



Economic Indicators and People of Color

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People of color, as the future of the American workforce, are making significant gains across a number of economic indicators. With unemployment down across all racial and ethnic groups, the buying power of people of color is turning into an economic force. People of color are expected to account for the vast majority of household growth and will represent more than half of first-time U.S. homebuyers in the next 10 years.¹ The future of consumers of color is inextricably linked to America's future economic health.

- **Between 2009 and 2014, unemployment rates decreased across all racial and ethnic demographics.** While there is much room for improvement, the unemployment rates for all races and ethnicities have declined. In 2009, whites were unemployed at a rate of 8.5 percent,² while the unemployment rate was 14.8 percent for African Americans,³ 7.3 percent for Asian Americans,⁴ and 12.1 percent for Latinos.⁵ By 2014,⁶ unemployment rates had dropped to 5.3 percent for whites,⁷ 11.3 percent for blacks,⁸ 5 percent for Asian Americans,⁹ and 7.4 percent for Latinos.¹⁰
- **The buying power of people of color has consistently risen since 1990 and will continue to rise.** African Americans' buying power is expected to increase from \$316.3 billion in 1990¹¹ to \$1.3 trillion by 2018.¹² By 2018, African Americans are projected to represent an 8.8 percent share of the U.S. consumer market.¹³ From 1990 to 2018, the buying power of Latinos is expected to increase from \$210 billion to \$1.6 trillion.¹⁴ By 2018, the Latino share of the U.S. consumer market is expected to reach 10.6 percent.¹⁵ From 1990 to 2018,¹⁶ Asian Americans' buying power is expected to grow from \$115.4 billion to nearly \$1 trillion. By 2018, Asian Americans are projected to make up 6.3 percent¹⁷ of the U.S. consumer market.
- **Latinos and Asians have higher civilian labor-force participation rates than the U.S. national average.** In 2014, 66.1 percent of Latinos¹⁸ and 63.6 percent of Asians²⁰ participated in the labor force, compared with the national average of 62.9 percent.²²

By **2018**, people of color will have six times the buying power than in **1990**—more than \$3.6 trillion



- **From 2000 to 2014, Hispanics accounted for 50 percent of the net growth of overall owner households in the country.**²³ A 2014 Urban Institute study projected that Hispanics will account for 55.5 percent of new homeowners from 2010 to 2020.²⁴ The report also suggested that even higher Hispanic homeownership growth could be achieved under a stronger economy and policies that expand credit to lower- and middle-income Americans.

- **Students of color aspire to entrepreneurship.** About 50 percent of all racial and ethnic minority students want to start their own businesses; this is compared with 37 percent of non-Hispanic white students.²⁵

From 2010 to 2020, Hispanics will make up the majority of new homeowners



Endnotes

- 1 Alejandro Becerra and Marisa Calderon, "2014 State of Hispanic Homeownership Report" (San Diego: National Association of Hispanic Real Estate Professionals, 2015), available at <http://nahrep.org/downloads/2014-5HHR.pdf>.
- 2 Bureau of Labor Statistics, *Labor Force Characteristics by Race and Ethnicity, 2009* (U.S. Department of Labor, 2010), available at <http://www.bls.gov/cps/cpsrace2009.pdf>.
- 3 Ibid.
- 4 Ibid.
- 5 Ibid.
- 6 U.S. Bureau of Labor Statistics, "Table 3. Employment status of the civilian noninstitutional population by age, sex, and race," available at <http://www.bls.gov/cps/cpsaat03.htm> (last accessed July 2015).
- 7 Ibid.
- 8 Ibid.
- 9 Ibid.
- 10 U.S. Bureau of Labor Statistics, "Table 4. Employment status of the Hispanic or Latino population by age and sex," available at <http://www.bls.gov/cps/cpsaat04.htm> (last accessed July 2015).
- 11 Jeffery M. Humphreys, "The Multicultural Economy 2013" (Athens, GA: Selig Center for Economic Growth, 2013), available at <http://www.latinocollaborative.com/wp-content/uploads/2013/10/Multicultural-Economy-2013-SELIG-Center.pdf>.
- 12 Ibid.
- 13 Ibid.
- 14 Ibid.
- 15 Humphreys, "The Multicultural Economy 2013."
- 16 Ibid.
- 17 Ibid.
- 18 U.S. Bureau of Labor Statistics, "Table 3. Employment status of the civilian noninstitutional population by age, sex, and race."
- 19 Ibid.
- 20 U.S. Bureau of Labor Statistics, "Table 4. Employment status of the Hispanic or Latino population by age and sex."
- 21 Ibid.
- 22 Ibid.
- 23 Becerra and Calderon, "2014 State of Hispanic Homeownership Report."
- 24 Dina ElBoghdady, "Could Obama's immigration initiative boost the housing market?" *The Washington Post*, November 21, 2014, available at <http://www.washingtonpost.com/blogs/wonkblog/wp/2014/11/21/is-immigration-reform-the-housing-markets-big-hope/>.
- 25 Robin Myers and Preeti Sidhu, "Minority, Young Students More Entrepreneurially Inclined," Gallup, January 13, 2014, available at <http://www.gallup.com/poll/166808/minority-young-students-entrepreneurially-inclined.aspx>.