



Drivers of Opportunity

How Will Latinos Shape the Future of the American Dream?

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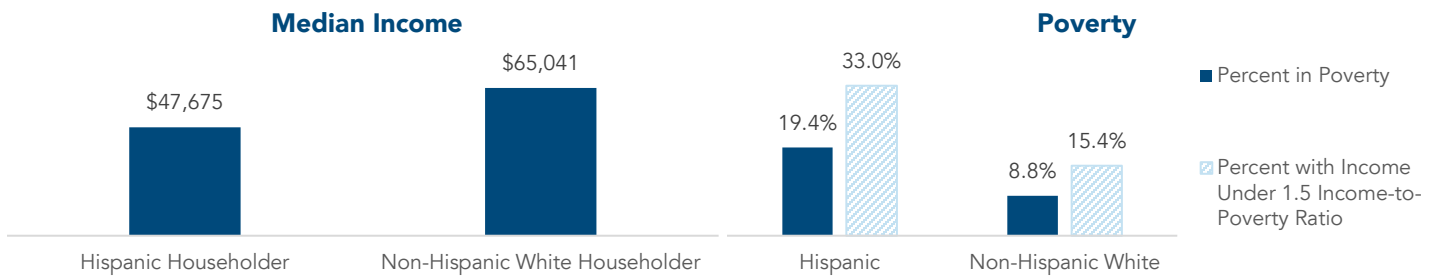
Background Information

In today's discussion, panelists will consider the link between Latino Americans' economic success and the strength of the US economy. How can we secure economic stability and mobility for Latino workers, families, and communities? What does our ability to help Latinos thrive economically tell us about mobility in the US economy as a whole? Below we present some key facts to inform today's discussion.

How many Latinos are there in the United States?¹

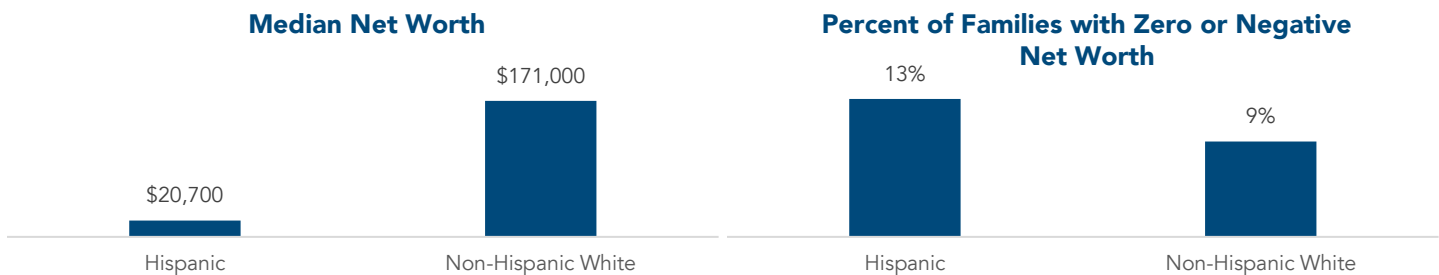
- As of 2016, the Hispanic population was 57.5 million, 17.8 percent of total US population.²
- By 2060, Hispanic population is expected to be 119 million, 28.6 percent of the total US population.³
- The median age of Hispanics is 29, while the median age of non-Hispanic Whites is 43.⁴

Latinos' income and wealth⁵



Source: US Census, 2017 Current Population Survey Annual Social Economic Supplement.

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Source: Federal Reserve, Survey of Consumer Finance, 2013-2016.

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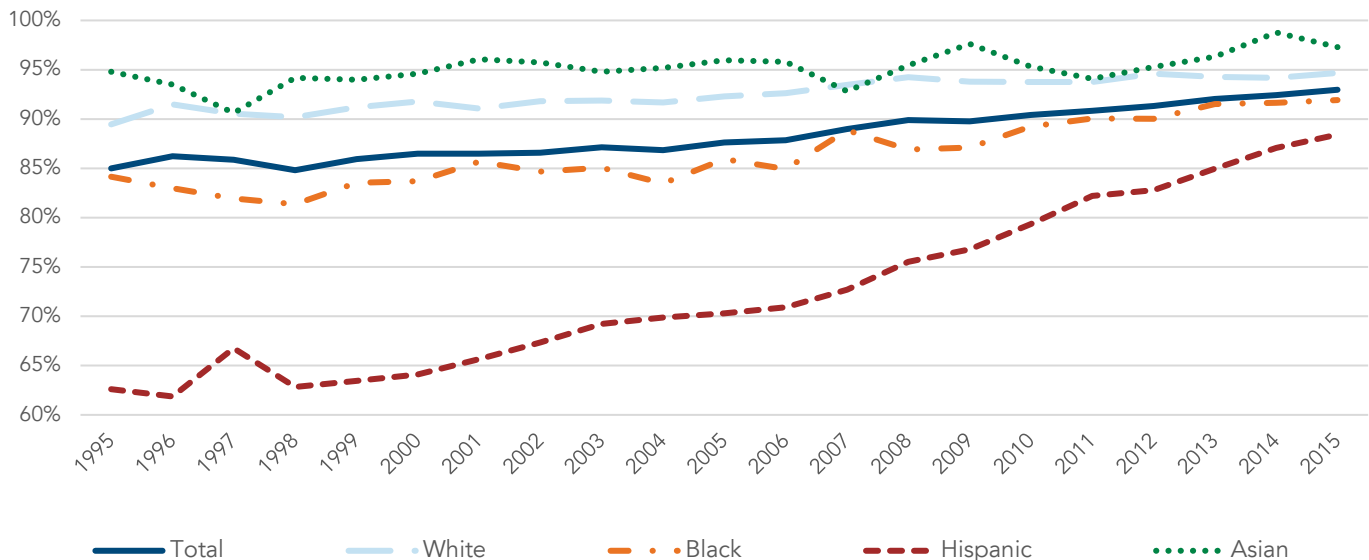
Latinos in the labor force

- There are 27.8 million Latinos in the civilian labor force, representing 17.3 percent of the labor force.⁶
- Latinos had a slightly higher rate of unemployment, at 5.0 percent, compared to that of Whites, 3.5 percent, and the full labor force, 4.1 percent.⁷
- Latinos are overrepresented in occupations that frequently offer low wages. For example, in 2017, Latinos made up 16.9 percent of the total employed population. They made up 24.0 percent of service occupations, which offer median weekly earnings of \$544. In contrast, they made up 9.6 percent of management, professional, and related occupations, which have median weekly earnings of \$1224.⁸

Latinos in the education system

The gap between Hispanics' and Whites' high school completion rate has been closing in recent decades.⁹

High school completion rate of 18- to 24-year-olds not enrolled in high school



But completion of postsecondary education remains low, limiting Latinos' access to jobs requiring these credentials. In 2016, only 21.7 percent of Latinos had completed an associate's degree, bachelor's degree, or graduate or professional degree, compared to 43.9 percent of non-Hispanic Whites.¹⁰

The role of business ownership in the Latino community and US economy

- Latino-owned businesses play a large and growing role in the US economy. As of 2012, Latino-owned businesses represented 12 percent of all US businesses in the same year.¹¹ Additionally, Latinos comprise an increasingly large share of new entrepreneurs, growing from 10 percent to 20.8 percent between 1995 and 2015.¹²
- Hispanic firms remain smaller than White-owned firms in terms of both employees and average sales.¹³
- Additionally, Hispanic firms remain concentrated in industries in which many Hispanics have employment experience, particularly services and construction, and less concentrated in higher-revenue industries such as manufacturing, trade, information, finance, and insurance.¹⁴
- Hispanics are less likely to seek outside financing and more likely to be debt averse and discouraged from applying for financing than White-owned firms. Hispanics are also more likely to apply for higher-priced forms of credit such as factoring, merchant cash advances and online loans.¹⁵

From our panelists

- Brian Watt and Erika Kelly, “Oakland Works to Create Economic Opportunity for Residents,” featuring **Jose Corona**, *KQED News*, September 21, 2016, kqed.org/news/2016/09/21/oakland-works-to-create-economic-opportunity-for-residents/.
- **Marie Mora** and Alberto Davila, Ed. *The Economic Status of the Hispanic Population*, (Charlotte, NC: Information Age Publishing, Inc., 2013).
- **Maria Rios**, “Not Just Tacos Here,” *The Aspen IDEAS Magazine*, December 1, 2017, aspeninstitute.org/longform/aspens-ideas-winter-2017/around-institute-winter-2017/not-just-tacos/.
- Lydia Dishman, “Meet The Woman [**Carmen Rojas**] Working to Change Low-Income Workers’ Prospects,” *Fast Company*, May 8, 2015, fastcompany.com/3046041/meet-the-woman-working-to-change-low-income-workers-prospects.

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¹ The terms Hispanic and Latino are used interchangeably in this brief, selected based on the terms used in the source material.

² US Census Bureau, Annual Estimates of the Resident Population by Sex, Age, Race and Hispanic Origin for the United States, July 1, 2016, factfinder.census.gov/bkmk/table/1.0/en/PEP/2016/PEPASR6H.

³ 2014 National Population Projections Tables, US Census Bureau, “Table 10. Projections of the Population by Sex, Hispanic Origin, and Race for the United States: 2015 to 2060,” census.gov/data/tables/2014/demo/popproj/2014-summary-tables.html.

⁴ US Census Bureau, Annual Estimates of the Resident Population by Sex, Age, Race and Hispanic Origin for the United States, July 1, 2016, factfinder.census.gov/bkmk/table/1.0/en/PEP/2016/PEPASR6H.

⁵ Data in this section comes from the US Census. See Jessica L. Semega, Kayla R. Fontenot, and Melissa A. Kollar, “Income and Poverty in the United States: 2016, Current Population Reports NO. P60-259,” (Washington, DC: US Census Bureau, 2017), census.gov/content/dam/Census/library/publications/2017/demo/P60-259.pdf. And see Lisa J. Detting et al., “Recent Trends in Wealth-Holding by Race and Ethnicity: Evidence from the Survey of Consumer Finances,” (Washington, DC: Federal Reserve, 2017), federalreserve.gov.

⁶ Bureau of Labor Statistics, “The Employment Situation – January 2018,” Press Release, February 2, 2018, bls.gov/news.release/pdf/empst.pdf.

⁷ Ibid.

⁸ 2017 data from US Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, “Median Weekly Earnings of Full-Time Wage and Salary Workers by Detailed Occupation and Sex,” Household Data, Annual Averages, bls.gov/cps/cpsaat39.htm.

⁹ US Department of Education’s National Center for Education Statistics, Status and Trends in Education of Racial and Ethnic Groups, “Indicator 17: High School Status Completion Rates,” updated July 2017, nces.ed.gov/programs/raceindicators/indicator_rdd.asp.

¹⁰ US Census Bureau/American Fact Finder, “B15002H: Sex by Educational Attainment for the Population 25 Years and Over (White Alone, Not Hispanic or Latino),” 2016 American Community Survey 1-Year Estimates, factfinder.census.gov; and US Census Bureau/American Fact Finder, “B15002I: Sex by Educational Attainment for the Population 25 Years and Over (Hispanic or Latino),” 2016 American Community Survey 1-Year Estimates, factfinder.census.gov.

¹¹ Sarah Alvarez, “Unleashing Latino-Owned Business Potential: Report of the Aspen Institute Forum on Latino Business Growth,” (Washington, DC: The Aspen Institute), November 2017, aspeninstitute.org/publications/unleashing-latino-owned-business-potential/.

¹² The Kaufman Index, 2016, “United States of America Entrepreneurial Demographics: Race of New Entrepreneurs,” (Washington, DC: Ewing Marion Kauffman Foundation), kauffmanindex.org.

¹³ Algernon Austin, *The Color of Entrepreneurship*, (Washington, DC: Center for Global Policy Solutions, August 2016), 7, accessed January 11, 2017, globalpolicysolutions.org/report/color-entrepreneurship-racial-gap-among-firms-costs-u-s-billions/.

¹⁴ Joyce A. Klein, “Bridging the Divide: How Business Ownership Can Close the Racial Wealth Gap,” (Washington, DC: The Aspen Institute), January 2017, as.pn/bridgingthedivide.

¹⁵ Federal Reserve Banks of Cleveland and Atlanta, “Small Business Credit Survey, 2016: Report on Minority-Owned Firms,” November 2017, newyorkfed.org/smallbusiness/small-business-credit-survey-employer-firms-2016.