

CARES ACT BRIEF: ECONOMIC SECURITY & LATINOS

The novel coronavirus (COVID-19) has led to an unprecedented nationwide health and economic crisis. As more of our neighbors fall ill and the death toll rises, the pain and hardship caused by the pandemic will grow and continue to be felt in the months, and even years, to come. Unfortunately, the brunt of the impact will fall primarily on the shoulders of our nation's working-class families, including the nation's 58 million Latinos, who make significant contributions to the nation's economy and prosperity yet continue to face longstanding disparities.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), a \$2.2 trillion bipartisan package from Congress, is a crucial step to protecting the health and economic well-being of millions of Americans hit hardest by the crisis. The Act follows—and in some cases builds on—two other packages, the [Families First Coronavirus Response Act](#) and the [Coronavirus Preparedness and Response Supplemental Appropriations Act](#)—and includes many of the priority areas that [UnidosUS asked Congress](#) to address. The CARES Act is a good step to helping workers and families already feeling the effects of a sharp economic downturn. However, policymakers have a lot of work to do to address remaining needs that will become even more urgent as this event and its effects continue.

While the CARES Act and earlier packages cover many urgent needs, here is a look at what the CARES Act does on jobs and the economic security issues that are most relevant to the Latino community.

How does the CARES Act help Latinos who have lost their jobs?

The CARES Act adds \$260 billion to enhance unemployment insurance. This is important because unemployment has reached unprecedented numbers, with more than [three million](#) Americans filing for unemployment in the week of March 21. Latinos have one of the highest [labor force participation rates](#) but are at risk of increased unemployment given their concentration in industries affected by closures, including leisure and hospitality. Additionally, according to our recent report, *Latinos in the Gig Economy*, nearly 40% of surveyed Latinos have participated in the gig economy. Four out of five Latino gig workers are struggling to make ends meet. While the current stimulus bill extends unemployment benefits to gig workers and other self-employed persons, there are many barriers that can keep these important resources out of the hands of Latinos. Namely, one in 10 Latino gig workers does not have access to a banking or savings account. As a result, while many Latinos qualify for benefits, they may remain out of reach. In particular, the CARES Act:

- **Establishes a Pandemic Unemployment Assistance program**, which provides federally funded benefits to many workers who lose their jobs but are not eligible for state programs. This includes workers who have exhausted traditional unemployment insurance (UI), are looking for part-time work, are self-employed, or are in the gig economy. This program is temporary and will end on December 31, 2020.

- **Boosts regular UI benefits** by providing an additional \$600 in benefits to recipients of Pandemic Unemployment Assistance or regular UI through July 31, 2020. The Act also extends the amount of time individuals can receive regular UI by 13 weeks.

How does the CARES Act provide direct cash benefits to Latinos?

The CARES Act offers direct relief payments to certain individuals to help offset economic strain from the pandemic. Latinos are finally reaching [pre-recession levels](#) on several economic indicators but continue to feel [intense economic concerns](#). The median income of Latino households reached a record high (\$46,486) in 2017 but lags behind White families (\$59,034), and the rate of poverty for Latinos (18.3%) is almost twice the rate for their White counterparts (10.7%). Additionally, Latina workers are paid only 66 cents on the dollar relative to White non-Hispanic men.

- **Direct relief payments.** The CARES Act will provide direct payments of \$1,200 per adult (\$2,400 for a married couple) and \$500 per dependent child age 16 or younger. The direct payments phase out for individuals with incomes more than \$75,000 per year and for couples with incomes above \$150,000 per year. For a household to receive a direct relief payment, each person in the household must have a Social Security Number, excluding many immigrants and their U.S.-born children. Additionally, a substantial number of Latinos may face delays in receiving this benefit because they do not have direct deposit or because their incomes were so low that they did not have to file taxes for 2018.

How does the CARES Act help Latinos keep a roof over their head?

There are several housing provisions in the CARES Act to support homeowners and renters. These actions will help Latinos who continue to encounter [barriers to homeownership](#) and increasingly face challenges with [decreasing affordability](#) in light of stagnant wages.

- **Halt on foreclosures**, which will be a temporary halt on foreclosures for homeowners who have federally backed loans.
- **Forbearance on loan payments** for struggling homeowners with federally backed loans.
- **Support for renters**, including a moratorium on evictions and funding for rental assistance programs.

For more information see UnidosUS's *CARES Act Brief: Housing Stability & Latinos*.

How will the CARES Act help Latino-owned businesses and nonprofits?

The CARES Act includes provisions, namely loans, to help small businesses and nonprofits weather the economic downturn. Latinos are the [fastest-growing segment of small business owners](#) in the nation and contribute [\\$700 billion](#) in sales to the economy annually.

- **Paycheck protection program.** The CARES Act establishes a program that provides up to \$349 billion in funding for the Small Business Administration's (SBA) popular 7(a) loan program. The loan may require that small businesses retain their employees, and an important eligibility category is nonprofit organizations.

What is next?

Work will be needed to ensure that these efforts are implemented and administered in ways that are fair and reach as many Latino workers, families, small business owners, and nonprofit human needs service organizations as possible. We are especially concerned about areas of the law where agencies have discretion or have limited capacity to act swiftly.

Furthermore, Latino wealth will further diminish if Congress responds to the current crises with measures that fail to reach all families in need. UnidosUS will work alongside our Affiliates throughout the nation to ensure that our national leaders deliver necessary support to families in *all* of America's diverse communities. Our future policy priorities include:

- **Ensure access to emergency economic supports for all workers.** UnidosUS will continue to advocate for taxpaying families, including those with immigrants, to receive vital support. Extending direct relief payments, unemployment benefits, and other assistance to all taxpayers and their families will help provide vital support to all who need it.
- **Target direct relief payments to those who need it most.** One-time direct relief payments shut out many of the most vulnerable people, including immigrants, millions of U.S. citizen children, and households with dependents over 17 years of age. Congress must offer more targeted and substantial payments to those who need it most throughout the duration of the crisis.
- **Expand the Earned Income Tax Credit (EITC) and make the Child Tax Credit (CTC) fully refundable.** The Senate and Congress missed an opportunity to strengthen low-income households by failing to expand the EITC and CTC. There should be no further industry bailouts or special interest provisions until we expand the EITC and CTC.
- **Support Latino-owned businesses through Community Development Financial Institutions (CDFIs).** The SBA is not well equipped to deal with the thousands of Latino-owned businesses that need support. Instead, Congress and the Federal Reserve should inject substantial funds into Latino-led and Latino-serving CDFIs that successfully reach and serve Latino businesses and their employees.
- **Target outreach and investments to the Latino community using trusted culturally competent community organizations.** Utilize and fund trusted nonprofit organizations that serve the Latino community to ensure that information about eligibility for federal programs is properly communicated. Organizations that know how to reach the Latino community require substantial funding to communicate the provisions in the CARES Act.

- **Utilize and fund trusted nonprofit organizations that serve the Latino community** to ensure that mortgage and rent relief options are well-understood and accessed by Latinos in need. In particular, HUD-approved housing counseling providers urgently need additional funding to meet an expected increase in demand for culturally competent foreclosure prevention and eviction prevention services as homeowners and renters sustain substantial income losses in the months ahead. UnidosUS will continue to advocate for funding to support and ensure the availability of assistance in Spanish and other widely spoken non-English languages.