











Hit particularly hard by the economic crisis, Hispanic* Arizonans have seen commonsense policies put in place and their hard work begin to pay off following the Great Recession. Gains across several economic indicators point to improved economic security for Latinos. Given the Latino community's size, work ethic, and resiliency, they have contributed to the Grand Canyon State's economic resurgence. However, despite gains, challenges lie ahead as many Arizonans, including Latinos, perceive that they have been left behind by policymakers and the economy.

Examining Latinos' status across a range of indicators in Arizona can help lawmakers and advocates better understand how far the Latino community has come since the Great Recession, what is at stake for the Grand Canyon State's economic future if policies and protections are rolled back, and what more can be done to ensure that Latinos and all Arizonans continue to advance their economic security.† Founded in Phoenix nearly fifty years ago, NCLR is proud of its history in Arizona and is committed to advocating for policies that not only allow Latinos to contribute to the economy, but also share in the Grand Canyon State's economic opportunities.‡

ARIZONA HISPANIC SNAPSHOT FOR 2011 AND 2015¹

	Hispanics in Arizona		All of Arizona	
	2011	2015	2011	2015
 Population	1,949,295	2,098,411	6,482,505	6,828,065
 Foreign-Born	29%	27%	13%	13%
 Bachelor's Degree	7%	8%	17%	17%
 Labor Force Participation Rate [§]	64%	65%	60%	59%
 Unemployed	9%	5%	7%	4%
 Median Household Income	\$35,601	\$40,643	\$46,709	\$51,492
 Poverty Rate	30%	26%	19%	17%
 Uninsured Rate	28%	19%	17%	11%
 Renters Facing High Rental Costs [¶]	57%	52%	52%	49%
 Homeownership Rate	53%	49%	64%	62%

* The terms "Hispanic" and "Latino" are used interchangeably by the U.S. Census Bureau and throughout this document to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race.

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‡ NCLR's 11 Arizona Affiliates include a broad range of service providers that directly serve Latino populations in Nogales, Phoenix, San Luis, Somerton, and Tucson.

§ Foreign-born workers comprised 17% of Arizona's labor force in 2011 and 2015, per the U.S. Census Bureau's American FactFinder.

¶ Those defined as cost-burdened spend 30% or more of their monthly income on rent and utilities.

LATINO GAINS SINCE THE GREAT RECESSION ARE AT STAKE

At the height of the Great Recession, Arizonan Hispanic families were in severe financial distress. In 2011, Latinos faced a national unemployment rate of 11.5%, and a rate of 8.9% in Arizona.² Additionally, in 2009, Arizona's foreclosure rate of 6.2% was well above the national average of 4.6%.³ To help the American economy recover from the crisis, a series of critical pieces of legislation were put in place to bolster Latino economic security and reward hard work. For example, there are more than four million Latinos who have gained health care coverage under the Affordable Care Act (ACA) since 2013.⁴ Nationally, there are also 1.9 million individuals in the United States who have become eligible for work authorization under the Deferred Action for Childhood Arrivals (DACA) program, including 52,000 Arizonans.⁵ Further, the Consumer Financial Protection Bureau (CFPB), one of the most important accomplishments of the 2010 Dodd–Frank Wall Street Reform and Consumer Protection Act, has already enacted much-needed mortgage servicing standards and, in less than six years, returned nearly \$12 billion in relief to 29 million consumers nationwide.⁶ These and other actions to strengthen our economy have led to improved economic footing for Arizona's Latinos.

- **Hispanic Gains in Health Coverage:** Between 2011 and 2015, Arizona's rate of uninsured Hispanics dropped approximately nine percentage points, a 32% reduction in the uninsured rate among Latinos. Arizonans overall also saw a six percentage point drop in the uninsured rate between 2011 and 2015, a 35% reduction in the overall uninsured rate. This reduction was largely driven by Latino gains in health coverage under the ACA. Approximately 151,000 Latino Arizonans acquired health insurance between 2011 and 2015, accounting for 41% of the overall reduction.⁷
- **More Latinos Own a Home:** After a sharp decline in Hispanic homeownership due to the foreclosure crisis, the number of Hispanics who own a home rebounded between 2011 and 2015, increasing by approximately 2,300 households. However, the Latino homeownership rate was still lower in 2015 (49%) than it was in 2011 (53%), and was 13 percentage points lower than the state average of 62% in 2015.⁸ Arizona's foreclosure rate of 0.8% in 2015 was remarkably lower than the national average that year (2.09%), and was a substantial improvement on its foreclosure rate of 6.2% in 2009.⁹ Although many housing markets across the country have rebounded, a large portion of Arizonans are still struggling in homes with underwater mortgages. Five Arizona cities have some of the nation's highest incidence of negative home equity*: Tucson (34%), Glendale (25%), Surprise (24%), Phoenix (24%), and Peoria (23%).¹⁰
- **More Latino Households Enter the Financial Mainstream:** The number of Hispanic households in Arizona that are fully-banked† increased by approximately 151,000 between 2011 and 2015. Additionally, approximately 15,000 fewer Latino households reported using an alternative financial service (e.g., payday loans, check cashing, prepaid cards) in 2015 than in 2011. Hispanic households also accounted for 22% of the statewide reduction in alternative financial product usage between 2011 and 2015. However, many Arizona Latinos remain outside of the financial mainstream. In 2015, approximately 24% of Arizona Latino households were underbanked‡, compared to 19% of households in Arizona overall.¹¹
- **Increase in Latino-Owned Businesses:** The number of Latino-owned businesses in Arizona increased by 70% between 2007 and 2012. During this same period, the overall self-owned business rate increased by only 2%. In 2012, Latinos in Arizona owned approximately 89,000 businesses, compared to nearly 500,000 self-owned businesses statewide. Latino-owned businesses in Arizona generated \$9.5 billion in gross receipts in 2012, a 19% increase from \$8 billion in 2007.¹²

* Negative equity means that home mortgages are worth more than the value of the home.

† According to the Federal Deposit Insurance Corporation, fully-banked households hold a bank account and do not use an alternative financial service.

‡ According to the Federal Deposit Insurance Corporation, those who are underbanked are typically defined as individuals who own accounts but also obtained financial services and products outside the banking system.

These gains are threatened by proposals to undermine progress. For example, actions targeting immigrants will have a profound effect on the state. An immigration policy of mass deportation would cause deep economic harms. Removing Arizona's 244,000 unauthorized individuals is estimated to cause the state's GDP to decline by \$8.29 billion annually.¹³ Further, attempts to end the refundable Child Tax Credit (CTC) for immigrant workers who pay taxes using an Individual Tax Identification Number (ITIN) would strip support for their children, most of whom are U.S. citizens. Nationally, more than 80% of ITIN filers losing the CTC would be Latino.¹⁴ In Arizona, Latinos account for 47% of all households who received the CTC in 2015.¹⁵ Additionally, some members of Congress have proposed legislation to roll back CFPB protections that would weaken the agency's ability to rein in unfair, deceptive, and abusive practices in the financial marketplace—practices that helped give rise to the housing crisis and recession. Finally, there are also attempts to repeal the Affordable Care Act, which would take health coverage away from 30 million Americans, including six million Latinos.¹⁶



WAYS TO PROTECT AND BUILD GAINS

- Protect the progress of the Affordable Care Act.
- Enact comprehensive immigration reform and oppose mass deportation.
- Preserve homeownership for distressed borrowers and keep rent affordable.
- Put more money in workers' pockets by restoring the value of the minimum wage, expanding access to refundable tax credits, and ensuring that infrastructure investments result in jobs where they are needed most.
- Enhance long-term economic security by curbing the growth of predatory lending institutions and increasing access to safe financial products and workplace-based retirement plans.
- Strengthen the social safety net and maintain its structure.

CONCLUSION

The gains of Latinos in recent years have been the result of targeted economic policies that invest in maintaining and increasing progress for all Arizonans. As the Latino community continues to drive growth and contribute to Arizona's workforce and prosperity, it is critical that local, state, and national leaders defend the progress that has been made since the Great Recession. At the same time, opportunities to continue positive trends also exist. Forthcoming congressional proposals for tax reform and infrastructure investments have the power to provide increased opportunities for more workers and families—if the policies are crafted to embody the American values of inclusivity and equity. Progress must continue, because a stronger Latino community means a stronger America.

ENDNOTES

All sources accessed April - May 2017.

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- 11 Federal Deposit Insurance Corporation, "Economic Inclusion: Custom Data Tool," <https://www.economicinclusion.gov/custom-data/index.html>.
- 12 U.S. Census Bureau, "American FactFinder: Statistics for All U.S. Firms by Industry, Gender, Ethnicity, and Race for the U.S., States, Metro Areas, Counties, and Places: 2007," https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=SBO_2007_00CSA01&prodType=table; and U.S. Census Bureau, "American FactFinder: Statistics for All U.S. Firms by Industry, Gender, Ethnicity, and Race for the U.S., States, Metro Areas, Counties, and Places: 2012," https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=SBO_2012_00CSA01&prodType=table.
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