



a PewResearchCenter project

Report

JUNE 4, 2008

Latino Labor Report, 2008: Construction Reverses Job Growth for Latinos

Rakesh Kochhar
Associate Director for Research, Pew Hispanic Center

The **Pew Hispanic Center** is a nonpartisan research organization that seeks to improve public understanding of the diverse Hispanic population in the United States and to chronicle Latinos' growing impact on the nation. It does not take positions on policy issues. The center is part of the Pew Research Center, a nonpartisan "fact tank" based in Washington, D.C., and it is funded by The Pew Charitable Trusts, a Philadelphia-based public charity. All of the Center's reports are available at www.pewhispanic.org. The staff of the Center is:

Paul Taylor, Acting Director

Rakesh Kochhar, Associate Director for Research

Richard Fry, Senior Research Associate

Gretchen Livingston, Research Associate

Mary Seaborn, Administrative Manager

Susan Minushkin, Deputy Director

Mark Lopez, Associate Director

Jeffrey S. Passel, Senior Research Associate

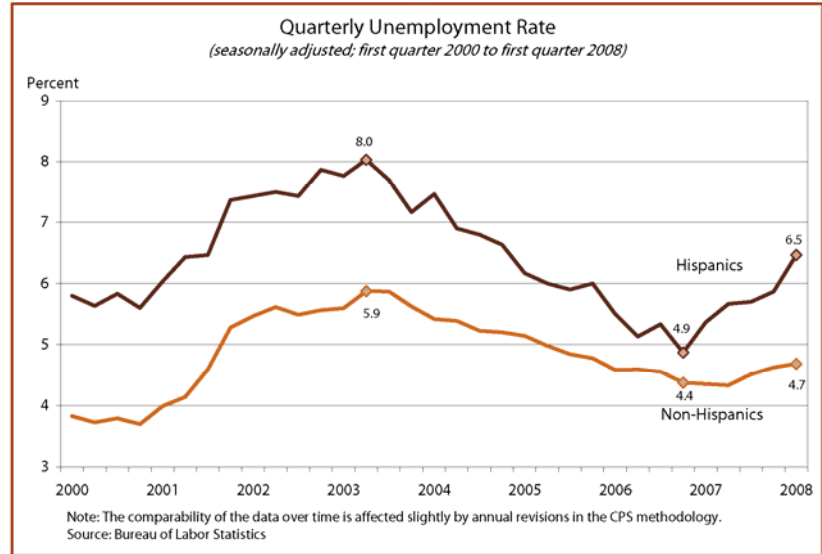
Felisa Gonzales, Research Assistant

Michael Light, Intern

Executive Summary

Due mainly to a slump in the construction industry, the unemployment rate for Hispanics in the U.S. rose to 6.5% in the first quarter of 2008, well above the 4.7% rate for all non-Hispanics. As recently as the end of 2006, the gap between those two rates had shrunk to an historic low of 0.5 percentage points—4.9% for Latinos compared with 4.4% for non-Latinos, on a seasonally adjusted basis.¹

The spike in Hispanic unemployment has hit immigrants especially hard. Their unemployment rate was 7.5% in the first quarter of this year,² marking the first time since 2003 that a higher percentage of foreign-born Latinos was unemployed than native-born Latinos. Some 52.5% of working-age Latinos (ages 16 and older) are immigrants. Latinos make up 14.2% of the U.S. labor force.



Despite the disproportionate impact that the economic slowdown has had on immigrant Latino workers, there are no signs that they are leaving the U.S. labor market. Their labor force participation rate—that is, the percentage of the immigrant working-age Latino population either employed or actively seeking employment—has remained steady. However, they now play a smaller role in the growth of the Hispanic workforce than in recent years.

These findings emerge from the Pew Hispanic Center’s analysis of the latest data from the Bureau of Labor Statistics and Census Bureau. Most of the data are from the Current Population Survey, a monthly Census Bureau survey of about 60,000 households. Data from three monthly surveys were combined to create larger sample sizes and to conduct the analysis on a quarterly basis.

¹ The estimates for Hispanics in this paragraph are from the Bureau of Labor Statistics. Estimates for non-Hispanics are derived by the Pew Hispanic Center from BLS data for all workers and Hispanic workers. Both are seasonally adjusted.

² This estimate, from the Pew Hispanic Center, is *not* seasonally adjusted. Other estimates in this report that are derived by the Pew Hispanic Center from the Current Population Survey data are also not seasonally adjusted.

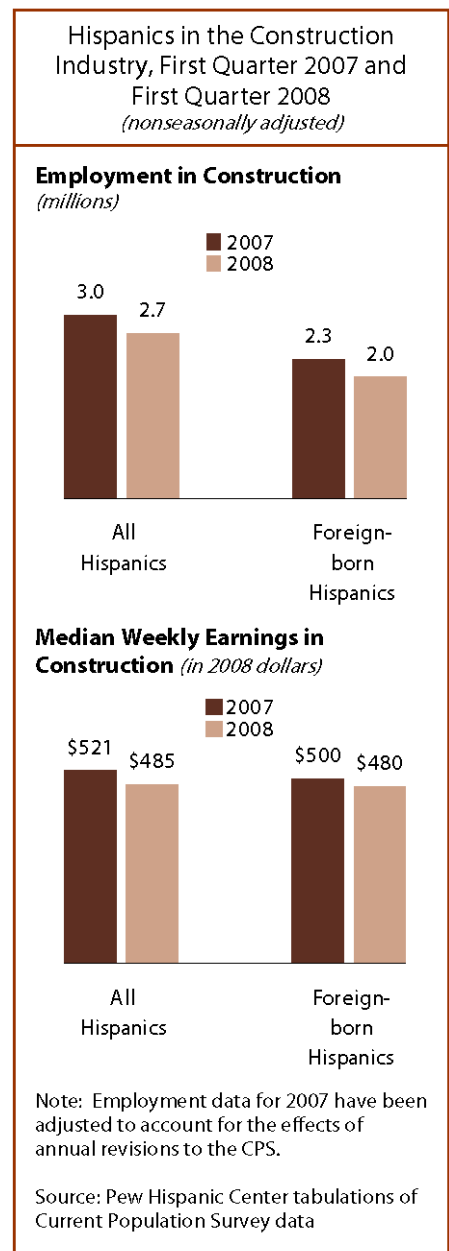
This report is not able to identify immigrant workers by whether they are documented or undocumented because the immigration status of workers is not recorded in the source data. However, estimates by the Pew Hispanic Center show that unauthorized migrants account for about 5% of the U.S. labor force and about one-third of the foreign-born labor force. They are overrepresented in certain industries such as construction, where they account for 12% of employment ([Passel, 2006](#)). Most unauthorized migrants are from Latin American countries, with those from Mexico accounting for about 55% of the total.

The study focuses on developments over the past year in several key labor market indicators, from the first quarter of 2007 to the first quarter of 2008. Long-term trends, from 2000 onward, are also presented for major indicators. Some of those indicators, such as the working-age population and the size of the labor force, respond principally to demographic forces. Tracking those indicators establishes the size of a racial or ethnic group in the labor market and whether its relative size is shrinking or expanding.

Other important labor market indicators respond more to economic developments for a racial or ethnic group. Those include employment levels and the employment, unemployment and labor force participation rates. Tracking those indicators, along with estimating wages, is the key to understanding economic outcomes for Hispanic and non-Hispanic workers.

The latest trends in the labor market represent a dramatic reversal for Latino workers. Hispanics lost nearly 250,000 jobs over the past year because of the recent slump in the construction sector. For several years, construction was the mainstay of job growth for Hispanic workers, especially those who are immigrants ([Kochhar, 2006](#) and [Kochhar, 2007](#)). Even as home building stumbled in 2006, Hispanics found nearly 300,000 new jobs in the construction industry from the first quarter of 2006 to the first quarter of 2007. The ongoing slump in construction over the past year has wiped out those gains, virtually in their entirety.

Mexican immigrants have suffered the effects of the construction downturn most keenly. Latino workers who exited construction in 2007 included about 221,000 immigrants. Some 152,000 of those workers had



migrated from Mexico. Latino immigrants who entered the U.S. in 2000 or later (from any country) lost 69,000 jobs in construction. For each of these groups of immigrants the jobs lost in construction accounted for the majority of losses from the first quarters of 2007 to the first quarter of 2008.

Labor market outcomes for Hispanic women appear to be worse than for men during 2007. They left the labor force in greater proportion and experienced greater increases in unemployment than did Hispanic men. Some 130,000 more Latino women became unemployed in 2007, and their unemployment rate increased from 5.6% to 7.0%.

Weekly earnings for most groups of Hispanic workers also slipped backward in the past year. Again, Latino construction workers suffered most from the decline in wages. Their earnings tumbled in 2007 and they now earn less than they did two years ago in the first quarter of 2006.

Demographically, immigrant workers now contribute less to the growth in the Hispanic workforce than in recent years. Labor market data do not reveal proximate cause—it could be the economic slowdown, increased immigration enforcement or a combination of those and related factors—but some trends are consistent with reduced levels of immigration. The Latino immigrant working-age population (ages 16 and older) increased 462,000 from the first quarter of 2007 to the first quarter of 2008. That increase was similar to the year before. However, two years earlier, between the first quarters of 2005 and 2006, this population had increased by 784,000 workers. Similarly, foreign-born Latinos have accounted for less of the total growth in the Latino labor force (those employed or actively seeking employment) in recent years.

Among the major findings of this report:

Long-term trends

- The Hispanic unemployment rate (seasonally adjusted) increased to 6.5% in the first quarter of 2008 from its historic low of 4.9% in the fourth quarter of 2006.
- The unemployment rate for Hispanics is now about two percentage points higher than for non-Hispanics. In contrast, in the fourth quarter of 2006 the Hispanic unemployment rate (seasonally adjusted) was just 0.5 percentage points higher than the rate for non-Hispanics (4.4%).
- The last time the unemployment rate (seasonally adjusted) for Hispanics was as high as 6.5% was in the fourth quarter of 2004, during the first full year of recovery from the 2001 recession and subsequent slowdown. The last time the gap in the unemployment rate between Hispanics and non-

Hispanics was as high as 1.8 percentage points was in the first quarter of 2004.

- The Latino employment rate (seasonally adjusted) most recently peaked at 65.5% in the fourth quarter of 2006. By the first quarter of 2008, it dropped to 64.1%.
- In the first quarter of 2008, the Hispanic labor force participation rate (seasonally adjusted) was 68.5%—a level comparable to its recent history.
- Stability in the Hispanic labor force participation rate compared with the increase in Latino unemployment suggests that Hispanics are not leaving the labor market.

Unemployment and job losses in 2007

- The Hispanic unemployment rate, not seasonally adjusted, increased from 6.1% in the first quarter of 2007 to 7.3% in the first quarter of 2008. Over the same period, the non-Hispanic unemployment rate increased from 4.6% to 5.0%.
- The unemployment rate for Latino immigrants leapfrogged the rate for native-born Latinos. From the first quarter of 2007 to the first quarter of 2008, the rate for foreign-born Latinos increased from 5.5% to 7.5%. That compared with an increase from 6.7% to 6.9% in the unemployment rate of native-born Latinos.
- Mexican immigrants suffered some of the largest increases in the unemployment rate. The unemployment rate for Mexican immigrants rose to 8.4% from 5.5% over the past year. Immigrants who arrived in 2000 or later (from any country) were among those hit hard by job losses. Their unemployment rate increased to 9.3% from 7.1% over the same period.
- The number of unemployed Latino workers increased 302,000 from the first quarter of 2007 to the first quarter of 2008. Nearly 85% of the newly unemployed—255,000—were Latino immigrants, including 233,000 Mexican-born workers.
- Almost 90% of Hispanic job losses over the past year in the construction industry were jobs held by Hispanic immigrants. Hispanics lost 247,000 jobs in the construction industry from the first quarter of 2007 to the first quarter of 2008. That included 221,000 immigrants, 152,000 Mexican-born workers and 69,000 immigrants who arrived in 2000 or later.

Employment trends in 2007

- Employment growth for Latinos was cut in half in 2007. Latinos gained 329,000 jobs between the first quarters of 2007 and 2008, an increase of 1.7%. That compared with 734,000 new jobs in the preceding one-year period, an increase of 3.9%.
- The Hispanic employment rate fell from 64.5% in the first quarter of 2007 to 63.3% in the first quarter of 2008.
- Hispanic immigrants, while accounting for almost all of the increase in Hispanic unemployment, secured few (21%) of the new jobs going to Hispanics (70,000 out of 329,000).
- The leading sources of jobs growth for Hispanics were business services (203,000 new jobs) and hospital and other health services (170,000 new jobs).

Population and labor force

- The Hispanic working-age population (ages 16 and older) increased 1.1 million between the first quarters of 2007 and 2008. That accounted for 41% of the total increase in the U.S. working-age population, similar to the preceding two one-year periods.
- Foreign-born workers are contributing less to the growth in the Hispanic working-age population. Correspondingly, native-born Latinos make up an increasing share of the growth in the Latino working-age population. The Latino immigrant workforce increased 462,000 in 2007 and 430,000 in 2006. That accounted for 43% and 41%, respectively, of the total increase in the Latino workforce. However, in 2005, the foreign-born workforce had increased 784,000, representing 74% of the total growth for Hispanics.
- Growth in the Hispanic labor force—those employed or actively seeking work—has slowed recently. The labor force increased 630,000, or 3.0%, in 2007, compared with 780,000 (3.9%) in 2006 and 898,000 (4.6%) in 2005.
- Foreign-born workers accounted for 52% of the increase in the Latino labor force in 2007. That is higher than 2006 (41%) but well below 2005, when immigrants accounted for 82% of the increase in the Latino labor force.

Employment trends for Hispanic men and women in 2007

- The labor force participation rate for Latino women dropped from 56.3% in the first quarter of 2007 to 55.9% in the first quarter of 2008. The participation rate for Latino men is much higher—about 80%—and changed little in 2007.
- Employment growth for Latino women dropped sharply in 2007. They gained only 94,000 jobs in 2007, compared with 396,000 in 2006. Hispanic men added 235,000 jobs in 2007, compared with 338,000 in 2006.
- The unemployment rate for Hispanic women increased from 5.6% in the first quarter of 2007 to 7.0% in the first quarter of 2008. This increase was slightly greater than for men, whose unemployment rate increased from 6.3% to 7.4% over the same period.

Wages

- Median weekly wages were unchanged for all Hispanics—\$480 in the first quarter of 2008 and \$479 in the first quarter of 2007 (wages expressed in 2008 dollars). Among native-born Hispanics, median wages increased 1.5%; for foreign-born Hispanics median wages were up 1.6%.
- Median weekly earnings of workers born in Mexico fell 3.1% in 2007, and median earnings of those who arrived in 2000 or later fell 4.3%. Median wages for both groups of workers are currently less than their level two years ago, in the first quarter of 2006.
- Wages of Hispanic workers in the construction industry fell sharply in 2007—a loss of 6.9% for all Hispanics and 4.0% for foreign-born Hispanics.

About the Author

Rakesh Kochhar has more than 20 years of research experience in the areas of labor economics and price and wage measurement and analysis. Prior to joining the Pew Hispanic Center, he was senior economist at Joel Popkin and Co., where he served as a consultant to government agencies, private firms, international agencies and labor unions. He is a past president of the Society of Government Economists. His doctoral thesis at Brown University focused on the theory of labor migration

A Note on Terminology

The terms “Hispanic” and “Latino” are used interchangeably in this report. The terms “whites,” “blacks” and “Asians” are used to refer to the non-Hispanic components of their population.

Foreign-born refers to an individual who is born outside of the United States, Puerto Rico or other U.S. territories and whose parents are not U.S. citizens.

The terms “jobs” and “employment” are used interchangeably in the report although they are not necessarily the same—a single worker can hold more than one job, and a job can be filled by more than one worker

Unless otherwise indicated, estimates are not seasonally adjusted.

Most of the analysis discusses changes in labor market indicators from the first quarter of 2007 to the first quarter of 2008 and from the first quarter of 2006 to the first quarter of 2007. The shorthand “in 2007” or “in 2006” is used to refer to changes in those time periods.

Recommended Citation

Rakesh Kochhar. *Latino Labor Report, 2008: Construction Reverses Job Growth for Latinos*. Washington, DC: Pew Hispanic Center, June 2008.

Acknowledgments

The author thanks Susan Minushkin and Paul Taylor for their editorial guidance. Felisa Gonzales and Michael Light provided stellar support for the production of the report. Marcia Kramer served as copy editor.

Contents

Executive Summary	i
About the Author	vii
A Note on Terminology	vii
Recommended Citation.....	vii
Acknowledgments.....	vii
Contents	viii
Introduction.....	1
Trends in Employment, 2000 to 2008.....	2
Unemployment Rate for Hispanics and Non-Hispanics, 2000-2008.....	3
Employment Rate for Hispanics and Non-Hispanics, 2000-2008.....	3
Labor Force Participation for Hispanics and Non-Hispanics, 2000-2008.....	4
Changes in the Labor Force, 2006 and 2007	5
The Working-Age Population.....	5
Labor Force Growth Slows.....	6
Foreign-Born Hispanics in the Labor Force	7
Changes in Employment, 2006 and 2007	9
Employment Growth Slows and Unemployment Rises.....	10
Unemployment Rises Sharply for Foreign-Born Hispanics	11
Mexican Immigrants and New Arrivals Fare Poorly	12
Jobs Lost and Gained by Industry, 2006 and 2007.....	14
Job Losses by Industry.....	14
Job Gains by Industry	16
Job Losses and Gains for Foreign-Born Hispanics.....	16
Employment in the Construction Industry, 2006 to 2008.....	18

Changes in Employment for Hispanic Men and Women, 2006 and 2007.....	19
Growth in Wages, 2006 and 2007.....	22
References.....	24
Appendix A: Revisions of the CPS.....	25
Appendix B: Data Tables.....	26

Introduction

The U.S. economy has witnessed its share of ups and downs this decade. Following the 2001 recession, an extended economic slowdown and rising unemployment rates occurred through the middle of 2003. The recession and subsequent period of anemic growth affected Hispanic and non-Hispanic workers alike, as both groups suffered comparable declines in major labor market indicators.³

An economic recovery started in mid-2003 with the booming housing industry playing a key part. Hispanic workers, who account for about one-fourth of construction industry employment, were among the greatest beneficiaries. Their unemployment rate plunged during the economic recovery and reached an historic low by the end of 2006. Moreover, the gap in the unemployment rate between Hispanics and non-Hispanics also reached an historic low—only 0.5 percentage points.⁴

The economy reversed course again in 2007. Higher interest rates, dramatic drops in home prices, rapid growth in foreclosures and sharp declines in new home building were among the leading causes of the decline in economic growth rates. These developments have affected Hispanic workers more than non-Hispanic workers. From an historic low in late 2006, the unemployment rate for Latinos rose sharply in 2007 and again stands well above the rate for non-Latinos.

Foreign-born Hispanics, especially Mexican immigrants and recent arrivals, have been hurt the most by the slump in the construction industry. These workers had benefited greatly from the housing boom ([Kochhar, 2007](#)) but are now seeing most of those gains evaporate. In addition to the lost jobs, weekly earnings for most Hispanic workers, especially construction workers, slipped backward in 2007.

This report focuses on changes in employment and wages by ethnicity and nativity, principally between the first quarter of 2007 and the first quarter of 2008. The report first examines trends in major labor market indicators since 2000. It then turns to changes in the working-age population and labor force—two key demographic indicators—in 2007. Changes in employment, unemployment and outcomes for Hispanic men and women in 2007 are the focus of subsequent sections. A final section presents evidence on wage trends in recent years.

³ See [Kochhar \(2003\)](#) for an analysis of the Hispanic experience in the 2001 recession and subsequent economic slowdown.

⁴ Employment data on Hispanics first became available in 1973.

The report does not distinguish Latino workers by immigration status. For more information on unauthorized workers in the U.S. labor market, see [Passel \(2006\)](#). The report also does not examine job displacement or the relationship between immigration and wages of native-born workers.

Trends in Employment, 2000 to 2008

This decade started at a high point for the U.S. labor market. The lengthy economic expansion in the 1990s drove unemployment rates to 30-year lows for Hispanics (less than 6%) as well as non-Hispanics (less than 4%). The employment rate, or the percent of the population 16 and older that was employed, also peaked. As measured by the labor force participation rate, a higher proportion of Latinos and non-Latinos were active in the labor market, either employed or seeking work, than ever before.

The 2001 recession and the economic slowdown that lasted until 2003 altered outcomes for all workers. Unemployment rates increased, and the employment rate and the labor force participation rate fell steadily. A recovery began in the middle of 2003. But the recovery would prove slow and by the end of 2006 labor market indicators were still short of the high water marks reached in 2000. Prospects for a quick return to those benchmarks were dashed by the latest slowdown in 2007.⁵

Working-Age Population, or the Workforce: The population of persons ages 16 and older.

Labor Force: Persons ages 16 and older who are employed or actively looking for work.

Employment Rate: Percent of the working-age population that is employed.

Labor Force Participation Rate: Percent of the working-age population that is employed or actively looking for work.

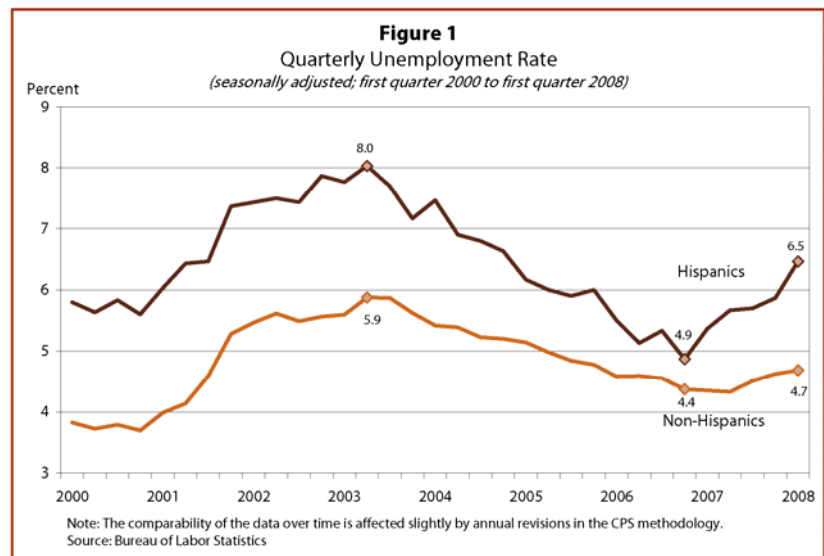
Unemployment Rate: Percent of the labor force that is without work and is actively looking for work.

⁵ The analysis in this section is based on seasonally adjusted data from the Bureau of Labor Statistics. Data for non-Hispanic workers are derived from BLS-published data on all workers and Hispanic workers. However, BLS data do not have the detail on ethnicity and nativity needed for the remainder of the report. Thus, the analysis in subsequent sections is based on the Pew Hispanic Center's tabulations from Current Population Survey data. Those estimates are not seasonally adjusted. For that reason, comparisons over time are restricted to the same calendar quarter.

Unemployment Rate for Hispanics and Non-Hispanics, 2000-2008

The unemployment rate for Latinos stood at 6.5% in the first quarter of 2008, seasonally adjusted. That was almost two percentage points higher than the 4.7% seasonally adjusted rate for non-Hispanics (Figure 1). As recently as the fourth quarter of 2006, only 0.5 percentage points separated the Hispanic unemployment rate of 4.9% and the non-Hispanic unemployment rate of 4.4%. That gap was the smallest since 1973, when employment data for Latinos first became available.

The last time the Latino unemployment rate reached 6.5% was in the fourth quarter of 2004. Thus, the progress made by Latino workers in 2005 and 2006, as registered in the unemployment rate falling from 6.5% to 4.9%, was erased in 2007. The present rate of unemployment is also the rate that existed in the midst of the 2001 recession. However, the Latino unemployment rate today is below the peak rate of 8.0% in the second quarter of 2003.



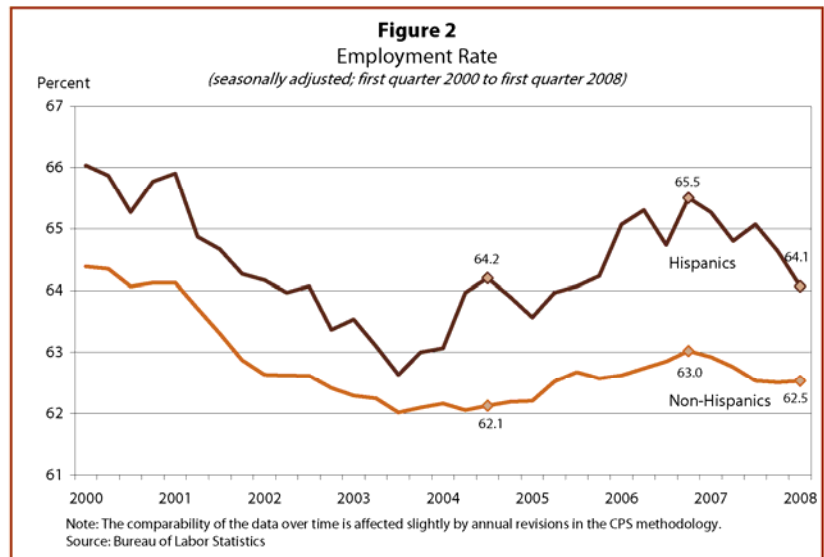
The increase in the non-Hispanic unemployment rate during the current slowdown has been more modest. Non-Hispanic unemployment dipped below 4.0% in 2000 but then climbed to 5.9% in the second quarter of 2003. That peak was followed by a steady decline and the non-Hispanic unemployment rate dropped to 4.3% by the second quarter of 2007. Since then, it has increased modestly to 4.7%, or 1.8 percentage points below the Hispanic rate. An unemployment rate gap of that magnitude was last observed in the first quarter of 2004.

Employment Rate for Hispanics and Non-Hispanics, 2000-2008

The employment rate is the percent of the population 16 and older that is employed. As an indicator of labor market conditions, it is considered a valuable alternative to the unemployment rate. That is because the unemployment rate can often move in unexpected directions. For example, the unemployment rate can increase during economic expansions as more workers are drawn into the labor market to seek work. Conversely, the unemployment rate can decrease during an

economic slowdown if enough workers drop out of the labor market. The employment rate is not subject to that type of counterintuitive behavior.

The Hispanic employment rate has fallen over the past year. The seasonally adjusted employment rate for Hispanics in the first quarter of 2008 was 64.1% (Figure 2). That is comparable to the employment rates in 2004 and 2005 but well below its most recent peak of 65.5% in the fourth quarter of 2006. The current employment rate is also significantly below the pre-recession level of 66.0% in the first quarter of 2000.



The seasonally adjusted employment rate for non-Hispanics also declined, to 62.5%, in the first quarter of 2008. That, too, was below its last peak of 63.0% in the fourth quarter of 2006 and much less than its pre-recession level of 64.4% in the first quarter of 2000.

The latest decrease in the employment rate has been greater for Hispanics. In the fourth quarter of 2006, the gap in the employment rates was 2.5 percentage points in favor of Latinos compared with non-Hispanics. Since that time the gap has shrunk to 1.6 percentage points in favor of Hispanics. The shrinking gap in the employment rate is consistent with the increasing gap in the unemployment rate noted above.

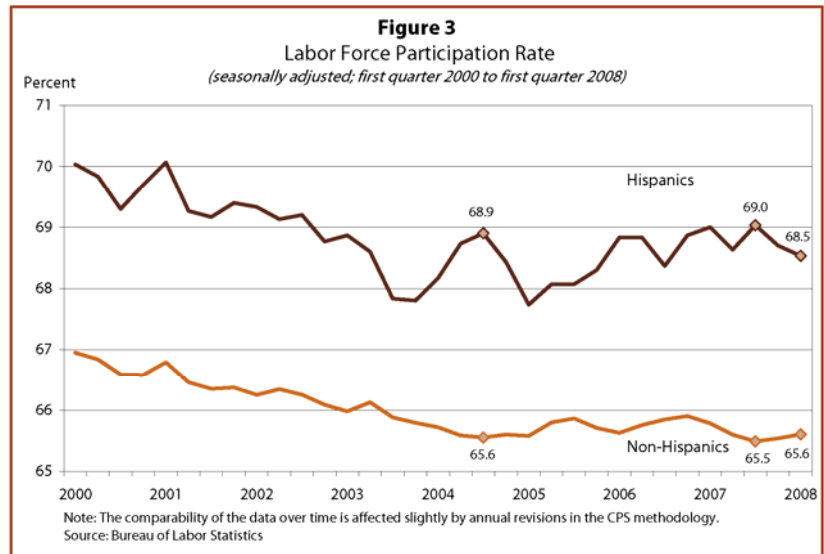
Labor Force Participation for Hispanics and Non-Hispanics, 2000-2008

The labor force participation rate—the percent of the working-age population (16 and older) that is employed or actively seeking work—changed the least in recent years. A steady labor force participation rate indicates that the labor force is changing at the same pace as the working age population. In other words, workers are neither leaving nor entering the labor market at a different rate than before.

The Hispanic labor force participation rate in the first quarter of 2008 was 68.5%, on a seasonally adjusted basis. That was slightly below its latest peak of 69.0% in the third quarter of 2007 (Figure 3). Overall, labor force participation among Latinos is comparable to recent years as, with few exceptions, the rate has fluctuated between 68.0% and 69.0% since 2003.

Like Latinos, non-Latinos have maintained a fairly constant labor force participation rate since 2003. The non-Hispanic labor force participation rate has been stable at about 65.6% since the second quarter of 2007.

The steady course on labor force participation, for both Latinos and non-Latinos, is a clear indication that workers are not leaving the labor market despite the latest economic slowdown. It is also worth noting that the recent increases in unemployment rates, especially among Latinos, would have been lessened if workers had decided to leave the labor market. That is because workers not actively seeking employment are not counted as unemployed.



Changes in the Labor Force, 2006 and 2007

Hispanics are still the principal source of change in the U.S. working-age population and labor force. Immigration continues to drive much of the growth for Latinos, but its role in the past two years appears diminished in comparison with 2005 and earlier years. The U.S. working-age population (ages 16 and older) increased nearly 3 million from the first quarter of 2007 to the first quarter of 2008. That was about the same as the increase in 2006. However, the growth in the labor force, Latino as well as non-Latino, was slower in 2007 than in 2006.

The Working-Age Population

From the first quarter of 2007 to the first quarter of 2008, the working-age population in the U.S. increased by 2.6 million, or 1.1% (Table 1). That was only slightly less than the 2.7 million (1.2%) increase from the first quarter of 2006 to the first quarter of 2007.

The Latino working-age population is growing at a much faster rate. It increased by 1.1 million, or 3.5%, from the first quarter of 2007 to the first quarter of 2008. In the preceding one-year period the Latino working-age population increased by 1 million, or 3.5%. In both periods, Hispanics, who are 13.6% of the working-age

population, accounted for much of the total increase in the U.S. working-age population: 38.7% of the total increase in 2006 and 40.8% in 2007.⁶

	YEAR AND QUARTER			CHANGE	
	2006:1	2007:1	2008:1	2006:1 to 2007:1	2007:1 to 2008:1
All Workers					
Population (ages 16 and older)	227,439	230,148	232,781	2,709	2,633
Labor Force	149,315	151,483	153,005	2,168	1,522
Labor Force Participation Rate (%)	65.7	65.8	65.7	0.2	-0.1
Non-Hispanics					
Population (ages 16 and older)	197,829	199,491	201,050	1,661	1,559
Labor Force	129,061	130,448	131,339	1,387	891
Labor Force Participation Rate (%)	65.2	65.4	65.3	0.2	-0.1
Hispanics					
Population (ages 16 and older)	29,610	30,657	31,731	1,047	1,074
Labor Force	20,255	21,035	21,665	780	630
Labor Force Participation Rate (%)	68.4	68.6	68.3	0.2	-0.3

Note: Data for 2006 and 2007 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after shares or year-to-year changes have been computed.
Source: Pew Hispanic Center tabulations of Current Population Survey data

Labor Force Growth Slows

The growth in the labor force in 2007 slowed in comparison with the previous year. From the first quarter of 2007 to the first quarter of 2008, the U.S. labor force increased by 1.5 million workers, or 1.0% (Table 1). That was less than the 2.2 million workers who entered the labor force in 2006, an increase of 1.5%.

Both Latino and non-Latino workers contributed to the slower growth in the labor force. Non-Hispanics added 891,000 workers to the labor force in 2007 compared with 1.4 million in 2006. The Hispanic labor force increased 630,000, or 3.0%, in 2007, compared with 780,000 (3.9%) in 2006 and 898,000 (4.6%) in 2005.⁷

Nonetheless, changes in the labor force participation rate have been modest, and the relative stability in the labor force participation rate is a sign that workers are engaged in the labor market at about the same level as in the recent past.

For non-Hispanics, the rate nudged down from 65.4% in the first quarter of 2007 to 65.3% in the first quarter of 2008. The current rate is a notch higher than 65.2% in the first quarter of 2006.

⁶ See Appendix Table A1 for data on the labor market status of non-Hispanic whites, blacks, Asians and others.

⁷ The estimates for 2005 are from unpublished Pew Hispanic Center tabulations of Current Population Survey data.

For Hispanics, the labor force participation rate fell to 68.3% in the first quarter of 2008, from 68.6% in the first quarter of 2007. It is currently about the same as the 68.4% rate that existed in the first quarter of 2006.

Foreign-Born Hispanics in the Labor Force

Immigrants constitute the majority of the Latino working-age population and labor force. Not surprisingly, they are a key source of growth in the Latino labor force. However, their role seems diminished in comparison with previous years. Labor market data do not reveal the cause, but the current economic slowdown and increased immigration enforcement are likely to have contributed, at least in part, to this development.⁸

The Latino immigrant working-age population increased 462,000 in 2007 and 430,000 in 2006 (Table 2). That accounted for 43.0% and 41.1% respectively of the total increase in the Latino workforce. However, in 2005, the Latino foreign-born workforce had increased 784,000 representing 74.4% of the total growth for Hispanics.⁹

	YEAR AND QUARTER			CHANGE	
	2006:1	2007:1	2008:1	2006:1 to 2007:1	2007:1 to 2008:1
Native-Born Hispanics					
Population (ages 16 and older)	13,859	14,476	15,088	617	612
Labor Force	9,187	9,650	9,955	463	305
Labor Force Participation Rate (%)	66.3	66.7	66.0	0.4	-0.7
Foreign-Born Hispanics					
Population (ages 16 and older)	15,751	16,181	16,643	430	462
Labor Force	11,068	11,385	11,711	318	325
Labor Force Participation Rate (%)	70.3	70.4	70.4	0.1	0.0

Note: Data for 2006 and 2007 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after shares or year-to-year changes have been computed.
Source: Pew Hispanic Center tabulations of Current Population Survey data

Reflecting changes in the population, foreign-born Latinos have accounted for less of the total growth in the Latino labor force in recent years. Immigrant Latinos added 325,000 workers to the labor force from the first quarter of 2007 to the first quarter of 2008, accounting for 51.6% of the total growth in the Latino labor force. That was slightly higher than the 318,000 workers they added from

⁸ Appendix Table A2 presents data on the labor market status of non-Hispanics by nativity.

⁹ The estimates for 2005 are from unpublished Pew Hispanic Center tabulations of Current Population Survey data.

the first quarter of 2006 to the first quarter of 2007, accounting for 40.7% of total growth. But, in 2005, the immigrant Hispanic labor force had added 736,000 workers, or 82.0% of the increase in the Latino labor force.¹⁰

Labor force participation of immigrant Hispanics has been steadier than for the native born. From the first quarter of 2007 to the first quarter of 2008, the labor force participation rate of foreign-born Latinos was unchanged at 70.4%. However, the rate for native-born Latinos dropped from 66.7% to 66.0%. That reflected the fact that only 305,000 native-born Latinos entered the labor force in 2007 compared with 463,000 in 2006.

The decrease in labor force participation among native-born Latinos is not unexpected in view of the current economic slowdown. The fact that they tended to leave the labor market, but that immigrants did not, may be due to differences in the social safety nets available to each group. Many foreign-born Latinos are undocumented migrants and ineligible for most federal and state benefits. Moreover, there are restrictions on the availability of federal benefits to most newly arrived documented immigrants ([Broder, 2007](#)). Thus, compared with native-born workers, foreign-born workers may be less likely to leave the labor market in response to an economic slowdown.

Immigrants from Mexico were responsible for all of the increase in the Hispanic foreign-born labor force in 2007. The working-age population of migrants from Mexico increased 601,000 from the first quarter of 2007 to the first quarter of 2008 (Table 3). That compared with a total increase of 462,000 in the foreign-born Hispanic working-age population (Table 2). The difference was mainly accounted for by migrants from South America as their population fell by 293,000 workers in 2007. The same pattern characterizes the changing origins of the immigrant Latino labor force.

¹⁰ This short-term development is also evident in data published by the Bureau of Labor Statistics ([2008, 2007](#)). An important difference between the data published by BLS and estimates in this report is that the BLS does not revise its estimates for annual revisions of the source data, the Current Population Survey. See Appendix A for more detail.

Table 3
Working-Age Population and Labor Force of Foreign-Born Hispanics, by Origin,
First Quarter 2006 to First Quarter 2008
(nonseasonally adjusted, numbers in thousands)

	YEAR AND QUARTER			CHANGE	
	2006:1	2007:1	2008:1	2006:1 to 2007:1	2007:1 to 2008:1
Mexico					
Population (ages 16 and older)	9,674	10,120	10,720	446	601
Labor Force	6,783	7,056	7,460	273	404
Labor Force Participation Rate (%)	70.1	69.7	69.6	-0.4	-0.1
Central America					
Population (ages 16 and older)	2,420	2,321	2,323	-100	2
Labor Force	1,860	1,799	1,781	-61	-17
Labor Force Participation Rate (%)	76.8	77.5	76.7	0.7	-0.8
South America					
Population (ages 16 and older)	1,707	1,881	1,588	174	-293
Labor Force	1,228	1,323	1,141	95	-182
Labor Force Participation Rate (%)	72.0	70.4	71.8	-1.6	1.5

Note: Data for 2006 and 2007 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after shares or year-to-year changes have been computed. Data for foreign-born Hispanics whose family origin is not Mexico, Central America or South America are not shown.

Source: Pew Hispanic Center tabulations of Current Population Survey data

Changes in Employment, 2006 and 2007

The employment situation took a decided turn for the worse in 2007. The number of jobs added to the economy in 2007 was less than half the number added in 2006. With the labor force continuing to grow, nearly 1 million workers joined the ranks of the unemployed from the first quarter of 2007 to the first quarter of 2008.

The economic downturn harmed both Latino and non-Latino workers, although Latino workers are bearing relatively more of the pain. With job growth at a standstill, employment rates fell for both groups from the first quarter of 2007 to the first quarter of 2008. The decrease, however, was greater for Latino workers. At the same time, the unemployment rate increased more for Hispanics than for non-Hispanics.

The latest trends in the labor market represent a dramatic reversal for Latinos. For several years, the construction industry contributed substantially to job growth for Hispanic workers, especially for those who were immigrants ([Kochhar, 2006](#) and [Kochhar, 2007](#)). The ongoing slump in construction erased those gains, virtually in their entirety, within the past year. Mexican immigrants are among the most severely affected and newly arrived immigrants face daunting prospects in the labor market.

Employment Growth Slows and Unemployment Rises

Job growth in the U.S. came to a near halt in 2007. From the first quarter of 2007 to the first quarter of 2008 employment in the U.S. increased by 685,000, or just 0.5% (Table 4). That compared with the addition of 2.4 million jobs in 2006, an increase of 1.7%. The percent of the working-age population that is employed, or the employment rate, fell from 62.6% in the first quarter of 2007 to 62.2% in the first quarter of 2008.

The slowdown in jobs growth affected both Latino and non-Latino workers. Non-Hispanics gained 356,000 new jobs in 2007, an increase of only 0.3%. Both figures were well below the previous year when non-Hispanic employment increased by 1.7 million, or 1.4%.

Employment growth for Latinos was cut in half in 2007. They gained 329,000 jobs between the first quarters of 2007 and 2008, an increase of 1.7%. That compared with 734,000 new jobs in the preceding one-year period, an increase of 3.9%. Consequently, the Latino employment rate fell to 63.3% in the first quarter of 2008, from 64.5% in the first quarter of 2007.

	YEAR AND QUARTER			CHANGE	
	2006:1	2007:1	2008:1	2006:1 to 2007:1	2007:1 to 2008:1
All Workers					
Employment	141,756	144,157	144,842	2,401	685
Employment Rate (%)	62.3	62.6	62.2	0.3	-0.4
Unemployment	7,559	7,325	8,163	-233	837
Unemployment Rate (%)	5.1	4.8	5.3	-0.2	0.5
Non-Hispanics					
Employment	122,728	124,395	124,752	1,667	356
Employment Rate (%)	62.0	62.4	62.1	0.3	-0.3
Unemployment	6,330	6,052	6,588	-278	536
Unemployment Rate (%)	4.9	4.6	5.0	-0.3	0.4
Hispanics					
Employment	19,028	19,762	20,090	734	329
Employment Rate (%)	64.3	64.5	63.3	0.2	-1.1
Unemployment	1,228	1,273	1,575	45	302
Unemployment Rate (%)	6.1	6.1	7.3	0.0	1.2

Note: Data for 2006 and 2007 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after shares or year-to-year changes have been computed.
Source: Pew Hispanic Center tabulations of Current Population Survey data

In 2007, more workers entered the labor force than were able to find jobs. As a result, large numbers of Latinos and non-Latinos are currently unemployed. Non-Hispanics added 536,000 workers to the unemployment rolls in 2007, an increase of 8.9%. Thus, their unemployment rate increased from 4.6% to 5.0%. That was a

sharp turnaround from 2006, when unemployment fell by 278,000 for non-Latino workers and the unemployment rate dropped to 4.6% in the first quarter of 2007 from 4.9% in the first quarter of 2006.

Latino unemployment increased by 302,000 workers from the first quarter of 2007 to the first quarter of 2008. That represented a growth of 23.7% in the number of unemployed Latinos. Consequently, the Latino unemployment rate jumped—from 6.1% in the first quarter of 2007 to 7.3% in the first quarter of 2008.

Unemployment Rises Sharply for Foreign-Born Hispanics

The rising tide of Latino unemployment fell mostly upon the shoulders of immigrant workers. In 2007, there were 255,000 more unemployed foreign-born Hispanics, compared with just 47,000 newly unemployed native-born Latinos (Table 5). In contrast, immigrants secured few of the new jobs going to Hispanics, only 70,000 compared with 258,000 for the native born.

	YEAR AND QUARTER			CHANGE	
	2006:1	2007:1	2008:1	2006:1 to 2007:1	2007:1 to 2008:1
Native-Born Hispanics					
Employment	8,583	9,005	9,263	422	258
Employment Rate (%)	61.9	62.2	61.4	0.3	-0.8
Unemployment	604	645	691	40	47
Unemployment Rate (%)	6.6	6.7	6.9	0.1	0.3
Foreign-Born Hispanics					
Employment	10,445	10,756	10,827	311	70
Employment Rate (%)	66.3	66.5	65.1	0.2	-1.4
Unemployment	624	629	884	5	255
Unemployment Rate (%)	5.6	5.5	7.5	-0.1	2.0

Note: Data for 2006 and 2007 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after shares or year-to-year changes have been computed.
Source: Pew Hispanic Center tabulations of Current Population Survey data

The unemployment rate for Latino immigrants leapfrogged the rate for native-born Latinos in 2007. From the first quarter of 2007 to the first quarter of 2008, the rate for foreign-born Latinos increased from 5.5% to 7.5%. That compared with an increase from 6.7% to 6.9% in the unemployment rate of native-born

Latinos. This is the first time since 2003 that the percentage of unemployed foreign-born Latinos exceeded that of native-born Latinos.¹¹

The diverging fortunes of immigrant and native-born Latino workers are the result of the slump in construction. At the beginning of the period, in the first quarter of 2007, 21.0% of immigrant Latinos were employed in the construction industry. That compared with only 7.9% for native-born Latinos. Thus, as the construction downturn persisted through 2007, it had a more severe impact on the employment of foreign-born Hispanics.

Mexican Immigrants and New Arrivals Fare Poorly

Most of the rise in unemployment among foreign-born Latinos fell upon immigrants from Mexico. In part that is not surprising because Mexican immigrants account for nearly two-thirds of the foreign-born Latino workforce and they continued to stream into the labor force during the downturn (Table 3). But the burden that fell upon Mexican immigrants is striking in several regards.

For Mexican immigrants, unemployment increased by 233,000 from the first quarter of 2007 to the first quarter of 2008 (Table 6). That meant unemployment among Mexican immigrants, which was 391,000 in the first quarter of 2007, increased by 59.6% in 2007. These workers also accounted for 91.2% of the increase in unemployment for all foreign-born Latinos and 77.2% of the increase in unemployment for all Latinos. That is because Mexican-born workers were the principal source of growth in the foreign-born Latino labor force in 2007.

The misfortune of Mexican immigrants is also revealed in their unemployment rate. That increased from 5.5% in the first quarter of 2007 to 8.4% in the first quarter of 2008, a jump of 2.8 percentage points. Reflecting this, the employment rate for Mexican-born workers also dropped sharply—from 65.9% in the first quarter of 2007 to 63.8% in the first quarter of 2008.

¹¹ Data on foreign-born workers became routinely available in the Current Population Survey starting in 1994. Tabulations of data from the March CPS for each year reveal only one instance—March 2003—when the unemployment rate for foreign-born Latinos exceeded the rate for native-born Latinos.

	YEAR AND QUARTER			CHANGE	
	2006:1	2007:1	2008:1	2006:1 to 2007:1	2007:1 to 2008:1
Mexico					
Employment	6,403	6,666	6,837	263	172
Employment Rate (%)	66.2	65.9	63.8	-0.3	-2.1
Unemployment	381	391	623	9	233
Unemployment Rate (%)	5.6	5.5	8.4	-0.1	2.8
Central America					
Employment	1,748	1,695	1,655	-53	-40
Employment Rate (%)	72.2	73.0	71.3	0.8	-1.8
Unemployment	112	104	126	-8	22
Unemployment Rate (%)	6.0	5.8	7.1	-0.3	1.3
South America					
Employment	1,179	1,268	1,068	89	-200
Employment Rate (%)	69.1	67.4	67.2	-1.7	-0.2
Unemployment	49	55	73	7	18
Unemployment Rate (%)	4.0	4.2	6.4	0.2	2.2

Note: Data for 2006 and 2007 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after shares or year-to-year changes have been computed. Data for foreign-born Hispanics whose family origin is not Mexico, Central America or South America are not shown.

Source: Pew Hispanic Center tabulations of Current Population Survey data

Immigrants who arrived in 2000 or later face a much harder task finding and keeping jobs than they did over the past few years. In previous reports, the Pew Hispanic Center has documented the key role of the construction industry in absorbing newly arrived Latino immigrants ([Kochhar, 2006](#) and [Kochhar, 2007](#)). The unemployment rate for immigrants who arrived in 2000 or later years now stands close to the double-digit mark, increasing from 7.1% in the first quarter of 2007 to 9.3% in the first quarter of 2008 (Table 7).

But the economic slowdown did not spare Latino immigrants who arrived in earlier periods. For example, the unemployment rate of immigrants who arrived between 1990 and 1999 rose from 5.4% in the first quarter of 2007 to 8.2% in the first quarter of 2008; for those who arrived between 1980 and 1990, it went up from 3.7% to 6.1%.

Table 7
 Employment Status of Foreign-Born Hispanics, by Period of Arrival,
 First Quarter 2006 to First Quarter 2008
(nonseasonally adjusted, numbers in thousands)

	YEAR AND QUARTER			CHANGE	
	2006:1	2007:1	2008:1	2006:1 to 2007:1	2007:1 to 2008:1
Before 1980					
Employment	1,738	1,692	1,708	-46	16
Employment Rate (%)	57.7	55.4	55.1	-2.3	-0.3
Unemployment	87	110	97	24	-13
Unemployment Rate (%)	4.7	6.1	5.4	1.4	-0.7
1980 to 1989					
Employment	2,711	2,724	2,646	13	-78
Employment Rate (%)	72.6	73.3	70.4	0.7	-2.9
Unemployment	151	105	170	-46	65
Unemployment Rate (%)	5.3	3.7	6.1	-1.6	2.3
1990 to 1999					
Employment	3,569	3,697	3,560	128	-136
Employment Rate (%)	67.7	68.3	66.5	0.6	-1.8
Unemployment	201	211	319	11	108
Unemployment Rate (%)	5.3	5.4	8.2	0.1	2.8
2000 or later					
Employment	2,427	2,640	2,910	213	271
Employment Rate (%)	65.0	66.1	65.7	1.1	-0.4
Unemployment	186	202	297	16	95
Unemployment Rate (%)	7.1	7.1	9.3	0.0	2.2

Note: Data for 2006 and 2007 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after shares or year-to-year changes have been computed.
 Source: Pew Hispanic Center tabulations of Current Population Survey data

Jobs Lost and Gained by Industry, 2006 and 2007

Changes in employment by industry reveal the full impact of the slump in construction in 2007. The industry was the principal source of job loss for both Hispanic and non-Hispanic workers. However, the impact was felt harder by Latinos because of their greater reliance on construction as a source of employment. The service sector—in particular, professional and other business services, health services, and hospitality services—was the main source of new jobs for all workers.

Job Losses by Industry

Job losses in construction were the headline event for Latinos. Construction alone accounted for 54.2% of the 456,000 total jobs that were lost by Latinos across six industries. For non-Latinos, construction accounted for 39.4% of a total of 1.2 million jobs lost across a total of nine industries.

The construction industry shed 703,000 workers from the first quarter of 2007 to the first quarter of 2008; 247,000 of those workers were Hispanic and 456,000 were non-Hispanic (Table 8). In percentage terms, the loss was greater for Hispanics—8.3%, compared with a 5.3% decline for non-Hispanics.

Table 8 Employment Gains and Losses, by Industry: Top Three Industries, First Quarter 2007 to First Quarter 2008 <i>(nonseasonally adjusted, numbers in thousands)</i>			
	EMPLOYMENT		
	2007:1	2008:1	Change
EMPLOYMENT GAIN			
Hispanics			
Professional and Other Business Services	2,107	2,309	203
Hospitals and Other Health Services	1,304	1,474	170
Repair and Maintenance Services	362	438	77
Non-Hispanics			
Eating, Drinking and Lodging Services	7,339	7,695	357
Hospitals and Other Health Services	13,197	13,491	294
Transportation and Warehousing	5,469	5,699	230
EMPLOYMENT LOSS			
Hispanics			
Construction	2,970	2,723	-247
Eating, Drinking and Lodging Services	2,041	1,957	-84
Publishing, Broadcasting, Communication and Information Services	382	330	-53
Non-Hispanics			
Construction	8,639	8,183	-456
Publishing, Broadcasting, Communication and Information Services	3,352	3,130	-222
Finance, Insurance and Real Estate	8,955	8,808	-147

Note: Data for 2007 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after shares or year-to-year changes have been computed.
Source: Pew Hispanic Center tabulations of Current Population Survey data

The other leading sources of job losses for Hispanics were eating, drinking and lodging services and publishing, broadcasting, communication and information services. The former is one of the major employers of Hispanics—about 2 million jobs in the first quarter of 2007. However, by the first quarter of 2008 eating, drinking and lodging services employed 84,000 fewer Latino workers.

The publishing, broadcasting, communication and information services industry does not employ many Latinos—382,000 in the first quarter of 2007—but it accounted for a loss of 53,000 jobs during 2007. This industry was also the second leading cause of lost jobs for non-Hispanics as they found 222,000 fewer opportunities in the industry in 2007. Non-Hispanics also lost 147,000 jobs in the finance, insurance and real estate industry.

In addition to the three industries noted above, Latino employment declined modestly in nondurable goods manufacturing, social services, and personal and laundry services.¹²

Job Gains by Industry

Professional and other business services, which range from management and technical services to janitorial, landscaping and waste management services, were the main source of new jobs for Latinos in 2007. They gained 203,000 jobs in that industry. Latinos also found 170,000 new jobs in hospital and other health services.¹³ Repair and maintenance services also added Latino workers in 2007.

The mainstay of jobs growth for non-Hispanics was the eating, drinking and lodging services industry. Notably, this industry was the second leading source of job losses for Latinos in 2007. Non-Hispanics also benefited from growth in hospital and other health services and in transportation and warehousing.

Job Losses and Gains for Foreign-Born Hispanics

Most of the jobs lost by Hispanics in the construction industry in 2007 were jobs held by immigrants. As noted above, Hispanics lost 247,000 jobs in the construction industry from the first quarter of 2007 to the first quarter of 2008. That included 221,000 immigrants, 152,000 Mexican-born workers and 69,000 immigrants who arrived in 2000 or later (Tables 9 and 10).

Employment losses for Hispanics in eating, drinking and lodging services were borne by immigrant workers as well. However, job losses by Latinos in publishing, broadcasting, communication and information services fell upon native-born workers (Table 9).

¹² In addition to the three industries noted in Table 8, non-Hispanics lost jobs in agriculture, durable goods manufacturing, nondurable goods manufacturing, wholesale and retail trade, educational services and social services.

¹³ Hospital and other health services include residential care, child day care services and other social assistance services.

Table 9
 Employment Gains and Losses for Native-Born and Foreign-Born Hispanics:
 Top Three Industries, First Quarter 2007 to First Quarter 2008
(nonseasonally adjusted, numbers in thousands)

	EMPLOYMENT		
	2007:1	2008:1	Change
EMPLOYMENT GAIN			
Native Born			
Educational Services	765	832	67
Professional and Other Business Services	981	1,038	57
Manufacturing - Durable Goods	444	491	47
Foreign Born			
Professional and Other Business Services	1,126	1,272	146
Hospitals and Other Health Services	446	579	133
Agriculture, Forestry, Fishing and Mining	355	435	81
EMPLOYMENT LOSS			
Native Born			
Publishing, Broadcasting, Communication and Information Services	258	216	-42
Construction	712	686	-26
Social Services	250	224	-26
Foreign Born			
Construction	2,258	2,038	-221
Eating, Drinking and Lodging Services	1,356	1,280	-76
Manufacturing - Nondurable Goods	749	678	-72

Note: Data for 2007 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after shares or year-to-year changes have been computed.
 Source: Pew Hispanic Center tabulations of Current Population Survey data

Employment gains in professional and other business services were shared by foreign-born and native-born Latinos. Among the foreign-born, most of those jobs went to immigrants from Mexico and newly arrived immigrants (Table 10). But while immigrants benefited from new jobs in hospital and other health services, most new job opportunities for native-born Latinos were in educational services.

Table 10
 Employment Gains and Losses for Mexican and Newly Arrived Hispanic Immigrants:
 Top Three Industries, First Quarter 2007 to First Quarter 2008
(nonseasonally adjusted, numbers in thousands)

	EMPLOYMENT		
	2007:1	2008:1	Change
EMPLOYMENT GAIN			
Mexican Immigrants			
Professional and Other Business Services	639	775	136
Agriculture, Forestry, Fishing and Mining	329	410	81
Transportation and Warehousing	191	233	42
Hispanic Immigrants: 2000 or later*			
Professional and Other Business Services	251	351	99
Eating, Drinking and Lodging Services	380	440	60
Agriculture, Forestry, Fishing and Mining	104	154	50
EMPLOYMENT LOSS			
Mexican Immigrants			
Construction	1,641	1,489	-152
Arts and Entertainment	101	73	-27
Public Administration	68	51	-17
Hispanic Immigrants: 2000 or later*			
Construction	849	779	-69
Personal and Laundry Services/Private Household Services	101	70	-30
Educational Services	44	43	-1

*From all countries, including Mexico
 Note: Data for 2007 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after shares or year-to-year changes have been computed.
 Source: Pew Hispanic Center tabulations of Current Population Survey data

Employment in the Construction Industry, 2006 to 2008

A slightly extended review of developments in the construction industry shows the full range of the downturn’s impact in 2007. In total, the construction industry eliminated more jobs in 2007 than it added in 2006. Thus, the industry employed fewer workers in the first quarter of 2008 than it did in the first quarter of 2006.

From the first quarter of 2006 to the first quarter of 2007, the construction industry added 510,000 jobs. That happened despite a slowdown in new home building. It appeared that nonresidential construction was making up for the slump in housing ([Associated General Contractors of America, 2006](#)). The full impact of the ongoing downturn in construction was felt in 2007 as the industry let go of 703,000 workers.¹⁴

¹⁴ Payroll data from the Bureau of Labor Statistics show a loss in nonresidential construction jobs between March 2007 and March 2008. It is not feasible to distinguish between residential and nonresidential construction jobs in the Current Population Survey.

Table 11
Employment in the Construction Industry, First Quarter 2006 to First Quarter 2008
(nonseasonally adjusted, numbers in thousands)

	YEAR AND QUARTER			CHANGE		CHANGE (%)	
	2006:1	2007:1	2008:1	2006:1 to 2007:1	2007:1 to 2008:1	2006:1 to 2007:1	2007:1 to 2008:1
All Workers	11,099	11,609	10,906	510	-703	4.6	-6.1
Non-Hispanics	8,426	8,639	8,183	213	-456	2.5	-5.3
Hispanics	2,673	2,970	2,723	297	-247	11.1	-8.3
Hispanics by Nativity							
Native born	618	712	686	94	-26	15.2	-3.7
Foreign born	2,055	2,258	2,038	203	-221	9.9	-9.8
Foreign-born Hispanics							
Mexican born	1,431	1,641	1,489	210	-152	14.7	-9.2
Arrival: 2000 or later*	729	849	779	119	-69	16.4	-8.2

*From all countries, including Mexico
 Note: Data for 2006 and 2007 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after shares or year-to-year changes have been computed.
 Source: Pew Hispanic Center tabulations of Current Population Survey data

The construction retrenchment in 2007 affected workers of all stripes. Hispanics gave back 247,000 of the 297,000 jobs gained in 2006. The reversal for foreign-born Latinos was complete—the 203,000 construction jobs acquired in 2006 were more than lost in 2007. Similarly, non-Hispanics lost 456,000 jobs after gaining 213,000 jobs in 2006.

Changes in Employment for Hispanic Men and Women, 2006 and 2007

Although the construction industry, a mainstay for Hispanic men, is one the leading causes of the current economic slowdown, Latino women are not immune from the effects of the slowdown. In some respects, outcomes for Latino women appear worse than those for men. They left the labor force in greater proportion and experienced greater increases in unemployment than men. While the construction sector was not a factor in job losses for Latino women, they lost jobs in manufacturing, eating, drinking and lodging services, and social services.

The Latino working-age population included 15.4 million women in the first quarter of 2008, or 48.6% of the total (Table 12). But Latino women are much less likely than men to be active in the labor market. Only 55.9% of women participated in the labor force in the first quarter of 2008, compared with 80.0% of

men. Thus, women accounted for only 39.8% of the Latino labor force in early 2008—8.6 million compared with 13.0 million Latino men.¹⁵

Given the weaker attachment of Latino women to the labor force, it is perhaps not surprising that they withdrew from the labor force in somewhat greater proportion than men in response to the economic slowdown. Labor force participation among Hispanic men changed little. They added 409,000 workers to the labor force in 2006, an increase of 3.3%, and 407,000 workers in 2007, an increase of 3.2%.

But Latino women added only 224,000 workers to the labor force in 2007, compared with 371,000 the previous year. The rate of growth in their labor force dropped from 4.6% in 2006 to 2.7% in 2007. Consequently, their labor force participation rate dropped from 56.3% in the first quarter of 2007 to 55.9% in the first quarter of 2008, while the rate for Latino men stayed steady at about 80.0%.

Table 12
Employment Status of Hispanics, by Gender, First Quarter 2006 to First Quarter 2008
(nonseasonally adjusted, numbers in thousands)

	YEAR AND QUARTER			CHANGE	
	2006:1	2007:1	2008:1	2006:1 to 2007:1	2007:1 to 2008:1
Males					
Population (ages 16 and older)	15,206	15,756	16,309	551	552
Labor Force	12,229	12,639	13,045	409	407
Labor Force Participation Rate (%)	80.4	80.2	80.0	-0.2	-0.2
Employment	11,501	11,839	12,074	338	235
Employment Rate (%)	75.6	75.1	74.0	-0.5	-1.1
Unemployment	729	800	972	71	172
Unemployment Rate (%)	6.0	6.3	7.4	0.4	1.1
Females					
Population (ages 16 and older)	14,404	14,901	15,423	497	522
Labor Force	8,025	8,396	8,620	371	224
Labor Force Participation Rate (%)	55.7	56.3	55.9	0.6	-0.5
Employment	7,527	7,923	8,017	396	94
Employment Rate (%)	52.3	53.2	52.0	0.9	-1.2
Unemployment	499	473	603	-26	130
Unemployment Rate (%)	6.2	5.6	7.0	-0.6	1.4

Note: Data for 2006 and 2007 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after shares or year-to-year changes have been computed.
Source: Pew Hispanic Center tabulations of Current Population Survey data

Employment growth for Latino women also dropped sharply in 2007. After gaining 396,000 jobs in 2006, Latino women gained only 94,000 jobs in 2007. And, despite the slow growth in their labor force, 130,000 more Latino women

¹⁵ Additional detail on the socioeconomic characteristics of Latino women is available in [Gonzales \(2008\)](#). See Appendix Table A3 for the labor market status of non-Hispanic men and women.

found themselves unemployed by the first quarter of 2008. Hispanic men succeeded in adding more jobs—235,000—than they lost—172,000—in 2007.

The unemployment rate for Hispanic women increased from 5.6% in the first quarter of 2007 to 7.0% in the first quarter of 2008. This increase was slightly greater than for men, whose unemployment rate increased from 6.3% to 7.4% over the same period.

Job losses and gains by industry for Latino men and women show expected patterns. Men accounted for virtually all of the jobs lost by Hispanics in the construction industry and most of the jobs gained in professional and other business services (Table 8 and 13). The major sources of new jobs for men were industries with blue-collar job opportunities.¹⁶

On the other hand, women claimed the lion’s share of new jobs gained by Latinos in hospitals and other health services. Also, women counted a notable number of new jobs in another white-collar industry—finance, insurance and real estate.

Table 13			
Employment Gains and Losses for Hispanic Men and Women: Top Three Industries, First Quarter 2007 to First Quarter 2008 <i>(nonseasonally adjusted, numbers in thousands)</i>			
	EMPLOYMENT		
	2007:1	2008:1	Change
EMPLOYMENT GAIN			
Men			
Professional and Other Business Services	1,245	1,370	125
Transportation and Warehousing	672	757	86
Repair and Maintenance Services	331	411	80
Women			
Hospitals and Other Health Services	1,003	1,110	107
Professional and Other Business Services	862	939	78
Finance, Insurance and Real Estate	540	589	49
EMPLOYMENT LOSS			
Men			
Construction	2,863	2,618	-245
Eating, Drinking and Lodging Services	1,123	1,095	-28
Publishing, Broadcasting, Communication and Information Services	226	200	-25
Women			
Manufacturing - Nondurable Goods	458	398	-60
Eating, Drinking and Lodging Services	917	861	-56
Social Services	370	325	-45
Note: Data for 2007 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after shares or year-to-year changes have been computed.			
Source: Pew Hispanic Center tabulations of Current Population Survey data			

¹⁶ For instance, the professional and other business services sector includes landscaping services and waste management services.

Growth in Wages, 2006 and 2007

Wage growth in 2007 was moderate and reflected the effects of the economic downturn. Hispanics as well as non-Hispanics experienced slower wage growth in 2007 than in 2006. But workers dependent on the construction industry—including male Hispanics, Mexican-born workers, newly arrived Hispanic immigrants and Latino construction workers in general—saw their wages decline. Many groups of Hispanic workers earned less in the first quarter of 2008 than they did two years ago, in the first quarter of 2006, although native-born Hispanics’ wages increased slightly.

Table 14
Median Weekly Earnings in 2008 Dollars, First Quarter 2006 to First Quarter 2008

	MEDIAN WEEKLY EARNINGS			CHANGE	
	2006:1	2007:1	2008:1	2006:1 to 2007:1	2007:1 to 2008:1
All Workers	\$619	\$625	\$626	1.0%	0.2%
Non-Hispanics	\$648	\$667	\$669	2.9%	0.4%
Hispanics	\$470	\$479	\$480	2.0%	0.2%
Hispanics by Gender					
Male	\$512	\$521	\$500	1.7%	-4.0%
Female	\$427	\$417	\$423	-2.4%	1.5%
Hispanics by Nativity					
Native born	\$513	\$542	\$550	5.6%	1.5%
Foreign born	\$427	\$421	\$428	-1.4%	1.6%
Foreign-Born Hispanics					
Mexican born	\$427	\$417	\$404	-2.4%	-3.1%
Arrival: 1990 to 1999*	\$427	\$421	\$410	-1.4%	-2.6%
Arrival: 2000 or later*	\$384	\$385	\$369	0.3%	-4.3%
Construction Industry					
All workers	\$642	\$677	\$680	5.4%	0.4%
All Hispanics	\$512	\$521	\$485	1.7%	-6.9%
Foreign-born Hispanics	\$512	\$500	\$480	-2.4%	-4.0%

*From all countries, including Mexico
 Note: Those without pay and unincorporated self-employed are excluded. The median wage divides workers into two equal groups, with half earning more than the median wage and the other half earning less. All numbers and percentages are rounded after year-to-year changes have been computed.
 Source: Pew Hispanic Center tabulations of Current Population Survey data

In the first quarter of 2008, the median weekly wage in the economy was \$626—half of workers earned more and the other half earned less.¹⁷ The median earnings of non-Hispanics were slightly higher at \$669 (all wages expressed in 2008 dollars).

¹⁷ Data on the wages of full-time workers are presented in Appendix Table A4.

Hispanics earn considerably less than non-Hispanic workers. In the first quarter of 2008, they earned \$480, or only 71.7% of what was earned by non-Hispanics. The current gap between the earnings of Hispanic and non-Hispanic workers is not very different from the first quarter of 2006. At that time non-Hispanics earned \$648 and Hispanics earned \$470, or 72.6% as much.

Median weekly wages for all Hispanics were unchanged in 2007. They earned \$480 in the first quarter of 2008 and \$479 in the first quarter of 2007. This was a worse outcome than the previous year, as their wages had increased 2.0% from the first quarter of 2006 to the first quarter of 2007.

Wages of non-Hispanic workers also were unchanged in 2007, inching up from \$667 in the first quarter of 2007 to \$669 in the first quarter of 2008, an increase of only 0.4%. In the previous year, wages of non-Hispanic workers had increased 2.9%, from \$648 in the first quarter of 2006.

The earnings of most groups of Hispanics workers in 2008 were less than their earnings in 2006. Male Latinos earned \$512 per week in the first quarter of 2006, but only \$500 per week in the first quarter of 2008. This was the result of a 4.0% drop in wages for male Hispanics in 2007. Female Latinos earned \$427 per week in the first quarter of 2006 and \$423 per week in the first quarter of 2008. For them, this was the result of a 2.4% decline in earnings in 2006.

Native-born Hispanics were able to secure wage gains in both 2006 and 2007. Nonetheless, wage growth for them also moderated in 2007 as they experienced an increase of only 1.5% in comparison with 5.6% in 2006. Wages for foreign Hispanics are stagnant. The current weekly earnings of foreign-born Hispanics—\$428—are essentially the same as the \$427 in the first quarter of 2006.

The most notable aspect of wage trends in 2007 was the experience of Hispanic workers who depend upon the construction industry. The median weekly earnings of workers born in Mexico and those who arrived in 2000 or later fell 3.1% and 4.3%, respectively, in 2007. Median wages for both groups of workers are currently less than their level two years ago, in the first quarter of 2006.

Hispanic workers employed in the construction industry suffered deep wage cuts in 2007. Their weekly earnings fell from \$521 in the first quarter of 2007 to \$485 in the first quarter of 2008, a decrease of 6.9%. Foreign-born Latinos in the construction industry suffered a loss of 4.0% in their earnings.

References

- [Associated General Contractors of America](#). *Construction News* (September 1, 2006).
- Broder, Tanya. “[Overview of Immigrant Eligibility for Federal Programs](#),” National Immigration Law Center (October 2007).
- Bureau of Labor Statistics. “[Foreign-Born Workers: Labor Force Characteristics in 2007](#),” Washington, D.C.: United States Department of Labor (March 26, 2008).
- Bureau of Labor Statistics. “[Foreign-Born Workers: Labor Force Characteristics in 2006](#),” Washington, D.C.: United States Department of Labor (April 25, 2007).
- Gonzales, F. “[Hispanic Women in the United States, 2007](#),” Pew Hispanic Center (May 8, 2008).
- Kochhar, R. “[Construction Jobs Expand for Latinos Despite Slump in Housing Market](#),” Pew Hispanic Center (March 7, 2007).
- Kochhar, R. “[Jobs Lost, Jobs Gained: The Latino Experience in the Recession and Recovery](#),” Pew Hispanic Center (October 7, 2003).
- Kochhar, R. “[Latino Labor Report 2006: Strong Gains in Employment](#),” Pew Hispanic Center (September 27, 2006).
- Passel, J. “[Size and Characteristics of the Unauthorized Migrant Population in the U.S.: Estimates Based on the March 2005 Current Population Survey](#),” Pew Hispanic Center (March 7, 2006).

Appendix A: Revisions of the CPS

Each January, the U.S. Census Bureau makes adjustments to the population controls in the Current Population Survey. These adjustments are typically based on revised estimates of net international migration and updated vital statistics. According to a note released by the Bureau of Labor Statistics (“[Adjustments to Household Survey Population Estimates in January 2008](#)”), the cumulative effect of the adjustment in January 2008 was to reduce the estimate of the Hispanic working-age population by 349,000, the Hispanic labor force by 270,000 and the number of employed Hispanics by 252,000.

The BLS has also published a methodology that can be used to adjust previously published CPS data for the effects of ongoing January revisions (see “[Creating Comparability in CPS Employment Series](#),” by Marisa L. Di Natale). That methodology was applied to make revisions to estimates of the Hispanic population, labor force and employment in 2007 and earlier years.

It is assumed in this report that the principal force underlying revisions in the CPS population controls is revised estimates of net international migration. In principle, that means some of the revision could be attributed to emigration by second- and third-generation Hispanics. However, that effect is assumed to be negligible in the current analysis, and the full extent of the CPS revision for Hispanics was assumed to apply to first-generation Hispanics arriving in the U.S. in 2000 or later. Previously computed distributions of the Hispanic first generation by education, age, industry, occupation, etc. were then utilized to distribute the total change in the Hispanic population along those dimensions.

The January 2008 revisions also affected estimates of the non-Hispanic population. The estimates for all non-Hispanics are adjusted to reflect those revisions. However, no adjustments were made to the data for non-Hispanic whites, blacks, Asians and others. For whites and blacks, those revisions were relatively small in proportion to their working-age population and have a negligible effect on comparability of the data over time. However, estimates of the working-age population, labor force, employment and unemployment of non-Hispanic Asians are sensitive to the effects of CPS revisions and should be treated with caution. Rates—the employment rate, labor force participation rate and the unemployment rate—are not affected by the January CPS revisions.

Appendix B: Data Tables

	YEAR AND QUARTER			CHANGE	
	2006:1	2007:1	2008:1	2006:1 to 2007:1	2007:1 to 2008:1
Hispanics					
Population (ages 16 and older)	29,610	30,657	31,731	1,047	1,074
Labor Force	20,255	21,035	21,665	780	630
Labor Force Participation Rate (%)	68.4	68.6	68.3	0.2	-0.3
Employment	19,028	19,762	20,090	734	329
Employment Rate (%)	64.3	64.5	63.3	0.2	-1.1
Unemployment	1,228	1,273	1,575	45	302
Unemployment Rate (%)	6.1	6.1	7.3	0.0	1.2
Whites					
Population (ages 16 and older)	157,978	158,806	159,420	828	614
Labor Force	103,716	104,504	104,543	788	39
Labor Force Participation Rate (%)	65.7	65.8	65.6	0.2	-0.2
Employment	99,347	100,243	99,940	897	-304
Employment Rate (%)	62.9	63.1	62.7	0.2	-0.4
Unemployment	4,369	4,260	4,603	-108	343
Unemployment Rate (%)	4.2	4.1	4.4	-0.1	0.3
Blacks					
Population (ages 16 and older)	25,879	26,324	26,676	446	352
Labor Force	16,401	16,676	16,941	275	266
Labor Force Participation Rate (%)	63.4	63.3	63.5	0.0	0.2
Employment	14,842	15,299	15,422	458	122
Employment Rate (%)	57.4	58.1	57.8	0.8	-0.3
Unemployment	1,559	1,376	1,520	-183	143
Unemployment Rate (%)	9.5	8.3	9.0	-1.3	0.7
Asians					
Population (ages 16 and older)	10,357	10,885	11,018	528	133
Labor Force	6,831	7,211	7,427	379	216
Labor Force Participation Rate (%)	66.0	66.2	67.4	0.3	1.2
Employment	6,599	6,987	7,179	388	193
Employment Rate (%)	63.7	64.2	65.2	0.5	1.0
Unemployment	232	224	248	-8	24
Unemployment Rate (%)	3.4	3.1	3.3	-0.3	0.2
Others					
Population (ages 16 and older)	3,809	3,837	3,936	28	99
Labor Force	2,372	2,391	2,429	19	38
Labor Force Participation Rate (%)	62.3	62.3	61.7	0.0	-0.6
Employment	2,183	2,180	2,211	-3	31
Employment Rate (%)	57.3	56.8	56.2	-0.5	-0.6
Unemployment	189	211	218	22	6
Unemployment Rate (%)	8.0	8.8	9.0	0.9	0.1

Note: Data for Hispanics for 2006 and 2007 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after shares or year-to-year changes have been computed. The terms "Whites," "Blacks," "Asians" and "Others" refer to their non-Hispanic components.

Source: Pew Hispanic Center tabulations of Current Population Survey data

Table A2
 Labor Market Status of Non-Hispanics, by Nativity, First Quarter 2006 to First Quarter 2008
(nonseasonally adjusted, numbers in thousands)

	YEAR AND QUARTER			CHANGE	
	2006:1	2007:1	2008:1	2006:1 to 2007:1	2007:1 to 2008:1
Non-Hispanics					
Population (ages 16 and older)	197,829	199,491	201,050	1,661	1,559
Labor Force	129,061	130,448	131,339	1,387	891
Labor Force Participation Rate (%)	65.2	65.4	65.3	0.2	-0.1
Employment	122,728	124,395	124,752	1,667	356
Employment Rate (%)	62.0	62.4	62.1	0.3	-0.3
Unemployment	6,330	6,052	6,588	-278	536
Unemployment Rate (%)	4.9	4.6	5.0	-0.3	0.4
Native-Born Non-Hispanics					
Population (ages 16 and older)	180,770	181,639	182,639	869	1,000
Labor Force	117,931	118,779	119,209	848	430
Labor Force Participation Rate (%)	65.2	65.4	65.3	0.2	-0.1
Employment	112,028	113,165	113,139	1,137	-25
Employment Rate (%)	62.0	62.3	61.9	0.3	-0.4
Unemployment	5,903	5,614	6,070	-289	455
Unemployment Rate (%)	5.0	4.7	5.1	-0.3	0.4
Foreign-Born Non-Hispanics					
Population (ages 16 and older)	17,060	17,852	18,411	792	559
Labor Force	11,130	11,669	12,130	539	461
Labor Force Participation Rate (%)	65.2	65.4	65.9	0.1	0.5
Employment	10,701	11,230	11,612	529	382
Employment Rate (%)	62.7	62.9	63.1	0.2	0.2
Unemployment	427	438	518	11	80
Unemployment Rate (%)	3.8	3.8	4.3	-0.1	0.5

Note: Foreign-born non-Hispanics receive the full amount of the non-Hispanic adjustment for the 2006 and 2007 CPS revisions. All numbers and percentages are rounded after shares or year-to-year changes have been computed.

Source: Pew Hispanic Center tabulations of Current Population Survey data

Table A3
 Labor Market Status of Non-Hispanics, by Gender, First Quarter 2006 to First Quarter 2008
(nonseasonally adjusted, numbers in thousands)

	YEAR AND QUARTER			CHANGE	
	2006:1	2007:1	2008:1	2006:1 to 2007:1	2007:1 to 2008:1
Non-Hispanics					
Population (ages 16 and older)	197,829	199,491	201,050	1,661	1,559
Labor Force	129,061	130,448	131,339	1,387	891
Labor Force Participation Rate (%)	65.2	65.4	65.3	0.2	-0.1
Employment	122,728	124,395	124,752	1,667	356
Employment Rate (%)	62.0	62.4	62.1	0.3	-0.3
Unemployment	6,330	6,052	6,588	-278	536
Unemployment Rate (%)	4.9	4.6	5.0	-0.3	0.4
Non-Hispanic Males					
Population (ages 16 and older)	94,666	95,503	96,267	837	764
Labor Force	67,939	68,413	68,595	474	181
Labor Force Participation Rate (%)	71.8	71.6	71.3	-0.1	-0.4
Employment	64,385	64,887	64,799	502	-88
Employment Rate (%)	68.0	67.9	67.3	-0.1	-0.6
Unemployment	3,553	3,526	3,796	-27	269
Unemployment Rate (%)	5.2	5.2	5.5	-0.1	0.4
Non-Hispanic Females					
Population (ages 16 and older)	103,163	103,988	104,783	825	795
Labor Force	61,122	62,035	62,745	913	710
Labor Force Participation Rate (%)	59.2	59.7	59.9	0.4	0.2
Employment	58,344	59,509	59,953	1,165	444
Employment Rate (%)	56.6	57.2	57.2	0.7	0.0
Unemployment	2,777	2,525	2,792	-252	267
Unemployment Rate (%)	4.5	4.1	4.4	-0.5	0.4

Note: Foreign-born Hispanics receive the full amount of the Hispanic adjustment for the 2006 and 2007 CPS revisions. All numbers and percentages are rounded after shares or year-to-year changes have been computed.
 Source: Pew Hispanic Center tabulations of Current Population Survey data

Table A4					
Median Weekly Earnings in 2008 Dollars, First Quarter 2006 to First Quarter 2008: Full-Time Workers					
	MEDIAN WEEKLY EARNINGS			CHANGE	
	2006:1	2007:1	2008:1	2006:1 to 2007:1	2007:1 to 2008:1
All Workers	\$718	\$721	\$720	0.4%	-0.2%
Non-Hispanics	\$749	\$761	\$769	1.7%	1.0%
Hispanics	\$512	\$521	\$520	1.7%	-0.2%
Hispanics by Gender					
Male	\$534	\$542	\$549	1.5%	1.3%
Female	\$469	\$481	\$490	2.4%	1.9%
Hispanics by Nativity					
Native born	\$615	\$625	\$615	1.7%	-1.6%
Foreign born	\$469	\$459	\$461	-2.1%	0.3%
Foreign-Born Hispanics					
Mexican born	\$427	\$450	\$440	5.3%	-2.1%
Arrival: 1990 to 1999*	\$427	\$453	\$440	6.1%	-2.9%
Arrival: 2000 or later*	\$427	\$417	\$400	-2.4%	-4.0%

*From all countries, including Mexico

Note: Those without pay and unincorporated self-employed are excluded. The median wage divides workers into two equal groups, with half earning more than the median wage and the other half earning less. All numbers and percentages are rounded after year-to-year changes have been computed.

Source: Pew Hispanic Center tabulations of Current Population Survey data