



2014-15 Hispanic Demographic Trends Report



2014-15 Sonoma County Hispanic Demographics Report

March 2015

The Sonoma County Economic Development Board (EDB) is pleased to present the 2014-15 Hispanic Demographic Trends Report. 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. According to U.S. census data, Sonoma County's Hispanic population was 125,405 in 2013, 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 county (51%) by 2050.

Hispanic-owned businesses have also seen rapid growth both at the local level in Sonoma County and at the national level. As of 2007, there were 4,056 Hispanic-owned firms in Sonoma County. Hispanic-owned firms are growing at an 8 percent annual rate, twice that of the U.S. rate. Additionally, Hispanic purchasing power is estimated to grow by 50 percent at the national level from 2010 to 2015.

The 2014 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.

Sincerely,



Ben Stone
Executive Director

Pam Chanter
Chair

Sherry Alderman
WIB Director



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Linda Kachiu, Michael Tomasini, Michael Nicholls, Nick Papadopoulos, John Webley

A Demographic Shift in Sonoma County

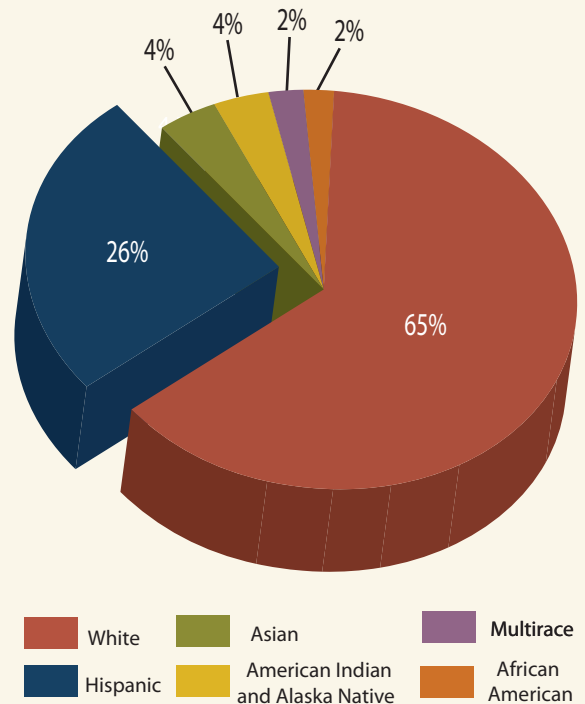
Sonoma County is continuing to experience a demographic shift that has reshaped the demographic contours of the region. Over the past 20 years, the Hispanic population has increased by over 300 percent. In 1990, the county had a population of 389,478; just under 11 percent of which was Hispanic. By 2013, the Sonoma County population had grown to 495,025, of which 128,211, or 26 percent, were Hispanic.

The white population remains the majority in Sonoma County, making up roughly 65 percent of the population. Asians make up 4 percent of the population, with 20,296 individuals, and African Americans make up 2 percent of the population, with 9,405 individuals. By comparison, California's 2013 population was 39 percent white, 38 percent Hispanic, 14 percent Asian, and 7 percent black.

Sonoma County is projected to become more diverse over the coming decades. The Hispanic population, in particular, is expected to grow at a rate three times faster than the overall total population. Forecasts predict that by 2060 the Hispanic population in Sonoma County will increase by roughly 100,000 people.

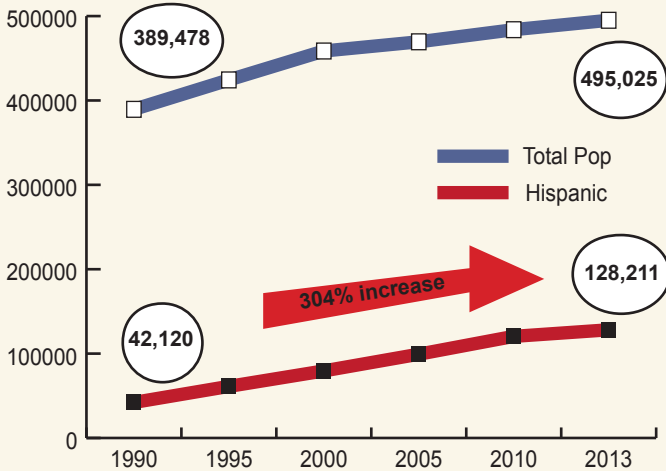
As this major demographic shift continues and higher rates of Hispanics enter the workforce, unique opportunities and challenges for business, government, education, and community-based organizations will emerge.

Sonoma County Demographic Breakdown by Race/Ethnicity, 2013

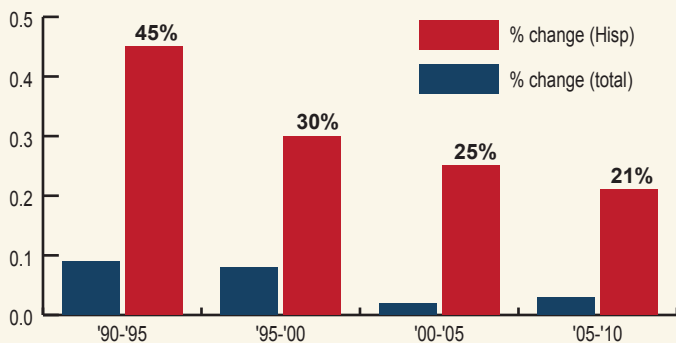


Source: United States Census Bureau, Population Division (www.census.gov)

**Population Growth: 1990-2013
Sonoma County and the Hispanic Population**

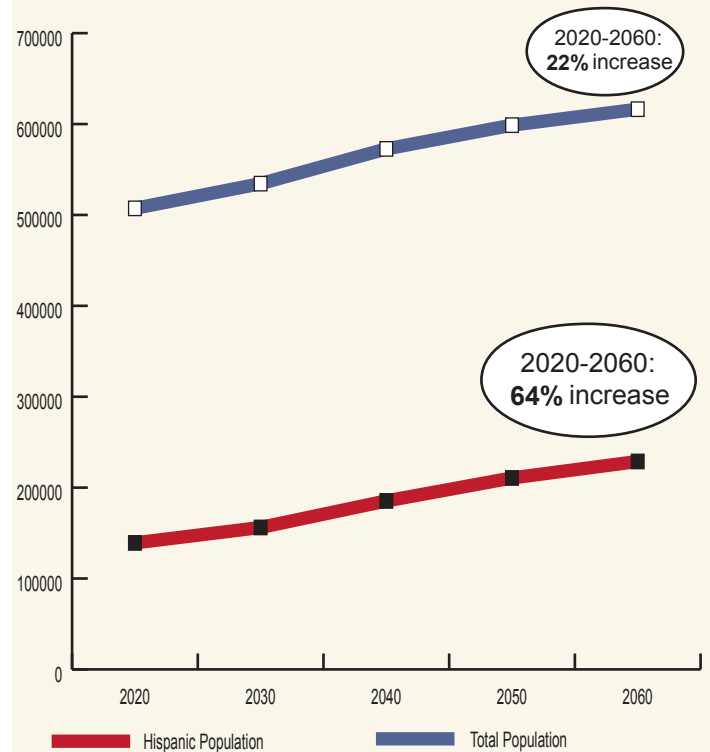


**Change in Population Growth: 1990-2010
Sonoma County and the Hispanic Population**



Source: 1990-2000 Decennial Census, 2013 American Community Survey. State of California, Department of Finance.

**Projected Population Growth
Sonoma County 2020-2060**



Source: State of California, Department of Finance, Report P-1 (County): State and County Total Population Projections, 2010-2060. Sacramento, California, January 2013. (www.dof.ca.gov)

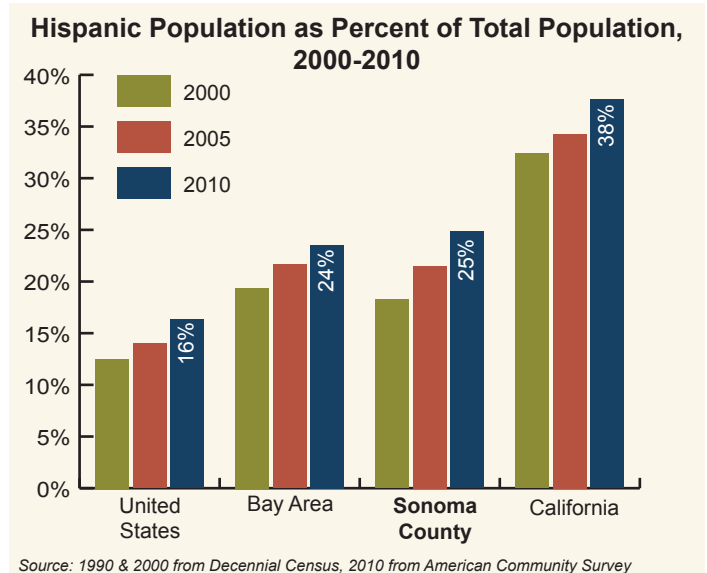
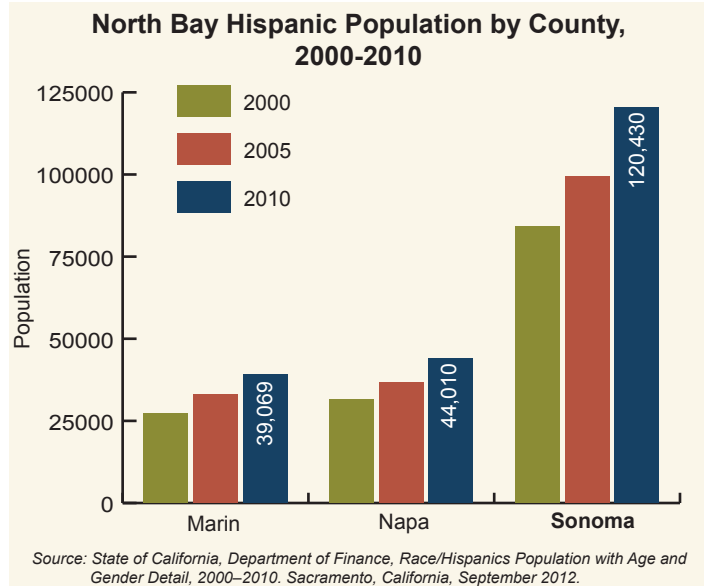
Demographics

Sonoma County has the largest Hispanic population in the North Bay region. From 2000 to 2010, the Hispanic population in Sonoma County saw a nearly 50 percent increase, rising from 84,093 to 120,430 individuals. Over that same time period, Napa County saw their Hispanic population increase by 12,361 individuals, from a population of 31,649 to 44,010. Sonoma County's growth outpaces that of both Marin and Napa.

The Hispanic population in Sonoma County, as a percentage of the total population, is similar to that of the overall Bay Area, which in 2010 was 24 percent of the total population. Although Sonoma County's percentage of Hispanics is rapidly increasing, it remains significantly lower than the California average of 38 percent. At the national level, however, Hispanics comprise about 16 percent of the U.S. population.

As a proportion of population, Sonoma County's Hispanic population grew faster than that of the Bay Area, state, and nation from 2000 to 2010. In the last decade, Sonoma County's Hispanic population grew by 43 percent and the Hispanic population in the Bay Area grew by 28 percent.

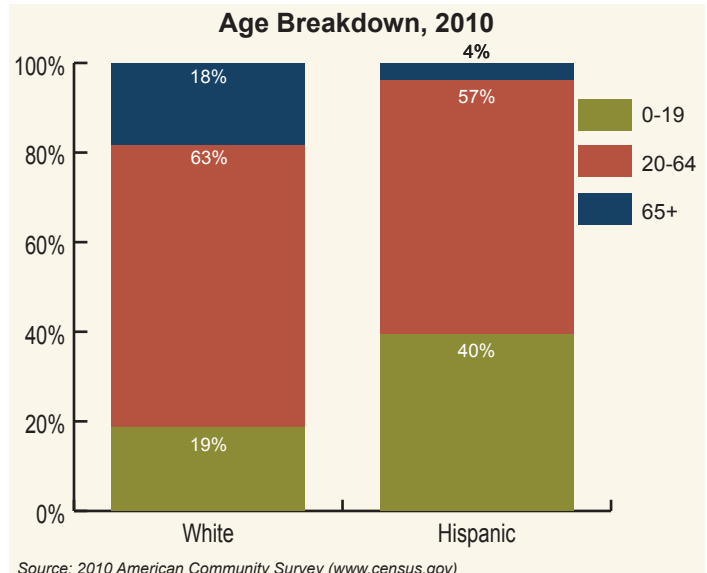
The Hispanic population in Sonoma County is younger, on average, with 39 percent of Hispanics under the age of 19. By contrast, 19 percent of the white population is under the age of 19. The white and Hispanic populations, two largest races/ethnicities in Sonoma County, have a similar proportion of their population at working age (ages 18-64), with 63 percent of the Hispanic population at working age compared to 57 percent of whites. Nonetheless, the Hispanic population is younger on average with 39 percent under the age of 20, compared to just 19 percent for whites. In 2010, there were 47,535 Hispanics and 59,985 whites under the age of 20, indicative of a strong relative increase in Hispanics entering the workforce.



Sonoma County Age Breakdown, 2010

	Hispanic	White
0-19	47,535 (40%)	59,985 (19%)
20-64	68,255 (57%)	201,952 (63%)
65+	4,640 (4%)	59,151 (18%)

Source: 2010 American Community Survey (www.census.gov)



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 to 10 years. Approximately 34,000 Hispanics in Sonoma County are between the ages of 15 and 24.

The median age for Hispanic men and women is approximately 19 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.

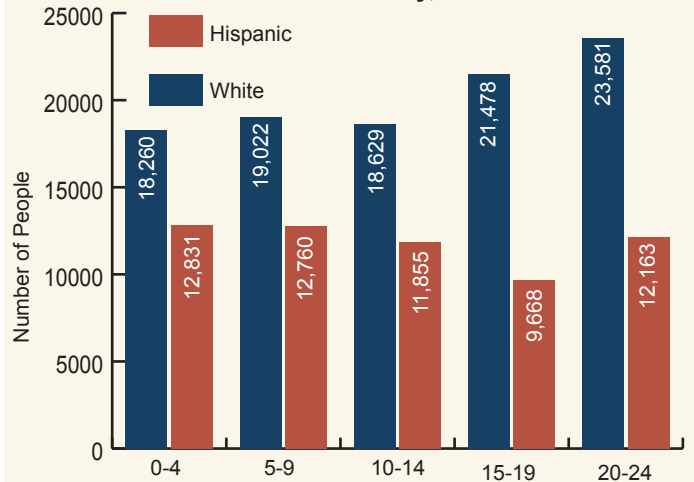
The average Hispanic household size is noticeably larger than the average white household. Despite smaller families and households, the median white family income is nearly \$20,000 greater annually than that of the median Hispanic family income.

One primary indicator of education and income levels in the United States is English language fluency. In Sonoma County, approximately 90 percent of Hispanic people speak at least some English. Of that, 21 percent speak only English, 40 percent speak English "very well," and just under 70 percent are fully or partially bilingual.

Eighty-four percent of Hispanics in Sonoma County are of Mexican descent. The remaining 16 percent of the Hispanic population have origins in Central and South America, the Caribbean, and Spain.

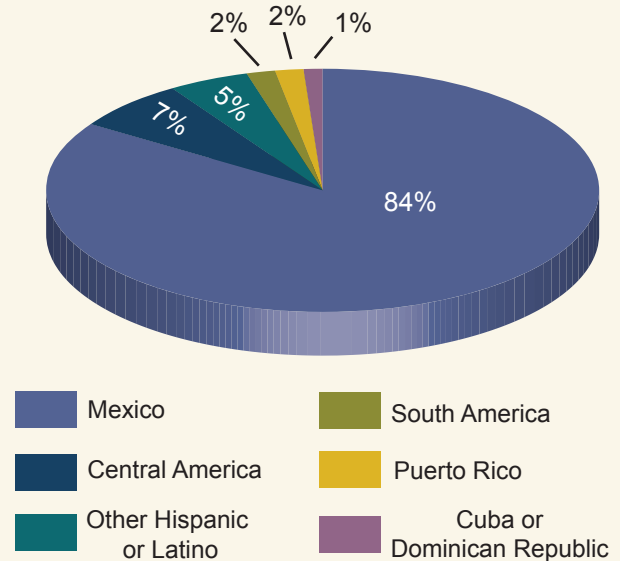
According to U.S. Census Bureau data, 42 percent of the Hispanic population in Sonoma County was foreign born.

Age Breakdown for Young People, Sonoma County, 2012



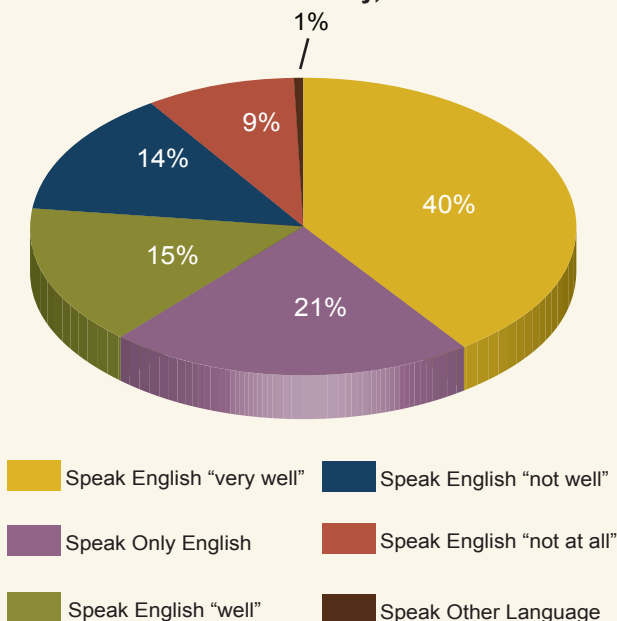
Source: 2012 American Community Survey (www.census.gov)

Hispanic Country of Origin, Sonoma County, 2012



Source: 2010-2012 American Community Survey

English/Spanish Speaking by Hispanics, Sonoma County, 2012



Source: 2012 American Community Survey (www.census.gov)

General Demographic Information, Sonoma County, 2012

	Hispanic	White
Median Age-All (years)	27	45
Median Age-Men (years)	27	43
Median Age-Women (years)	26	47
Household Size (# of people)	4	2
Median Income-Family	\$43,069	\$62,427

Source: 2012 American Community Survey (www.census.gov)

K-12 Education

Enrollment figures for the K-12 educational system illustrate the increasing diversity of Sonoma County youth. More than 42 percent of K-12 students in Sonoma County are Hispanic, a 4 percent increase from three years ago. Conversely, 46 percent of K-12 students are white, a 4 percent decrease from three years ago.

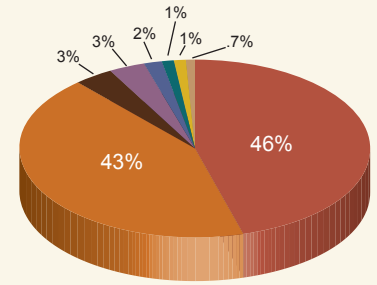
Despite this strong upward trend, Hispanic enrollment in Sonoma County remains relatively low in comparison to the state average. Hispanic youth are the largest ethnic group represented in California, making up 55 percent of the K-12 student population; while white students make up just over 25 percent of statewide enrollment.

The increasing Hispanic population is reflected in the high elementary school enrollment. Forty-three percent of K-12 students in Sonoma County are Hispanic, a rate that is nearly equal to the 46 percent of the total enrollment for white students. Higher middle and high school enrollment is indicative of both a sustained increase in enrollment, and increased retention rates among Hispanic youth.

Given the large percentage of young Hispanics entering elementary school, it is important to examine their ability to successfully complete the K-12 system. One statistic of concern is the reading proficiency rates among Hispanics, which continues to fall behind those of white students. In 2013, 27 percent of Hispanic students in the third grade were proficient at reading. This is significantly less than the 59 percent of white third graders who are proficient at reading. This may be due to the fact that English is a second language for many Hispanic students.

**Sonoma County Schools K-12
Breakdown by Race/Ethnicity, 2013-2014**

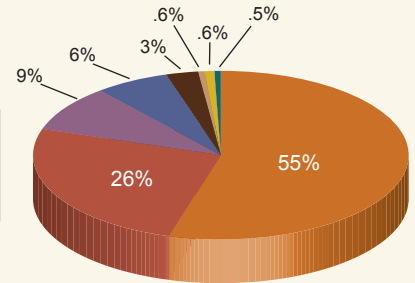
Total Enrollment
White: 32,452
Hispanic: 30,381



Source: California Department of Education, Education Demographics Office

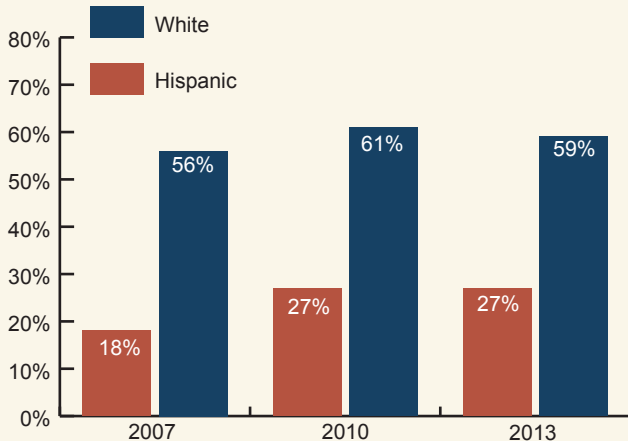
**California Schools K-12
Breakdown by Race/Ethnicity, 2013-2014**

Total Enrollment:
White: 1,559,113
Hispanic: 3,321,274



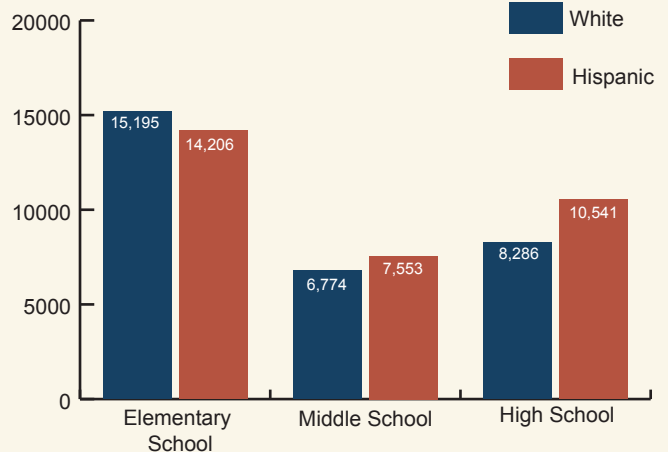
Source: California Department of Education, Education Demographics Office

Sonoma County Third Grade Reading Proficiency, 2013-14



Source: California Department of Education, Education Demographics Office

Sonoma County School Enrollment by Ethnicity, 2013-2014



Source: California Department of Education, Education Demographics Office

K-12 Education

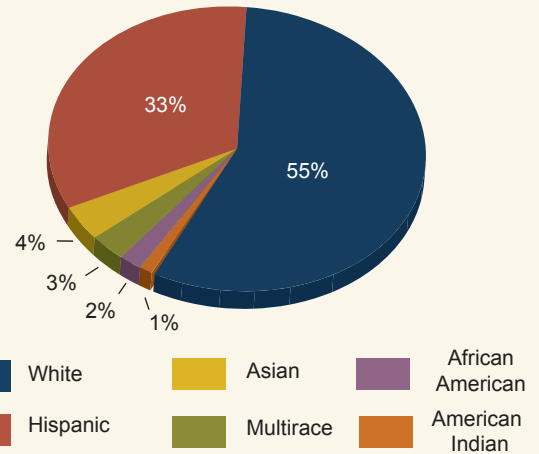
Graduation rates among Sonoma County Hispanic high school students is continuing its positive trend, despite higher drop-out rates than most of their non-Hispanic peers. In 2013, 55 percent of Sonoma County high school graduates were white, and 33 percent were Hispanic. In that same year, 82 percent of Sonoma County students graduated from high school, up from 74 percent in 2008.

In Sonoma County, about 21 percent of Hispanic graduates completed the necessary criteria to continue with a four-year university program. By contrast, 29 percent of Hispanic graduates achieved those same standards across the state. Comparatively, 36 percent of white graduates in Sonoma County completed the necessary criteria to enter a four-year university, which is lower than the 47 percent of white 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, Hispanic, Native American, and African American students have higher dropout rates than their white and Asian peers. In Sonoma County, 13 percent of Hispanic students dropped out between grades 9 and 12, which is just below the statewide average of 14 percent.

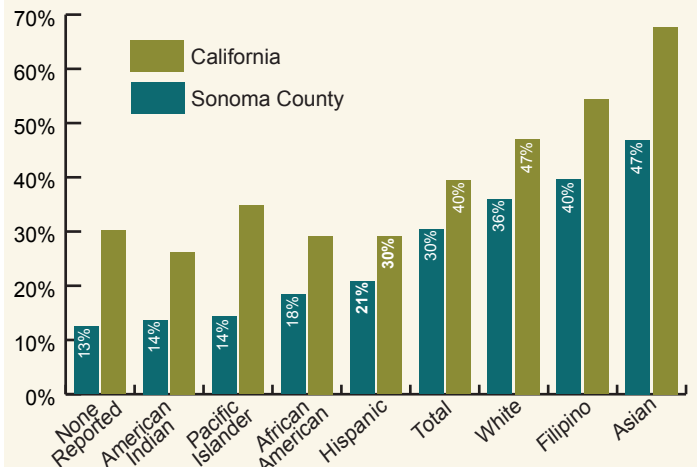
All demographics, excepting American Indian students, saw declines in dropout rates, with Hispanics leading the way with the most significant decrease from 27 percent in 2009, to 13 percent in 2013. Maintaining this downward trend will be vital for the economic competitiveness of the ever-increasing amount of Hispanics entering the workforce. The constant decrease in the Hispanic dropout rate since 2009 can be attributed in part to increased school readiness and the increased value that employers are attributing to prospective employees who obtain their high school diploma and persevere higher levels of academic achievement.

Sonoma County High School Graduates Breakdown By Race/Ethnicity, 2012-2013



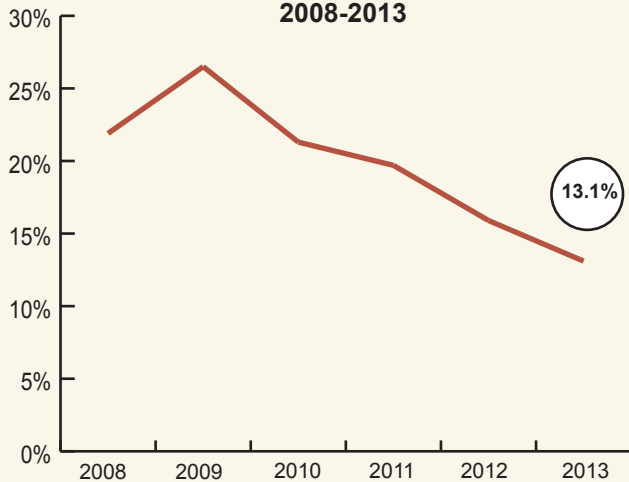
Source: California Employment Development Department (www.edd.ca.gov)

Graduates with UC/CSU Required Courses, 2012-2013



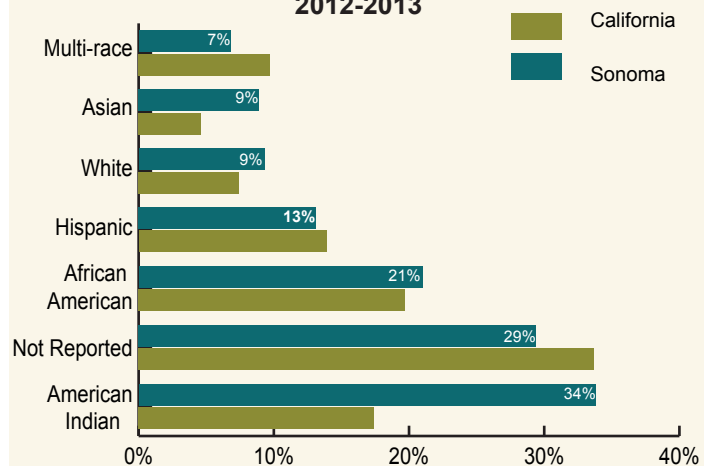
Source: California Department of Education (www.cde.ca.gov)

Sonoma County Hispanic Dropout Rates, 2008-2013



Source: California Department of Education (www.cde.ca.gov)

Sonoma County Dropout by Race/Ethnicity, 2012-2013



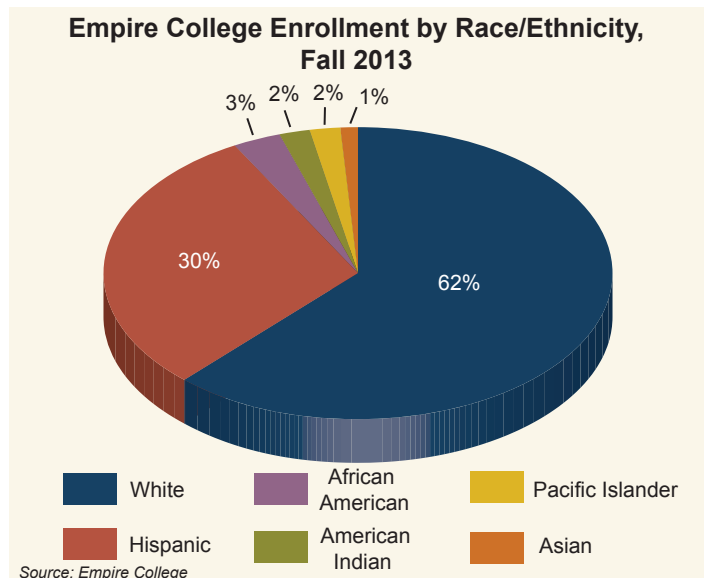
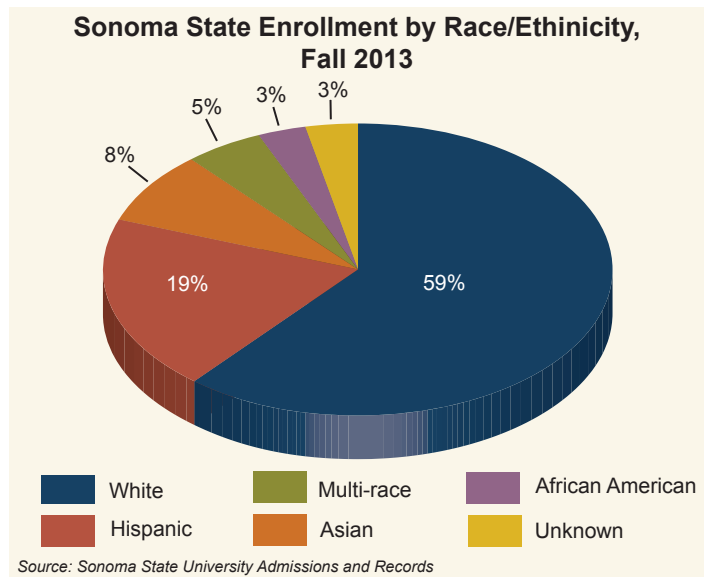
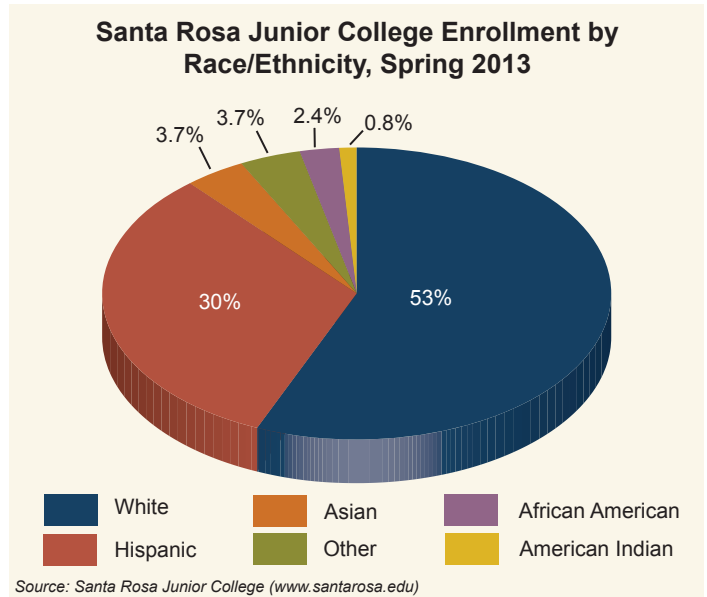
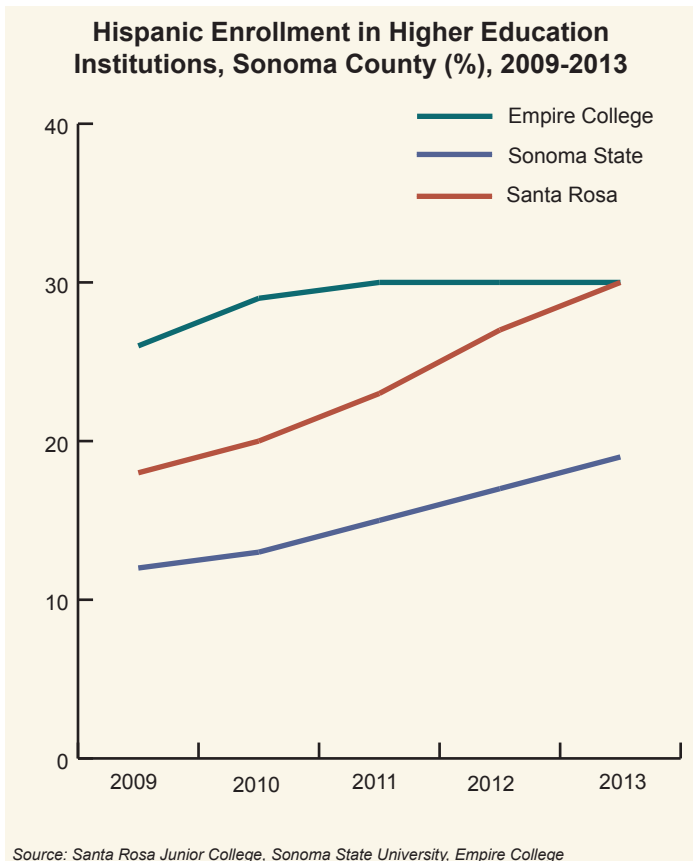
Source: California Department of Education (www.cde.ca.gov)

College Education

Recent developments in the local and global economy have resulted in an increasing demand for a workforce with advanced education. Eleven percent of Hispanics in Sonoma County hold a bachelor's degree, an increase from 9 percent in 2011. About 32 percent of Sonoma County residents ages 25 and over have at least bachelor's degree, a mark that is slightly above the national average of 30 percent.

In 2012-2013, 30 percent of the student body at Santa Rosa Junior College was Hispanic, while white students made up 53 percent of the student body. The student body at Empire College is also 30 percent Hispanic, but they have the highest percentage of white students, with 62 percent of their student body. By comparison, 19 percent of the students at Sonoma State University were Hispanic, while about 59 percent were white.

Sonoma State University and Santa Rosa Junior College have seen steady growth in Hispanic enrollment as a percentage of total enrollment over the last five years. Empire College has leveled out after increasing from 26 percent to 30 percent between 2009 and 2011. In 2013, Empire College had a 30% Hispanic enrollment rate, as did Santa Rosa Junior College.

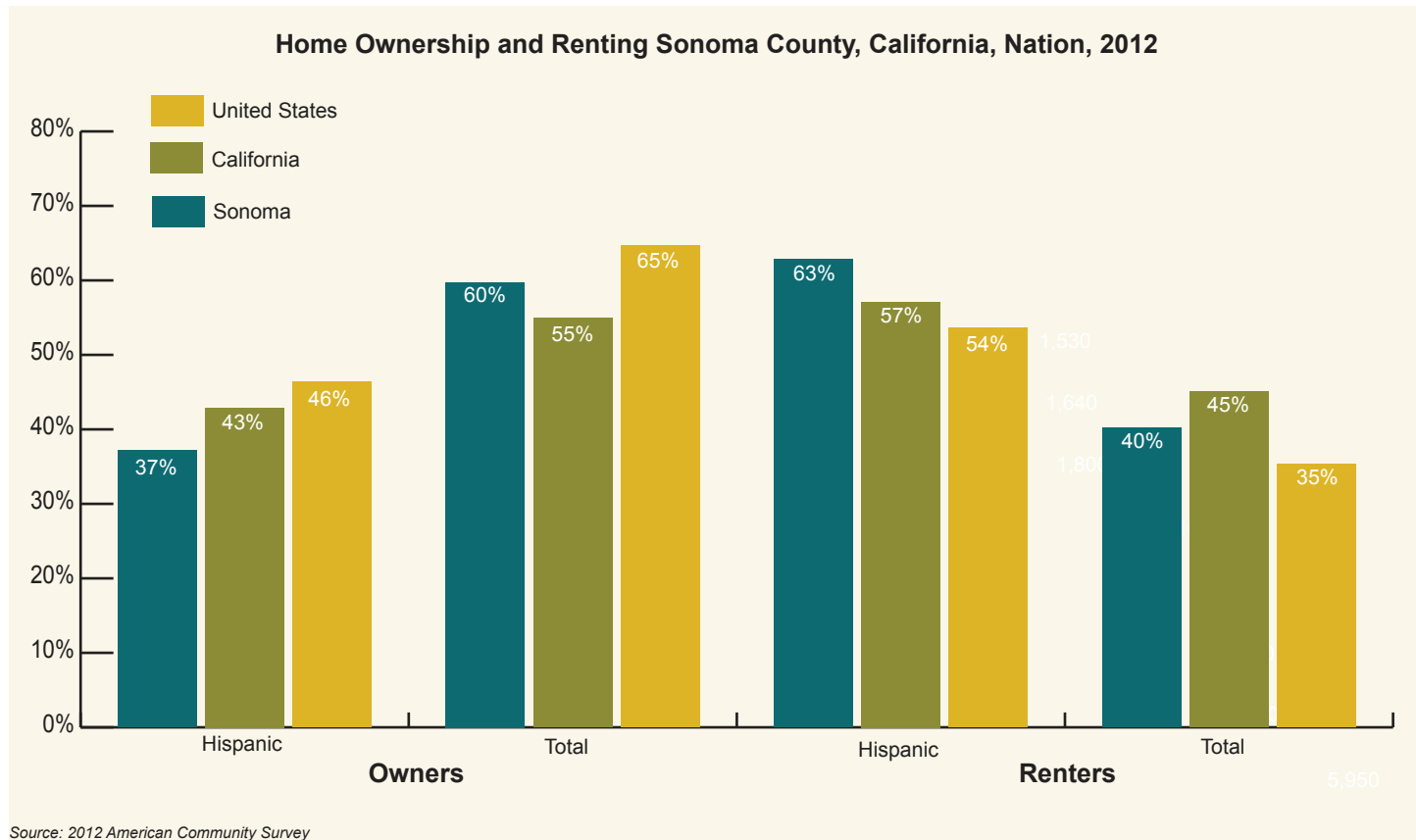
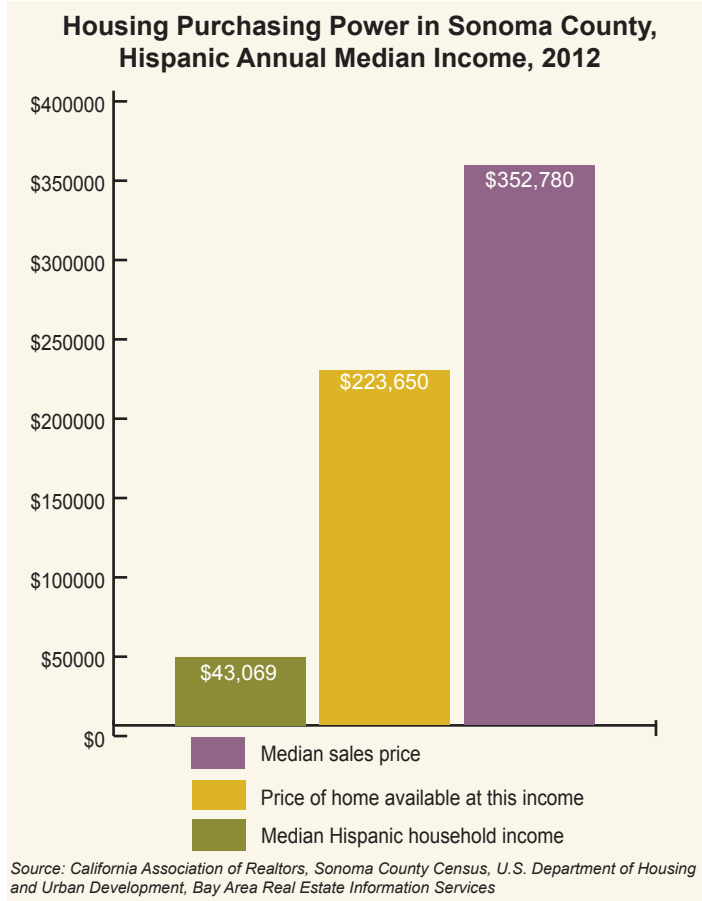


Housing

The median sales price of a home in Sonoma County increased by 12 percent between 2009 and 2012. A tightening of the housing market was a contributing factor to this increase in housing prices.

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 was \$43,069 in 2012, and the purchasing power, or the maximum home price available for that level of income, was \$223,650. This price is considerably less than the median-home price in Sonoma County, \$352,780.

Thirty-seven percent of Hispanic adults in Sonoma County own their own home, which is below the average for the state and nation. Homeownership for Sonoma County as a whole is 60 percent. By contrast, homeownership for the State of California has fallen in recent years to about 54 percent. Nationwide, roughly 46 percent of Hispanic adults, and about 65 percent of the total adult population, own their home. Possibly due to a lack of affordable housing, the majority of Hispanic adults in Sonoma County are renters (63%). This average is thus higher than that of Hispanic renters at the state (57%) and national (54%) levels.



Workforce

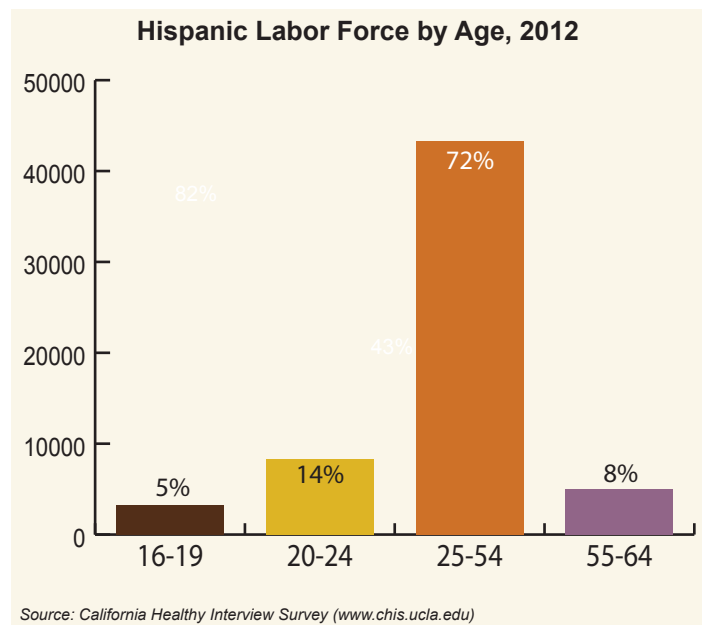
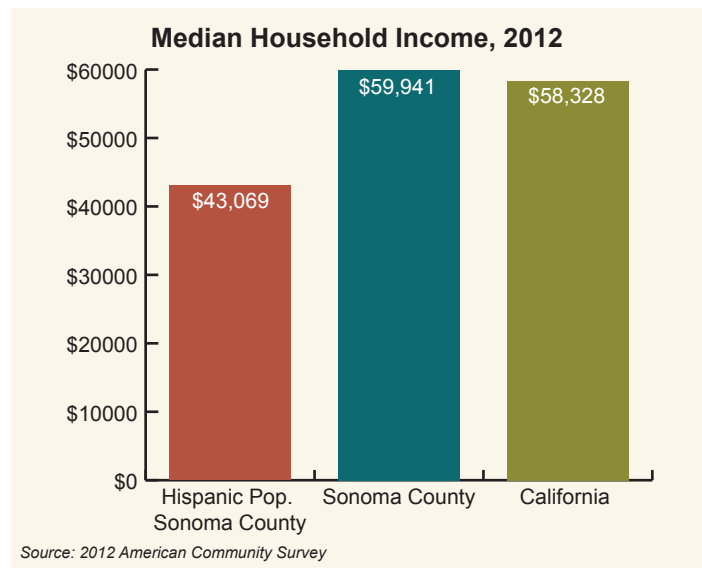
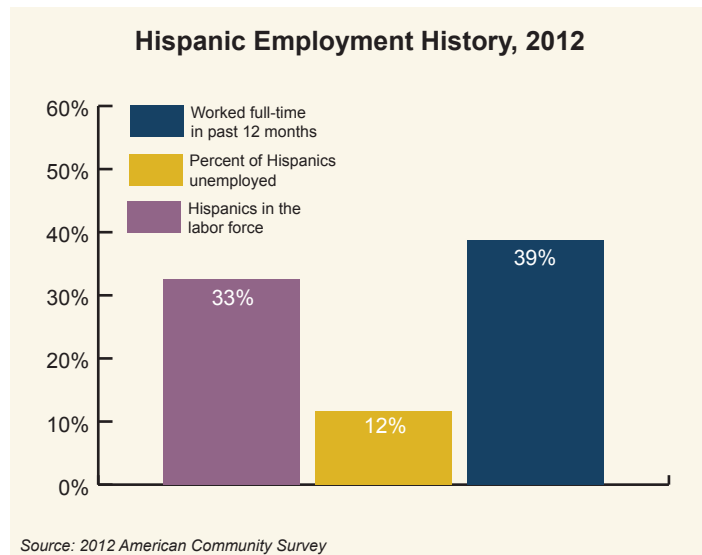
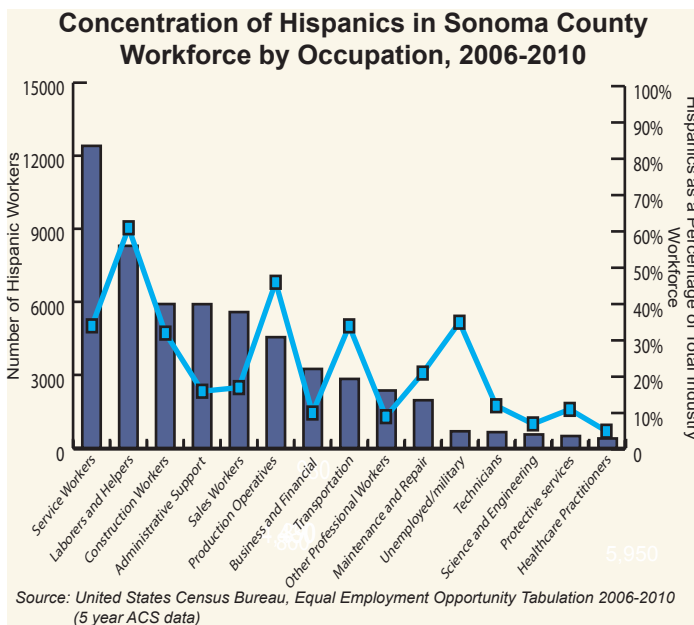
In 2012, Hispanics made up 33 percent of Sonoma County's labor force. Of those, 12 percent were unemployed and 39 percent had worked full-time in the past 12 months. The 2012 data evidences a slightly higher unemployment rate among Hispanics (12%) when compared to Sonoma County's 2012 unemployment rate of 10 percent. Additionally, Hispanics had a significantly lower full-time employment rate (39%) than the Sonoma County average of 52 percent full-time employment in 2012.

Lower rates of full-time employment may have contributed to the decline in Hispanic median earnings, falling below both the county and state average. Median household income for Hispanics in Sonoma County is \$43,069. Comparatively, the average median household income for the total population in Sonoma County is \$59,941, and in California is \$58,328.

The Hispanic population is seeing a demographic shift from young workers entering the market to a larger working age population. Eighty-three percent of Hispanics between the ages of 25 and 54 are employed or looking for work, amounting to slightly over 43,000 current and potential workers.

In Sonoma County, the Hispanic workforce is most heavily concentrated in the areas of service work, labor and help, construction, administrative support, and sales. Five-year data indicates that 12,405 Hispanic workers were employed as service workers, 8,300 Hispanic workers were employed as laborers and helpers, and just over 5,900 Hispanic workers were employed in construction and administrative support.

As a percentage of Sonoma County's total workforce, Hispanics made up 61 percent of all laborers and helpers, 46 percent of all production operative workers, and 34 percent of all transportation workers and service workers. Data on the occupations with a high percentage of Hispanic workers highlights the economic impact of Sonoma County's Hispanic workforce.



Hispanic Business Profile

According to U.S. Census data, aggregate household income for Hispanics in Sonoma County is \$2 billion. Hispanic residents of Sonoma County therefore account for an estimated \$307 million in disposable income.*

On the national level, Hispanic consumers have also seen a significant rise in buying power, projected to be \$1.5 trillion by 2015. 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. Currently, Hispanic consumption reflects the relative youth of the population, who are heavy consumers in the markets for baby food, disposable diapers, family planning, and baby needs, among others, according to data from Nielsen.

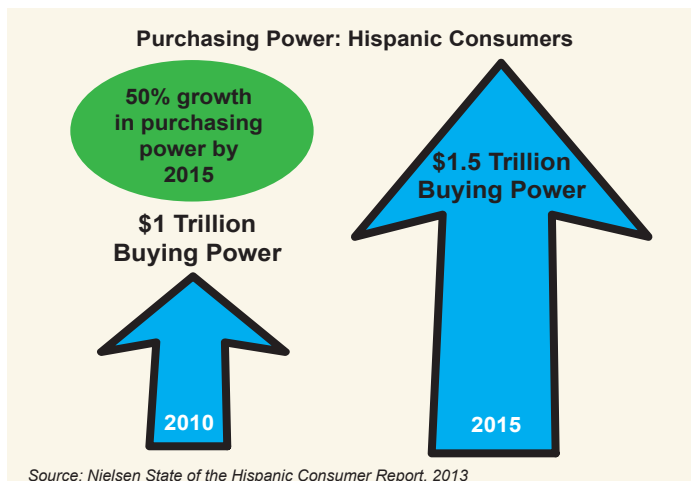
Over the last decade, the amount of Hispanic-owned firms has increased rapidly at the national level. This same trend is present in Sonoma County. In 2007, there were 4,056 Hispanic-owned firms in Sonoma County, with an estimated annual growth rate of 8 percent per year, which is double the U.S. rate.** This rise in Hispanic-owned firms has resulted in a rapid increase in sales receipts, indicative of the increasing market share that Hispanic-owned firms hold. The sales receipts have nearly doubled from one decade ago, illustrating the extent of this growth.

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.

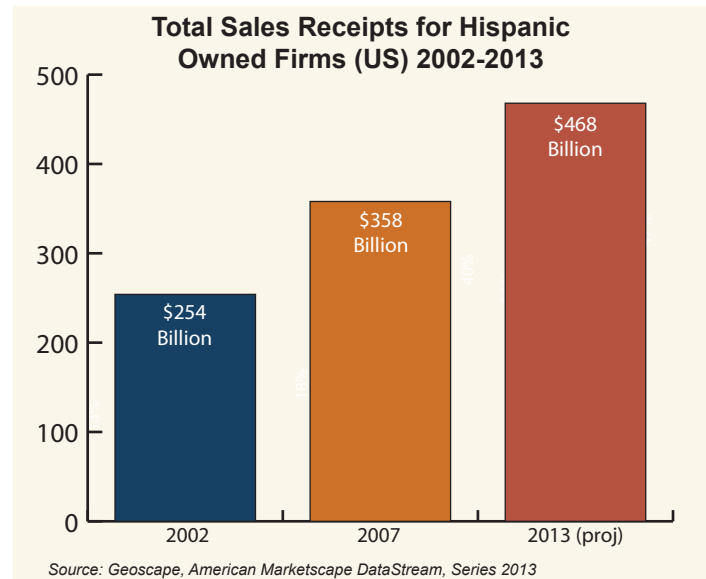
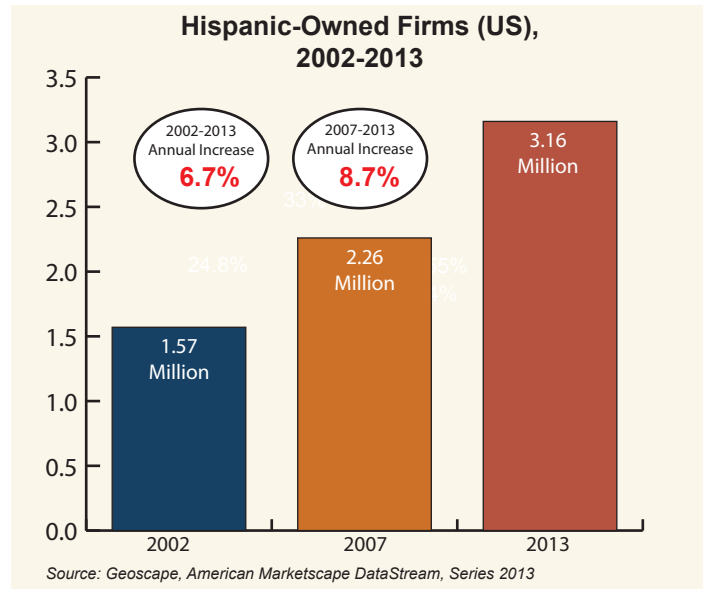
*Discretionary income calculated as 15% of aggregate income

**Updated Survey to be available July 2015

Hispanic Aggregate Household Income: Sonoma County	\$2,048,278,100
Hispanic Disposable Income: Sonoma County	\$307,241,715



Source: Nielsen State of the Hispanic Consumer Report, 2013



Top 10 Hispanic Product Categories: 2011

Category	Hispanic Dollar Index: Total Households
Dried Vegetables and Grains	221
Hair Care	154
Shortening Oil	152
Baby Food	150
Women's Fragrances	149
Grooming Aids	144
Disposable Diapers	144
Family Planning	142
Photographic Supplies	142
Baby Needs	137

Source: Nielsen State of the Hispanic Consumer Report, 2013

Methodology and Sources

Methodology

The 2014-15 Hispanic Demographic Trends Report 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, Ecuatoran, 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. 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 www.sonomaedb.org. Readers are also invited to suggest improvements for future reports by calling (707) 565-7170 or emailing edb@sonoma-county.org.

The Indicators do not provide complete in depth analyses of all facets of Sonoma County. The EDB believes

Sources

This report includes data from various agencies. Below is a list of those agencies and companies:

- Bay Area Real Estate Information Services, Inc.
- California Association of Realtors
- California Department of Education
- California Department of Finance
- California Employment Development Department
- Empire College
- Geoscape, American Marketscape DataStream
- Moody's Analytics
- Nielsen
- Santa Rosa Junior College
- Sonoma State University
- Sonoma County Economic Development Board
- UCLA California Health Interview Survey
- United States Bureau of the Census
- United States Bureau of Labor Statistics

Acknowledgements:

The 2014-15 Hispanic Demographic Trends Report was compiled, analyzed, and edited by Economic Development Board Project Coordinator, Leland Holcomb.

With acknowledgement and appreciation to key local businesses that support economic development in Sonoma County

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