



## Economic Status of Latinas: HOPE Releases New Study Showing Education Gaps and Economic Barriers Widening

*Report highlights how COVID-19 and economic recession affected Latinas among the hardest; includes framework to change policies to advance economic prosperity for Latinas*

- Latinas remain more vulnerable to economic downturns than others due to lower incomes, educational attainment, and job skills.
- In California, nearly 30% of all Latinas lost their jobs in the first months of the pandemic, and nearly 40% of undocumented Latinas lost their jobs.
- The number of Latinas in the U.S. increased to 29.6 million in 2018—9% of the total U.S. population. Latinas in California numbered 7.72 million, or 19.5% of California’s total population in 2018.
- 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%).
- Latinas are entrepreneurial creating 2.3 million new firms nationwide representing or 18% of all women-owned businesses between 2014 and 2019.

LOS ANGELES CA – October 1, 2020 – Today, Hispanas Organized for Political Equality (HOPE) released its study *Economic Status of Latinas Report – Increasing Opportunity in Education to Address Barriers to Economic Prosperity*, the third installment of a series of studies highlighting Latinas’ economic impact on California. As the nation faces a reckoning of the systemic racism unearthed by the pandemic, this report addresses the impact COVID-19 has had on Latinas and how education, from k-12 to college completion, is the pathway to equitable prosperity and imperative to ensuring economic recovery.

Despite the increase of the Latina population in California, there are 7.2 million Latinas in California or 19.5% of the state’s total population, Latinas continue to face systematic discrimination limiting their economic potential. The purpose for this research is to provide policymakers with platform recommendations positioned to give Latinas an equal opportunity and access to economic prosperity that can financially benefit all California.

The report examines both demographic and economic trends of Latinas and is meant to ignite a dialogue with policymakers and stakeholders on the corporate and public policies that can be implemented to foster the economic health of Latinas to benefit all communities, the state and the nation.

“Latinas have been disproportionately impacted by the COVID-19 pandemic both in health and work, highlighting the systemic racism that holds our communities back,” said Helen Torres, executive director of HOPE. “While Latinas remain resilient, policymakers must implement policies and support programs to advance Latinas’ economic recovery and eliminate inequalities, for example Latinas’ pay gap.”

Higher education continues to be the best investment toward a rewarding career, with higher annual and lifetime earnings than high school graduates. Non-Latina White female recent high school graduates were considerably less likely to enroll in a California community college and more likely to enroll in an out-of-state college. In contrast, Latinas were more likely to enroll in a 2-year than a 4-year institution. Despite being

eligible, too few Latinas are being admitted to and enrolling in UC and CSU system institutions and the effects of COVID-19 may seriously affect future enrollment of qualified Latina students. Early indications are that students in general plan to enroll in institutions that are closer to home and present a lower cost – placing a premium on California’s community colleges – in the face of uncertainty about the effects of the pandemic in Fall 2020.

While many Latinas found success during California’s sustained economic growth over the decade since the 2008 recession, as a group, Latinas 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 is projected 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.

“The report backs up the lived experiences of systemic barriers and economic challenges that have kept Latinas from flourishing. HOPE has given us a glimpse of the many hurdles Latinas are still facing and a roadmap to ensure a more equitable future,” said research author, Dr. Elsa Macias.

What is evident in the study is that Latinas 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, 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 research findings include:**

- **A Growing Population:** The number of Latinos in the U.S. rose to 60.1 million in 2019, or 18.3% of the country’s total population, compared to 60.4% non-Hispanic whites. By 2060, the Latino population is projected to increase to 111 million, or 27% of the total U.S. population.
- **Education Barriers:** 86% of Latinas in California graduated from high school in the 2018-19 academic year, however, despite being eligible, too few Latina students are being admitted to and enrolling in UC and CSU system institutions. Even with these barriers, 63% of Latina high school graduates enrolled in college in 2018.
- **Latinas have widest pay gap:** Latinas in California were paid only 42 cents for every dollar earned by a White man in 2019, the most significant wage gap in the nation, a persistent trend for well over a decade.
- **Latinas are Entrepreneurial:** Latinas created 2.3 million new firms nationwide at nearly double the rate for all women-owned businesses, representing 18% of all women-owned businesses between 2014 and 2019.

To foster the positive economic trends experienced by Latinas and to remedy areas where persistent gaps in success exist, HOPE’s report provides recommendations to be used as a roadmap for policymakers and corporate leaders.

#### **Key policy recommendations include:**

- **Tailored Education Systems:** Districts must provide tailored and targeted supports for the academic achievement of English Learners (EL), Foster Youth and Low Incomes Students, of which Latino students comprise the majority of each category.
- **College-readiness:** Expand access to student support services such as AVID where California participants are 70% Latino and 91% of participants have completed 4-year college degree

requirements. Increase a variety of student achievement and supportive programs such as academic counseling, access to a wide selection of AP Courses and Concurrent Enrollment programs to ensure Latino students have access and succeed in settings to streamline college access, bolster earlier college credit attainment, and lessen financial considerations of college level course.

- **Eliminate SAT/ACT exams:** Advocate for higher institutions to replace these exams with equitable standards including GPAs as consideration for admissions.
- **Increase State Funding:** Financially expand the capacities of the UC, CSU, and California Community Colleges to meet the needs of more students.
- **Faculty Diversification:** Diversify faculty in higher education institutions to reflect the growing number of Latina students.
- **Expand Education Programs and Resources:** California Department of Education and local education agencies should remain diligent in ensuring students have access to intern services and computers for low income families.
- **Reduce Higher Ed Budget Cuts:** to pass a stimulus package that includes economic relief to state governments to minimize budget cuts to the UC and CSU systems and expand access to federal student aid such as Pell Grant and Work Study programs to UC/CSU students.
- **Prioritize Microbusiness Loans:** Support the economic recovery of Californians by urging banks and California's local and state governments to support and fund organizations that provide increased amounts of grants and loans to microbusiness owners.
- **Close the Pay Gap:** The California State Legislature should fund a third-party public study of the Latina Pay Gap to present recommendations to the Legislature and relevant stakeholders.
- **Healthcare:** Congress should pass healthcare insurance options that would decrease the number of uninsured Latinos.
- **Diversity in Leadership:** Encourage business and civic sectors to prioritize representation within their leadership ranks.

Data from various government sources—including the U.S. Census Bureau, American Community Survey, U.S. Bureau of Labor Statistics, the U.S. and California Departments of Education and others—were analyzed to provide demographic and economic metrics comparing Latinas with other major demographic groups at the national and state levels, and at local levels where data were available. Additional data and background materials come from various reports, briefs and polls citing primary and secondary data.

The research was made possible by grants from the Bill and Melinda Gates Foundation and Wells Fargo.

### **About Hispanas Organized for Political Equality (HOPE)**

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. For more information on HOPE, please visit [www.Latinas.org](http://www.Latinas.org) or follow us on Facebook at [www.facebook.com/hopelatinas](http://www.facebook.com/hopelatinas).