

Economic and Employment Status of the Hispanic Community in Delaware

An Issue Brief Presented by the Governor's Consortium on Hispanic Affairs

In Collaboration with the University of Delaware Center for Community Research and Service

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Delaware is quickly becoming more diverse with the increasing population growth of people from a variety of Hispanic cultures. In fact, between 2000 and 2007, the Hispanic population in Delaware grew by 50.1%, much faster than the national rate of 28.8%. In order to identify and address the needs of Hispanic Delawareans, Governor Ruth Ann Minner established the Governor's Consortium on Hispanic Affairs. The Consortium began its work in 2007 by contracting with Bendixen & Associates to conduct a comprehensive needs assessment including: a statewide survey of over 800 Hispanic adults, in-depth interviews with community leaders, and focus groups with community members. This issue brief presents key economic findings from the data collected by B&A in the Delaware Hispanic Needs Assessment (DHNA), and from other government and nonprofit organizations.

What is the Economic Status of Hispanics in Delaware?

In effort to address the economic issues facing the Hispanic community through policies and services, public officials, community leaders, advocates, and scholars alike have tried to better understand the economic challenges that Hispanics face. Although research indicates that Hispanics are a population that values work and family, it is also a population that experiences significant economic disparities. This is especially true in Delaware. Some of the troubling facts in regards to the economic status of Delaware Hispanics include:

- About 38% of Hispanics live in households earning less than \$25,000, compared to only 8.5% of Whites in Delaware.¹
- Based on the Delaware Self-Sufficiency Standard², at least 57% of Hispanic households in New Castle County and 59% of Hispanic households in Lower Delaware (Kent & Sussex Counties) do not earn enough money to meet their family's basic needs.*
- Fifty-six percent of Hispanic households earning less than \$20,000 annually have children under the age of 18 living in the household.*

- In 2006, one quarter of Hispanic children under the age of 18 lived in poverty.³
- Only 30% of Hispanics living in households earning less than \$20,000 per year have a driver's license.*
- Lower Delaware Hispanics are more likely than those from New Castle County to have household incomes less than \$20,000.*

Where are Hispanic workers employed in Delaware?

Almost two-thirds of the Hispanics participating in the DHNA study reported that they are employed. When looking at employed Hispanics in Delaware, we find that they are employed in a variety of occupations across the state (see Table 1 on page 2). Looking at the state as a whole, the most popular occupation held by Hispanics is in construction, followed by the restaurant industry and professional careers.

In Lower Delaware, work as "day laborers" is the second most commonly reported occupation (after

Written by, Nicole Ruggiano, Ph.D.

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the most commonly held work in construction). Day laborers, unlike other occupations, are usually hired on a day-to-day basis and fulfill a variety of jobs in the construction and landscaping industries.

While active employment may be viewed as a sign of economic prosperity, the Consortium has found that employed Hispanics are not typically better off than those who are unemployed. For instance, DHNA data on employed Hispanics, indicate that:

- Forty-four percent of employed Hispanics live in households with annual incomes of less than \$20,000 per year.
- More than 35% report that they do not have a high school diploma, therefore reducing chances for economic advancement.
- Almost 45% do not have access to health insurance, with around 14% being eligible for and receiving Medicaid.
- Around half of employed Hispanics are not proficient in English, which also limits their chances for economic advancement.

Table 1 . Occupations held by Hispanics in Delaware*

Industry	Delaware	New Castle County	Lower Delaware
Construction	21.1%	19.1%	24.9%
Day Labor	7.4%	4.4%	12.7%
Domestic Services	4.7%	5.9%	2.6%
Hotel	2.3%	3.5%	0%
Restaurant	12.1%	15.0%	6.9%
Agriculture	4.9%	4.1%	6.3%
Administrative	7.5%	8.2%	6.3%
Professional	10.2%	12.3%	6.3%
Other	29.8%	27.6%	33.8%

Findings from the DHNA also suggest that discrimination in the workplace is another factor in Hispanic’s ability to achieve economic advancement. For instance, as Table 1 indicates, many Hispanics work in industries that are known for low-wage work, such as restaurants, domestic services, agriculture, and hotels. However, the most popular occupation that Hispanics reported was construction, an industry that is usually associated with moderate to high wages. The U.S. Bureau of Labor Statistics reports that the average salary for a construction worker in the Mid-Atlantic Region is \$48,999.⁴ However, more than three-fourths of Hispanic construction workers in the DHNA reported having household incomes of \$30,000 or less and more than a third had household incomes below \$20,000. It is currently unclear if this difference in wages is due to the types of construction jobs that Hispanics hold, or if it is due to discrimination within the industry.

What is Contributing to These Disparities?

Ability to Speak English: The Consortium has identified several factors that may contribute to the economic disparities of Hispanics. One of the larger barriers to economic stability in the Hispanic community may be the higher percentage (56%) of Delaware Hispanics who speak little or no English.* Hispanics who reported being limited in

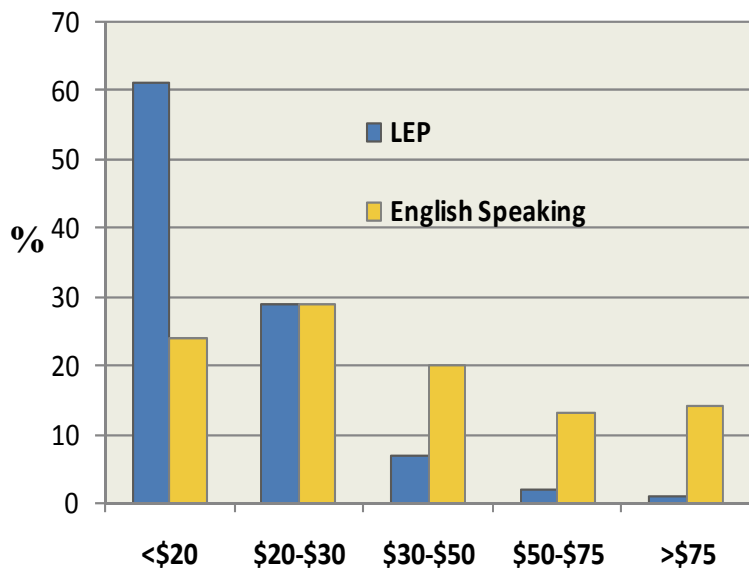


Figure 1. Hispanics' Income by English Proficiency Status (Income in thousands)*

English proficiency (LEP) are more than twice as likely as English speakers to have household incomes of less than \$20,000 per year (figure 1). In addition:

- Based on the Delaware Self-Sufficiency Standard⁸, at least 88.4% in New Castle County and 93.8% in Lower Delaware do not earn enough money to meet their family's basic needs.*
- Over 40% of LEP Hispanics report being unemployed, versus only a quarter of English-speaking Hispanics.*
- LEP Hispanics are more likely to report that they do not earn

enough money to support their families (60.7% vs. 41.1%).*⁶

Education: Along with limited English proficiency, low-educational attainment was also found to be a barrier to economic opportunity in the Hispanic community. In fact, 38.8% of Hispanic adults surveyed in the DHNA reported that they had less than a high school diploma. Hispanics living in households with annual incomes of less than \$20,000 were found to be especially prone to low-educational attainment, with 54.8% of low-income Hispanics reporting that they do not have a high school diploma. Other economic characteristics of Hispanics with low educational attainment include the fact that about three-fourths speak only or mostly Spanish and only 25.1% have a bank account and about 20.5% own their home.

Transportation Problems: Transportation was also cited as a barrier to economic opportunity in the Hispanic community. In fact, 43.7% of Hispanics in Delaware report that they do not have a drivers' license.* When examining Hispanics who do not have a driver's license we find that they are more likely than those with a driver's license: to be unemployed (54.4% vs. 26.5%); to live in a household earning less than \$20,000 per year (68.9% vs. 30.7%); and to not have a high school diploma (55.3% vs. 23.9%). The majority of Hispanics who do not have a driver's license rely on friends and families for rides or use public transportation.*

Interest in Economic Opportunity: Despite economic setbacks, Hispanics report an interest in improving their economic status. In fact, 89% are interested in job training and 93.8% are interested in taking English classes.* While Hispanics' interest to improve their economic situation is positive, their current economic and employment situations may create difficulties in accessing available educational opportunities.

Where Do We Go From Here?

Overall, the Consortium has identified several factors that may be contributing to the economic disparities experienced by Delaware Hispanics, including high prevalences of Hispanic adults: (1) who speak only or mostly Spanish, (2) who have not earned a high school diploma or completed higher education degrees, and (3) who experience barriers related to transportation, employment, and health care access. Some **short-term approaches** to these problems may include:

- Public and nonprofit agencies providing job training, education, transportation, and services to Hispanics should examine how they can promote greater access to their services by reevaluating the structure of their programs. For instance, by changing the times and locations of some services, Hispanics may be able to better access opportunities of economic advancement.
- Agencies should also increase their cultural competency through activities such as learning (at least) basic Spanish, recruiting qualified individuals from the Hispanic community, and translating agency literature, such as brochures and manuals, into Spanish. This may reduce the language barriers that are preventing some Hispanics from receiving services.

Given the complexity of the issues related to Hispanics' economic disparities, **long-term approaches** to these problems will need to be comprehensive. For instance:

- Given how Hispanics' economic barriers are interrelated, there is a need to increase collaboration across agencies that address issues of poverty, English language skills, education and transportation. These collaborations should include increased partnerships between the public, nonprofit, and for-profit sectors.
- Also, more partnerships are needed between Hispanic community groups and non-Hispanic agencies in order for agencies to find ways to make their services more accessible.

While these problems and solutions are complex, through partnerships and collaborations of professionals across the state, Delaware now has the opportunity to set an exemplary model for the future economic well-being of Hispanic families.

Notes:

1,3 U.S. Census Bureau. (2006) American Community Survey 2006 Data Tables.

2,5 The Delaware Self-Sufficiency Standard represents the amount of income required to live free of private (i.e. charity) or government assistance (i.e. TANF/welfare, food stamps, Medicaid, etc.). It takes into consideration necessary expenses that individuals and families would normally pay in order to meet their basic needs. The standard assumes that adult family members are working full-time and factors in costs incurred by maintaining employment, including: taxes, child care, regional cost of living, transportation, and housing. It was developed by Pearce & Brooks through their work at the Wilmington Urban Metropolitan League in 2003.

4 U.S. Bureau of Labor Statistics (2007). National compensation survey: Occupational wages in the Middle Atlantic Census Division, June 2006. Washington D.C.: U.S. Department of Labor.

6 This statistics was derived from the B&A survey question "Do you feel as though you currently earn enough to support yourself and your family?" This response is solely the respondent's perception of their earnings and not an analysis of disclosed income.

* Statistics derived from: Bendixen & Associates (2008). Delaware Hispanic needs' assessment. Coral Gables, FL: Author. (This report to the Governor's Consortium on Hispanic Affairs is available at www.delcf.org). All statistics used from this report were found to be significant at or above the 95 percent confidence level.