

Economic Status of Latinos in California*

Latinos[†] form a critical part of the California economy and are a significant source of economic activity. If Latinos in California were an independent nation, they would be the world's 20th largest economy in the world with a gross domestic product (GDP) of \$935 billion.¹ **Today, 40% of Californians are Latino and are making significant contributions to the state's economy:**

- Latinos pay \$83 billion in California state taxes.²
- Latino-owned businesses contribute 650,000 jobs to the state economy.³
- Latina-owned employer businesses increased by 23% between 2018 and 2021, generating nearly 147,000 jobs with an annual payroll of \$5.92 billion.⁴
- Latinos have the highest labor force participation rate of any racial or ethnic group in California with 65.1% of Latino workers actively working or looking for work.⁵

There are 1.9 million mortgage-ready Latinos in California aged 18-45.⁶ Yet, despite the critical role that we play in the success and future of our state and the country, Latinos continue to face economic challenges. A poll conducted by UnidosUS in August of 2024 of 300 Latino voters in California reveals that economic and housing issues are a top priority for voters.⁷ When asked what are the most important issues that elected officials should address, 63% of Latino voters in California cited inflation, 39% cited lack of affordable housing and 39% cited jobs and the economy.

A [recent survey](#) by UnidosUS from June of 2024 highlights the specific economic challenges that Latinos face in California including the barriers to owning a home. UnidosUS and Oportun commissioned BSP research to survey 400 Latinos in California regarding economic topics such as housing and homeownership.⁸ These findings as well as those from our voter poll reveal how Latinos are struggling to afford housing and achieve homeownership.

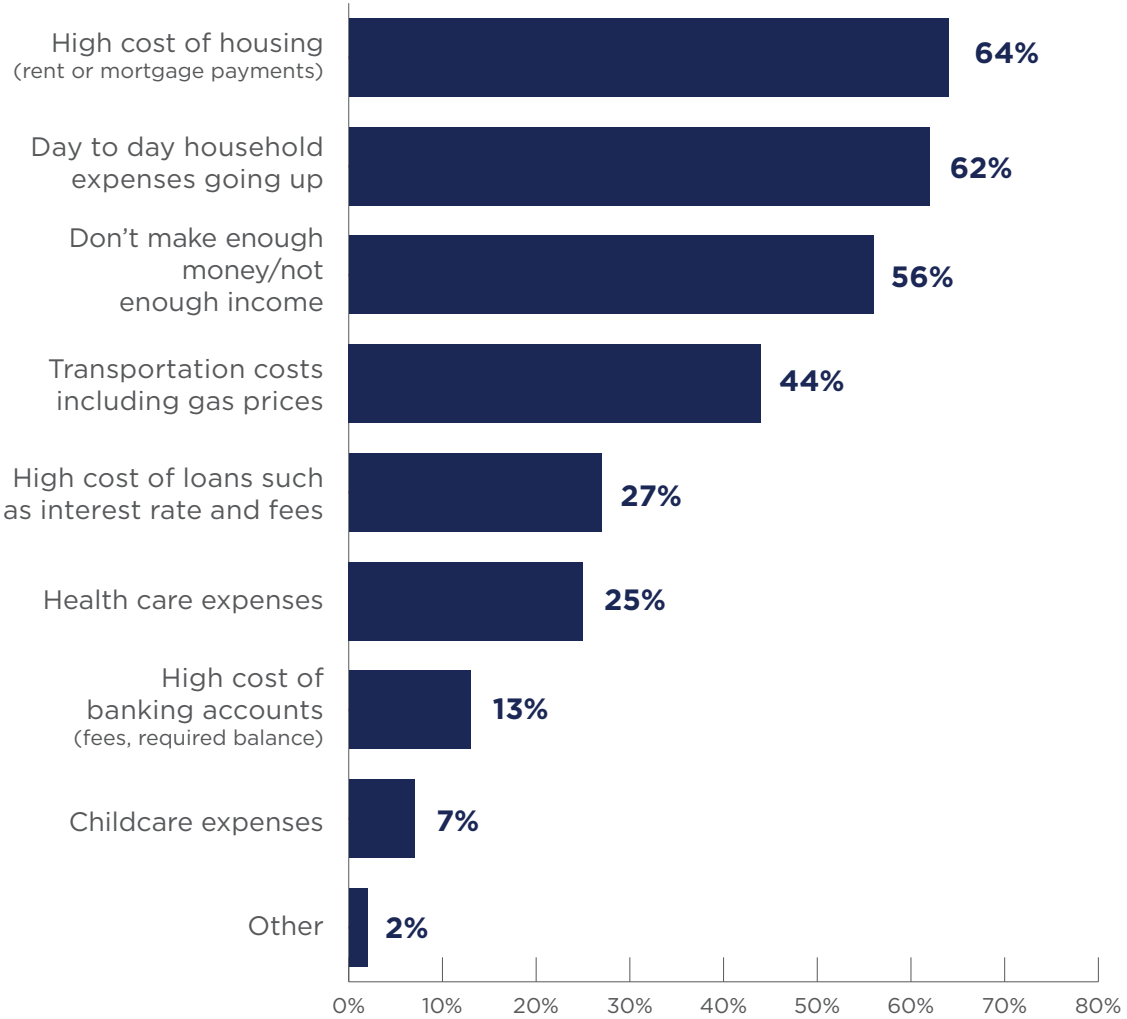
In Sacramento, UnidosUS works to advance state policies that will help to create new Latino homeowners because it can transform their economic trajectory and that of the state. While the impacts of inflation, healthcare and of course high costs of housing are felt by most Californians, Latinos are disproportionately impacted.

* By Esmeralda López, California State Director, Policy and Advocacy and Santiago Sueiro, Senior Policy Analyst, Economic Policy Project at UnidosUS.

† 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.

Latinos in California are Struggling Economically

Latinos surveyed indicated that their top economic concerns were (Q1):



Latinos in California are struggling to make payments on their home:

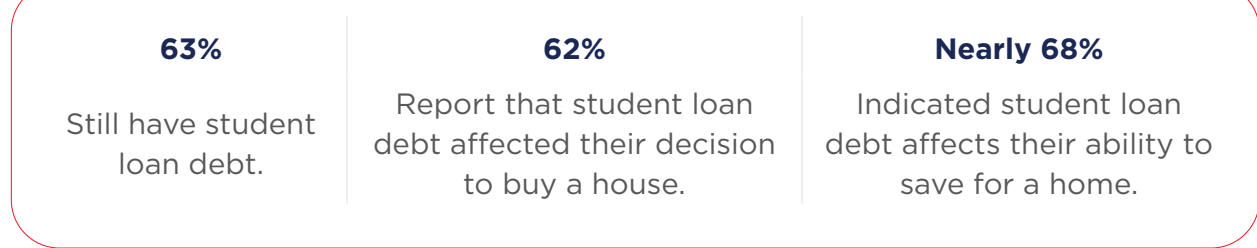
- **54% are concerned** about being able to make next month's rent or mortgage.

A 2024 poll of Latino voters in California,⁹ conducted by UnidosUS indicated that top three issues were economic:

- **Inflation:** Food and basic necessities, housing/rent and gas prices are driving concerns about inflation.
- **Housing:** Top concerns are lack of available and affordable rentals or homes for sale and homelessness.
- **Jobs:** Better pay and concerns about job security top the concerns about jobs and economy.

Student Loan Debt Impacts Latinos Ability to Buy Homes

Of Latinos surveyed who took out student loans:

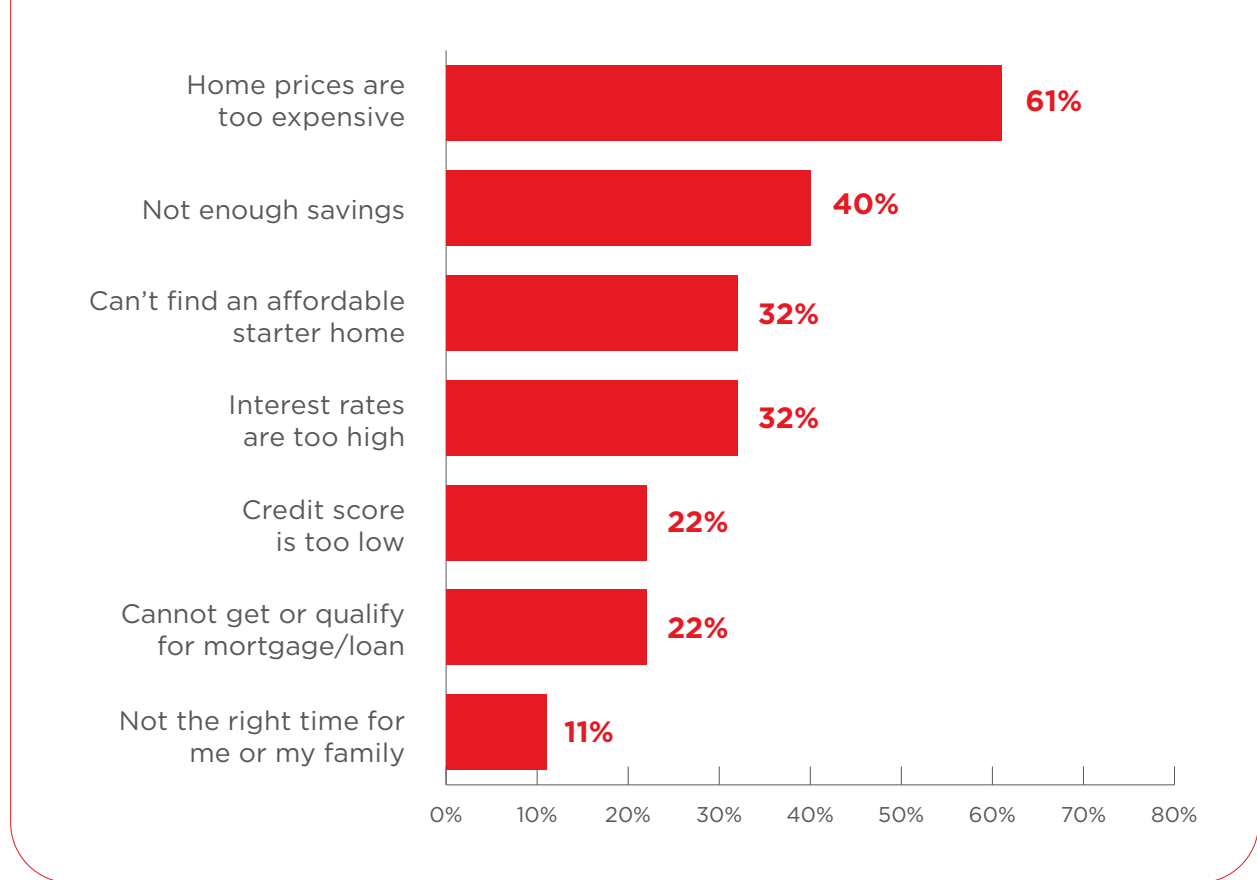


Latinos want to buy but high home prices prevent them from doing so:

- **44% of Latinos surveyed want to buy a home** but have not done it.

Latinos in California face Challenges Buying and Affording Their Homes

The top reasons listed for not buying a home were:



For Latinos whoever had a mortgage, 32% were the first person in their immediate family to own a home.*

* Meaning their parents and grandparents did not own their homes.

69% of Latinos have not signed up to allow credit agencies to track payment records on rent, utilities or phone payments to build their credit.

Our recent surveys reveal that Latinos are experiencing significant economic challenges, especially in affording their homes and growing their wealth. Latinos in California need bold action that will bring down housing costs. These changes will help Latinos continue to grow their economic contributions to the state and improve their financial well-being.

Methodology

BSP was commissioned by UnidosUS to field a study of Latinos aged 25 and older, focused on banking and access to credit, with a particular focus on low-to moderate income households. In order to further understand the attitudes of lower-income households, an oversample of households earning less than \$40,000 per year was included. This poll was in the field April 8–22 2024, and it included 1,200 interviews (400 per state) across Arizona, California, and Texas. The overall sample has a margin of error (MoE) of +/- 2.8%, and each state sample has an MoE of +/- 4.9%. The poll was available in English or Spanish at the choice of each respondent. Participants were randomly contacted by live telephone call (25%), as well as being randomly contacted by text-to-web self-complete and online panels (75%). Final data was weighted in each state to match the most recently available census estimates for the Latino population, using a post-estimation raking algorithm.

About UnidosUS

UnidosUS is a nonprofit, nonpartisan organization that serves as the nation's largest Hispanic civil rights and advocacy organization. Since 1968, we have challenged the social, economic, and political barriers that affect Latinos through our unique combination of expert research, advocacy, programs, and an [Affiliate Network](#) of nearly 300 community-based organizations across the United States and Puerto Rico. We believe in an America where economic, political, and social progress is a reality for all Latinos, and we collaborate across communities to achieve it.

For more information on UnidosUS, visit www.unidosus.org, or follow us on [Facebook](#), [Instagram](#), [LinkedIn](#) and [X](#).

Endnotes

- 1 Dennis Hoffman and Jose Jurado, "The 2024 Official LDC U.S. Latino GDP Report: 7th Annual Edition," Latino Donor Collaborative, September 2024, <https://latinodonorcollaborative.org/wp-content/uploads/2024/09/LDCRprtGDP-0924-FNL-MR-3.pdf>.
- 2 Latino Leadership Ad Hoc Group, Latino Community Foundation, "California for All: Opportunities to Make the California Dream Possible for All," Latino Community Foundation, July 2020, <https://latinocf.org/wp-content/uploads/2020/07/California-For-All-January-2020-Latino-Community-Foundation.pdf>.
- 3 Ibid.
- 4 Elsa Macias, "2024 Economic Status of Latinas in California: A Statewide Report and Roadmap to Achieve Economic Parity," Hispanas Organized for Political Equality, April 2024, https://www.latinas.org/wp-content/uploads/ESLR_CA_May24.pdf.
- 5 Employment Development Department Labor Market Information Division, "California Demographic Labor Force: Summary Tables — July 2024," Employment Development Department Labor Market Information Division, July 2024, https://labormarketinfo.edd.ca.gov/specialreports/CA_Employment_Summary_Table.pdf.
- 6 UnidosUS, "Building California's Future: Latino Homeownership," UnidosUS, September 2023, https://unidosus.org/wp-content/uploads/2023/09/unidosus_buildingcaliforniasfuture_latinohomeownership.pdf.
- 7 UnidosUS, "2024 Pre-Election Poll of the Hispanic Electorate – California," UnidosUS, August 2024, <https://unidosus.org/wp-content/uploads/2024/09/CA-deck-UnidosUS-2024-Pre-Election-Poll-of-Hispanic-Electorate.pdf>.
- 8 UnidosUS, "New UnidosUS survey finds Latinos are worried about their economic security," UnidosUS, June 11, 2024, <https://unidosus.org/press-releases/newunidosus-survey-finds-latinos-are-worried-abouttheir-economic-security/>.
- 9 UnidosUS, "UnidosUS Voter Poll: Pocketbook Issues Still Top California Latino Priorities," UnidosUS, September 6, 2024, <https://unidosus.org/press-releases/unidosus-voter-poll-pocketbook-issues-still-top-california-latino-priorities/>.