This paper offers a set of critical arguments to inter-relate the imperative of achieving the passage of progressive legislation like the Employee Free Choice Act, immigration and national health care reform with the national priority of an economic stimulus process that addresses both the priorities and needs of Latino workers – native-born
FOREWORD

LCLAA’s future reflects its 36–year history as an advocacy organization empowering Latino workers and their families. Its policy platform and educational programs are based on a commitment to high standards in both the quality of the research that forms the foundation of its advocacy work and the estimated impact that changes in government policy will have on the welfare of the Latino community. LCLAA’s work is based on a three–pronged approach promoting integration through community–building, leadership development, political empowerment and civic participation.

LCLAA is committed to delivering quality and objective policy research so as to expand the knowledge base upon which policies affecting the Latino community are created. LCLAA is also committed to pioneering solutions to advance the social, economic, and political welfare of the Hispanic community and to the Americas as a whole in the areas of: Education; Government, the Economy and Infrastructure Improvement; Immigration, Trade and Economic Development; and Global Warming and Job Growth among others. By anticipating emerging issues and through creative partnerships, LCLAA seeks to establish new angles of inquiry in order to provide a roadmap for responses by government, Labor and society taking into account the unique needs of burgeoning Hispanic demographics.

This report was produced by LCLAA’s Executive Director, Dr. Gabriela D. Lemus with support from Hector Sanchez, Director of Policy and Research, and Andrea Delgado, Senior Policy Analyst.

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EXECUTIVE SUMMARY

This White Paper, “Reviving the Latino Workforce: Complex Problems Demand Comprehensive Solutions” is an effort to gain understanding of the impact that the current recession has had on the Latino community, in combination with other factors affecting the welfare, economic growth and political potential of this rapidly growing community.

Some highlights of the White Paper include:

• Even before the current recession, despite growing rates of productivity, working class people were not being adequately rewarded for their work. Wages were frozen; health care costs skyrocketed while access to health care benefits was reduced; and workplace violations went unchecked, a particularly troublesome trend for the Latino community because of the industrial sectors in which the overall workforce is concentrated (construction and meatpacking are two examples) and because its immigrant workforce is more vulnerable to employer abuses.

• Unemployment rates for all Latinos have been steadily increasing since the beginning of the recession in December 2007, but the problem is deepening. In the final two quarters, every month, the statistics indicate anywhere from .5 to 1% growth in unemployment – today we are at double digits – or 12.7% in May 2009 almost three points higher than the national average.

• One in five Latino adults between the ages of 18 and 65 spoke a language other than English at home and more than 17 million in this age group spoke English less than very well. Fifty percent of limited English proficient (LEP) adults report having nine or fewer years of education and 64 percent have less than a high school degree. Only 18 percent have any post-secondary education.

• The problems of unemployment are compounded by other social and economic realities. Latino and African–American communities are over–
represented in the sub-prime loan pool and their communities are hardest hit by the mortgage crisis. For every $1 earned by a White household, Latino households earn just over 50 cents.

- Latinas are among the most vulnerable in the workforce, earning just over half of what white men earn (52.4 percent); are less likely to be in the labor force than their male counterparts – the gap between Hispanic women’s and men’s labor force participation rates is the highest in the country, averaging 22.7 percentage points.

- Data suggests that there are no significant signs that immigrant workers are leaving the U.S. labor market despite the impact that the economic slowdown has had on them. Their labor force participation rate – or the percentage of the working-age Latino immigrant population has remained steady. But, where we do witness a change is that Latino immigrants are playing a smaller role in the growth of the Latino workforce in recent years. There is a small but growing body of evidence that suggests that more Latinos are currently entering the workforce because they are aging into it rather than because they are arriving as immigrants.
REVIVING THE LATINO WORKFORCE: COMPLEX PROBLEMS DEMAND COMPREHENSIVE SOLUTIONS

INTRODUCTION

What role can Latino workers play in revitalizing the U.S. economy, and how can policy makers, political leaders and law-makers best support them? The U.S. economic crisis is complex and cannot be blamed on any one factor, but on a combination of factors, including: an over-valued U.S. dollar, a dysfunctional health care system and the high cost of the top 10 percent of wage earners (who make about 77 times that of the bottom 90 percent (Bivens, February 12, 2009)) absorbing most of the profits. Latino wages in comparison are lower than the national average and continue to fall. Median weekly wages for native-born Latino workers fell 1.9%, in comparison to non-Hispanic workers which dropped by 1.4% between the third quarter of 2007 to the third quarter of 2008 (Kochhar, Latino Workers in the Ongoing Recession: 2007 to 2008, December 15, 2008). The unemployment rates for Latinos continued to trend upward in May 2009 – and have now reached 12.7 percent, almost three points higher than the national average (Bureau of Labor Statistics (BLS), 2009). Latino families are suffering from a serious economic hangover – one that requires public policies that support them.

Latino workers and their families are a composite of native–born U.S. citizens of different generations, immigrant citizens and immigrants – authorized and unauthorized. 55% of the Latino immigrant community hails from Mexico while the rest come primarily from Latin America and the Caribbean. Furthermore, the connection with the Commonwealth of Puerto Rico – a US Territory – adds to the complexity as its people have the unique characteristics of being primarily Spanish–speaking U.S. citizens who can migrate back and forth from the island to the mainland.

This paper uses recent data to examine the “state” of Latino workers. It offers a set of critical arguments to inter–relate policy imperatives -- achieving the passage of progressive legislation before the mid–term election of 2010
including the Employee Free Choice Act, comprehensive immigration and health care reform -- with the national priority of an economic stimulus process that addresses the priorities and needs of all Latino workers. With respect to helping the Latino workforce reverse its fortunes and begin to thrive again, these policy changes and economic priorities complement one another and merit immediate attention by both Congress and the Administration.

This report is divided into two primary sections. The first section outlines some of the challenges faced by Latino communities across the United States. It relates how the economic recession has impacted them, and reveals characteristics that both complicate their ability to move up the socio-economic ladder, and limit their flexibility in the types of jobs they can do without additional training.

The second section of the report looks at the broader perspective of public policies that are currently in place and how they impact the Latino community. Instead of focusing on Latinos, it focuses on the “big-picture” items that create roadblocks for the Latino adult workforce to be able to gain access and improve their families' living conditions and quality of life. Within the second section is a series of issue-specific recommendations that are then summarized in the conclusion.

The answers to the current situation faced by Latino communities across the country are neither simple nor easy. However, if the goal is to fully integrate into American society – rich and poor; citizens and immigrants then Latinos must engage in a dialogue and demand inclusion as a people. We should be neither embarrassed nor shy. We merit a “seat at the table.” Inclusion is part of the democratic process and we are ultimately responsible to protect it.

Since 1992, the significance of the Latino vote has vastly increased, along with the growth in Hispanic demographics. In 1992, the last time a Democrat took over from a Republican, the estimated Hispanic population was 22.4 million, 5.1 million were registered to vote, approximately 4.2 million voted. In 2008 the estimated Latino population was 44 million, 12.1 million were registered to vote and a record number of Latinos, 11.7 million voted, including the highest
number of new and young Hispanic voters since modern-day tracking of voter behavior began incorporating Latino electoral data. By a two-to-one margin, 67 percent of Latino voters cast ballots for Barack Obama. The overwhelming Latino turnout signified the community’s endorsement of the new, progressive direction the country was taking.

Latinos have begun their trajectory of economic, political and social empowerment. They must continue on the pathway of full representation and embrace the meaning of what it is to be an American without losing the warmth or generosity of the multiple cultures that they represent.

**COMPLEX PROBLEMS: THE STATE OF THE ECONOMY AND LATINO WORKERS**

Even before the current recession, despite growing rates of productivity, working class people were not being adequately rewarded for their work. Wages were frozen; health care costs skyrocketed while access to health care benefits was reduced; and workplace violations went unchecked (Greenhouse, 2009), a particularly troublesome trend for the Latino community because of the industrial sectors in which the overall workforce is concentrated (construction and meatpacking are two examples) and because its immigrant workforce is more vulnerable to employer abuses.

The Latino community is complex because of its very composition. It has already been stated that Latinos represent a breadth of folks – native born of varying generations, immigrant citizens, and immigrants hailing from different parts of Latin America, the Caribbean, and Europe. Latinos can be multi-racial and have varying degrees of education. The population is very young, with the elderly being ensconced in the social fabric of the community. Intergenerational relationships are critical to the survival of the community overall. Because of its complexity, the Latino community has faced challenges throughout the decades.

Latinos are more likely to be injured on the job or risk the loss of life (Whittaker, October 27, 2006). In the case of some industries, like U.S.
meatpacking and poultry, reports indicate a human rights crisis (Compa, January 24, 2006). Latinos are also suffering disproportionately from other related critical economic developments that include loss of employment, food insecurity, loss of health insurance and foreclosure of their homes (Singley, 2008).

There is a stereotype that Latinos do not speak English and do not finish school. Unfortunately, for some of the population, this stereotype is true – but these are trends that can be reversed. Another false stereotype says that Latinos rely on the government for their survival – yet studies show that there is under–usage of government programs like food stamps. Even though many in the Latino community are entitled to apply for public assistance as part of the safety net, they do not. In part they may be reluctant to ask for help because of embarrassment, but also because of inadequate government outreach at all levels – federal, state and local. The latter issue is not uncommon across all ethnic groups.

Many federal agencies, like the U.S. Census, understand fully that they must reach out to the Latino community to be able to effectively complete their tasks, but still often fall short of the need. These words are not meant as a criticism, but as an observation of how complex reaching into the Latino community can be. To enable the success of the Latino community, government – at every level – must engage with Latinos in new ways that will open pathways for all communities and assist in better integrating our society.

**Trends in Unemployment: A Challenging Picture**

The current recession is having a disproportionately negative effect on the Latino community. They suffer from a combination of: job loss; the high cost of, and lack of access to, quality health care; and an overall reduction in wages along with certain human capital characteristics. Along with these factors, the safety net that was created as a result of the Depression has been largely dismantled by eligibility restrictions placed on welfare and unemployment benefits. Latinos currently make up 14.2 percent of the U.S. workforce and some 52.2 percent of working age Latinos are immigrants (16 years and older).
Unemployment rates for all Latinos have been steadily increasing since the beginning of the recession in December 2007. But it is critical to note that the problem is deepening. In the final two quarters, every month, the statistics indicate anywhere from .5 to 1% growth in unemployment – today we are at double digits – or 12.7% in May 2009 almost three points higher than the national average.

Although they have been hit less hard than Latino immigrant workers, native-born Latinos were at 9.5% unemployment in the fourth quarter of 2008. Unemployment rates for Hispanic workers trend approximately two percentage points higher than for non-Hispanics. Yet, Latino labor force participation rate in the first quarter of 2008 – 68.5 percent – (seasonally adjusted) indicate that despite the increase in unemployment, Latinos are not leaving the labor market altogether (Kochhar, Latino Labor Report, 2008: Construction Reverses Job Growth for Latinos, June 4, 2008). Labor force participation rates represent the percent of the population 16 years and over that are employed. These workers are moving to where they can find employment, legitimate or underground. Others are simply “waiting it out”: relying on their familial and community networks as part of their survival strategy.

The situation is challenging for all Latinos. There is no guarantee that simply because a Latino attended an institution of higher learning that she is immune from job loss. Young professional Latinos with limited work experience, who were brought in to the workforce in the 2000s, also face a complicated picture. Last hired, first fired: Latinos and blacks are losing jobs at a faster rate than the general population during this recession. In a recent MSNBC report, William Darity – professor of economics and African-American studies at Duke University – explained the phenomenon.
Because African-Americans and Latinos are relative latecomers to the professional world, they are necessarily among the most vulnerable. Darity emphasizes that Latinos and African-Americans do not have the long-time anchor to the professional world that other population groups have. As a result, these two population groups do not have the same networks of contacts, nor do they have the same levels of seniority on the job. Darity believes that professional Latinos and African-Americans are more likely to lose their jobs in the recession and makes the critical point that the less wealth one has built over the years, the harder unemployment hits (Associated Press, 2009).

The recession has also created barriers for women overall and for Latinas specifically. At the Hearing presented before the Joint Economic Committee in May 2008, Senior Researcher Heidi Hartmann from the Institute for Women’s Policy Research testified that even though women’s employment tended to be less cyclical than men’s, the 2001 recession marked a watershed for women. For the first time in 40 years, and after decades of continuous employment growth, women experienced a sustained period of job loss. Women’s total employment did not recover to its pre-recession peak until August of 2004, and employment growth since that recession was slower than it was in the decade before. She emphasized that the risk that another such recession in
2008 or 2009 would further slow women’s long-term employment growth is serious, particularly since women still lag considerably behind men in earnings and employment over their lifetimes (Heidi Hartmann, 2008). Given Latinas’ current standing in the workforce, this could have negative implications for Latino families in the United States.

Latinas suffer unique disparities in the current economy that are compounded by Latino culture and traditions. The Latina participation rate in the labor force dropped from 56.3 percent in the first quarter of 2007 to 55.9 percent in the first quarter of 2008. Employment growth for Latinas dropped sharply in 2007 gaining only 94,000 jobs compared with 396,000 in 2006. Latina unemployment continues to grow unabated. In the first quarter of 2007 Latina unemployment was 5.6 percent compared to the first quarter of 2008 when it hit 7.0 percent (Kochhar, Latino Workers in the Ongoing Recession: 2007 to 2008, December 15, 2008).

Given the low numbers of Latina participation rates in the labor force, there is a serious challenge in addressing their well-being in the future. If history is any indication, current trends will place Latinas into even more precarious positions as they near retirement age. Having been unable to build wealth throughout their careers, Latina retirees are almost entirely dependent on Social Security.

Women represent 58 percent of all Social Security recipients at age 65, and by age 85, 71 percent of recipients are women (Social Security Administration (SSA), 2007). Social Security provides 90 percent of income for 46 percent of elderly, unmarried women in 2004; 25 percent have no other source of income (Social Security Administration, 2006). The poverty rate for all elderly women is 12.5 percent (U.S. Census Bureau, 2006). However, for widows (18.6 percent), divorced (22 percent) and never married (20 percent) it is much higher (Purvi Sevak, 2003). Older women of color are the poorest in retirement: 27.4% of African American women and 21.7% of Latinas living alone are below the poverty line.

Part of the reason for the challenges they face once they retire is that women spend an average of 12 years out of the workforce, care-giving for children or
elderly parents (Pepper Institute on Aging and Public Policy, 2007). As a result of their care-giving patterns, most women and Latinas in particular work in lifetime low-wage jobs that give them the flexibility to move in and out of the workforce. It is not uncommon for Latinas today to find themselves part of a "sandwich" generation – caring for children, parents and grandparents – their own and those of their spouse. This cultural practice places a significant burden on the individual woman who often sacrifices her well-being in order to ensure the well-being of her family members. Today’s economic culture does nothing to take into account these increasingly common circumstances, not only for Latinas, but for all women.

Of all Latino groups, the immigrant Latino community has been most adversely impacted by the recession. This in turn is causing an overall decline in income for non-citizens. Unemployment rates for foreign-born Latinos increased from 5.1 percent to 8.0 percent, or by 2.9 percentage points, from the fourth quarter of 2007 to the fourth quarter of 2008 (Kochhar, Unemployment Rises Sharply Among Latino Immigrants in 2008, February 12, 2009). Undocumented workers account for about 5 percent of the U.S. labor force and about one-third of the foreign-born labor force. It is important to remember that Latino families are often an amalgam of persons of differing immigration status. Whereas on the surface it does not seem problematic that undocumented workers have been losing their employment, in reality, it causes a multiplier effect when analyzed together with the family status. Many Latino children even though they are citizens by birthright are adversely affected by their parents’ immigrant status and inability to participate fully in the economic system.

The undocumented are also over-represented in certain industry clusters. Many work in construction where they account for 12 percent of the workforce (Passel, March 7, 2006). When the housing crunch hit, the slump in the construction sector was significant causing the loss of some 221,000 jobs in 2007 alone for Latino workers (Kochhar, Latino Labor Report, 2008: Construction Reverses Job Growth for Latinos, June 4, 2008). These job losses in construction accounted for the majority of losses for the first quarters of 2007 to the first quarter of 2008. Weekly earnings also took a hit – earnings

Overall, immigrants – authorized or unauthorized – are not faring well in the ongoing recession: they are more vulnerable than other workers in part because of their human capital characteristics (language, educational attainment levels, and limited work experience given their relative youth) as well as the sectors in which they are concentrated. In the 1991 recession, Latino immigrant workers suffered more job losses than non–Hispanic workers. Today’s initial data are similar.

These economic statistics are important to consider when examining the Latino labor force as they require different responses and considerations to redress the challenges created by a downward spiraling economy. Because of the vicissitudes in industry growth, it is critical to ensure that displaced Latino workers are being considered for and included in the re-training programs around stimulus areas so that they too can continue to help turn the gears of the economic engine.

**Health Care Benefits and Access in the Latino Community**

Latinos are less likely than the general population to have access to health care insurance benefits or quality health care, and thus suffer from worse health outcomes. Today, more than one–third of the Latino community lacks health insurance – 55.1 percent of Latinos compared to 25.8 percent of Whites – while almost 40 percent of Latino children lack health coverage. When parents lose employer–based health care coverage, it has a multiplier effect on their families particularly affecting children. (Families USA, 2009). Although the stimulus package intends to address the economic crisis, it also requires additional investments in programs that target Latinos and other low–income Americans facing critical financial crisis that is compounded by food insecurity, rising
health care costs, unstable energy costs, and a housing crisis that has disproportionately affected these communities. The definition of a healthy community must include overall quality of life and security – health, food, and home.

Latino workers are more likely to work for small firms and in industry sectors that do not offer employer-based insurance and therefore are most likely to suffer from health care insecurity. Approximately 26 percent of Latinos do not visit the doctor out of concerns for costs and are more likely to take money out of their personal savings or retirement funds to pay for health-related expenses. Those who have insurance are concerned about losing it (Gould, 2008).

One in four, non-elderly Latinos is likely to receive Medicaid benefits – the source of coverage for the nation’s poor and disabled. But many states are in serious economic distress and are looking for ways to cut their budgets – Medicaid risks being the target in many of these cases.

Limited English Proficiency (LEP) is also a key barrier to accessing primary health care services for the Latino community. There is a correlation between language and health-care quality. Dr. Jennifer Haas of Brigham and Women’s Hospital and Harvard Medical School evaluated the effects of LEP on key measures of quality of primary health care delivered to 1,792 Latinos and found that although they had health insurance, 40 percent scored lower on three of
four health care quality measures compared to those with excellent English. According to her study, the LEP subjects were twice as likely to have no regular source of health care or to lack continuity of care (Medical News Today, 2007).

Latinas are among those least likely to have health insurance coverage and are more likely to be enrolled in Medicaid – three-quarters of the adult Medicaid population are women. Thirty-seven percent of Latinas 18–64 years old were uninsured in 2007 throughout the country (Henry J. Kaiser Family Foundation, 2008). But there are pockets where the stress is higher. In states like Texas and New Mexico – states with high concentrations of Latinos and statistically significant levels of unemployment – 28 percent of women are uninsured.

The combination of lower incomes and lack of insurance have created a significant problem for Latinas who are among the least likely to pay for out-of-pocket expenses for medicines and other health care services, irrespective of their reliance on prescription drugs. Because of the cost barrier to medications, women in general—and Latinas specifically—are suffering from subsequent declines in health status and higher rates of problems among those with chronic diseases. Additionally, because Latinas are less likely to have a regular health care provider they are also less likely to use a prescription than those women who have one. Latinas are the least likely to take a prescription regularly (Usha R. Ranji, 2007).

But beyond access to insurance – private and publicly-funded programs – Latinos have a problem with access and quality health care because they are more likely than Whites to live in neighborhoods that lack adequate health care resources\(^1\). The statistics are fairly grim – 28 percent of Latinos report having

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\(^1\) The U.S. Department of Health and Human Services measures health care quality as the extent to which providers and hospitals deliver evidence-based care for specific services, and the outcomes of the care provided. The dimensions of quality include — effectiveness, patient safety, timeliness, and patient centeredness—and cover four stages of care—staying healthy, getting better, living with illness or disability, and coping with the end of life. Health care access is measured by how easily patients are able to get needed health care and their actual use of services. They are organized
little or no choice in where to seek care and are twice as likely as Whites to rely upon a hospital outpatient program as their regular source of care rather than at a doctor’s office where there are better possibilities for continued care and patient-centered care (Henry J. Kaiser Family Foundation, 2008). A major deficit of the health care system is the lack of diversity in the health-care workforce. The Institute of Medicine has noted that when there is greater concordance between patient and health-care provider, there is greater patient participation in health-care processes, higher patient satisfaction and a greater likelihood of adherence to treatment. Also, minority health professionals are more likely than non-minorities to practice in under-served communities (Garza, 2006).

For the Latino community overall, it is important to find ways to mitigate the spiraling costs of the health care system. Latinos are often targeted because of the impact that they have on the health care system. The focus is primarily on the fact that they often end up in the emergency room instead of attending to their ailments or injuries through other means. The challenge for many in the community is either lack of insurance or under-insurance, combined with low wages, and little to no access to preventive care resources. In many cities and especially along the U.S.–Mexico border region, health care is provided via non-traditional means, ie: community health care providers and “promotoras.” Promotoras are mobile direct service providers that are driven by local social service and nurse-practitioners.

With the advent of broadband expansion and other technological advances, health care providers will be able to expand how they provide access. Important tools like “telemedicine” will become more and more viable for the Latino community and will expand the community’s ability to access health care experts. Any health care reform system will need to take into account not only cost reduction and access to insurance, but how it is delivered to low-income and communities of color—or it risks failing overall.

around two dimensions of access—facilitators and barriers to care and health care utilization.
**Workplace Safety and Wages and Hours**

Latino workers are more likely to suffer injury on the job and have higher mortality rates on the job than any other ethnic group – a trend that has had a history of growing and not decreasing. Since 1992 when the Bureau of Labor Statistics (BLS) began collecting this type of data, mortality rates have increased by 86 percent. A variety of factors contribute to this unusual statistic, including: a concentration of the Latino workforce in dangerous industries; an exploitable immigrant workforce purposefully targeted by certain industries; and limited language proficiency and educational attainment on the part of the overall adult workforce itself.

Additionally, the trends in some industries is to engage in unsafe practices that emphasize productivity over workplace safety and cost–efficiency over a healthy workforce despite clear violations of U.S. law and internationally accepted labor standards.² Obviously this situation must not be allowed to continue, and the Obama administration is taking some steps to address it.

Over the years, the United States has made strong commitments on labor rights and trade. In large part because of its commitment, when it engages in trade agreements it includes internationally recognized worker rights and statutes as was the case with Jordan, Chile, Singapore, and Australia among others. The most extensive effort was the Labor side agreement that is contained in the

² The United Nations and the International Labor Organization (ILO) have adopted specific conventions and other human rights instruments that recognize the basic economic and social rights that must accompany civil and political liberties for full protection of human rights. These international instruments apply to all workers in a signatory country both citizens and non–citizens – irrespective of their legal status – to a safe and healthy workplace; compensation for workplace injuries and illnesses; freedom of association to form trade unions and to bargain collectively; and the equality of conditions and rights for immigrant workers. Additionally, the ILO has adopted specific conventions on workplace health and safety, workers’ compensation and organizing rights, and migrant workers’ rights. The United States is a signatory to these conventions and is committed to protecting these rights.
North American Free Trade Agreement (NAFTA) called the North American Agreement on Labor Cooperation (NAALC). It set forth 11 principles that the three signatory countries – the United States, Mexico and Canada – endorsed which apply to “workers” including non–citizens including a commitment to ensure that migrant workers receive the same legal protection as citizens. Yet, despite its commitment on paper, the United States is failing to meet these responsibilities to workers in certain industries – most clearly in the meat and poultry industry (Compa, January 24, 2006). This is an important observation, as the meat and poultry industry have a clear preference of hiring immigrant workers as part of their human resources practices (Whittaker, October 27, 2006).

The industries with the highest levels of injuries and workplace fatalities include: construction, manufacturing and meat and poultry processing. What these have in common is that they are industries with high concentrations of Hispanic workers – both citizen and immigrant. The most common challenges for these workers is that they often receive little or no training regarding dangers on the job; the prevention of occupational injuries and illnesses; or they simply do not have access to the safety equipment necessary.

Part of the difficulty in preventing accidents and injuries to health in the workplace is that the effort to minimize the causes of hazards inherent to the work environment in the United States has been circumscribed in part because of the Occupational Safety and Health Administration's (OSHA), an agency of the U.S. Department of Labor, inability to fully do its job. OSHA’s budget and staffing levels fall well below what is necessary to carry out its responsibilities to not only set national standards, but enforce them. Throughout the 2000s, OSHA had limited staff given the number of workplaces it needed to cover – less than one percent of the workplaces were inspected annually and according to a Center for American Progress report that came out in 2004, OSHA could inspect any single workplace only once in a century based on the numbers of persons working for them (Center for American Progress and OMB Watch for the Citizens for Sensible Safeguards Coalition, 2004).
The Department of Labor in the Bush Administration also did much to roll back standards on wages – overtime pay and minimum wage among others. In the case of overtime pay, the administration tried to unsuccessfully alter overtime rules in a way that would prevent workers who have to work more than 40 hours in a single week from receiving time–and–a–half pay. The definitions were changed to increase the number of workers who qualified as administrative or professional, including cooks in the hospitality industry so as to include a larger percentage of the workforce and reduce the amount of overtime (Center for American Progress and OMB Watch for the Citizens for Sensible Safeguards Coalition, 2004).

Migrant workers were particularly hard–hit when the administration delayed publication of minimum wage standards for temporary workers – the vast majority of whom are from Mexico. Tens of thousands of H–2A guest workers were affected. As a result of a lawsuit filed by the United Farm Workers (UFW), new wage rates were issued (Center for American Progress and OMB Watch for the Citizens for Sensible Safeguards Coalition, 2004). These events took place well before the current recession, but were contributing factors to why Latino workers began to see a decrease in real wages in certain sectors. The net result has been that Latino and immigrant workers have seen their ability to move up the socio–economic ladder limited by efforts to undermine workers’ rights in favor of productivity. When agencies like the USDA and OSHA are at cross–purposes with one another, public health and workforce needs are not effectively addressed.

The framework is in place for Latino workers—especially foreign–born Latino workers—to be able to advance and seek the tools for upward mobility. Yet policy decisions to amend the framework more favorably towards the corporation (and without regard for the worker) have had deleterious effects on Latinos and immigrant workers.

Because they are concentrated in industry sectors that often demand fewer skill sets, Latino and immigrant workers are not only at risk for job loss, but more likely to have their wages reduced or forced to work overtime. In addition, they are more likely to have workplace safety issues that can lead to not only injury
on the job, but loss of life. Fear of dismissal often keeps the workforce quiet – whether it is because they simply do not understand their rights or they have been injured and the company has told them not to report it. The reasons are varied. Lax enforcement of workplace safety, combined with wage and hour discrimination, together have had a deleterious effect on the Latino workforce, even though laws are in place both domestically and internationally to protect them.

**English Language Acquisition and Educational Attainment**

Latino educational attainment has been a challenge facing the community for several decades. In 1996, the US Department of Education released a report entitled, *Our Nation on the Fault Line: Hispanic American Education*. The report, now 13 years old, highlighted that among adults, Latinos have lower literacy levels than do whites, both in general and even when they hold similar levels of educational attainment. Hispanic Americans are more likely to participate in English-as-a-Second-Language courses, literacy education, and citizenship classes — courses usually are offered by community-based organizations, schools, or community colleges. Although Latino community-based organizations have worked collaboratively with schools and have made significant contributions, many adults are finding it increasingly difficult to locate and to gain access to affordable programs, in which to learn English, improve literacy skills, and earn GEDs. Similarly, even though lifelong learning is necessary for most skilled workers, not enough emphasis has been placed upon the public and private training of adults, or upon job retraining (U.S. Department of Education, 1996).

Not much has changed for the Latino adult workforce since this report was written. Although inroads have been made in some educational categories, these are often countered by serious socio-economic challenges that include immigration into areas with no tradition for teaching English-language learners; students with families that are highly mobile, forcing students to hop from school to school; and competition between aging communities and young people among the many challenges. The graduation rates of Latino students still lag behind those of other groups. Latino adults continue to face the same educational attainment issues of years past.
The numbers of Latinos in the school systems across the country are staggering – one in five students is of Hispanic origin. Ninety percent of Latino families consider educational attainment to be critical for the future of their children’s advancement, yet only 53 percent of Latinos actually graduate from high school. There is clearly a “disconnect” between a family’s desire to educate their children and the actual outcome of higher graduation rates.

But educational challenges are not limited to children alone and have been perpetuated for decades. One in five Latino adults between the ages of 18 and 65 spoke a language other than English at home and more than 17 million in this age group spoke English less than very well. Fifty percent of limited English proficient (LEP) adults report having nine or fewer years of education and 64 percent have less than a high school degree. Only 18 percent have any post-secondary education. The economic outcome of these numbers is that limited English proficiency is a major barrier to employment mobility for 13.4 percent of native-born and 73 percent of foreign-born workers seriously limiting their ability to increase their earnings.³

Nearly half of immigrant workers from Mexico and Central America have less than a high-school education and are disproportionately employed in the low-value added jobs that are most impacted during recessions. In the case of recent Latino immigrants, they are more concentrated than natives in the sectors that have suffered the most job losses over the past year – construction, light-manufacturing such as the furniture industry; accommodation or hospitality work and support services.

Immigrants are not the only Latino adult workers facing challenges in terms of educational and English-language attainment. Latinos of Puerto Rican descent are going backwards compared with their parents. According to a study by Harvard University, “Inheriting the City,” 24 percent of second- and later-generation Puerto Ricans between the ages of 24 and 32 were high school

³ This argument is outlined in a memorandum presented by the National Council of La Raza (NCLR) to the Office of Management and Budget (OMB) dated March 13, 2009 to argue for key investments for advancing the Latino community.
dropouts, compared with 16 percent of Dominicans and 13 percent of South Americans from Colombia, Peru and Ecuador. The study is based on data from greater New York where almost a million of the nation’s nearly 4 million Puerto Ricans reside. It is unclear why the Puerto Rican adult workforce has been losing ground, but initial socio-economic indicators demonstrate that theirs are disproportionately single-parent households; have fewer wage earners in their households; less child support from grandparents; fewer self-employed parents and weaker language skills (Schumacher-Matos, 2009).

Adult literacy is becoming the most important form of human capital. A 2008 survey by ETS and the US Department of Education of the literacy of U.S. adults showed that about half performed below the level considered necessary to fully participate in a complex society where literacy is increasingly defined not only with simple reading skills but includes financial literacy, health literacy, and technical literacy. Upon an examination of what adult literacy levels might look like in the future, based on existing skill levels and changing demographics, the results were not encouraging. Researchers’ projections indicated that by 2030, the average levels of literacy and numeracy among the working-age population will have decreased by about five percent with tens of millions more adults scoring at the two lowest literacy levels (Coley, 2008).

The implications of the study are onerous: as today’s workers retire, they will be replaced by workers who, on average, have lower levels of education and skill. This will occur at a time when many job openings will be in occupations requiring higher skill and education levels, especially given the current emphasis on transforming the economy into one that is high-tech and creates “Green Jobs”.

It is this adult population that is often ignored and requires a certain level of targeting by government efforts to re-train workers during the current recession. Adult education has a more critical role to play in today’s society and labor market than ever before. It should not be ignored or treated as an unnecessary expense. To the contrary, as technologies continue to evolve and individuals change jobs more frequently than in the past, adult education will become increasingly important to ensure that no adult is left behind — not only
to gain access to and succeed in the workforce but also for full participation in society. Meeting future needs means elevating educational attainment across the board or the efforts and investments that are being made today to transform the economy are likely to fail because the workforce is not prepared to engage in it fully. The strength of the workforce equates with the overall economic strength of the nation.

**COMPREHENSIVE SOLUTIONS: PROGRESSIVE POLICY WORKS**

The economic stimulus that is being promoted is critical for meeting many of the challenges being faced by the nation and the Latino community. Yet, Latinos risk being left behind if funds are not carefully targeted to be shared among all low-income communities and communities of color. If Latino workers and the community based organizations that provide them services are unable to access critical stimulus funding for health care, retraining, at-risk-youth apprentice programs, and core infrastructure re-development funds in areas like high-tech and “green jobs” among others, the growing Latino community risks being left behind.

The overall consequences for the U.S. economy will be devastating and this young population that averages 25.8 years in age will be placed at risk for the long-term. Furthermore, economic stimulus policy alone will not redress the challenges that the community is facing because of its youth, heterogeneity and educational attainment. It must be accompanied with complementary policies that will assist in reducing health care costs and increasing access and quality; immigration reform to adjust workers’ status and level the playing field for all workers. It is equally important to increase wages across the board and assist workers to organize in the workplace so that they can fight back against unsafe working conditions and wage discrimination. Additionally, it is economically imperative that special attention be placed on integrated adult workforce training targeting Latinos and other communities of color.

**Economic Stimulus and Workforce Development**

The Center for Social Inclusion issued a report in March 2009 – *One Region: Promoting Prosperity across Race* – arguing that communities of color are
ground zero for the economy. The report highlighted that an examination of environmental injustice, housing deprivation, job exclusion and a host of related issues that unless a sustained investment is made in the infrastructure and needs of non-white and other low opportunity areas, beginning with federal stimulus funding, the long term effects of the recession will hamper economic recovery for years to come (Jabob Faber, March 2009).

Because of the challenges faced by Latino communities and other low-income areas, targeting stimulus and other programs based on need is not only a fair, effective way to support economic recovery, it is a necessity. The resulting American Recovery and Reinvestment Act (ARRA) is supposed to target investments towards key areas that will save or create good jobs immediately, while also laying the groundwork for long-term economic growth, especially in the areas hardest hit by the current economic crisis. Judging by today’s unemployment data and the industry sectors releasing workers, Latinos and other communities of color are in dire need of resource assistance and creativity to get them out of their current situation.

Looking at what is happening right now, the numbers are startling. The construction industry lost 126,000 jobs in March 2009, with declines occurring throughout the industry. Employment in construction fell by 1.3 million since peaking in January 2007; nearly half of that decline occurred between November and March 2009. In March, employment fell in specialty trade contractors (–83,000) and construction of buildings (–33,000). These declines were split about evenly between the residential and nonresidential portions of these industries. Heavy and civil engineering construction also lost 10,000 jobs. And, employment in mining and logging declined by 18,000 in March (Bureau of Labor Statistics (BLS), 2009). These are all industries with high concentrations of Latino workers.

Where are these job losses concentrated? What states are being most affected? On March 27, 2009 – the Department of Labor, Bureau of Labor Statistics (BLS) advised in its Regional And State Employment And Unemployment Report that the largest over-the-month decreases in the level of employment were recorded in California (–116,000), Florida (–49,500), Texas (–46,100). The
The largest over-the-year percentage decreases in employment were reported by Arizona (−6.7 percent), Michigan (−6.5 percent), Nevada (−5.2 percent), and Florida (−5.1 percent). BLS also reported that between January and February 2009, 33 states recorded statistically significant changes in employment, all of which were decreases. The largest statistically significant decreases in employment were reported by California (−116,000), Florida (−49,500), Texas (−46,100), Pennsylvania (−41,000), Illinois (−37,200), and Georgia (−35,900) (Bureau of Labor Statistics (BLS), 2009). Again, all states with either historically large demographics of Latino workers or states that have experienced significant growth in the Latino workforce – post-2000.

The problems of unemployment are compounded by other social and economic realities. Latino and African-American communities are over-represented in the subprime loan pool and their communities are hardest hit by the mortgage crisis. For every $1 earned by a White household, Latino households earn just over 50 cents. Almost 30% of Latinos and 27% of African-Americans are working in low-paying, service-sector jobs with no benefits – twice as much as Whites (12%) (Jabob Faber, March 2009).

From 1990 to 2000, the number of small businesses owned by immigrants grew by 54% while native-born owned businesses shrank by 7%. Yet these new businesses receive only 2% of all private equity and 3% of all small business investment dollars nationally. We should make investments a priority and create incentive programs to help small, locally owned businesses in low opportunity communities (Jabob Faber, March 2009).

State and local leaders should use stimulus funds to invest in jobs, infrastructure development, and foreclosure prevention in communities where unemployment and foreclosure are highest. These tax-dollars belong to everyone and if they are to be a true “stimulus” the dollars must go where they will be likely to affect the most change in terms of unemployment, education, and revitalization through infrastructure re-development and through the reinvention of the nation’s economy. Cities as widespread as Detroit, El Paso, and Los Angeles are at critical junctures. An emphasis must be placed on addressing the concerns of those most disadvantaged.
The Obama administration has made a commitment to an economic stimulus package that is going to transform our economy and make it “green” and high-tech. These are important goals, but they also have at their base a different understanding because they are complex. A green economy is one that uses energy efficiently, reduces polluting emissions, and uses renewable sources of power. The capital investment is significant – these types of jobs are going to provide higher wages, but also require new skill-sets – building retrofitting, mass transit, wind power, solar power and cellulosic biomass transfers will all be part of the equation (Wicks-Lim, June 2008). The green economy will bring with it macroeconomic benefits as relate to new technologies, greater productivity, improvements in the balance of U.S. trade and increased disposable income for workers. The knowledge gap will have to be overcome to ensure that green building techniques are properly understood and enacted so as to maximize efficiency (Global Insight, October 2008). Organized labor will play a significant role in terms of assisting workers in certifying their skills to perform these new duties and have a unique opportunity to bring in new workers into the labor movement (Fehrs, November 2001).

Over the years, bad government policy has been a primary contributor to the disparities of allocation of resources between the poorest areas and the wealthiest. Inadequate infrastructure investments and economic development subsidies that favor wealthy areas over the most-needy have contributed to the disparities. However, the current crisis and the stimulus money flowing into the states from the federal government provide a critical opportunity to re-invest in communities that must be part of the solution to the country’s economic problems. We are in an unusual position as a nation to be able to redress some of these wrongs, but it requires thoughtfulness and careful oversight.

RECOMMENDATIONS

Hold Government Agencies, State and Local Governments Accountable in the ARRA disbursements – Get the Money to Where it is Needed Most
• In 2009 and 2010, there will be $11 billion dollars available from the federation government for tax credit bonds for school construction, rehabilitation, repair, or land acquisition for new schools. State governments and City officials must be poised to receive these funds and target them to low opportunity communities – particularly in Latino and other low-income communities – by making new school construction a priority and by focusing on those areas with low-graduation rates and significant adult education needs.

• In order to address access for those who need it most, one recommendation is that for government funded construction contracts over $25,000 and non-construction contracts over $50,000 – 30% of all new hires in each construction trade should be low-income prior to their hire; 25% of workforce in public housing construction projects should be residents of public housing; 20% of aggregate involvement in dollars should be by minority-owned and women-owned business enterprises.

• Focus on including Latinos in the New Economy: High-Tech and Green Jobs. Ensure that Latino workers and other minorities are included in the re-training programs at every level. If it means helping them address issues related to Limited English Proficiency (LEP) then include it. Integrated training has been proven to be effective over and over again. Prioritize those workers with the highest rates of unemployment, ie: Latinos and African-Americans. Help those adult learners with the lowest educational attainment to improve their literacy rates so that they can be more productive and can fully participate in the new economy.

• Ensure that Latino non-profit organizations and service providers have access to the resources being allocated by facilitating the process and redressing the guidelines to be able to reach into the community and help build pathways out of poverty.

• Push state allocators of resources to work with local CBOs and service providers to reach into the most vulnerable communities. Have the states and cities create technical assistance units that support community-based groups and union partnerships to connect people to union apprenticeship programs.

• Educate community leaders about how to access the funding mechanisms and to understand where the monies are located.
• Use creative strategies that are cross-cutting and maximize the benefit of the ARRA for all age-groups and at-risk communities, including retirement communities and Section 8 and Section 202 Housing by assisting them with weatherization dollars.

Dysfunctional Health Care: Access for Some

The Pharmaceutical Industry Labor–Management Association (PILMA) – an association of workers and employers coming together on legislative and regulatory matters – issued a report in March 2009 arguing that the issue of the rising costs of health care and benefits, the lack of coverage, variations in health care quality, and the increase in chronic disease have not been adequately addressed despite approximately a decade of debate (The Pharmaceutical Industry Labor–Management Association (PILMA), March 2009). The report states that between 1999 and 2008, inflation rose 22.1 percent, but yearly premiums for family coverage went up 119 percent over the same time period. The Kaiser Commission on Medicaid and the Uninsured found that employer-based insurance is sensitive to changes in the cost of insurance premiums which have steadily risen over the last few years. According to the Kaiser Family Foundation, since 2001, wages only rose by 19 percent but workers are paying $1,400 more in premiums annually for family coverage than they did in 2000 (Kaiser Family Foundation).

This condition is further aggravated when one considers that in many communities around the country quality health care is simply not available – especially in low-income areas and minority communities; that chronic disease has increased disproportionately affecting Latinos and African-American communities; and oftentimes workers are paying more in taxes when they provide their own coverage. In sum, America’s workers and their families are largely being failed by the current system. The cost of health care is going up, coverage is often lacking, and quality health care is not consistent – hurting mostly the low-income and minority communities – the very communities that need it most.
A recent Economic Policy Institute study indicated that there is indeed a growing disparity in access to insurance, health security and health outcomes according to income, race, and education (Gould, 2008). Disparities also exist in access to insurance coverage by the type of job, wherein those with non-standard jobs (part time or part year) have little to no employment-based coverage. These workers tend to be paid less, are less likely to receive benefits from their employers and are more likely to be uninsured. Other non-standard categories include the self-employed, independent contractors, and temporary or seasonal job holders among others. According to the EPI study, approximately 30 percent of workers in the United States fall in this category. Non-standard workers are more than twice as likely to be uninsured (Gould, 2008) and the numbers of non-standard workers are increasing because of the current recession which is forcing many into part-time work when they would prefer full-time work with benefits. Latinos are highly represented in all of these categories.

Barriers to health care access are also a predominant problem and combined with the current economic downturn are causing serious health disparities in low income and communities of color. Individuals who have insurance receive different treatment from those who are insured. This is a challenge when minorities and women are among those with the highest levels of uninsured and are more likely to have chronic conditions such as heart disease, diabetes and cancer. The impact of social factors on the development of illness and the patterns of illness are highly visible in health care systems across the country. These factors complicate how Latinos and other minorities without access actually enter the health care system. Furthermore, those who are uninsured are twice as likely to have difficulty paying for housing and paying for food compounding the instability of these already stressed communities. It cannot be emphasized enough that healthcare reasons are the main reason that families declare bankruptcy.

According to the Agency for Health Care and Research Quality (AHRQ), for Hispanics, 56% of disparities in quality are not getting smaller. Getting into the health care system and receiving appropriate health care in a timely fashion is a key factor in determining whether health care services are effective. A startling
statistic is that for Hispanics, 80% of core access measures have either remained unchanged or gotten worse (Agency for Health Care and Research Quality (AHRQ), 2007). The first AHRQ report was released in 2003.

All of these factors converge to increase the number of workers and their families that will be applying for Medicaid and the State Children’s Health Insurance Program (SCHIP) program at the state levels – but these are only buffers that help insure that there is a safety net for these families and it is vulnerable to the vagaries of competing political ideologies. States like Texas and Louisiana with large demographics of Latinos and Blacks that face high unemployment will not be accepting additional unemployment insurance coverage from the federal government on the basis of their Governors’ political ideology. Additionally, states cannot handle the systemic failure of the economic system without addressing health care reform nationally. Too many people have lost their homes, their retirement funds and are unable to sustain their independent lifestyles and will more than likely begin to rely on state safety-net programs for assistance. A national health care reform policy has become more critical than ever for all communities.

RECOMMENDATIONS

Pass a National Health Care Reform Package that is Low–cost, Insurable and Accessible

The Latino community continues to be disadvantaged as are other communities of color and LEP communities because overall disparities in health care quality and access are not decreasing. Although progress is being made, many of the biggest gaps in quality and access have not been reduced. The problem of persistent un–insurance is a major barrier to reducing disparities. These issues then would imply that there is a need to improve access to insurance. One method recommended is to require employers to help by offering IRS–sanctioned Section 125 plans that allow employees to set aside pre–tax dollars for health care and insurance premiums (without removing the employer health insurance tax deduction). Small businesses may be exempt, but should also have some Employer Sponsored Insurance (ESI) mechanism that would allow
them to participate as well. Additionally, we should encourage benefit flexibility and redesign benefits.

- Emphasize an expansion of system-wide programs on prevention of chronic conditions and the management of chronic disease for all age groups. Emphasis on prevention is a critical component of improving quality of life and health care management. But we should also ensure that these programs contain a rigorous evaluation research mechanism to be able to conclusively determine a program's effectiveness and to identify intervention strategies that might be more care- and cost-effective for low-income and racial/ethnic minorities, especially immigrant communities that might have LEP challenges.

- Lower costs – the cost of healthcare is prohibitive. The cost of medications and certain tests are often a roadblock for individuals to receive necessary health care. But, also make coverage affordable. There is a definite need to find a system of sliding scale premiums and/or subsidies that are based on income level. It could be done through a direct subsidy or changes in the tax code.

- Improve how public-private partnerships interact to increase access and quality standards. Part of the challenge is that there are many efforts to target public and private funds, but they are still not being fully effective. There continues to be a need to develop and enhance effective public-private partnerships on research and policy discussions to address topics ranging from effective cultural competency techniques and cross-cultural education in health care settings to strategies to expand and strengthen research to develop effective treatments for those diseases that disproportionately affect minority populations, as well as research that focuses on the complex interactions of biological and social factors as determinants of health.

- Increase the number of Latinos in health professions. It is critical to develop further educational strategies to end health disparities. Developing and promoting effective strategies to increase minority
representation in medicine and health professions. Understanding the causes of health and health care disparities and best solutions. Also, any continuing research and program development needs to include the voices of minority researchers and policy experts. If LEP patients receive poorer care because of the language deficiencies, let us ensure that the health care system addresses that challenge. It is critical to develop a workforce that can improve the health status of all Americans and adequately meet the needs of the working poor and racial/ethnic minorities, but also to train non-Latino physicians around core cultural competent ways of delivering health-care effectively.

Immigrant Group is not Synonymous with Exploitable Workforce

The inextricable links between globalization, trade policy and migration offer a unique opportunity to not only influence immigration policy but to provide new points of leverage to inform the U.S. economic trade agenda. Developed countries’ neoliberal economic dominance over the global economy, particularly the trade agenda, more often than not creates disadvantages in local markets and dislocates workers – especially in under-developed countries – pushing them to find jobs elsewhere. Under-developed and lesser developed countries have traditionally then used out-migration to developed nations as a safety valve. The popular belief is that the safety valve lowers steam around their challenges with their workforce, but that they can increase their GDP number by bringing in remittances from those who leave. The case is particularly acute between the United States and Latin America, and more specifically with Mexico, Central America and the Caribbean. The United States receives the workers – but acts differently between the highly-skilled doctors, nurses and computer programmers they compete aggressively for and the low-skilled workers who fill in the gaps in low-cost labor-intensive services. The high-skilled workers are more likely to have access to visas and to enter the United States legally; lower-skilled workers are less-likely to have that option despite the demand.

According to the Pew Hispanic Center, there are no significant signs that immigrant workers are leaving the U.S. labor market despite the impact that the
economic slowdown has had on them. Their labor force participation rate – or the percentage of the working-age Latino immigrant population has remained steady. But, where we do witness a change is that Latino immigrants are playing a smaller role in the growth of the Latino workforce in recent years (Kochhar, Latino Labor Report, 2008: Construction Reverses Job Growth for Latinos, June 4, 2008). There is a small but growing body of evidence that suggests that more Latinos are currently entering the workforce because they are aging into it rather than because they are arriving as immigrants.

Additionally, the growth in U.S. foreign-born population has slowed since the recession began in December 2007 and the slowdown is attributed to the fact that there has been no significant growth in the unauthorized population since 2006 (Terrazas, January 2009). The Pew Hispanic Center estimates that undocumented migrants account for approximately 5 percent of the U.S. labor force and about one-third of the foreign-born labor force. However, there is no definitive trend thus far that can be linked to U.S. economic conditions alone, but to a combination of factors that includes a high degree of attachment to the labor force; inter-sectoral mobility to adjust to changing working conditions; social networks and the unstable climate in Mexico and Central America due to narco-violence among others. Return migration flows correspond more with developments in the country of origin and with ease of circulation than with economic conditions in the receiving country – these factors can include the state of the economy in the migrant-sending country or other factors like security.

Other factors that come into play that might prevent immigrants from returning home include changing U.S. federal immigration enforcement policies targeting unauthorized workers and employers that instead of driving them back to their countries of origin, are diverting their destinations to other parts of the United States. This phenomenon is further encouraged by the unintended consequences of the enhanced border enforcement measures which have driven up the costs of crossing into the United States illegally, thus encouraging undocumented workers to remain in the United States.
One phenomenon that appears to be gaining traction is that there is anecdotal evidence that immigrants (authorized and unauthorized) and Latino citizens are leaving states and locales where there have been efforts to impose strict local enforcement regulations (Bazar, 2007). Additionally, stricter enforcement along the U.S.–Mexico border has contributed to the lengthening of the trip duration which has grown from 1.7 years on average to 3.5 years on average (Massey, 2005). Also, when wages in the country of origin relative to those of the United States change, apprehensions along the U.S.–Mexico border alter as well. A study by Gordon Hanson and Antonio Spilimbergo highlighted by the Migration Policy Institute (MPI) estimates that a 10 percent decrease in the Mexican real wage relative to the United States gives rise to at least 6.4 to 8.7 percent increase in attempted illegal immigration (Terrazas, January 2009). Thus the converse must be considered as well, with an increase in wages in Mexico or a lowering of differentials of wages between workers in Mexico and the United States, undocumented immigration lessens.

The current state of immigrant communities in the United States begs the question what can be done to redress the complex challenges of labor–market interdependence enhanced by the economic integration created by the North American Free Trade Agreement (NAFTA)? What we do know is that overall immigration flows – authorized and unauthorized – respond to varying degrees to the condition of the labor–market. Authorized immigration flows are slower to respond because of the nature of the applicant (usually characterized by family reunification); employer–sponsored visas that have been backlogged and a small percentage of workers hired to do a specific job.

In contrast, unauthorized migration is much more sensitive to labor market fluctuations because the workers tend to fill the jobs not in high demand and they are fairly flexible so they can migrate to where the jobs are or return home if the market tightens. However, with changes in border and interior enforcement policies pushing up the costs and increasing the danger of moving back and forth, this latter possibility decreases – meaning unauthorized workers will be more likely to stay put. Combined with the workers’ sense of obligation to send remittances back home, the existence of these unauthorized workers becomes more vulnerable both in terms of their status in the market
and in terms of their safety, because they will often feel compelled to accept substandard wages and working conditions.

In order for immigration reform to be truly effective in the domestic U.S. market it would have to examine and take into account the interdependence of the work force in an integrated North–American economic market. Along with domestic political considerations and concerns of different interest groups, policymakers are obligated to tackle the emotional reactions generated by U.S. workers who are feeling insecure in a cycle of recession. In truth, the United States’ rather schizophrenic approach to deepening commercial integration while unilaterally seeking to curb the flow of labor not only failed to reduce illegal migration, but exacerbated the problem (Massey, 2005).

In 1986, the Immigration Reform and Control Act (IRCA) permitted the legalization of over 2.7 million undocumented immigrants within a period of two years. What did we learn? According to the Bureau of Labor Statistics, Department of Labor, overall U.S. worker mean hourly wages grew by 16.1 percent between 1988–1992 and the immigrants legalized saw increases of 15 percent in their mean hourly wages – although they still were not earning as much as other U.S. workers. Legalization took place during the beginnings of a world recession which reached its apex in 1990–91 and where the overall U.S. unemployment rate rose from 5.3 percent to 7.5 percent (Hinojosa-Ojeda, 2009). With legalization, the playing field began to be leveled thus reducing the ability to exploit the vulnerability of an unauthorized workforce.

According to Professor Raul Hinojosa-Ojeda, Executive Director of the UCLA North American Integration and Development Center (NAID), a historical analysis of the impact of IRCA combined with calibrated CGE modeling indicates that the legalization of one million workers would result in a $3 billion increase in disposable income, supporting an additional 75,000 domestic consumption-related jobs and $450 million in net tax revenues.

Additionally, although popular mythology correlates the passage of IRCA with accelerated flows of unauthorized workers to the United States, it was really a combination of economic decisions made by global forces and the Mexican
government that included the adoption of neoliberal economic policies. These changes began largely in 1982 during Mexican President De La Madrid's administration when he imposed policies that pushed people off of their land and out of jobs, at an economically vulnerable cycle because of demands to pay off international debt that had been incurred in previous administrations, particularly that of De la Madrid’s predecessor, Lopez Portillo. While the United States and other developed nations were able to put in place stimulus packages during times of economic crisis domestically, developing countries were placed in financially binding situations in order to be able to secure more loans to maintain their economies afloat. The United States and international financial organizations like the IMF and the World Bank imposed austerity programs on developing nations like Mexico, with the main objective of privatization, deregulation and repayment of debts – initiatives devoid of investment in the social capital that is critical to the revitalization of developing countries’ economies (Faux, 2006).

Yes, immigration increased after the 1980s, but IRCA did not play “the” critical role. Mexicans were not leaving their home country because there were green cards available in the United States. They were leaving because of economic conditions created by the ruling ideologies of the globalizing elites in control of the international financial systems and further exacerbated by U.S. economic policies affecting not only Mexico and Latin America, but workers in the United States as well. The situation that began in the 1980s continues unabated today in large part because of what has become standard globalization and U.S. trade policy.

To ignore the discussion and role that globalization and trade agreements play on immigration is to ignore the future of immigration flows. Today’s immigration problem between Mexico and the United States is a bi-national problem, not a purely domestic one and the U.S. government needs to take some responsibility for it along with Mexico. Any serious and sincere effort to reform the immigration system in the United States must also address the economic disequilibrium that has so profoundly harmed Mexican society and others. More than 80% of undocumented immigrant workers come from Mexico and Central America; 57% come from Mexico alone (Passell, March 21, 2005). Every indicator demonstrates that economic hardship is the motor that drives undocumented immigration.
Lastly, it is important to highlight the social consequences that the mass
displacements of people from Mexico and other countries have caused on the
American psyche, because it has directly impacted Latino communities across
the nation. As Latinos in the United States, we confront a contradiction. Even as
we have become increasingly visible as a swing constituency in electoral politics
and a political force in many states, many members of our community have
become a target of institutionalized discrimination that is unprecedented since
the end of Jim Crow. A recent report on Hate Crimes Statistics released by the
Federal Bureau of Investigation (FBI), highlights that attacks on Latinos grew 40
percent from 2003 to 2007, a period during which immigration started to
become the center of national debate. In 2007, Hispanics represented 61.7% of
all victims of crimes motivated by the victims’ ethnicity or national origin. These
sad statistics only highlight the dangerous environment that anti-immigrant
sentiment has created for Latino and immigrant communities – documented
and undocumented alike.

RECOMMENDATIONS

Rethink Outdated Immigration System, Enforce NAFTA Labor Side Agreements,
and Address Root Causes of Outmigration

- The United States needs to first engage in immigration policy that better
  serves its economic and social interests irrespective of economic
  fluctuations. But prior to doing so, it should closely examine and
temporarily halt the costly Department of Homeland Security (DHS) raids
  – they are costly both in terms of tax–payer dollars and the agony they
  cause thousands of families victims of their targeting.

- In theory, the NAFTA Labor side agreements are actually quite
  sophisticated in terms of protecting the transnational workforce. The
  problem is that the agreements are virtually unenforceable because there
  is no real mechanism in place that makes them effective tools for
  exploited workers to fight back. Corporations are able to get around the
  labor agreements because of other aspects of the trade agreement itself
that give them the competitive advantage over the worker. The Department of Labor should have an expanded role in enforcing these side-agreements with mechanisms that function adequately and are accessible. The labor movement could play an important role in helping to redress some of these obstacles.

- Endorse the Ray Marshall Plan (Marshall, 2009) as a beginning framework for discussion, and specifically the creation of an “independent” Foreign Worker Adjustment Commission (FWAC) which would recommend employment–based immigration levels for Congress to approve. The primary purpose of FWAC would be to do away with current arbitrarily chosen quotas based on the evaluation of labor shortages. The commission would serve the purpose of developing methodologies to assess future flow numbers of migrants relying on the analysis of data including historic migration patterns. The Migration Policy Institute (MPI) deftly argued this point in a January 2009 paper on immigrants and the recession (Terrazas, January 2009). The commission should also consider looking into the impact that regional economic policies have on the displacement of workers abroad in order to have a full understanding of the dynamics that take place during different global economic cycles.

- Legalize unauthorized workers and achieve justice for immigrant families in the United States as part of the stimulus program. It increases wages and protects them in the workplace. Once these workers are able to produce higher wages, they will be able to fully participate in the economy and better invest in their futures, but also to that of the nation. As legal participants, they will help to increase tax revenues in a significant manner. This latter result helps to defuse standard arguments that immigrants do not make contributions to the nation’s tax base and abuse the system and defuse hyperbole.

- Immigration reform will not function without taking into account the root causes of migration primarily from less–developed countries to more developed countries. It is critical to examine U.S. economic policy overall to fully understand the vulnerabilities of sending countries. Economic
development and trade policy need to be examined more closely to better understand the impact it has on local workforces and weaker economies. If the interconnectedness of the two is not taken into account, then no amount of immigration reform in the United States will limit unauthorized migration and the cycles will continue in perpetuity at the rates they have been. Only when the economic, social and political developments in the sending country begin to better correlate with the needs of the receiving country will the likelihood of return migration occur and will there be a significant reduction in unauthorized migration patterns. If the developed countries are serious, they need to rethink their relationship with lesser-developed countries. Countries like Mexico and Nicaragua must begin to transition into more developed economies in order for there to be true change and create the environment where their citizens prefer to stay put instead of risking everything to go where there are jobs. But, there needs to be a certain amount of flexibility in the process on the part of the international lenders to find new economic models, along with education of the local workforce about everything from credit to the internet.

- Fund immigrant integration policies and assist community institutions like schools, unions, and community-based organizations to counter the removal of supports that occurred in large part as a result of the 1996 immigration reform laws. The lack of dedicated structures within city- and state-governments to coordinate efforts to deliver integration-related services in cities like Los Angeles. Cities with large immigrant populations would benefit from a guiding immigrant integration policy. The costs and responsibilities could be shared among the different levels of government (Michael Fix, April 2008).

**Enhance Workers Rights via Enforcement, Access, Flexibility and Training**

Workers rights in the United States have been severely undercut in the last decade. Latino workers in particular have suffered tremendous setbacks in terms of their pay and safety. They are among the most vulnerable, and when they try to fix it, they are often penalized. Even when they enter the
professional white-collar workforce, there are often barriers to entry or they are the first to be let go because they were the last to enter.

For those Latinos working in sectors like construction, trucking, meatpacking and poultry industries, or in recycling plants - the workplace is often a danger zone. The workers are exposed to safety situations that are complicated by the corporation’s drive to increase production and reduce costs. The human body eventually pays a price (AFL-CIO, 2008). Workers need to be able to protect themselves, yet since 2000 there has been a steady decrease in efforts to assist them to do so as reflected in the reduction of federally-funded worker and safety health training (AFL-CIO, 2008). The federal government’s emphasis has been on helping corporations with Employer Compliance Assistance. Yet, there appear to be significant and worrisome trends (Rosenman K.D., April 2006), including under-reporting of actual workplace injuries and illnesses (Senate Committee on Health, Education, Labor and Pensions, 2007).

One study examined the underestimation of occupational injuries and illnesses in the existing U.S. national surveillance system. Companies and individuals who reported work-related injuries and illnesses in 1999, 2000, and 2001 in Michigan were matched with companies and individuals reported in four other Michigan databases and other sources of information. Calculations revealed that the current national system for work-related injuries and illnesses markedly underestimates the magnitude of these conditions (Rosenman K.D., April 2006).

This challenge is compounded by ample evidence of efforts by Managers to prevent workers from reporting injuries or allowing the worker to collect disability pay. Workers often times do not fully understand what their rights are on the job. Those that do file claims, often find a byzantine bureaucracy lies ahead and have to pay for medical assistance out of their own pockets because the odds are stacked against them (Compa, January 24, 2006).

Workers are discouraged from coming together to protect themselves. Under the current system companies routinely resist unionization efforts by their employees leaving ample room for intimidation, coercion and unjust firings by
the employer. Yet, American workers want unions. More than half of U.S. workers – almost 60 million – say that they would join a union right now if they could (http://www.aflcio.org/joinaunion/voiceatwork/efca/57million.cfm). And, given the current state of affairs, workers and society both need unions.

Latino workers in particular need protections in the workplace. As the data in this report have demonstrated, they are more likely to be harmed in the workplace and are more likely to be affected by reductions in wages and the reclassification of their jobs in the workforce. These are serious challenges that Latinos face. Whether they are citizens or immigrants, the Latino adult workforce faces additional disparities in every category from literacy and educational attainment, to language skills, to working in the jobs requiring lower-skills, as well as the minority that suffer from their immigrant status challenges.

And, Latinos want to join unions. More than 120,000 Hispanics became union members in 2008, with their membership rate rising to 10.6 percent from 9.8 percent in 2007. Looking at the regional aspects, unionization increased in Mid-Western states, from 13.8 percent to 14.3 percent, yet failed to match the rapid pace of expansion in the West, where unionization grew from 14.7 percent to 15.7 percent. Although the Midwest overall does not necessarily have large numbers of Hispanics, for certain states, the growth they have experienced has stemmed from the increase of the Latino population. For example, Illinois’ Latino population is about 14.7% of the total population, but represents 70.22% of the state’s growth.

This increase occurred despite the fact that organizing drives can be difficult – especially in the private sector, where employers may often fire workers without cause. In comparison, through employment contracts and legislation, public-sector employees typically have greater protection against dismissals – although efforts are percolating to diminish their ability to collectively bargain.

An economy built on extreme income inequality will ultimately not be as successful as one with a solid middle class – this is what defines a developed nation. The current income inequality between the rich and the poor in the
United States has begun to mirror that which existed during the “Great Depression.” Unions can act as a countervailing force to the unbridled forces of the market – they are necessary to ensure a more just society. The unionization of workers can help to alter the extreme gaps in income because:

1. It helps workers improve their standard of living with higher wages and benefits compared to those who don’t have a voice on the job with a union, as well as increases the likelihood that workers will have ongoing skills-training and workplace safety training. Median weekly earnings for union workers are $886 compared to $691 for non union workers – a 28 percent advantage. Union representation in the service-sector substantially improves pay and benefits. For Latino workers, most of whom are concentrated in the construction and service sectors and whose median wages are much lower than the national average, this is a particularly salient point. Additionally, unlike non-union workers, unionized workers are much more likely to have employer-provided health insurance, guaranteed pensions, disability benefits and paid vacations.

2. It is well documented that when workers try to organize, they are often retaliated against – a particularly salient point for immigrant workers. Twenty-five percent of companies unlawfully fire pro-union workers overall.

3. It restores fairness and the promise of the American Dream for the Latino community, providing access to becoming part of a robust middle class via economic growth and shared prosperity. It also enhances the ability of the Latino workforce to have access to workplace safety and training to ensure that safety.

4. With a more level playing-field for workers – and the fear that corporations have of becoming unionized – employers will be more likely to improve working conditions and benefits for workers and rethink what that means for productivity.
In real terms - unionized workers are 28.2 percent more likely to be covered by employer health insurance, have better insurance because employers are more likely to pay for a higher share of single worker coverage – 11.1 percent for single workers and 15.6 percent higher share of family coverage. This is an important point for Latino workers, as they have the highest national average of uninsured. Additionally, coverage through unions is likely to have lower deductibles – $54 or 18 percent less for union workers (Economic Policy Institute (EPI), 2009). In the case of workers in the service sector, those in unions were 19 percentage points more likely to have employer-provided health insurance – for both men and women – and about 25 percentage points more likely to have some type of employer-provided pension (Schmitt, April 2009). Again, this is a significant benefit for the Latino community.

The statistics for working women overall and working Latinas specifically are particularly dismaying. Women in today’s work force face significant challenges in part because of the sectors they are primarily concentrated in. They could benefit from access to a union, but also from legal revisions that accepts them more fully as a valuable component of the national workforce. The U.S. Bureau of Labor Statistics reports that 60 percent of married mothers are now in the work force, although the numbers appear to be dropping – this is four percentage points lower than in 1997. The ratio of the annual averages of women’s and men’s median annual earnings was 77.8 for full-time workers in 2007, up from 76.9 in 2006. This means the gender wage gap between men’s and women’s earning is growing and is now 22.2 percent. This is the highest earnings ratio ever, surpassing the previous high of 77.0 in 2005. The annual earnings figure reflects gender differences in both hourly wages and the number of hours worked each year. If part-time and part-year workers were included, the ratio would be much lower, as women are more likely than men to work reduced schedules in order to manage child-rearing and other care-giving work (Institute for Women’s Policy Research, August 2008).

The Institute for Women’s Policy Research has gathered information indicating that Latinas are among the most vulnerable in the workforce. They earn just over half of what white men earn (52.4 percent) and are less likely to be in the labor force than their male counterparts – the gap between Hispanic women’s
and men’s labor force participation rates is the highest in the country, averaging 22.7 percentage points. Only 12.7 percent of Hispanic women are likely to graduate with a Bachelor’s degree. Women of color are much more likely than white women to have less than a high school education or a high school education only – and Latinas are in the worst position – nearly a quarter of Hispanic women have not completed high school (24.8 percent) compared with only 4.1 percent of white women. Among women, Hispanic women are the least represented at the highest levels of education – only 25.8 percent have an associate’s degree (AA) or higher and the most represented at the lowest levels – 74.2 percent have some college or less (Institute of Women’s Policy Research, 2008). The recession is not helping matters and the inattention to the value that women and Latinas bring to the workforce is reaching a critical mass.

Today’s working families are stretched financially. A strong labor movement represents the clearest and most viable solution to recover from the collapse in wages we have borne witness to in the last three decades. A truly democratic society requires the ability to restore balance when the accumulation of disproportionate power opens doors to excesses. In recent decades, corporate scions accumulated a wealth of power while eroding workers’ ability to form unions and bargain collectively. Unions have the ability to reinstate a healthy balance and fairness to the workplace.

Combined with better protections in the workplace and a rethinking of how society functions today, the workplace can reshape our society into one where people work to live instead of living to work. But unions alone cannot fully address the challenges faced in our society. With ongoing reduction of wages and working standards, the United States has reached a critical juncture. The needs to resolve the challenges for workers are clear. We must reverse outmoded labor policies and re–think how the workforce truly functions, as well as reevaluate the critical role of the workforce’s contributions to the nation.

RECOMMENDATIONS

Enhance Workers Rights and Improve Working Conditions
• Enhance the ability of workers to fully enjoy “freedom of association.” The passage of the Employee Free Choice Act is central to restoring policies that will improve the living conditions of working families. The Employee Free Choice Act moves us in the right direction to ensure that balance is restored to a system where corporations arbitrarily manipulate the labor market to their benefit with little regard for the economic and social welfare of the workers generating their profits. Not only are unions good for the workplace, they are good for communities. Latinos benefit from unions in a wide array of areas: Better wages; Access to Health Benefits and Retirement Pensions; Input in the workplace; Access to legal counsel; Improved working-conditions; Access to education and training; and Greater workplace safety.

• The Latino workforce overall has limited knowledge about what their rights are. Oftentimes, because they do not know the rules related to wage and hour; workplace safety; and workers compensation, they lose out. The Department of Labor (DOL) over the last decade has dissipated much of its commitment to ensuring workers rights. The DOL has an opportunity to reshape the regulations and enforce the ones that are in place to provide a work environment that is more balanced and fair, where the workers and the corporation benefit. Additionally, the budget for DOL should be carefully reviewed and funds should be reprioritized towards the enforcement of laws.

• One area where funding could be reprioritized is to increase OSHA funding and to pass the Protecting America’s Workers Act, to strengthen and modernize the Occupational Safety and Health Act, our nation’s law that ensures the health and safety of American workers. The Act would expand OSHA coverage to public sector workers and to millions of other workers inadequately covered such as airline and railroad employees, and Department of Energy contractors, as well as increase penalties for companies that willfully and repeatedly violate safety regulations and protect workers who blow the whistle on safety hazards.
• Additionally, the DOL has an opportunity to review how it gathers data. The DOL could restore the classification of workers by race and ethnicity as mandatory in the BLS Survey of Occupational Injuries and Illnesses. By improving data collection we can obtain a more accurate assessment of what is happening in the workplace. Additionally, Congress could increase funding for worker and safety health training which has been steadily decreased since 2001. Workplace injuries and illnesses have been under-reported in the last decade, yet the toll to the workforce continues.

• Adult workforce training is a critical component to better Latinos’ full participation in the new economy. Enhance educational opportunities for all Latinos, but also focus on Latinas. There should be career counseling targeted at non-traditional jobs for which there is local or national demand and which pay higher wages.

• Improve laws around flexibility in the workplace to include the unique status of women and their needs to balance family and the ability to sustain a living. Women are particularly vulnerable in the recession because they are more a more vulnerable workforce anyway. Increase a mother’s ability to compete in the labor force—more paid leave for family needs, more subsidized child care, and more flexible working arrangements—is needed to enable mothers (and fathers) to hold jobs that pay well and provide fringe benefits. There are too many mothers are crowded into low-paid part-time jobs now that do not provide benefits and barely allow the family to survive.

• Enforce Equal Employment Opportunity laws more vigorously and develop new protections for workers who must provide family care—social science research documents continued discrimination in the labor market based on gender, race, ethnicity, and parental status as well as other factors. The United States cannot compete effectively if it does not use all its human resources to their fullest capacity.

CONCLUSIONS
Many efforts have been made over the years to begin to address the challenges faced by Latinos and other racial/ethnic minorities. The biggest obstacle has largely been to coordinate a unified approach to these multiple challenges. Policymakers have tended to manage problems independently, not recognizing that they are inter-related. The slow erosion of workers’ rights along with the widening gap between the rich and poor in the United States has created imbalance. Furthermore, for the Latino community, there has been little focus on the inter-relationship of all of these issues. Problems that were discussed 30 years ago have not dramatically improved. In some cases, they have become compounded and are now multi-generational.

The Latino community is in a current pattern of growth and will continue growing at least in the short-term, not only because of immigration, but because it is young. The growth patterns of other population groups in the United States are slowing down and in some cases shrinking. It will fall upon the Latino workforce to make up the difference. Furthermore, the world is growing and changing also and the United States will need to re-evaluate its position among the globally influential industrialized nations. If this important workforce and sub-group of the U.S. population is not fully engaged, the country’s economy and social well-being will be placed at a comparative risk as well.

Instead of pushing for more of the same – outmoded immigration policies – the United States should consider working with Mexico to both push and help it to invest major public resources in productive projects aimed at stabilizing and even repopulating economically broken communities, much as the United States is doing with the American Recovery and Reinvestment Act (ARRA). Rather than pursuing enforcement policies focused on raiding American businesses in search of unauthorized workers, federal resources would be more productively used to help re-train American workers displaced by the same forces of globalization that have caused Mexico's and many other Latin American communities to become unglued, while assisting these countries to also rethink their economies.
Latinos contribute much to the United States. They are part of the engine that drives the economy. They are trying to adapt to the changed economy, but they are so disadvantaged relative to other cultural groups that more comprehensive assistance is needed in order for them to better and more fully participate.

Lastly, some recent economic research about how poorer countries will catch up with industrialized countries focuses on concepts like convergence – meaning when the per capita income in poorer regions rises more rapidly in percentage terms than the per capita income of the richer regions (Sachs, 2008). The concept of convergence can potentially be applied in the United States as well. Whereas the nature of politics is to look at the situation locally, there is a need and an opportunity for the creation of a national plan for convergence in the United States.

The data are clear – the gap between rich and poor is widening, and certain communities—including Latinos—have been placed on the margins. If ever there was a time when private interests and social interests can be converged and harmful market forces can be corrected by public policy, this is it.
BIBLIOGRAPHY


