LATINOS IN GREATER PHOENIX:
A GROWING STAKEHOLDER COMMUNITY

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Latinos’ long history in Greater Phoenix and Arizona has entered a new and more dynamic phase. It seems inevitable that they will play an increasingly important role in every sector of society, as befitting the large reservoir of talent, energy, and ambition that they represent. In other words, the future vitality of Greater Phoenix—economically, politically, and socially—is fundamentally intertwined with the future well-being of the Latino community. Greater Phoenix can only benefit from an open, inclusive, and forward-looking approach to its growing Latino population, which will produce not only the future workforce of Arizona, but also its future leaders.

While the challenges and opportunities facing Greater Phoenix’s Latino community are many, the key to its well-being and to Latinos’ continued contributions lies in an accessible and effective education system.

**Latino Communities in Greater Phoenix**

The demographic changes and corresponding socioeconomic indicators that emerge in assessing Greater Phoenix’s Latino community can serve as a guide to Latino community change across the state. This change will require an inclusive effort and cultural focus on meeting the needs of this rapidly growing community.

Latinos (the terms “Latino” and “Hispanic” will be used interchangeably) have had a long presence in Arizona and Greater Phoenix. Arizona is one of the few places in the United States that lays claim to a continuous settlement town (Tucson, 1560) prior to the formation of the United States. Arizona’s proximity to Mexico has played a significant role in economic trade, expanding consumer markets, and increased tourism. The geographical and historical ties between Arizona and Mexico create a large transnational economic and cultural community. One of the defining characteristics of regions with transnational families and communities is cultural and economic dynamism. Border locales around the globe offer glimpses of the future of economic trade, tourism, consumer retail markets, and the increased connectivity of development in cluster industries that create the infrastructure needed for sustainable trade. Countries and locales can benefit significantly from border regions, provided that the twin engines of higher education and industry plan in tandem with government policy-makers to meet future needs.

**Demographic Changes in Greater Phoenix**

The current Latino population in the United States is 44.3 million and growing, according to the U.S. Census Bureau. Between 2000 and 2006, native births have been a larger
net-growth component in the Latino population than net immigration. The national growth rate for the Latino population from 2005 to 2006 was the highest of all populations in the U.S. at 3.4%. During the 2000-2006 period, Maricopa County’s Hispanic population grew by an astounding 43.2%, contributing to the county’s ranking as one of the fastest-growing in the nation.

In 2005, the community groups contributing to the total Maricopa County population (3.59 million) were reported by the Census Bureau as follows:

- Non-Hispanic White: 61.2% (median age: 40.2 years)
- Latino/Hispanic: 29.2% (median age: 24.8 years)
- Black/African American: 3.8% (median age: 29.7 years)
- Asian American: 2.7% (median age: 33.6 years)
- Native American: 1.9% (median age: 25.5 years)
- Other 1.2% (median age: 25.7 years)

The Latino category is an ethnic designation and can be of any race. In 2005, the Latino community in Maricopa self-reported the following racial distribution:

- White: 58.7%
- Black: 0.5%
- Native American: 0.7%
- Asian: 0.2%
- Some other race: 36.4%
- Two or more races: 3.5%

The Latino/Hispanic category is also an umbrella term for several country-of-origin populations as well as an historical descriptor of the people of the Southwest borderlands—for example, Hispanics or Spanish Americans who have had a continuous presence since the exploration of the region by the Spanish colonists. In Maricopa County, the following country-of-origin populations comprise the total Latino/Hispanic population:

- Mexican origin: 88.7%
- Puerto Rican origin: 1.6%
- Cuban origin: 0.5%
- Dominican origin: 0.2%
- Central American origin: 1.8%
- South American origin: 1.5%
- Other Hispanic/Spanish/Latino: 5.6%

How does the Latino community of Greater Phoenix compare with other communities in terms of age distribution and demographic change? Each community has an interesting demographic story. Native Americans actually have the highest percentage of children under 5 as a percent of their total population, yet they constitute a significantly smaller percent of the county’s overall population. The Latino community has the smallest percentage of elders compared to other communities; however, this sector is growing.

Clearly, the significant youth component of the Native American (36.8% under 18 years of age), Black (31.8% under 18 years of age) and Latino (38.6% under 18 years of age) communities has implications for the future generations of college-bound youth and the need for stronger educational...
pipeline programs reaching out to this diverse segment of the population.

Another way of analyzing this data is to ask: Of the total population under 18 years of age, what is the distribution by racial/ethnic community?

**Language Fluency and Diversity**

Connected to the changing demographic landscape in Greater Phoenix are the increasing multi- and bi-lingual competencies that diverse populations bring with them that enrich and globalize a community. Researchers have begun to reconsider the role of language competency as an important contributor to economic dynamism and family asset-building.

The tendency to focus on the downside of language fluency (reporting only data on those who speak English less than well) while ignoring the benefits of increasing language diversity—particularly among youth who embody the beneficial aspects of linguistic competency (speaking other languages and speaking English well)—tends to minimize language fluency as an important component of future economic well-being.

Additionally, we find that those communities with the largest foreign-born populations also have the lowest percent of monolingual English speaking abilities. The same communities (Latino and Asian) have the higher “No English at All” percentages.

From the information on language ability, we can discern the community groups in Maricopa County with the greatest language competencies in 2005:
- Asian community: 66.2% speak English and other languages
- Latino community: 60% speak English and other languages (predominantly Spanish)
- Native American community: 19.9% speak English and other languages
- Black community: 8.3% speak English and other languages
- Non-Hispanic White community: 5% speak English and other languages

Given the increasing globalization of markets as well as Arizona’s unique tourist attractions, the increased language diversity of our communities bodes well for a labor force faced with globally connected markets and a premium on a communication-oriented workplace skill set. Maricopa County residents 5 years old and over speak more than 36 languages.

**Latino Families: School Enrollment, Educational Attainment and Earnings**

Research studies tell us that our hourly and yearly wages are directly related to educational attainment and credentials. The
more schooling an individual acquires, the greater the probability of increasing their lifetime earnings. To assess the educational pipeline in Greater Phoenix, we analyze the total school enrollment for the population 3 years old and over. In Maricopa County, there is a total 3-year-old-and-over population of 3.7 million, of which 1.07 million, or 29%, is enrolled in school.

School enrollments provide a snapshot of future educational attainment, while also indicating each community’s contribution to the total school-age population. We seek to understand the “educational pipeline” and how well the Latino community fares at each stage. The crucial question for our purposes is: “What is the distribution of the racial/ethnic 3-year-old-and-over population enrolled in college?” If we use each racial/ethnic total enrollment for the 3-year-old-and-over population as the base, we can calculate the percent of college enrollment per racial/ethnic population. The percentage of each racial/ethnic group enrolled in higher education in Maricopa County is as follows (the corresponding national figures are in parentheses):

- Non-Hispanic White: 29% (25.3%)
- Black: 25.3% (20.2%)
- Latino: 12.5% (15.2%)
- Native American: 22.4%
- Asian: 41% (32.7%)
- Other: 12.7%

Even for the native-born Latino 25-years-and-older population, there is a substantial gap in high school graduate attainment compared to the non-Hispanic White population. These data help us design outreach and community-engagement policies to increase educational opportunities for our youth and, increasingly, for non-traditional students with retooling objectives.

Education, occupation and earnings are intimately tied together and often predict the clustering of worker groups in economic sectors. Given that the U.S. economy has emerged as a leading service and knowledge economy, these areas of occupational growth will continue to exert an impact on other sectors and to grow in importance as avenues for upward economic mobility. For the Latino community in Greater Phoenix, the most significant occupational cluster for males is in the construction sector (35.6%); for females, it is in the sales and office sector (35.1%)—almost the same as their employment in the service sector (33.4%). The service sector incorporates the health sector, which has a healthy growth rate in Greater Phoenix. However, the need to train a larger professional Latino workforce will become increasingly important over time, and signals a corresponding need for a stronger higher-education-community college-high school pipeline program with a deep commitment to cultivating youth in communities of color. In 2005, the professional occupations had a lower percent of Latino males (10.5%) and females (19.7%) compared to non-Hispanic White males (39.5%) and females (43.1%).

The educational and internship needs of the fast-growing younger Latino and Native American cohort, coupled with the pressing importance of leadership and professional training for these populations, will continue to exert pressure on the workforce development infrastructure of Greater Phoenix. Because both of these communities will increasingly be county- and city-services consumers, the K-16 and graduate/professional educational systems in Arizona are central to producing skilled professionals and creating social capital.
networks specific to Greater Phoenix. Additionally, both communities have long histories of community advocacy. Cultivating the next generation of leadership through systematic outreach and tailored services creates an inclusive commitment to nurturing local talent committed to local economic development.

**Latino Community: Income and Homeownership**

Income is a wide measure of family well-being since it incorporates more than simply earnings (wage work). Income includes passive income such as rents, dividends, and royalties (income generated from sources other than wages) as well as active income (wages). The income distributions for non-Hispanic White and Latino families in Greater Phoenix provide further evidence of educational attainment gaps between the two groups. There are more Latino families represented in the $50,000 and below income categories (67%) compared to non-Hispanic White families, which tend to have higher representation in the over $50,000 income categories (66%).

Income generation has implications for homeownership and for family units’ ability to meet income thresholds set by the mortgage and financial services sector. Despite the skewed...
income distributions for the Latino community, a 2.3% increase in homeownership occurred between 2004 and 2005. Homeownership has been shown to provide several positive life-cycle outcomes, such as increased political participation and voting. Youth growing up in a family that owns its own home have a higher probability of completing high school and of becoming homeowners themselves, despite neighborhood characteristics. Access to a vehicle is another measure associated with a family’s capacity to build assets and stabilize earning flows from employment. For Latino households, vehicle access and availability increased by 2.8% between 2004 and 2005. In geographical areas where public transportation is not as dense and cannot maintain frequent run-schedules, having access to an auto is a significant component in maintaining employment and family economic well-being.

**Latino Community Development Stakeholders**

Two important contributors to overall Latino community well-being are the Latino business community and the various nonprofit organizations that serve Greater Phoenix. Both have been vocal supporters of educational access and opportunities for Latino youth. Their legacy has included offering scholarships, sponsoring student events and interns, promoting leadership development, and working closely with high school districts, community colleges and higher-education institutions. The 2006 SRP Arizona Business Study: Hispanic Outlook, sponsored by Salt River Project and undertaken by Dr. Loui Olivas of ASU, provides a comprehensive overview of Hispanic business vibrancy in Greater Phoenix. The data tell us, not surprisingly, that education plays an important role in business outcomes and that bilingualism is central to business vitality in the Latino community. For example, 20% of business owners were high-school graduates, 33% had some college, and 32% were college graduates and beyond. Fifty-six percent were native-born and 40% were foreign-born. Additionally, 66% of Latino businesses in Maricopa County were family-owned, and 35% were home-based. Twenty-seven percent were started in the past 10 years and 15.2% have been operating for over 25 years. Latino business owners in Greater Phoenix are also up-to-date in terms of communication access: 74% had access to the Internet at their place of business, and 38% had a business Web site.

Business owners indicated that Chicanos Por La Causa (a Latino-led and Latino-serving community development nonprofit) had been supportive of their business operations, as had the Arizona Hispanic Chamber of Commerce, the U.S. Small Business Administration and Valle del Sol (another Latino social services provider and organization); this indicates an important synergy of business and nonprofit organizations working together. Additionally, 76% of Hispanic business owners in Maricopa County were registered voters—a clear indicator of civic engagement and an increasingly important political voice.

We also see a very different pattern emerge with respect to income distribution and Latino entrepreneurship: 22% have annual earnings of $0 to $49,999, 24% fell into the $50,000 to $99,999 annual-earnings category, 10.7% had annual earnings between $100,000 and $149,999, and 10.9% had annual earnings above $150,000. For Latino-owned businesses, the upward economic mobility opportunities are significant.

The history of Latino-led and Latino-serving nonprofit organizations provides a rich understanding of the historical presence of community service and advocacy. One of the oldest, Friendly House, is a 501(c)(3) organization that since the 1920s has focused on immigration and re-settlement services as well as anti-poverty programs. Many other community-development
and advocacy organizations came into being during the War on Poverty years (mid to late 1960s). Chicanos Por La Causa has become a state-wide organization. Centro de Amistad, a nonprofit organization with a focus on social and health services, is located in Guadalupe, a town founded in 1904 and incorporated in 1975. These are just a few of the many Latino-led and Latino-serving nonprofits that have been a trusted presence in Latino communities throughout the Borderlands.

The strong Latino nonprofit and civic-minded entrepreneurial sector focused on meeting community needs and increasing Latino business success indicates the interconnectedness of community development goals of key Latino stakeholders. As Latino communities continue to grow, the consumer tax-dollar flow increases, as do business-owner and individual tax revenues, ultimately increasing the visibility of the nonprofit organizations as demand for their services increases. This increased demand requires tax dollars to flow back into Latino communities through public-nonprofit partnerships and increased revenue allocations to Latino nonprofit stakeholders. More public-revenue dollars allocated to Latino nonprofit organizations better serve Latino community needs; and the success of Latino-owned businesses along with a growing rate of entrepreneurial expansion contribute to deepening community support networks for Latino nonprofits.

Human Services and Stakeholder Partnerships

Several issues of national significance are of extreme importance to the well-being of the Latino community in Arizona and, in particular, Greater Phoenix:

- **Immigration Policy and Language Competencies**
  The political and economic consequences of not crafting a coherent immigration policy will continue to create stalemate in how our human and social services are delivered, and who will be able to access essential services. Of increasing importance in this national debate are those mixed-status families that will require thoughtful domestic-policy design. This issue reaches into every avenue of human and social services provision; without a sensible immigration policy, we fail to cultivate human resources for future public and private industry. With immigration reform, our capacity to increase our labor force language competencies in the global marketplace allows us a window of opportunity to formulate a more comprehensive foreign-language education policy in K-16 institutions. Increasingly, our global competitiveness will hinge on the essentials of communication workplace skills. Our New American populations represent a national economic resource through their facility in languages and cultural-competency assets. The multilingual proficiencies of youth from immigrant families can share these language assets in the classroom.

- **Educational Opportunity, Affordability, and Public Revenues Equation**
  Our demographic landscape indicates a continuing youthful Latino growth bulge as the baby-boomer population ages. This creates an opportunity to expand educational strategies at different schooling levels. For example, community colleges and four-year higher education institutions may see an increase in the return of older-than-average students, not only for mid-career changes but for retirement lifestyle enrichment. By the same token, a growing number of youth from communities of color will be moving through the elementary and secondary schooling levels, many being the first generation in their families to successfully navigate the school system with an opportunity to enroll in higher education. These first-generation college-attending Latino and Native American youth create opportunities for higher education institutions while also posing challenges to meet their needs. The increasing range of student variation in institutions of higher education will create opportunities for public-private stakeholder partnerships in revamping delivery of educational services. An increasing demand for higher education in order to participate fully in the knowledge economy will create further opportunities for virtual and satellite schooling, using new technology that operates through community centers, public agencies, and in remote locales where educational access has previously been non-existent. The increasingly costly challenge of not investing in educational
pipeline programs and cultivating this talent pool will have major spillover effects in a variety of “foundational” areas of economic and sustainability development for Greater Phoenix. In fact, failing to invest now could lower budgetary revenues permanently by losing this cohort’s human capital-tax revenue to human-services expenditures in the future.

Social Services, Healthcare, and Elderly Care
Latinos are increasingly providing care for the aging baby boomer population while struggling to access social services, healthcare, and elderly care for themselves and extended family members. The dilemma creates a strain on public-sector social services and healthcare providers while creating opportunities in the nonprofit service-provider sector. One promising aspect of the growing demand for social services and healthcare services in the Latino community is the growing collaboration between nonprofit social-service providers and other healthcare stakeholders. Clearly, training diverse language-proficient healthcare and social-service providers is the first-step in meeting the shortage of bilingual and multilingual providers.

The Future: Latino Community Stakeholders
We have seen the recent changes in the economic and policy landscape at the local, state, and national levels. Given these changes, it’s easy to become cautious about future forecasts. But there are certain indicators that we can reliably predict will continue to grow while others remain subject to economic and political cycles. One area that will continue to grow is the Latino percentage of the Greater Phoenix population. While projections are always risky, the national forecasting firm Claritas expects that Latinos will account for 35% of the Greater Phoenix population by 2012, up from an estimated 30% in 2007.

This growth will be generated both by immigration and by increases in the native-born population in Greater Phoenix. Between 2000 and 2006, Latinos in Maricopa County increased from 763,341 (2000) to 1,129,556 (2006), a growth rate of 48%. The natural birth rate increase for Latinos in 2000 was 40.5%, compared to the White non-Hispanic rate of 48.8%. By 2006, the rate of births for Latinos was 45.7% and for non-Hispanic Whites, 42.4%. Even with immigration policy enforcement in place, the rate of natural increase for the Latino population in Maricopa County will continue to rapidly grow. This has consequences for schooling and labor market infrastructure. We know that the bulge in the 0-to-17-year-old cohort—with 38.5% of the total Latino population in Maricopa County—means that more Latino youth are requiring schooling. Additionally, only 5.5% of the total youth population is foreign-born. The next five years will be instrumental in preparing our educational institutions for the increases in the Latino student population. The importance of strengthening the educational pipeline (from middle school through post-graduate programs) for Latino youth cannot be emphasized enough, given the direct connection between education and earnings that in turn bring increasing contributions to public revenues.

The highest concentration of male Maricopa County Latino workers (36.5%) was in construction in 2006, representing 23.8% of all Latino workers. Given the current slowdown in new home sales, the escalating foreclosure chaos, and the decline in housing starts, this may mean greater Latino out-migration to other parts of the country. And it will mean a larger customer base for workforce retraining, thereby increasing the demand for workforce-development services and worker-retraining programs at the local level. While 24.5% of the entire Latino workforce is in services, there has been an increase in Latino labor presence in management, professional and related occupations (15.1%) and in sales and office occupations.
Looking at the labor-market infrastructure over a five-year horizon for the Latino community, one sees the future possibilities—provided that the necessary educational investment and coordinated outreach are in place.

An additional factor affecting both labor markets and small-business entrepreneurship is the growing consumer base of the Latinopopulation in Greater Phoenix. The intersection of educational investments, a growing representation in professional occupations, the rapid acceleration in Latino entrepreneurship rates (especially for women-owned businesses), and a strong Latino consumer base implies that the demand for educational services in this community will continue to grow. And with this growth, a significant increase in civic engagement and political participation is also set to occur.

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