

## KEY FINDINGS:

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

# Understanding the Historical Roots of the Latino Wealth Gap

As of 2022, Latino households held just 22 cents for every \$1 of wealth held by white households, with median wealth at \$62,000 compared to \$284,000.<sup>1</sup> This Latino wealth gap reflects decades of U.S. policy decisions across **FIVE KEY DOMAINS** that have shaped Latino access to wealth-building opportunities.

IMMIGRATION

HOMEOWNERSHIP

**LABOR**

SOCIAL BENEFITS

EDUCATION

### LABOR

**UNFAIR PAY & JOB DISCRIMINATION** shaped wealth by determining who receives fair wages, benefits, bargaining power, and access to economic opportunities that convert work into long-term financial stability and asset building. In practice, unequal access to these labor protections and investments has meant that Latino households are concentrated in low-wage, insecure, non-unionized jobs.

## KEY STATISTICS:



As of 2022, **only 28%** of Latino families had retirement accounts, compared to 62% of white and 35% of Black families.<sup>2</sup>



As of 2023, Latina workers earned a **median hourly wage of \$17**, compared to **\$20 for Latino men**, \$23 for white women, and \$28 for white men.<sup>3</sup>



As of 2022, **only about 9%** of Latino workers were unionized, compared to 10% of white and 12% of Black.<sup>4</sup>

<sup>1</sup> UCLA LPPI analysis of Federal Reserve, "Survey of Consumer Finances, 2022."

<sup>2</sup> Board of Governors of the Federal Reserve System, "Survey of Consumer Finances, 1989 and 2022."

<sup>3</sup> UCLA-LPPI. "Median Hourly Wage in the United States, 2023 by Racial and Ethnic Groups and Sex." Latino Data Hub. June 4, 2026. latinodatahub.org.

<sup>4</sup> 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.

## POLICY DRIVERS

# Recurring Policy Designs in Workforce That Shape Latino Wealth Across Generations

## POLICY SYSTEM #1

### Low-Wage and Contract Work Practices

**HOW IT SHAPES WEALTH?** Limits earnings, denies benefits and job stability, and shifts economic risks onto workers, making it difficult to build savings or long-term financial security.

Policy Dimension	THEN: Foran Act (1885)	NOW: Independent Contractor Misclassifications
Purpose of Program	Prohibited direct importation of immigrant labor while allowing employers to rely on labor contractors	Expand labor flexibility through independent contractor classification systems
Outsourcing Labor Responsibility in Low-Wage Industries	Employers relied on labor contractors to recruit largely Latino and Asian laborers in railroads/agriculture, shielding companies from responsibility for working conditions	Employers classify workers as independent contractors in Latino immigrant-heavy industries like delivery, trucking, janitorial, hospitality, construction, home care, and app-based work
Wage Suppression & Cost Shifting	Latino contracted workers earned less than white workers, with deductions for food, tools, and housing often trapping them in debt	Misclassified workers often pay for taxes, transportation, equipment, and insurance while lacking minimum wage and overtime protections
Weak Protections & Limited Worker Power	Contractor systems isolated these workers and reduced accountability for labor abuses, making it difficult to challenge exploitation	Misclassified workers are denied key labor protections like unemployment insurance, workers' compensation, paid leave, and collective bargaining rights
Wealth-Building Impact	Contracting systems lowered labor costs by suppressing the wages of Latino immigrants, who were disproportionately contracted, shifting economic risk onto workers, and insulating employers from accountability	

**POLICY SYSTEM #2**

# Legalized Exclusion from Bargaining Rights, Unionizing and Benefits

**HOW IT SHAPES WEALTH?** Excludes Latino workers from higher wages, job protections, and the collective power that allows work to translate into long-term financial stability.

Policy Dimension	<b>THEN: National Labor Relations Act of 1935 (NLRA) &amp; the Fair Labor Standards Act of 1938 (FLSA)</b>	<b>NOW: Weak Labor Enforcement &amp; Labor Control Systems</b>
<b>Purpose of Program</b>	Established federal labor protections including collective bargaining rights, wage standards, and overtime protections	Maintains labor flexibility and weak collective bargaining power through limited enforcement, fragmented employment structures, and anti-union policies
<b>Unequal Access to Collective Bargaining</b>	Latinos workers were concentrated in agricultural and domestic occupations excluded from federal organizing and wage protections	Latino workers remain concentrated in industries where employers use subcontracting, temp staffing, and legal delays to weaken organizing and avoid bargaining accountability
<b>Immigration-Based Worker Control</b>	Employers leveraged deportation threats and temporary labor systems like Bracero to suppress organizing	Employers use E-Verify audits, I-9 threats, and immigration enforcement fears to discourage organizing and worker complaints
<b>Weak Enforcement &amp; Employer Retaliation</b>	Employers faced little oversight for retaliation, blacklisting, or strikebreaking	Weak NLRA penalties and slow enforcement allow employers to delay bargaining and retaliate against union activity
<b>Wealth-Building Impact</b>	Labor systems that excluded Latino workers from stable protections, fair bargaining power, and employer accountability suppressed wages, shifted economic risks onto workers, weakened access to benefits and unions	

**POLICY SYSTEM #3**

# Unequal Public Investment in the Workforce

**HOW IT SHAPES WEALTH?** Restricted access to government-supported jobs, education, and capital injections, leaving Latino workers and entrepreneurs behind, receiving fewer long-term economic returns.

Policy Dimension	<b>THEN: Small Business Administration Loan Programs (SBA) (1953)</b>	<b>NOW: Paycheck Protection Program (PPP) (2022)</b>
<b>Purpose of Program</b>	Expanded access to business financing and economic development through federally backed small business loans	Provided emergency financial assistance to help businesses maintain payroll and survive the COVID-19 economic crisis
<b>Private financial institution gatekeeping</b>	Latino business owners faced discrimination in lending markets and had limited access to banks networks needed to secure SBA-backed loans	PPP funds were distributed through private banks that prioritized established clients, limiting application processing and access for many Latino-owned businesses
<b>Administrative &amp; Structural Barriers</b>	Loan approval systems often favored businesses with established collateral, banking relationships, and formal documentation that many Latino entrepreneurs lacked	Complex application systems, first-come-first-served funding structures, and reliance on private lenders advantaged larger and better-connected firms
<b>Unequal Financial Risk</b>	Limited access to affordable capital constrained business growth, stability, and long-term wealth generation for Latino entrepreneurs	Delayed or denied PPP access left many Latino-owned businesses more vulnerable to closures, layoffs, and financial losses during the pandemic
<b>Wealth-Building Impact</b>	Federal business financing systems distributed economic support unevenly, limiting Latino entrepreneurs' access to capital, business stability, and the long-term wealth-building opportunities associated with business ownership	

## CASE STUDIES

# Using Latino Stories to Document Impact

## LABOR ORGANIZING AND WORKER RESISTANCE

### Luisa Moreno

Luisa Moreno organized Latino and immigrant workers during the Great Depression, helping lead the 1938 pecan shellers' strike in Texas that won wage increases and union recognition. Despite these gains, weak labor protections, employer retaliation, and anti-immigrant repression left organizing victories fragile and difficult to sustain.



Portrait of Luisa Moreno in Mexico City (1927). **Source:** Mireya Loza, "The Case of Luisa Moreno," National Museum of American History, March 30, 2018, [available online](#).

### Michelle Valentin Nieves

Michelle Valentin Nieves helped organize workers during the successful 2022 unionization effort at Amazon's JFK8 warehouse in New York, securing a historic labor victory. Despite winning the union election, ongoing employer resistance and weak labor law enforcement have delayed improvements in wages, bargaining, and working conditions.



Photograph of Michelle Valentin Nieves. **Source:** Mark Satinoff, "Build Amazon Labor Union April 24 Rally! ALU: 'Vote Yes at LDJ5!,'" World Outlook, April 13, 2022, [available online](#).

## LOOKING FORWARD

# 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.

01

**RAISE AND ENFORCE WAGE STANDARDS IN LOW-WAGE SECTORS. INCREASE MINIMUM WAGES, STRENGTHEN ENFORCEMENT, AND HOLD EMPLOYERS ACCOUNTABLE SO LOW-WAGE LATINO WORKERS RECEIVE FAIR PAY.**

02

**CLOSE SUBCONTRACTING LOOPHOLES AND CLARIFY EMPLOYER ACCOUNTABILITY. ENSURE COMPANIES ARE LEGALLY RESPONSIBLE FOR THEIR WORKFORCE, PREVENTING WAGE THEFT AND WORKER MISCLASSIFICATIONS.**

03

**EXPAND WORKER PROTECTIONS AND STRENGTHEN COLLECTIVE BARGAINING ACCESS FOR ALL WORKERS. EXTEND LABOR PROTECTIONS AND UNION ACCESS TO ANY AND ALL EXCLUDED WORKERS.**

04

**FUND AND MODERNIZE LABOR ENFORCEMENT TO DETER WAGE THEFT, CHILD LABOR VIOLATIONS, AND RETALIATION. INVEST IN ENFORCEMENT SYSTEMS TO DETER VIOLATIONS LIKE WAGE THEFT AND RETALIATION.**

05

**ESTABLISH STATE-BACKED SMALL BUSINESS CAPITAL PROGRAMS THAT SUPPORT IMMIGRANT ENTREPRENEURS EXCLUDED FROM FEDERAL LOAN PROGRAMS. PROVIDE ACCESSIBLE, STATE-BACKED FUNDING OPTIONS FOR IMMIGRANT AND LATINO ENTREPRENEURS TO EXPAND BUSINESS OWNERSHIP.**



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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