



HISPANIC DEMOGRAPHIC TRENDS

DEMOGRAPHICS REPORT

2017



ECONOMIC DEVELOPMENT BOARD

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EXECUTIVE SUMMARY

April 2017

The Sonoma County Economic Development Board (EDB) is pleased to present the *2017 Hispanic Demographics Trends*. This report includes demographic and workforce statistics at the local, state, and national levels.

Over the last 20 years, a demographic shift has taken place in Sonoma County. The region has become increasingly diverse, due in part to the rapid growth of the Hispanic population. This demographic shift is not restricted to the county, but is active across California and the United States.

The 2017 Hispanic Demographic Trends was created to help government, non-profits, businesses, and educational institutions develop plans that will address the future challenges and opportunities associated with changing demographics.

The EDB expects to continue to pursue projects and reports related to the Hispanic community. Thank you for your continued interest in the EDB's research. As always, if you have any questions, please feel free to contact us at (707) 565-7170. All data used is the most recent data available.

HIGHLIGHTS



According to the U.S. census data, Sonoma County's Hispanic population was 132,197 in 2015, making up over **26 percent of the county's inhabitants**. The California Department of Finance projects that the **Hispanic population will become the ethnic majority** in the country (51%) by 2050 (see p. 6).



Hispanic-owned businesses have also seen rapid growth both at the local level in Sonoma County and at the national level. According to the most recent U.S. census data available, as of 2012, there are 5,024 Hispanic-owned businesses in Sonoma County, an increase of 24% since 2007.



Hispanic purchasing power and aggregate household income has seen a **significant rise in buying power**, with \$1.7 trillion in buying power at the national level and \$2.1 billion in aggregate household income for Hispanics in Sonoma County.



The Hispanic labor force in Sonoma County has a **higher rate of full-time employment** than the white labor force, coupled with the Hispanic demographic shifting from young workers entering the market to a **larger working-age population**, suggests growth in the Hispanic labor force participation rate in Sonoma County.



A DEMOGRAPHIC SHIFT

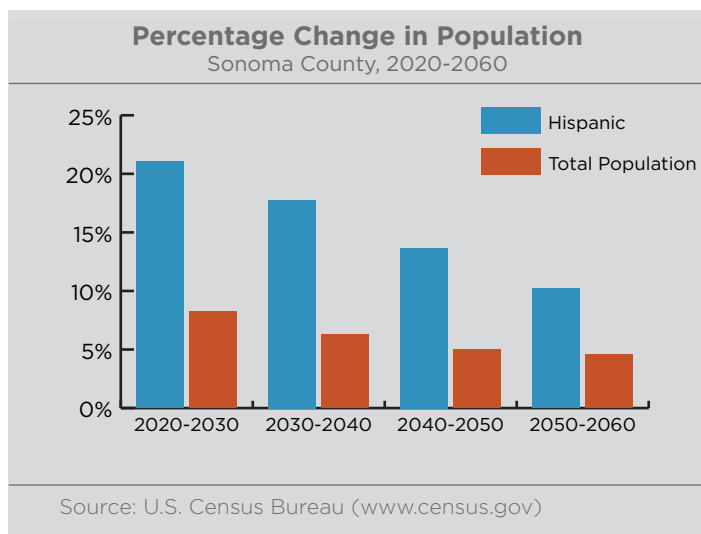
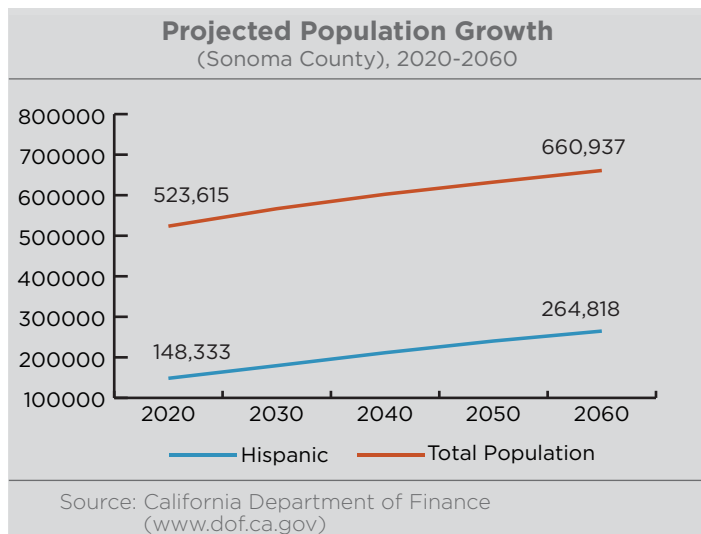
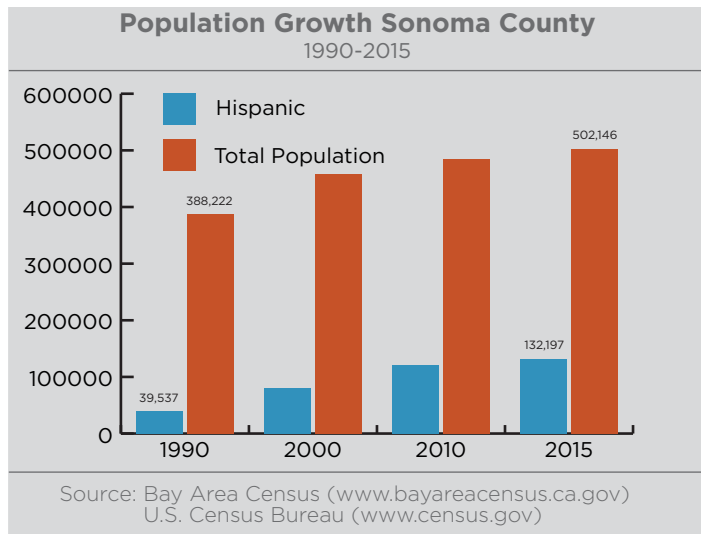
Sonoma County is continuing to experience a demographic shift, due in large part to the growing population of Hispanics that has reshaped the region’s economic identity. The Hispanic population has grown by almost 230 percent within the last 25 years, and by 2060 the Hispanic population is projected to make up 40 percent of the total population of Sonoma County (see p. 4).

In 1990, the county had a population of 388,222, about 10 percent of which was Hispanic. By 2015, the Sonoma County population had grown to 502,146, of which Hispanics made up 26.3 percent of the population.

The White population remains the majority in Sonoma County, with 63.8 percent of the population identifying as White, 4 percent as Asians, and 3.61 percent as African-Americans.

Looking at future forecasts, Sonoma County is expected to become more heterogeneous in the next couple decades. The Hispanic population is projected to increase by more than 100,000 individuals and grow at a rate of 2.5 times faster than the total population in the county.

As this major demographic shift continues and higher rates of Hispanics enter the workforce, unique opportunities and challenges for business, government, education, and community-based organizations will emerge.

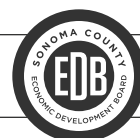
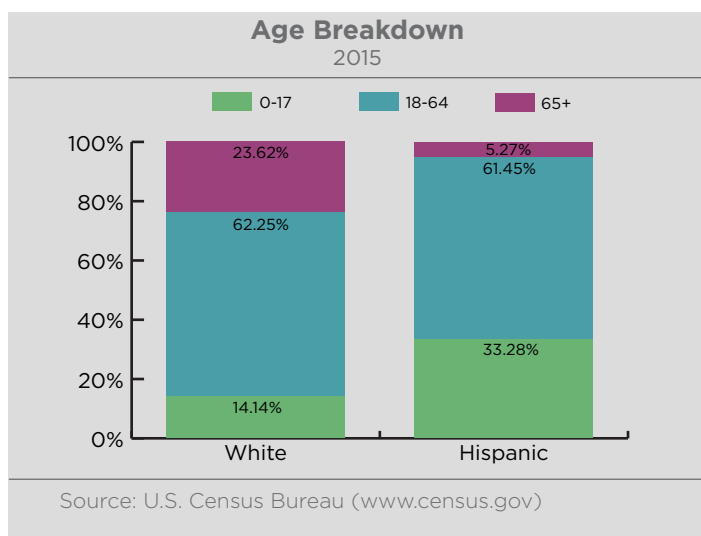
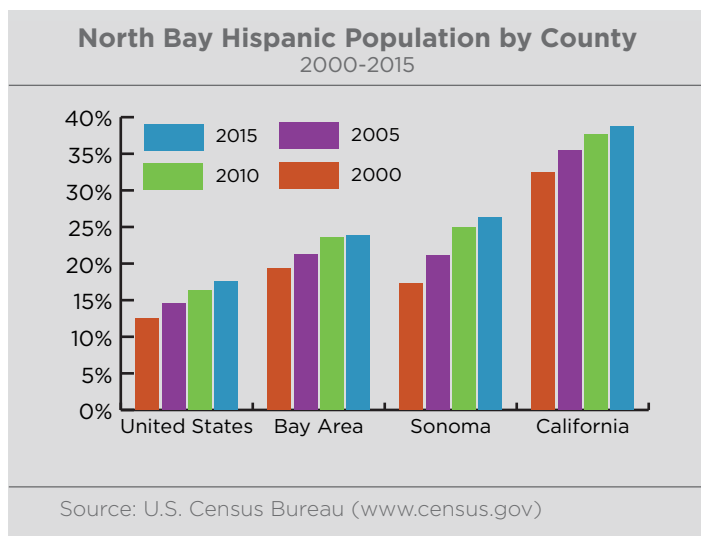
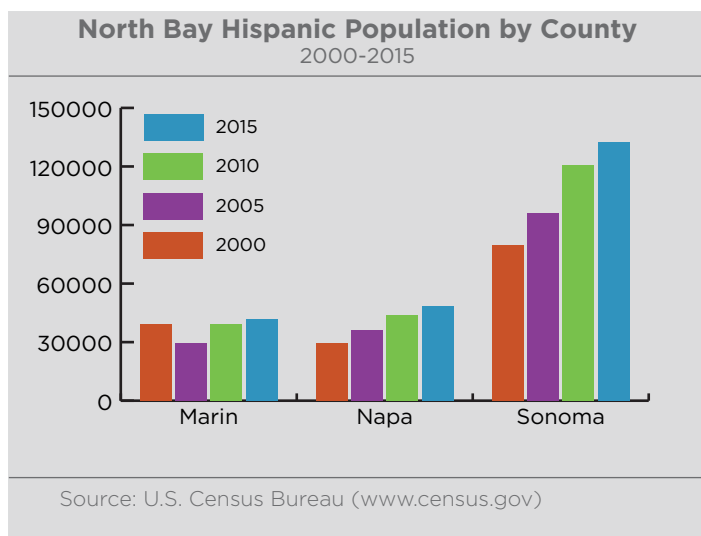


DEMOGRAPHICS

Sonoma County has a Hispanic population of over 132,000, boasting the largest Hispanic population in the North Bay region. As a percentage of the total population, Sonoma County's Hispanic population grew faster than that of the Bay Area, state and nation from 2010-2015. In the last 15 years, Sonoma County's Hispanic population grew by 66 percent and the Hispanic population in the Bay Area grew by 38 percent. During the same time period, the Hispanic population of Napa County increased by 64.1 percent, while the Hispanic population in Marin increased only by 7.2 percent.

The composition of Sonoma County's Hispanic population as a percentage of the total population is 26.3 percent, similar to the composition of the Bay Area, with Hispanics making up 23.8 percent of the total population. While the percentage composition of Sonoma County increased from 24.9 percent to 26.3 percent from 2010 to 2015, this percentage is lower than the state average of 38.8 percent. At the national level, Hispanics comprise 17.6 percent of the U.S. population.

The Hispanic population in Sonoma County has 33 percent of its population under the age of 18. By contrast, 14 percent of the White population is under the age of 18. The White and Hispanic populations have a similar portion of their population in the working age (ages 18-64), with 61.5 percent of the Hispanic population at working age compared to 62.3 percent of whites. However, the Hispanic population is younger, with 33 percent under the working age of 18, indicative of a strong relative increase in Hispanics entering the workforce in upcoming years.



DEMOGRAPHICS

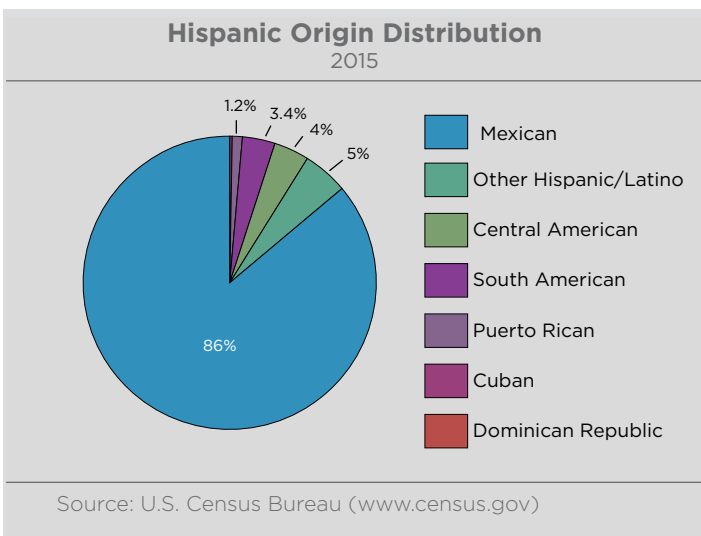
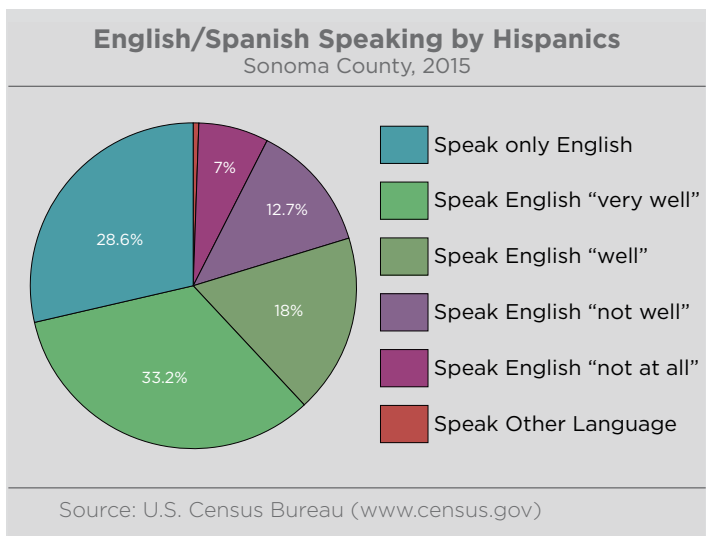
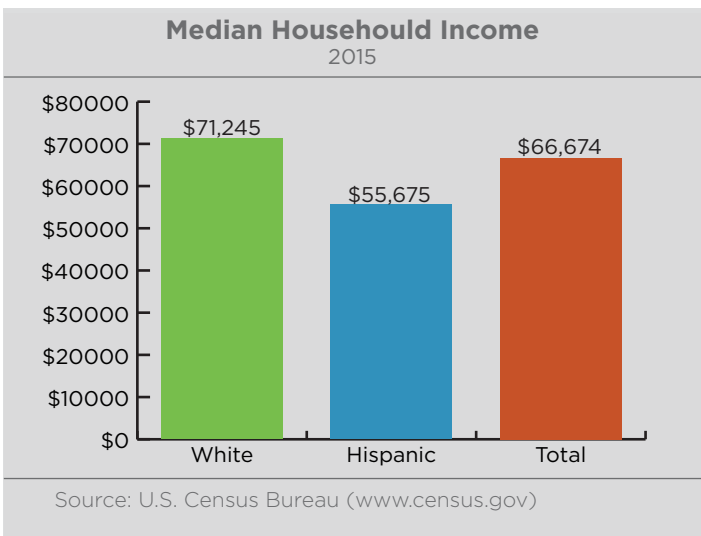
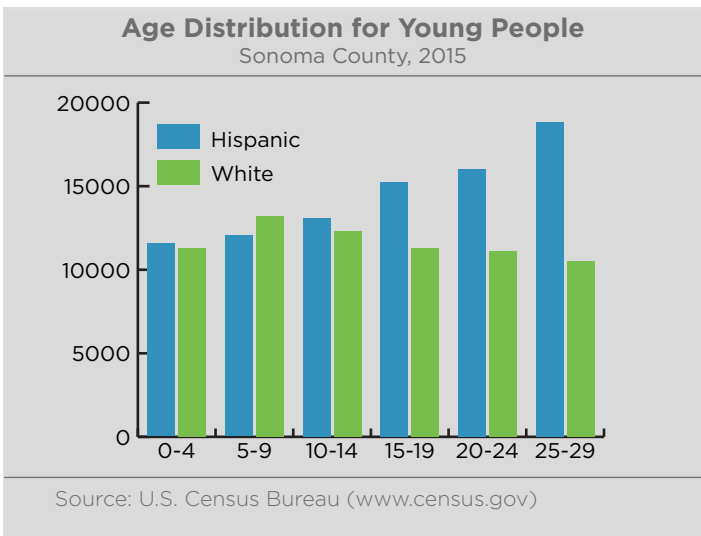
Sonoma County has a growing young Hispanic population, many of whom will be graduating and entering Sonoma County’s workforce within the next 5-10 years. Approximately 22,000 Hispanics in Sonoma County are between the ages of 15 and 24.

The median age for Hispanic men and women is approximately 22 years younger than that of White men and women. This age difference affects the comparison of many social and economic indicators, including education levels achieved, income levels, and household size, among other factors.

Despite on average smaller families and households, the median White family income is approximately \$15,000 greater annually than that of the median Hispanic family income, \$55,675.

One primary indicator of education and income levels in the United States is English language fluency. In Sonoma County, approximately 93 percent of Hispanic people speak at least some English. Nearly 29 percent speak only English, 33 percent speak English “very well,” 33 percent speak English “very well,” and approximately 65 percent are fully or partially bilingual.

The Hispanic population in Sonoma County is largely foreign born, with 86 percent of the Hispanics in Sonoma County of Mexican descent.

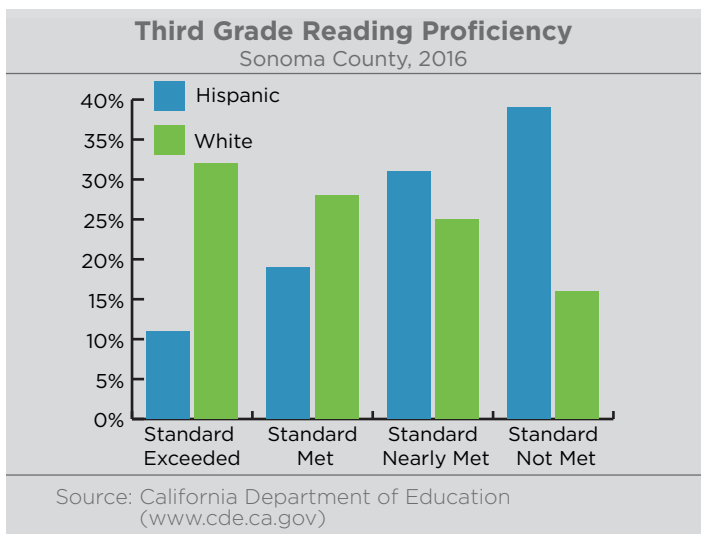
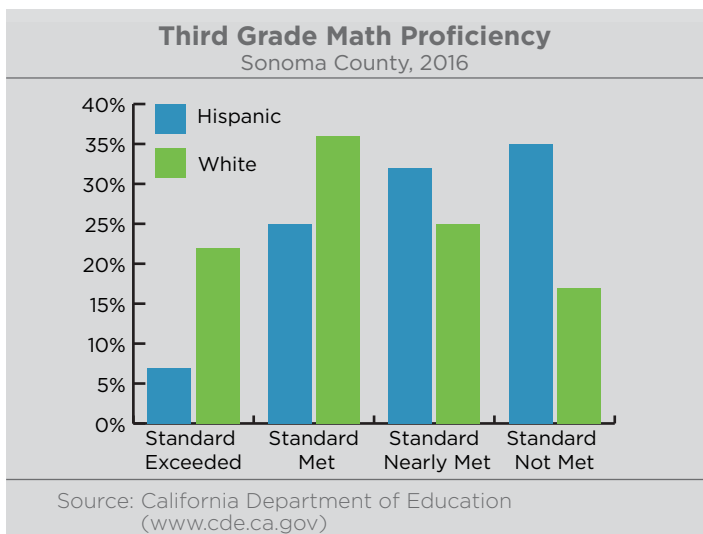
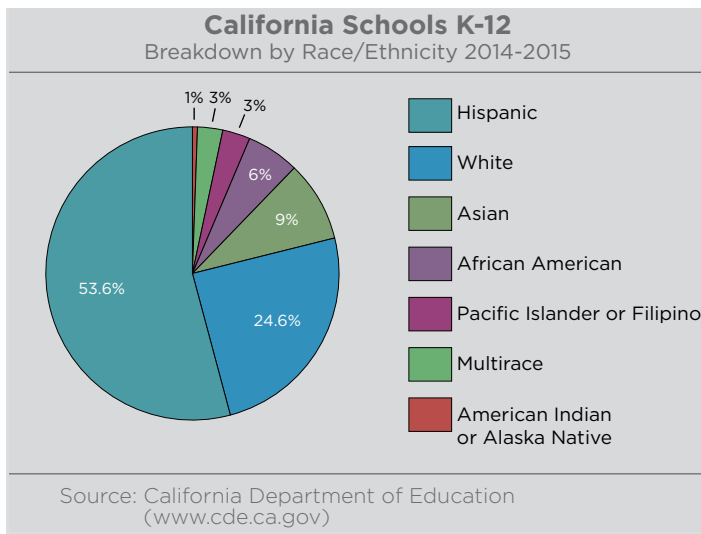
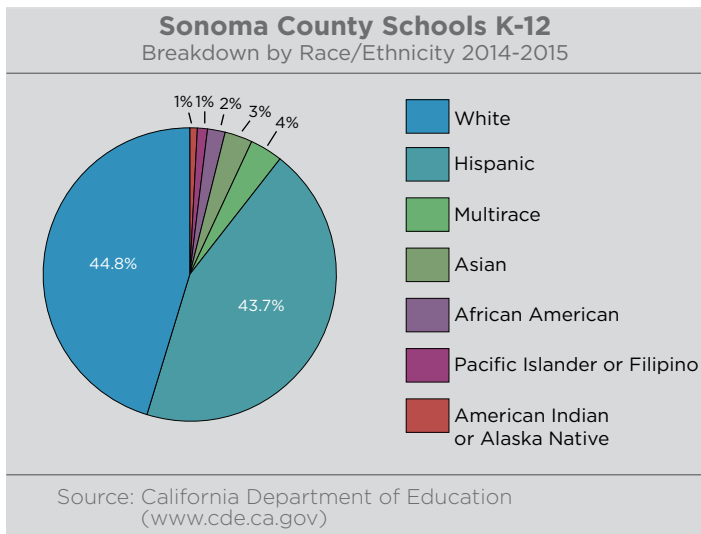


K-12 EDUCATION

The enrollment figures in Sonoma County illustrate a growing diversity in the K-12 educational system. Since 2000 the Hispanic enrollment rate has increased 22 percentage points from 22 percent enrollment in 2000 to 44 percent enrollment in 2015.

Despite this strong upward trend, Hispanic enrollment in Sonoma County remains relatively low in comparison to the state average of 54 percent Hispanic enrollment in K-12.

Given the large percentage of Hispanic students enrolled in Sonoma County schools, it is important to examine how proficient the students are in reading and math. One statistic of concern is the reading proficiency rates among Hispanics, which falls behind those of White students. In 2016, 19 percent of Hispanic students in the third grade met the standard and 11 percent exceeded the reading standard, compared to White students in the same grade that met (28%) or exceeded (32%) the reading standard. The low test scores may be indicative of English being a second language for many of the students. This trend of low test scores for the Hispanic population continues when examining math proficiency scores. In 2016, 58 percent of White students in the third grade met (36%) or exceeded (22%) the math standard, while only 32 percent of Hispanic students in the third grade met (25%) or exceeded (7%) the math standard.



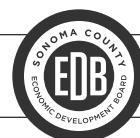
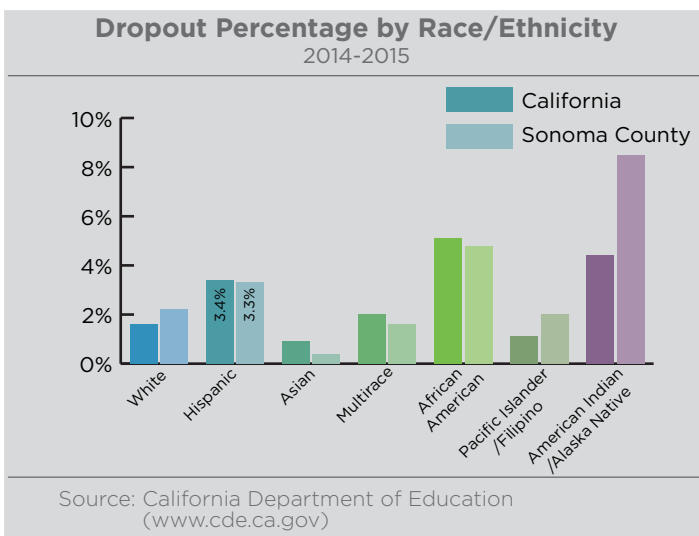
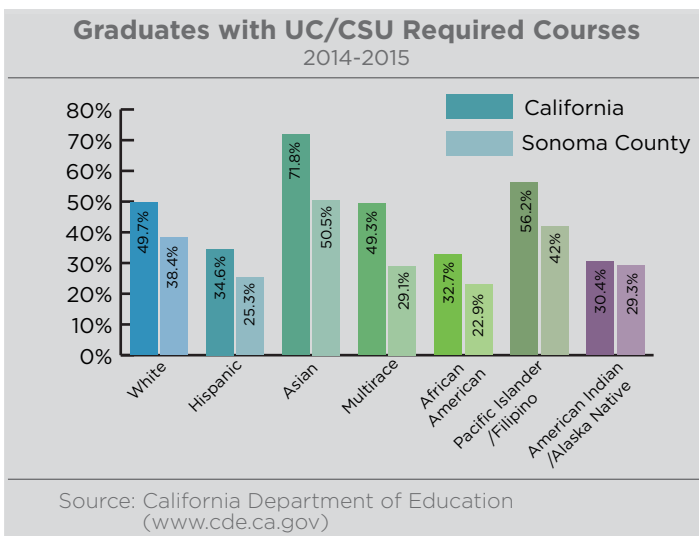
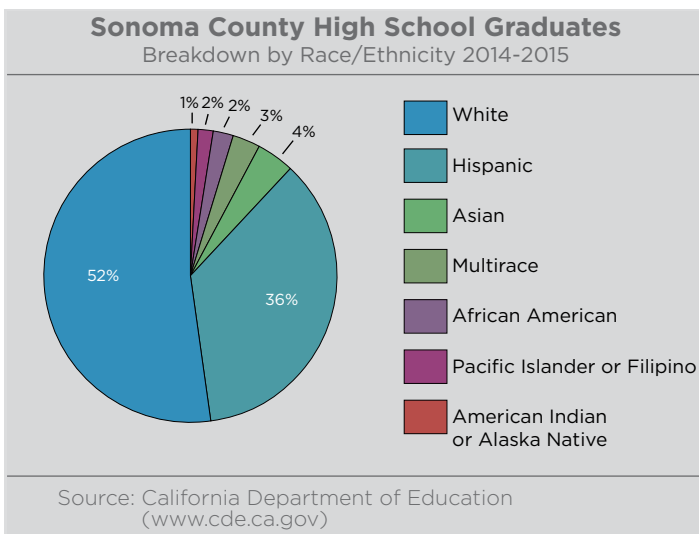
K-12 EDUCATION

Graduation rates among Sonoma County Hispanics are continuing their positive trend while dropout rates are decreasing. In 2015, 52 percent of Sonoma County high school graduates were White, and 36 percent were Hispanic. This is up from 5 years ago, when 29 percent of Sonoma County high school graduates were Hispanic.

In Sonoma County, about 25 percent of Hispanic graduates completed the necessary criteria to continue with a four-year university program. By contrast, 35 percent of Hispanic graduates achieved those same standards across the state. Comparatively, 38 percent of White graduates in Sonoma County completed the necessary criteria to enter a four-year university, which is lower than the 50 percent of graduates across the state.

Although achieving skilled employment and earning a high income are not solely contingent upon earning a four-year university degree, they become significantly harder to obtain for those who lack a high school diploma. In Sonoma County dropout rates for Hispanics are continuing to decline, with an annual adjusted grade 9-12 dropout rate of 3.3 percent for Hispanic students in 2015.

Maintaining this downward trend in dropout rates will be vital for the economic competitiveness of the ever-increasing amount of Hispanics entering the workforce. An increase in both the Hispanic graduation rate and the percentage of Hispanic graduates who completed the necessary criteria to continue with a four-year university program, in conjunction with a decrease in dropout rates, forecasts an improved and productive Hispanic labor force.

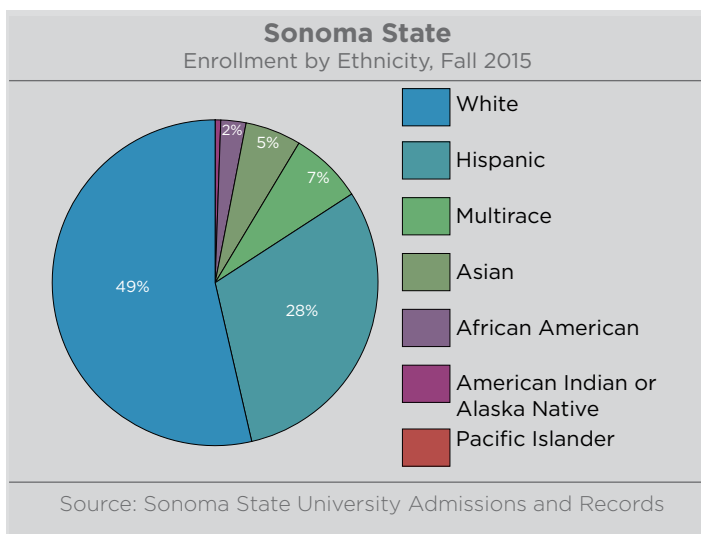
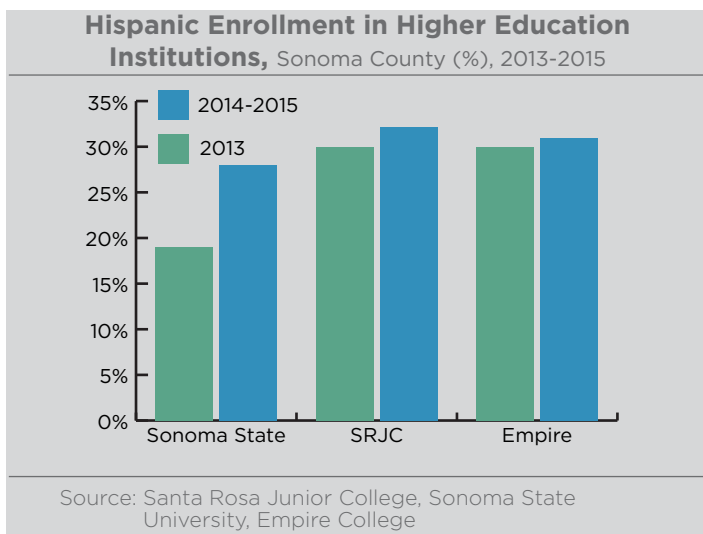
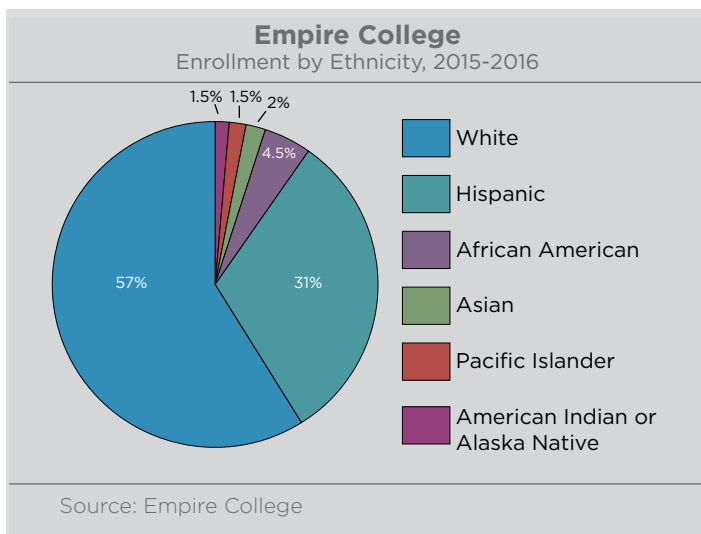
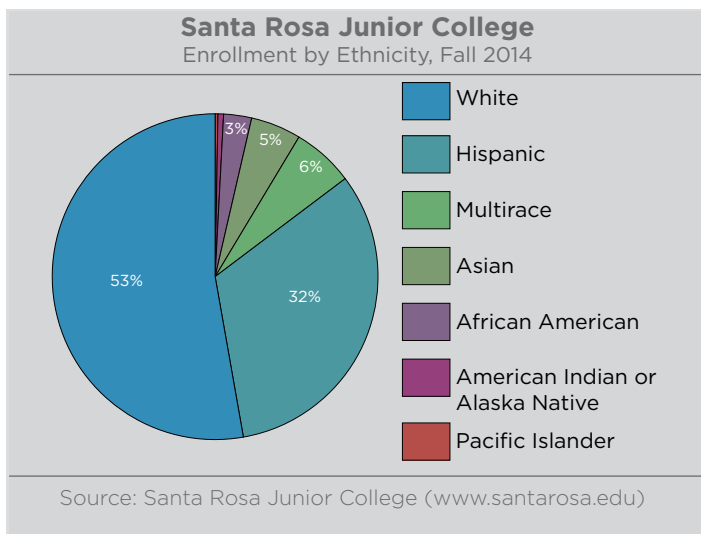


COLLEGE EDUCATION

Recent developments in the local and global economy have resulted in an increasing demand for a workforce with advanced education. In 2015, 10 percent of Hispanics in Sonoma County ages 25 and over have at least a bachelor's degree, while slightly more than 35 percent of whites in the same age range have at least a bachelor's degree. Nearly 33 percent of Sonoma County residents ages 25 and over have at least a bachelor's degree, a mark that is slightly above the national average of 30 percent.

In Fall 2014, 32 percent of the student body at Santa Rosa Junior College was Hispanic, while White students made up 53 percent of the student body. At Empire College, 31 percent of the student body is Hispanic and 57 percent is White. At Sonoma State, 28 percent of the student body is Hispanic and 49 percent is White. Sonoma State has the lowest percentage of White students.

Sonoma State University has seen the largest growth in Hispanic enrollment as a percentage of total enrollment, increasing from 19 percent in 2013 to 28 percent in 2015. Hispanic enrollment at Santa Rosa Junior College and Empire College has increased marginally from 30 percent in 2013.

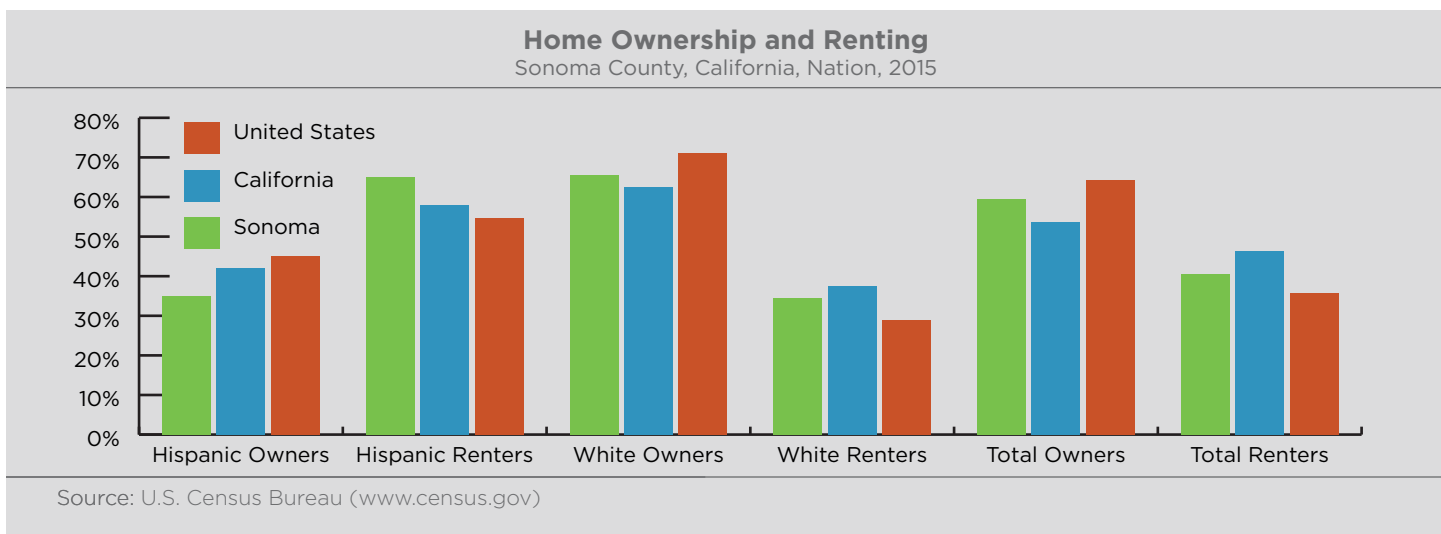
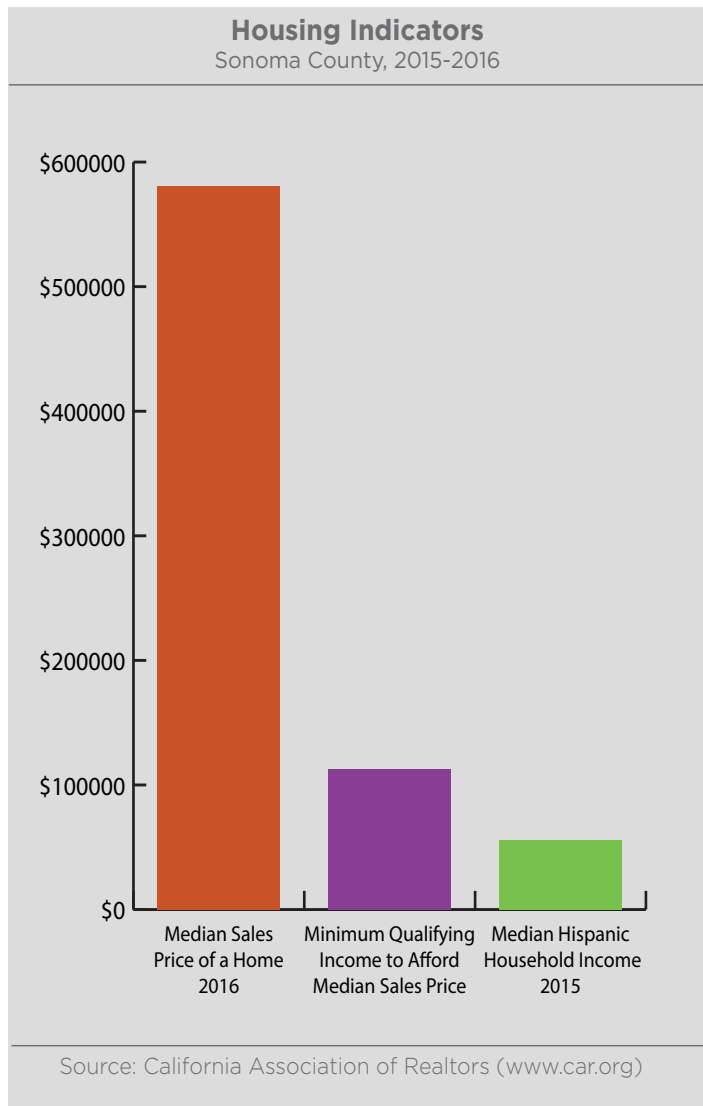


HOUSING

The median sales price of a home in Sonoma County between 2015 and 2016 increased by 13 percent from \$512,100 to \$580,500.

Families making the median-family income for Sonoma County are not able to afford median-priced homes. Among Sonoma County's Hispanic population, the median household income in 2015 was \$55,675. The minimum qualifying income to afford the median sales price of a home in Sonoma County is \$112,840.

Homeownership for the Sonoma County population as a whole is 60 percent, while 41 percent of the population are renters. Thirty-five percent of Hispanic adults in Sonoma County own their own home, and 65 percent rent their home. Homeownership for the State of California has fallen in recent years to about 54 percent. Nationwide, about 45 percent of Hispanic adults, and about 64 percent of the total adult population own their own home. Possibly due to a lack of affordable housing in Sonoma County, the percentage of Hispanic adult renters in Sonoma County is higher than that of Hispanic renters at the state (58%) and national (55%) levels.



WORKFORCE

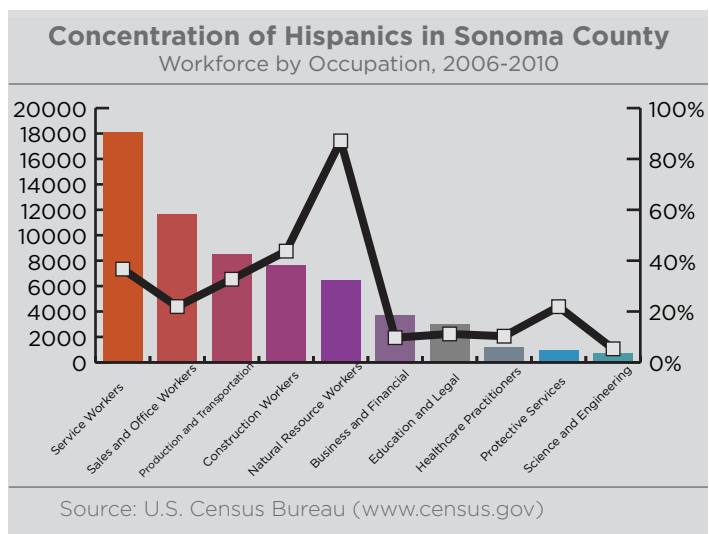
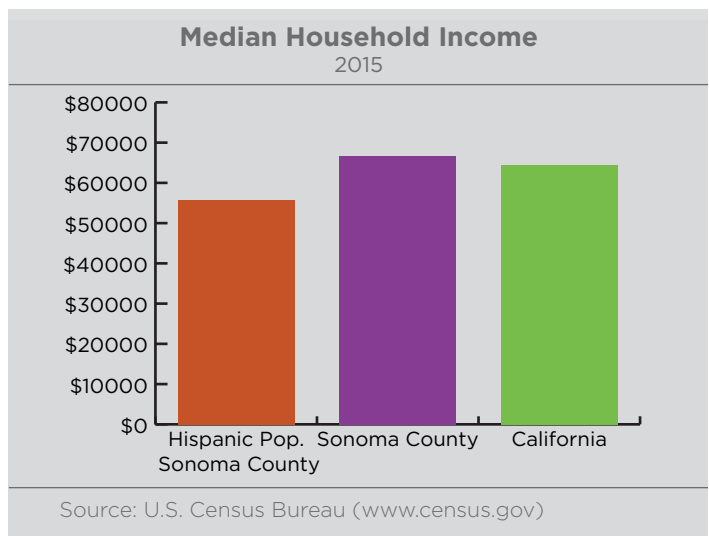
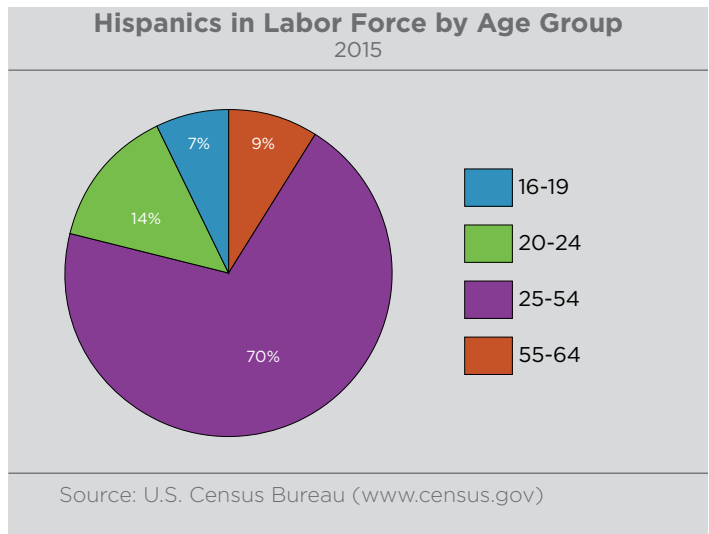
In 2015, Hispanics made up 26.3 percent of Sonoma County’s labor force, an increase from 2010 when Hispanics made up 24 percent of Sonoma County’s labor force. Of the total Hispanic population, 42 percent worked full-time in the past 12 months. In comparison, 38 percent of the total population of Sonoma County worked full-time in the past 12 months.

Despite a higher rate of full-time employment, median household income for Hispanics in Sonoma County falls below the median household income for the total population. Median household income for Hispanics is \$55,675. Comparatively, the average median household income for the total population in Sonoma County is \$66,674, and in California is \$64,500.

The Hispanic population is seeing a demographic shift from young workers entering the market to a larger working age population. Nearly 70 percent of Hispanics between the ages of 25 and 54 are employed or looking for work, amounting to nearly 46,000 current and potential workers.

In Sonoma County, the Hispanic workforce is most heavily concentrated in the areas of service work, labor and help, construction, and sales and related occupations. In 2015, 18,103 Hispanic workers were employed as service workers, and of those employed as service workers nearly 6,000 were employed in food preparation and serving related occupations. Hispanics were also represented heavily in other occupations, such as the 11,693 Hispanic workers in sales and office occupations, and the nearly 9000 Hispanic workers employed in production and transportation occupations.

As a percentage of Sonoma County’s total workforce, Hispanics made up 50 percent of natural resources, construction, and maintenance occupations, 37 percent of all service workers, and 36 percent of all workers. Sonoma County’s Hispanic workforce has a significant economic impact on Sonoma County as evident through the occupations and industries with a high percentage of Hispanic workers.



HISPANIC BUSINESS PROFILE

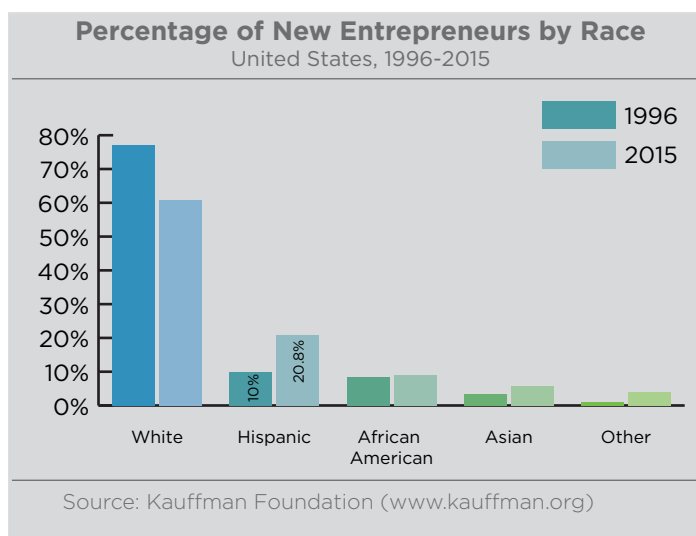
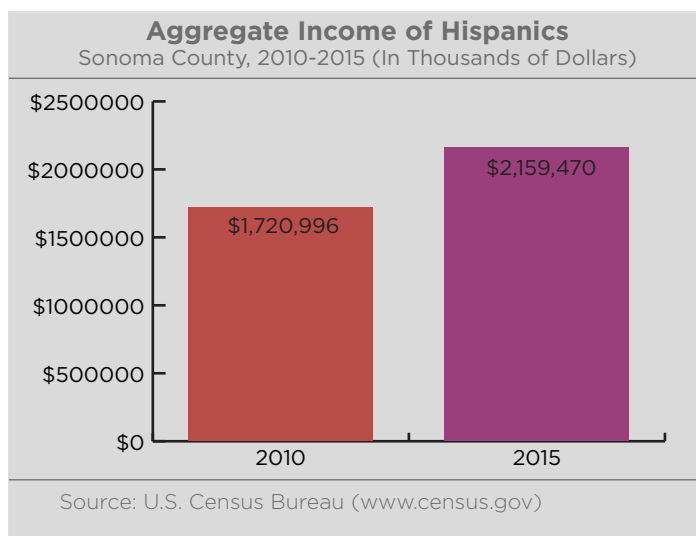
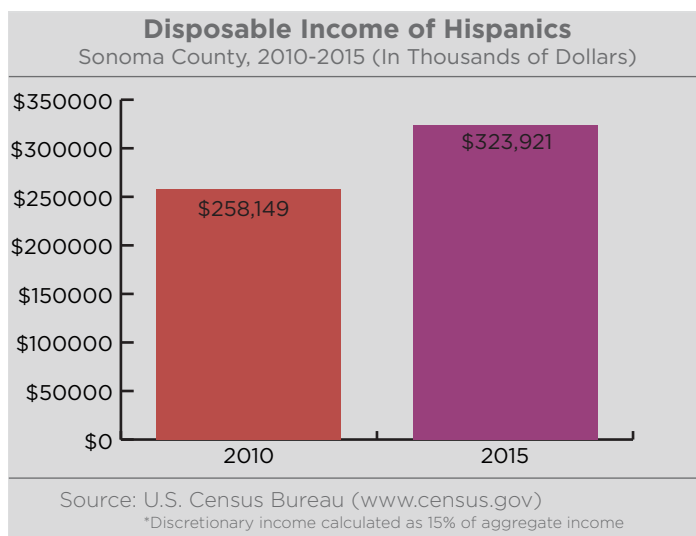
According to U.S. Census data, aggregate household income for Hispanics in Sonoma County is \$2.1 billion. Hispanic residents of Sonoma County therefore account for an estimated \$324 million in disposable income. (Disposable income calculated as 15% of aggregate income).

On the national level, Hispanic consumers have seen a significant rise in buying power, with \$1.7 trillion in buying power. Consumption is the single most direct way for individual consumers to affect the overall market. As purchasing power increases, so too will market representation in response to the increased demand.

Over the last decade, the amount of Hispanic-owned firms has increased rapidly at the national level. This same trend is present in Sonoma County. In 2012, there were 5,024 Hispanic-owned firms in Sonoma County, an increase of 24 percent from the 4,056 Hispanic-owned businesses in 2007.

Hispanics have also nationally seen a rise in the percentage of startups. According to Kauffman, the percentage of new Hispanic entrepreneurs has doubled within the last decade. In 2015, Hispanics made up nearly 21 percent of new entrepreneurs, up from 10 percent in 1996.

The expansion of Hispanic-owned firms and the purchasing power of Hispanic consumers provides an opportunity for Hispanic entrepreneurs and consumers alike to impact the local and national economies.



HEALTHCARE

Insurance is a key indicator of the well-being of a demographic, as it helps to understand the health of Hispanics living in Sonoma County. Nearly 37 percent of Hispanics are using Medicaid, 32 percent are using employment-based insurance, and 20 percent are uninsured. Comparatively, only 3 percent of the White population is uninsured.

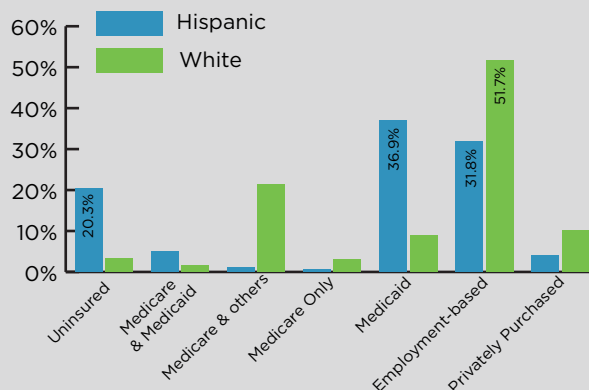
The higher rate of the Hispanic uninsured population may contribute to a higher rate of Hispanics self-reporting their overall health as fair or poor. Of the Hispanic population, 7 percent self-report their overall health being fair, and 24 percent self-report their overall health as poor. Sixty-nine percent report their overall health as excellent (12%), very good (34%), or good (22%), compared to the nearly 86 percent of Whites that positively reported their health.

The trend of lower health indicators for the Hispanic population continues when examining BMI scores. Hispanics have a significantly higher percentage of overweight percentages than whites, with 42 percent of Hispanics reported as being obese, and 41 percent reported as overweight, while 21 percent of Whites reported being obese and 39 percent reported being overweight. The percentage of Hispanics in Sonoma County ranked in the normal BMI range is also significantly lower than that of Whites, with 37 percent of Whites in Sonoma County ranked in the normal BMI level and 16 percent of Hispanics ranked in the normal BMI level.

Examining healthcare for Hispanics is an important part of understanding the challenges of an evolving demographic in Sonoma County.

Types of Insurance for Hispanics and Whites

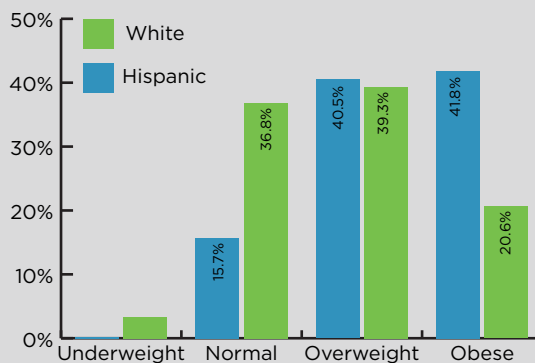
Sonoma County, 2014



Source: UCLA Center for Health Policy Research (www.healthpolicy.ucla.edu)

Body Mass Index Measure

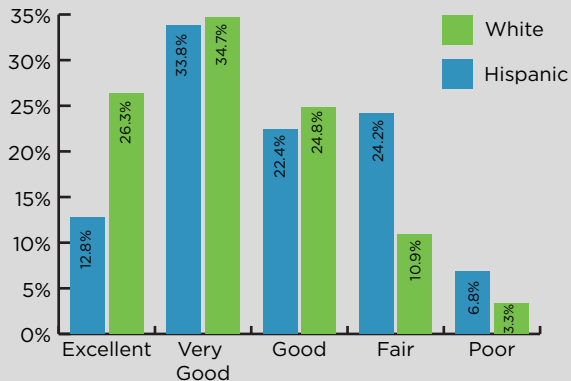
Sonoma County, 2014



Source: UCLA Center for Health Policy Research (www.healthpolicy.ucla.edu)

Overall Health

Sonoma County, 2014



Source: UCLA Center for Health Policy Research (www.healthpolicy.ucla.edu)

SOURCES

The *2016-2017 Hispanic Demographics Trends Indicators* provide a comparative study on various economic, demographic, environmental, and social aspects of the Hispanic Demographic within Sonoma County. Sonoma County Economic Development Board (EDB) research originates from information available from outside resources and previously published material. The 2016-2017 Hispanic Demographics Trends offer partial or composite representations of raw data and cite respective data sets. For more information see listed sources.

DATA SOURCES

Bay Area Real Estate Information Services, Inc.
 California Association of Realtors
 California Board of Education
 California Department of Finance
 California Employment Development Department
 Empire College
 Ewing Marion Kauffman Foundation
 ESRI Business Analyst
 Geoscape, American MarketSpace DataStream
 Moody's Analytics
 Nielsen
 Santa Rosa Junior College
 Sonoma State University
 Sonoma County Economic Development Board
 UCLA Center for Health Policy Research
 United States Census Bureau
 United States Bureau of Labor Statistics

METHODOLOGY

The 2016-2017 Hispanic Demographics Trends is a product of the Sonoma County Economic Development Board (EDB). According to the Census Bureau, Hispanics are those people who classify their origin (ancestry) as Mexican, Mexican American, Chicano, Puerto Rican, Cuban, Argentinean, Colombian, Costa Rican, Dominican, Ecuadoran, Guatemalan, Honduran, Nicaraguan, Peruvian, Salvadoran, from other Spanish-speaking countries of the Caribbean or Central or South America, or from Spain. The data used by the Economic Development Board is reflective of this definition.

This report offers composite representations of raw data and cite respective source data sets on demographic trends occurring in Sonoma County. The Indicators do not provide complete in-depth analyses of all facets of Sonoma County. The EDB believes all data contained within this report to be accurate and the most current available, but does not guarantee its accuracy or completeness. Use of data from an outside source does not represent an endorsement of any product or service by the EDB, its members or affiliates.

For more information, please see the listed sources. Interested readers are encouraged to contact data source agencies or organizations for further research or visit our website at www.sonomaedb.org. Readers are also invited to suggest improvements for future reports by calling (707) 565-7170 or emailing edb@sonoma-county.org.

ACKNOWLEDGMENTS

The 2016-2017 Hispanics Demographic Trends data was updated by Intern Justin Cox, and the report was analyzed and edited by Economic Development Project Coordinator, Kanny Morgan.



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