



## The Economic State of the Latino Community in America

This fact sheet provides a snapshot of the current economic state of the Latino community in the United States. It includes the latest statistics on the economic well-being for the nation's Latino community, including population, employment, and earnings data, among other key indicators. Together, these measures help paint a portrait of Latinos and their economic prospects for the future.<sup>1</sup>

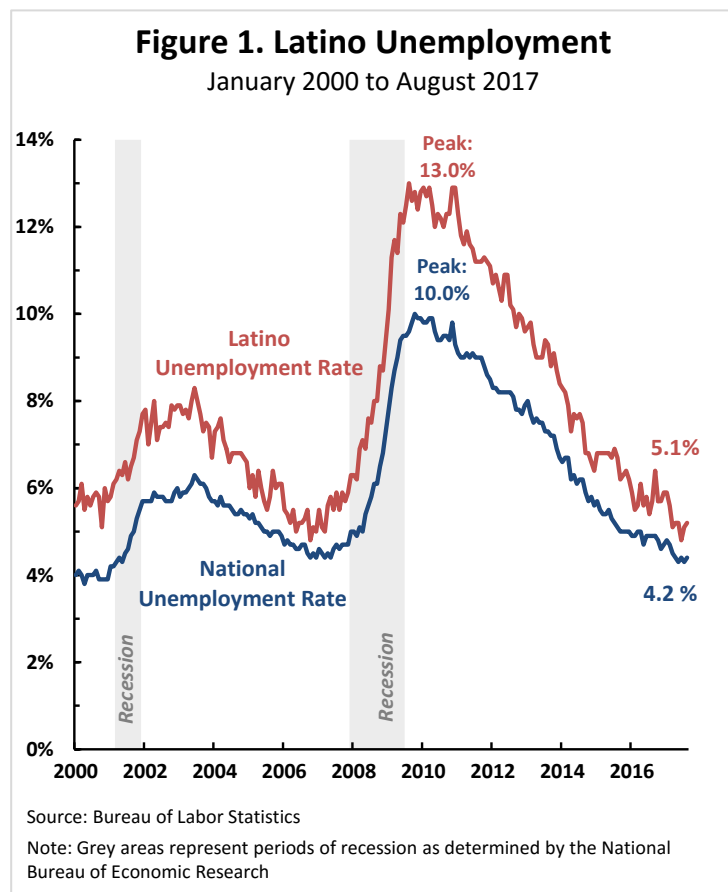
### Latinos continue to be one of the fastest growing minority groups in the United States.

More than 58 million people of Hispanic or Latino ethnicity live in the United States today, comprising over 18 percent of the country's total population.<sup>2</sup> On average, Latinos are significantly younger—with a median age of 28 years old—than the rest of the U.S. population but the population has started to trend older.<sup>3</sup>

The Latino community accounted for a combined \$1.3 trillion in economic spending activity in 2015.<sup>4</sup> The community's economic contribution is projected to reach \$1.7 trillion by 2020.<sup>5</sup> Latinos also own 3.3 million businesses in the United States, accounting for almost \$500 billion in economic activity annually.<sup>6</sup>

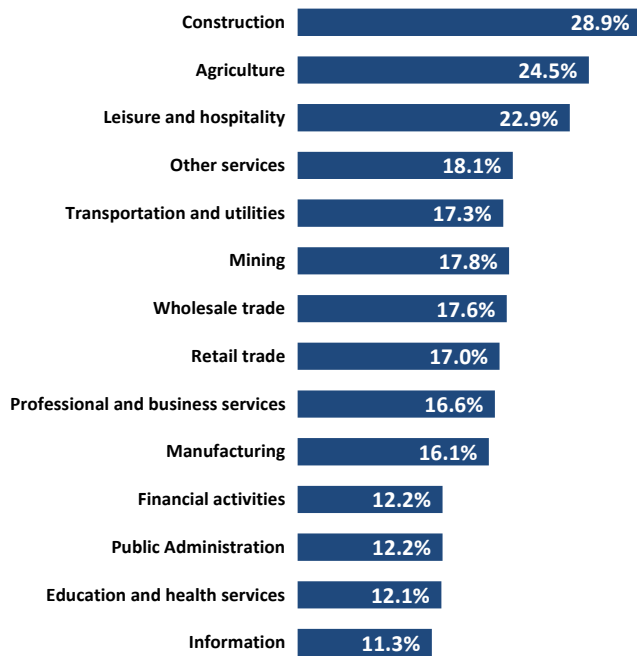
The unemployment rate for Latino workers stands at 5.1 percent.<sup>7</sup> By comparison, the unemployment rate for white workers is currently 3.7 percent, with the national average at 4.2 percent.<sup>8</sup> Unemployment rates for Latinos have historically been higher than for non-Latino whites and for the population as a whole. Following the Great Recession, the unemployment rate for Latinos hit a high of 13.0 percent in the summer of 2009—three points higher than the peak unemployment rate of 10.0 percent for the general population (see **Figure 1**).

Latinos are more likely than the general population to become



**Figure 2. Employment in the Private Sector**

Share of jobs held by Latino workers, 2016 annual averages



Source: Bureau of Labor Statistics

Note: Data includes workers 16 years and older

**entrepreneurs.**<sup>9</sup> In recent years, Latinos have become entrepreneurs at a faster rate than all other major racial or ethnic groups, accounting for 24 percent of all new entrepreneurs.<sup>10</sup> Latinas have been strong contributors to the high rates of entrepreneurship among Latinos as well.<sup>11</sup>

**Latinos make up nearly 17 percent of the private sector workforce.**<sup>12</sup> The community makes up an even larger share of the employment in the construction, agriculture and leisure and hospitality industries (see **Figure 2**).<sup>13</sup>

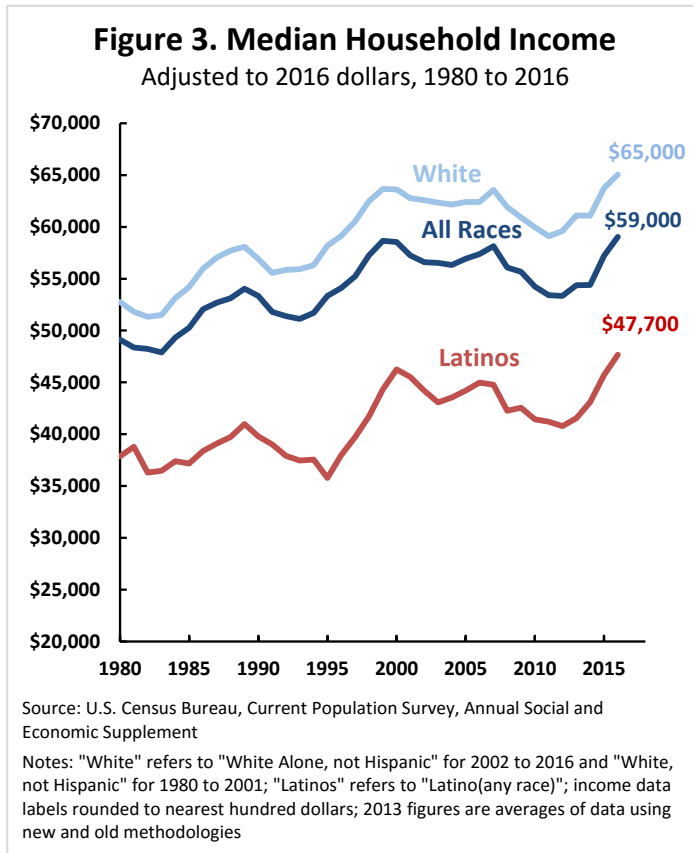
**More than one in six Latinos lived in poverty in 2016.** Last year, 19.4 percent of Latinos lived below the poverty line, a slight decrease from the prior year but well above the national average and the average for non-Latino white people.<sup>14</sup>

**Latino household income has surpassed the 2000 peak.** Household

income for Latinos reached \$47,675, surpassing the late 2000 peak of \$46,244 but still well below the current national average of \$59,039 (see **Figure 3**). Median weekly earnings for full-time Latino workers continued to increase; reaching \$657 in 2016, but they still lag \$229 below the median weekly earnings for white full-time workers and \$202 below the general population.<sup>15</sup>

**Disparities in employment and earnings, and changes to retirement accounts all contribute to the fact that many Latinos are ill prepared for retirement.** Latinos are less likely than other workers to have the opportunity to participate in employer-sponsored retirement plans.<sup>16</sup> Exacerbating the retirement crisis in the community is the shift from defined benefit plans, like traditional employer-sponsored pensions, to defined contribution plans, like 401ks and IRAs. According to a 2013 report by the National Institute for Retirement Security, only 12 percent of Latino households have access to a defined benefit pension that guarantees lifetime income—half the rate of white and black households.<sup>17</sup> Additionally, only 30 percent of Latino households have a retirement account, compared to 60 percent of white households.<sup>18</sup>

**Education attainment and enrollment among Latinos continues upward trend.** Latinos have seen large education related gains over the last decade, including a sharp decline in dropout rates and increases in both college enrollment.<sup>19</sup> In 2015, 42.5 percent of Latinos between the age of 18 to 24 were enrolled in college (either a four-year or two-year program), a more than 10 percentage point jump from just five years earlier and on par with the general population.<sup>20</sup> Compared to other groups, Latinos are more likely to attend two-year public institutions, like



community colleges.<sup>21</sup> Latino families are also the least likely to have education related debt.<sup>22</sup> While the community has made major gains, many barriers still exist. Degree completion among Latinos enrolled in bachelor programs remains well behind all other groups, with just 15 percent of Latino students between the ages of 25 to 29 having completed their degrees.<sup>23</sup>

<sup>1</sup> In this report, the term "Latino" refers to persons who identified themselves as being Spanish, Hispanic, or Latino. Persons of Hispanic or Latino ethnicity may be of any race.

<sup>2</sup> <http://www.pewresearch.org/fact-tank/2017/09/18/how-the-u-s-hispanic-population-is-changing/>

<sup>3</sup> Ibid.

<sup>4</sup> <http://news.uga.edu/releases/article/2015-multicultural-economy-report/>

<sup>5</sup> Ibid.

<sup>6</sup> [http://www.mbda.gov/sites/default/files/2012SBO\\_MBEFactSheet020216.pdf](http://www.mbda.gov/sites/default/files/2012SBO_MBEFactSheet020216.pdf)

<sup>7</sup> <http://www.bls.gov/news.release/empsit.t02.htm>; <https://www.bls.gov/news.release/empsit.t03.htm>;

<https://data.bls.gov/timeseries/LNS14000000>

<sup>8</sup> Ibid.

<sup>9</sup> <http://www.kauffman.org/kauffman-index/reporting/startup-activity>

<sup>10</sup> <http://www.kauffman.org/kauffman-index/reporting/startup-activity>

<sup>11</sup> <https://www.americanprogress.org/issues/race/reports/2012/07/17/11923/the-state-of-women-of-color-in-the-united-states/>

<sup>12</sup> JEC calculation of Bureau of Labor Statistics, [Table A-2. Employment status of the civilian population by race, sex, and age](#),

as of September 2017. <https://www.bls.gov/news.release/empsit.t01.htm>,

<https://www.bls.gov/news.release/empsit.t03.htm>

<sup>13</sup> <http://www.bls.gov/cps/cpsaat18.htm>

<sup>14</sup> <https://www.census.gov/data/tables/2017/demo/income-poverty/p60-259.html>

<sup>15</sup> JEC calculation of Bureau of Labor Statistics, [Table A-2. Employment status of the civilian population by race, sex, and age](#), as of September 2017.

<sup>16</sup> <http://www.epi.org/publication/hispanic-workers-are-less-likely-to-have-the-opportunity-to-participate-in-retirement-plans/>

<sup>17</sup> <http://www.nirsonline.org/index.php?option=content&task=view&id=810>

<sup>18</sup> <https://www.federalreserve.gov/econres/notes/feds-notes/recent-trends-in-wealth-holding-by-race-and-ethnicity-evidence-from-the-survey-of-consumer-finances-20170927.htm>

<sup>19</sup> <http://www.pewresearch.org/fact-tank/2016/07/28/5-facts-about-latinos-and-education/>

<sup>20</sup> <http://www.pewhispanic.org/2017/09/18/facts-on-u-s-latinos-current-data/>

<sup>21</sup> <http://www.pewresearch.org/fact-tank/2016/07/28/5-facts-about-latinos-and-education/>

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