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HISPANICS AND THE ECONOMY Economic stagnation for Hispanic American workers, throughout the 2000s

BY

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As a group, Hispanic Americans experienced no major economic progress between 2000 and 2007. Hispanics have above average unemployment and poverty rates, neither of which declined over this period. The most significant economic change was a 2.2% drop in the real median Hispanic family income. This economic stagnation for Hispanics occurred during a period when the gross domestic product grew by 18% and worker productivity by 19%. Yet despite these gains, the Hispanic population did not benefit from the wealth that it helped create in the U.S. economy over the 2000s.

This lack of economic advancement occurred in spite of the fact that Hispanics worked a great deal over the 2000s, and many worked in some of America's most dangerous jobs. From 2000 to 2007, Hispanics consistently had the highest participation in the labor force of America's major racial and ethnic groups. But the jobs Hispanics held were disproportionately low-wage jobs, and as such, they were most likely to earn wages that could not support a family of four above the poverty

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level (Mishel, Bernstein, and Shierholz 2008). Additionally, Hispanics have the highest rate of workplace fatalities (National Council of La Raza 2008) and some of the lowest rates of health insurance coverage (Mishel et al. 2008). As Hispanics currently represent 15% of the U.S. population, making the American economy work better for Hispanics would improve the well-being of the nation as a whole.

The construction industry has been an important factor in the high employment rates of Hispanic male workers, especially the foreign born (Kochhar 2008a). These jobs likely had a positive effect on Hispanic wages. But with the end of the housing boom, there has been a large jump in Hispanic unemployment (Austin 2008) and declines in Hispanic earnings (Kochhar 2008a; Kochhar 2008b). The continued slump in construction and the more general downturn in the economy mean that Hispanics will likely face increased difficulties in finding work. For many Hispanics the economic downturn will mean they will fall further behind the nation as a whole.

This briefing paper shows that:

- In the 2000s business cycle, the Hispanic median family income fell 2.2%, compared to a growth of 9.5% in the 1990s business cycle. The 2000s business cycle is the first time since World War II, in a business

cycle of this length, that American family incomes have declined.

- The median income trends for U.S.-born and foreign-born Hispanic families went in opposite directions: U.S.-born Hispanic families saw an increase of 4.4% in their median income, but foreign-born Hispanic families saw a decrease of 9.1%.
- The median wages of Hispanics remain considerably below the U.S. median. From 1994 to 2000, the largest percentage gains in the median hourly wage for Hispanics were for foreign-born workers without a high school diploma. This development shows that the tight labor markets of the late 1990s brought significant economic benefits to low-wage workers. This was not the case between 2000 and 2007.
- Hispanics are more likely to be unemployed than the average worker. After adjusting for the decline in the Hispanic labor force participation rate over the 2000s, the percentage of Hispanic workers who should be counted as unemployed was higher in 2007 than in 2000.
- The Hispanic population has a higher poverty rate than the nation as a whole, and little progress was made during the 2000s business cycle to narrow this

TABLE 1

Median Hispanic family incomes in 1989, 2000, and 2007 (2007 dollars)

	All families	Married couple	Single male-headed	Single female-headed
1989	\$37,854	\$44,209	\$40,647	\$18,963
2000	41,469	48,669	38,478	24,642
2007	40,566	48,144	38,786	24,489
Percent change 1989-2000	9.5%	10.1%	-5.3%	29.9%
Percent change 2000-07	-2.2	-1.1	0.8	-0.6
Annual growth rate				
<i>1989-2000</i>	0.8%	0.9%	-0.5%	2.4%
<i>2000-07</i>	-0.2	-0.1	0.1	-0.1

SOURCE: U.S. Census Bureau 2008c.

TABLE 2

Growth of Hispanic and non-Hispanic labor force by nativity, 2000-07

	2000	2007	Percent change	Percent of total labor force in 2007
Hispanic				
U.S.-born	7,017,392	9,416,430	34.2%	6.1%
Foreign-born	7,798,118	11,987,168	53.7	7.8
Non-Hispanic				
U.S.-born	113,468,813	118,631,312	4.5%	77.4%
Foreign-born	10,547,025	13,219,791	25.3	8.6

SOURCE: Authors' analysis of Census and American Community Survey data.

gap. In 2007 nearly one in five Hispanic families had an income below the poverty line. Education, job training, shared economic growth, and increased unionization should each serve to reduce the poverty rate among Hispanics.

Median Hispanic family income declined by over 2%

The economy regularly goes through business cycles of upswings and downswings. The last one began in 2000 and is presumed to have neared its end at the close of 2007. The business cycle prior to the last one began in 1990 and ended in 2000.¹ These two cycles present a study of contrasts.

In the 1990s business cycle, Hispanic real median family income grew 9.5%, but it fell 2.2% in the 2000s. Perhaps a better comparison, given the different cycle lengths, is the annual growth rate of the two cycles. Real median family income in the 1990s business cycle had an annual growth rate of 0.8%, but the 2000s business cycle had a *negative* growth rate of -0.2% (Table 1). The 2000s business cycle is the first time since World War II, in a business cycle of this length, that American family incomes have declined (Mishel et al. 2008).

By type of family, the real median family income for married-couple Hispanic families showed the largest decline of 1.1% in the 2000s. The median family headed by a single, Hispanic female lost 0.6% in income. The trend for the median Hispanic family income headed by a single man was the opposite of that for the other family types. Hispanic families headed by a single male lost in-

come over the 1990s but experienced a small increase over the 2000s. After losing over \$2,100 during the 1990s, this cohort's income increased by about \$300 over the 2000s.

The Hispanic American population is quite dynamic because of a high rate of immigration and a relatively high birth rate (U.S. Census Bureau 2007). We can see this even if we restrict our focus only to individuals in the labor force. Table 2 shows that the foreign-born Hispanic labor force grew by 53.7% between 2000 and 2007, compared to 34.2% for the U.S.-born Hispanic labor force. In contrast, the U.S.-born non-Hispanic labor force only grew by 4.5%. The foreign-born non-Hispanic labor force also grew dramatically, increasing by 25.3%. Because of the large, growing and somewhat demographically distinct foreign-born Hispanic population, it is useful to pay attention to possible differences between the U.S.-born and foreign-born Hispanic populations.²

The real median income trends for U.S.-born and foreign-born Hispanic families went in opposite directions. U.S.-born Hispanic families saw an increase of 4.4% in their median income, but foreign-born Hispanic families saw a *decline* of 9.1% (Table 3).³

Median weekly earnings are lower for Hispanics than for the workforce in general

Median family income is only one gauge of a population's well-being. Another metric to consider is labor market earnings. Table 4 displays the real median weekly earnings of both Hispanics and also of the workforce as a

TABLE 3

Median Hispanic family incomes in 2000 and 2007 by nativity (2007 dollars)

	U.S.-born	Foreign-born
2000	\$44,044	\$38,528
2007	46,000	35,016
<i>Percent change 2000-07</i>	4.4%	-9.1%

SOURCE: Authors' analysis of CPS data.

whole between 2000 and 2007. It illustrates that Hispanics in the United States tend to earn relatively low wages. For example, in 2007, the median earnings of Hispanics ages 16 and above was \$503 per week, representing 72% of the median weekly earnings for all workers. This number reveals a modest improvement since 2000; in that year, real median weekly earnings of Hispanics were \$480 (in 2007 dollars)—69% of the national median.

Hispanic median weekly wage lags productivity growth

A strong economy, measured by productivity growth, is expected to lead to higher wages for workers. **Figure A** shows that although the U.S. economy was over 19% more productive over the last business cycle, the median Hispanic weekly wage only grew by less than 5%. In light of this productivity growth, if the wealth created by

TABLE 4

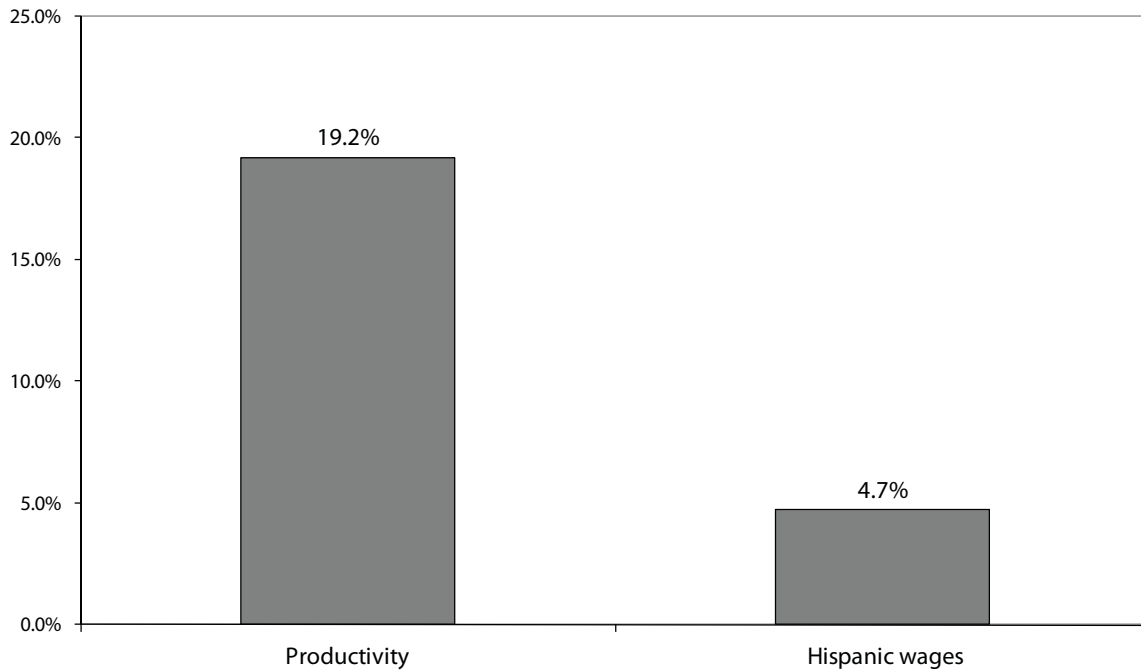
Median weekly wages for all workers and Hispanic workers by gender in 2000 and 2007 (2007 dollars)

	All workers	Hispanic workers	Hispanic/all ratio
2000	\$694	\$480	0.69
2007	695	503	0.72
<i>Percent change</i>	0.2%	4.7%	

	All males	All females	Female/male ratio
2000	\$772	\$594	0.77
2007	766	614	0.80
<i>Percent change</i>	-0.8%	3.4%	

	Hispanic males	Hispanic females	Hispanic female/male ratio
2000	\$502	\$441	0.88
2007	520	473	0.91
<i>Percent change</i>	3.6%	7.3%	

SOURCE: Authors' analysis of Bureau of Labor Statistics data.

FIGURE A**Percent growth in productivity and median Hispanic weekly wages, 2000-07**

SOURCE: Authors' analysis of BLS data.

the American economy was more equitably distributed, Hispanic wages should be higher (Mishel et al. 2008).

A gender-earnings gap exists among Hispanics, but is narrower than for the nation overall

Some of these trends mask important differences in the earnings by gender. On average, men earn considerably more than women in the United States; in 2007, for example, men earned \$152 more (about 25% more) per week than women (\$766 versus \$614) (Table 4). Note, however, that the gender-earnings gap is narrower among Hispanics than in the nation as a whole. In 2007, Hispanic men earned \$47 more (about 10% more) per week than their female counterparts earned.

When considering changes in earnings during the course of the 2000s business cycle, Table 4 indicates that the real median weekly earnings of male workers in the United States were lower in 2007 (at \$766) than in 2000 (\$772), despite the fact that this time period was

marked by strong economic growth. This was not the case for women, or for Hispanics in general. Female workers earned \$20 (approximately 3%) more per week in 2007 than in 2000. While these gains were not huge, they helped reduce the gender-earnings gap during this time.

The real median weekly earnings of both Hispanic men and women was higher in 2007 than in 2000, with Hispanic women gaining about 7%, compared to almost 4% among Hispanic men. It remains to be seen if the weekly earnings of female Hispanics will continue to rise more quickly than those of their male peers.

Wages of less-educated foreign-born Hispanics have increased at the fastest rate

Lower average educational attainment has been identified as a primary cause of the relatively low earnings of Hispanics in the United States. In 2007, for example, 60.3% of Hispanics aged 25 to 29 had completed high school or the equivalent, but 90.6% of non-Hispanic whites had obtained that educational level (National Center for Edu-

cation Statistics 2008). Studies have indicated that the United States has been experiencing increasing returns to education during the past few decades, where the earnings gap between educated and less-educated workers has been growing.⁴ At the same time, the returns to education tend to be lower for immigrants than for U.S.-born workers,⁵ and these returns have not increased as much for Hispanics as for non-Hispanic whites.⁶ It follows that some of the patterns provided in the figures above could cloud important differences in earnings trends among workers with different schooling levels.

Table 5 compares the real hourly wages of Hispanics with at least a high school education or equivalent with those who did not complete high school. It is not surprising that both figures indicate that high school graduates earn more than high school dropouts. However, the data do not consistently show wage advances for Hispanic high school graduates relative to their less-educated counterparts.

From 1994⁷ to 2000, the largest percent gains in median hourly wage were for foreign-born Hispanics without a high school diploma, with the largest increase

accruing to men in this group (up 13.1%), followed closely by women, who gained 12.9%. U.S.-born Hispanic men without a diploma were third. These big wage increases for high school dropouts run counter to the idea that there were increasing returns to education over this period among Hispanics, at least for comparisons between Hispanic high school dropouts and other workers.

From 2000 to 2007, however, the expectation that the better educated will advance relative to the less educated held for the most part. The median hourly wage for foreign-born Hispanic women with a high school diploma increased 3.5%, but it only increased 0.2% for those women without a diploma. For Hispanic men, both foreign- and U.S.-born, those with a high school diploma had a larger percentage increase in median wage than high school dropouts. The one exception was for U.S.-born Hispanic women. For these women, the wages of high school dropouts increased slightly faster than the wages of high school graduates.

These wage trends also show that education is only one among a variety of factors that influence wages. A

TABLE 5

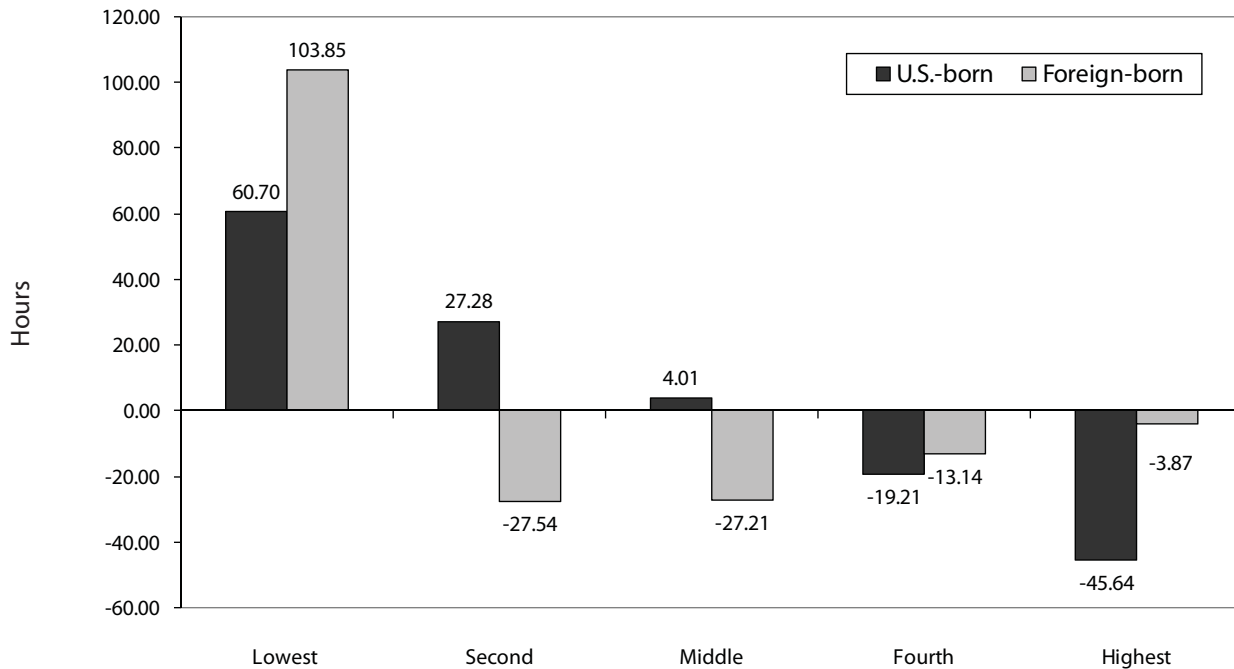
Median hourly wage for Hispanic men and women by nativity and education in 1994, 2000, and 2007 (2007 dollars)

U.S.-born	1994	2000	2007	Percent change 1994-2000	Percent change 2000-07
Men					
<i>High school</i>	\$12.65	\$13.07	\$13.37	3.4%	2.3%
<i>Less than high school</i>	9.59	10.33	10.25	7.7	-0.8
Women					
<i>High school</i>	10.30	10.87	11.11	5.5%	2.2%
<i>Less than high school</i>	8.21	8.44	8.69	2.7	3.0
Foreign-born					
Men					
<i>High school</i>	10.96	11.16	12.02	1.8%	7.6%
<i>Less than high school</i>	8.54	9.66	10.11	13.1	4.6
Women					
<i>High school</i>	9.20	9.36	9.69	1.8%	3.5%
<i>Less than high school</i>	7.20	8.12	8.14	12.9	0.2

SOURCE: Authors' analysis of CPS data.

FIGURE B

Change in average annual hours by personal income quintile and nativity for Hispanics, 2000-07



SOURCE: Authors' analysis of CPS data.

tight labor market, like we saw in the late 1990s, can be effective in lifting the wages of the lowest paid workers (Bernstein and Baker 2003). A strong demand for Hispanic workers in particular occupations can also lead to increased wages. Foreign-born Hispanic males' wage increases over the 2000s business cycle were likely tied to their concentration in the booming construction industry (Kochhar 2008). With the bursting of the housing bubble, many less-educated foreign-born Hispanic males will have to turn elsewhere to find work. The weak job growth of the 2000s slowed the wage growth of less-educated Hispanic workers. With the economy experiencing a downturn, there is less likelihood of significant wage increases for any Hispanic workers in the immediate future.

Most foreign-born Hispanics worked fewer annual hours in 2007

Recall from Table 3 that from 2000 to 2007, the real median family income for foreign-born Hispanics declined 9.1%, but Table 5 shows their median hourly

wages rose during this same period. **Figure B** provides one likely explanation for these seemingly contradictory trends.

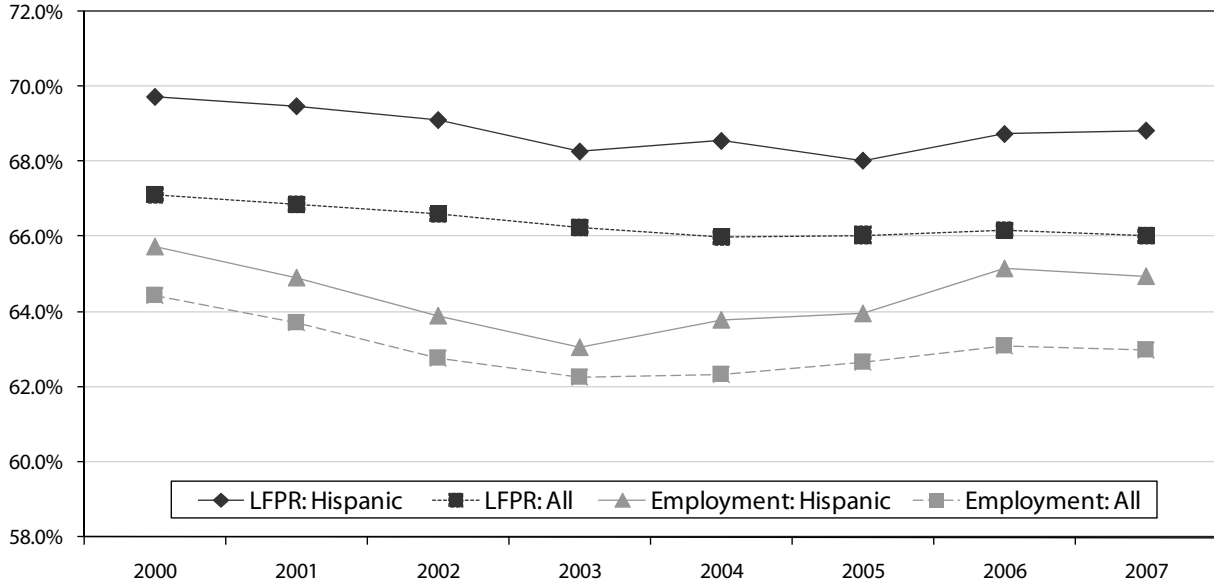
Figure B shows that the majority of foreign-born Hispanic workers worked less in 2007 than 2000. While the foreign-born Hispanic workers in the lowest personal income quintile saw an increase of over 100 average annual work hours over the business cycle, all other quintiles—representing 80% of foreign-born Hispanics—saw decreases in average annual hours. Since large numbers of foreign-born Hispanic workers were working fewer hours, this development likely contributed to the decline in median foreign-born family incomes in spite of wage increases.

Hispanic employment rates are lower now than in 2000

Figure C shows the percentages of the civilian population ages 16 and above who were employed between 2000 and 2007, as well as the labor force participation rates (LFPR) measured by the share of the civilian population

FIGURE C

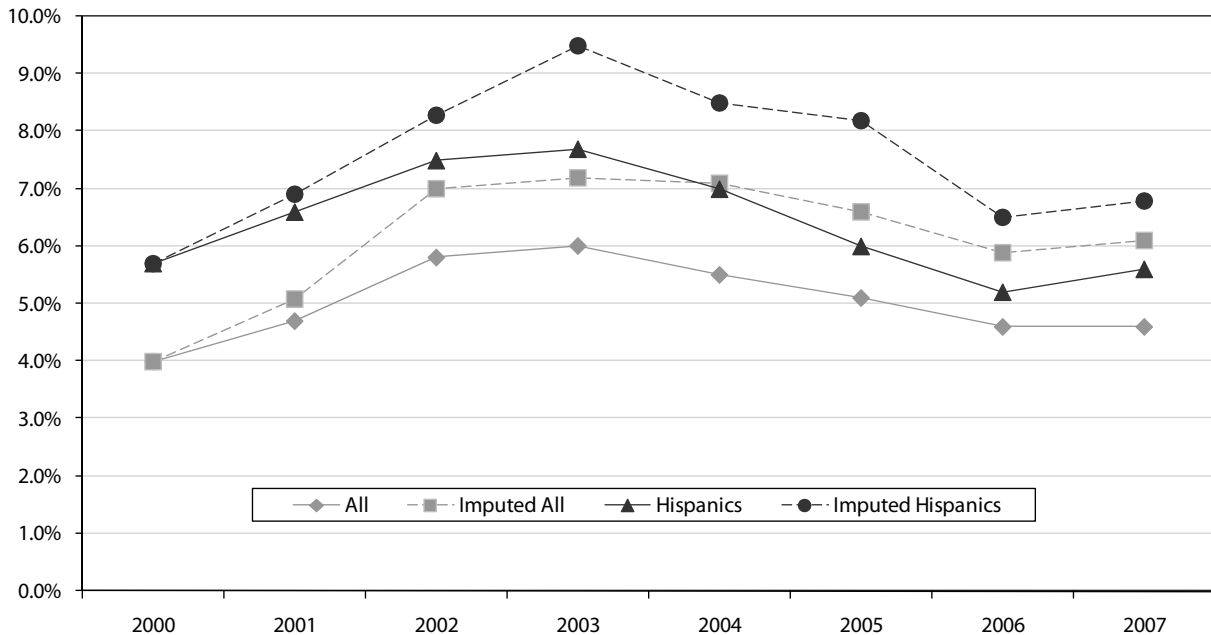
Labor force participation rate (LFPR) and employment rates for Hispanics and entire population, 2000-07



SOURCE: Authors' analysis of CPS data.

FIGURE D

Reported and imputed unemployment rates for Hispanics and all workers, 2000-07



SOURCE: Authors' analysis of CPS data.

who were either employed or officially unemployed. As has been documented elsewhere, Hispanics have higher LFPRs and employment-to-population ratios than the U.S. population as a whole. In 2007, for example, the LFPR of Hispanics was 68.8% versus 66.0% for the nation in general.

Figure C further indicates a fairly steady decline in the U.S. LFPR since 2000, despite the fact that this was a period of positive economic growth. The U.S. LFPR was 67.1% in 2000 compared to 66.0% in 2007. This 1.7 percentage-point decrease indicates that a non-trivial share of the population has been foregoing labor market activities since 2000. For the first time on record, the current business cycle will likely have ended with a lower share of the population engaged in the workforce than when the cycle started.

A similar decline also occurred among Hispanics in the early 2000s, although their LFPR rates started to recover between 2005 and 2007. This recovery, however, was not enough to restore their LFPRs to those observed at the beginning of the business cycle. In 2007, the Hispanic LFPR was 68.8%, but it was over 69% between 2000 and 2002.

Employment rates were also lower in 2007 than seven years before for Hispanics, and particularly for the nation as a whole. The Hispanic employment rate fell by 0.8 percentage points (from 65.7% to 64.9%) between 2000 and 2007, which was a smaller margin than the 1.4 percentage points lost in the national employment rate (from 64.4% to 63.0%).

Still, recently released data for 2008 from the Bureau of Labor Statistics (2008) indicate that Hispanic employment rates have been falling more sharply since 2007 than for the workforce overall, apparently erasing whatever gains Hispanics had made in terms of their employment rates vis-à-vis the national average during the previous few years. The August 2008 employment rate of 63.4% for Hispanics was 1.5 percentage points lower than in 2007, while the 62.1% national employment rate was “only” 0.9 percentage points less than in 2007.

Hispanics have higher employment rates, but also higher unemployment rates, than the workforce as a whole

Figure D provides more information on deteriorating labor market conditions and contains the reported unemployment rates for Hispanics and for the labor force as a whole. Hispanics are more likely to be unemployed than the average worker. In 2007, for example, the Hispanic unemployment rate was 5.6%, compared to the national unemployment rate of 4.6%. It follows that the higher employment rates among Hispanics versus the workforce as a whole seen in Figure C in each year did not translate into lower unemployment rates for this group.

Comparing 2000 directly with 2007, the current business cycle appears not to have affected Hispanic unemployment rates, as these rates were virtually the same in both years. An initial interpretation could be that Hispanics fared better than the overall workforce with respect to changes in unemployment during the business cycle, as the national unemployment rate was considerably higher in 2007 than in 2000 (4.6% versus 4.0%). However, this interpretation does not account for the decrease in labor force participation observed during this time.

Analyzing changes in unemployment rates is problematic because the unemployment rate ignores people who are outside of the workforce. Figure D also displays imputed unemployment rates that account for the loss in labor force participation since 2000. That is, these imputed rates estimate what the unemployment rates would look like if the workers making up the decline in the LFPR since 2000 were instead in the labor force looking for work.⁸

When taking into account the decline in the LFPR, the adjusted percentage of Hispanic workers who were unemployed was higher in 2007 than in 2000. The Hispanic unemployment rate adjusted for those who left the labor force was 6.8% in 2007—1.2 percentage points higher than their official unemployment rate (Figure D).

Albeit, this imputed-reported unemployment rate difference was smaller for Hispanics than for the nation as a whole (which, at 6.1%, was 1.5 percentage points higher than the officially reported rate) in 2007. However, to ignore the loss in labor force participation appears to exaggerate the extent of the narrowing of the Hispanic-national unemployment-rate differential between 2000 and 2007. Of course, we cannot automatically assume that those who have left the labor force would return if jobs were more plentiful. This estimate therefore attempts to provide an upper bound for the “real” unemployment rate.

Moreover, the narrowing of the Hispanic national unemployment rate differential based on official estimates did not continue into 2008, as recent Bureau of Labor Statistics data show that Hispanics have been experiencing larger rises in their unemployment rate than the national average since 2007. Indeed, in August 2008, the national unemployment rate of 6.1% was 1.5 percentage points higher than the 2007 average of 4.6%. The Hispanic unemployment rate that month was 8.0%—2.4 percentage points above their 2007 average of 5.6%. As such, the Hispanic-national unemployment gap was 1.9 percentage points (8.0% versus 6.1%) in August 2008—0.2 percentage points more than the gap that existed in 2000 (5.7% versus 4.0%) (Bureau of Labor Statistics 2008).

The imputed unemployment rates accounting for LFPR losses further confirm a widening of the Hispanic national unemployment gaps after 2007. These LFPR-adjusted unemployment rates rose from 6.1% to 7.4% between 2007 and August 2008 for the workforce overall, and from 6.8% to 9.1% among Hispanics. Note that the

difference in these imputed rates of 1.7 percentage points in August 2008 between Hispanics and the workforce in general was the same difference that existed in 2000. It therefore appears that any progress Hispanics might have made in terms of reducing their unemployment-rate gap with the nation as a whole in the early 2000s has been reversed in 2008.

Hispanics have higher poverty rates than the national average, with little change since 2000

As discussed in the *State of Working America 2008/2009*, despite its wealth, the United States has the highest overall poverty rate among industrialized countries of the Organization for Economic Cooperation and Development (Mishel et al. 2008). Poverty rates for the U.S. Hispanic population are even higher than the national rate, as seen in **Table 6**. Indeed, in 2007 nearly one in five Hispanic families in the United States had an income below the poverty line, twice the rate of American families overall.

The difference between the Hispanic and national poverty rate declined a little from 2000 to 2007. In 2000, the Hispanic family poverty rate was 10.5 percentage points higher than the national rate; in 2007, that difference closed to 9.9 percentage points (Table 6). While the Hispanic national poverty gap was slightly narrower in 2007, this was not the result of Hispanic families gaining ground and moving out of poverty. The poverty rate of Hispanic families increased slightly from 19.2% in 2000 to 19.7% in 2007, but a larger share of non-Hispanic Americans had fallen into poverty by 2007. It follows that the economic

TABLE 6

Poverty rates for Hispanic families and all families, 2000-07

	Hispanic families	All families	Difference
2000	19.2%	8.7%	10.5
2007	19.7	9.8	9.9
Percentage-point change	0.5	1.1	

SOURCE: U.S. Census Bureau 2008b.

TABLE 7

Hispanic family poverty rates by family type and by nativity, 2000-07

	Married couple	Single male-headed	Single female-headed	U.S.-born	Foreign-born
2000	14.2%	13.6%	36.4%	18.9%	20.2%
2007	13.4	15.3	38.4	16.8	22.4
<i>Percentage-point change</i>	-0.8	1.7	2.0	-2.1	2.2

SOURCE: U.S. Census Bureau (2008b) and authors' analysis of CPS data.

growth observed in the United States did little to improve either the socioeconomic standing of the average American or to considerably reduce the income and poverty gaps between Hispanics and the national average.

For married-couple Hispanic families, the poverty rate declined slightly, while the rate for single-parent families increased. Married-couple Hispanic families saw a poverty rate decline of 0.8 percentage points from 2000 to 2007 (Table 7). However, for families headed by single, Hispanic men, their poverty rate increased 1.7 percentage points. There was also a 2 percentage point rise for families headed by single, Hispanic women.

When considering poverty rates among foreign-born Hispanic families, these rates are considerably higher than both the national poverty rate and the poverty rate among U.S.-born Hispanic families, and these gaps widened between 2000 and 2007. In 2000, 20.2% of foreign-born Hispanic families resided below the poverty line, compared to 18.9% of U.S.-born Hispanic families and 8.7% of American families in general. Between 2000 and 2007, the poverty rate of foreign-born Hispanic families increased by 2.2 percentage points to 22.4%; this increase was more than the 1.1 percentage-point increase in the overall family poverty rate. Some positive news is that U.S.-born Hispanic families experienced an improvement with respect to their poverty status during this time, as their poverty rates fell by 2.1 percentage points to 16.8% in 2007. Even with this improvement, however, poverty rates among U.S.-born Hispanic families remain considerably higher than the national average.

Improving the educational attainment of Hispanics would do a great deal to reduce poverty among Hispanics. But edu-

cation is only one of several poverty-reducing mechanisms. Also, since many Hispanic immigrants arrive in the United States having already completed their schooling, education cannot be the only Hispanic poverty-reduction policy. Hispanics have a high employment rate. This means that their high poverty rate is not due to a lack of work, but rather low wages. Policies designed to improve the wages of less-educated workers would likely reduce Hispanic poverty.

There are many strategies expected to increase wages for low-wage workers. An economy that produces strong job growth for both low- and high-wage jobs is one way to accomplish this goal. The positive relationship between tight labor markets and wages was illustrated by the large wage increases of the less-educated foreign-born Hispanic workers in the late 1990s. Unionization also increases wages. Indeed, the average boost in Hispanic wages from unionization in 2007 was an estimated 21.9% (Mishel et al. 2008). Perhaps unions could make more intensive efforts to recruit new members in low-wage positions, such as actively reaching out to newly arrived immigrants. Policies designed to provide more job training programs for low-skilled workers, including offering English-language programs to recent immigrants, should also enhance Hispanic socioeconomic outcomes. The many possible mechanisms to reduce Hispanic poverty rates does not mean we have to choose one or the other. The biggest Hispanic poverty reduction should occur if all options—including education—were pursued simultaneously.

Conclusion

Policy makers commonly assume that positive economic growth enhances labor market outcomes. Yet, despite

the economic growth and rising labor productivity that occurred during the course of the most recent business cycle, the typical American worker has not witnessed significant improvements in socioeconomic outcomes. Indeed, the median American worker lost ground with respect to employment opportunities and experienced stagnant (and in some cases, declining) real median earnings between 2000 and 2007. Also, a greater share of the population as a whole resided below the poverty line in 2007 than in 2000.

For Hispanics as a group, no significant economic progress occurred between 2000 and 2007. Despite a slight increase in wages, the real median family income among Hispanics declined 2.2%, partly because of a loss in employment opportunities. Their poverty rate increased by 0.5 percentage points, and, adjusted for the decline in labor force participation, their unemployment rate increased. In sum, the Hispanic population began the 2000s business cycle significantly worse off economically than the nation as a whole, and they are ending the cycle in virtually the same place. Unfortunately, as we face what looks like a severe economic downturn, Hispanics run the risk of falling further behind. As Hispanics represent a rapidly growing population in the United States, their socioeconomic outcomes are becoming increasingly important for the nation overall.

Endnotes

1. Although the business cycle officially began in July of 1990 and ended in March of 2001, by using 1989 and 2000 data for analyses we avoid using annual data affected by the recessionary period.
2. It would be of interest to further compare the labor market outcomes of specific Hispanic ethnic groups (e.g., Mexican Americans versus Puerto Ricans, etc.). Unfortunately, the data examined here do not provide enough detail for such extensive comparisons.
3. See Kochhar (2008b) for an examination in the decline in income by household and citizenship status.
4. For examples, see Welch (2000) and Juhn, Murphy, and Pearce (1993).
5. For examples, see Trejo (2003) and Chiswick (1978).
6. For example, see Dávila and Mora (2008).
7. The foreign-born can be distinguished from the U.S.-born beginning in 1994.
8. These imputed rates were estimated by the authors. Specifically, the LFPR from 2000 (69.7% for Hispanics, and 67.1% for overall labor force) were applied to the size of the civilian non-institutionalized populations to predict the size of the labor force had the LFPR remained unchanged. The difference between the reported size of the labor force and the imputed labor-force size represents missing workers. The imputed unemployment rates were then estimated as how much missing workers plus those who were “officially” unemployed represented of the imputed labor force.

The views expressed here are those of the authors and do not necessarily reflect those of The University of Texas—Pan American.

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