



Chicano Latino
Affairs Council
State of Minnesota

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Economic Assets in the Latino Community

Despite dire economic news, Latinos remain an important part of Minnesota’s economy. The U.S. Census Bureau’s Survey of Business Owners (2006) indicates that in 2002, the last year for available data, there were 3,984 Latino-owned firms - 0.9% of all business. In contrast, 1.8% of business was African American, 1.7% Asian, and 0.6% American Indian.¹

According to the report, Latino firms employed 4,596 individuals, and represented \$463 million in total sales and receipts and \$97.8 million in annual payroll. This represents a 10% change in the number of Latino-owned businesses and 18% in sales and receipts since 1997. Nationwide, nearly 1.6 million Latino-owned businesses (firms in which Latinos own 51 percent or more of the stock or equity of the business) generated nearly \$222 billion in revenue, up 19% from 1997.

Bruce Corrie, in his study *Mexican Americans in Minnesota*, based on Census data, points out that the total buying power of this Latino group totals nearly \$1 billion, more than the GDP of Liberia.² Table 1 shows the major concentrations of Mexican American buying power. Nationwide, according to HispanTelligence, Latino buying power jumped from \$429 billion in 1996 to \$870 billion in 2008. U.S. Hispanic purchasing power will grow nearly 31 percent from \$841.37 billion in 2006 to \$1.10 trillion by 2012.

According to Corrie, top industries where Latino firms are found in Minnesota are in Health Care and Social Assistance, Professional services, Construction and Retail Trade. Major counties with 100 or more Latino firms are: Hennepin,

Ramsey, Dakota, Anoka, Washington, Scott and Olmsted.

Table 1. Mexican American Buying Power by County, 2000 (in millions)

Hennepin	\$288	Anoka	\$32
Ramsey	\$187	Rice	\$20
Dakota	\$78	Olmsted	\$20
Washington	\$37	Nobles	\$18

Source: Corrie, B. (2008). *Mexican Americans in Minnesota*.

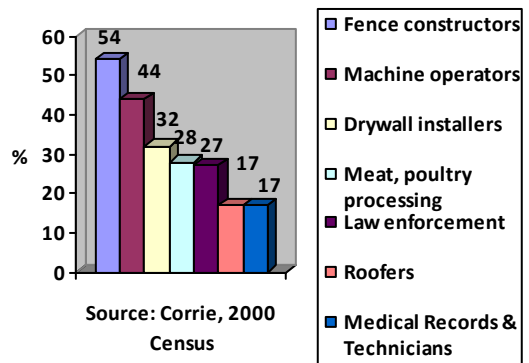
The three main cities concentrating Mexican American buying power are located in the metro area: Minneapolis (\$166 million), St. Paul (\$145 million) and Richfield (\$18 million). Latinos in Worthington (southwest Minnesota) account for \$18 million in buying power.

Latinos and the Economic Crisis

According to data analyzed by Corrie, Mexican Americans in Minnesota are employed in a wide variety of occupations, ranging from manufacturing, construction, and food processing to law enforcement, medical records tech, agriculture, administrative services and other professional occupations.

The following graph shows some of the occupations most common among Latinos.

Graph I: Latino occupations



¹ U.S. Census Bureau, *Hispanic-Owned Firms: 2002. 2002 Economic Census. Survey of Business Owners, 2006.*

² Corrie, B. (2008). *Ethnic Capital and Minnesota’s Future.* Mexican Americans in Minnesota. St. Paul, MN: Concordia University

This data lines up well with national data from the Applied Research Center, which shows that Latino workers are concentrated in lower-income positions in the service, construction, transportation, and manufacturing industries.³

The financial collapse that led to recession in 2008 did not spare Latinos. In fact, because more Latino workers are concentrated in low-security, low-income jobs, the Latino community was especially vulnerable to economic fluctuations.⁴ Table 1 shows the extent of job losses in industries where many Latinos are employed.

Table 1. Minnesota Job Losses May 08-May 09

Industry	Jobs Lost
Construction	16,500
Manufacturing	34,800
Leisure and Hospitality	4,900

Source: Minnesota DEED June 18, 2009 News Release

At the same time, job losses such as these have led to a significant rise in unemployment among immigrants in the country. The unemployment rate for foreign-born Latinos increased from 5.1% to 8.0%, or by 2.9 percentage points, from the fourth quarter of 2007 to the fourth quarter of 2008.⁵ Despite the 63% seasonally employed rate reported by the Bureau of Labor Statistics as of June 2009, Latinos face a 12.2% unemployment rate – substantially higher than the white rate of 8.7%.⁶

Income and Poverty: Persistent Disparities

Workers laid off in Latino-heavy industries are more vulnerable than their white counterparts because of lower wages and chronic underemployment. The latest data from the 2007 American Community Survey (ACS)⁷ shows that the median income for Latino households was

\$39,455, while Minnesota’s overall median income is \$55,616. Households with a white or Asian householder have substantially higher incomes than do households from other racial or ethnic groups, with the median income for whites at \$57,314 and Asians at \$59,909⁸

Data from the 2007 ACS shows that only 6.3% of white individuals were below the poverty level, compared to 22% of Latinos. When gender is introduced into the equation, poverty rates become even more disproportional.

Based on an analysis of 2006 ACS data, a report by The Women’s Foundation of Minnesota shows that for every racial/ethnic group, women are poorer than men. Numbers for Latinos are among the most acute, with the astounding number of 23% Latinas reported as below the poverty line.⁹ Data from the national level shows that Latina women are at the bottom of the pay scale, with median weekly earnings of \$510 - \$67 less than Latino males, \$156 less than white women, and a full \$345 less than white men.¹⁰

Studies show that the more education individual complete the more income they will enjoy. A HispanTelligence¹¹ report points out a strong link between educational attainment and earnings: in 2006, median earnings for Latino males with bachelor’s degrees reached \$45,917, while median earnings for those with only high school diplomas were \$30,844. Latino men with master’s degrees had median earnings of \$68,167.

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³ Applied Research Center. *Race and Recession*. (2009). www.arc.org/recession

⁴ Ibid.

⁵ Pew Hispanic Center. February 2009. *Unemployment Rose Sharply Among Latino Immigrants in 2008*. <http://pewhispanic.org/reports/report.php?ReportID=102>

⁶ Bureau of Labor Statistics. Employment status of the civilian noninstitutional population by race, Hispanic or Latino ethnicity, sex, and age, seasonally adjusted www.bls.gov/web/cpseee4.pdf

⁷ 2007 American Community Survey. *Minnesota: Employment Status*, www.factfinder.census.gov

⁸ State Demographic Center, *Minnesota Income in the 2005 American Community Survey*. In: Population Notes. Saint Paul, MN: State Demographic Center, 2006.

⁹ Women’s Foundation of Minnesota & Institute of Women’s Policy Research.(2008). *Status of Girls in Minnesota*. Minneapolis, MN.

¹⁰ Applied Research Center. *Race and Recession*. (2009). www.arc.org/recession

¹¹ HispanTelligence. Special Report. The U.S. Hispanic Economy in Transition. www.hispanicbusiness.com