A Snapshot of Hispanic Older Adults: Economic Security, Demographics & Voting Trends

Overview
The aging population in the United States is drastically growing and changing. It is estimated that between 2010 and 2050, the population of Americans aged 55 and older will more than double. This year, the first wave of the baby boomer generation – those born between 1946 and 1964 – will be turning 65, and according to the Pew Research Center, for the next 19 years, 10,000 people will reach that threshold every day. By 2030, those 65 and older will constitute 18% of the total population. This generation of older Americans will also be the most racially and ethnically diverse in the nation’s history.

Hispanics older adults are expected to become the largest racial/ethnic minority of those aged 65 and older by 2019. This population boom among older Americans carries with it a growing concern for their economic security. As people get older, their income diminishes and they must rely on their savings, investments, and public benefit programs like Social Security to make ends meet.

This special insert on Hispanic older adults will describe the economic situation of older adults, highlight demographic trends, and provide an overview of voting trends among the Hispanic population and shed light on the importance of this valuable, but often overlooked population of Americans.

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The Hispanic Economic Engine
The Hispanic community is an important one to the U.S. economy. Its value and growing cultural, political and societal influence make it a key U.S. demographic. This growth in numbers, significance and influence should result in increased attention to Hispanic economic needs and challenges by policymakers and the general public.

• In 2011, Hispanic purchasing power was $1 trillion, and will increase to $1.3 trillion by 2015.  

• In 2007 there were 2.3 million non-farm Hispanic owned businesses, an increase of 43.7% from 2002 to 2007.

• 2 million of these Hispanic owned firms had no paid employees, accounting for 89% of the total number of Hispanic-owned U.S. firms and 20.5% of gross receipts, or $70.7 billion – an increase of 66.6% from 2002.

• Hispanics own 8.3% of all non-farm businesses in the United States, accounting for 1.6% of total employment and 1.1% of total receipts.

• In 2007, there were 249,168 Hispanic-owned U.S. employer firms, an increase of 24.9% from 2002, which generated $274.5 billion in receipts, an increase of 52.9%.

The Hispanic Population at a Glance
In 2010, the Hispanic population in the U.S. was 50,478,000, or 16.3% of the total U.S. population of 308.7 million. The 2010 Census revealed that nationally, Hispanics accounted for more than half of U.S. population jump in the last decade. This growth is a continuation of the Hispanic population boom that has occurred in the last three decades, which has increased from a population of 14.6 million in 1980, to 50.5 million in 2010.

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Most of the growth in the last ten years has occurred in western states and those in the Southeast. In fact, in states like South Carolina, Alabama, and Tennessee, the Hispanic population more than doubled. The Hispanic population is expected to triple in size by 2050 and make up 29% of the U.S. population.

In 2009, Hispanic elders aged 50 and above make up 16.3 percent of the population, and those that were 65 and older comprised 5.5 percent, or 2.1 million. Given the tremendous baby boomer population, those numbers will steadily increase, and by 2019, the Hispanic population aged 65 and older is projected to be the largest racial/ethnic minority – 15 million – in this age group.

**Economic Security among Hispanic Older Adults**

Despite their growing population, Hispanics still face significant barriers to economic security. Hispanics are less likely than other groups to have college degrees and own a home, and they earn about $10,000 less per year than the median household. The recession made a bad situation worse for many Hispanics. Since the beginning of the economic recession in 2008, Hispanics have experienced a significant loss in income and wealth. For example:

- In 2009, 23.3%, or almost 1 in 4 Hispanics were living in poverty. This is slightly better than Blacks (25.5%), but much worse than the 1 in 10 whites (9.9%) and Asians (11.2%) who were living in poverty.

- Between 2007 and 2008, Hispanics experienced the largest percent decrease in real median income, a drop of 5.6% to $37,913 compared to all other racial and ethnic groups.

- For the Hispanic elderly population aged 65 and older, their median income was $11,562 in 2007, which was lower than Blacks ($12,726) and whites ($18,402).

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• Between 2005 and 2009, Hispanics lost 66% of their wealth, dropping from $18,359 in 2005 to $6,325 in 2009. This percent decrease in wealth was higher for Hispanics than for whites and African Americans.\(^{15}\)

• Over 60% of unmarried Hispanic older adults rely on Social Security for more than 90% of their income.\(^{16}\)

The significant drop in income and wealth has more Hispanics teetering on the brink of poverty, especially among the elderly population. Data shows that in 2009, 18.7% Hispanics aged 65 and older were living in poverty.\(^{17}\) Of that population, the highest poverty rates are found among Hispanic women (43.1%) who lived alone. Understandably, the recession has many older Americans worried. When polled, 57% said that their economic situation has worsened since the recession began. As a result, six in 10 baby boomers said they could have to postpone their retirement.\(^{18}\)

There are various reasons for high poverty rates among Hispanic elders. First, Hispanic elders tend to have lower levels of education than the general population. For example, in 2008, 9% of Hispanic older Americans held a bachelor’s degree or higher, compared with 21% of all older persons.\(^{19}\)

Secondly, Hispanics are concentrated in jobs that do not pay well, so their median household income in 2009 was $40,000, compared to $50,000 for the rest of the population.\(^{20}\) Many Hispanic elders worked in jobs like construction, agriculture, and service industries throughout their lives that did not offer retirement benefits like pension plans and 401(k)s. Some of these employment sectors have been particularly


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hard hit by the current recession. When Hispanics do have retirement savings, they tend to be lower than those of whites.

Hispanic households headed by a person age 55 to 59 had an average of $47,489 in private retirement accounts, compared to an average of $142,361 held by all other households combined.21

The median wealth of Hispanic households is at its lowest point since 1984. Most Hispanic families and elders also don’t have a diversified portfolio of assets. Two-thirds of their net worth is derived from home equity so with the decline in home values and the foreclosure crisis, they experienced significant losses.

From 2005 to 2009, median home equity among Hispanics declined from $99,983 to $49,145, and their homeownership rate decreased from 51% to 47%.22 Moreover, in 2009, 31% of Hispanics had either no wealth or were in debt, up 8% from 2005. Without any assets, events like the loss of a job, a medical emergency or even just getting the car repaired, become catastrophic events that put the lives of Hispanics of all ages in danger of falling deep into poverty.

Social Security Use Among Hispanic Older Adults

A Critical Benefit

Social Security is a critical benefit for Hispanic older adults. Almost three-quarters of Hispanic seniors receive income from Social Security, of which more than two out of five of those receiving Social Security benefits had no other source of income. If Hispanic elders did not receive Social Security, half of them would live in poverty (50.7%), compared to the roughly 1 in 6 that live in poverty with the benefit (17.9%).23 While low-income workers receive critical benefits, the amount they receive leaves them 25% below the poverty line.

http://www.dol.gov/ebsa/pdf/LaRaza090110.pdf
Unclaimed Benefits
For the last twenty years, Hispanics have had the highest levels of employment workforce participation rate of all racial and ethnic groups, which also means that they pay into Social Security at a higher rate than other groups. Yet despite their high rates of contribution and their heavy reliance on Social Security, Hispanic elders are less likely than other seniors to receive Social Security benefits.

Many Hispanics work in construction, restaurant, agricultural and domestic jobs -- all industries with barriers to access to Social Security, like wage violations, misclassification of workers as independent contractors, and cash payments. For these reasons, as well as the high number of undocumented immigrant workers who are ineligible to receive Social Security even though many do contribute to the system, Hispanic workers tend to be ineligible to receive benefits and those that do receive lower amounts.24

• In 2008, 74.5% of Hispanics aged 65 and older received Social Security benefits, compared to 87.2% of the overall population.25

• An estimated 30% of undocumented immigrant seniors made sufficient contributions to the system to be eligible to receive benefits that they will likely never receive.26

• In 2008, the average Social Security benefit for all seniors was $14,040, but Hispanic men and women received an average benefit of $12,213 and $9,536, respectively. 27

Small benefit payments from Social Security, combined with low-paying jobs that make it difficult to save, make it very difficult for many Hispanic elders to make ends meet.

Hispanic Voters at a Glance
The Hispanic electorate is growing faster than the overall population, which has played a significant role in shaping the course of American politics.

- In the past decade, nearly six million Latinos became eligible to vote.  
- In 2010, Latinos represented more than 9% of eligible voters nationwide, up from 8.6% in 2006.
- Since 1986, the number of Hispanic eligible voters has almost tripled – 7.5 to 21.3 million – and the number of actual voters has more than doubled from 2.9 to 6.6 million.
  - Since 2004, Latino voter registration has increased by 30.5%, the largest increase in U.S. Hispanic voter registration history.
  - Two out of every three Latino eligible voters reside in four states: California, Texas, Florida, and New York.
  - Hispanic elders aged 55 and older made up 12% of Hispanic registered voters in 2010, but were also the most likely to vote among the Hispanic population. Sixty-two percent of those aged 50-64 and 58% of those aged 65 and older were certain that they would vote in 2010.
- Each year, 500,000 Hispanics become eligible to vote.
Voting Trends

- Since 1999, Democrats have made up between 49 and 65% of the Hispanic voter population, compared to 23 to 28% who identified as Republican.

- In 2004, 58% voted for the Democratic presidential candidate.

- In 2006, the national exit poll for the midterm election showed that 69% of Latinos voted for Democratic candidates in their Congressional district races, and 30% voted for Republicans.\(^{32}\)

- In 2008, 67% of Hispanics voted for Democrat Barack Obama.

- In 2010, 65% of registered Hispanic voters and 66% of Hispanic elders aged 65 and identified themselves as Democrats.\(^{33}\)

a) The 2008 Presidential Elections

In 2008, 12.1 million Latinos were registered to vote, of which 9.7 million voted, comprising 7.3% of all votes cast. According to the William C. Velazquez Institute, this was a 30.5% increase from 2006. This is especially notable because from 2004 through 2006, there was no growth in Latino voter registration.

So how did Hispanics vote? In the presidential race, 67% of Latinos voted for the Democratic presidential candidate Barack Obama over John McCain, who received 31% of the Latino vote. An analysis of the Latino vote in several states showed that Hispanics provided the margin of victory for Obama in New Mexico, and their vote was “indispensable” to his victories in Indiana and Nevada. It’s notable that Obama also won the Latino vote in key battleground states, and that Latinos voted in significant numbers in Colorado, Florida, Nevada, and New Mexico.\(^{34}\)


b) The 2010 Midterm Elections

In 2010, Hispanics represented 16.3% of the nation’s population, but only 10.1% of eligible voters and fewer than 7% of them actually voted.\(^{35}\)

Consistent with previous elections, Hispanics voted differently than white non-Hispanic voters. While 60% of Hispanics voted for Democratic House candidates, 60% of white non-Hispanics supported Republican candidates, except for Florida where Hispanics lean towards Republican candidates. While Democrats won the Hispanic vote in most states, particularly those with the biggest Hispanic populations like California and Texas, three Latino candidates – all of them Republicans – won top statewide offices for the first time ever.\(^{36}\)

These results are consistent with the perception among Hispanics that Democrats care more about the issues that impact them. According to one poll, 41% of Hispanics aged 65 and older thought that the Democratic Party had more concern for Hispanics, compared to 10% who thought Republicans did.\(^{37}\)

**Issues of Importance to Latino Voters**

**Jobs**

Hispanics continue to experience higher rates of unemployment compared to the national average. As of July 2011, the unemployment rate among Hispanics was 11.3%\(^{38}\), compared to 9.1% of the general population.\(^{39}\) So it is no surprise that like most Americans, Hispanic voters care primarily about the economy and jobs.

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Job Programs for Seniors
For Hispanic elders, government programs that help them find jobs are critical. The Senior Community Services Employment Program, which provides job training and placement for seniors below the poverty line, is a critical program that helps thousands of Hispanic older adults gain new skills and employment prospects. Despite the great need for it, the program was cut by 45% in the federal budget for 2011.40

The Economy
The economy and their family’s economic security are of primary importance to Hispanic older adults and their families. In fact, in the 2008 Presidential election, the economy and jobs was overwhelmingly chosen as the issue that most influenced who they voted for, while immigration ranked as the 9th most important issue. Even after Arizona enacted a controversial and harsh immigration bill in 2010 which ignited debate across the country, education, jobs, and health care were the most important issues for Hispanics in the midterm election, compared to immigration, which ranked fifth.41

The latest economic recession took a significant toll on the savings and investments of older Americans who were newly retired or about to retire, and made the future of those aged 50 to 64 much more uncertain. In 2009, Hispanics ages 65 and older responded to a national poll that they have cut back on household spending.

Even with Medicare and Medicaid, 15% of Hispanics reported having trouble paying for medical care. Adding to their economic burdens, the recession has increased the number of grandparents who are responsible for providing for their grandchildren by 14% from 2000 to 2008.42 As a result, Hispanics felt less confident than whites that they would have enough money to live on during their retirement.43

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40 “Justification of Budget: 2012.” Administration on Aging.
Conclusion
Hispanics constitute a significant and growing percentage of the U.S. population as well as a growing percentage of the U.S. electorate. They also make up a substantial sector of the U.S. economy both as consumers and as entrepreneurs.

Since the beginning of the current recession, however, Hispanics have experienced significant setbacks in wealth, poverty, and employment, all of which have compromised their economic security at every age level, especially for Hispanic elders. As more Hispanics reach old age, it is increasing critical that the country improves health care and employment services for Hispanic elders and increases public benefit amounts and access to Social Security, Medicare and Medicaid to ensure that their retirements are spent with dignity and not in poverty.

Many of the barriers to economic security that Hispanic older adults face are the same barriers faced by older adults across the country, regardless of race and ethnicity. Although many Hispanic older adults are in particularly difficult economic circumstances, the vast majority of the issues they face are endured by all low-income seniors in the United States.

The inability to save, inadequate payments from Social Security, and a lack of job opportunities all make economic security difficult to attain for older adults everywhere. Hispanics are ready and willing to work toward solutions to improve the country for all older adults.