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Obama Administration 2017 Budget

How the President's Policies Continue to Fail Hispanics

We hoped for something better. [Sixty-seven percent of Hispanic voters](#), over [six million people](#), were led to believe that Candidate Obama had the answers in 2008. Yet almost 8 years later, Hispanics are left scratching their heads. After many promises of hope and change, Barack Obama got more from Hispanic voters than Hispanics got from him. In five key areas – Budget and Leadership, Jobs and the Economy, Immigration, Education, and Healthcare – the President’s big government agenda left Hispanics worse off than they were before he took office. And now, his 2017 budget proposal is simply more of the same failed policies, with his priorities aligned more to his legacy than they are to the realities facing American families.

Budget and Leadership

Time and again, President Obama has consistently shown a lack of leadership, and the latest federal budget is a perfect example. Instead of coming together on a plan that works, Washington continues to raise spending caps and kick the can down the road on tough budget decisions that need to be made, and taking action on badly needed entitlement reform. Hispanic families are particularly hurt by this bad deal. As a community, Hispanics are a decade younger than the nation as a whole, and our children and grandchildren will bear the cost of added debt and of entitlement programs that are currently on an unsustainable fiscal path. Latino workers will ultimately pay higher taxes because of it, yet not see the benefits from programs they spent a lifetime paying into. And as Washington puts off the hard decisions, we face a greater risk of a financial crisis in the future.

- The federal debt will be [\\$30 trillion](#) within a decade, according to the Congressional Budget Office.
- The amount of debt being piled on future generations is enormous, and nearly half ([44%](#)) of Hispanic voters in 2016 will be millennials.
- It is estimated that the national debt will be nearly [\\$20 trillion](#) by the end of the Obama presidency – nearly double what it was when Obama took office.
- Even with nearly a trillion dollars in federal stimulus spending, which bumped up the federal debt to \$17 trillion, our economy continues to grow at an anemic pace. [Low growth](#) and weak labor force participation are becoming the new normal.
- Instead of helping to jump start the whole U.S. economy, as advocates claimed, stimulus money was often distributed to [politically connected companies like Solyndra](#). Even worse, many of these companies have now failed.
- [According to the latest estimates](#) from the Congressional Budget Office, the federal budget deficit is [set to rise again](#) in 2016 despite its multi-year downward trend which started in 2009. Even the president’s proposed budget for fiscal year 2017 projects an increase of roughly \$6 trillion in the national debt, despite \$2.85 trillion in tax increases over the next 10 years.
- Approximately [two thirds of Americans](#) agree that progress has not been made on the deficit.

Jobs and the Economy

Barack Obama campaigned on turning the economy around, and continues to trumpet his perceived success. However, Hispanics were particularly affected by the recession, and the economic gap between Hispanics and non-Hispanics remains wide. Moreover, the recovery has not been felt equally by all groups, and for Hispanics we know the recovery has not lived up to the rhetoric. Even several years after

Obama's touted economic recovery, [median wages are stagnating](#), and economic growth remains unimpressive.

- At the [start of the recession](#), Hispanic individuals were working part-time involuntarily at a rate of 3.25%, while non-Hispanics were at 1.86%. During the recession, the rate at which both Hispanics and non-Hispanics were employed part-time for economic reasons skyrocketed to 7.37%, and 4.26% respectively. However, after the recession officially ended, the rate for Hispanics continued to increase and hovered above 8%, while their non-Hispanic counterparts remained stable around 4%. The problem appears to be getting worse. Today, [approximately 1 million Hispanics](#) remain in part-time work involuntarily.
- [Before the recession](#), Hispanics and non-Hispanics in the U.S. experienced unemployment at roughly the same rates. For example, in October of 2006 there was just 0.3% separating the two figures. However, after the onset of the recession that gap increased almost tenfold: a difference of 2.86% by the end of the recession, and the gap [has still not fully disappeared – meaning Hispanics still suffer from higher unemployment rates than the rest of the country](#).
- In terms of [long term unemployment](#), the gap between Hispanics and non-Hispanics more than doubled, going from a difference of 1.39% at the beginning of the recession to a difference of 3.11% by the end.
- [Median annual household incomes](#) overall only just recently returned to pre-recession levels – \$56,746 in November 2015 – making up the lost ground after nearly eight years that included over \$9 trillion in reckless deficit spending and unproductive quantitative easing measures that added up to over 3 trillion dollars. For Latino households, recent government data still shows that incomes are less today than they were in 2009.

Immigration

Obama claims to be our Champion in Chief on immigration, but has instead become our Deporter-in-Chief. All we have gotten are a series of empty promises and executive actions meant to construct a legacy instead of durable legislative reform. Even when his party controlled both houses of Congress, the president and his allies chose to play politics with immigration and ignore the campaign promises he made Latino voters. In the last year of his administration, America still needs immigration reform that addresses the situation of the 11 million unauthorized immigrants already here, provides status for the “Dreamers,” expands legal immigration and the visa process to account for future flows, protects the rule of law and separation of powers between the executive and the legislature, and enhances border security.

- Obama's executive actions, which are still the subject of legal challenges, target only half of the unauthorized immigrants in this country, leaving [millions](#) without any solution. Under the President's proposals they have to settle for a state of legal uncertainty.
- Obama has almost [deported more immigrants](#) than every president from the 20th century combined, in total removals (border + interior removals).
- Obama has deported [nearly 1 million people](#) from the interior of the country, which is twice as many as were deported under the Bush administration, even when counted as a percentage of the total undocumented population.

- This could have been different. Reform in the law is desperately needed, but reports have shown that Obama never wanted a negotiation. He only wanted to score points, and seemingly, never made a real effort to achieve a bi-partisan consensus required for the Senate bill to pass.

Healthcare

Obamacare was sold to Hispanics as the solution to their healthcare needs, but instead of benefiting from a solution, they have been called on to pick up the bill for this failed program. Latinos are a young demographic with relatively low risk, and advocates know the system cannot function unless the young and healthy pay more, placing a heavy burden on the backs of Hispanics, who are a decade younger than the rest of the nation and who make up largest uninsured demographic group. Ultimately, we were told, the Administration passed a health care law so that those who could not afford health insurance could receive coverage, but now millions are being penalized with crippling fees precisely because they cannot afford to secure health insurance coverage.

- Even though Obamacare was named the “Affordable Care Act,” there’s little affordable about it. Premiums on the exchanges are [expected to rise](#) 12-13% nationwide, but in some states like North Carolina, premiums are expected to rise as much as 28%. Rate hikes exceeding 20% are either approved or pending in at least 17 states.
- [Half of the co-ops](#) established under Obamacare have shut down, defaulting on more than \$1.2 billion in federal loans. As of November of 2015, only two had been able to break even, and most of the remaining co-ops were considering massive premium increases of up to 40% in order to stay solvent.
- People are increasingly flocking to alternative systems such as Direct Primary Care practices where doctors do not accept insurance, which have [increased from just 20 to over 400](#) such practices since the passage of the ACA.
- Approximately [12.7 million people](#) have enrolled in Obamacare this year – a far cry from the 21 million anticipated by the nonpartisan Congressional Budget Office as recently as a few months ago. (The White House lowered the enrollment target by more than 10 million shortly before the open of the signup period.)
- The administration has constantly lowered its enrollment projections to compensate for low interest in the program. [As of 2015](#), for every person who is allowed to join the program and has actually done so, two people have not.
- Alarming, many Americans are now [opting to travel to Mexico](#) for faster and more affordable healthcare instead of relying on their high-deductible Obamacare plans.

Education

Latinos today face the worst high school dropout rate of any group in America, and continue to trail the rest of the country in higher education. Instead of taking constructive steps to lower the cost of college tuition in the United States, the Obama administration has proposed subsidies and programs that would raise the cost of tuition for Latinos in the long run. A quality education is critical for achieving the American Dream, and for the Hispanic community, significant progress remains to be made.

- In 2013, among Hispanics ages 25 to 29, [just 15%](#) of Hispanics have a bachelor's degree or higher. By comparison, among the same age group, about 40% of whites have a bachelor's degree or higher.
- Despite narrowing the gap in enrollment, college completion rates for Hispanics [continue to lag behind](#) the rest of the country.
- Rather than make college affordable, the administration's plan for free community college may [raise the cost of tuition](#) for 4-year college degrees in the long run.
- The Obama administration's proposals continue to [defund the D.C. Opportunity Scholarship Program](#) (OSP), a school choice program that allows thousands of disadvantaged and low-income children to escape failing schools and receive quality education.

Conclusion

We must shift focus from politics to policy, and measure the success of policies by their outcomes and the incentives they produce rather than the intentions of the politicians who advance them. Over the last eight years, U.S. Hispanics have been fed a steady stream of good intentions by this administration, but good outcomes have been few and far between. The failed big-government policies have left the Hispanic community with stagnating wages, ballooning federal debt, unsustainable government programs, and a healthcare law that is so dysfunctional that people won't sign up for it unless they're threatened with penalty fees. Instead of putting off the tough decisions because they portend political consequences, leaders in both parties need to come together on a budget that shrinks the deficit to zero and doesn't shoulder the next generation with a mountain of unpayable debt. We should expand economic freedom instead of expanding government, and allow free markets to lead the way to a more dynamic and faster growing economy. Instead of playing politics with the lives and livelihoods of our immigrant population, it is time to come together for durable, market-driven, legislative immigration reform. Finally, we need to scale back government subsidies and intervention in order to make college and healthcare more affordable, not resort to more of the same spending and subsidies that drove costs so high to begin with. We need all of these things in order to lay the foundations of a free economy and a free society. We had expected more from the President on his final budget proposal and hoped for proposals that moved away from his regular big-government approach. This last budget proposal makes clear that it's time for a change of direction in Washington.