












# Latinos in Virginia: Protecting and Defending Progress in the Old Dominion

Given the Latino community's work ethic and resiliency, they have contributed to Virginia's economic resurgence. However, despite gains, challenges lie ahead as many Virginians, including Latinos, perceive that they have been left behind by policymakers and the economy.

Hit particularly hard by the economic crisis, Hispanic\* Virginians have seen commonsense policies put in place and their hard work begin to pay off following the Great Recession. Gains across several economic indicators point to improved economic security for Latinos. Given the Latino community's size, work ethic, and resiliency, they have contributed to the Old Dominion's economic resurgence. However, despite gains, challenges lie ahead as many Virginians, including Latinos, perceive that they have been left behind by policymakers and the economy.

Examining Latinos' status across a range of indicators in Virginia can help lawmakers and advocates better understand how far the Latino community has come since the Great Recession, what is at stake for the Old Dominion's economic future if policies and protections are rolled back, and what more can be done to ensure that Latinos and all Virginians continue to advance their economic security. UnidosUS is committed to advocating for policies that not only allow Latinos to contribute to the economy, but also share in the Old Dominion's economic opportunities.

\* 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.

Virginia Hispanic Snapshot for 2011 and 2016 <sup>1</sup>		Hispanics in Virginia		All of Virginia	
		2011	2016	2011	2016
	Population	648,793	760,611	8,096,604	8,411,808
	Foreign-Born	47%	44%	11%	12%
	Bachelor's Degree	14%	14%	21%	22%
	Labor Force Participation Rate <sup>†</sup>	76%	76%	66%	66%
	Unemployed	5%	4%	5%	3%
	Median Household Income	\$56,782	\$60,534	\$61,882	\$68,114
	Overall Poverty Rate	18%	16%	12%	11%
	Child Poverty Rate	24%	22%	15%	14%
	Uninsured Rate	33%	25%	13%	9%
	Renters Facing High Rental Costs <sup>*</sup>	53%	59%	50%	49%
	Homeownership Rate	45%	45%	67%	65%

## Latino Gains Since the Great Recession Are at Stake

At the height of the Great Recession, Virginian Hispanic families were in severe financial distress. In 2009, Latinos faced a national unemployment rate of 8.1%, and a rate of 7.5% in Virginia.<sup>2</sup> Additionally in 2009, Virginia's foreclosure rate of 2.2% was well above its foreclosure rate of 0.6% in 2016.<sup>3</sup> To help the American economy recover from the crisis, a series of targeted pieces of legislation were put in place to bolster economic security and reward hard work. For example, there

are more than four million Latinos who have gained health care coverage under the Affordable Care Act (ACA) since 2013.<sup>4</sup> Nationally, there are also 1.9 million individuals in the United States who have become eligible for work authorization under the Deferred Action for Childhood Arrivals (DACA) program, including 40,000 Virginians.<sup>5</sup> Further, the Consumer Financial Protection Bureau (CFPB), one of the most important accomplishments of the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, has already enacted much-needed mortgage servicing standards and, in six

<sup>\*</sup> Those defined as cost-burdened spend 30% or more of their monthly income on rent and utilities.

<sup>†</sup> Foreign-born workers comprised 15% and 16% of Virginia's labor force in 2011 and 2016, respectively, per the U.S. Census Bureau's American FactFinder.

years, returned nearly \$12 billion in relief to 29 million consumers nationwide.<sup>6</sup> These and other actions to strengthen our economy have led to improved economic footing for Virginia's Latinos.

**Hispanic Gains in Health Coverage:** Between 2011 and 2016, Virginia's rate of uninsured Hispanics dropped approximately eight percentage points, a 24% reduction in the uninsured rate among Latinos. Virginians overall also saw a four percentage point drop in the uninsured rate between 2011 and 2016, a 31% reduction in the overall uninsured rate. Latino gains in health coverage under the ACA contributed to this reduction. Approximately 18,300 Latino Virginians acquired health insurance between 2011 and 2016.<sup>7</sup>

**More Latinos Own a Home:** After a sharp decline in Hispanic homeownership due to the foreclosure crisis, the number of Hispanics who own a home rose between 2011 and 2016, increasing by approximately 17,000 households. However, the Latino homeownership rate was stagnant (45%) between 2011 and 2016 and is 20 percentage points lower than the state average (65%) in 2016.<sup>8</sup> Although many housing markets across the country have rebounded, a considerable portion of Virginians are still struggling in homes with underwater mortgages. Four Virginia cities have some of the nation's highest incidence of negative home equity\*: Hampton (36%), Richmond (27%), Chesapeake (26%), and Virginia Beach (26%).<sup>9</sup>

**Decrease in Latino Poverty:** The Hispanic child poverty rate dropped by an estimated two percentage points between 2011 and 2016. An estimated 4,300 Latino children who were lifted out of poverty during this period, accounting for approximately 28% of Virginia's

total child poverty reduction between 2011 and 2016. Hispanics overall experienced an 8% reduction in the number of people living in poverty, considerably outpacing Virginia's total reduction of approximately 4%. However, Latino poverty continues to be significantly higher than others in state, on average.<sup>10</sup>

**More Latino Households Are Fully Banked:** The number of Hispanic households in the South† that are fully banked‡ increased by 853,000 between 2011 and 2015, accounting for 32% of the region's increase in fully banked households during this period. Southern Hispanics also saw a decrease in the unbanked rate, declining from 21% in 2011 to 17% in 2015, representing an estimated 52,143 Latinos who are no longer unbanked. However, although many Southern Latinos entered the financial mainstream, many continued to use alternative financial services (AFS) in addition to their bank accounts. Approximately 2.4 million Latino households (38%) reported using an AFS (e.g., payday loans, check cashing, prepaid cards) in 2015, a considerably higher share than the region overall (27%).<sup>11</sup>

**Increase in Latino-Owned Businesses:** The number of Latino-owned businesses in Virginia increased by 53% between 2007 and 2012. During this same period, the overall number of self-owned businesses increased by only 2%. In 2012, Latinos in Virginia owned approximately 44,000 businesses, compared to an estimated 653,000 self-owned businesses statewide. Latino-owned businesses in Virginia generated \$8.6 billion in gross receipts in 2012, an estimated 46% increase from 2007.<sup>12</sup>

These gains are threatened by proposals to undermine progress. For example, actions targeting immigrants will have a profound effect on the state. An immigration policy

\* Negative equity means that home mortgages are worth more than the value of the home.

† Due to a sample size limitation of Hispanic households in Virginia, financial inclusion data is not available at the state level on FDIC's Custom Data Table Tool. For this reason, we present results for the South region of the United States, aggregating data from Virginia, Texas, Oklahoma, Arkansas, Louisiana, Kentucky, Tennessee, Mississippi, Alabama, West Virginia, Maryland, District of Columbia, Delaware, North Carolina, South Carolina, Georgia, and Florida.

‡ According to the Federal Deposit Insurance Corporation, fully-banked households hold a bank account and do not use an alternative financial service. Those who are underbanked are typically defined as individuals who own accounts but use them infrequently, and those who are unbanked do not have checking or savings accounts.

of mass deportation would cause deep economic harms. Removing Virginia's 272,000 unauthorized individuals is estimated to cause the state's GDP to decline by \$11.9 billion annually.<sup>13</sup> Further, 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, more than 80% of ITIN filers losing the CTC would be Latino.<sup>14</sup> In Virginia, Latinos account for 18% of all households who received the CTC.<sup>15</sup> Additionally, some members of Congress have proposed legislation to roll back CFPB protections that would weaken the agency's ability to rein in unfair, deceptive, and abusive practices in the financial marketplace—practices that helped give rise to the housing crisis and recession. Finally, there are also attempts to repeal the Affordable Care Act, which would take health coverage away from 30 million Americans, including six million Latinos.<sup>16</sup>

## Conclusion

The gains of Latinos in recent years have been the result of targeted economic policies that invest in maintaining and increasing progress for all Virginians. As the Latino community continues to drive growth and contribute to Virginia's workforce and prosperity, it is critical that local, state, and national leaders defend the progress that has been made since the Great Recession. At the same time, opportunities to continue positive trends also exist. Forthcoming congressional proposals for tax reform and infrastructure investments have the power to provide increased opportunities for more workers and families—if the policies are crafted to embody the American values of inclusivity and equity. Progress must continue, because a stronger Latino community means a stronger America.

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## Ways to Protect and Build Gains

- Protect the progress of the Affordable Care Act.
  - Enact comprehensive immigration reform and oppose mass deportation.
  - Preserve homeownership 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.
  - Strengthen the social safety net and maintain its structure.
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## Endnotes

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- 9 Peter Dreier et al., *Underwater American: How the So-Called Housing "Recovery" is Bypassing Many American Communities* (Berkeley, CA: Haas Institute, 2014) [http://haasinstitute.berkeley.edu/sites/default/files/haasinstitute\\_underwater-america\\_publish\\_0.pdf](http://haasinstitute.berkeley.edu/sites/default/files/haasinstitute_underwater-america_publish_0.pdf).
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