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Subcommittee on Social Security
Hearing on “The Impact of COVID-19 on Social Security and its
Beneficiaries”**

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Thank you, Chairman Larson and Ranking Member Reed, for inviting me to speak today. It truly is an honor to be here.

My name is Abigail Zapote and I am the Executive Director of the Latinos for a Secure Retirement coalition. Our coalition brings together some of the strongest and most prominent advocates for Latinos in the country with a reach to 300,000 Latino families and individuals. We’re a group dedicated to our mission of safeguarding the economic security of those dependent, now or in the future, on Social Security, and protecting and improving the economic security of disadvantaged and at-risk Hispanic populations of the United States.

Our organizations represent the more than 58 million Latinos in the United States¹, nearly one out of every five Americans, and the fastest growing and youngest ethnic group in the United States. The Hispanic American population (of any race) age 65 and over was 3,968,763 in 2016 and is projected to grow to 19.9 million by 2060. In 2016, Hispanic Americans made up 8% of the older population. By 2060, the percentage is projected to be 21%.²

Today, I stand by here with my colleagues asking for Congress to do more to address the COVID-19 crisis as a whole and to address the needs of our most vulnerable seniors, *nuestros viejitos*, as they leave, or sometimes, forced out of the workforce. These seniors having to navigate how to access their Social Security benefits alone, as tools that you and I take for granted, are out of reach for these vulnerable elders. We can no longer wait, we need action now, as COVID 19 has exacerbated many historical, socioeconomic, and policy factors that have exploited communities of color and are finally meeting at a nexus with the current health crisis.

For communities across the country, conversations around the kitchen table have changed in a matter of days. In the Latinx community it is no different than others who are confused, uncertain, and worried about their jobs, worried about their older family members and on the horizon, worried about what the next school year will be like for their kids.

¹ In 2015, the Census Bureau projected that in 2060, Hispanic people will comprise 28.6% of the total population, with 119 million Hispanic individuals residing in the United States. There are an estimated 58.9 million Hispanic people in the United States, comprising 18.1% of the population. <https://www.cnn.com/2013/09/20/us/hispanics-in-the-u-s-/index.html>

² Source: U.S. Census Bureau, Population Estimates, 2016 and Population Projections, 2017. Note: Increments in years are uneven. Lighter bars indicate projections.

Conversations continue on immediate health risks, financial risk, and deciphering the differences between social distancing, quarantine or isolation—especially as families live in multi-generational or multi-familial homes.

Compared to the U.S population, Latinos are the hardest hit community by pay cuts, layoffs and business shuttering because of the health crisis' effects on the economy. **By April 2020, nearly 1 in 5 Latinos were unemployed.** U.S. Latino unemployment has jumped from historic lows of 5% in the months leading up to the outbreak to a staggering 18% by April 2020.³

In these circumstances, the consequences of having healthcare coverage tied to one's employment puts many Latinos in a difficult situation if they are the primary caregiver for their families. With nearly 70% of Hispanic adults said they did not have emergency funds to cover three months of expenses.

Additionally, Latinos may be more vulnerable to the virus as many are overrepresented in low-paying service jobs, including home health aides, food delivery workers, and agricultural workers. And, **ONLY 16%** of Latinos are able to telework in comparison to 20 percent for African Americans, 30 percent for white Americans, and 37 percent for Asian Americans. ⁴

Latinos have become more vulnerable to the COVID-19 crisis for the following reasons and not limited to:

- Latinos are more likely to do service work classified as “essential” during the pandemic, putting us in greater contact with people.
- At home, Latinos are more likely to live close quarters with larger or extended families that make isolation impossible.
- Latinos higher risk of death from the virus results from the greater presence of preexisting health conditions such: Diabetes, Obesity, heart disease, chronic respiratory illnesses, and more.
- Latinos are among the communities with lower access to nutrition and health care services.

This global pandemic has only exacerbated the economic and health inequities in American society. While uncomfortable for many to contemplate, we must take a sober look at how we can protect our families' well-being during a crisis that is hitting the Latino and Black community's most vulnerable members; at 3 times the rate than any other community. The CDC has reported that Hispanics are 4 times more likely to be hospitalized from COVID-19. ⁵

The pandemic has also exacerbated the challenges for vulnerable populations to access services, as manifested in the extraordinary drop in disability benefit applications during the pandemic. For example, access to local government agencies, and other programs that traditionally provide support to vulnerable populations is further limited. Those who need in-person access at SSA

³ Source: Gamboa, S. (2020, May 8)

⁴ Source: <https://www.epi.org/blog/black-and-hispanic-workers-are-much-less-likely-to-be-able-to-work-from-home/>

⁵ Source: <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/racial-ethnic-minorities.html>

offices to do business can't do so now. Many people are following directives to shelter in place and limit social interaction. Meanwhile, access to non-emergent medical treatment is more limited than it was. While tele-services can be useful in some circumstances, especially for those who have serious mental health or other cognitive challenges, tele-services are ineffective in assessing the extent of those conditions and in understanding the impact of those conditions on day-to-day life.

Our partnership with the Community Legal Services of Philadelphia and other advocates who serve vulnerable populations, primarily low-income people with disabilities, offer observations and recommendations below regarding outreach to individuals who might qualify for SSI. We find that people in vulnerable populations often have multiple complex issues to resolve that require expertise and knowledge of local information, programs and resources.

It has been part of Latinos for a Secure Retirement's mission from our onset to ensure that Latino elders have equitable access to benefits stemming from the Older Americans Act (OAA). This in itself is a challenge, due to lack of trust in institutions and cultural inequities to access beyond just language barriers. Nonetheless, these resources are absolutely necessary as our elders take on part-time jobs to supplement their income and cannot get by with Social Security checks alone, especially during this difficult economic.

Additionally, older undocumented immigrants continue to work to make their living after retirement-age because even though they may have spent decades contributing to the Social Security Trust Fund, they may never see those benefits but for their legal status. During this critical time, these elders make up the essential labor force by harvesting our food, disinfecting our schools and places of work, and are the "older adult gig workforce" delivering our essentials to get us through trying times like this pandemic. We can't ignore that there are forgotten elders in our communities that still need a pathway to legalization.

I sit before you today, not just on behalf of Latinos but with a tremendous responsibility to millions of Americans who cannot be here today to take a stand in protecting Social Security benefits, especially for folks who will be retiring in the next couple of years.

Congressman Larson's Social Security COVID-19 Correction and Equity Act is a great fix for an unintended benefit "notch" under which, due to the pandemic and resulting recession, Social Security benefits will be significantly lower for workers who turn 60 this year and will be eligible for early retirement benefits in 2022. Those becoming eligible for disability or young survivors benefits in 2022 will also see lower benefits.⁶

One solution would be to specify that the wage-indexing factor couldn't fall from one year to the next, even when the average wage index declines. People shouldn't suffer a large, permanent drop in their Social Security benefits just because they turn 60, become disabled, or experience the loss of a breadwinner around the start of a deep recession. Policymakers should fix this unfair result. Why? Because many this could reduce a yearly benefit by almost \$1,400. Which in the Latino community, social security benefits are lower and even more critical for their livelihood.

⁶ Source: <https://www.cbpp.org/blog/policymakers-should-prevent-recession-related-social-security-benefit-drops>

The average 2016 benefit for Latino men was \$14,708 and only \$12,260 for Latina women.⁷ These Social Security benefits compromise nearly all the income for more than half, 57.5 percent, of Latino elderly households and represent 74.2 percent of the total income of Latino elderly households receiving benefits.⁸ Imagine a drop of \$1,400 for the rest of your life, from the total of the average benefits to Latino men and women. It would be catastrophic as many of our older friends and neighbors are already having to cut pills in half, skip meals, or turn off the air conditioning in the middle of summer in order to make ends meet each month.

The notch is a big problem and the Social Security COVID-19 Correction and Equity Act is desperately needed to prevent a large benefit reduction. However, this fix needs to be done carefully, so as to not affect the boost that some folks will receive due to the drop in aggregate wage measure. If you were to do away with this boost, it would effectively create a benefit cut which goes against the principles of the Latinos for a Secure Retirement coalition.

We know, that Americans need more benefits, and we will continue saying ...NO to proposals that would cut benefits, NO to proposals calling for privatization, and NO to proposals that would raise the full benefit age, and NO to tax holidays which all do more harm to the financial wellbeing of Social Security beneficiaries.

Social Security is a vital safety net that protects American families. Our organization, like our partners, have been fighting to protect social safety net programs and expand these programs to cover the most vulnerable of our communities. Children are protected in the event they are orphaned, or their parents become disabled. Workers are protected if they can no longer work because of disability and parents and grandparents are protected when they become too old to continue working. Social Security is a sacred trust between generations and represents our Latino family values. As a reminder, social security beneficiaries aren't only our elders, but they are widows and widowers, and children of deceased or disabled parents.

We whole heartedly support the provisions included in this bill which will (1) help grandparents provide for dependent grandchildren, (2) assist dependent students so that they can get the education they need to get a good job, (3) expand benefits for dependent widows/widowers so they can make ends meet, and (4) provide more help to the poorest of all by expanding eligibility for Supplemental Security Income.

The hope begins by passing the Social Security COVID-19 Correction and Equity Act to address the needs of Americans, especially those who are our most vulnerable. We will continue to advocate to ensure that not only the notch issue is fixed but to ensure that provisions in this bill, which will address inequities faced by communities of color, are expanded beyond the current COVID-19 crisis.

Thank you. I look forward to answering any questions you all may have.

⁷ "Social Security is Important to Hispanics", Social Security Administration, 2018 Available at: <https://www.ssa.gov/news/press/factsheets/hispanics-alt.pdf>

⁸ Importance of Social Security relative to total income from "Table 9.A3 Percentage distribution of beneficiary units, by race, Hispanic origin, and marital status, 2014," in *Income of the Population 55 or Older, 2014* (Social Security Administration, 2016)

For the Congressional record, I've included additional information on our support for certain provision of this bill.

Insure College and Vocational Students of Deceased and Disabled Parents⁹

This proposal would provide Social Security benefits for students of deceased or disabled parents. Consequently, Latinos are more likely than the population as a whole to have a deceased or disabled parent due to employment in physically demanding jobs or jobs with difficult working conditions.¹⁰ This change would help address college affordability for a disproportionately low-income group and provide additional incentives for them to stay in college. Polls show that 78 percent of Americans favor this option.¹¹

Social Security historically paid benefits to children of retired, deceased, or disabled beneficiaries until the age of 22 if they were in college. However, the law was changed in 1981 to end benefits for student children once they either graduated high school or turned 19, in part because of the belief that higher education had become more affordable for disadvantaged youth. Since then, college costs have skyrocketed, and higher education has become even more essential to long-term labor market success.

The cost of providing this important new benefit would be modest, it would only add about 3.5 percent to the projected 75-year deficit. However, the ultimate benefit may be the future economic growth realized by investing in Americans. A college graduate will on average make about \$26,000 more annually than someone with only a high school education, contributing \$145,000 more into the Social Security trust fund over their lifetime.

Raise the Income Floor for Vulnerable Elders¹²

In 2017, 19.2 percent –nearly one of five—Latino workers were paid poverty wages –i.e. hourly wages that would leave them below the federal poverty guideline, even when they worked full-time, year-round.¹³ Additionally, Latinos tend to work for employers who do not offer retirement accounts which leaves them disproportionately unprepared for retirement.

⁹ "Strengthening Social Security for the Long Run," National Academy of Social Insurance Social Security Brief, 2010. Available at https://www.nasi.org/sites/default/files/research/SS_Brief_035.pdf

¹⁰ "Hard Work? Patterns in Physically Demanding Labor Among Older Workers" Center for Economic and Policy Research, 2010 Available at: <http://cepr.net/documents/publications/older-workers-2010-08.pdf>

¹¹ "A New Deal for Young Adults: Social Security Benefits for Post-Secondary School Students," National Academy of Social Insurance, 2010. Available at: <https://www.nasi.org/research/2010/new-deal-young-adults-social-security-benefits-post>

¹² "Strengthening Social Security for the Long Run," National Academy of Social Insurance Social Security Brief, 2010. Available at https://www.nasi.org/sites/default/files/research/SS_Brief_035.pdf

¹³ "Workers of color are far more likely to be paid poverty-level wages than white workers," Economic Policy Institute, 2018. Available at: <https://www.epi.org/blog/workers-of-color-are-far-more-likely-to-be-paid-poverty-level-wages-than-white-workers/>

To protect long service low wage workers, a special minimum benefit should be enacted to pay 125 percent of the poverty line for those who have worked 30 years and retire at the normal retirement age.¹⁴ It should be indexed to wage growth in the same way that other benefits are for those newly eligible. We believe the special benefit minimum will ensure benefit adequacy for all Americans. Strengthening the special minimum benefit would increase the projected 75-year deficit by about 6.5 percent.

Caregiver Credit

Strong family values in the Latino community means workers are also become primary caretakers for elderly relatives and children. The typical Hispanic caretaker is a middle-aged woman who spends about 32 hours a week helping with bathing, dressing, running errands, managing finances and providing medical or nursing care.¹⁵ Not only does the caretaker take on this full-time responsibility she often does this without pay and without the assistance of paid help. This leaves her vulnerable to losing actual paid wages which may prevent her from earning full earning credits to receive full Social Security benefits.

Not only does the caretaker take on this full-time responsibility she often does this without pay and without the assistance of paid help. We proudly join and support the Paid Leave Alliance and the mission of improving quality of life of long-term caregivers by advancing federal paid leave policies. We strongly believe that these should include: 1) providing relief for at-home caregivers, 2) provide meaningful income replacement benefits, and 3) workplace policies that allows caregivers the flexibility to accompany their loved one to a medical visit.

This proposal would provide caregivers a Social Security earnings credit when they take unpaid time off from their employment to provide care, whether by leaving their jobs or reducing their hours. The credit would be added to earnings to calculate future Social Security benefits for the caregiver's retirement.

Social Security Administration Outreach to Vulnerable Populations

Recommendation 1: Increased 3rd party outreach and assistance programs People in vulnerable populations often have multiple complex issues to resolve that require expertise and knowledge of local information, programs and resources. SSA is not in a position to directly provide assistance to all individuals in these vulnerable populations.

Therefore, increasing 3rd party assistance programs and outreach, including supporting those with local knowledge and expertise is a sensible approach. Advocates offer the following recommendations:

- SSA and advocates should assess past and existing models of outreach and assistance and coordinate with existing low-income service providers to expand these models;

¹⁴ "Strengthening Social Security for the Long Run," National Academy of Social Insurance Social Security Brief, 2010. Available at https://www.nasi.org/sites/default/files/research/SS_Brief_035.pdf

¹⁵ "The Hispanic/Latino Caregiver," Caregiving in the U.S., 2015. Available at: https://www.caregiving.org/wp-content/uploads/2015/05/Caregiving-in-the-US-2015_HispanicLatino_CGProfile.pdf

- Expand use of the SOAR¹⁶ (SSI/SSDI Outreach, Access and Recovery) model, a national program that provides an expedited model of access to those with serious mental illness and/or cooccurring disorders who are homeless or at risk of homelessness;
- Coordinate with existing service providers to low-income individuals with disabilities, including Healthcare for the Homeless, and other homeless service providers, legal services providers, independent living and protection & advocacy service providers, and cities and counties who facilitate homeless continuum of care and COVID shelter programs;
- Consider targeted funding to support increased outreach, application assistance, and representation of claimants;
- Address the continuing need to develop a national SSI Childhood Disability Outreach Program required by the Act. The 2015 National Institutes of Medicine study documented substantial under-enrollment of low-income children with qualifying mental disorders, as discussed in prior meeting and March 3, 2020, memorandum from Community Legal Services, Disabilities Law Center and The ARC with proposals for a national Childhood Disability Outreach Program that have not as yet been responded to;
- Collect information on existing help available from nonprofit local agencies, including legal services programs, and make it available to claimants and beneficiaries;
- Do everything reasonably possible to encourage and promote representation of vulnerable claimants in addition to outreach and application assistance. Representatives can help to obtain evidence, connect clients to services, and resolve some of the other issues faced by vulnerable populations.

Recommendation 2: Reform of application processes and policies

Many of the problems faced by vulnerable populations which have contributed to a decrease in applications during the pandemic can be addressed by reforms in SSA application processes and policies. Various reforms¹⁷ making it easier for people to file applications and policies increasing SSA's ability to communicate with claimants make sense, such as:

- Increasing access to online SSI applications;
- Increasing availability and simplicity of options to secure a protective filing date;
- Allowing electronic signatures, or verbal signatures in order to complete applications;
- Allowing third-party completion of applications;
- Allow electronic submission of applications and supporting documents, including the 827 and 1696, and ensuring timely processing of applications and 1696s;
- Reducing verification requirements needed in order to process applications or delaying verification requirements until PERC appointments;

¹⁶In 2019, the approval rate for these individuals averaged 65% in 108 days, a much higher allowance rate than is the norm for these populations. The rate could be much higher if funding existed to provide the SOAR assistance; currently, no designated funding is provided for this service. See, <https://soarworks.prainc.com/>

¹⁷ See June 4, 2020, memo from Community Legal Services, "Proposal to Remedy SSI and SSDI Application Decline Due to the COVID-19 Pandemic".

- Obtaining third party contact information for all applications and increasing outreach to treating medical sources;
- Providing phone contact information to claimants for claim representatives to facilitate communication;
- Ensuring that appointed representatives are mailed copies of all notices and other correspondence; Increasing communication by secure email or text messaging; and
- Implementing a phased reopening to allow some access to SSA services on a walk-in basis.