

Hispanic workers seen as hard hit by downturn

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A report recently issued by the Economic Policy Institute, a nonprofit research organization based in Washington, D.C., that focuses on low- and middle-income workers, found that Hispanic workers across the country experienced little economic progress between 2000 and 2007. According to the authors of the report, that spells disheartening news for Hispanic workers in the current economic crisis.

“I expect that Hispanics will be hurt very badly,” said Algernon Austin, director of the program on race, ethnicity and the economy for the institute, and co-author of the report.

Austin and co-author Marie T. Mora found that median Hispanic family income fell by 2.2 percent between 2000 and 2007, compared with a 9.5 percent growth rate among Hispanic families in the 1990s.

Median weekly earnings for Hispanic workers grew by 4.7 percent from 2000 to 2007, from \$480 a week to \$503 a week. Median income for all U.S. workers experienced very little growth in the same period, but at \$695 per week it was significantly higher than that of Hispanic families.

“In sum, the Hispanic population began the 2000s business cycle significantly worse off economically than the nation as a whole, and they are ending the cycle in virtually the same place,” the report concluded. “Unfortunately, as we face what looks like a severe economic downturn, Hispanics run the risk of falling further behind.”

Ramon Martinez, president and chief executive officer of Progreso Latino in Rhode Island, said he’s in general agreement with the report. “Rhode Island is a microcosm of the country ... I think the recessionary impact on Hispanics will be severe.” Martinez said Progreso Latino’s mission is to empower the Hispanic community through education, training and advocacy.

According to the federal Bureau of Labor Statistics, national unemployment rates for Hispanics jumped from 7.8 percent in September to 8.8 percent last month. The national unemployment rate for all workers is 6.5 percent. The unemployment rate in Rhode

Island for all workers is 8.8 percent, the highest in the country. (The state Department of Labor and Training does not categorize monthly unemployment rates by ethnicity.)

A key factor in rising unemployment among Hispanic workers has been the collapse of the U.S. housing market and the subsequent implosion of the construction industry. According to federal statistics, since its peak in September 2006, the construction industry has lost 663,000 jobs.

According to a report issued in June by the Pew Hispanic Center, construction was the mainstay of Hispanic job growth, particularly among recent immigrants. From mid-2006 to mid-2007, the Pew report said, Hispanics lost nearly 250,000 jobs because of the slump in the construction sector.

Figures from the U.S. Census Bureau's American Community Survey, cited by the Poverty Institute at Rhode Island College, put the Hispanic population of Rhode Island at 115,668, or 11 percent of the population. The poverty rate for Hispanics in Rhode Island was 30.5 percent in 2007, compared with 12 percent for all Rhode Islanders. Median income for Hispanic households was \$33,817, compared with \$53,568 for all Rhode Island households.

Adriana Dawson, regional director for northern Rhode Island at the Small Business Development Center, part of Johnson & Wales University, said she is seeing the effects of the economic downturn on Hispanic workers. "It's getting pretty bleak, it's getting a bit grim," she said. More recent immigrants are being hit hardest she said, particularly those employed in construction and landscape businesses.

Dawson said some who have lost jobs in the construction and landscaping sectors are now thinking of starting their own businesses. Dawson said the Small Business Development Center is working to help them develop business plans so they could be ready for the spring, when business traditionally picks up. "We're trying to put a positive [approach] on a negative," she said.

Dawson said existing small businesses owned by Hispanics are also having problems. "Some of the mom-and-pop shops are closing," she said. "They can't get the credit they need to keep going. They have to make some tough decisions, and some are using credit cards or tapping into their home equity, which can lead to a lot of problems ... everybody across the board is being hit. But the non-English-speaking community is having a more difficult time."

Martinez, of Progreso Latino, said that as of 2002 there were 3,415 Hispanic-owned small businesses in Rhode Island that added \$213.7 million to the state's economy. Martinez said he can't cite statistics yet, but he senses that the economic slump is already having a particularly adverse effect on the state's Hispanic community, especially among those who lack education and a command of English.

Martinez said the state is not doing enough to help small business in general.

“The emphasis of the state government is on getting large companies to come to Rhode Island, not on helping small business,” he said. “The state just does not have a vision of where Rhode Island should be going.”

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