



ECONOMIC STATUS OF

LATINAS

REPORT

**INCREASING OPPORTUNITY IN EDUCATION TO
ADDRESS BARRIERS TO ECONOMIC PROSPERITY**

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EXECUTIVE SUMMARY

Many Latinas found success during California's sustained economic growth over the decade since the 2008 recession. As a group, however, they remain vulnerable to economic downturns. Latinas have suffered disproportionately greater financial losses since the beginning of the pandemic-induced recession, exacerbated by worse COVID-19 health outcomes. It remains to be seen if California's Latinas will follow the pattern from the previous recession of making greater strides early in the recovery period, but taking longer to recoup lost gains than other demographic groups over the subsequent decade. What is evident is that they remain determined and resilient. Latinas are young, civic-minded and entrepreneurial, making up a large proportion of California's school-aged children and the college-going population. In the midst of uncertainties and challenges posed by the worst public health crisis in a century and protests against racial injustice, this report establishes a historical baseline of the economic well-being of Latinas against which the effects of the current financial downturn can be compared.



Key Population Findings

- There were **7.72 million Latinas in California in 2018**, 19.5% of the state's total population. One in every five people in the state is a Latina. **The number of Latinas in the U.S. increased to 29.6 million in 2018**, 9% of the total US population, and up from 27.9 million in 2015.¹

Key Education Findings

- The **Latina statewide high school graduation rate is at a high of 86% in 2019**, although a gap with White women (91%) persists. Graduation rates are lower for Latina English Learners (71%).²
- In 2018, **63% of Latina recent high school completers enrolled in college**, compared to 73% of White females. Only 40% of Latina English Learners and 57% of Latina foster youth enrolled in college.³
- **The gap in the 6-year college graduation rate from the UC system between Latinas (81.5%) and White women (88.8%) declined from 10 percentage points for the 2003 cohort to 7.3 percentage points for the 2013 cohort.**⁴
- In California, **15% of Latinas had at least a Bachelor's degree**, a 2% increase between 2015 and 2018, but considerably lower than 43% of White women who have at least a Bachelor's degree— a gap of 28 percentage points. The gap nationally is 18 percentage points.⁵

Key Economic Findings

- Latinas have been disproportionately affected by the economic downturn and by the health effects caused by the COVID-19 pandemic: **28.9% of Latinas lost their jobs through May 2020, compared to 9.4% for White women.** One in three (36.3%) undocumented Latinas in California lost their job.⁶ As of September 2020, **Latinos in the state have accounted for 61% of confirmed COVID-19 cases and 48% of deaths despite being 39% of the population.**⁷
- The gap between Latino and White household income is still wide, but narrowed between 2015 and 2018. **The average Latino household income in California was only 68% of White household income in 2018.** Latino household income nationally was 76% of White household income in 2018, up from 69% of White household income in 2010.^{8,9}
- In California, **Latinas earned only 42 cents for every dollar earned by a White man in 2019**, a wider pay gap than in 2011 when Latinas earned 45 cents for every dollar earned by a White man.¹⁰ The lifetime cost of the wage gap over a 40-year career for the average Latina in California is \$1,787,640 compared to the average White man.¹¹
- **Latino purchasing power in California rose to \$453 billion in 2019, up 70% since 2010**, and representing a 20% share of the total buying power in the state. The U.S. Latino consumer market was \$1.74 trillion, nearly the size of Canada and larger than Mexico.¹²

Key Economic Findings Cont.

- The 2019 gap in homeownership rates between Latinos (47.5%) and total homeownership rates (54.8%) in California was at an all-time low of 7 percentage points as **Latinos have purchased homes at above-average rates for several years.**¹³
- Latino households maintain substantially less wealth on average than White, non-Hispanic households: \$20,700 compared to \$171,000. **U.S. household wealth fell by 30% in the first three years of the 2008 Great Recession, but held steady in the next three years for white, non-Hispanic households while dropping an additional 20% for Hispanic households.**¹⁴
- **For 39% of Latinos the largest source of household wealth is their home;** the lack of diversification of assets leaves them more vulnerable to the market sector fluctuations of a recession.
- **Latinas created 2.3 million new firms nationwide representing 18% of all women-owned businesses between 2014 and 2019.** Most Latina-owned businesses (89%) are microbusinesses with five to no employees, yet their number of employees increased by 30%, close to 700,000 workers.^{15, 16}

RECOMMENDATIONS

Pressing our educational systems to address inequities that contribute to an Opportunity Gap for young Latinas, supporting Latina business owners, promoting homeownership and diversification of investment portfolios, increasing access to health insurance, and ensuring that those with the greatest need and the least access to resources have opportunities to climb out of poverty ultimately benefits California's economy. HOPE offers decision makers the following policy recommendations to facilitate the ability of Latinas to recover in the short-term, and to help them reimagine their future in the longer term.

K-12 Education

Fidelity & Oversight of Local Control Funding Formula (LCFF)

California's equity designed school funding formula, the LCFF, identifies English Learners (EL), Foster Youth and Low Income Students as subgroups for which districts must provide tailored supports. To help close the opportunity gap of Latino students who comprise the majority of each category:

- The California Department of Education (CDE) should provide stronger oversight, accountability and technical assistance for allocations and programs designed to support each student subgroup to realize the promise of the LCF, California's equity designed school funding formula.
- Require that the CDE disaggregate the English Learner (EL) student subgroup into current ELs and Reclassified ELs so that school sites, Local Education Agencies (LEAs), and CDE can monitor their progress and academic attainment and better serve EL subgroups to be successful learners.

Increasing college readiness and access through rigorous courses and student supportive programs.

This report highlights the various factors that contribute to the Opportunity Gap Latino students in California face including underfunded school sites which offer fewer rigorous math, science, and AP courses, and less qualified teachers. To this end, HOPE recommends:

- Expand access to student support services such as academic counseling and AVID (Advancement Via Individual Determination), a program where California participants are 70% Latino and 91% of participants have completed 4-year college degree requirements.¹⁷
- Increase access to AP courses and Concurrent Enrollment programs to improve Latino students' access to college, bolster earlier college credit attainment, and lessen financial considerations of college-level courses.

Covid-19 Rapid-Response Recommendations | K-12 Education

- The California Department of Education (CDE) and Local Education Agencies (LEAs) should remain diligent in ensuring access to internet services and computers for low income families.
- State education leaders must develop guidelines for schools, districts, and early learning programs to demonstrate continuous growth for English Learners in learning English and the academic content being taught in English, and—when available—in the home language.¹⁸
- The CDE and LEAs should ensure that teachers have access to professional development and supportive staff for distance learning.

Higher Education | Career Pathways

As this report highlights, higher education continues to be the best investment towards a rewarding career, with higher annual and lifetime earnings than high school graduates. Increasing college access and college completion for Latinas is imperative to ensuring the educational and economic parity of Latinas. To achieve this, HOPE recommends:

- Better align UC/CSU system college entrance requirements with high school graduation requirements.
- Advocate for higher education institutions to eliminate the use of SAT/ACT exams and replace with equitable standards including GPAs as a consideration for admissions.
- Increase state funding to expand the capacities of the UC, CSU, and California Community Colleges to meet the needs of more students.¹⁹
- Diversify faculty in higher education institutions to reflect the growing number of Latina students.
- Expand career pathways by investing in technical and adult education.
- Explore state and federal policies that advocate for student loan cancellation and forgiveness as a tool to incentivize Latinas to enter higher education and STEM career pathways, supporting the workforce needs of the future and addressing the low numbers of Latinas in these professions.

Covid-19 Rapid-Response Recommendations | Higher Education & Career Pathways

- Urge Congress to pass a stimulus package that includes economic relief to state governments to minimize budget cuts to the UC and CSU systems.
- Advocate to Congress to expand federal student aid to UC/CSU students.

Economic Parity

The economic parity of Latinas is both a nuanced and a top area where the most potential exists. Latinas must be able to diversify their assets in order to accumulate wealth, such as through Latina-owned business equity, homeownership, retirement accounts and stock market investments. Additionally, policies that mitigate the Latina Pay Gap, as well as ensuring that Latinas build their financial literacy are essential. Toward this end, HOPE recommends:

- Explore the feasibility of creating a Statewide Consumer & Financial Services unit within the Department of Business Oversight (DBO) to develop consumer protections and financial literacy programs.
- Urge banks to make loans to microbusiness owners, and urge California's local and state governments to support and fund organizations that provide microbusiness grants and loans.
- The California State Legislature should fund a third-party public study of the Latina Pay Gap to present recommendations to the Legislature and stakeholders.
- Create more incentives for companies and organizations to take the "Equal Pay Pledge" developed by the [California Commission on the Status of Women and Girls](#).

Covid-19 Rapid-Response Recommendations | Economic Parity

- Call on Congress to legislate economic relief to state and local governments to minimize the impacts of budgetary cuts in communities disproportionately affected by the pandemic.
- Urge Congress to issue direct grants to small and microbusinesses which would continuously support them during and after the pandemic.

Healthcare Access

Access to affordable healthcare is directly linked to economic outcomes for all Americans; 66% of bankruptcies in the U.S. are due to high medical bills or to time lost from work. HOPE recommends:

- Congress should legislate health insurance options to decrease the number of uninsured Latinos.

Covid-19 Rapid-Response Recommendations | Healthcare Access

- The Governor of California and Congress should ensure that COVID-19 testing, treatment and contact tracing remain accessible and free to all Californians.

Representation & Leadership

As Latinas enter California's workforce in greater numbers in every sector and level, it is imperative that representative leadership is a priority. This includes pathways to high paying jobs in fields such as STEM and representation on corporate boards and influential commissions to ensure the political and economic parity of Latinas is realized. Encourage business and civic sectors to prioritize representation within their leadership ranks.

- Promote leadership and management programs, internship and mentor opportunities throughout government, corporate, nonprofit and educational sectors to ensure that Latinas are positioned to maximize career opportunities.

¹ U.S. Census Bureau. ACS 1-year estimates. [Tables B01001, B01001I, and B01001H].

² California Department of Education Data Reporting Office. (2018). DataQuest. <https://dq.cde.ca.gov/dataquest/dqcensus/CohRate.aspx?cde=00&aggleve=state&year=2018-19>.

³ Ibid.

⁴ University of California. Retrieved July 31, 2020, <https://www.universityofcalifornia.edu/infocenter/ug-outcomes>.

⁵ U.S. Census Bureau, ACS 1-year estimates. [Tables S1501, B15002, B15002I and B15002H].

⁶ Flores, E. and Padilla, A. (2020). *Persisting Joblessness among Non-Citizens during COVID-19*. Community and Labor Center. UC Merced.

⁷ The COVID Tracking Project. Retrieved September 7, 2020, <https://covidtracking.com/race/dashboard#state-ca>.

⁸ U.S. Census Bureau. (2019). *Income and Poverty in the United States, 2018*.

⁹ U.S. Census Bureau, ACS 1-Year estimates. [Tables B19013, B19013I, B19013H].

¹⁰ National Women's Law Center. (2020). Calculations based on ACS data. [Tables B20017, B20017I, and B20017H].

¹¹ National Women's Law Center. (2020). Retrieved from <https://nwlc.org/resources/the-lifetime-wage-gap-state-by-state/>.

¹² Selig Center for Economic Growth. (2019). *The Multicultural Economy 2018*. Athens, GA: Humphrey, J.

¹³ U.S. Census Bureau. (2020). *Quarterly Residential Vacancies and Homeownership, First Quarter 2020*.

¹⁴ Dettling, L. J., et.al. (September 27, 2017). "Recent Trends in Wealth-Holding by Race and Ethnicity: Evidence from the Survey of Consumer Finances," FEDS Notes. Washington: Board of Governors of the Federal Reserve System, <https://doi.org/10.17016/2380-7172.2083>.

¹⁵ U.S. Census Bureau. (2012). *Survey of Business Owners*. Retrieved from <http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmm>.

¹⁶ American Express OPEN. (2019). *The 2019 State of Women-Owned Businesses Report*. Retrieved from https://about.americanexpress.com/files/doc_library/file/2019-state-of-women-owned-businesses-report.pdf.

¹⁷ AVID. (2019). *California Snapshot*. Retrieved from <https://www.avid.org/cms/lib/CA02000374/Centricity/domain/8/2020/Snapshot%20California3.pdf>.

¹⁸ Californians Together. (June 2020). *A Vision for California's Schools this Fall: Equity for Dual Language and English Learners in an Unprecedented Moment*. Retrieved from <https://www.californiantogether.org/a-vision-for-californias-schools-this-fall/>.

¹⁹ California Policy & Budget Center. (March 2020). *Pathways to Shared Prosperity*. Retrieved from <https://calbudgetcenter.org/about/our-policy-agenda/>.

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HISPANAS ORGANIZED *for* POLITICAL EQUALITY



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HOPE® is a nonprofit, nonpartisan organization that has focused on empowering our communities through advocacy, Latina leadership training, and increasing knowledge on the contributions Latinas have made to advance the status of women for the past 30 years. To date, HOPE's innovative programming has served 56,000 Latinas statewide and touched the lives of several thousand more.

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