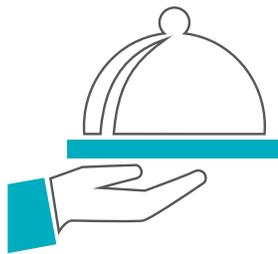


# Latino Unemployment Rate Remains High at 14.5%



## LEISURE AND HOSPITALITY EMPLOYMENT LEAD GAINS FOR THE SECOND MONTH IN A ROW, ADDING TWO MILLION JOBS IN JUNE

Since February 2020, the industry has lost 3.1 million jobs. Latinos, who are overrepresented in this industry, make up 24% of workers.

INDICATORS	National	Latinos
<b>Employed</b> <ul style="list-style-type: none"> <li>Working people over the age of 16, including those temporarily absent from their jobs</li> </ul>	142.1 million	24.7 million
<b>Unemployed</b> <ul style="list-style-type: none"> <li>Those who are available to work, trying to find a job, or expect to be called back from a layoff but are not working</li> </ul>	17.7 million	4.1 million
<b>Civilian Labor Force</b> <ul style="list-style-type: none"> <li>The sum of employed and unemployed people</li> </ul>	160 million	29 million
<b>Unemployment Rate</b> <ul style="list-style-type: none"> <li>Share of the labor force that is unemployed</li> </ul>	11%	14%
<b>Labor Force Participation Rate</b> <ul style="list-style-type: none"> <li>Share of the population over the age of 16 that is in the labor force</li> </ul>	62%	66%
<b>Employment-Population Ratio</b> <ul style="list-style-type: none"> <li>Share of the population over the age of 16 that is working</li> </ul>	54.6%	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 July 2, 2020), Table A and A-3.

## Employment of Latinos in June 2020

Latinos saw the largest decrease in unemployment among U.S workers, a decline of 3.1 percentage points from 17.6% in May to 14.5% in June. Overall, the U.S. Department of Labor (DOL) reported that employers added 4.8 million jobs in June, compared to 2.5 million jobs added in May. While the national unemployment rate fell from 13.3% in May to 11.1% in June, jobless rates and the number of unemployed people has grown by 7.6% since COVID-19 related closures first began in February. In looking at the employment numbers for June, it is important to consider that the COVID-19 pandemic continues to have an impact on data collection rates, with only 65% of households responding to survey's in the month of June.<sup>1</sup>

The unemployment numbers still do not give a complete picture of the overall impact that coronavirus related closures have on workers. Many workers have had their hours reduced due to closures and are being counted as employed part-time for economic reasons. In June, 9.1 million people were classified as such, more than double the number in February 2020.<sup>2</sup> These indicators suggest that despite the decrease in unemployment, many people are still not able to fully return to work with the same wages and hours.<sup>3</sup> Latino's are concentrated in low-wage sectors, where employees were among the first to have their hours or wages cut in response to a crisis.<sup>4</sup>

### Latino's Continue to Endure Disproportionate Economic Challenges

Since pandemic-related closures began in March, Latinos have faced some of the highest unemployment rates of any other ethnic or racial group in the United States.<sup>5</sup> This continued in June, as Latinos still face job and income loss as a result of stay-at-home orders and business closures. Polling from June shows that 62% of Latino adults report living in households where at least one person has lost employment income due to the coronavirus.<sup>6</sup> While the overall unemployment numbers are striking, Latino workers also have experienced a reduction in work hours or income, as opposed to full job loss, at a higher rate than other workers.<sup>7</sup>

As UnidosUS has documented, the acute economic challenges Latinos face today arise from overrepresentation as workers in industries that have shuttered because of the COVID-19 pandemic.<sup>8</sup> Latinos also make up a considerable part of the essential workforce, and in fact, are the least likely among racial or ethnic groups in the United States to be able to telework.<sup>9</sup> As a result, many workers must leave their homes to go to work, risking exposure to the coronavirus. Despite this increased risk, 66% of Latino workers say they would not get paid if they missed work for two or more weeks due to the coronavirus.<sup>10</sup> As states continue to re-open in July, this lack of protection for essential workers will only take a toll on Latinos' economic security.

### Latinos Are at Particular Risk of Housing Instability Due to COVID-19

Across the country, the COVID-19 pandemic has only worsened an ongoing housing affordability crisis. Persistent economic insecurity during the current pandemic is exposing Latinos to housing instability, especially as business closures and health risks continue. In a Latino Decisions poll from May 2020, more than half of Latinos reported that they were not able to get a break on their rent or mortgage payments in April, May, or June.<sup>11</sup> While these risks look different for Latino homeowners and renters, the financial vulnerability that can come from missed payments, foreclosure, or eviction, are the same, and have a lasting impact on their financial futures.

High housing costs have long been at the heart of Latino renters' economic concerns. Latino families are already particularly vulnerable to eviction, facing higher eviction rates than Black or White renters in the United States, but the pandemic has exacerbated this

disparity.<sup>12</sup> Before the pandemic, Latinos were rent-burdened, spending much of their monthly income on housing. In 2019, 24% of Latinos reported spending more than 40% of their income on rent, while 28% reported severe rent burdens, spending 50% of their monthly income.<sup>13</sup> According to a recent analysis by the Urban Institute, the burden has likely increased in the past four months given that 45% of Latino renters work in industries that have been crippled by coronavirus closures. When renters pay up to half of their income on housing, they are left without funds needed to help them endure an unexpected loss of income and more susceptible to eviction.<sup>14</sup> This is especially true for many Latino workers in the current pandemic.<sup>15</sup> According to a recent SOMOS COVID-19 National Latino Survey, when asked about COVID-19's impact on their economic future, 43% of Latinos said they will have trouble paying their rent in the next month.<sup>16</sup> To date, congressional action has fallen short of providing the necessary protections for renters affected by the COVID-19 pandemic against eviction. Three-quarters (75%) of renters are not protected by the moratorium on evictions under the CARES Act, and at the end of July more than half of states will no longer have measures in place to protect renters from eviction.<sup>17</sup> With the expiration of federal and state protections, and the Pandemic Unemployment Assistance for laid-off workers, Latino renters will be at risk of losing their financial footing in the next month.

Latino homeowners are also at risk of falling behind on their mortgage payments. Typically, homeowners are better shielded from the effects of unexpected income and job loss because they tend to have a higher-paying job, which allows them to save for an emergency, and they are less likely to be burdened by housing costs than renters.<sup>18</sup> However, this is not true of Latino homeowners, 37% of whom work in the industries that have had the most significant job losses due to COVID-19.<sup>19</sup> Given that most of Latino homeowners' savings are invested in their homes, losing their homes would threaten their immediate and long-term economic security. This was exemplified by the Latino community's loss of 66% in housing wealth, from the waves of foreclosures in the Great Recession.<sup>20</sup> Since then, Latino homeownership has increased, and homeowners have made a slow recovery. Even so, Latino homeowners who lose income in the pandemic are still at risk of falling behind on mortgage payments, facing default and foreclosure, and ultimately losing ground on the gains made in recent years.

As we close out another month with high unemployment for Latinos, homeowners and renters alike are expected to face housing challenges. With several safety net measures from earlier legislation expiring at the end of July, the Senate must work to pass the HEROES Act, which provides additional funding for impacted workers and an extension of programs that will help Latinos stay in their homes during the pandemic. This bill addresses the most immediate housing concerns by providing \$175 billion in housing assistance for renters and homeowners.<sup>21</sup> Critically important, the bill extends the deadline for the moratoria on evictions and foreclosures and expands these measures to ensure that all renters and homeowners—regardless of their home, location, or loan—are protected. This bill would also expand mortgage relief to more Latino homeowners whose mortgage is not federally backed, and therefore, ineligible for federal relief under the CARES Act. The HEROES Act 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.<sup>22</sup>

The HEROES Act also extends expanded unemployment insurance through January 2021. Putting an additional \$600 in the pockets of workers is critical to supporting Latino renters in low-wage jobs, especially workers already burdened by housing costs. Lastly, the HEROES Act strengthens the Earned Income Tax Credit (EITC), an existing program that helps bolster income for low-wage earners. This change will expand the eligibility and amount of the tax credit for workers without children who have been

previously left out of the program, to ensure that they can find stability during this tumultuous time. The EITC is an important savings and wealth-building tool for Latino workers, only about a third of whom report having any emergency savings.<sup>23</sup>

The federal investments included in the HEROES Act are urgently needed to ensure economic and housing stability for the Latino community in the wake of COVID-19 crisis. UnidosUS will continue to urge Congress to move quickly to provide more aid and protection for workers, as well as the investments needed to help Latinos keep their homes during the pandemic, and beyond.

## 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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