The Great Recession and Heterogeneity within the Hispanic Middle Class

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We investigated the size of Hispanic middle class using the Department of Commerce’s definition and tracked the changes over the Great Recession using 2003-2014 Consumer Expenditure Survey data. We also explored the within group heterogeneity of Hispanic middle class facing the Great Recession. Our descriptive results showed that the size of Hispanic middle class shrank after the recession. This erosion is very disconcerting, especially given the increasing share of Hispanics in the demographic makeup and significant contribution to the U.S. economy. Meanwhile, within ethnic group heterogeneity exists in weathering the economic downturn with Mexicans being more likely to be in middle class than Mexican-Americans during recession compared with pre-recession. Such findings do not speak to an improvement of economic well-being among Mexicans but possibly a result of the worse-off Mexican immigrants returning to Mexico.

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