



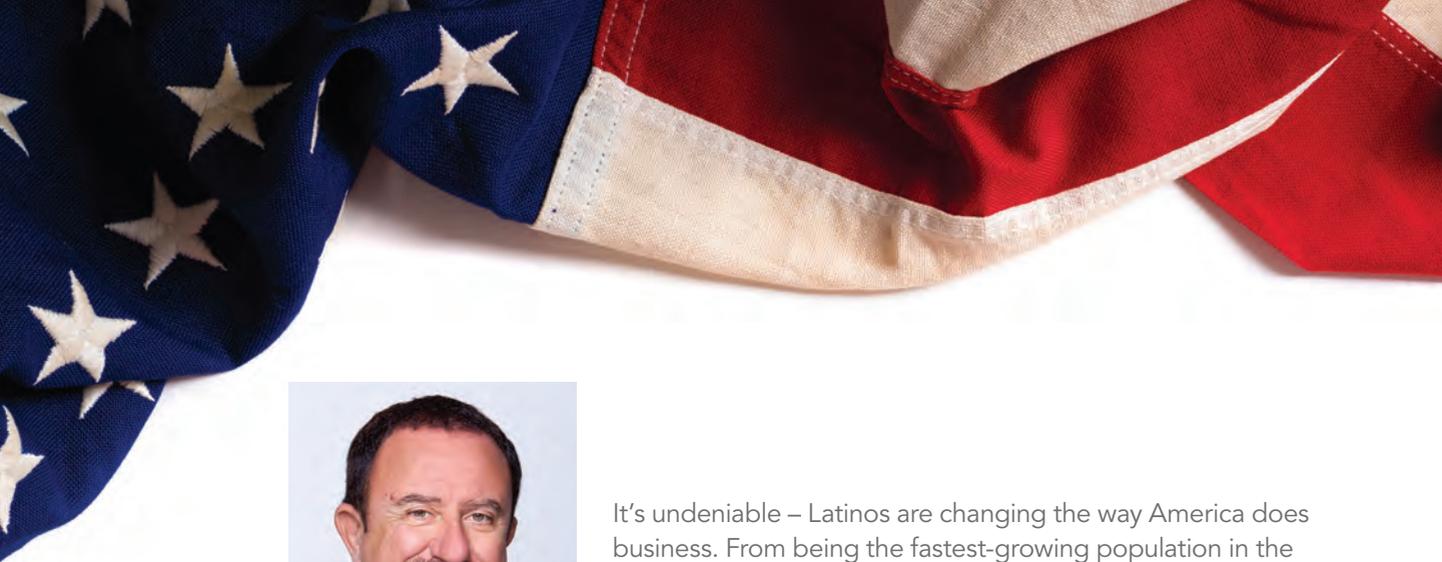
From Immigrants to Innovators

LATINO IMPACT IN AMERICAN SOCIETY



UCLA Center
for the Study
of Latino Health
& Culture





“Today’s problem is not the Latino community. They are –and always have been– our solution”



It’s undeniable – Latinos are changing the way America does business. From being the fastest-growing population in the country to expanding economic strength by over \$1.5 trillion dollars in spending each year, the impact made by Latinos is sizable and growing. That being said, this is nothing new.

Whether it occurs in the boardroom, the classroom, or at the dining room table, Latinos have always been crucial in solving our nation’s most difficult problems. From first-generation to tenth generation, Latinos have come to make monumental impacts in our society - one only needs to take a moment to recognize the facts.

Our history books are filled with their stories. Actors like Desi Arnaz, who captivated audiences of millions every Monday night and became an inspiration to young Latino entrepreneurs around the country. Civil rights leaders like Cesar Chavez, who worked each day to give voice to the thousands of Latino laborers and further the cause for equality and justice under the law. And scientists like Ellen Ochoa, who broke barriers by becoming the first Hispanic woman to go to space and motivated many more young Latinas to – quite literally – aim for the stars.

Today we are seeing even greater progress. Doctors like Alfredo Quiñones-Hinojosa and Julio Frenk, who work to find cutting-edge solutions in medicine and advance our collective understanding of the human body. Business leaders like Linda Alvarado and Aida Alvarez, who help to build the financial and legislative pathways for individuals and businesses to succeed. And artists like Robert Rodriguez and Eva Longoria, who continue to inspire us and show the power of authentic Latino storytellers. These Latino leaders, along with the millions of other Latinos who call this country home, have come to redefine what it means to be American.

Some deniers may still say that Latinos are the problem – that they are more focused on taking for themselves rather than giving to others. This simply is not true. As we head further into our new American century, our country will continue to be defined by the incredible contributions and innovations of our Latino communities, and as a society we must end our common reaction of continually overlooking them.

Today’s problem is not the Latino community. They are – and always have been – our solution.

Sincerely,

Sol Trujillo
FOUNDER & CHAIRMAN OF THE LATINO DONOR COLLABORATIVE

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As the Executive Director of the Latino Donor Collaborative, I have had the pleasure to see first-hand the importance data and research play in changing perceptions and generating change. With the power of data, we have been able to combat baseless stereotypes directly with clear and concise facts that underscore the trends we have known for years – Latinos are not only supporting, but also revitalizing economic growth in America today.

But do not take it from me – look at the evidence. Without Latinos, America’s entrepreneurial sector would suffer, as Latino businesses owners are the only group to actually see positive growth rate (3.3%) in the five years following the recession. Without Latinos, U.S. life expectancy would fall significantly – with Latinos now living 81.8 years on average in 2014 compared to 78.8 years for the general population. And without Latinos, the labor force of the future would not be able to take on the toll of the lost human capital of the retiring baby boomers – every day around 3,000 U.S. – born Latinos turn 16 and enter the workforce. These are just a few of the findings you will be able to read more about in the pages to come.

With the support of Dr. David Hayes-Bautista from the University of California – Los Angeles, we are extremely excited to be releasing this report. Through its publication, we hope to continue living up to our mission of reframing and advancing an accurate perception, portrayal, and understanding of the important contributions Latinos make to American society.

Warmest Regards,

A handwritten signature in black ink that reads "Ana Valdez". The signature is fluid and cursive.

Ana Valdez

EXECUTIVE DIRECTOR OF THE LATINO DONOR COLLABORATIVE

This report aims to provide an analysis and evaluation of current, former, and prospective advances and contributions by Latinos in a variety of sectors throughout American society including business, health, and civic participation. By utilizing cross-sectional data and qualitative research, this report highlights the growing importance of the Latino community in fueling the New American Economy, the ever-present legacy Latinos have made throughout the history of the United States, and the future impact Latinos will be poised to make in the decades to come.



In 2011,
16.9% of all new recruits
were Latinos.¹



Latinos serve America

The history of the United States has been shaped by a multitude of strong Latino leaders willing to dedicate their time and service to promote and protect a country they called home. From the founding of our democracy in the Revolutionary War through tests of our resiliency and dedication during the Civil War and even further to our present-day reality as members of the world's largest military force, Latinos have constantly been at the frontlines of change and progress throughout American history.



First full Admiral of United States Navy: **BILINGUAL, BICULTURAL LATINO, DAVID FARRAGUT.**

David G. Farragut was honored for his heroism in defending the United States during the American Civil War by being named as the country's first full Admiral in July 1865. He was a U.S.-born Latino, fluent in both Spanish and English, and the son of Jordi Farragut - a Spanish naval commander who had fought for American independence under George Washington. In August of 1864, when the Union ships' attack on the Confederate fleet at Mobile Bay had paused out of fear of mines protecting the entrance, David G. Farragut scrambled up the mast of his flagship, the Hartford, observed the disordered fleet milling about the entrance, and asked about the delay. Informed that the captains were fearful of the mines (called torpedoes during the Civil War), Farragut shouted: "Damn the torpedoes! Full speed ahead!" and ordered his ship to plow directly through the minefield. The other captains followed his courageous example, and the U.S. fleet won a crucial victory at the Battle of Mobile Bay. Farragut's bravery and passionate words henceforth became a rallying cry for the North as the war continued.²

² Source: Chester G. Hearn, Admiral David Glasgow Farragut. *The Civil War Years*. Annapolis, MD: Naval Institute Press. 1998. pp.257-271

U.S. Congress honors **José de Gálvez** as "**Hero** of the Revolutionary war"



On December 9, 2014, the United States congress conferred honorary citizenship of the United States on Governor Bernardo de Galvez for having "secure[d] the independence" of this country. While he was Governor of both Alta Luisiana and Baja Luisiana, with his headquarters in Nueva Orleans, de Gálvez "supplie[d] intelligence and strong military support to the war effort." Among other contributions cited by the congressional resolution, de Gálvez was lauded for recruiting an army of Mexican, Cuban, African-American, and Spanish forces, to lead "the effort of Spain to aid the United States' colonists against Great Britain." During his campaign to drive the British out of the Mississippi Valley, many battles took place where more soldiers were heard speaking Spanish than English in the fight for American independence.³

³ Source: H. J. Res. 105. *Conferring honorary citizenship of the United States on Bernardo de Gálvez y Madrid, Viscount of Galveston and Count of Gálvez*. Public Law No: 113-229 (12/16/2014). 113th Congress of the United States of America. 2013-2014

Latinos grow America's economy

Over the past decade, the U.S. economy has gone through tremendous changes. Now finally out of the shadow of the Great Recession, the country is just starting to see many of its long-term economic trends reach pre-Recession levels. One of the biggest factors for that resurgence comes from strong growth driven by the Latino community. From business owners to empowered consumers, Latinos are more active than ever before in the national economy and are helping to power the New American Economy.

LATINOS AS ENTREPRENEURS

A 2015 Research Report by the Stanford Latino Entrepreneurship Initiative noted the impact of the growing Latino population in the United States, especially in terms of its buying power and potential market. The report also pointed out the corresponding "explosion" in the number of Latino Owned Businesses. From 2007 to 2012, the growth rate for LOB increased by 3.3% while the rate for non-Latino Owned Businesses actually decreased by 3.6%.

In fact, from 2002 to 2014, Latinos have consistently had the highest rate of new entrepreneurs, as measured by the Kauffman Index of Entrepreneurship. This index calculates the "percent of individuals (ages twenty to sixty-four) who do not own a business in the first survey month that start a business in the following month with fifteen or more hours worked".



LATINO OWNED BUSINESSES WILL EXCEED PROPORTIONAL REPRESENTATION

In 1972, Latino-Owned Businesses (LOB) were under-represented in the overall population, with Latinos accounting for 5.1% of the U.S. population but only 1.3% of its businesses. By 2012, representation had improved, as Latinos made up 17.0% of the country's population, and owned 12.0% of all businesses. By 2017, under current growth estimates, Latinos will be more proportionately represented in both the population (18.4%) and in businesses ownership (16.8%). It is further projected that by 2022, Latinos will be over-represented in the business world: while they will make up 19.7% of the country's population, they will own 23.7% of businesses.

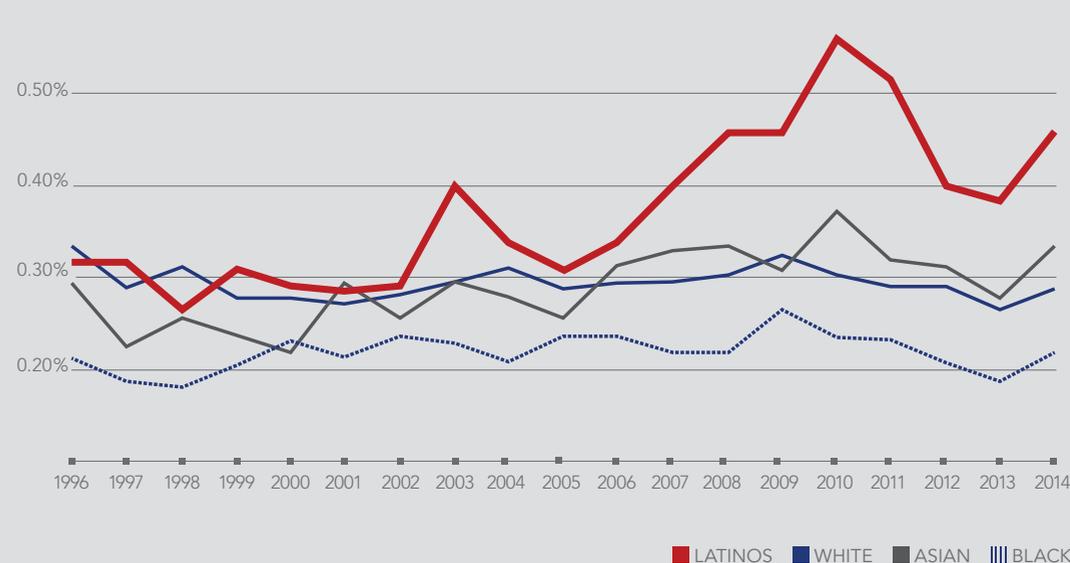
LATINO BUYING POWER GROWS

Increased education coupled to a vigorous work ethic will yield increased income, and subsequently a growing consumer buying power for the Latino market. In 1990, Latino buying power (total personal income after taxes) was approximately \$208 billion, and it grew to \$1.3 trillion by 2015, a whopping increase of approximately 619%. Latino buying power grew at three times the nation's overall rate of 213% over the same time period.

While Latinos are gaining consumer buying power, they are not the sole or primary consumers of Latino Owned Businesses (LOB). A myth does prevail that LOBs "are smaller because they sell primarily to Latinos and thereby are not taking advantage of the complete U.S. market", which is contradicted by evidence showing that 80% of U.S. Latino businesses sell to the complete domestic market. Indeed, there is just a 1% difference between LOB and non-LOB in the top five industries' average monthly sales – dismantling a second myth that LOB's are small because they oversubscribe to small, slow-growth industries.⁴

Furthermore, according to recent research from Morgan Stanley, Latino retail spending is projected to increase by 1.6 percentage points by 2020, far-outpacing millennial retail growth in general which is projected to be only a 0.6 percentage increase. These trends are driven by the addition of 8.2 million people, 52% of the total U.S. population growth over this period, and above-average per capita income growth.⁵

RATE OF NEW ENTREPRENEURS BY RACE 1996-2014



Source: Fairlie, Morelix, Reedy, and Russell. "The Kauffman Index Startup Activity, National Trends, 2015". Page 30, Figure 3 (data from Table 3). The index calculates the "percent of individuals (ages twenty to sixty-four) who do not own a business in the first survey month that start a business in the following month with fifteen or more hours worked".

4 Source: Poras, Jerry. Latinos: The force behind small-business growth in America. CNBC. Emerge Americas. April 18, 2016

5 Source: Tonya Garcia. Hispanics will outspend millennials by 2020: Morgan Stanley. MarketWatch. May 2, 2016.

15%
Hispanic share
of home ownership in
the 1990s



35%
Hispanic share
of home ownership in
the 2000s

LATINOS AS HOMEOWNERS

A recent national survey by government-sponsored enterprise Fannie Mae noted the positive attitudes of Latinos towards home ownership and documented the relative increase in Latino-owned households in comparison to the general population. In fact, the Hispanic share of homeownership growth has more than doubled during the last two decades, from 15% during the 1990s to 35% during the 2000s. A more detailed look over the last decade (2001-2012) revealed that Hispanic-owned households had increased by 3.9% on average annually compared to only 0.4% for non-Hispanic-owned households.⁶

Even among individuals who were not homeowners, Hispanics were 8% more likely to express a wish to purchase a home for their next move in comparison to the general population (50% of Hispanic renters versus 42% of renters among the general population). This was consistent with responses to a question asking if current non-homeowners would ever consider buying a home, to which 70% of Hispanics responded in the affirmative, compared to 62% of the general population.⁷

6 Source: U.S. Census Bureau. Homeownership/Vacancy Data, January 2013. National Association of Hispanic Real Estate Professionals. *State of Hispanic Homeownership Report, 2012*. 2012. Page 8

7 Source: Fannie Mae National Housing Survey. Hispanics: *A Key Driver of Future Homeownership Demand, Topic Analysis 10/17/13*. Page 16-17. Accessed 02/10/2016



Latinos give American democracy a healthy start

LATINOS AND ELECTIONS

In the upcoming 2016 Presidential Election Latinos will make up 13 percent of all eligible voters, a two percent increase from 2012. And these numbers are much higher in some states. In Florida, the share of the share of eligible voters who are Latino will increase from 17.1 percent in 2012 to 20.2 percent in 2016. Projections show that Latino eligible voters could reach 28.5 million nationwide in 2016 and, if continued, could add an additional 16 million voters by 2030.⁸

While voter turnout is typically expected to be low among younger cohorts such as Latino millennials, Latinos have once again bucked the trend. In 2008, Latino youth ages 18-24 voted at the highest rate for their age group (30%) since 1972. Furthermore, in 2012, 53.6% of young Latino voters cast their vote for the very first time.⁹



In the upcoming
Presidential Election,
Latinos will make up **13%**
of all eligible voters

8 Source: Ocampo, Lizet. "Top 6 Facts on the Latino Vote." CAP Research. Center for American Progress, September 17, 2015.

9 Source: Stella M., Kei Kawashima-Ginsberg and Ben Thurtchley. "Latino Civic Health Index." National Conference on Citizenship and Tufts University, August 28, 2015, pg. 25

LATINOS AND PUBLIC SERVICE

From the ballot box to the civic stage, Latinos are giving back and taking lead more than ever before. According to research on Latino representation conducted for the 2014 NALEO Directory of Latino Elected Officials, nearly 6,100 Latinos are serving in elected office nationwide. This is up from the 4,853 Latino elected officials who held office in 2004, an increase of 25 percent. In the 114th United States Congress, there are 32 Latino Elected Officials (3 Senators and 29 Representatives) making it the most Latino elected officials serving simultaneously in American history.¹⁰

4,853
Latino Elected
Officials in 2004



6,100
Latino Elected
Officials in 2014

Furthermore, Lieutenant Commander Nate Christensen, a Department of Defense spokesman, reports that Latinos currently comprise 11.4 percent of the active-duty military forces (more than 157,000 people) and in 2011, 16.9 percent of all new recruits were Latinos.¹¹

This Latino military men and women also succeed once their service concludes. Veterans Affairs statistics show that Hispanic veterans have a lower unemployment rate, lower uninsured rate, and a lower poverty rate than Hispanic non-veterans and that the median personal income for Hispanic veterans is more than twice that of Hispanic nonveterans.¹²

LATINOS AND RELIGION

Faith communities have been part of the American community landscape since the very beginning. In fact, a family's faith group is the first entity outside the home that children become participants of, and the most common measure of religious influence is attendance at service. This is one of the many measures collected annually by the Pew Research Center, which releases the U.S. Religious Landscape Study. Patterns in service attendance for Hispanics in 2014 were consistent with responses to the survey since its first iteration in 2007. In 2014, 39% of Latinos attended church at least once per week, compared to 34% of non-Hispanic Whites. Latinos also engaged in different religious programs, such as prayer groups, scripture study groups, and religious education programs. Indeed, 40% of Hispanics reported participating in a religious program at least once per month, compared to 29% of non-Hispanic Whites. Moreover, 58% of Latinos reported praying at least once per day, compared to 52% of non-Hispanic Whites.¹³



Latinos lead America

LATINOS SUPPLY THE WORKFORCE

Business thrives on growth, is hindered by stagnation, and falls into decline by shrinkage. Likewise, an expanding population creates both new markets and new demands, while a waning population pulls a country's economy down. The future is starkly divided into two kinds of countries: those with population growth, and those with population shrinkage.

Between 2014 and 2050, four of the world's leading powers will shrink in population size. Japan's population will drop by a bewildering 24% and Germany's by 16%. Spain and Italy will see a 9% and 7% decrease in their respective populations.

This being said, other world powers will circumvent the problem of population shrinkage and instead witness growth. The United States' population will increase by 26%, followed by the United Kingdom and France at 21% and 13% growth respectively.

In the United States, the non-Hispanic White population will actually shrink by 2% as a proportion of the total population in 2050 as compared to their relative size in 2014. The continued growth of the U.S. population will be caused by the diversity that Latinos, among others, bring to the country. Indeed, Latinos will generate nearly two thirds (64%) of that growth.

Every day, approximately 10,000 baby boomers retire. When they leave the workforce, most stop earning income, and instead start to rely upon unearned retirement income, such as Social Security payments or pension plans. These benefits are available to them thanks to younger workers' contributions to the economy. Currently, "boomers" retiring at age 65 can be expected to receive unearned income for another 19.1 years.¹⁴

Also every day, about 9,000 non-Latino post-millennials turn 16 years of age, and enter the labor force.¹⁵ These young workers represent the economic base that supplies the unearned income provided to the retiring baby boomers until around 2050.

10 Source: "Latino Elected Officials in America: At-A-Glance." Nation Association of Latino Elected and Appointed Officials Educational Fund, Website.

11 Source: Sánchez, Erika L. "U.S. military, a growing Latino army." NBC Latino, January 1, 2013.

12 Source: Ibid. (Sánchez, Erika L. "U.S. military, a growing Latino army." NBC Latino, January 1, 2013.)

13 Source: Pew Research Center. *U.S. Religious Landscape Study 2014: America's Changing Religious Landscape*. May 12, 2015.

14 Source: National Center for Health Statistics. *Health, United States, 2013: With Special Feature on Prescription Drugs*. 2014. Table 18 Life expectancy at birth, at age 65 and at age 75, by sex, race and Hispanic origin, 1900-2010. DHHS Publication NO. 2014-1232

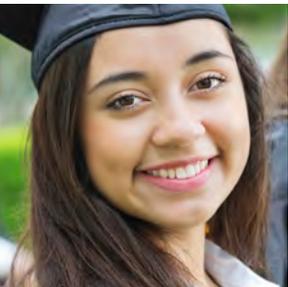
15 Source: National Vital Statistics *National Vital Statistics Reports: Births: Final Data for 2014*. System. 2015. Table 5. Births and birth rates, by Hispanic origin of mother and by race for mothers of non-Hispanic origin: United States, 1989-2014. Volume 64, Number 12, p. 23

The looming problem is that there are approximately 1,000 more baby boomers retiring every day than non-Latino post-millennials entering the workforce. The solution to this quandary? U.S.-born Latino post-millennials. Every day, approximately 3,000 U.S.-born Latinos turn 16, and enter the labor force, and in doing so, ensure that the U.S. human capital grows, rather than shrinks, in light of boomers retiring and other developed nations' populations waning.

LATINOS REACH HIGH EDUCATION LEVELS

Nearly forty years ago, less than half of all Latino adults living in the U.S. would complete high school. To this day, these statistics have been perpetuated in media and caused ill-informed public officials to continue citing these figures, when today's reality could be in no starker contrast.

In 2013, the U.S.-born Latino high school drop-out rate was of only 6%, minimally higher than the overall U.S. drop-out rate of 4.2%.¹⁶ Not only are Latinos completing high school at a 94% rate, a higher percent of these graduating Latinos were enrolled in college (49%) as compared to non-Hispanic Whites (47%) in 2012.¹⁷



49%
Latinos enrolled in
college in 2012



47%
non-Hispanic Whites
enrolled in college
in 2012

LATINOS GENERATE GREATER INCOME

The higher education level of U.S.-born Latino post-millennials also translates into higher education over their entire lifetimes. Indeed, this group of young Latinos born after 1993 are continually educating themselves, usually working part-time to contribute to the economy. Even without full-time employment, their potential income growth can be predicted by looking at older cohorts of U.S.-born Latinos. In 2013, U.S.-born Latinos of all ages working year-round and full-time generated median per capita earnings of \$35,000, only 16% lower than the United States median per capita income.¹⁸

All in all, the modern Latino-American is a far cry away from the image many Americans still hold of Latinos in the economy. Latinos in America today are highly educated — almost all have their high school diploma, and Latinos are enrolling in college in large numbers. Latinos in 2016 are looking at bright prospects and chances at tremendous future income growth — something few would have predicted when staring down at the Latino high school drop-out rates of 1960.

Since its founding, America has been a country defined by the exceptional contributions of its citizens, who built the most economically advanced, culturally rich, and ethnically diverse country the world has ever seen. Each subsequent generation of Americans has added further color and texture to the masterpiece of this great experiment in human democracy. And as we continue to advance further into a new chapter of American history, it is increasingly obvious that Latinos have been, are, and will be crucial to our success.

Latinos helped to lay the foundations of the United States nearly 250 years ago and are poised to take this country in new productive, positive, and profound ways in the twenty-first century. More than any other group today, Latinos are reinvigorating American economic and social growth. Whether we be as job creators or consumers, teachers or students, leaders or voters, Latinos stand ready to lead a new coalition of Americans as we head further into this new century. Simply put, America can count on Latinos.

¹⁶ Source: Pew Research Center. 2015. *Hispanic Trends: Statistical Portrait of Hispanics in the United States, 1980-2013*. Table 19 High School Dropouts, by Race and Ethnicity: 1980-2013.

¹⁷ Source: Pew Research Center. 2013. Among recent high school grads, Hispanic college enrollment rate surpasses that of Whites. September 4, 2013.

¹⁸ Source: Pew Research Center. 2015. *Hispanic Trends: Statistical Portrait of Hispanics in the United States, 1980-2013*. Table 29. Median Personal Earnings for Full-time, Year-Round Workers, by Race and Ethnicity, 1990-2013.



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The Latino Donor Collaborative is a 501(c)(3) non-profit organization dedicated to reshaping the perception of Latinos as part of the American social mainstream. We are self-funded and independent, and created by an accomplished group of Latino national leaders that generously donate their time to promote friendly high-level dialogue, with the goal of finding best ways to grow revenue and market share —by targeting and serving the Latino audiences. We do this through a nonpartisan agenda that includes outreach to influential people in media, advertising, politics, corporate America, and civil society by confronting stereotypes with data that brings understanding and appreciation of the actual roles being played by Latinos in society, politics, and commerce. The board is passionate about empowering every Latino to be the best they can be, and know that by empowering Latinos, they create a rich, united, and more powerful United States of America.

