

# Latino Contributions to Oregon: Strengthening our State Economy



Latinos, as new Americans and long time residents, are a growing part of our community in Oregon. This report finds that Latinos play an important role in advancing the economy of Oregon and the well being of our communities through their contributions as workers, entrepreneurs, consumers, and taxpayers.

## Latinos in Oregon

**Oregon has long been a destination and home to Latin American immigrants and their descendants.** Mexican mule-riders and vaqueros were trading in Oregon even before Oregon gained official statehood. Throughout the 20th century migration flows from Mexico and Latin America ebbed and flowed, but Latino immigrants and their descendants were putting down roots in communities across the state.

**Census data shows that recent decades brought increased migration to the state.** Migration from Mexico and the rest of Latin America increased dramatically during the 1990's; in Oregon, the immigrant population from Latin America nearly tripled between 1990 and 2000. Immigration from Latin America to Oregon peaked around the year 2000, and since then, the rate of immigration has gradually decreased.<sup>1</sup>

**While migration has fallen in recent years, the Latino population in the state has continued to grow.** Between 2000 and 2010, the Latino population grew 63%, from 275,314 to 450,052. This growth accounted for 43% of the total population growth for the state of Oregon over the last decade, and Latinos now make up 12% of the total population.<sup>2</sup> The dramatic population increase is largely due to growth in the native born population, which accounted for 65% of the total growth in the Latino population since 2000.<sup>3</sup> While this growth reflects new births, most stems from migration to Oregon primarily from California and other US states.

**Latinos in Oregon are a diverse mix of first generation immigrants and long time residents.** The 2010 American Community Survey data shows that of those who identify as Latino, a majority of them (60%) were born in the United States. Foreign-born Latinos make up the remaining 40%; of those, 16% are naturalized citizens and 84% are not naturalized citizens.<sup>4</sup> Many Latinos live in households with mixed immigrant statuses, meaning family members and relatives are a mix of native-born citizens, naturalized citizens, legal permanent residents, temporary workers, and undocumented immigrants.

## Latinos in the Workforce

**Currently, there are over 200,000 Latinos in the workforce in Oregon, representing 10.5% of the workforce.** The highest percentage of Latino workers are employed in service occupations (27.8%), followed by natural resources, construction, and maintenance (20.8%), production, transportation, and material moving (17.9%), sales and office occupations (17.7%), and management, business, science and arts (15.7%).

**There were over 124,000 immigrants from Latin America in the labor force in Oregon in 2010, representing 6.3% of the workforce.** Nearly two thirds of immigrant workers from Latin America concentrated in service occupations (30.9%), and natural resources, construction, and maintenance occupations (28.7%), with a smaller number working in production, transportation and material moving (21.3%), sales and office occupations (10.2%), and management, business, science, and arts (9.4%).<sup>5</sup>

**Latino workers represent a significant percentage of workers in a number of occupations.** Latinos make up 58.8% of the workforce in farming, fishing, and forestry occupations, 28.7% in building and grounds cleaning and maintenance, 23.5% in material moving, 20% in food preparation and serving, and 16.6% in construction and extraction.<sup>6</sup>

**Latino and Immigrant workers help bridge the gap between our growing aging workforce and a much smaller population of young native born workers.** Latino workers in Oregon are younger on average, with a median age of 34.3 compared to 38.2 for the general population.<sup>7</sup> Latinos have higher work force participation than the general population, at 67.5% compared to 64.7% for the general population. Latino men aged 25- 54 (primary working age) have the highest participation rate of any age or ethnic group, at 91.5% compared to 89.3% for the total population.<sup>8</sup>

**Studies show that Immigrant workers also increase the wages of the majority (90%) of U.S. workers.<sup>9</sup>** Immigrants with comparable levels of education bring unique skill sets that allow them to compliment, rather than compete, with most native workers. A majority (71.6%) of immigrants from Latin America living in Oregon report having limited English proficiency, and 60% arrive without a completed high school education.<sup>10</sup> Immigrant workers encourage the specialization of native Oregonian workers, who occupy jobs that require high levels of communication in English. Immigrants also bring unique cultural, linguistic, and practical knowledge that allows them to diversify and expand already existing industries and occupations.

**Undocumented immigrants are indispensable workers in key Oregon industries.** While Oregon-specific data is unavailable, national studies show that undocumented immigrants are over-represented in occupations such as agriculture workers, maids and housekeeping workers, ground maintenance workers, as well as in construction occupations such as roofers, painters, maintenance workers, drywall installers, ceiling tile installers and tapers.<sup>11</sup> Agriculture alone is a \$4 billion dollar industry in Oregon, and is an increasingly important export crop.

Immigrant workers are integral to the continued growth and success of the agriculture, construction, and service industries in the state.

**According to a study by the Perryman Group, if all undocumented immigrants left the state, Oregon would loose up to \$3,389,646,682 in total expenditures, even after accounting for proper market adjustments.** The state would additionally loose 19,250 jobs.<sup>12</sup> Cities around the country that have enacted punitive anti-immigrant employment laws have already had negative results. A study found that these cities have worse business climates and fewer employees compared to those which enacted non-restrictive or “sanctuary” ordinances.<sup>13</sup> Creating a welcoming environment for workers and businesses benefits all Oregonians, by boosting wages, employment levels, and tax dollars.

## Latinos as Entrepreneurs

**Latino Business owners are helping drive the economic recovery in Oregon.** There has been dramatic growth in the number of Oregon Latino business owners during the last decade. The results of the 2007 Survey of Business Owners released in 2010 show a 78% increase in the number of Latino-owned businesses from 2002-2007. There were 11,338 Latino owned businesses in Oregon as of 2007, up from 6360 in 2002. Oregon was among the 10 states with the highest Latino business growth rate, with a rate nearly double the national rate of growth of 43.6% for Latino-owned businesses.<sup>14</sup>

**The rate of growth for the number of Latino-owned businesses was over 4 times as much as total business growth in the state.** The growth of Latino owned businesses in Oregon is also outpacing growth in new businesses owned by Whites and Asian, which grew by 14.7% and 39.8%, respectively. As a result of this rapid growth, Latino businesses now make up 3.3% of all businesses in Oregon.<sup>15</sup>

**Receipts from Latino owned businesses are also growing.** Latino-owned businesses had a record \$1,663,452,000 in receipts in 2007, a 17.5% increase from 2002.<sup>16</sup> While data about immigrant-owned businesses is relatively scarce, a 2008 report from the Small Business Administration suggests that immigrant-owned firms in Oregon had an income of over \$549 million and made up 7% of the total business income for the state in 2000.<sup>17</sup>

**Latino small business owners are playing an important role in the growth of Main street businesses in Oregon.**

The majority of Latinos are owners of small businesses. Over 40% of Latino owned businesses employ between 1-4 employees. This reflects the general trend in Oregon businesses; 48% of all firms in Oregon have between 1 and 4 employees.<sup>18</sup> While there are substantially more business with 4 employees or less, 62% of sales from Latino owned businesses were from firms with 10-99 employees.<sup>19</sup>

## **Latino Contributions to the State Economy**

**Latinos are part of the growing multicultural economy in Oregon, as businesses work to provide culturally specific and relevant services to consumers.** Latino customers have fueled the growth of Latino-owned small businesses providing culturally specific food and clothing products, and linguistically and culturally relevant services in the real estate, healthcare, and banking industries.

**In Oregon, Latinos had a purchasing power of \$7 billion in 2009, a 660.9% increase from 1990.**<sup>20</sup> In the Salem Metro area alone, Latinos have a purchasing power of \$955 million, accounting for approximately 11% of the total purchasing power for the area.<sup>21</sup> Nationally, Latino buying power is expected to grow by 48.1% by 2016, compared to 27.5% for the nation as a whole.<sup>22</sup>

**Latinos represent a growing number of homeowners in Oregon.** The number of Latinos owning homes in Oregon grew 87.7% between 2000 and 2010, while the number of White homeowners grew 6.5%.<sup>23</sup> This dramatic growth in the number of Latino homeowners reflects both the substantial growth in the Oregon Latino population over the last decade, and the rising of number of immigrant homeowners in the state. Latino homeownership is expected to drive homeownership levels all across the US; it is estimated that between 2002 and 2012, Latinos will represent 40% of first-time homebuyers in the US.<sup>24</sup> While Census data is not available for immigrant populations, the American Community Survey shows that 38.4% of immigrants from Latin America residing in Oregon report being homeowners.<sup>25</sup>

**Immigrants in Oregon contribute significantly to state funds through income and taxes.** The Oregon Center for Public Policy estimates that undocumented immigrants in Oregon earned between 2.3 billion and 4.5 billion dollars in 2011 and contributed 154 million to 309 million dollars in state and federal taxes. Oregon employers paid an additional 121 million to 243 million dollars in state and federal taxes on behalf of undocumented employees.<sup>26</sup>

## **Drivers of Prosperity**

**Latinos are accelerating the growing diversity in Oregon.** Participation by Latinos and immigrants as workers, consumers, entrepreneurs, and taxpayers are essential for the continued progress of our state. Promoting integration and improving access to education, healthcare, transportation, and housing will serve as the drivers of prosperity that will allow Latinos in Oregon to further grow and contribute to Oregon's economy.

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