



Latino *Bienestar* and the American Recovery & Reinvestment Act

(ARRA)

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Latino *bienestar* (well-being) is largely influenced by a paradigm of cultural values, socio-economic circumstances and environmental conditions that are intrinsically connected to the health and well-being of Latino families and community. Unfortunately, the enduring instability of the worst recession in decades is having immense effects on the future of Latinos.

While Texas, as a whole, has not experienced the same depth of economic insecurity as other states, the unexpected slow recovery has exacerbated already growing gaps in income, living wage jobs, education and health care among Latinos.

On February 17, 2009, in an effort to stabilize the economy and save jobs, the American Recovery and Reinvestment Act (ARRA) passed and was signed by President Obama. The bill appropriated \$787 billion to a variety of federal programs and increased or extended certain benefits under Medicaid, unemployment compensation, and nutrition assistance programs. But, an over politicized discourse regarding whether Texas will accept and how it will utilize the American Recovery and Reinvestment Act (ARRA) funding has prolonged suffering of many Texans in need.

Texas Latinos are walking a fine line of fiscal insecurity. A recent report by the Federal Reserve Bank of Dallas, reveals that over the last decade, Latinos have experienced a 76% growth in Texas labor force participation but face the largest wage gap in Texas and nationally, growing unemployment and underemployment. This reality is coupled with the recession hitting hardest in high Latino occupations and low-wage jobs in construction and the service industry. As a result, this contributes to a growing income inequality among Texas Latinos who already are most likely to live in poverty with one quarter living in poverty in 2008.

Latinos are facing health insurance disparity of epic proportion with 6 of 10 uninsured Texans being Latino. Compared to Non-Latino Whites, Latinos are less likely to have health insurance even accounting for educational attainment, employment status and citizenship status.

Texas is struggling to meet the needs of Texans. While managing a significant decline in state revenue, Texas has been overwhelmed by the faster than expected unemployment rate and a diminishing unemployment fund along with a jump in Medicaid and Food Stamps. With the state facing a 5% budgetary shortfall, putting vital services and programs in jeopardy, the question remains how will Texas optimize ARRA funding opportunities; will they fill budgetary gaps or expand services; how will funding be allocated, given the historical inequities in distribution and allocation to underserved populations?

For that reason, La Fe Policy Research and Education Center in conjunction with other Texas organizations will examine the transparency, equity, and accountability in the distribution of ARRA funding to Texas and particularly analyze the allocation of ARRA funding as it related to the implications for the Latino community.

What is ARRA?

A \$787 billion dollar recovery package to jump-start the economy by creating and saving existing jobs with long-term investment goals including:

- Computerize health records to reduce medical errors and save on health-care costs
- Investing in the domestic renewable energy industry
- Weatherizing 75% of federal buildings and more than 1 million homes
- Increase college affordability for 7 million students by funding the shortfall in Pell Grants, raising the max grant level by \$500, and providing a higher education tax cut to nearly 4 million students
- Cutting taxes for 129 million working households by providing an \$800 "Making Work Pay" tax credit for qualified individuals
- Expanding the Child Tax Credit

From Recovery.gov, FAQs for Citizens

What does ARRA mean for Texas?

ARRA can be an opportunity for the state and local governments to maximize funding opportunities as a safety net to meet the workforce and economic development, housing, physical infrastructures, and health and human services needs of Texans. But we will not understand the true impact for Texans for months and years to come.

What does ARRA mean for Texas Latinos?

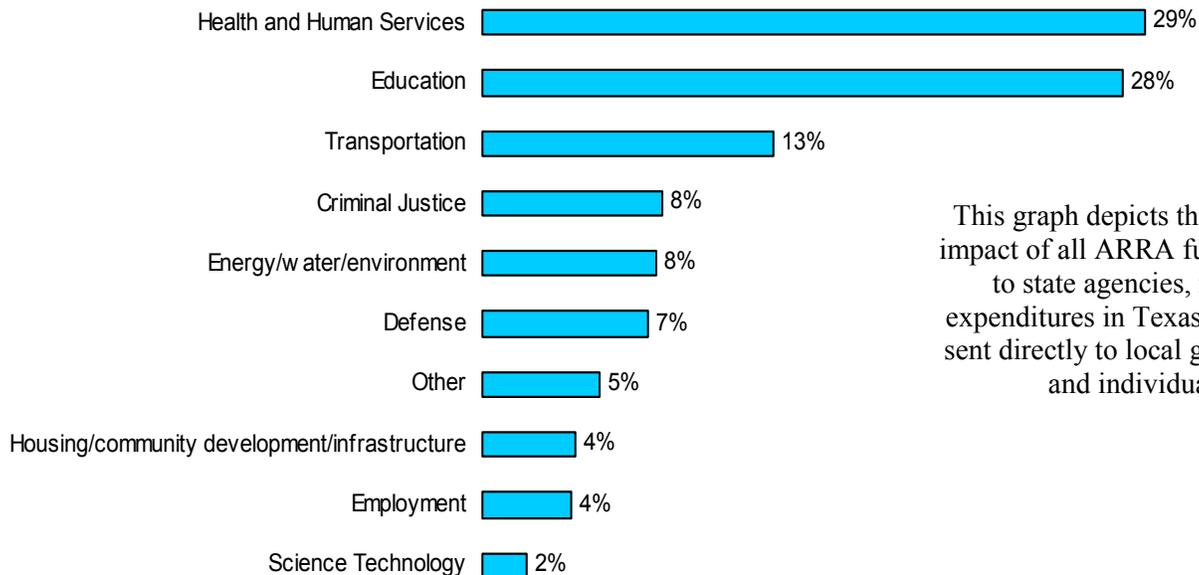
Since the economic downturn began across the country, Latino unemployment has been increasing at a faster rate than their non-Hispanic counterparts. Here in Texas, Latinos are more likely to live in poverty, have lower levels of educational attainment, less likely to own a home, more likely to live in an older home, and utilize government healthcare and community clinics. As such, Latinos have an opportunity to benefit greatly from the weatherization program, first time homebuyer credit, and mortgage refinancing and modification. Education funding, both money available to college students and dollars going to school districts, can be incredibly valuable to young Latinos; turning down funds can be greatly detrimental - making the state even less competitive in terms of educational achievement indicators. Transportation projects are beneficial as they not only bring construction jobs, but public transportation can get people to higher paying jobs across town.

How much money does Texas expect to get?

The final tally won't be known for a couple of years because many Texas institutions and businesses are still competing for grants, loans and contracts. But the Texas Legislature appropriated \$14.4 billion of the stimulus money for fiscal 2009, 2010 and 2011. Five state agencies account for 93% of those appropriations: Texas Education Agency, Health and Human Services Commission, Texas Department of Transportation, Texas Department of Housing and Community Affairs, and the Texas Workforce Commission. The federal government is also sending money directly to local governments and other institutions, such as military bases, in Texas.

From TX Comptroller Recovery site, FAQs

Estimated Impact on Texas



This graph depicts the estimated impact of all ARRA funds. Money to state agencies, military expenditures in Texas and money sent directly to local governments and individuals.

Source: TX Comptroller Recovery site

How will money to state agencies, local government and individuals impact Latinos?

Housing and Community Development—Environment—Energy

Individual tax credits such as The First-Time Home Buyer Credit and Mortgage Refinancing and Modification along with the 5 billion in federal funding for Weatherization Assistance Program for Low-Income Persons (meant to make minor home repairs to increase energy efficiency), should be of particular interest to people of color.

Blacks and Latinos in Texas are less likely to own a home, more likely to be using more than 30 percent of their income for their mortgage and to be living in an older home.

HOUSING TENURE				
	Texas	White	Black	Hispanic
Occupied housing units	8,258,094	4,561,801	952,714	2,378,149
Owner-occupied housing units	65.10%	72.80%	46.00%	58.30%
Renter-occupied housing units	34.90%	27.20%	54.00%	41.70%
Built 2000 or later	17.40%	17.40%	19.20%	15.40%
Built 1980 to 1999	37.40%	37.40%	31.30%	37.40%
Built before 1980	45.20%	45.20%	49.50%	49.50%
SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN THE PAST 12 MONTHS				
Housing units with a mortgage	3,417,736	2,070,066	300,058	878,915
Less than 30 percent	67.80%	73.70%	58.30%	58.20%
30 percent or more	32.20%	26.30%	41.70%	41.80%

Education—Labor

ARRA funds going to “education” are benefiting students of all ages; with Head Start funds supporting preschool aged children to Federal Work-Study Program funds benefiting college students. ***Latinos are the largest growing minority group and are very close to being more than half of the K-12 population.*** As such, they have the most to gain from funds going to school infrastructure improvements. The trend of young people of color not graduating from high school or not going to college is addressed by ARRA with newly funded scholarship programs as well as funds dedicated to “labor”. Funds going to “labor” are going to programs such as AmeriCorps and Adult worker training programs.

SCHOOL ENROLLMENT				
	Texas	White	Black	Hispanic
Population 3 years and over enrolled in school	6,608,046	2,722,649	848,365	2,652,681
Kindergarten - 12	70.50%	65.80%	68.40%	77.10%
College or graduate school	22.90%	27.80%	25.50%	15.80%
EDUCATIONAL ATTAINMENT				
Population 25 years and over	14,807,376	7,877,342	1,600,096	4,604,278
Less than high school diploma	20.80%	9.20%	16.80%	43.40%
High school graduate (includes equivalency)	26.50%	26.20%	32.30%	26.40%
Some college or associate's degree	27.50%	31.50%	32.70%	19.60%
Bachelor's degree	16.90%	22.30%	12.60%	7.60%
Graduate or professional degree	8.20%	10.80%	5.60%	3.00%

Transportation

An efficient, physically and environmentally sound transportation system can improve the quality of life for everyone. Improving traffic congestion will save time and improve air quality. ***Mobility is vital to economic security.*** A modern public transportation system can help low income people get to higher paying jobs by making their commute possible. ***People of color are more likely to utilize public transportation and less likely to drive themselves to work.***

COMMUTING TO WORK				
	Texas	White	Black	Hispanic
Workers 16 years and over	10,832,598	5,607,766	1,122,521	3,571,783
Car, truck, or van - drove alone	78.60%	82.00%	79.10%	73.20%
Car, truck, or van - carpooled	12.40%	9.10%	10.40%	18.10%
Public transportation (excluding taxicab)	1.70%	0.90%	4.50%	2.00%
Walked	1.80%	1.60%	2.10%	1.90%
Other means	1.90%	1.50%	1.80%	2.60%
Worked at home	3.60%	4.90%	2.10%	2.20%
Mean travel time to work (minutes)	24.9	25	26.4	24.3

Health and Human Services

Funds dedicated to Health and Human Services are going to already established programs operated by Texas Health and Human Services Commission (THHSC) and Texas Department of State Health Services (TDSHS) and also directly to community health centers. As a group ***Hispanics in Texas are most likely to be uninsured and, as they live closer to the federal poverty level, they are most likely to utilize government health care (Medicaid and CHIP) and other related services such as TANF.***

	Texas	White	Black	Hispanic
Totals	24,173,706	10,321,767	2,753,505	9,882,107
below 100%	16%	7%	20%	25%
100% to below 150%	12%	7%	16%	16%
150% to below 200%	11%	7%	11%	15%
200% to below 250%	9%	8%	9%	10%
250% and above	52%	71%	44%	34%
Covered by Medicaid (0-64)	14%	6%	19%	21%

Jobs

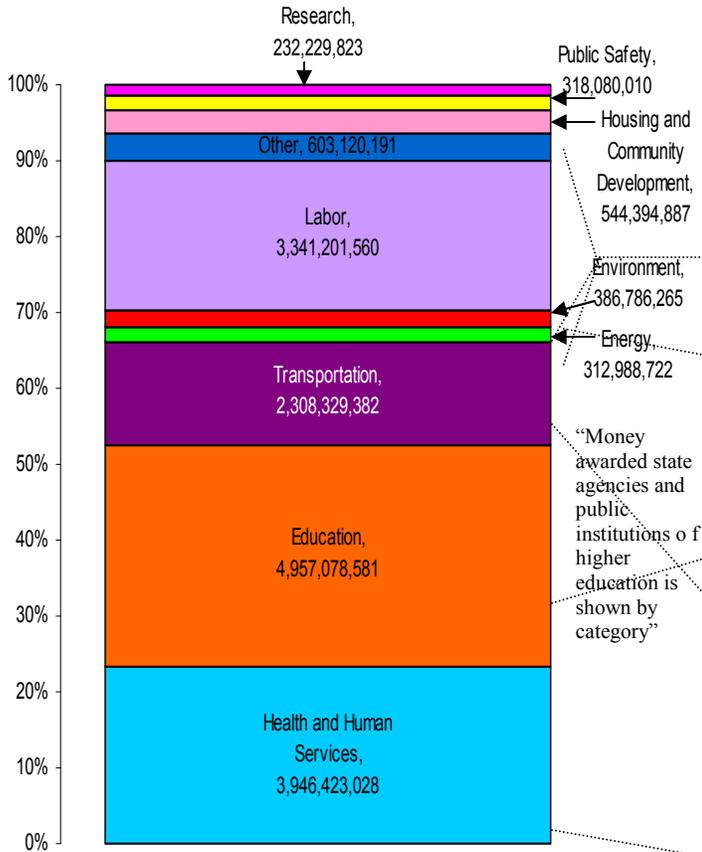
Housing and Community Development—Environment—Energy—Education—Labor—Transportation—Health and Human Services

Job creation is arguably the primary purpose of ARRA. All recipients of funds are required to report the number of jobs created and or saved. Adult work training programs receiving funds should be of interest to out of work older Hispanics or those with lower levels of education. Perhaps more likely to positively affect Latino unemployment are construction jobs created by the weatherization program, transportation, and school infrastructure. ***Construction is one of the most common jobs for Hispanics and the loss of them is a great contributor to Hispanic unemployment.***

	Texas	White	Black	Hispanic
EMPLOYMENT STATUS				
Employed	61.40%	61.70%	56.80%	62.40%
Unemployed (source: BLS)	7.5	7.0	12.1	9.0
OCCUPATION				
Civilian employed population 16 years and over	11,027,630	5,696,070	1,140,720	3,649,326
Construction, extraction, maintenance, and repair occupations	11.70%	9.00%	5.30%	18.90%
Production, transportation, and material moving occupations	12.50%	9.20%	15.90%	17.00%
INDUSTRY				
Construction	9.20%	7.00%	3.30%	15.40%
Transportation and warehousing, and utilities	5.80%	5.60%	9.00%	5.20%

Categorized by the State Comptroller's Office
Texas (2/21/2010)

Figure 3 Money Awarded by Category



	Texas	Hispanic
HOUSING TENURE		
Owner-occupied housing units	65.1%	58.3%
Renter-occupied housing units	34.9%	41.7%
YEAR STRUCTURE BUILT		
Built 2000 or later	17.4%	15.4%
Built 1980 to 1999	35.1%	31.5%
Built 1979 or earlier	47.4%	53.2%
SELECTED MONTHLY OWNER COSTS (mortgage) AS A PERCENTAGE OF HOUSEHOLD INCOME IN THE PAST 12 MONTHS		
Less than 30 percent	67.8%	58.2%
30 percent or more	32.2%	41.8%
UNEMPLOYED	3.3%	3.5%
OCCUPATION		
Construction, extraction, maintenance, and repair occupations	11.7%	18.9%
Production, transportation, and material moving occupations	12.5%	17.0%
SCHOOL ENROLLMENT		
Kindergarten - 12 grade	70.5%	77.1%
College or graduate school	22.9%	15.8%
COMMUTING TO WORK		
Car, truck, or van - drove alone	78.6%	73.2%
Car, truck, or van - carpooled	12.4%	18.1%
Public transportation (excluding taxicabs)	1.7%	2.0%
Walked	1.8%	1.9%
Other means	1.9%	2.6%
COVERED BY GOVERNMENT HEALTH INSURANCE	27.3%	29.2%

National - from Recovery.org

The Recovery Act includes provisions for mortgage relief, health insurance, unemployment benefits, and other forms of assistance for both individuals and businesses.

Housing

- First-Time Homebuyer Credit
- Mortgage Refinancing and Modification
- Weatherization Funding

Opportunities

- Grants.gov
- USAJobs.gov
- Small Business Loans

Healthcare

- COBRA

Unemployment Benefits

- Unemployment Insurance

Tax Incentives and Credits

- Making Work Pay Tax Credit
- Child Tax Credit
- Earned Income Tax Credit

Transportation

- Sales Tax Deductions for Vehicle Purchases
- Tax Deduction for Commuters

Education

- College Expenses
- 529 College Savings Plan

Additional Resources

- IRS Recovery Information Center
- \$250 One-Time Payment