

**Pew Research Center**  
**Moderator: Rakesh Kochhar**  
**June 4, 2008**  
**12:00 p.m. EST**

OPERATOR: Good afternoon. My name is Jurlene (ph) and I will be your conference operator today. At this time, I would like to welcome everyone to the Pew Hispanic Report Conference Call.

All lines have been placed on mute to prevent any background noise. After the speaker's remarks there will be a question and answer period. If you would like to pose a question during this time, please press star, then the number one on your telephone key pad. If you would like to withdraw your question, you may press the pound key. If you have previously – previously pressed star one to pose a question, we ask that you press the pound sign and then press star one again. Thank you.

It is now my pleasure to turn the floor over to your host, Rakesh Kochhar, Associate Director for Research. Sir, you may begin your conference.

RAKESH KOCHHAR, ASSOCIATE DIRECTOR OF RESEARCH, PEW RESEARCH CENTER: Well, thank you. Good afternoon, everyone, and welcome to the teleconference. My name is Rakesh Kochhar. I'm the Associate Director for Research at the Pew Hispanic Center and also the author of the report.

Also joining us – joining us for the conference is Susan Minushkin, our Deputy Director of the Pew Hispanic Center.

First, let me begin with a few words about the center. The Pew Hispanic Center is a project of the Pew Research Center. It was founded in 2001 and is a non-partisan research organization supported by the Pew Charitable Trusts, a Philadelphia based charity. Our mission is to improve understanding of the diverse Hispanic population and to chronicle Latinos growing impact on the nation. The Pew Hispanic Center does not advocate for or take positions on policy issues.

The report we are discussing today is titled, "Latino Labor Report 2008: Construction Reverses Job Growth for Latinos." Copies of the report were posted on our website this morning. I will speak briefly about the major findings of the report. We will then address whatever questions you may have. If you wish, of course, give us a call later on in the day.

The goal of the study is to report on labor market developments for Hispanics and non-Hispanics from the first quarter of 2007 to the first quarter of 2008. We will refer to this as changes that took place in 2007. For the sake of perspective, the study also looks at some longer time periods – longer time trends going back to 2000, the last year before the economic expansion in the 1990s.

The analyses are based on survey data from the Census Bureau and the Bureau of Labor Statistics.

There are two traits in the report, one is demographic. Labor market developments depend partly on demographic forces and partly on economic forces. The working age populations, that is people 16 and older, and the size of the labor force respond mainly to the demographic forces. Tracking those indicators establishes the size of the racial or ethnic group in the labor market and whether its relative size is shrinking or expanding.

The other major force is the economy. That affects labor market indicators such as employment, the unemployment rate and the labor force participation rate. Tracking those indicators along with estimating wages is the key to understanding the economic outcomes for Hispanic and non-Hispanic workers.

Now, to put it bluntly, Hispanics had a rough time in the labor market in 2007. Driven mainly by a slump in the construction industry, the unemployment rate for Hispanics rose sharply in recent months. On a seasonally adjusted basis, the Hispanic unemployment rate was only 4.9 percent at the end of 2006. An historic low for them.

By the first quarter of 2008, the seasonally adjusted unemployment rate had climbed to 6.5 percent. The recent trend for Hispanics has been worse than for non-Hispanics.

At the end of 2006, the gap between the Hispanic and non-Hispanic unemployment rates was also at an historic low, only 0.5 points separating the two rates. That gap has now jumped to about two percentage points.

The spike in Hispanic unemployment hurt immigrants especially hard. Their unemployment rate, now not seasonally adjusted, was 7.5 percent in the first quarter of 2008. That was a full two points higher than the unemployment rate a year ago in the first quarter of 2007.

Moreover for the first time since 2003, a higher percentage of foreign born Latinos was unemployed than native born Latinos.

The latest trends in the labor market represents a dramatic reversal for Latino workers. Hispanics lost nearly 250,000 jobs over the past year in the construction sector alone. For several years, construction was the mainstay of job growth for Hispanic workers, especially those who are immigrants. Even as home building stumbled in 2006, Hispanics found nearly 300,000 new jobs in construction during 2006.

The ongoing slump in construction in construction in 2007 has wiped out those gains, virtually in their entirety.

Immigrants from Mexico have suffered the effects of this downturn most keenly. For Latinos the loss in construction jobs in 2007 included about 221,000 immigrants. Some 152,000 of those workers had migrated from Mexico.

Latino immigrants who are recently arrived in 2000 or later years lost 69,000 jobs in construction. For both these groups of immigrant workers, from Mexico or those who have arrived recently, jobs lost in construction accounted for the majority of job losses in 2007.

Now, even though the economic slowdown has been particularly hard on immigrant Latinos, we did not find signs that they are leaving the U.S. labor market.

In 2007, immigrant Hispanics added 325,000 workers to the labor force. That compared with 318,000 in the previous year. Further, about 70 percent of foreign born Latinos, that is, 70 percent of all immigrant Latinos older than 16, continued to be either employed or actively looking for work. That rate of participation in the labor force has remained steady in recent years.

But, if we consider a longer time period, it appears that immigrants now play a smaller role in the growth of the Hispanic workforce than in recent years. We can illustrate that with a demographic trend, namely changes in the size of the Latino immigrant working age population, again, those ages 16 and older. That population increased by 462,000 during 2007, that increase was similar to the increase the year before. But two years earlier, during 2005, this population had increased by 784,000 workers.

Now, note that we still have sizeable growth in the Hispanic foreign born population, close to half a million each in the past two years, but the recent slowdown is consistent with reduced levels of immigration. Labor market data do not tell us why, it could be the economic slowdown, it could be increased immigration enforcement, it could be better opportunities back home, or a combination of those and related factors.

Let me conclude with a couple of final observations. One mild surprise, perhaps, in the labor market trends the past year was that Hispanic women did not fare all that well either. Even though they do not depend on the construction industry in a meaningful way, they left the labor force in greater proportion and experienced a greater increase in the unemployment rate than the Hispanic men. The main source of job loss for Hispanic women was the non-durable goods manufacturing industry, an industry that includes meat packing and the like.

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

Thank you. And we will now take any questions you may have.

OPERATOR: Thank you. At this time, if you would like to ask a question, please press star, then the number one on your telephone keypad. We'll pause for just a moment to compile a Q&A roster.

Thank you. Our first question is coming from David Ausen (ph) of the Press Enterprise.

DAVID AUSEN (ph), PRESS ENTERPRISE: Great. Thank you. Why – why do you think that the unemployment rate for foreign born Latinos increased so much more rapidly than for native born Latinos?

RAKESH KOCHHAR: There are a couple of factors here, one of course is that they are more dependent on the construction industry than most other workers. More than one in five foreign born Latinos work in this single industry alone. And in the past five to 10 years or so, the construction industry has been a particularly beneficial source of job growth for these workers.

But, many of these workers are recently arrived immigrants, many are undocumented, many also have poor English language skills. So they are going to be among the more vulnerable in a downturn and in an industry that has led the downturn.

Having said that, they continue to be here, they continue to look actively for work, and as long as they look actively for work they are counted as unemployed. So, we see in that technical sense a spike in their unemployment rate as well.

DAVID AUSEN (ph): So, in other words – but there's no sign that these folks are going back to their home countries though in any large numbers?

RAKESH KOCHHAR: For Hispanics already here in the United States, it appears that for now they are here and actively looking for work. Yes.

DAVID AUSEN (ph): OK. Great. Thank you.

OPERATOR: Thank you. Our next question is coming from Ivan Marino (ph) with Associated Press

IVAN MARINO (ph), ASSOCIATED PRESS: Hi, thank you. my question is, did – during the compiling of these data for the report, did you find any trends as far as a region in the country that was particularly hit hard the most – more than other regions.

RAKESH KOCHHAR: Unfortunately, we did not do any regional analysis. So I really couldn't address that.

OPERATOR: Thank you. Our next question is coming from Jenna Marino (ph) with Houston Chronicle.

JENNA MARINO (ph), HOUSTON CHRONICLE: Hi. Can you talk a little bit more about why women are dropping out of the labor force? You talked about the meat packing industry, I just wanted to hear a little bit more about why women fared so poorly.

RAKESH KOCHHAR: Well, I think one overriding reason, of course, is that nobody is immune from and economic slow down. And for women, Hispanic women and particular labor force attachment is a little bit on the weak side, though it tuck (ph) to other women or men in particular. And those with weaker labor force attachments are likely to react – are more likely to react by leaving the labor force rather than remaining active in the labor market. Those are the general causes I can point to. We did not specifically investigate why women in this industry versus why men in that industry, except for the broad trends that speak for themselves.

JENNA MARINO (ph): What do you mean by weaker labor force attachments? What does that mean?

RAKESH KOCHHAR: By labor force attachment, the references to the proportion of women of working age who are active in the labor market, that is either employed or actively looking for work. And for Latino women, that is in the neighborhood of 50 percent, which is well below the age for the Latino men with just 80 percent, and also below the rates for non-Hispanic women, which I can't offhand recall, but that's about 60 percent if I recall correctly.

JENNA MARINO (ph): Thank you.

OPERATOR: Thank you. Our next question is coming from Emma Suarez (ph) with PR Political.

EMMA SUAREZ (ph), PR POLITICAL: Yes, good morning. PR Political, we focus on news from Puerto Rico, related news. So, I understand you didn't do any type of regional analysis, but I do see that you have a lot of data that focuses on Mexicans, so you've been able to segregate that community, I was wondering if you were able to segregate Puerto Ricans that either came from the island, or in the mainland, do you have any data specific to Puerto Rico that you looked at? So, I'm trying to get a little more information that's more focused on how your study reflects on Puerto Rico.

RAKESH KOCHHAR: Yes, sadly, we did not. And I'll tell you why. I was asked the same question yesterday. And our focus, because of the way the data jumped out, the – much harder impact on foreign born Latinos, we turned our focus to foreign born Latinos. And Puerto Ricans are part of the native born workforce. So, any breakdowns we pursued were what you see. Mexican born or those born in central and south America, but Puerto Ricans are in the native born.

EMMA SUAREZ (ph): So there was not way to . . .

RAKESH KOCHHAR: We could have, but I'm afraid we didn't as of yet. It may be sitting around in my worksheets, maybe I can dig it out. But right now, I don't have the numbers.

EMMA SUAREZ (ph): So people – so, then my next question is, how are you identifying these populations? Were they self identifying?

RAKESH KOCHHAR: Yes, these are all responses to a census bureau survey and they self identify as Hispanic in response to a question they answer in regards – they tell us where they were born, what year they entered the united states, things like that.

EMMA SUAREZ (ph): Thank you.

OPERATOR: Thank you. Our next question is coming from Antonio Arivo (ph) with Chicago Tribune.

ANTONIO ARIVO (ph), CHICAGO TRIBUNE: Yes, thank you. I actually had the same question about Puerto Ricans and if there is any other information available I'd be happy to get that.

But, I'll ask another question. The historic low unemployment rate of 4.9 percent, is that tied to what was in a healthy construction industry?

RAKESH KOCHHAR: I would have to say yes. For Latinos we had documented in our – one report last year and another report the year before, that construction was providing an awful lot of jobs and – especially for foreign born Latinos and clearly was behind the employment boom for them.

ANTONIO ARIVO (ph): OK, and a second question is more technical, you – in the report, mentioned how as some of these rates are seasonally adjusted, but further in the report there is a reference to some rates that are not seasonally adjusted.

RAKESH KOCHHAR: Right.

ANTONIO ARIVO (ph): And, basically, what I'm looking for is a seasonally adjusted rate for the first quarter of 2007. Is that somewhere in the report?

RAKESH KOCHHAR: For – I can provide you that for Hispanics at large and for non-Hispanics at large. But I could not provide you that for foreign born or Mexican born or med, women, that sort of thing. So, when we started to break down Hispanics and non-Hispanics by detailed demographic growth we lost that seasonal adjustment. That's why the comparisons are first quarter to first quarter one year to the next. So that is the implicit seasonal adjustment.

ANTONIO ARIVO (ph): OK, thank you.

OPERATOR: Thank you. Our next question is coming from Eve Hightower with Modesto Bee.

EVE HIGHTOWER (ph), MODESTO BEE: Hi, I was just wondering, is it possible to differentiate between legal and illegal immigrants?

RAKESH KOCHHAR: Not in this work, unfortunately. The census bureau sadly do not identify who is undocumented and who isn't. They are both, however, a part of the survey, has been fairly well established that undocumented do actually participate in this survey, they are represented in these survey, and we just don't know who is who.

EVE HIGHTOWER (ph): OK, and then also have another question. I was wondering what are Hispanics doing in response select jobs hit that they're (ph) still in the labor market, they're still out there looking. So, are they using certain vehicles to find jobs?

RAKESH KOCHHAR: I'm afraid, don't know that one. We know traditionally they rely on networks, especially foreign born Latinos. They locate in areas where they have family or friends. Beyond that, I don't know how they are responding right now to what's going on.

EVE HIGHTOWER (ph): OK, thank you.

OPERATOR: Thank you. Our next question is coming from Rick Deramous (ph) of Orlando Senita (ph).

RICK DERAMOUS (ph), ORLANDO SENITA: Hi, Orlando Sentinel, yes. I have – I guess my question is, when you look at the historic trend, do Hispanics typically do worse than the rest of the population during slow down and recessions?

RAKESH KOCHHAR: Not really. That used to be in the early years that – OK, let me backtrack a little. We first started getting data on Hispanics in the labor force in 1973. And there was in the early cycles, in the 1970s and all that, tendency for Hispanics to do a little worse. And that changed in the 90's. Last –

during the last slow down, there was really nothing to differentiate Hispanics from non-Hispanics in terms of the increases, unemployment and so on.

And – however, during this last five to 10 years, this reliance on construction industry, I guess, ahs come to hurt them now.

RICK DERAMOUS (ph): So, being over represented in the industry that pretty much created the slow down, it could be a cause of this difference now, right?

RAKESH KOCHHAR: That is the cause of the difference right now. And, I guess in the old days you could point to certain demographic groups who were depending on say the manufacturing sector and so on. And so, foreign born Hispanics, being a little less diverse in their employment patterns, were sensitive to this industry more than other workers.

RICK DERAMOUS (ph): OK. Thanks.

OPERATOR: Thank you. Our next question is coming from Claudine Lomancanal (ph) with Quez (ph)

CLAUDINE LOMANCANAL (ph), QUEZ: Hello.

RAKESH KOCHHAR: Hello.

CLAUDINE LOMANCANAL (ph): Hello, can you hear me?

RAKESH KOCHHAR: Yes, we can hear you very well.

CLAUDINE LOMANCANAL (ph): OK, great. You know my question again – I'm from Arizona and I wanted to know if you had any information for how this is faring out in Arizona?

RAKESH KOCHHAR: I'm afraid not. We don't have anything on Arizona.

CLAUDINE LOMANCANAL (ph): OK. Thanks.

OPERATOR: Thank you. Our next question is coming from Julia Preston with New York Times.

JULIA PRESTON (ph), NEW YORK TIMES: Yes, Rakesh, for those non-economists among us, I'm wondering if you could just go over what the questions are that establish the continuing participation in the labor force, I'm not quite sure I understand what that data conveys and how it is – how it is established.

And also, I wanted to ask you – it might be an imponderable question, which is whether you detect any evidence that the change in the political climate and the possible changes in immigration patterns have had any effect on the census bureau to be able to collect data from undocumented people.

RAKESH KOCHHAR: The second question is easier to answer because I have no idea.

JULIA PRESTON (ph): Yes. OK.

RAKESH KOCHHAR: On the first question, there are two or three trends – one has to walk carefully, and if I misstep, Susan will jump in. The labor force, that is a group of workers, either employed or actively looking for work in the labor market, is one indication of the presence of Hispanic workers in the economy.

And, if I look at the change in the labor force in 2007 compare it to the change in the labor force in 2006 for foreign born Hispanic workers there is no change. Roughly 300,000 more in each of these two years. So that is one indication that they are not withdrawing.

JULIA PRESTON (ph): OK.

RAKESH KOCHHAR: The other indication is – well, how does this participation, 300,000 more in the labor force each year, how does that compare to the growth in their population itself? The population meaningful measure here being the working age population, those 16 and older. Not all of them are going to be in the labor force. Some are going to go to school or college or some are going to be retired and so on. Some just choosing not to work such as those who stay at home, et cetera.

So we – we take the labor force and we see – take it against the working age population and we ask what is that ratio – what percent of those who are of working age are actually choosing to be in the labor force? Is there any change in that? And we see no change in that either. In the recent past it has remained steady, around 70 percent for foreign born Hispanics. OK?

So, this tells us or at least what it says to us is that there is no withdrawal from the labor force among immigrant Hispanics currently in the U.S.

JULIA PRESTON (ph): OK.

RAKESH KOCHHAR: Then the second trend is – look – lets look at the population itself. The bigger population, is that increasing at the same rate as before? Has it slowed down and if we extend that time period a little bit further, go back to 2004, 5 and so on. The last couple of years, there has been a slow down in the rate of growth of the foreign born Hispanic population of working age.

So that's the second trend.

JULIA PRESTON (ph): OK.

OPERATOR: Thank you. Our next question is coming from David Ausen (ph) of the Press Enterprise.

DAVID AUSEN (ph): I know this study obviously focused on Latinos, but I noticed when I was looking at the data tables that among African Americans there was also a huge – actually even larger difference if you compare from a few years ago versus today, the gap between black and white unemployment and Hispanic and non-Hispanic white unemployment. So, it's even – again even a little more striking trend. And I know you – this story – the study focuses on Hispanics, did you – do you have any thoughts as to what is driving that increasing gap between black and white unemployment versus white – non-Hispanic white and Hispanic unemployment?

RAKESH KOCHHAR: There are no many more people more expert on this issue than I am. But generally speaking, African Americans like Hispanics in terms of many labor force characteristics in terms of educational attainment and minority status and so on. And like Hispanics, during the 1990's expansion, there was a very steady flow of lower skill workers who were drawn into the labor force as the economy expanded and the 2001 recession followed by the slowdown had a much harder impact on the same workers drawn in the first place the marginal minority workers. And African Americans did not recover like Hispanics did during 2004, 5, and 6, like Hispanics benefited from the construction industry.

Now, as to why that is? I don't know. I will refer you to – if you wish to follow up this point, I will refer you to Harry Holtzer (ph) at Georgetown University who follows employment trends for African Americans very closely.

DAVID AUSEN (ph): OK. Great, thank you very much.

OPERATOR: Thank you. Once again, that is star followed by the number one on your touch tone phone to ask a question. Our next question is coming from Janna Davoto with KTAR Radio.

JANNA DAVOTO (ph), KTAR RADIO: Hi, thanks for taking my question. Do you have any regional or statistics related to the states? Like how many Hispanics in Arizona lost jobs over the past year because of the slump in construction? And how many of those migrated from Mexico?

RAKESH KOCHHAR: Unfortunately, we have no regional data.

JANNA DAVOTO (ph): OK. Thank you.

OPERATOR: Thank you. Our next question is coming from Ivan Marino (ph) with Associated Press.

IVAN MARINO (ph): Hi, thanks. My question is – do you have any ideas of why the construction industry is going through a slump right now?

RAKESH KOCHHAR: Oh boy. Maybe I'll let Susan speak to that. But then again, we are not financial sector experts. We have no more to offer than what everyone else is reading in the newspaper, starting with the lending being pushed towards marginal borrowers and a sense of over optimism overall in the housing market. But beyond that, that's the surface. I don't know the details really.

IVAN MARINO (ph): Thank you.

OPERATOR: Thank you. At this time, there appear to be no further questions. I'll turn the floor back over to Rakesh Kochhar for any closing remarks.

RAKESH KOCHHAR: Thank you very much for joining us and I believe our Deputy Director, Susan Minushkin wants to say a couple of words. Feel free to call us please later in the day.

SUSAN MINUSHKIN: Hi, underlying a lot of the questions I heard today were questions about what this means about immigrants coming and going. And while we can't say anything more than what's included in the report, that we have no indication that Hispanics are leaving the U.S., we will be following this issue, this question over the next months. I just want to give you a heads up to look for additional work that we'll be releasing throughout the summer that will try and help answer the question what is happening with Hispanic immigrants? Are they continuing to come to the U.S.? Are they going home? How are they faring in the economic recession? Thank you.

RAKESH KOCHHAR: Thank you very much.

OPERATOR: Thank you.

RAKESH KOCHHAR: Thank you Jerry (ph).

OPERATOR: This does conclude today's Pew Hispanic Report Conference Call. You may now disconnect and have a great day.

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