

On September 13, 2016, the U.S. Census Bureau released new data measuring poverty and income in the United States during 2015.<sup>†</sup> The statistics show that national poverty<sup>‡</sup> rates and income levels in the United States improved significantly in 2015. The average American household saw an increase of 5.2% in income between 2014 and 2015, up to \$56,516.<sup>1</sup> In that same timeframe, the number of Americans living in poverty fell by 3.5 million.<sup>2</sup> Latinos<sup>§</sup> also saw improved measures. Latino median household income increased by 6.1% from 2014 to 2015, up to \$45,148.<sup>3</sup> This increase was the largest among all racial and ethnic groups and exceeded the national average. Further, the number of Latinos living in poverty fell by nearly one million between 2014 and 2015. Both the poverty rate and median household income for Latinos are nearly restored to prerecession levels.

Despite these improvements, there continue to be significant gaps between the economic security of the Latino community compared to other Americans. The Latino poverty rate is much higher compared to the national poverty rate and the median income of Latino households continues to significantly trail that of most other Americans. While the recent data show that these gaps are beginning to narrow, there is much more work that needs to be done to close gaps completely.

The following is an analysis of the 2015 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 considerations that aim to improve the economic stability of Latino families.

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† The data in this report is from the 2016 Current Population Survey Annual Social and Economic Supplement.

‡ In 2015, a family of four was considered poor if income was below \$24,036.

§ 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.

## Latino Income and Poverty Figures

### Hispanic family income improved in 2015, reaching the highest level since 2000.

- Latino median household income in 2015 (\$45,148) significantly improved from its 2014 level (\$42,491). This is the highest median income measured since 2000, at a peak of \$45,649.<sup>4</sup>
- This income level reflects a 6.1% increase over 2014 median household income, the highest improvement compared to other racial and ethnic groups.
- However, this still falls significantly below the median household income for all American households, \$56,516 in 2015.

### Millions of hardworking Latinos earn poverty-level wages.

- The employment picture for Hispanic workers improved between 2014 and 2015. The Latino unemployment rate continued to decline, from 6.4% at the end of 2014, 6.2% at the end of 2015, and further reduced to 5.6% in August 2016.<sup>5</sup>
- Despite falling unemployment, recent data showed that the working-poor rate for Latinos is 11.7%, more than double the rate for Whites (5.5%).<sup>6</sup>

### Latino poverty improved in 2015, but remains higher than that of other groups.

- In 2015, there were 12.1 million Latinos living in poverty, compared to 13.1 million in 2014.<sup>7</sup>
- The 2015 Latino poverty rate was 21.4%. This is the lowest it has been for Latinos since 2006, when it was 20.6%.<sup>8</sup>
- The poverty rate for Latinos remains more than twice as high as that of Whites. In 2015, the poverty rate for non-Hispanic Whites was 9.1%, compared to 21.4% for Latinos, 24.1% for Blacks, and 11.4% for Asians.<sup>9</sup>

### Despite improvements, Latino children still constitute more than one-third of all children in poverty.

- There are 14.5 million poor children overall in the United States, and 5.3 million (36.3%) of them are Latino.<sup>10</sup>
- In 2015, 28.9% of Latino children—our nation's future workers, taxpayers, and voters—lived in poverty, a decrease from 31.9% in 2014: half a million fewer Latino kids lived in poverty in 2015.<sup>11</sup> Before the recession, the Latino child poverty rate stood at 26.9%.<sup>12</sup>

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

- The poverty rate among Hispanic seniors was 17.5% in 2015, compared to its level in 2014 of 18.1%, and the lowest it has been since 2007. However, this rate is more than twice the poverty rate among all seniors (8.8%).<sup>13</sup>

## Policy Considerations

It is clear that the hard work of Latinos and policies that promote the Latino community's long-term prosperity have resulted in some marked improvements. Latinos have seen better-than-average improvements in median household wage growth and in the reduction of poverty. Despite these advances, it is evident that hard work alone is not enough. Across the country, the Latino community continues to drive growth, and contribute to the country's prosperity. As a result, it is critical that national, state, and community leaders create and advance solutions that reward hard work and lead to increased financial security. Our leaders have a tremendous opportunity to build on recent socioeconomic gains to lead the country toward greater equity. They can do this by supporting policies that:

- Expand access to refundable tax credits.
- Restore the value of the minimum wage.
- Enhance retirement security, including strengthening Social Security and workplace retirement plans.
- Increase access to safe financial products.
- Preserve homeownership and keep rents affordable.
- Result in more students ready to succeed in college and career.

Investing in an agenda that promotes equitable treatment makes sound political and economic sense. Improving economic security for Latinos is essential not only for the well-being of the Hispanic community, but for the future of our country.

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<sup>1</sup> Bernadette D. Proctor, Jessica L. Semega, and Melissa A. Kollar, *Income and Poverty in the United States: 2015*, (Washington, DC: US Census Bureau, 2016), <http://www.census.gov/content/dam/Census/library/publications/2016/demo/p60-256.pdf> (accessed September 2016), Table 1.

<sup>2</sup> Bernadette D. Proctor, Jessica L. Semega, and Melissa A. Kollar, *Income and Poverty in the United States: 2015*, Table 3.

<sup>3</sup> Ibid.

<sup>4</sup> Bernadette D. Proctor, Jessica L. Semega, and Melissa A. Kollar, *Income and Poverty in the United States: 2015*, Table A-1.

<sup>5</sup> 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 2016), Table A-3.

<sup>6</sup> U.S. Bureau of Labor Statistics, "A Profile of the Working Poor, 2014," April 2016, <http://www.bls.gov/opub/reports/working-poor/2014/pdf/home.pdf> (accessed September 2016).

<sup>7</sup> Bernadette D. Proctor, Jessica L. Semega, and Melissa A. Kollar, *Income and Poverty in the United States: 2015*, Table 3.

<sup>8</sup> Bernadette D. Proctor, Jessica L. Semega, and Melissa A. Kollar, *Income and Poverty in the United States: 2015*, Table B-1.

<sup>9</sup> Bernadette D. Proctor, Jessica L. Semega, and Melissa A. Kollar, *Income and Poverty in the United States: 2015*, Table 3.

<sup>10</sup> Bernadette D. Proctor, Jessica L. Semega, and Melissa A. Kollar, *Income and Poverty in the United States: 2015*, Table B-2.

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.