



State of Hispanic America: Working Toward a More Secure Future*

In his seven years in office, President Obama has ensured significant progress—sometimes with the help of Congress and sometimes through necessary executive action—to open opportunities for all Americans to build better futures for themselves and their families. In his last State of the Union address, President Obama declared the state of our richly diverse nation to be strong. However, he also highlighted the potential for growth. To do this, he outlined the need take deliberate action to extend opportunity to more people and to identify actions that will help ensure prosperity and security for generations to come. This charge resonates with the Latino[†] community.

Latinos have experienced significant improvements during this administration. The Latino unemployment rate is currently at its prerecession level. The Affordable Care Act has enabled four million uninsured Latinos to gain health insurance. A recent tax deal made valuable tax credits permanent for about four million working Latino families. Recently enacted bipartisan legislation will hold all states accountable for how well students who are learning English perform in schools. Finally, in the absence of a permanent legislative fix, millions of American families and communities across the country have benefitted and could potentially benefit from deportation relief due to executive actions on immigration.

Still, in the shadow of growing racial wealth inequality, hardworking Latinos continue to face a number of daily obstacles that continue to limit their returns on this work. Factors including wage stagnation, housing discrimination, high levels of child hunger and obesity, and the rising cost of college not only make it difficult for Latinos to get ahead, but threaten progress made. National recovery from the Great Recession has not translated to a Latino recovery of wealth lost during that time. In fact, wealth inequality has risen since the recession with the typical Hispanic family now having only 8% of the wealth of a typical White family. The significance of the Latino population's current and projected contributions to this nation's workforce and national prosperity makes clear that a more equitable and secure

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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 American, Dominican, Spanish, and other Hispanic descent; they may be of any race.

future requires inclusive policies that will strengthen the Latino community.

The president stressed that continued progress is not inevitable. There will be a new president, a new Congress, and new state and local governments in less than one year and work must focus on extending the American values of equality and opportunity to more people. This includes policymakers working to protect programs that have already improved the lives of millions of Americans and embracing policies that will benefit more hardworking Americans. Moving to tackle long-standing issues like economic, educational, and health inequality can help extend opportunity to all and reach a stronger state of the union.

This analysis provides an examination of key themes, as they relate to the U.S. Latino population, included in President Obama's 2016 State of the Union address.

ECONOMIC EQUALITY AND OPPORTUNITY

The U.S. economy continues to exhibit positive trends but amid evidence of a growing wealth inequality along racial and ethnic lines, it is critical to ensure that all Americans, including Latinos, see equitable results from their hard work. Latinos were one of the first groups to return to prerecession unemployment rates. However, this

was due in large part to strong job creation in low-wage industries including retail and restaurants. Latinos are disproportionately represented in these industries and continue to watch their wages stagnate. In addition to low wages, Latinos face other challenges that contribute to growing wealth inequality, including low rates of homeownership and limited access to traditional banking products including retirement savings. A late-2015 poll commissioned by NCLR showed that a large share of Latinos (37%) reported that their personal economic situation had not changed at all during the last year and 23% reported that their situation had worsened. It is time for policymakers to continue efforts to grow the economy and to turn their attention to ensuring that all Americans share in the benefits of economic growth.

- **Raising the minimum wage to \$12.00 and updating the overtime threshold could help working families find greater financial security.** Voters in the 2014 midterm elections voted to increase the minimum wage in every place where it was on the ballot. It is time for Congress to follow suit and raise the federal minimum wage to at least \$12.00 per hour. This action would benefit 38% of Latino workers and lift a significant share of working Latinos out of poverty. Additionally, Latinos are anxiously awaiting a final overtime rule that will rectify an outdated policy to

raise salaries and compensate working families fairly for hard work.

- **Access to credit remains tight, locking many qualified Latino borrowers out of the housing market.** Homeownership remains one of the traditional pathways to increased wealth in the Latino community; however, lack of structural changes to the housing finance system adversely affects Latinos. In 2014, Congress missed an opportunity to deliver systemic improvements to Fannie Mae and Freddie Mac, and in December's omnibus spending bill, Congress prevented the administration from making structural changes to these entities. All the while, mortgage originations for qualified Latino borrowers remain practically nonexistent. Congress must find a way to increase access to credit for qualified first-time Latino homebuyers. Further, the Federal Housing Finance Agency must make clear the GSEs "duty to serve" low- and moderate-income borrowers through its latest rulemaking.
- **Preserving strong Wall Street oversight is critical to preventing another financial crisis.** Last December, Congress preserved key protections for consumers that are contained in the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, by refusing to roll them back in the FY 2015 omnibus

spending bill. Dodd-Frank contains critical Wall Street reform and consumer protections that are essential to preventing another financial crisis. The Consumer Financial Protection Bureau, created under Dodd-Frank, has successfully protected consumers. Future rulemaking from the Bureau, including proposed changes to the payday lending and prepaid card markets, will be important for Latino households, and help to ensure that they do not fall victim to harmful and predatory practices in the financial marketplace.

- **Providing savings opportunities for Latino workers will strengthen retirement security.** Many Latinos work in low-wage jobs with small, private companies or in industries where retirement savings plans are not commonly offered. Consequently, two-thirds of Latinos do not have access to any type of employer-sponsored retirement plan. The myRA plan, created by President Obama in 2014 under executive order, provides critical access to savings opportunities for workers whose companies do not offer retirement programs. Additionally, state-run retirement plan proposals like California's Secure Choice can enhance retirement outcomes for workers who are most in need. A final rule from the Department of Labor regarding

certain state plans will pave the way for millions of Latinos to gain access to retirement plans for the first time.

EDUCATIONAL EQUITY

President Obama stressed that true opportunity requires that all Americans receive the education required to attain a quality job. As the population of Latinos, particularly young children, continues to grow, increasing educational access and outcomes among this population is necessary. The hard work of Latino students and English learners and the effect of certain policies are evident in gains made in educational attainment. Still, it is clear that performance gaps across the educational pipeline remain from lower proficiency on math and reading tests in elementary school to a disproportionately high number of Latino students leaving college with unmanageable debt and no degree. To attain equitable opportunity, Congressional action and investment must aim to provide all students with necessary support. Recent efforts, including bipartisan reform of No Child Left Behind, provide an important step to improve student performance and enhance high school graduation rates. However, as more Latinos enter college now than ever before, it is time to look to the future and examine how to eliminate gaps between Latinos and other groups and improve their readiness for college and career.

- **Investment in early childhood education will help set young Latinos on a path to educational success.** Programs like Head Start are invaluable to the Latino community; about one in three children enrolled in Head Start are Hispanic. Therefore, policymakers should prioritize allowable use of funds to increase Latino student's access to early childhood education programs. Additionally, the efforts to ensure that these programs are high-quality and led by knowledgeable, culturally competent teachers who effectively meet the needs of Latino students and English learners are vital.
- **Effective implementation of the Every Student Succeeds Act (ESSA) will help ensure that Latino children are finding success and not falling through the cracks.** Implementation of this bipartisan law will help ensure that all Latino students have access to the resources and support to meet challenging academic standards that prepare them for college and career. For the first time, accountability provisions will help ensure that English learners, many of whom are Spanish-speakers, have an opportunity to succeed. However, effective implementation requires that states, districts, and schools diligently monitor the progress of Latino and English learner students and take action when students are underperforming. Further, Latino parents must be

engaged in ESSA implementation and beyond so that they are informed partners in the education and success of their children.

- **Improving access to higher education, achieving affordability, and providing support for completion will promote equitable opportunity for Latinos.** Our future workforce will require a greater share of workers with postsecondary education or training. With more Latinos entering college but not completing a degree, policymakers must look to support this segment of students so that their hard work results in a degree and allows them to help fill the needs of a changing workforce. Reauthorization of the Higher Education Act to safeguard affordability, minimize debt burdens, and hold postsecondary systems accountable for increased access, retention, and graduation of Latino students can help reach this end. Additionally, support for the continuing education of DREAMers and providing them with the necessary resources, including financial aid, to access and succeed in postsecondary settings is critical for the nation's future.

HEALTH AND WELLNESS

Americans have experienced a significant reduction in the number of uninsured individuals, largely due to the Affordable Care Act (ACA). Despite ongoing challenges to ACA, it remains law and is helping to provide coverage to more than four million previously uninsured Latinos. Policymakers must maintain initial gains made possible by ACA and work to ensure even greater numbers of Americans, including Latinos, experience new options for quality, affordable, and accessible health coverage. The Latino community is the youngest and fastest-growing population in the country; as such, the future and success of the United States is linked to the health and well-being of the Latino community. Healthy individuals are more likely to have better outcomes in terms of educational and financial outcomes. Therefore, a healthy Latino community means a healthier, more prosperous America.

- **The ACA has resulted in historic coverage gains for the Latino community, but more must be done to ensure that the promise of this law reaches all who are eligible.** Since implementation of the ACA, four million uninsured Latinos have gained health insurance, and thousands more have gained coverage so far during this current open enrollment period. Still, there is room for improvement as Latinos remain the most uninsured

population in the United States, with around one in five Latinos lacking health insurance. This is significantly higher than the national average of about 10%. However, full implementation of ACA's Medicaid expansion remains unfinished business in states like Texas and Florida that have failed to pass Medicaid expansion, leaving 700,000 Latinos without access to health care.

- **Access to affordable, healthy food is vital to sustaining healthy Latino communities and families.** Latinos, particularly children and youth, experience poor nutrition at higher rates than their peers. In 2013, nearly one in four Hispanic households reported not having enough to eat during the year, more than twice the rate that White families reported (11%). Poor nutrition and hunger contributes to the high rate of overweight Latino youth (about 40% of Latino youth are overweight or obese, compared to 28% of White youth). Health consequences from being overweight or obese also affect Hispanic youth at higher rates than their White counterparts. As a population that suffers disproportionately from chronic and largely preventable diseases, Latinos, particularly children, greatly benefit from quality nutrition services. Therefore, maintaining

and strengthening child nutrition programs is particularly important for Latino children and their ability to lead healthy, productive lives.

HUMAN RIGHTS

President Obama lifted up diversity as one of our nation's unique strengths and something that will help this country remain strong now and in future generations. Our nation continues to hold promise for new immigrants despite increasingly negative rhetoric and congressional inaction on a permanent legislative fix to update an ineffective immigration system. Implementation of the president's administrative relief is currently on hold, pending a court ruling. The administration has moved forward expeditiously to ask the Supreme Court to review the pending case and a favorable ruling will provide relief to families and benefit our nation. Rather than challenge immigration relief, Congress must work to provide better alternatives and solutions that will continue to embrace diversity and offer opportunity.

- **President Obama's administrative action on immigration is good for American families, can make our economy stronger, and improve national security.** About 5.2 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 depor-

tation. There are economic benefits related to having immigrants who are already working in this country to do so legally. For example, this administrative relief can lead to increased tax contributions. While undocumented workers already contribute about \$10.6 billion in state and local taxes, the program is projected to increase their income tax contributions by about \$2.9 billion in the first year and \$21.2 billion in five years. Finally, allowing immigrants to go through background checks could lead to the added national security benefit of identifying individuals who pose true security concerns.

- **Anyone with a well-founded fear of persecution in their home countries should not be deported.** Recent turmoil in other countries has sent many immigrants fleeing their homes to seek safety. This includes many Central American families who have fled widespread violence throughout the region. The strategy of using community raids to target undocumented immigrants is inhumane and undermines the rights of U.S. citizen and lawful permanent resident family members, as well as innocent bystanders. These types of raids undercut trust between law enforcement and the community, deterring people from reporting crimes or other threats to public safety. They ultimately make all Americans less secure.