

MAY 2022

¡AVANCEMOS YA!

PERSISTENT ECONOMIC CHALLENGES AND OPPORTUNITIES FACING LATINOS IN MASSACHUSETTS

BOSTON
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THE MAURICIO GASTÓN INSTITUTE
FOR LATINO COMMUNITY DEVELOPMENT
AND PUBLIC POLICY
UNIVERSITY OF MASSACHUSETTS BOSTON

LATINO EQUITY FUND
AT THE BOSTON FOUNDATION



About Boston Indicators

Boston Indicators is the research center at the Boston Foundation, which works to advance 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 Mauricio Gastón Institute for Latino Community Development and Public Policy

Established in 1989, the Mauricio Gastón Institute for Latino Community Development and Public Policy was created by the Massachusetts Legislature in response to a need for improved understanding about the Latino experience in the Commonwealth. Now in its 33rd year, the Gastón Institute continues its mission of informing the public and policymakers about issues vital to the state's growing Latino community and providing information and analysis necessary for effective Latino participation in public policy development. To learn more about the Gastón Institute, visit www.umb.edu/gastoninstitute.

About the Latino Equity Fund at the Boston Foundation

The Latino Equity Fund, a unique partnership of local Latino philanthropists and leaders and the Boston Foundation, is the first Latino-focused philanthropic fund in Greater Boston and the Commonwealth. The LEF envisions a future in which the Commonwealth's Latino community has equal opportunity and access to achieving economic prosperity and well-being. Our mission is to use our influence, platform, and partnerships to build power and equity for all Latinos in the state, while amplifying the diverse voices and perspectives of the community itself. We partner closely with nonprofits, funders, government leaders, and the private sector, leveraging the strengths of the Latino community to educate stakeholders about issues and surface the most effective solutions to achieving systemic change.

About the Boston Foundation

Founded in 1915, the Boston Foundation is one of the oldest and largest community foundations in the country. By partnering with community members, donors, the public sector, businesses and nonprofits, we serve as a civic leader for our city and region. In this role, supported by our Annual Campaign for Civic Leadership, we publish research into the critical issues of our time, convene large groups of people to discuss the city's agenda—and use our shared knowledge to advocate for public policies that promote equity and opportunity for everyone. TBF is also one of the largest grantmakers in New England, providing support to nonprofit organizations in Greater Boston through our endowment and working closely with our donors to support nonprofits locally, nationally and internationally.

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Authors

Trevor Mattos, Boston Indicators
Phillip Granberry, Ph.D., Gastón Institute at UMass Boston
Vishakha Agarwal, Gastón Institute at UMass Boston

Editors

Luc Schuster, Boston Indicators
Sandy Kendall, The Boston Foundation

Design

Isidor Studio
Mel Isidor

Dear Friends,

Why, you may ask, is it time now for a retrospective look at the demographics and economic situations of Latino communities in Massachusetts? The reasons are manifold but begin with our region's being on the cusp of a pandemic recovery phase: The moment is right for fresh eyes on old injustices and new ideas for improving old systems.

As Co-Chairs of the Latino Equity Fund (LEF), our familiarity with the Latino communities in the Commonwealth is broad and deep. We know of the countless challenges our communities have faced since establishing themselves here—whether recently or generations back. And we know that the 2020 arrival of COVID-19 hit our communities with disproportionate severity. Even as we know these things, we are pleased to present this report in partnership with Boston Indicators and Gastón Institute, because we also know that data can illustrate this story for others with compelling clarity. For the LEF, the facts and figures reaffirm the importance of prioritizing economic prosperity and health equity in our work.

The report surfaces many telling metrics from both before and during the pandemic. For instance, 63 percent of Latino workers, who often work in low-wage service jobs, lost employment-based income during the first year of the pandemic. And many Latinos working in sectors that were suddenly deemed essential faced a difficult trade-off between much-needed income and heightened risk of exposure to COVID-19. The pandemic brought new challenges and resurfaced existing ones—namely, high incidence of food insecurity and housing cost-burden.

Understanding the long history of economic struggle facing many Latinos in our region will prepare decision-makers, advocates, and funders as Massachusetts pivots toward solutions that promote a trajectory of economic opportunity and growth for all, with laser-like attention on remedies to systems that have blocked communities like Massachusetts' Latinos from achieving their potential. These may include:

- › Creating pathways toward workforce opportunities in high growth sectors
- › Removing barriers to workforce and entrepreneurship opportunities
- › Tapping into the diverse assets of the Latino community

Latinos are a large and growing population in our state; the majority are native-born U.S. citizens. They make so many vital contributions to the Commonwealth, and still there is so much more potential for prosperity and greater well-being. Our communities are not self-contained and the benefits of improving economic and physical health for Latino families, businesses, and neighborhoods will ripple out throughout the region, advancing the success and well-being of our people, neighborhoods, and economy. The future of the Commonwealth is bound together with the future of this vibrant community.

As we continue to seek an equitable and inclusive recovery, the investments we make today will build upon the remarkable contributions of our Latino communities and unleash the potential of future innovators and leaders, organizers, artists, entrepreneurs, and educators. The time is now—*¡avancemos ya!*



Aixa Beauchamp
LEF Co-Founder and Co-Chair



Juan Lopera
LEF Co-Chair

INTRODUCTION

Massachusetts is among the wealthiest states in the country, yet Latino communities here have struggled economically relative to Latinos nationwide. There have been some bright spots—poverty rates have decreased and Latinos now have higher rates of entrepreneurship, education and labor force participation than in years past. Still, a disproportionate share of the more than 800,000 Latinos in Massachusetts today contend with food insecurity and have low rates of intergenerational economic mobility.

Recently, the pandemic has exacerbated some of these longstanding challenges.¹ Many Latinos, especially newer immigrants, work in service jobs that serve as a backbone of our local economy. When COVID-19 reached Greater Boston, these jobs put many of them into one of two difficult positions—either 1) providing vital day-to-day frontline work that put them at higher risk of infection or 2) being at higher risk of job loss due to COVID-related restrictions in the leisure and hospitality sectors.

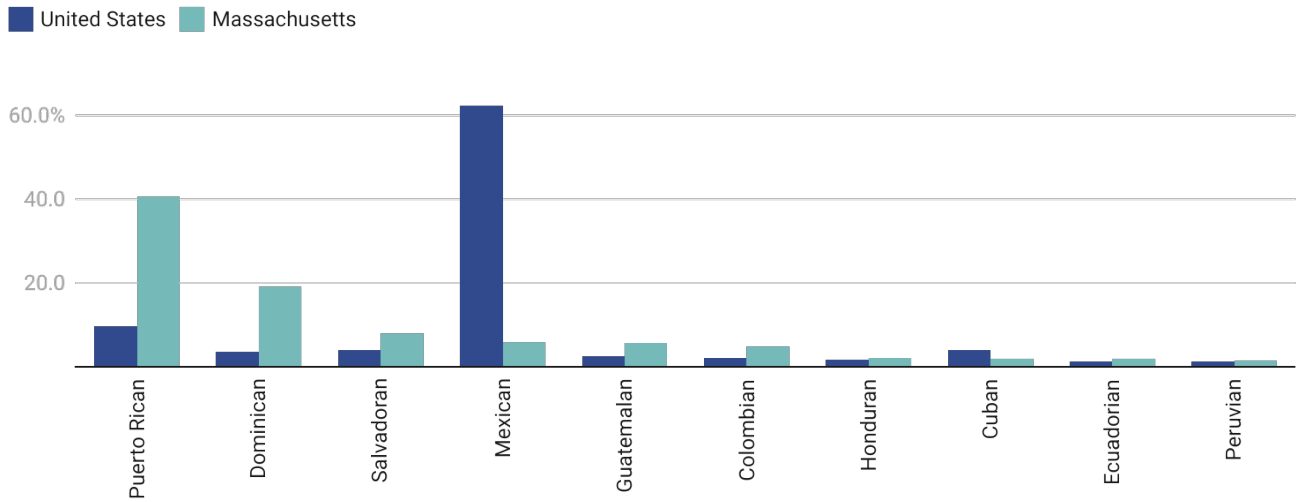
Fortunately, our economy has been rebounding from the recession of 2020, providing an opportunity to improve the economic conditions among our state's Latino communities. So, to help inform thoughtful recovery strategies, this report provides an analysis of the unique backgrounds and circumstances of different Latino groups in our state. In Part I, we present data on enduring socioeconomic challenges facing Massachusetts Latinos, and we include data for several comparison groups to offer context.

The data points we use to identify these challenges mostly precede 2020, so they reveal the nature of economic struggles that persisted even when the economy was strong. Then, in Part II, we explore several possible origins of these struggles. While not a definitive analysis of all causes, we present some potential explanations to help advance our local understanding. Finally, we conclude with a brief discussion of policy directions for a path forward.

Throughout this report we attempt to highlight the tremendous diversity and distinctive histories of Latino communities in Massachusetts. In fact, the composition of Massachusetts' Latino population differs markedly from that of the United States overall. Across the U.S., nearly two in three Latinos are of Mexican origin, while in Massachusetts fewer than one in 10 Latinos are Mexican (just 6 percent). By contrast, the largest Latino subgroups in Massachusetts are of Puerto Rican and Dominican descent—at 40 percent and 19 percent, respectively.

Latinos in Massachusetts are more likely to be Puerto Rican or Dominican; nationally, they are more likely to be Mexican.

The origins of the Latino population for the United States and Massachusetts, 2019.



Source: 2015-2019 American Community Survey • Created with Datawrapper

A note on terminology: In this report we use the term *Latino* to refer to people of Hispanic or Latin American origin/ethnicity. We do this in part because our analysis relies heavily on data from the U.S. Census Bureau and so we chose a shorthand option for mirroring the language used in its surveys. It's important to recognize, however, that these terms are imperfect and alternatives may be more inclusive. For example, a growing number of people prefer to use *Latinx* or *Latine* to be inclusive of all gender identities, whereas *Latino* is more associated with the masculine gender in Spanish. It may also be helpful to note that for the sake of consistency across datasets, in this report we do not include Brazilians—who form a relatively large subpopulation in Massachusetts—as “Latino.”² These definitions are somewhat subjective and there are good reasons to consider Brazilians as Latino (but not Hispanic).³ But because we rely heavily on Census and other administrative data (like education data from National Assessment of Educational Progress) that do not count Brazilians as Latino, we do not include them here.

PART I: *Las dificultades continúan*

Economic challenges facing Massachusetts Latinos

While Massachusetts Latinos have experienced substantial economic progress over time, the reality is that far too many Latinos in our state still have a difficult time making ends meet.

Latinos in Massachusetts also face greater economic challenges than Latinos do nationally. What follows is a quick walk-through of four topline data points that provide a broad sense of these challenges as of 2019, the last full year before the pandemic hit. To put these data points into a broader context, we compare Massachusetts Latinos and other racial subgroups to their peer groups nationally.

First, let's look at poverty. Even though Massachusetts has one of the lowest aggregate poverty rates in the country (43rd lowest among the states), poverty among Massachusetts Latinos is 25 percent greater than it is among Latinos nationally. In fact, in 1980 Massachusetts had the highest Latino poverty rate of any U.S. state at 37.6 percent.⁴ One silver lining is that today fewer Latinos are living in poverty than they were decades ago. Nonetheless, today still nearly one in four Latinos in Massachusetts lives below the federal poverty line (that is nearly 200,000 people).

About one in four Massachusetts Latinos lives in poverty.

Poverty rate by race and ethnicity for Massachusetts and the U.S., 2019.

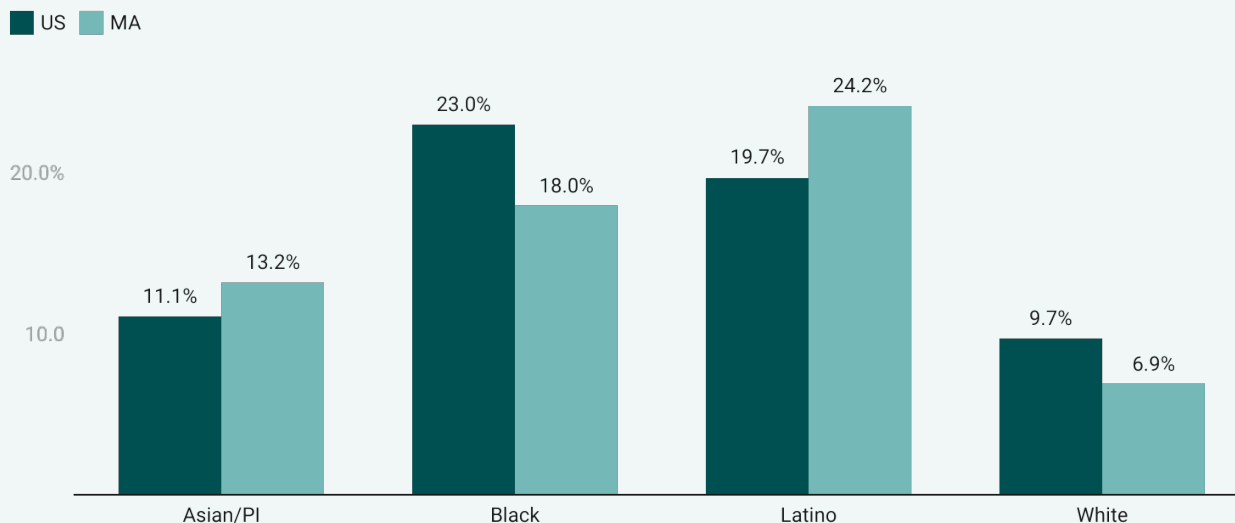


Chart: Boston Indicators • Source: 2015-2019 American Community Survey • Created with Datawrapper

While poverty is an issue facing too many residents of Massachusetts regardless of race, Latino poverty is by far the highest when comparing across groups. Latino poverty is more than 6 percentage points higher than Black poverty in Massachusetts, and it's more than three times as high as White poverty. And while the Asian poverty rate in Massachusetts is a bit higher than for Asians nationwide, the gap between Latino poverty in Massachusetts and Latino poverty in the U.S. is significantly larger, at almost 5 percentage points.

Unemployment is another area where Massachusetts Latinos have encountered greater challenges than their counterparts nationally. During the latter part of the 2010s, the Massachusetts labor market was especially strong, with an overall unemployment rate a bit lower than the national average.⁵ However, even in 2019 (i.e., prior to the 2020 COVID recession), Latino unemployment in the Commonwealth was higher than Latino unemployment nationally (shown in graph below). And while our state's Asian unemployment rate also exceeded that of Asians nationally, the difference was just one tenth (0.1) of a percentage point compared to a 1.5 percentage point difference for Latinos. Among the largest racial/ethnic groups in Massachusetts, Black and Latino workers had the highest unemployment rates, at 7.7 percent and 7.6 percent, respectively. By contrast, Asian and White unemployment rates were below 5 percent.

Additionally, while the recent recession led to an unemployment spike for all racial groups in mid-2020, the spike was even worse for Latinos, as we show near the end of this report. In fact, Latino unemployment hit a peak of 28 percent in Massachusetts in the second quarter of 2020.⁶

The challenges confronting Latinos in Massachusetts go beyond poverty and unemployment, as evidenced by their high rate of food insecurity. Reliable access to nutritious food is a basic human necessity, and yet hundreds of thousands of Massachusetts residents—many of them Latino—struggle to keep food on the table each year.ⁱ Massachusetts Latinos experienced a very high rate of food insecurity throughout the 2010s, even when the economy was expanding.⁷ As with poverty and unemployment, Massachusetts Latinos face food insecurity rates that are substantially higher than for U.S. Latinos and other racial subgroups locally. In fact, Latino food insecurity in Massachusetts is almost 8 percentage points higher than it is for Latinos nationally, and it's more than twice as high as every other racial subgroup in Massachusetts.

i. The [USDA](#) defines food insecurity as a household-level economic and social condition of limited or uncertain access to adequate food for all household members to lead active, healthy lives.

Black and Latino unemployment rates are high in MA.

Unemployment rates by race and ethnicity for Massachusetts and the U.S., 2019.

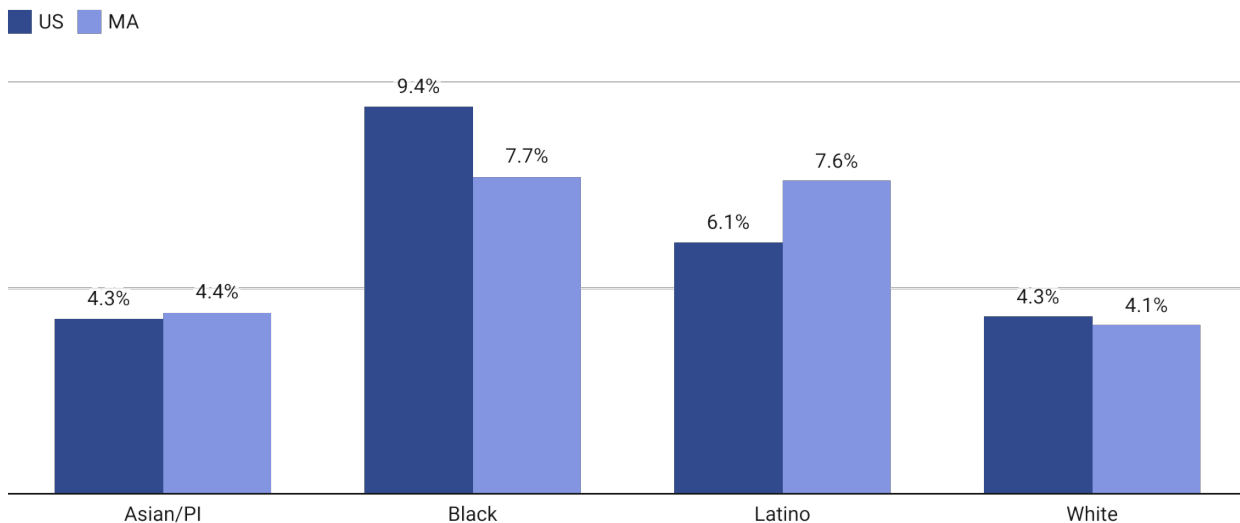


Chart: Boston Indicators • Source: 2015-2019 American Community Survey • Created with Datawrapper

Almost one in four Massachusetts Latinos is food insecure.

Food insecurity rates by race and ethnicity for Massachusetts and the U.S., 2019.

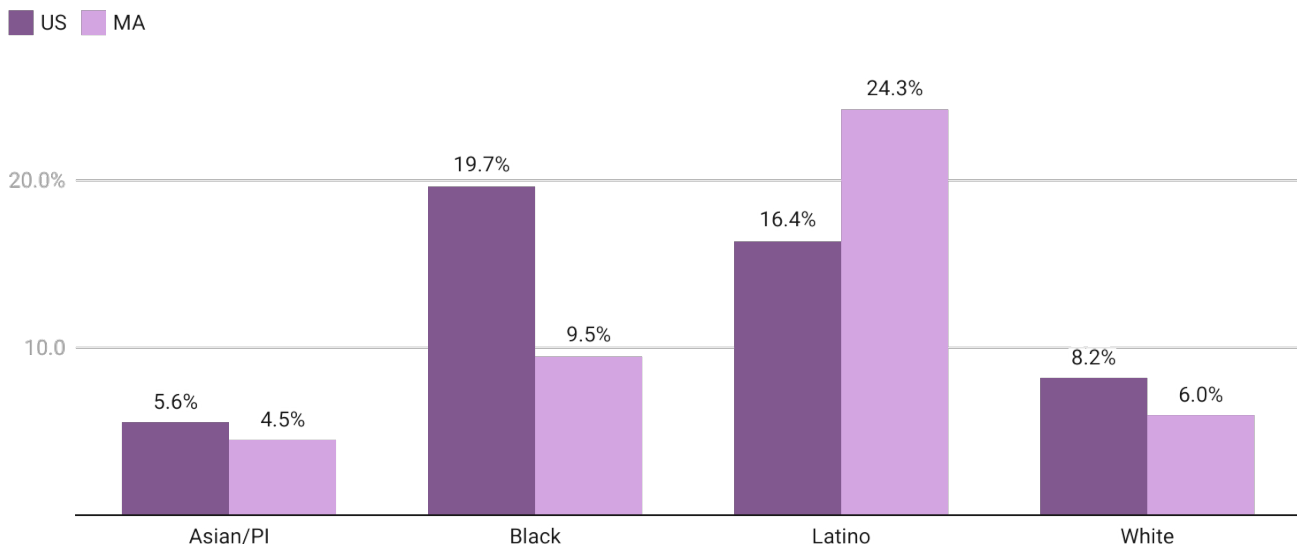


Chart: Boston Indicators • Source: Current Population Survey Food Security Supplement 2015-2019 • Created with Datawrapper

The data analyzed above indicate that many Latinos in Massachusetts were having a hard time even before the pandemic struck, but they don't tell the whole story. A key limitation of those point-in-time data is that they do not show whether individual Latinos have been able to improve their economic position across generations. This is because most census data (including the metrics highlighted above) do not track individuals over time, meaning that we are unable to tell whether aggregate changes are due to changes among the same individuals over time (economic mobility) or from people moving into or out of the region (compositional changes).ⁱⁱ Therefore, to analyze rates of intergenerational economic mobility, we turn to data from the Opportunity Atlas database, created by researchers at Opportunity Insights.ⁱⁱⁱ

By linking income tax records of parents with those of their children decades later (when they are 35 years old), Opportunity Insights created an invaluable public database that measures economic mobility rates, which can be disaggregated by geography and race. But one important limitation to keep in mind is that these data measure economic mobility for children raised in the 1980s and 1990s and are adults today. Children raised in Massachusetts during the 2000s or 2010s could have experienced different rates of economic mobility. Even still, the available data paint a helpful portrait of differences in economic mobility rates across groups and regions.

ii. For example, the poverty rate among Latinos in Massachusetts may decline from X% to Y% between 2000 and 2019. But this may be due to one of two things (or both): 1) rising incomes for our Latino residents, or 2) lower-income Latinos may have moved away to more affordable states.

iii. Explore the data here: <https://www.opportunityatlas.org/>.

Economic mobility rates are low for Black and Latino residents of Massachusetts.

Average income at age 35 for individuals (MA Latinos and other racial subgroups, U.S. Latinos), comparing those who grew up in low-income households (the lowest 1/4 of households) to all households together, 2015.

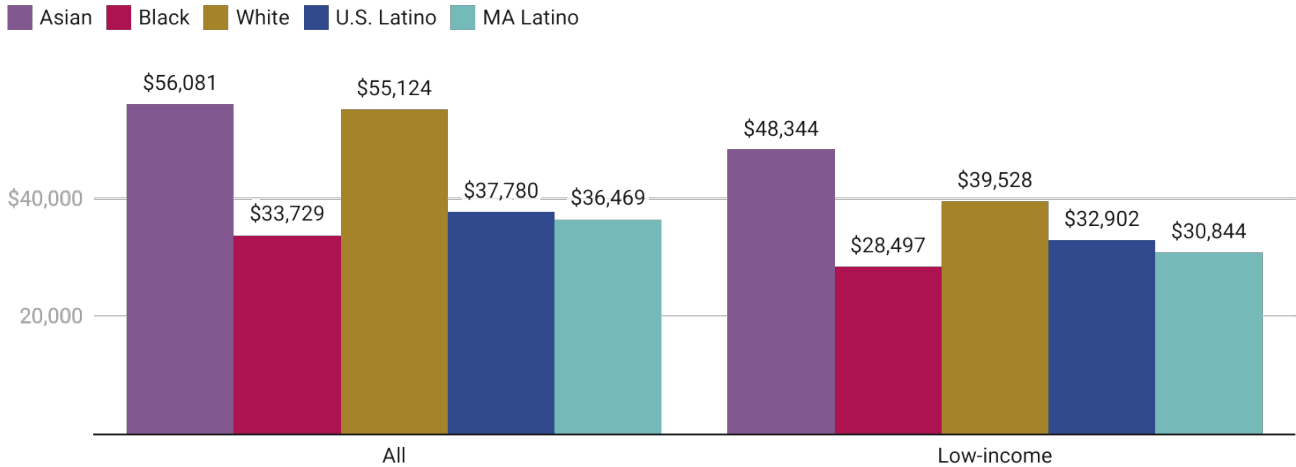


Chart: Boston Indicators • Source: Opportunity Insights • Created with Datawrapper

Opportunity Atlas data show that economic mobility rates are low for Black and Latino residents of Massachusetts. Whether we look at all children (the lefthand cluster of bars in the graph above) or just those who grew up in low-income households (those in the righthand cluster, earning roughly \$31,000 per year), we see that Latinos raised in Massachusetts lagged U.S. Latinos in terms of their incomes at age 35. Within our state, Latinos have similarly low levels of economic mobility as Black individuals, but register far lower levels of economic mobility compared with White or Asian individuals (regardless of whether or not we isolate low-income households).

PART II: ¿Cómo llegamos aquí?

Some possible explanations for the socioeconomic challenges faced by Latino communities in Massachusetts

Next, we explore six factors that may help explain *cómo llegamos aquí*—how we arrived here. These six factors relate to one another to some degree, but each is also important on its own. We should stress that this is not a definitive causal analysis, but rather a data-driven exploration of broad trends and possible influences. Taken together we hope this leads to a stronger understanding of the unique challenges and strengths of Latino communities in Massachusetts.

1 Puerto Ricans and Dominicans remain concentrated outside Boston's urban core in cities with fewer opportunities for upward mobility.

Puerto Ricans and Dominicans together make up nearly two-thirds of all Latinos in Massachusetts, and they have faced a unique set of challenges since arriving here. Latino migration to the Northeast began around the turn of the 20th century and largely resulted from various geopolitical events that transpired in the Caribbean. Following the Spanish-American war in 1898, the U.S. set the stage for migration from the Caribbean when it took control of Puerto Rico and Cuba and later intervened in the Dominican Republic.⁸ Subsequent destabilization during the post-war period (1940s–1960s) then drove large-scale migration from Puerto Rico and the Dominican Republic to the Northeast. A key difference between these two groups is that Puerto Ricans are U.S. citizens who can move freely to and from the U.S. mainland, whereas Dominicans need a visa to come to the United States.

Early 20th-century migration from Puerto Rico to New England began in response to a need for seasonal agricultural workers, but many seasonal workers opted to stay and establish communities in places around the Connecticut River Valley, like Springfield and Holyoke.⁹ This in turn laid the foundation for a much larger wave of Puerto Rican migration after the implementation of the U.S.-backed Operation Bootstrap, which began in the mid-1940s and reshaped the Puerto Rican economy for decades thereafter.

Attempting to industrialize the Puerto Rican economy, Operation Bootstrap created generous tax incentives for American corporations to move to Puerto Rico. But the increased mechanization that came along with Operation Bootstrap led to a sharp decline in agricultural work (and a net decline in jobs on the island). As a result, more than half of the island's workforce left in search of work elsewhere. In fact, the Puerto Rican government had anticipated job losses due to the quick industrialization of the island and actively promoted emigration to minimize adverse labor market effects.¹⁰

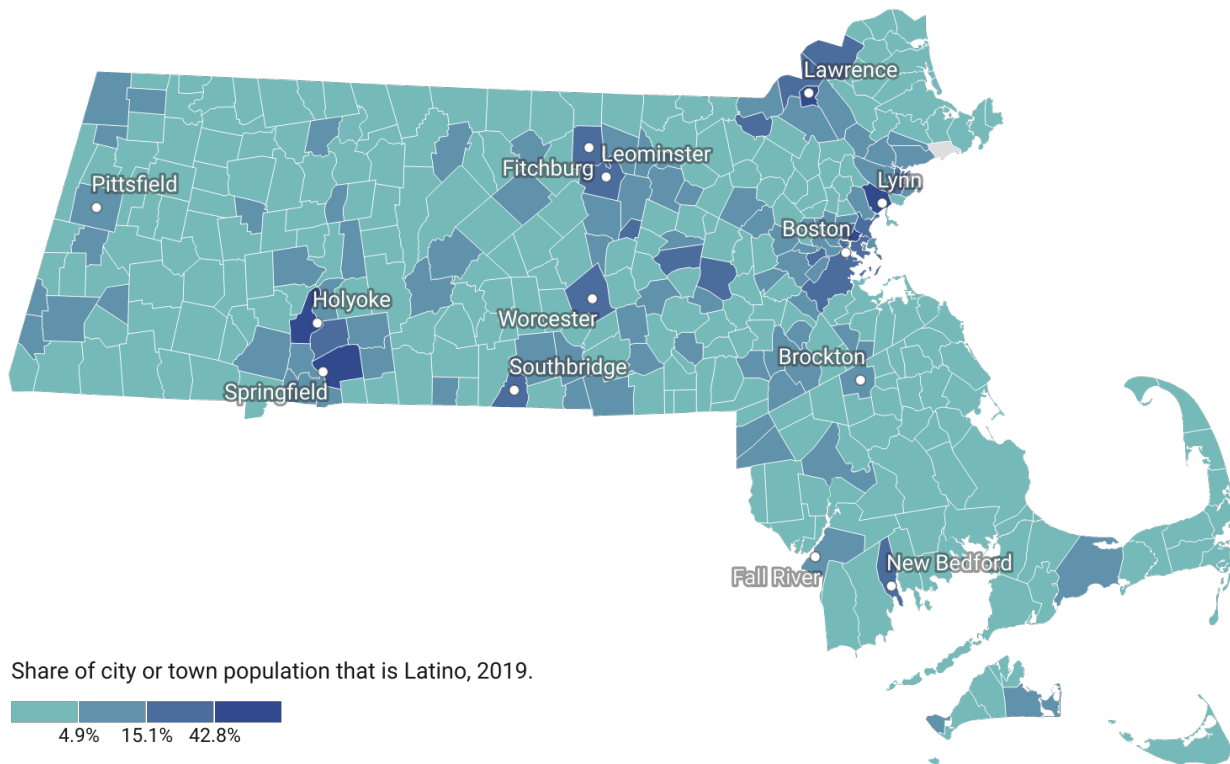
To attract people to the mainland, the Migration Division of the Department of Labor in Puerto Rico opened an office in New York in 1948. And by 1955, there were other offices around the Northeast, including in Massachusetts, which also facilitated migration. A regular flow of migrants to and from Puerto Rico continues to today, with the devastation caused by Hurricane Maria in 2017 driving even more Puerto Ricans to Massachusetts and other parts of the U.S.

Dominican migration to the Northeast came after the U.S.-backed assassination of the authoritarian ruler Rafael Trujillo in 1961, which led to political and economic instability. After the Trujillo assassination and the turmoil that followed, many Dominicans came to the United States on visas issued by the U.S. embassy or on family-sponsored visas (although some came undocumented).¹¹

The vast majority of Dominicans arrived in New York City, but over time Dominicans went on to seek a new life in smaller New England cities (more on this later). This led to rapid Latino population growth in places like Lawrence and Lynn. Since 1960, the number of Dominican immigrants in the U.S. has increased from 12,000 to 1.2 million, 150,000 of whom live in Massachusetts.

In coming to the U.S., Puerto Ricans and Dominicans traded one set of economic problems back home for other problems in the Northeast. Puerto Ricans and Dominicans largely began working in manufacturing in New York and Massachusetts (and across the Northeast) as wages were falling and factories were closing across the region. The decline of manufacturing industries (traditionally a mainstay for middle-class jobs) in the Northeast occurred as service industries were on the rise, leading to fewer middle-income jobs and a greater stratification between high- and low-income jobs.

The majority of Massachusetts Latinos live in lower-opportunity Gateway Cities, outside of the stronger Boston area labor market.



Map: The Mauricio Gastón Institute for Latino Community Development and Public Policy • Source: 2015-2019 American Community Survey • Map data: MassGIS • Created with Datawrapper

The dawn of the service sector saw increasing returns to education and declines in the relative wages of less-skilled workers, including Latinos and new immigrants.¹² New York City—the original destination for many Puerto Ricans and Dominicans in the U.S.—lost 92 percent of its manufacturing jobs between 1950 and 1960.¹³ But with few alternatives back home, Puerto Ricans and Dominicans continued to arrive in large numbers. In some cases employers in New England cities like Lawrence and Holyoke recruited workers directly from the islands in an effort to find cheap labor to keep their ailing factories open.¹⁴ This, alongside secondary migration from New York City to smaller New England cities, led to a phenomenon that Clark University scholar Ramón Borges-Méndez called “big barrios in small cities.”¹⁵ According to Borges-Méndez, Latinos became an important supply of labor for struggling New England industries such as shoe, garment, paper, and cardboard production. These new Latino arrivals helped keep these industries alive for a period, but as factories and their cities shrank, occupational and geographic isolation left these new residents with relatively weak prospects for upward mobility.

The economic drivers of migration to smaller urban centers around the Northeast were important factors, but there were other considerations that drew Puerto Rican and Dominican families. New York City became dangerous and unstable as jobs disappeared, and poverty and crime rates jumped. To get away from this, Latinos came to New England to seek a more tranquil life and healthier community overall.¹⁶ But due to longstanding exclusionary zoning practices that made the suburbs unattainable, cities like Lawrence, Springfield, and Holyoke housed most Latino migrants. As it turned out, the appeal of these rapidly deindustrializing New England cities soon faded. Having lost manufacturing jobs earlier, New York City diversified its industries more quickly than New England mill towns, which were entering the latter stages of manufacturing decline as Latinos were settling in. Ultimately, even though jobs weren't the only draw for Latinos to New England cities, the economic turmoil in these places diminished the prospects of a better life for many Latino communities.

Among the top 20 Latino cities in Massachusetts, Latino household incomes range widely.

Latino median household income for the top 20 Latino cities in Massachusetts by Latino share of city population, compared to the overall median household income statewide.

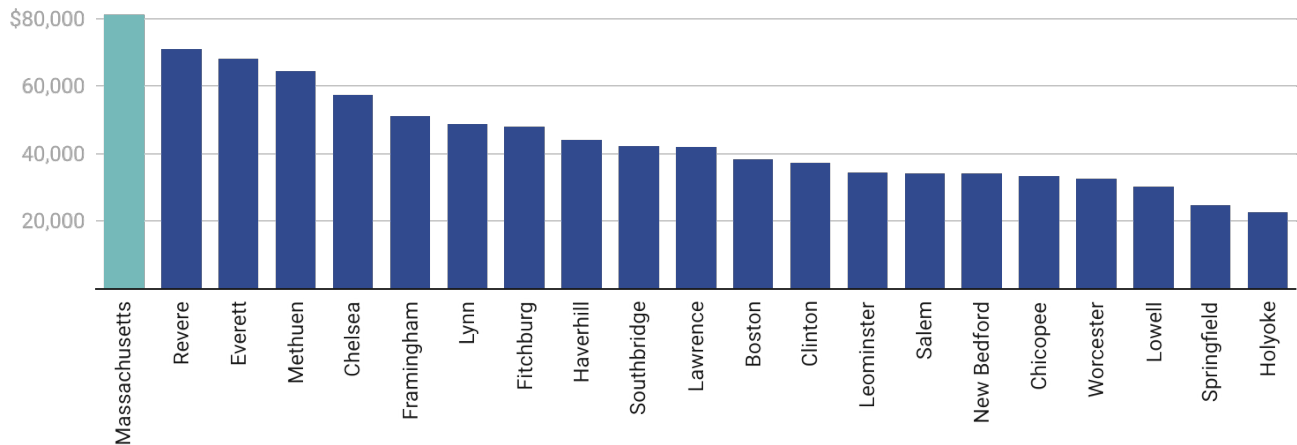


Chart: Boston Indicators • Source: 2015-2019 American Community Survey • Created with Datawrapper

During Massachusetts' "economic miracle" of the 1980s, when high-tech sectors expanded, Latino workers struggled to enter those new industries, in part because they tended to have lower levels of education. Having been relegated to low-wage occupations, Latinos in Massachusetts had the highest poverty rate among Latinos of any state in the country during the 1980s, according to Borges-Méndez:

"The Massachusetts miracle of the 1980s failed to deliver a better labor market and socioeconomic standing for Puerto Ricans and other Latinos in small and large cities relative to other racial groups in the population. The 1980s poverty rates remained at the high levels of the 1970s; Massachusetts became the state with the largest Latino poverty rate in the nation."¹⁷

Today, Puerto Ricans and Dominicans continue to be highly concentrated in post-industrial cities like Holyoke, Springfield, and Lawrence that have not benefited equally from the expansion of knowledge-intensive industries centered around Boston. Just 17 percent of Massachusetts Latinos live in Boston; New York City, by comparison, houses 66 percent of Latinos in New York State. Statewide, Puerto Ricans make up 40 percent of Latinos in Massachusetts and Dominicans make up 19 percent, and they have the highest poverty rates among Latinos in the state, at 32 percent and 25 percent, respectively.

It's important to note that even among these lower-income Gateway Cities, economic opportunity varies widely. In recent decades, cities north of Boston have tended to improve more than the urban areas of Western Massachusetts. Dominicans in Lawrence saw incomes rise and poverty fall, but Puerto Ricans, whose largest communities are in the Springfield area, continue to struggle. In other regions of the U.S. that did not undergo the same type of industrial transformation as the Northeast, Puerto Rican communities have tended to do better.¹⁸

Educational attainment is a central challenge for Latinos in Massachusetts.

Securing a good job increasingly requires a strong educational background, especially in a knowledge-driven economy like we have in Massachusetts. Even when disaggregating by race and income, Massachusetts has among the highest-performing K–12 schools in the country. And yet, Latino students in Massachusetts trail those from many other states, according to results from the National Assessment of Educational Progress (NAEP), which is used for comparing K–12 outcomes across states. Among racial groups in Massachusetts for whom we have 8th grade math data, for instance, most student groups perform near the top nationally relative to peer subgroups elsewhere; White students in Massachusetts rank 3rd compared to White students elsewhere, Black students rank 3rd, Asian/Pacific Islander students rank 1st, and Multiracial students rank 1st.

Further, these high rankings can't be explained by the fact that Massachusetts students tend to be from higher income families, thereby skewing national comparisons, because similar findings hold when looking just at the performance of, say, low-income White, low-income Black or low-income Asian/Pacific Islander students.

But this trend does not hold for Latino students in Massachusetts, who instead rank in the middle or lower half of states (including D.C.). On 8th grade math Latino students overall ranked 21st of 48 states that reported large enough samples, and low-income Latino students in Massachusetts ranked even lower at 35. Very similar results hold when looking instead at 8th grade reading—all other racial subgroups rank within the top four nationwide, even when focusing just on low-income comparisons, but Latino students consistently rank lower—28 out of 48 for all Latinos and 39 out of 46 for low-income Latinos.

While most Massachusetts students outperform their peers in other states, Latinos score lower than many other states.

Subgroup rankings among U.S. states (inc. D.C.) for the 8th grade NAEP (National Assessment of Educational Progress) Math and Reading scores, by race and ethnicity, Massachusetts, 2019.

	8th Grade Math		8th Grade Reading	
	All Students	Low-Income	All Students	Low-Income
White	3 of 51	3 of 50	3 of 51	4 of 50
Black	3 of 42	2 of 38	1 of 41	2 of 39
Latino	21 of 48	35 of 45	28 of 48	39 of 46
Asian/Pacific Islander	1 of 31	1 of 12	3 of 31	1 of 13
Two or more races	1 of 38	n/a	2 of 35	n/a

Rankings are among the 50 states plus D.C., but in most cases some states didn't have large enough samples to report outcomes for a given subgroup. For instance, only 45 states had large enough samples to report outcomes on 8th grade math for low-income Latino students.

Table: Boston Indicators • Source: National Center for Education Statistics • Created with Datawrapper

It is critical to note that the above comparisons are relative and rank only within subgroups, rather than across them. Large achievement gaps also persist across race and income in Massachusetts. This display can make it seem like Black students are all being well served by our K–12 schools, but it only appears this way when comparing to other Black students elsewhere. In absolute terms, for instance, low-income Black students have an average scaled score of 267 on 8th grade reading, which is only five points higher than the average scaled score for low-income Latinos in Massachusetts (262). Low-income White students and low-income Asian/Pacific Islander students, by contrast, both scored much higher at 283 and 295, respectively.

While countless factors influence educational performance across a state like Massachusetts, it does appear that districts with large Latino student populations are among those struggling most in Massachusetts. The recent history of public districts that have gone into state receivership, for instance, shows a troubling correlation with the Latino student population share. Each of the three districts to go into receivership in recent years has a majority Latino student population—Lawrence (94 percent), Holyoke (81 percent), and Southbridge (63 percent). Although data from Lawrence public schools demonstrated some progress, other districts in receivership continue to struggle.¹⁹

To be clear, key drivers of outcomes in these schools are intense segregation and concentration of poverty.²⁰ But no one doubts that schools themselves contribute to outcomes as well. There's a growing body of evidence, for instance, that many Massachusetts districts have failed to provide adequate services to English Language Learners, many of whom are Latino. For example, in Boston, many students have not been appropriately identified and placed into the English Learners (EL) program—a problem exacerbated by staff shortages during the pandemic.²¹

In addition to lower levels of K–12 student performance, we also know that Latinos in the local labor force tend to have lower levels of college attainment. Latino students have lower high school graduation rates than other racial groups locally and Latino students nationally. As a result, many working-age Latinos do not go on to get a college degree; just 21 percent of Latinos obtained a bachelor's degree or more, compared to 43 percent of the overall state population.²² Our two largest Latino groups, Puerto Ricans and Dominicans, have particularly low levels of higher educational attainment, and this appears to correlate with poverty. The same is true of our largest Central American communities—Salvadorans, Guatemalans, and Hondurans—but they tend to have somewhat lower poverty rates than our more longstanding Puerto Rican and Dominican groups (an issue we explore later). The low levels of postsecondary attainment among our largest Latino groups is troubling because it often limits the types of jobs individuals from those groups can get and the salary they can earn.

The largest Latino communities in Massachusetts have low levels of education and high poverty rates.

Circle size represents total subpopulation size (i.e., Puerto Rican=327k; Dominican=150k), x-axis shows share of adults ages 25+ with a bachelor's degree or more, y-axis shows subpopulation share in poverty, Massachusetts, 2019.

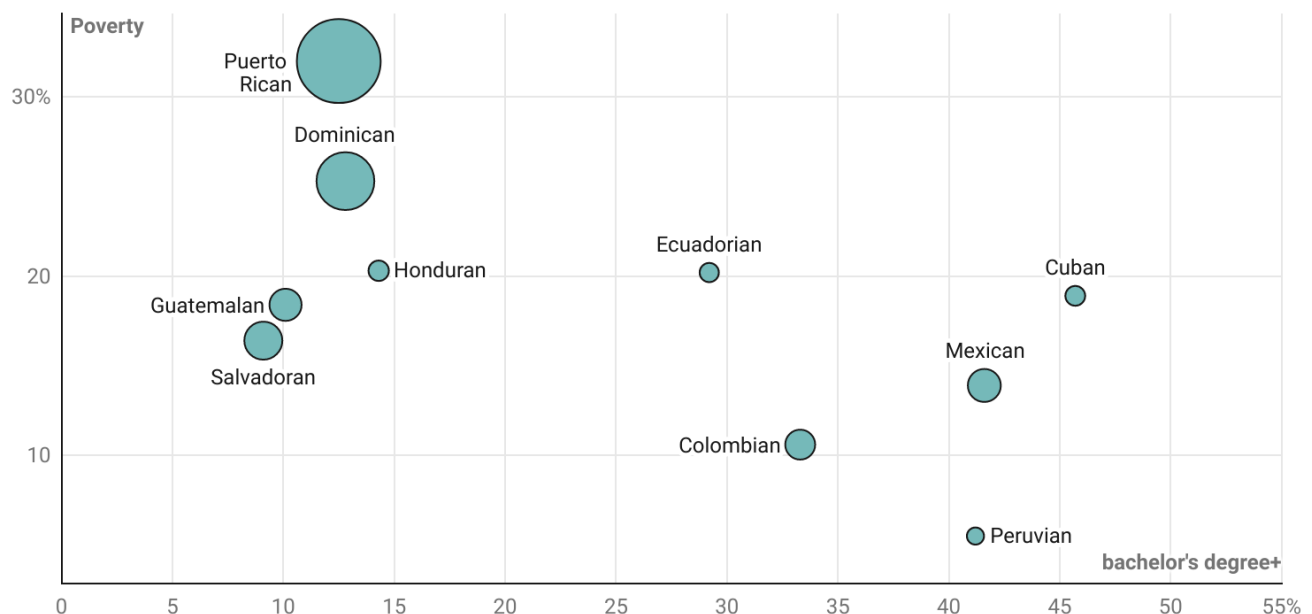


Chart: Boston Indicators • Source: American Community Survey 2015-2019 • Created with Datawrapper

3 Our largest Latino subgroups are less likely to be in the workforce, and of those who are working, many are stuck in lower-wage service jobs.

In the aggregate, Latinos in Massachusetts tend to have higher rates of labor force participation than the overall working-age population (67.1 percent), but this isn't the case across the board. Among Latinos there is a great deal of variation in labor force participation. In Massachusetts, Puerto Ricans make up the largest segment of the Latino working-age population, but they have the lowest levels of labor force participation. One reason for this could relate to their education outcomes, which make it harder to find well-paying jobs. Increasing access to high quality education could lead to a better-trained workforce overall and ensure that more Latinos can participate successfully in the labor force.

Among Latinos who are employed in Massachusetts, 31 percent work in service jobs and 18 percent work in sales and office jobs, which tend to pay lower wages than managerial or scientific roles, for example. And even though many Latinos originally came to Massachusetts to work in factories, fewer than one in five Latinos work in production and related jobs now. Latinos are also less likely to work managerial or professional jobs that require higher levels of educational attainment.

Labor force participation rates are relatively low for Massachusetts' largest Latino subgroups.

Share of population 16+ working or seeking work, for the 10 largest Latino subgroups in Massachusetts, 2019.

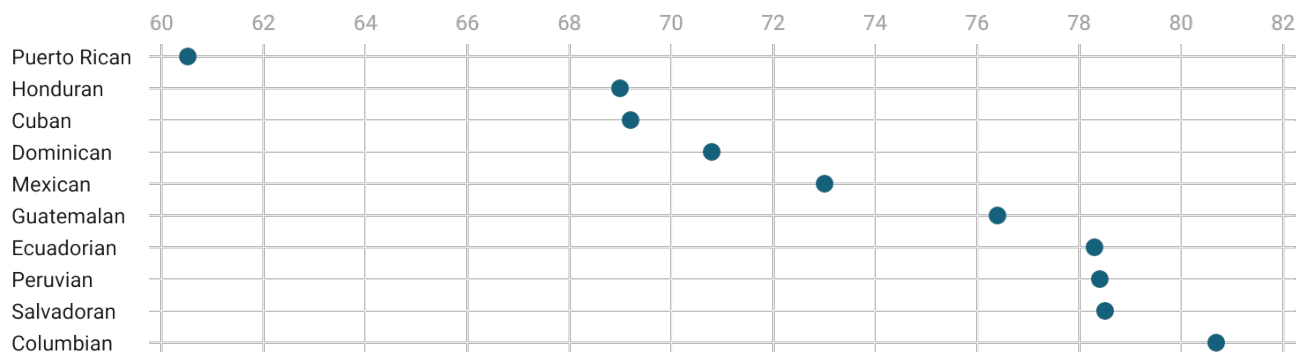


Chart: Boston Indicators • Source: American Community Survey 2015-2019 • Created with Datawrapper

Massachusetts Latinos are concentrated in lower paying occupational sectors, such as services and production jobs.

Occupations of Latino workers in Massachusetts, 2019.

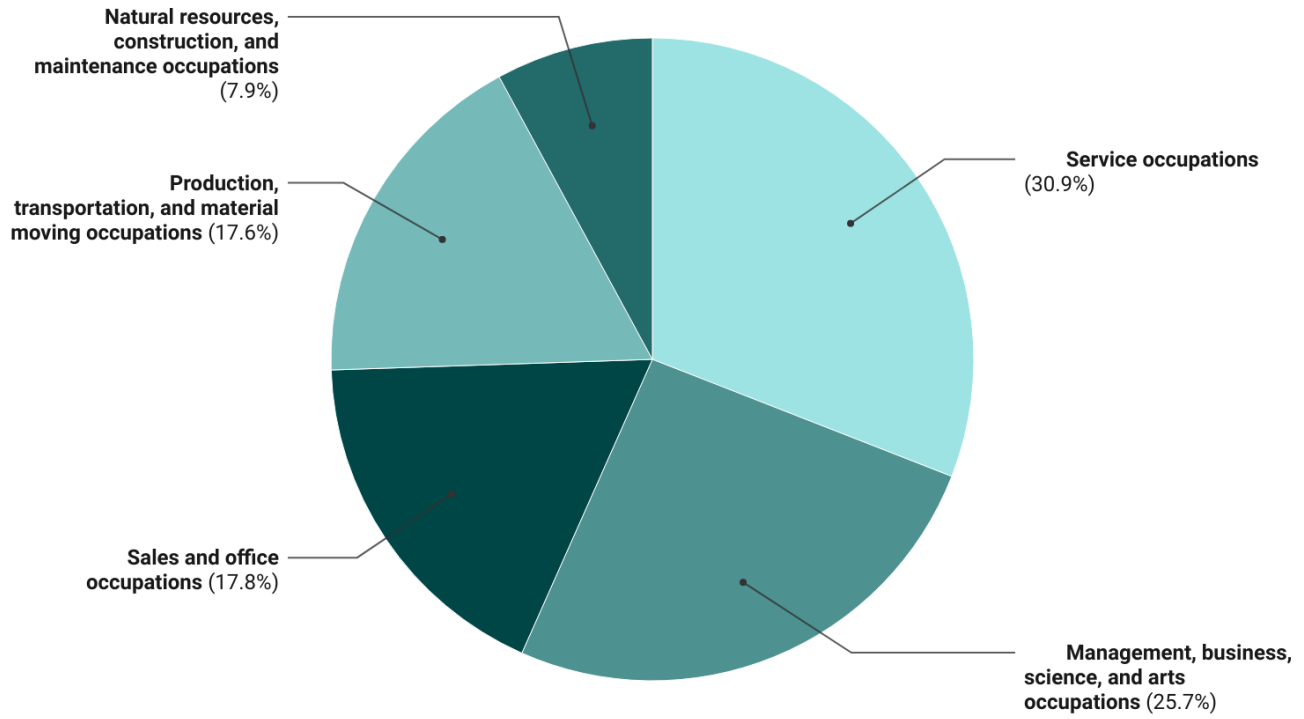


Chart: Boston Indicators • Source: American Community Survey 2015-2019 (Table c24010i) • Created with Datawrapper

While we don't explore these factors in depth here, it is worth mentioning that labor market outcomes for Latinos are also related to English language proficiency, family structure, and access to childcare. Having a low level of English language proficiency can present a substantial barrier to higher paying jobs.²³ And even for Latinos who are highly qualified, a lack of access to childcare can reduce labor force participation or the ability to pursue jobs with competitive salaries. This is especially challenging for single-parent households, which became increasingly prevalent among Puerto Rican families in poverty during the 1980s and after. To make matters worse, Massachusetts has among the highest costs for childcare in the country, and the COVID-19 pandemic has led to a substantial decrease in the supply of childcare services.^{25,26}

4 Latinos of Central American origins, who often navigate tougher immigration pathways, tend to have lower levels of socioeconomic well-being.

Taken together, Latinos from Central America would be the third largest Latino group in Massachusetts (summing to 17 percent of Latinos), after Puerto Ricans and Dominicans. Underlying the rapid growth in this population is a series of crises in Central America dating back to the 1980s. Facing heightened instability due to natural disasters, civil conflict (in some cases fueled by U.S. military intervention), and increased gang violence, Central Americans began to flee the region and seek a new life in the U.S. Massachusetts, which was an early leader in the sanctuary city movement, began welcoming Central American immigrants in places like East Boston, Chelsea, Cambridge, and Somerville.

Many Central Americans that settled in the region received Temporary Protected Status (TPS) or sought asylum, programs that allow immigrants who endured various forms of instability, crisis, or persecution in their home countries to live and work in the United States. But federal immigration policy has made it difficult for immigrants from Central America, largely denying them resettlement under the Refugee Admissions Program. More recently, they have faced additional obstacles to immigration, having been subjected to a wave of anti-immigrant federal policy changes.²⁷ The Trump administration, for example, sought to end TPS protections for Central Americans, in addition to subverting asylum seekers' legal right to claim protection on U.S. soil.

Today, local residents of Central American ancestry are more likely to be foreign-born (about 60 percent of Central Americans in Massachusetts were born abroad) and less likely to have English language proficiency than other Latino subgroups. Many Central Americans who left the Northern Triangle region arrived with low levels of education and, for reasons discussed earlier, some do not have legal status to live and work in the U.S. For example, just 9 percent of Salvadorans in Massachusetts (ages 25 and older) hold a bachelor's degree or more. For these reasons they tend to work in lower-paying (though often essential) services jobs and have poverty rates in the range of 16 to 20 percent. Despite these challenges, poverty rates among Central Americans are a bit lower than one might expect given their low levels of education. Part of what might explain this is that they tend to have high levels of labor force participation, at 79 percent for Salvadorans and 76 percent for Guatemalans. They also tend to have larger household sizes and more workers per household, helping them reduce poverty by spreading costs and sharing resources within the home.

5 The state's high housing costs strain financial resources for Latinos and limit homeownership, a potential source of economic security and mobility.

Latinos in Massachusetts are not immune to the high cost of housing that strains nearly all communities in our region. But since Latinos tend to have lower incomes, they are among the most likely to be housing cost-burdened (spending more than one-third of their income on housing) or extremely housing cost-burdened (spending more than half of their income on housing). Among Latino renters in Massachusetts, 57 percent are either housing cost-burdened or severely housing cost-burdened. The high cost of housing can compound other economic challenges, such as food insecurity. It also leads to extremely low levels of homeownership among Latinos in Massachusetts.

At 27 percent, Latino households in Massachusetts have a homeownership rate that is lower than Latinos nationally (44 percent) and other racial groups locally. There are some promising signs of growth in the number of Latino homeowners, especially in Gateway Cities, but the homeownership rate remains low overall.²⁸ Low levels of homeownership reduce wealth, which can provide added economic security in tough times. This can also have an impact on intergenerational economic mobility, as homeownership is usually the primary means by which families impart resources to their children.

Homeownership is lower among Massachusetts Latinos.

Homeownership rate for Massachusetts Latinos, other local racial subgroups, and U.S. Latinos. Massachusetts, 2019.

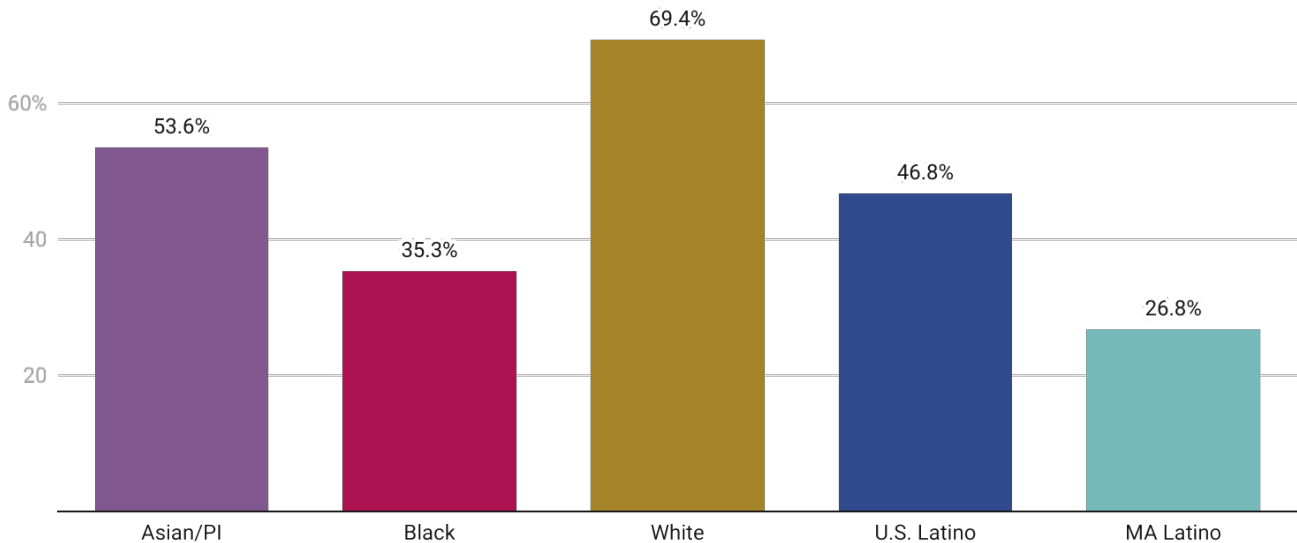


Chart: Boston Indicators • Source: American Community Survey 2015-2019 • Created with Datawrapper

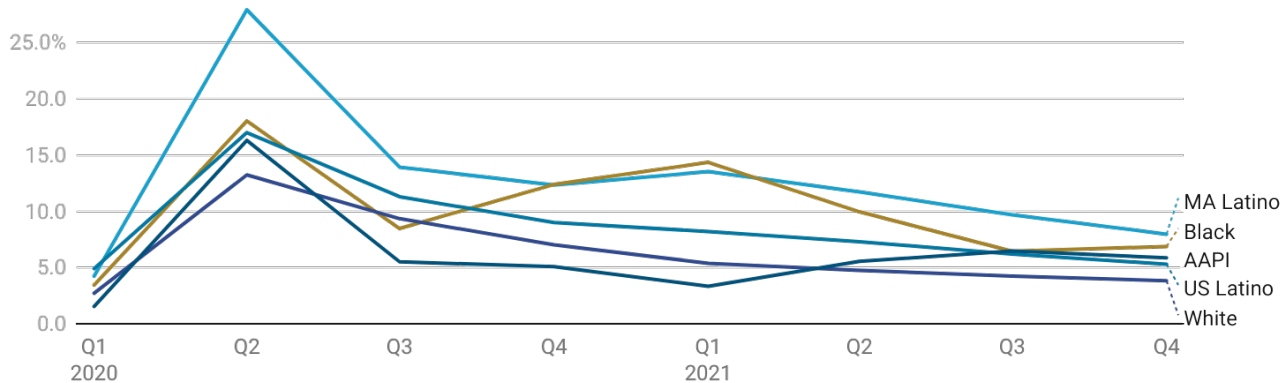
6 The pandemic has disproportionately hurt Latinos over the past two years.

Despite having continuously high levels of poverty and economic insecurity, Latino communities in Massachusetts had seen progress in the years prior to the pandemic. But the economic devastation caused by the COVID-19 pandemic hit Latino communities especially hard, reversing some of this recent progress. Latino workers were concentrated in frontline industries going into the pandemic, which meant they were more likely to be laid off than other workers in Massachusetts (and Latinos nationally).

After the onset of the pandemic in the first quarter of 2020, unemployment rates increased for all racial groups in Massachusetts, but Latinos experienced the greatest increase. Most other groups saw their estimated unemployment rate increase into the 13 to 17 percent range. Estimated Latino unemployment rose above 25 percent. Since the second quarter peak in 2020, unemployment rates have declined for all groups of workers, but Latinos in Massachusetts continue to face higher estimated unemployment (8 percent) than other groups locally and Latinos nationally.

Unemployment has been especially high for Massachusetts Latinos during the pandemic.

Estimated unemployment rates for MA Latinos, U.S. Latinos, and other local racial groups, Massachusetts.



Estimates should be interpreted with caution due to small sample size. Unemployment rates for each group are developed by applying the ratio of unemployment rates between each group and the total population using 6 months of Basic Monthly Current Population Survey data to the official quarterly statewide unemployment rate published by the Bureau of Labor Statistics. This methodology comes from the Economic Policy Institute series on state unemployment by race/ethnicity.

Chart: Boston Indicators • Source: Bureau of Labor Statistics • Created with Datawrapper

A majority of Latinos in Massachusetts lost employment income during the first year of the pandemic.

Share of individuals ages 18+ living in households that lost employment income anytime during pandemic Year 1 (04/23/20-03/29/21) or within the prior month during Year 2 (04/14/21-01/10/22), MA Latinos, U.S. Latinos, and other local racial subgroups.

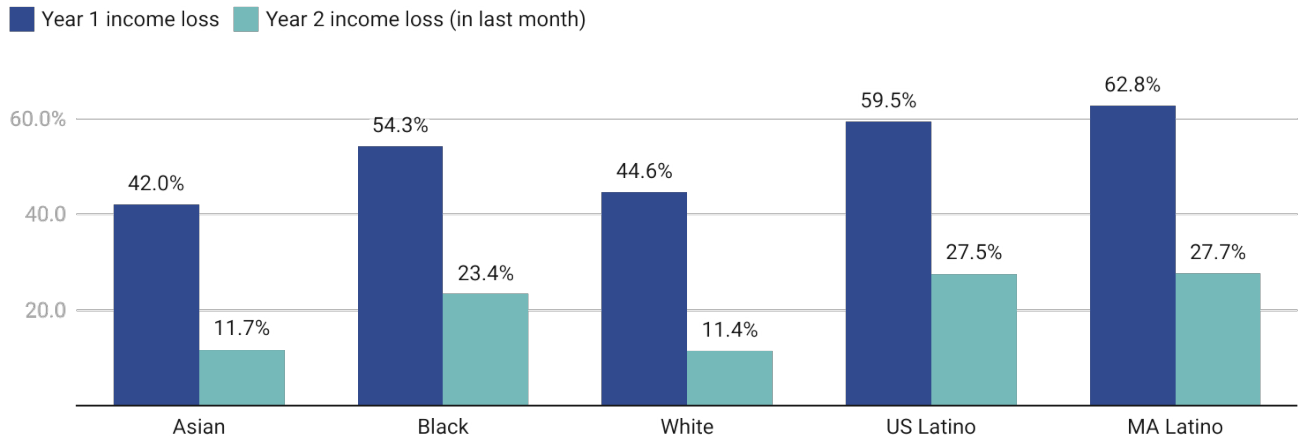


Chart: Boston Indicators • Source: Census Bureau Household Pulse Survey • Created with Datawrapper

An estimated 63 percent of Latinos in Massachusetts lost employment-based income during the first year of the pandemic. The share with income losses slightly exceeded that of Latinos nationally and was higher than for other groups locally. A similar trend held in the second year of the pandemic, and because this more recent data is more precise, we know that employment income losses persisted throughout year two. Whereas the data for income losses during the first year of the pandemic represent an income loss at any time during the year, the data for year two only capture income losses that occurred within the four weeks prior to data collection (the pooled year two data were collected roughly every two weeks). In sum, the slow economic progress of the prior decades screeched to a halt in 2020. Getting back on track in the years to come will require targeted efforts to uplift and empower Latino communities across the Commonwealth.

PART III:

Oportunidades para avanzar

Economic empowerment strategies for Latinos in Massachusetts

As policymakers and community leaders respond to the impact of the pandemic and seek *oportunidades para avanzar*—ways to move forward—special attention should be paid to the hard-hit Latino communities of the Commonwealth, which have experienced continuous economic challenges. Some strategies that appear promising given the analysis above include the following:

- **Robust jobs training programs** could help Latino workers move into better-paying jobs with greater upward mobility. In particular, investments should focus on technical and work-based training, English for Speakers of Other Languages classes, and digital access and skills, among other priorities. Training for building trades jobs, such as electricians and plumbers, could also help Latinos gain higher pay and upward mobility over time. *Rapid ReEmployment for a Just and Equitable Recovery in Massachusetts*, produced in 2021 by Boston Indicators, SkillWorks and the Workforce Solutions Group, includes useful discussion of a range of promising job training strategies.²⁹
- **Improved job quality** could be especially helpful for low-wage service sector workers, many of whom are Latino. We will always have some workers with lower education or skill levels relative to the labor market overall, so in addition to strengthening job training programs to support upward mobility in one's career, it is also important to ensure that all jobs have a baseline level of quality so that every worker in Massachusetts earns a decent wage and has basic job protections. Some strategies to improve job quality include increasing the minimum wage, requiring that job schedules be predictable, providing earned paid sick time, and offering employer health benefits. Massachusetts has made good progress in some of these areas (e.g., minimum wage, paid leave), but there is still room for improvement.

- **Improved educational opportunities** are essential for Latino communities to contribute to and benefit from the most dynamic and knowledge-intensive job sectors in the region. The data in this report clearly illustrate that something is not working for Latino students, and this is limiting their job prospects, and ultimately their economic security. Ensuring that K–12 classrooms serve the unique needs of Latino students is an important part of the solution. Many Latino students come from immigrant families where English is spoken less frequently in the home, requiring additional learning supports in school. Beyond this, many more Latino students need to complete high school and go on to obtain a college degree or other postsecondary certification. A few notable strategies for increasing college completion include supporting Early College High Schools and bolstering community colleges. Early College High Schools allow high school students to complete college credits, get ahead, and save money before beginning their college journey.³⁰ Community colleges offer an affordable path forward, and a springboard to other four-year educational institutions for many first-generation college students.

- **Income support policies** such as the Earned Income Tax Credit and the proposed Guaranteed Minimum Income³¹ are well targeted to support Latino communities and help families make ends meet. While not sufficient on their own, income support policies like these can help struggling households get through tough times and afford unforeseen expenses. And other programs that provide direct rental supports like Residential Assistance for Families in Transition (RAFT) can often be the difference between a stable home and eviction or homelessness.

- **Expanded access to high quality and affordable early education and care** could help families earn more money and gain financial security, while at the same time ensuring their children are being nurtured in a healthy learning environment. To this end, the Common Start bill in the state legislature would provide substantial resources both to providers and directly to families in need of services.³²

- **Economic development in Gateway Cities** offers another path for expanding opportunity and well-being for Latino residents. One particular approach, transit-oriented development (TOD), could help Latino residents by increasing housing production and lowering housing prices, spurring job growth, and linking residents to other job centers.³³ While expansive TOD will require a range of strategies, implementation of the new MBTA multifamily upzoning requirement offers one useful step in this direction.³⁴ Another important strategy that could help to maximize the benefits of TOD is reducing the high cost of fares on the commuter rail. Currently, cities further out on commuter rail lines that tend to have less economic opportunity pay the most to ride the train, whereas some of the wealthiest suburbs, which are more proximate to the urban core, have much lower fares. Reducing fares for low-income workers could make it much more feasible for many Latino workers to pursue better job opportunities in Boston's urban core.³⁵

- **Support for Latino entrepreneurs** through access to capital and technical assistance could increase incomes, wealth, and job opportunities in Latino communities. Latinos have very high rates of entrepreneurship, but often do not have access to sufficient start-up or growth capital to succeed. Distributing more small business capital through Community Development Financial Institutions or even a state public bank could increase capital access.³⁶ Technical assistance through mentoring and coaching for entrepreneurs also plays a vital role in the success of small businesses. Expanding the state's Small Business Technical Assistance grant could increase the availability of technical assistance services and support more Latino entrepreneurs in Massachusetts.³⁷
- **Nonprofit organizations** focused on the Latino community provide indispensable services, but could do much more with greater funding. Despite growth in nonprofit services over time, Massachusetts has a large gap in services for Latino residents—just 2 percent of philanthropic dollars goes directly to a Latino nonprofit organization.³⁸ There is also a geographic mismatch between where Latinos live and where Latino-serving nonprofits exist. To address this, philanthropic organizations and corporate partners could coordinate efforts to identify where gaps are most pronounced and invest to grow and seed more Latino-serving nonprofit organizations in these areas.

There are certainly other good ideas for improving the economic circumstances of the more than 800,000 Latino residents of Massachusetts; we simply think that these are among the most promising, given our research. The story of widespread economic disadvantage in our Latino communities need not continue into the next generation. Despite pandemic-related setbacks, we as a Commonwealth have the resources to get Latinos on a pathway to greater prosperity and well-being.

With targeted support and investments, Massachusetts can create a virtuous circle: As it builds on the contributions and assets of Latino families, workers, and entrepreneurs, it will unleash more talent, drive more economic mobility and nurture thriving communities that continue to give back to the Commonwealth.

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