



Pandemic Impacts on Self-Employed Latinas in Texas

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Introduction

This data brief on Texas is the second in a series to investigate the impacts of the coronavirus pandemic on Latina entrepreneurship in key states. These data briefs are part of a larger research agenda focused on better understanding not only the impact of the pandemic on diverse forms of Latino entrepreneurship but also thinking forward about the resources communities of color will need as they grapple with the transition to a low-carbon economy.

While there are many ways to define entrepreneurship, we focused on self-employed Latinas because self-employment is an entry point to other forms of entrepreneurship. Self-employment is also a strategy of economic survival among disadvantaged Latinas and an alternative to under- or un-employment

As we emerge from a pandemic that has devastated our community, we need forward-thinking economic recovery plans and policies to ensure Latinas are not left behind in future crises. We must also pivot from a deficit-framing of Latina self-employment and elevate self-employment as an asset to Latino entrepreneurship.

Methodology

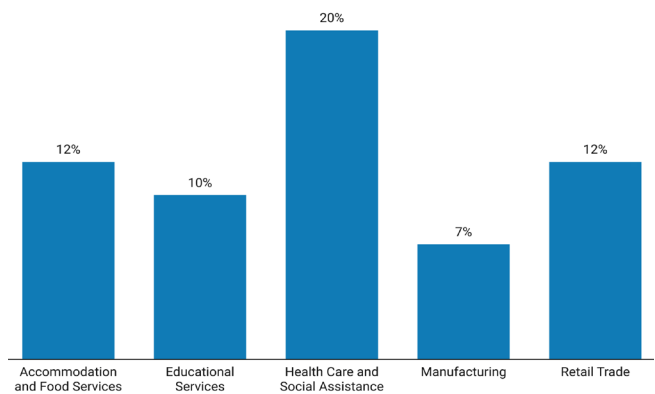
This brief uses data from the US Census Bureau's Household Pulse Survey (HPS) for different time periods between 2020 when the Bureau began collecting data and May 2022, which were the latest data points at the time the analysis was conducted. It is important to note that these data underestimate people who are entrepreneurs because they include individuals who select self-employment as their primary or only source of income. Therefore, these data do not include those who have another part- or full-time job and use self-employment as supplemental income.



1. Self-employed Latinas are concentrated in industries that are essential to the stability and security of the United States during the pandemic and were hardest hit at the pandemic onset.

Figure 1 shows national data from the 2019 5-year American Community Survey for Self-Employed Latinas by industry. Latina women overwhelmingly populate the Administrative Support and Waste Management Services, Health Care and Social Assistance, and Retail Trade sectors. These sectors are imperative to keep the United States moving forward and surviving through the pandemic. Without individuals working at grocery stores, pharmacies, trash collection, healthcare, and social assistance programs, many households would not have adequate food, water, sanitation, or medicine.

Figure 1: National Distribution of Self-Employed Latinas by Industry (2015-2019)

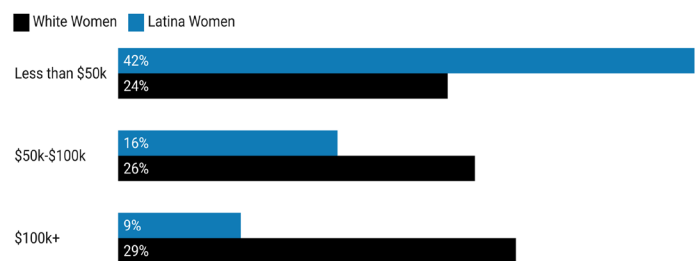


Source: U.S. Census Bureau, "American Community Survey 2015-2019 5-Year Data Release."

2. During the early part of the pandemic, over 40% of self-employed Latina women in Texas lived in or supported lower-income households.

Latinas were disproportionately concentrated in lower-income households during the early part of the pandemic. For instance, by observing the longest bar in the chart, the figure shows that 42% of self-employed Latinas in Texas were supporting or living in lower-income households during the pandemic. These are households making less than \$50,000 per year. In comparison, close to 30% of self-employed white women live in households with incomes over \$100,000 per year.

Figure 2: Distribution of Household Income for Self-Employed Latina and White Women in Texas

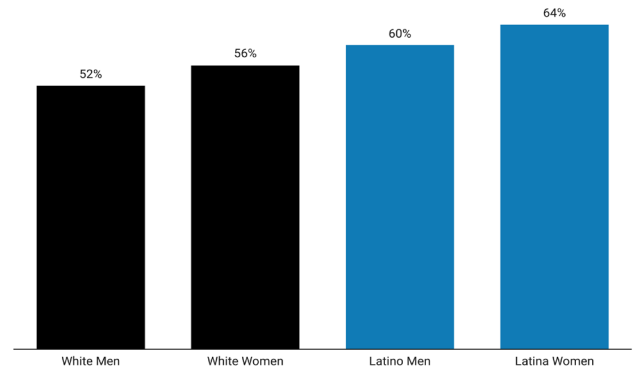


Source: U.S. Census Household Pulse Survey, self-employed population 18 years and older; April 2020 to May 2022. These estimates are based on a sample that includes respondents who did not report their income.



3. During the first 12 months of the coronavirus pandemic, self-employed Latina women faced incredible financial stress. The HPS asked survey respondents if they, or anyone else in their household, had experienced a loss of employment income. Self-employed Latina women ranked higher than white men, white women, and Latino men in the percentage of households who experienced a loss of employment income at the start of the pandemic. Approximately 64% of self-employed Latinas lived in or supported households that experienced a loss of income during the first 12 months of the coronavirus pandemic.

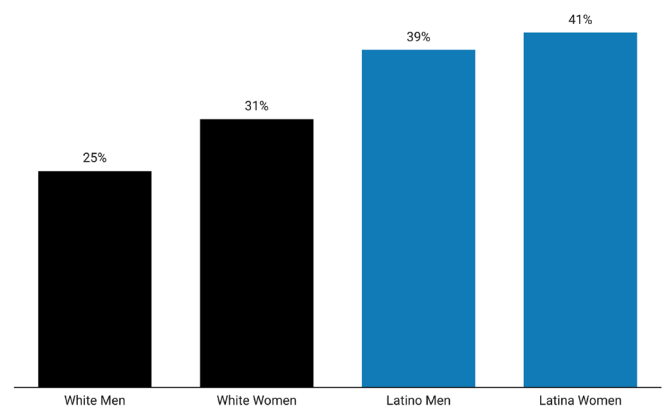
Figure 3: Loss of Employment Income During First 12 Months of COVID-19 in Texas



Source: U.S. Census Household Pulse Survey, self-employed population 18+, April 2020 to March 2021 (weeks 1 to 27). Question: “Have you, or has anyone in your household experienced a loss of employment income since March 13, 2020?”

4. Self-employed Latina women in Texas disproportionately faced financial difficulties while paying household expenses in the aftermath of the pandemic, though Latino men suffered similarly. The HPS asked its respondents to rate the difficulty for their household to pay its usual household expenses, including food, rent or mortgage, car payments, medical expenses, and student loans in the last seven days. Between August 2020 and January 2022, Figure 4 shows self-employed Texas Latinas continued to face more financial hardships compared to white women. Latina women have a loss of 10 percentage points more than white women and over 16 percentage points compared to white men. Specifically, 41% of Latina women reported difficulty in paying their household expenses, including food, housing, car payments, and medical expenses.

Figure 4: Percent Self-Employed in Households Experiencing Difficulty Paying Household Expenses in Texas



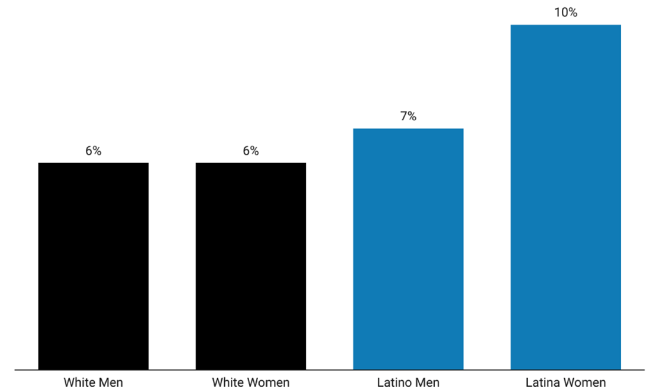
Source: U.S. Census Household Pulse Survey, self-employed population 18+; Aug 2020 to May 2022 (weeks 13 to 45). Question: “In the last 7 days, how difficult has it been for your household to pay for usual household expenses, including but not limited to food, rent or mortgage, car payments, medical expenses, student loans, and so on?” * somewhat or very difficult.



5. Latina women in Texas are much more likely to be behind on their rent/mortgage payments compared to their white counterparts in the aftermath of the pandemic.

When asked if their households are caught up on rent or mortgage payments, 10% of self-employed Latina women responded “no.” Trailing closing behind them, 7% of self-employed Latino men had the same response. Between August 2020 and January 2022, Figure 5 displays striking differences between the self-employed Latino community and the self-employed white community. Latina women have been unable to pay their rent or mortgage 4 percentage points more than both white women and white men.

Figure 5: Percentage of Self-Employed in Households Behind on Rent/Mortgage in Texas

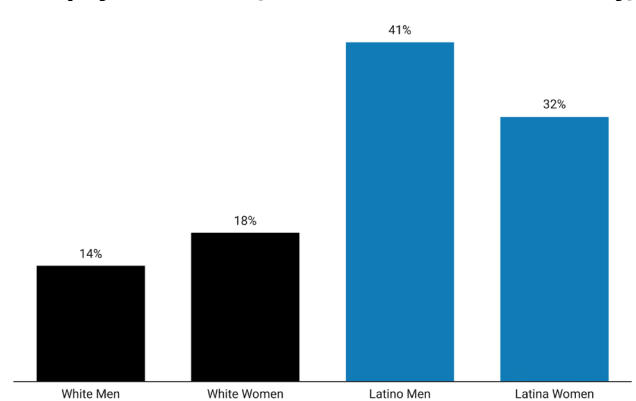


Source: U.S. Census Household Pulse Survey, self-employed population 18+, Aug 2020 to May 2022 (weeks 13 to 45). Question: “Is this household currently caught up on rent payments?” or “Is this household currently caught up on mortgage payments?” *no

6. Self-employed Latina women continue to face financial stress and vulnerability during periods of economic recovery.

Through analyzing more recent data on loss of income after the first 12 months of the pandemic, compared to white women, almost twice the share of self-employed Latinas continue to live in or support a household that has experienced an income loss (18% and 32%, respectively). That said, self-employed Latino men (41%) face greater financial stress than Latina women and their white counterparts.

Figure 6: Percent Self-Employed in Households Experiencing Loss of Employment Income (12 Months+ of COVID-19/Recovery)



Source: U.S. Census Household Pulse Survey, self-employed population 18+, April 2021 to May 2022 (weeks 28 to 45). Question: “Have you, or has anyone in your household experienced a loss of employment income in the last 4 weeks?”



Conclusion

Self-employment is a strategy for economic survival and economic growth in Latino communities, an entry point to other forms of entrepreneurship, and an alternative to under-employment or unemployment for Latina women. We show self-employed Latinas were hit harder by the pandemic compared to white women because they were concentrated in industries hardest hit by the pandemic, lived in or supported lower-income households, experienced a disproportionate burden of financial difficulties, and are continuing to experience a slow recovery.

As we emerge from a pandemic that has devastated our community, we need forward-thinking economic recovery plans and policies. As we continue to plan for a more sustainable economy, we must ensure that Latinas are not left behind. Any future policies must consider the vulnerabilities of small businesses and self-employed individuals, especially those who are more financially disadvantaged. Lastly, we must pivot from the deficit-framing of Latina self-employment to think about Latinas as an asset to entrepreneurship within our community.

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