

Young Latinos in the Workforce

Employment Trends and Policies to Improve Labor Market Outcomes

Summary

As the largest and fastest-growing minority group and a population characterized by its youthfulness, Latinos* compose an increasingly important segment of the U.S. economy. Unemployment among young workers is on the rise and is especially high for minorities, including Latinos. These trends call for swift action on a comprehensive policy agenda to train and employ young workers, with specific attention to the needs of young Latinos. This *Monthly Latino Employment Report* offers an overview of current Latino employment trends and recommends policies that Congress should consider immediately to tackle these challenges.

Latino Employment Statistics for September

The [latest report](#) from the Department of Labor showed that U.S. employers added 120,000 jobs in November. According to the Economic Policy Institute, the economy should be adding 400,000 jobs every month in order to return to prerecession unemployment levels by mid-2014. Unemployment in the Latino community was unchanged slightly at 11.4%, while the national unemployment rate declined by 0.4% to 8.6%.

The contributions of Latinos in the labor force have important implications for national prosperity and global competitiveness. Hispanics are poised to make up one-third of the American workforce by 2050.¹ Meanwhile, retiring baby boomers will leave an estimated 32.4 million openings in the workforce over the next decade that will need to be filled by well-trained workers.² [Figure 1](#) illustrates the age distribution of Latinos and Whites. The highest rates of growth in the Hispanic population can be seen in children and youth under the age of 18; between 2000 and 2010, the growth rate for Latinos under age 18 was 28%, while the rate of change in the same period for non-Hispanic youth decreased by 5%.³

Work experience goes hand in hand with educational attainment as a determinant of economic security and future career prospects. Given the youthfulness of the Latino population, young Latino workers are an important subgroup to monitor in this post-recession era. Their capacity to contribute to the nation's economic growth today and to meet the demands of businesses in the future is critical to national prosperity and global competitiveness.

* 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.

Figure 1. Age Distribution of Latinos and Whites, 2010.

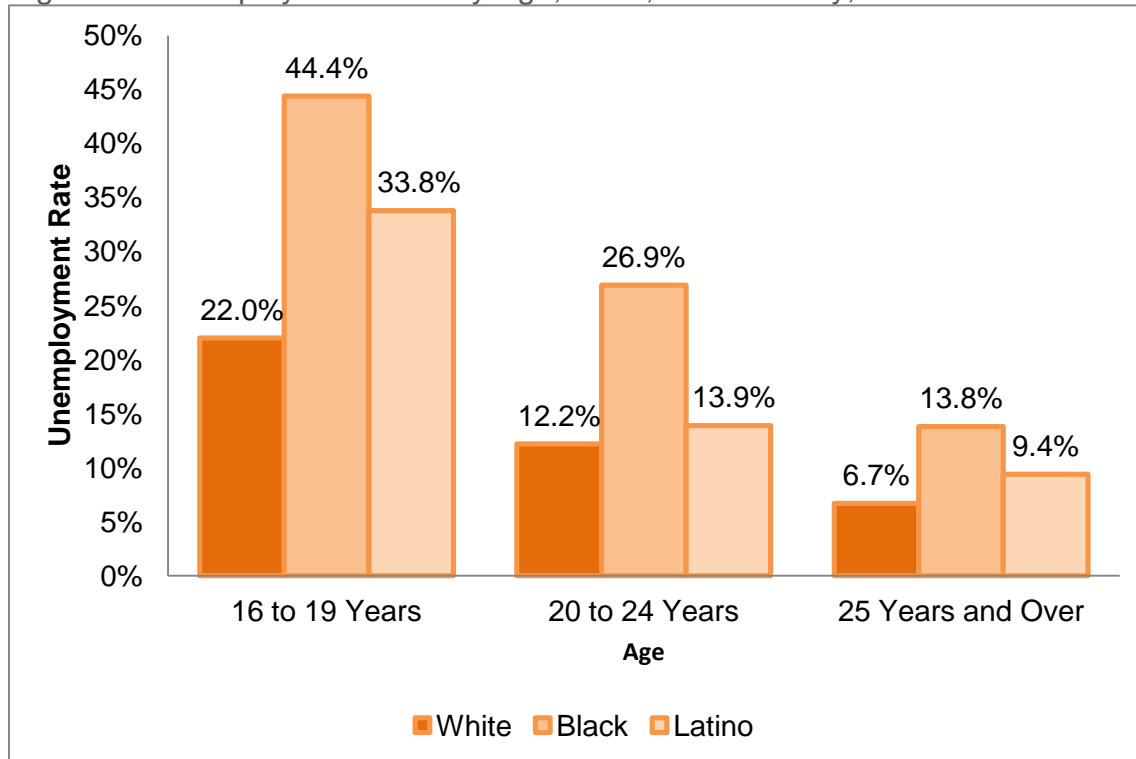


Source: 2009 American Community Survey sample in Rogelio Saenz, Population Bulletin Update: Latinos in the United States 2010, (Washington, DC: Population Reference Bureau, 2010), www.prb.org/Publications/PopulationBulletins/2010/latinosupdate1.aspx (accessed December 2011).

Employment Trends for Young Latino Workers

As seen in [Figure 2](#), unemployment rates are high for all workers under age 25 compared to their older counterparts. In addition, unemployment has been rising for all young people, regardless of race and ethnicity, for the last decade. Yet, across all age categories, Black and Latino workers have elevated unemployment rates compared to White workers.

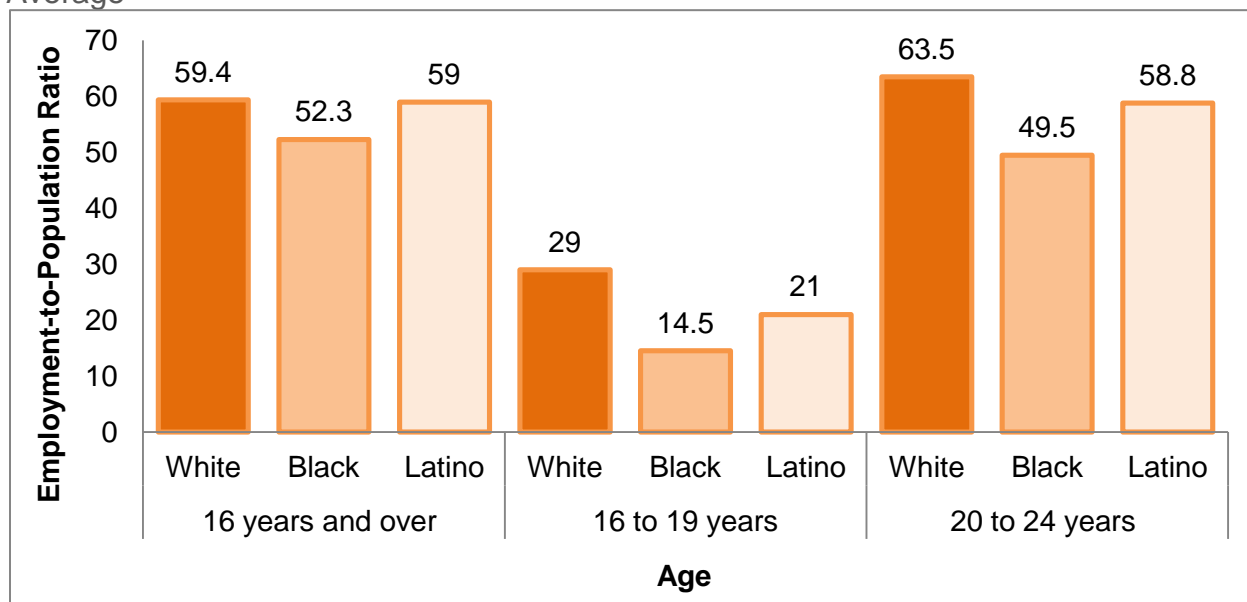
Figure 2. Unemployment Rate by Age, Race, and Ethnicity, Third Quarter of 2011



Source: U.S. Bureau of Labor Statistics, *Current Population Survey*, 2011 Quarterly Averages 2011, www.bls.gov/web/empsit/cpsee_e16.htm (accessed December 1, 2011). Data is not seasonally adjusted.

Another notable labor market indicator is the employment to population ratio, which describes the share of the working-age population that has a job. As [Figure 3](#) shows, while the employment-to-population ratio of all Latinos is nearly on par with Whites at around 59%, young Latinos have considerably lower employment-to-population ratios than their White peers. The disparity is widest among 16- to 19-year-olds; 29% of Whites in this age category are employed, compared to 21% of Latinos.

Figure 3. Employment-to-Population Ratio by Race and Ethnicity, 2011 Annual Average



Source: U.S. Bureau of Labor Statistics, *Current Population Survey*, 2011 Annual Averages 2011, www.bls.gov/cps/cpsaat4.pdf (accessed December 1, 2011). Data is seasonally adjusted.

Unique Challenges for Young Latino Workers

As more Hispanic young adults enter the workforce each year, it is increasingly important for policies to address the barriers they face in accessing and maintaining employment. Low educational attainment impedes a significant number of young Latinos from accessing full-time, well-paying jobs with career paths. In 2008, only 57.6% of Latino children who entered ninth grade completed twelfth grade with a regular diploma, compared to 78.4% of White children and 82.7% of Asian youth.⁴ Hispanics who enroll in postsecondary education often receive less financial aid, placing an even greater burden on Latino college students to work to finance their own education or to drop out of college.⁵ Other difficult life circumstances put some young Latinos at a greater disadvantage in the labor market. Prevalent issues include tenuous immigration status, language barriers, low income, discrimination,⁶ pregnancy and parenting, lack of housing, involvement in the foster care system, and an overwhelming representation in the juvenile justice system.⁷ Important differences exist between subgroups, particularly between native-born and foreign-born Latinos.⁸

A Policy Agenda for Employment and Training of the Young Latino Workforce

In order to address pressing employment issues and to improve the outlook for the U.S. economy, Congress must consider a comprehensive strategy to create jobs and bolster the education, skills training, and employment of young Latinos. Several targeted policy options exist in current legislation and are awaiting action. They are:

1. **The “Pathways Back to Work Act” (H.R. 3425/S.1861).** This legislation builds on the success of the Recovery Act’s Temporary Assistance for Needy Families (TANF) Emergency Fund and promising strategies funded through the Workforce Investment Act. It includes \$1.5 billion in funding for paid work experience targeted to disadvantaged youth. In 2009, a similar program connected nearly 360,000 young people to jobs with recognized credentials and meaningful work experience.⁹
2. **Reauthorization of federal transportation legislation.** The transportation sector already employs over a million Latinos, and the pending reauthorization of the federal transportation bill has the potential to create millions of jobs in communities across the country.¹⁰ Workforce development programs designed to reach low-income young people, such as the program described in the “Transportation Job Corps Act of 2011” (H.R.929), could go a long way to opening opportunities for Latino young adults in the transportation sector.
3. **Workforce Investment Act (WIA) Appropriations.** Both the House and the Senate have proposed cuts in Fiscal Year 2012 to WIA Title I and II programs that provide skills training, education, and paid work experience for low-income young people. These cuts would have a devastating impact on programs that already operate on reduced budgets and would greatly reduce the number of young people served in every state.
4. **Extension of the payroll tax holiday and long-term Unemployment Insurance benefits.** The expiration of these items at the end of 2011 would wreak havoc on a macro-economic level because consumer demand would plummet. Congress must extend these provisions to protect the fragile economic recovery and prevent future job losses.

For more information or to receive a copy of the *Monthly Latino Employment Report* by email each month, contact Catherine Singley, Senior Policy Analyst at NCLR at csingley@nclr.org.

Endnotes

¹ NCLR calculation using U.S. Census Bureau, “National Population Projections, 2008.” Washington, DC, 2008, www.census.gov/population/www/projections/summarytables.html (accessed January 25, 2011), Tables 12 and 20.

² Anthony P. Carnevale, Jeff Strohl, and Nicole Smith, *Help Wanted: Projections of Jobs and Education Requirements Through 2018* (Washington, DC: Georgetown University Center on Education and the Workforce, 2010), www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/FullReport.pdf (accessed March 1, 2011).

³ NCLR calculation using U.S. Census Bureau, “Table P2: Hispanic or Latino and Not Hispanic or Latino by Race,” “American FactFinder,” 2010 Census National Redistricting Data SF, <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml> (accessed March 2011); and U.S. Census Bureau, “Table: P4 Hispanic or Latino and Not Hispanic or Latino by Race for the Population 18 Years and Over,” “American FactFinder,” 2010 Census National Redistricting Data SF, <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml> (accessed March 2011); and NCLR calculation using U.S. Census Bureau, “Table QT-PL: Race, Hispanic or Latino, and Age, 2000,”

"American FactFinder," 2000 Census Redistricting Data SF (PL 94-171),
<http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml> (accessed April 2011).

⁴ Education Counts Research Center Database, "Graduation Rate for Hispanic Students Cumulative Promotion Index (CPI), 2008" <http://www.edcounts.org/createtable/viewtable.php> (accessed June 2011).

⁵ Sara L. Dolan, *Missing Out: Latino Students in America's Schools* (Washington, DC: National Council of La Raza, 2009).

⁶ Patricia Foxen, *Speaking Out: Latino Youth on Discrimination in the United States* (Washington, DC: National Council of La Raza, 2010),
[http://www.nclr.org/index.php/publications/speaking_out_latino_youth_on_discrimination_in_the_united_s](http://www.nclr.org/index.php/publications/speaking_out_latino_youth_on_discrimination_in_the_united_states/)
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⁷ Marlene Sallo, *School-to-Prison Pipeline: Zero Tolerance for Latino Youth* (Washington, DC: National Council of La Raza, 2011), http://www.nclr.org/index.php/publications/school-to-prison_pipeline_zero_tolerance_for_latino_youth/ (accessed December 2011).

⁸ For an in-depth demographic portrait of young Latinos and a comprehensive survey of their attitudes about education, work, and life, see *Between Two Worlds: How Young Latinos Come of Age in America* (Washington, DC: Pew Hispanic Center, 2009), www.pewhispanic.org/2009/12/11/between-two-worlds-how-young-latinos-come-of-age-in-america/ (accessed December 2011).

⁹ Neil Ridley, "Pathways Back to Work Act Introduced,"
www.clasp.org/issues/pages?type=employment_strategies&id=0007#pbw (accessed December 2011).

¹⁰ *Monthly Latino Employment Report: Laying the Foundation for Stronger Neighborhoods* (Washington, DC: National Council of La Raza, 2011),
http://www.nclr.org/index.php/publications/monthly_latino_employment_report_laying_the_foundation_for_stronger_neighborhoods/ (accessed December 2011).