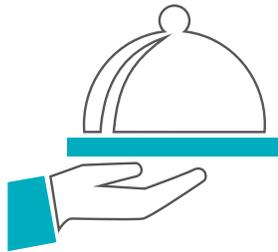


Latino Unemployment Rate Remains High at 12.9%



LEISURE AND HOSPITALITY CONTINUES TO LEAD EMPLOYMENT GAINS FOR THE THIRD MONTH IN A ROW, ADDING HALF A MILLION JOBS IN JULY.

While this recovery still outpaces many other industries, growth has slowed from June, when two million jobs were added in the industry. Latinos are disproportionately represented in this industry.

INDICATORS	National	Latinos
Employed • Working people over the age of 16, including those temporarily absent from their jobs	143.5 million	24.8 million
Unemployed • Those who are available to work, trying to find a job, or expect to be called back from a layoff but are not working	16.3 million	3.6 million
Civilian Labor Force • The sum of employed and unemployed people	160 million	28 million
Unemployment Rate • Share of the labor force that is unemployed	10%	13%
Labor Force Participation Rate • Share of the population over the age of 16 that is in the labor force	61%	65%
Employment-Population Ratio • Share of the population over the age of 16 that is working	55.1%	56%

Source: U.S. Bureau of Labor Statistics, "Employment Status of the Hispanic or Latino Population by Sex and Age," *Current Population Survey*, <https://www.bls.gov/news.release/pdf/empsit.pdf> (accessed August 7, 2020), Table A and A-3.

Employment of Latinos in July 2020

Latinos and many working Americans continue to suffer from historic high unemployment rates. The unemployment rate for Latinos slightly decreased from 14.5% in June to 12.9% in July. Just recently, Latinos suffered from a high of 18.5% unemployment in April, as the country issued stay at home orders amid the spread of the coronavirus.¹

The slight decrease in unemployment for Latinos reflects the slow re-opening of the economy last month. While many people are back at work, many remain unable to return to their jobs, have lost wages or income, or have permanently lost their jobs. While permanent job loss numbers remained stable in July at 2.9 million, it is likely that number will continue to rise. When COVID-19 closures began in March, many jobs were being classified as temporary layoffs, and when calculating the employment numbers, the Bureau of Labor Statistics was classifying employed persons who were out of work temporarily due to coronavirus-related closures as unemployed due to temporary layoff. However, in July, the number of unemployed persons on temporary layoff decreased by 1.3 million jobs to 9.2 million, about half its April level. However, this does not signal that all these jobs will return. As companies make decisions about how to best recover from coronavirus-related closures, it is likely that temporary layoffs will become permanent. Of course, those most impacted by these decisions are low-wage workers who work in industries that have been hardest hit by COVID-related closures such as hospitality, retail, and the service industry—where Latinos make up 24% of workers.

Overall, the U.S. Department of Labor (DOL) reported that employers added 1.8 million jobs in July, compared to 4.8 million jobs in June. While the national unemployment rate fell from 11.1% in June to 10% in July, and the number of unemployed people declined by 1.4 million to 16.3 million. The rate of recovery slowed in July, with job growth at less than half what it was in June. These numbers are likely the result of new closures due to an increase in COVID-19 cases and related shutdowns occurring in many states. It is important to note that again this month the Bureau of Labor Statistics highlighted that survey results regarding jobs continue to be impacted by COVID-19 related closures and rules. Despite these changes, the household survey response rate, which now depends largely on phone calls instead of in-person interviews, stands at 67% in July. This is up from June participation rates, but still significantly lower than the pre-pandemic average of 83%.

Latinos Have Been Left Out or Underserved by Expanded Unemployment Benefits

In July 2020, UnidosUS partnered with Latino Decisions to poll Latinos in Arizona, Florida, and Texas to understand Latino household experiences with income loss and their interaction with unemployment insurance programs.² Unemployment insurance (UI) benefits provide crucial economic stability for individuals and families during unexpected job loss, providing basic needs and keeping families out of poverty.

Unemployment insurance serves a vital role for Latinos, as they are the least likely to be able to work from home, and tend to be concentrated in industries that have been particularly impacted by COVID-19-related closures.³ Specifically, Latinos have suffered income loss for several reasons, including general pay cuts across industries, temporary and permanent job loss, shutting down their own businesses, and lost opportunities for gig or contracted work. Our poll revealed that more than 60% of Latinos reported losing two or more different sources of income, with 15% losing up

to four sources due to coronavirus. In particular, the extra weekly \$600 provided under the Pandemic Unemployment Assistance (PUA) program, are helping them make ends meet. Without this added support, millions of Latinos will be in a much more precarious financial situation.

State Unemployment System Failure

According to the poll results, Latinos had trouble accessing UI benefits. For example, only 55% of Latinos in Florida, 54% in Arizona, and 48% in Texas applied for UI benefits at all. The barriers to accessing these benefits stemmed from cumbersome state unemployment benefit systems that failed to address widespread unemployment and the needs of Latino applicants. Latinos also cited a lack of awareness about the UI program, including confusion about eligibility requirements, especially for gig and contract workers. Additionally, the inability to speak to a live person at a state agency further led people to simply give up.

Access has been a major hindrance for workers across the country who must rely on outdated policies and antiquated state systems with significant funding shortfalls. In many states, the unexpected and large spike in unemployment claims since March has completely overwhelmed these systems, and now, even though they have had time to adjust, claims continue to roll in at unprecedented rates. For example, during the week of July 18 alone, 1.4 million unemployment insurance claims were filed nationally.⁴ Unfortunately, for millions of unemployed workers, states' malfunctioning UI systems have left them with little or no support.

Many Latino respondents said they were unable to get ahold of anyone by phone at the state agency or were disconnected when seeking assistance. Three-quarters of respondents cited long hold times when calling state offices, and more than half said they waited for hours to speak in person with state employees, while 57% in Florida, 54% in Arizona, and 53% in Texas were completely unable to complete their claim via phone. Online systems were similarly riddled with problems. The vast majority of Latinos who tried applying for UI benefits online were unable to do so on their first try, with more than 50% of respondents applying more than one time before their application was accepted. For some the online systems never worked, leaving them with less access to information about applying, effectively precluding them from the safety net program altogether.

Additionally, states' systems failed to meet the needs of Latinos who needed language assistance, providing insufficient information about UI benefits in Spanish. In Florida, some 43% of Latinos said they did not have access to enough information in Spanish from state agencies and were unable to fully understand and complete the process of accessing benefits because of this barrier. At the end of July, the United States was entering its 20th consecutive week with more than one million unemployment claims, with an estimated 30 million workers receiving UI benefits. Under normal circumstances, workers could reach out directly to state agencies or visit in person with questions but given the incredible strain on state programs and in-person limitations due to coronavirus, it is challenging to access any UI information, especially language support services. In some cases, language was the reason that UI claims were delayed. For example, in April, Florida's unemployment system was seeing significant processing delays, specifically for Spanish-language applications, which was attributed to a lack of translators within the state's agency.⁵ Overall, not having access to information, documents, phone lines, and online platforms in Spanish kept 10%-19% of Latino workers from applying for benefits.

Latino workers who were able to successfully file claims for unemployment insurance were also plagued by state systems that failed to adequately serve them. Across the three states polled, 70% of respondents in Florida, 53% in Texas, and 52% in Arizona waited a month or longer before receiving any benefits from the state. This hasn't been uncommon across all states. According to the Century Foundation, at the end of May, only 57%—18.8 million of the 33 million filed claims—had been paid nationally.⁶

Information Gaps about Who Qualifies for UI and Available Benefits

Across the states, many eligible Latinos have not applied or have not yet received UI benefits. Polling showed that the top reason among respondents for not applying was that they did not believe they were eligible for the benefit. Additional reasons for not applying included not knowing how to apply for benefits and feeling that the process was too complicated. These barriers exist partially because unemployment benefits do not come from a single nationwide program, but instead the benefits' claims are handled individually by the states, each with their own rules, tools, resources, and eligibility standards. While states are required to ensure that employers notify workers of the availability of UI benefits and provide guidance about state-specific policies, some states have not implemented these policies.⁷

Without these policies and specific outreach programs in place, workers are likely to remain unaware of the programs available to them. This is especially true given the expansion of UI and new programs introduced by the CARES Act, including Pandemic Unemployment Compensation (PUC), which provided an additional \$600 to unemployed workers and Pandemic Unemployment Assistance (PUA), which expanded UI benefits to gig workers. These new benefits, coupled with the fact that state UI offices could not be reached, and that online platforms were overwhelmed, quickly led to confusion and frustration. For Latinos, this confusion led 15%–19% to not apply for UI at all because they had heard that the program had ended or did not have funding—likely confusing these benefits with other stimulus programs. Additionally, less than half of Latinos in Texas and Arizona were aware that gig workers and independent contractors were eligible to apply for UI benefits, and as a result, did not try to access safety net programs.

These findings suggest that access to accurate information about UI eligibility and programs is critical to reaching as many eligible workers as possible and ensuring they take advantage of these programs. This requires employer outreach, improved communication by states, and investment in staff, online platforms, and other information dissemination tools for UI systems. Unfortunately, following a period of low unemployment, many UI systems across the country did not prioritize these investments and policies, leaving Latinos—specifically those who are eligible under expanded benefits programs—without the resources they needed to learn about eligibility and take advantage of the support.

Rejected Applicants Did Not Get a Reason for Denials or Information about Correcting Future Applications

Overall, UnidosUS polling found that 11%–18% of Latino applicants were rejected when applying for UI benefits. While it is likely that these rejections are based on several distinct state eligibility standards, the data shows that some states are better at informing rejected workers as to why they were denied and how to apply again in the future. This information is crucial for applicants who could reapply for benefits like those workers who may be eligible but were denied because of issues with the documents they provided. This is of concern in Florida, where 58% of Latino respondents said they were not told why they were rejected for UI benefits.

Following the Great Recession, Florida moved to an electronic-only filing system for UI claims, which can be problematic for Latinos and older adults, workers without strong computer skills, or generally for workers who are unable to ask questions and get in-person support when filling out complex forms. Without understanding why their claim was denied, workers are unable to determine whether they should file again or seek assistance from different types of economic safety net programs. This is a major issue among respondents who were denied benefits, more than half of whom in Florida and Texas were not provided with any information about how to reapply. Unfortunately, Latino and Black workers' unemployment claims are rejected at disproportionately high numbers, with only a 69% approval rate for Latino workers compared to 78% for White workers.⁸ This means that without access to assistance and information about their claims and denials, a high number of workers may view denial as a final decision and feel discouraged from reapplying for benefits they've earned.

Policy Recommendations

The high unemployment rate among Latinos and other workers underscores the critical support that enhanced benefits are providing to families who have lost work and income due to the economic downturn, and the need for federal and state-level action to build an unemployment insurance system that better serves Latinos and all workers.

Many Latino workers cannot access unemployment benefits and are shut out of other federal benefits and programs due to their immigration status. Programs such as the direct stimulus payments under the CARES Act, the Supplemental Nutrition Assistance Program, and critical health care programs have excluded large numbers of taxpayers who are part of mixed-status families. Furthermore, Latinos are disproportionately overrepresented in the gig economy and service industry—jobs that come with few if any benefits even during good times—and are now being lost at a disproportionately higher rate due to coronavirus-related restrictions.

These factors further increase the value of the CARES Act's enhanced unemployment benefits for those Latinos who do qualify—not only for themselves, but also for the families they support. The economic and health devastation wrought by the coronavirus pandemic has not ended—in many of our communities, it has worsened. Each day that goes on, families are more in need of the support and stabilization that unemployment insurance provides.

Extending the \$600 weekly supplemental benefit is critical to Latinos. It is critical that Congress extends Pandemic Unemployment Assistance in any stimulus legislation to continue providing the \$600 weekly supplemental unemployment insurance benefit to unemployed workers. Many Latinos receiving UI benefits are spending that money on essential expenses such as food and groceries, utilities, their mortgages, and rent. However, for half of Latino respondents, basic unemployment benefits do not make up for a lot of their lost income, and the additional \$600 is the only way for them to continue making ends meet. With significant delays still impacting UI benefits, half of Latinos said that they had spent most, if not all, of their savings, trying to make it through the economic downturn. For those workers, this additional \$600 is ensuring that they can keep a roof over their heads, feed their families, and can keep the lights on.

Bolster state unemployment systems to better serve Latinos. Between 13% and 22% of Latino workers are still waiting on their UI benefits. Every day that states fail to reach workers in need of benefits is another day that individuals and families worry about how they will put food on the table, pay the rent, or meet their family's basic needs. This is especially true for Latino households, many of whom are falling deeper into debt as a result of the economic slowdown. The UnidosUS poll findings underscore the need to eliminate barriers to accessing unemployment benefits, and for states and the federal government to promote systems and stimulus that better serve Latinos and all workers.

States must begin investing in their unemployment benefits systems in order to overcome the barriers that prevent many Latino workers from receiving benefits, including antiquated systems that do not provide adequate guidance, support, or in-language support. As the poll results show, many Latinos are unaware of the programs that exist or their eligibility requirements, which often prevents them from applying at all. Those who do apply struggle to find information, navigate complex systems, or must file a claim multiple times before being accepted. States need to improve the application process and ensure better, linguistically and culturally relevant outreach and propagation of available benefits, especially benefits under newly available programs, that reach all eligible workers.

About Us

UnidosUS, previously known as NCLR (National Council of La Raza), is the nation's largest Hispanic civil rights and advocacy organization. Through its unique combination of expert research, advocacy, programs, and an [Affiliate Network](#) of nearly 300 community-based organizations across the United States and Puerto Rico, UnidosUS simultaneously challenges the social, economic, and political barriers that affect Latinos at the national and local levels.

For more than 50 years, UnidosUS has united communities and different groups seeking common ground through collaboration, and that share a desire to make our country stronger. For more information on UnidosUS, visit www.unidosus.org or follow us on [Facebook](#), [Instagram](#), and [Twitter](#).

Endnotes

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- 8 Bipartisan Policy Center, Survey Points to Potential Racial Disparities in Approval Rates for Unemployment Insurance Claims, <https://bipartisanpolicy.org/blog/survey-points-to-potential-racial-disparities-in-approval-rates-for-unemployment-insurance-claims/> (accessed August 5, 2020).