

# Women as the Building Blocks of Family Wealth



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# About National Council of La Raza



- NCLR – the largest national Hispanic civil rights and advocacy organization in the United States – works to improve opportunities for Hispanic Americans.
- NCLR blends programs and policy to help families
- [www.nclr.org/wealthbuilding](http://www.nclr.org/wealthbuilding)

# Overview



- Background
- Hispanic Household Finances
- Anecdotal Evidence from Foreclosures
- Policies that Invest in Women

# Background: Latinas



## Demographic Information on Hispanic Women

	<b>Latinas</b>
Marriage	46%
Female-headed households	12.5%
Less than a high school diploma	37.8%

# Background: Latinas



## Hispanic Families Living at or Below Poverty

	<b>Female-headed</b>	<b>Couples</b>
No kids	28%	4.6%
Kids under 18	36.5%	6.4%
Kids under 5	45%	5.9%

# Background: Latinas



## Unemployment by Gender and Ethnicity

	<b>Percent Unemployed 2006-2008</b>
White Men	4.3%
Hispanic Men	6.5%
White Women	3.6%
Hispanic Women	8.6%

# Hispanic Household Finances



- Many couples make decisions together, but when one is primarily responsible women make financial decisions
  - Take the lead 38% of the time on managing daily expenses (versus 30% for men)
  - Take the lead 30% on major purchases (versus 19% for men)

# Hispanic Household Finances



- **Hispanic families are increasingly relying on credit cards to make ends meet**
  - Several recent studies have pointed to the use of cards for daily expenses.
  - In focus groups, Hispanic card users reported using their cards for emergencies, which they defined groceries, gas, and or unplanned expenses such as doctor visits. This was especially true for young families.
- **Still, access to credit remains a barrier to building wealth**
  - More than one in six Latino families lack bank accounts.
  - In focus groups, some immigrant women reported relying on their husbands to cosign for their first card.

# Anecdotal Evidence from Foreclosures



- *The Foreclosure Generation: The Long-Term Impact of the Housing Crisis on Latino Children and Families*
  - Spousal arguments, concerns of children's well-being and opportunities, and disruption of family dynamics
  - Mrs. Biboa started commuting several towns away to a part-time job. After moving, she was no longer convenient to her mother-in-law's house and had to switch child care arrangements.
  - Mrs. Ramirez and her husband fell behind on her mortgage when her pregnancy resulted in reduced hours. They fell further behind when they were unable to keep up with the expenses of their new baby.

# Anecdotal Evidence from Foreclosures



- **Mr. Sanchez, husband and father of three in rural north Georgia:**

Well [the] arguing is only because I need to find a job. I mean, I can't get use to the way we're living right now. I don't have a job and this entire economic situation—the only money that we're receiving is the money that my wife gets. It's a little bit, it's not much...

Well, the problem is that she's the only one working right now and you know that you have to pay this and that—you have to pay the electricity, water and all that. There's not enough money to pay much.



- **Ms Garcia, wife and mother of three in Stockton, California:**

[My husband works in] construction. And he's been affected a lot. You know there's not much construction right now and we're in very bad economic situation and there has been a lot of problems between us, almost even a separation. But we've talked about it and have overcome that.

I have been affected by the stress a lot with a lot of headaches. I mean, I think about my children, if we can't get out of this, if I can't find a job, if my husband's job doesn't get better—what am I going to do with my children? I mean, my children are small and they need a lot of things. And right now what I'm trying to stretch the money as much as we can so that we can overcome this.

# Anecdotal Evidence from Foreclosures



- 1. Relying on the wife's income.**
  - Women earned less than their husbands, often relying on part-time work
  - Lack paid maternity leave and pregnancy resulted in loss of income
- 2. Giving up desired role at home.**
  - Women moved in and out of the workforce depending on their childcare needs
- 3. Changes in the family dynamics**
  - Financial stress lead to spousal anxiety, arguments, and depression
  - Families relied heavily on extended family

# Policies that Invest in Women



- **Connect low- and moderate-income women to financial counseling**
  - Case study on intersection of financial counseling and marital counseling in progress.
- **Support volunteer income tax assistance programs**
  - Earned Income Tax Credit adds critical funds to family budgets
- **Improve access community colleges, vocational training, and traditional four-year institutions**
- **Economic recovery efforts must be targeted to hardest hit communities**
  - Investment in job training programs
  - Support for micro-enterprise