

# **A SOCIOECONOMIC PROFILE OF THE LATINO COMMUNITY IN THE UNITED STATES**

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**Presentation to the course**

**Migrant Remittances and Economic Development  
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**SO, HOW MANY LATINOS  
ARE THERE IN THE UNITED STATES?**

## THE POPULATION OF THE UNITED STATES, BY RACE/ETHNICITY

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Racial and Ethnic group	2004 Population	Percentage
Overall United States	293,655,000	100.0
White	197,841,000	67.4
Black or African American	35,964,000	12.2
Hispanic/Latino	41,322,000	14.1
Asian and Pacific Islander	12,068,000	4.1
Native/American, Other, and Mixed Race/Ethnicity	6,460,000	2.2

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Source: U.S. Bureau of the Census, Annual Estimates of the Population, June 2005.

- **How does this population compare with that of countries in Latin America and the Caribbean?**
- **What is the most populous country in Latin America and the Caribbean?**
- **What is its population?**

# Latino and Latin American Population

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Country	2004 Population (millions)
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Brazil	179
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Mexico	104
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Colombia	45
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<b>United States (Latino)</b>	<b>41</b>
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Argentina	38
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Peru	28
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Source: World Bank, *World Development Report*, 2006.

**Hispanics/Latinos are the fastest-growing ethnic group in the United States, followed by the Asian population.**

## The Hispanic/Latino Population of the US, in Millions

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<b>Year</b>	<b>Total Pop.</b>	<b>Hispanic/Latino Pop.</b>	<b>Hispanic/Latino As % of Total</b>
<b>1960</b>	<b>179.3</b>	<b>6.9</b>	<b>3.9%</b>
<b>1970</b>	<b>203.2</b>	<b>10.5</b>	<b>5.2</b>
<b>1980</b>	<b>226.5</b>	<b>14.6</b>	<b>6.4</b>
<b>1990</b>	<b>248.8</b>	<b>22.4</b>	<b>9.0</b>
<b>2000</b>	<b>281.4</b>	<b>35.3</b>	<b>12.5</b>
<b>2004</b>	<b>293.7</b>	<b>41.3</b>	<b>14.1</b>

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**Source: Various Census counts; 2003 is a Census Bureau estimate.**

- **What explains the rapid growth of the Latino population in recent years?**

**Increase of  
Latino  
Population**

**=**

**Net  
Immigration to  
the United States  
(Immigration – Emigration)**

**+**

**Natural Increase of  
the Population  
(Births – Deaths)**

**Demographers use Total Fertility Rates to measure fertility.**

**Total Fertility Rate = The expected average number of children that would be born to a woman in her lifetime, if she were to pass through her childbearing years experiencing the age-specific fertility rates prevailing in a given year/period, for the given population.**

**Latinos tend to have higher fertility rates than other racial and ethnic groups in the United States.**

# Total Fertility Rates, U.S., 2001

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<b>United States</b>	<b>2.0</b>	<b>Children per woman</b>
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<b>Latinos/Hispanics</b>	<b>3.2</b>	<b>Children per woman</b>
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**Source: Population Reference Bureau, 2003.**

## Legal Immigrants Admitted From Latin America and the Caribbean, 1991-2003

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Year	Number of Immigrants
1991-2000	4,294,819
2001	454,843
2002	460,478
2003	290,328
2004	385,034

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Source: U.S. Department of Homeland Security,  
*Yearbook of Immigration Statistics*, Washington,  
D.C., 2004.

**What are the countries in Latin America and the Caribbean where the greatest proportion of immigrants come from?**

**In fact, 70% of all Latino immigrants come from just five countries. Which countries?**

## Country of Origin of Latino Immigrants (Only Legal Immigrants Included)

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<b>Country</b>	<b>Immigrants 1991-2004</b>	<b>% of total</b>
<b>Total, LAC</b>	<b>5,885,502</b>	<b>100%</b>
<b>Mexico</b>	<b>2,960,231</b>	<b>50%</b>
<b>Dominican Rep.</b>	<b>435,187</b>	<b>7</b>
<b>El Salvador</b>	<b>334,591</b>	<b>6</b>
<b>Cuba</b>	<b>247,022</b>	<b>4</b>
<b>Colombia</b>	<b>195,662</b>	<b>3</b>

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- **Source: US Immigration and Naturalization Service, Statistical Yearbook, 2002.**

# The Largest Hispanic/Latino Populations in the U.S., 2000

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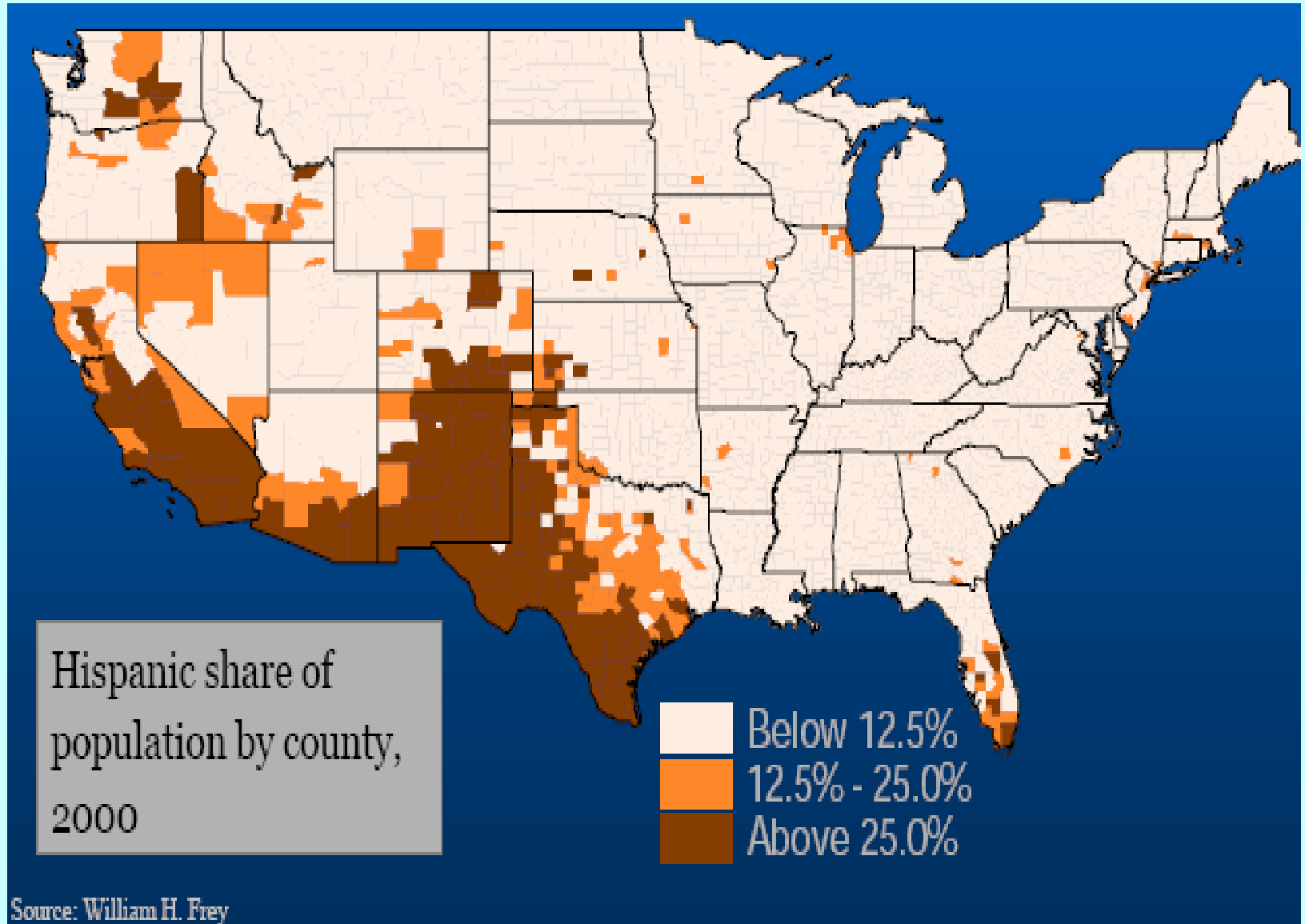
<b>Group</b>	<b>Population</b>	<b>% of Total</b>
<b>Total Population</b>	<b>35,305,818</b>	<b>100%</b>
<b>Mexican</b>	<b>20,900,102</b>	<b>59.2</b>
<b>Puerto Rican</b>	<b>3,406,178</b>	<b>9.6</b>
<b>Cuban</b>	<b>1,249,820</b>	<b>3.5</b>
<b>Dominican</b>	<b>1,041,910</b>	<b>3.0</b>
<b>Salvadoran</b>	<b>997,862</b>	<b>2.8</b>
<b>Colombian</b>	<b>655,090</b>	<b>1.9</b>

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**Source: 2000 U.S. Census of Population**

- **Where are Latinos concentrated?**
- **Which states draw the largest proportion of Latinos?**

Latinos are concentrated in a few states (California, New Mexico, Arizona, Texas, Florida, New York, New Jersey and Illinois, but there has been greater Dispersion in the last 10 years, from Iowa to North Carolina.



## THE POPULATION OF CITIES BY RACE/ETHNICITY, 2000

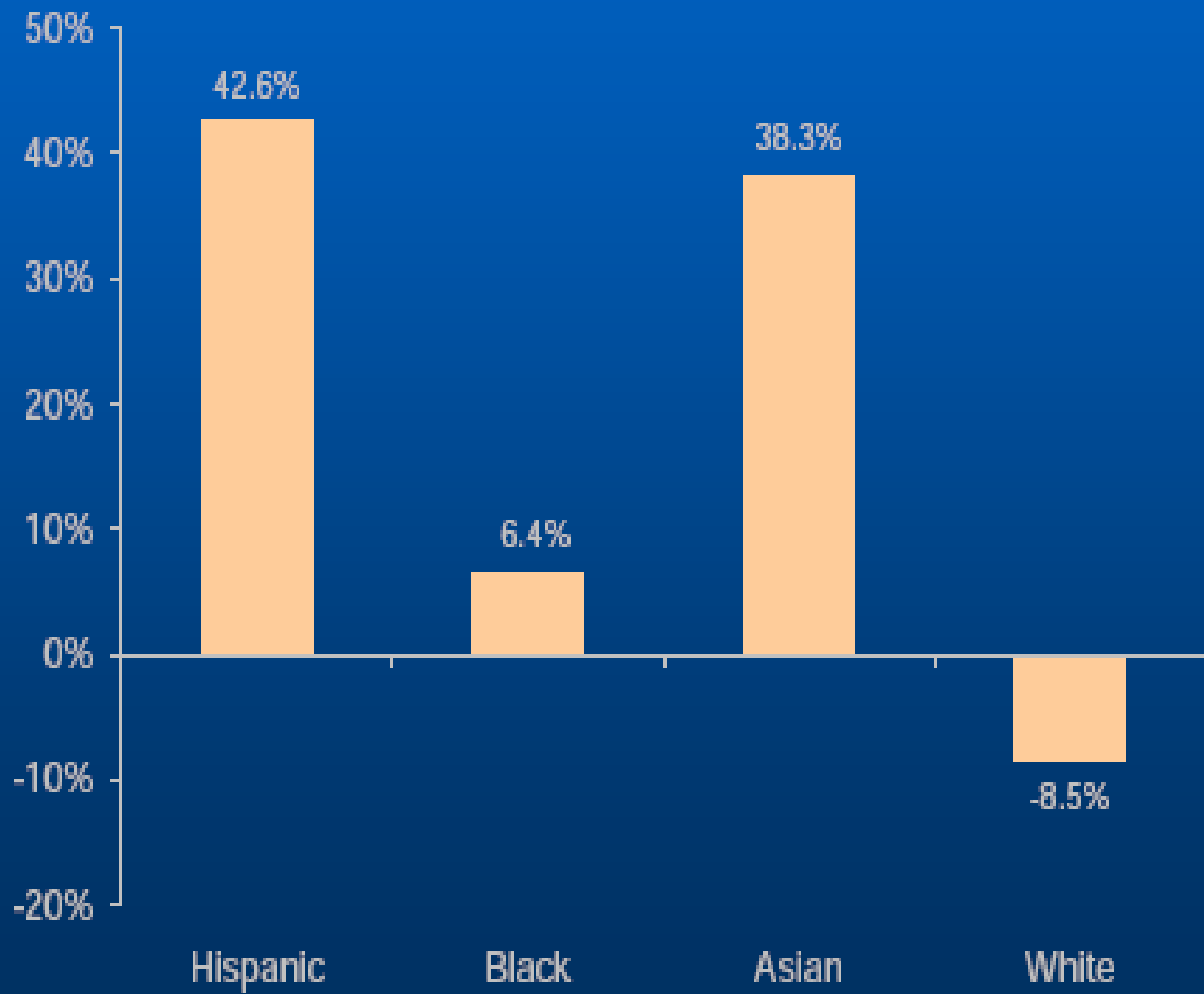
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CITY	TOTAL POP.	WHITE	BLACK	LATINO	ASIAN
NEW YORK	8,008,278	35.0%	24.5%	27.0%	9.8%
LOS ANGELES	3,694,820	29.8%	11.2%	46.5%	10.0%
CHICAGO	2,896,016	31.3%	36.8%	26.0%	4.4%
HOUSTON	1,953,631	30.8%	25.3%	37.4%	5.3%
PHILADELPHIA	1,517,550	42.4%	43.2%	8.5%	4.4%
PHOENIX	1,321,045	55.8%	5.1%	34.1%	2.0%
DALLAS	1,188,580	34.5%	25.9%	35.6%	2.7%
SAN DIEGO	1,223,400	49.4%	7.9%	25.4%	13.6%
SAN ANTONIO	1,144,646	31.8%	6.8%	58.7%	1.6%
DETROIT	951,270	10.5%	81.6%	5.0%	0.9%

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Population growth,  
100 largest cities  
1990-2000

Source:  
U.S. Census Bureau



- **So, what is the socioeconomic status of Latinos in the United States?**
- **Let us look first at the overall standard of living.**
- **We can use household income per-capita as a measure of the average standard of living of a population.**

# LATINOS HAVE THE LOWEST INCOME-PER-CAPITA IN THE UNITED STATES

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<b>Population Group</b>	<b>Annual Household Income Per-Capita, 1999</b>
<b>US Average</b>	<b>\$22,086</b>
<b>White Population</b>	<b>25,187</b>
<b>Black/African American</b>	<b>14,516</b>
<b>Asian Population</b>	<b>22,260</b>
<b>Latinos/Hispanics</b>	<b>12,483</b>

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**Source: 2000 Census of Population.**

**But not all Latino groups  
have the same average  
standard of Living.**

# Per-Capita Income among Latino Groups in the US

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<b>Group</b>	<b>Income per-capita, 1999</b>
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<b>Hispanic/Latino</b>	<b>\$12,483</b>
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<b>Mexican</b>	<b>10,918</b>
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<b>Puerto Rican</b>	<b>13,518</b>
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<b>Cuban</b>	<b>20,451</b>
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<b>Dominican</b>	<b>11,065</b>
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<b>Colombian</b>	<b>17,138</b>
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**Source: 2000 Census**

- **Note that income per-capita measures the average standard of living of a population.**
- **Usually, one also wants to discuss the distribution of income within the population.**

- The **poverty rate** is the percentage of persons with the lowest income per-capita, living in families with income below the poverty income threshold.
- Note that poverty is a relative concept and the U.S. Census Bureau calculates poverty thresholds based on American standards of subsistence.
- The poverty income threshold for a family consisting of two adults with one child was \$13,410 for 1999. Families with lower income are considered to be poor.

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## Poverty Rate in the U.S., By Race/Ethnicity

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Population Group	Poverty Rate, 1999
US Average	11.9%
White Population	7.9
Black/African American	24.1
Asian Population	12.1
<b>Latinos/Hispanics</b>	<b>22.3</b>

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Source: 2000 Census of Population.

- **Not only do Latinos have among the highest poverty rates in the United States, but these poverty rates have remained relatively stable over the last thirty years.**

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## Poverty Rate in the U.S., 1979-1999

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Population Group	1979	1989	1999
US Average	12.1%	13.2%	11.9%
White	8.6	9.0	7.9
Black/Af. Am.	28.7	29.8	24.1
Asian	12.7	14.6	12.1
<b>Latinos</b>	<b>23.5</b>	<b>24.4</b>	<b>22.3</b>

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Source: 2000 Census of Population.

- **What forces explain the relatively low per-capita income and high poverty rates among Latinos compared to other racial and ethnic groups in the U.S.?**
- **Why do Cubans tend to have such high income compared to other Latinos?**

**Income and poverty are determined mostly by the labor market.**

**There are three aspects of the labor market that affect income:**

- 1. How many people are in the labor force?**
- 2. Of those in the labor force, how many are working?**
- 3. Among those working, how much do they earn?**

**First is the issue of how many people are in the labor force.**

**In the labor force:** working (employed) or looking for work (unemployed)

**Out of the labor force:** working at home (unpaid work), in school, or enjoying leisure.

**Labor force participation rate = fraction of the population of working age (16 years of age or older) who are in the labor force).**

# Labor Force Participation Rates in the U.S.

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<b>Population Group</b>	<b>Labor Force Participation Rate, 2000</b>
<b>US Average</b>	<b>65.6%</b>
<b>White Population</b>	<b>66.3</b>
<b>Black/African American</b>	<b>63.3</b>
<b>Asian Population</b>	<b>64.7</b>
<b>Latinos/Hispanics</b>	<b>62.5</b>

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**Source: 2000 Census of Population.**

**Overall, a lower labor force participation rate is not a major factor explaining the lower income of Latinos.**

**The slightly lower labor force participation rates among Latinos could be explained by the fact that when employment opportunities are not easily available workers get discouraged and drop out of the labor force.**

**If this is correct, one would therefore expect that unemployment rates among Latinos would be above average.**

**Is this prediction correct?**

**Let us look at the issue of unemployment among Latinos.**

**Persons in the labor force are either working (employed) or looking for work (unemployed).**

**The higher the fraction of people unemployed, the lower the income opportunities.**

# Unemployment Rates in the U.S.

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Population Group	Unemployment Rate, 2000	
	Male	Female
US Average	3.9%	4.1%
White Population	2.8%	3.0%
Black/African American	8.1	7.6
Asian Population	3.2	3.7
<b>Latinos/Hispanics</b>	<b>5.4</b>	<b>7.6</b>
Dominican	7.8	10.7

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Source: 2000 Census of Population.

**Unemployment rates among Hispanics/Latinos are higher than in the rest of the population, particularly among women.**

**What about New York City?**

# Unemployment Rates in New York City

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<b>Population Group</b>	<b>Unemployment Rate, 2000</b>	
	<b>Male</b>	<b>Female</b>
<b>NYC Average</b>	<b>5.5%</b>	<b>6.5%</b>
<b>White Population</b>	<b>3.2%</b>	<b>3.4%</b>
<b>Latinos/Hispanics</b>	<b>7.5</b>	<b>10.9</b>
<b>Mexican</b>	<b>4.8</b>	<b>10.2</b>

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**Source: 2000 Census of Population.**

**So:**

- 1. Latinos tend to have significantly higher unemployment rates.**
- 2. Latinas have particularly high unemployment rates.**

**A third issue connected to the labor market is the pay received by those who do find employment.**

**What are the earnings differences between racial and ethnic groups? Consider, as an example, the case of New York City.**

# The Annual Earnings of Workers in NYCity, 1999

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Group	Median Annual Earnings	
	Male	Female
NYCity Overall	\$29,155	\$24,469
White	41,717	31,488
Black	26,220	24,882
Hispanic	20,938	16,300
Dominican	18,589	12,923
Mexican	15,631	11,731

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Source: 2000 Census, STF 4.

**There are two clear tendencies in this last table:**

- **1. Latinos tend to have drastically lower earnings than the average in the City**
- **2. Women have lower earnings, independently of race or ethnicity.**

- **Why these differences in earnings?**

**Let us look first at  
demographic factors.**

**The age structure of a population makes a significant difference in terms of earnings: except for the very old, as individuals age, they generally have higher earnings.**

**Consider the case of New York city as an example.**

# Age and Earnings in New York City, 1999 (Full-Time Workers)

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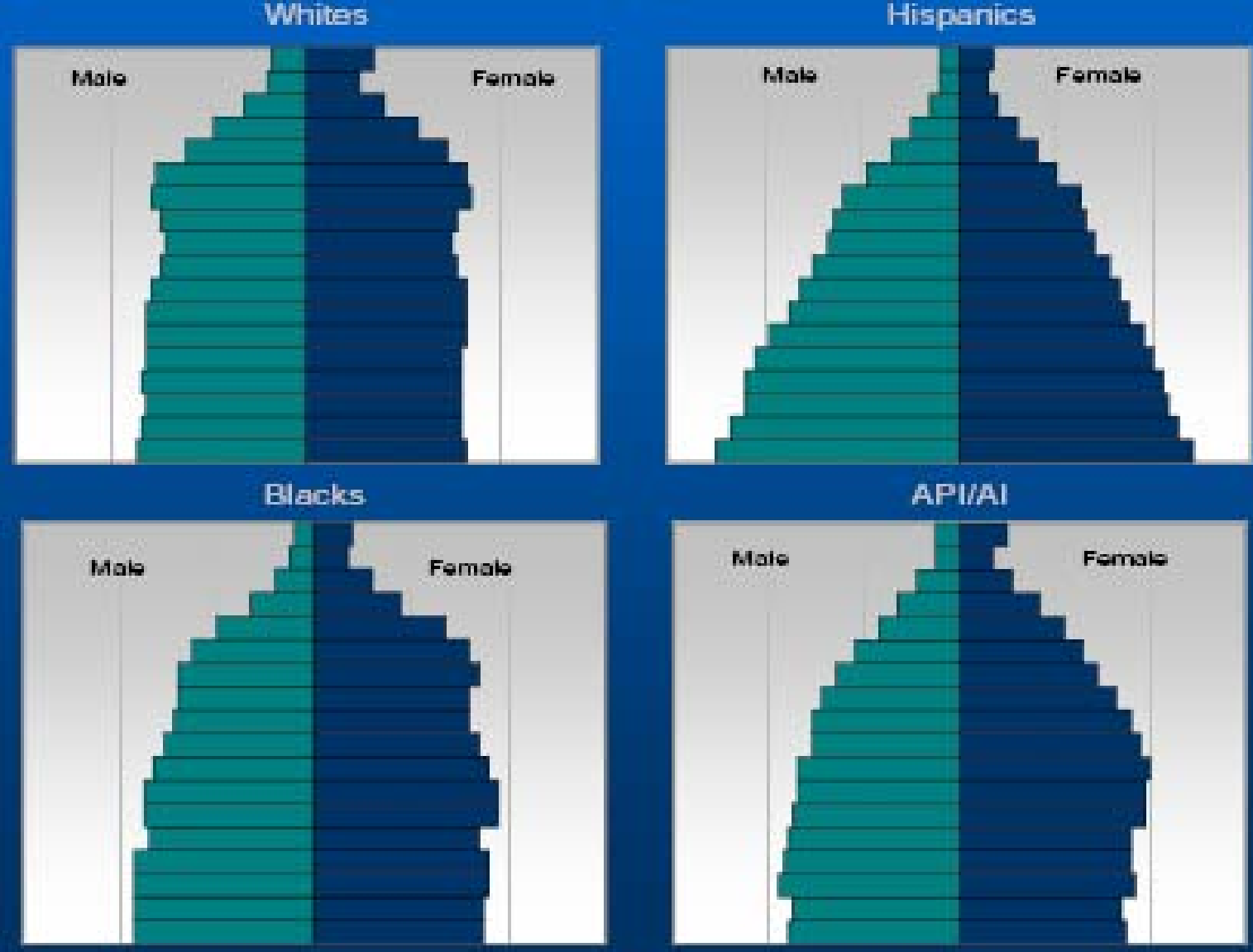
Age	Average Annual Earnings
16 to 19	\$19,576
20 to 24	27,476
25 to 34	50,694
35 to 44	61,653
45 to 54	62,545
55 to 64	61,998

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Source: 2000 Census, 1% PUMS, authors' tabulations.

**As a result of this pattern, if the average age of a population is less than that of other groups, its average earnings may be lower (and income lower as well, and poverty rates higher).**

# Age Distribution of the U.S. Population, by Race and Ethnicity



# Median Age in the U.S., By Race/Ethnicity

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Population Group	Median Age, 2000
US Average	35.4
White Population	38.6
Black/African American	29.9
Asian Population	31.7
<b>Latinos/Hispanics</b>	<b>26.0</b>
Cuban	40.3
Mexican	24.4

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Source: 2000 Census of Population.

**So, partly, the lower earnings of Latinos is associated with the young age of its population.**

**The higher average income of Cubans – and the lower income of Mexicans– is also connected, in part, to age differences.**

**But Latino women tend to be slightly older than men, on average, so age differences cannot explain their lower earnings.**

- **But the most critical variable explaining earnings is educational attainment.**
- **There is strong positive correlation between earnings and schooling.**

- **Higher educational attainment raises worker productivity.**
- **Education is also used by employers as a screening device.**

# **Economic Returns to Education in New York City, 1999**

## **Annual Earnings of Full-Time Workers**

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<b>Education</b>	<b>Average Annual Earnings</b>
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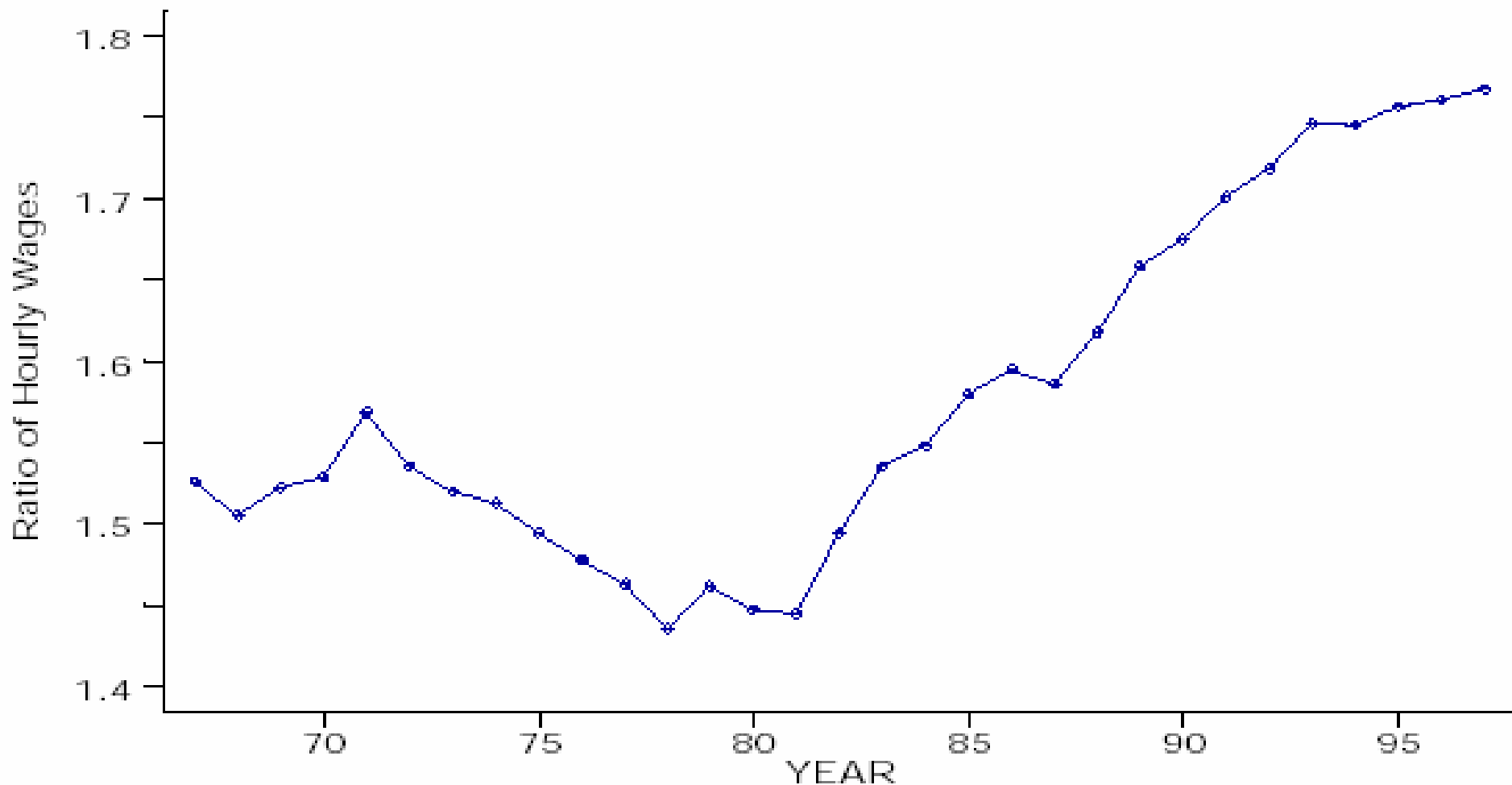
<b>Elementary or Middle School</b>	<b>\$25,306</b>
<b>Some High School</b>	<b>29,871</b>
<b>High School</b>	<b>36,161</b>
<b>Some College</b>	<b>45,261</b>
<b>College Degree</b>	<b>70,564</b>
<b>More than College</b>	<b>100,754</b>

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**Source: 2000 Census, 1% PUMS, authors' tabulations.**

- **So, pay is much greater for those with higher levels of schooling.**
- **But, in addition, high levels of schooling –college or more-- are being rewarded at a higher rate since the early 1980s.**

# The Ratio of the Average Wage Per Hour of College Graduates to that of High School Graduates



College Plus / High School Wage Premium 1967-1997

**What is the relative  
educational attainment of  
Latinos?**

# Educational Attainment in the United States, 2000

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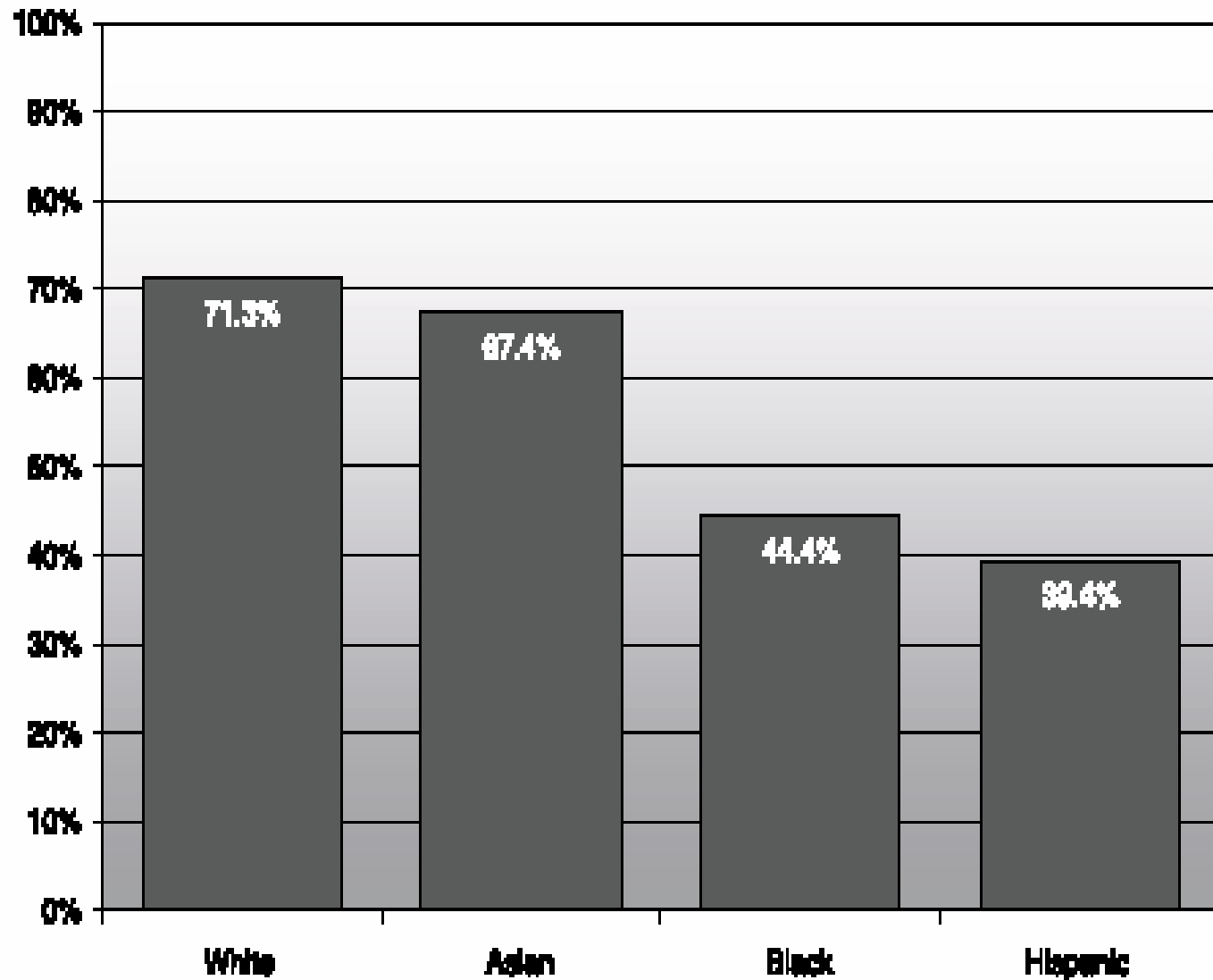
Population Group	% with College Degree or More
United States overall	25.7%
White Population	27.2
Black/African American	17.0
Asian Population	44.1
<b>Latinos/Hispanics</b>	<b>11.1</b>
Mexican	7.6
Puerto Rican	14.0
Cuban	18.6

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Source: 2000 Census of Population.

# Four-Year High School Completion Rate by Racial/Ethnic Group, Class of 2000

High School completion rates for Blacks and Hispanics are much lower than those for Whites and Asians.



New York City

- **So, Latinos tend to have lower educational attainment, which is reflected in lower earnings and higher poverty.**
- **Among Latinos in New York City, Mexicans have the lowest educational attainment, and also the lowest earnings and income.**
- **But what about the situation of Latinas. Does less education explain their lower earnings compared to men?**

# Educational Attainment in New York City

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<b>Population Group</b>	<b>% with more than a High School Education</b>	
	<b>Male</b>	<b>Female</b>
<b>Latinos/Hispanics</b>	<b>29.2</b>	<b>31.2%</b>
<b>Puerto Rican</b>	<b>28.6%</b>	<b>32.7%</b>
<b>Mexican</b>	<b>17.9%</b>	<b>18.0%</b>
<b>Dominican</b>	<b>26.5%</b>	<b>29.3%</b>

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**Source: 2000 Census of Population.**

- **Latinas are older and have greater educational attainment than Latinos.**
- **So, differences in educational attainment cannot explain the gender gap.**
- **What explains then the gender gap?**

- **A vast amount of research on the gender gap suggests that there a number of factors behind it, but that occupational segregation and labor market discrimination play a huge role.**

- **The gender gap in pay has a magnified impact on the economic situation of Latinas.**
- **Why?**

**Because of the drastically lower income received by women in the labor market, families headed by separated or divorced women, as well as single women with children, tend to have lower income and higher poverty rates than married couple families.**

# Poverty Rate and Female-Headed Families, NYC 2000

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	<b>Female- Headed</b>	<b>Other Families</b>
<b>Total NYCity Population</b>	<b>34.9%</b>	<b>14.3%</b>
<b>White Population</b>	<b>15.4</b>	<b>9.1</b>
<b>Black Population</b>	<b>33.7</b>	<b>16.1</b>
<b>Asian Population</b>	<b>19.0</b>	<b>18.1</b>
<b>Hispanic/Latino Population</b>	<b>46.6</b>	<b>21.2</b>

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**Source: 2000 Census, 5% PUMS.**

**But there are many more  
female-headed families  
among Latinos.**

# **Female-Headed Families in the U.S. (as a % of Families in the Group)**

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<b>Population Group</b>	<b>Female-Headed Families as a % of Total, 2000</b>
<b>US Average</b>	<b>13.3%</b>
<b>White Population</b>	<b>9.6</b>
<b>Black/African American</b>	<b>35.6</b>
<b>Asian Population</b>	<b>8.9</b>
<b>Latinos/Hispanics</b>	<b>17.1</b>
<b>Dominican</b>	<b>32.5</b>

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**Source: 2000 Census of Population.**

- **For the latest on Latino research, please see the Latino Research Clearinghouse website, hosted at Columbia, with address:**
- **[www.tc.columbia.edu/latinoresearch](http://www.tc.columbia.edu/latinoresearch)**