

Focus on Hispanic Workers

**Washington Workforce
Training Results for Hispanic
Participants**



July 2012

Workforce Training and Education Coordinating Board
128 10th Avenue SW, PO Box 43105, Olympia, 98504-3105
360-709-4600, Fax 360-586-5862
www.wtb.wa.gov



Workforce Training & Education Coordinating Board

Washington Workforce Training Results for Hispanic Participants

When compared with the rest of Washington's workforce, Hispanic workers are a third more likely to be unemployed. At the same time, Hispanics earn approximately 60 percent of what the general population earns in median hourly wages.¹

These twin problems—low wages and high unemployment—are what the state's workforce development system aims to solve through worker retraining programs, apprenticeships, skill-building courses, English language classes and more.

In this report, you'll see how well Hispanics fared after entering workforce development programs—from how many completed these programs, to the jobs they landed, and the money they earned.

As a group, Hispanics are well-represented in the state's workforce development programs. Yet, while they are overall more likely to be employed after leaving a program, they have on average hourly wages less than other program participants in all programs other than Adult Basic Education and Services for the Blind. Further, in terms of median annual earnings, Hispanics earn more than other program participants in half the programs. This suggests that while Hispanics have lower hourly wages, they work greater number of hours than other program participants.

Hispanic participation in workforce development programs

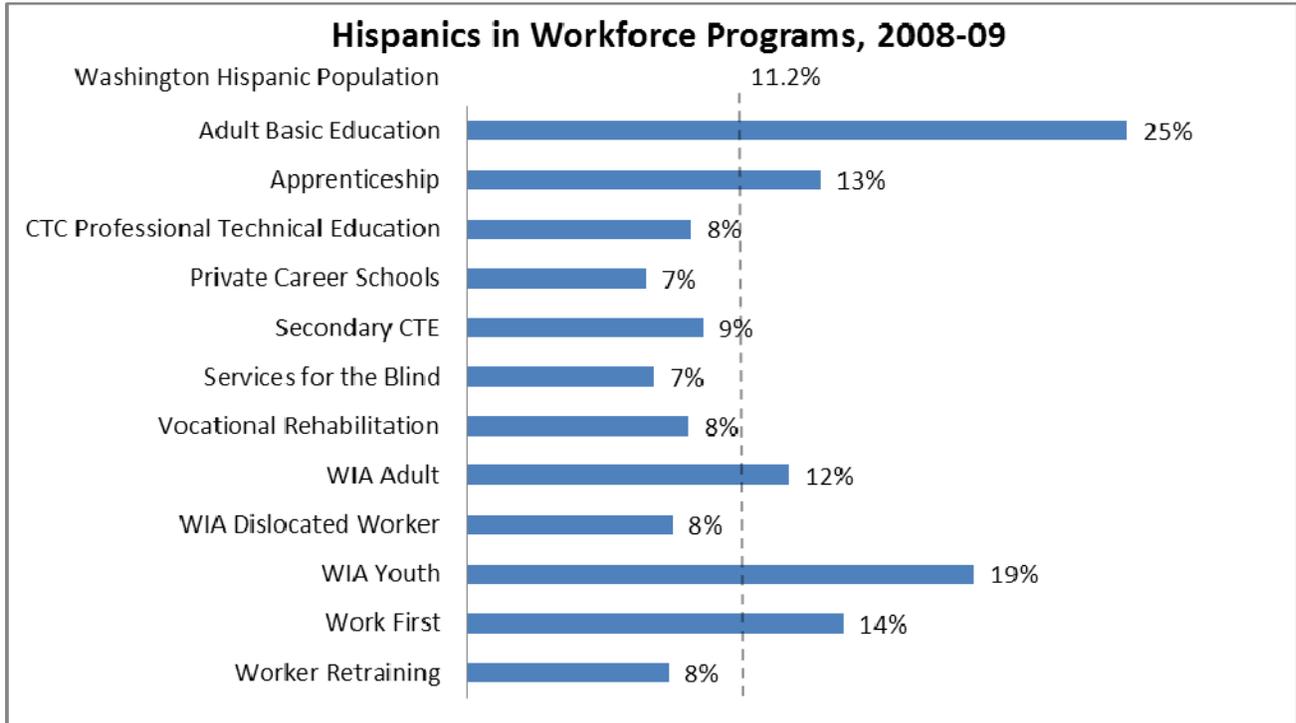
Hispanics are involved in two workforce programs at a significantly higher rate than their proportion of the state population: Adult Basic Education (ABE) and WIA Youth. Other workforce programs where the rate of Hispanic participation is higher than their share of the general population include Work First, WIA Adult and the Apprenticeship programs.

The Worker Retraining program enrollments vary from year to year in response to layoffs. Training is largely provided by Washington's 34 community and technical colleges, helping dislocated workers and the long-term unemployed prepare for new careers. During recessions, the need for retraining increases. While the rate of Hispanic program participation was 8 percent this year, the prior program year the rate was 20 percent.

¹ U.S. Census Bureau's 2010 American Community Survey.

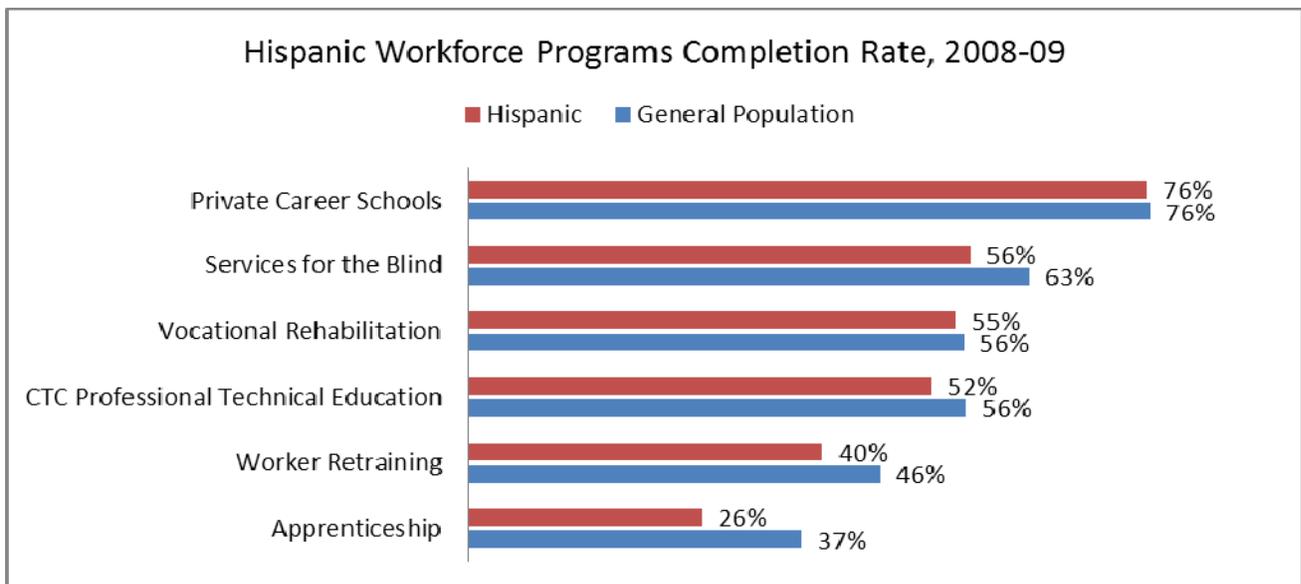


Workforce Training & Education Coordinating Board



Workforce Training Results 2011. State Hispanic population estimate of 11.2 percent, is from the 2010 U.S. Census Bureau's American Community Survey.

Completion rates for Hispanics in workforce development programs are generally equal to or within seven percentage points of the overall rates. The major exception is within the Apprenticeship program, with Hispanics completing at a 26 percent rate compared to a completion rate among all participants of 37 percent.



Workforce Training Results, 2011.



Workforce Training & Education Coordinating Board

Employment Rates after Participating in a Workforce Development Program

Overall, 54 percent of Hispanics were employed after leaving workforce training programs.² Although employment outcomes vary by program, when considering all programs, Hispanics are slightly more likely to be working after leaving a workforce training program than the general population. The two programs in which Hispanics are less likely than the general population to be employed after program completion are those enrolled in Apprenticeship and Services for the Blind. Apprenticeship programs include a wide range of occupational fields, but the majority are in the building and construction trades. Services for the Blind include vocational rehabilitation services, counseling, training, and assistive technology to help participants achieve successful employment outcomes.

Employment of Workforce Program Participants, 2009-10		
Workforce Program	Hispanic	General Population
Adult Basic Education	55%	46%
Apprenticeship	57%	61%
CTC Professional Technical	63%	61%
Private Career Schools	66%	60%
Secondary CTE	54%	49%
Services for the Blind	44%	45%
Vocational Rehabilitation	53%	46%
WIA Adult	68%	65%
WIA Dislocated Worker	74%	71%
WIA Youth	55%	45%
Work First	43%	37%
Worker Retraining	64%	58%
Total	54%	50%

Workforce Training Results, 2011. Information is based on participant employment 9 months after exiting a program, based on matches to employment wage records.

² These figures apply to those with employment reported to state employment agencies six to nine months after leaving the program. Rate does not include self-employment, employment outside the Northwest or military service and thus understates total employment by approximately 10 percent.



Workforce Training & Education Coordinating Board

Wages and Annual Earnings of Participants in Workforce Programs

Compared to program participants among the general population, Hispanics who participated in Adult Basic Education and Services for the Blind had higher median hourly wages after leaving the program than did other program participants. However, in half of the programs, Hispanic annual earnings were higher than the general population participating in the same program. This is likely due to Hispanic program participants being employed more hours, on average, than other program participants, thus offsetting their lower median hourly wage. The greatest wage gap was seen among Hispanics who participated in Apprenticeship programs. Annual wages for Hispanic workers who participated in apprenticeships stood at just under \$29,400, compared with \$38,200 earned by general population participants. On the other hand, Hispanic program participants in Adult Basic Education had annual earnings nearly 18 percent higher than other program participants, while Hispanics in WIA Youth, Secondary CTC, and Vocational Rehabilitation had annual earnings over 19 percent higher.

Median Hourly Wages and Annualized Earnings After Workforce Program Involvement, 2009-10				
Workforce Program	Hispanics		General Population	
	Median Wage	Annualized Earnings	Median Wage	Annualized Earnings
Adult Basic Education	\$11.29	\$18,950	\$10.67	\$16,109
Apprenticeship	\$20.70	\$29,393	\$24.73	\$38,210
CTC Professional Technical	\$12.71	\$21,770	\$14.54	\$24,490
Private Career Schools	\$13.22	\$21,483	\$13.53	\$20,861
Secondary CTE	\$9.74	\$10,344	\$9.87	\$8,645
Services for the Blind	\$12.78	\$21,847	\$12.32	\$20,555
Vocational Rehabilitation	\$10.02	\$13,950	\$10.67	\$11,702
WIA Adult	\$12.09	\$19,574	\$12.76	\$21,082
WIA Dislocated Worker	\$14.53	\$26,837	\$15.87	\$28,857
WIA Youth	\$9.61	\$11,897	\$9.62	\$9,991
Work First	\$10.04	\$12,137	\$10.10	\$12,225
Worker Retraining	\$14.10	\$24,315	\$15.38	\$26,157
Total	\$11.27	\$17,484	\$12.07	\$17,652

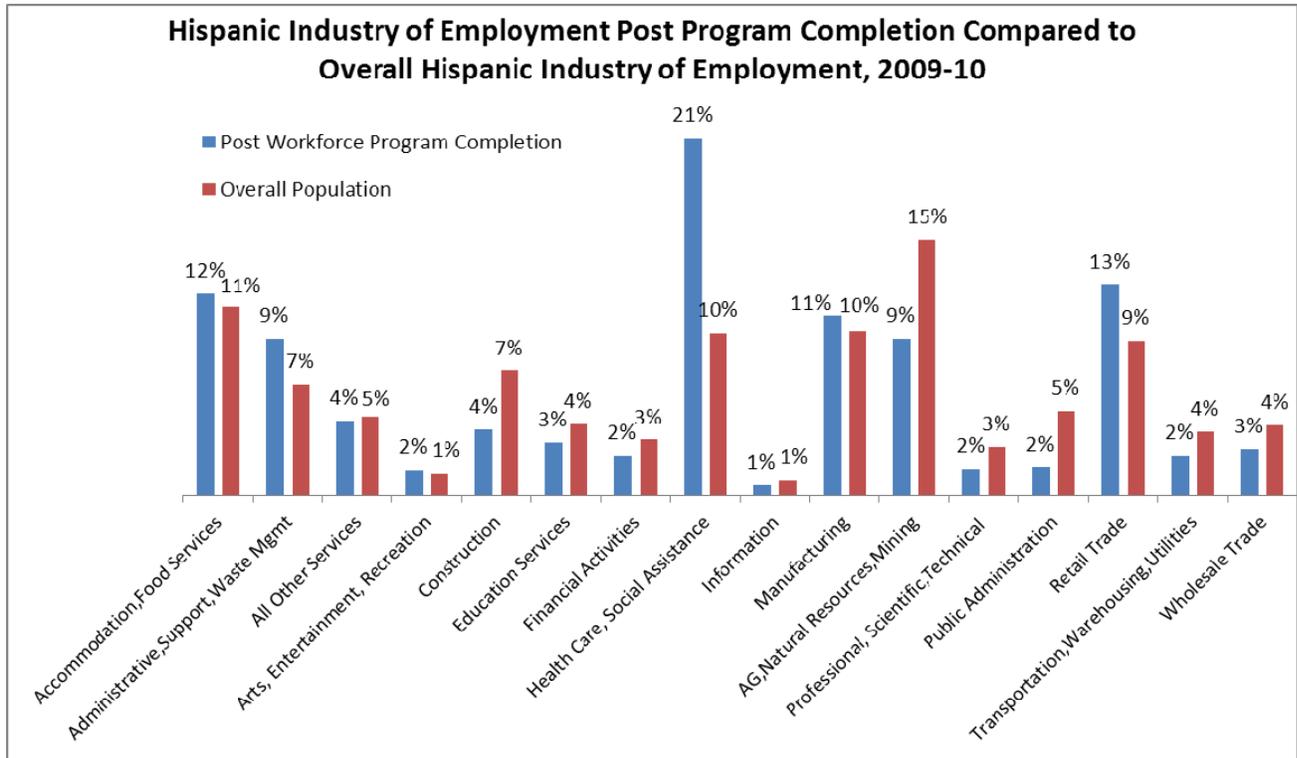
Workforce Training Results, 2011. Information is based on participant employment 9 months after exiting a program, based on matches to employment wage records.



Workforce Training & Education Coordinating Board

Where Hispanics Work After Exiting a Workforce Development Program

Hispanics involved in a workforce development program were much more likely to be working in the health care industry than Hispanics who did not participate in a workforce program, according to 2010 American Community Survey (ACS).³ For instance, 21 percent of Hispanic program completers were employed in the health care industry, compared to 10 percent of the overall Hispanic population in the state. This is particularly notable, as median wages paid to Washington health care worker are among the highest in the state at \$20.19 per hour.



Workforce Training Results, 2011. Information is based on participant employment 9 months after exiting a program. Population estimates from U.S. Census Bureau's 2010 American Community Survey.

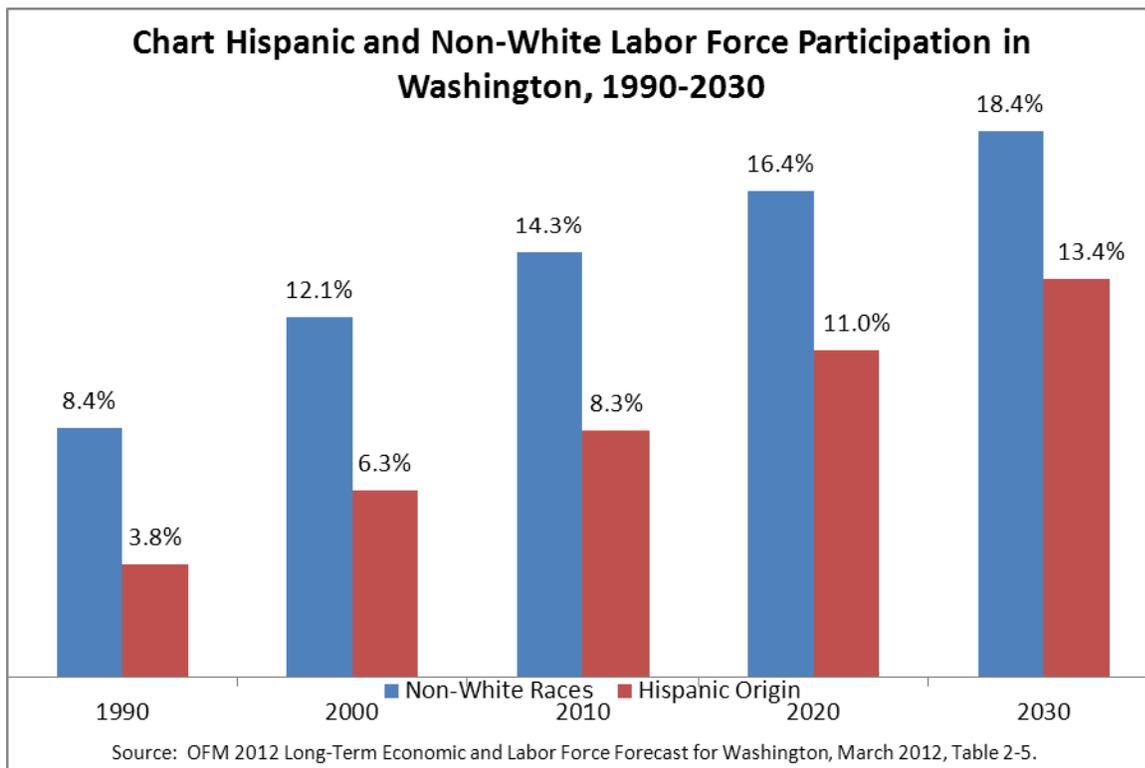
³ 2010 U.S. Census Bureau estimates from the American Community Survey.



Workforce Training & Education Coordinating Board

Hispanics represent the fastest growing segment of Washington population

In 2000, Washington's Hispanic population stood at about 7 percent and has steadily increased over the last decade.⁴ In 2010, Hispanics comprised 11.2 percent of the population.⁵ The percent of Hispanics in the state's labor force is also increasing. In 1990, Hispanics made up less than 4 percent of Washington's labor force; by 2030 the state's share of Hispanic workers is projected to be over 13 percent. That compares with a total among other ethnic minorities, including African-Americans, Asians and Pacific Islanders, and Native Americans of just over 18 percent.



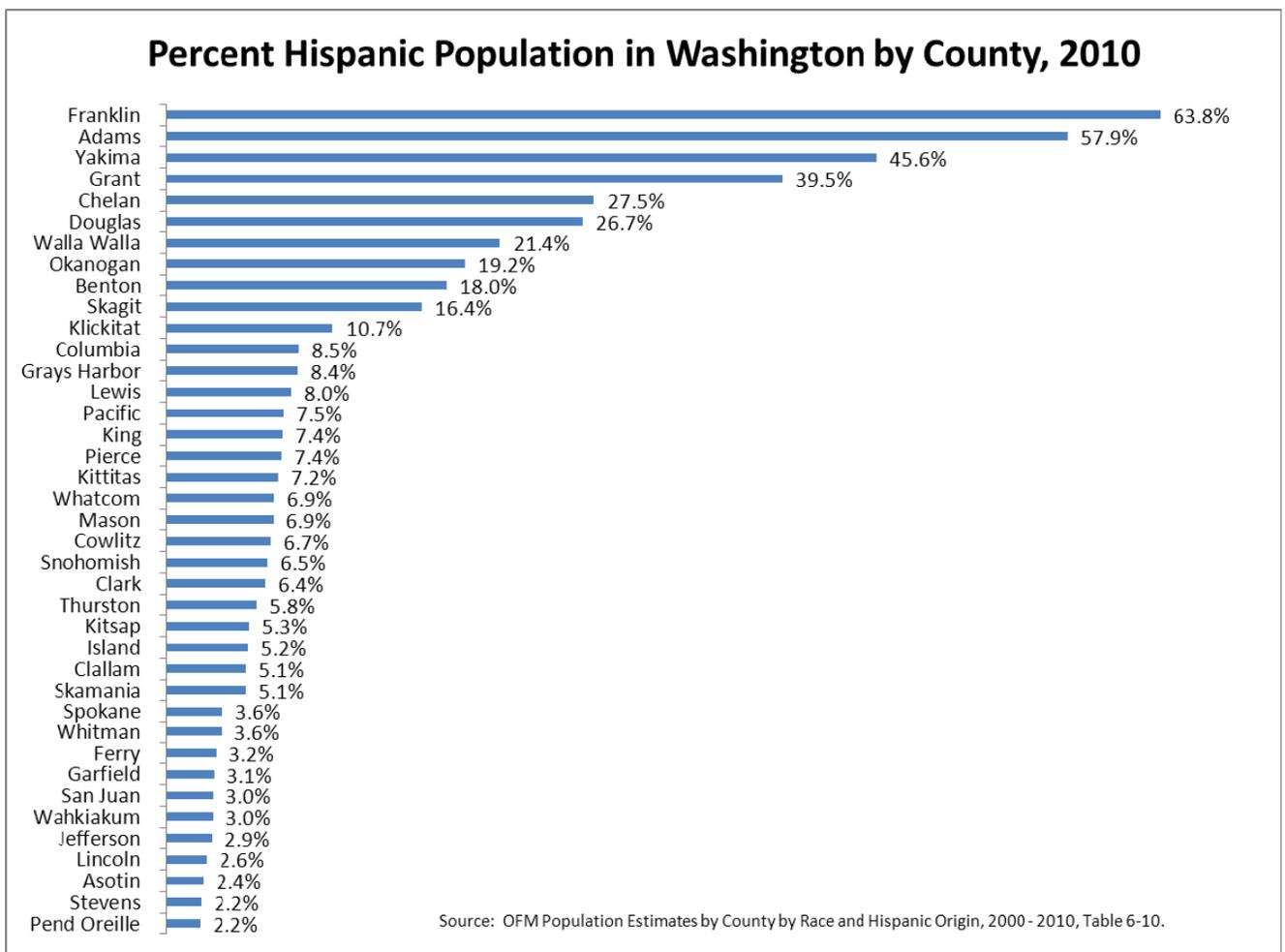
⁴ Hispanic origin is considered an ethnicity, not a race. Accordingly, Hispanics may be of any race, making race and ethnicity overlapping designations.

⁵ U.S. Census Bureau, 2010. Population Finder for Washington. Accessed via <http://www.census.gov/popfinder/?fl=53>



Workforce Training & Education Coordinating Board

Much of the Hispanic population is concentrated in Eastern and Central Washington, the state's farm basket, where many Hispanic workers, including recent immigrants from Mexico and Central America, started working in the fields. In Western Washington, another fairly large concentration of Hispanics, outside the Seattle area, is in Skagit County, where many Hispanics settled after working in Skagit Valley farm fields. In some parts of the state the Hispanic population is in the majority. This is true in two Eastern Washington counties: Franklin (63.8 percent) and Adams (57.9 percent). In Yakima County, Hispanics constitute nearly half the population (45.6 percent).

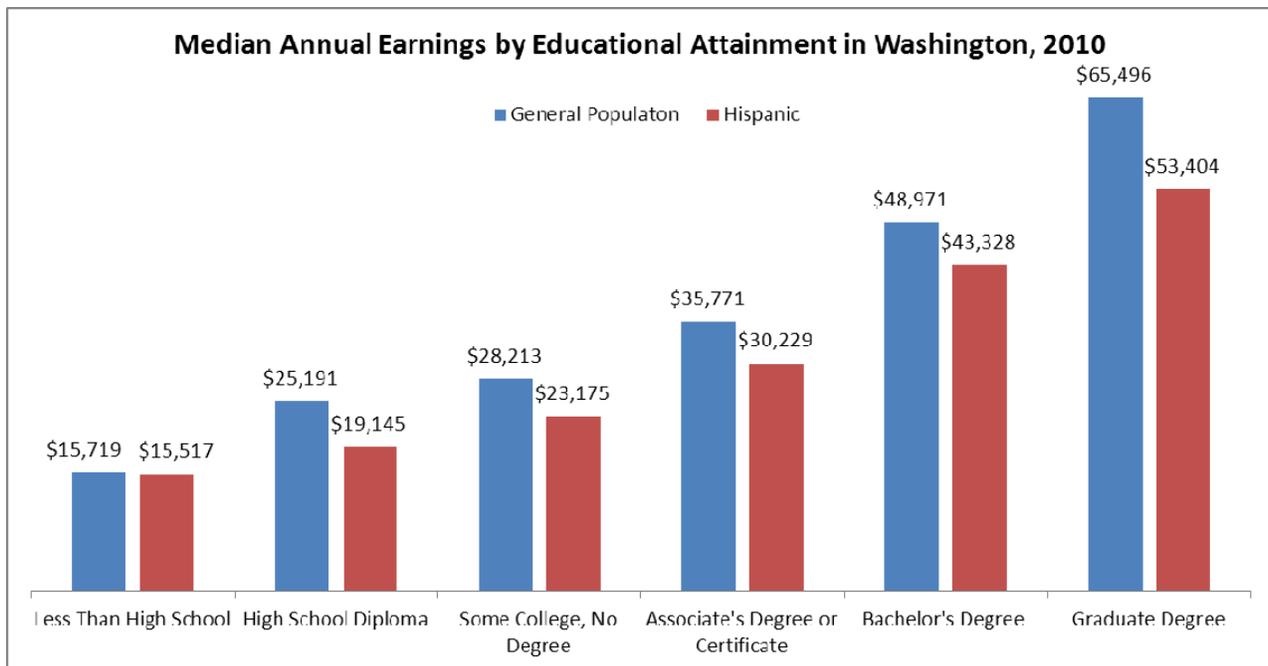




Workforce Training & Education Coordinating Board

Washington's Workforce

In general, as the figure below depicts, the more highly educated a person is, the higher his or her wages and the more likely to be employed. For example, Washington residents with an associate's degree or vocational certificate earned nearly 42 percent beyond what other Washington residents earned with only a high school diploma. This relationship between education and earnings holds true for Hispanics, yet the earnings of Hispanics are below those of the general population at all education levels. For example, Hispanics holding an associate's degree earned \$30,229 on average in 2010, while the general population earned an additional \$5,000, or \$35,771 per year. Hispanic bachelor's degree holders earned about \$5,000 less per year in average wages compared to other four-year degree holders. The biggest discrepancy was at the graduate degree level, where Hispanics earned \$12,000 less per year than all graduate degree holders.



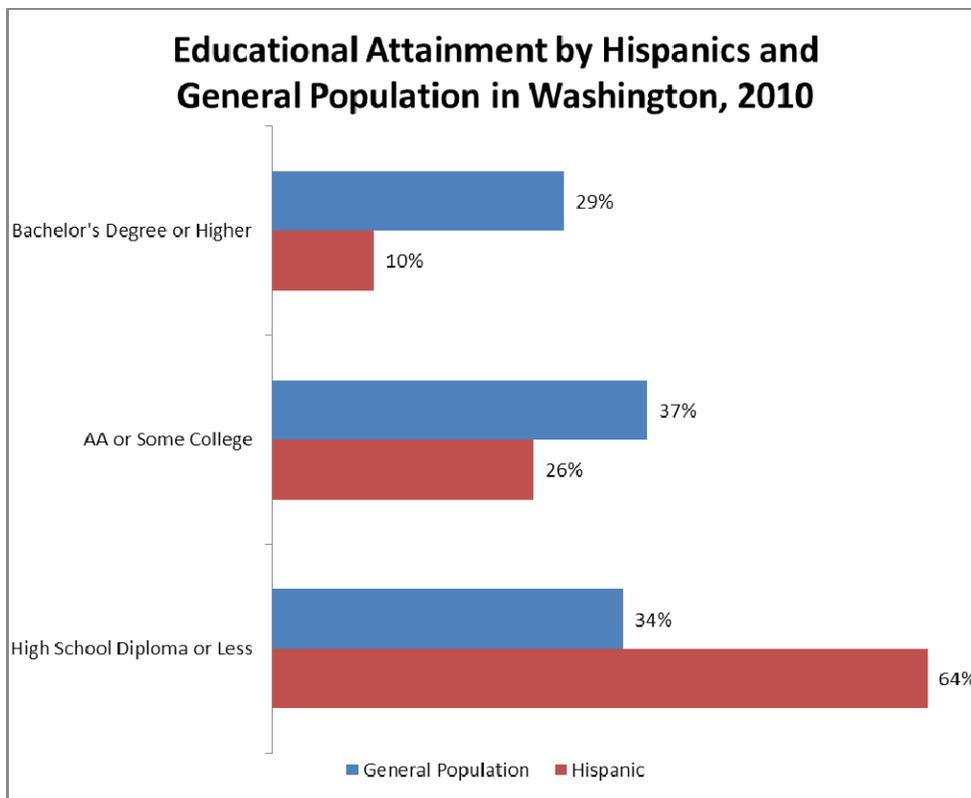
2010 U.S. Census Bureau estimates from the American Community Survey.



Workforce Training & Education Coordinating Board

Education level among Hispanics

Not only do Hispanics earn less than the general population at nearly every education level, but a significantly higher percentage of Hispanics have a high school diploma, or less, as their highest education credential, compared to the general population. As can be seen in the chart below, more than 60 percent of Washington Hispanics have a high school diploma or less as their highest education credential. Hispanic over-representation in low-end educational attainment contrasts with those earning associate's and bachelor's degrees. For example, 10 percent of Hispanics have earned a bachelor's degree or higher, compared to 29 percent of the general population.



2010 U.S. Census Bureau estimates from the American Community Survey, ages 18 to 64.

Education level impacts employment

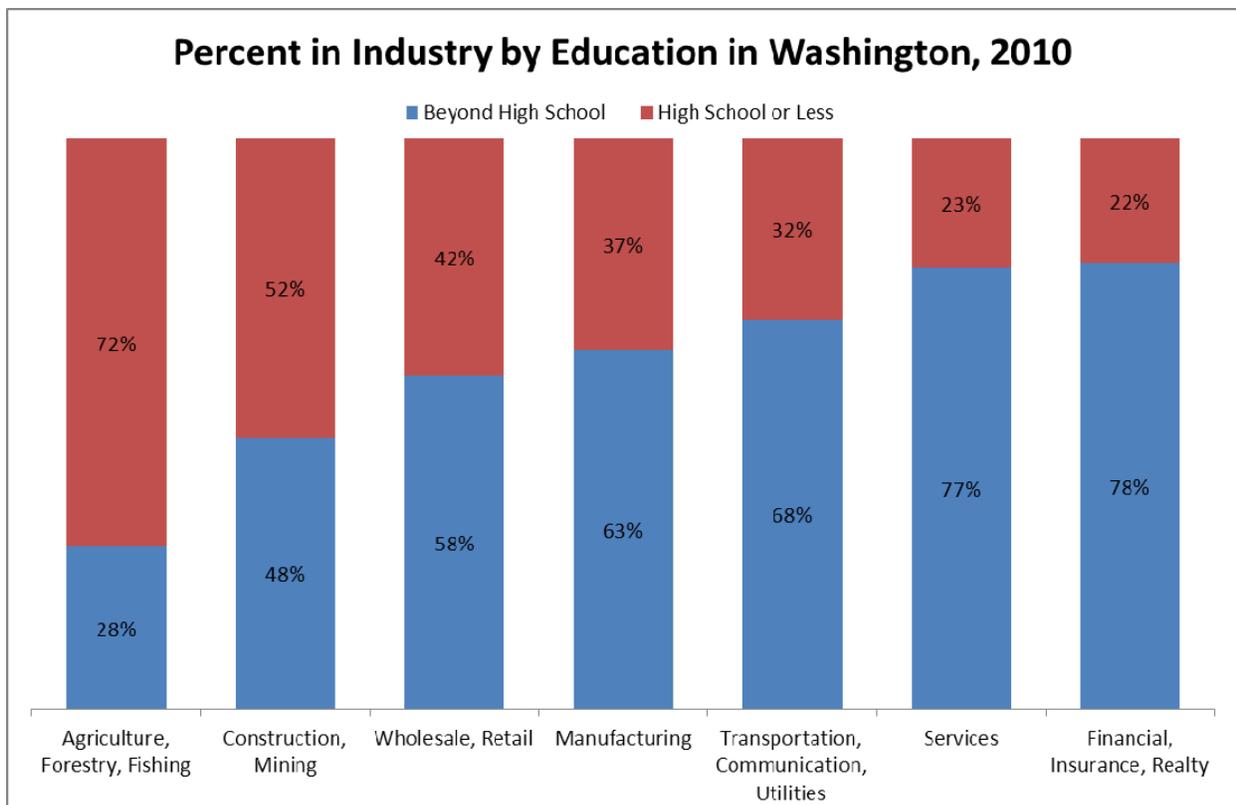
Education influences the ability of workers to find and keep jobs—with lower levels of education leading to higher unemployment rates. Unemployment rates are particularly high for those who lack a high school diploma, as can be seen in data supplied by the U.S. Bureau of Labor Statistics. In 2010, nearly 15 percent of workers who lacked a high school diploma were unemployed, while just over 10 percent of those with high school diplomas were unemployed. Those with some college or an associate's degree notched an 8.4 percent unemployment rate that year and those with a bachelor's degree or



Workforce Training & Education Coordinating Board

higher had a 4.7 percent unemployment rate. A lack of education was an even bigger liability during the Great Recession, which hit full stride in 2009. As recently as 2008, the employment rate stood at 8.5 percent for those lacking high school diploma. Just a year later, in 2009, unemployment neared 15 percent for that same group.

In Washington, those who have a high school education or less make up nearly three fourths of the workforce in the agriculture, forestry and fishing industry—one of the lowest paying of the seven industrial categories. Those with some college, a vocational certificate, or an associate’s degree are most often employed in the wholesale/retail industries, with nearly 27 percent of individuals with those levels of education working in the industry within Washington as of 2010 (data not shown). Those with a bachelor’s degree or higher are primarily employed most in the services industry, at over 60 percent in Washington as of 2010 (data not shown).

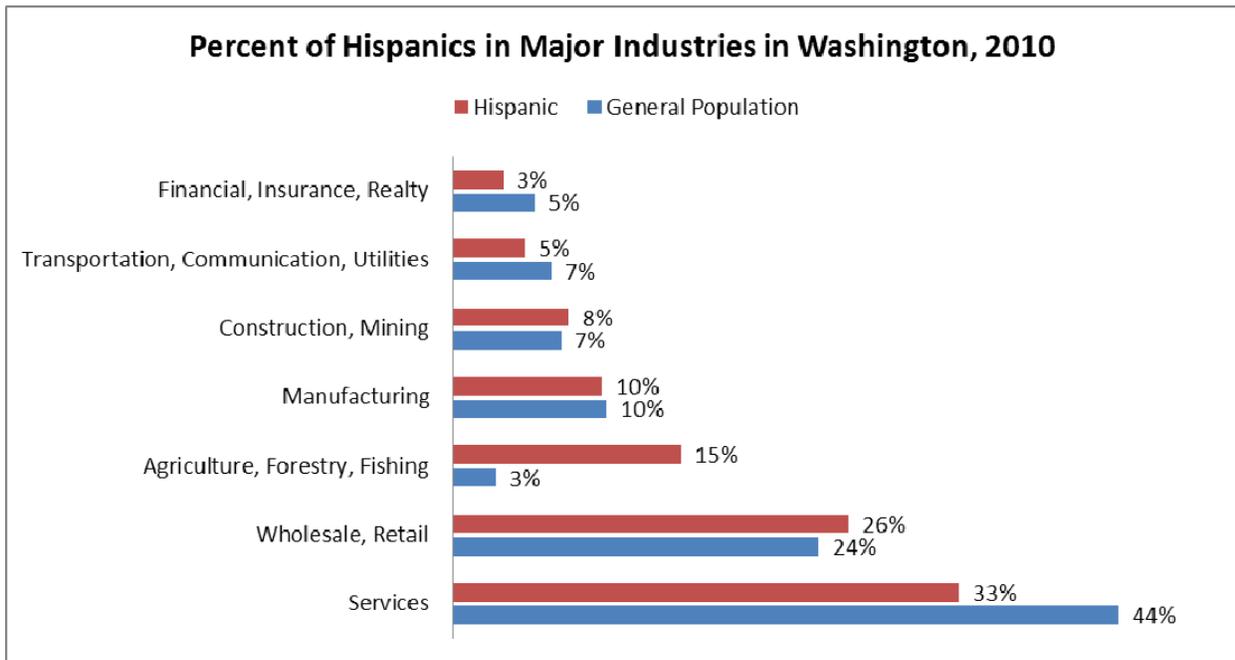


2010 U.S. Census Bureau estimates from the American Community Survey.



Workforce Training & Education Coordinating Board

Washington's Hispanic workers are most likely to work in the services industry, but do so at a lower rate than the general population. Hispanics are just as likely as the general population to be working in the wholesale/retail industry. However, they are slightly more likely to be working in construction and mining than the general population and much more likely to work in the agriculture, forestry and fishing industry than the general population.



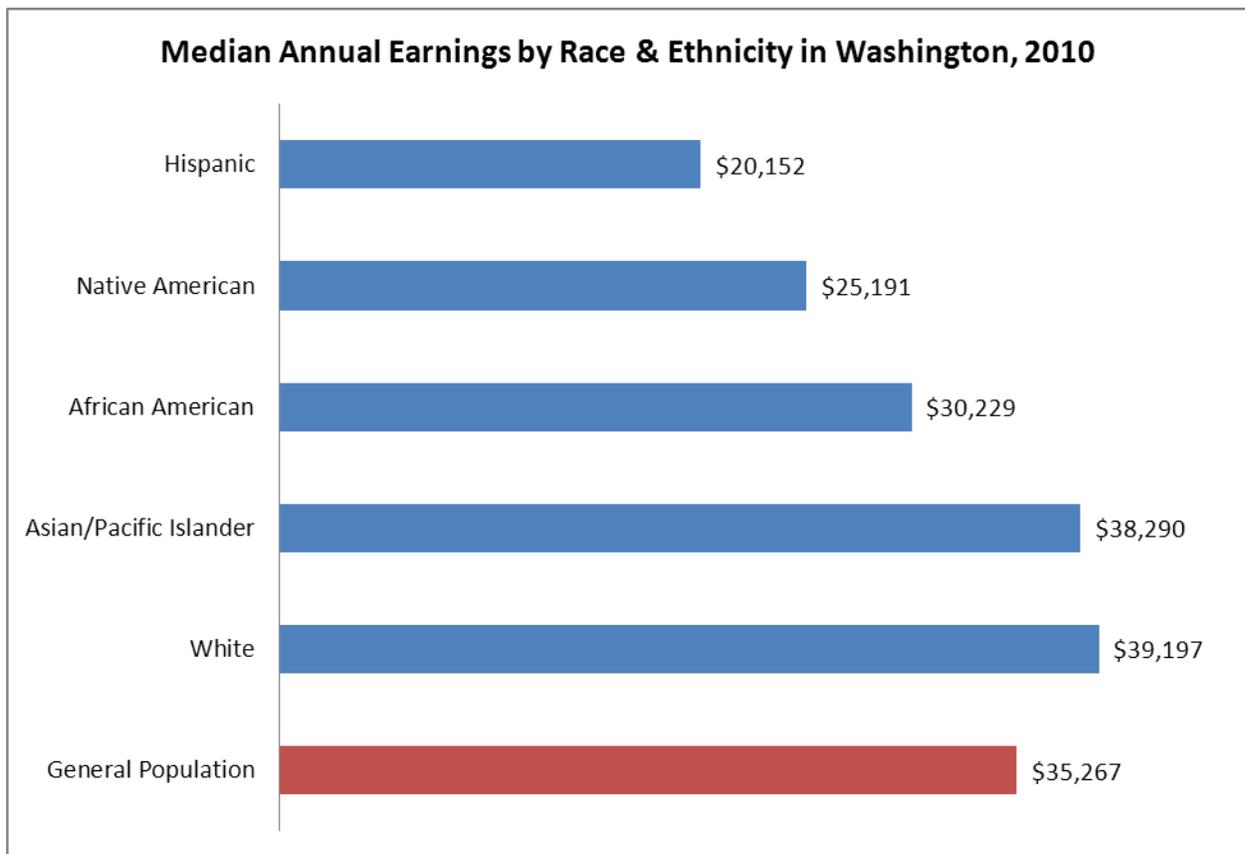
2010 U.S. Census Bureau estimates from the American Community Survey.



Workforce Training & Education Coordinating Board

Wages among Hispanics the Lowest of Any Race/Ethnic Group

Beyond the education gap exists a wage gap. At \$20,152, the median annual wage earned by Hispanics is nearly \$15,000 lower than the median earnings by all groups. Hispanics earn the lowest median annual wages of any racial or ethnic group.

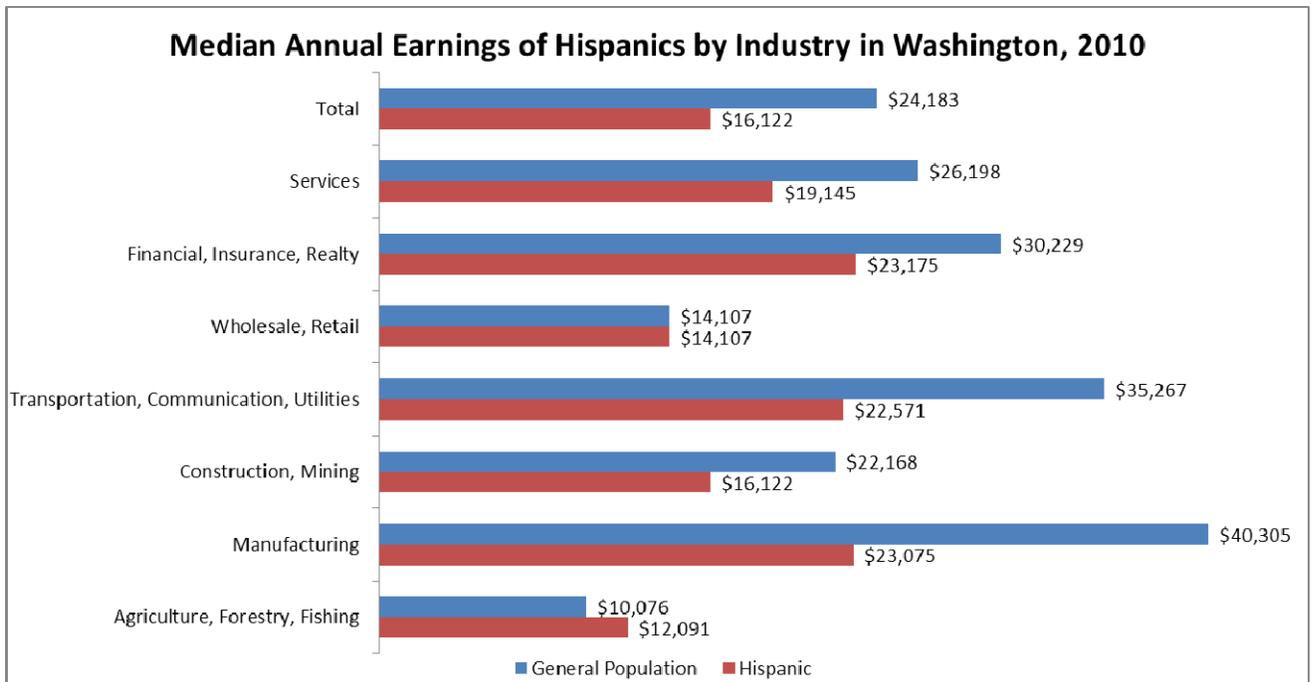


2010 U.S. Census Bureau estimates from the American Community Survey, individuals not in school.



Workforce Training & Education Coordinating Board

Based on the 2010 American Community Survey, the industrial sectors that offer the highest median annual earnings for Hispanics in Washington are financial, insurance and realty; manufacturing; and transportation, communication and utilities. The lowest median wages are found in the agricultural, forestry and fishing sector. Even when broken out by industry, the median annual earnings for Hispanics is less than that of the general population in all industry areas except agriculture and wholesale and retail trade.



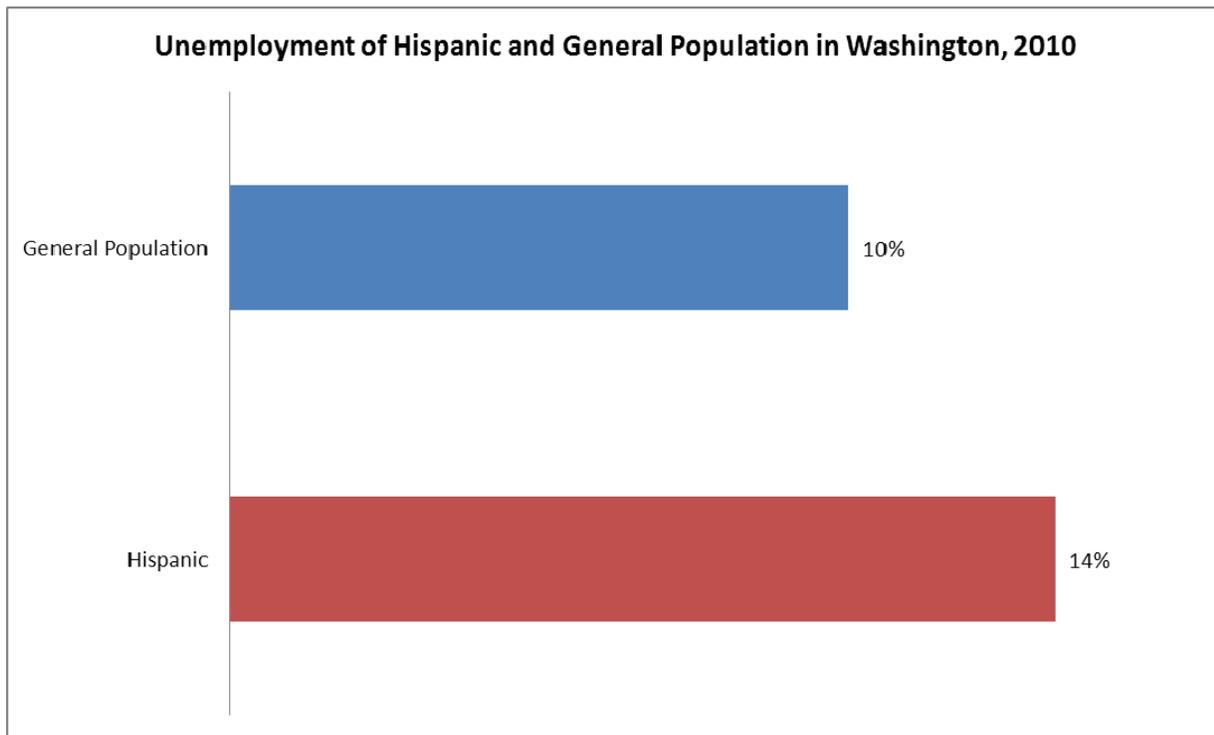
2010 U.S. Census Bureau estimates from the American Community Survey, individuals not in school.



Workforce Training & Education Coordinating Board

Unemployment among Hispanics

In 2010, unemployment among Hispanics was 40 percent higher than the rate of the general population. Although this disparity is high, this is an improvement compared to the state population surveys in 2008 and 2009, which reported nearly 50 percent more unemployed Hispanic workers compared to the general population.⁶



2010 U.S. Census Bureau estimates from the American Community Survey and is not the official unemployment rate for the state.

Conclusion

Hispanics comprise the largest ethnic minority in Washington and their proportion of the overall population is projected to grow over the next several decades. Despite this, Hispanics on average earn less for the work they do compared to all other racial and ethnic groups. Granted, many Hispanics work in low paying industries, such as agriculture and food services, but this disparity exists in most of the major industries. One important factor affecting the lower annual earnings of Hispanics is lower levels of educational attainment compared to other racial and ethnic populations in Washington.

⁶ 2008 and 2010 Washington State Population Survey. Office of Financial Management. Available at <http://www.ofm.wa.gov/sps/>



Workforce Training & Education Coordinating Board

Nearly two-thirds of the Hispanic population in Washington lack educational attainment beyond a high school degree.

Education beyond high school is beneficial to all individuals in our state, as it leads to lower rates of unemployment and higher wages.

However, it's still not clear why Hispanics earn lower wages when they do complete higher education—whether it's an associate's degree, bachelor's degree or graduate degree. For Hispanics, even those with higher education levels, a significant wage discrepancy exists.

The over-representation of Hispanics enrolled in several workforce development programs, most notably Adult Basic Education, indicates that this is a population whose workers want to improve their skills, but who face barriers to success—from increased poverty levels to lower education levels. In particular, Hispanics enrolled in ABE often receive assistance in English language learning, or ELL. Because a significant portion of Washington's Hispanic population speaks Spanish more fluently than English, this language barrier can be at a disadvantage when applying for jobs or moving up the career ladder.

The relatively high number of Hispanic workers enrolled in Apprenticeship programs is positive. These jobs tend to pay high wages and offer other benefits. However, just 26 percent of Hispanic participants complete apprenticeships, compared to 37 percent for the general population. Determining how to help more Hispanic workers complete apprenticeships is a good next step.

Overall, the relatively high percentage of Hispanic workers enrolled in workforce training programs is a good sign. The results of workforce training programs demonstrate that participants fare better after completing their training—earning higher wages and enjoying higher employment rates. That's the goal not only for Hispanic workers but for all Washington workers.

A noteworthy program of focus is Integrated Basic Education and Skills Training (I-BEST). Providing greater access to I-BEST programs for Hispanics and others seeking Adult Basic Education would be exceptionally beneficial. Evidence suggests that I-BEST typically improves labor market outcomes, while stand-alone adult education does not.⁷

⁷ See 2011 Workforce Training Results for Adult Basic Education (ABE), available here: http://www.wtb.wa.gov/Documents/1-ABE-WTR_2011_costbenefits.pdf



Workforce Training & Education Coordinating Board

This publication was produced by the Research Unit of the Workforce Training and Education Coordinating Board. For more information, contact Jon Agnone, jagnone@wtb.wa.gov