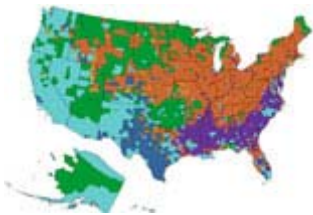




Demographic Change : Migration

Ethnic Business in a Changing America

Unprecedented growth of the Hispanic community has raised fears that the United States might not be able to integrate millions of newcomers. But with each generation, Hispanic Americans are following centuries-old patterns of integration – both in business and their embrace of the English language.



Picture Gallery (click the image to start)

Demographic maps about minorities and population change in the United States based on the U.S. Census 2000 (Source: www.censusscope.org)

Germans love the urban legend that English only narrowly defeated German as the official language in the United States. In reality, such a vote was never cast, but there is an interesting detail to the story. While English has been the de facto standard for centuries, it has never been the country's official language.

For the founding fathers this might have been nothing but a symbol for the country's long-standing history of immigration. But with changing migration patterns in recent decades, the massive influx of Spanish-speaking newcomers from Mexico, Puerto Rico, Cuba, and other Latin American countries raised fears that the long-standing dominance of English could finally be challenged.

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From 1980 to 2000, the number of Hispanic Americans living in the U.S. doubled to some 35 million people. Today, about 45 million Hispanics live in the U.S., making it the second-biggest ethnic group in the country.

The Hispanic wave

When the 2000 U.S. census confirmed this demographic trend, editorials across the country speculated that California or Florida would soon become Spanish-speaking. Some questioned whether the U.S. would be able to integrate millions of non-English speakers.

Today, the media hype has subsided, even as the Hispanic community continues to grow. Rakesh Koshar from the Pew Hispanic Center expects the Latino share of the U.S. population to exceed 20 percent within the next two decades. But the English language persists, and interestingly, most Hispanics are perfectly happy with that. Their attitude is mainly due to a generation shift in the Hispanic community.

“The composition of the Hispanic population is undergoing a fundamental change,” says Koshar. “The children of Hispanic immigrants (the second generation), rather than immigrants themselves (the first generation), will be the principal source of population growth in the near future.” According to surveys conducted by the Pew Hispanic Center, these second and third generation Hispanics tend to describe themselves as English-dominant and start to adopt values shared by many U.S. Americans.

English only?

The state of Arizona illustrates the power of Americanization. Thanks to a Hispanic population that has been growing by more than 80 percent in the 1990s, Arizona gained two additional seats in the U.S. Congress.

Whoever thought that this would translate into a special status for Hispanics was in for a surprise. In 2006, after 30 years of bilingual education, Arizona opted for an English-only policy for its schools. The step was supported by many Hispanic Americans, who claimed that bilingual education was an obstacle to their assimilation.



Demonstrators during a march through the streets of Los Angeles to protest legislation that cracks down against illegal immigrants in March 2006 (Photo: Reuters)

The dominance of English remains unchallenged, but with a growing Hispanic community the importance of Spanish is growing as well. “If you go to south Florida, you need Spanish,” says Rafael Gutierrez, a Venezuelan-born insurance expert at Allianz Life. “Of course, people speak English, but you will hear Spanish more than you will hear English, or you will hear a combination of both. It is similar in southern California.”

Politicians were among the first to adapt. In 2005, the Democratic Party produced a radio advertisement in Spanish trying to mobilize Latino voters against changes in social security proposed by the Republican government of George W. Bush.

Hispanic business as usual

Business recognized the trend as well, with the media industry leading the pack. Throughout the United States, there are thousands of Spanish-language media outlets. Univision, the biggest Spanish-

speaking commercial network reaches more than 15 million households, roughly 15 percent of the entire country. Spanish-language newspapers have grown by more than 30 percent since 2000. Nearly 400 daily and weekly papers produce annual ad revenues of nearly a billion dollars (790 million Euros).

The financial sector followed suit. In a heated race by global banks to serve the U.S. Hispanic community, Spain's Banco Bilbao Vizcaya Argentaria bought several the Texas banking group Laredo National Bancshares for some 850 million dollars in 2005. The purchase gave it access to a potential market of some five million Hispanics in south Texas alone.

A cliché reversed

Business with Hispanic American strives, but true integration also includes successful Hispanic businesses. According to the old cliché Asian Americans are business savvy, while Hispanics lag behind. Statistics, says Koshar, tell a similar story. "The vast majority of Hispanic immigrants have no more than a high school degree. That leaves them concentrated in relatively low-skill, blue-collar occupations.

But as Hispanic Americans reach their second and third generations in the United States, the trend is changing. According to the U.S. Census Bureau, the number of Hispanic-owned businesses increased at a rate three times the national average between 1997 and 2002. In 2006, some 1.6 million Hispanic-owned businesses generated nearly 222 billion dollars in revenue, up 19 percent from 1997.

Many of these Hispanic-owned businesses work both in Spanish and English. This, however, is unlikely to influence the trend of Americanization, says Koshar. "The transition from Spanish-dominance to English is virtually complete within a generation." English, the language of globalization, looks to remain the language of choice for Hispanic Americans and millions of others in the global melting pot.

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