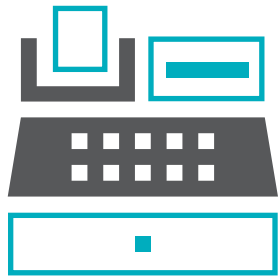


# Latino Unemployment Rate Remains High at 10.5%



## THE RETAIL INDUSTRY SAW SLOWER GROWTH THAN HOSPITALITY AND LEISURE IN THE MONTH OF AUGUST.

With 18% of Latinos working in the retail industry this growth is good. However, growth has slowed for the second month in a row for the Leisure and Hospitality industry, where Latinos are disproportionately represented. This uneven recovery is likely contributing to the still high unemployment number for Latinos in the month of August.

| 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>                                  | 147.2 million | 25.8 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> | 13.5 million  | 3 million    |
| <b>Civilian Labor Force</b> <ul style="list-style-type: none"> <li>The sum of employed and unemployed people</li> </ul>  | 160.8 million | 28.9 million |
| <b>Unemployment Rate</b> <ul style="list-style-type: none"> <li>Share of the labor force that is unemployed</li> </ul>   | 8.4%          | 10.5%        |
| <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>                            | 61.7%         | 65.3%        |
| <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>  | 56.5%         | 58.4%        |

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 of Latinos in August 2020

**Latinos saw a decrease in unemployment among U.S workers, with a decline of nearly 2.4% from 12.9% in July to 10.5% in August.** The unemployment rate for Latinos continues to be higher than the pre-pandemic average around 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 1.4 million jobs in August, compared to 1.8 million jobs in July. While this number shows that recovery is happening, it is small compared to June when 4.8 million jobs and July when 1.8 million jobs were added. These numbers are likely the result of both new closures due to an increase in COVID-19 cases and the fact that many businesses that are open are working with limited capacity. It is important to note that for the third month in a row, the Bureau of Labor Statistics has highlighted that unemployment survey response rates continue to be impacted by COVID-19. Notably, social distancing requirements and concerns about transmission forced BLS to switch to telephonic data collection as workers were less likely to speak in-person with BLS surveyors. Despite these changes, the household survey response rate is at 70% in August, up from the a low of 65% in June, but remains lower than the pre-pandemic average of 83%.

While unemployment numbers have decreased for another month, the number of jobs that have now been permanently jobs lost continues to increase. In the month of August, the permanent job loss number increased to 3.4million, up 534,000 since July. This is an increase of 2.1 million since February 2020. Until recently, permanent job loss only accounted for a small percentage of total job loss related to coronavirus. However, as coronavirus-related closures have continued through the summer, an increasing number of jobs have disappeared completely. Unfortunately, this number will likely continue to grow as millions of businesses face uncertainty in September with the end of provisions in government support aimed at keeping workers employed and businesses open.

In April, when closures were still new, businesses expected to hire employees back as soon as restrictions were lifted, with nearly four in five people expecting that their job loss would be temporary.<sup>2</sup> However, according to an August AP-NORC poll, almost half of American households where someone has been laid off now believe that their job is likely not coming back.<sup>3</sup> Their fear is valid. Payroll and benefits studies from July showed that nearly 33% of employees who were furloughed from their jobs in March were laid off permanently by July.<sup>4</sup> These numbers rival unemployment levels following the Great Recession, and in the end, could lead to nearly 10 million people searching for new employers and new jobs.<sup>5</sup>

The permanent loss of jobs is particularly impacting low-wage workers, who are losing their jobs at three times the rate as higher-wage workers.<sup>6</sup> Permanent job loss related to coronavirus means that long-term unemployment will become a reality for many workers, and with slow economic recovery in the service and travel industries due to the nature of the virus, these workers will have to wait for new jobs to be created before they can reenter the workforce. This not only impacts the workers themselves but prolongs the recovery of the entire economy. Workers who lose their jobs permanently and for prolonged periods can lose the skills and relationships they have built, which only hinders their ability to find equal or better-paying work in the future.

As we move into the end of the year, restrictions and business closures will likely lead to more permanent job loss. As of September 30, businesses who accessed funds through the Paycheck Protection Program will no longer have to retain employees.<sup>7</sup> Already, one in six businessowners who received these funds have said that they are

not confident they will be able to maintain their payroll once the loan funds expire.<sup>8</sup> Without continued government support to keep their doors open, businesses will struggle, and will be forced to choose between closing their doors or laying off more of their employees to survive another month.

### **What Is Clear? Unemployment Insurance Is Critical to Support Latino Families Facing Job Loss**

Last month, UnidosUS partnered with Latino Decisions to poll Latino workers in Arizona, Florida, and Texas about their experiences with job loss and unemployment insurance in the wake of COVID-19. The data showed that Latino workers faced significant barriers when trying to access unemployment insurance, despite being eligible for benefits and out of work in large numbers. Additionally, our respondents highlighted the importance of the additional \$600 dollars they were receiving through the Pandemic Unemployment Assistance Program, which was allowing them to continue paying for their family's needs, including rent and mortgage payments, utilities, and food.

The additional support of \$600 expired at the end of July along with many other protections for unemployed workers, including eviction moratoriums and mortgage forbearance. Little has changed with the economy, and millions are still temporarily out of work or have lost their jobs completely. It is crucial that workers and their families remain a central part of any legislation and conversation about COVID-19.

Below you can read the experiences of four Latinas who have lost their jobs due to coronavirus. They have each struggled to access unemployment, whether it be difficulty contacting their state agencies, finding information and applications in Spanish, or being denied multiple times before receiving benefits. Their stories match [many of the findings of our poll](#) and show the real-life impact that antiquated state systems, long lines, and changing eligibility standards have had on workers who are eligible and depending on unemployment insurance benefits as an economic safety net.<sup>9</sup>

***\*All names and identifying information have been changed for the privacy and protection of these workers\****

#### **Jazmín**

***Jazmín is a participant in the UnidosUS Financial Capability program.***

Jazmín is the face of how the coronavirus pandemic has exacerbated financial pressures for low-wage Latino workers. When the pandemic hit, Jazmín, a janitor in San Jose, had her hours reduced by half. She decided to apply for unemployment insurance (UI) in order to be able to pay her rent and provide for her family. It was then that she encountered multiple problems.

Despite numerous attempts, Jazmín was unable to get through the system to file a claim. She tried calling the state UI agency to speak with a representative but was unable to connect. Moreover, she was confused about the questions on the form, which led her to doubt whether she was eligible for benefits at all. It has been over a month since Jazmín first tried to apply for UI and she still not been able to successfully apply for benefits.

Without UI benefits to help her with household costs, Jazmín has struggled to make ends meet. Today she works part-time at her job—where both her hours and pay have been cut, while continuing to meet her other responsibilities as a parent by helping her young children with their online schooling.

## Regina

*Regina is a participant in the UnidosUS Financial Capability program.*

Prior to the COVID-19 pandemic, Regina worked as a janitor at a convention center in California. In March, Regina was furloughed indefinitely, without pay, by her employer. That is when she decided to submit a UI application. But the process was not easy. Regina was unable to reach anyone at the state unemployment agency, even after calling multiple times. After reviewing the Spanish forms, she did not understand the questions, so instead she asked her daughter, a fluent English speaker, to help her fill out the online application.

Regina waited two months with no information or updates about the status of her application. Finally, in May, she called the state unemployment insurance agency once again, and was asked to submit another application online. This time Regina finally did receive a UI payment, more than two months after she originally applied. Since then, Regina's UI benefits have been helpful in allowing her family to pay for their necessities during these difficult times.

## Renata

*Renata is a client of UnidosUS Affiliate PODER in Chicago.*

*Prior to COVID-19*, Renata worked for 15 years as part of the security services team in a building. In early 2020 she began thinking about finding another opportunity, so she applied and found new work. Her plan was to continue working on the security services team, while exploring her new opportunity. She was supposed to begin orientation for the new job in the middle of March, with a start date of April 1.

When places began closing, she was deemed necessary by the security services job. She asked if she would be provided with masks and other personal protective equipment but was unable to get a clear answer. After explaining to her employer that she had to travel to work by train and bus, Renata asked if she could have two weeks of leave, which is how long the city said it would be shut down for. When she could not make it to work all the days necessary because of transportation, she lost her job. Meanwhile, her new job was now also on hold. Renata had lost both jobs.

Her grown children encouraged her to apply for unemployment insurance in March, however Renata was concerned because she feared that the state would say she chose not to work when she had a job. She applied for UI the first time during the last week of March but was denied. She called the state agency to get more information and after waiting hours, she spoke to a representative who told her there were issues with the system and that she should continue to apply every week until they were able to fix the problem. Finally, she was accepted, and in May, nearly two months after originally applying, Renata received a UI check.

Thankfully, Renata has since been able to start her new job, although it is temporary. With the new pay, she has lost her unemployment benefits, but she is happy to be in the new role. She is working hard to find another job that she can start at the end of September when her temporary role is done. Right now, she is focused on saving as much money as she can because she is seven months behind on her rent. Despite her UI benefits, she fell behind in March and has been unable to recover since then. Renata hopes to find another job, but if she can't, she will have to reapply for unemployment benefits at the end of September.

## Elena

*Elena is a client of UnidosUS Affiliate PODER in Chicago.*

Prior to COVID-19, Elena had been working in a senior center assisting people with dementia for a little over six months. She worked in an on-call position, so she did not have set weekly hours, but often worked nearly every day. Her hours began to diminish in March when coronavirus began spreading, but after a patient in her center was diagnosed with COVID-19 in May, she stopped getting hours, and hasn't worked since Mother's Day.

Elena tried to apply for unemployment insurance using the Spanish resources on her state's unemployment agency website, but found the materials to be confusing and that the Spanish web pages crashed after a few minutes without refreshing. She ended up relying on her husband to assist her with an English application. She had no problems once she switched to applying in English, and within two days received her acceptance. She received her first benefits check within two weeks of applying.

Her husband also recently lost his job because of school closures. Elena shared that she is not getting even close to the same amount of money she was earning at her job and is now only able to cover her gas bill. Thankfully she and her husband have been able to continue paying their mortgage and were offered a three-month deferral by their lender. They have yet to take advantage of the deferral but feel better knowing that the option exists.

She has begun looking online for a new job, but does believe that she will be able to go back to her old job eventually. She wants to go back to work and hopes that they will offer her hours again soon.

## Policy Recommendations

What is clear from the stories above is that more, now than ever, Latino families need to have access to the critical support that unemployment benefits provide. Regular benefits coupled with the \$600 weekly supplemental benefit are crucial to Latino families, many of whom have lost more than one source of income due to coronavirus. The economic and health devastation that has come as a result of coronavirus is still present for millions of workers, and each day that families are kept from accessing UI benefits puts them in a more precarious situation.

This month, the expiration of the Pandemic Unemployment Assistance program, which provided unemployed workers with an additional \$600 a week, has left millions unable to meet their needs. Latinos receiving UI benefits are spending that money on essential expenses such as food and groceries, utilities, their mortgages, and rent. For many of these families, the additional \$600 is the only way for them to continue making ends meet until they can return to work. Despite efforts to get additional funds to workers, many states have failed to deliver, leaving millions with only basic benefits, which in some states are as low as \$100 a week.<sup>10</sup> Extending the \$600 weekly supplemental benefit is critical to Latinos. Congress must act to pass additional stimulus legislation and ensure that workers continue to receive the \$600 weekly supplemental unemployment insurance benefit until they can safely and feasibly return to work.

There must be also be an effort at both the federal and state levels to invest in improving state unemployment systems, which have largely failed workers, especially Latinos. These improvements must be focused not only on updating antiquated online and phone systems that led to long wait times, but must also target Latino community members who may not be aware that they are eligible for benefits. If Congress passes

additional legislation that provides funding to states for coronavirus relief, they must ensure that some funding is dedicated to making state unemployment agencies more accessible and better suited to meet the needs of Latino workers.

Lastly, the Senate should quickly take up a comprehensive proposal to address the significant economic and health challenges that we face. It has been over three months since the House of Representatives passed the HEROES Act, which UnidosUS supports, but the Senate has yet to act on any legislation. Every day that Congress does not pass a bill to protect workers and families, the lives and livelihoods of thousands continue to deteriorate. The Senate must act now and ensure that any proposal expands free access to COVID-19 testing, treatment, and vaccines regardless of immigration status; provides financial relief to mixed-status families; extends expanded unemployment insurance; increases SNAP benefits; and ensures that Latino and other communities who are bearing the brunt of the virus, are protected and supported.

## 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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