

## Construction Jobs Expand for Latinos Despite Slump in Housing Market

Hispanic workers landed two out of every three new construction jobs in 2006 benefiting from strong employment growth in the industry even as the housing market endured a year-long slump.

The construction industry continues to be a key source of jobs for Hispanics and especially for those who are foreign born. The vast majority of new construction jobs in 2006 were filled by foreign-born Latinos, many of them recently arrived.

The employment trends in construction reflected economy-wide developments that delivered strong growth in employment for both Hispanic and non-Hispanic workers in 2006.

This fact sheet examines recent trends in the employment of Hispanic workers in the U.S. labor market. It focuses on the construction industry which was a vital contributor to the jobs recovery from the 2001 recession but which also experienced a slowdown in 2006.

Housing starts fell steadily in 2006 from 2.1 million in the first quarter to 1.6 million in the fourth quarter. Housing permits and housing units under construction also experienced a decline. The slowdown, however, did not have a negative impact on job prospects for Hispanic workers or, in particular, for foreign-born Hispanics.

The estimates in this fact sheet are derived from data from the Bureau of Labor Statistics and the Census Bureau. Most of the data is from the Census Bureau's Current Population Survey, a monthly survey of approximately 60,000 households. Monthly data are combined to create larger sample sizes and to conduct the analysis on either an annual or quarterly basis. The analysis is for 2004-2006.

## Hispanics in the Labor Market

There was strong growth in the employment of Hispanic workers in 2006. Most of the newly-employed Hispanic workers were foreign-born. The number of recently arrived immigrants who are employed nearly doubled over the past two years. The growth for Latino workers was not an isolated event; it was rooted in strong overall growth in employment in the U.S. labor market.

### Hispanic employment

There were 19.6 million Hispanic workers employed in the U.S. labor market in 2006 (Table 1), accounting for 13.6% of the total employment of 144.7 million workers. The share of Hispanics in total employment has increased steadily in the past three decades. Most recently, it was 12.8% in 2004 and 13.1% in 2005.

Foreign-born workers account for a majority of the Latino workforce and a significant share are recently arrived. In this analysis, recently-arrived workers are defined as those who arrived no earlier than 2000.

<b>Table 1</b> <b>Employment of All Workers and Hispanics</b> <b>2004 to 2006 (in thousands)</b>					
	<b>Employment</b>			<b>Change in Employment</b>	
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2004 to 2005</b>	<b>2005 to 2006</b>
Total: All Workers	139,385	142,012	144,732	2,627	2,719
All Hispanics	17,906	18,649	19,648	743	999
Foreign-Born Hispanics	9,742	10,223	11,048	482	825
Foreign-Born Hispanics: Recent Arrivals	1,619	2,185	2,833	565	649
<b>Shares in total employment</b>					
All Hispanics	12.8%	13.1%	13.6%	28.3%	36.7%
Foreign-Born Hispanics	7.0%	7.2%	7.6%	18.3%	30.3%
Foreign-Born Hispanics: Recent Arrivals	1.2%	1.5%	2.0%	21.5%	23.9%

Source: Pew Hispanic Center tabulations of Current Population Survey data

Note: Data for 2004 and 2005 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after changes or shares have been computed. Recent arrivals are foreign-born person who arrived in the U.S. in 2000 or more recent years.

In 2006, the employment of foreign-born Latinos reached 11 million and their share of total employment was 7.6%. Recently-arrived Hispanics accounted for 2.8 million of those workers in 2006, or 2% of total employment in the economy. That compares with 1.6 million recently-arrived Latinos who were employed in 2004, representing 1.2% of total employment.

### Changes in the employment of Hispanic workers

As shown in Table 1, Hispanic employment in 2006 was almost 1 million more than the total in 2005. At the same time, total employment in the economy was up 2.7 million. Even though Hispanics account for only 13.6% of total employment, they accounted for 36.7% of the increase in employment in the past year.

The share of Hispanic workers in overall employment growth mirrors demographic change in the U.S. Approximately 40% of the total increase in the working-age population (16 and older) in 2006 was Hispanic (Appendix B, Table B1). Moreover, almost three-fourths of the increase in the Hispanic working-age population was due to an increase in the number of foreign-born persons (Table B2).

Consistent with these demographic changes, most of the recent increase in Hispanic employment was attributable to foreign-born workers. Their employment increased by 825,000 between 2005 and 2006, accounting for 30.3% of the growth in total employment (Table 1).

The growth in the hiring of foreign-born Latinos is driven by recent arrivals. The employment of recently-arrived foreign-born Hispanics increased 649,000 between 2005 and 2006. That one group of workers was responsible for 23.9% of the total increase in employment in the U.S. labor market last year. Estimates by the Pew Hispanic Center suggest that, in recent years, about two-thirds of the increase in the employment of recently-arrived Latinos has been due to unauthorized migration.

### Hispanics in the Construction Industry

Hispanic workers, especially those who are recently-arrived, are a vital part of the construction industry. Despite the slowdown in the housing market, there are no indications that the role of foreign-born Hispanic workers in this industry might diminish in the near future.

Employment in the construction industry grew by 559,000 workers in 2006. Hispanic workers, mostly foreign born, were responsible for nearly two-thirds of the increase in industry employment.

This section first presents evidence on employment in the construction industry in 2006 and then considers changes between 2005 and 2006. The focus is on employment trends for Hispanic workers, particularly the foreign born.

### Employment in construction

The construction industry employed 2.9 million Hispanic workers in 2006 (Table 2). Hispanics accounted for 25% of the total employment of 11.8 million in the construction sector.

Most Hispanic workers in the construction industry are foreign born. Of the 2.9 million Hispanics employed in the construction industry in 2006, 2.2 million were foreign born, representing 19.1% of industry employment. Among the foreign-born Latinos in construction, 847,000 were recently arrived. They represented 7.2% of industry employment in 2006.

### Changes in construction employment

Hispanic workers played a large role in the growth in employment in the construction sector. As shown in Table 2, total employment in the industry grew by 559,000 in 2006. Of that total increase, 372,000 were Latino workers. Hispanics, who account for 25% of industry employment, accounted for 66.5% of the increase in employment in the past year.

<b>Table 2</b> <b>Employment of All Workers and Hispanics in Construction</b> <b>2004 to 2006 (in thousands)</b>					
	<b>Employment</b>			<b>Change in Employment</b>	
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2004 to 2005</b>	<b>2005 to 2006</b>
Total: All Workers	10,762	11,205	11,764	443	559
All Hispanics	2,295	2,572	2,944	277	372
Foreign-Born Hispanics	1,651	1,913	2,249	262	335
Foreign-Born Hispanics: Recent Arrivals	386	592	847	206	255
<b>Shares in construction employment</b>					
All Hispanics	21.3%	23.0%	25.0%	62.4%	66.5%
Foreign-Born Hispanics	15.3%	17.1%	19.1%	59.1%	60.0%
Foreign-Born Hispanics: Recent Arrivals	3.6%	5.3%	7.2%	46.4%	45.6%

Source: Pew Hispanic Center tabulations of Current Population Survey data

Note: Data for 2004 and 2005 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after changes or shares have been computed. Recent arrivals are foreign-born person who arrived in the U.S. in 2000 or more recent years.

Foreign-born Latinos account for the largest share, by far, of new Latino workers in the construction industry. About 60% of the increase in industry employment, or 335,000, went to foreign-born Hispanics. Most of these foreign-born Hispanic workers in construction were recent arrivals. The number of recent arrivals employed in construction rose by 255,000 and that represented 45.6% of the total increase in construction employment.

### No employment slowdown in 2006

It is notable that the growth in construction employment in 2006 more than kept pace with the increases in 2005. For all workers, construction employment increased 443,000, or 4.1%, in 2005 and 559,000, or 5%, in 2006 (Table 2). For Latino workers, employment in the industry increased 277,000 (12.1%) in 2005 and 372,000 (14.5%) in 2006. Latinos, who accounted for 62.4% of the growth in industry employment in 2005, accounted for 66.5% of the growth in 2006.

Among foreign-born Latinos, employment in construction increased by 335,000, or 17.5%, in 2006. That was similar to the situation in 2005, when the employment of foreign-born Latinos increased 262,000, or 15.9%. Overall, there are no signs of a slowdown in construction sector employment in the past year. There are also no indications that the role of Hispanic workers in the industry might be diminishing.

### The role of the construction industry in Hispanic employment

The preceding sections highlighted the important role played by Latino workers in overall employment growth in the construction sector. This section shows that the construction industry has been a key source of jobs for Hispanic workers, especially for foreign-born Latinos. Moreover, the recent slowdown in the housing sector has not diminished the importance of the construction industry to the job prospects of Hispanic workers.

**Table 3**  
**The Share of the Construction Sector in the Employment of Hispanic Workers**  
**2005 and 2006 (in thousands)**

	Employment			Change in Employment		
	All Industries	Construction	Share of Construction	All Industries	Construction	Share of Construction
<b>All Workers</b>						
2005	142,012	11,205	7.9%	2,627	443	16.9%
2006	144,732	11,764	8.1%	2,719	559	20.6%
<b>All Hispanics</b>						
2005	18,649	2,572	13.8%	743	277	37.3%
2006	19,648	2,944	15.0%	999	372	37.2%
<b>Foreign-Born Hispanics</b>						
2005	10,223	1,913	18.7%	482	262	54.4%
2006	11,048	2,249	20.4%	825	335	40.6%
<b>Foreign-Born Hispanics: Recent Arrivals</b>						
2005	2,185	592	27.1%	565	206	36.4%
2006	2,833	847	29.9%	649	255	39.3%

Source: Pew Hispanic Center tabulations of Current Population Survey data

Note: Data for 2004 and 2005 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after changes or shares have been computed. Recent arrivals are foreign-born person who arrived in the U.S. in 2000 or more recent years.

Table 3 shows that 15% of Hispanic workers, or 2.9 million out of 19.6 million, were employed in the construction sector in 2006. That is nearly double the proportion (8.1%) of all workers who were employed in the industry in 2006.

The proportion of Hispanic workers in construction is even more striking when compared with the proportions of non-Hispanic whites (7.8%) and non-Hispanic blacks (3.9%). Moreover, 37.2% of the increase in Latino employment between 2005 and 2006 was attributable to the construction industry alone.

The significance of construction to Latino workers in 2006 was greater than in 2005. In the previous year, 2005, 13.8% of all Hispanic employment was in construction and 37.3% of the increase in employment for Latinos was rooted in the industry.

Foreign-born Hispanics were the principal beneficiaries of the continuing growth in construction employment. For these workers, construction accounted for 20.4% of employment in 2006, up from 18.7% in 2005. More notably, this industry contributed 40.6% of the total growth in employment of foreign-born Hispanics between 2005 and 2006.

Nearly one-third (29.9%) of recently arrived foreign-born Hispanics worked in construction in 2006. That share is likely to grow in the near future since 39.3% of jobs acquired by recently arrived foreign-born Hispanics were in construction. These trends suggest that new foreign-born Latino workers continued to find ample opportunities for employment in construction in 2006 despite a housing slowdown.

#### Construction employment by region

Most construction jobs for Hispanics are in the South and West, which is consistent with the overall distribution of the Hispanic workforce. In 2006, those two regions were home to 2.5 million Latino construction workers, or 86% of the 2.9 million Latino construction workers in total (Table 4).

Not surprisingly, the South and West also contributed the most to the increase in construction jobs for Latinos—293,000 between 2005 and 2006, or 79% of the total increase.

There was a modest redeployment of Latino construction workers across regions over the past two years. Compared with 2004, there were relatively more Hispanic construction workers in the Northeast and the South. For example, the percent of Hispanic construction workers located in the South increased from 45.6% in 2004 to 48.3% in 2006 (Table 4). Over the same time period the percent of Latino construction workers in the West decreased from 39.3% to 37.5% and the percent in the Midwest diminished from 7.5% to 5.8%.

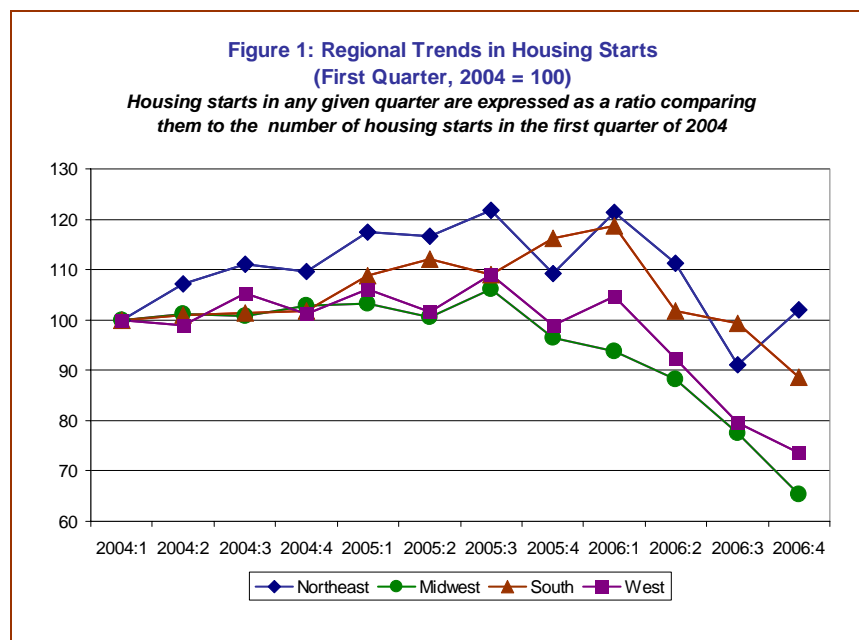
**Table 4**  
**Employment of Hispanics in the Construction Sector by Region**  
 2004 to 2006 (in thousands)

	Employment					Change in Employment				
	Total	Northeast	Midwest	South	West	Total	Northeast	Midwest	South	West
2004	2,295	176	171	1,046	902	---	---	---	---	---
2005	2,572	190	149	1,221	1,012	277	14	-22	175	110
2006	2,944	249	170	1,422	1,103	372	59	21	201	92
<b>Distribution of employment</b>										
2004	100.0%	7.7%	7.5%	45.6%	39.3%	---	---	---	---	---
2005	100.0%	7.4%	5.8%	47.5%	39.3%	100.0%	5.2%	-8.1%	63.2%	39.6%
2006	100.0%	8.5%	5.8%	48.3%	37.5%	100.0%	15.7%	5.6%	54.0%	24.7%

Source: Pew Hispanic Center tabulations of Current Population Survey data

Note: Data for 2004 and 2005 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after changes or shares have been computed.

The shift in the distribution of Hispanic construction workers across regions is consistent with regional trends in the housing market. As shown in Figure 1, trends in housing starts have differed across regions in the past three years. The Northeast and the South witnessed stronger growth in 2004 and 2005 in comparison with the Midwest and the West.



Source: U.S. Census Bureau

Note: Regional trends are based on quarterly averages of seasonally-adjusted monthly data. The monthly data are expressed in annual rates by the Census Bureau.

Housing activity diminished in all regions starting in 2006, but the level of activity remained strong in the Northeast and South. In particular, housing activity in the Northeast and the South was at about the same level near the end of 2006 as it was at the beginning of 2004. However, housing starts in the Midwest and the West were well below the levels seen in early 2004. Consequently, it is possible that at least some of the movement of Latino workers across regions was caused by variations in the housing market.



## Appendix A: Quarterly Trends in Construction Employment for Hispanic Workers

	Employment of Hispanics			Change in Employment Over Same Quarter Last Year		
	All Industries	Construction	Share of Construction	All Industries	Construction	Share of Construction
<b>2005</b>						
First Quarter	18,121	2,412	13%	764	267	35%
Second Quarter	18,716	2,546	14%	749	220	29%
Third Quarter	18,733	2,632	14%	658	301	46%
Fourth Quarter	19,025	2,698	14%	801	319	40%
<b>2006</b>						
First Quarter	19,107	2,697	14%	986	286	29%
Second Quarter	19,709	3,014	15%	993	468	47%
Third Quarter	19,625	2,976	15%	892	344	39%
Fourth Quarter	20,151	3,087	15%	1,125	389	35%

Source: Pew Hispanic Center tabulations of Current Population Survey data

Note: Data for 2004 and 2005 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after changes or shares have been computed.

	Employment of Foreign-Born Hispanics			Change in Employment Over Same Quarter Last Year		
	All Industries	Construction	Share of Construction	All Industries	Construction	Share of Construction
<b>2005</b>						
First Quarter	9,771	1,854	19%	463	312	67%
Second Quarter	10,336	1,906	18%	507	231	46%
Third Quarter	10,312	1,902	18%	477	262	55%
Fourth Quarter	10,473	1,991	19%	479	243	51%
<b>2006</b>						
First Quarter	10,524	2,079	20%	753	225	30%
Second Quarter	11,139	2,323	21%	803	417	52%
Third Quarter	11,203	2,237	20%	892	336	38%
Fourth Quarter	11,326	2,354	21%	853	363	43%

Source: Pew Hispanic Center tabulations of Current Population Survey data

Note: Data for 2004 and 2005 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after changes or shares have been computed.

	Employment of Recently Arrived Foreign-Born Hispanics			Change in Employment Over Same Quarter Last Year		
	All Industries	Construction	Share of Construction	All Industries	Construction	Share of Construction
<b>2005</b>						
First Quarter	1,935	472	24%	572	157	27%
Second Quarter	2,118	592	28%	566	191	34%
Third Quarter	2,323	636	27%	653	243	37%
Fourth Quarter	2,364	666	28%	470	232	49%
<b>2006</b>						
First Quarter	2,506	753	30%	571	281	49%
Second Quarter	2,897	871	30%	779	279	36%
Third Quarter	2,985	827	28%	662	191	29%
Fourth Quarter	2,945	936	32%	582	269	46%

Source: Pew Hispanic Center tabulations of Current Population Survey data

Note: Data for 2004 and 2005 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after changes or shares have been computed.

	Employment of Hispanics					Change in Employment Over Same Quarter Last Year				
	Total	Northeast	Midwest	South	West	Total	Northeast	Midwest	South	West
<b>2006</b>										
First Qr.	2,697	239	147	1,294	1,017	286	77	7	139	62
Second Qr.	3,014	231	141	1,480	1,162	468	82	11	209	166
Third Qr.	2,976	244	189	1,414	1,130	344	32	41	221	50
Fourth Qr.	3,087	283	202	1,498	1,105	389	43	24	234	89
<b>2006: Distribution of employment</b>										
First Qr.	100%	9%	5%	48%	38%	100%	27%	3%	49%	22%
Second Qr.	100%	8%	5%	49%	39%	100%	17%	2%	45%	35%
Third Qr.	100%	8%	6%	48%	38%	100%	9%	12%	64%	15%
Fourth Qr.	100%	9%	7%	49%	36%	100%	11%	6%	60%	23%

Source: Pew Hispanic Center tabulations of Current Population Survey data

Note: All numbers and percentages are rounded after changes or shares have been computed.

## Appendix B: Labor Market Status of Hispanic and Non-Hispanic Workers in 2006

This appendix presents data on the employment status and earnings of Hispanic and non-Hispanic workers at the end of 2006.

- The unemployment rate for Hispanic workers in the fourth quarter of 2006 was 5% on a non-seasonally adjusted basis. That was nearly a percentage point less than the unemployment rate of 5.9% in the fourth quarter of 2005.
- The decrease in the Hispanic unemployment rate continued a trend that began in the middle of 2003. On a seasonally-adjusted basis, the gap between the Hispanic and non-Hispanic unemployment rates is now only 0.5 percentage points.
- The Latino labor force added 980,000 workers between the fourth quarters of 2005 and 2006. That accounted for 38% of all workers added to the U.S. labor force.
- Employment for Latinos increased by 1.1 million, rising 5.9% from the fourth quarter of 2005 to the fourth quarter of 2006. Latinos, who were 13.9% of the U.S. labor force, represented 36% of the total increase in employment.
- Foreign-born Latinos continued to account for most of the increase in the Latino labor force (825,000 out of 980,000) and employment (853,000 out of 1.1 million).
- The unemployment rate for foreign-born Latinos was 4.2% in the fourth quarter of 2006, compared with 5.9% for native-born Latinos in the same time period. For both groups of workers the unemployment rate at the end of 2006 was well below the level a year ago.
- The employment rate for Hispanics workers, or the percent of the working-age population that is employed, increased from 64.6% to 66.1% from the fourth quarter of 2005 to the fourth quarter of 2006.
- The labor force participation rate among Hispanics, or the percent of the working-age population that is either employed or actively seeking work, increased from 68.7% to 69.5% from the fourth quarter of 2005 to the fourth quarter of 2006.

- The median weekly earnings of Hispanic workers increased 2%, from \$420 to \$428, between 2005 and 2006. This rate of increase was higher than for other groups. However, Hispanics still have the lowest median wage of any racial or ethnic group.
- The median weekly earnings of foreign-born Hispanic workers fell 3.1% in 2006, from \$400 to \$388.

<b>Table B1</b> <b>Labor Market Status of All Workers and Hispanics, Fourth Quarter, 2004 to Fourth Quarter, 2006</b> <b>(non-seasonally adjusted, in thousands)</b>					
	<b>Employment</b>			<b>Change in Employment</b>	
	<b>2004:4</b>	<b>2005:4</b>	<b>2006:4</b>	<b>2004:4 to 2005:4</b>	<b>2005:4 to 2006:4</b>
<b>All Workers</b>					
Population	224,308	227,079	229,865	2,771	2,786
Labor Force	148,438	150,371	152,929	1,933	2,558
Labor Force Participation Rate (%)	66.2	66.2	66.5	0.0	0.3
Employment	140,769	143,223	146,343	2,453	3,120
Employment Rate (%)	62.8	63.1	63.7	0.3	0.6
Unemployment	7,668	7,148	6,587	-520	-562
Unemployment Rate (%)	5.2	4.8	4.3	-0.4	-0.4
<b>Hispanics</b>					
Population	28,374	29,437	30,506	1,063	1,069
Labor Force	19,486	20,227	21,206	741	980
Labor Force Participation Rate (%)	68.7	68.7	69.5	0.0	0.8
Employment	18,225	19,025	20,151	801	1,125
Employment Rate (%)	64.2	64.6	66.1	0.4	1.4
Unemployment	1,261	1,201	1,056	-60	-146
Unemployment Rate (%)	6.5	5.9	5.0	-0.5	-1.0

Source: Pew Hispanic Center tabulations of Current Population Survey data

Note: Data for 2004 and 2005 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after changes or shares have been computed.

**Table B2**  
**Labor Market Status of All Workers and Hispanics by Nativity, Fourth Quarter, 2005 and Fourth Quarter, 2006**  
 (non-seasonally adjusted, in thousands)

	Native Born			Foreign Born		
	2005:4	2006:4	Change	2005:4	2006:4	Change
<b>All Workers</b>						
Population	194,125	195,807	1,682	32,954	34,058	1,104
Labor Force	128,036	129,439	1,404	22,335	23,490	1,155
Labor Force Participation Rate (%)	66.0	66.1	0.2	67.8	69.0	1.2
Employment	121,877	123,715	1,838	21,345	22,627	1,282
Employment Rate (%)	62.8	63.2	0.4	64.8	66.4	1.7
Unemployment	6,158	5,724	-434	990	863	-127
Unemployment Rate (%)	4.8	4.4	-0.4	4.4	3.7	-0.8
<b>Hispanics</b>						
Population	13,889	14,170	281	15,548	16,336	788
Labor Force	9,222	9,378	155	11,004	11,829	825
Labor Force Participation Rate (%)	66.4	66.2	-0.2	70.8	72.4	1.6
Employment	8,552	8,825	273	10,473	11,326	853
Employment Rate (%)	61.6	62.3	0.7	67.4	69.3	2.0
Unemployment	670	553	-117	531	502	-28
Unemployment Rate (%)	7.3	5.9	-1.4	4.8	4.2	-0.6

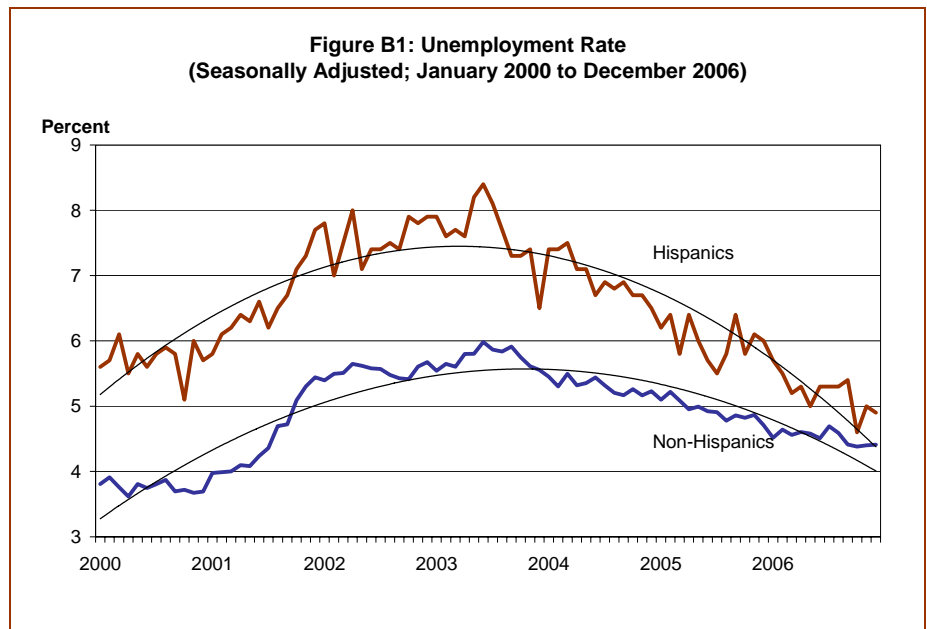
Source: Pew Hispanic Center tabulations of Current Population Survey data

Note: Data for 2005 have been adjusted to account for the effects of annual revisions to the CPS. All numbers and percentages are rounded after changes or shares have been computed.

Table B3 Median Weekly Wages in 2005 dollars (annual averages)						
	All Workers			Full-time Workers		
	2005	2006	Change	2005	2006	Change
<b>All Workers</b>	\$576	\$578	0.3%	\$650	\$652	0.3%
Native born	\$596	\$581	-2.5%	\$673	\$671	-0.4%
Foreign born	\$480	\$481	0.1%	\$500	\$521	4.2%
<b>Hispanics</b>	\$420	\$428	2.0%	\$462	\$465	0.8%
Native born	\$481	\$484	0.8%	\$556	\$543	-2.4%
Foreign born	\$400	\$388	-3.1%	\$400	\$420	5.1%
<b>Non-Hispanic Whites</b>	\$623	\$626	0.5%	\$720	\$726	0.9%
Native born	\$620	\$625	0.8%	\$720	\$722	0.2%
Foreign born	\$654	\$652	-0.3%	\$738	\$745	1.0%
<b>Non-Hispanic Blacks</b>	\$480	\$484	0.9%	\$520	\$543	4.3%
Native born	\$480	\$484	0.9%	\$520	\$543	4.3%
Foreign born	\$480	\$489	1.8%	\$520	\$543	4.3%
<b>Non-Hispanic Asians</b>	\$673	\$671	-0.4%	\$760	\$752	-1.1%
Native born	\$640	\$652	1.9%	\$769	\$745	-3.1%
Foreign born	\$673	\$678	0.8%	\$750	\$763	1.8%

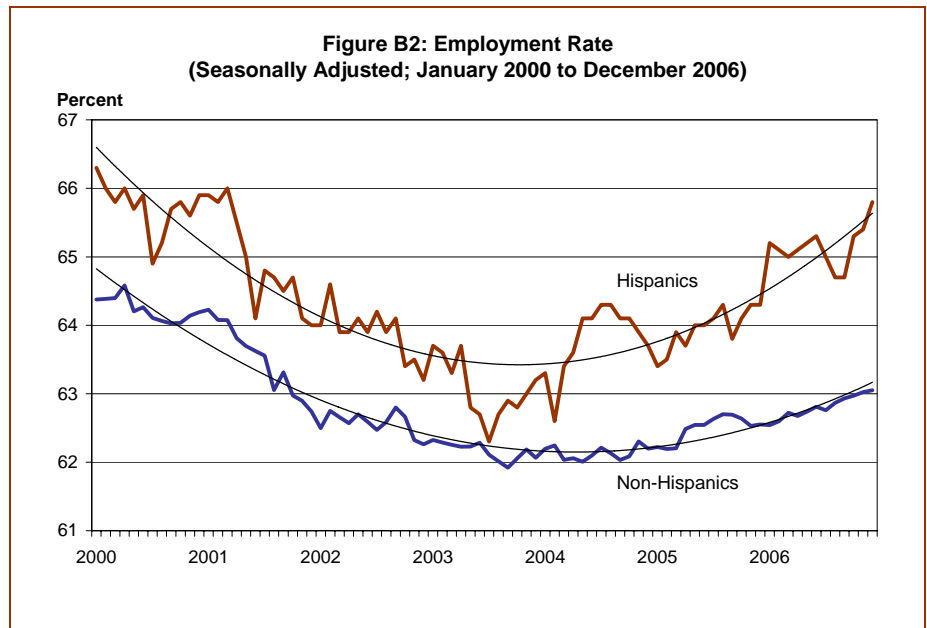
Source: Pew Hispanic Center tabulations of Current Population Survey data

Note: Non-Hispanic Asians include Native Hawaiian and Pacific Islanders.



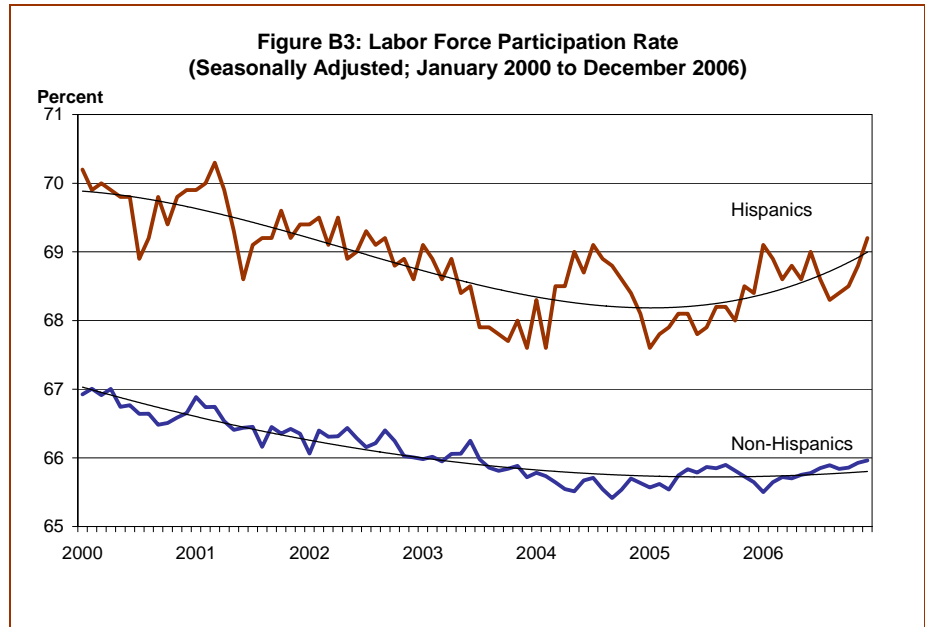
Source: Bureau of Labor Statistics

Note: The unemployment rate is the percent of the labor force that is without work and is actively looking for work. The comparability of the data over time is affected slightly by annual revisions in the Current Population Survey methodology.



Source: Bureau of Labor Statistics

Note: The employment rate is the percent of the population 16 and older that is employed. The comparability of the data over time is affected slightly by annual revisions in the Current Population Survey methodology.



Source: Bureau of Labor Statistics

Note: The labor force participation rate is the percent of the population 16 and older that is employed or actively looking for work. The comparability of the data over time is affected slightly by annual revisions in the Current Population Survey methodology.



## Appendix C: Revisions of the CPS

Each January, the U.S. Census Bureau makes adjustments to the population controls in the Current Population Survey. These adjustments are typically based on revised estimates of net international migration and updated vital statistics. According to a note released by the BLS (“Adjustments to Household Survey Population Estimates in January 2006”), the cumulative effect of the adjustment in January 2006 was to reduce the estimate of the Hispanic working-age population by 108,000, the Hispanic labor force by 87,000 and the number of employed Hispanics by 81,000.

The BLS has also published a methodology that can be used to adjust previously published CPS data for the effects of ongoing January revisions (See “Creating Comparability in CPS Employment Series,” by Marisa L. Di Natale. The report is available at <http://www.bls.gov/cps/cpscomp.pdf>). That methodology was applied to make revisions to estimates of the Hispanic population, labor force and employment in 2005 and earlier years.

It is assumed in this report that the principal force underlying revisions in the CPS population controls is revised estimates of net international migration. In principle, that means some of the revision could be attributed to emigration by second and third generation Hispanics. However, that effect is assumed to be negligible in the current analysis, and the full extent of the CPS revision for Hispanics was assumed to apply to first-generation Hispanics arriving in the U.S. in 2000 or later. Previously computed distributions of the Hispanic first generation by education, age, industry, occupation, etc. were then utilized to distribute the total change in the Hispanic population along those dimensions.

The January 2005 revisions also affected estimates of the non-Hispanic population, but no adjustments were made to the data to account for the revisions. For whites and blacks, those revisions were very small in proportion to their working-age population and have a negligible effect on comparability of the data over time. However, estimates of the working-age population, labor force, employment and unemployment of non-Hispanic Asians are sensitive to the effects of CPS revisions and should be treated with caution. Rates—the employment rate, labor force participation rate and the unemployment rate—are not affected by the January CPS revisions.