

Myriam Quispe-Agnoli: *Welcome to the Federal Reserve Bank of Atlanta's newest podcast. I am Myriam Quispe-Agnoli, economics professor of the University of Georgia. Today, we are joined by Mark Hugo Lopez, director of Hispanic research at the Pew Research Center, and today we are going to talk about the nation's rising Latino community. Thank you for joining us today, Mark.*

Mark Hugo Lopez: Thank you.

Quispe-Agnoli: *Let me begin by asking you what it means to be Hispanic. How has this self-identifying characterization evolved in the last decade and across generations?*

Lopez: It's really quite interesting. The U.S. is unique in the world in that when we talk about who is Hispanic or Latino, that concept—which is really a pan-ethnic concept—is something that developed in the United States. For example, I'm not sure if folks are aware that there's actually a federal law that defines who is Hispanic, and the Office of Management and Budget has actually created a definition. This was in the mid-'70s. Now, why do we have this definition, or why this push to create this pan-ethnic identity? Partly it was because Congress wanted to know, and Latino groups wanted to know, how many Hispanics are taking advantage of or are using programs that they're eligible to use?

So there's a real public policy question for identifying who is Hispanic or Latino. But starting in 1980, on the census forms, we have this question where people self-identify—are you a Hispanic or Latino?—but going back to the definition of who is Hispanic according to the federal government. Well, anybody who can trace their roots to the Spanish-speaking countries of Latin America or to Spain. It's important to note this doesn't include Brazil, it doesn't include Portugal, it does not include Haiti, and it does not include even a place like the Philippines. And interestingly enough, in the surveys of the Pew Research Center of Hispanics, we get some people from these parts of the world who self-identify as Hispanic or Latino.

So how has it evolved? Well, starting in 1980, we have a question on the census form, which really permeates virtually all other federal data collections, and it becomes a pretty common two-step question of, first, are you Hispanic or Latino, followed by what is your race? And that, I think, is really quite striking because we oftentimes talk about the Latino community—not as a racial group, necessarily, but as something else. But what do Latinos themselves think about this? This is really what I think is so interesting. When we've done our surveys, we've asked Hispanics, “Which term do you use most often to describe yourself? Do you call yourself by your country of origin, terms like Mexican or Cuban, Hispanic or Latino, or American?” You'll find that many will use their country-of-origin term most often to describe themselves. So in my case, it would be a Mexican or Mexicano. I might even use Chicano sometimes to describe myself, which is really something out of the '60s in California.

With regards to these terms—Hispanic or Latino—there's kind of an ambivalence in the community about this. Most don't have a preference for one term or the other, and relatively few use it most to describe their identity. But I think it's important to note that this is a concept which is unique to the U.S., and it's meant to describe this pan-ethnic

community that we call Hispanic or Latinos. But they themselves tend to emphasize the diversity and the differences more than necessarily the pan-ethnic-ness that we oftentimes talk about to summarize the community.

Quispe-Agnoli: *How has the self-identifying Hispanic community been changing through the years in terms of some economic characteristics or some demographics or social characteristics?*

Lopez: One of the big changes, actually, that is currently under way is what I like to call “the rise of the native born.” So when you take a look at the Latino community, we oftentimes think of it as an immigrant community. Yes, among Hispanic adults, about half were born in another country, but the share overall that are foreign born is only at about 35, 36 percent, and it’s been declining since 2007 as flows from Latin America to the U.S., in terms of new immigrants, has really slowed.

In fact, a little factoid about this that I think is really fun is that there are actually more new immigrants arriving from Asia than are arriving from Latin America today, which is a reversal from what it had been earlier in the early 2000s. So that’s one big change I think that’s really kind of coming with regards to the Latino community. A lot of its youth are U.S.-born, they’re entering adulthood, and—for economic reasons—not only has the demographics of Hispanic adults changed and become more native-born, but most of the new entrants into the labor force in recent years have actually been young Latinos who were born here and went through the U.S. school system, so essentially they’re like other young people.

Quispe-Agnoli: *What are the main challenges that Hispanics face in the United States? What do you think the main challenges for the next generations of Hispanics will be?*

Lopez: First, let me start with some really interesting survey results about this. So Latinos overall are very positive about both the future of this country also their financial future, even though things may be tough now. They also are very positive about the standard of living that their children in the future are going to have. So they’re oftentimes, in fact, more positive about being in the United States than generally Americans are, which I think is really quite fascinating, given that we’ve heard a lot of talk of the decline of the middle class.

But when it comes to being prepared, you’ll find that Latinos overwhelmingly will say you need a college degree to be successful in life today. If you’re going to be successful, that’s what you need. They say it more so than the general U.S. public. And we’ve actually seen some big changes recently. The high school dropout rate for Latinos is actually plummeting. It’s actually under 15 percent now. That’s a really big change from what it had been in the past. And even the number of Hispanic dropouts is falling fast. Why is it falling? Well, because the number who are graduating is going up so fast, but this is happening at the same time that this population overall is growing fast. So we have a declining number of high school dropouts.

The other thing that is interesting is there’s been a surge in the last four years, five years in the number of Latinos enrolled in college. So much so that in 2009–10, Latinos

surpassed African-Americans as the largest minority group on college campuses. Now community colleges tend to be the main destination or the first destination for most of these young people, but it is fascinating that you're seeing a growing number going to college, and that's leading into actually a rise in the college completion rate. We have about 15 percent now of 25- to 29-year-old Latinos with a college degree. That still lags other groups significantly, but it is on the rise. Just a few years ago it was only 13 percent.

Quispe-Agnoli: *What are the main contributions of the Hispanic community in the U.S.? How will this contribution shape the next generation?*

Lopez: I think there's a number of ways Latinos are contributing, but let's talk about the economic contribution. So nationally Hispanic purchasing power or the size of the Hispanic "economy,"—if we can call it that—is about on the order of \$1 trillion to \$1.5 trillion. That's pretty big, if you think about it, and its growth represents the growth in the Latino community overall.

For the future of many young Latinos—because they are going to be a big part, a big driver, frankly, of growth in the U.S. labor market moving forward—how those young people come of age and what type of education they have is going to be important not only for the community, because we know that for Latinos, if you get a college degree, that has implications for your potential earnings in life—in fact, an extra million dollars or so over the course of your lifetime over a high school diploma. But at the same time, it's important for the U.S., because Latinos are going to be a growing share of the labor market, and how these young Latinos—U.S.-born young Latinos who go through our school systems—how they come of age, and who they become, is going to be important for the national economy into the future, because they're going to represent this growth over the course of two, three, four decades.

So I think that when we are looking forward, and we're looking at the weight of this community overall, its impact is being felt across a number of different sectors. In economics, for sure—in colleges and universities, in public schools, in private schools—we're also seeing it, though, in the Latino vote, which has become very important—although 2014 perhaps was not a stellar year for the Latino vote—and if you take a look, for example, at its impact on culture. Univision, which is a television network, is actually one of the top five, top four nationwide, no matter the language. So you're seeing some real changes and a real impact in the community on many different aspects of U.S. life.

Quispe-Agnoli: *We have heard President Obama's proposal about immigration reform. He has been proposing a new way to provide temporary permits to workers and also some enforcement on the border, as well as trying to help in the deportation of people that have criminal backgrounds but not family members. Given this proposal, what do you think is going to be the impact of this proposal on the attitude of the Hispanic community, now that you are talking about this larger share of the Latino voter? In the future—in the medium and long term—what is going to represent for political parties what they should be aware of?*

Lopez: First, let's talk about what happened in this last election cycle. So the president in the summer [of 2014], President Obama had promised an executive action that would give deportation relief and work permits to a larger segment of the nation's 11.2 million undocumented or unauthorized immigrants. There are currently programs in place—in 2012, he created one called the Deferred Action for Childhood Arrivals Program, which was targeted at young people who came here as children who were in the country illegally, and it extended deportation relief and work permits to more than 600,000 young people now. So he's taken that program and sort of expanded it and made a proposal for a much broader program, but he had promised this in the summer.

Then in the fall, he said he couldn't do it because of the upcoming election. He was worried about some Democrats potentially, although I don't think he said that, but certainly that's what many analysts are pointing to as to why he had done this. So how did that impact the Latino vote? Well, 2014 was an interesting year, the map of which states were most important in terms of the Senate—particularly control of the Senate, Georgia being one of those states. More or all states that have growing Latino populations, populations that for the most part represent less than 5 percent of possible voters in those states. So the relative weight of the Latino vote may not have been as high as you might have thought given the rise of this population—which, by the way, makes up 17 percent of all Americans. So Alaska, Arkansas, Georgia, even North Carolina, Iowa, these were all states that were important in this year's election, Colorado being the one standout with a large Hispanic population for the Senate, but even there the Republican candidate won.

Many analysts and many activists say that part of the reason for that is that Latinos were unmotivated because the president didn't do his executive action, and that's what led to a relatively, perhaps, lower voter turnout rate, although I have to stress that we don't exactly know yet. We need data in order to be able to determine this, but every indication is that even for Americans generally, this was a really low-turnout election. It looks like the number of voters, for example, is down from 2010—nationally, across the board, not just Hispanics but all Americans. If that's the case, it's probably true that the Latino vote probably increased, but not by much, and it probably had a lower turnout rate—but again, we don't know. We need to see what the data have to say.

Quispe-Agnoli: *I just want to conclude by thanking you so much for sharing your time and insights with us today.*

Lopez: My pleasure. Thank you for the opportunity.

Quispe-Agnoli: *We have been speaking today with Mark Hugo Lopez, the director of Hispanic research for the Pew Research Center. This concludes our podcast on our conversation about the nation's rising Latino community. On our website, frbatlanta.org, you can read our article. Thanks for listening and please return for more podcasts. If you have comments, please send us email at podcast@frbatlanta.org.*