

Federal Programs Lift Latinos Out of Poverty: Spotlight on Arizona

For more than 50 years, anti-poverty programs have helped ensure that working families are lifted out of poverty when times are tough or their wages are too low for them to be able to make ends meet. This fact sheet provides evidence of the strong anti-poverty effect of selected supports in Arizona, including the number or share of Arizona Latinos participating and lifted out of poverty.

Latinos represent one in six Americans and are poised to shape the nation's future as one of the fastest-growing segments of the population¹ In Arizona today, the Hispanic population stands at more than 2 million, accounting for about one out of every three people in the state.²

The Arizona Hispanic community's size, work ethic, and resilience have contributed to the national economic resurgence following the Great Recession.³ Nevertheless, a considerable portion of Latinos continue to lag behind, struggling to put food on their tables and a roof over their heads. In 2015, about 23% of Latinos in Arizona were living in poverty, compared to 16% of Arizona overall.⁴

For more than 50 years, anti-poverty programs have helped ensure that working

families are lifted out of poverty when times are tough or their wages are too low for them to be able to make ends meet. These programs are collectively known as the "social safety net" and are at risk. The Trump administration's budget request for fiscal year 2018 aims to undermine these programs by imposing unprecedented cuts to fund tax breaks for both corporations and the extremely wealthy on the backs of the most vulnerable members of our communities.⁵ Proposed cuts to these programs would have a significant effect on the millions of Latinos' who struggle to make ends meet, including the estimated 576,000 Hispanics in Arizona who live in poverty.⁶ Using data from the U.S. Census Supplemental Poverty Measure, this fact sheet provides evidence of the strong anti-poverty effect of selected supports in

* The terms "Hispanic" and "Latino" are used interchangeably by the U.S. Census Bureau and throughout this document to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race.

Arizona, including the number or share of Arizona Latinos participating and lifted out of poverty.*

FEDERAL REFUNDABLE TAX CREDITS

The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) are federal tax credits for low- and moderate-income workers. The EITC encourages and rewards work – a worker’s EITC grows with each additional dollar of earnings until their income qualifies for the maximum value of the credit. The CTC helps working families cover the cost of raising children.

Earned Income Tax Credit

In tax year 2015, approximately 571,000 tax filers in Arizona received \$1.5 billion worth of tax credits through the EITC, and the latest Census data show that 42% of EITC beneficiaries were Latino.⁷

EITC lifted approximately 131,000 Arizona Latinos out of poverty in 2015.⁸

Child Tax Credit

In tax year 2014, approximately 471,000 tax filers in Arizona received \$682 million worth of tax credits through the refundable portion of the CTC, and the latest Census data show that 54% of CTC beneficiaries were Latino.⁹

CTC lifted an estimated 61,000 Arizona Latinos out of poverty in 2015.¹⁰

FEDERAL ANTI-POVERTY PROGRAMS

Every American family needs an adequate diet, decent home, and stable living

environment. Federal programs that provide nutrition assistance, create and preserve affordable housing, and help cover utilities are critical pillars for our nation’s social safety net.

Supplemental Nutrition Assistance Program (SNAP)

In February 2017, approximately 410,000 Arizona households received food assistance through SNAP, and the latest Census data show that 42% of SNAP households were Latino.¹¹

SNAP lifted approximately 70,000 Arizona Latinos out of poverty in 2015.¹²

Rental Assistance

Of the approximately 39,000 Arizona households receiving federal rental assistance in 2016, approximately 15,000 (37%) were Latino households.¹³

Rental assistance lifted approximately 14,000 Arizona Latinos out of poverty in 2015.¹⁴

Supplemental Security Income (SSI)

As of December 2016, there were approximately 109,000 Arizonans receiving SSI benefits.¹⁵

SSI benefits lifted approximately 15,000 Arizona Latinos out of poverty in 2015.¹⁶

Temporary Assistance for Needy Families (TANF)

Of the approximately 24,000 Arizonan receiving TANF in FY 2015, 43% were Latino.¹⁷

Low Income Home Energy Assistance Program (LIHEAP)

Approximately 24,000 Arizona households received federal help to pay their energy bills in fiscal year 2016.¹⁸

* In this analysis, the poverty rate and number of people in poverty is based on the U.S. Census Bureau’s Supplemental Poverty Measure (SPM), which extends the official poverty measure by taking into consideration many of the government programs (i.e., tax credits and noncash transfers) designed to assist low-income individuals that are not included in the current official poverty measure. While the Census SPM provides a more complete view of the anti-poverty effect of government transfers than the official measure, the SPM still understates these effects because households in Census surveys, as in many surveys, tend to underreport their income from government programs. For more information about underreporting in the SPM, see Arloc Sherman and Danilo Trisi, “Safety Net More Effective Against Poverty Than Previously Thought,” Center on Budget and Policy Priorities, May 6, 2015.

Endnotes

The data in this report comes from the most recent and complete data sets available. As such, data points and comparison years may vary throughout this report. All sources accessed early September 2017.

- 1 U.S. Census Bureau, "American FactFinder: Selected Population Profile in the United States: 2015 American Community Survey 1-Year Estimates," https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_1YR_S0201&p, Table S0201.
- 2 Ibid.
- 3 Renato Rocha, "Latinos in Arizona: Protecting and Defending Progress in the Grand Canyon State" (Washington, DC: NCLR, 2017), <http://publications.nclr.org/handle/123456789/1728>.
- 4 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files <https://www.census.gov/programs-surveys/cps.html>.
- 5 UnidosUS, "Fiscal Year 2018 Federal Budget: A Preliminary Assessment of the President's Request" (Washington, DC: NCLR), http://publications.nclr.org/bitstream/handle/123456789/1724/nclr_budgetassessment.pdf?sequence=4&isAllowed=y.
- 6 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files <https://www.census.gov/programs-surveys/cps.html>.
- 7 Internal Revenue Service, "Statistics for Tax Returns with EITC" (Washington, DC: IRS, 2017) <https://www.irs.gov/EITC-Central/eitcstats>; and UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016).
- 8 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) <https://www.census.gov/programs-surveys/cps.html>.
- 9 Internal Revenue Service, "IRS Statistics of Income Historical Table 2" (Washington, DC: IRS, 2017) <https://www.irs.gov/pub/irs-soi/14in54cmcsv.csv>; and Center on Budget and Policy Priorities (CBPP) analysis of 2013-2015 American Community Survey 3-Year Estimates.
- 10 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) <https://www.census.gov/programs-surveys/cps.html>.
- 11 United States Department of Agriculture, "National and/or State Level Monthly and/or Annual Data" (Washington, DC: USDA, 2017) <https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>; and Center on Budget and Policy Priorities analysis of 2013-2015 American Community Survey 3-Year Estimates.
- 12 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) <https://www.census.gov/programs-surveys/cps.html>.
- 13 CBPP tabulation of Department of Housing and Urban Development (HUD) 2016 administrative data, produced by arrangement with HUD.
- 14 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) <https://www.census.gov/programs-surveys/cps.html>.
- 15 Social Security Administration "Research, Statistics, and Policy Analysis" (Washington, DC: SSA, 2017) https://www.ssa.gov/policy/docs/factsheets/cong_stats/.
- 16 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) <https://www.census.gov/programs-surveys/cps.html>.
- 17 Department of Health and Human Services, "Characteristics and Financial Circumstances of TANF Recipients, FY 2015" (Washington, DC: HHS, 2016) https://www.acf.hhs.gov/sites/default/files/ofa/characteristics_and_financial_circumstances_of_tanf_recipients.pdf.
- 18 National Energy Assistance Directors' Association, "LIHEAP Long Form Data Reports" (Washington, DC: NEADA, 2016); and NCLR analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files.