

SPECIAL REPORT

HISPANIC AMERICA The Economic and Demographic Reality of Hispanics in America – An Imperative for Growth –

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The Economic and Demographic Reality of Hispanics in America - An Imperative for Growth -

We are undergoing an unprecedented age demographic shift in America, one that threatens the very foundations of our economy.

-- Association for Latino Professionals for America (ALPFA) in "The New Latino Paradigm"

The three factors contributing to this are:

- Increasing numbers of seniors
- Rising longevity, and
- Falling fertility

The first two increase the retired population, while the third (falling fertility) rapidly depletes the workforce, and results in fewer job creators, fewer employees, fewer business creators, fewer taxpayers and a shrinking economy.

What we are left with is a top-heavy age distribution, where those most dependent on financial support are growing exponentially while those who are called upon to support that generation are dwindling.

This dynamic places significant stress on corporations, the military, and our economy. With 78 million Baby Boomers retiring over the next 18 years, this tsunami places tremendous pressure on Social Security, Medicare, and other government programs, because fewer than three workers support each retiree today, compared to 16 workers per retiree in 1950. Unfortunately, the possible solutions – substantially increasing taxes, cutting benefits, or raising the retirement age – are not appealing to everyone.

What's the solution? It is right in front of us.

The nation's rapidly growing Latino population is one of our most under-realized assets. At a time when talent is in short supply, global competition is intensifying daily, and Latin America ranks as our largest trading partner, America's Latinos can be the workforce and the business creators that our nation needs – hard-working, global citizens, well-versed in different cultures, and ready to move into the workforce just as Baby Boomers retire. In fact, a 2015 report by leading global research firm HIS Global Strategy noted that Latinos will account for 40 percent of employment growth over the next five years and more than 75 percent from 2020 to 2034.

There is a need to unite professional organizations, our government and corporate leaders, our educators and our communities in a sense of common mission to leverage this great American resource. The 55 million Latinos of today will number 100 million by 2040 and will have a spending power of \$1.7 trillion by 2017. But much is needed to make this representation of economic prowess manifest itself positively in our economy, in our communities and in corporate board rooms. The Hispanic workforce is expected to grow at least 2.6 percent annually for the next two decades but Corporate America's top executive suites do not yet reflect this reality. There are currently only nine Hispanic Fortune 500 CEOs, including Oscar Muñoz at United Airlines, Richard Gonzalez at AbbVie and George Paz at Express Scripts.

The domestic Hispanic market and its benefit to America are huge. It should be targeted at every level, including K-12 and college, to stoke consumption and foster executive talent for the private and public sectors. In education, the number of Hispanics is growing dramatically in the nation's colleges. From 1976 to 2012, the percentage of Hispanic college students rose from 4 percent to 15 percent. Great numbers who now hold MBA degrees from major American universities are slowly moving into the ranks of key middle management at some of the Country's top corporations.

The Latino vote will be critical to the presidential election next November. It was in the past as well. According to Pew, in 2008 Hispanics voted for Democrat Barack Obama over Republican John McCain by a margin of more than two-to-one in the 2008 presidential election, 67% versus 31%. They also voted for Obama over Republican Mitt Romney by 71% to 27%. George W. Bush got 44% of the Hispanic vote in 2004. The Republican field includes Sen. Ted Cruz from Texas, Marco Rubio from Florida and Jeb Bush, who while not Hispanic, is fluent in Spanish and married to a Mexican woman. Each candidate, with the right platform, can greatly enhance their chances for getting elected by cultivating this critical segment of the electorate.

Hispanics are increasingly well-represented in local government, too, holding many positions across the country as mayors, city council members, state legislators and local department heads.

Melissa Mark-Viverito is the Speaker of the New York City Council and the first Puerto Rican and Latina to hold such a powerful leadership position in the nation's largest city. On a national level, Hispanics are particularly prominent in the U.S. House of Representatives, where they are part of the highly influential Hispanic Caucus.

We would be remiss not to take note of the controversial undocumented immigrant issue now roiling the nation. Of the estimated 11 million undocumented, a great majority are Hispanics. Most observers see a path to citizenship for these income generators, tax payers and potential voters as the most practical and humane solution.

As to the future, consider a recent 400-page report from the prestigious National Academies of Sciences, Engineering and Medicine concluding that most recent Latino immigrants adapted to America to the same degree that their forebears did. The document found that “across all measurable outcomes, integration increases over time with immigrants becoming increasingly like the native-born while the second and third generations are even more like native-born Americans than their parents.”

IMPLICATIONS FOR BUSINESS:

Companies need to educate themselves about the Latino population and begin thinking of Latinos as consumers, voters, employees and, especially, business leaders.