

State of Hispanic America: Striving for Equitable Opportunity **January 21, 2015**

In his 2015 State of the Union address, President Obama highlighted the progress that American families have made recently and laid out a policy agenda designed to build on these gains. Progress is evident across several aspects of American life: a recovering economy, rebounding job growth, expanded health care, and administrative relief for millions. As the largest minority group in the United States, Latinos* have also seen improvements: over 2.5 million Latinos gained health coverage since 2013,ⁱ recent executive action on immigration will offer relief from deportation for up to five million people, and Latinos have seen strong job growth and a drop in poverty. However, the reach of these gains has been uneven, and many Americans, including a large share of Latinos, still do not feel the effects of these positive socioeconomic indicators.

The president's address laid the groundwork for key policy proposals and ensuing debates that will shape the work of the 114th Congress and set the stage for the next presidential election in 2016. The influence of the Latino vote will continue to grow and policymakers face a critical choice about how they will engage this segment of voters. In the 2014 midterm elections, there were over 25 million eligible Hispanic voters, representing 11% of all eligible voters.ⁱⁱ Shifting state demographics are substantially increasing the influence of the minority vote, and in 2016 candidate success, particularly in battleground states, will depend heavily on how well candidates listen to the Hispanic voices in their community.ⁱⁱⁱ

Over the next two years policymakers have an opportunity to build on recent progress to lift up more Americans. They must protect programs that have already improved the lives of millions and embrace policies that will benefit more hardworking people. Policymakers are now in a position to work together, refocus their attention, and take steps to address critical issues that were deferred by austerity measures in recent years. Tackling tough issues such as economic equality and ensuring high-quality education for all can help extend opportunity across the board.

This brief provides an analysis of key themes as they relate to the U.S. Latino population, included in the president's 2015 State of the Union address. The National Council of La Raza (NCLR)—the largest national Hispanic civil rights and advocacy organization in the United States—will issue a more in-depth agenda of NCLR's policy priorities in the coming months. To learn more about NCLR's positions on issues affecting Latinos, visit www.nclr.org and consult NCLR's publications.

Human Rights

President Obama's administrative action on immigration can make our economy stronger, improve national security, and end the needless separations of American families. Legislation enacting comprehensive immigration reform is necessary and policymakers must work toward a bipartisan solution. In the absence of legislative change, executive action offering relief from deportation and work permits is critical.

- **Hardworking families deserve security.** About 3.7 million hardworking individuals in this country stand to receive temporary relief from deportation; their families deserve to live without the fear of losing a loved one to deportation.^{iv}
- **Immigration relief is beneficial for the U.S. economy.** There are economic benefits to allowing immigrants who already work in this country to do so legally. For example, administrative relief can lead to increased tax contributions. While undocumented workers already contributed about \$10.6 billion in state and local taxes in 2010 alone,^v the program is projected to increase their income tax contributions by about \$2.9 billion in the first year and \$21.2 billion over five years.^{vi}
- **National security can be strengthened through immigration relief.** Allowing immigrants to come out of the shadows and go through background checks provides the benefit of identifying individuals who pose true national security concerns.

Economic Equity and Opportunity

The U.S. economy is in the midst of resurgence, but it is critical to ensure that all Americans, including Latinos, experience continued progress. Recent gains in the economy are evident; for example, the economy grew by 5% in the third quarter of 2014 and there was net job growth of at least 200,000 jobs each month for the past 11 months. Gains of this magnitude last occurred in the 1990s. However, this growth has been uneven, highlighting persistent economic inequalities, particularly among Latinos.

In the next two years, policymakers have an opportunity to protect the economic prospects of hardworking Americans. The extension of refundable tax credits can bring working families relief through the tax code. If left to expire, millions will be forced into poverty. As economic indicators show a broad recovery, it is time for policymakers to turn their attention to ensuring that all Americans share in the benefits of economic growth.

- **Latino unemployment is down, but economic anxiety remains high as wages stagnate.** The Latino unemployment rate is at 6.5%, its lowest level since February 2008, but it still lags behind the overall unemployment rate of 5.6%.^{vii} However, Latinos tend to be concentrated among industries dominated by low-wage jobs, including retail and restaurants. Recent polls show that over two in three (67%) Latinos are not earning enough to meet their basic expenses.^{viii} Raising the federal minimum wage to at least \$12.50 per hour could help low-wage individuals see a better return on their hard work and enjoy more secure financial footing.

- **Refundable tax credits are essential to making low-wage work pay.** Unless Congress acts, millions of Latinos will lose refundable tax credits when current expansions expire in 2017. For example, over three million Latinos benefitting from the Child Tax Credit will lose this relief if the credit is not extended or made permanent.^{ix} The expiration of these credits will push 16 million people into or deeper into poverty, according to the Center on Budget and Policy Priorities. Additionally, expansions to the Earned Income Tax Credit to include workers without children and noncustodial parents, and tax relief to households where both parents work, can benefit millions of Americans.
- **Access to credit remains tight, locking many qualified Latino borrowers out of the housing market.** Without legislation to reform the housing finance system, access to credit remains tight, and very few Latino families can purchase homes. In 2013, Hispanics were turned down for home loans at about twice the rate of White borrowers.^x As such, the prospects for qualified Latinos to attain more secure financial footing through homeownership remain limited. In the absence of legislative reform, regulatory actions such as recently lowered federal mortgage insurance premiums are needed to ensure that qualified Latino families can afford to enter the home purchase market.

Health and Wellness

Americans have experienced a significant reduction in the number of uninsured individuals, largely due to the Affordable Care Act (ACA). Despite many challenges to ACA, it remains the law, providing coverage to about seven million Americans,^{xi} including over two million Latinos.^{xii} Policymakers must maintain these gains and ensure that even more Americans, including Latinos, experience the new options for quality, affordable, and accessible health coverage and care that ACA offers.

Policymakers must also protect the progress made in insuring our nation's children through Medicaid and the Children's Health Insurance Program (CHIP). The Latino community is the youngest population in the country, as well as one of the fastest-growing, and as such the future and success of the United States is linked to its health and well-being. Healthy individuals are more likely to have better outcomes in terms of educational and financial outcomes. Therefore, a healthy Latino community can ensure a healthier and more prosperous America.

- **The Affordable Care Act has reduced the number of uninsured Latinos, but millions remain uninsured.** Since 2013, about 2.6 million Latinos gained health insurance, resulting in an 8% drop in the overall uninsured rate among Latinos.^{xiii} However, Latinos remain the most uninsured population in the United States, with about 25% of all Latinos lacking health coverage, compared to the national average of 10%. Twenty million Latinos live in states that have not expanded Medicaid, with the majority in Texas and Florida.^{xiv} Thus, there is an opportunity to encourage broader implementation of ACA's Medicaid expansion to close the coverage gap for many low-income Latinos.
- **The number of uninsured Hispanic children has fallen, but disparities remain.** Since 2009, the number of Hispanic children who are uninsured has dropped by more than half

a million, but the rate of uninsured Latino children in 2013 was 11.5%, compared to 7.1% for all children.^{xv} In 2013, more than two million Hispanic children in the U.S. were uninsured, yet nearly two-thirds of them are likely eligible for Medicaid or CHIP.^{xvi} Efforts to increase enrollment and maintain funding for these programs can ensure that Latino children do not lose coverage and more qualified children enroll in appropriate programs.

Educational Equity

President Obama has emphasized the need to provide Americans with the education and skills necessary to build the country's economic strength in an increasingly competitive world economy. There have been significant improvements in access and outcomes among Latino students. For example, the Hispanic dropout rate is declining, high school completion rates are up, and more Latinos are enrolling in postsecondary programs. While educational attainment has improved among Latinos, disparities in performance and outcomes persist.

As the Latino population, particularly young children, continues to grow, improving their educational access and outcomes can positively influence future economic outcomes. Policymakers can support measures such as reauthorization of the Elementary and Secondary Education Act, resulting in strong standards and accountability that will reduce disparities and raise educational access and attainment rates.

- **Latino grade school students have improved in math and reading but still lag behind other peer groups.** In 2013, only 26% of Latino students scored proficient in 4th grade math, compared to 54% of White students.^{xvii} In reading, only 20% of Hispanic 4th graders were proficient, while 46% of Whites reached proficiency.^{xviii}
- **Hispanic high school graduation rates are improving but remain below the national average.** In 2012, 73% of Latino students completed high school.^{xix} While this figure is well below the national average of 80% in 2012, it represents a significant increase from the lowest rate of Latino graduation (61%) in 1993.^{xx}
- **Hispanic students are attending college in record numbers, but degree completion lags.** The share of Hispanic 18- to 24-year-olds enrolled in postsecondary education increased by 24.1% from 1972 to 2012.^{xxi} However, degree completion for Latino students lags behind others; 51.9% of all Latino students complete bachelor's degrees within six years. This is lower than the completion rates in the same time for Asians/Pacific Islanders (70.1%) and Whites (62.5%).^{xxii}

ⁱ The Commonwealth Fund, *Catching Up: Latino Health Coverage Gains and Challenges Under the Affordable Care Act* (New York: The Commonwealth Fund, September 2014), <http://www.commonwealthfund.org/publications/issue-briefs/2014/sep/gains-for-latino-adults> (accessed January 2015).

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- ⁱⁱⁱ Center for American Progress, *The Changing Face of America's Electorate* (Washington, DC: Center for American Progress, 2015), <https://cdn.americanprogress.org/wp-content/uploads/2015/01/2016VotersUPDATED.pdf> (accessed January 2015).
- ^{iv} Migration Policy Institute, "As Many as 3.7 Million Unauthorized Immigrants Could Get Relief from Deportation under Anticipated New Deferred Action Program," news release, November 20, 2014, <http://migrationpolicy.org/news/mpi-many-37-million-unauthorized-immigrants-could-get-relief-deportation-under-anticipated-new> (accessed January 2015).
- ^v Institute on Taxation and Economic Policy, *Undocumented Immigrants' State and Local Tax Contributions* (Washington, DC: Institute on Taxation and Economic Policy, 2013), <http://www.itep.org/pdf/undocumentedtaxes.pdf> (accessed January 2015).
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- ^x U.S. Federal Reserve. *The 2013 Home Mortgage Disclosure Act Data*. Washington, DC, 2014, http://www.federalreserve.gov/pubs/bulletin/2014/pdf/2013_HMDA.pdf (accessed January 2015).
- ^{xi} Lindsay Holst, "7.1 Million Americans Have Enrolled in Private Health Coverage Under the Affordable Care Act," *The White House Blog*, April 1, 2014, <http://www.whitehouse.gov/blog/2014/04/01/more-7-million-americans-have-enrolled-private-health-coverage-under-affordable-care> (accessed January 2015).
- ^{xii} The Commonwealth Fund, *Catching Up*.
- ^{xiii} *Ibid.*
- ^{xiv} *Ibid.*
- ^{xv} Georgetown Center for Children and Families and NCLR, *Hispanic Children's Coverage: Steady Progress, but Disparities Remain* (Washington, DC: Georgetown Center for Children and Families, 2014), <http://ccf.georgetown.edu/wp-content/uploads/2014/11/HispanicChildrensCoverage.pdf> (accessed January 2015).
- ^{xvi} *Ibid.*
- ^{xvii} National Center for Education Statistics, "The Nation's Report Card," http://www.nationsreportcard.gov/reading_math_2013/#/student-groups (accessed December 2014).
- ^{xviii} *Ibid.*
- ^{xix} Marie C. Stetser and Robert Stillwell, *Public High School Four-Year On-Time Graduation Rates and Event Dropout Rates: School Years 2010–11 and 2011–12*. National Center for Education Statistics. Washington, DC, 2014, <http://nces.ed.gov/pubs2014/2014391.pdf> (accessed January 2015)
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