

**KEY FINDINGS AND VISUAL OVERVIEW:**

Sueño Incompleto: A History of the Latino Wealth Gap in the U.S.

# THE LATINO WEALTH GAP

## HISTORICAL DRIVERS AND POLICY SOLUTIONS

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# Wealth Is Built Through Systems and Those Systems Are Unequal.



**\$62,000**

Latino Median  
Wealth, 2022

**\$284,000**

White Median Wealth, 2022

For every \$1 in wealth held by white households,  
Latino households hold just 22 cents.

Data Source: UCLA LPPI analysis of Federal Reserve, "Survey of Consumer Finances, 2022."

**HOMEOWNERSHIP**

# U.S. Household Homeownership Rates, 2023

Homeownership is the primary avenue for intergenerational wealth but has been restricted through land dispossession, redlining, and unequal access to credit.

**51%**

**Latino Households**

**73%**

**White Households**

Data Source: UCLA LPPI analysis of U.S. Census IPUMS USA 2023 1-year American Community Survey (ACS).

## EARNINGS

# Median Weekly Earnings, Full-Time Workers, 2024

Latino workers earn 77 cents for every dollar that white workers earn, a wage gap that constrains savings and wealth accumulation.

**\$1,200**  
White Workers

**\$900**  
Latino Workers

Data Source: UCLA LPPI analysis of the Federal Reserve Bank of St.Louis, Current Population Survey (Household Survey), "Employed Full Time: Median Usual Weekly Nominal Earnings (Second Quartile): Wage and Salary Workers: 16 Years and Over, 1979 to 2024," [available online](#).

# Mean Annual Earnings, Bachelor's Degree Holders, 2023

Even with a college degree, Latino graduates earn over \$20,000 less per year than white graduates, reducing lifetime earnings and generational wealth.

**\$91,400**

White Graduates

**\$70,500**

Latino Graduates

Data Source: UCLA LPPI analysis of U.S. Census Bureau, Current Population Survey Historical Time Series Tables, "Table A-3. Mean Earnings of Workers 18 Years and Over, by Educational Attainment, Race, Hispanic Origin, and Sex: 1975 to 2021," [available online](#).

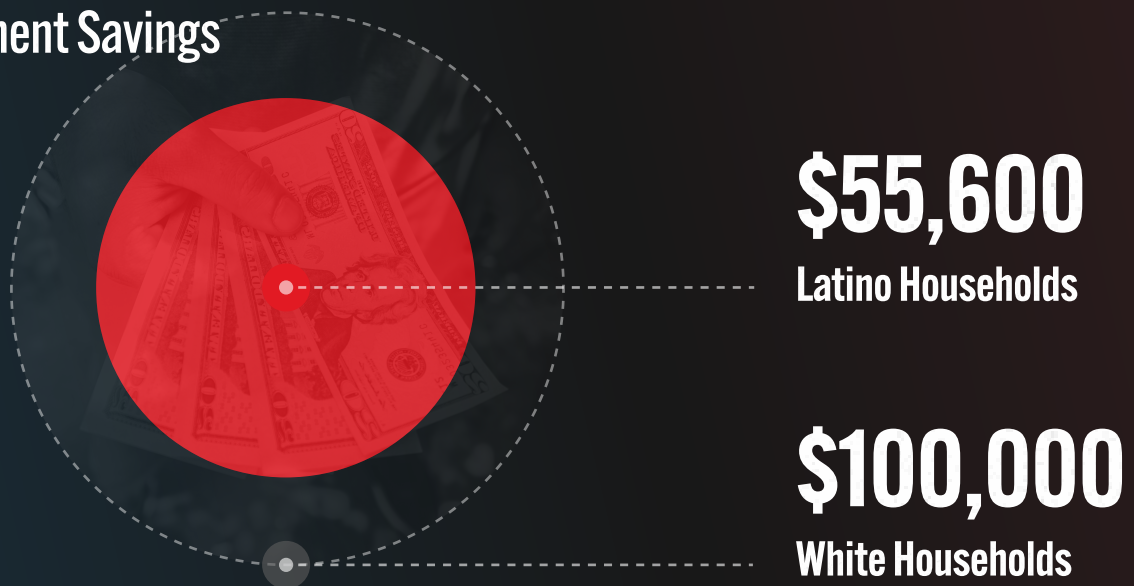
# Median Household Retirement Account Values, 2022

Latino households are less than half as likely to have a retirement account, translating into less long-term wealth security.

## Share of Households with Retirement Accounts



## Median Value of Retirement Savings

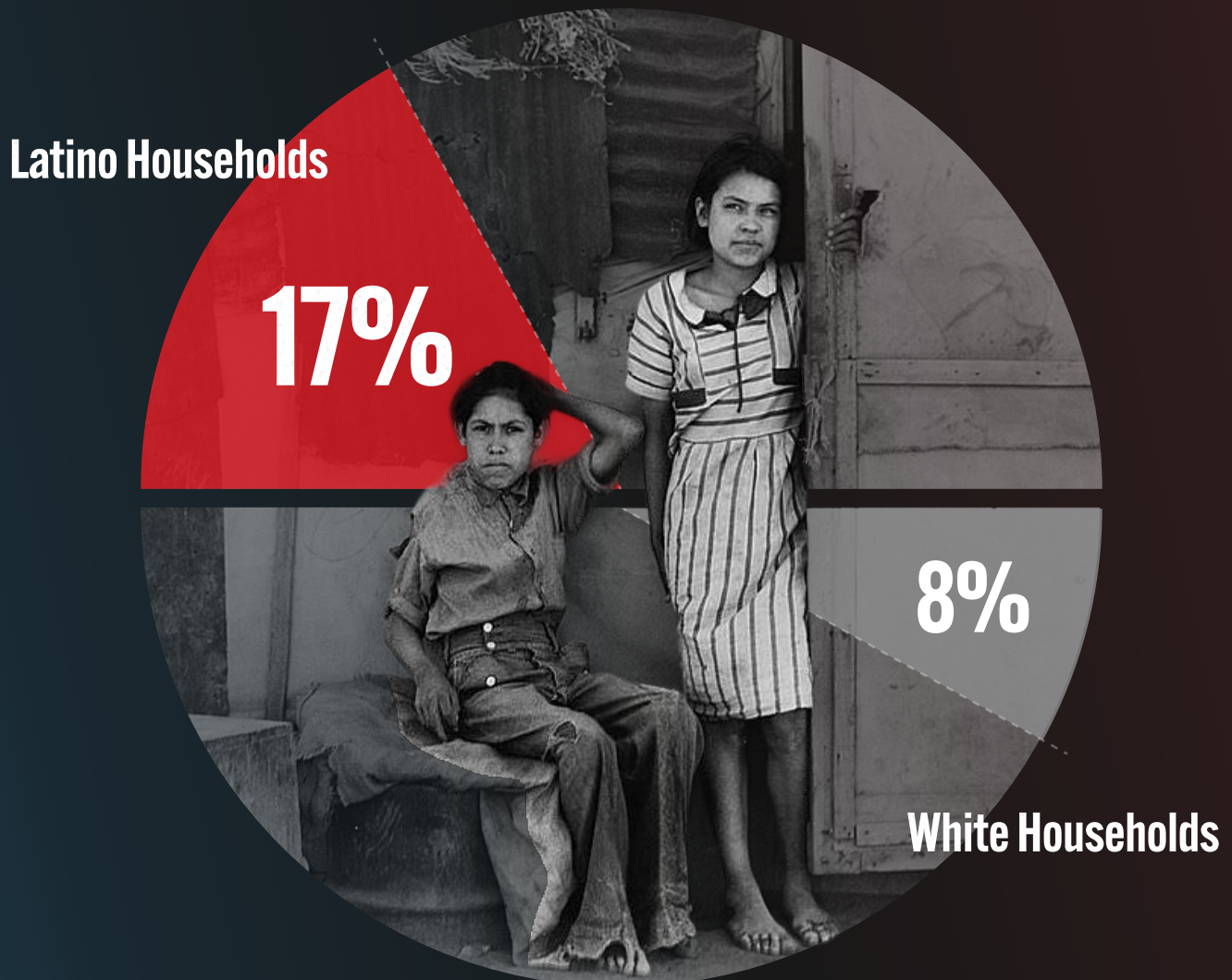


Data Source: UCLA LPPI analysis of the Federal Reserve, Survey of Consumer Finances, 2022.

**POVERTY**

# Share of Households Experiencing Poverty, 2023

Unequal safety-net access undermines wealth-building, increasing exposure to poverty and vulnerability during economic downturns.



Data Source: UCLA LPPI analysis of U.S. Census Bureau, Current Population Survey, 1960 to 2023 Annual Social and Economic Supplement (CPS ASEC).

# How Policy Has Shaped Latino Wealth Over Time

The Latino wealth gap reflects decades of public policy that shaped who could earn, save, own, and pass down assets. Five key policy systems repeatedly shaped Latino wealth-building across U.S. history.

POLICY SYSTEM #1

**RESTRICTIVE IMMIGRATION POLICIES AND FOREIGN RELATIONS**  
sorted families by legal status, determining access to stable work, credit, homeownership, and citizenship.

— Legal Status and Foreign Policy as a Tool of Inclusion and Exclusion

## Cuban Adjustment Act of 1966

U.S. immigration policy created unequal pathways to legal status across Latino groups. While Cuban migrants received expedited residency, housing assistance, and business support during the Cold War, many Central American and Mexican migrants faced limited legal pathways during and following this period. This contributed to long-term differences in income, employment stability, and opportunities for wealth building. (See page 20 to learn more)

**U.S. refugee policy gave Cuban immigrants faster access to legal status and support, helping them build stronger business networks and providing them greater economic mobility than Mexican immigrants.**

	Mexican Immigrants	Cuban Refugees
Employment with Co-national in 1987	<b>15%</b>	<b>36%</b>
Self-Employment Rate in 1987	<b>5%</b>	<b>21%</b>
Median Family Income in 1987 (Adjusted to 2025 dollars)	<b>\$34,400</b>	<b>\$42,200</b>

Note: Total sample size for Mexicans was 525 and 413 for Cuban refugees. Data for Mexican immigrants and Cuban refugees were collected in 1979. Source: Alejandro Portes, "The Social Origins of the Cuban Enclave Economy of Miami: Table 2," *Sociological Perspectives*, 30, no. 4 (1987): 340-372, [available online](#).

#### — Labor Recruitment and Regulation as Economic Control

### **Bracero Program (1942-1964) and Wagner-Peyser Act of 1933**

These recruitment programs supplied labor during economic shortages while limiting workers' economic mobility. Contract terms, wage deductions, and restricted job mobility suppressed earnings and prevented many Mexican and Puerto Rican workers from accumulating savings and long-term employment. (See page 24 to learn more)

#### — Enforcement and Deportation as Instruments of Economic Loss

### **Mexican Repatriation Campaigns (1929-1936)**

Mass removals during the Great Depression erased wealth from Latino communities by forcing families to abandon homes, jobs, and savings. The sudden loss of residents also destabilized local banking and the housing market, weakening intergenerational asset transfer for generations. (See page 27 to learn more)

## **LAND LOSS AND HOMEOWNERSHIP BARRIERS from land dispossession and redlining to contract-for-deed sales and subprime lending stripped and suppressed home equity, the primary engine of intergenerational wealth.**

### — State Conflict with Property Rights

#### **1848 Treaty of Guadalupe Hidalgo and State Land Commissions (1851-1904)**

Lengthy legal battles, court fees, and property taxes forced many Mexican landowners to sell or lose their land. Property that could have grown into generational wealth across the Southwest was instead transferred to new owners, permanently reducing Latino land ownership and asset accumulation. (See page 41 to learn more)

**Mexican-descended farm ownership in the U.S. fell from 39% in 1850 to just 16% by 1910.**

Source: UCLA LPPI analysis of U.S. Census IPUMS USA 1850 1% and 1910 1%.

### — Race Embedded in Property Value

#### **Housing Act of 1949 and “Slum Clearance” Programs**

Federal urban renewal programs labeled many Latino neighborhoods as “blighted,” leading to demolition and displacement. Families lost homes, community businesses, and neighborhood assets, while redevelopment projects displaced families and eliminated community wealth. (See page 43 to learn more)

### — Racialized Credit Access

#### **Subprime Mortgage Crisis (2007-2010)**

During the Great Recession, many Latino borrowers were steered into high-cost loans even when they qualified for safer mortgages. When the housing market collapsed, these loans led to disproportionate foreclosures in Latino communities, stripping home equity and wiping years of accumulated wealth. (See page 47 to learn more)

## **UNFAIR PAY AND JOB DISCRIMINATION** limited wages and retirement benefits, reducing lifetime savings and assets.

### — Racialized Labor Structuring Through Low-Wage and Contract Work Regimes

#### **The Foreign Miners' Tax of 1850, the General Mining Act of 1872, and the Foran Act of 1885**

Through discriminatory taxation, contractor systems, and wage structures, public policy and employer practices reduced Latino workers' earnings while channeling profits to corporations and local governments. This diversion blocked asset ownership and trapped many in debt. (See page 57 to learn more)

### — Legalized Worker Rights Exclusion

#### **The National Labor Relations Act of 1935 (NLRA) and the Fair Labor Standards Act of 1938 (FLSA)**

By excluding agricultural and domestic workers from core labor protections, federal labor laws left many Latino and Black workers without minimum wage standards, overtime protections, or collective bargaining rights. These exclusions suppressed wages for generations and reduced opportunities to save, invest, and build wealth. (See page 61 to learn more)

**-3%** PERCENTAGE DECLINE IN LATINO UNIONIZATION RATE (2013-2022)

**8.8%** SHARE OF LATINO WORKERS WHO WERE UNIONIZED, 2022

Source: Frank Manzo IC and Robert Bruno, The Effects of "Right-to-Work" Regulations on Worker Earnings, Union Membership, and Labor Force Participation Across the United States (Illinois Economics Policy Institute, Project for Middle Class Renewal at University of Illinois Urbana-Champaign, September 2023), [available online](#).

### — Racialized Public Investment in Workforce Development and Wealth Formation

#### **The Small Business Administration (SBA) 7(a) and 504 Loan Programs**

Since these programs rely on banks to approve loans, Latino entrepreneurs have historically received a disproportionately small share of federally-backed credit. Limited access to institutional financing forces many business owners to rely on personal savings or informal lending, increasing risk and slowing business growth and success. (See page 68 to learn more)

## **EXCLUSION FROM PUBLIC BENEFITS AND SOCIAL SAFETY NET deepened losses during economic crises, forcing families to drain savings or take on high-cost debt.**

### — Immigration Status and Documentation Rules For Benefit Eligibility

#### **Depression-era Relief Programs and New Deal Eligibility Rules (1930s)**

During the Great Depression, eligibility rules for relief programs often excluded Mexican and other Latino families based on citizenship and local residency requirements. Without access to income support, many families experienced severe income loss, food insecurity, and forced displacement, increasing poverty and limiting the ability to build or preserve wealth across generations. (See page 82 to learn more)

### — Crisis Response and Latino Exclusion from the Safety Net

#### **COVID-19 and 2020 CARES Act**

Relief policies during the COVID-19 pandemic excluded many mixed-status households from stimulus payments by requiring Social Security numbers, even when family members were U.S. citizens and taxpayers. At the same time, Latino workers were more likely to be employed in frontline jobs with limited access to paid leave and health protections, leading to greater income loss and financial instability during the crisis. (See page 86 to learn more)

**Latino households entered and exited the pandemic with fewer financial buffers, reflecting unequal access to economic support during times of crisis.**

#### **Median Household Wealth Change During COVID-19 Recovery, by Race and Ethnicity**

Households	2019	2021
White	<b>\$800</b>	<b>\$4,700</b>
Black	<b>-\$10,100</b>	<b>-\$4,000</b>
Latino	<b>-\$1,100</b>	<b>\$0</b>
Asian	<b>\$2,900</b>	<b>\$8,900</b>

Note: Households are ranked by their wealth within each racial and ethnic group and divided into four groups (quartiles). "Poorer" households rank in the bottom 25 percentile. Source: Rakesh Kochhar and Mohamad Moslimani, "Wealth Surged in the Pandemic, but Debt Endures for Poorer Black and Hispanic Families," Pew Research Center, December 4, 2023, [available online](#).

## **EDUCATION SEGREGATION AND ACCESS BARRIERS** constrained income growth, even for Latino college graduates.

### Federal Disinvestment in Bilingual Education and Unequal Access to K-12 Schooling

#### **The No Child Left Behind Act (NCLB) of 2001**

Changes to bilingual education policy under NCLB reduced accountability for effectively supporting English learners. Limited language support and unequal school resources restricted educational attainment and access to higher-paying careers, slowing upward mobility and deepening long-term racial wealth inequality. (See page 99 to learn more)

**Education raises earnings for Latinos—\$70,500 for those with a bachelor’s degree compared to \$41,400 for high school graduates in 2023— but these returns still lag behind those of other racial and ethnic groups.**

#### **Mean Annual Income of Adults (18+), by Race, Ethnicity, and Educational Attainment, 2023**

Households	High School Graduate	Bachelor’s Graduates
White	<b>\$51,200</b>	<b>\$91,430</b>
Black	<b>\$40,190</b>	<b>\$71,390</b>
Latino	<b>\$41,420</b>	<b>\$70,500</b>
Asian	<b>\$43,740</b>	<b>\$93,540</b>

Source: CPS Historical Time Series Tables, “Table A-3. Mean Earnings of Workers 18 Years and Over, by Educational Attainment, Race, Hispanic Origin, and Sex: 1975 to 2021,” [available online](#).

### Discriminatory Gatekeeping and Financial Barriers to Higher Education Access

#### **Higher Education Act (HEA) of 1965**

As public funding declined, more of the costs were shifted onto students through loans and fees. Latino students, who often entered college with less family wealth, became more reliant on debt, delaying homeownership, reducing savings, and limiting long-term wealth accumulation. (See page 102 to learn more)

**Together, these five policy systems compounded over time, producing the wealth disparities that shape Latino families and, increasingly, the economic future of the United States.**

## HOW WE CLOSE THE LATINO WEALTH GAP

**Latino communities are the youngest and fastest-growing segment of the U.S. workforce. Closing the Latino wealth gap is essential to the nation's long-term economic stability.**

### RESTRICTIVE IMMIGRATION POLICIES AND FOREIGN RELATIONS

- Target immigration enforcement to serious threats, not entire communities.
- Create pathways to legal status for long-term undocumented residents.
- Expand legal immigration channels to meet economic and family needs.
- Protect temporary workers with fair wages, labor protections, and opportunities for permanent status.

### LAND LOSS AND HOMEOWNERSHIP BARRIERS

- Expand affordable rental and first-time homeownership options.
- Increase access to fair mortgage credit, down-payment assistance, and counseling.
- Safeguard existing Latino homeownership through property tax relief, heirs' property support, and fair property valuations.
- Ensure housing recovery and rehabilitation programs are equitable, especially after disasters.

### UNFAIR PAY AND JOB DISCRIMINATION

- Raise and enforce minimum wages in low-wage sectors.
- Close subcontracting loopholes and hold employers accountable.
- Expand worker protections, collective bargaining rights, and union access.
- Fund labor enforcement to prevent wage theft, child labor violations, and retaliation.
- Support immigrant entrepreneurs with state-backed small business capital programs.

### EXCLUSION FROM PUBLIC BENEFITS AND SOCIAL SAFETY NET

- Restore benefits, including tax credits, for children in mixed-status families.
- Separate benefits access from immigration enforcement to reduce chilling effects.
- Ensure emergency aid reaches excluded workers and families during crises.
- Expand retirement savings access, including auto-IRAs, for Latino and low-wage workers.

### EDUCATION SEGREGATION AND ACCESS BARRIERS

- Desegregate and fully fund schools so Latino students have equal access to college preparation and higher lifetime earnings.
- Hold for-profit colleges accountable to prevent high-debt, low-return programs from draining Latino household wealth.
- Cancel debt for defrauded and non-completing students so borrowers are not trapped in long-term debt without improved income prospects.

## UCLA LPPI

UCLA

Latino Policy &  
Politics Institute

The UCLA LPPI addresses the most critical domestic policy challenges facing Latinos and other communities of color through research, advocacy, mobilization, and leadership development to expand genuine opportunities for all Americans. For more information visit <http://latino.ucla.edu/>.

## UnidosUS

UNIDOSUS

UnidosUS is a nonprofit, nonpartisan organization that serves as the nation's largest Hispanic civil rights and advocacy organization. Since 1968, we have challenged the social, economic, and political barriers that affect Latinos through our unique combination of expert research, advocacy, programs, and an Affiliate Network of more than 300 community-based organizations across the United States and Puerto Rico. We believe in an America where economic, political, and social progress is a reality for all Latinos, and we collaborate across communities to achieve it. For more information visit [unidosus.org](http://unidosus.org).

This visual companion to the full report was authored by Ana Lua Martel, Gabriella Noemi Carmona, Mariah Bonilla, and Dr. Rodrigo Dominguez-Villegas, and designed by Maritza Hernandez.



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