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Hibbs Institute for Business & Economic Research

Estimating the Economic Contribution of the Hispanic Community in Tyler

Manuel Reyes, D.E.D.

In this issue of the **Hibbs Brief**, we discuss the economic contribution of the Hispanic community in Tyler during National Hispanic Heritage Month. *Hispanic* is considered an ethnicity, not a race, and has been included in the census surveys since the mid-2000s.¹ Today, this group is the second largest category in the nation, outpacing Black Americans, with more than 62 million people.²

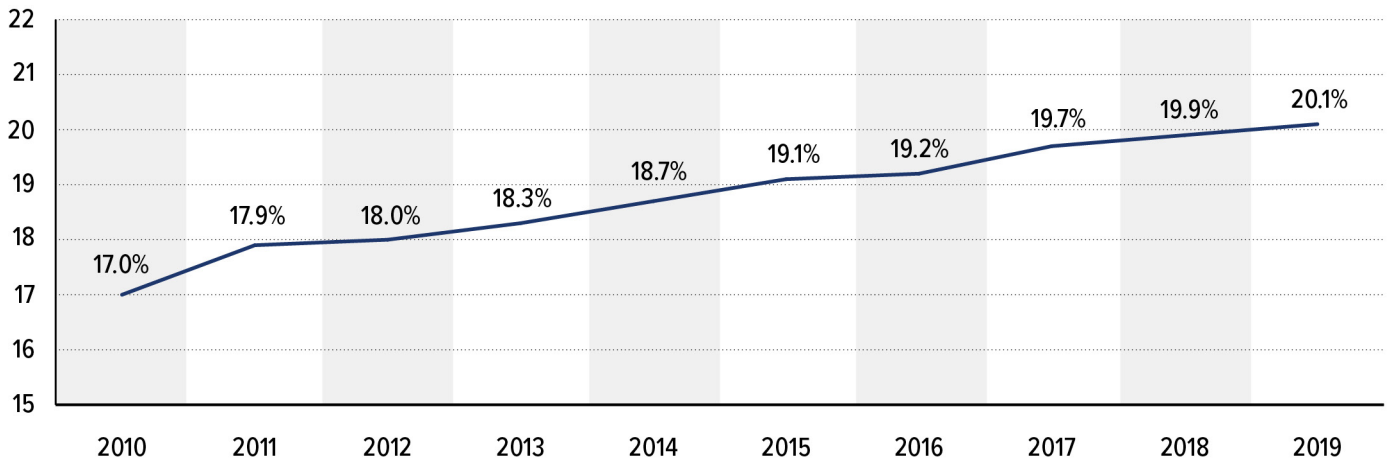
The National Hispanic Heritage Month celebration has been observed since 1968, when President Lyndon B. Johnson decided to commemorate the cultures, contributions and histories of Americans whose ancestors came from Mexico, Central and South America, the Caribbean and Spain to the United States. The observation, originally one week long, was expanded by President Ronald Reagan in 1988 to cover 30 days from September 15 to October 15 and was enacted into law on August 17, 1988.³

The Hispanic population in the Tyler MSA⁴ has grown considerably in the past decade. While 17% of the population were Hispanic in 2010, this number increased to 20.1% by 2019 (**Figure 1**). Projections indicate that Hispanics in the Tyler MSA will be around 49,000 by the end of 2021, of which nearly 90% are identified with Mexican origins.⁵

In addition to this remarkable growth of its population, the role of Hispanics in the Tyler community is evolving. More and more Hispanics are interested in pursuing a college degree and moving into high-skilled occupations in the labor market. There are now more recognized Hispanic professionals and business leaders than ever before. They are performing higher value work and earning better salaries, which increases their impact on the local economy.⁶

The **Hibbs Institute** has conducted an exercise to estimate the economic contribution of the Hispanic community to the Tyler MSA economy. The calculation employs US Census projections on income to estimate the induced effects on the local economy. Induced effects measure the impact of household spending within a region due to changes in labor income or compensation received by workers and business proprietors in local industries. The result of this calculation accounts for \$0.93 billion per year. However, this calculation merely includes money earned and spent by Hispanics. Due to the lack of business ownership data, it does not include impacts derived from business activities of Hispanic-owned companies (direct and indirect effects).⁷ Thus, we infer that the total economic impact of the Hispanic community should be considerably more than the \$1 billion amount every year. The economic contribution of the Hispanic community in Tyler has become more relevant and increases every year.

Figure 1. Hispanic Population in Tyler MSA, (2010–2019)



Source: 2019 American Community Survey, One-Year Estimates; U.S. Census Bureau.

¹ The recognition of “Hispanic” as a group was necessary as the population of descendants from Latin American migrants increased in the nation. When the “Some other race” check box was selected in the census surveys by too many people who identified themselves as non-Caucasian White, non-African-American Black, non-Indian, non-Asian and non-Alaskan Native, an identification problem arose, requiring for a new and different category. “1 in 7 People Are ‘Some Other Race’ On The U.S. Census. That’s a Big Data Problem”; npr, September 30, 2021.<https://www.npr.org/2021/09/30/1037352177/2020-census-results-by-race-some-other-latino-ethnicity-hispanic>

² QuickFacts. U.S. Census Bureau.
<https://www.census.gov/quickfacts/fact/table/tylercacitytexas,smithcountytexas,US/PST045219>

³ The dates have their own significance. While many Latin American countries celebrate their anniversary of independence in mid-September, such as Costa Rica (September 15), Mexico (September 16), and Chile (September 18), the “Día de la Raza” (or Columbus Day) commemorates the landing of Christopher Columbus in the Americas on October 12. National Hispanic Heritage Month.
<https://www.hispanicheritagemonth.gov/>

⁴ A Metropolitan Statistical Area, or MSA, is defined by the US Office of Management Budget as a region in one or more counties with at least one urbanized area with a minimum population of 50,000 and other surrounding communities.

⁵ The most recent data released by the US Census includes 2019. The Hispanic population in Tyler for 2020 and 2021 was simply projected using the percent growth of the three previous years: 2017, 2018 and 2019 to forecast 2020, and 2018, 2019 and 2020 to forecast 2021.

⁶ Society for Human Resource Management and the Congressional Hispanic Caucus Institute; “Changing U.S. Workforce: The Growing Hispanic Demographic and the Workplace. Whitepaper, September 14, 2016.
<https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/pages/chci-growing-hispanic-demographic-report.aspx>

⁷ The direct effect refers to the initial change in demand resulting from a change in expenditures or employment. Indirect effects represent all changes in a regional industry activity, such as an increase in production and employment that result from the direct effect (the effects related to suppliers).

