

# 5 Ways Employers Can Attract and Retain Latino Millennials

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## Key Findings and Recommendations for Employers

**Young Latinos have high career ambitions and value professional growth.**

*Create opportunities for growth and advancement within companies and organizations in order to retain young Latino talent.*

**The sacrifices of previous generations shape Latino millennials' outlook on work.**

*To engage and retain young, hardworking, motivated Hispanics, make the workplace one that recognizes the value of Latino's unique perspective.*

**Family and career fulfillment outranks higher salaries for many Latino millennials.**

*Create more flexible work policies that contribute to a greater work-life balance for employees.*

**Hispanic millennials graduating from college still face steep hurdles to employment and financial security.**

*Help young Latinos navigate the employment pipeline through paid work experiences for high school and college students.*

**Young Latinos express anxiety about saving for retirement.**

*Better advertise and explain benefits packages to young employees and provide one-on-one benefits counseling and enrollment assistance.*

## Introduction

Millennials—individuals between the ages of 16 and 34—make up the largest generation in the United States, representing nearly one-third of the total U.S. population.<sup>1</sup> Latinos are the fastest-growing subset of millennials. Nearly one in four millennials is Latino.<sup>2</sup> Between 1980 and 2012, the population of Latino millennials age 15–34 tripled in size, and nearly 900,000 Latino citizen children will turn 18 each year between 2011 and 2028.<sup>3</sup>

Given their rapid growth, young Latinos are essential to meeting the future demands of the American labor market. Employers recognize the importance of attracting young Latino talent, but many report difficulty recruiting, hiring, and retaining Latino candidates. Most recently, Silicon Valley has made headlines for its “diversity problem.” Companies such as Google and Apple have expressed the need to diversify, yet they continue to employ few women and even fewer racial and ethnic minorities, including Latinos and Blacks.<sup>4</sup> This disconnect has contributed to relatively high rates of unemployment and underemployment of Latino millennials,<sup>5</sup> despite their improving educational outcomes.<sup>†</sup> The unemployment rate for Latino millennials age 16–24 (16.5%) is greater than the rates for their White and Asian peers (12.2% and 10.9%, respectively).<sup>6</sup>

Gaps in employment have negative repercussions for millennials’ future earning potential and for the U.S. economy as a whole.<sup>7</sup> For millennials age 20–24, a lack of work experience, periods of unemployment, and a weak labor market can translate into \$22,000 in lost earnings over a lifetime. The effects of entering the labor market in a recession can result in lower pay for at least 15 years after starting a career.<sup>8</sup> Millennial unemployment also affects the overall economy; one estimate calculates a total of \$9 billion in lost tax revenue and benefits due to millennial unemployment.<sup>9</sup>

To better understand and improve the Latino millennial employment outlook, the National Council of La Raza (NCLR) has built on its previous research in this area by speaking directly with Latino millennials and employers. This brief examines Latino millennials’ perceptions of career success, their employment prospects, differences between older and younger Latinos in the workforce, and the characteristics of desirable workplaces. It also includes the employer perspective on how millennials contribute to the workplace and effective strategies for recruiting and retaining Hispanic millennials. Based on this research, NCLR offers broad recommendations for employers on how to better recruit and retain young Latino talent.

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\* 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.

† The high school dropout rate for Latinos has continued a downward trajectory over the last several years, while college enrollment has increased substantially. According to a White House report, between 2008 and 2012 the number of Hispanic students enrolled in college increased by 45%. However, issues with Hispanic college retention and graduation persist. The harmful effects of not completing college coupled with the Great Recession still affect earnings and employment prospects for many Hispanic millennials.

## Findings and Recommendations for Employers

**Finding:** Latino millennials have high career ambitions and value professional growth.

NCLR's focus groups revealed that young Latinos are ambitious and deeply invested in achieving the American Dream through hard work and dedication.\* Hispanic millennials are hungry for career opportunities that will allow them to gain experience and grow professionally. In a July 2014 poll of 500 Latinos' views on the economy, nearly two in three (65%) respondents expressed concern about a lack of career advancement opportunities in the U.S.<sup>10</sup> As one respondent explained:

*"Younger people are more career-oriented than before. We are more aggressive. We set our own professional goals. That is why we don't want to be complacent and stay at the same job—we always want more."*

Millennials are often stereotyped as having little attachment or allegiance to employers.<sup>11</sup> However, focus group participants reported that their loyalty is a two-way street. Young employees are interested in establishing careers with employers that offer tangible opportunities for growth and advancement:

*"I could see myself staying at the same place for 40 years, but again, there has to be opportunity for growth at that place. If not, then I gotta do what I gotta do."*

**Recommendation:** Create opportunities for growth and advancement within companies and organizations in order to retain young Latino talent.

Given the value of career advancement to Latino millennials, employers would do well to make transparent the pathways and requirements to advance in their companies and industries. Employer-provided training and learning opportunities are also a key strategy to maximize millennial employee retention.

Some employers interviewed by NCLR understand that opportunities for advancement are influenced by who holds decision-making power in a company. Unconscious biases can affect an employee's chances of success before he or she is even hired.<sup>12</sup> A more recent analysis of hiring trends finds that the race and ethnicity of a hiring manager is a strong determinant of the racial and ethnic backgrounds of those who are hired.<sup>13</sup> Investing in training and tools to minimize unconscious hiring bias is an important step employers can take to diversify their hiring and retention.†

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\* The data informing this brief are primarily drawn from focus groups with Hispanic millennials and personal interviews with human resources staff from U.S. employers. Focus groups were conducted in December 2014 by Hart Research Associates in Miami and Orlando with cohorts of eight to 10 Latino millennial women and men with various educational and career backgrounds. These two cities were among the 10 large metropolitan areas with the lowest employment rates for 21- to 30-year-olds in 2010, one year after the official end of the recession. Since then, millennials in these cities have continued to face challenging employment prospects. This brief also uses NCLR survey and poll data: in July 2014 Latino Decisions on behalf of NCLR conducted a poll of 500 Latino voters' views on the economy, and in August 2014 NCLR conducted a two-question survey of about 250 Latinos age 16–30 through its mobile network. The survey and poll samples are not statistically representative. For more information, see Anthony P. Carnevale, Andrew R. Hanson, and Artem Gulish, *Failure to Launch: Structural Shift and the New Lost Generation* (Washington, DC: The Georgetown Center for Education and the Workforce, 2013).

† Several large companies, such as the Royal Bank of Canada, have recently taken steps to educate and train thousands of employees on identifying and eliminating bias. See Elizabeth Olson, "How Corporate America Is Tackling Unconscious Bias," *Fortune*, January 15, 2015, <http://fortune.com/2015/01/15/how-corporate-america-is-tackling-unconscious-bias> (accessed June 2015).

**Finding:** The sacrifices of previous generations shape Latino millennials' outlook on work.

Young Hispanics are ambitious yet realistic about what it takes to achieve their career goals. Willingness to work hard and be adaptable is a key asset that they bring to the workplace. Focus group participants were grounded by the experiences of their parents and grandparents, many of whom had limited English proficiency and educational attainment. One Latina expressed her gratitude for her parents even as she identified having distinct, more career-oriented goals:

*"I actually see their life as a lesson. They decided to go with the family first, have the kids first, and then they started working on their careers too late in the game. And then you have three children sleeping in the same bed or the same bedroom. I don't want to go through that with my own kids. I want to make sure that I am stable so that my kids are happy so that I can give them a better future. So that is why I am trying to get myself settled first."*

An older generation of Hispanics has shaped Hispanic millennials' views on the importance of perseverance, teaching them that success is not handed over, but hard-won. Speaking to the challenges of finding employment after completing a bachelor's degree, one Latino participant explained the importance of persistence and adaptability:

*"Maybe your expectations are different when you go to college. You think, 'Okay, I'll graduate and I'll get an awesome job and I'll do really, really well,' but that is not the way the cookie crumbles. You often find after college that you have to go through a couple of jobs until you find something that gives you financial stability, and then you grow with that company little by little. You don't get that financial stability right away. It is something that you have to work and work for."*

Young Hispanics are embracing their cultural roots as they strive for successful careers in the post-recession economy.

**Recommendation:** To engage and retain young, hardworking, motivated Hispanics, make the workplace one that values Latinos' unique perspective.

By providing young Latino employees with mentors and Latinos in visible leadership positions, employers can better attract and retain this growing, competent, and optimistic group of young Americans. For example, Hispanics in management positions encourage younger Hispanic employees to see themselves as potential leaders.

Latino millennials possess a range of unique hard skills that should be similarly valued. Compensating employees for their bilingualism, if relevant, is one arrangement that increases productivity and benefits both parties. Recognizing and rewarding the added value that Hispanics bring to the workplace is useful for attracting and retaining employees.

**Finding:** Family and career fulfillment outrank higher salaries for many Latino millennials.

NCLR's focus groups revealed that young Hispanics prioritize meaningful work and spending quality time with family members. Work-life balance deeply resonated with respondents, who saw a tradeoff in career success at the cost of family happiness. One young Latina explained her equation for happiness in terms of career and family stability:

*"I want to be happy, and I think if family and finances are where you want them to be, then that brings happiness. We are only here for a certain number of years, and not everybody with wealth has happiness. So I think being happy is really important, and all those other things will fall into place."*

A similar sentiment was expressed in a survey of 250 Latinos age 16–30 conducted by NCLR.<sup>14</sup> When asked whether they would rather make \$40,000 a year working at a job they love or make \$100,000 working at a job they think is boring, over 60% of respondents agreed they would rather work at a job they love. Many of the focus group participants expressed frustration with the difficulty of finding work that connected to their career goals instead of merely providing a paycheck. Research shows that many millennials are facing similar circumstances—in an analysis of the 25 most common occupations for 18- to 29-year-old women and men, low-wage jobs in retail and food service were among the most common, while jobs with higher earnings and a clear career path were present, though less common.<sup>15</sup>

**Recommendation:** Create more flexible work policies that contribute to a greater work-life balance for employees.

In order to be more responsive to the needs of younger employees, employers should examine their scheduling and leave policies to ensure that they promote reasonable flexibility. Policies such as telework, paid time off, paid sick days, flexible hours, and employer-sponsored benefits resonate with Latino millennials. A comparison of millennials and members of Generation X at the same age<sup>16</sup> found that millennials are more likely to stay with an employer for longer periods of time.<sup>17</sup> Some employers interviewed by NCLR reported that in addition to good work policies, soft benefits such as a casual dress code and occasional free food helped to create a millennial-friendly work environment.

**Finding:** Hispanic millennials graduating from college still face steep hurdles to employment and financial security.

Hispanic millennials came of age in fraught economic times and have remained critical of a socioeconomic climate where higher education does not always guarantee success. Focus group participants perceived college as expensive, hypercompetitive, and providing no guarantee of employment success. Latinos experience a high degree of occupational segregation, meaning that they tend to be concentrated in certain “clusters” of the economy where they compete for lower-wage jobs with similarly qualified Latinos.<sup>18</sup>

Even for Latinos who have gone to college, access to a full-time job opportunity can prove challenging if the occupations in their networks of friends and family are limited to low-wage or part-time work. Research shows that Latinos are more likely than Blacks and Whites to rely on relatives and friends to find jobs, as opposed to marketing themselves through résumés, searching job postings, or seeking assistance from employment agencies.<sup>19</sup> One Latino millennial expressed these hardships:

*“I know people who have bachelor’s degrees and master’s degrees and all kinds of degrees and they don’t have work. It’s not easy.”*

Student debt is yet another pressing issue affecting Latino millennials, many of whom do not receive financial support from their parents and assume most educational debt on their own. The average millennial with a bachelor’s degree now graduates from college with \$30,000 in student debt, a staggeringly high number given that median annual earnings for millennials is \$32,400.<sup>20</sup> For Latinos, especially first-generation college students, the pressure of being academically and financially successful is a heavy responsibility:

*“You get the impression that to go to law school you have to be a superhuman. You have to be able to balance life, work, extra things, saving the world. You have to do all these things to get a higher education and a higher-paying job. It is very frustrating and it puts a lot of pressure on people.”*

**Recommendation:** Help young Latinos navigate the employment pipeline through paid work experiences for high school and college students.

Employers in NCLR's interviews reported that forming partnerships with community-based organizations and educational institutions served the mutually beneficial purpose of expanding the employer's name in the Hispanic community and easing Hispanic millennials' transition into a difficult labor market. Further, given that work experience is an important indicator of employability,<sup>21</sup> creating targeted internship and volunteer programs would serve as an additional investment in the Latino community—and the future American workforce.

Among companies interviewed by NCLR, one employer in the telecommunications industry has found that partnering with schools and community-based organizations has improved access to talent from underrepresented communities. This employer also offers college scholarships to promising young students, providing crucial support while building youth's relationships with the company. Another employer in the financial industry offering paid internships to students from a partner high school has found that both parties benefit from such programs. Employers committed to recruiting talent from underrepresented communities stand to benefit from diverse backgrounds and experiences that generate new ideas.

**Finding:** Young Latinos express anxiety about saving for retirement.

Hispanic millennials face a double retirement challenge as young workers and members of a group with historically low participation in retirement savings plans. Hispanics overall tend to have less access to employer-sponsored retirement plans, and those who do have access to such a plan at work are less likely than their peers to participate in it.<sup>22</sup>

A vast majority (80%) of millennials surveyed said the Great Recession taught them the importance of saving now to weather difficult economic situations later; more than half (55%) reported saving for retirement.<sup>23</sup> Focus group participants' views and practices echo these findings. One Latina expressed the importance of a financially secure retirement but confessed to the difficulty and apprehension of saving:

*"This conversation [about retirement] is giving me anxiety. Honestly, I don't know. I am 34, so I hadn't gotten that far. Now I'm worried."*

Millennials are generally less confident that traditional retirement programs, such as Social Security, will be available to them at the current retirement age. As a result, many expect to work later into their lives.<sup>24</sup> One Latino shared his thoughts on expecting, and even looking forward to, working past the traditional retirement age:

*"I haven't even thought about it. I'm only 24...my company offers a retirement package after a certain number of years, but I like to work. It's just what I like to do."*

**Recommendation:** Better advertise and explain benefits packages to young employees and provide one-on-one benefits counseling and enrollment assistance.

A Wells Fargo analysis of one million millennials eligible for retirement accounts found that automatically enrolling this group in retirement accounts increased their participation fivefold.<sup>25</sup> In order to promote responsible retirement savings practices, employers should strive for auto-enrollment. In addition, providing one-on-one retirement benefits counseling and enrollment support to young Hispanic employees will encourage more young Hispanics to save at an earlier age.

## Conclusion

Hispanic millennials are poised to contribute substantially to multiple facets of American life, especially through their involvement in the labor force. While this research offers a glimpse into the experiences and perceptions of today's Latino millennial workforce, more research is needed to understand this complex and growing group of young American workers.

Employers committed to developing workplaces that complement the needs and strengths of young Latino employees would do well to create opportunities for career advancement, recognize and value a Latino perspective, create flexible work policies, provide benefit enrollment assistance, and engage young Latinos early on. Many have already begun this process; in the words of one employer, their millennial employees are "helping us evolve and change." Employers dedicated to creating diverse, millennial-friendly work environments should start by listening to the valuable voices of their own Latino employees.

## Endnotes

- <sup>1</sup> The exact age range of the millennial generation varies by source. For a discussion on how millennials compare to other generations, refer to Scott Keeter and Paul Taylor, “The Millennials,” Pew Research Center, December 10, 2009, [www.pewresearch.org/2009/12/10/the-millennials](http://www.pewresearch.org/2009/12/10/the-millennials) (accessed March 2014); and The Council of Economic Advisors, *15 Economic Facts About Millennials*. Executive Office of the President. Washington, DC, 2014, [www.whitehouse.gov/sites/default/files/docs/millennials\\_report.pdf](http://www.whitehouse.gov/sites/default/files/docs/millennials_report.pdf) (accessed June 2015).
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- <sup>3</sup> The Council of Economic Advisors, *15 Economic Facts About Millennials*; and NCLR, “Latino Children Will Add Nearly 15.8 Million Potential Voters to the Electorate” (Washington, DC: NCLR, 2013), [www.nclr.org/images/uploads/publications/Latinos\\_Turning\\_18\\_Factsheet.pdf](http://www.nclr.org/images/uploads/publications/Latinos_Turning_18_Factsheet.pdf) (accessed May 2015).
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- <sup>5</sup> Brenda Calderon, *Latinos in New Spaces: Emerging Trends and Implications for Federal Education Policy* (Washington, DC: NCLR, 2015), [www.nclr.org/images/uploads/publications/2015latinoeducationstats.pdf](http://www.nclr.org/images/uploads/publications/2015latinoeducationstats.pdf) (accessed June 2015).
- <sup>6</sup> U.S. Bureau of Labor Statistics, “Employment and Unemployment Among Youth — Summer 2014,” news release, August 13, 2014, [www.bls.gov/news.release/pdf/youth.pdf](http://www.bls.gov/news.release/pdf/youth.pdf) (accessed May 2015).
- <sup>7</sup> Rory O’Sullivan, Konrad Mugglestone, and Tom Allison, *In This Together: The Hidden Cost of Young Adult Unemployment* (Washington, DC: Young Invincibles, 2014), <http://younginvincibles.org/wpcontent/uploads/2014/01/In-This-Together-The-Hidden-Cost-of-Young-Adult-Unemployment.pdf> (accessed May 2015).
- <sup>8</sup> The Council of Economic Advisors, *15 Economic Facts About Millennials*.
- <sup>9</sup> Rory O’Sullivan, Konrad Mugglestone, and Tom Allison, *In This Together*.
- <sup>10</sup> Latino Decisions, “On Shaky Ground: Poll of Latino Views on the Economy,” [www.nclr.org/index.php/publications/on\\_shaky\\_ground\\_poll\\_of\\_latino\\_views\\_on\\_the\\_economy](http://www.nclr.org/index.php/publications/on_shaky_ground_poll_of_latino_views_on_the_economy) (accessed May 2015).
- <sup>11</sup> Karen K. Myers and Kamyab Sadaghiani, “Millennials in the Workplace: A Communication Perspective on Millennials’ Organizational Relationships and Performance,” *Journal of Business and Psychology* 25, no. 2 (2010): 225–238.
- <sup>12</sup> Hiring bias is especially harmful to people of color; a landmark 2002 study found a 50% call-back gap between otherwise identical résumés with typically White-sounding names and typically Black-sounding names. Marianne Bertrand and Sendhil Mullainathan, “Are Emily and Greg More Employable Than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination,” *American Economic Review* 94, no. 4 (2004): 991–1013.
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- <sup>15</sup> Anthony P. Carnevale, Andrew R. Hanson, and Artem Gulish, *Failure to Launch: Structural Shift and the New Lost Generation* (Washington, DC: The Georgetown Center for Education and the Workforce,

2013), [www.cew.georgetown.edu/wp-content/uploads/2014/11/FTL\\_FullReport.pdf](http://www.cew.georgetown.edu/wp-content/uploads/2014/11/FTL_FullReport.pdf) (accessed May 2015).

<sup>16</sup> Generation X here is defined as people age 34–49 in 2014. The exact age range of Generation X varies by source. For a discussion on how Generation X compares to other generations, refer to Paul Taylor and George Gao, “Generation X: America’s Neglected ‘Middle Child,’” Pew Research Center, June 5, 2014, [www.pewresearch.org/fact-tank/2014/06/05/generation-x-americas-neglected-middle-child](http://www.pewresearch.org/fact-tank/2014/06/05/generation-x-americas-neglected-middle-child) (accessed June 2015)

<sup>17</sup> The Council of Economic Advisors, *15 Economic Facts About Millennials*.

<sup>18</sup> Olga Alonso-Villar, Coral Del Río, and Carlos Gradín, “The Extent of Occupational Segregation in the US: Differences by Race, Ethnicity, and Gender,” *Industrial Relations* 51, no. 2 (April 2012): 179–212.

<sup>19</sup> Edwin Meléndez and Luis M. Falcón, “Closing the Social Mismatch: Lessons from the Latino Experience,” in *Moving Up the Economic Ladder: Latino Workers and the Nation’s Future Prosperity*, ed. Sonia M. Pérez (Washington, DC: NCLR, 2000), 186–209.

<sup>20</sup> Ben Miller, *The Student Debt Review: Analyzing the State of Undergraduate Student Borrowing* (Washington, DC: New America Foundation, 2014), [www.newamerica.org/downloads/TheStudentDebtReview\\_2\\_18\\_14.pdf](http://www.newamerica.org/downloads/TheStudentDebtReview_2_18_14.pdf) (accessed May 2015); and Jennifer Wang and Portia Boone, *Millennials and Student Debt* (Washington, DC: New American Foundation, 2014), [www.newamerica.org/downloads/Millennials\\_and\\_Student\\_Debt.pdf](http://www.newamerica.org/downloads/Millennials_and_Student_Debt.pdf) (accessed May 2015).

<sup>21</sup> Laura Brewer, *Enhancing Youth Employability: What? Why? and How? Guide to Core Work Skills* (Geneva: International Labour Organization, 2013), [www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---ifp\\_skills/documents/publication/wcms\\_213452.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_213452.pdf) (accessed June 2015).

<sup>22</sup> Prudential, *The Hispanic American Financial Experience* (Newark, NJ: Prudential, 2014), [www.prudential.com/media/managed/hispanic\\_en/prudential\\_hafe\\_researchstudy\\_2014\\_en.pdf](http://www.prudential.com/media/managed/hispanic_en/prudential_hafe_researchstudy_2014_en.pdf) (accessed June 2015); and Catherine Singley Harvey, *Enhancing Latino Retirement Readiness in California* (Washington, DC: NCLR, 2015), [http://www.nclr.org/index.php/publications/enhancing\\_latino\\_retirement\\_readiness\\_in\\_california](http://www.nclr.org/index.php/publications/enhancing_latino_retirement_readiness_in_california) (accessed May 2015).

<sup>23</sup> Wells Fargo, “Eight in Ten Millennials Say Great Recession Taught Them to Save ‘Now,’ Wells Fargo Survey Finds,” news release, June 10, 2014, [www.wellsfargo.com/press/2014/20140610\\_millennials](http://www.wellsfargo.com/press/2014/20140610_millennials) (accessed May 2015).

<sup>24</sup> Elliot Schreur, *Millennials and Retirement* (Washington, DC: New America Foundation, 2014), [www.newamerica.org/downloads/Millennials\\_and\\_Retirement.pdf](http://www.newamerica.org/downloads/Millennials_and_Retirement.pdf) (accessed May 2015).

<sup>25</sup> Paula Aven Gladych, “Millennial 401(k) Participation Dependent on Auto-Enrollment,” BenefitsPro, December 12, 2002, <http://www.benefitspro.com/2012/12/14/millennial-401k-participation-dependent-on-auto-en> (accessed May 2015).