

The Power of Latinas: Recognizing Latinas' Economic Contributions

For decades, Latinas have been driving U.S. economic growth. Across most of the key economic indicators—including rates of entrepreneurship, labor force participation rate, and purchasing power—Latinas come out on top.

Still, Latinas too often fail to reap the full benefits of working. As a group, Latinas have the least access to employment-related benefits such as paid sick and family medical leave—which, in a crisis, can force them to choose between economic achievement and family obligations. Latinas are also the least likely of any group to have access to retirement benefits, maternity leave, health care coverage, or other traditional employment benefits. For all Latinas, such disparities are a result of decades of neglect by policymakers who have left gaps in worker protections that have hindered the potential of the U.S. Latina workforce.

Shockingly, nearly two-thirds of Latinas work without employer-based benefits. Despite their substantial and persistent economic contributions, Latinas—who live at the intersection of disparities associated with gender, race, and immigration status—face a steep climb to economic prosperity.

UnidosUS is committed to telling the story of Latinas in the workforce across the country. Forthcoming briefs will highlight gaps in support for Latina workers and policy solutions that would improve the value of work for Latinas. Solutions for Latinas would better support their family-work balance and would unleash Latinas' exceptional economic potential to strengthen our shared economy.



LATINAS ARE A DRIVER OF OUR ECONOMIC ENGINE

- **Latinas are primed to drive U.S. economic growth in the coming years.** By 2031, the number of Latinas in the workforce is expected to grow by approximately 26%. No other demographic group, including Latino men, is projected to grow by as much. Currently, Latinas total 12.6 million in the workforce, comprising about 15% of the wider female workforce in the country.

- **Latinas are driving the growth of U.S. entrepreneurship.** Latina entrepreneurs represent nearly half of all Latino businesses and create businesses six times faster than any other group in the United States. Since 2007, Latina-owned businesses have grown by 87%.
- **Latinas' participation in the labor market outpaces the national average.** Latinas are the only group of women with a growing labor force participation rate (LFPR). From 2010 to 2019, the Latina LFPR grew by 0.9 points. In comparison, the national LFPR declined by 1.6 points during the same period.
- **Latinas are at full employment.** In 2022, Latinas had an unemployment rate of 4.1, a level which is typically considered full employment, where every person who is able or willing to work is employed. Though still higher than the national unemployment rate, Latinas are at one of their lowest unemployment levels in recent decades.

KEY BARRIERS TO LATINAS' ECONOMIC PROSPERITY AND CONTRIBUTIONS

- **A persistent wage gap undervalues Latinas' work.** Around half of Latina mothers are key breadwinners for their families. Yet, Latinas are typically paid just 57 cents for every dollar paid to white, non-Hispanic men. In the last three decades, the Latina wage gap has only shrunk by 5 cents. Relatedly, nearly 30% of Latina-led households live below the poverty level.
- **Latinas disproportionately lack access to job benefits.** For example, only 18% of Latinas have an employer-sponsored retirement account (in comparison to 71% of white men). In 2022, the Bureau of Labor Statistics found that benefits make up one-third of employee compensation packages. Lack of access to job benefits can have long-term effects on wealth building.
- **Latinas are overrepresented in low-wage jobs with more unpredictable schedules and fewer workplace protections.** Though they make up only 19% of the U.S. population, Latinas make up 21% of childcare workers and 29.7% of service occupations. At the same time, 44% of U.S.-born Hispanic mothers and 53% of foreign-born Hispanic mothers have an irregular or non-standard work schedule. **In general, almost half of Latino workers know their schedules only two weeks (or less) in advance.** Latinas are also overrepresented in jobs with high incidences of labor violations by employers, like wage theft, including in domestic care and agricultural work.
- **Latinas experience an unequal distribution of work.** More so than other groups, Latinas balance employment and responsibilities at home. Latinas spend a larger amount of time on domestic or work-related activities than Latino men, with this gender gap being the largest compared to their non-Hispanic counterparts. Latinas are often the ones to leave the labor force to fill in for care gaps in households. Reduced time in the paid workforce can lead to fewer career advancement opportunities and the loss of long-term earnings.
- **Latinas are disproportionately excluded from public social welfare benefits** due to immigration status, misinformation on eligibility, and the perceived consequences of accepting such support, or because their work offers unreliable and/or untraditional hours that complicate their eligibility for benefits.

POLICYMAKERS HAVE THE POWER TO CREATE WELL-EARNED PATHS TO PROSPERITY FOR LATINAS

Policymakers should ensure that Latinas can flourish by eliminating barriers and enacting policies to generate opportunity in four key areas. Specifically, such steps should include:

- **Fair Wage Policies:** Latinas are concentrated in low-wage jobs and disproportionately affected by an unfair minimum wage. Policies that raise the federal or state minimum wage, including the tipped minimum wage, are critical to create economic opportunities for Latinas.
- **Improvements to Tax Equity and Family Supports:** Policies that expand coverage for existing tax benefits, like the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC), would assist Latina-led households by expanding the benefits and making them available to those with very low household income levels.
- **Fuller Access to Earned Benefits from Work:** To harness Latinas' full economic potential, policies that expand paid leave, support affordable and accessible childcare, and delink retirement plans from employment or make them portable are essential.
- **Improved Workplace Conditions & Protections:** Latinas cannot thrive if their employment settings remain unpredictable and unsafe. Policies that ameliorate workplace conditions and protections include federal protections against sex-based wage discrimination like the Paycheck Fairness Act, fair scheduling practices to provide more stable and predictable workplaces, expanded coverage of labor and workplace protections to cover the excluded labor groups in which Latinas are concentrated, and increasing federal enforcement of labor protections.