



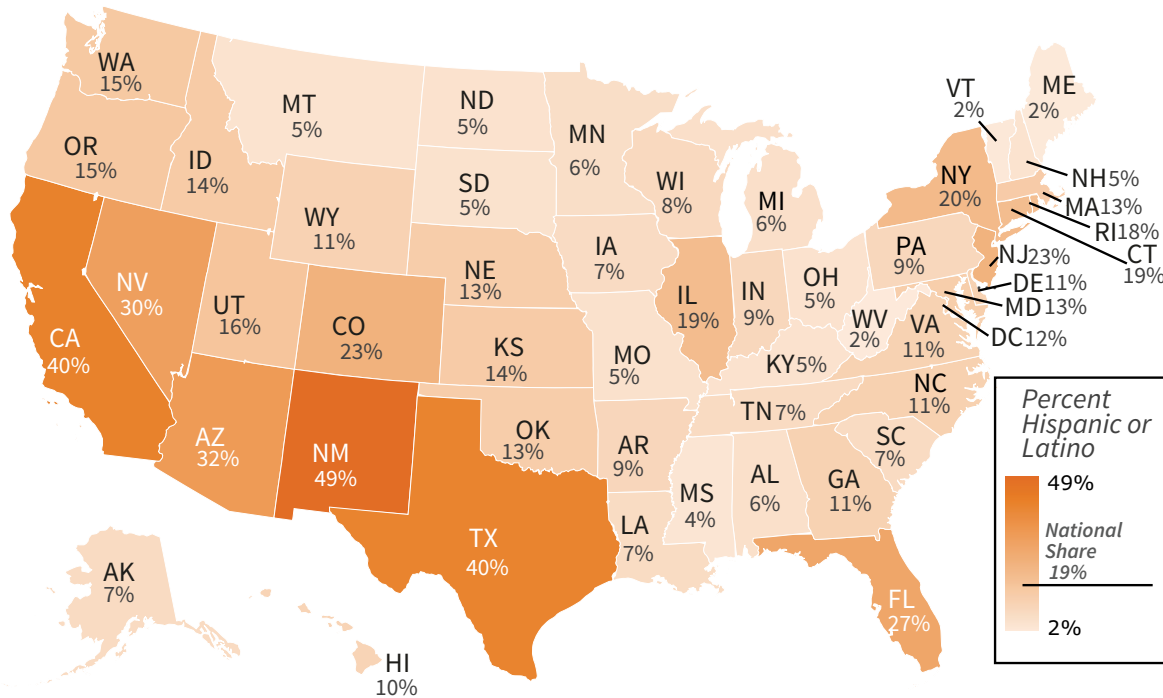
An Economy that Works for Latino Families Works for Everyone

As we celebrate Hispanic Heritage Month, we recognize the significant contributions Latino workers, businesses, and communities make to the U.S. economy. Latinos are the fastest growing demographic group in the U.S.—they are the youngest group on average and participate in the workforce at disproportionately high rates. This factsheet provides a summary of the economic experience of Latinos in the U.S. and how the U.S. Department of the Treasury (Treasury) is working to support Latino families, workers, and businesses. The Biden-Harris Administration understands that building an economy where all Americans have opportunities to get ahead is essential to long-term economic growth and productivity.

Latinos play a vital role in the U.S. economy as workers and business owners.

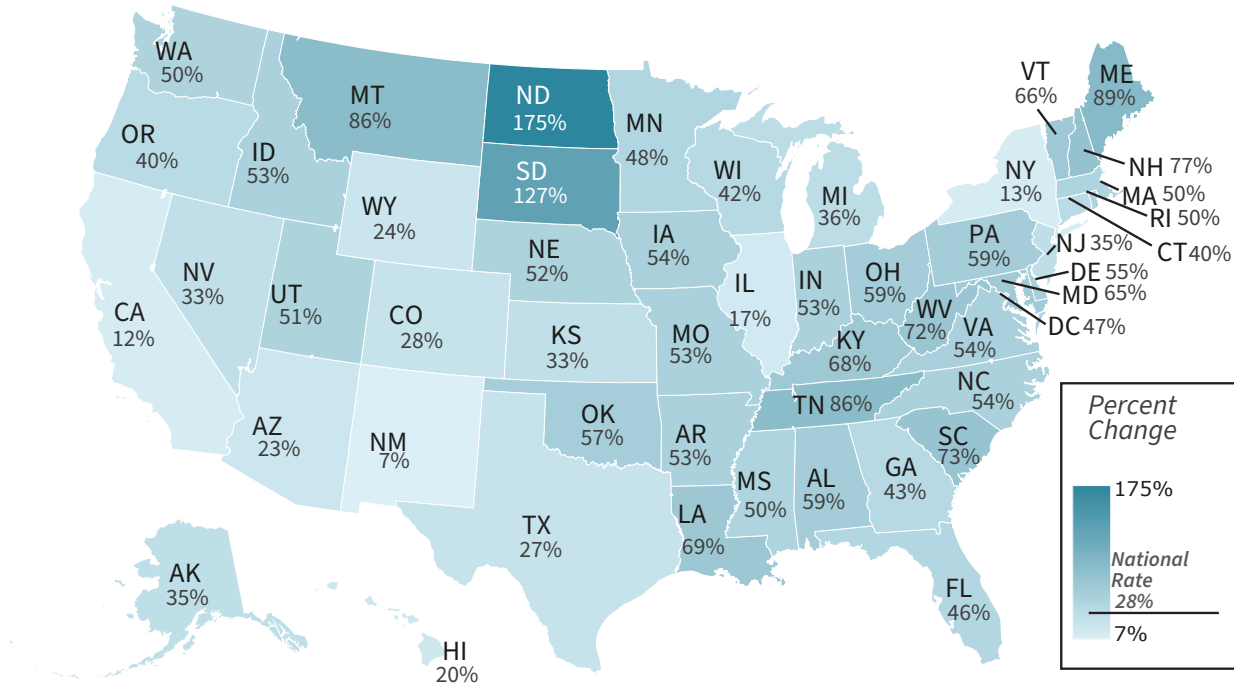
According to Census data, there were 65.1 million individuals (nearly 1 in 5 Americans) who identify as Hispanic or Latino in the US in 2023, representing an increase of 21% since 2013.¹ Between 2022 and 2023, Latinos accounted for 71% of overall population growth, primarily driven by births.² In 2020, Latinos also had the youngest median age of any race or ethnic category, at 30 years old, and represented disproportionate shares of people ages 0 to 44.³ The trends indicated in Figures 1 to 3 suggest that Latinos will continue to comprise an increasing share of the country’s workforce.

Figure 1: 2023 Latino Percentage by State as a Share of State Population



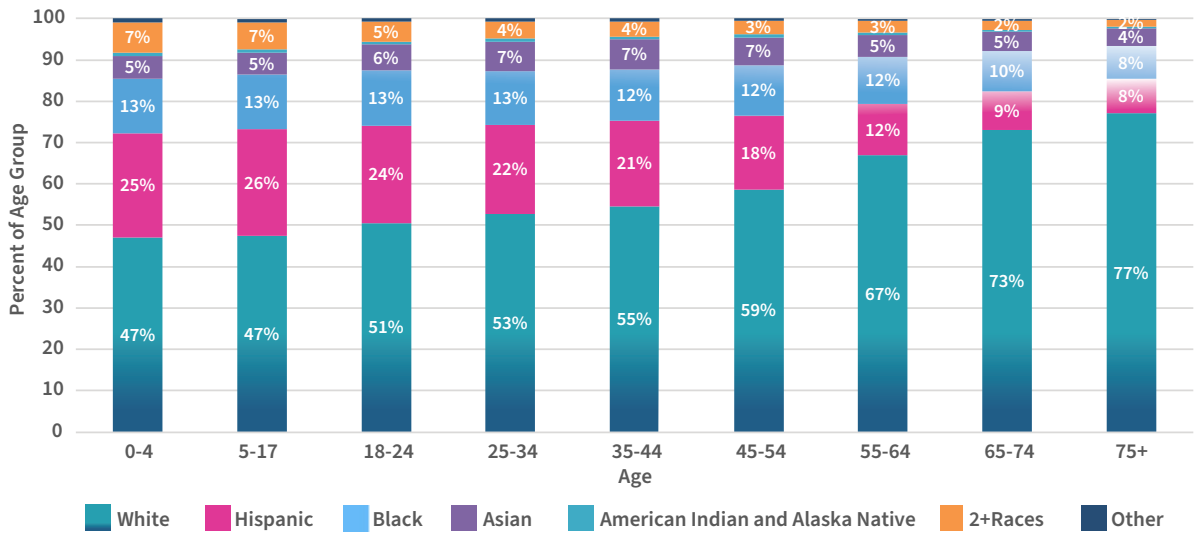
Source: U.S. Census Bureau. "B03002: Hispanic or Latino Origin by Race." 1 Year Estimates.

Figure 2: Growth of Latino Population by State from 2010-2023



Source: U.S. Census Bureau. "B03002: Hispanic or Latino Origin by Race." 1 Year Estimates.

Figure 3: Race/Ethnicity Population Shares by Age, 2020

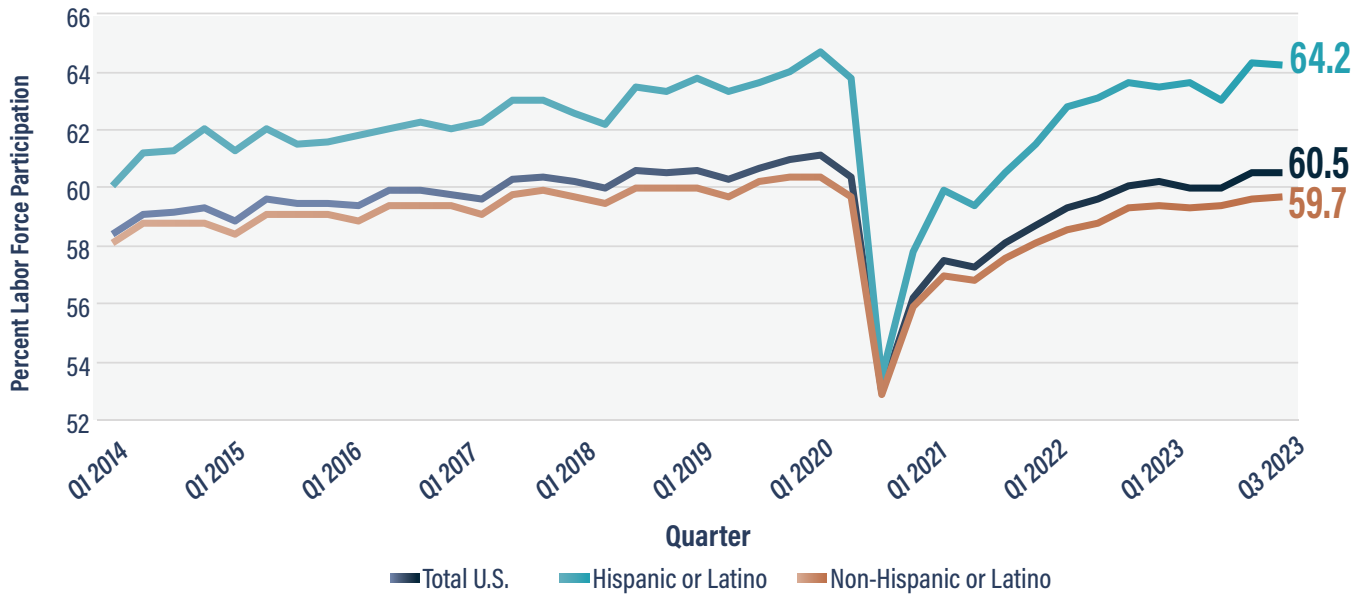


Notes: White, Black, Asian, and American Indian and Alaska Native categories include non-Hispanic members of those race groups.
Source: Willam H Frey analysis 2020 Census DHC file release May 25, 2023

Between the third quarter of 2014 and the third quarter of 2023, the share of the labor force that was Latino increased from 16.3% to 19.1%.⁴ In 2023, the labor force participation rate for Latinos ages 16 and up was 67%, which was higher than the national average of 63%.⁵

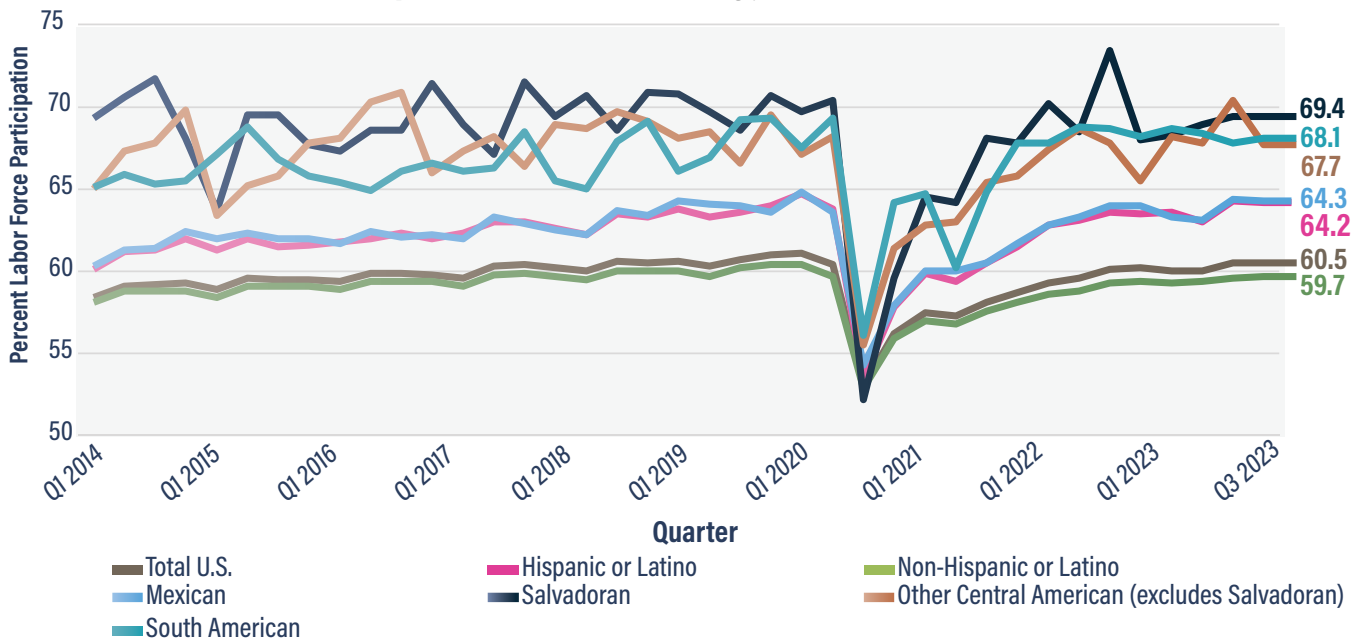
Trends in labor market participation reflect recent trends in growth of different groups within the Latino population (Figure 4).

Figure 4: Labor force participation rate by detailed ethnicity



Source: U.S. Bureau of Labor Statistics

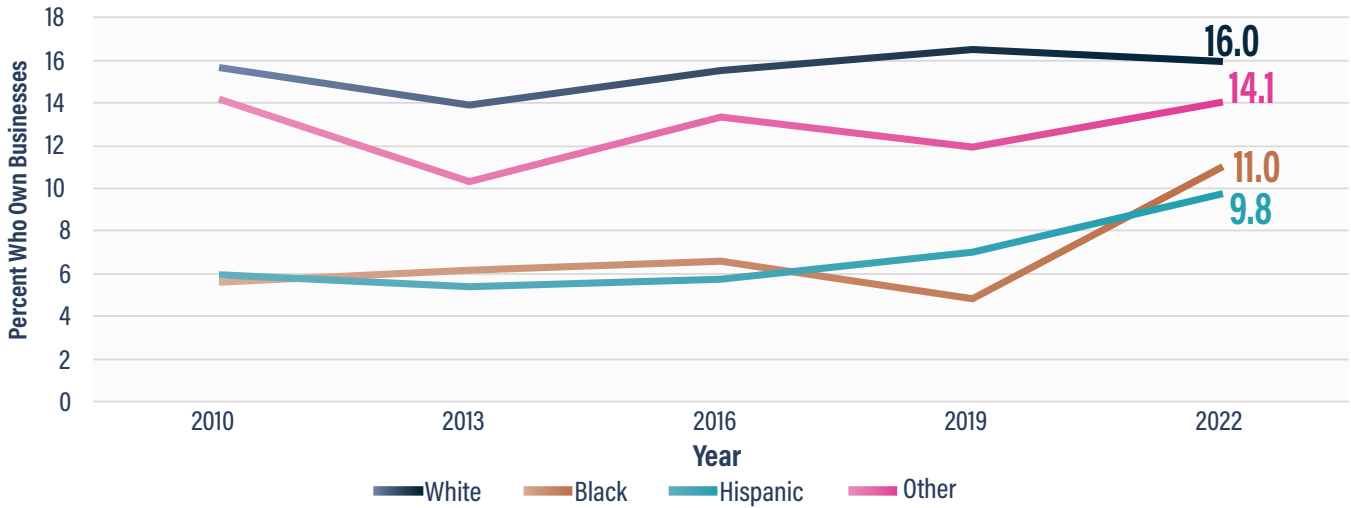
Labor Force Participation by Selected Detailed Hispanic or Latino Ethnicity, Q1 2014-Q3 2023



Source: U.S. Bureau of Labor Statistics

Small business ownership is increasing for Latino families. Latino business ownership is up almost 40% from 2019 to 2022 (Figure 5). Latino business owners represented 14.5% of business owners in 2022 and their over 5 million businesses employed nearly 3 million people.⁶

Figure 5: Business Ownership by Race/Ethnicity, 2010-2022

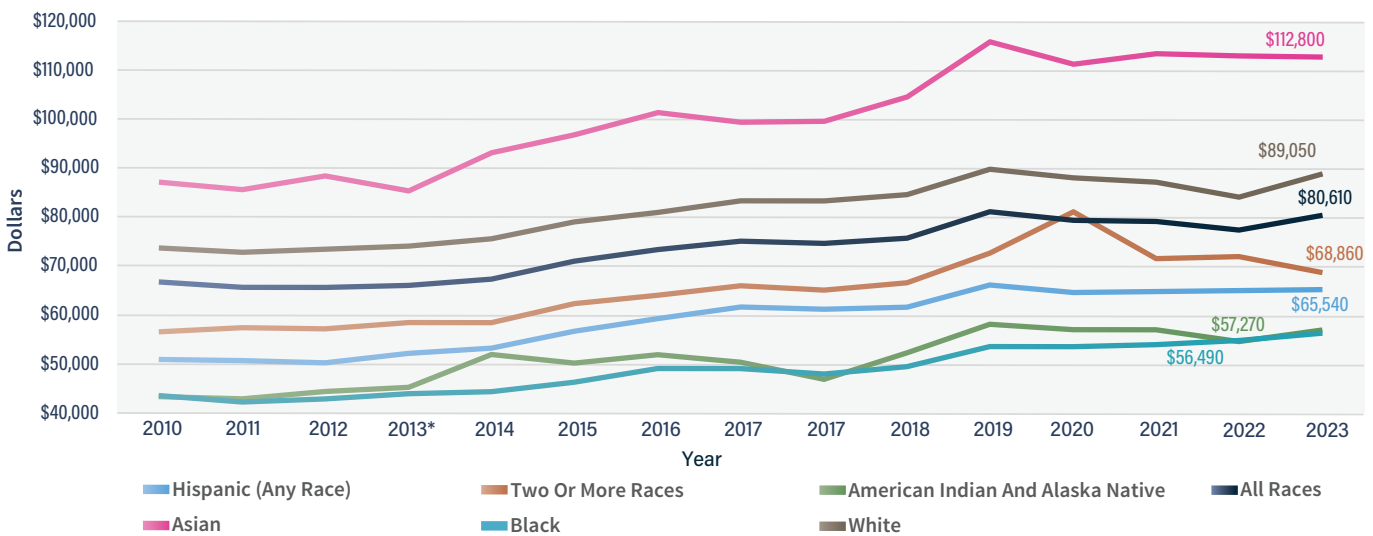


Source: Board of Governors of the Federal Reserve System (2023).

Latino families and businesses benefited from the strongest economic recovery on record.

Between the fourth quarter of 2019 and the fourth quarter of 2023, the median Latino worker’s real earnings increased by 4%—almost double the growth for the median worker overall.⁷ However, the median income for Latino households in 2023 (\$65,540) remained low relative to other race and ethnic groups. Latino, Black, and American Indian and Alaska Native households had the lowest median incomes in 2023 of all race and ethnic groups (Figure 6).⁸ Stable and sufficient earnings are an essential part of financial wellbeing. Barriers to income and earnings for Latino people include language barriers,⁹ concentration in lower-paying roles,¹⁰ uneven pay across the same roles,¹¹ and lack of citizenship.¹²

Figure 6: Median Household Income by Race/Ethnicity, 2010-2023

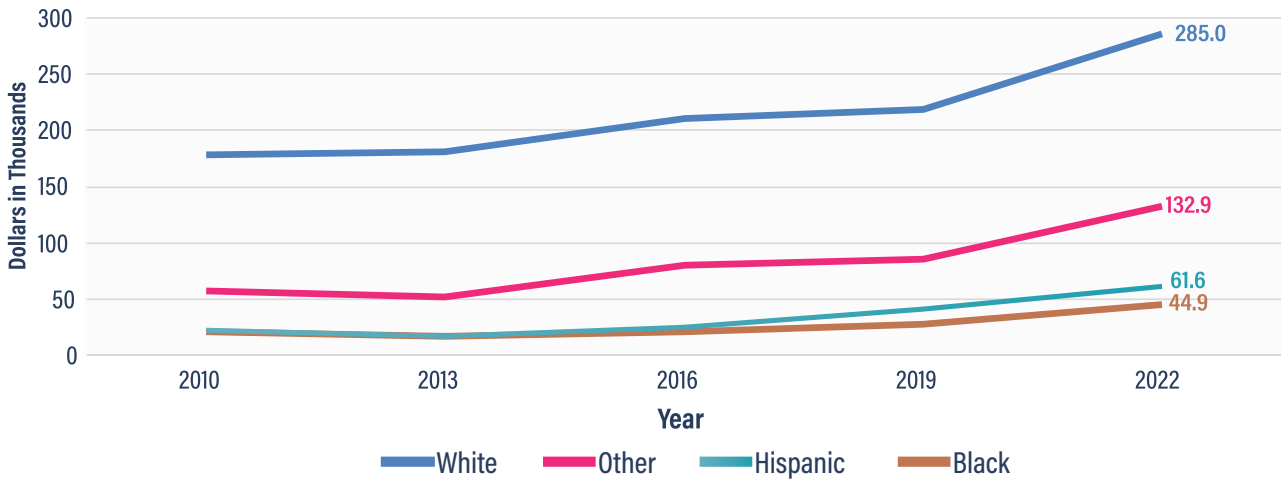


Notes: White, Black, Asian, and American Indian and Alaska Native categories include non-Hispanic members of those race groups. The source of the 2013 estimates is the portion of the CPS ASEC sample that received the income questions consistent with the 2013 CPS ASEC, approximately 68,000 addresses.

Source: U.S. Census Bureau, Current Population Survey, 1968 to 2024 Annual Social and Economic Supplements (CPS ASEC).

While there are existing barriers for wealth building in Latino communities, median wealth for Latino families is increasing. Between 2019-2022, the median wealth of Latino families grew 47%, up from \$41,910. Between 2013-2022, the median wealth of Latino families grew 252%, up from \$17,500.¹³ However, the median Latino household wealth in 2022 was \$61,620, close to one-fifth the wealth of the median white household (\$285,010).

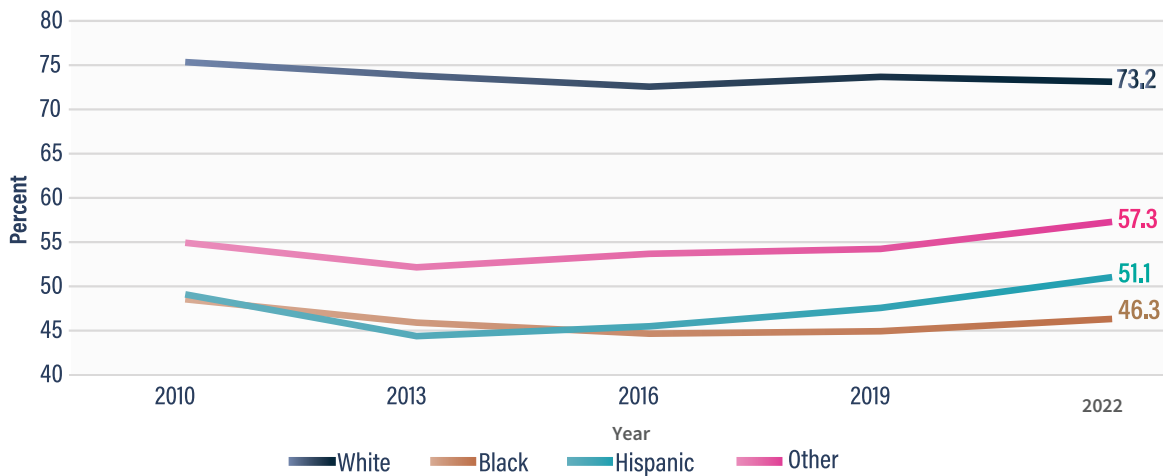
Figure 7: Median Household Wealth by Race/Ethnicity, 2010-2022



Source: Board of Governors of the Federal Reserve System (2023).

Housing wealth was one of the primary drivers of increases in median household wealth for Latino families. Since 2013, the homeownership rate for Latino households increased from 44% to 51% in 2022 (Figure 8).

Figure 8: Homeownership Rates by Race/Ethnicity, 2010-2022



Source: Board of Governors of the Federal Reserve System (2023).

Treasury is expanding economic opportunity for Latino families and Latino-owned businesses.

Wealth building happens over the course of a lifetime and depends on access to opportunities. While significant progress has been made, there is more work to be done, and Treasury is committed to working alongside partners to create an economic ecosystem that generates these opportunities for Latino families, workers, and businesses. Current work includes:

- **Growing Latino-owned businesses.** Treasury’s State Small Business Credit Initiative (SSBCI) is [supporting underserved entrepreneurs](#). In addition to direct capital support to underserved businesses, SSBCI provided \$125 million to support a “Capital Readiness Program” through the Minority Business Development Agency (MBDA), which is building a nationwide network of 43 technical assistance providers to enable underserved entrepreneurs to access government capital programs like SSBCI. As of July 2, 2024, SSBCI has announced approval of \$145 million in technical assistance awards to states, territories, DC, and Tribal governments to support access to capital for underserved and very small businesses.¹⁴ In October 2024, the program [announced awards](#) for the Investing in America Small Business Opportunity Program (SBOP), a competitive grant program that supports innovative, high-impact models of providing underserved and very small businesses with access to financial advisory, legal, and accounting services as they prepare to apply for capital.

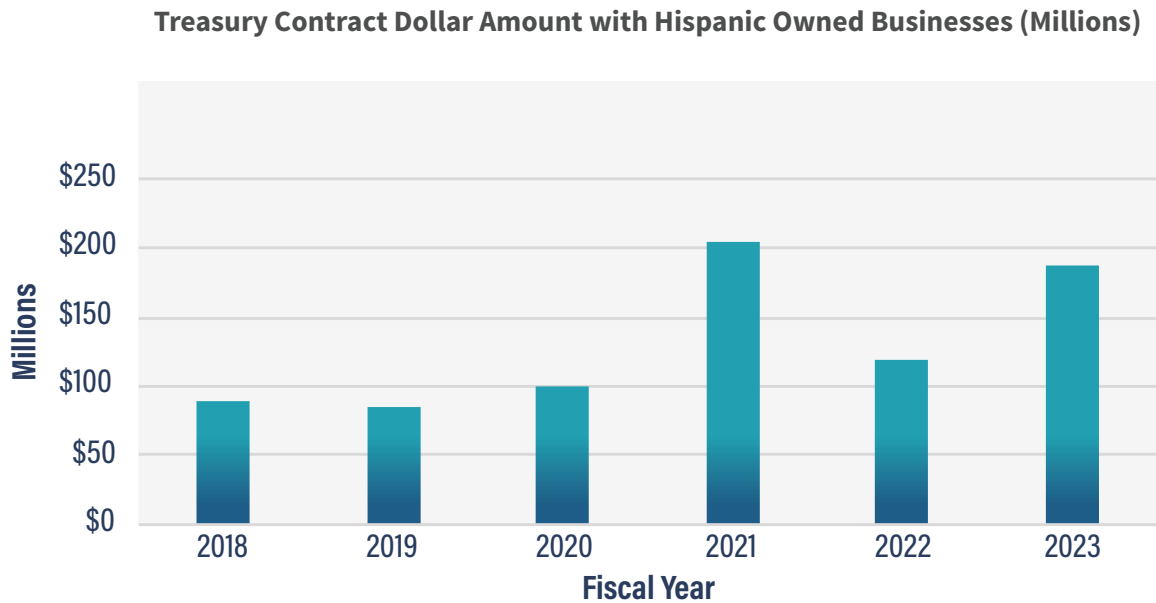


Helping Small Businesses Grow and Hire

Among awardees of the [State Small Business Credit Initiative Investing in America Small Business Opportunity Program](#), the Arizona Commerce Authority was awarded \$7.9 million to support small business growth through this program. The Administration has set a goal to increase the share of federal government contracts going to small disadvantaged businesses to 15% by 2025. The DreamBuilder program at Arizona State University’s Thunderbird School of Global Management will expand its in-person cohort program to nine additional Small Business Development Centers (SBDCs) statewide with the new funding. Combining online training with live classes, DreamBuilder will help women and underserved entrepreneurs enhance skills, including financial planning. Moonshot, a rural-focused pitch competition, will extend its tour to four additional communities and will provide bilingual resources to Hispanic and Latino entrepreneurs. Additionally, the Arizona Manufacturing Extension Partnership will provide training and advisory services to 900 rural and underserved manufacturers, helping position them for success and growth opportunities in sectors like semiconductors, clean energy, and defense.¹⁵

- **Doing business with Latino-owned companies through procurement.** Procurement with government agencies plays an important role for many businesses. The Administration has set a goal to increase the share of federal government contracts going to small disadvantaged businesses to 15% by 2025. The share of contracts awarded to Latino-owned businesses increased from \$100 million in FY 2020 to \$187 million in FY 2023, an increase of 87%.

Figure 9: Federal Procurement with Latino-owned Businesses, FY 2018-FY 2023



- **Increasing access to capital for Latino communities.** The Treasury Department has invested \$1.6 billion in Latino-designated minority depository institutions through the Emergency Capital Investment Program (ECIP). This investment is expected to significantly impact Latino communities, with projections indicating investments across the ECIP portfolio could increase lending in Latino communities by over \$50 billion over the next decade.¹⁶
 - **ECIP participants unlocked access to capital for the hardest-to-serve small businesses.** From May 2022 to December 2023, ECIP participants reported \$4.5 billion of lending to small businesses with annual revenues of \$1 million or less. Over the same period, ECIP participants reported \$1.2 billion of lending to Latino-owned businesses.¹⁷



Small Business Lending in Communities

Latino Community Credit Union. Since opening in 2000, the Latino Community Credit Union (LCCU), based in Durham, North Carolina, has grown to over \$1 billion in assets and reaches members in every state. LCCU’s impact is felt deeply in places like Gaston County, where its first ECIP investment in 2022 provided 310 loans—totaling \$8.6 million—primarily to Latino families. Many of these families are small business owners who, despite lacking a traditional credit history, are now using home equity loans to expand their businesses and strengthen their communities.

- **ECIP participants reached underserved geographies.** From May 2022 to December 2023, ECIP participants lent \$10.3 billion in Rural Communities, \$17.5 billion in Minority Communities, and \$459 million in Puerto Rico and other U.S. territories.¹⁸

- **Coordinated outreach for access to clean energy incentives.** Treasury has partnered across the federal government to coordinate outreach and education efforts for the Inflation Reduction Act's (IRA) clean energy tax incentives. These incentives are creating new economic opportunities in the clean energy economy. Many of these opportunities are in the construction sector, where the Latino share of the workforce (27.7%) is larger than the Latino share of the overall workforce (19.1%).¹⁹ Moreover, the IRA's prevailing wage and apprenticeship provisions are helping build a strong pipeline of highly skilled workers to support the growth of the clean energy economy and ensure clean energy jobs are good-paying jobs. Treasury has worked closely with the Department of Labor to provide education and outreach on these provisions.
- **Connecting Spanish-speaking tax filers with the benefits for which they are eligible.** During Filing Season 2024, the IRS introduced conversational voice technology, available in both English and Spanish, that can route calls based on what a taxpayer says.²⁰ During the 2024 filing season, the IRS piloted Direct File, a new tool that allows eligible taxpayers to file their tax returns online, for free, directly with the IRS. Direct File is one way the IRS is helping taxpayers get their maximum refunds quickly and access credits and deductions to which they are entitled. The Pilot Program saw more than 140,000 taxpayers file their returns through Direct File, more than \$90 million in refunds issued to taxpayers, and saved taxpayers an estimated \$5.6 million in tax preparation fees.²¹ The new tool is available in English and Spanish for eligible tax filers with Social Security Numbers or Individual Tax Identification Numbers (ITINs). Customer service functions, including a live chat feature, are available in English and Spanish.
- **Supporting Latino families through the expanded Child Tax Credit (CTC).** The CTC and other policies in the American Rescue Plan Act cut child poverty by more than half for Black and Latino children. Because Black and Latino children are concentrated in lower income quartiles, the impact for them was particularly dramatic. Both Black and Latino poverty rates were cut from nearly 20% in 2019 to 8% in 2021 thanks in part to the expanded Child Tax Credit in effect that year.²²



Endnotes

- 1 The U.S. Department of the Treasury uses the terms Latino and Hispanic interchangeably. In this factsheet we use the terms Hispanic or Latino to mean individuals of Mexican, Puerto Rican, Salvadorian, Cuban, Dominican, Guatemalan, and other Central or South American or Spanish culture or origin. This definition is consistent with the terms as used by the Census Bureau. Population estimates come from the U.S. Census Bureau's American Community Survey 1-Year Estimates.
- 2 U.S. Census Bureau. (2024). [Differences in Growth Between the Hispanic and Non-Hispanic Population \(census.gov\)](#).
- 3 Frey, William H. (May 25, 2023). *Analysis of 2020 Census DHC File Release*. Available: [New 2020 census data shows an aging America and wide racial gaps between generations \(brookings.edu\)](#)
- 4 U.S. Bureau of Labor Statistics. (2023). [Expanded data for detailed Hispanic or Latino groups now available : U.S. Bureau of Labor Statistics \(bls.gov\)](#).
- 5 Labor force participation is the percentage of a group's working-age population that is either employed or actively looking for work. U.S. Bureau of Labor Statistics. (2023). [Expanded data for detailed Hispanic or Latino groups now available : U.S. Bureau of Labor Statistics \(bls.gov\)](#).
- 6 Small Business Administration. (2024). [Small Business Facts: Hispanic Ownership Statistics 2024 – Office of Advocacy \(sba.gov\)](#).
- 7 U.S. Bureau of Labor Statistics. 2024. [Employed full time: Median usual weekly real earnings: Wage and salary workers: 16 years and over: all workers \(LEU0252881600Q\) and Hispanic or Latino \(LEU0252885500Q\)](#). FRED, Federal Reserve Bank of St. Louis. Last accessed October 15, 2024.
- 8 U.S. Census Bureau. (2024). [Median Household Income Increased in 2023 for First Time Since 2019 \(census.gov\)](#).
- 9 Godinez-Puig, Luisa and Paige Sonoda. (2023). [Creating Avenues to Financial Inclusion for Latino Families | Urban Institute](#).
- 10 Biu, Ofronama, Batia Katz, Afia Abu-Gyamfi, and Molly Scott. (2023). [Job Quality and Race and Gender Equity: Understanding the Link between Job Quality and Occupational Crowding](#). Washington, DC: Urban Institute.
- 11 Hamilton, Darrick, Ofronama Biu, Christopher Famighetti, Avi Green, Kyle Strickland, and David Wilcox. (2021). [Building an Equitable Recovery: The Role of Race, Labor Markets, and Education](#). New York, NY: The New School.
- 12 Sumption, Madeleine and Sarah Flamm. 2012. [The Economic Value of Citizenship for Immigrants in the United States](#). Washington, DC: Migration Policy Institute.
- 13 Aladangady, Aditya, Andrew C. Chang, and Jacob Krimmel. (2023). [The Fed - Greater Wealth, Greater Uncertainty: Changes in Racial Inequality in the Survey of Consumer Finances \(federalreserve.gov\)](#).
- 14 U.S. Department of Treasury. (2024). [U.S. Department of the Treasury Announces New Funding to Support Technical Assistance for Small Businesses as Part of the Biden-Harris Administration's Investing in America Agenda | U.S. Department of the Treasury](#).
- 15 U.S. Department of Treasury. (2024). [U.S. Department of the Treasury Awards Over \\$7 Million to Arizona to Help Small Businesses Grow and Hire | U.S. Department of the Treasury](#)
- 16 U.S. Department of Treasury. (2023). [Treasury Department Report Card: Latino Business Ownership Up, Pandemic Recovery Efforts Helped Grow Latino-owned Businesses | U.S. Department of the Treasury](#)
- 17 U.S. Department of Treasury. (2024). [Emergency Capital Investment Program 2023 Investing for Impact Report \(treasury.gov\)](#)
- 18 U.S. Department of Treasury. (2024). [Emergency Capital Investment Program 2023 Investing for Impact Report \(treasury.gov\)](#)
- 19 Construction Employers Association. (2023). [Construction Worker Demographics in the U.S. | Construction Employers Association \(ceacisp.org\)](#)
- 20 Department of the Treasury Internal Revenue Service. (2024). IRS Direct File Pilot Program. In Filing Season 2024 After Action Report (Report Publication 5969 (5-2024) Catalog Number 94963W). <https://www.irs.gov/pub/irs-pdf/p5969.pdf>
- 21 Department of the Treasury Internal Revenue Service. (2024). IRS Direct File Pilot Program. In Filing Season 2024 After Action Report (Report Publication 5969 (5-2024) Catalog Number 94963W). <https://www.irs.gov/pub/irs-pdf/p5969.pdf>
- 22 U.S. Census Bureau. 2023. [Table B-2 – Number and Percentage of People in Poverty Using the Supplemental Poverty Measure by Age, Race, and Hispanic Origin: 2009 to 2022](#). Current Population Survey, 2010 to 2023 Annual Social and Economic Supplements (CPS ASEC). Last accessed October 15, 2024.