

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 \$284,000.¹ 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

EXCLUSION FROM PUBLIC BENEFITS AND THE SOCIAL SAFETY NET shaped wealth by determining who can access public benefits and economic relief during both everyday hardship and periods of crisis. In practice, this unequal access has meant that Latino households are more likely to be excluded from stabilizing support, forcing them to rely on savings or debt in times of crisis.

KEY STATISTICS:



As of 2023, **17%** of Latino families or households were experiencing poverty, compared to 18% of Black and 8% of white families.²



As of 2023, **10%** of Latino children were living in deep poverty, compared to 5% of white children.³



From 2019 to 2021, the median net worth of Latino households rose from - \$1,100 to \$0, compared to \$4,700 for white households.⁴

¹ UCLA LPPI analysis of Federal Reserve, "Survey of Consumer Finances, 2022."

² U.S. Census Bureau, Current Population Survey, 1960 to 2023 Annual Social and Economic Supplement (CPS ASEC).

³ Annie E. Casey Foundation, "Kids Count Data Center: Children in Extreme Poverty by Race and Ethnicity in the United States," accessed January 23, 2026, [available online](#).

⁴ 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](#).

POLICY DRIVERS

Recurring Policy Designs in Public Benefits That Shape Latino Wealth Across Generations

POLICY SYSTEM #1

Immigration Status and Documentation Rules for Benefit Eligibility

HOW IT SHAPES WEALTH? Limit access to stabilizing public benefits, increasing financial instability and making it harder for Latino families to build long-term economic security.

Policy Dimension	THEN: 1972 Social Security Amendments	NOW: Personal Responsibility and Work Opportunity Reconciliation Act of 1996
Purpose of Program	Established federal income assistance for elderly and disabled individuals while limiting eligibility for some noncitizens	Restructured welfare programs and restricted immigrant access to public benefits
Immigration Status as an Eligibility Filter	SSI became the first major federal program to explicitly restrict eligibility based on immigration status	PRWORA expanded immigration-based restrictions across Medicaid, SNAP, SSI, and cash assistance programs
Bureaucratic Verification & Exclusion	Benefit access increasingly required immigration documentation and administrative review	Verification systems and immigration-status screening expanded eligibility and administrative barriers
Chilling Effects & Economic Hardship	Immigration-related eligibility rules discouraged Latino immigrants from seeking assistance despite their eligibility	Fear of immigration consequences due to benefit use discouraged mixed-status Latino families from accessing aid
Wealth-Building Impact	Immigration-based benefit restrictions limited Latino households' access to welfare programs, reducing their ability to build long-term economic security	

POLICY SYSTEM #2

Crisis Response and Latino Exclusion from the Safety Net

HOW IT SHAPES WEALTH? Excludes Latino workers, households, and communities from relief, forcing many to rely on debt or asset depletion to weather financial shocks or setbacks.

Policy Dimension	THEN: New Deal Great Depression Relief Programs	NOW: CARES Act Pandemic Relief (2020)
Purpose of Program	Stabilized households and the broader economy during the Great Depression through public relief, employment programs, and social insurance	Stabilized households and the economy during the COVID-19 pandemic through stimulus payments, unemployment support, and emergency aid
Program Eligibility Exclusion	Agricultural and domestic workers, Puerto Rican residents, and many Latino families were excluded or received reduced access to New Deal protections and relief programs	Mixed-status households and many immigrant Latino families were excluded from stimulus payments and other relief through SSN and immigration-status requirements
Administrative Barriers	Local officials used residency rules, discretionary casework, and moral judgments to deny or limit relief for Latino households	Immigration-status verification and tax-filing requirements created administrative barriers and discouraged many Latino families from seeking aid
Unequal Access to Social Insurance and Emergency Aid	Limited relief forced many Latino households to rely on informal support systems, drain savings, or leave communities in search of work	Latino workers were disproportionately concentrated in essential jobs with weaker labor protections but many households received less financial relief
Wealth-Building Impact	Crisis-era relief systems stabilized the broader economy while unevenly restricting Latino households' access to public support, forcing families to absorb more economic hardship	

CASE STUDIES

Using Latino Stories to Document Impact

INFORMAL WELFARE AND INSTITUTIONAL EXCLUSION

Sister Carmelita Bonilla

During the Great Depression, Sister Carmelita Bonilla organized informal relief networks in Brooklyn to support Puerto Rican families who struggled to access public assistance. She helped families secure food, shelter, translation, and other necessities, but the lack of stable public support forced communities to rely on informal aid systems rather than long-term economic security.

Yajaira Rangel

During the COVID-19 pandemic, teacher Yajaira Rangel coordinated food distribution, remote learning support, and outreach for students and families while her own household faced job loss and exclusion from federal relief because of immigration status. Despite providing essential community support, gaps in the safety net shifted hardship onto local networks rather than public institutions.

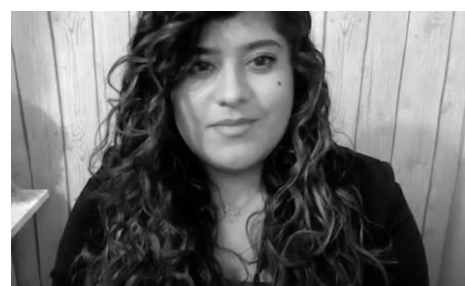


Photo of Yajaira Rangel. **Source:** The University of Texas Austin, Voces Oral History Center, "Yajaira Rangel," VOces of a Pandemic Collection, accessed on Dec 12, 2025, [available online](#).

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

RESTORE CHILD-CENTERED ELIGIBILITY IN FEDERAL TAX AND BENEFIT POLICY. ENSURE ALL U.S.-CITIZEN CHILDREN, INCLUDING THOSE IN MIXED-STATUS FAMILIES, CAN ACCESS BENEFITS LIKE THE CHILD TAX CREDIT TO REDUCE CHILD POVERTY AND SUPPORT LONG-TERM WEALTH BUILDING.

02

REDUCE CHILLING EFFECTS BY SEPARATING SAFETY-NET ACCESS FROM IMMIGRATION ENFORCEMENT. CREATE CLEAR LEGAL AND ADMINISTRATIVE BARRIERS BETWEEN PUBLIC BENEFITS AND IMMIGRATION ENFORCEMENT TO ENSURE ELIGIBLE LATINO FAMILIES FEEL SAFE ACCESSING SUPPORT.

03

DESIGN CRISIS-RESPONSE PROGRAMS THAT REACH WORKERS AND FAMILIES EXCLUDED FROM FEDERAL RELIEF. BUILD PERMANENT, INCLUSIVE EMERGENCY RELIEF SYSTEMS THAT PROVIDE AID TO UNDOCUMENTED AND EXCLUDED WORKERS DURING ECONOMIC OR PUBLIC-HEALTH CRISES.

04

EXPAND RETIREMENT SAVINGS SYSTEMS TO ADDRESS PERSISTENT RACIAL GAPS IN RETIREMENT AND EMERGENCY PREPAREDNESS. INCREASE ACCESS TO RETIREMENT SAVINGS THROUGH AUTOMATIC ENROLLMENT PROGRAMS AND TARGETED OUTREACH TO LATINO WORKERS LACKING EMPLOYER-SPONSORED PLANS.



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.

READ THE FULL REPORT 