Federal Programs Lift Latinos Out of Poverty: Spotlight on Colorado

For more than 50 years, anti-poverty programs have helped ensure that working families are lifted out of poverty when times are tough or their wages are too low for them to be able to make ends meet. This fact sheet provides evidence of the strong anti-poverty effect of selected supports in Colorado, including the number or share of Colorado Latinos participating and lifted out of poverty.

Latinos* represent one in six Americans and are poised to shape the nation's future as one of the fastest-growing segments of the population.[1] In Colorado today, the Hispanic population stands at approximately 1.2 million, accounting for about one out of every five people in the state.[2] The Hispanic community's size, work ethic, and resilience have contributed to the state's economic resurgence following the Great Recession. Nevertheless, a considerable portion of Latinos continue to lag behind, struggling to put food on their tables and a roof over their heads. In 2015, about 15% of Latinos in Colorado were living under the supplemental poverty threshold,† compared to 10% of Coloradans overall.[3]

For more than 50 years, anti-poverty programs have helped ensure that working families are lifted out of poverty when times are tough or their wages are too low for them to make ends meet. These programs are collectively known as the "social safety

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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.

† In this analysis, the poverty rate and number of people in poverty is based on the U.S. Census Bureau's Supplemental Poverty Measure (SPM), which extends the official poverty measure by taking into consideration many of the government programs (i.e., tax credits and noncash transfers) designed to assist low-income individuals that are not included in the current official poverty measure. While the Census SPM provides a more complete view of the anti-poverty effect of government transfers than the official measure, the SPM still understates these effects because households in Census surveys tend to underreport their income from government programs. For more information about underreporting in the SPM, see Arloc Sherman and Danilo Trisi, "Safety Net More Effective Against Poverty Than Previously Thought," Center on Budget and Policy Priorities, May 6, 2015.

net" and are at risk. The current budget being considered by the House of Representatives undermines these programs by imposing unprecedented cuts to fund tax breaks for both corporations and the extremely wealthy on the backs of the most vulnerable members of our communities.[4] Proposed cuts to these programs would have a significant effect on the millions of Latinos who struggle to make ends meet, including the estimated 170,000 Hispanics in Colorado who live under the supplemental poverty threshold.[5] Using data from the U.S. Census Supplemental Poverty Measure, this fact sheet provides evidence of the strong anti-poverty effect of selected supports in Colorado, including the number or share of Colorado Latinos participating and lifted out of poverty.

Federal Refundable Tax Credits

The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) are federal tax credits for low- and moderate-income workers. The EITC encourages and rewards work — a worker's EITC grows with each additional dollar of earnings until their income qualifies for the maximum value of the credit. The CTC helps working families cover the cost of raising children.

Earned Income Tax Credit

In tax year 2015, approximately 350,000 tax filers in Colorado received $777 million worth of tax credits through the EITC, and the latest Census data show that 29% of EITC beneficiaries were Latino.[6]

EITC lifted approximately 38,000 Colorado Latinos out of poverty in 2015.[7]

Child Tax Credit

In tax year 2014, approximately 276,000 tax filers in Colorado received $387 million worth of tax credits through the refundable portion of the CTC, and the latest Census data show that 44% of CTC beneficiaries were Latino.[8]

CTC lifted an estimated 21,000 Colorado Latinos out of poverty in 2015.[9]

Federal Anti-Poverty Programs

Every American family needs an adequate diet, decent home, and stable living environment. Federal programs that provide nutrition assistance, create, and preserve affordable housing, and help cover utilities are critical pillars of our nation's social safety net.

Supplemental Nutrition Assistance Program (SNAP)

In February 2017, approximately 222,000 Colorado households received food assistance through SNAP, and the latest Census data show that 34% of SNAP households were Latino.[10]

SNAP lifted approximately 33,000 Colorado Latinos out of poverty in 2015.[11]

Rental Assistance

Of the approximately 57,000 Colorado households receiving federal rental assistance in 2016, approximately 17,000 (30%) were Latino households.[12]

Rental assistance lifted approximately 9,000 Colorado Latinos out of poverty in 2015.[13]

Supplemental Security Income (SSI)

As of December 2016, there were approximately 73,000 Coloradans receiving SSI benefits, and the latest Census data show that 27% of SSI households were Latino.[14]

SSI benefits lifted approximately 12,000 Colorado Latinos out of poverty in 2015.[15]

Temporary Assistance for Needy Families (TANF)

Of the approximately 45,000 Coloradans receiving TANF in FY 2015, 40% were Latino.[16]

Low Income Home Energy Assistance Program (LIHEAP)

Approximately 79,000 Colorado households received federal help to pay their energy bills in fiscal year 2016.[17]

Endnotes

The data in this report comes from the most complete data sets available. As such, data points and comparison years may vary throughout this report. All sources accessed October 2017.

1   U.S. Census Bureau, "American FactFinder: Selected Population Profile in the United States: 2016 American Community Survey 1-Year Estimates," https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_S0201&prodType=table, Table S0201.

2   Ibid.

3   UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files https://www.census.gov/programs-surveys/cps.html.

4   UnidosUS, "Fiscal Year 2018 Federal Budget: A Preliminary Assessment of the President's Request" (Washington, DC: UnidosUS), http://publications.unidosus.org/bitstream/handle/123456789/1724/nclr_budgetassessment.pdf?sequence=4&isAllowed=y.

5   UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files https://www.census.gov/programs-surveys/cps.html.

6   Internal Revenue Service, "Statistics for Tax Returns with EITC" (Washington, DC: IRS, 2017) https://www.eitc.irs.gov/EITC-Central/eitcstats; and UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016).

7   UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) https://www.census.gov/programs-surveys/cps.html.

8   Internal Revenue Service, "IRS Statistics of Income Historical Table 2" (Washington, DC: IRS, 2017) https://www.irs.gov/pub/irs-soi/14in54cmcsv.csv; and Center on Budget and Policy Priorities (CBPP) analysis of 2013-2015 American Community Survey 3-Year Estimates.

9   UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) https://www.census.gov/programs-surveys/cps.html.

10   United States Department of Agriculture, "National and/or State Level Monthly and/or Annual Data" (Washington, DC: USDA, 2017) https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap; and Center on Budget and Policy Priorities analysis of 2013-2015 American Community Survey 3-Year Estimates.

11   UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) https://www.census.gov/programs-surveys/cps.html.

12   CBPP tabulation of Department of Housing and Urban Development (HUD) 2016 administrative data, produced by arrangement with HUD.

13   UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) https://www.census.gov/programs-surveys/cps.html.

14   Social Security Administration, "Research, Statistics, and Policy Analysis" (Washington, DC: SSA, 2017) https://www.ssa.gov/policy/docs/factsheets/cong_stats/; and Center on Budget and Policy Priorities analysis of 2015 American Community Survey 1-Year Estimates.

15   UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) https://www.census.gov/programs-surveys/cps.html.

16   Department of Health and Human Services, "Characteristics and Financial Circumstances of TANF Recipients, FY 2015" (Washington, DC: HHS, 2016) https://www.acf.hhs.gov/sites/default/files/ofa/characteristics_and_financial_circumstances_of_tanf_recipients.pdf.

17   National Energy Assistance Directors' Association, "LIHEAP Long Form Data Reports" (Washington, DC: NEADA, 2016); and UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files.