanic or Latino Householder), 2014” Table B19013I.
- 7 Talk Poverty, “Pennsylvania 2015” (Washington, DC: Center for American Progress 2016), <https://talkpoverty.org/state-year-report/pennsylvania-2015-report/>.
- 8 CFED, “Assets and Opportunity Scorecard: Pennsylvania” (Washington, DC: CFED 2016), <http://scorecard.assetsandopportunity.org/latest/state/pa>.
- 9 Pew Research Center, Hispanic Trends, “Latinos in the 2016 Election: Pennsylvania,” (Washington, DC: Pew Research Center, 2016), <http://www.pewhispanic.org/fact-sheets/2016-state-election-fact-sheets/latinos-in-the-2016-election-pennsylvania/>.
- 10 U.S. Census Bureau, American Fact Finder “Statistics for All U.S. Firms by Industry, Gender, Ethnicity, and Race for the U.S., States, Metro Areas, Counties, and Places: 2007” Table SB0700CSA01; and “Statistics for All U.S. Firms by Industry, Gender, Ethnicity, and Race for the U.S., States, Metro Areas, Counties, and Places: 2012” Table SB1200CSA01.
- 11 FDIC, “Custom Data Table Tool”, <https://www.economicinclusion.gov/custom-data/index.html>.
- 12 Sonya Schwartz, Alissa Chester, Steven Lopez, Samantha Vargas Poppe, “Historic Gains in Health Care Act’s First Year” (Washington, DC: Georgetown Center for Children and Families and NCLR 2016), <http://ccf.georgetown.edu/wp-content/uploads/2016/01/CCF-NCLR-Uninsured-Hispanic-Kids-Report-Final-Jan-14-2016.pdf>.
- 13 Pew Charitable Trusts, “Data Visualization: Employer-based Retirement Plan Access and Participation Across the 50 States” (Washington, DC: Pew Charitable Trusts 2016), <http://www.pewtrusts.org/en/multimedia/data-visualizations/2016/employer-based-retirement-plan-access-and-participation-across-the-50-states>.
- 14 Bureau of Labor Statistics, “States: employment status of the civilian non-institutional population, by gender, race, Hispanic or Latino ethnicity, and marital status, 2014 annual averages,” <http://www.bls.gov/lau/table14full14.pdf>.
- 15 U.S. Census Bureau, American Fact Finder “Median Household Income in the Past 12 Months (In 2014 Inflation-Adjusted Dollars), 2014” Table B19013; “Median Household Income in the Past 12 Months (In 2014 Inflation-Adjusted Dollars) (Hispanic or Latino Householder), 2014” Table B19013I; and “Median Household Income in the Past 12 Months (In 2014 Inflation-Adjusted Dollars) (White Alone Householder), 2014” Table B19013A.
- 16 CFED, “Income Poverty Rate” (Washington, DC: CFED 2016), <http://scorecard.assetsandopportunity.org/latest/measure/income-poverty-rate>.
- 17 CFED, “Minimum Wage” (Washington, DC: CFED 2016), <http://scorecard.assetsandopportunity.org/latest/measure/minimum-wage>.
- 18 FDIC, “Custom Data Table Tool” (accessed August 10, 2016), <https://www.economicinclusion.gov/custom-data/index.html>.
- 19 CFED, “Homeownership by Race” (Washington, DC: CFED 2016), <http://scorecard.assetsandopportunity.org/latest/measure/homeownership-by-race>.
- 20 Pew Research Center, Hispanic Trends, “Demographic Profile of Hispanics in Pennsylvania, 2011” (Washington, DC: Pew Research Center, 2016), <http://www.pewhispanic.org/states/state/pa/>.
- 21 Joint Center for Housing Studies at Harvard, “The State of the Nation’s Housing 2016” (Cambridge, MA: Joint Center for Housing Studies at Harvard 2016), [http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs\\_2016\\_state\\_of\\_the\\_nations\\_housing\\_lowres.pdf](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs_2016_state_of_the_nations_housing_lowres.pdf).
- 22 CFED, “Four-Year Degree by Race” (Washington, DC: CFED 2016), <http://scorecard.assetsandopportunity.org/latest/measure/four-year-degree-by-race>.
- 23 NCLR and Latino Decisions, “Economic Policy and Tax Attitudes Survey – Pennsylvania” (Washington, DC: NCLR 2016).