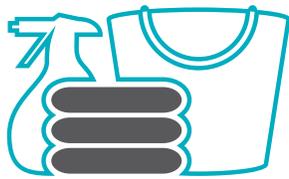


# Latino Unemployment Rate Remains High at 10.3%



## THE LEISURE AND HOSPITALITY INDUSTRY CONTINUED TO SLOWLY ADD JOBS IN THE MONTH OF SEPTEMBER.

Overall growth in this sector is good news for Latinos, where 25% of jobs in food preparation and serving are held by Latino workers. Despite this growth, employment in the food services sector remains down 2.3 million jobs since closures began in March. This slow recovery is contributing to the continued high unemployment number for Latinos in September.

INDICATORS	National	Latinos
<b>Employed</b> • Working people over the age of 16, including those temporarily absent from their jobs	147.5 million	25.8 million
<b>Unemployed</b> • Those who are available to work, trying to find a job, or expect to be called back from a layoff but are not working	12.5 million	2.9 million
<b>Civilian Labor Force</b> • The sum of employed and unemployed people	160.1 million	28.7 million
<b>Unemployment Rate</b> • Share of the labor force that is unemployed	7.9%	10.3%
<b>Labor Force Participation Rate</b> • Share of the population over the age of 16 that is in the labor force	61.4%	64.9%
<b>Employment-Population Ratio</b> • Share of the population over the age of 16 that is working	56.6%	58.2%

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 September 4, 2020), Table A and A-3.

## Employment in September 2020

Latinos saw a slight decrease in unemployment among U.S. workers, with a decline of 0.2% from 10.5% in August to 10.3% in September. The unemployment rate for Latinos continues to be higher than the pre-pandemic average of 4% but has significantly dropped from a high of 18.5% in April.<sup>1</sup>

Overall, the U.S. Department of Labor (DOL) reported that employers added only 661,000 million jobs in September, compared to the 1.4 million jobs added in August and the high of 4.8 million added in July. While these numbers show that recovery is happening, they highlight that it is slowing as concerns about the coronavirus continue. These numbers are likely the result of concerns about the future of the economy, with businesses slow to reopen and hire back all furloughed staff as they simply do not know if additional closures will be necessary or if they will need full capacity.

The number of permanent jobs lost continues to rise. This month, the number of people who have permanently lost jobs rose again, to 3.8 million, a 345,000 increase from August. In total, this represents an increase of 2.5 million since the pandemic began closing businesses in March 2020. Now in the sixth month of coronavirus-related closures, an increasing number of jobs are disappearing. Businesses expected to hire employees back as soon as restrictions were lifted, however, by July only 40% of temporarily furloughed workers were back at their jobs.<sup>2</sup>

Many workers furloughed when COVID-19 closures began in April are now being defined as long-term unemployed by the Bureau of Labor Statistics (BLS). In September, the number of classified as such, unemployed for 27 weeks or more, increased by 781,000 to 2.4 million. While still lower than the 6.5 million people classified as long-term unemployed during the Great Recession, economists have predicted that by the first quarter of 2021, as many as 4.5 million people could be long-term unemployed.<sup>3</sup> Long-term unemployment presents several issues for workers and the economy alike. The longer workers remain out of jobs the more time they will need to re-learn skills, which can make them less attractive candidates for jobs. Additionally, with permanent job loss as the center of the coronavirus pandemic, new jobs will need to be created for the long-term unemployed to return to work. While the economy is adding jobs, it is clear from the numbers that it is doing so slowly, which will leave millions of workers without opportunities for longer.

Long-term unemployment can also have a devastating impact on a person's wealth. Despite extensions to unemployment insurance (UI) benefits passed by Congress in March, workers can only access so many weeks of UI benefits before being cut off. In July, UnidosUS partnered with Latino Decisions [to poll Latino workers](#) in three states on the impact of coronavirus on their income, jobs, and financial status. The poll highlighted the need for UI benefits for Latino workers, saying that without that support, they had turned to their savings to pay for necessities, leaving their savings depleted and forcing them to rely on credit cards to meet basic household expenses—debt that can have a lasting impact on families trying to recover from job and income loss.

### **As the Pandemic-Related Closures Continue, Housing Insecurity Grows for Latinos**

Historically, high unemployment rates have eroded millions of Americans' financial standing, putting a strain on U.S. households managing their most considerable monthly expense—housing. As the pandemic continues, millions of families who have lost income in their household or lost work altogether are also at risk of losing their homes. During the last two weeks of August 2020, more than half of U.S. adults who

reported that someone in their household had lost employment income also said they were living in households where eviction in the next two months is either very likely or somewhat likely<sup>4</sup> Among U.S. adults who reported being unemployed, 54.9% reported living in households where eviction in the next two months is very or somewhat likely.<sup>5</sup>

This is especially critical for Latinos—more than half of whom rent their homes—who were disproportionately burdened by rental costs prior to the pandemic.<sup>6</sup> Additionally, Latino workers are less likely to work from home and make up the backbone of the essential workforce, they have faced illness from COVID-19 at higher rates than other ethnic groups. Pandemic-related closures and disparities in access to paid leave in low-wage industries where Latinos are disproportionately represented have only exacerbated housing insecurity, as people are forced to choose between taking care of themselves or a loved one or going to work to keep a roof over their heads.

In these ways, the pandemic has brought to light long-standing disparities in housing access for Latinos and other communities of color throughout the nation. According to data from the U.S. Census Household Pulse Surveys, during the last two weeks of August 2020, 46.9% of U.S. adults reported that it was likely they would have to leave their house in the next two months due to eviction. This number is staggering considering that prior to the coronavirus pandemic, only 10-15% of households reported being housing insecure.<sup>7</sup> This precarity is especially felt by Latinos and other renters of color. Nearly half (48.4%) of Latinos and 54.2% of Black renters reported likelihood of leaving their house because of eviction, while 44.3% of White renters responded this way.<sup>8</sup>

The real-life implications of housing insecurity are staggering. At the end of August 2020, in New York City's metro region, 9.3% of adults, about 755,000 people, reported some type of housing insecurity.<sup>9</sup> Among those not current on their rent or mortgage payments, 22.2% were living in a household where eviction or foreclosure in the next two months is either very likely or somewhat likely.<sup>10</sup> Below is the story of a Latino family in New York City, where both parents lost their jobs due to the pandemic, and continue to experience housing instability as the pandemic persists. Raquel is a client of UnidosUS Affiliate Neighborhood Housing Services of Queens CDC, Inc.

Raquel lives with her husband and two children in an apartment in the borough of Queens in New York City. Both she and her husband have been out of a steady job since March. She was previously working at a nail salon that closed during the pandemic and hasn't been able to find another place that will pay her, since business has slowed. Her husband has since been able to find work. Because of the pandemic, they continue to look for whatever they can, small jobs here and there. Raquel worries that what they bring in still isn't enough to pay the rent and take care of their family.

Raquel and her husband pay about \$2,000 a month in rent, and they don't have anyone with whom they can share an apartment. They've been living in the apartment for nearly five years, and every year, in March, the landlord increases the monthly rent by about \$60.

Raquel says they've been receiving assistance from local organizations, like [Make the Road New York](#). Because of their immigration status, neither she nor her husband qualified for the state's unemployment insurance program. They also applied for New York state's [COVID-19 Rent Relief Program](#) and are waiting to hear back on the status of their application. At the time of the interview, Raquel was not aware of the CDC's moratorium on evictions and did not have information about how to apply for it.

### Story continued

In the months ahead, Raquel is concerned about her family's finances, housing situation, and health. The biggest concern for her family is paying rent and the risk of eviction, because they have not been able to pay three months of rent. "We have two small children. We have to find a way, so we don't have to face that [lose our home]," she said.

She is also concerned about her family's health. Raquel says that she and her husband have taken a COVID-19 test and have been infected. She knows people in the community who have died from COVID-19, including a friend who used to take care of her kids. Raquel described the multiple impacts of the coronavirus in her neighborhood, from families who have lost a loved one, to the impact on the local economy. "We all need psychological help, as well as financial help. The community is not the same. We have lost a lot, including the corner stores that haven't been able to open to the businesses struggling to survive."

*\*The names in this story have been changed to protect their identity.*

### Renters in Communities of Color, Including Latinos, Are Disproportionately at Risk of Losing Their Homes in this Pandemic

In a September poll from NPR, 72% of Latino households, 60% percent of Black households, and 55% of Native American households reported financial insecurity, such as having used up all their savings or an inability to pay their rent.<sup>11</sup> Latinos are among the essential workers keeping Americans fed and providing urgent health care on the front lines of the pandemic. They are also disproportionately those concentrated in industries affected by closures due to COVID-19, including food and accommodation, retail, construction, and service.<sup>12</sup> This is also true for Black renters, who similarly are more likely than White or Asian renters to work in the hardest hit sectors and are likely unable to work from home. For example, according to an Urban Institute analysis of U.S. Census Bureau data, in 2018 Hispanic renters comprised 28% of the service sector workforce. Because of this, Latino renters have experienced significant income and job loss, requiring many to make sacrifices in order to keep a roof over their heads. Financial insecurity as a result of job loss will only continue as closures continue and businesses permanently close their doors.

While job loss is the most immediate factor contributing to communities of color housing instability, it is not the only issue, especially for Latino renters. In an emergency, such as the coronavirus pandemic, one of the strongest factors impacting renters of color is that they face structural barriers to accessing housing assistance and support. Renters of color are often discouraged from participating in public assistance programs because of policies or barriers that are, or are perceived to be, discriminatory towards them. This is especially true for immigrant households after the president's misguided public charge rule.

As with many communities of color, Latino renters specifically, have lower levels of wealth and savings with which to endure or sustain themselves when facing a financial emergency or prolonged loss of income. This is exemplified by the Great Recession, when renters saw a steep decline in wealth. Unlike homeowners, renters often have not gained the wealth necessary to protect them from a serious financial loss, losing a greater share of their familial wealth as a result of job or income loss than those with more assets available. In fact, between 2013 and 2016, the median wealth for

Latino renters dropped from \$5,200 to \$4,000.<sup>13</sup> So far, the coronavirus has been no different, with widespread job loss threatening renters, especially Latino renters, with eviction. For Latinos, the threat of depleting one's savings in order to avoid eviction is exacerbated by barriers that have kept some workers from accessing unemployment insurance or governmental economic stimulus. The need for these programs in the wake of COVID-19 is exemplified in a UnidosUS poll from July, where between 63%-73% of respondents said they were dependent on UI benefits to pay for their rent or mortgage. Latino renters are disproportionately at risk of eviction today due to the myriad of policy failures at the national and state level.

## Policy Recommendations

Congress should quickly take up a comprehensive proposal to address the significant economic challenges that millions are facing. After nearly six months of high unemployment, housing insecurity is a top concern for Latinos. Most of the relief programs and protections provided in the CARES Act, passed by Congress in March, have expired. At the end of July, a federal moratorium on evictions protecting renters living in federally assisted or subsidized housing also expired. While the CDC has issued a temporary halt on evictions through the end of 2020, this protection is not paired with rental assistance, and falls short of addressing the housing crisis for all workers. Millions of workers depended on the Pandemic Unemployment Assistance program, which offered an additional \$600 a week to workers collecting unemployment, to continue making rent payments. However, the expiration of that program in July, coupled with fewer protections for renters, has made housing insecurity a national problem.

It has been more than three months since the House of Representatives passed the HEROES Act, which includes \$175 billion in rent and mortgage assistance that would help millions of struggling Americans, including Latinos, stay in their homes. This legislation also includes \$100 million for housing counseling services to help homeowners and renters stay in their homes by providing eviction and foreclosure prevention services, as well as assistance navigating complex systems to apply for available federal relief programs. Congress must act quickly to provide emergency assistance that is needed to keep families in their homes. Any future stimulus package must include protection against eviction as well as rental assistance to help tenants to stay in their homes. It must also include funding for community-based housing counseling organizations to ensure that all communities, including Latino and immigrants, have access to the relief they need.

## 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](http://www.unidosus.org) or follow us on [Facebook](#), [Instagram](#), and [Twitter](#).

## Endnotes

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