








Latinos in Texas: Protecting and Defending Progress in the Lone Star State

Hit particularly hard by the economic crisis, Hispanic* Texans 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, despite ongoing inequities where Latinos lag behind other Texas residents.

Since the Great recession, the Latino population in Texas grew by nearly 30%, to 11.2 million Latinos.¹ Given the Latino community's size, work ethic, and resilience, they have contributed to the Lone Star State's economic resurgence. Examining Latinos' status across a range of indicators in Texas can help lawmakers and advocates better understand how far the Latino community has come since the Great Recession and what more can be done to ensure that Latinos and all Texans continue to advance their economic security.

* 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.

Texas Snapshot

	Latinos in Texas			All of Texas		
	2007	2013	2017	2007	2013	2017
 Population	8,600,385	10,154,405	11,158,751	23,904,380	26,448,193	28,304,596
 Foreign-Born	2,812,972	3,034,569	3,201,325	3,828,904	4,369,271	4,854,140
 Bachelor's Degree	7.6%	8.9%	10.4%	16.9%	18.3%	19.3%
 Labor Force Participation Rate	66.4%	66.1%	65.9%	65.2%	64.9%	64.3%
 Unemployment Rate	4.3%	5%	3.5%	3.8%	4.5%	3.3%
 Median Household Income	\$35,709	\$40,473	\$46,855	\$47,548	\$51,704	\$59,206
 Poverty Rate	24.8%	25.5%	20.7%	16.3%	17.5%	14.7%
 Renters Facing High Rental Costs	46.1%	50%	51.4%	43.5%	47.7%	48%
 Homeownership	58.3%	56.2%	57.4%	65.2%	61.8%	62%

At the height of the Great Recession, Hispanic families were in severe financial distress. Between 2007 and 2013, the national Latino unemployment rate grew from 5.6% to 9.1%, while in Texas, the unemployment rate for Latinos increased from 4.3% to 5%.² Additionally in 2007, more than half of Latinos’ assets were invested in housing—an investment viewed by many Latinos as the pathway to the middle class. Following the Great Recession, millions of Latino families lost their homes to foreclosure, decreasing their median wealth by 48% between 2007 and 2013.³

To help the American economy recover from the crisis, a series of critical pieces of legislation were put in place to bolster Latino economic security and reward hard work. Additionally, three tax credits had a significant effect on providing financial support to Latino families during the recession: the Earned Income Tax Credit (EITC), Child Tax Credit (CTC), and the American Opportunity Tax Credit (AOTC). The expansion of these tax credits benefited about five million Latino working families each year and helped keep them out of poverty.

Federal anti-poverty programs like SNAP, TANF, and rental assistance programs also lifted almost two million Latinos out of poverty and helped to address the effects of the recession. Finally, enforcement of federal laws like the Community Reinvestment Act (CRA), the Home Mortgage Disclosure Act (HMDA), and the Fair Housing Act helped support new policies to prevent another financial crisis and economic recession, while increasing Latinos' wealth.

These and other actions to strengthen our economy have led to improved economic footing for Texas' Latinos.

- **More Latinos Own a Home:** After a slight decline in Hispanic homeownership between 2007 and 2013, the homeownership rate increased to 57.4% in 2017. Since the Great Recession, Texas gained 366,208 Latino homeowners, yet Latino homeownership has not recovered to its pre-recession level of 58.3% in 2007. In addition, the state's Latino homeownership remains lower than the state's overall homeownership rate of 62% in 2017.
- **Decrease in Latino Poverty:** The Latino poverty rate decreased four percentage points between 2007 and 2017. The reduction in the number of Latinos living in poverty outpaced the drop in the state's poverty rate by approximately two percentage points. However, Latino poverty continues to be significantly higher than for Texans overall.
- **Decrease in Latino Unemployment:** Latinos participated in the workforce at a rate of 65.9%, slightly higher than Texans overall, with a rate of 64.3%. Since the Great Recession, Latino unemployment has dropped by about one percentage point. Yet, unemployment among Latino Texans remained slightly higher than the rate of Texans overall.

Snapshot of the Houston Metro Area

- **Unemployment:** Since the end of the Great Recession, Latinos in the metro area saw a decline in unemployment rates. Between 2013 and 2017, the unemployment rate among Latinos dropped from 5.7% to 4%.⁴ Still, in 2017, Latino unemployment in the Houston metro area was higher than the rate for Latinos in the state and Texans overall.
- **Poverty:** The number of Latinos living in poverty has decreased since the end of 2008, with 21% of Latinos living in poverty in 2017.⁵ Despite this improvement, Latinos in the metro area have a higher poverty rate than Texans overall.
- **Income:** Since the end of the Great Recession, Latinos in the Houston metro area saw their incomes increase. By 2017, the median income grew to \$48,315.⁶ Latinos in the metro area had a higher median income than Latinos in Texas overall, yet their incomes were lower than the median income for all Texans.
- **Rent Burden:** An increasing number of Latino renters in the Houston metro area spend one-third or more of their income on rent. In 2013, 50.0% of Latino renters in the metro area were burdened by the cost of rent, and by 2017, the percentage increased to 51.2%.⁷ Latinos in the metro area are more likely to be burdened by rental costs than Texans overall.
- **Homeownership:** Since the Great Recession Latino homeownership in the Houston metro area has declined. In 2013, the Latino homeownership rate was 56.2%, compared to 53.8% in 2017. Latinos in the metro area have a lower homeownership rate than Latinos in Texas, overall.

Conclusion

The Great Recession beginning in 2007 was a huge financial shock for Latinos and resulted in the loss of jobs, homes, and wealth. Many families and households fought hard to hold on to the little savings or assets that they had accumulated prior to 2007. The recovery that followed was uneven, and though Latinos in Texas have made considerable gains since the recession, Hispanic Texans still lag behind Texans overall. It is critical that Texas policymakers embrace the lessons learned from the recession to guide state policies. The key takeaway is clear: where policymakers create targeted policies and programs that help working Americans succeed, Latinos succeed.

Endnotes

- 1 U.S. Census Bureau, "American FactFinder: Selected Population Profile in the United States," *American Community Survey 1-Year Estimates*, Washington, DC, 2017 & 2007
- 2 U.S. Bureau of Labor Statistics, "Labor Force Characteristics by Race and Ethnicity," Washington, DC, 2008, https://www.bls.gov/opub/reports/race-and-ethnicity/archive/race_ethnicity_2007.pdf and U.S. Bureau of Labor Statistics, "Labor Force Characteristics by Race and Ethnicity," Washington, DC, 2014 https://www.bls.gov/opub/reports/race-and-ethnicity/archive/race_ethnicity_2013.pdf
- 3 Federal Reserve, "Recent Trends in Wealth-Holdings by Race and Ethnicity: Evidence from the Survey of Consumer Finances, Accessible Data," <https://www.federalreserve.gov/econres/notes/feds-notes/recent-trends-in-wealth-holding-by-race-and-ethnicity-evidence-from-the-survey-of-consumer-finances-accessible-20170927.htm> (accessed April 4, 2019), Table 2.
- 4 American FactFinder, "Data Retrieval: American Community Survey (ACS)," https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_5YR_C23002I&prodType=table. Table C23002I.
- 5 American FactFinder, "Data Retrieval: American Community Survey (ACS)," https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_5YR_B17001I&prodType=table. Table B17001I.
- 6 American FactFinder, "Data Retrieval: American Community Survey (ACS)," https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_5YR_B19013I&prodType=table (accessed April 4, 2019) Table 1.
- 7 American FactFinder, "Data Retrieval: American Community Survey (ACS)," https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_S0201&prodType=table