

# Latino Income and Poverty in 2016

While Latinos saw progress, several long-standing inequalities remain in 2016. Latino median household income increased, but Latinos are still more likely to live in poverty.

On September 12, 2017, the U.S. Census Bureau released new data measuring poverty and income in the United States during 2016, the last year of the Obama administration. The data show that national poverty rates and income level in the United States improved significantly in 2016. On average, American households saw an increase of 3.2% in income between 2015 and 2016, up to a record high of \$59,036. The number of Americans living in poverty fell by 2.5 million during this same period.<sup>1</sup>

While Latinos\* also saw progress, several long-standing inequalities remain. Latino median household income increased by 4.3% from 2015 to 2016, up to \$47,675--the highest level on record. This increase exceeded the national average. Additionally, the number of Latinos living in poverty fell by nearly one million between 2015 and 2016. Yet, Latinos are still more likely to live in poverty, and the median income of Latino households continues to trail that of most other Americans. While the recent data show that these gaps are beginning to narrow, more work is needed to protect these gains and to continue progress in narrowing inequities.

UnidosUS is committed to advocating for policies that allow Latinos to contribute to the economy and share in our nation's economic opportunities. The following is an analysis of the 2016 poverty and income data released by the U.S. Census Bureau, specifically as it relates to the Latino population. This document also includes policy considerations that aim to improve the economic stability of Latino families and all Americans.

## Latino Income and Poverty Figures

### **Hispanic family income reached an all-time high in 2016.**

- Hispanic median income increased by approximately \$1,956 between 2015 and 2016, up to \$47,675. This is the second annual increase in median household income for Latinos.<sup>2</sup>
- Hispanic median income increased by an estimated 4.3% between 2015 and 2016.<sup>3</sup>

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\* 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.

**Nearly one million Latinos rose out of poverty in 2016.**

- The Hispanic poverty rate dropped by an estimated two percentage points between 2015 and 2016, down to 19.4%.<sup>4</sup>
- In total, approximately 996,000 Latinos were lifted out of poverty in 2016. Latinos accounted for approximately 40% of the total population that was lifted out of poverty between 2015 and 2016.<sup>5</sup>

**Hispanic child poverty rate hit a record low in 2016.**

- In 2016, the Hispanic child poverty rate dropped from 28.9% in 2015 to 26.6%, an all-time low.<sup>6</sup>
- An estimated 4.9 million Latino children lived in poverty in 2016, approximately 400,000 less than in 2015.<sup>7</sup>

**Latinos are still more likely to live in poverty than other groups.**

- However, the Latino poverty rate, at 19.4% is higher than the national average of 12.7%, and more than twice the poverty rate (8.8%) of their White counterparts in 2016.<sup>8</sup>
- Similarly, the Hispanic children poverty rate of 26.6% is nearly nine percentage points higher than the national average of children.
- Hispanic median income is still considerably less than the national average of \$59,039 in 2016.<sup>9</sup>

## Policy Considerations

While the data is encouraging, Latinos continue to struggle after years of stalled growth. Wages, financial insecurity, and poverty remains a challenge. These fragile gains are threatened by proposals to undermine progress. For example, the House Republican budget proposal in fiscal year 2018 undermines federal anti-poverty programs by imposing unprecedented cuts to fund tax breaks for large corporations and wealthy individuals.<sup>10</sup> Proposed cuts to these programs would have a significant effect on the millions of Americans, including Latinos, who struggle to make ends meet. Attempts to end the refundable Child Tax Credit (CTC) for immigrant workers who pay taxes using an Individual Tax Identification Number (ITIN) would strip support for their children, most of whom are U.S. citizens. Nationally, the CTC lifted approximately one million Latinos out of poverty in 2015.<sup>11</sup>

Instead, we call on elected officials to protect and build on these gains by supporting policies that:

- Adequately fund federal anti-poverty programs and maintain their structure.
- Protect the progress of the Affordable Care Act.
- Enact comprehensive immigration reform and oppose mass deportation.
- Preserve homeownership opportunities for distressed borrowers and keep rent affordable.
- Put more money in workers' pockets by restoring the value of the minimum wage, expanding access to refundable tax credits, and ensuring that infrastructure investments result in jobs where they are needed most.
- Enhance long-term economic security by curbing the growth of predatory lending institutions and increasing access to safe financial products and workplace-based retirement plans.

The Latino community continues to drive economic growth and contribute to our nation's workforce and prosperity. As such, it is critical that our elected officials defend the progress that has been made and not undermine our community's hard-earned gains. We are stronger when all communities prosper. Targeted policies investing in progress for everyone will not only embody American values of inclusivity and equity, but will also strengthen our national economy.

## Endnotes

All sources accessed September 2017.

- 1 Jessica L. Semega et al., "Income and Poverty in the United States: 2016" (Washington, DC: United States Census Bureau, 2017) <https://www.census.gov/content/dam/Census/library/publications/2017/demo/P60-259.pdf>.
- 2 Ibid.
- 3 Ibid.
- 4 Ibid.
- 5 Ibid.
- 6 Ibid.
- 7 Ibid.
- 8 Ibid.
- 9 Ibid.
- 10 UnidosUS, "Fiscal Year 2018 Federal Budget: A Preliminary Assessment of the President's Request" (Washington, DC: UnidosUS, 2017) <http://publications.nclr.org/handle/123456789/1724>.
- 11 UnidosUS, "Federal Programs Lift Millions of Latinos Out of Poverty" (Washington, DC: UnidosUS, 2017) <http://publications.unidosus.org/handle/123456789/1748>.