



The increasing importance of Hispanics to the U.S. workforce

Editor's note: This essay is part of a series being published to help commemorate the Monthly Labor Review's centennial (July 1915–July 2015). The essays—written by eminent authorities and distinguished experts in a broad range of fields—cover a variety of topics pertinent to the Review and the work of the Bureau of Labor Statistics. Each essay is unique and comprises the words and opinion of the author. We've found these essays to be enlightening and inspirational. We hope you do as well.

Celebrating the 100th anniversary of the Bureau of Labor Statistics' *Monthly Labor Review* naturally gives rise for reflection upon how the demographic characteristics of the American workforce have dramatically changed. One of the most obvious examples is the structural increase in the presence of women in the labor force. Even in the past quarter of century, data from the 1990 and 2014 Current Population Survey (CPS) indicate that the growth rate in the number of women civilian workers ages 16 and above outpaced that for men (29.0 percent versus 21.4 percent).

The demographic shift with respect to ethnicity has also been striking in recent years. Sparked by immigration and



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relatively high fertility rates, the number of Hispanics in the civilian U.S. workforce more than doubled, from 10.7 million to 25.4 million workers between 1990 and 2014. This 137-percent increase dwarfed the 13-percent increase in the number of non-Hispanic civilian workers by more than a factor of 10, nearly doubling the representation of Hispanics among *all* civilian workers during this time (from 8.5 percent to 16.0 percent).

Moreover, the growth rate of the number of Hispanic civilian women in the labor force was particularly acute (157 percent) compared with their male counterparts (124 percent) in the past quarter century. The population growth rates of female and male civilian non-Hispanic workers rose by 18 percent and 9 percent, respectively, during this time. These changes resulted in a doubling of the share of Hispanic women among female workers (from 7.3 percent to 14.7 percent), and an almost doubling of the share of Hispanic men among male workers (from 9.5 percent to 17.7 percent). As such, the presence of Hispanic women increased in both the Hispanic workforce and

the female workforce, which continued a pattern from the 1980s observed by Peter Cattan in a 1988 *MLR* article titled "The growing presence of Hispanics in the U.S. workforce."

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These dramatic demographic shifts have a variety of national labor market and other socioeconomic issues for the next 25 years and more. Indeed, the Pew Research Center projects that the Hispanic population will continue to rapidly grow, such that by 2050, Hispanics will represent nearly 30 percent of the total population. If Hispanic women continue to disproportionately enter the workforce, gender-related differences in labor market outcomes (including earnings, self-employment, labor force participation, and occupations) as well as in family/societal factors (such as fertility rates, maternity/parental leave, and access to childcare, healthcare, and schools) will become increasingly important.

One additional shift in just the past decade worth highlighting is that U.S.-born Hispanics have been driving population growth more than immigrants. It follows that domestic-related issues such as access to quality education, job training, and healthcare (as opposed to language, legalized status, and assimilation) will likely dominate labor market, business, and social concerns more than in the past.

Access to quality education is particularly critical when considering that Hispanics have less education on average than non-Hispanics (11.0 years versus 13.7 years among adults ages 25 years and older).¹ The gap narrows but remains significant when exclusively focusing on U.S.-born workers (12.4 years versus 13.6 years), and similar gaps exist across gender. While Hispanics have been acquiring more schooling in recent years, non-Hispanics have as well, which has maintained the Hispanic/non-Hispanic education disparity.

The under-education of Hispanics has numerous labor market, economic, and social repercussions, including relatively low wages and earnings, low asset and retirement-income accumulation, reduced purchasing power, and high unemployment and poverty rates, just to name a few. Moreover, the most recent recession that started with the financial crisis expedited "job polarization" (the permanent loss of a nontrivial number of middle-skilled jobs), and in the past couple of decades, many jobs have become increasingly skill-intensive. These labor market structural changes suggest that without making additional investments in the education of Hispanics, they are likely to fall further behind in upcoming years. Particularly in light of their population growth, the educational outcomes among Hispanics will not only affect Hispanic American communities; they will have increasing national and global consequences regarding the direction of the American workforce, the business sector, social programs, and economic prosperity.

SUGGESTED CITATION

Maria T. Mora, "The increasing importance of Hispanics to the U.S. workforce," *Monthly Labor Review*, U.S. Bureau of Labor Statistics, September 2015, https://doi.org/10.21916/mlr.2015.33

NOTES

<u>1</u> The education figures are based on my estimates using 2013 CPS public-use microdata in the Integrated Public Use Microdata Series (see <u>www.ipums.org</u>).

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