

Measuring Potential Effects of the Proposed Race and Ethnicity Questions in the Current Population Survey

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1. Introduction

The Census Bureau and other agencies have long attempted to obtain information on individuals' race and ethnicity. In 1980, Census began asking individuals whether they were of Hispanic ethnicity. The race and ethnicity questions were last revised in 1997. At that time, the Office of Management and Budget (OMB) mandated five different race groups: White; Black or African American; American Indian or Alaskan Native; Asian; and Native Hawaiian or Pacific Islander. The OMB standard also allowed individuals to select more than one of the five different race groups. Hispanic was explicitly treated as an ethnicity, and not as a race.

There is now interest in revising the race and ethnicity standards for several reasons. The proportion of the population identifying as Hispanic has been growing over time – as noted by Jones, Marks, Ramirez, and Rios-Vargas, the proportion of the population that is Hispanic as measured by the Decennial Census increased from 16.3% in 2010 to 18.7% in 2020. A large proportion of Hispanics selected the “Some Other Race” category rather than one of the five OMB race categories in the Decennial Censuses. In addition, the existing standards do not include a Middle Eastern and North African category. There has been increased advocacy to allow individuals to identify as such since these individuals often do not identify with any of the existing race categories.

The Some Other Race (SOR) classification was initially intended to be a small residual category. However, in the 2020 Decennial Census, about 8.4 percent of respondents identified as SOR alone. This represented an increase from the 2010 Census in which 6.2% of respondents were classified as SOR alone. In addition, SOR was “the second-largest alone or in combination race group” in 2020. The high percentage of respondents identifying as SOR was primarily due to reporting by Hispanic respondents. About 93.9% of the individuals who were classified as SOR alone were of Hispanic origin (Jones, 2021).

OMB has now proposed a new set of race and ethnicity standards. There will no longer be an attempt to distinguish between race and ethnicity. Instead, OMB is proposing a combined race and ethnicity question with the following categories: White; Hispanic or Latino; Black or African American; Asian; American Indian or Alaskan Native; and Middle Eastern or North African; and Native Hawaiian or Pacific Islander. Furthermore, individuals may select more than one category (i.e., they may identify as multi-racial/ multi-ethnic).

A general issue arises whenever one modifies questions in longstanding surveys because of the potential to disrupt time series. There is inevitably a tension between choosing questions that may seem to be best today and the loss of information about time trends. One should be cognizant of the likely effects of methodological changes on time series and ascertain whether whatever improvements the new questions may offer justify the loss of time series information. If possible, one should try to bridge the old and new series to minimize this loss.

In obtaining information on individuals’ race and ethnicity, the Current Population Survey follows the 1997 OMB standards. The effects that switching to the proposed OMB combined Race and Ethnicity standard has on time series estimates will depend on the estimates that BLS and data users are currently generating and on how the pieces of information collected using the new standard are combined to form new estimates.

In this paper, we examine the CPS micro data in an attempt to tease out these potential effects. Questions that we ask are: How will the introduction of the combined racial/ethnicity question that includes Hispanic and Middle Eastern or North African as distinct racial/ethnic categories affect racial/ethnicity distributions? How will key labor force estimates for various groups, such as unemployment rates, employment-to-population ratios, labor force participation ratios, and earnings, be affected?

The proportion of the population that identifies as Hispanic has been increasing because of the large number of immigrants from Central, South America and Mexico, but the higher fertility rate of Hispanics has also played a role.¹ An interesting question is how the children of Hispanic immigrants will view themselves. After all, racial identification is at its root a subjective concept. We therefore look at the tendency of individuals to classify as Hispanic: because they are born in a Hispanic country or have one or two Hispanic parents. In turn, we speculate how this identification might affect race and ethnicity distributions when comparing estimates generated using the 1997 OMB standard versus the proposed OMB standard.

The remainder of the paper is organized as follows. In section 2, we provide a detailed look at the current CPS race and ethnicity questions. In section 3, we discuss likely effects on published estimates along with other estimates frequently derived using CPS data. Section 4 describes our methods for ascertaining the possible effects of the new race/ethnicity standards. We present our estimates in Section 5. Section 6 looks more closely at individuals who identify as Hispanic. Concluding remarks can be found in Section 7.

¹ See Tienda and Mitchell, editors, “Hispanics and the Future of America, section 3).

2. A Detailed Look at the Current CPS Race and Ethnicity Questions

Respondents are only asked their race and ethnicity the first time they are interviewed. This information is simply verified thereafter. Individuals are first asked about their Hispanic Ethnicity. Figure 1 below shows the exact wording of the CPS Hispanic ethnicity question.

Figure 1: Current Hispanic Ethnicity Question in the CPS

(Are you/Is NAME) of Hispanic, Latino, or Spanish origin?	
<u>VALID ENTRIES</u>	
1	Yes
2	No

After being asked about their ethnicity, respondents are asked about their race. Interviews may be by phone or in-person. The wording of the question differs slightly depending on whether it is asked in an in-person interview or by phone. Most initial interviews are done in person where respondents are shown a flash card with the race categories. For ease of explication, the telephone version of the question is presented below, in Figure 2.

Figure 2: Current Race telephone question in the CPS

I'm going to read a list of race categories. You may choose one or more races. For this survey, Hispanic origin is not a race. (Are/Is) (you/name): White; Black or African American; American Indian or Alaska Native; Asian; OR Native Hawaiian or Pacific Islander?
DO NOT PROBE – Unless response is Hispanic or is a Hispanic origin
<u>Valid Entries</u>
1. White
2. Black
3. American Indian or Alaska Native
4. Asian
5. Native Hawaiian or Other Pacific Islander
6. Other – DO NOT READ

Respondents not choosing one of the five race categories are put in the Some Other Race (SOR) category (denoted as “Other” in the above presentation of the question). An imputation is made to place SOR respondents in one of the five allowable race categories for the published estimates. This is done by first looking at the respondent’s previous answers to the CPS race questions. If there is no previous race information, a relational approach is used to assign missing race data based on relatives within the household. If a person’s mother is in the household and has a race, the person is assigned a race based on the mother’s race. If the mother is not in the household, race is assigned to the individual based on the most appropriate relative in the household. If there is no potential donor within the household, a hot-deck imputation is used. Because people can choose more than one of the five race categories, the race imputation in CPS is handled as a grouped allocation, so that the donor’s responses for all five race categories are imputed at once. This means that if a relative or donor is multi-racial, the person to whom a race is allocated will also have more than one race assigned.

Figure 3 presents the proposed combined race and ethnicity question. This figure comes from the Federal Register and does not necessarily reflect the exact wording that the CPS will adopt.

Figure 3: Proposed Combined Race and Ethnicity Question

<p>What is your race or ethnicity? <i>Select all that apply.</i></p> <p><u>Valid Entries</u></p> <ol style="list-style-type: none">1. White2. Hispanic of Latino3. Black of African American4. Asian5. American Indian or Alaska Native6. Middle Eastern or North African7. Native Hawaiian or Pacific Islander

3. Explanation of Possible Effects on Estimates

As noted above, the effects that switching to the proposed OMB combined Race and Ethnicity standard has on time series estimates will depend on the estimates that BLS and data users are currently generating and on how the pieces of information collected using the new standard are combined to form new estimates. Prior to exploring these effects in the data, it may be helpful to outline the information collected under each of the standards and discuss likely effects on the estimates.

Recall that under the current standard, respondents are first asked a question to determine whether they are Hispanic or not. In a subsequent question, they are asked to identify their race. People can identify as only one race, or they can say that they are any combination of several races. For example, people can identify as White Alone, Black Alone, Asian Alone, or two or more races (i.e. White/Black or White/Black/Asian).² This structure means that everyone is identified as Hispanic or Non-Hispanic regardless of their race and that everyone who is Hispanic has a race. It also means that each race group can be divided into Hispanic or Non-Hispanic, for example those who are White Alone will be either White Alone Hispanic or White Alone Non-Hispanic.

Under the proposed combined race/ethnicity standard, respondents are only asked a single question in which Hispanic is an option. Individuals can identify with a single group or a combination of groups. For example, among other possibilities, individuals may identify as White Alone, Black Alone, Asian Alone, Hispanic Alone or White/Hispanic, Black/Hispanic or Asian/Hispanic. As with the current standard, this structure means that everyone will be identified as Hispanic or Non-Hispanic, but this is done through only one question. People who are Hispanic will be identified by selecting responses that indicate they are Hispanic - specifically by saying they are Hispanic Alone or Hispanic in combination with one of the other groups (e.g., White/Hispanic). And individuals who are Non-Hispanic will be identified by selecting a race group not associated with Hispanic. For instance, White Alone Non-

² Under the current standard in the CPS, individuals who only identify as SOR are allocated a race using the 5 specified race categories.

Hispanics will be those who only identify as White Alone. Furthermore, unlike the current structure, not all people who are Hispanic will have another race associated with them.

BLS' monthly employment press releases currently publish estimates for individuals who are White Alone, Black Alone and Asian Alone. These "Alone" race categories currently include individuals who are Hispanic and who are Non-Hispanic and will therefore be smaller under a proposed standard that places Hispanics in separate categories. One can, of course, get closer to the estimate under the current standard by combining the new Alone race group and Hispanics of the same race group, But this number will still be smaller because of the new Hispanic Alone group. For example, combining individuals who are White Alone and White/Hispanic will leave out those who indicate that they are Hispanic Alone, but would have identified as Hispanic and White under the current standard.

Another common way to analyze the race data is to split the race categories by whether a person is Hispanic or Non-Hispanic. Typically, race estimates are disaggregated by Hispanic and Non-Hispanic for the single Race Alone categories (multi-racial is not disaggregated) and often estimates are only presented for those who are White. For example, Census uses the ASEC supplement to the CPS to publish poverty estimates for those who are White Alone Non-Hispanic. In theory, estimates for Non-Hispanics by race groups should be the same under both the current and the proposed standards. For example, under the proposed standard, individuals will be counted as White Alone Non-Hispanic if they indicate that they are White Alone and do not indicate that they are Hispanic. Under the current standard, they are identified as White Alone Non-Hispanic if they explicitly indicate that they are Non-Hispanic when asked about ethnicity and indicate that they are White Alone when asked about race. In contrast, estimates of Hispanics in the current race groups will be smaller because individuals who identify as Hispanic Alone will be excluded from Hispanic estimates designated by race.

As can be seen from the discussion above, an important determinant of the effect of the adoption of the proposed standard on the comparison of estimates across time is how many people select Hispanic Alone. We devoted the remainder of the paper to trying to obtain an estimate of this.

4. Methodology

As noted above, the proposed OMB standard is a combined race and ethnicity question with the following seven categories: White; Hispanic or Latino; Black or African-American; Asian; American Indian or Alaskan Native; Middle Eastern or North African; and Native Hawaiian or Pacific Islander with respondents able to choose more than one category. Based on responses to the existing race and ethnicity questions, we would like to obtain estimates for the proportion of individuals who will classify as Hispanics alone under the proposed standards.

Although people who select SOR are imputed to one of the existing race categories in the edited data, individuals recorded as SOR are asked a follow up question to identify what the “Some Other Race” is when the data is collected. The SOR follow-up question has forty response categories. We have identified eight of these possible responses as Hispanic: Hispanic, Chicano, Cuban or Cuban American, Latin American, Latino, Mexican or Mexican American, and Spanish.

It seems a safe bet that individuals who indicate that they are Some Other Race for their first race in the unedited data and then select one of the Hispanic SOR categories would classify themselves as only Hispanic when responding to the new question. As a **lower bound Hispanic Alone estimate**, we count individuals as Hispanic Alone if a) their first race was coded as SOR and b) they selected one of the eight SOR categories that we have identified as Hispanic.³

It also seems likely that a high proportion of individuals who indicate they are Hispanic when they are asked about their ethnicity before being asked about their race, would indicate only Hispanic when responding to the new combined race and ethnicity questions. As an **upper bound Hispanic Alone**

³ We exclude individuals who selected one of the five pre-specified race categories as their first race and select SOR as a subsequent race. This situation is extremely rare, occurring in only about 0.3 percent of the individuals that selects one of the five pre-specified race categories as their first race."

estimate, we therefore count individuals as only Hispanic if they indicated they were Hispanic in response to the ethnicity question.

5. Estimates

We now look at the actual CPS data. Our estimates are based on annual averages generated using a combination of edited and unedited monthly CPS data (using unedited data we see individuals whose answers were recorded as SOR prior to their answers being allocated to a race). We utilize fifteen years of data from 2007 to 2022. The CPS race and ethnicity questions were changed significantly in 2003. Estimates before and after 2007 are not comparable. The SOR estimates from 2007 on are much higher than those that are pre-2007, likely due to the Census Bureau switching to the programming language Blaise for their data collection instruments. This, among other things, affected the layout of the question on an interviewer's screen. We therefore exclude the years before 2007 from our analysis. Population and Labor Force estimates are generated using composite weights. Earnings estimates use outgoing rotation weights. Unlike the published BLS estimates, we generate an hourly wage for everyone who is employed.⁴ Throughout the discussion when we refer to White and Black, we are referring to White Alone, and Black Alone.

5.a. Population, Unemployment Rate and Earnings, Estimates by Race and Ethnicity

Figure 4 shows how the proportion of individuals who are Hispanic and the proportion who indicate SOR have changed over time. The proportion of individuals who indicate that they are of Hispanic ethnicity increased steadily from 13.5% in 2007 to 17.5% in 2022. In contrast, the proportion of

⁴ BLS publishes usual weekly earnings for full-time workers and hourly earnings for people identified as hourly workers. To obtain a more complete picture we generate an hourly estimate for everyone who is employed. For respondents that do not provide an hourly wage directly, we obtain an estimate of it by dividing weekly earnings by weekly hours worked. For respondents who have no reported weekly hours, we impute weekly hours using a regression approach. All hourly wage estimates are aged to June 2022, using the CPI-U.

individuals in the CPS who indicate that they are SOR increased only marginally from 5.4% in 2007 to 6% in 2022.⁵ Furthermore, this trend has not been monotonic, falling somewhat in 2012 and then increasing again a few years later. The reason for the dip in SOR in 2012 becomes evident in the next figure.

Figure 5 shows the proportion of individuals of Hispanic ethnicity who are also SOR. This proportion was 34.5% in 2007. The proportion of Hispanics who are SOR fell to 28.9% in 2012 and then a few years later increased to nearly 30%. The obvious question is what happened in 2012? Referring to the CPS race question, note that respondents are explicitly told that Hispanic is not a race. This language was added in 2012. It apparently had an effect, causing fewer Hispanics to indicate that they were SOR.

The proportion of non-Hispanics who are SOR, is not shown in the figure, but is quite small, ranging between 0.8% and 1.0% over the period. Not surprisingly then, most individuals who are SOR fall into one of the subgroups that we have identified as Hispanic. As Figure 6 shows, the proportion of individuals who are SOR that are in a Hispanic subgroup has ranged between 82.8% and 87.8% over the 2007-2022 period.

Table 1 presents unemployment rate and earnings estimates by race and ethnicity for 2022, using what respondents report is their first race. Hispanic Whites had a higher unemployment rate than non-Hispanic Whites - 4% as compared to 3%, Hispanic Whites also had a lower median hourly wage than non-Hispanic Whites - \$19.89 versus \$25.77.⁶ Similarly, Hispanic Blacks had a higher unemployment rate than non-Hispanic Blacks - 7.2% as compared to 6.1%. In contrast, the median hourly wage was quite similar for Hispanic and non-Hispanic Blacks. Comparing across racial groups, the higher unemployment rate of Hispanic Blacks in comparison with Hispanic Whites mirrors the higher unemployment rate of

⁵ The lower percentage of people who are SOR alone in the CPS compared to the Decennial Census, illustrates the influence of CPS interviewers on the collection of the data.

⁶ As noted above, an hourly wage was constructed for all employed people.

non-Hispanic Blacks in comparison with non-Hispanic Whites. Note, however, that the Hispanic Black portion of the sample is relatively small, containing only 3,045 individuals.

Unemployment rates were relatively low in 2022. Table 2 presents unemployment rate estimates by race and ethnicity for 2022 and 2010, the latter being a year with relatively high unemployment rates. The 2022 pattern holds in 2010, but there are substantially larger differences between Hispanic and non-Hispanic unemployment rates among both Whites and Blacks in 2010. In addition, the large 7.9% differential between the Black and White unemployment rates for non-Hispanics in 2010 is mirrored by a 7.1% differential between the Black and White unemployment rates for Hispanics.

Table 3 presents unemployment rate and earnings estimates for 2022 by ethnicity and SOR versus non-SOR. As mentioned above, nearly 30% of individuals of Hispanic ethnicity are Some Other Race. Note that individuals of Hispanic ethnicity who are Some Other Race had a higher unemployment rate than individuals of Hispanic ethnicity who are not Some Other Race – 4.6% compared to 4.1%. Individuals of Hispanic ethnicity who are Some Other Race also had a lower median hourly wage than individuals of Hispanic ethnicity who are not Some Other Race - \$18.97 compared to \$19.91. The same pattern emerges when one looks at individuals who are not of Hispanic ethnicity. Individuals who have non-Hispanic ethnicity and are not Some Other Race had a lower unemployment rate than individuals who are non-Hispanic and Some Other Race – 3.5% compared to 4.5%. Individuals who are non-Hispanic and not Some Other Race had a higher median hourly wage than individuals who are non-Hispanic and Some Other Race - \$25.00 versus \$23.91.

5.b. How Might the Proposed Race and Ethnicity Standard Affect CPS Population Estimates?

With the preceding estimates in mind, we are now ready to examine possible effects of the proposed race and ethnicity standard on CPS population, unemployment rate, earnings, and employment-to-population estimates. Because BLS publishes these estimates for the racial groups without distinguishing between Hispanic and Non-Hispanics in this discussion we are only considering the effect

on the current race estimates where no distinction is made by ethnicity. Specifically, we examine the effects on the current estimates of White Alone, Black Alone and Asian Alone. After examining effects without disaggregating by ethnicity, a brief discussion will be presented on the potential effect on estimates for White Non-Hispanics.

Table 4 shows how the proposed race and ethnicity standard might have affected the population estimates in 2022. Recall that our lower bound estimate counts individuals as Hispanic Alone if a) their race was only coded as SOR and b) they selected one of the eight SOR categories that we have identified as Hispanic. Our upper bound estimate counts individuals as Hispanic Alone if they indicated they were Hispanic in response to the ethnicity question. Whether one uses the lower bound estimate or the upper bound estimate, most Hispanics who are reclassified are originally in the White racial group.⁷ Consequently, the population estimate for Whites is most affected by the proposed standard. The proportion of the population that is White is 77.0% with the current race ethnicity questions. Under the proposed standard, this falls to 72.8% according to our lower bound estimate and 61.5% according to our upper bound estimate. The effect on the Black population estimate is non-trivial, although much smaller, falling from 12.9% of the population to either 12.6% or 12.1%. Correspondingly using the current standard approximately 95% of Hispanics are White. Our lower bound and upper bound estimates give us a huge range for the proportion of the population that would be classified as Hispanic Alone. This proportion ranges from 4.9% according to our lower bound estimate to 17.5% according to our upper bound estimate. Our suspicion is that the actual outcome would be closer to the upper bound estimate since our intuition is that many of the respondents who currently indicate that they are of Hispanic ethnicity would only choose Hispanic when answering the new questions. Support for this is provided by the 2015 National Content Test which among other things tested a combined race/ethnicity question (with Hispanic and Middle Eastern being categories people could select). When presented with a combined

⁷ The majority of SOR Hispanics being White under the lower bound reflects that the majority of SOR Hispanics are allocated a race of White in the imputation process. The majority of Hispanics being White using the upper bound is primarily due to those who identify as Hispanic choosing White when asked to identify a race separately.

race/ethnicity question only 30% of those identified as Hispanic selected Hispanic in combination with another race/ethnicity. The vast majority of those identified as Hispanic in the Content Test, selected Hispanic Alone (U.S. Census Bureau, 2015).⁸ However, there is simply no way of saying for sure given the information that is available.

Table 5 shows the potential effect of the new race and ethnicity question on estimates of the unemployment rate in 2010 and 2022. With our lower bound Hispanic Alone estimate, the White unemployment rate falls from 8.7% to 8.5% in 2010, reflecting the fact that individuals who are currently classified as SOR (the vast majority of who are Hispanic and are imputed a race of White) have a higher unemployment rate than individuals who are non-SOR.⁹ With our upper bound estimate, the White unemployment rate falls to 8.0%, reflecting the fact that Whites who are of Hispanic ethnicity have a higher unemployment rate than Whites who are not of Hispanic ethnicity. In 2010, the Hispanic Alone unemployment rate is 13.4% according to our lower bound Hispanic count estimate and 12.5% according to our upper bound Hispanic count estimate (with the upper bound estimate being the same as the current estimate for Hispanics). The higher unemployment rate estimate corresponding to the lower bound Hispanic count estimate reflects the fact that individuals of Hispanic ethnicity who are SOR have a higher unemployment rate than individuals of Hispanic ethnicity who are not SOR.

Unemployment rate patterns in 2022 are similar to those in 2010. As expected, given the smaller unemployment rate differentials between the various groups, the effects of the proposed standard are much smaller in 2022.

⁸ The effect of those who select Hispanic in combination with another race/ethnicity category on estimates of those who are Hispanic depends on whether these people are included in estimates of those who are Hispanic or whether they are excluded from the estimates of those who are Hispanic and instead are just included in an estimate of those who are multi-racial/multi-ethnic.

⁹ We are presuming that the higher unemployment rate of SOR versus non-SOR individuals holds for all racial groups, including Whites. We will examine this more closely in a revision.

Table 6 shows the effects of the proposed race/ethnicity standard on the employment-to-population ratios and labor force participation rates of the various racial/ethnic groups in 2010 and 2022. As can be seen from the estimates in the table, the effects of the proposed standard are quite modest.

Finally, Table 7 shows the effect of the proposed race/ethnicity standard on earnings estimates in 2022. The median hourly wage of Whites increases from \$24.22 to \$24.86 using our lower bound Hispanic estimate to generate a White alone estimate, reflecting the fact that individuals who are SOR (the vast majority of whom are Hispanic and are imputed a race of White) have lower wages than individuals who are not SOR.¹⁰ The median hourly wage of Whites increases still further according to our upper bound Hispanic estimate to \$25.84, reflecting the fact that Whites of Hispanic ethnicity have lower wages than non-Hispanic Whites. According to our lower bound Hispanic estimate, median hourly earnings of Hispanics in 2022 are \$18.89. And according to our upper bound Hispanic count estimate, median hourly earnings of Hispanics are \$19.58. The higher hourly wage corresponding to our upper bound Hispanic estimate reflects the fact that individuals of Hispanic ethnicity who are SOR have lower hourly wages than individuals of Hispanic ethnicity who are not SOR.

Weekly earnings show the same pattern as hourly wages. Median usual weekly earnings of Whites increase from \$974.18 to \$995.30 according to our lower bound Hispanic estimate. According to our upper bound Hispanic estimate, median weekly earnings of Whites increase to \$1,044.37. Hispanic weekly earnings are \$729.88 according to our lower bound Hispanic estimate and \$767.93 according to our upper bound Hispanic estimate.

¹⁰ A similar comment as in footnote 9 applies here.

6. A Closer Look at Individuals Who Identify as Hispanic

As discussed above, our lower bound and upper bound estimates give us a very large range for the proportion of the population that would be classified as Hispanic Alone. As noted above, our intuition supported by the 2015 National Content test, suggests the upper bound is closer to the mark – individuals who indicated they were of Hispanic ethnicity when asked seem likely to indicate that they are Hispanic when confronted with the new race-ethnicity question and we suspect that many of them will only identify as Hispanic. In any case, a good argument can be made for looking more closely at the background characteristics of individuals who identify as Hispanic in the current survey.

One would expect that individuals from countries with large numbers of Hispanics are likely to identify as Hispanic when asked about their identity. Individuals born in the U.S. who have Hispanic parents also would seem likely to identify as Hispanic. They might also be more likely to identify as Hispanic if they have a Hispanic grandparent, but as a general principle, the more distant is a person's Hispanic ancestry, the less likely it is that they would identify as Hispanic. The CPS asks individuals where they were born and where their parents were born. As can be seen in Table 8, the percentage of the population born in a Hispanic country increased from 7.7% in 2007 to 8.1% in 2022. There was a larger percentage increase in the population of individuals that had Hispanic parents but were born in the U.S. Specifically, the percentage of the population born in the U.S. and having both parents born in a Hispanic country increased from 2.1% in 2007 to 3.7% in 2022. And the percentage of the population born in the U.S. and having only one parent born in a Hispanic country increased from 1.2% in 2007 to 1.7% in 2022.

Table 9 shows the percentage of individuals born in a Hispanic country who indicated they were of Hispanic ethnicity in 2022. The table also shows this percentage for individuals who were born in the U.S. but whose parents were both born in Hispanic countries. Nearly ninety-eight percent of individuals born in Hispanic countries indicated that they were of Hispanic ethnicity. This percentage was virtually

the same for individuals who were born in the U.S., but whose parents were born in Hispanic countries. Among individuals who were born in the U.S. and had only one parent born in a Hispanic country, the percentage indicating they were Hispanic fell to 88%. Clearly, as expected, the weaker an individual's ties to a Hispanic country, the less likely they are to identify as being of Hispanic ethnicity. Our upper bound estimate of those who will identify as Hispanic Alone is thus likewise impacted by the strength of individuals' ties to the Hispanic country from which they or their parents originated. Note also that even with a direct question asking whether someone is Hispanic, there is a divergence between any possible measure of Hispanic based on observable characteristics and a measure based on individuals' own subjective assessments. Amongst those who were themselves or had parents from a Hispanic country, approximately 2 percent did not identify as Hispanic when asked a direct question. Amongst those with only one parent born in a Hispanic country, the percentage not identifying as Hispanic increases to 12%, a percentage that is likely to be larger if Hispanic identity is determined from a combined race ethnicity question.

A similar pattern arises for those who are identified as SOR- Hispanic. As is the case with ethnicity, the weaker an individual's ties to a Hispanic country, the less likely the person is to be identified as SOR-Hispanic. Amongst those born in a Hispanic country, 32.3% are identified as SOR-Hispanic. The proportion is similar, at 33.2%, for those born in the U.S. with both parents born in a Hispanic country. In contrast, only 16.5% of those born in the U.S. with one parent born in a Hispanic country are identified as SOR-Hispanic. Given that our lower bound estimate of those who are Hispanic Alone is those identified as SOR-Hispanic, these estimates indicate that our lower bound estimates also will be influenced by the strength of people's ties to a Hispanic country

Table 11 presents labor force estimates for individuals born in a Hispanic country and for individuals who were born in the U.S. and had Hispanic parents. These estimates indicate, individuals who were born in a Hispanic country had a lower unemployment rate than individuals who were born in the U.S. but had parents who were born in a Hispanic country. In contrast, the employment to population

ratio and labor force participation rate were slightly lower for individuals who were born in a Hispanic country than for individuals who were born in the U.S. and had parents born in Hispanic countries.

7. Conclusion

Racial and ethnic classification is at its root a subjective exercise. Nearly all individuals born in a country that one would call Hispanic indicate that they are of Hispanic ethnicity. About as many indicate that they are Hispanic if they were born in the U.S., but both their parents were born in a Hispanic country. This number falls markedly for individuals who were born in the U.S. and only had one parent who were born in a Hispanic country. Individuals born in a Hispanic country, born in the U.S. with both parents born in a Hispanic country, and born in the U.S. with only one parent born in a Hispanic country have been increasing since 2007 as a percentage of the overall U.S. population. Given the subjectivity of the race/ethnicity classification and the ambiguity in the distinction between race and ethnicity, one would expect the new standard to affect the estimates that BLS publishes. Whatever advantages they may otherwise offer, a change to a single combined race and ethnicity question will lead to a break in time series in estimates that BLS currently produces. The change to a single combined race and ethnicity question will affect both the distribution across race and ethnicity categories and key labor force estimates from the CPS. The effects will be most notable for Whites and Hispanics.

Given the information that is available to us now, we have not been able to estimate the likely effects with much precision. More precise estimates could be obtained if questions for proposed standard were asked as a supplement to the CPS. Unfortunately, neither Census nor BLS has funding for this. We suggest that all respondents receive the new question in the month that the new standard is implemented. Given the CPS rotation pattern, three fourths of the respondents will then have the race and ethnicity questions asked in both the current and the new way. This will assist in analyzing the effects of the new questions and in generating bridge estimates.

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Figure 4: Percent of the Population that is Hispanic and Some Other Race from 2007 to 2022

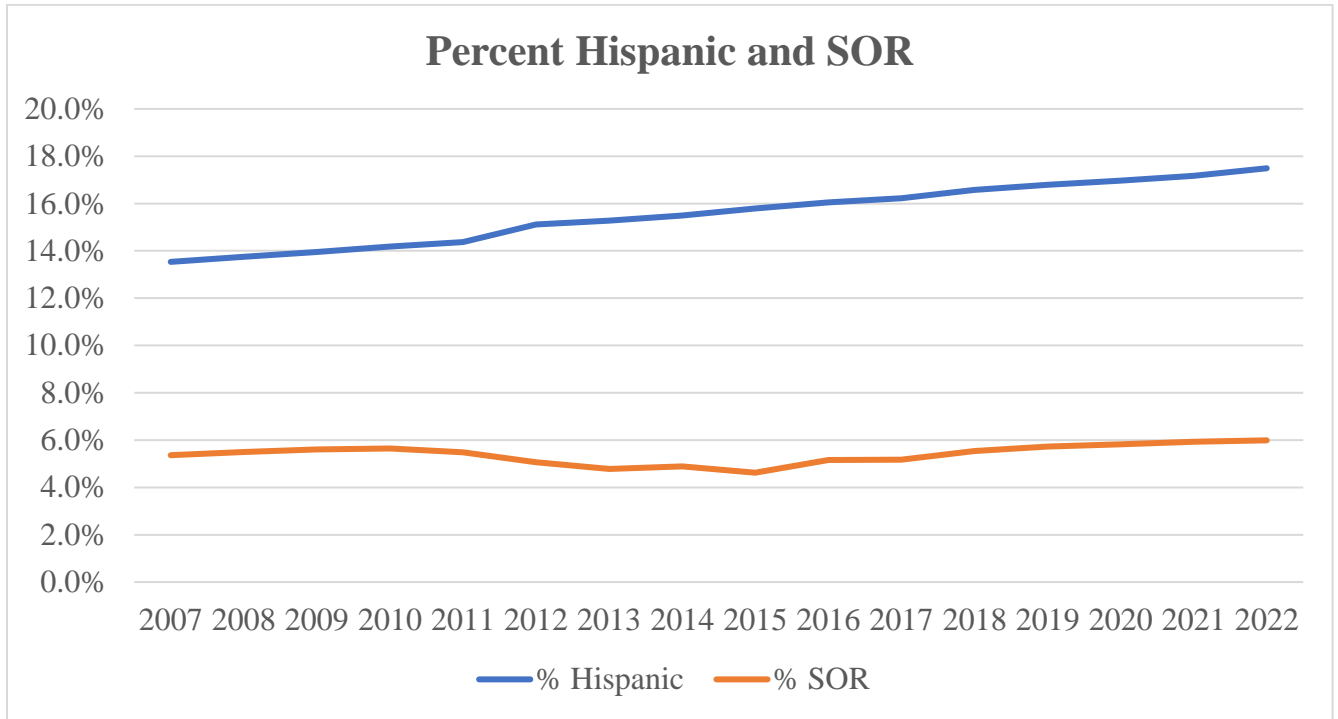


Figure 5: Percent of Hispanic Population who are Some Other Race from 2007 to 2022

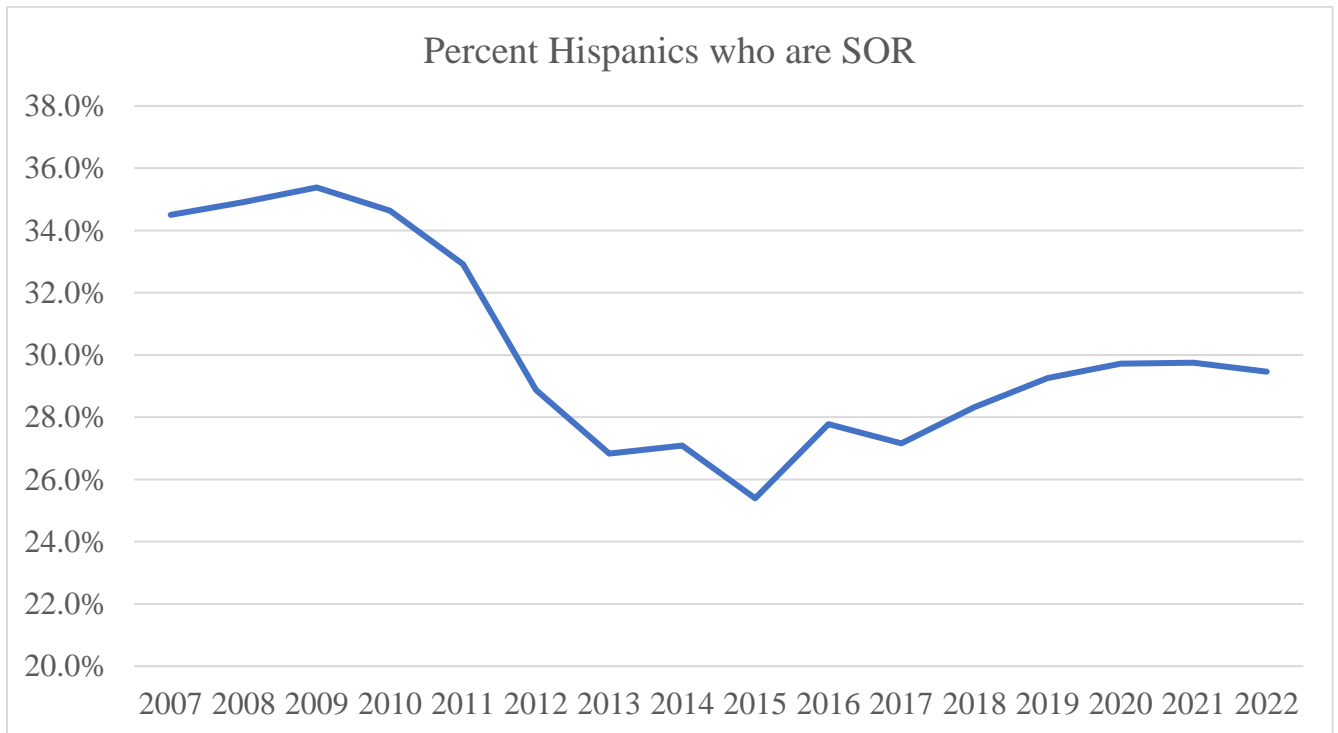


Figure 6: Percent of Some Other Race population found in the Hispanic Subgroup from 2007 to 2022

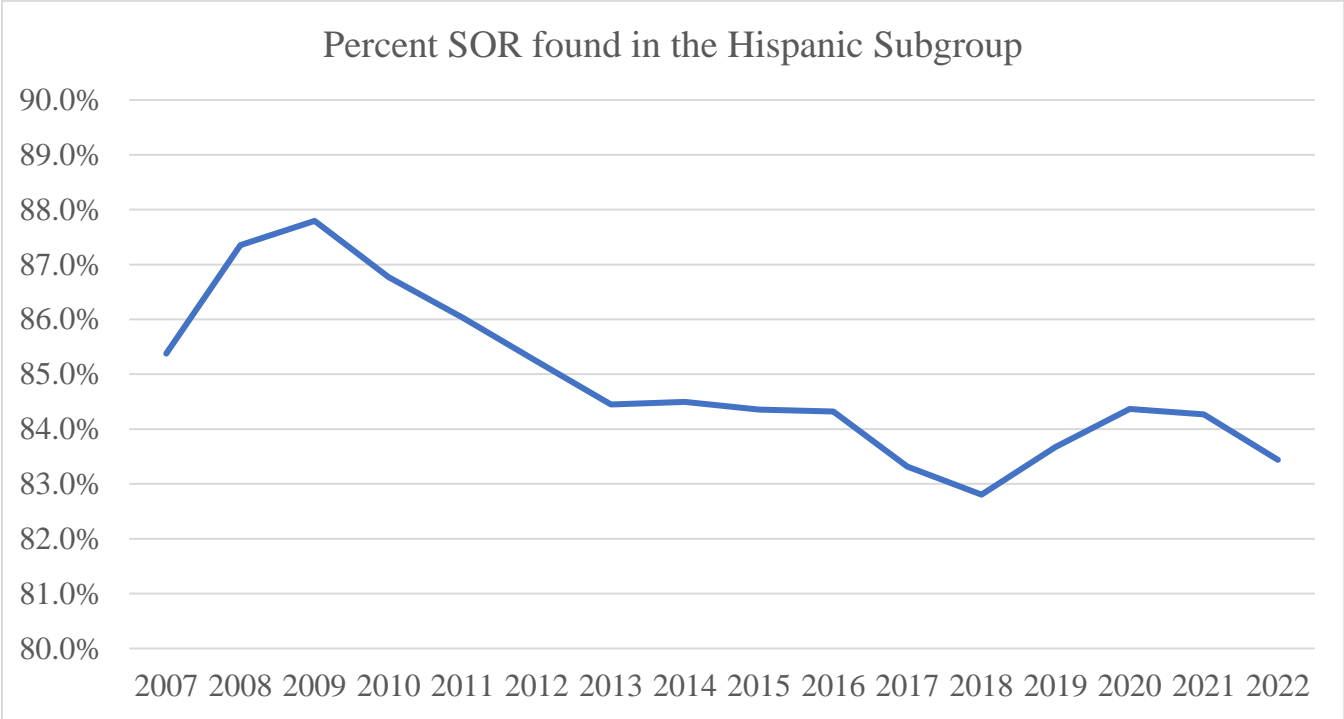


Table 1: 2022 Population and Labor Force estimates by Race and Hispanic Ethnicity

Race Category	Hispanic Ethnicity	2022			Median Hourly Wage
		Sample Size	Population Estimate	Unemployment Rate	
White	Non-Hispanic	919,413	162,950,285	3.0%	\$25.77
	Hispanic	90,451	29,652,867	4.0%	\$19.89
Black	Non-Hispanic	122,834	31,572,355	6.1%	\$20.06
	Hispanic	2,162	1,247,442	7.2%	\$20.01
American Indian/Alaskan Native	Non-Hispanic	11,702	2,105,268	6.5%	\$20.89
	Hispanic	1,187	635,863	6.9%	\$20.58
Asian	Non-Hispanic	55,805	16,045,225	2.8%	\$31.20
	Hispanic	550	192,114	2.8%	\$27.47
Hawaiian Native/Pacific Islander	Non-Hispanic	5,128	930,940	4.3%	\$21.64
	Hispanic	348	75,712	1.1%	\$24.95
Some Other Race	Non-Hispanic	8,440	2,211,524	4.5%	\$23.91
	Hispanic	51,637	13,601,217	4.6%	\$18.97

Table 2: 2022 and 2010 Unemployment Rate by Race and Hispanic Ethnicity

Race Category	Hispanic Ethnicity	2010	2022
		Unemployment Rate	Unemployment Rate
White	Non-Hispanic	8.1%	3.0%
	Hispanic	11.8%	4.0%
Black	Non-Hispanic	16.0%	6.1%
	Hispanic	18.9%	7.2%
American Indian/Alaskan Native	Non-Hispanic	14.2%	6.5%
	Hispanic	17.6%	6.9%
Asian	Non-Hispanic	7.5%	2.8%
	Hispanic	9.2%	2.8%
Hawaiian Native/Pacific Islander	Non-Hispanic	12.0%	4.3%
	Hispanic	18.8%	1.1%
Some Other Race	Non-Hispanic	9.7%	4.5%
	Hispanic	13.4%	4.6%

Table 3: 2022 Population and Labor Force Estimates by Hispanic Ethnicity and SOR race categories

Hispanic Ethnicity	Race Category	2022		
		Sample Size	Unemployment rate	Median Hourly Wage
Hispanic	Not-SOR	97,666	4.1%	\$19.91
	SOR	39,963	4.6%	\$18.97
	SOR Hispanic Subgroup	37,954	4.6%	\$18.89
Non-Hispanic	Not-SOR	850,259	3.5%	\$25.00
	SOR	7,165	4.5%	\$23.91
	SOR Hispanic Subgroup	992	3.0%	\$20.89

Table 4: 2022 Population Race Estimates for original and new Race/Ethnicity Questions

Year	Race Category	Percent of Population		
		Original Race/Ethnicity Question	New Race/Ethnicity Question Lower Bound	New Race/Ethnicity Question Upper Bound
2022	White Only	77.0%	72.8%	61.5%
	Black Only	12.9%	12.6%	12.1%
	American Indian/Alaskan Native Only	1.2%	1.0%	0.8%
	Asian Only	6.4%	6.3%	6.2%
	Hawaiian/Pacific Islander Only	0.4%	0.4%	0.4%
	Hispanic Only	--	4.9%	17.5%
	Other/Multiple Race	2.1%	1.9%	1.6%

Table 5: 2022 and 2010 Unemployment Rate Estimates for original and new Race/Ethnicity Questions

Year	Race Category	Unemployment Rate		
		Original Race/Ethnicity Question	New Race/Ethnicity Question Lower Bound	New Race/Ethnicity Question Upper Bound
2010	White Only	8.7%	8.5%	8.0%
	Black Only	16.0%	16.0%	15.9%
	American Indian/Alaskan Native Only	15.1%	14.6%	14.0%
	Asian Only	7.5%	7.4%	7.4%
	Hawaiian/Pacific Islander Only	12.0%	12.2%	11.8%
	Hispanic Only	--	13.4%	12.5%
	Other/Multiple Race	13.6%	13.5%	13.4%
2022	White Only	3.2%	3.1%	3.0%
	Black Only	6.1%	6.1%	6.1%
	American Indian/Alaskan Native Only	6.2%	6.6%	6.6%
	Asian Only	2.8%	2.8%	2.8%
	Hawaiian/Pacific Islander Only	4.0%	4.0%	4.3%
	Hispanic Only	--	4.6%	4.3%
	Other/Multiple Race	5.5%	5.6%	5.8%

Table 6: 2022 and 2010 E/P Ratio and LFPR Estimates for original and new Race/Ethnicity Questions

Year	Race Category	E/P Ratio			LFPR		
		Original Race/Ethnicity Question	New Race/Ethnicity Question Lower Bound	New Race/Ethnicity Question Upper Bound	Original Race/Ethnicity Question	New Race/Ethnicity Question Lower Bound	New Race/Ethnicity Question Upper Bound
2022	White Only	60.0	59.8	59.1	62.0	61.7	60.9
	Black Only	58.4	58.3	58.3	62.2	62.1	62.1
	American Indian/Alaskan Native Only	56.0	54.7	52.8	59.7	58.6	56.6
	Asian Only	62.7	62.6	62.7	64.5	64.4	64.4
	Hawaiian/Pacific Islander Only	63.9	63.6	62.5	66.6	66.2	65.3
	Hispanic Only	--	63.8	63.5	--	66.9	66.3
	Other/Multiple Race	61.7	61.5	61.3	65.3	65.2	65.0
	2010	White Only	59.4	59.4	59.5	65.1	64.9
Black Only		52.3	52.2	52.3	62.2	62.1	62.2
American Indian/Alaskan Native Only		49.0	48.5	48.2	57.7	56.8	56.1
Asian Only		59.9	59.9	59.9	64.7	64.7	64.7
Hawaiian/Pacific Islander Only		60.1	59.7	59.8	68.4	68.0	67.8
Hispanic Only		--	59.7	59.0	--	68.9	67.5
Other/Multiple Race		56.5	55.9	55.3	65.4	64.7	63.9

Table 7: 2022 Hourly Wage and Weekly Earnings Estimates for original and new Race/Ethnicity Questions

Year	Race Category	Median Hourly Wage when using...			Median Weekly Earnings when using...		
		Original Race/Ethnicity Question	New Race/Ethnicity Question Lower Bound	New Race/Ethnicity Question Upper Bound	Original Race/Ethnicity Question	New Race/Ethnicity Question Lower Bound	New Race/Ethnicity Question Upper Bound
2022	White Only	\$24.22	\$24.86	\$25.84	\$974.18	\$995.30	\$1,044.37
	Black Only	\$20.01	\$20.06	\$20.06	\$800.38	\$803.08	\$803.12
	American Indian/Alaskan Native Only	\$20.61	\$20.89	\$20.89	\$800.08	\$819.30	\$819.30
	Asian Only	\$30.92	\$31.18	\$31.25	\$1,247.26	\$1,250.13	\$1,253.25
	Hawaiian/Pacific Islander Only	\$21.49	\$21.96	\$21.65	\$850.14	\$885.29	\$880.00
	Hispanic Only	--	\$18.89	\$19.58	--	\$729.88	\$767.93
	Other/Multiple Race	\$21.52	\$21.64	\$21.64	\$842.17	\$843.65	\$858.12

Table 8: Country of Origin Estimates from 2007 to 2022

Year	Percent of Population born in Hispanic Country	Percent of Population born in US with two parents born in a Hispanic Country	Percent of Population born in US with only one parents born in a Hispanic Country
2007	7.7%	2.1%	1.2%
2008	7.5%	2.2%	1.2%
2009	7.5%	2.3%	1.2%
2010	7.6%	2.5%	1.3%
2011	7.5%	2.7%	1.3%
2012	7.5%	2.8%	1.4%
2013	7.4%	2.9%	1.5%
2014	7.4%	3.0%	1.5%
2015	7.7%	3.1%	1.5%
2016	7.8%	3.2%	1.5%
2017	7.7%	3.3%	1.5%
2018	7.8%	3.4%	1.6%
2019	7.7%	3.5%	1.6%
2020	7.6%	3.6%	1.8%
2021	7.8%	3.7%	1.7%
2022	8.1%	3.7%	1.7%

Table 9: 2022 Percent Hispanic Ethnicity by Country of Origin of Respondent and Parents

Year	Percent of Population born in a Hispanic Country who indicate they are of Hispanic Ethnicity	Percent of Population born in US with both parents from a Hispanic Country who indicate they are of Hispanic Ethnicity	Percent of Population born in US with one parent from a Hispanic Country who indicate they are of Hispanic Ethnicity
2022	97.5%	97.5%	87.9%

Table 10: 2010 and 2022 Percent in SOR-Hispanic Subgroup by Country of Origin of Respondent and Parents

Country of Origin Category	Hispanic Ethnicity	Percent in SOR-Hispanic Subgroup	
		2010	2022
Born outside of the U.S. in a Hispanic Country	Non-Hispanic	18.5%	14.7%
	Hispanic	37.8%	32.7%
Born outside of the U.S. in a Non-Hispanic Country	Non-Hispanic	0.3%	0.3%
	Hispanic	34.9%	31.5%
Born in the U.S. with both parents born in a Hispanic Country	Non-Hispanic	18.2%	14.9%
	Hispanic	38.6%	33.6%
Born in the U.S. with only one parent born in a Hispanic Country	Non-Hispanic	3.4%	4.3%
	Hispanic	27.9%	18.2%
Born in the U.S. with no parent born in a Hispanic Country	Non-Hispanic	0.0%	0.0%
	Hispanic	23.0%	17.2%

Table 11: 2022 Labor Force Statistics by Hispanic Ethnicity and Country of Origin Categories of the respondent and their parents

Year	Labor Force Statistic	Hispanic Ethnicity	Individuals born in a Hispanic Country	Individuals born in the US with both parents born in a Hispanic Country
2022	Unemployment Rate	Hispanic	3.9%	5.1%
		Non-Hispanic	2.0%	6.7%
		Overall	3.8%	5.1%
	Employment-to-Population Ratio	Hispanic	63.9	64.2
		Non-Hispanic	58.7	57.6
		Overall	63.8	64.1
	Labor Force Participation Rate	Hispanic	66.5%	67.7%
		Non-Hispanic	59.9%	61.8%
		Overall	66.3%	67.5%