HISPANIC HERITAGE MONTH 2011

An Update on the Economic Well-Being of the Latino Population

The U.S. Hispanic community was hit hard by the Great Recession. Its story is one of industry employment and geography, with Hispanic workers disproportionately employed in some of the sectors hardest hit during this recession – construction and leisure and hospitability. In addition, Hispanic or Latino workers are more likely to live and work in the Sunbelt states – such as California, Nevada, and Florida – that saw their unemployment rates soar during the recession. Combined, these factors had a significant impact on the economic well-being of Hispanic households in the United States.

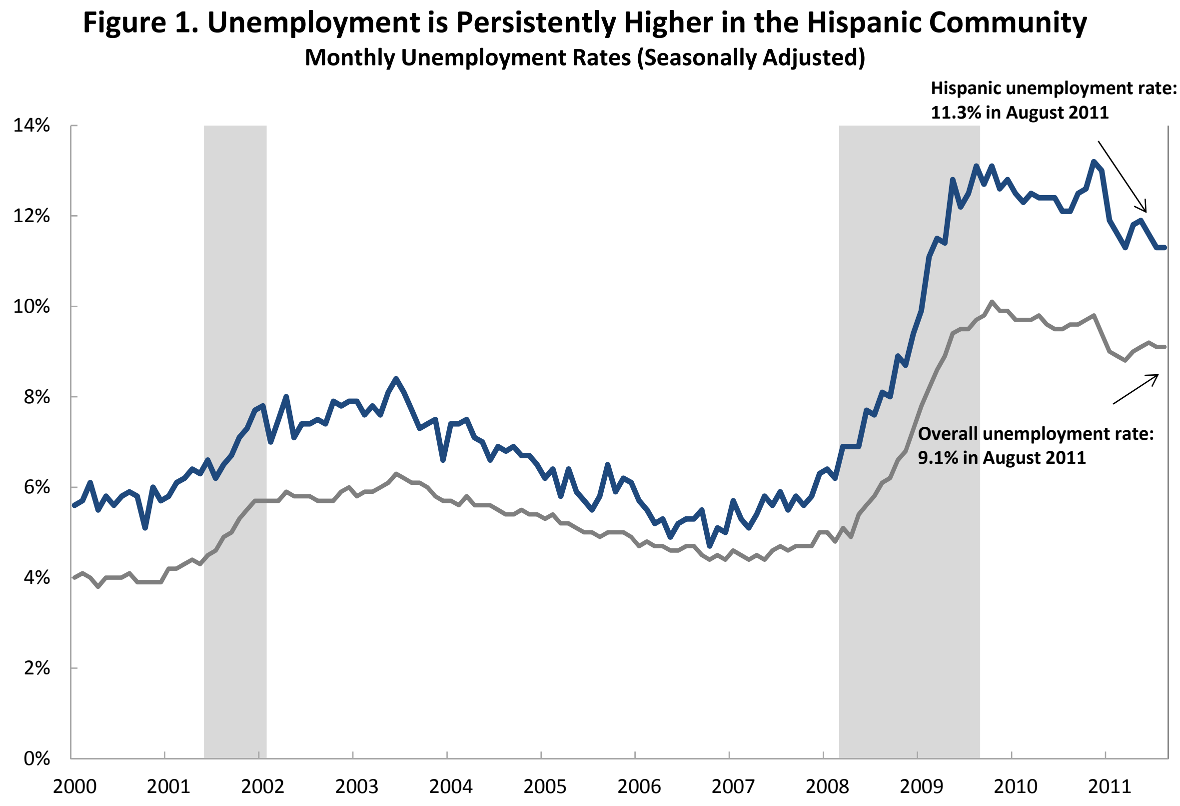
Now, more than three years after the start of the recession, Hispanics are less likely to be employed and more likely to be living in poverty than they were before the recession began in December 2007. In addition, median income among Hispanic households has dropped by more than 7% since 2007.

However, recent data from the Bureau of Labor Statistics and the U.S. Census Bureau show that, while the Hispanic community is undoubtedly still suffering from the enduring effects of the severe economic downturn, there are promising signs that the community's economic footing is no longer slipping. Hispanic households have a long way to go to regain the income lost since the recession started, but 2010 did not see any further decline in Hispanic household income[1]. There also was some progress on healthcare coverage. While Hispanics have the highest uninsured rate among all major racial and ethnic groups, the Hispanic uninsured rate fell in 2010, even as the overall uninsured rate was statistically unchanged.

The following data show that our nation's Hispanic community has yet to recover from the Great Recession, and additional actions are needed to help Hispanic workers regain their economic footing. High rates of poverty and stagnant low incomes make it difficult for families to pay for food and basic services, including housing and child care. Congress needs to continue programs that provide support for those who are out of work and struggling to make ends meet and examine new approaches to solving the persistent problems of unemployment and poverty.

Employment

- The unemployment rate for the Hispanic community climbed steadily as job losses mounted, passing 12% in May 2009. The unemployment rate remained above 12% through December 2010.
- Over the first 8 months of 2011, Hispanic unemployment averaged 11.6%. Currently, the unemployment rate stands at 11.3% (August 2011), more than two full percentage points above the national unemployment rate of 9.1%. (See **Figure 1**.)
- Nearly 2.6 million Hispanic workers are unemployed, up from 1.4 million at the start of the recession. Hispanics are disproportionately represented among the unemployed, making up 18.5% of the unemployed, but only 14.9% of the labor force.



Note: Grey areas designate periods of recession as determined by the National Bureau of Economic Research.
Source: Chairman's staff of the Joint Economic Committee based on data from the Bureau of Labor Statistics, Current Population Survey.

Household Income

- In 2010, median household income for Hispanics was $37,759, statistically unchanged from 2009.
- The last decade produced a significant erosion of Hispanic households' incomes, with real median household income for Hispanics declining by 10.1% from 2000 to 2010.
- Most of the income decline in the past decade resulted from the 2007-2009 recession. Between 2007 and 2010, Hispanic median household income declined by 7.2%.
- No major racial or ethnic groups were spared from the income impact of the recession. During the same 2007-2010 period, black households saw their incomes decline by 10.1%, Asian households experienced a 7.5% drop, and non-Hispanic white households saw their income fall by 5.4%.

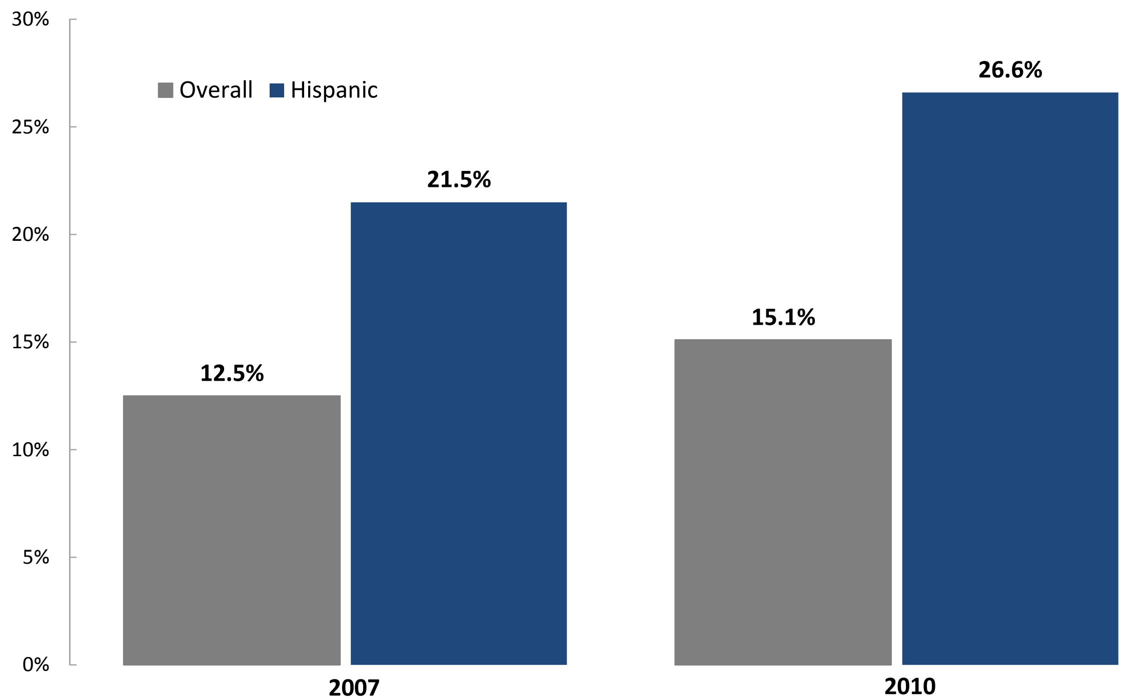
Poverty

- In 2010, the poverty rate for Hispanics was 26.6%, up from 25.3% in 2009.
- 13.2 million Hispanics lived in poverty in 2010, including 6.1 million children.
- Since the start of the recession, the poverty rate among Hispanics has increased significantly, rising by 5.1 percentage points between 2007 and 2010. (See **Figure 2**.)
- This increase in poverty since 2007 has been larger for Hispanics than other racial and ethnic groups. For blacks, the increase was 2.9 percentage points, for Asians it was 1.9, and for non-Hispanic whites the increase was 1.7 percentage points.

Health Insurance Coverage

- In 2010, 15.3 million Hispanics had no health insurance coverage, while 34.6 million Hispanics were covered by private and/or government health insurance.
- While Hispanics have the highest uninsured rate among all major racial and ethnic groups, the Hispanic uninsured rate fell to 30.7% in 2010, down from 31.6% in 2009, and from 31.5% in 2007.
- The increase in the proportion of Hispanics with healthcare coverage between 2009 and 2010 was attributable to a 1 percentage point increase in the share of Hispanics with employer-based healthcare coverage.
- By contrast, blacks and whites saw their uninsured rates increase from 2007 to 2010. The uninsured rate among blacks increased from 18.6% to 20.8% and among whites the uninsured rate increased from 13.9% to 15.4%.

Figure 2. The Hispanic Community Saw A Dramatic Rise in Poverty Over the Recession
Annual Poverty Rates, 2007 vs. 2010



Source: Chairman's staff of the Joint Economic Committee based on data from the U.S. Census Bureau.

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Note
1. The decline in median household income among Hispanics, from $38,667 in 2009 to $37,759 in 2010, was not statistically significant.