



Debt



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 sav-

ings. 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."

— CHONDRA, SACRAMENTO

DATA OVERVIEW

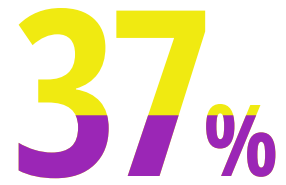
A Stone Around Their Feet

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%).

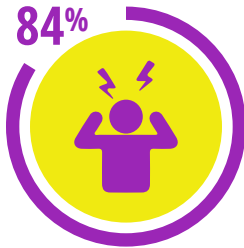
BLACK AND LATINX FAMILIES...



are holding some form of credit card debt



are behind on their mortgage



agreed debt burden is a significant source of stress in their life



said their debt was a significant source of stress and impacted their mental health



have taken on additional debt due to changes in personal financial circumstances



do not feel confident they will be able to pay off their debt with current or future income

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.

Pass the John Lewis Act.

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

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.

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.



TAKE ACTION

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