



How Have Hispanics Fared in the “Jobless Recovery”?

William M. Rodgers III, Heldrich Center for Workforce Development, Rutgers University and National Poverty Center
Richard B. Freeman, Harvard University and NBER

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Executive Summary

Since the end of the recession in November 2001, U.S. workers have experienced slow job growth and stagnant wages. These conditions have hurt the economic security of all Americans. Hispanics, the nation’s fastest growing minority group, have been no exception. Hispanics have had fewer jobs, lower wages, less health insurance coverage, and declining pension coverage in recent years. Instead of catching up to other groups, Hispanics have remained behind. Some Hispanics, particularly Mexicans, have fallen even further behind.

The main findings from this paper show that:

- **Since 2001, the share of employed Hispanics, especially Mexican Americans, has declined.** The employed share of Hispanic men fell by 1.8 percentage points, about the same as white men (1.9) and less than Blacks (3.8). Mexican-American men fared worse than Hispanics in general, with a 2.4 point decline. Hispanic women saw their employed share drop by 1.4 percentage points, more than white women (0.9) and less than Black women (2.7). The employed share of Mexican-American women decreased by 2.4 percentage points, larger than the decline for Hispanics overall.
- **Wages for Hispanics stayed below those of other groups, and in some ways have fallen further behind.** By 2004, Hispanic men’s wages were 44.7 percent less than white men’s wages, after growing 1.3 percent since 2001. This difference is after a period when wages for Hispanic men grew faster than those of white men, whose wages increased by only 0.4 percent. In addition, Hispanic men’s wage growth has been less than that of Black men, whose weekly wages grew by 2.4 percent. Hispanic women are the only group for which weekly wages declined from 2001 to 2004. Wages for Hispanic women were 18.1 percent lower than those of white women, after falling by 0.6 percent. During that same time

period, wages rose for Black women by 0.2 percent and for white women by 0.1 percent.

- **Hispanics have low work-related benefits, such as health care coverage and pensions.** American-born, as well as foreign-born, Hispanics have lower health insurance and pension coverage rates than other groups. Three-quarters of white men have private health insurance, compared to 59 percent of Black men and 48 percent of Hispanic men. Similar differences exist for women. In part, these differences are due to low education and are thus unlikely to be eliminated even in a jobs boom. During the 1990s expansion, private health insurance coverage among new Hispanic job entrants increased by 3.3 percentage points, less than one-half the white increase, and one-fifth the Black increase.
- **Employment patterns for non-Hispanics are not different in areas with large undocumented immigrant populations.** Changes in the employed share of the population and of hourly wages of whites, Blacks and Hispanics in the states with the 15 largest undocumented immigrant populations are comparable to the patterns observed elsewhere.
- **When it comes to jobs for Hispanics, geography matters.** The drop in the employed share of Hispanics was smaller in metropolitan areas with larger Hispanic populations. The employed share of Mexican-American men in areas with Hispanic populations of less than 3 percent fell by 6.3 percentage points, compared to a 3 point decline in areas with Hispanic populations of 30 percent or more.
- **Manufacturing's decline particularly hurts Hispanic men.** The manufacturing sector's decline lowered potential Hispanic male employment by an estimated 2.3 percent by 2004. This is larger than the estimated declines of 1.7 and 1.8 percent for white and Black men. The employment shift reduced Hispanic female employment by 0.1 percent, compared to increases of 1.5 and 1.6 percent for white and Black women.
- **Among Hispanics, Mexican Americans exhibit the greatest vulnerability to slow job growth.** Mexican Americans have the lowest wages and the least health insurance and pension coverage out of any Hispanic group. Amid weak job growth, Mexican Americans saw some of the sharpest increases in economic insecurity. From 2001 to 2004, Mexican-American men were the only group of men for whom weekly wages fell. Mexican-American women had fewer jobs, falling wages, dropping health insurance coverage, lower pension coverage and

higher food stamp usage in 2004 than in 2001, making them the only group of women for whom all measures of economic security deteriorated.

- **Compared to Mexican Americans, Puerto Ricans trade off less full-time employment against higher wages and benefits.** Full-time employment among Puerto Rican men and women dropped by 0.9 and 5.5 percent from 2001 to 2004. It stayed flat for Mexican-American men and dropped by 1.8 percent for Mexican-American women. With respect to wages and benefits Puerto Ricans did universally better than Mexican Americans.
- **Cubans have the largest difference in wage trends by gender and have larger wage movements than Mexican Americans and Puerto Ricans.** Weekly wages for Cuban men rose by 9.0 percent, compared to an increase of 4.6 percent for Puerto Ricans and a drop of 0.9 percent for Mexican-American men. In contrast, wages for Cuban women fell by 12.8 percent, compared to a 2.2 percent drop for Puerto Rican women and a 7.5 percent decline for Mexican-American women.
- **Unionization is lower among Hispanics than among Blacks or whites.** Hispanic union members earn higher wages than nonunion Hispanics. The median nonunion weekly wage among Hispanics is \$428, compared to the union median weekly wage of \$679. This advantage is almost twice the advantage that Black and white union members experience. Similarly, unionized Mexican-American women earn 70 percent more than nonunion Mexican-American women. Only 10.1 percent of Hispanics were union members in 2004, compared to 15.1 and 12.2 percent for Blacks and whites.
- **Hispanics benefit from a tight labor market.** A booming economy with a strong labor market increases economic security. Over time and across localities, strong job growth is associated with more full-time and full-year work, higher health insurance and pension coverage rates, and lower food stamp usage.