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THE ECONOMIC IMPACT OF THE HISPANIC POPULATION
ON THE STATE OF NORTH CAROLINA

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Overview

- Purpose of Study
- Demographic Snapshots
- Economic Impact Highlights
- Challenges and Opportunities

Study Purpose

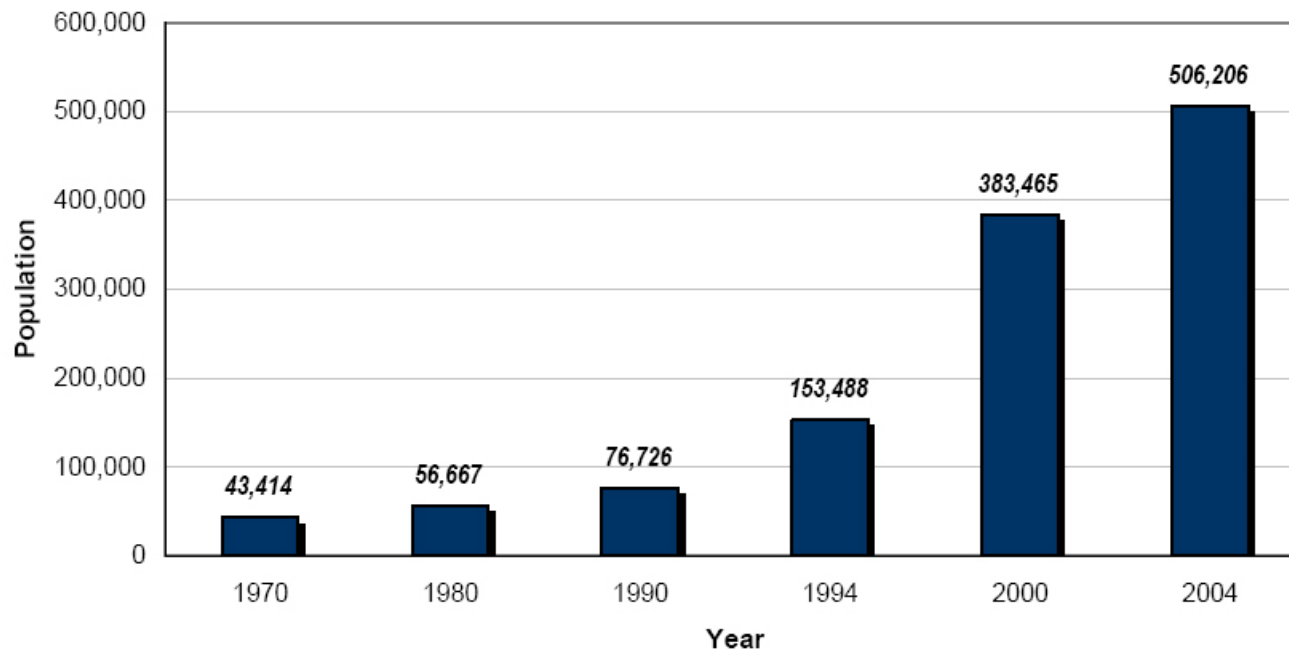
- To document the nature, magnitude, and geographical manifestations of Hispanic population change in North Carolina.
- To estimate the economic impact of Hispanic residents on individual counties, metropolitan areas, and the state as a whole, along with their associated benefits and costs.

Demographic Snapshots

- Growth Trends and Legal Status
- Origins and Settlement Patterns
- Individual and Household Attributes
- Workforce and Socioeconomic Characteristics

Growth of Hispanic Population in North Carolina, 1970-2004

North Carolina



Source: Table 1. United States - Race and Hispanic Origin: 1970 to 1990, U.S. Census Bureau; 2000 U.S. Census; Population Estimates, U.S. Census Bureau.

Legal Status of Hispanics Residing in North Carolina, 2004

Birth Place	Total Population	%	Authorized Population	%
All North Carolina Hispanics	600,913	100.0	333,564	55.5
Hispanics born in North Carolina	124,283	20.6	124,283	100
Hispanics born in other U.S. jurisdictions	124,392	20.7	124,392	100
Hispanics born in Mexico	268,952	44.7	64,817	
Hispanics born in other Latin America countries	79,524	13.0	19,165	24.1
Hispanics born in other countries	3,762	0.6	907	

Sources: Decennial Census, PUMS, 2000; ACS, 2004; SCHS, Health Data and Vital Statistics, 1988-2004; Center for Immigration and Naturalization, 2004.

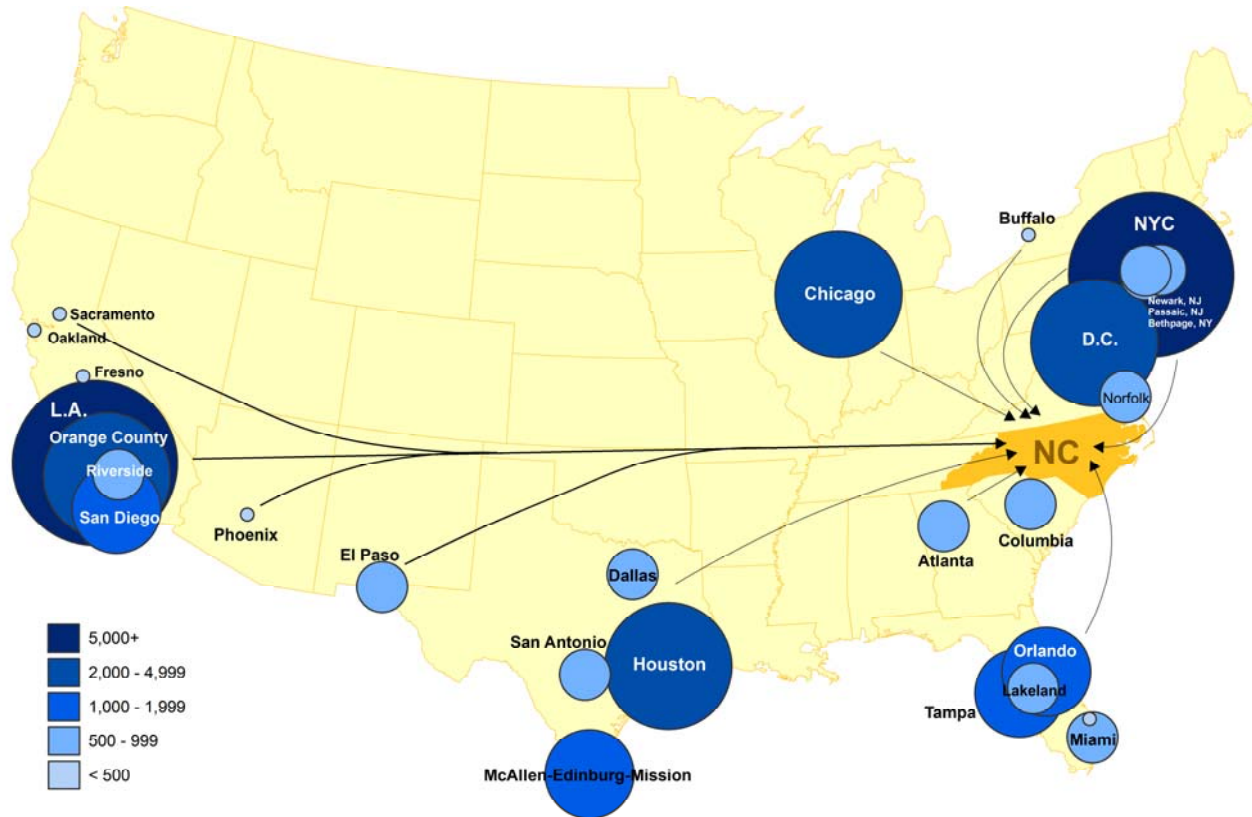
Geographic Origins of North Carolina Hispanics, 1995-2004

	1995-1999	2000-2004	% of Total 1995-2004
All Hispanics	206,482	294,833	100.0
Born in North Carolina	35,404	75,497	21.6
All movers from abroad	94,187	102,262	38.2
Movers from Mexico	72,166	77,434	
Movers from other Latin American countries	19,633	24,282	
Movers from non-Latin American counties	2,388	546	
U.S. jurisdiction movers	76,891	117,074	40.2

Sources: Decennial Census, Public Use Microdata Sample (PUMS), 2000 ACS, 2000-2004 and North Carolina State Center for Health Statistics (SCHS), Health Data, 1995-2004

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Hispanic Movers to North Carolina, Top Metro Areas, 1995-2000



Source: 2000 Public Use Microdata Samples, 5-percent file, U.S. Census.

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Distribution of Hispanics Across North Carolina, Metro and Non-Metro Areas, 1980-2004

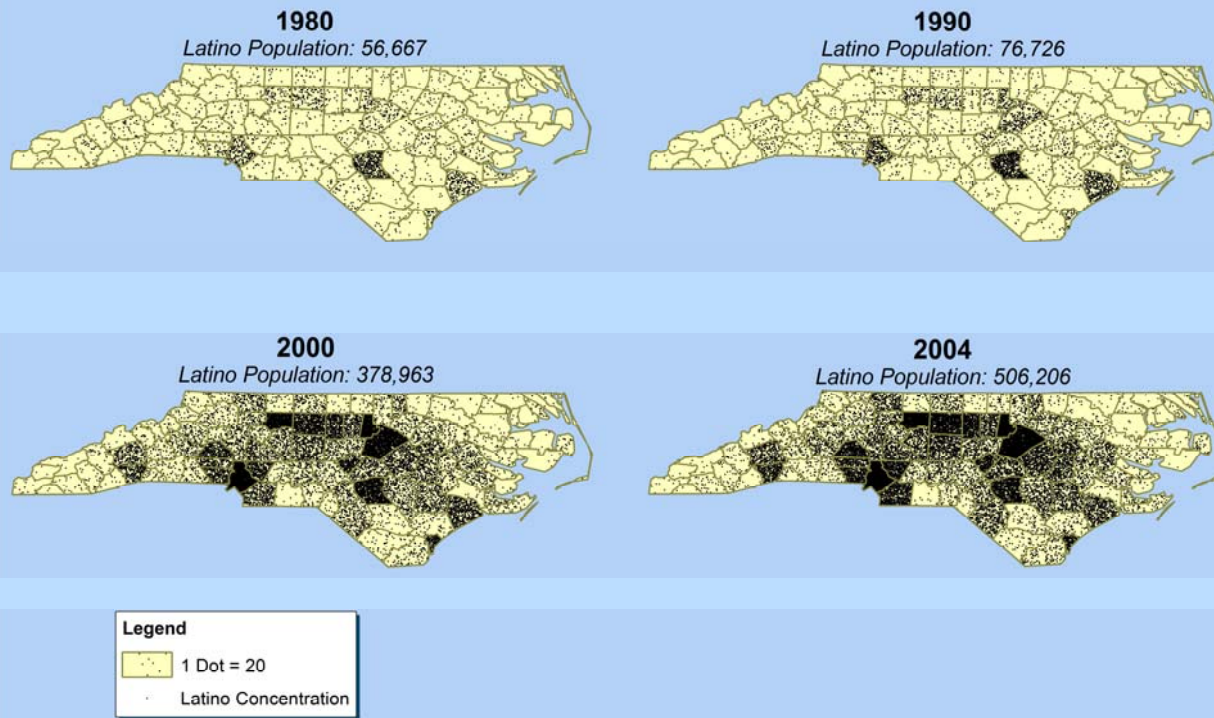
	1980	1990	2000	2004
Total Hispanic Population	56,667	76,726	378,963	506,206*
Metro areas	37,105	55,011	265,441	367,905
%	65.5	71.7	70.0	71.1
Non-metro areas	19,562	21,715	113,522	149,712
%	34.5	28.3	30.0	28.9

Source: Decennial Census, 1980, 1990 and 2000; ACS, 2004; Census Population Estimates, 2004

**Note that the ACS Hispanic population estimate for the entire state is slightly smaller than the Census Bureau's county by county estimates, which total 517,617.*

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Hispanic Concentrations in North Carolina, 1980-2004



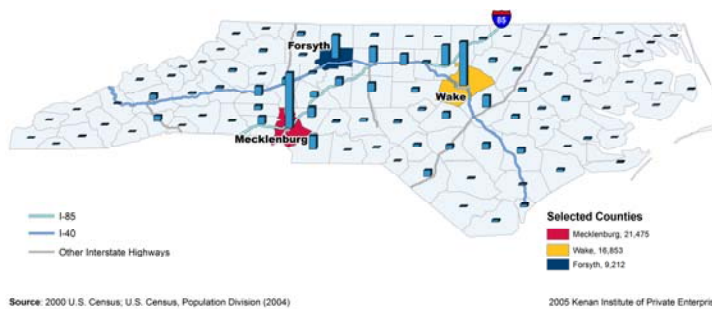
Source: U.S. Census Bureau (1980-2004)

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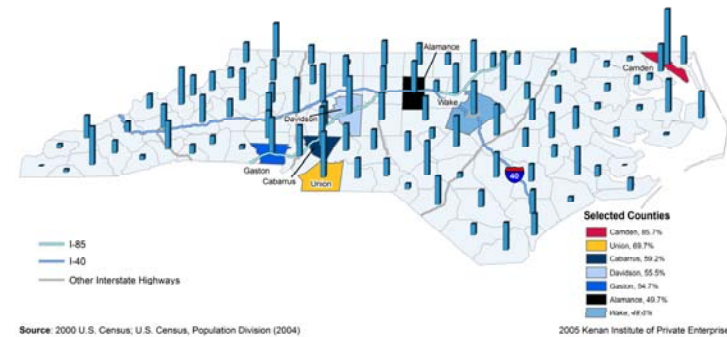
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Selected Indicators of Hispanic Population Change in North Carolina

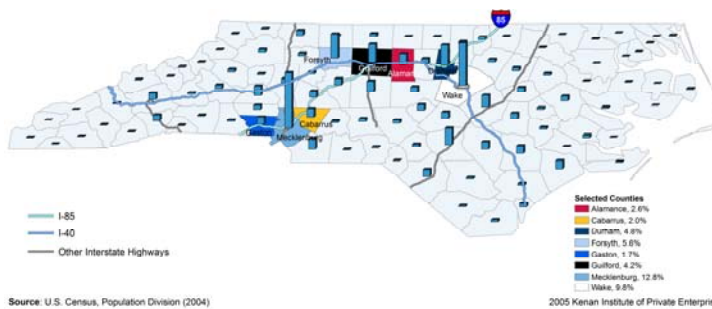
A: Net Absolute Hispanic Population Growth by County, 2000-2004



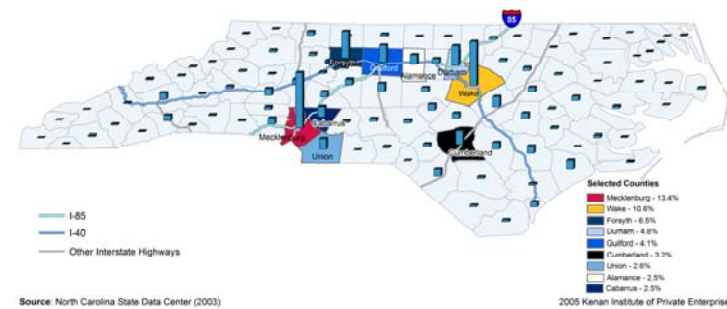
B: Counties Experiencing Most Rapid Hispanic Growth, 2000-2004



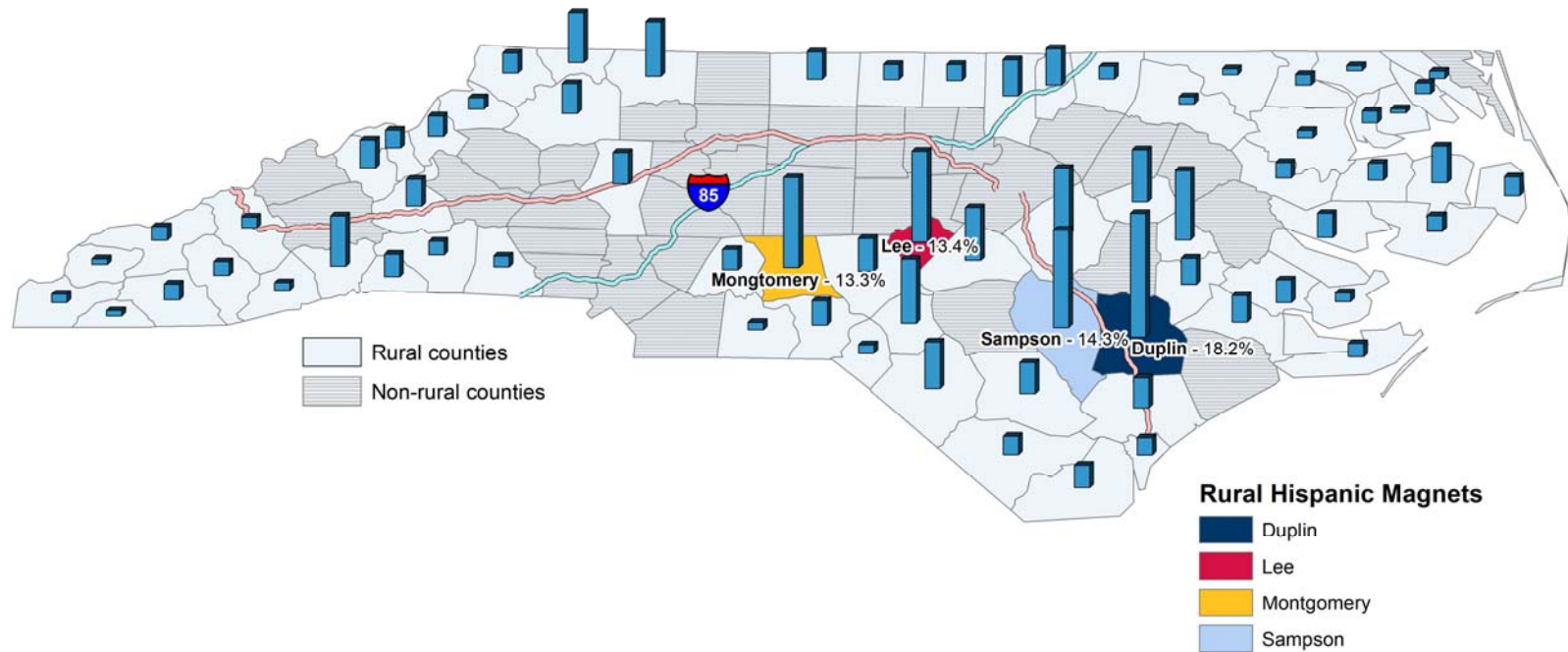
C: Hispanic Population Concentration, 2004



D: Concentration of Hispanic Births, 2004



Hispanic Rural Magnet Counties in North Carolina, 2004



Source: 2000 U.S. Census; U.S. Census, Population Division (2004)

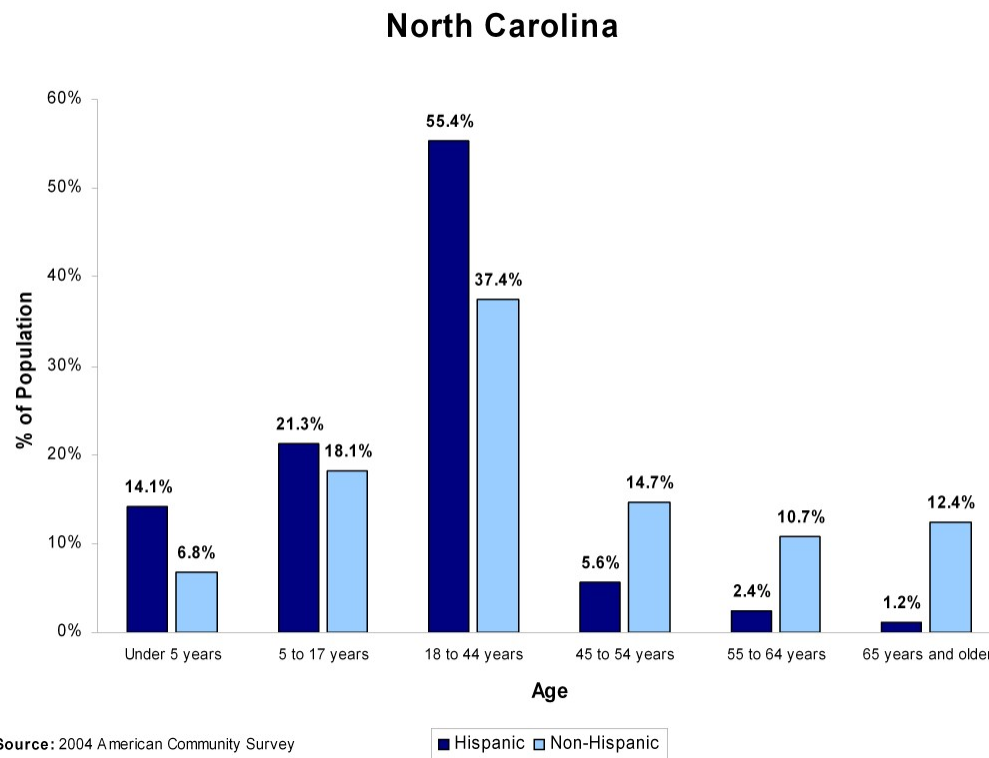
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Migration to North Carolina by Gender, 1995-2004

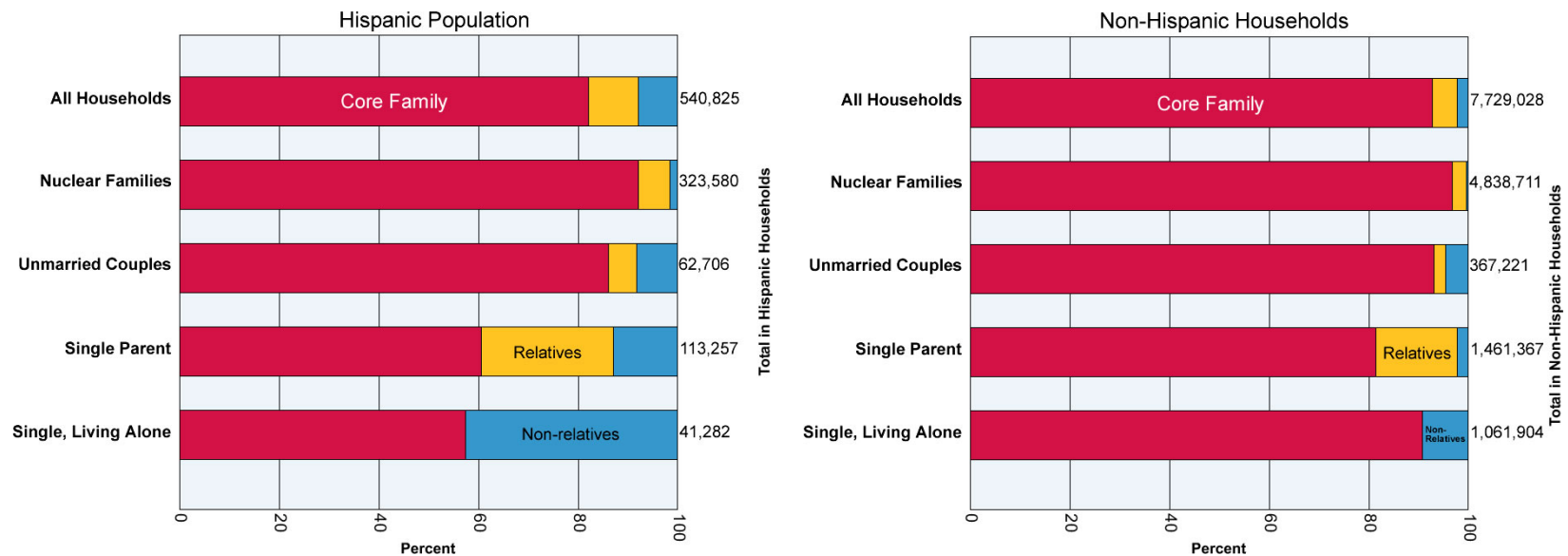
	1995-1999	2000-2004
Total Hispanic Movers	171,078	219,336
Male	106,320	120,586
%	62.1	55.0
Female	64,758	98,750
%	37.9	45.0

Sources: Decennial Census, PUMS, 2000 and ACS, 2000-2004

Population in North Carolina by Age and Hispanic Origin, 2004



Hispanic and Non-Hispanic Composition in North Carolina, 2004



Source: American Community Survey (2004)

North Carolina Births by Race/Ethnicity, 1990 and 2003

	1990	2003	% Change
All Races	104,525	118,308	13.2
White	69,512	70,458	1.4
Black	30,726	27,170	-11.6
American Indian	1,516	1,637	8.0
Asian/Pacific Islander	1,052	3,106	195.2
Hispanic	1,754	16,084	817.0

Source: Centers for Disease Control, National Vital Statistics Reports, 1990 and 2003

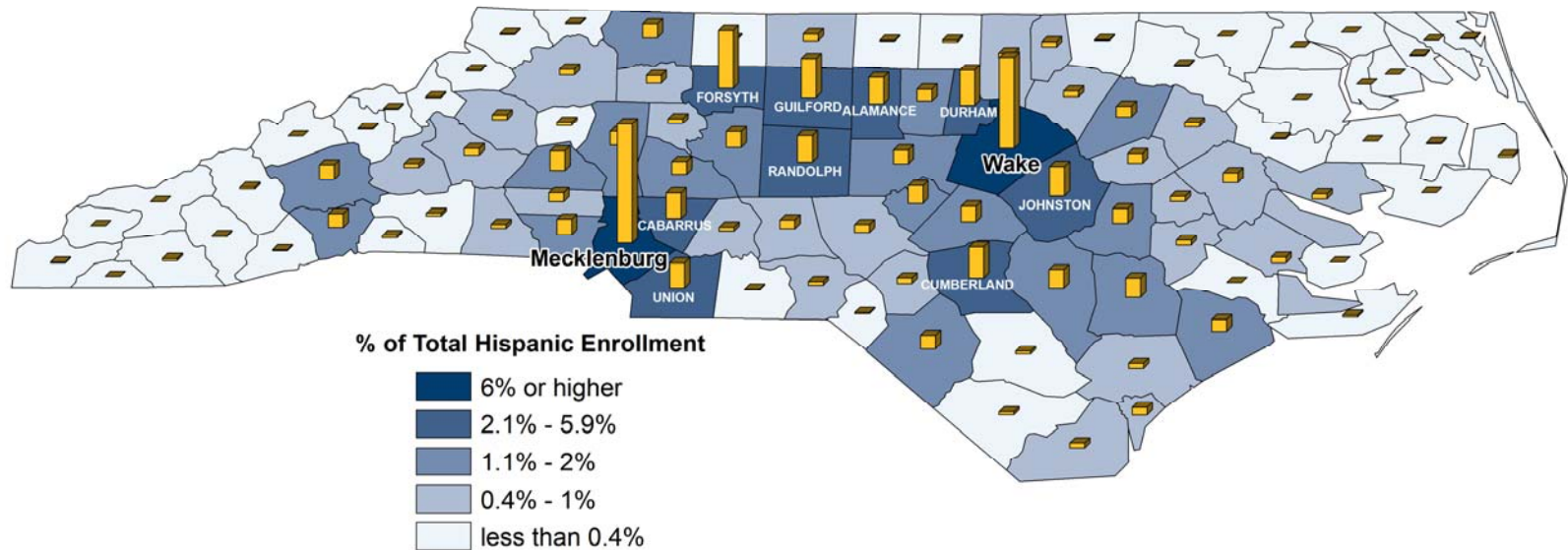
Net Change in Total and Hispanic Enrollment in North Carolina Public Schools, 1985-2004

Years ¹	Total Enrollment Change	Hispanic Enrollment Change	Hispanic Share of Enrollment Change
1985-90	-3,558	4,795	
1990-95	90,378	13,769	15.2
1995-00	95,472	33,933	35.6
2000-04	78,755	45,148	57.3

Source: NORTH CAROLINA Department of Public Instruction, 2005.

¹ As of September of each school year

Hispanic School Enrollment by County, 2004-2005

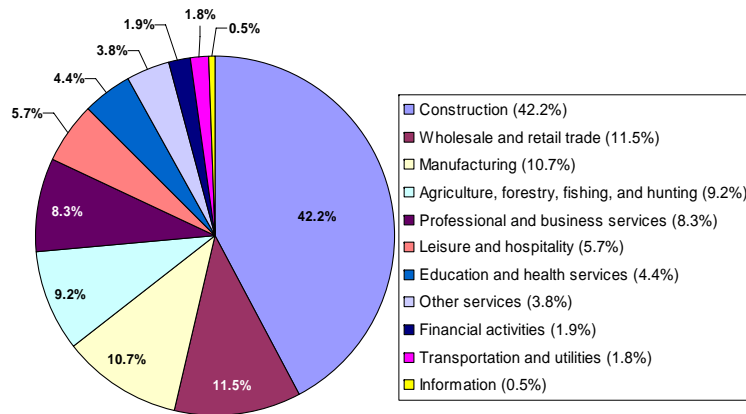


Source: NC Department of Public Instruction (2005)

2005 Kenan Institute of Private Enterprise

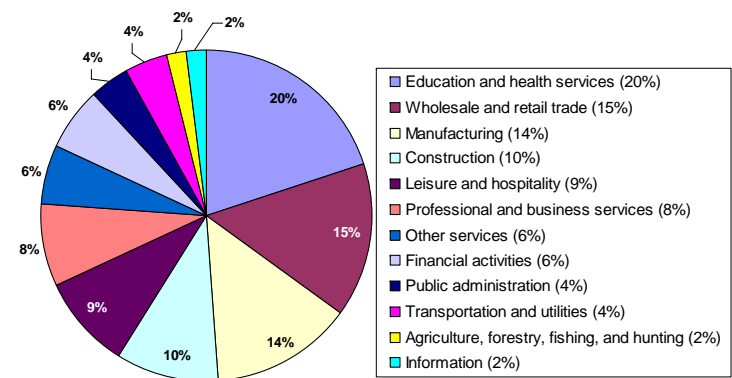
North Carolina Workers by Industry, 2004

Hispanic



Source: US Bureau of Labor Statistics, Current Population Survey, 2005 March Supplement

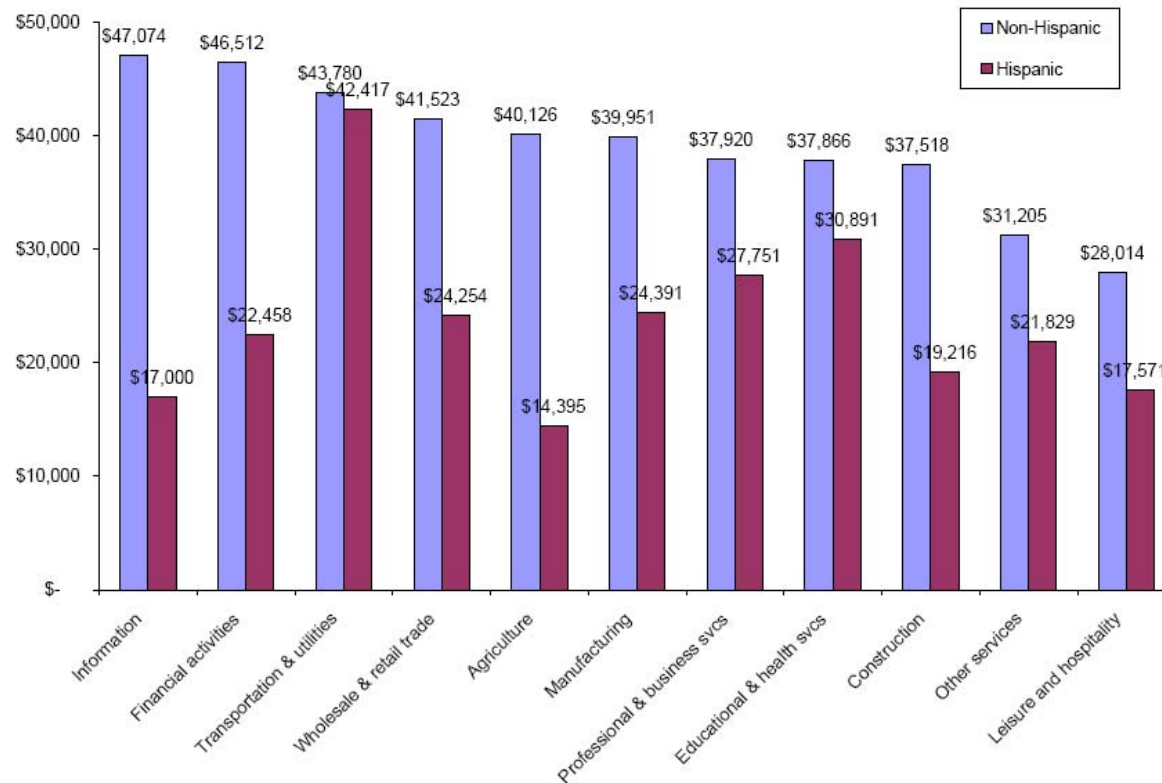
Non-Hispanic



Source: US Bureau of Labor Statistics, Current Population Survey, 2005 March Supplement

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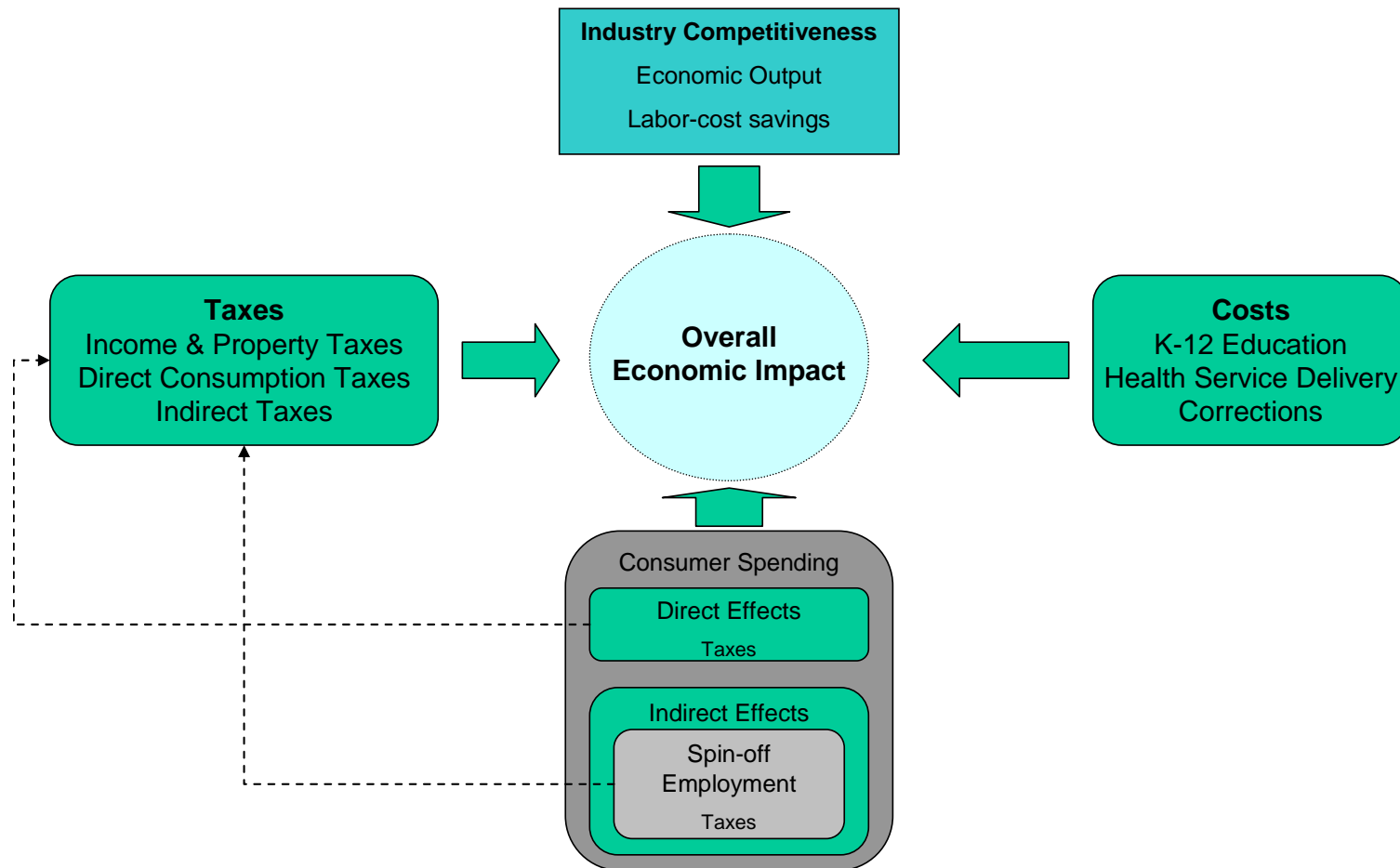
Figure 13
Average Personal Wage and Salary Earnings of Full-Time Workers
(35 hrs./wk+) by Ethnicity and Industry in North Carolina



Economic Impact Highlights – Key Issues

- Impact of Hispanic consumer spending on the state and its communities.
- Net balance of North Carolina Hispanic population's contributions and costs on the state budget.
- Effect of Hispanic workers on the total economic output and competitiveness of the state.
- Potential business opportunities North Carolina's expanding Hispanic presence provide.

Conceptual Framework for Assessing the Economic Impact of Hispanics in North Carolina



Data and Methods

- Hispanic Buying Power (after-tax income)
- Reduced by 20-percent for remittances, savings, interest payments
- Input-Output Model to Generate Direct and Indirect Effects
 - Total Business Revenue
 - Spin-off Jobs
 - State and Local Taxes
- Economic Output, Direct Taxes Paid, and Public Costs from Government Sources
- Focus-group interviews with Hispanic Business Owners

Economic Impact of North Carolina Hispanic Spending, 2004

- Buying Power - \$8.35 billion
- Total Consumer Spending Impact - \$9.2 billion
- Spin-off Employment - 89,600 jobs
- Spin-off Labor Income - \$2.4 billion
- Additional State and Local Taxes - \$455 million

Hispanic Economic Impact on Metropolitan Areas

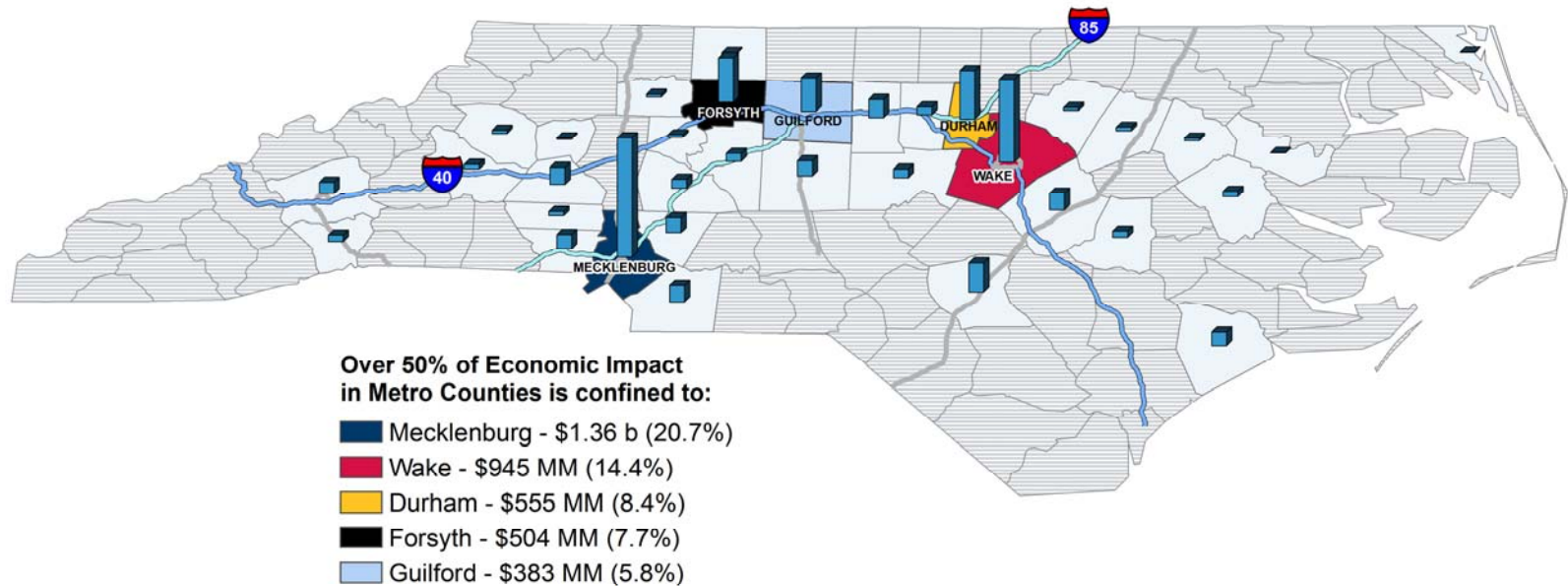
- 71 percent concentrated in Metropolitan Areas
- Greatest Impact in 5 metros along I-40/85 corridor

	Business Revenue	Spin-off Jobs
Charlotte	\$2.0 billion	16,900
Raleigh	\$1.2 billion	10,100
Durham	\$780 million	7,400
Greensboro	\$632 million	6,200
Winston-Salem	\$583 million	5,600

Economic Impact of Local Hispanic Spending on Counties, 2004

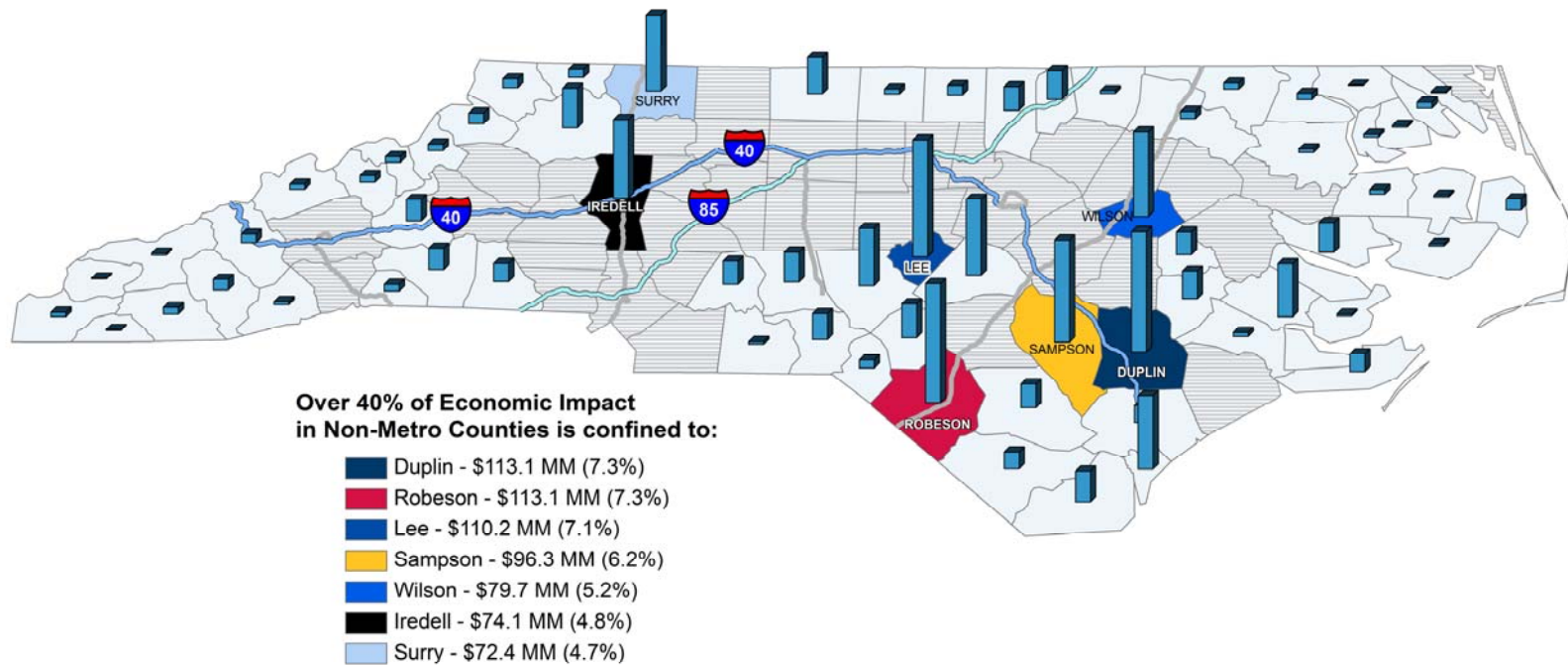
	Buying Power	Total Economic Impact
Mecklenburg	\$1.3 billion	\$1.4 billion
Wake	\$932 million	\$945 million
Durham	\$540 million	\$555 million
Forsyth	\$493 million	\$504 million
Guilford	\$356 million	\$383 million

Economic Impact of Hispanics in Metro Counties, 2004



Source: Kenan Institute of Private Enterprise (2005)

Economic Impact of Hispanics in Non-Metro Counties, 2004



Source: Kenan Institute of Private Enterprise (2005)

Major Public Costs of North Carolina Hispanics, 2004

- K-12 Public Education - \$467 million
- Health Service Delivery - \$299 million
- Corrections - \$51 million

Hispanic Tax Contributions to the State, 2004

Personal Income Taxes	\$145 million
Hispanic-owned Business Taxes	\$86 million
Property Taxes	\$63 million
State Sales and Motor Vehicle Taxes	\$114 million
Indirect Sales, Income, and Property Taxes	\$348 million

Hispanic Resident Costs and Benefits to State, 2004

Total Estimated Major Public Costs	\$816,559,000
Total Estimated Taxes Contributed	\$755,520,000
Net Cost to State <i>(\$102 per Hispanic resident)</i>	\$61,039,000

- Broader Economic Benefits:
 - \$9.2 billion in total NC Business Revenue
 - 89,000 additional jobs
 - \$1.9 billion in overall statewide private-sector wage savings (1.4% of NC's private sector wage bill)
 - Increased labor output for NC industries

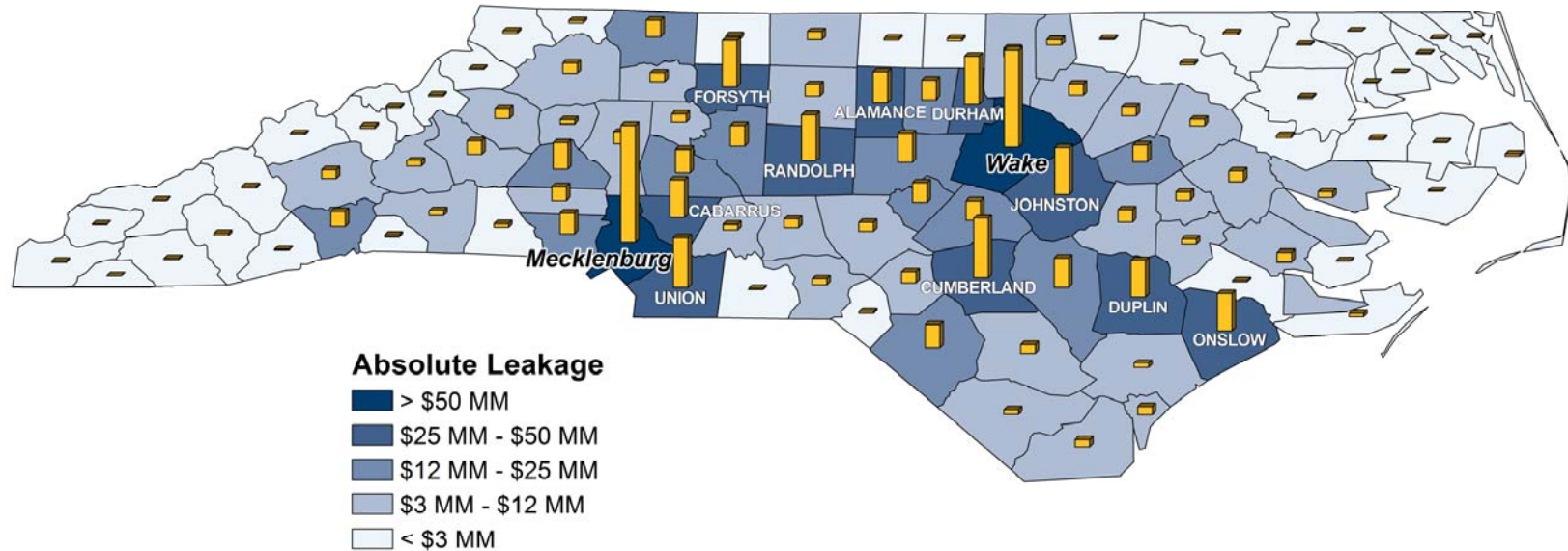
NC Construction Industry Example of Competitive Output, 2004

- 29 percent of all NC construction workers are Hispanic
- If Hispanic workers are withdrawn, loss of:
 - \$10 billion in value of construction
 - \$2.7 billion in construction materials and labor
 - \$145 million in equipment and building rentals
 - 27,000 housing units not built
 - \$980 million in labor-cost savings

Leveraging Hispanic Spending for Business Development

- Substantial local leakage of Hispanic spending
- New business formation potential is immense
- In 2002: 9,047 Hispanic-owned businesses with \$1.8 billion in revenue
 - Within five years, the total economic impact of Hispanic spending on all NC businesses could reach as much as \$18 billion.

Business Revenue Leakage by County, 2004



Source: Kenan Institute of Private Enterprise (2005)

Challenges and Barriers to Hispanic Entrepreneurship

- Communication difficulties with non-Hispanics
- Lack of basic commercial skills (e.g., accounting) among many
- Complex English-language legal and reporting documents
- Difficulties in securing financing and insurance

Leveraging Hispanic Relations for State Economic Prosperity

- NC exports to Latin America have increased from \$2.9 billion in 1999 to \$4.1 billion in 2004
- These exports were responsible for:
 - \$7.2 billion in NC business revenue in 2004
 - 68,000 jobs
 - \$231 million in state and local taxes
- Inward Latin American Investment to NC is weak.
 - Only 18 Latin American-headquartered firms with an NC presence (5 from Mexico)
- NC's large Spanish-speaking labor pool and rapidly expanding consumer base offer rich potential for Latin American firms seeking to establish or increase their US presence.