The Impact of Mitt Romney’s Policies on Essential Programs for People of Color

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Introduction

In various speeches this election season, including at the NAACP Annual Conference¹ and the Latino Coalition Annual Economic Summit,² former Massachusetts Gov. Mitt Romney has been making the case that when it comes to people of color, his economic policies are the answer to their economic wellbeing.

Yet closer analyses of his stated positions on key issues that matter to these communities do not bear this out.

As has already been widely reported, communities of color have suffered and continue suffering the brunt of the effects of the Great Recession. African Americans, Latinos, Native Americans, and subgroups within the Asian American community continue to lag far behind their white counterparts on key economic indicators. And while it is true that these communities have historically faced significant economic challenges, the Great Recession pushed them even lower on the ladder of opportunity and farther from the American Dream.

How communities of color fare today and down the road matters greatly, not just for their own sake, but also because they are the future of our nation. Today the majority of children under one year old³ are kids of color and in 10 states⁴ people of color make up the majority of the population. The U.S. Census Bureau projects⁵ that by the year 2042 there won’t be an ethnic majority in our nation. It is therefore urgent that our next president not only understands the depth of the challenges communities of color face, but even more importantly that he puts forth policy solutions that match the urgency of the moment.

Unfortunately, Gov. Romney and his newly picked running mate Rep. Paul Ryan (R-WI) have thus far shown a deep disregard for these communities’ economic struggles. By embracing and promoting a “cut at all costs” approach, they threaten to push further down those individuals and families who are already barely holding on and worsen the economic outlook of the next generations of Americans.
This brief takes a closer look at the positions of the Romney-Ryan ticket on essential programs that benefit all Americans, but especially communities of color, and provides an analysis on what would happen if their ideas were to be implemented.

**Gov. Romney’s approach to solving the economic problems of communities of color**

Earlier this year Rep. Ryan, chair of the House Budget Committee and now republican vice presidential nominee, forwarded a budget proposal for fiscal year 2013 that would significantly cut discretionary government spending. Ryan’s budget groups education, training, employment, and social services into one budget function that would be cut by about 20 percent. It would privatize Medicare while slashing nutrition assistance and health spending. According to calculations from the Center for Budget and Policy Priorities, two-thirds of Ryan’s cuts target programs that serve low-income Americans.

Gov. Romney supports this budget and called it “a bold step toward putting our nation back on the track to fiscal sanity.”

The presumptive Republican presidential nominee has not only embraced Ryan’s budget but has gone even further. His “Believe in America” plan would slash vital programs for the poor and middle classes, repeal the Affordable Care Act, and gut Medicare and Social Security.

By embracing these policies, Gov. Romney and Rep. Ryan have demonstrated that they do not grasp the impact these cuts would have on people who are struggling to make ends meet, especially the impact on people of color.

In the following section we lay out how these policies would affect essential programs for communities of color.

**Jobs**

Communities of color suffer from chronic high unemployment and the Great Recession and subsequent anemic recovery has worsened this situation, particularly among youth of color. The need for good jobs in key sectors as well as job-training programs, particularly for youth and the long-term unemployed, is more evident than ever.

Key employment sectors for communities of color include the public sector and the construction and food industries. According to the University of California, Berkeley’s Center for Labor and Research, “The public sector is a key source of employment for African Americans.” Blacks are 30 percent more likely to be employed in the public sector and at wage levels more equal to whites than in any other sector.”
For their part, Hispanics comprise a large part of the low-skilled labor market, making up more than 20 percent of workers in the construction and food industry.

Gov. Romney, however, opposes efforts to provide aid to states to prevent public-sector layoffs. In fact, he wants to dramatically reduce the size of government—which means eliminating jobs.

In addition, the Ryan plan, which Gov. Romney has repeatedly indicated that he supports, eliminates jobs in sectors that disproportionately employ Latinos, like construction. The Ryan plan disinvests in transportation infrastructure investment and under his proposed cuts, investments in construction projects to improve and repair the nation’s interstate highway system, public transportation, and railroads will be cut.

Rep. Ryan’s plan also proposes $133.5 billion in cuts over 10 years to the Supplemental Nutrition Assistance Program, or SNAP, which not only helps families keep food on the table, but is a job creator as well, particularly in the food industry, which includes grocers, truckers, and agricultural workers. Even cuts of 10 percent would translate into nearly 96,000 jobs lost—job losses that disproportionately impact the food-processing industry, which employs many Latinos.

Moreover, one of Romney’s actual “jobs policies” is reducing the federal workforce by 10 percent, an idea that was also included in Ryan’s budget. Ironically, Romney’s 59-point jobs agenda would actually result in 360,000 fewer jobs in 2013. Six of his proposals would directly eliminate jobs from the U.S. economy by undermining growth-focused investments and by eliminating jobs in the public sector.

Job training

Another set of programs on the chopping block under both Gov. Romney’s and Rep. Ryan’s plans would be job-training programs. High youth-unemployment rates and disproportionate rates of long-term unemployment among communities of color make job-training programs a key bridge to the future for these workers. As governor of Massachusetts, Mitt Romney vetoed $11 million in job-training funds. As a presidential candidate he has proposed significant job-training cuts, which fall in line with House Republicans, who in 2011 passed a shortsighted and potentially devastating bill (H.R. 1) to cut more than $4 billion from job-training programs, including:

- Eliminating $3 billion for Workforce Investment Act employment and training programs
- Eliminating $100 million to educate and train at-risk youth
- Eliminating $100 million to educate and train ex-offenders
- Rescinding $300 million from Job Corps
In addition, this past June House Republicans pushed through committee the Workforce Investment Act (H.R. 4297), which includes cuts to popular programs such as YouthBuild and the Job Corps, which as figures 1 and 2 show, serve a substantial number of young people of color. This legislation cuts these programs in the pursuit of consolidating workforce and job-training programs, an integral feature of Ryan’s proposed budget to reduce federal spending.

In light of high unemployment rates among people of color in general and specifically for Latino and African American young people (19.2 percent and 25.8 percent, respectively), it is particularly concerning that the Romney-Ryan ticket would pursue and support policies that reduce opportunities in employment, education, and training.

**Taxes**

Mitt Romney has not been forthcoming with concrete plans on jobs or the economy. He has stated that he will repeal some of President Obama’s tax cuts for working families, extend the Bush-era taxes, and enact massive tax cuts benefitting high-income households. As figure 3 shows, under Romney’s plan 3.7 million Hispanic and 2.2 million African American families would receive a tax increase from the loss of tax credits from the child tax credit and the earned income tax credit.

But millionaires would receive a tax cut averaging $250,000 in 2015. It’s important to note that Gov. Romney has not specified what middle-class tax benefits he would eliminate in order to pay for the tax breaks for the rich and thus these figures do not show the full impact of the tax increases on working families resulting from Gov. Romney’s plan.

Unions

Unions bolster opportunities for all workers in our country, but unions and the benefits they offer are especially important for communities of color. In 2008 people of color made up 30 percent of union membership. Unions provide workers with collective leverage and competitive benefits, protecting workers of color from falling further down the wage scale. As figure 4 shows, workers’ mean weekly earnings across the board are greater when they are union members; but this difference is especially significant for African Americans and Hispanics.

Yet Gov. Romney has cast himself as one of the staunchest antiunion candidates in recent history. He has promised to undo President Obama’s union-friendly executive orders while encouraging states to adopt laws prohibiting union/employer agreements concerning union membership.

If elected president, the former governor of Massachusetts has vowed to promote a robust antiunion agenda, including:

- Supporting states pursuing so-called “right-to-work” laws, which undermine the resources that help workers bargain for better wages and benefits
- Amending the National Labor Relations Act to guarantee secret ballots in union elections, a proposal that unions oppose
- Reversing an executive order from President Obama requiring federal agencies to use union labor on some government projects

Instead of offering solutions that will ensure that workers have good jobs with decent wages, Gov. Romney proposes to undermine their economic security by making it more difficult for workers to organize in spite of the fact that unions are key to their economic mobility.

Housing

Communities of color were most affected by the implosion of our housing market. The foreclosure rate in 2011 for Latinos and African Americans was nearly double that of whites—11.9 percent for Latinos and 9.8 percent for African Americans, compared to 5 percent for whites. The foreclosure rate for Asians was 6.6 percent.31 (see figure 5) In addition, approximately 25 percent of all Latino and African-American borrowers have lost their homes to foreclosure or are seriously delinquent, compared to just under 12 percent for white borrowers. The same can be said about subprime loans where predatory lending practices contributed to the high foreclosure rates among people of color. African American and Latino borrowers are more than twice as likely to get a subprime loan than whites. What’s more, Asian borrowers are seven times more likely to receive a subprime loan. (see figure 6) This type of financial discrimination made it harder for people of color to pay their loans and thus contributed to the high numbers of foreclosures in those communities.

Moreover, African Americans and Latinos pay 3 percent more than white homebuyers for their homes, according to a study conducted by the National Bureau of Economic Research that looked at 2 million home sales in four cities.32 Further, the study found that the higher prices were not tied to income, wealth, or credit rating, suggesting discrimination may be a factor.

According to the Center for Responsible Lending, in addition to the 2.5 million foreclosures already completed, there are an estimated 5.7 million borrowers at imminent risk of foreclosure.33 Independent analysts have projected that between 10 million and 13 million foreclosures will have occurred by the time the housing crisis finally ends. The Center for Responsible Lending further asserts that “as a share of the population of homeowners as of 2006, we estimate that 17 percent of Latino homeowners, 11 percent of African American homeowners, and 7 percent of non-Hispanic white homeowners already have lost or are at imminent risk of losing their home.”

And what is Gov. Romney’s answer to communities of color losing their homes in unprecedented numbers? In an October 2011 interview Gov. Romney, speaking about the housing crisis, stated, “Don’t try to stop the foreclosure process, let it run its course and hit the bottom.” Gov. Romney doubled down on this position during a Republican presidential debate on October 18, when he said that the right thing to do is to let the markets work, while condemning the idea of the federal government interceding to help families avoid foreclosure.34

Gov. Romney has also promised to repeal the Dodd-Frank Wall Street Reform and Consumer Protection Act, a move that would eliminate the Consumer Financial Protection Bureau.35 The Consumer Financial Protection Bureau is key to protecting consumers, particularly consumers of color, from the financial abuses of the past because its mission is to enforce the laws regulating credit cards, mortgages, student loans, payday loans, and other kinds of financial products and services. The Consumer Financial Protection Bureau is also charged with enforcing federal fair-lending laws that protect consumers from discriminatory lending practices.

Immigration

Mitt Romney has not only made it clear that he would do nothing to fix our dysfunctional immigration system, he has even gone so far as call for a policy of “self-deportation” for undocumented immigrants.36 By “self-deportation,” he means that the federal government would need to make life as miserable as possible for the undocumented in an effort to drive them to leave the United States voluntarily. Consistent with that agenda, Gov. Romney would support Arizona-style “papers please” laws in more states.37

Rep. Ryan, who this past April defended Gov. Romney’s extreme stance on immigration,38 voted, in 2005, in favor of the infamous Sensenbrenner bill, the most anti-immigrant bill to pass the House in the history of our country. With his vote Ryan showed support for turning every undocumented immigrant into a felon based solely on their lack of legal status.39

And while Gov. Romney continues to dodge questions about whether or not he would repeal the president’s June 15 announcement to grant deferred action to DREAM Act-eligible youth,40 he has been very clear on the fact that he would veto the DREAM Act if it landed on his desk.41 On this issue too, there is no daylight between the presumptive Republican presidential nominee and his vice presidential pick. In December 2010 Rep. Ryan voted against passage of the DREAM Act in the House of Representatives.42
Social Security

Social Security is an essential program for low-income communities of color. Research shows that people of color are more likely to rely on Social Security as their source of income, primarily because these communities tend to be in lower-wage jobs that do not offer retirement and or pension plans. Currently more than 25 percent of blacks and Latinos rely on these benefits for more than 90 percent of their family income. Among beneficiaries aged 65 and older, Social Security represents 90 percent or more of income for 25 percent of blacks, and 33 percent of Hispanics.

Given that families of color have also been hit disproportionately by the Great Recession in terms of job loss and stagnating wages, there is less economic security in these families—in fact, an estimated 9 out of 10 senior households of color do not have enough economic security to sustain themselves throughout their projected lifetimes.

Gov. Romney’s plan to raise the retirement age for Social Security eligibility would have a disproportionately negative impact on Latinos and African Americans because Social Security is the primary or only income source in retirement for these communities. African American and Latino workers as they age tend to be in worse health than their white counterparts, tend to have lower life expectancies, and tend to have less retirement wealth outside of Social Security. Raising the retirement age is an across-the-board benefit cut that especially impacts communities of color who already disproportionately depend on Social Security.

Medicare

Medicare is another essential program that has a large impact on the health of communities of color. In 2010, for instance, 23 percent of seniors of color relied on Medicare as their only source of health care coverage.

Gov. Romney has proposed raising the eligibility age for Medicare, similar to his Social Security proposal—starting in 2022 the age for Medicare eligibility would rise by one month each year, which would shift costs to seniors. Some seniors who would no longer be eligible for Medicare would pick up employer coverage, but would end up paying more in premiums and cost sharing. He has also proposed giving individuals the option to stay on traditional Medicare or purchase health insurance from private companies through vouchers.

The governor’s running mate has also proposed dismantling this important safety net for communities of color. Under Rep. Ryan’s budget, tens of thousands of seniors could lose their coverage in the next 10 years, and most of the remaining beneficiaries would see their premiums increase.
Besides the above-mentioned problems of raising the eligibility age for certain communities of color, converting Medicare into a voucher program would aggravate the economic insecurity of seniors of color. For instance, studies show that more than one-third of African American and Latino senior households (34 percent and 39 percent) are financially at risk based on their current health expenses.50

Health care

As stated earlier, racial and ethnic disparities in health and health care in the United States are persistent and well documented. Communities of color fare far worse than their white counterparts across a range of health indicators—life expectancy, infant mortality, prevalence of chronic diseases, self-rated health status, insurance coverage, and many others. And in 2010, 20.8 percent of African Americans and 30.7 percent of Latinos did not have health insurance compared to 11.7 percent of whites. One in five Asian Americans between the ages of 18 and 64 report having no health insurance or being uninsured during some portion of the past year.51

Yet Gov. Romney has promised to repeal the Affordable Care Act, which includes numerous provisions that are explicitly intended to reduce health disparities and improve the health of racially and ethnically diverse populations, including expanding coverage to those who currently have no health insurance and providing financial assistance to help those with lower incomes purchase coverage.52 In addition, Obamacare has already benefited more than a million young people of color by allowing them to access health care through their parents’ insurance.

Another key feature of the Affordable Care Act is that it increases funding for community health centers. Obamacare provides an additional $9.5 billion in operating costs and $1.5 billion for new construction for community health centers. With this additional funding community health centers will be able to double the number of patients they serve to up to 40 million annually by 2015.

![Figure 7](https://example.com/figure7.png)

**FIGURE 7**

Estimated number of young adults (19-25) acquiring health insurance due to the Affordable Care Act, by race and ethnicity

Source: Assistant Secretary for Planning and Evaluation, Report Shows Affordable Care Act Has Expanded Insurance Coverage Among Young Adults of All Races and Ethnicities (Department of Health and Human Services, 2012), available at [http://aspe.hhs.gov/health/reports/2012/YoungAdultsbyGroup/ib.pdf](http://aspe.hhs.gov/health/reports/2012/YoungAdultsbyGroup/ib.pdf)
Community health centers serve vulnerable populations such as low-income people, the uninsured, migrant and seasonal farm workers, individuals and families experiencing homelessness, and people living in public housing. In fact, more than two-thirds of the patients who receive care at community health centers are people of color. Community health care centers also provide needed economic activity in the communities they serve. Studies demonstrate that increased funding to community health centers creates additional economic stimulus both within the center and beyond. The nearly $2 billion investment from the stimulus act, for example, generated $3.2 billion of economic activity, and in 2009, health centers generated approximately $20 billion in economic activity for their local communities. By intent, these health centers are located in lower-income, medically underserved communities mostly in rural and inner-city neighborhoods. In addition, studies find these are the same areas with the highest rates of unemployment and the highest rates of the uninsured.\(^\text{53}\)

**Pell Grants**

There aren’t many other programs that are as vital as the federal Pell Grant program in terms of opening the doors of higher education to students from low-income families. It is a key rung in the ladder of opportunity and has been enormously successful in leveling the playing field by providing access to higher education. As the following chart shows, Pell Grants are especially important for Hispanic and African American students who often come from low-income families, making the program key to their graduation prospects, their future economic success, and U.S. competitiveness.

One standout feature of the Romney-endorsed Ryan budget is that it would deliver the biggest reductions to funding of Pell Grants in program history. It would cut the Pell Grant program by $200 billion,\(^\text{54}\) which could “ultimately knock more than 1 million students off” the program over the next 10 years and would reduce the number of low-income students receiving bachelor’s degrees each year by as much as 61,000.\(^\text{55}\)
Head Start

The Head Start program was created to promote school readiness for preschool children. Today Head Start serves thousands of children of color. (See figure 10) According to James Heckman, a Nobel Prize-winning economist, “Every dollar invested in Head Start yields between $7 and $9 as the program’s alumni enter the work force and start contributing to the economy.”

While he was governor of Massachusetts, Romney cut funding for the Head Start program: In 2005 he cut the state’s Head Start program by $1.3 million and the next year he cut $1 million from the program.

The Romney-approved Ryan budget could cut programs like Head Start by 20 percent. An analysis by the National Education Association estimated that close to 200,000 children would lose Head Start classroom slots by 2014 under the Ryan budget. More alarmingly, over the next decade this would amount to 2 million children who would not be able to attend Head Start. According to the National Education Association the numbers breakdown like this: Cuts to Head Start in fiscal year 2013 would cause the loss of more than 61,000 slots for low-income children in the program and more than 22,000 jobs, and, in fiscal year 2014, the Romney-approved Ryan plan would cut an additional $1.6 billion from Head Start resulting in the loss of more than 191,000 slots for poor children and more than 79,000 jobs.

Quality early-childhood education is a key predictor of a child’s future educational achievement and emotional development. Slashing early childhood education is shortsighted and will ultimately hinder the nation’s economic recovery and dim its long-term economic prospects.

Conclusion

In spite of all of the evidence that points to the struggles communities of color are facing, both Romney and Ryan continue advocating for cuts to essential programs that are a lifeline for communities of color. Meanwhile, Romney’s platform offers $2.24 trillion in tax cuts for the top 1 percent of earners over 10 years.

The 2012 election affords us the opportunity to make choices that will have long-term impacts on our collective economic wellbeing. We need national leaders committed to ensuring that the economic ladder ascending to the middle class remains sturdy and available for the next generation of Americans. The economic plans of the Romney-Ryan ticket fall far short of delivering that.

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Endnotes


4 Ibid.


