

The last two recessions have hit low-income families of color hard

Trump's economic agenda will expose millions to even more pain when the next recession strikes

Report • By [Ismael Cid-Martinez](#), [Valerie Wilson](#), and [Stevie Marvin](#) • August 26, 2025

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Summary: The Great Recession and the pandemic recession hit low-income families of color especially hard—pushing many into unemployment, poverty, and housing insecurity. The swift and bold policy response to the pandemic recession helped shelter families from the prolonged hardship that followed the Great Recession. But low-income families of color with children remain disproportionately vulnerable to even more economic insecurity when the next recession strikes.

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The last two recessions have hit low-income families of color hard

By Ismael Cid-Martinez, Valerie Wilson, and Stevie Marvin

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Key findings

- Nearly 10 million families with children (9.7 million) were economically vulnerable after the last two recessions. In 2025, a low-income family like this of two adults and two children struggles to avoid poverty and housing insecurity with an annual income below \$64,300. Some families in this group live in severe poverty, with an annual income of less than \$16,075.
- Families of color represent more than 6 in 10 (61.1%) of all economically vulnerable families with children. These families are also more likely to have a disabled parent or child and to be headed by women and immigrants.
- After more than a decade, low-income families are still recovering from the sharp decline in labor market attachment during the Great Recession that started in 2008. The share of Hispanic families with at least one full-time earner is farthest from what it was in 2007 before that recession began.
- Based on the official poverty measure, poverty and severe poverty declined throughout the long economic recovery leading up to the pandemic recession in 2020. While pandemic relief efforts contributed to further reductions, more than 2 in 5 low-income Black and Hispanic families continue to struggle with poverty after the expiration of those programs.
- Despite the strong policy response to the pandemic recession, more low-income Black (85.1%) and Hispanic (83.0%) families struggle with housing insecurity than they did before the Great Recession.

Why this matters

Since January, the Trump-Vance administration has been on the attack against progressive economic policies. This includes rapidly dismantling the agencies, laws, and programs that help protect low-income families of color from joblessness, discrimination, poverty, hunger, and premature death. Congress has recently passed one of the most severe reductions in the welfare state in U.S. history, slashing over \$1 trillion in spending on Medicaid and SNAP and eliminating crucial sources of government support. To make matters worse, the chaos that the Trump-Vance administration has unleashed may lead to a recession, which will lead to more hardship for these families.



There are **9.7 million** low-income families in the U.S.

61.1% are families of color with children

More than **80%** of low-income Black and Hispanic families who rent spend over 30% of their income on housing

How to fix it

Policymakers should commit to breaking the vicious cycle that leaves low-income families of color more susceptible to hardship during recessions. This will require policies that raise incomes for working families and promote equity by pursuing full employment, bolstering worker rights and unions, and expanding the social safety net. A lesson learned from the pandemic recovery is that a vigorous policy response at the scale of the problem can lift families out of poverty and set them on a more stable path of employment.

Who are low-income families of color?

Families in which the household head identifies as

- Black
- Hispanic
- American Indian or Alaska Native (AIAN)
- Asian American or Pacific Islander (AAPI)

With at least one child under the age of 18 living at home

With a total family income below 200% of the federal poverty line (below \$64,300 in 2025 for a family of two adults and two children)

Introduction

Low-income families of color live in a permanent cycle of economic insecurity and uncertainty. These families make up a disproportionate share of the nearly 10 million families with children (9.7 million) who are either poor or vulnerable to poverty. As a result of their economic precarity, these families are among the first to experience the painful consequences of a recession. This was evident during the last two business cycle downturns: the Great Recession and the pandemic recession. We find that these two economic contractions dealt a mighty blow to the employment security of these families, triggering a rise in poverty and housing insecurity.

Given the weak policy response to the Great Recession, it took economically vulnerable families of color nearly a decade to recover in nearly all the economic domains we examine, including employment, poverty status, and housing insecurity. While the bold response to the pandemic recession led to a relatively faster rebound in employment, economically vulnerable families of color remain disproportionately burdened by poverty and housing insecurity.

Instead of easing the pain of economically vulnerable families, the Trump-Vance administration and congressional Republicans have been on the attack in the

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first half of 2025. They have gone after the agencies, laws, and programs that help protect these families from joblessness, discrimination, poverty, hunger, and premature death. In just its first 100 days, the administration deliberately cut the wages of workers, rolled back protections against bias in employment, and hacked away at staffing at agencies that support the well-being of low-income families (like the Department of Education and the Department of Health and Human Services). As if this weren't enough, the administration and congressional Republicans prioritized dealing a historic blow to Medicaid and Supplemental Nutrition Assistance Program (SNAP). They cut spending on programs that provide desperately needed health care and nutritional support to families by more than \$1 trillion (CBO 2025b).

The chaos and uncertainty ushered in by the economic mismanagement of the Trump-Vance administration even led to the first quarterly contraction in economic growth since 2022. With the prospects of another recession rising, the administration has done everything in its power to leave low-income families even more vulnerable to the pain ahead. As we illustrate in this report, economic downturns hit these families the hardest, and while we've learned a great deal since 2007 about how to protect them, the administration has chosen not to build upon those lessons. Instead of protecting the strong labor market they inherited, empowering workers to bargain for better pay and working conditions, and strengthening basic needs programs, the Trump-Vance administration is fighting for an economic agenda centered on austerity for the economically vulnerable and subsidies for the rich.

In just a short period of time, the Trump-Vance administration has left low-income families more economically insecure and vulnerable to pain as recession risks continue to rise

Since taking office, the Trump-Vance administration has worked to dismantle the basic protections that help shelter low-income families from even deeper economic insecurity and hardship. This attack on families has taken the form of executive actions undermining civil and workers' rights. While some of President Trump's executive orders have been challenged in court, their introduction has altered the policy discourse and the lived experience of low-income families of color throughout the U.S. with an explicitly racist and xenophobic agenda. Beyond executive actions, the Trump-Vance administration and congressional Republicans also passed one of the most sweeping cuts to the U.S. social safety net in recent history, gutting basic needs programs and making Medicaid and SNAP benefits much more difficult for families in need to access (Shierholz 2025). All of this was done to help offset the cost of tax cuts that disproportionately benefit rich households and

corporations (The Budget Lab 2025).

Few policy issues have received as much priority in the Trump-Vance administration as their attack on economic justice and initiatives promoting diversity, equity, and inclusion (DEI). In just his first day in office, President Trump rolled back numerous executive actions expressing the federal government's commitment to racial justice for Black, Hispanic, Native American, and Asian American, Native Hawaiian, and Pacific Islanders (EPI 2025d). President Trump later also rescinded executive actions that identified systemic barriers impeding Black Americans' opportunity to fully participate in American society on a level playing field (EPI 2025e). Equity in the classroom is also under attack. This was evident when President Trump rescinded an executive order stating that all students should be guaranteed an educational environment free from discrimination, including discrimination in the form of sexual harassment, sexual violence, and on the basis of sexual orientation or gender identity (EPI 2025c). These efforts form part of more than a dozen executive actions signed by President Trump in his first 100 days to roll back years of progress on racial and economic justice (McNicholas et al. 2025).

The Trump-Vance administration is also working to roll back anti-discrimination protections by weakening the Equal Employment Opportunity Commission (EEOC) (Maye and Wilson 2025). Just days into his second term, President Trump dismissed two EEOC commissioners and the agency's general counsel, years before the expiration of their appointment (Olson and Savage 2025; EPI 2025b). As a result of these dismissals, the commission lost the quorum needed to perform key functions. Trump has also redirected the EEOC's priorities to focus more on investigating so-called DEI-motivated race and sex discrimination and anti-American national origin bias and discrimination (EEOC 2025; DOJ 2025). Because wages are the primary source of income for low-income families, weaker enforcement of anti-discrimination laws leaves families of color more vulnerable to employment and pay discrimination in the labor market.

The EEOC is not the only federal body that the Trump-Vance administration has weakened to the detriment of low-income families. In March 2025, President Trump signed an executive order that would effectively eliminate the U.S. Department of Education (ED). The U.S. Supreme Court later lifted a lower court decision that had blocked the administration from firing more than 1,300 employees at ED (Sherman 2025). While the merits of the case before the Supreme Court have yet to be decided, the gutting of ED will disproportionately harm children from low-income families of color that benefit from federal funding for under-resourced schools and programs aimed at closing learning and achievement gaps (Dianis 2025; EPI 2025a; Santhanam 2025).

More broadly, ED serves an essential role in helping enforce Title VI of the Civil Rights Act, which prohibits discrimination based on race, color, or national origin in programs or activities that receive federal financial assistance (ED n.d.). Even the U.S. public health infrastructure is now under attack, as the Trump administration is committed to carrying out layoffs at federal health agencies focused on reducing premature and preventable deaths associated with pervasive racial health disparities (Moore 2025).

President Trump's attacks on federal agencies that are vital to the provision of public

goods and services for families are part of a larger war his administration has waged on workers. In his first 100 days, Trump replaced the leadership of the National Labor Relations Board (NLRB)—the federal agency tasked with protecting the most fundamental U.S. labor rights—with members more likely to carry out his agenda to erode workers’ union and collective bargaining rights (McNicholas et al. 2025). This will hurt the ability of workers to form and join unions at work. Unions are vital to working families, as union workers enjoy better wages and working conditions than their nonunion peers (Banerjee et al. 2021).

Beyond executive actions, the main legislative priority of the Trump-Vance administration imposed more than \$1 trillion in cuts to basic needs programs in exchange for continuing a tax regime that overwhelmingly favors rich households and corporations (CBO 2025b; Shierholz 2025). Extending the 2017 tax cuts that President Trump enacted in his first term will not just favor the rich disproportionately. On its own, this extension can even suppress economic growth over the long run and leave policymakers with significantly less room to respond to another recession (Bivens 2025b). To help offset the cost of these large tax cuts to the rich, the Republican-led budget reconciliation bill that Trump signed into law adds more stringent work requirements to Medicaid and SNAP on top of historic cuts.

This combination will leave more than 22 million families at risk of losing some or all of their SNAP benefits and strip away health coverage for more than 11 million people (CBO 2025a; Wheaton et al. 2025). These cruel and misguided efforts will disproportionately hurt low-income families of color and children who are more likely than their peers to rely on Medicaid and Children’s Health Insurance Program (CHIP) for health insurance, and SNAP and other nutritional assistance programs to avoid going hungry in the face of growing food insecurity (Cid-Martinez, Moore, and Maye 2025; Cid-Martinez 2025).

In its totality, the policy positions President Trump has advanced in his first 100 days via executive orders and legislative priorities will leave low-income families of color and children much more vulnerable to hardship. In the face of a recession, which is no longer a hypothetical scenario, the consequences would be devastating. The Bureau of Economic Analysis (BEA) reported the first quarterly contraction of economic growth since 2022, and while growth climbed again in the second quarter, the U.S. economy is now growing significantly slower in the first half of 2025 than in the previous year (BEA 2025). And the chaotic economic climate that the current administration has generated with its trade, immigration, and macroeconomic policy management has increased the prospects of a recession (Bivens 2025a).

The fear of an approaching recession increased with the downward revision of employment gains that defined the weak jobs report published in August 2025 (EPI Staff 2025). What we see in the first half of 2025 is an economy being held back by anemic growth and a deteriorating labor market.

The upheaval that this administration has produced leaves low-income families of color exposed to future hardship. Without a bold policy response to recessions and the support of a strong welfare state, these families are hit hardest by economic downturns and sluggish economic recoveries (Bivens et al. 2025). This report sheds light on this reality by

examining how the last two recessions impacted the well-being of low-income families, as captured by their employment situation, poverty status, and housing insecurity.

Low-income families of color with children and the last two recessions

What do we mean by low-income families of color with children?

The sample of families included in this analysis are those in which the household head has at least one child of their own, under age 18, living at home. Within these households, there may also be other members who have children under 18. Families of color are broadly defined as those whose household head identifies as Black, Hispanic, American Indian or Alaska Native (AIAN), or Asian American or Pacific Islander (AAPI).^[1]

We further restrict this sample to a subset of economically vulnerable, or low-income, families, defined as having total family income below 200% of the federal poverty threshold.^[2] To place the poverty threshold in context, the federal poverty line (FPL) for a single individual in the 48 contiguous states (excluding Alaska and Hawaii), and Washington, D.C., is \$15,560 in 2025. While the FPL increases by \$5,500 for each additional family member, a year-round worker earning the federal minimum wage (\$7.25 an hour) can't afford to keep their family out of poverty in 2025 (Hickey and Cid-Martinez 2025). For the remainder of this report, we will use families (of color) to refer to families (of color) with children, and the terms “economically vulnerable” and “low income” will be used interchangeably.

Drawing a demographic portrait of economically vulnerable families

While our main economic analysis is focused exclusively on Black and Hispanic families due to data limitations associated with the sample size of other groups, this section provides a demographic picture of low-income families of color more broadly. **Table 1** shows low-income families by race and ethnicity, using data from the 2023 American Community Survey (ACS). As depicted in Table 1, families of color are generally overrepresented among the 9.7 million families with children that are economically vulnerable. While Black, Hispanic, AIAN, and AAPI families collectively account for 44.4% of all families with children, they represent 61.1% of economically vulnerable families with children. Although white families make up a larger share of low-income families than any other single racial or ethnic group, they are underrepresented among low-income families (38.9%) relative to their share of all families (55.6%).

More than 3 in 10 (32.6%) low-income families are Hispanic and more than 1 in 5 (21.5%) are

Black. Together, Black and Hispanic families represent more than half (54.1%) of all low-income families with children, but just over one-third (35.1%) of all families with children. While less than 1.5% of all families are AIAN, they too are slightly overrepresented (1.8%) among the economically vulnerable. AAPI families account for 7.9% of all families and 5.2% of economically vulnerable families; however, the aggregate socioeconomic status of AAPI families hides important differences that become evident when we separate groups by country of origin (Cid-Martinez and Marvin 2023).

Immigrant families also make up a disproportionate share of low-income families and are especially prevalent among low-income Hispanic and AAPI families. Foreign-born families made up 23.6% of all families in 2023, but a higher share (30.5%) of low-income families were immigrant families. Slightly more than 8 in 10 (81.1%) economically vulnerable AAPI families are foreign-born, as are more than 6 in 10 (61.9%) comparable Hispanic families.

Beyond economic insecurity, these families face ongoing threats under Trump's draconian mass deportation agenda, which the administration and congressional Republicans bolstered with new financing in the budget reconciliation bill that Trump signed into law (Costa 2025; NIJC 2025). These attacks on immigrant families and the immigrant workforce will also have ripple effects on the labor market, costing the U.S. economy nearly 6 million jobs, particularly in construction and child care (Zipperer 2025). All of this will also put upward pressure on food and housing prices (McNicholas et al. 2025).

In terms of family structure, low-income families are generally more likely to be headed by women or a non-married household head.^[3] However, one finds noticeable variations in these patterns across racial and ethnic groups. For example, Black and AIAN families are most likely to be headed by women, 78.7% and 69.5% respectively, compared with less than half (43.3%) of low-income AAPI families. There are also differences in marital status. Low-income AAPI families are significantly more likely to be led by a married couple (76.2%), compared with about half of white (50.5%) and Hispanic (51.6%) families. More than one-third of low-income AIAN families and one-quarter of low-income Black families are led by married couples. Apart from Black families, less than 1% of low-income families report having a partner or spouse of the same sex in 2023. Because most low-income Black families are headed by women, attacks on women's reproductive rights, along with efforts to undermine nondiscrimination enforcement for racial and ethnic minorities, women, and LGBTQ+ individuals, impose additional disadvantages for these families.

Economically vulnerable families are also more likely to have more than one child (under age 18): 67% of low-income families have two or more children, compared with 58.7% of all families. However, among low-income families, there is little variation in the number of children across racial and ethnic groups. For example, about two-thirds of all low-income families has two or more children, and only 12.6% have four or more children.

The share of low-income families with either a disabled child or parent of a child shows considerable variation across race and ethnicity. AIAN families stand out as having the highest prevalence of disability. About 1 in 3 (33.7%) AIAN households has a parent or child with a disability. Similarly, more than one-quarter of white families, and more than 1 in 5 Black and Hispanic households have a parent or child with a disability. AAPI households

had the smallest share (16.2%) of households with a disabled parent or child.

The share of low-income families that is a part of intergenerational households varies significantly by race and ethnicity group. More than 1 in 8 (13.1%) AAPI households are multigenerational or intergenerational, followed by 7.8% of Hispanic households and 5.9% of AIAN households. Economically vulnerable white families are the least likely to be intergenerational, as less than 4% have a grandparent in the household.

Table 1

Demographic statistics of families with children, 2023

Low-income families	All	White	Black	Hispanic	AIAN	AAPI
Race/ethnicity of household head		38.9%	21.5%	32.6%	1.8%	5.2%
Share of foreign-born household heads	30.5%	7.1%	15.7%	61.9%	2.0%	81.1%
Share of married household heads	46.3%	50.5%	24.2%	51.6%	39.5%	76.2%
Share of heads with same-sex spouse/partner	0.7%	0.8%	1.3%	0.5%	0.6%	0.7%
Share of female household heads	64.6%	62.9%	78.7%	60.4%	69.5%	43.3%
Share of households with 2+ children under 18	67.0%	66.6%	64.9%	69.1%	66.5%	65.9%
Share of households with 2+ children under 6	16.5%	18.3%	16.8%	14.3%	18.0%	13.9%
Share of households with 4+ children under 18	12.6%	12.6%	13.2%	12.3%	14.3%	10.8%
Share of households with a disabled parent or child	24.1%	27.4%	24.0%	20.9%	33.7%	16.2%
Share of intergenerational households	5.9%	3.7%	5.0%	7.8%	5.9%	13.1%
All families	All	White	Black	Hispanic	AIAN	AAPI
Race/ethnicity of household head		55.6%	13.5%	21.6%	1.4%	7.9%
Share of foreign-born household heads	23.6%	6.2%	19.0%	53.6%	2.6%	76.0%
Share of married household heads	69.2%	75.8%	42.7%	63.0%	59.3%	87.2%
Share of heads with same-sex spouse/partner	0.7%	0.7%	1.1%	0.6%	1.0%	0.5%
Share of female household heads	53.2%	51.7%	67.5%	53.8%	58.4%	36.9%
Share of households with 2+ children under 18	58.7%	59.0%	56.3%	60.1%	60.0%	55.8%
Share of households with 2+ children under 6	12.8%	13.5%	12.9%	11.7%	13.1%	10.6%
Share of households with a disabled parent or child	16.8%	16.5%	19.4%	17.5%	25.5%	10.6%
Share of intergenerational households	5.9%	3.6%	6.7%	9.0%	5.3%	12.8%

Notes: Race and ethnicity are mutually exclusive. Low-income is defined as households and individuals below 200% of the federal poverty line (FPL). AIAN stands for American Indian or Alaska Native. AAPI stands for Asian American and Pacific Islander.

Source: EPI analysis of 2023 American Community Survey 1-Year microdata via IPUMS.

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The Great Recession and the pandemic recession: Differences and similarities

As this report contrasts the economic experience of families during two different recessions, it is important to first understand the severity and duration of these events.

By official accounts, the Great Recession began in December 2007 and ended in June 2009, representing the longest economic downturn to impact the U.S. economy in the postwar period (NBER 2010). We assess the severity of the Great Recession by examining the impact that it had on the labor market via the employment situation of workers of color (EPI 2025g). These workers are among the first to lose a job during a downturn of the business cycle. Between 2007 and 2010, for example, the unemployment rate for Hispanic workers more than doubled, rising from 5.6% to 12.5%. Similarly, the unemployment rate for Black workers shot up from 8.3% in 2007 to 15.9% in 2010. While the recession had been declared officially over by 2009, it took nearly a decade for the unemployment rate of workers of color to fully recover. This prolonged suffering was largely due to the anemic policy response that followed the Great Recession, largely characterized by austerity measures at both the federal and state levels (Bivens 2019; Bivens 2011).

Compared with the Great Recession, the pandemic recession was considerably shorter. Officially, the pandemic recession only lasted two months, from February 2020 to April 2020, making it the shortest economic contraction in U.S. history (NBER 2021). But this doesn't mean that the impact on workers was less severe. Just between February 2020 and April 2020, the unemployment rate for Hispanic workers more than tripled, and that of Black workers more than doubled.

Unlike previous contractions, the economic impact on women was particularly pronounced (Alon et al. 2021).^[4] By April 2020, more than 1 in 5 (20.3%) Latina workers were out of a job and seeking employment, as the unemployment rate of these workers quadrupled between February and April of that year.^[5] Similarly, the unemployment rate of Black women more than tripled during this period, rising from 5% in February 2020 to 16.4% in April 2020.^[6] The nature of the economic shock explains much of the disproportionate impact on these workers, as the public health crisis and mitigation efforts fell most heavily on low-wage industries and occupations in which women of color are overrepresented due in large part to occupational segregation (Wilson 2020).

Despite the sharp rise in joblessness caused by the pandemic recession, the economic suffering didn't last as long as during the Great Recession. Within two years, the unemployment rate for Black and Hispanic workers had fully recovered to 6.2% and 4.3% respectively, reaching historical lows (EPI 2025g). Black women and Latinas experienced similar rebounds; by 2022, the unemployment rate for Black women and Latinas (at 6.2% and 4.4% respectively) was among their lowest in recorded history (EPI 2025g). This swift and atypically even rebound was not just a function of a much shorter recession. As we detail later in this report, the swift and bold policy response to the pandemic and the economic contraction that followed was qualitatively different from that of previous

recessions in the United States. Rather than the austerity and conditional support provided during the Great Recession, policymakers responded to the pandemic crisis with more generous cash transfers and extended support for unemployed workers and families with children.

Weathering crises: How did the last two recessions impact the employment security, poverty status, and housing insecurity of economically vulnerable families?

In this section, we examine how the Great Recession and the pandemic recession impacted the well-being of low-income families in three domains: their employment security, poverty status, and housing insecurity.

Employment security: Labor market attachment of families and employment rate of parents

One way of assessing the impact that business cycle downturns have on the economic well-being of families is by examining the impact that these events have on their employment security and attachment to the labor market. Since earnings represent the primary source of income for most families, involuntary separation from the labor market is likely to magnify the economic hardship experienced by these households. In this section, we examine changes in the labor market attachment of economically vulnerable families by looking at the share of families with at least one full-time earner and by capturing shifts in the employment rate of parents between the ages of 25 and 54.

Labor market attachment

Given the importance of work for low-income families, the prevalence of full-time employment in the household provides a measure of their attachment to the labor market. On average, more than two-thirds of low-income families had at least one full-time earner before the Great Recession. However, as can be seen in **Figure A**, differences in attachment existed by race and ethnicity even before the crisis. In 2007, 63.6% of Black families had at least one full-time earner, compared with more than 67.7% of white families and 77.7% of Hispanic families.

The Great Recession, and the weak policy response that followed, left a major dent in the labor market attachment of families. By 2010, the attachment gap between white and Black families had widened, as only 56% of Black families had at least one full-time earner that year, compared with 63.1% of their white counterparts. The share of low-income

Hispanic households with at least one full-time earner also fell by nearly 10 percentage points, from 77.7% in 2007 to 68.1% in 2010. Comparatively, the rate of attachment for white families dropped by less than five percentage points during this period. While Hispanic families were more likely to report a stronger attachment to the labor market than their white peers, this advantage declined during the crisis and its aftermath. Overall, Black and Hispanic families took nearly a decade to recover, as their attachment to the labor market remained below the pre-crisis level in 2016.

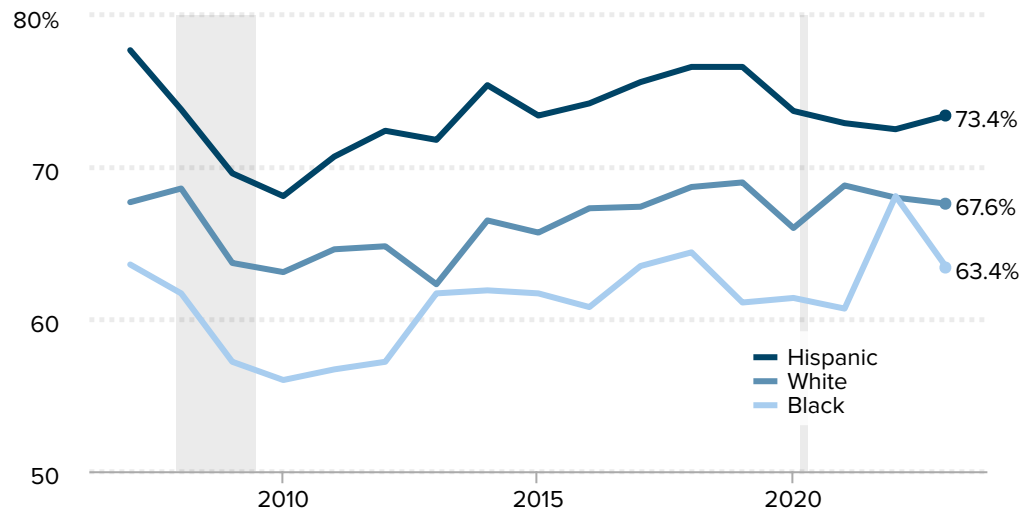
Leading to the COVID-19 pandemic and the recession, families of color regained a significant measure of the employment they had lost during the Great Recession. By 2018, for example, 64.4% and 76.6% of Black and Hispanic families respectively had at least one full-time earner. Largely due to the much shorter duration of the contraction and the robust policy response that followed, the pandemic recession had a much more muted impact on the labor market attachment of these families. Between 2018 and 2020, the share of economically vulnerable families of color with at least one full-time earner in the household declined only marginally, by about three percentage points for Black and Hispanic families.

By 2022, the share of Black families with a full-time earner had rebounded to 68.1%. This figure was nearly identical to the attachment rate for white families in the same year, and it represented the highest rate for Black families since 2007. While that number declined in 2023, it was still higher than in most years since 2007. On the other hand, by 2023, Hispanic families continued to lag considerably behind their 2007 peak.

Figure A

The labor market attachment of Black and Hispanic families is still recovering from the impact of the last two recessions

Share of low-income families with at least one full-time earner in the household, 2007–2023



Note: Shaded areas denote recessions. Race and ethnicity are mutually exclusive (i.e., white alone non-Hispanic, Black alone or in any combination non-Hispanic, Hispanic any race).

Source: EPI analysis of 2008–2024 U.S. Census Bureau Current Population Survey Annual Social and Economic Supplement microdata.

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Employment rate of prime-age low-income parents

Examining changes in the prevalence of full-time earners within the household can provide us with a sense of the impact that crises have on the annual labor market attachment of families. But it does not capture monthly changes in the employment situation of parents over the business cycle. This is particularly important in the context of the pandemic recession since it represents the shortest economic recession in U.S. history. To best capture the impact that this economic contraction had on the employment situation of economically vulnerable parents of color, we examine changes in the employment-to-population (EPOP) ratio of low-income parents between the ages of 25 and 54.

In **Figure B**, prime-age Hispanic parents enjoyed higher employment rates than their Black and white peers before the pandemic. This pattern is also consistent with those shown in Figure A. Leading to the pandemic in January 2020, 94.7% of low-income Hispanic parents between the ages of 25 and 54 were employed, compared with 89.8% of white parents and 88.6% of Black parents, who face the greatest employment disadvantage historically.

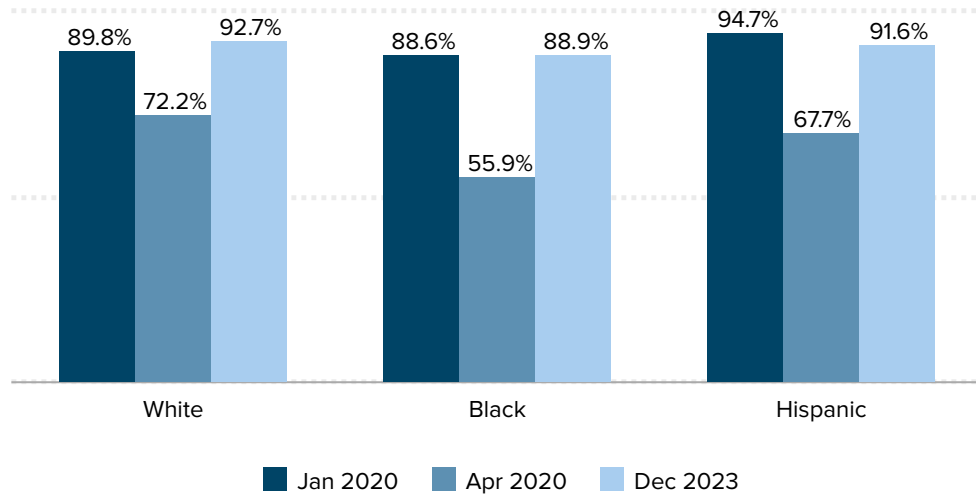
As evidenced in Figure B, the gap in employment between Black and white prime-age parents widened during the pandemic recession. Much of this is explained by the disproportionate impact that the pandemic recession had on parents of color. Between January 2020 and April 2020, the employment rate of prime-age low-income Black and Hispanic parents plummeted by more than 32.7 and 27.0 percentage points respectively. By April 2020, only around half (55.9%) of prime-age Black parents had a job. At this point, prime-age Hispanic parents also saw their employment rate drop to a low of 67.7%. While the employment rate of white parents declined by 17.6 percentage points between January 2020 and April 2020, these parents remained about 29% and 7% more likely to be employed in April 2020 than their Black and Hispanic peers respectively.

While the employment rate of parents of color declined to historically low levels in 2020, the bold policy response to the pandemic recession led to a quick rebound in the labor market. By the end of 2023, 88.9% of prime-age low-income Black parents and 91.6% of their Hispanic peers had a job. The strong recovery of parents of color also helped narrow the racial gaps in employment seen at the height of the pandemic recession in April 2020.

Figure B

While hit hardest by the pandemic, the employment rate of prime-age Black and Hispanic parents rebounded quickly in 2023

Prime-age employment-to-population (EPOP) ratios for low-income parents with children by race and ethnicity, January 2020, April 2020, and December 2023



Note: Race and ethnicity are mutually exclusive (i.e., white alone non-Hispanic, Black alone or in any combination non-Hispanic, Hispanic any race). Prime age refers to ages 25 to 54.

Source: Economic Policy Institute analysis of Current Population Survey data from EPI Microdata Extracts, Version 2025.5.8, <https://microdata.epi.org>.

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Poverty status: Prevalence of poverty and severe poverty

As low-income families are largely dependent on wage earnings to meet their financial obligations, business cycle fluctuations can significantly affect their economic vulnerability. Without a proportional policy response or adequate social protection systems, these families are the first to fall victim to material hardship during an economic downturn. The Great Recession and the pandemic recession exemplify this, as these crises pushed more low-income families of color into poverty and severe poverty. This is evident when we examine changes in the prevalence, severity, and distribution of poverty over time.

Prevalence of poverty

Leading to the Great Recession, economically vulnerable Black and Hispanic families were more likely than their white peers to fall below the federal poverty line (FPL).^[7] In 2007, more than half (53.6%) of low-income Black families were poor, relative to 44.6% and 38.7% of Hispanic and white families respectively (see **Figure C**). The Great Recession and the inadequate policy response to the downturn pushed a larger share of these families into poverty quickly and for a prolonged period of time. By 2010, more than half (51.2%) of Hispanic families fell below the FPL. The poverty rate for Black families continued to rise the following year, reaching nearly 6 in 10 (58.5%) in 2011. The poverty rates of both Hispanic and Black families did not return to pre-Great Recession levels until 2015, more than half a decade later. While racial gaps first widened and then narrowed throughout the crisis and the slow recovery, poverty rates remained much higher among Black and Hispanic families, relative to their white counterparts.

By the lead-up to the COVID-19 pandemic and the recession that followed, the poverty rates of families of color were lower than they were in 2007, but a large racial poverty gap remained. While less than half (49.3%) of Black families fell below the FPL in 2018, they remained about 30% more likely to suffer material hardship than their white peers.

Largely because of policy, the material situation of families was not impacted as severely by the pandemic recession as it was during the Great Recession. While Hispanic families experienced a marginal increase in poverty between 2019 and 2022, rising by 3.3 percentage points (relative to the larger increase, of 6.6 percentage points, during the previous downturn), the share of Black families that fell below the FPL during this period declined. By 2022, low-income Black families recorded the lowest poverty rate (44.1%) in the entire period between 2007 and 2023. After economic relief measures expired, poverty rates were relatively stable for Hispanic families but had increased for Black families.

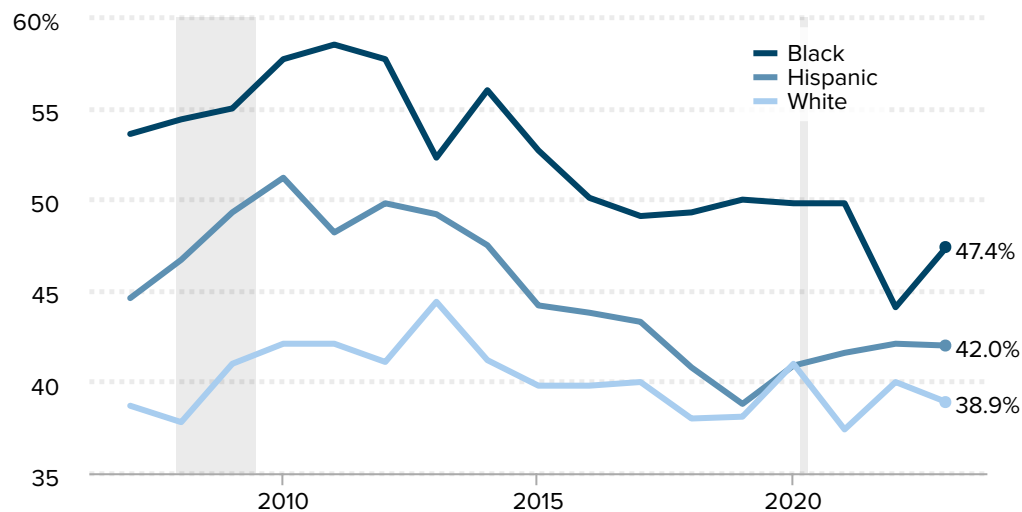
Prevalence of severe poverty

Economic downturns don't just push economically vulnerable families into poverty. Without

Figure C

More than 2 in 5 low-income Black and Hispanic families continue to struggle with poverty after the last two crises

Share of low-income families below the federal poverty line (FPL), 2007–2023



Note: Shaded areas denote recessions. Race and ethnicity are mutually exclusive (i.e., white alone non-Hispanic, Black alone or in any combination non-Hispanic, Hispanic any race).

Source: EPI analysis of 2008–2024 U.S. Census Bureau Current Population Survey Annual Social and Economic Supplement microdata.

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the support of a strong social safety net, families can fall deeper into economic deprivation when parents lose their jobs during a recession. The parents struggle to make ends meet and provide their children with the resources they need to flourish and to participate in society without shame. This happened far too often during the Great Recession as an increasing share of low-income families experienced severe poverty, with an income below half (50%) of the federal poverty line. To place this figure in context, the severe poverty threshold for the 48 contiguous states and Washington, D.C., amounts to \$7,825 annually for a single individual in 2025 (HHS n.d.).

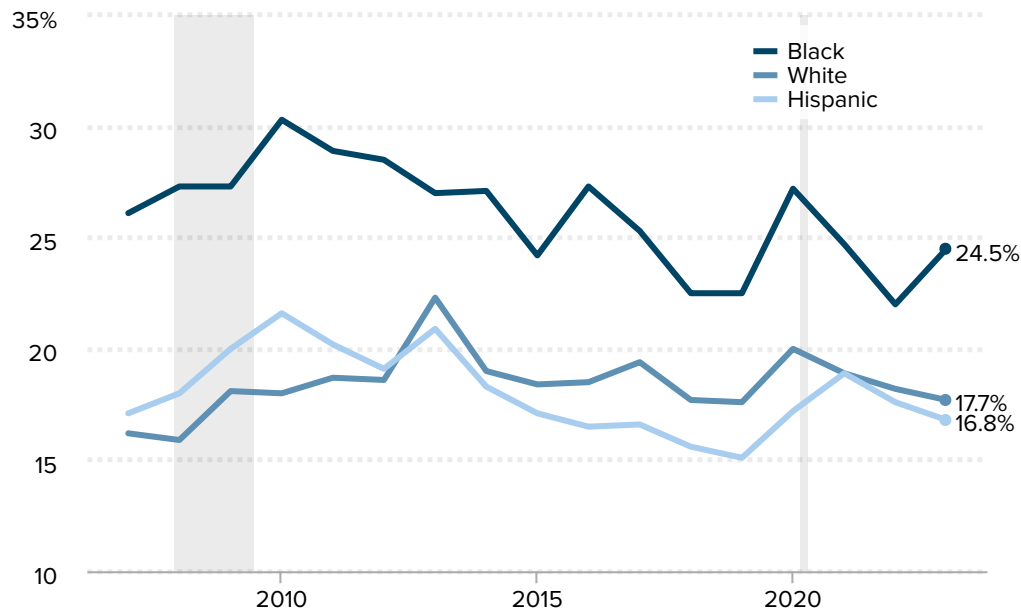
Before being hit by the Great Recession, more than 1 in 4 (26.1%) Black families suffered severe poverty in 2007 (see **Figure D**). At this stage, Black families were about 61% more likely than their white peers to fall among the poorest of the poor. While Hispanic families fared relatively better in 2007 (with a severe poverty rate close to that of white families), disparities quickly widened. By 2010, more than 1 in 5 (21.6%) Hispanic families fell among the poorest of the poor, and an even larger share (30.3%) of Black families experienced similar material hardship, compared with 18% of their white peers. The anemic policy response to the Great Recession left an elevated share of these families under a prolonged state of economic deprivation until about 2015.

The strong policy response to the pandemic recession prevented a large uptick in the

Figure D

Severe poverty levels were dropping until the pandemic recession hit. Black families were especially affected by this change

Share of low-income families below 50% of the federal poverty line (FPL), 2007–2023



Note: Shaded areas denote recessions. Race and ethnicity are mutually exclusive (i.e., white alone non-Hispanic, Black alone or in any combination non-Hispanic, Hispanic any race).

Source: EPI analysis of 2008–2024 U.S. Census Bureau Current Population Survey Annual Social and Economic Supplement microdata.

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prevalence of poverty, especially for Black families, but severe poverty rates rose significantly for families as the material shortcomings of the most vulnerable worsened. Between 2018 and 2020, the share of Black families that fell among the poorest of the poor increased by 4.7 percentage points, from 22.5% to 27.2%. Hispanic families fared slightly better, as the severe poverty rate for these families rose from 15.6% in 2018 to 18.9% in 2021.

While the exposure of families of color to severe poverty fell in 2022, reaching a historic low of 22% for Black families, severe poverty again rose once economic relief measures ended. By 2023, the share of Black and Hispanic families among the poorest of the poor remained above the pre-recession levels of 2018. In contrast, severe poverty among white families had returned to the pre-recession rate by 2023.

Housing insecurity: Prevalence and severity

Business cycle downturns that lead to significant job losses don't just leave low-income

families more vulnerable to poverty. Recessions also leave families much more exposed to housing insecurity, irrespective of whether these families own or rent their homes. As we illustrate below, this is because housing represents a significant expense for resource-constrained families. Low-income families of color are particularly vulnerable to even more pain during downturns as they are also forced to contend with an economy that suffers from an obstinate deficit in affordable housing and one in which the housing and lending markets have historically discriminated against them (Moore and Maye 2024).

In this section, we examine the impact that both the Great Recession and the pandemic recession had on the rent and homeownership rates of families of color. We also look at how the cost burden of housing evolved for both renters and homeowners during and after the crises.

Renters and housing insecurity

Given the high economic barriers to homeownership, Black and Hispanic families are generally more likely to rent, relative to their white peers (see **Appendix Table 1**). But, as homeownership rates declined during the Great Recession, the share of low-income families who rent has increased. Leading to the COVID-19 pandemic, in 2018, more than 80% of Black families and more than 70% of Hispanic families were renters. In contrast, slightly more than half (55.3%) of white families rented their homes that same year. While the share of renters was lower post-pandemic, racial gaps widened in 2023 with Black and Hispanic families being 61% and 36%, correspondingly, more likely to rent than their white peers.

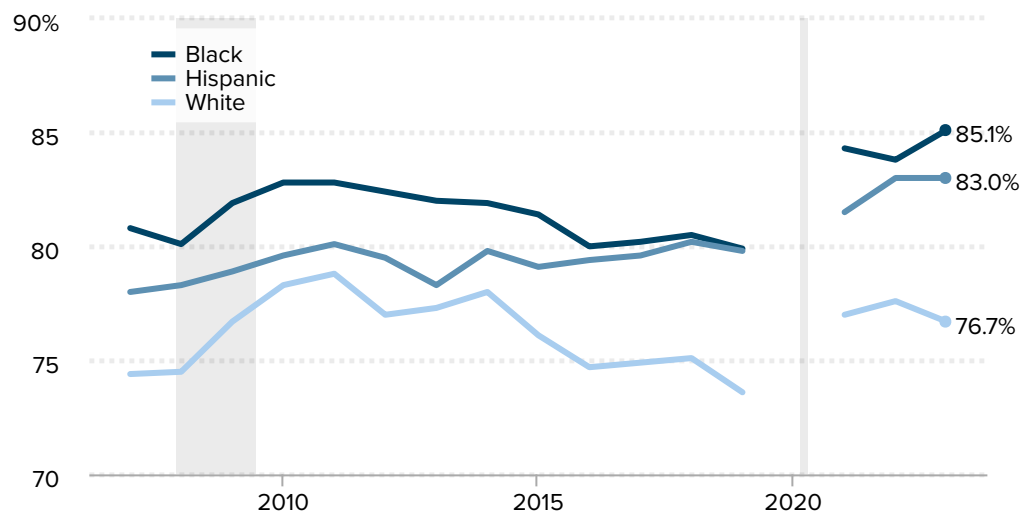
The pandemic and the short economic downturn that followed exacerbated the already precarious position that low-income renters found themselves in after the Great Recession. By 2017, nearly a decade after the Great Recession, the share of economically vulnerable families that spend 30% or more of their income on rent remained above the pre-recession levels of 2007 (see **Figure E**). In 2018, for example, more than 8 in 10 Black and Hispanic families that rent were housing poor. The strong pandemic recovery did little to shelter these families from the housing affordability crisis in the U.S. that was amplified by the global health crisis (Moore and Maye 2024). By 2023, racial gaps had widened as the share of Black and Hispanic families that spend over 30% of their income on rent climbed above the peaks reached in the aftermath of the Great Recession.

The impact of the last two recessions on families fell most heavily on those that spend more than half of their income on rent. While some of these renting families had recovered by the time that the pandemic recession rolled in, the share of Hispanic families experiencing severe housing insecurity remained above pre-recession levels in 2019 (see **Figure F**). Black families were particularly disadvantaged. Nearly half (48.3%) of low-income Black families spent over half of their income on rent in 2019. The situation quickly worsened for all families, as the strong economic recovery failed to protect these families from the growing affordability crisis in housing. By 2023, a higher share of white, Black, and Hispanic families spent more than half of their income on rent than at any other point since 2007. Low-income Black and Hispanic families remain most disadvantaged, as more than half of these families spend over 50% of their income on rent.

Figure E

More than 80% of low-income Black and Hispanic families who rent struggle with housing insecurity

Share of low-income families who spend more than 30% of their income on rent, 2007–2023



Note: Shaded areas denote recessions. Race and ethnicity are mutually exclusive (i.e., white alone non-Hispanic, Black alone or in any combination non-Hispanic, Hispanic any race). Data for 2020 are omitted due to **data quality issues**.

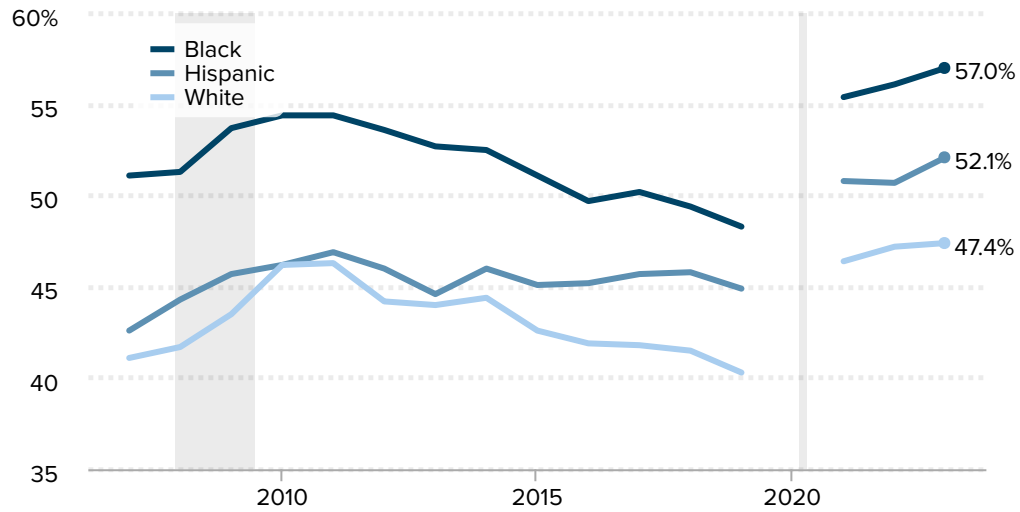
Source: EPI analysis of 2007–2023 American Community Survey 1-Year microdata via IPUMS.

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Figure F

More than half of low-income Black and Hispanic families who rent struggle with severe housing insecurity

Share of low-income families who spend more than 50% of their income on rent, 2007–2023



Note: Shaded areas denote recessions. Race and ethnicity are mutually exclusive (i.e., white alone non-Hispanic, Black alone or in any combination non-Hispanic, Hispanic any race). Data for 2020 are omitted due to [data quality issues](#).

Source: EPI analysis of 2007–2023 American Community Survey 1-Year microdata via IPUMS.

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Homeowners and housing insecurity

The Great Recession deepened the racial divide in homeownership rates, as families of color were disproportionately touched by the crisis (see Appendix Table 1). The share of low-income Black families that owned their home declined from 21.5% in 2007 to 15.7% in 2016, and from 34.6% to 28.3% during the same period for their Hispanic peers. By 2017, a decade after the start of the crisis, the homeownership rate of families had yet to recover, and racial disparities had widened. At this stage, economically vulnerable white families were 169% and 48% more likely than their Black and Hispanic peers respectively to own their home.

Despite the steep gaps in homeownership, the pandemic recession didn't quite lead to a suppression of homeownership rates for families. Partly as a function of younger households transitioning toward ownership, low interest rates, and the generous (albeit temporary) economic relief measures enacted in response to the pandemic recession, the downturn failed to reverse the gains in homeownership that economically vulnerable families of color were already experiencing in 2018 and 2019 (Sanchez-Moyano 2024; Callis 2023).

By 2023, slightly more than one-third (34%) of low-income Hispanic families owned their home, compared with about 3 in 10 (29.7%) in 2018. Black families also experienced gains. During this period, the homeownership rate of low-income Black families increased by 5.3 percentage points, from 16.4% in 2018 to 21.7% in 2023. By 2023, the homeownership of low-income Black and Hispanic families had achieved a near full recovery from both the Great Recession and the pandemic recession. While these achievements in homeownership helped narrow racial disparities, economically vulnerable families of color remained significantly less likely to own their homes in 2023 compared with their white peers.

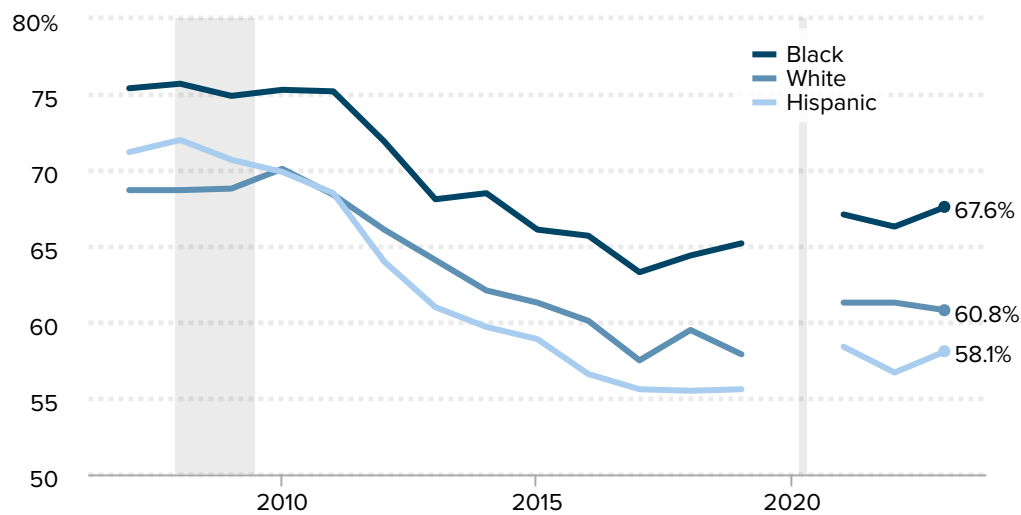
While owning a home can be an important step toward wealth creation, economically vulnerable homeowners spend a significant share of their income on housing costs associated with mortgage payments, taxes, insurance, and more (U.S. Census Bureau 2004). Leading to the pandemic recession, Black homeowners remained more likely to spend over 30% of their income on housing costs (see **Figure G**). At this stage in 2019, 65.2% of economically vulnerable Black families who owned their homes were housing poor, compared with fewer than 6 in 10 Hispanic and white families. Despite the economic relief measures that helped economically vulnerable families weather the shock of the pandemic recession, housing insecurity rose for nearly all families. By 2023, a slightly higher share of Black and Hispanic families who owned their homes spent over 30% of their income on housing than in 2019.

The impact of the pandemic recession and the increasing cost of housing in the U.S. is even more evident when we examine the situation of low-income families suffering from severe housing insecurity (Moore and Maye 2024). These are homeownership families who spend over half of their income on housing. Despite the short duration of the most recent

Figure G

Housing insecurity disproportionately threatens Black and Hispanic homeowners

Share of low-income homeowners that spend more than 30% of their income on housing costs, 2007–2023



Notes: Shaded areas denote recessions. Race and ethnicity are mutually exclusive (i.e., white alone non-Hispanic, Black alone or in any combination non-Hispanic, Hispanic any race). Data for 2020 are omitted due to **data quality issues**.

Source: EPI analysis of 2007–2023 American Community Survey 1-Year microdata via IPUMS.

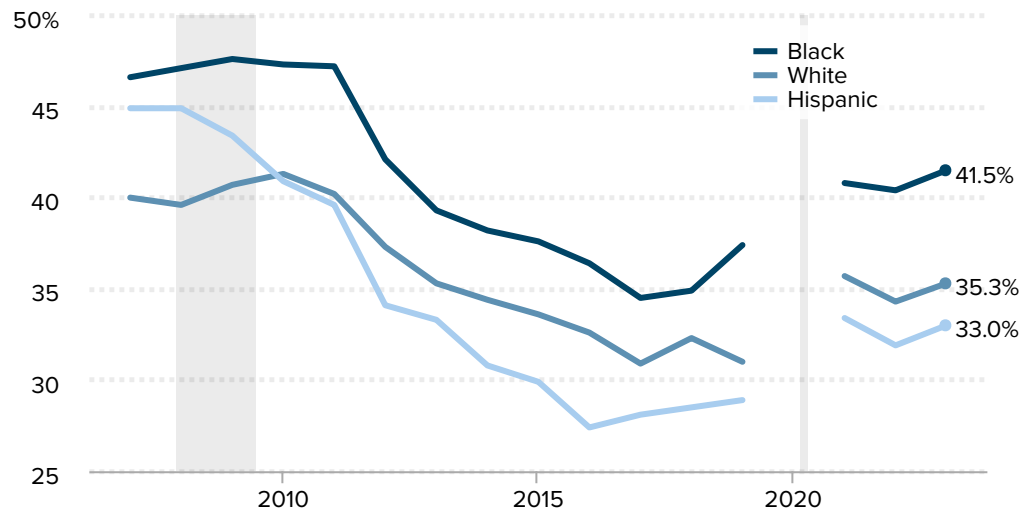
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downturn, the share of economically vulnerable families who face severe housing insecurity climbed by more than four percentage points between 2019 and 2023 (see **Figure H**). By 2023, Black families remained disproportionately vulnerable to economic pain with a prevalence of severe housing insecurity comparable to the hardship they experienced in the lead-up to the Great Recession. Since 2007, more than 2 in 5 economically vulnerable Black families who own their homes were unable to escape severe housing poverty as a result of having to spend over 50% of their income on housing costs.

Figure H

The rise in severe housing insecurity since the pandemic recession affects all low-income homeowners

Share of low-income homeowners that spend more than 50% of their income on housing costs, 2007–2023



Note: Shaded areas denote recessions. Race and ethnicity are mutually exclusive (i.e., white alone non-Hispanic, Black alone or in any combination non-Hispanic, Hispanic any race). Data for 2020 are omitted due to [data quality issues](#).

Source: EPI analysis of 2007–2023 American Community Survey 1-Year microdata via IPUMS.

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Lessons learned: Key policy choices that made a difference during the pandemic recession and are still needed to break the cycle of economic vulnerability for families

By nearly every measure of economic well-being examined above, low-income families of color weathered the pandemic recession better than the Great Recession largely because of policy choices. The weak policy response to the Great Recession, centered on austerity at the federal and state levels, contrasted sharply with the bold response to the pandemic recession guided by economic relief measures and public investments. This enabled families to avoid a prolonged separation from the job market and a worsening of their material conditions.

The last two recessions and their distinct recoveries left us with a clear blueprint for action. The economic lessons are not unfamiliar:

- Full employment policies that create tight labor markets also promote economic equity for workers and their families.
- Good jobs are union jobs.
- A strong social safety net helps families avoid unnecessary and scarring economic deprivation.

Breaking the vicious cycle that leaves low-income families more susceptible to hardship during recessions will require a renewed commitment to full employment, stronger worker rights and unions, and a robust welfare state that meets the needs of families and children. While the policies that can accomplish these objectives commonly face political headwinds, actions taken by the Trump administration and Congress will create even worse conditions.

Full employment policies are equity-enhancing policies

While economists debate the overall rate of unemployment that constitutes full employment, there is less debate about the equity-enhancing effects of a tight or “high-pressure” labor market, one in which willing workers can obtain access to a job and the working hours they prefer (Bivens 2021; Bivens and Zipperer 2018). Sustained periods of low unemployment can effectively boost the earnings of low-wage workers and help narrow persistent racial disparities in a labor market that disproportionately disadvantages the employment situation of workers of color and the economic well-being of their families

(Wilson 2023; Bivens 2021). The narrowing of these gaps would not constitute full healing from the legacy and continued expression of structural racism and xenophobia in the U.S. economy, but it would be a step in the right direction. Historical evidence points to increased economic equity via low unemployment and rapid job growth.

The recent economic recovery from the COVID-19 pandemic and the economic contraction that followed serves as a good example of a policy regime that aimed, in large part, to provide a strong or high-pressure labor market. Unlike the economic recovery from the Great Recession, the rebound from the pandemic recession has been characterized by bold fiscal policies, via much-needed relief and strategic public investments, and more accommodating monetary policy that kept downward pressure on unemployment (Wilson 2023; Bivens 2024; Bivens 2016). The results of this policy regime are unambiguously clear: Workers of color made historic gains over the last five years in both employment and earnings, with Black and Hispanic real wages (adjusted for inflation) growing more than three times faster over the last five years than the four decades prior (Cid-Martinez, Maye, and Marvin 2025).

Instead of providing continuity to the economic regime they inherited, the Trump-Vance administration is pursuing a macroeconomic and trade policy that is sowing economic uncertainty and chaos and has already led to a contraction of economic growth in the first quarter of 2025.

Unions help narrow economic disparities that hurt workers and their families

It is easy to envision growing income disparities that threaten the economic security of working families as endemic features of the U.S. economy. Between 1979 and 2023, for example, the real annual earnings for the top 1% of earners increased by 181.7%, while the earnings for the bottom 90% grew just 43.7% (Gould and Kandra 2024). This economic divide mirrors another increasing gap between economywide productivity and the hourly pay of the typical worker, a gap that is even more pronounced for the typical Black and Hispanic worker (Moore and Banerjee 2021). But none of these trends is inevitable.

Behind these rising inequities one finds a wide range of deliberate policies choices that have weakened labor standards and stripped workers of their ability to bargain collectively for better compensation and working conditions (Mishel and Bivens 2021), including the erosion of union membership since the late 1950s (Bivens et al. 2023b).

Workers of color have been disproportionately touched by the decline of union density in the U.S. economy since they typically receive a larger wage boost from union membership. Compared with the premium of the average worker, the union pay premium is higher for Black and Hispanic workers (Bivens et al. 2023a). Black workers, for example, are more likely than white workers to be unionized (13.1% vs 11.2%), and the wage advantage unionized Black workers receive from being covered by collective bargaining is 12.6% (EPI 2025f; EPI 2025h). This premium is higher than the 11.9% average wage premium for unionized white workers. While Hispanic workers have slightly lower union

coverage (9.7%) than white workers, they claim a higher union wage advantage of 16.4%.

Unions can also protect workers from discrimination and improve working conditions. Because private employment in the U.S. is for the most part “at will,” employers can terminate workers for nearly any reason, without providing notice or severance. This power imbalance harms workers of color disproportionately, as they are more likely than their white peers to report unfair dismissals (Bivens et al. 2023a). Unions protect these workers with the provision of “just cause” rights that shelter workers from discriminatory and retaliatory practices and unfair dismissals. Unions also offer workers better employment conditions. This is important for economically vulnerable families who face care needs alongside scarce resources. Unionized workers, for example, are more likely than their nonunion peers to have access to paid sick days and employer-sponsored health and retirement benefits (Shierholz et al. 2024).

Low-income working parents stand to gain the most from union membership. However, few of them belong to a union. Only 8% of prime-age Black parents and 4.9% of Hispanic parents belonged to a union in 2023. Similarly, only 5.3% of economically vulnerable white parents between the ages of 25 and 54 belonged to a union in the same year.

Instead of strengthening the rights of workers to bargain collectively, President Trump has openly embarked on an anti-worker agenda centered on weakening the federal agency tasked with protecting the most basic and fundamental U.S. labor rights, the National Labor Relations Board (McNicholas et al. 2025). These efforts will leave families of color much more vulnerable to discrimination in the labor market and to wage theft and mistreatment at work.

The social safety net expanded in response to the pandemic, which demonstrated that poverty remains a policy choice

The welfare of economically vulnerable families of color and their children is not an insurmountable problem beyond the reach of public policy. This became most evident during the COVID-19 pandemic. The federal government responded to this crisis boldly with an array of economic relief measures, such as economic impact or stimulus payments; with provisional expansions of social programs like the Supplemental Nutrition Assistance Program and the unemployment insurance (UI) program; with temporary enhancements of tax credits, such as the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC); and with increased federal assistance to state and local governments. Overall, these measures kept millions of people out of poverty in 2021 (Banerjee and Zipperer 2022). The economic impact or stimulus checks alone kept nearly 9 million people out of poverty in 2021, including more than 2 million children (Shrider and Creamer 2023).

The expanded social safety net had a notable impact on alleviating the material hardship experienced by families of color. This is most evident when we look at trends in the prevalence of child poverty. For this, we rely on child poverty rates based on the Census

Bureau's Supplemental Poverty Measure, which accounts for cash and in-kind transfers as well as geographic differences in housing costs. By this measure, the post-pandemic social policy regime looks particularly effective in its ability to reach children of color and to alleviate the human suffering that accompanies deprivation at a young age. Between 2019 and 2021, for example, child poverty rates fell by more than half across nearly all groups, reaching their lowest levels in recorded history (see **Figure I**). Before the pandemic, more than 1 in 5 Black and Hispanic children fell below the supplemental poverty line in 2019. By 2021, these rates plummeted by nearly 60%, as the Black and Hispanic child poverty rate dropped to 8.3% and 8.4% respectively. The Asian American and AIAN child poverty rates also declined by more than 40% during this period, reaching historic lows of 5.1% and 7.4% respectively in 2021.

Many of the gains in poverty reduction were driven by the expansion of the Child Tax Credit (Gould 2022). Relative to all income transfers in 2021, the expanded CTC drove an estimated 44% of the reduction in child poverty that year (Parolin 2023). The impact was especially pronounced for children of color (Burns and Fox 2022). For example, this expanded credit lifted an estimated 1.2 million Hispanic children out of poverty in 2021. Similarly, more than 700,000 Black children and over 100,000 Asian children avoided falling below the supplemental poverty line in 2021 because of the expanded CTC. The rest of the social policy levers (aside from Social Security) that drove the bulk of the historic reduction in child poverty had also been provisionally expanded under the American Rescue Plan Act (ARPA), including EITC, SNAP, and UI benefits.

Despite the powerful effect these measures had in extinguishing poverty, nearly all the enhanced social safety net measures under ARPA expired by 2022. This purposeful expiration erased the bulk of the gains in poverty alleviation that families and children of color had achieved economically in 2021 (Cid-Martinez and Zipperer 2023). This is evident when we examine how the end of the expanded welfare state impacted the prevalence of poverty for children of color. Between 2021 and 2023, the poverty rates of Black, Hispanic, Asian, and AIAN children had more than doubled, returning to or exceeding 2019 levels (see Figure I). This increase marked an obliteration of the gains achieved in poverty reduction between 2019 and 2021. In fact, by 2023, the poverty rates of all groups were either higher, or no different, than the pre-pandemic estimates of 2019.

Instead of expanding the CTC to help more low-income parents meet the basic needs of their children and reduce poverty, the Republican-led budget reconciliation bill that Trump signed into law fails to increase benefits for the 17 million children who receive less than the full value of the credit because their parents earn too little to meet the earnings requirement (Maag 2025). The Republican law is also particularly harmful to children of migrant parents, as it revokes the credit eligibility of children that are U.S. citizens if both spouses in a married couple lack a Social Security number (Tax Policy Center 2025). At least one spouse will now need to have a Social Security number in order for a U.S. citizen child to qualify for the CTC. While the Republican law increases the maximum credit from \$2,000 to \$2,200 per child, no significant changes in the refundability structure and earnings requirement mean that CTC benefits will remain out of reach for the children of the poorest of the poor, while middle- and high-income families continue to receive most of the benefits (Collyer et al. 2025; Crandall-Hollick, Maag, and Jha 2025).

The Republican budget reconciliation bill that the president signed into law also missed an opportunity to break the cycle of economic vulnerability that poor children face with the “Trump accounts.” These new tax-free investment accounts will provide a single government contribution of \$1,000 to every child born in the next four years (Hamilton and Pressley 2025). The current administration is also discussing these accounts as a “back door for privatizing Social Security,” a program that helps narrow racial and income disparities, lifting more than one million children out of poverty in 2023 (Price and Mascaro 2025; Morrissey and Bivens 2025; Shrider 2024).

Unlike the more popular Baby Bonds, which require sustained contributions from the federal government throughout childhood with the goal of narrowing the racial wealth gap, the Trump accounts are built on the mistaken premise that low-income families lack an incentive to save when the real issue is that they lack enough discretionary income to put into a savings account (Markoff, Radcliff, and Hamilton 2025). The employment, income, and wealth disadvantages that low-income families with children face leave them in a perennial struggle to access basic necessities like health care, housing, and child care. These families are often an emergency away from falling into poverty or severe poverty. Helping families escape this generational challenge will require more than a new savings vehicle that will further widen the divide between the rich and poor by providing yet another giveaway to rich families.

Figure I

The historic reduction in child poverty vanished as policymakers left the social safety net to wither again in 2022

Child poverty rates (SPM), 2019–2023

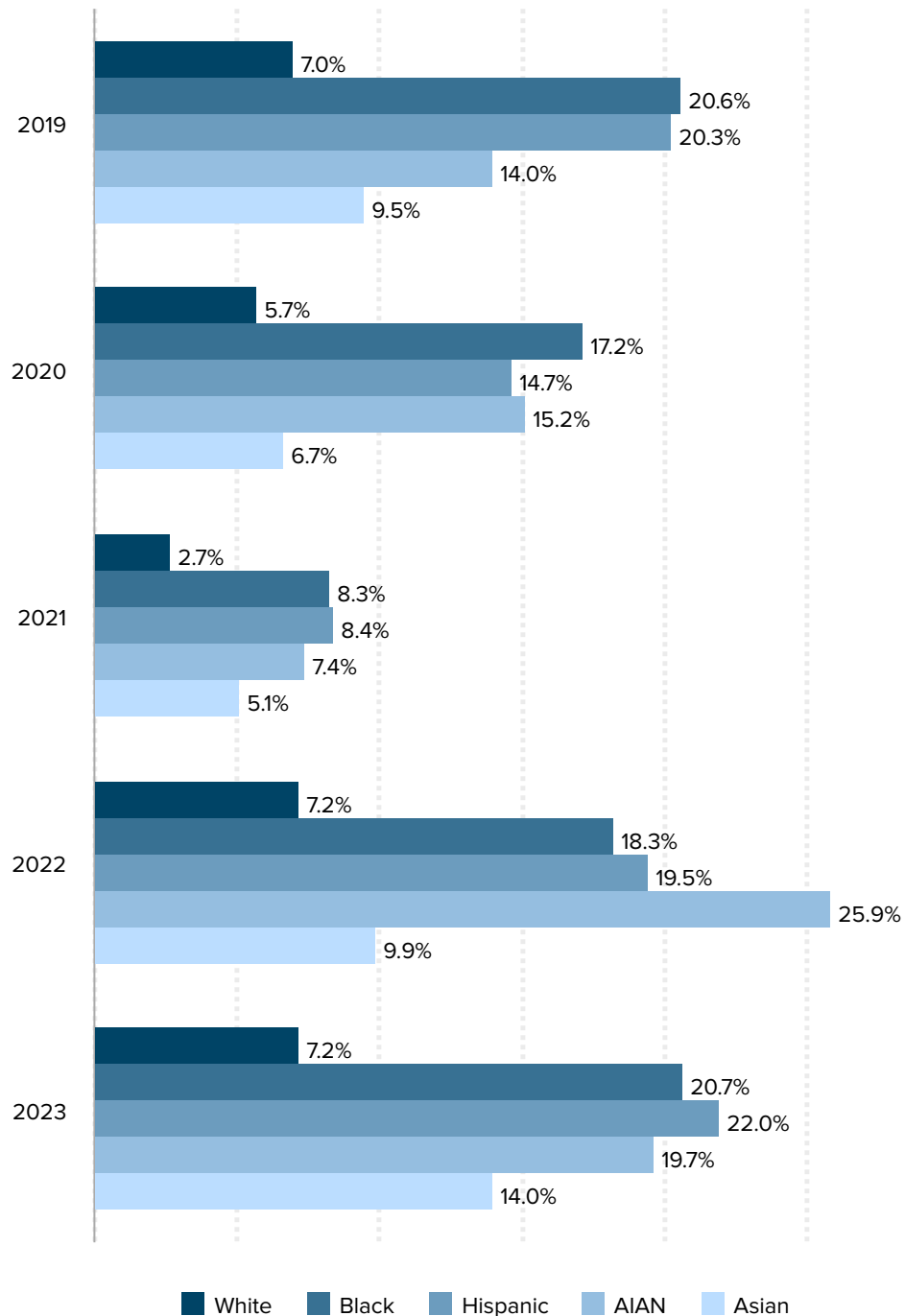


Figure I
(cont.)

Note: AIAN refers to American Indian and Alaska Native. Race and ethnicity are mutually exclusive and race categories are single race, except for Asian and AIAN groups, which are single race but not mutually exclusive (i.e., white alone non-Hispanic, Black alone non-Hispanic, Hispanic any race, AIAN alone, and Asian alone).

Source: U.S. Census Bureau 2024, [Supplemental Poverty Measure](#) data (Table B-2).

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Conclusion

Low-income families of color were disproportionately impacted by the economic suffering that came in the wake of the last two recessions. Both the Great Recession and the pandemic recession worsened the employment security, poverty status, and housing insecurity of these families. In contrast with the Great Recession, policymakers responded to the pandemic with a show of strength that helped families recover their employment and bounce back from poverty significantly faster. But housing insecurity and poverty continue to leave these families particularly vulnerable when the next recession strikes.

While the prospects of a recession continue to rise due to the chaos and uncertainty generated by the Trump-Vance administration, they are deliberately ignoring the lessons of the past. This administration has failed to protect the strong labor market they inherited, has failed to empower workers to bargain for better pay and working conditions, and has failed to strengthen basic needs programs. Instead, the administration is proudly advancing an economic agenda that forces austerity on low-income families, strips away protection from discrimination for people of color, and offers more tax cuts for those who do not need it—the ultrarich. This economic agenda will push even more families into poverty and prolong the pain that follows a recession.

Appendix

Share of low-income families that rent or own their home, 2007–2023

Year	White	Black	Hispanic		
Share of low-income families that rent				Black-white ratio	Hispanic-white ratio
2007	52.6%	78.5%	65.4%	1.49	1.24
2008	53.2%	79.0%	65.8%	1.49	1.24
2009	54.2%	80.7%	67.1%	1.49	1.24
2010	54.4%	80.1%	68.3%	1.47	1.26
2011	55.2%	80.8%	69.2%	1.47	1.25
2012	56.1%	81.8%	70.0%	1.46	1.25
2013	56.7%	82.1%	70.2%	1.45	1.24
2014	57.1%	83.2%	71.6%	1.46	1.25
2015	57.7%	84.1%	71.5%	1.46	1.24
2016	57.9%	84.3%	71.7%	1.46	1.24
2017	56.1%	83.7%	70.4%	1.49	1.25
2018	55.3%	83.6%	70.3%	1.51	1.27
2019	55.3%	83.0%	69.9%	1.50	1.26
2020					
2021	51.1%	81.3%	66.6%	1.59	1.30
2022	49.3%	80.1%	65.7%	1.62	1.33
2023	48.6%	78.3%	66.0%	1.61	1.36
Share of low-income families that own their home				White-Black ratio	White-Hispanic ratio
2007	47.4%	21.5%	34.6%	2.20	1.37
2008	46.8%	21.0%	34.2%	2.23	1.37
2009	45.8%	19.3%	32.9%	2.37	1.39
2010	45.6%	19.9%	31.7%	2.30	1.44
2011	44.8%	19.2%	30.8%	2.34	1.45
2012	43.9%	18.2%	30.0%	2.41	1.46
2013	43.3%	17.9%	29.8%	2.42	1.45
2014	42.9%	16.8%	28.4%	2.55	1.51
2015	42.3%	15.9%	28.5%	2.67	1.48
2016	42.1%	15.7%	28.3%	2.67	1.49
2017	43.9%	16.3%	29.6%	2.69	1.48

Appendix
Table 1
(cont.)

Year	White	Black	Hispanic		
2018	44.7%	16.4%	29.7%	2.73	1.50
2019	44.7%	17.0%	30.1%	2.62	1.48
2020					
2021	48.9%	18.7%	33.4%	2.62	1.47
2022	50.7%	19.9%	34.3%	2.55	1.48
2023	51.4%	21.7%	34.0%	2.37	1.51

Note: Race and ethnicity are mutually exclusive (i.e., white alone non-Hispanic, Black alone or in any combination non-Hispanic, Hispanic any race). Data for 2020 are omitted due to **data quality issues**.

Source: EPI analysis of 2007–2023 American Community Survey 1-Year microdata via IPUMS.

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Notes

- [1] Our classification of race and ethnicity is mutually exclusive, such that white families are non-Hispanic white, and Black families represent all families in which the head identified their race as Black in combination with other races. Hispanic families include those in which the head identified Hispanic origin, irrespective of race. Among the remaining pool, those who identified as American Indian in combination with other races are listed as AIAN, and respondents who identified as Asian or Pacific Islander in combination with other races (such as Asian and white or Pacific Islander and white) are listed as AAPI.
- [2] Total family income is the sum of the individual incomes of each family member. Because unmarried partners are nonrelated household members, the unmarried partner's total income is not incorporated in the primary family's total family income. In cases where the income statuses of the household head and the unmarried partner are different, we use the income status of the household head.
- [3] Similarly to race and ethnicity, the marital status of the family is informed by the status of the household head, such that married captures respondents who identify as married, irrespective of the presence of the spouse. All other responses are classified as not married.
- [4] As we point out below, this disproportionately affected low-income families of color, which are more likely to be headed by women.
- [5] The unemployment rate here is captured by the seasonally adjusted unemployment rate of Hispanic women, 20 years old and over.
- [6] The unemployment rate here is captured by the seasonally adjusted unemployment rate of Black women, 20 years old and over.
- [7] This federal poverty line is informed by the official poverty measure (OPM) published annually by the Census Bureau since 1967. This measure uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. While the Supplemental Poverty Measure (SPM) is considered to be a more accurate and comprehensive measure because it accounts for government transfers and geographic cost-of-living expenses, including housing, published estimates only go back to 2009 (Shrider 2024). For the purpose of this analysis, we rely on OPM to capture the impact of both the Great Recession and pandemic recession.

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