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Metropolitan Planning Council



# A 'Great Resignation' Not Due to Latinos:

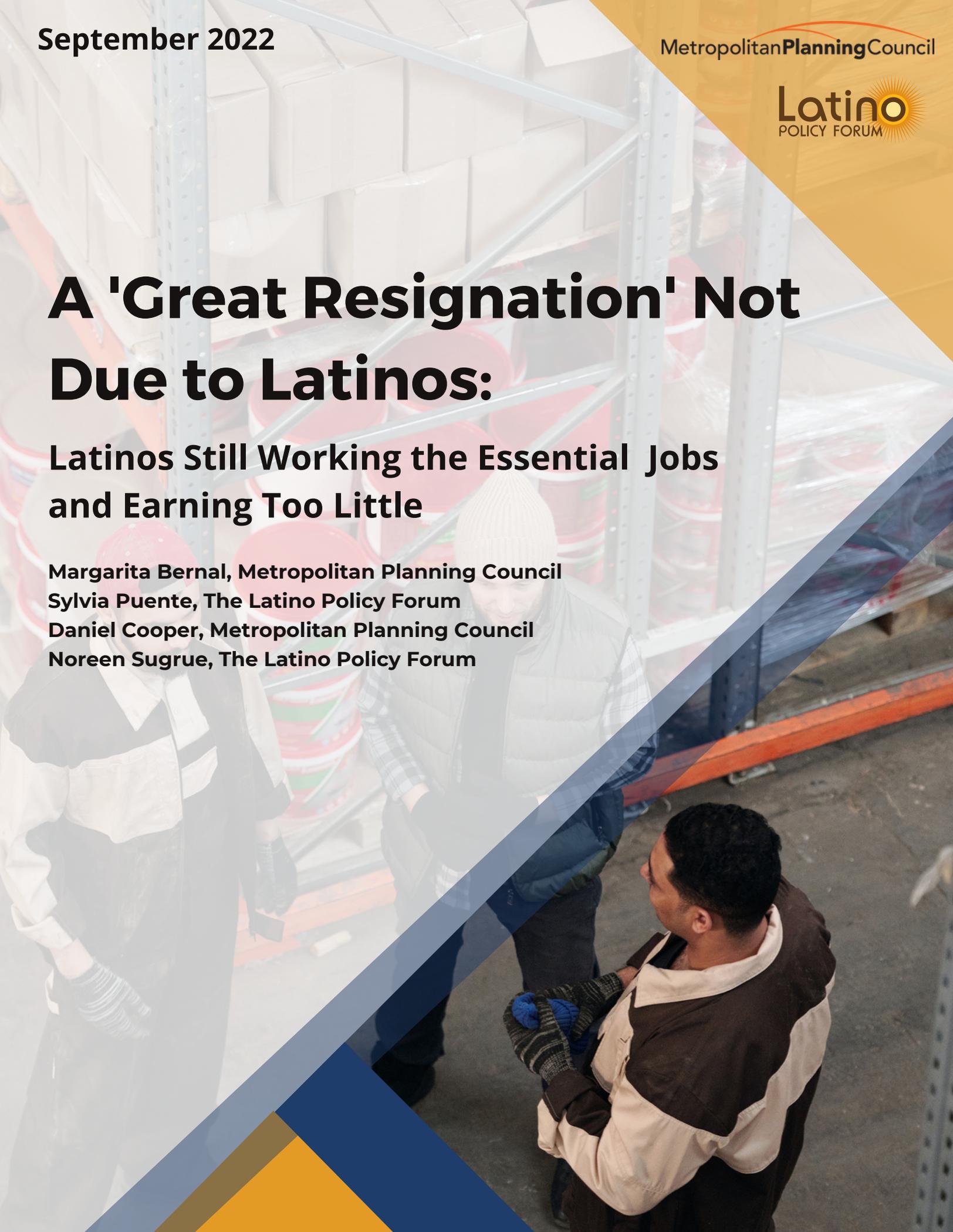
## Latinos Still Working the Essential Jobs and Earning Too Little

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# Introduction

This report outlines some of the ongoing challenges for Latinos and Latino workers while providing several considerations and policy directions for building a better future of work for Latinos in Illinois.

In the Spring of 2022, The State of Illinois released a task force report on [The Future of Work](#), which calls for strengthening job quality for all Illinois workers. While commending the prioritization of developing and supporting a viable and robust workforce, it is essential to examine the future of work with particular attention to Latinos. Erin Guthrie, former Director of Commerce and Economic Opportunity for Illinois, provides a concise explanation for why focusing on Latinos is warranted when she [notes](#) the inextricable link between the state's economic path and the economic course of the Latino community. The strength and durability of the Latino community are essential ingredients of the state of Illinois' socio-economic health, which depend on Latinos continuing to make educational and economic gains.

Over the past year, worker shortages across many labor sectors have led to proclamations that we are experiencing a "great resignation." This situation has often been described as workers quitting their jobs to chase more fulfilling or leisurely pursuits. And while that may be true for some workers, it is not the case for many Latino workers, especially in the low-wage industries (e.g., hospitality, childcare) where Latinos are overrepresented. As the state considers how to prepare and strengthen its workforce for the future, policy changes are necessary to place Latino workers on a path to high-quality, high-paying jobs with decent benefits and a stronger worker voice. The state of Illinois must make progress to reduce the quality job gap experienced by many Latinos.

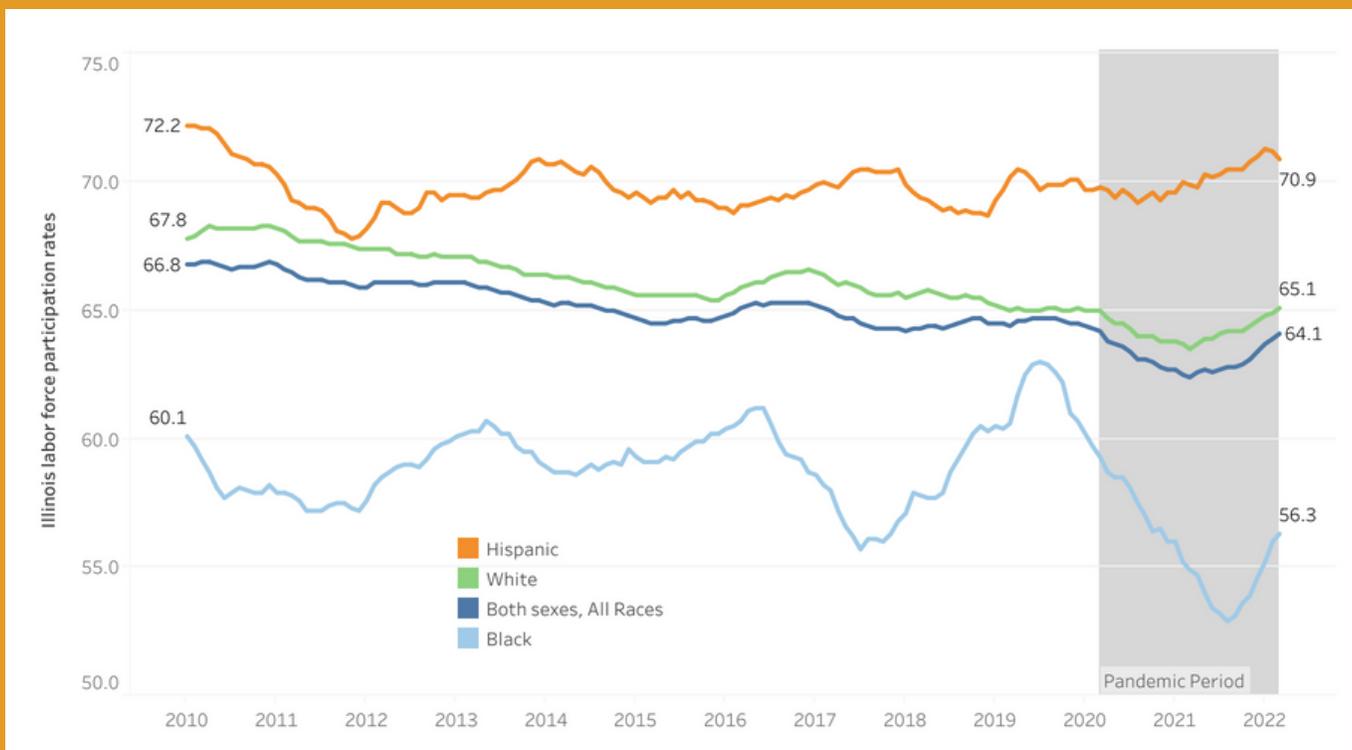


# No Great Resignation for Latinos

A unique constellation of social and economic factors impacts Latino workers, making them essential workers without crucial protections. These factors include Latinos' high labor force participation rates, segmentation into many industries that lack adequate protections and benefits, and the devastation of COVID within the community, especially on its younger working-age population. If there were an observable trend of mass resignations, we would expect a decline in the labor force participation rate. Although there were declines in the labor force participation rate in the overall Illinois workforce and among White and Black workers across 2020 and 2021, the same was not true for the Latino workforce.

After an initial and significant drop in the availability of jobs, Latino labor force participation rates climbed throughout the pandemic, indicating that the substantial economic burdens faced by Latino families were likely driving *more* Latinos into the workforce. Figure 1 below illustrates that since the beginning of the pandemic, Latino and white workers increased their participation, surpassing pre-pandemic levels by 1.1 and 0.1 percentage points, respectively. Latino labor force participation rates are the highest among any racial or ethnic group. Thus, any worker shortages are certainly not attributable to Latinos.

**Figure 1.** Illinois labor force participation rates by race and ethnicity (12-month averages) January 2010 - March 2022



# Latinas Face Unique Labor Force Challenges

As we think about the future of work and Latinos, *Latinas* need special attention. Childcare, an essential service required if women are to fully participate in the labor force, impacts Latinas from both sides--in terms of demand and supply. They are at once the projected engines of growth for the labor force (one that includes childcare professions) but also spend the greatest amount of time caring for children and other family members.

According to the Bureau of Labor Statistics, Latinas account for 16 percent of the female total U.S. labor force. Between 2019 and 2030, Latinas in the labor force are projected to grow by almost 26 percent; that is nearly nine times the projected growth of white women in the labor force.

Roughly 10 percent of Latinas report that no childcare or family and personal duties hindered their participation in the labor force, and an even more significant factor is access to affordable quality childcare. Approximately 18 percent of Latinas wanted to work or work more but could not because of childcare responsibilities and associated costs. Still, only six percent of eligible Latino children receive childcare and Development Block Grant assistance. Given the average weekly income of Latinas, those subsidies are essential.

In addition to their own childcare needs, Latinas comprise a sizeable share--18 percent--of all childcare workers, which were more likely to be jobs that were lost at the beginning of the pandemic, and more likely to pay a lower wage. These jobs pay an average of \$12.02 per hour, barely enough to support oneself, let alone a family. Latina childcare workers face 50 percent higher poverty rates than female childcare workers of other racial or ethnic groups.

The COVID pandemic has exacerbated childcare access and caused crises for Latinas. Childcare assistance is of crucial importance to Latina workers, but so is raising the quality of all jobs held by Latinas in general. Latina workers were hit the hardest by job loss at the beginning of the recession.

Although Latina labor force participation has since bounced back, wage disparities are greatest for Latinas. On average, they earn 11 percent less than Latinos, 10 percent less than Black women, 25 percent less than white women, and 35 percent less than Asian American women. Compared to Black, white, and Asian American men, the average weekly earnings of Latinas are 19, 39, and a whopping 51 percent less, respectively. While Latinas may be an essential engine for labor force growth, pay and benefits need to catch up in order for Latinas to afford quality housing, health care, food, childcare, and their children's education.



# Immigrants Help Relieve Work Force Shortages & Face Unique Labor Force Challenges

Another group of Latinos requiring special attention are recent immigrants. It is no coincidence that current labor shortages coincide with years of anti-immigration sentiment and declining immigration to the U.S. Even before the recent heightened anti-immigrant sentiment in this country, it was clear that workplaces could be hostile to immigrant Latinos, as "...the current anti-immigrant atmosphere and emphasis on employer sanctions have resulted in an extremely precarious labor market position for both legal and undocumented Hispanic immigrants, who suffer from multiple, overlapping elements of disadvantage".

Immigrant workers are needed to fill jobs. Without immigration reform, we are unlikely to see the requisite number of workers immigrating to Illinois or the rest of the U.S. Any immigration reform must address the fair and equitable treatment of documented and undocumented immigrants. The economic contributions of sensible immigration reform, including paths to legalization and subsequent citizenship, are well-known and include increases in tax revenues, productivity, wages, and educational gains for children. These, in turn, generate economic growth for the cities, states, counties, and the nation.

# COVID Illustrated the Many Ways Latino Workers are Uniquely Vulnerable

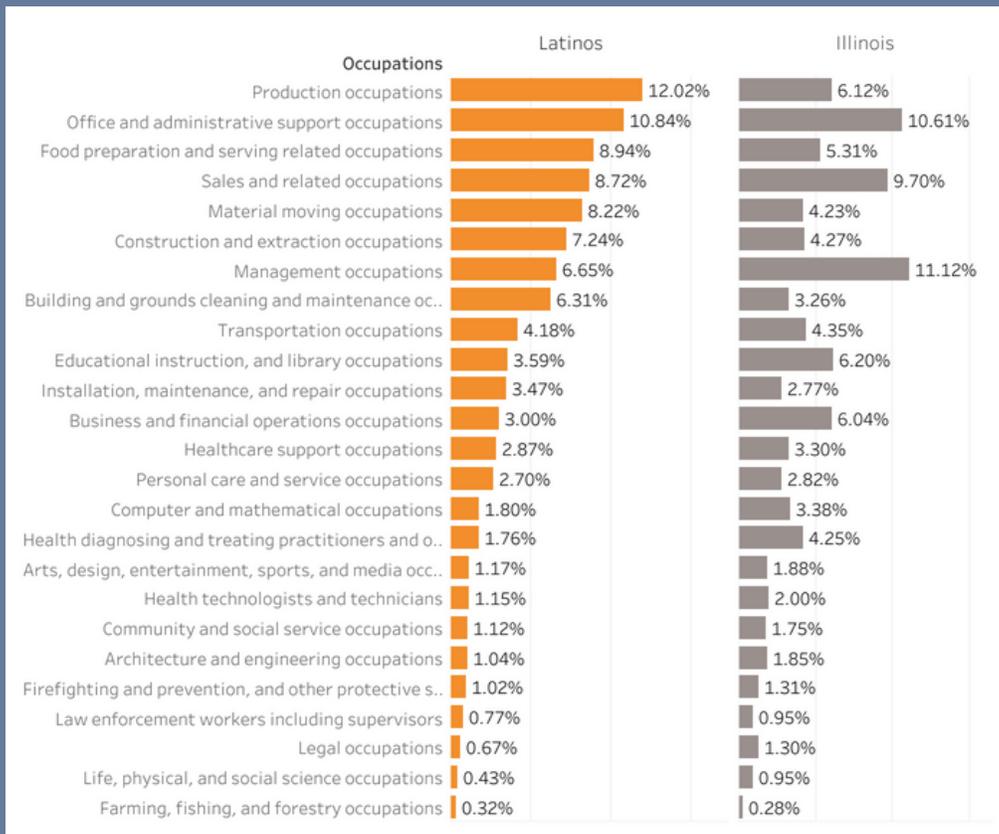
COVID exacerbated the fragility of the socio-economic fabric in the Latino community. It also exposed the instability of that fabric under external stresses. To be sure, such tensions will continue to impact the Latino community until workforce policies are improved. The ongoing reality for Latinos since the onset of the pandemic is that they are at an elevated risk for acquiring COVID due to occupational exposure. And because service and hospitality venues are now open to pre-COVID capacity levels and public health mitigation requirements are difficult at best, or non-existent, the risk does not abate.

We continue to see the pandemic's ripple effects on Latino workers. The negative impacts of COVID on the labor sectors where Latinos are overrepresented are myriad. Latinos were – and still are – overrepresented in low-paying jobs, many designated both essential and high risk (e.g., maintenance, retail, construction, and manufacturing). Specifically, 65 percent of Latinos work in the five business sectors most negatively impacted by COVID, such as hospitality, manufacturing, and maintenance.

COVID's impact on the elderly defined the earliest days of the epidemic. However, within weeks, we began to see large numbers of working-age people getting sick, hospitalized, and dying. And nowhere was this more evident than in the Latino community. For example, at the beginning of the pandemic in Illinois, Latinos were among the racial/ethnic groups with the highest rate of diagnosed cases. By August of 2020, Latinos had a diagnosed COVID case rate about 51 percent greater than Black people and 293 percent greater than it was for whites. Although other racial/ethnic group rates later caught up, it was no coincidence that Latino workers were the most vulnerable due to their essential occupations and lack of protections.



**Figure 2.** Illinois Latinos Compared to all Illinois Residents by Occupation, 2019.



Source: U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates (based on Standard Occupational Classification)

The occupational placement of Latinos is a major contributing factor in explaining why COVID has disproportionately impacted Latinos throughout the last three years. [Figure 2 above](#) illustrates why COVID's impact has devastated the Latino community. It starts with work and workplaces. When looking at occupation data, the high concentration of Latinos in industries where social distancing or working from home is difficult or impossible made them more vulnerable to job losses and disease risk during the COVID-19 recession.

Throughout most of the pandemic, Latinos have been hit hard by COVID, be it due to early rates of diagnosed cases, deaths among those aged 20-59, and, ultimately, the sheer number of cases among working-aged people. And these patterns continue today. The infection rates, hospitalizations, rate of deaths, and potential long-term impacts from COVID are at critical levels among working-age and young people. Approximately 91 percent of COVID cases in Illinois' Latino population are among young and working-age people, the highest percentage among all racial/ethnic groups. As of June 9, 2022, nearly 2/3 of diagnosed [COVID cases among Illinois' Latinos](#) were in those aged 20-59 – the working-age and parent population.

When families suffer the tragic loss of a working-age family member, their economic stability becomes more precarious than ever. But families are not the only ones who will face the consequences. These deaths come with financial costs that communities, the state, and the nation all pay. The ripple effects of COVID illness and death start with work but ripple across other sectors.

# Education & Housing Combine With Work to Create Additional Challenges for Latinos

Educating children — especially post-secondary education — is strengthened with family resources and economic stability. Prior to March 2020, the percentage of Latinos in both the US and Illinois earning at least a bachelor's degree was increasing, but that trend has since reversed. Nationally, there was a four percent decline in college enrollment between Fall 2019 and Fall 2020 and a 5.4 percent decrease for Latinos. Declining rates of post-secondary educational attainment produce micro- and macro-level economic consequences. For example, the projected differences between college graduates and non-graduates in lifetime earnings, retirement savings, and the likelihood of having a job are enormous. There will be substantial economic shockwaves if Latinos cannot continue making the educational advances that they were pre-COVID, and these shockwaves will have national impact.

Before the pandemic, the Latino homeownership rate in Illinois was roughly 55 percent. Homeownership is the single-most-important vehicle for wealth accumulation among the non-wealthy. A down payment, steady income, job security, and good credit are necessary to purchase a home. For most non-wealthy families, that means having more than one income is essential. A recent report by the Urban Institute details how the pandemic has exacerbated barriers Latinos face in navigating homeownership, which has significant consequences for community stability and state tax revenue.



# Improving Job Quality is Essential

If Illinois is to lead the nation in raising job quality for all workers, Latino jobs must be a primary focus. Latino workers are often the first to suffer the consequences of a crisis, and the first to step up to fill essential positions, often with low-wages, job security, and protections. During the pandemic, employment sectors such as hospitality and childcare saw large numbers of workers lose their jobs. For workers who retained their employment, saw hours cut, and therefore drastic cuts in pay.

According to a [Pew Research report](#), almost half of Latinos nationally said they or someone in their household has lost a job or wages since February 2020. At the same time, an early analysis by the polling firm [Latino Decisions](#) showed that Latinos were the most likely not to have the required economic cushion to withstand a job loss or reduction in pay. While this data are national, the trends and patterns apply to Illinois' Latino population as a microcosm of the national Latino population.

The jobs held by many Latinos typically are not flexible, stable jobs with high wages and benefits. A recent [UCLA Latino Policy and Politics Institute report](#) notes, "...Latinos are more likely than non-Latino whites to have jobs with low wages, minimal benefits, and unstable employment". Latinos have faced this precarious low-wage employment situation pre-pandemic and today as we begin to emerge from the pandemic. For example, in 2019, of the roughly 430,000 workers in Chicago earning less than \$15 per hour, 37 percent were Latino. In March 2022, nationally, nearly 50 percent of Latino workers earned less than \$15 per hour.

From the onset of COVID and throughout the following recovery, Latinos have been working. The statewide and national unemployment rates for Latinos is nearing pre-pandemic lows, while Latino labor force participation growth continues to outpace other racial and ethnic groups. Still, their wages remain low, and their economic vulnerability remains high.

COVID has stymied many of the socio-economic gains Latinos in Illinois were making. Without concrete plans and investments to enable the economic health and growth of the Latino community, we are at risk of a downward spiral of economic consequences not just for the Latino community but for the metro region, the state of Illinois, and the nation.



# Strengthening and Protecting Latino Workers is Essential for a Vibrant Illinois Economy

We have witnessed many new workforce trends three years into the COVID-19 pandemic, ranging from remote work to labor shortages. For Latinos, however, the more things have changed in most work settings, the more they have stayed the same. Far from experiencing a great resignation, labor participation rates for Latinos are as high as ever, with workplace protections and benefits as low as ever. As officials in Illinois consider policy changes necessary to create a bright future for workers across the state, it must do more to improve conditions and opportunities for Latinos. The following policy directions will help ensure equitable impacts and a brighter future for Latino workers. There are various levels of policy discourse at the state and local levels on most of these recommendations. We suggest focusing on how to center Latinos in all the policy discourse.

## Policy Directions

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- 1.** Address barriers to homeownership and the decline in educational attainment by **creating pathways for more Latinos to have jobs that pay wages** that allow for homeownership and an ability to pay for educating children beyond high school.

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- 2.** Address COVID-19's economic devastation on Latinos and the role that workers and workplaces played by **strengthening and enforcing policies that ensure workers are safe and not placing their lives at risk while on-the-job.**

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- 3.** Enable more Latinos to contribute to the growth of the workforce by **enhancing wages and benefits, including access to affordable childcare.**

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*Policy Directions continue on next page.*

# Policy Directions (cont.)

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4. Address health vulnerabilities in the Latino community by **providing access to an array of benefits, including paid time off**, so that Latino workers can care for those dependent on them.

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  5. Address worker shortages, stabilize the workforce, and make significant economic contributions through **immigration reform that changes the process by which workers can move to and remain in the U.S., including a pathway to citizenship for undocumented workers**.
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As the state of Illinois looks to implement recommendations from the Future of Work Task Force, more attention is required to the quality of jobs. Attention to job quality is necessary if we are to ensure better wages, protections, benefits, and access to higher-quality jobs for Latino workers. An equitable future of work in Illinois must include making progress on reducing Latino wage gaps. This necessitates policies and strategies to ensure Latinos have access to jobs that pay a living wage with decent benefits.

