

Increasing the Human Capital of Young Latinos



Recommendations for El Centro de la Raza
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TABLE OF CONTENTS

Executive Summary	1
Introduction.....	2
Data and Methodology.....	2
Results and Analysis	3
Data Constraints.....	6
Conclusion and Recommendations.....	7
Appendix.....	8

EXECUTIVE SUMMARY

Research Problem

Seattle-based non-profit El Centro de la Raza has just received a \$500,000 donation from the Latino Community Foundation (LCF) with the stipulation that it use these funds to provide services to Latinos under 30 years of age. As a result, El Centro de la Raza has contracted us, BPFG Consultants, to answer a basic question: **How should it spend this \$500,000 donation in a way that will most benefit young Latinos in the Seattle metropolitan region?**

Analysis

Using the Washington State Population Survey as our data source, we began to answer this question by sketching a basic socio-economic portrait of the Latino population under 30 (statewide and in the Seattle metropolitan region). By doing so, we were able to determine that:

- Latinos under 30 live in households that are substantially less affluent than those of non-Latinos under 30.
- Latinos between the ages of 20 and 30 are substantially less likely to have a high school education than non-Latinos between the ages of 20 and 30.

Because we believe that access to and knowledge of information technology is an important way through which young Latinos might overcome these economic and educational barriers, we then chose to examine their current access to these technologies. Here, both statewide and in the Seattle metropolitan region, our analysis demonstrated the following:

- Latinos under 30 are less likely to live in a household with a computer than non-Latinos under 30.
- Latinos under 30 with a personal computer in their home were less likely to communicate using a computer than non-Latinos under 30.
- Latinos are less likely to make the Internet purchases than non-Latinos.
- Latinos under the age of 30 are less likely to use the Internet at a work site or library than non-Latinos under 30.

Recommendations

Taken as a whole, these findings demonstrate that young Latinos need more access to and training in computer technologies. Greater knowledge of these technologies will, in turn, allow young Latinos the ability to achieve academic success and improve their employment prospects. Ultimately, these gains will help young Latinos transcend the socio-economic barriers they currently face. In accordance with this analysis, we thus recommend that El Centro de la Raza use its donation from the LCF in the following ways:

- To open a computer lab in your community center where area youth will be able to use computers and access the Internet without having to incur a user fee.
- To begin a program that focuses on teaching young Latinos computing skills transferable to professional work environments.

INTRODUCTION

Earlier this year, your organization, El Centro de la Raza, received a \$500,000 donation from the Latino Community Foundation (LCF) to fulfill its goal of providing services that will improve quality of life for Latino individuals and families. As a condition of the donation, the LCF has specified the funds be used to provide services for Latinos under the age of 30. While this new funding source represents a tremendous opportunity for your organization, it has raised a complicated question: how best should El Centro de la Raza use this \$500,000 windfall to serve the region's young Latinos? Accordingly, you have contracted the BPFG Consultants to provide a statistical analysis of Seattle metropolitan region's Latino population under 30 as a means of determining how best to target these funds.

As your organization is required by the terms of the LCF donation to use the funds to serve Latino young people, we recommend that you focus on providing computer technology and training in particular. We make these recommendations because Latinos under 30 years old do not have proportionate access to or knowledge of the information technologies that have become so integral to success in the 21st century United States economy.¹ Therefore, using the \$500,000 donation to provide services like free computer facilities, Internet access, and technological education would represent a logical investment choice. By providing these services, El Centro de la Raza will help lay the foundations of social and economic advancement for the Latino community in the Puget Sound. In doing this, your organization will work to fulfill their mission of “empower(ing) members of the Latino community as fully participating members of society.”²

DATA AND METHODOLOGY

Data used for this report was gathered from the 2010 Washington State Population Survey (WSPS). Since 1998, the WSPS data has been an important information source for capturing the health and welfare of Washington families. By reaching out to residents across ten regions and gathering their data on employment, family poverty, in-migration, and health insurance, the WSPS is able to provide us the information we need to analyze Latino life in Washington State.

This study examines WSPS respondents who identifying as being of Latino origin (1065 respondents), with a particular focus on those under the age of 30 (606 respondents). Because of El Centro de la Raza's Seattle location, we use the statewide Latino population as a point of reference, but have chosen to place particular attention on Latinos currently living in the Seattle metropolitan region (469 respondents). This includes survey respondents living in King, Pierce, Snohomish, Thurston, and Kitsap Counties. (For more specific data about the WSPS subsamples our study uses, refer to the tables in this report's Appendix.)

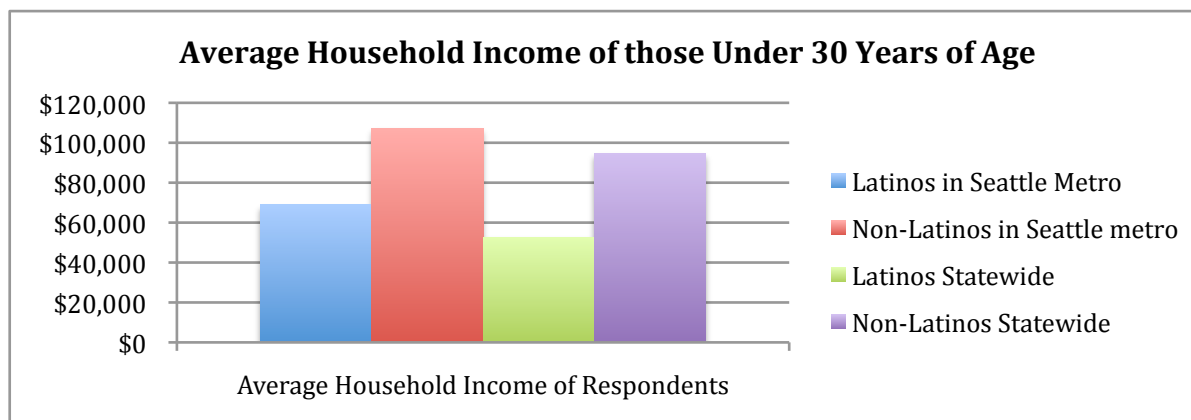
¹ Jorge Chapa and Belinda De La Rosa, “Latino Population Growth, Socioeconomic and Demographic Characteristics, and Implications for Educational Attainment,” *Education and Urban Society*, 36 (2004), 130-149.

² <http://www.elcentrodelaraza.com/aboutus.htm> (accessed February 27, 2012).

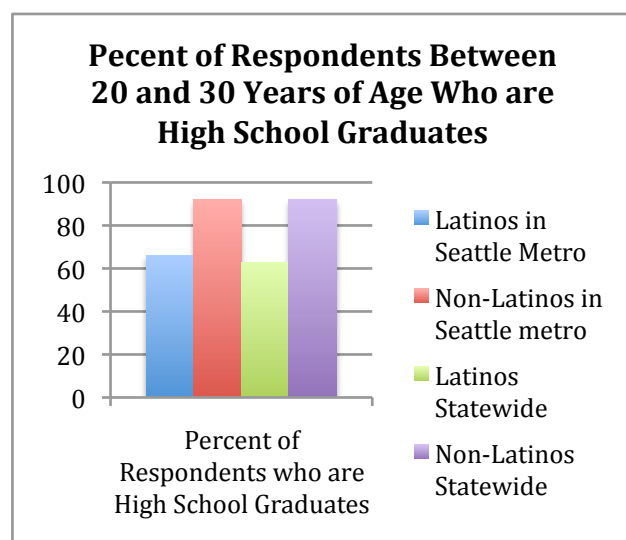
RESULTS AND ANALYSIS

A Portrait of the Latino Population Under 30

As our starting point, we chose to provide a general socio-economic portrait of the state's Latino population under 30. In particular, we have chosen to analyze this population through the lenses of household income and educational attainment, using the non-Latino population as a point of comparison. As both measures correlate strongly with young people's future socio-economic status,³ they represent a logical starting point for understanding the challenges young Latinos currently face.



In addition to being much younger than the state population as a whole,⁴ the Latino population is also poorer and less well educated. Statewide, Latinos under 30 live in households with an average annual income of \$52,673, significantly lower than the average annual household



income for non-Latinos, which is \$94,795.⁵ Meanwhile, only 63% of Latinos between the ages of 20 and 30 have a high school diploma, compared to 92% of the non-Latino population between the ages of 20 and 30, another significant difference.⁶ The Latino population under 30 living in the Seattle metropolitan region fares better than the Latino population in the state as a whole, but nevertheless lags behind their non-Latino population peers, both statewide and in the Seattle area. Seattle-area Latinos under the age of 30 live in households where the average yearly income is \$68,919, significantly less than the average

³ http://www.economicmobility.org/assets/pdfs/EMP_FamiliesAcrossGenerations_ChapterI.pdf; http://www.economicmobility.org/assets/pdfs/EMP_Education_ChapterVIII.pdf.

⁴ For more information about the age distribution of the state's Latino population, see the Appendix on page 8.

⁵ 95% confidence that the average Latino household income of those under 30 years old was between \$49,047 and \$56,299 and that the average non-Latino household income of those under 30 years old was between \$91,839 and \$97,751.

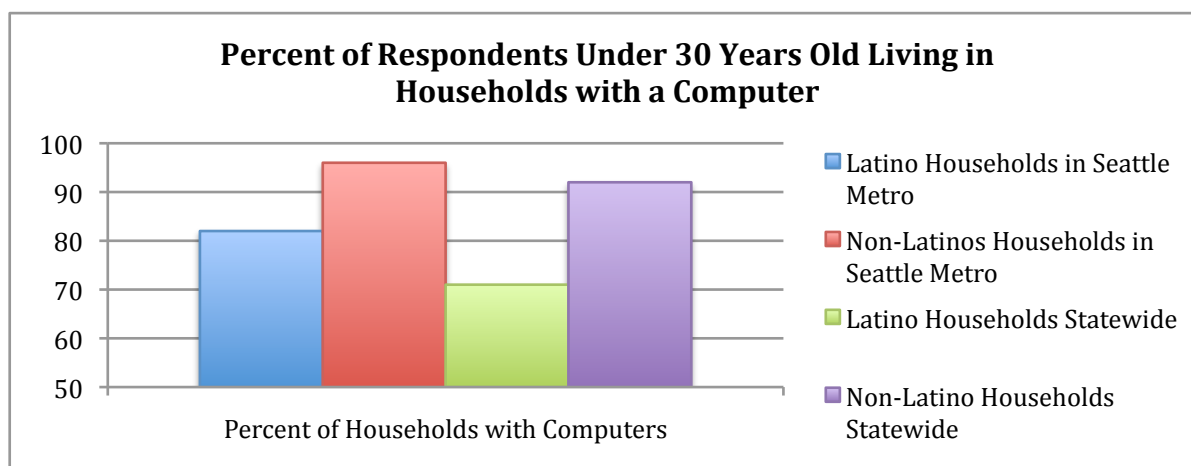
⁶ Based on a 2-tailed t-test at a .05 significance level with a t-value of 6.553 and a p-value of less than .0001.

of \$107,053 for non-Latinos under 30 who live in the region.⁷ Similarly, 66% of Seattle-area Latinos between the ages of 20 and 30 are high school graduates, compared to 92% of non-Latino between the ages of 20 and 30 who live in the region, which represents another statistically significant difference.⁸

Latino Young People and Access to Technology

In the 21st century, one of the most critical determinants of economic success is comfort with information technologies. Thus, if young Latinos are to overcome their current economic and educational disadvantages, it is vital they have access to and knowledge of these technologies. In order to determine whether the region's young Latinos have this access and knowledge, we compare the Latino population under 30 to the non-Latino population under 30, both in the Seattle metropolitan region and statewide. To do so, we use four measures: whether respondents live in a household with a computer; whether respondent who have a computer at home use this computer to communicate; whether respondents made an out-of-state purchase using the Internet during the last year; and whether respondents use the Internet at work sites or libraries.

One of the most basic measures of technological access is computer ownership. Statewide, 71% of Latinos under 30 live a household with a computer compared to 92% of non-Latinos under 30, a difference we determine to be significant.⁹ In the Seattle metropolitan region, 82% of Latinos under 30 live in a household with a computer, compared to 96% of their non-Latino peers, another significant difference.¹⁰



Of those Latinos under 30 with a personal computer in their home, the proportion who claimed to have used this computer to communicate in some capacity was closer to the overall population mean, but still significantly less. Statewide, 88% of the Latino population under 30 claims to have used a computer to communicate in the last year, compared to 96% of the overall

⁷ 95% confidence that the average Latino household income of those under 30 years old was between \$62,242 and \$75,596 that the average non-Latino household income of those under 30 years old was between \$100,376 and \$112,285.

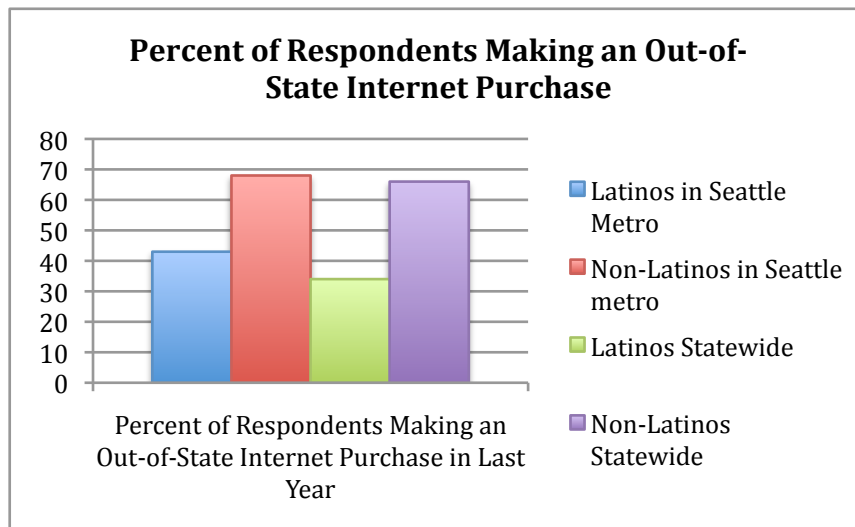
⁸ Based on a 2-tailed t-test at a .05 significance level with a t-value of 3.971 and a p-value less than .0001.

⁹ Based on a 2-tailed t-test at a .05 significance level with a t-value of 12.833 and a p-value of less than .0001.

¹⁰ Based on a 2-tailed t-test at a .05 significance level with a t-value of 5.861 and a p-value of less than .0001.

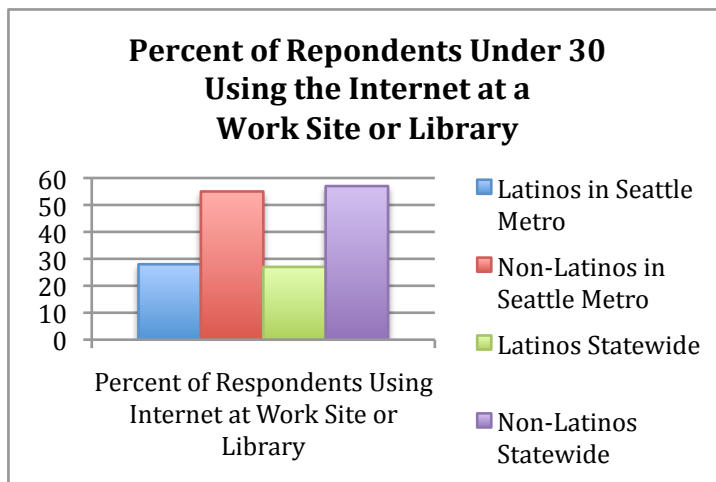
population.¹¹ In the Seattle metropolitan region, 93% of the Latino population under 30 compared to 98% of the non-Latino of population under 30 used a computer to communicate in the last year.¹² Even though the gap here was narrower, a substantial proportion of the Latino population under 30 with a computer at home still does not have Internet access, a proportion greater than that of the non-Latino population.

The Latino population's relative lack of Internet connectivity is also reflected in e-commerce data. Unfortunately, the WSPS is not large enough to allow for analysis of e-commerce patterns



for Latinos under 30 inside and outside of the Seattle metropolitan region. However, the survey does allow us to determine that Latinos were significantly less likely to make Internet purchases than were non-Latinos. Specifically, 34% of Latinos made an out-of-state purchases using the Internet, compared to 66% of non-Latinos.¹³ In the Seattle metropolitan

region, 43% of Latinos made an out-of-state Internet purchase, compared to 68% of non-Latinos.¹⁴ To be sure, at least part of these discrepancies can be explained by the relative poverty of the Latino population. Nevertheless, the Latino population's relative lack of Internet connectivity is likely a factor as well.



While Latinos own computers and have private Internet access at a rate below that of the overall population, Latinos under 30 might also access computing technology outside of the home. However, our analysis found that Latinos under 30 years old were significantly less likely to have access to and use the Internet at libraries and work sites than were their non-Latinos peers, suggesting their contact with technology outside of the home is also below that of the overall population.

¹¹ Based on a 2-tailed t-test at a .05 significance level with a t-value of 5.747 and a p-value of less than .0001.

¹² Based on a 2-tailed t-test at a .05 significance level with a t-value of 2.491 and a p-value of .013.

¹³ Based on a 2-tailed t-test at a .05 significance level with a t-value of 10.436 and a p-value of less than .0001

¹⁴ Based on a 2-tailed t-test at a .05 significance level with a t-value of 5.351 and a p-value of less than .0001.

Approximately 57% of non-Latinos under 30 statewide used the Internet at a library or a work site, while only 27% of Latinos under 30 did.¹⁵ Similarly, 28% of Latinos in the Seattle metropolitan area used the Internet at a library or work site, compared to 55% of non-Latinos Seattle metropolitan area.¹⁶ This large difference might reflect the fact that Latinos under 30 are less likely to work or go to school in places with high Internet connectivity. Indeed, Latinos are relatively less likely to hold professional or managerial jobs, attend college or university, or go to school in affluent school districts.¹⁷

DATA CONSTRAINTS

As it decides where to allocate its donation, El Centro de la Raza should consider several limitations that apply to the data we have used to reach our conclusions. First, the WSPS data was collected using landline phones only. As older, wealthier people are more likely to have landlines and answer telephone surveys, the WSPS survey methods may have underrepresented the state's Latino population.¹⁸ Second, a substantial proportion of the Latino population consists of undocumented immigrants. In many cases, undocumented Latino immigrants are reluctant to speak with governmental or institutional representatives they do not know for fear of having their legal status discovered.¹⁹ Accordingly, undocumented Latino immigrants are likely underrepresented by the WSPS. In sum, the data we use to reach our conclusions likely *underrepresents* the overall size of Washington state's Latino populations, particularly Latinos who are undocumented immigrants.

Furthermore, in one instance, the relatively small number of respondents forced us to make more general observations than we would have like to have made. Specifically, when we examined the proportion of Latinos making Internet purchases, the low number of respondents under 30 who answered this question made it impossible to draw statistically significant conclusions about this subsample for the Seattle metropolitan region. While one might plausibly extrapolate a conclusion about the under 30 subsample by comparing it to our statistically significant findings for the overall Latino population, one would need a larger sample of the Latino population under 30 to reach a truly significant conclusion.

¹⁵ Based on a 2-tailed t-test at a .05 significance level with a t-value of 5.874 and a p-value of less than .0001.

¹⁶ Based on a 2-tailed t-test at a .05 significance level with a t-value of 3.237 and a p-value of .002.

¹⁷ For more information on these topics, see: <http://www.census.gov/compendia/statab/2012/tables/12s0037.pdf>; <http://www.pewhispanic.org/files/2012/02/phc-2010-hispanic-statistical-portrait-27a.png>; <http://www.pewhispanic.org/files/2012/02/phc-2010-hispanic-statistical-portrait-28.png>.

¹⁸ David Dutwin, Scott Keeter, and Courtney Kennedy, "Bias From Wireless Substitution in Surveys of Hispanics," *Hispanic Journal of Behavioral Sciences* 32 (2010), 309-328.

¹⁹ <http://redbrownandblue.com/index.php/news-national-survey-of-undocumented-immigrants-points-to-big-turn-out-in-2010-census>. While trumpeting an upturn in undocumented participation in the 2010 census, the Red, Brown, and Blue study still found only 43% of undocumented immigrants participated in the 2000 census, and that only 76% would be willing to participate in the 2010 census.

CONCLUSION AND RECOMMENDATIONS

Our analysis indicates that Latinos under 30 years of age are poorer and less well educated than their non-Latino peers, disadvantages that represent significant barriers to their future economic and social wellbeing. One way young Latinos might overcome these economic and educational barriers would be to have access to and knowledge of information technologies. But, as our findings also demonstrate, young Latinos are also less likely to live in homes with personal computers, less likely to have Internet access, less likely to make Internet purchases, and less likely to use the Internet at a work site or a library. As such, we recommend that El Centro de la Raza work to improve the life chances of Latinos under 30 by providing technological access and training. Specifically, we suggest:

- Opening a computer lab in your community center where area youth will be able to use computers and access the Internet without having to incur a user fee.
- Beginning a program that focuses on teaching young Latinos computing skills transferable to professional work environments. For example, you might consider offering courses focused on topics such as navigating the Internet, using the Microsoft Office Suite, using Adobe, and html programming.

By supplying free computer and Internet access as well as training in information technologies, El Centro de la Raza will increase the Latino community's human capital. These services will provide to Latino children, teenagers, and young adults skills that will help them succeed in school and make them more marketable as prospective employees. As younger generations achieve higher levels of educational attainment and gain access to more highly skilled jobs, the Latino community as a whole will benefit.

APPENDIX

POPULATION, STATEWIDE

	NUMBER	PERCENT
LATINO	1065	7.5%
NON-LATINO	13055	92.5%
TOTAL	14120	100%

POPULATION UNDER 30, STATEWIDE

	LATINO		NON-LATINO	
	NUMBER	PERCENT	NUMBER	PERCENT
UNDER 30	606	57%	3660	28%
OVER 30	459	43%	9395	72%
TOTAL	1065	100%	13055	100%

POPULATION, LIVING INSIDE AND OUTSIDE THE SEATTLE METROPOLITAN AREA

	LATINO		NON-LATINO		TOTAL (%)
	NUMBER	PERCENT	NUMBER	PERCENT	
LIVING IN SEATTLE METRO	469	3.3%	8004	56.7%	60%
LIVING ELSEWHERE IN STATE	596	4.2%	5051	35.8%	40%
TOTAL	1065	7.5%	13055	92.5%	100%

POPULATION UNDER 30, LIVING INSIDE AND OUTSIDE THE SEATTLE METROPOLITAN AREA

	LATINOS UNDER 30		NON-LATINOS UNDER 30		TOTAL (%)
	NUMBER	PERCENT	NUMBER	PERCENT	
LIVING IN SEATTLE METRO	262	6.1%	2337	54.8%	60.9
LIVING ELSEWHERE IN STATE	344	8.1%	1323	31	39.1
TOTAL	606	14.2%	3660	92.5	100

All data derived from 2010 Washington State Population Survey (WSPS).