

US Hispanic and Latino lives and livelihoods in the recovery from COVID-19

US Hispanics and Latinos have borne a disproportionate share of the pandemic's health and economic damage. Targeted protection and support can help.



Public Sector Practice

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Introduction

Sixty million Hispanic and Latino Americans who were in a precarious socioeconomic position before the pandemic are now losing ground. In addition to having an aggregate of \$1.3 trillion to \$1.6 trillion less in wealth (in 2018 dollars) than their white peers before the pandemic, Hispanics and Latinos are also about three times as likely to be infected with COVID-19—according to our analysis, 89.9 per 10,000 people as of August 3, 2020.¹ The five business sectors most affected by the pandemic also represent almost 50 percent of revenues for Hispanic- and Latino-owned businesses (for the methodology behind our wealth gap estimate, see sidebar “The wealth gap between Hispanic and Latino Americans and white Americans in the United States”).

The wealth gap between Hispanic and Latino Americans and white Americans in the United States

To estimate the size of the wealth gap between Hispanic and Latino Americans and white Americans in the United States, we followed a similar approach as the one we used to size the Black–white wealth gap.¹ Using the Oxford model, an econometrics model commonly used for forecasting, we projected economic outcomes in the United States under two scenarios. In the optimistic scenario, we assume conditions that result in narrowing the wealth gap. In the pessimistic scenario, we assume that the wealth gap widens. We used income, stock-market investments, and tangible investments as components of wealth.

In the optimistic scenario, we assume that wealth grows by 5 percent per year (its growth rate from 1989 to 2007) for Hispanics and Latinos and 0.8 percent per year for white Americans (its growth

rate from 1989 to 2016). In this scenario, white Americans would have 4.7 the times the wealth of their Hispanic and Latino counterparts by 2030. Closing this gap would add upward of \$1.3 trillion (in 2018 dollars) to the 2030 economy.

In the pessimistic scenario, we assume that white Americans’ wealth will grow at 3.4 percent per year, its average growth rate from 1992 to 2007. We also assume that Hispanic and Latino wealth declines by 1.9 percent per year, the rates at which it declined from 2007 to 2016. Closing this wealth gap would add \$1.6 trillion to the 2030 US economy.

To estimate the wealth gap in each of the two scenarios, we calculated the total value of the gaps in the relevant components of GDP for which the gaps between white Americans and Hispanic

and Latino Americans were largest. These components were housing (standing in for tangible investments), consumption, and stock market investments. Tangible investments were 50.4 percent of the gap in the optimistic scenario and 38.8 percent in the pessimistic scenario. Private consumption made up 25.4 percent of the gap in the optimistic scenario and 16.9 percent in the pessimistic scenario. Finally, stock market investments made up 24.2 percent of the gap in the optimistic scenario and 44.3 percent in the pessimistic scenario. We weighted each of those elements proportionally and applied each to the value of the entire wealth gap and assessed the impact of increasing the value of each component on GDP.

The high incidence of COVID-19 among Hispanics and Latinos is linked to their overrepresentation in roles deemed essential to society's ongoing functioning (in areas such as food preparation and sanitation) and in jobs and work settings that are likely to facilitate the spread of coronavirus. About 15 million Hispanics and Latinos—65 percent of employed workers in the demographic—work in such jobs. Combined with preexisting economic and public-health disparities compared with the white population, Hispanic and Latino communities bear a disproportionate amount of the pandemic's effects.

These inequities are of crucial concern partly because Hispanics and Latinos are pivotal to the future of the United States. About 18 percent of the present-day population, Hispanics and Latinos will be 30 percent of the US population by 2050.² Socioeconomic disparities, carried forward, will become a compounded drag on US society and the economy.

Although the health risk to Hispanics and Latinos from the pandemic is comparable to that of Black Americans,³ their communities have unique vulnerabilities that make the crisis especially difficult for them. In this report, we identify the factors that put the health of Hispanics and Latinos at greater risk than the white population and pinpoint the obstacles they face in wealth-building. We use the wealth-building framework introduced in sizing the wealth gap between Black and white Americans to delve into each leg of the wealth-building journey and highlight the ways in which the pandemic amplifies economic disparities.⁴ We then outline the interventions required to protect lives and livelihoods in the short term and foster more equitable public-health and economic outcomes in the medium and long term.

All stakeholders, particularly from the public sector, will grapple with how to improve the lives and livelihoods of Hispanics and Latinos. The most important short-term health priority is to protect lives through compliance with appropriate public-health measures and ensuring sufficient capacity in the healthcare system. Longer-term priorities include investing in public-health infrastructure, such as adding more healthcare providers in Hispanic and Latino communities. To protect the economic interests of Hispanics and Latinos, stakeholders should address the worker concentration in high-contact essential jobs and consider interventions—including tech-enabled ones—to accomplish goals such as increasing Hispanics' and Latinos' access to capital (Exhibit 1).

Socioeconomic disparities, carried forward, will become a compounded drag on US society and the economy.

Exhibit 1

Crucial interventions from the public, private, and social sectors can create more equitable outcomes for Hispanics and Latinos.

Interventions	Decision makers	Time frame	
Lives	<p>Additional resources for healthcare institutions that have the highest rates of uncompensated care</p> <p>Training for multilingual (especially Spanish-speaking) community health workers</p> <p>Additional resources for personal protective equipment (PPE) for residents of public housing</p> <p>Increased access to culturally and linguistically appropriate behavioral health services</p>	<p>State and local governments</p> <p>Philanthropies, foundations, and nonprofits</p> <p>Hospitals, healthcare providers, and health insurers</p> <p>Health- and community-focused nonprofits</p>	<p>Immediate; sustained</p>
Community context	<p>Budgets for local and regional governments with the greatest budget shortfalls</p> <p>Extended moratoriums on evictions</p> <p>Funding for Hispanic-serving institutions and majority Hispanic and Latino school districts</p>	<p>State and local governments</p> <p>Universities and other higher education institutions</p> <p>Broadband service providers</p> <p>Corporate social responsibility leaders</p> <p>Philanthropies, foundations, and nonprofits</p>	<p>Immediate to medium term</p>
Family wealth	<p>Extended forbearance for mortgage loans</p> <p>Liquidity for disproportionately affected Hispanic- and Latino-owned businesses</p> <p>Help for Hispanic- and Latino-owned businesses to develop capabilities that better protect them from systemic shocks</p>	<p>Federal, state, and local governments</p> <p>Banks, mortgage lenders; community development financial institutions</p> <p>State and local governments</p> <p>Financial institutions</p> <p>Social enterprises, trade associations</p> <p>Technology companies and broadband service providers</p> <p>Professional service firms</p>	<p>Immediate</p> <p>Medium to long term</p>
Family income	<p>Subsidized hazard pay for workers in high-risk jobs</p> <p>Community-based (instead of job- or employer-based) reskilling for workers whose jobs are at risk of automation</p>	<p>State and local government Foundations</p> <p>Employers, unions</p> <p>Educational institutions, education-focused social enterprises, philanthropies</p>	<p>Immediate to medium term</p> <p>Immediate; sustained</p>
Family savings	<p>Increasing direct transfers of cash and benefits to families</p> <p>Extended deadlines, paused payments, and flexible payment programs for debts</p>	<p>Financial institutions, banks, financial advisers</p>	<p>Immediate; sustained</p>

To be sure, Hispanic and Latino communities have significant assets that can aid them in the restarting process and beyond, including relative youth, digital savvy, and entrepreneurialism. In 2018, 61 percent of Hispanic and Latino people were 35 or younger, compared with 41 percent of white people and 52 percent of Black people.⁵ Such assets already help Hispanics and Latinos ascend to a higher economic class

than the one into which they were born, at higher rates than their white peers. Compared with 35 percent of white Americans and 14 percent of Black Americans, 28 percent of Hispanic and Latino Americans who grew up in the lower-middle class made it into the upper-middle class or higher as adults.⁶ Meanwhile,

the number of Hispanic and Latino business owners increased 34 percent from 2009 to 2019, a greater increase than that of any other US ethnic group. Technological solutions can harness these assets to help Hispanic and Latino families and communities participate and take ownership of their recovery from the pandemic.

The pandemic, like most societal crises, highlighted and exacerbated preexisting inequities. The recovery should focus on working toward equity between Hispanic and Latino communities and the rest of the United States, especially where Hispanics and Latinos currently face outsized obstacles. Such a recovery can lead to inclusive growth, which is an investment in future growth for the US economy as a whole.

Inequities in healthcare and health outcomes

Hispanics and Latinos are at greater risk than the general population to contract the novel coronavirus, to lack access to testing, and to develop a severe case of COVID-19—or die from it. What's more, it's more probable that they will suffer secondary medical effects of COVID-19. These health disparities are closely linked to socioeconomic disparities, which are associated with the likelihood of having health conditions that make developing the disease more likely (Exhibit 2).⁷

For instance, the 100 counties with the highest proportion of Hispanic and Latino residents have average poverty levels that are 33 percent higher than the national average.⁸ To prevent and combat these effects, stakeholders could enforce compliance with measures designed to safeguard public health for all residents and ensure sufficient health-system capacity in the event of a resurgence in infections.

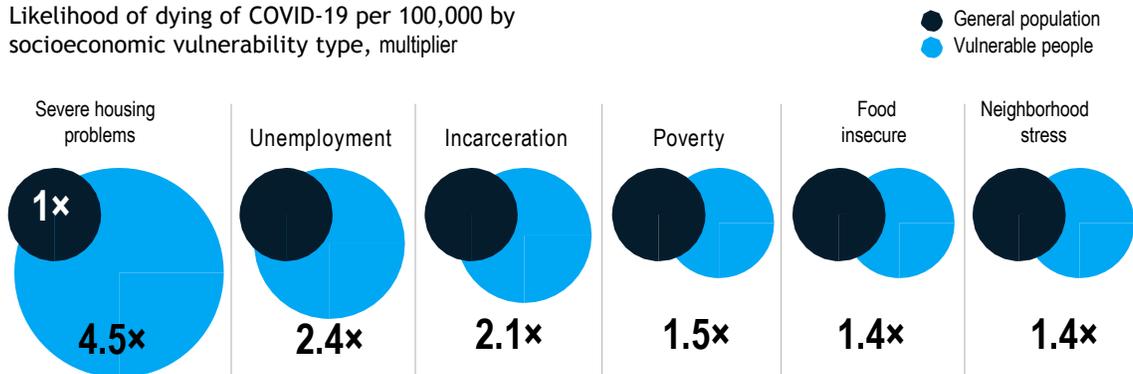
Many risks, few connections to healthcare

Hispanics and Latinos lived with inequitable healthcare infrastructure and outcomes even before the COVID-19 pandemic. Our analysis suggests that they are about 20 percent more likely to have chronic health conditions that exacerbate the effects of COVID-19 compared with white US residents.⁹ Worse, they are also more likely to be uninsured, in part because they're overrepresented in low-wage occupations that

Exhibit 2

The socioeconomically vulnerable are more likely than the general population to lack testing, to contract coronavirus, and to develop a severe case—or die from it.

Likelihood of dying of COVID-19 per 100,000 by socioeconomic vulnerability type, multiplier



Source: Vulnerable Populations Dashboard by Aura

lack benefits such as insurance and paid time off. As of 2017, 25 percent of the adult Hispanic and Latino population under 65 was uninsured, compared with 8 percent of the white population. The lower insurance rate translates directly into less access to healthcare and an increased likelihood to forgo care.¹⁰ When Hispanics and Latinos do seek care, they are less likely to receive linguistically and culturally compatible care from practitioners, in part because Hispanics and Latinos made up only 5.3 percent of medical school graduates in 2019¹¹ (Exhibit 3).

Significantly, because of linguistic and cultural barriers, Hispanics and Latinos are also less likely than their white peers to trust healthcare providers. Such gaps contribute to Hispanic and Latino patients of all ages being about half as likely to receive evidence-based treatment for mental-health conditions such as ADHD or depression.¹² Meanwhile, public and community clinics, where Hispanic and Latino patients are more likely to seek care, are under financial and logistical strain from the pandemic, further threatening patients' access to healthcare.¹³

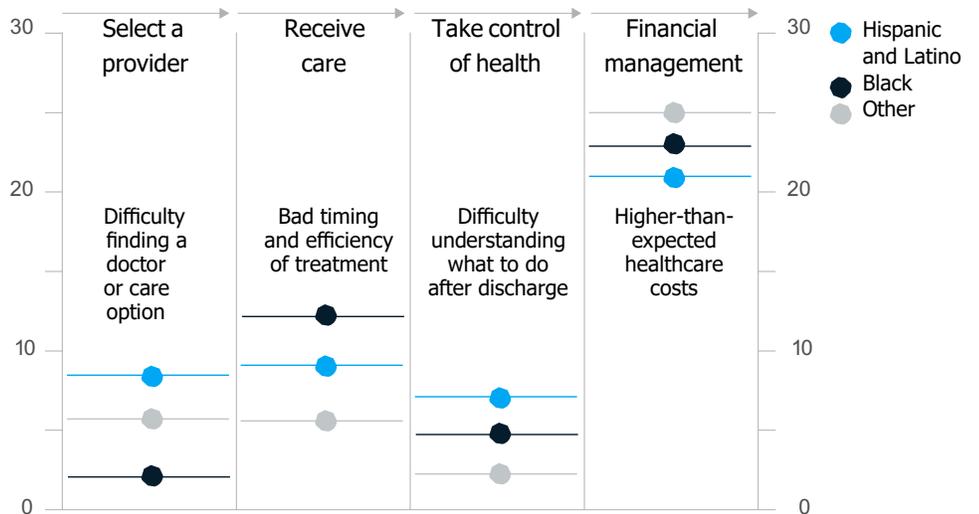
Hispanics and Latinos are more likely than the general US population to contract the virus, have less access to testing, suffer a severe or fatal case of COVID-19, or experience secondary effects. The findings are similar to what we see in Black Americans.¹⁴

High likelihood of contracting the coronavirus
Hispanics and Latinos are more likely to contract the virus because they face higher odds of exposure through their environments, work, and even their own families.¹⁵

Exhibit 3

Hispanic, Latino, and Black Americans are more likely to encounter frustrations in healthcare.

Frustrations along the care journey, by ethnic group, % of consumers



According to our analysis, Hispanics and Latinos are overrepresented in nine of the ten lowest-wage jobs that are considered high-contact and essential. Language barriers in the workplace can make information distribution more complicated (about 30 percent of US Hispanics and Latinos are not proficient in English¹⁶). For example, when some employees in a pork processing plant (44.4 percent of meat and poultry processing workers are Hispanic or Latino) displayed symptoms of the infection, their managers gave them information packets written only in English.¹⁷ As of July 10, 2020, 56 percent of COVID-19 cases within the industry that include race and ethnicity data are among Hispanics and Latinos.

Our analysis suggests that in the decile of US counties with the worst COVID-19 surges, 26 percent are majority Hispanic and Latino. Hispanics and Latinos disproportionately live in dense metropolitan areas and are more likely than the general population to live in multifamily housing, both of which facilitate airborne viral transmission.¹⁸

Hispanics and Latinos are also much more likely to live in intergenerational households that are larger than those of white Americans: the median Hispanic and Latino household has 3.25 members, compared with 2.37 people in the median white household.¹⁹ Twenty-seven percent of Hispanic and Latino households also span three or more generations, compared with 16 percent of white households.²⁰ These larger households pose a greater transmission risk, especially for seniors, and make foundational public-health measures such as systemic testing and quarantining infected patients especially difficult.²¹ Chinese tracking efforts show that 75 to 80 percent of COVID-19 clusters occur in families,²² and we estimate that these larger multigenerational households put about 6.6 million Hispanics and Latinos at heightened risk.

Difficulty accessing testing

If Hispanics and Latinos believe that they may have been exposed to COVID-19, they are likely to have more difficulty accessing testing.²³ As of June 8, 2020, 19 percent of Hispanic and Latino survey respondents reported trying to access testing compared with 16 percent of white respondents, but while 87 percent of white respondents successfully got tested, only 76 percent of Hispanics and Latinos did.²⁴

In addition, Hispanics and Latinos have lower rates of healthcare access and are less likely than the general population to have access to reliable private transit,²⁵ which means an additional layer of difficulty—and even risk—in getting tested.

High likelihood of experiencing severe cases of COVID-19

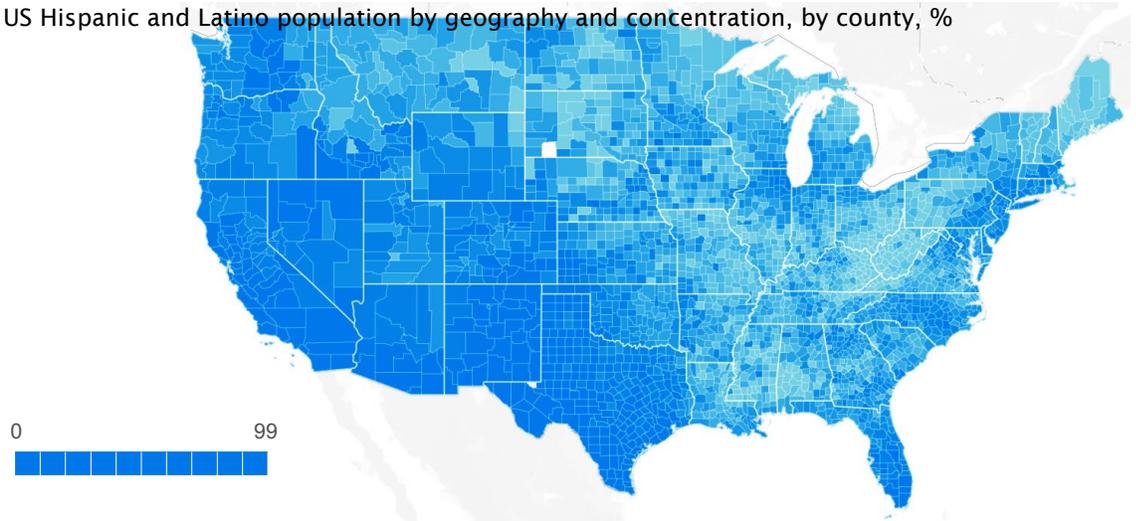
Hispanics and Latinos are about four times as likely as white Americans to be hospitalized with COVID-19.²⁶ However, obstacles they face in accessing care and testing suggest that they may not seek care as promptly—or at all. Hispanic and Latino adults admitted to two large New York City hospitals arrived an average of five days after the onset of COVID-19 symptoms, while white patients sought care after an average of three days.²⁷

Most grimly, Hispanics and Latinos are overrepresented among US deaths from COVID-19 (Exhibit 4).

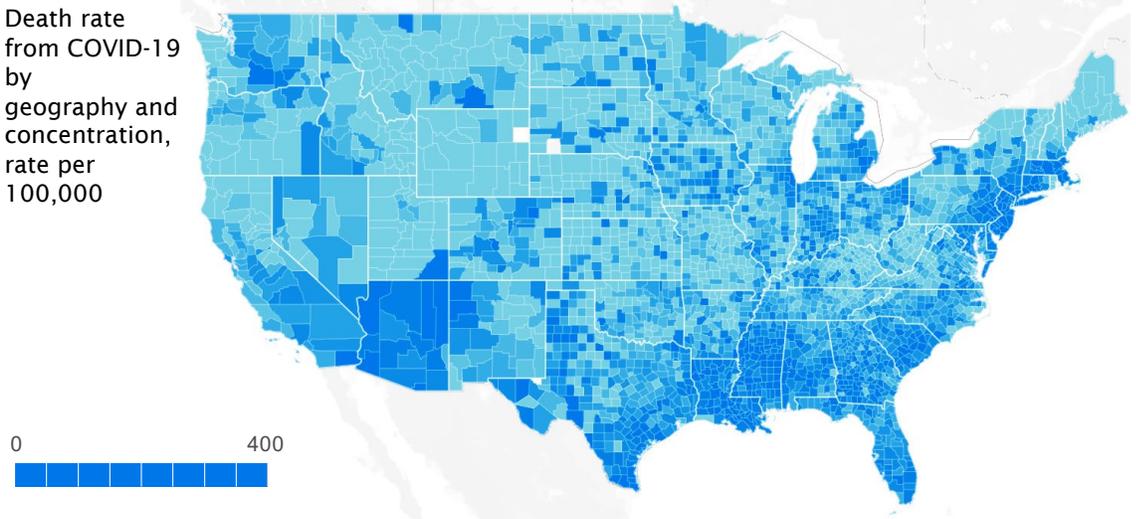
Exhibit 4

COVID-19 deaths are more concentrated in areas with higher shares of racial and ethnic minorities.

US Hispanic and Latino population by geography and concentration, by county, %



Death rate from COVID-19 by geography and concentration, rate per 100,000



Source: Analysis generated using APM Research Lab's "The Color of Coronavirus," as of June 10, 2020; MIT CEEPR "What Does and Does Not Correlate With COVID-19"

Hispanics and Latinos account for 51.3 percent of deaths from the disease.²⁸ The study conducted at the two large New York hospitals showed that 62 percent of patients ill enough to need a ventilator were Hispanic or Latino. A separate study of patients hospitalized with COVID-19 in the New York metro area showed that 94 percent of them already had at least one chronic health condition.²⁹ Hispanics and Latinos are 20 percent more likely than the general population to have a chronic condition that exacerbates COVID-19, and evidence suggests that they will continue to be overrepresented among cases that are severe enough to require hospitalization.

Adverse secondary health effects

The COVID-19 pandemic will likely create secondary public-health effects that disproportionately affect Hispanics and Latinos. Despite being more likely to have chronic health conditions, Hispanics and Latinos might delay or forgo important or necessary medical appointments and procedures in reaction to the ongoing pandemic.

In addition, Hispanics and Latinos were less likely than their white peers to use mental-health services before the pandemic, and their mental and behavioral health are also now more likely to suffer. From 2008 to 2012, almost 17 percent of white US residents used some form of mental-health services, while only 7 percent of Hispanics and Latinos did.³⁰ Now, Hispanics and Latinos are more likely to experience stressors related to economic insecurity and to being more likely to work in essential roles, to know someone who does, and to know people who have suffered or died from the disease. Recent data appears to support this: as of July 21, 2020, 42 percent of Hispanic and Latino survey respondents reported symptoms of depression or anxiety, eight percentage points higher than white respondents (for more on distress during the pandemic, see sidebar "Hispanic and Latina women in the pandemic").³¹

Hispanics and Latinos are more likely to experience stressors related to economic insecurity and being more likely to work in essential roles, to know someone who does, and to know people who have suffered or died from the disease.

Hispanic and Latina women in the pandemic

The COVID-19 pandemic intensifies the caregiving and logistical demands on the shoulders of Hispanic and Latina women. Analysis shows that Latina women make the lowest among all ethnicities: only \$0.63 for every dollar earned by all American men. The pandemic's economic fallout will almost certainly set Hispanic and Latina women back further.

At the same time, responsibilities at home for Hispanic and Latina women have not abated. Before the pandemic, Hispanic and Latina women performed 2.7 times as much time as their male counterparts caring for household members, including children. Hispanic and Latina women are also twice as likely as their male counterparts to perform housework.¹ The fact that they tend to have more children—20 percent of Hispanic and Latina mothers aged 40 to 44 years have four or more children, compared with 11 percent of white mothers—only adds to the load.²

Hispanic and Latina women who are single mothers are especially hard hit during the pandemic. About 28 percent of these households with children under 18 are headed by a single mother, and 38 live below the poverty line. By comparison, 21 percent of white households with children under 18 are headed by a single mother, and 32 percent of them live under the poverty line.³ Restrictions on movement mean single mothers, especially those in essential roles, might have to choose between working and putting their families at risk—through their work or lack of childcare—or giving up work to care for their children.

For Hispanic and Latina women who live with partners, the pandemic might increase their risk of experiencing domestic violence. About one out of three Hispanic and Latina women experiences intimate partner violence in her lifetime, and about one in 12 has experienced it in the past 12 months.⁴ Domestic violence

spiked after stay-at-home orders went into effect, and women who are at risk of experiencing domestic violence are now trapped with aggressive partners, who may have themselves experienced a recent stressor such as a job loss—a risk factor for domestic violence.⁵ Some Latina women may be less likely to report domestic abuse due to fears around deportation.⁶

Hispanics' and Latinos' reluctance to use formal social services, such as healthcare, makes Hispanic and Latina women especially vulnerable to the adverse effects of domestic violence, including physical and psychological harm.⁷ The pandemic may produce or exacerbate mental-health struggles among Hispanic and Latina adolescents, who were already more likely to attempt suicide—15 percent of Hispanic and Latina adolescents attempted suicide in 2015, compared with 9.8 percent of white adolescent women.⁸

Disrupted economic progress

Ensuring safe operations for both society and industry—with an emphasis on protecting populations that currently live with inequitable outcomes, such as US Hispanics and Latinos—is required to reestablish economic health. Hispanic and Latino communities, families, and businesses struggle to access credit and to win higher-earning work. Hispanic and Latino students have access to fewer resources with which to build human capital. Stakeholders will need to address all of these challenges to help US Hispanics and Latinos rebuild their wealth and approach economic equity.³²

Community context

“Community context” refers to the elements that build public assets and the institutional arrangements within each community. Because of their role in the quality of public services and educational systems, these elements have particular influence on intergenerational socioeconomic mobility.

Before the onset of the COVID-19 pandemic, US Hispanics and Latinos already lived in communities with poorer social infrastructure, less civic engagement, less-responsive governance and policies, and lower levels of public services—all due to poorer resource management. These communities will lack the resources to support its residents and institutions during the pandemic and are more likely to need additional support to recover. Reinvesting in these communities so they can fully recover and become richer, more resilient homes for residents will be a long-term mission of stakeholders.

Stark resource shortages

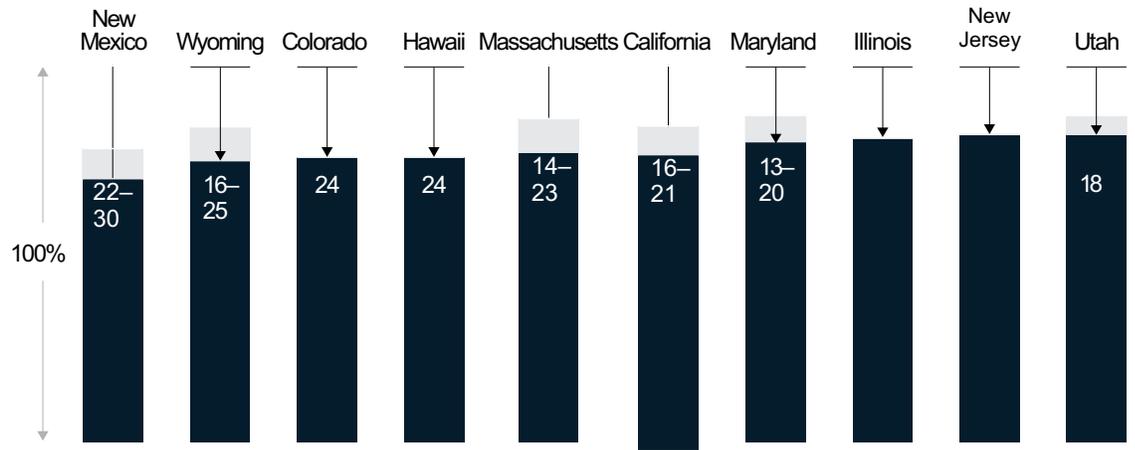
Lower investments in Hispanic and Latino communities before the pandemic have resulted in resource shortages that the pandemic has only highlighted. For example, Hispanic and Latino Americans are more likely to live in neighborhoods that are associated with lower income levels, lower levels of educational attainment, lower levels of public investment, and poorer access to jobs and job networks. These outcomes reflect lower levels of investment in public institutions and public services. Per capita annual spending on public goods in the most segregated quartile of city neighborhoods is about \$100, or nearly 10 percent, lower than in neighborhoods in the third quartile.³³ As a result, Hispanic and Latino students have long been disproportionately enrolled in underfunded public institutions, including in higher education. Nonwhite school districts receive an aggregated \$23 billion (16 percent) less per year than school districts that serve the same number of mostly white students.³⁴ The gap in broadband access reinforces the disparity.

Poorer and more-segregated minority communities are less likely to have their funding needs met by property tax revenue in the economic downturn that accompanied the pandemic, especially with states facing unprecedented budget shortfalls. Hispanics and Latinos are more likely than the general US population to live in states that expect a more severe drop-off in revenue, including California, Colorado, and New Mexico, despite being more likely to require support (Exhibit 5).³⁵

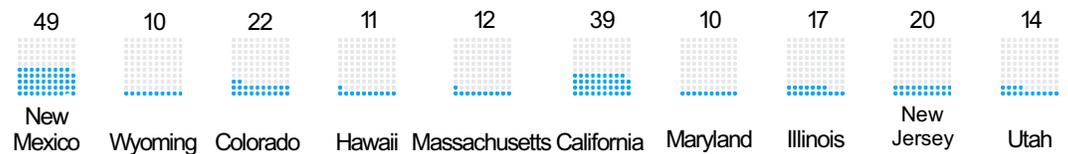
Exhibit 5

Many states expect to see decreased revenue in 2021.

Top 10 states by estimated 2021 revenue drop, % of pre-COVID-19 revenue projections



Hispanic population, % share



Source: Center for Budget and Policy Priorities; US Census Bureau

Budget shortfalls will also deepen an almost 20-year trend of declining per-student spending in states where 76.5 percent of US Hispanics and Latinos live.³⁶

Hispanic and Latino community members might advocate for more or better targeted support, but they are underrepresented in civic life. Only 1.2 percent of elected officials in the United States are Hispanic or Latino.³⁷ Hispanics and Latinos also vote at lower rates than other demographics; their voter participation in the 2018 elections was almost 20 percentage points lower than that of white voters.³⁸ These lower rates of civic participation can be linked to challenges, such as low English proficiency and educational attainment, on which Hispanics and Latinos lag behind white and Black Americans.³⁹

Significantly, social trust is required for civic engagement to grow. Increasing legal uncertainty for many Hispanics and Latino immigrants can heighten existing levels of personal distrust and distrust of American institutions. Hispanic and Latino survey respondents are three percentage points less likely than their white peers to trust government agencies, two percentage points more likely to trust social media, and 11 percentage points more likely to trust their families for information about COVID-19.⁴⁰ The

lack of trust is reflected in part by low levels of use for public services: New York City census tracts with more Hispanic and Latino residents were found to have lower volumes of contact with public offerings such as 311 services.⁴¹

Hispanics' and Latinos' low levels of trust can also lower the efficacy of the public sector's pandemic response. For instance, even if they qualify for benefits they might continue forgoing public assistance to reduce their visibility⁴²: 13.7 percent of adults in immigrant families in 2018 reported that they or a family member did not apply for or dropped out of a noncash benefit program because they didn't want to risk their future green card status.⁴³ Hispanics and Latinos opt not to apply for pandemic aid, even if they lose income (for more on undocumented Hispanic and Latino immigrants, see sidebar "Undocumented and unprotected").

Undocumented and unprotected

The United States' ten million undocumented Hispanic and Latino workers earn less than the general population; face challenges accessing healthcare, housing, and income; and are ineligible for pandemic-related benefits outlined in the CARES Act, leaving them exposed to economic shocks.

Undocumented immigrants currently pay an estimated \$11.6 billion annually in state and local taxes across the country.¹ Despite these economic contributions, undocumented immigrants earn up to 40 percent less per hour relative to comparable native-born workers.² As a result, undocumented immigrants are almost twice as likely as the general US

population to be food insecure (24 percent compared with 14 percent).³ However, their undocumented status excludes them from the Supplemental Nutrition Assistance Program and support programs such as Temporary Assistance for Needy Families and pandemic-related stimulus funding.⁴

Part of the wage disparity comes from possible wage suppression for unauthorized immigrants, a large portion of whom are Hispanic or Latino. A landmark study of 4,300 workers in three major cities found that 37.1 percent of unauthorized immigrant workers were victims of minimum wage violations, compared with 15.6 percent of native-born citizens. In

addition, 84.9 percent of unauthorized immigrants were not paid overtime wages they were legally entitled to.⁵ Unauthorized workers may be afraid to complain about unpaid wages and substandard working conditions for fear of employer retaliation and deportation.

Most grimly, Hispanic and Latino immigrants experience higher workplace fatalities than nonimmigrants.⁶ Such risks are often accompanied by poor mental health: undocumented adult immigrants are 2.9 times more likely than the general population to report symptoms of depression and 8.5 times more likely to report symptoms of anxiety.⁷

Family wealth

Family wealth is the result of institutions and processes that foster the development of private assets and encourage innovation and business development. These elements in turn help build human capital and drive entrepreneurship, business investment, and capital formation, such as homebuying and participation in capital markets. For Hispanic and Latino families, who faced barriers to building wealth even before the pandemic, the macroeconomic fallout of the pandemic can push them from economic precarity toward economic destruction.

Precarious upward mobility, interrupted

Hispanic and Latino families are upwardly mobile, as reflected in their wealth-building through homeownership and entrepreneurship. Homeownership among this group has increased by about six percentage points from 1988 to 2018, compared with almost no change for the United States as a whole.⁴⁴ More strikingly, Hispanics and Latinos now have the highest rate of entrepreneurship in the United States: the number of majority Hispanic- or Latino-owned businesses that have at least one part-time or full-time employee increased more than 13 percent from 2014 to 2016, compared with just under 3 percent for other businesses.⁴⁵

Despite these gains, the wealth of Hispanic and Latino families remains small compared with that of their white peers, and structural obstacles to wealth-building tend to keep them in precarious positions. For instance, the median Hispanic and Latino family's net worth is only \$20,700 compared with \$171,000 for the median white family. These lower levels of wealth make Hispanics and Latinos more likely to liquidate their assets or face evictions if unable to pay fixed expenses such as rents or mortgages,⁴⁶ an acute problem during the pandemic.

Homeownership has historically been a way to build wealth, and Hispanics and Latinos are projected to account for 56 percent of all new homeowners by 2030.⁴⁷ However, their current homeownership rate (at 48.9 percent) is nearly 20 percentage points lower than that of the United States as a whole (65.3 percent).⁴⁸ This disparity persists in part because Hispanics and Latinos are less likely to be approved for mortgages than the general population; they tend to have lower credit scores (an average of 684 for Hispanics and Latinos versus 742 for non-Hispanic whites) because of their relative youth and higher debt-to-income ratios, itself a result of living in high-cost areas.⁴⁹ These factors also inhibit Hispanic and Latino families' overall access to credit: 32 percent of Hispanic and Latino families have either been denied credit or feared credit denial, compared with 15 percent of white families.⁵⁰ During the pandemic, the lack of access to credit has translated into the use of payday loans—26 percent of "economically vulnerable" Hispanic and Latino respondents to a June 2020 survey said that they had worked with a payday loan company.⁵¹

Entrepreneurship is similarly fraught for Hispanics and Latinos, especially immigrants. A lack of credit and a business network often means their businesses are 2.5 times as likely as white-owned businesses to depend on informal sources of funding, including help from family and friends.⁵² As a result, Hispanic and Latino businessowners often struggle to secure adequate financing. In 2017, 71 percent of Hispanic- and Latino-owned business received less financing than they applied for, compared with 51 percent of white-owned businesses. This initial shortfall contributes to keeping these businesses disproportionately

small. Only 3 percent of Hispanic and Latino businesses attain \$1,000,000 or more in annual revenues, compared with 6 percent of white-owned businesses.⁵³ These differences also put Hispanic and Latino businessowners' personal finances at higher risk, an especially urgent problem during the pandemic-induced recession.

Hispanic- and Latino-owned businesses were already more likely to be classified as at risk or distressed because they tend to be smaller and have less cash on hand. Only 50 percent of them had enough cash on hand to cover two months of expenses, compared with 70 percent of businesses owned by white men.⁵⁴

Hispanic- and Latino-owned businesses are also overrepresented in the sectors that have been most affected by the pandemic, which represent 50 percent of revenue for Hispanic- and Latino-owned businesses compared with 25 percent of revenue for all companies (Exhibit 6).

Because of their lower access to credit, affected Hispanic- and Latino-owned businesses also have less access to pandemic aid such as the Paycheck Protection Program (PPP), which relies on relationships with commercial banks.⁵⁵ Indeed, 80 percent of Hispanic- and Latino-owned small and medium-size enterprises (SMEs) did not receive PPP financing.⁵⁶

Exhibit 6

Hispanic- and Latino-owned businesses are disproportionately represented in the five hardest-hit sectors.



The combination of obstacles means Hispanic- and Latino-owned businesses are more likely to struggle with operating expenses and to be at risk of bankruptcy. A recent survey found Hispanic- and Latino-owned small business owners are five times more likely to say there's a good chance they will file for bankruptcy within the next six months than nonminority- and nonwomen-owned businesses.⁵⁷

The knock-on effects for Hispanic and Latino communities are considerable. Nearly 84 percent of SMEs owned by Hispanics and Latinos will have to at least consider layoffs and furloughs in the coming weeks, compared with 69 percent of all SMEs.⁵⁸

Family income

Family income comes from the elements that influence human development and employability, including human capital and access to labor-market opportunities. Hispanic and Latino workers and entrepreneurs enter the crisis at a disadvantage in education, skills, and access to professional experiences in the labor force. The pandemic finds Hispanic and Latino workers overrepresented in jobs that are already vulnerable to economic disruption, making less doing them—and now working under threat of contagion.

Few opportunities and vulnerable, risky jobs

Hispanic and Latino workers are more likely to be unemployed than their white peers, are overrepresented in unsafe jobs, and earn less than white workers do. In addition, the median household income for Hispanics and Latinos was only \$46,900 in 2016, versus \$63,200 for white households.⁵⁹

Building human capital early in life is one way to increase earning potential, but Hispanic and Latino students are likely to attend institutions that receive lower levels of investment compared with their white peers throughout their careers. This disparity begins in childhood, when 42 percent of Hispanic and Latino children live in areas that have no—or oversubscribed—early childhood education centers.⁶⁰ Later, Hispanic and Latino students are also less likely to finish college compared with their white peers. Among those age 25 or older, 16 percent of Hispanics and Latinos have at least a bachelor's degree compared with 32 percent of all Americans.⁶¹

Hispanic and Latino students are likely to attend institutions that receive lower levels of investment compared with their white peers throughout their careers.

Parental support can offset some of the effects of attending underfunded schools, but Hispanic and Latino children might not receive support that facilitates their learning; Hispanic and Latino communities have a higher proportion of single-parent households and parents employed in essential occupations. In addition, 78 percent of Hispanic and Latino children suffer at least one adverse childhood experience, such as poverty or neglect.⁶² These obstacles cumulatively decrease their earning power (for more on educational institutions' ability to serve Hispanics and Latinos, see sidebar "Building human capital with Hispanic-serving institutions").

Hispanic and Latino workers' overrepresentation in jobs that are most affected by the pandemic and the economic downturn means that 44 percent of all jobs held by Hispanic and Latino workers are vulnerable,

Building human capital with Hispanic-serving institutions

Hispanic and Latino students fare better at Hispanic-serving institutions (HSIs), colleges and universities with student bodies that are at least 25 percent Hispanic and Latino.¹ In mainstream institutions, Hispanics and Latinos are four times as likely to drop out of high school than their white counterparts due to factors such as gaps in English proficiency, a lack of training for staff who work with Hispanic and Latino students, and residential and educational segregation.²

HSIs can serve as models for how institutions of education can better understand the linguistic and cultural needs of their Hispanic and Latino students. HSIs are more likely than other programs to recognize and service the

needs of non-English speaking students and English learners with offerings such as multilingual courses. HSIs are also more likely to effectively engage families and connect students with mentorship opportunities that foster a sense of community and personal and professional progress. The key to these culturally compatible, or culturally competent, approaches is a framing of Hispanic and Latino students' language and culture as assets instead of differences or deficits to overcome.³

The approach taken by HSIs supports Hispanic and Latino student achievement. About 67 percent of Hispanic and Latino undergraduates attended an HSI in the 2018–19 school year. HSIs seem to help

students graduate at higher rates;⁴ about 74 percent of students attending a public four-year HSI full time graduate within six years, compared with a federal graduation rate (which accounts for all students) of 43 percent.⁵

Despite their benefits, the average HSI receives 32 percent less federal funding compared with mainstream institutions and may be affected by budget cuts that stem from the pandemic.⁶ If HSIs receive fewer resources as the result of the pandemic, Hispanic and Latino students could be further disadvantaged by a lack of support, which might further compound overrepresentation in jobs that are vulnerable to automation.⁷

the highest of any racial group (for socioeconomic disparities within Hispanic and Latino communities, see sidebar "Additional layers of inequity for Afro-Latinos").⁶³

Adding to the issue, Hispanic and Latino workers in these jobs make about \$2,000 less per year than their white peers and often lack other employment options. The Hispanic and Latino unemployment rate stood at 17.6 percent on June 5, higher than the national average of 13.3 percent.⁶⁴

The most vulnerable and poorest Hispanic and Latino workers have become poorer in both absolute and relative terms due to the pandemic. In a survey of American households, 41 percent of Hispanic and Latino respondents said they or someone in their household had been laid off or lost a job because of the COVID-19 outbreak (compared with 24 percent of white respondents). Fifty-one percent also reported that they or someone in their household took a pay cut due to reduced hours or demand for their work (compared with 29 percent of white respondents).⁶⁵

The ongoing need for physical distance will mean that Hispanic and Latino workers will be trading income for risk of contagion, especially since they are overrepresented in jobs that are likely to facilitate contagion and cannot be performed remotely (Exhibit 7).

Additional layers of inequity for Afro-Latinos

About 24 percent of US Hispanics and Latinos identify as Afro-Latino.¹ Like other populations with intersecting minority identities, Afro-Latinos experience heightened versions of the challenges their socioeconomically similar Hispanic and Latino peers face.²

Darker-skinned Hispanics and Latinos report higher rates of discrimination than their lighter-skinned peers do. About 50 percent of lighter-skinned Hispanics and Latinos report occasionally experiencing discrimination, but 64 percent of darker-

skinned Hispanics and Latinos do. Instances of bias include unfair treatment in hiring, pay, or promotion and being unfairly stopped by the police (and more severe punishment from the criminal justice system).³

As the result of compounded inequities, the more than three million Afro-Latinos living in the United States experience higher rates of unemployment and poverty than their non-Black Hispanic and Latino counterparts. Afro-Latinos are more likely to work in service occupations

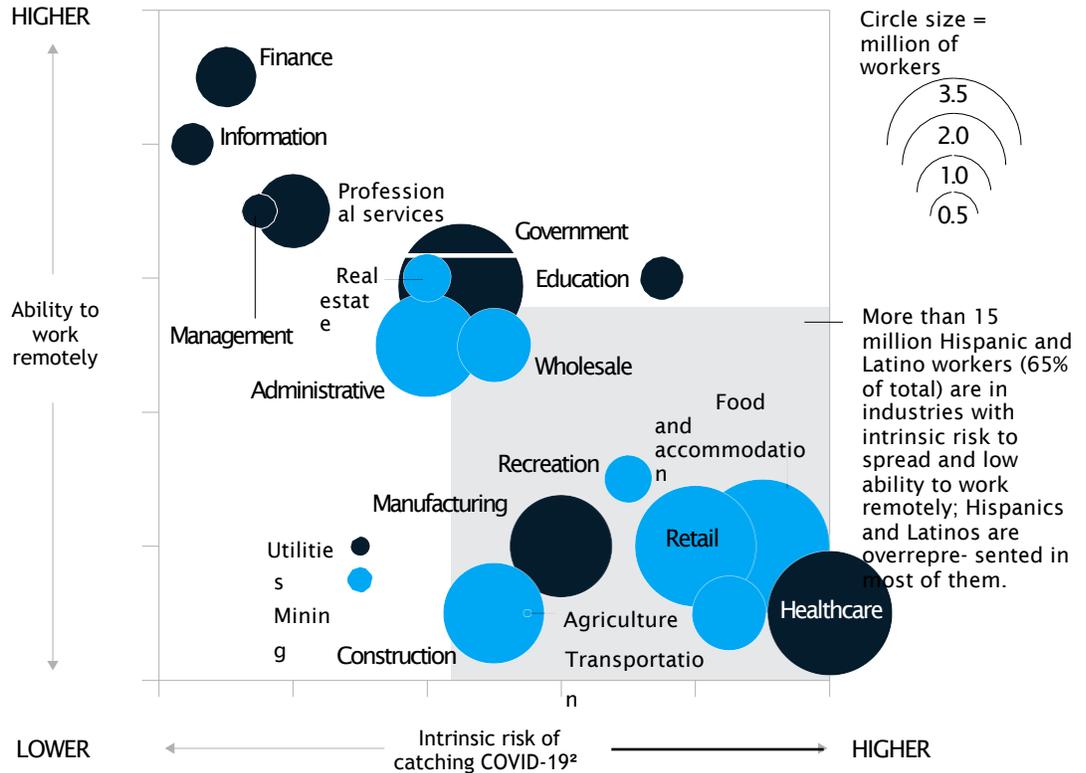
than US Hispanics and Latinos as a whole—28.3 percent compared with 25.2 percent—and have median household incomes of \$58,616 compared with non-Afro-Latinos' \$59,402. Afro-Latinos are also five percentage points more likely to live in poverty.⁴ In total, Afro-Latinos make \$0.68 to each dollar earned by all US households. Such inequities translate into Afro-Latinos making only \$0.56 on the dollar compared with all US households.⁵

Exhibit 7

Hispanics and Latinos are often overrepresented in industries with higher contagion risk and low potential for remote work.

Hispanic and Latino workers by economic activity

● Activities where Latinos are overrepresented¹



¹Indicates if share of Hispanics and Latinos employed in the sector is greater than the share of all workers employed in the sector, for 2019. ²Intrinsic risk to spread COVID-19 considering constant personal interaction in daily activities and ability to safeguard employees.
Source: Moody's Analytics; US Bureau of Labor Statistics (CES, QCEW, OES)

Since these jobs tend to be held by workers without higher education, job switching and bargaining with employers are impractical. Furthermore, such roles consistently involve repetitive and predictable tasks, which means workers who are laid off or furloughed from these roles are also more likely to lose them to automation.⁶⁶ Almost 60 percent of jobs held by Hispanic and Latino workers are vulnerable to automation using currently available technology, compared with 25 percent of jobs held by white workers.⁶⁷

Family savings

Family savings are the result of the aggregate influences on consumption, resource management, and resource transfer systems that can lower economic volatility, smooth consumption, and increase economic resilience. The pandemic has made Hispanic and Latino families' financial volatility and lower economic resiliency worse.

Financial volatility

Saving was already difficult for Hispanic and Latino families due to obstacles within the financial system and employment and social welfare benefits; the pandemic has since increased that financial insecurity.

Hispanics and Latinos are less likely than their white peers to be part of the mainstream financial system. For instance, 14 percent of Hispanic and Latino Americans were unbanked in 2017, compared with 3 percent of white Americans.⁶⁸ And only 15 percent of Hispanic and Latino families have three months of living expenses saved in easily accessible accounts, compared with 42 percent of non-Hispanic and Latino families.⁶⁹ Because of their often-lower incomes, Hispanic and Latino workers are also more likely to pay higher fees for financial services.

The difference in savings could be partially attributable to Hispanics' and Latinos' higher likelihood of remitting funds outside the United States compared with other demographics of color.⁷⁰ Those who send remittances to Latin America send an average of \$212 per month (for more on remittances, see sidebar "Hispanics and Latinos and remittances").⁷¹

Hispanics and Latinos and remittances

Hispanics and Latinos are more likely than other minority groups to send remittances to extended family members outside the United States.¹ Remittances represent a significant portion of cash outflows every month for many US Hispanics and Latinos, as their extended families depend on these funds. For the estimated 30 million Latin American households that receive remittances each year, remittances

represent about 50 percent of households' total income.²

Because of the significance of remittances, many Latinos continue to send remittances abroad. In March 2020, Mexico received \$4.02 billion in remittances from abroad (mostly from the United States), a 36 percent increase from the previous March. However, the

global economic decline means that six million Latin American households will not receive them this year, and another eight million will lose at least one month of remittances.³ Remittances to Latin American countries fell by 30 percent after the onset of the pandemic, which contributes to the projected 9.4 percent decline in GDP for the region in 2020.

Financial support from families can be helpful lifelines, but Hispanics and Latinos receive less financial support from their families and provide more financial support to their families. Hispanic and Latino immigrant families received \$208 less per year in familial support in 2011 compared with their white peers, while Hispanic and Latino nonimmigrants received \$126 per year in support. However, similar to remittances, Hispanics and Latinos are about five times as likely as their peers to support their parents: 9.5 percent of Hispanics and Latinos support their parents, while only 1.7 percent of non-Latinos do.⁷²

As with businesses, Hispanics' and Latinos' lack of credit histories affects their ability to access credit that can preserve their savings. Combined with gaps in financial literacy and a lack of alternatives for financial services—twice as many Hispanics and Latinos used high-interest, predatory loans as white Americans in the past five years⁷³—a lack of credit and few savings make financial planning and weathering emergencies more difficult.

Hispanics and Latinos also lack access to employer-sponsored saving programs and are less likely to participate in them. Only 54 percent of Hispanics and Latinos work for employers that offer a retirement plan, compared with almost 70 percent of all other workers. As a partial result, 31 percent of Hispanic and Latino workers aged 21 to 64 years participate at all in an employer-sponsored retirement plan, compared with 48 percent of their peers.⁷⁴ These programs also provide access to pretax benefits and employee matching that help increase the value of savings. Of the 30 percent of Hispanic and Latino families that have a retirement account, the average family has \$28,600 in liquid retirement savings, while the 60 percent of white families with retirement accounts have an average of \$157,900.

Public benefits can be a lifeline, but Hispanics and Latinos are less likely than their white peers to access public entitlements, even if they qualify. That includes forgoing public insurance, especially medical insurance, leaving Hispanic and Latino families especially vulnerable to unexpected medical expenses.⁷⁵ Hispanics and Latinos are twice as likely than white Americans to have lost—or expect to lose—their health insurance. In a recent survey, 17 percent of Hispanic and Latino respondents said that they expect to lose or have lost their health insurance, compared with 9 percent of white respondents.⁷⁶

Interventions to protect lives and livelihoods

Protecting Hispanic and Latino lives and livelihoods almost certainly means increasing resources for initiatives targeted at fostering inclusive growth. At a time of crisis, such decisions can be especially difficult. We outline the most crucial interventions decision makers in the public, private, and social sectors could consider and discuss ways to use technology in those efforts.

Health and lives

The most high-impact ways to allocate resources may be to channel additional funds to community health centers, public hospitals, and other healthcare institutions that have the highest rates of uncompensated care. Training for multilingual, especially Spanish-speaking, community health workers can provide support to residents in their communities. As the pandemic lingers, making personal protective equipment (PPE) available for residents of public housing will also help keep communities safe.

Safeguarding health with expanded healthcare access

In the short term, government agencies can support physical distancing for at-risk populations. Owners of properties with high vacancy rates, such as hotels, could subsidize access to facilities that can help Hispanic and Latino workers in high-contact essential services quarantine away from their families, as needed. Similarly, elderly Hispanics and Latinos who live with people working in those services could opt to self-isolate in dedicated housing until the pandemic is under control.

To quickly expand healthcare access for underserved communities, governing bodies might consider temporarily loosening restrictions on the types of services and procedures nonphysician healthcare workers can perform. Expanded medical insurance coverage can also address some of the acute need for medical care.

Hispanic and Latino communities would also benefit from additional PPE resources, specifically for essential workers and people who live in multifamily units and public housing. Meanwhile, stakeholders who have access to large bodies of data (particularly government agencies) could mine their data for insights about health equity. Such insights can help identify areas and populations that are at higher risk or require more support.

In the long term, educational institutions and healthcare industry stakeholders could increase the number of Hispanic and Latino healthcare workers (particularly physicians) by providing scholarships and grants that facilitate students' pursuits of healthcare careers, especially for multilingual candidates.

Stakeholders could also increase the number of healthcare providers in underserved areas by making it easier for providers to serve there—for instance, by offering higher reimbursements and debt forgiveness for multilingual providers who commit a minimum length of service in those areas. Public funding can also help areas that have shortages of healthcare providers build more community clinics and hospitals.⁷⁷

Tech-enabled solutions: Telehealth

Telehealth can be one avenue to bringing more Hispanic and Latino patients into the mainstream healthcare system. Specifically, telehealth providers have the discrete opportunity to help address some common reasons patients forgo care, including lost wages and a lack of access to trusted physicians.⁷⁸ Our analysis suggests that telehealth could replace about 45 million in-person healthcare visits while improving the experience of underserved patients by matching them with appropriate healthcare providers they may not otherwise encounter.⁷⁹ Telehealth can also help patients with the highest vulnerability by offering them no-cost services paid for by donor networks, as well as by making it easier to seek care for needs that may be stigmatized (such as mental illness).⁸⁰

Despite this potential, evidence from the early days of the pandemic suggests that telehealth does not currently accommodate at-risk populations; Hispanic and Latino patients' telehealth visits actually fell after initial efforts to scale telemedicine.⁸¹ To combat this slump, providers should facilitate access to non-English resources, connective infrastructure, and ongoing technical support (especially robust data protection).⁸²

Telehealth providers must first make the experience and process of using telehealth services understandable to non-English speakers. For most US Hispanics and Latinos, non-English services are crucial. Yet a review of 13 major telehealth company websites found that only two referenced Spanish-language options on their landing pages, and only one offered a Spanish version of its site.

Adequate infrastructure is another crucial part of telehealth access. Telehealth providers should prioritize video services because patients are more likely to be engaged and to understand their diagnoses over video discussions (74.6 percent of patients' caretakers were able to name the diagnosis) than over the phone (59.8 percent of caretakers were able to report the diagnosis).⁸³ However, Hispanics and Latinos are less likely to have access to broadband internet than their white counterparts; 46 percent of Hispanic and Latino Americans had broadband access at home in 2015, compared with 73 percent of white residents.⁸⁴

To bridge this gap, telehealth providers could partner with community organizations to create mobile health clinics equipped with videoconferencing equipment and certified staff who are able to train patients to access telehealth services from home. Notably, findings from Harvard Medical School suggest that mobile health clinics could handle up to 6.5 million visits per year in the United States.⁸⁵ Other researchers estimate that 40 percent of telehealth patients are Hispanic and Latino.⁸⁶

Finally, telehealth companies must build technological support and training into their strategy and ongoing operations. Of a group of Hispanic and Latino farm workers surveyed, 81 percent said they were willing to try mobile-based health technology. When free technical support was offered, 94 percent said they were willing to use the tool.⁸⁷

Vulnerable communities

The most important tactical goal would be to support local and regional governments that have the greatest budget shortfalls due to the pandemic. Extended moratoriums on evictions can help keep families and communities stable, while Hispanic-serving institutions and school districts can provide academic steadiness for students.

Connecting vulnerable communities with resources

Stakeholders should focus on protecting Hispanic and Latino communities from continuous disruption, which can hinder socioeconomic mobility. Interventions could lean on public resources to improve community-level equity and address elements of residents' experiences that may have damaged trust with the public sector.

Public-sector decision makers can begin by creating cross-sector equity teams of leaders to track and continuously compare the impact of COVID-19 on Hispanic and Latino communities against that of other communities. At the same time, the team could gather public data that reflect residents' experiences and use the insights to address resource gaps and disparities in service quality such as longer response times.⁸⁸

Philanthropic leaders can contribute to solutions by identifying community-based organizations that effectively deliver essential services and funding their expansion. Such efforts can help strengthen civic health in Hispanic and Latino communities over time.

Tech-enabled solutions: Smart customer experience, multimedia campaigns

The public sector has an opportunity to use technology to invest in civic engagement and foster more positive experiences with Hispanic and Latino community members. Because most government agencies have shifted their interactions online as a response to the pandemic,⁸⁹ public-sector stakeholders could consider using technology to engage with Hispanics and Latinos, provide services, and improve resident experience. For example, investments in smart-city technology can improve experiences for up to two million Hispanic and Latino residents almost immediately.⁹⁰

In the short term, national, state, and local governments could use digital platforms, such as social media, to keep residents informed. Partnerships with influencers who are well known to US Hispanics and Latinos can help spread accurate information to communities.⁹¹ Texting campaigns can complement such efforts.

Public-sector stakeholders could eliminate language barriers that may inhibit residents' use of 311 services—for instance, by instituting non-English alternatives, letting users submit photos instead of text-only requests, and incorporating close-to-real-time feedback for requests. One government tech start-up helped a majority Hispanic and Latino city create and launch a 311 app to improve service delivery.

Similar efforts can help the public sector meet residents' needs for unemployment services. For instance, job portals focused on companies and roles that have seen a spike in demand due to the pandemic can connect the unemployed and underemployed to opportunities. In the medium term, the public sector could use technology to facilitate connections between Hispanic and Latino workers who are interested in gaining new skills to training programs. Tech tools can help aggregate information on training programs to help prospective trainees prioritize programs that provide benefits such as subsidized rent for the duration of the program.⁹²

In the long term, stakeholders could redesign the way they engage Hispanic and Latino communities in civic life. Tech-enabled methods and tools that successfully connect public-sector stakeholders and Hispanic and Latino residents in the short term can be adapted for purposes such as removing bias from public services or voter registration and reminders about electoral considerations.⁹³

Family wealth

Stemming the loss of Hispanic and Latino families' wealth should focus on extending forbearance for mortgage loans and helping disproportionately affected businesses and business districts in Hispanic and Latino communities obtain liquidity that can help protect customers and employees. The mid- to long-term focus can be on helping more Hispanic- and Latino-owned businesses develop capabilities, such as digital operations (and offerings), which can better protect these businesses from systemic shocks.

Protecting and rebuilding family wealth

The immediate priority of stakeholders should be to provide support to keep Hispanic- and Latino-owned businesses open, which means preventing forced bankruptcies or liquidations. Stakeholders can lighten the short-term financial burdens on Hispanic and Latino families by continuing to provide short-term relief, especially with emergency measures expiring even though the general challenges facing families have not. Measures such as residential loan forbearance measures, eviction freezes, and moratoriums on foreclosures and forced liquidations can all ease the short-term burden.⁹⁴

An immediate priority could be to provide additional liquidity. About 40 percent of revenue for Hispanic- and Latino-owned businesses comes from sectors that are considered difficult to operate safely but less critical to states, such as recreation and discretionary retail, compared with 22 percent of businesses owned by others (Exhibit 8). Such businesses may need support to effectively adapt to the next normal.

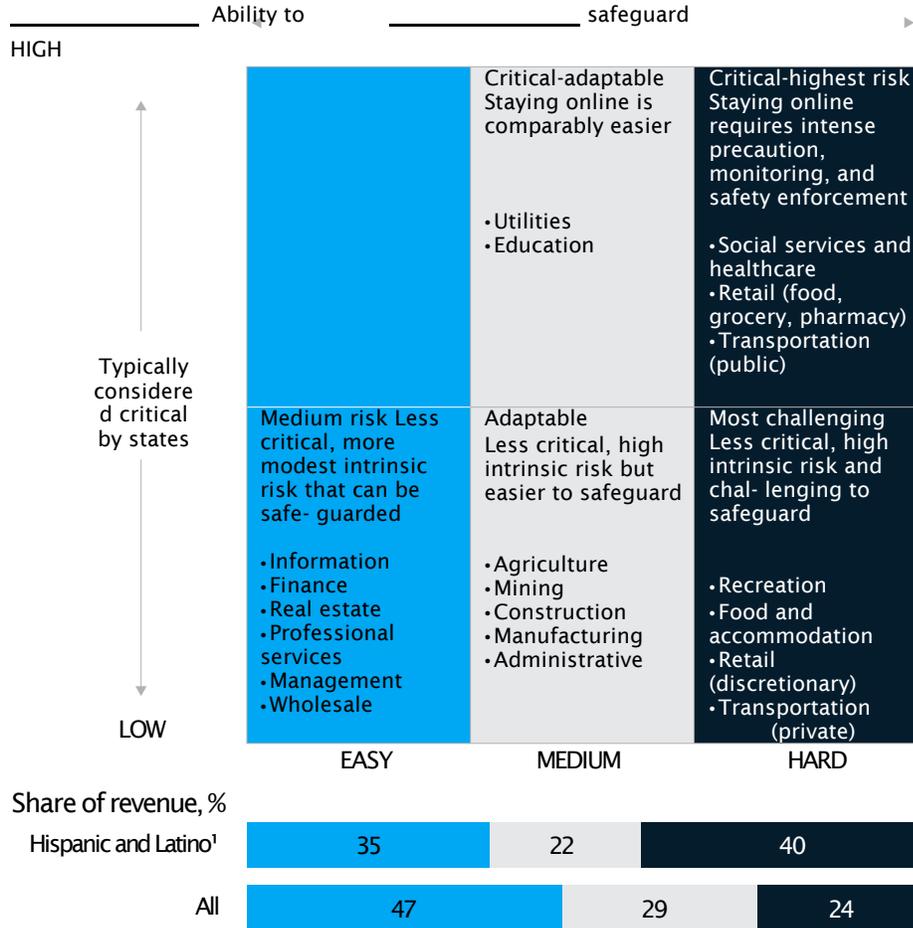
Longer term, stakeholders could target affected sectors and SMEs with dedicated purchasing and procurement programs.⁹⁵ Government agencies such as the Small Business Administration can continue to provide liquidity to Hispanic- and Latino-owned businesses through their programs.

Trade associations could help Hispanic- and Latino-owned businesses develop the capabilities to successfully compete for high-value contracts and diversify their revenue streams. Partnerships with and initiatives led by the private sector can also help such SMEs grow and become more productive.

Exhibit 8

Hispanic- and Latino-owned businesses are overrepresented in sectors that are harder to operate safely.

Industries' ease of safe operations and importance to states' functioning



¹Hispanic- and Latino-owned businesses. Sum is less than 100%, because of other minor sectors not depicted. Source: Moody's Analytics; US Bureau of Labor Statistics (CES, QCEW); Tom Latkovic, Leah Pollack, and Jordan VanLare, "Winning the (local) COVID-19 war," April 6, 2020, Aura.com

Tech-enabled solutions: Fintechs

The financial sector, particularly fintech companies, could offer financing and services to Hispanic- and Latino-owned businesses. Besides helping them meet their short-term financial needs, the sector could help businesses sustainably access a wider set of financing services. Our analysis suggests that an additional \$9.2 billion to \$18.4 billion in liquidity for SMEs in the 2020–21 time frame could preserve 530,000 to 830,000 jobs, or about \$11,000 to \$35,000 per job.

Fintechs could use their technological and data-gathering abilities to assess the creditworthiness of Hispanic- and Latino-owned businesses and provide liquidity. For example, transactional data from point-of-sale and bookkeeping software can be used to build credit profiles for SMEs. Fintech companies can use these insights to offer financing to appropriately assess and price loans.

Of course, mainstream financial institutions can also provide solutions and services to Hispanic- and Latino-owned businesses. Technology can help users access financial institutions that are not digitally native and digitize customer experiences for entities such as community development financial institutions or minority depository institutions. Traditional financial institutions would also ideally learn to evaluate credit risk using alternative data.

Decision makers should be aware of the risks of using tech-enabled tools to make financial decisions. For instance, loan-origination algorithms may fail to remove bias or even augment it. A full consideration of the risks and benefits must keep pace with the rapid evolution of the field and technology.

Family incomes

For Hispanic and Latino families, hazard pay for workers in high-risk jobs and community-based (instead of job- or employer-based) reskilling can make the greatest difference. Reskilling is especially crucial for workers whose jobs are at risk of automation.

Maintaining family incomes

Stakeholders should seek to protect Hispanic and Latino workers and strengthen their ability to participate in the labor force. Public-sector stakeholders could support organizations that employ workers from marginalized groups with tax reductions and low-interest loans that can help minimize furloughs and layoffs. Targeted wage subsidies for employers could also help keep more Hispanic and Latino workers paid, including hazard pay for workers in high-contact roles. Funding to facilitate remote work for more roles could also be considered.

Measures that protect Hispanics and Latinos outside their homes are also important. For instance, more transit routes can reduce the number of riders in a single vehicle and reduce the risk of exposure for Hispanics and Latinos, who are more likely to use public transit. PPEs in school and at work, especially in high-contact roles, can serve a similar function.

In the longer term, the public sector can play an expanded role in helping Hispanic and Latino workers participate in the economic recovery. The government could provide Hispanic and Latino families courses in English and skills that facilitate job seeking. Training programs targeted at Hispanic and Latino

communities can help more workers gain the skills required for more secure jobs. Similarly, investments in targeted scholarships and debt forgiveness programs can create more access to vocational training and higher education.

Tech-enabled solutions: Remote learning

For laid-off or furloughed workers and students, remote learning and reskilling can facilitate ongoing education and skill building. Our analysis suggests that adaptations for remote learning, such as adjusted content, educator training, and subsidized connectivity, can help an additional 2.4 million students access learning and improve the experience for all students.

Remote learning can better suit Hispanic and Latino K–12 students' resources. Since 23 percent of Hispanics and Latinos only have access to internet through their smartphones,⁹⁶ mobile-friendly remote learning will be critical in reaching a larger number of these students. Smartphone cameras can be incorporated as an input channel through which students can submit their work (for instance, by taking photos of handwritten assignments).

Any educational apps or learning portals must be compatible with almost any kind of mobile or desktop device. Course content, including instructions, must be developed and tested in multiple languages in addition to English so parents can also navigate the learning portals. Multilingual IT office hours could also help students and parents troubleshoot their apps and devices. In addition, public and social sector stakeholders could partner with internet providers to provide students with unlimited data or no-cost internet connections and manage the associated accounts to better avoid challenges that low-income families may encounter as individual registrants.⁹⁷

To help educators connect with Hispanic and Latino students more effectively, stakeholders could reorient teachers' professional development around methods for remote teaching and encourage teachers to better understand their students' lives outside the virtual classroom. Institutional stakeholders (not just teachers) could also use widely available video chat tools to remotely meet Hispanic and Latino students' parents and families, get to know families' ambitions and challenges, and develop community relationships that can support students' long-term learning and thriving. Digital tools can help students maintain morale and motivation by connecting students' family members and Hispanic and Latino community leaders and role models to the classroom.

Family savings

Some financial uncertainty will remain with Hispanic and Latino families for the foreseeable future as states strategize to what degree they can reopen during the pandemic. One focus could be to reduce the economic insecurity of Hispanic and Latino families and help them build savings over time. Increasing direct transfers of cash and benefits to families is perhaps the most impactful way to help preserve family savings.

Conserving and rebuilding family savings

The most important short-term interventions provide liquidity to Hispanic and Latino families, so their savings are somewhat protected. Creditors could also extend deadlines, pause payments, or provide flexible payment programs while families recover from the initial shock of the recession. Hispanic- and

Latino-owned businesses are already 3.6 times as likely as nonminority- or woman-owned businesses to provide direct and in-kind support to their communities in response to the COVID-19 crisis.⁹⁸ Such expenditures could be made tax refundable.

In the longer term, stakeholders could expand worker-savings plans, which allow part-time and low-wage workers to participate in employer-sponsored retirement plans. The Hispanic and Latino participation rate in employer-sponsored plans is 95.4 percent,⁹⁹ which suggests that they would be likely to participate in expanded worker savings plans.

The public sector could also consider state-sponsored retirement plans for private sector workers. Workers not covered by an employer-sponsored plan might be automatically enrolled in the state-sponsored plan. Forty-three states have already implemented, investigated, or introduced legislation on such programs since 2012. For instance, Illinois's Secure Choice automatically enrolls workers into individual retirement accounts.¹⁰⁰

Stakeholders from different sectors could work together to promote financial education and organize multilingual workshops on saving and retirement and financial planning. In particular, philanthropic organizations can direct more funding to community-based organizations led by Hispanics and Latinos that provide financial literacy and planning services.¹⁰¹

To integrate more Hispanics and Latinos into the mainstream financial system, financial institutions could offer products and services targeted for lower-income consumers. Low-fee checking accounts, free ATM transactions, low-cost bill payments, money transfer services, and electronic banking services could all be delivered in users' preferred languages. Similarly, credit rating agencies might consider alternate methods to evaluate the creditworthiness of borrowers without traditional credit histories. For instance, the FICO Expansion score uses data such as deposit account records and payday loan transactions to assess the creditworthiness of borrowers.¹⁰²

Tech-enabled solutions: Digital banking

The most promising solutions for family savings for Hispanic and Latino families are related to fostering financial inclusion. Digital banking products and fully digital banks can help increase access. Such products and services can be supported by a regulatory environment that facilitates the responsible deployment of digital banking products.

Tech-enabled products and services could also address geographic and affordability barriers to participation in mainstream financial institutions. For example, digital banks such as Aspiration Bank, Chime, and N26 offer customers flexible access to digital banking and investment services, delivered with no or low fees. Our analysis suggests that, in the insurance sector alone, greater financial inclusion of Hispanics and Latinos represents a \$27 billion opportunity.