

Labor Day 2008: A Snapshot of the Latino Workforce

Overview

Labor Day is an opportunity to recognize the importance of Latino* workers to the American economy. Millions of Hispanic workers fill the ranks of jobs left open by an increasingly educated and mobile workforce, sustaining some of the economy's fastest-growing sectors, including service, retail, and health care.¹ However, the critical contributions of Latinos to these industries are not reflected in their compensation and working conditions. The quality jobs that characterized the fading manufacturing industry are now few and far between;² today high-growth industries are becoming increasingly dominated by jobs with low wages and scant benefits.³ Latinos are especially likely to work without employer-sponsored health insurance or pension coverage, leaving many to rely on wages alone to pay for their medical and post-retirement needs. Moreover, steady employment is in jeopardy due to the current economic downturn. The rising number of Latinos killed on the job further attests to the deterioration of job quality among Latino workers. Given the increasing presence of Latinos in the workforce, these trends promise to confront workers and families today and

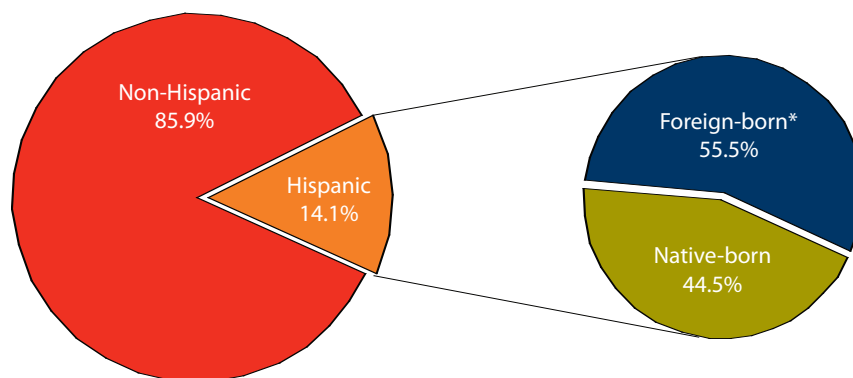
ultimately define the U.S. labor market in the coming decades.

- **Latinos are the fastest-growing segment of the labor force.** Today, nearly 21.6 million Latinos are at work in the United States, representing 14.1% of the labor force.⁴ Estimates show that by 2050, one in three working-age Americans will be Latino.⁵ Currently, a slight majority of the Hispanic workforce is foreign-born (see Figure 1). In general, Latinos enter the labor force relatively early in their lives and do so robustly; Hispanic men in particular have the highest labor force participation rate of any subgroup (80.5%).⁶ Despite their accumulated labor market experience, however, Hispanics in low-wage jobs face multiple barriers to economic mobility.⁷
- **The current economic downturn is especially damaging to Hispanic employment.** As of July 2008, 1.64 million Latinos who wanted to work could not find a job, leading to a 7.4% unemployment rate among the Latino subgroup. July marked a slight improvement from

* 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

U.S. Labor Force by Ethnicity: 2007



* "The foreign born are persons who reside in the United States but who were born outside the country or one of its outlying areas to parents who were not U.S. citizens. The foreign born include legally-admitted immigrants, refugees, temporary residents such as students and temporary workers, and undocumented immigrants." Source: U.S. Department of Labor, Foreign-Born Workers: Labor Force Characteristics in 2007, "Table 1. Employment status of the foreign-born and native-born populations by selected characteristics, 2006-07 annual averages." Conducted by the Bureau of the Census for the Bureau of Labor Statistics. Washington, DC, 2008, <http://www.bls.gov/news.release/pdf/forbrn.pdf> (accessed May 2008).

the previous month, when Latino unemployment was rising at a faster rate than for other groups.⁸ A major culprit of this unemployment has been the faltering construction industry; 90% of job losses in construction between the first quarter of 2007 and the first quarter of 2008 were among Hispanics, the majority of whom were immigrants. Despite rising unemployment, however, the Latino labor force participation rate has held steady, which indicates that Latinos are remaining in the workforce.⁹

■ **Declining job quality leaves many Latinos without health or retirement coverage.** Despite their tenacious participation in the labor force, Latinos remain the least insured workers in the country. While Latinos are as eligible and willing to purchase employer-sponsored health insurance (ESI) as other workers,¹⁰ only 52.7% of Hispanic full-time workers had ESI coverage in 2007,

compared to 79% of non-Hispanic White workers and 69.7% of non-Hispanic Black workers.¹¹ Pension coverage rates reflect similar gaps; in 2006, 34.6% of Latino workers ages 21-64 had access to an employer-sponsored retirement savings plan, compared to 60.6% of their White peers.¹² Furthermore, Latinos have also been severely impacted by the nationwide erosion of employer-sponsored benefits. Last year, 20% of working Latinos reported a reduction in their retirement plans over a two-year period; 22% of Black workers and 16% of non-Hispanic White workers said the same.¹³ Evidence also shows that the proportion of Hispanic workers whose employers offered ESI dropped by 4.4% between 2001 and 2005, more than double the decline for non-Hispanic White and Black workers.¹⁴

Table 1
Fatal Occupational Injuries by Industry and Ethnicity, 2006

Industry	Total Number of Fatalities*	Number of Latino Worker Fatalities†	% of Total Workers Who Are Latino‡	% of Fatalities that Are Latino	% Difference§
Manufacturing	456	85	14.7	18.6	26.8
Construction	1,239	354	25.1	28.6	13.8
Wholesale Trade	222	33	13.5	14.9	10.1
Retail Trade	359	48	12.7	13.4	5.3
Transportation and Warehousing	860	94	13.5	10.9	-19.0
Agriculture, Forestry, Fishing, and Hunting	655	90	19.4	13.7	-29.2

* Source: U.S. Department of Labor, *Census of Fatal Occupational Injuries, 2006*, "Fatal occupational injuries, employment, and rates of fatal occupational injuries by selected worker characteristics, occupations, and industries, 2006." Conducted by the Bureau of Labor Statistics. Washington, DC, August 2007, http://www.bls.gov/iif/oshwc/foi/CFOI_Rates_2006.pdf (accessed May 19, 2008). Industries are classified according to the North American Industry Classification System (NAICS). Only major industries with at least 30 fatalities and employing at least 40,000 Latino workers are listed.

† Source: U.S. Department of Labor, *Census of Fatal Occupational Injuries*. "Fatal occupational injuries to workers of Hispanic or Latino ethnic origin by selected characteristics, 1997-2006." Conducted by the Bureau of Labor Statistics. Washington, DC, 2007.

‡ Source: U.S. Department of Labor, *Current Population Survey*, "Table 18. Employed persons by detailed industry, sex, race, and Hispanic or Latino ethnicity." Conducted by the Bureau of the Census for the Bureau of Labor Statistics. Washington, DC, 2007, <ftp://ftp.bls.gov/pub/special.requests/lf/aa2006/pdf/cpsaat18.pdf> (accessed Nov 10, 2007).

§ Percent difference between Latino percentage of total fatalities and Latino percentage of total workers. NCLR calculation.

■ **Latinos face major disparities in workplace safety.** Violations of basic labor laws have escalated in recent years, particularly within industries where Latinos are concentrated. Nowhere is this more apparent than in the mounting toll of Latino workers killed on the job. While the occupational fatality rate for the entire workforce has held steady during four of the past five years, the most recent tally of fatal occupational injuries to Hispanic workers was the highest ever recorded. In 2006, 990 Latinos were killed on the job, a 7%

increase over the previous year. The Latino occupational fatality rate was the highest of all racial and ethnic groups; at 5% per 100,000 workers, Latino workers surpassed the national rate by 25%.¹⁵ In addition to these disparities, the share of fatal occupational injuries to Latinos is disproportionate to their share of the labor force; in four major industries, Latinos' share of fatal occupational injuries is greater than their share of workers by 5% or more (see Table 1).

Endnotes

1. “Between 1960 and 2000, the share of working-age native-born U.S. residents with less than twelve years of schooling fell from 50 percent to 12 percent.” Gordon H. Hanson, *The Economic Logic of Illegal Immigration*, no. 26 (New York, NY: Council on Foreign Relations, 2007), 14. See also U.S. Congress, *The Role of Immigrants in the U.S. Labor Market*. Congressional Budget Office. Washington, DC, 2005, 23, <http://www.cbo.gov/ftpdocs/68xx/doc6853/11-10-Immigration.pdf> (accessed January 2008).
2. From 1979 to 2004, the economy's share of “good” jobs—defined as those that paid inflation-adjusted wages at or above the median and provided some health insurance and a retirement plan—declined by 25-30%. See Lawrence Mishel, Jared Bernstein, and Sylvia Allegretto, *The State of Working America 2006/2007* (Ithaca, NY: ILR Press, 2007), 219.
3. *Holding the Wage Floor: Enforcement of Wage and Hour Standards for Low-Wage Workers in an Era of Government Inaction and Employer Unaccountability* (New York, NY: National Employment Law Project, 2006).
4. NCLR calculation using U.S. Department of Labor, *Current Population Survey*, “Table 4. Employment status of the Hispanic or Latino population by age and sex.” Conducted by the Bureau of the Census for the Bureau of Labor Statistics. Washington, DC, 2007, <ftp://ftp.bls.gov/pub/special.requests/lfi/aat4.txt> (accessed May 2008); and U.S. Department of Labor, *Current Population Survey*, “Table 3. Employment status of the civilian noninstitutional population by age, sex, and race.” Conducted by the Bureau of the Census for the Bureau of Labor Statistics. Washington, DC, 2007, <ftp://ftp.bls.gov/pub/special.requests/lfi/aat3.txt> (accessed May 1, 2008).
5. Jeffrey J. Passel and D’Vera Cohn, *U.S. Population Projections: 2005-2050* (Washington, DC: Pew Research Center, 2008), <http://pewhispanic.org/files/reports/85.pdf> (accessed March 2008). Not all working-age adults are in the labor force.
6. U.S. Department of Labor, *Current Population Survey*, “Table 4.”
7. Sonia M. Pérez and Cecilia Muñoz, “Latino Low-Wage Workers” in *Low-Wage Workers in the New Economy*, eds. Richard Kazis and Marc S. Miller (Washington, DC: The Urban Institute Press, 2001) 239-258.
8. NCLR calculation using U.S. Department of Labor, *Current Population Survey*, “Unemployment Rate—Hispanic or Latino,” Series LNS14000009; “Unemployment Rate—White,” Series LNS14000003; and “Unemployment Rate—Black or African American,” Series LNS14000006. Conducted by the Bureau of the Census for the Bureau of Labor Statistics. Washington, DC, 2007, <http://data.bls.gov/cgi-bin/surveymost?ln> (accessed August 2008).
9. Rakesh Kochar, *Latino Labor Report, 2008: Construction Reverses Job Growth for Latinos* (Washington, DC: Pew Hispanic Center, 2008), <http://pewhispanic.org/reports/report.php?ReportID=88> (accessed June 2008).
10. Lisa Clemans-Cope and Bowen Garrett, *Changes in Employer-Sponsored Health Insurance Sponsorship, Eligibility, and Participation: 2001 to 2005* (Washington, DC: Kaiser Commission on Medicaid and the Uninsured, 2006), <http://www.kff.org/uninsured/upload/7599.pdf> (accessed August 2007).
11. U.S. Bureau of the Census, *2008 Annual Social and Economic Supplement*. Washington, DC, 2008, http://www.census.gov/hhes/www/cpstc/cps_table_creator.html (accessed August 2008).”.
12. Craig Copeland, *Employment-Based Retirement Plan Participation: Geographic Differences and Trends, 2006*, no. 311 (Washington, DC: Employee Benefit Research Institute, November 2007), figure 1.
13. Mathew Greenwald & Associates, Inc. and Employee Benefits Research Institute, “2007 Minority Retirement Confidence Survey” (Washington, DC: Employee Benefits Research Institute, 2007), http://www.ebri.org/files/MRCS07.FS4_Final.pdf (accessed July 2007).
14. *Employer-Sponsored Health Insurance: Already Poor Access Further Dwindles for Working Latino Families* (Washington, DC: National Council of La Raza, 2008), <http://www.nclr.org/content/publications/detail/50277> (accessed January 2008).
15. NCLR calculation using U.S. Department of Labor, *Census of Fatal Occupational Injuries, 2006*, “Fatal occupational injuries, employment, and rates of fatal occupational injuries by selected worker characteristics, occupations, and industries, 2006.” Conducted by the Bureau of Labor Statistics. Washington, DC, August 2007, http://www.bls.gov/iif/oshwc/foi/CFOI_Rates_2006.pdf (accessed May 2008).