

# Powering Greater Boston's Economy

Why the Latino Community  
Is Critical to Our Shared Future



## **ABOUT BOSTON INDICATORS**

Boston Indicators is a research center at the Boston Foundation that seeks a thriving Greater Boston for *all* residents across *all* neighborhoods. We do this by analyzing key indicators of well-being and by researching promising ideas for making our city more prosperous, equitable and just. To ensure that our work informs active efforts to improve our city, we work in deep partnership with community groups, civic leaders and Boston's civic data community to produce special reports and host public convenings.

## **ABOUT THE BOSTON PLANNING AND DEVELOPMENT AGENCY**

The Boston Planning and Development Agency is the urban planning and economic development agency for the City of Boston. In partnership with communities, the BPDA plans Boston's future while respecting its past. By guiding physical, social, and economic change in Boston's neighborhoods, the BPDA seeks to shape a more prosperous, resilient and vibrant city for all.

The BPDA's Research Division compiles and analyzes current, historical, and comparative data on the city of Boston. The division conducts research on Boston's economy, population, and commercial markets for all departments of the BPDA, the City of Boston, and related organizations.

# Powering Greater Boston's Economy

## Why the Latino Community Is Critical to Our Shared Future

A Special Report from Boston Indicators and the  
Boston Planning and Development Agency in support of the  
Latino Legacy Fund at the Boston Foundation

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BOSTON INDICATORS

MEASURING WHAT WE VALUE

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## Preface

This report, released on the occasion of a major convening about the critical role Latinos play in Greater Boston's shared future, tells us that the face of Greater Boston is changing—and changing swiftly. Today, more than 20 percent of Boston's population is Latino. In fact, without growth in the Latino population, Boston's population would still be near 1980 levels. The Latino community is also keeping Boston young. Close to one-third of Boston's children are Latino—and as Latino families drive population growth, they are making vital contributions to our culture and to the very fabric of our lives.

Latinos are also helping to power Greater Boston's economy. Fourteen percent of the workforce in Suffolk County is made up of Latinos, up from just two percent in 1980. Increasingly, Latinos are contributing to Boston's economy as entrepreneurs, with more than 10 percent of privately-held firms owned by Latinos. And the Latino community has a massive effect on the local economy, adding up to some \$9 billion of economic activity in Suffolk County. With their significant contributions today—and how they will shape the Greater Boston of tomorrow, Latinos are an essential part of securing our region's future success.

The Boston Foundation has a long history of supporting the Latino community. Fifty years ago, it provided critical early funding to Inquilinos Boricuas en Acción, which led to the creation of Villa Victoria. Today, more than one-third of the students coached through the college completion initiative, Success Boston, are Latino—and they are experiencing some of the most dramatic gains. Numerous other grants and the Foundation's public policy work benefit the Latino community, as well.

In 2013, the Boston Foundation, in partnership with Latino leaders and Hispanics in Philanthropy, established the Latino Legacy Fund at the Boston Foundation, the first Latino-focused philanthropic resource in Greater Boston. The mission of the Latino Legacy Fund is to create and maintain a permanent endowment to strengthen the diverse Latino community today and in the future. The Fund's goal is to contribute to our region's civic vitality by supporting issues and organizations that advance the socioeconomic status of Latinos—while building and enhancing the leadership capacity of the entire Latino community. Already, the Fund has made grants totaling more than \$250,000 and raised close to \$1 million.

The Latino community represents our future and our future leaders—which means that when Latinos thrive, our economy and our entire region benefits. The Boston Foundation and the Latino Legacy Fund thank Alvaro Lima and Christina Kim at the Boston Planning & Development Agency for working closely with Boston Indicators to provide this fascinating picture of the contributions of the Latino community and the tremendous potential it has for contributing to a future of shared prosperity for everyone in Greater Boston.

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Latino Legacy Fund

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Latino Legacy Fund



Boston's prosperity is tied to the rapidly growing Latino community, which currently makes up 20 percent of our city's population. Boston's Latino community is a source of human capital with many opportunities for development. This report is divided into two sections:

## ASSETS:

Contributions of Latinos to Boston's Population and Economy

## OPPORTUNITIES:

Workforce and Business Development Trends

The Assets section details the contributions Latinos have made to Boston's population and economy. Latino population growth accounts for 92 percent of Boston's population growth since 1980. Latinos make up 24 percent of births and 31 percent of children, contributing to Boston's population of the future. Latinos also contribute to Boston's economy as 14 percent of the workers in Suffolk County and 10 percent of the business owners in Boston.

The Opportunities section presents some challenges and areas for growth faced by the Latino community in Boston. Obstacles to higher education and limited English proficiency hinder Latinos from accessing high-skilled jobs. This challenge will become increasingly acute in the future, as an increasing share of well-paying jobs will require advanced training, especially in STEM fields. There are tremendous opportunities to better leverage the talents of Latinos in order to create a more prosperous Greater Boston for everyone.

*Note: For the purposes of this report, we define "Latino" using data from the U.S. Census Bureau, including people who meet any of the following criteria:*

- Self-described ethnicity of "Hispanic or Latino," which is defined as a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture regardless of race
- Place of birth in Brazil
- Self-described ancestry of Brazilian

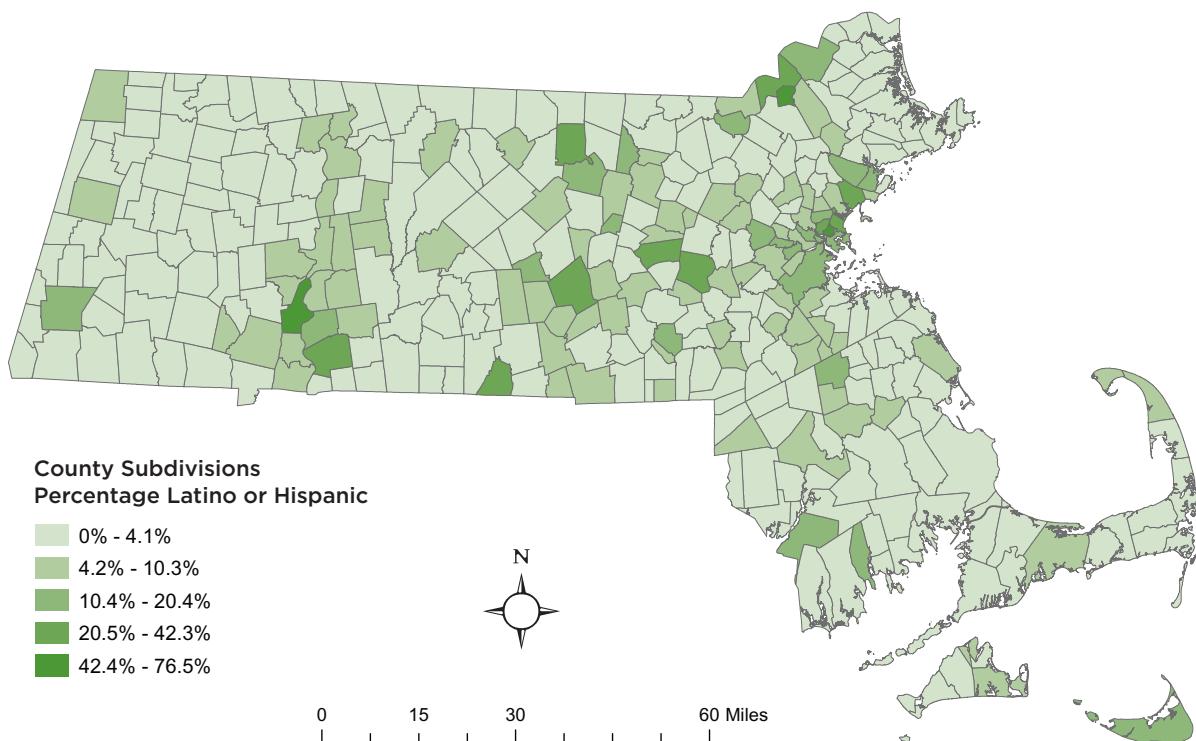
## Latinos in Massachusetts and in Boston

Today, there are about 850,000 Latinos in Massachusetts, comprising 12 percent of the state population. While nationally Latinos are predominately Mexican, in Massachusetts the largest group of Latinos is Puerto Rican (42 percent). After World War II, Puerto Rican migration to Massachusetts began in the Connecticut River Valley towns of Springfield and Holyoke before moving into the cities of Eastern Massachusetts. Currently Latinos are concentrated in Boston and the state's Gateway Cities. The cities and towns with the highest concentrations of Latinos are Lawrence (77 percent of the city population), Chelsea (66 percent), Holyoke (50 percent), Springfield (42 percent) and Lynn (36 percent).

While Boston's Latino share is smaller than some other Massachusetts towns—at 20 percent—Boston has the largest total number of Latino residents at just over 130,000. Latinos in Boston make up 16 percent of all Latinos in the state. The largest Latino groups in Boston are Puerto Rican (28 percent of Latinos), Dominican (24 percent), Salvadoran (11 percent), Colombian (6 percent) and Mexican (6 percent). International immigration accounts for a large share of the growth in the Latino population. Almost half of Latinos in Boston are foreign born (43 percent). Puerto Ricans have U.S. citizenship at birth and are native born.

6

### Percentage Latino or Hispanic by County Subdivision



Source: U.S. Census Bureau, 2011-2015 American Community Survey, BPDA Division Analysis American Factfinder Tables: B03003 and B05006 for FB born-Brazil Combined.

ASSETS:  
Population Growth

Over the last several decades, Boston has boomed. Our population has grown and the economy has expanded. But this is actually a recent trend. Boston's population declined sharply between 1950 and 1980 and this population decline coincided with a slowing of the local economy.

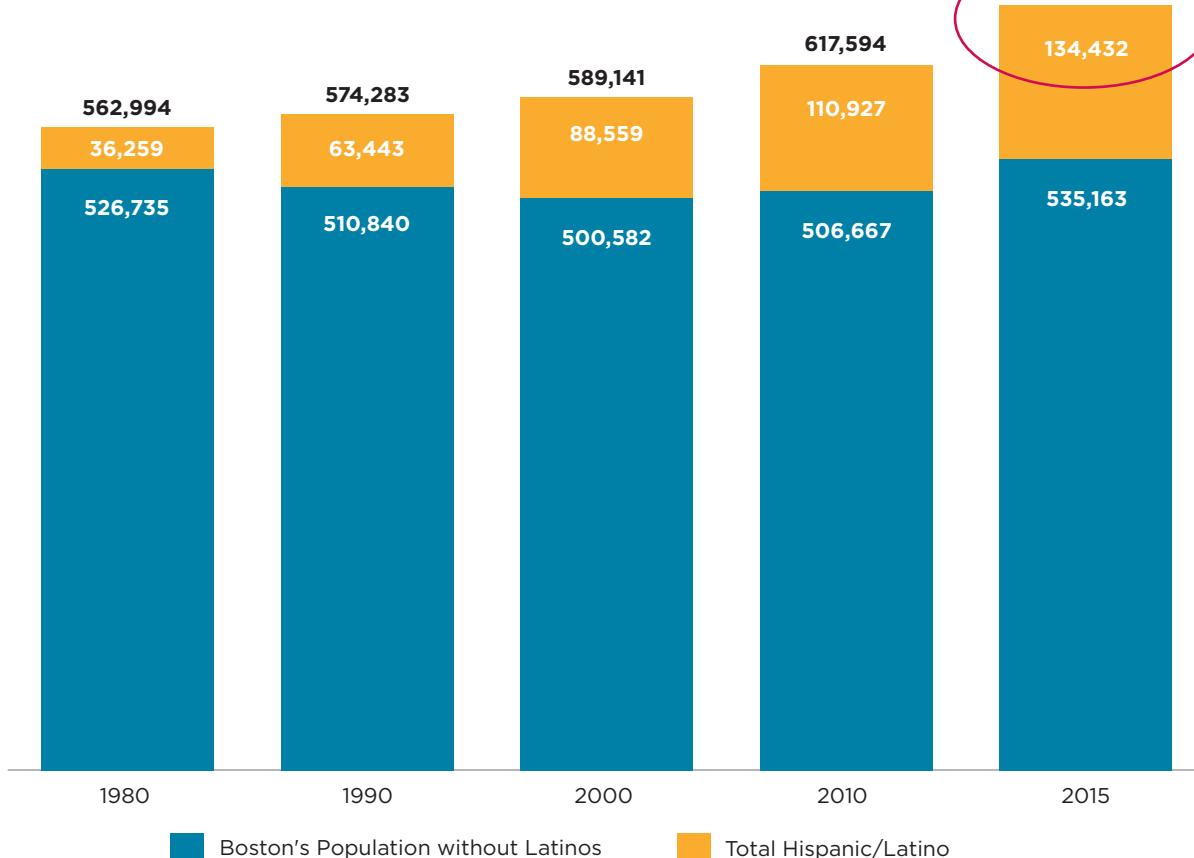
Fortunately, the city has rebounded in recent decades, thanks in large part to growth in our Latino population. From 1980 to 2000 Boston's Latino population grew by almost 2.5 times while the non-Latino population continued to shrink. The non-Latino population has begun to grow since 2000, but Latino population growth still accounts for 92 percent of Boston's total growth over the 25 years from 1980 to 2015. Without Latinos, Boston's population would still be near 1980 levels.

**Without  
Latinos,  
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Latinos led  
Boston's growth  
from 1980, and  
now make up  
20% of the city.

7

Population of Boston



Source: U.S. Census Bureau, 1980-2000 Decennial Census, IPUMS, 2010 & 2015 1-year American Community Survey, PUMS, BPDA Research Division Analysis.

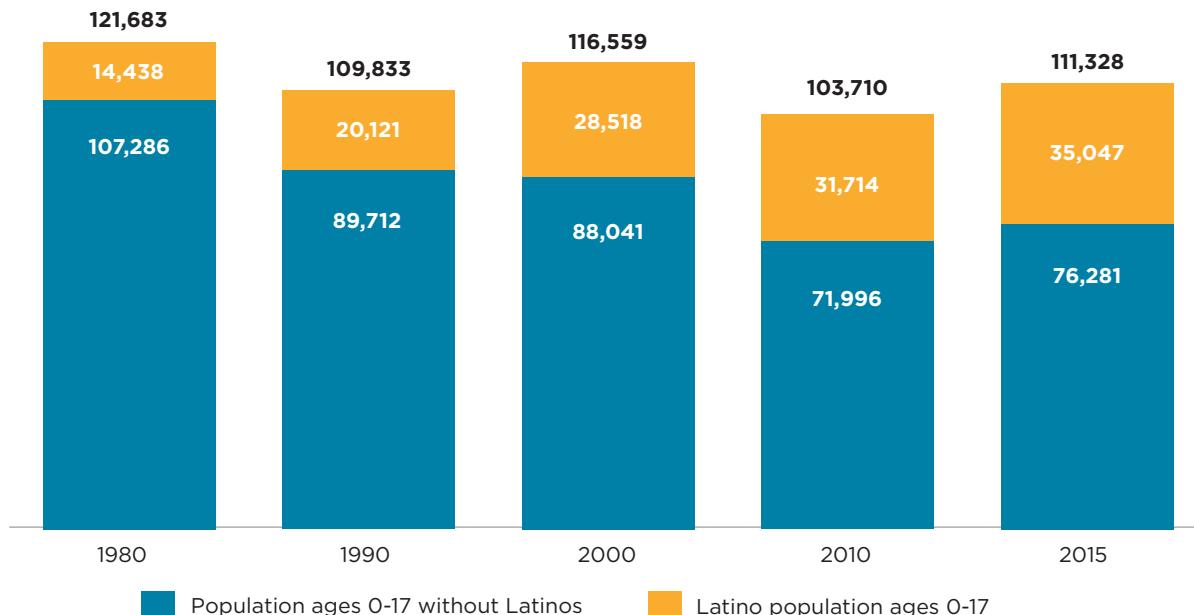
## **Latinos are also key to Boston's future population. Without Latinos, Boston's child population would have declined dramatically.**

Declining population threatens our ability to expand the economy and strengthen our civic institutions over the long term. In order to thrive we need entrepreneurs coming up with new ideas, creating new businesses and starting new community organizations. And we need enough skilled workers to meet growing employer demand.

Boston's population decline since 1950 hit the population of children particularly hard. Even with the upswing in overall population since 1980, there are still fewer total children aged 17 or younger in Boston than there were in 1980. However, between 1980 and 2000 growth in Latino children increased rapidly, with the number of Latino children roughly doubling in only 20 years. Over this same timeframe, the Boston non-Latino child population declined by one-third. Without growth in the number of Latino children, Boston's child population would have declined dramatically.

In 2015, Latinos made up 31 percent of children in Boston, despite being just 20 percent of the city's population. Additionally, 24 percent of births in Boston are to Latina mothers. The Latino population will grow into the future, continuing to support the growth of Boston as a city. These Latino children will be the citizens and workers of Boston's future.

### **Boston's Child Population, Ages 17 and Under**



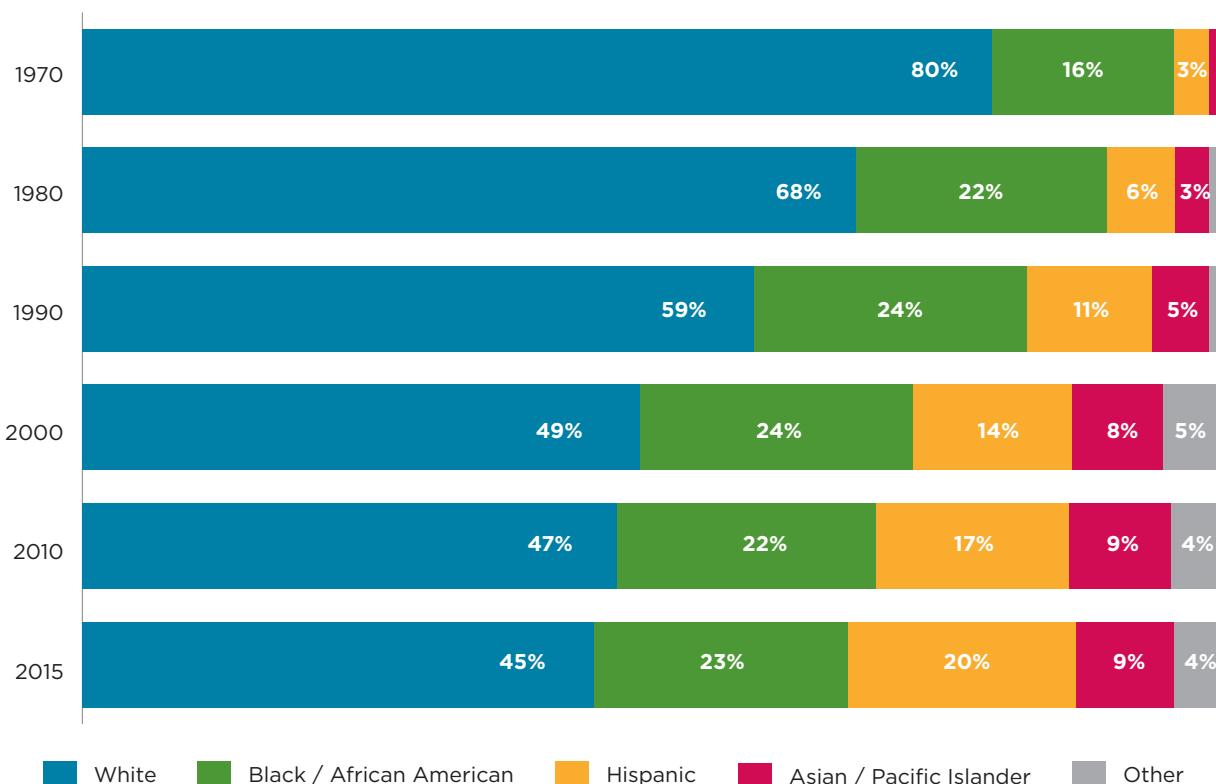
A core reason why cities are such dynamic places to live and work is their diversity. At their best, cities bring people of different experiences and perspectives close together, generating new ideas and finding creative solutions to difficult problems.

For a long time, Boston had been a strikingly white city; back in 1970, eight in ten residents were white. But it's not just the Latino population that grew over the years since then. Growth in our Latino population coincided with growth among other racial and ethnic groups—much of it from new immigration—helping enrich our city with greater diversity. Combined growth in the Hispanic, Asian/Pacific Islander and Black populations helped lead to Boston becoming a majority non-White city for the first time in the 2000 Census.

Latinos and Asian/Pacific Islanders grew most over this 45 year time-frame, with Latinos growing from 3 percent of the city's population to 20 percent and Asian/Pacific Islanders growing from 1.3 percent to 9.5 percent. That's growth of more than 600 percent for each of these two groups.

**Growth in our Latino population coincided with growth among other racial and ethnic groups.**

### Boston's Population by Race & Ethnicity



Note: Due to data limitations, "Hispanic/Latino" in this graph does not include Brazilians who are included with Latinos in other analyses in this report.

Source: 1970 -2010 U.S. Decennial Census, 2009-2013 American Community Survey, BPDA Research Division Analysis

## ASSETS: Latino Workers

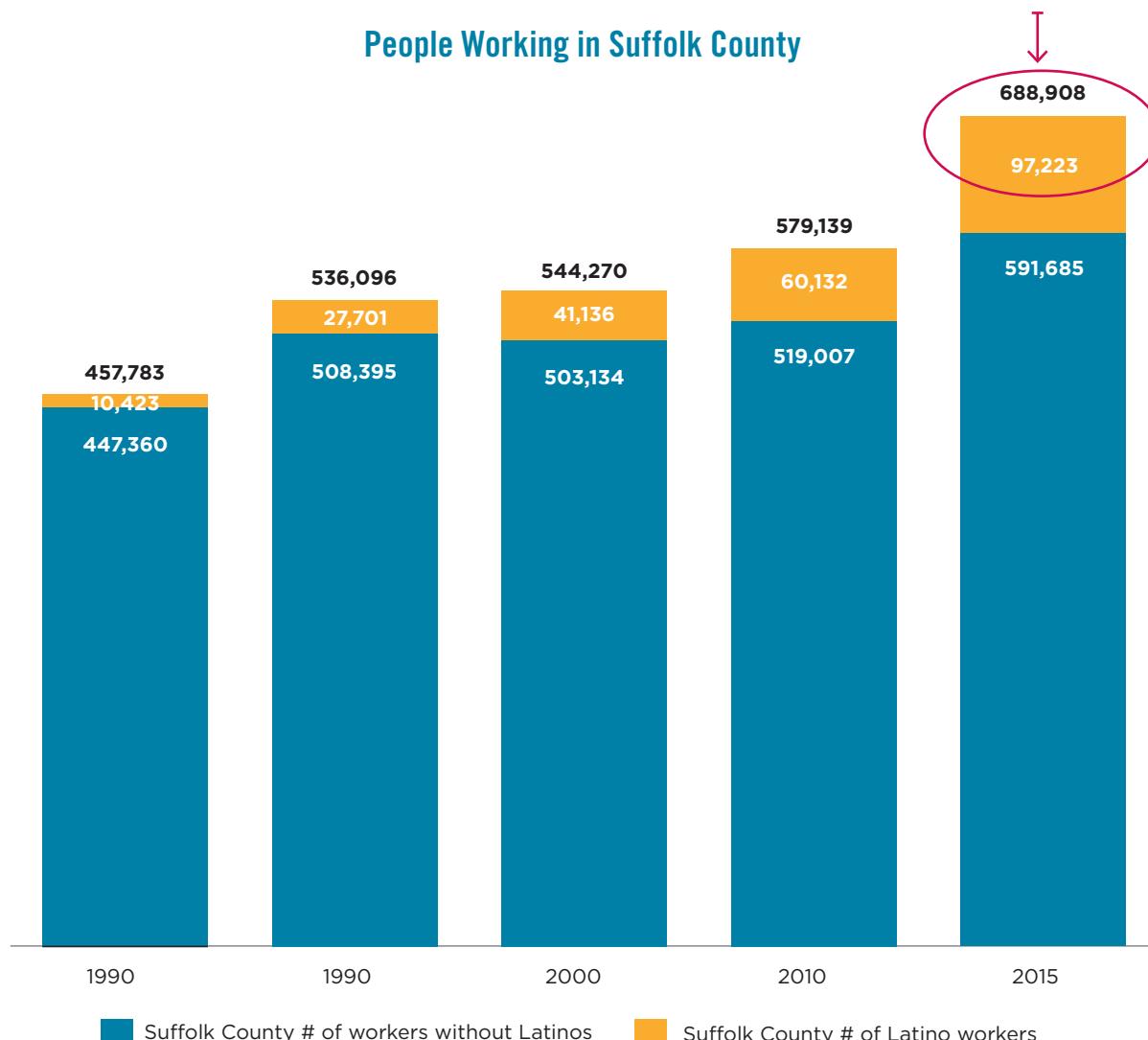
### Latinos are a growing share of Boston's workforce.

Related to growth in the overall Latino population, Latinos now represent 14 percent of the workforce in Suffolk County. (Due to data limitations, this analysis uses Suffolk County, rather than Boston, as the place of work. Boston makes up the vast majority of Suffolk County, which also includes Chelsea, Revere and Winthrop.)

This growth is striking, since back in 1980 Latinos only made up 2 percent of the workforce in Suffolk County. And the rate of growth in more recent years continues to be rapid. Latinos in the workforce grew over 60 percent in just 5 years from 2010 to 2015 (from 60,000 to 97,000).

Latinos make up  
14% of the workers  
in Suffolk County.

People Working in Suffolk County



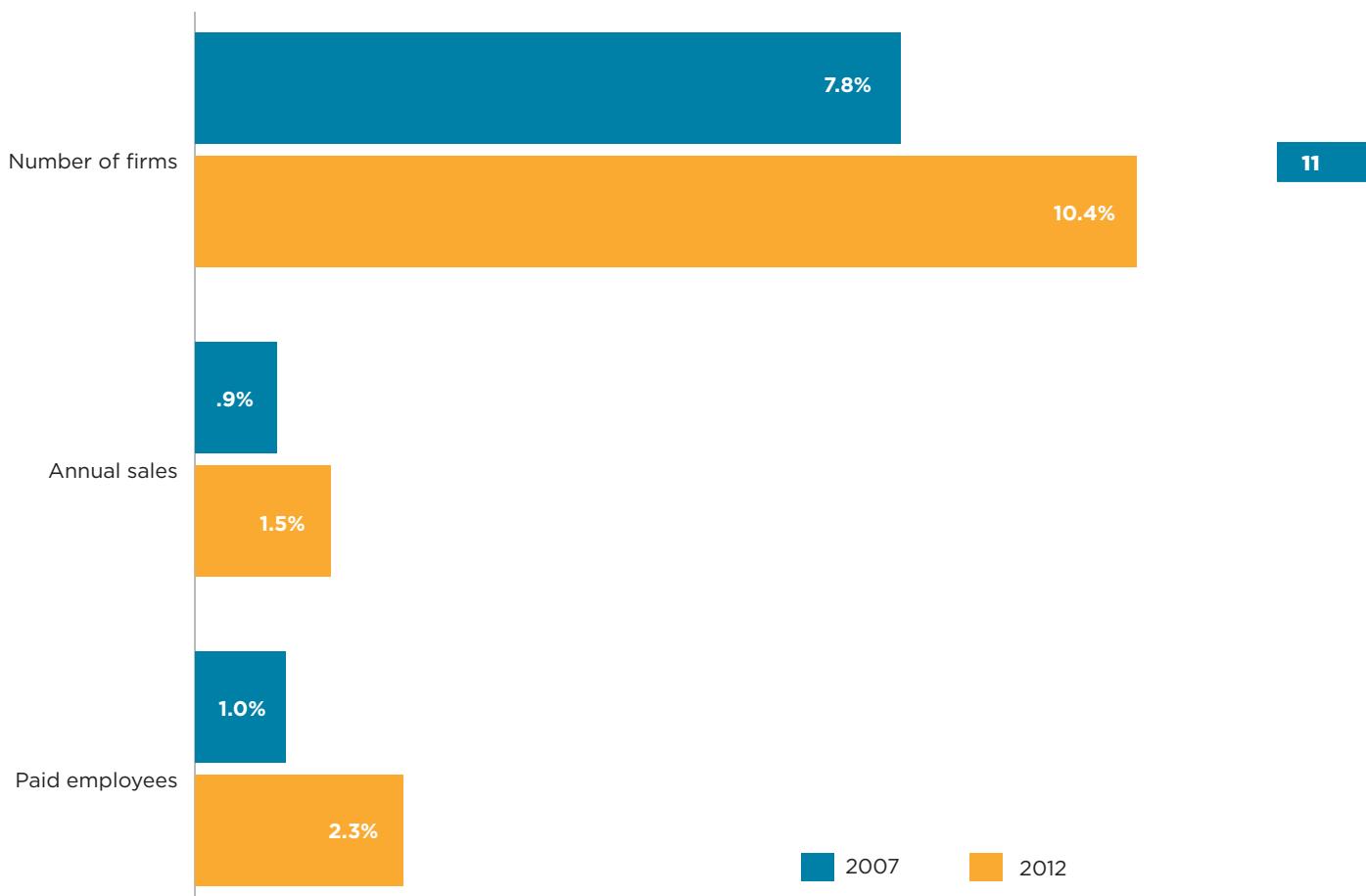
Note: Due to data limitations, this analysis uses Suffolk County rather than Boston as the place of work. Source: U.S. Census Bureau, 1990 - 2010 Decennial Census, 2015 1-year American Community Survey, IPUMS, BPDA Research Division Analysis

Helping spur new growth and innovation, Latinos increasingly contribute to Boston's economy as business owners and entrepreneurs. The share of privately-held firms owned by Latinos grew 60 percent from 2007 to 2012 (from 7.8 percent to 10.4 percent). And the number of paid employees of Latino-owned firms increased 115 percent over the same time period (from 1,568 to 3,364).

Latino-owned businesses, however, remain small compared to all privately-owned firms in Boston. Latino-owned businesses average less than \$100,000 in annual sales, compared to \$644,000 in annual sales for all privately-owned firms. Further, 91 percent of Latino-owned firms have no paid employees compared to 79 percent of all privately-owned firms. Latino firms with employees average six total employees compared to 12 employees for all privately-owned firms.

**Latinos are  
increasingly  
contributing  
to Boston's  
economy  
as business  
owners and  
entrepreneurs.**

### Latino Share of Privately-Owned Firms in Boston



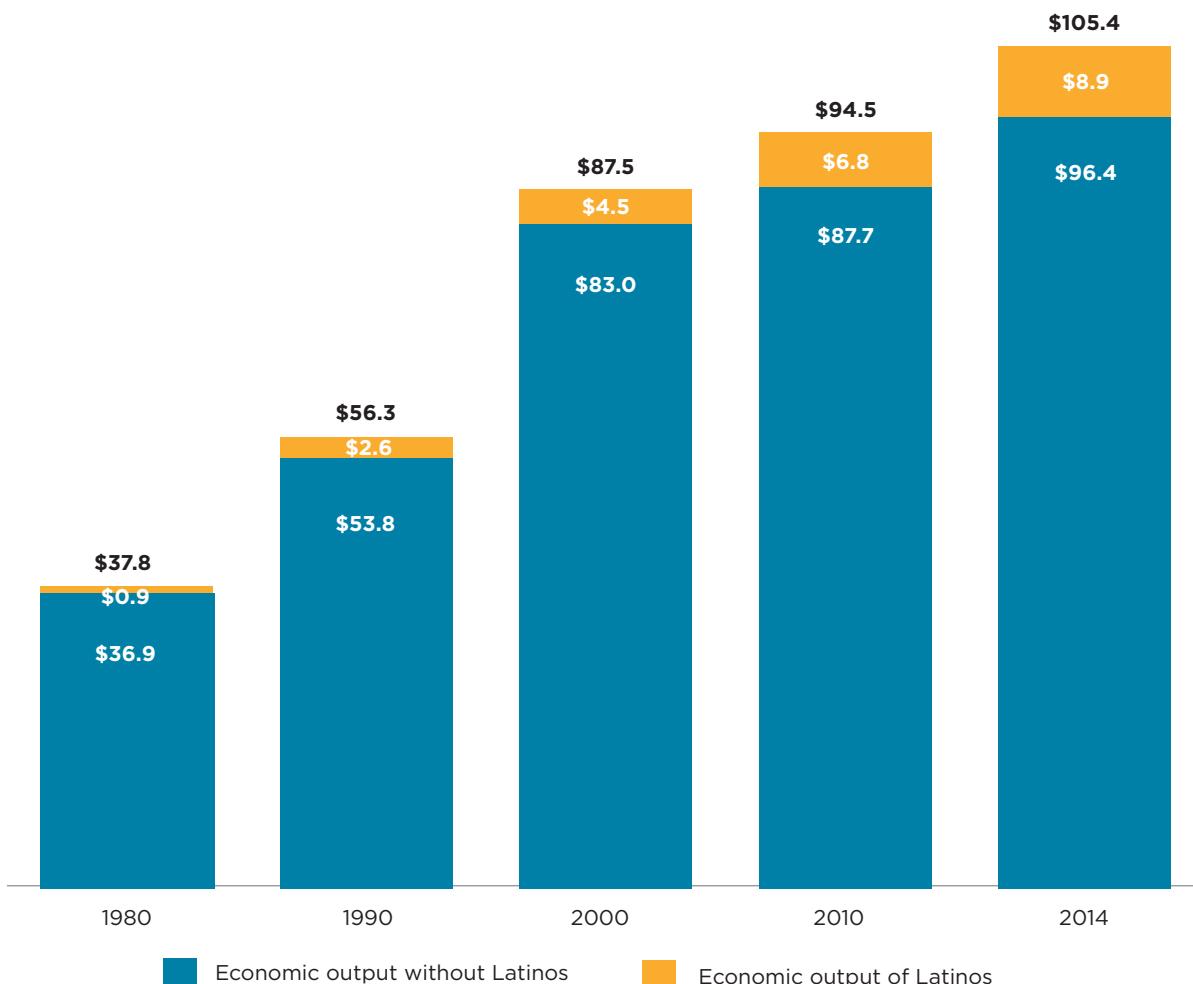
## Latinos boost our local economy as workers and entrepreneurs.

Latino workers hold jobs in Boston and Latino entrepreneurs own businesses that employ additional workers. Altogether these jobs in turn help support more jobs in the region, either through supplier relationships with local companies, or through Latino spending on local goods and services. The growing contributions of Latino workers and entrepreneurs is an important part of how Boston turned a corner, reversing our economic slowdown and revitalizing the urban core.

In 2014, the direct and indirect cumulative effect of Latinos accounted for roughly \$9 billion in Gross Domestic Product, about 7 percent of Suffolk County's total economic activity. This is up significantly from 1980 when economic output associated with Boston's much smaller Latino population was less than \$1 billion.

### Economic Output in Suffolk County, 1980-2014

Billions of dollars, inflation adjusted, 2015



Source: U.S. Census Bureau, 1980-2000 Decennial Censuses, 2010 & 2010-2014 American Community Survey, IPUMS; 1992, 2002, 2007, & 2012 Surveys of Business Owners; Regional Economic Model, Inc., REMI calculations, BPDA Research Division Analysis

## OPPORTUNITY: Skilled Workers

With our region's longstanding backbone of world-renowned colleges and universities, Boston has been a hub of high-skill jobs for most of its history. As the national economy has shifted toward higher-skilled employment in recent years, the need for higher education in order to succeed in Boston has continued apace. By 2022, almost half of projected job openings from new growth (46 percent) will require a Bachelor's degree or higher. And seven in ten job openings (71 percent) will require at least some college coursework or a post-secondary certificate.

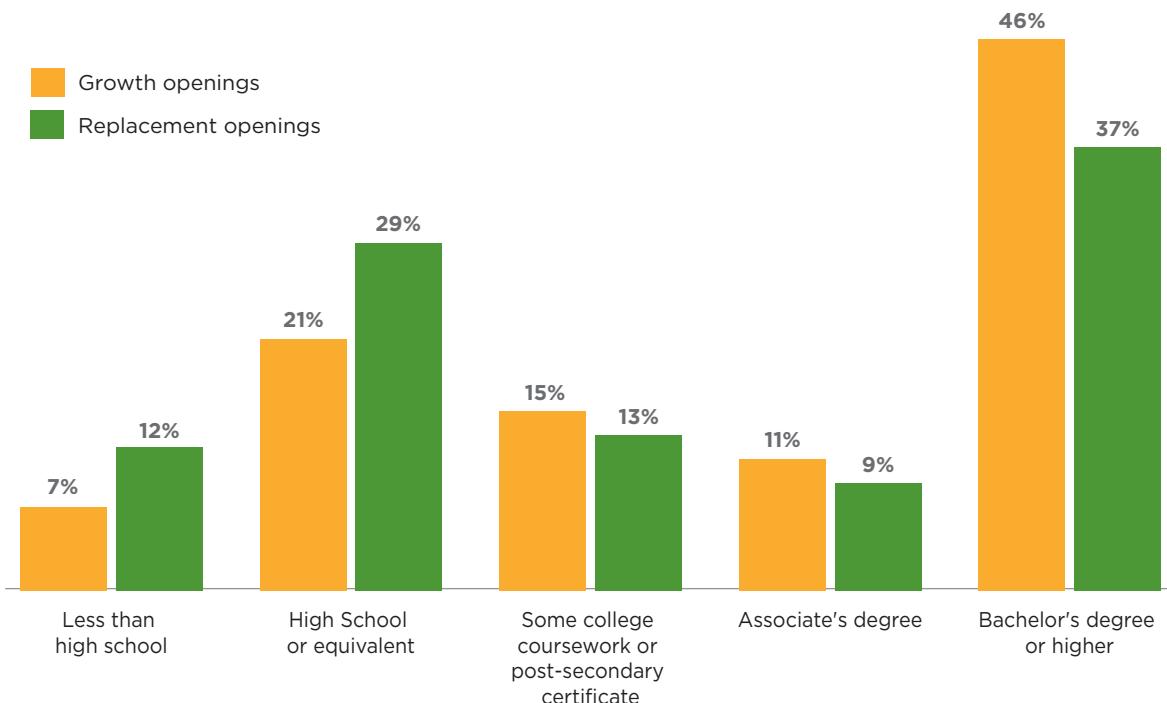
Many of our projected replacement openings will also require some college coursework (59 percent), but these replacement openings are less likely to require higher education than openings from new growth.

Because so many people in our region have college degrees—58 percent of people in Suffolk County have a Bachelor's degree or higher—even some jobs that do not require a college degree may be filled by someone with a college degree. This dynamic makes it all the more difficult for people without post-secondary education to find employment in Boston.

**Almost half  
of new job  
openings  
will require  
a college  
degree.**

13

### Projected Job Openings in Boston by Education, 2012-2022



Source: U.S. Census Bureau, 2000 Decennial Census & 2015 American Community Survey, IPUMS; Occupation and Employment Statistics; O\*NET Database; BPDA Research Division Analysis

## OPPORTUNITY: Occupation Growth

**Most of the occupations projected to see the largest growth are in high-wage fields.**

While it's hard to predict future labor market changes, the state's Executive Office of Labor and Workforce Development does provide rough occupation growth projections out to 2024 (summarized below). Many, although not all, of the areas with the greatest growth will likely be in high-wage jobs. Management and computer occupations are projected to grow by over 10 percent each and wages in these fields are above \$90,000 a year. Food preparation and personal care occupations, which provide entry-level jobs for many new immigrants, are also projected to grow significantly, but pay wages in the range of just \$30,000 a year.

Unlike in other parts of the country where much of the job growth is in low-skill, low-wage occupations, Boston is fortunate to have many thriving industries that pay good wages. But the prevalence of these good jobs brings with it a serious challenge; workers without the required higher-level skills risk getting shut out.

14

Occupation Group	Employment 2014	Employment 2024	Change	Growth from 2014	Average Wage (2016)
Business and Financial Operations	56,741	63,150	6,409	11.3%	\$91,762
Healthcare Practitioners and Technical	41,264	47,617	6,353	15.4%	\$100,786
Food Preparation and Serving	45,454	49,530	4,076	9.0%	\$31,011
Management	44,485	48,243	3,758	8.4%	\$137,778
Computer and Mathematical	20,527	23,916	3,389	16.5%	\$94,493
Healthcare Support	13,737	16,435	2,698	19.6%	\$36,070
Personal Care and Service	11,086	13,088	2,002	18.1%	\$30,066
Sales and Related	37,372	38,999	1,627	4.4%	\$58,184
Office and Administrative Support	61,851	63,428	1,577	2.5%	\$49,498
Education, Training and Library	9,549	10,869	1,320	13.8%	\$73,362
Community and Social Service	9,537	10,709	1,172	12.3%	\$44,170
Building and Grounds Cleaning and Maintenance	14,331	15,300	969	6.8%	\$34,860
Transportation and Material Moving	6,328	6,946	618	9.8%	\$31,808
Life, Physical and Social Science	5,496	6,113	617	11.2%	\$68,024
Construction and Extraction	4,262	4,694	432	10.1%	\$72,147
Legal	15,817	16,162	345	2.2%	\$160,922
Protective Service	13,635	13,930	295	2.2%	\$43,110
Installation, Maintenance and Repair	3,874	4,106	232	6.0%	\$47,196
Arts, Design, Entertainment, Sports and Media	2,718	2,897	179	6.6%	\$71,917
Architecture and Engineering	1,548	1,599	51	3.3%	\$98,056

Source: Executive Office of Labor and Workforce Development Long-Term Occupational Projections

## OPPORTUNITY: STEM Job Growth

Science, technology, engineering and mathematics (STEM) occupations have become an important part of our regional economy, and they are among the occupations that the Executive Office of Labor and Workforce Development projects will grow fastest over the coming years. The table below highlights selected STEM occupations that are projected to grow by more than 6 percent by 2024.

Job growth in just these selected occupations adds up to thousands of net new openings. The top three categories of software developers and computer systems analysts together are projected to grow by more than 13,000 jobs, and average wages in each of these occupations are all above \$93,000 a year.

If Latinos are not able to access higher education, they may be excluded from these occupations. Similarly, if Boston is not able to further develop its STEM talent pipeline, Boston companies may face difficulty filling these jobs.

**Science,  
technology,  
engineering  
and math  
(STEM)  
occupations  
are among  
Boston's  
fastest  
growing.**

15

Occupation	Employment 2014	Employment 2024	Change	Growth from 2014	Education	Average Wage (2016)
Computer Systems Analysts	4,445	5,254	809	18.2%	Bachelor's degree	\$95,813
Software Developers, Applications	4,880	5,657	777	15.9%	Bachelor's degree	\$108,115
Software Developers, Systems Software	3,432	3,958	526	15.3%	Bachelor's degree	\$111,887
Computer User Support Specialists	3,133	3,534	401	12.8%	Some college	\$64,053
Medical Scientists	3,151	3,518	367	11.6%	Doctoral or professional	\$81,425
Web Developers	1,344	1,681	337	25.1%	Associate's degree	\$80,414
Operations Research Analysts	974	1,285	311	31.9%	Bachelor's degree	\$75,444
Biological Technicians	2,345	2,595	250	10.7%	Bachelor's degree	\$50,016
Network and Computer Systems Admin	2,319	2,547	228	9.8%	Bachelor's degree	\$94,844
Civil Engineers	1,548	1,599	51	3.3%	Bachelor's degree	\$98,056

Source: Executive Office of Labor and Workforce Development Long-Term Occupational Projections; U.S. Census Bureau, 2011-2015 American Community Survey, PUMS, BRDA Research Division Analysis

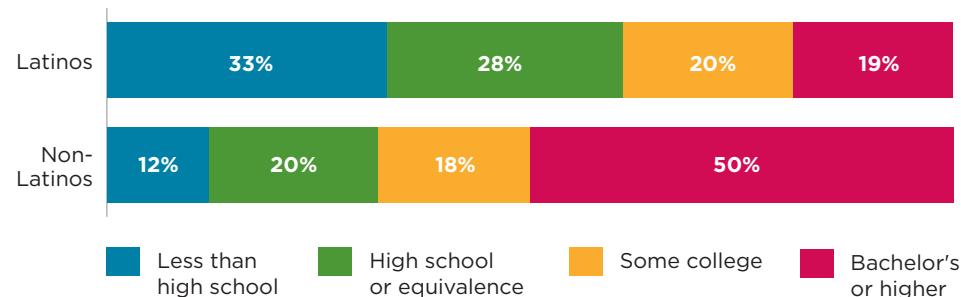
## OPPORTUNITY: Education

**Increase the education and English proficiency of Latinos in order to fully realize their potential.**

Since they are less likely to have a college degree, many Latinos are not well-prepared to take advantage of these job openings in high-skill areas. As shown in the graph below, only 19 percent of working-age Latinos have a Bachelor's degree or higher compared to 50 percent of non-Latinos. At the other end of the spectrum, over 60 percent of Latinos have only a high school degree or less.

### Educational Attainment of Working-Age Adults by Ethnicity

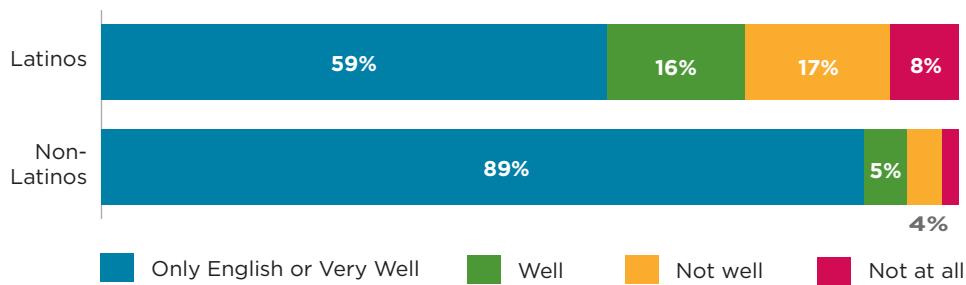
(Bostonians, aged 25 or older)



One key barrier for Latino advancement through higher education and into high-wage occupations is a lack of English proficiency. As was noted earlier, 43 percent of Latinos are foreign born, with the vast majority of these newcomers having grown up speaking other languages, most often Spanish or Portuguese.

In Boston, 25 percent of Latinos are not proficient in English (speaking English either "Not well" or "Not at all"). By contrast, only 6 percent of non-Latinos are not proficient in English. As we continue transitioning into a knowledge economy where communication skills are paramount, it will be critical to build more supports for improving the English language skills of all lower-skill workers, including Latinos.

### English Proficiency by Ethnicity



Sources: U.S. Census Bureau, 2011-2015 American Community Survey, BPDA Research Division Analysis

**OPPORTUNITY:**  
High-Wage Occupations

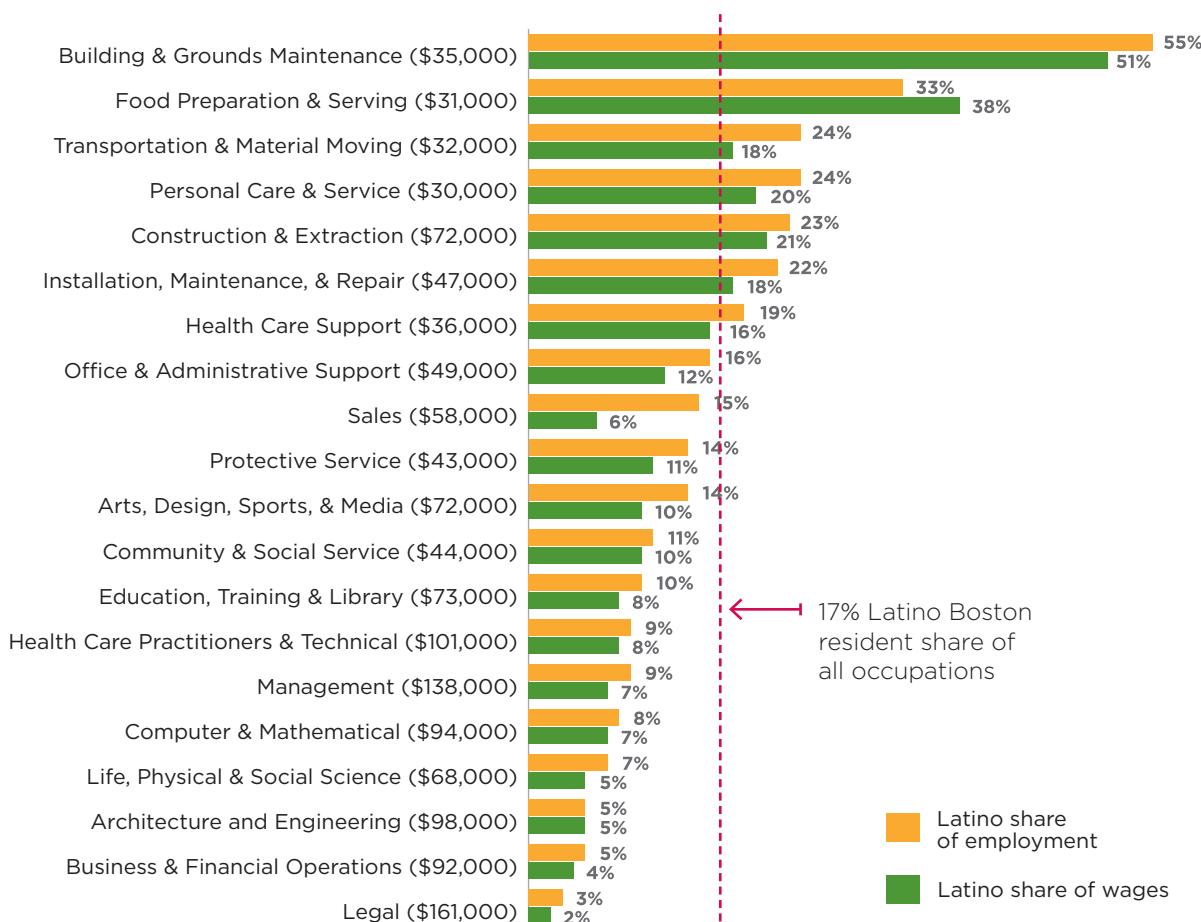
With nearly half of all new jobs in our local economy likely to require a college degree or more, Latino workers without a college education face real barriers to employment. Currently, Latinos in Boston are overrepresented in low-paid occupations such as building and grounds maintenance and food preparation. Latinos make up 33 percent of food preparation jobs, for instance, but median wages in these occupations are only \$31,000 a year for full-time work. Other occupations, like those in business and finance, pay median wages of roughly \$92,000 a year. But Latinos comprise only 5 percent of these occupations.

There is also a range of jobs earning different wages within each occupation, and Latinos are concentrated within the lower-wage ones; for most occupation categories, the Latino share of wages is smaller than the Latino share of employment.

**Increase Latino representation in highly paid occupations.**

### Latino Share of Employment vs. Share of Wages, by Occupation

Average wage of full-time workers in parentheses



17

Source: U.S. Census Bureau, 2011-2015 American Community Survey for employment; Massachusetts Executive Office of Labor and Workforce Development (EOLWD) 2016 for average wages, BPDA Research Division Analysis.

## OPPORTUNITY: High-Wage Industries

### Latinos are also under- represented within Boston's more highly paid industries.

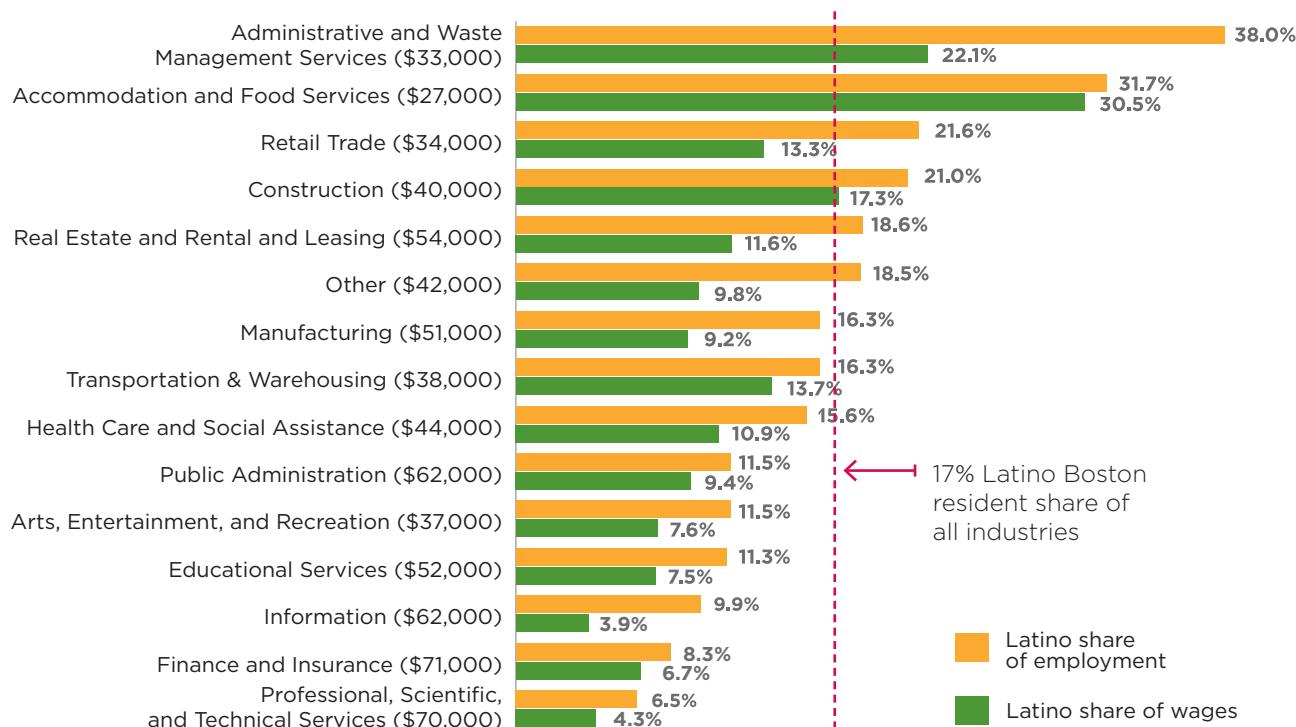
In addition to being underrepresented in Boston's more highly paid occupations, Latinos are also underrepresented in Boston's more highly paid industries. Whereas "occupation" captures the type of job an individual holds (e.g. an accountant), "industry" captures a whole field of work that includes people working in many different occupations (e.g. retail trade).

Within industries, Latinos make up 17 percent of employment overall, but only make up 8 percent of employment in high-wage industries like finance and insurance (with median wages of \$71,000 a year). On the other end of the spectrum, Latinos make up 32 percent of employment in accommodation and food services, but median wages in this industry are only \$27,000 a year.

And similar to the story within occupations, there is a range of jobs within each industry category, each of which earns different wages. As shown in the graph below, for each industry group, the Latino share of wages is lower than the Latino share of employment, suggesting that Latinos are concentrated in the lower-wage jobs within each industry.

### Latino Share of Employment vs. Share of Wages, by Industry

Median wage of full-time workers in parentheses

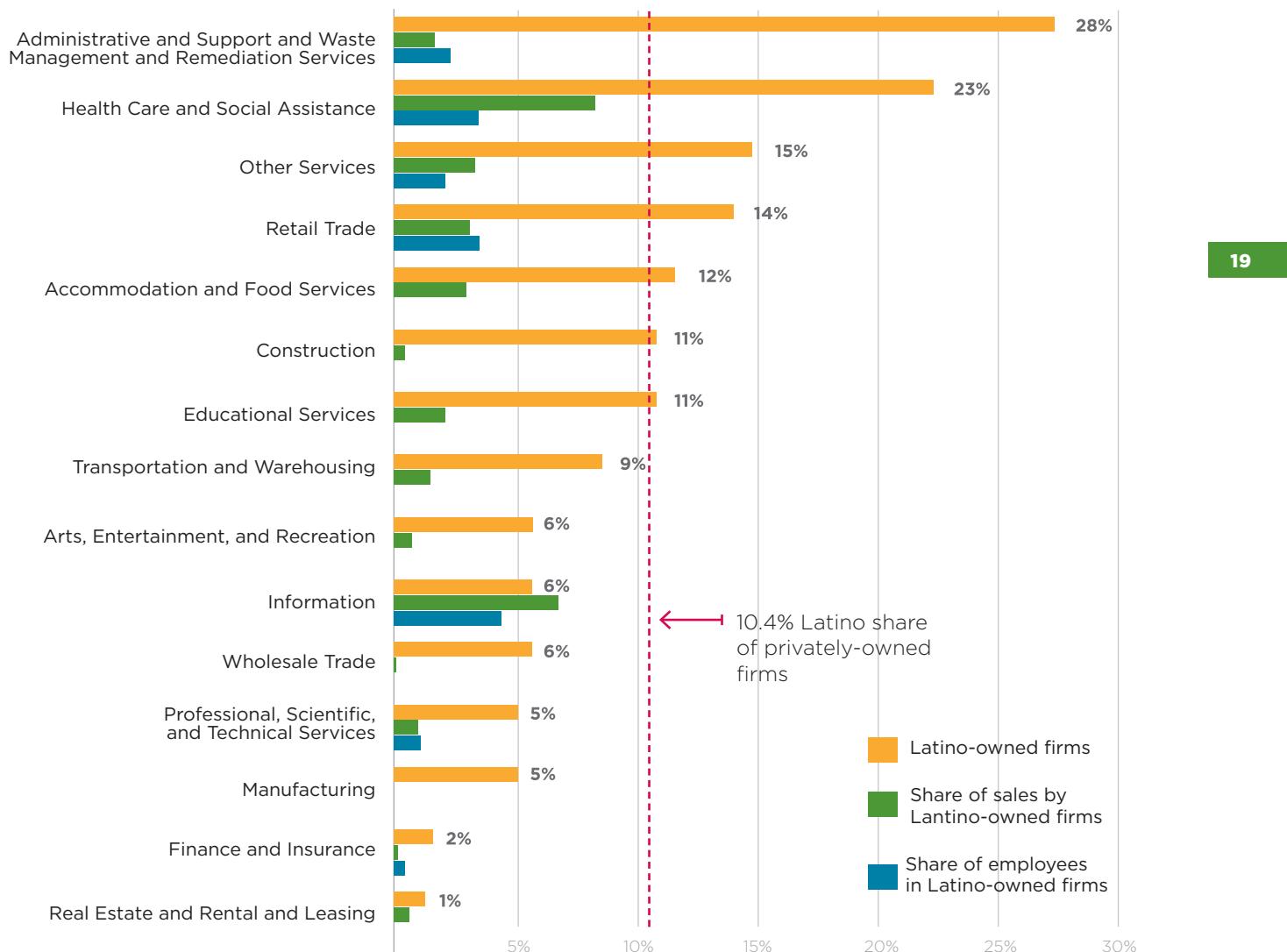


**OPPORTUNITY:**  
Business Development

Latino-owned firms face difficulties in growing their businesses and accessing higher value industries. Within almost every industry, Latino-owned firms employ a disproportionately low share of that industry's total employees. Latino-owned firms, for instance, make up 23 percent of the privately-held firms in health care and social assistance, but they employ only 4 percent of the employees. This is also true when comparing the share of Latino-owned firms with their share of total sales within that industry. In retail, for instance, Latino-owned firms make up 14 percent of the industry, but only 3 percent of total sales.

**Increase representation of Latino-owned firms in high-value industries and promote their growth.**

### Latino Share of Firms, Employees and Sales in Boston by Industry



# assets + opportunity =

## action

20

Boston is blessed with a strong and increasing supply of Latino talent. Growth in the Latino population has helped us fend off what would otherwise have been stagnant population growth during the past 35 years. And now on the aggregate level our local economy is quite strong. Overall unemployment is relatively low, currently at 3.9 percent (April 2017), and there is growing demand from employers, especially those in burgeoning, high-wage fields, such as science, technology, engineering and math (STEM). This increasing demand presents a real opportunity because these fields offer good jobs with higher than average wages.

But high-skill, high-wage jobs bring with them an important challenge: Workers without the required high-level skills risk getting shut out entirely. In order to grow our economy so that we all can thrive, we need to do a better job of building the talent pipeline so that the supply of workers, including those within the Latino population, have the skills necessary to meet the demands of our 21st century workforce.

As this report shows, Boston's diverse and growing Latino community already is making tremendous contributions to this region's cultural and economic life, but its potential is even greater—and essential to our shared future prosperity. Since Latino children represent such a large percentage of our city's young people, it's no exaggeration to say that our city's future vitality depends on tapping the wellspring of human capital within the Latino community. When Latinos thrive, we all thrive.



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