EXECUTIVE SUMMARY

We Can’t Breathe: Trying to Survive Dragged Down by Debt

Our Black and Latinx breadwinners live on a razor-thin edge between solvency and insolvency. Debt prevents them from building their savings for financial safety. While only a quarter of Americans tapped savings or borrowed money to stay afloat in the first half of the pandemic, most of our Black and Latinx respondents drew on savings. They also relied on support from their families.

Congress authorized three rounds of stimulus checks during the pandemic with the CARES Act, the Consolidated Appropriations Act, and the American Rescue Plan. While the pandemic has entered its third year, there is no more talk of additional stimulus.

Black and Latinx families used stimulus income to pay rent or mortgages rather than put it into savings. In contrast, only 12% of white recipients of stimulus used it similarly. Facing low wages, little to no savings, rising living expenses, and scarcity of childcare, debt jeopardizes labor force participation—which imperils Black & Latinx breadwinners’ capacity to provide for their families.

“I have to start paying my student loans, that’s like a mortgage within itself.”

— CHONDONA, SACRAMENTO
POLICY RECOMMENDATION

Fight for Black & Latinx Families

Create a direct and comprehensive asset-building strategy.
For Black/Latinx families whose capacity to build generational wealth has been deliberately stunted by over a century of racist U.S. economic policy.

Forgive student loan debt.
Black women hold an outsized share of student loan debt. Without this debt, they could survive this pandemic from a much stronger financial position.

Pass the John Lewis Act.
This is vital to protecting the franchise, generally, and the interests of Black & Latinx communities, particularly.

Reinstate rent forgiveness and mortgage moratoriums.
The economic precarity because of rising rent and pressures to carry a mortgage through job losses threatens the stability of Black & Latinx families.

DATA OVERVIEW

A Stone Around Their Feet
From credit card, healthcare, or student loan debt, debt has been a constant hurdle for Black and Latinx families. The debt that concerns them most is credit card debt (32%), student debt (11.5%), then back rent (10.57%).

- 25% are holding some form of credit card debt
- 37% are behind on their mortgage
- 84% said their debt was a significant source of stress in their life
- 80% have taken on additional debt due to changes in personal financial circumstances
- 57% do not feel confident they will be able to pay off their debt with current or future income

BLACK AND LATINX FAMILIES...

85% agreed debt burden is a significant source of stress in their life
84% said their debt was a significant source of stress and impacted their mental health
57% have taken on additional debt due to changes in personal financial circumstances
80% do not feel confident they will be able to pay off their debt with current or future income

TAKE ACTION

This project was made possible with the partnership of The Insight Center and the National Black Child Development Institute.

bit.ly/FamilyVoicesAmplified