

NEW DATA SHOWS LATINO POVERTY RATE STILL DISPROPORTIONATELY HIGH

On September 16, 2015, the U.S. Census Bureau released new data measuring poverty in the U.S. during 2014.* The statistics show that national poverty[†] rates and income levels in the U.S. have barely budged for the fourth consecutive year. In 2014, the Latino[‡] poverty rate decreased slightly to 23.6%, compared to 24.7% in 2013.¹ This means that while there were 250,000 fewer Latinos living in poverty than in 2013, the Latino poverty rate is still almost double the national poverty rate of 14.8%.²

Stagnant poverty rates are indicative of an economy that has had uneven gains following the Great Recession and an austerity agenda. Years of slashed investments in education, housing, and nutrition services continue to threaten the well-being and financial stability of communities of color, including Latinos. The spending guidelines for fiscal year 2016 continue this harmful trend, with 63% of budget cuts coming from programs aimed at helping low- and moderate-income Americans.³ This reduction in spending, together with long-term wage stagnation, has left millions of families without income to meet their basic needs.

The following is an analysis of the 2014 poverty and income data released by the U.S. Census Bureau, specifically as it reflects the economic health of the Latino community. This document also includes policy recommendations from our body of work.

Latino Income and Poverty Figures

Hispanic family income has not significantly changed in 2014 and remains below prerecession level.

- Latino median household income in 2014 (\$42,491) is statistically unchanged from its 2013 level (\$40,337). It is still lower than a prerecession level of \$44,363 in 2006.⁴
- Among all American households the median household income was \$53,657 in 2014, also lower than its prerecession level of \$57,357 in 2007.⁵

* The data in this report is from the 2015 Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC). The 2015 CPS ASEC data on income and poverty are based on a redesigned questionnaire. As such, the 2013 income and poverty estimates in this report differ from those released in September 2014 in order to compare statistics originating from comparable data sets.

[†] In 2014, a family of four was considered poor if income was below \$24,230.

[‡] 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.

Millions of hardworking Latinos earn poverty-level wages.

- The employment picture for Hispanic workers improved between 2013 and 2014. The Latino unemployment rate continues to decline, from 10.2% in 2012 to 6.6% in August 2015.⁶
- Despite falling unemployment, recent data showed that 42.2% of Latino workers earned poverty-level wages.⁷

Latino poverty is unchanged in 2014 and remains above prerecession levels.

- In 2014 there were 13.1 million Latinos living in poverty, compared to 13.3 million in 2013.⁸
- In 2006, before the recession, the poverty rate for Latinos was 20.6%. Although the economy has been growing, the Latino poverty rate remains high, at 23.6% in 2014.
- The poverty rate of 19.8% among Latino adults in 2014 was slightly lower than its 2013 level of 20.5%.⁹

The poverty rate for Latinos is more than twice as high as that of Whites.

- In 2014, the poverty rate for non-Hispanic Whites was 10.1%, compared to 23.6% for Latinos, 26.2% for Blacks, and 12.0% for Asians.¹⁰

Latino children still constitute nearly 40% of all children in poverty.

- There are 15.5 million poor children overall in the United States, and 5.7 million (36.9%) of them are Latino.¹¹
- In 2014, 31.9% of Latino children—our nation’s future workers, taxpayers, and voters—lived in poverty, a decrease from 33.0% in 2013.¹² Before the recession, the Latino child poverty rate stood at 26.9%.

Poverty among Latino seniors remains nearly double the overall senior poverty rate.

- The poverty rate among Hispanic seniors was 18.1% in 2014, compared to its level in 2013 of 20.4%. This is significantly higher than the poverty rate among all seniors (10.0%).¹³

Policy Recommendations

Restore investments in successful antipoverty programs.

- Latino children now make up [almost one in four students](#) enrolled in public schools.¹⁴ By 2050, one in three American workers and taxpayers will be Latino.¹⁵
- Program cuts affecting working families have accounted for 70% of deficit reduction achieved since 2011; by comparison, only 30% (\$600 billion) has come from new revenue.¹⁶

- Invest in children and new workers by restoring funding to Latino priorities affected by devastating budget cuts such as Title I funding for high-poverty schools, workforce development, and housing.

Defend and strengthen refundable tax credits for working families.

- Tax credits that help hardworking families such as the refundable Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) disproportionately benefit Latinos, who are overwhelmingly concentrated among low-income working families earning less than 200% of the poverty level.¹⁷
- If Congress fails to make expansions of the EITC and CTC permanent, more than 16 million people, including 8 million children, would fall into or deeper into poverty.¹⁸
- The EITC and CTC have been shown to increase [educational attainment](#) and workforce participation as these children grow into adulthood.

Raise the federal minimum wage to \$12 per hour.

- Congress has failed to advance legislation to raise the federal minimum wage to \$12 per hour. Raising the minimum wage would directly benefit 8.5 million Latino workers.¹⁹
- Recent [polling](#) shows that the majority of Latino voters would be more likely to support a candidate who supports raising the minimum wage.

Maintain our Social Security system as the foundation of a secure retirement.

- Social Security is our nation's largest antipoverty program, keeping 20 million people out of poverty, including seniors and disabled workers. Previous studies have shown that without Social Security, the poverty rate among Latino seniors would be approximately 50%.²⁰
- Social Security also helps over 3.3 million children whose parents have passed away or are disabled or retired.²¹

Strengthen the social safety net for Latino families.

- The official poverty figures released today do not count the value of many critical antipoverty programs such as the Supplemental Nutrition Assistance Program (SNAP) or the Earned Income Tax Credit. The official poverty figures only count pretax cash income. If the value of these programs were counted as income, the number and percentage of people in poverty would be significantly lower.
- However, many Latinos are ineligible for these programs due to immigration status. Passing immigration reform would enable millions of newly legalized workers to, at minimum, claim tax credits designed to help hardworking families.

Endnotes

- ¹ Carmen DeNavas-Walt and Bernadette D. Proctor, *Income and Poverty in the United States: 2014*, (Washington, DC: US Census Bureau, 2015), <http://census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf> (accessed September 2015), Table 3.
- ² Ibid.
- ³ Robert Greenstein and Richard Kogan, "Ten Serious Flaws in the Congressional Budget Plan," (Washington, DC: Center on Budget and Policy Priorities, 2015), <http://www.cbpp.org/research/federal-budget/ten-serious-flaws-in-the-congressional-budget-plan> (accessed September 2015).
- ⁴ Carmen DeNavas-Walt and Bernadette D. Proctor, *Income and Poverty in the United States: 2014*, Table 1.
- ⁵ Carmen DeNavas-Walt and Bernadette D. Proctor, *Income and Poverty in the United States: 2014*, Table A-1.
- ⁶ U.S. Bureau of Labor Statistics, "Data Retrieval: Labor Force Statistics," *Current Population Survey*. Washington, DC, <http://www.bls.gov/cps/cpsatabs.htm> (accessed September 2015), Tables A-2 and A-3.
- ⁷ Economic Policy Institute, *The State of Working America*, "Share of workers earning poverty-level wages, by race and ethnicity, 1973–2013," <http://www.stateofworkingamerica.org/chart/swa-wages-figure-4f-share-workers-earning/> (accessed September 2015).
- ⁸ Carmen DeNavas-Walt and Bernadette D. Proctor, *Income and Poverty in the United States: 2014*, Table 3.
- ⁹ U.S. Bureau of the Census, "Historical Poverty Tables," *Current Population Survey*. Washington, DC, 2014, <http://www.census.gov/hhes/www/poverty/data/historical/people.html> (accessed September 2015), Table 3.
- ¹⁰ Carmen DeNavas-Walt and Bernadette D. Proctor, *Income and Poverty in the United States: 2014*, Table 3.
- ¹¹ Ibid.
- ¹² U.S. Bureau of the Census, "Historical Poverty Tables," *Current Population Survey*, Table 3.
- ¹³ Ibid.
- ¹⁴ National Council of La Raza, "Latino Kids Data Explorer," <http://www.nclr.org/index.php/latinokidsdata> (accessed September 2015).
- ¹⁵ Mitra Toossi, "Projections of the labor force to 2050: a visual essay." *Monthly Labor Review*. U.S. Department of Labor, Bureau of Labor Statistics. Washington, DC, 2012, www.bls.gov/opub/mlr/2012/10/art1full.pdf (accessed September 2015).
- ¹⁶ U.S. Senate Budget Committee, *Foundation for Growth: Restoring the Promise of American Opportunity*. Washington, DC, March 2013, <http://www.budget.senate.gov/democratic/public/index.cfm/fiscal-year-2013-budget> (accessed September 2015), 2.
- ¹⁷ Email from Arloc Sherman, Center on Budget and Policy Priorities, to Leticia Miranda, NCLR, unpublished tables, February 21, 2013.
- ¹⁸ Chuck Marr, Bryann DaSilva, and Arloc Sherman, *Letting Key Provisions of Working-Family Tax Credits Expire Would Push 16 Million People Into or Deeper Poverty* (Washington, DC: Center on Budget and Policy Priorities, 2014), <http://www.cbpp.org/cms/?fa=view&id=4228> (accessed September 2015).
- ¹⁹ Stephanie Roman, "Raise the Wage! A \$12 Federal Minimum Wage Would Benefit 8.5 Million Latino Workers," (Washington, DC: NCLR, 2015), http://www.nclr.org/index.php/publications/raise_the_wage_a_12_federal_minimum_wage_would_benefit_85_million_latino_workers/ (accessed September 2015).
- ²⁰ Fernando Torres-Gil, Robert Greenstein, and David Kamin, *The Importance of Social Security to the Hispanic Community* (Washington, DC: Center on Budget and Policy Priorities, 2005), <http://www.cbpp.org/cms/?fa=view&id=436> (accessed September 2015).
- ²¹ National Academy of Social Insurance, "Who Gets Social Security?" <http://www.nasi.org/learn/socialsecurity/who-gets> (accessed September 2015).