

A Cautionary Tale:
Discriminatory Lending Against Hispanic Farmers and Ranchers in Southern Colorado

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Introduction

Although rural America is often depicted to be composed of White inhabitants with ancestral roots in Northern Europe, minority groups have long resided in the American countryside (Saenz 2012; Summers 1991). The invisibility of minorities in rural America is largely due to the extreme segregation of Native Americans on reservations (Snipp 1989), the isolation of African Americans in majority-minority counties in southern states (Lichter et al. 2007b), and the concentration of Hispanics along the US border with Mexico (Saenz and Torres 2003). However, today, ethnic and racial diversity is on the rise in rural counties in United States, making the ethnoracial complexity of rural America more apparent than ever (Lichter 2012).

The growth of minority populations in rural counties is largely the result of immigration from Latin America (Lichter and Johnson 2006). In recent decades, Latino immigrants have begun to settle in non-traditional receiving states such as Alabama, Georgia, Iowa, and North Carolina. Still, despite the growth of ethnoracial diversity in rural America, inequality between non-Hispanic Whites and minorities has changed little since the Civil Rights Era (Charles 2003; Iceland et al 2002; Logan and Zhang 2013). In fact, for most minorities, residential segregation and inequality has increased since the turn of the 21st century (Wilkes and Iceland 2004). This is evident in both rural and urban counties, and it is particularly true for the United States' largest minority group, Latinos, who have experienced segregation at higher rates than other minorities in recent years (Hall et al. 2015; Rugh 2015).

While many factors have contributed to these inequities, discriminatory lending has played a particularly crucial role in maintaining the unequal opportunity structures facing Hispanics and Latinos in the US. However, while previous research addresses the impact of discriminatory lending against minorities in urban areas (Massey and Denton 1993; Rugh and Massey 2014); we know much

less about how such practices have affected minorities living in rural regions of the country. This is especially true when it comes to rural Hispanics and Latinos (Lichter et al. 2010).

I address this intellectual lacuna by analyzing discriminatory lending practices within Hispanic communities in the San Luis Valley (SLV), which is located in Southern Colorado. My analysis focuses on the *Garcia v. Vilsack* settlement, which, in 2015 awarded several thousand Hispanic farmers and ranchers, including more than 30 residents of the SLV, with compensation for the discriminatory lending they suffered from during the 20th century. Based on more than 70 in-depth interviews with plaintiffs, financial experts, congressional staffers, and residents, I contend that historic discrimination against Hispanic populations in the SLV helps explain a myriad of social issues currently affecting their communities including inequality, elevated poverty rates, severe unemployment, and high rates of drug abuse and crime.¹

As my data reveals, inadequate credit has both maintained and aggravated unequal opportunity structures for Hispanics living in the SLV. Over the 20th century, lack of access to formal banking, the under appreciation of homes and land, and the deliberate isolation of Hispanics from formal institutions contributed to the type of economic hardship that few could withstand. Many Hispanic families have been pushed out of the SLV altogether. Without the ability to work the land, they were forced to seek employment elsewhere, and in their absence, their hometowns have struggled to survive.

¹ I use the terms Latino and Hispanic throughout this essay; however, I do not use them interchangeably. Both terms refer to individuals who share a common cultural background rooted in the Spanish language and customs bound to ancestry in the Iberian Peninsula and Latin America such as catholicism. That said, I use the term Hispanic more frequently do to the fact that the individuals I interviewed for this project predominately identify with a peninsular ancestry, and thus, consider themselves to be decedents of Spanish immigrants who came to New Spain prior to Mexico's independence in 1810. As a result, these individuals identify with the term Hispanic more than with the term Latino, the latter of which is a pan-ethnic concept that has grown in popularity in the United States as Latin American immigration has diversified. Thus, when I refer to "Hispanics," I am describing multigenerational residents of the San Luis Valley who trace their ancestry back to Spain. In turn, when I refer to "Latinos," I refer to recent migrants from Latin America. For more on this subject please see: Gómez, L. E. (2007), Nieto-Phillips, J. (2004), and Nostrand, R. L. (1992).

My article contributes to rural sociology in two ways. First, my work provides in-depth documentation for a poorly understood chapter in US history. Although much has been written about discriminatory lending against African Americans and Native Americans living in rural areas of the country, we know much less about the impact of similar practices within rural Hispanic communities in the Southwest (Teasdale et al. 2012). My work here adds to our understanding of this history. Second, my article provides a necessary foundation for understanding the discrimination that Latino immigrants currently face in rural counties across the country today. This is particularly important given the growth of Latino populations in rural counties in recent decades. Taken together, my article contributes to our understanding of the unequal opportunity structures currently facing Hispanics and Latinos in rural America.

Emigration, Discriminatory Lending, and Hyper-segregation

Over the course of the 20th century demographic growth in urban cities, coupled with emigration out of rural counties, changed the face of America. In 1800 more than 94% of the country lived in rural areas, and a century later, more than 60% still resided in such settings. However, during the 20th century millions of Americans from all walks of life picked up and relocated to cities. By 1950 only 40% of US inhabitants claimed rural residency, and by 2010 less than 20% lived in rural communities (US Census).

Popular depictions of this massive demographic shift, like John Steinbeck's *The Grapes of Wrath*, make it seem as if all rural inhabitants faced equally dire circumstances in the countryside. However, rural minorities faced much more formidable barriers than their White counterparts, which helps explain why the rate at which rural inhabitants fled for cities over the 20th century has depended a great deal on the color of one's skin. Like rural White Americans, millions of minority families left for the city during the 20th century. However, the circumstances that pushed them from

their homes, as well as the conditions they came to find in northern cities, were quite different than the ones experienced by non-minority migrants.

The unequal terms under which rural Americans left the countryside during the 20th century have profoundly altered opportunity structures for all Americans. This is particularly evident when looking at the nation's two largest minority groups, African Americans, and Latinos. During the Great Migration, more than 6 million African Americans left the South, settling predominately in urban cities in the north. Most of these individuals left situations of abject poverty and state-sponsored violence such as lynching and forced labor through false imprisonment. As a result, they arrived to urban neighborhoods with relatively nothing, and while conditions were not much better in their new urban life, they were able to find employment. At the same time, millions of Hispanics and Latinos settled in industrial cities, finding work in factories, construction, cleaning, and other blue-collar vocations. Access to employment initially masked the unequal opportunity structures facing minorities in urban communities. In time, however, as blue-collar work dried up in cities and investments shifted toward the suburbs, the lasting effects of discrimination and structural inequalities became more evident (Wilson 1996).

One of the most evident inequities facing minorities came in the way of housing. Following the Great Depression, the government created programs designed to facilitate the purchase of homes at low interest rates. The Federal Housing Authority (FHA), in conjunction with local lenders, oversaw these programs. In most communities lending agencies redlined minority neighborhoods, making it impossible for them to join their White neighbors in the new suburban communities popping up in the periphery of cities across the country. In effect, the government literally underwrote and financed the hyper-segregation of US cities.

Today, despite being a full 150 years removed from Lincoln's Emancipation Proclamation, and nearly 60 years after the Civil Rights movement, segregation between Whites and minorities in

the US has improved relatively little.² In fact, while segregation has dropped slightly in urban areas with small African-American populations (Charles 2003), it has remained virtually the same in cities with larger black populations like Chicago, New York, and Washington (Iceland et al 2002). The situation is only slightly better for the country's fastest growing minority group; Asians, who report significantly higher incomes than Blacks and Hispanics, but experience almost as much segregation as other minority groups (Logan and Zhang 2013). In turn, researchers find that Hispanic and Latino communities, faced with anti-immigrant sentiments and widespread discrimination (Charles 2003; Massey 2009; Ross and Turner 2005), have experienced increases in segregation in recent decades (Wilkes and Iceland 2004). Segregation is particularly high among darker skinned Hispanics and Latinos (Denton and Massey 1989; Massey and Bitterman 1985; Massey and Denton 1992), who experience more discrimination relative to lighter skinned Latinos (Murguía and Telles 1996).

In the US, where deep segregation is rooted into the demographic landscape, racially isolated communities place minorities at a clear disadvantage vis-à-vis the majority group (Massey 2004). Although many factors have influenced segregation in the US, unequal access to credit has both contributed to, and helped maintain, colossal wealth gaps between Whites and minorities. Historically, relatively more favorable access to credit provided Whites with greater freedom in choosing where to live. Conversely, less favorable access to credit markets limited residential mobility within minority groups. To be clear, while discriminatory lending can imply that minorities are denied loans altogether, often it refers to the fact that when minorities receive loans they are extended credit with less favorable terms. In the long run adverse terms contribute to higher rates of

² Throughout this essay I used the term "White" and "Anglo" to refer to non-Hispanic Whites. In turn, I use the terms "Hispanic" and "Latino" to refer to individuals who self-identify ethnically with a heritage rooted in Latin America and/or the Iberian Peninsula. In interviewing individuals across the SLV I specifically asked how they identified with the terms used by US Census to identify race and ethnicity. New immigrants from Latin America almost exclusively preferred to identify with their nationality, followed by the term "Latino." In contrast, multigenerational residents with ancestors from Spain, chose to identify with the term "Hispanic." Furthermore, as a means of distancing themselves from people who had recently arrived from Mexico, interviewees who identified as Hispanic were quick to point out that they were not from Mexico.

credit default and foreclosure, which are associated with depreciation of nearby property values (Immergluck and Smith, G. 2005; Lin et al 2009; Frame 2010), reduced opportunity structures (Rohe et al 2002), spikes in neighborhood instability (Rohe and Stewart 1996), higher levels of neighborhood crime (Immergluck and Smith, 2006), increased stress within families (Leonard and Murdoch 2009), and lower levels of psychological wellbeing (Starrin et al 2009).

Regarding families, Kingsley and colleagues (2009) find that foreclosures contribute to displacement, housing instability, financial insecurity, and personal stress. These effects are particularly acute within young families due to the impact that moving has on children (3). Beyond the family, foreclosures affect entire communities by contributing to declining property values, crime, social disorder, and falling tax revenue, which reduces local government's ability to assuage the impact of foreclosures through social spending (4). If the effects of foreclosures were spread evenly across communities, the long-term consequences might be reduced. However, that is not the case in the US, where minorities have been affected by financial hardship to a much greater degree than non-Hispanic Whites. This has been particularly evident in the wake of the Great Recession.

The wealth gap between minorities and Whites initially shrank in the immediate fallout of the Great Recession. However, since then, the gap has increased to levels much higher than prior to the recession. In large part, this is due to the fact that minorities were much more affected by the sub-prime loan market than Whites, and as a result, they have had a more difficult time getting back on their feet. Furthermore, due to historic advantages, Whites were more likely to own stocks than minorities, and thus, as the stock market has come roaring back, Whites have begun to recover lost wealth whereas minorities have not. In fact, while White's lost 28% of their wealth between 2007 and 2010, between 2010 and 2013 their wealth actually increased by 2%. In the case of Hispanics and Blacks, in turn, overall wealth trends were still in free fall through 2013. From 2007 to 2013 these two groups each lost 42% of their wealth. And while Asians have fared better in the fallout of

the recession, they still lost an incredible 53% of their wealth between 2007 and 2010. As a group, they've recovered much better than Blacks and Hispanics, but even at \$134,008, their wealth is down 20% compared to 2007. In a country in which homeownership correlates strongly with higher levels of wealth, these trends are particularly troubling (Rohe and Stewart 1996).

As the aforementioned information reveals, much of what we know regarding segregation and discriminatory lending comes from research regarding urban settings. However, for the majority of US history Americans have lived in rural communities. In 1800 more than 94% of the country resided in rural areas, yet by 2010 less than 20% lived in such communities (US Census). Given the massive demographic shifts of Americans from rural to urban communities during the 20th century, a better understanding of the lasting effects of unequal opportunity structures in rural areas stands to shed light on the factors currently contributing to the inequalities facing minorities in both rural and urban settings.

While difficult to believe, inequalities in urban areas pale in comparison the disparities between Whites and minorities in rural settings. For example, at the dawn of the 21st century White landowners possessed just over 98% of private land in rural America, which represented roughly 50% of all private land in the country and equated to a value of 1.1 trillion dollars (USDA 1999). While many factors have contributed to these inequalities, unequal access to credit has made it particularly difficult for minorities in rural areas to improve their lot in life vis-à-vis the majority group. Within capitalist economies access to credit plays a fundamental role in shaping opportunity structures. In the absence of adequate savings, credit allows for individuals to access education, housing, and entrepreneurial opportunities (Yunus 1999). Furthermore, credit helps people overcome the cyclical effects of market cycles without losing everything they have. This is particularly true in farming and ranching communities, where workforces are extremely vulnerable due to the volatility of commodity markets and the unpredictable nature of the natural environment.

Given the unequal distribution of credit in rural counties, it is not surprising that minorities began leaving the countryside earlier and at faster rates than their Anglo neighbors. In this respect, current segregation in U.S. cities has been conditioned by unequal opportunity structures within rural communities. Still, as previously mentioned, most of what we understand regarding segregation in urban settings in the U.S. is tied to discriminatory lending practices within cities. Much less attention is lent to how similar practices in rural America conditioned urban segregation and inequalities long before individuals began migrating to the city. Discriminatory lending in rural America represents a missing link in the chain of oppression that continues to burden minorities across the United States. This is particularly true for Hispanic communities. A better understanding of this link stands to improve our understanding of the economic disadvantages currently facing minorities in rural America. Work of this nature also contributes to our understanding of the racial order in the US, which as Emirbayer and Desmond reveal, is much more complex than we often depict it to be (2015). To this end, in this article I analyze the nature of discriminatory lending in rural America via a case study of the SLV, which is located in Colorado along the border with New Mexico.

Case Selection and Empirical Methods

Southern Colorado is an ideal location to analyze the effects of discriminatory lending practices, and their consequences within Hispanic communities residing in rural areas during the 20th century. First, southern Colorado represents the meeting point between what was Mexico prior to 1848, and what became US territory in the years following. Prior to 1848 the SLV fell within the jurisdiction of a large Mexican territory known as *Nuevo México*, where roughly 100,000 Spanish-speaking inhabitants resided (Gómez 2007). Unlike other parts of Mexico's northern territory, the SLV was sparsely populated prior to 1840. However, in the years leading up to the Mexican-American War, Mexico encouraged settlement in the SLV. Conversely, on the East Coast, in

Washington D.C. politicians were facilitating Anglo settlement in the SLV through mining claims, and after 1860, the Homestead Act. The simultaneous settlement of the SLV by Anglo and Hispanic colonizers creates a unique opportunity to evaluate the role of discrimination in forging social inequalities during subsequent generations.³

Second, southern Colorado's economic base is rooted in agriculture. This is true for both Hispanic communities as well as Anglo communities, which allows one to appraise the impact of discriminatory lending while controlling for other factors. This was particularly true in the 20th century, when the wealth gap between Hispanics and Anglos grew the most. In effect, the simplicity of the local economy makes it possible to assess the degree to which pecuniary differences between ethnic communities resulted from discriminatory lending practices.

Third, unlike other communities where discriminatory lending took place in the US, Hispanic residents of the SLV were particularly well organized. In large part, this is due to the early unionization of Hispanic workers through the mutual protection associations that emerged in the valley after the Treaty of Guadalupe Hidalgo was signed. These associations, known as the *Sociedad Protección Mutua de Trabajadores Unidos* or S.P.M.D.T.U., were unique to northern New Mexico and southern Colorado, and existed in nearly every Hispanic village in the region.⁴ The purpose of the associations was to protect Hispanic landowners from the usurpation of their land by White settlers and combat the discrimination of Hispanic laborers in the region (Riviera 2010). These associations armed residents with the organizational means through which to contest discrimination. Although

³ For more on the context of this history I would suggest reading R. L. Nostrand's 1992 book, *The Hispano Homeland*.

⁴ It is worth noting that Hispanics are found to unionize at higher rates across the nation. As Rosenfeld and Kleykamp (2009) reveal, collective action amongst Hispanics is significantly higher than US-born Whites and other minority groups. This is in part due to the early unionization of Hispanics through the S.P.M.D.T.U. following the Treaty of Guadalupe Hidalgo, which set a foundation for the unionization of Hispanics across the Southwest in the 20th century. For additional information on the S.P.M.D.T.U., please see José A. Rivera's 2010 book, *La Sociedad: Guardians of Hispanic Culture Along the Río Grande*. Rivera's book provides a detailed account of the society's role in region, and for the engaged reader, it will help contextualize the primary accounts detailed in this article.

largely ineffective over the years in legal courts, the associations promoted a culture of preserving evidence, which leads to a fourth point.

Hispanic farmers and ranchers in the SLV who filed claims against the USDA under *Garcia v. Vilsack* were much more successful than their counterparts elsewhere. In fact, while nearly 95% of claims were denied elsewhere, roughly 80% of the cases filed in the SLV were successful. In large part, the success rate of Hispanics in the SLV results from the availability of documentation that demonstrated bias lending practices combined with the fact that Hispanic residents in the area were accustomed to standing up for their rights.⁵ From a research standpoint, the presence of physical documentation makes it feasible to fact check accounts of discrimination in a way that is often impossible in other rural Hispanic and Latino communities that suffered discrimination during the 20th century.

Evaluating the lasting effects of discriminatory lending in rural Hispanic communities is an important first step in accounting for the practices and norms that have given way to the massive inequalities that currently exist between Hispanics and Latinos and non-Hispanic Whites in the US. To capture such practices, I employed a qualitative research model through which I combined formal interviews with participant observation and ethnographic field notes. Between 2014 and 2016 I sat down with more than 70 individuals for semi-structured interviews. For each interview, I researched the individual I was going to sit down with, and used the information I came across to create a carefully crafted interview script. Interviews were conducted at Adams State University as well as on location in individuals' homes and places of work. All formal interviews were filmed and transcribed. Edited versions of most the interviews are publically available online.⁶ The fact that

⁵ For additional information on the *Garcia v. Vilsack* case, please see the University of Michigan Law School's case profile at:
<https://www.clearinghouse.net/detail.php?id=12757>

⁶ *Voices of the Valley* videos are currently archived on the Sangre de Cristo National Heritage Area's website:
<http://sdcnha.org/wp/>

many of my interviews were captured on video has allowed me to observe more subtle forms of expression including body language, inflection of voice, linguistic variation, facial expressions, and emotion. For interviews involving more than one participant I also observed patterns of social interaction, such as gender norms.

In addition to interviews, I sat down with informants for countless lunches, joined residents in their places of worship, spent time with new acquaintances in their homes, and accompanied men and women in their places of work. Over the course of two years I accompanied ranchers on cattle drives, sheep herders as they moved their flocks, and I even spent a freezing cold March morning in 2015 with a family in Mogote for a morning of sheep shearing. In this sense, my research is both deductive and inductive in nature.

Still, while my study was clearly informed by previous work on discriminatory lending, it also benefitted from the openness and flexibility of an inductive framework (Lamnek 2010). The inductive method is particularly powerful in this case because it helps shed light on the internal worldviews that define local social boundaries. This approach permits for a more holistic depiction of how inequitable social boundaries have formed from generation to generation in the SLV. Like Emerson and co-authors (2011: 2), "I draw on ethnography as a way to understand and describe social worlds...through *immersion* in others' worlds in order to grasp what they experience as meaningful and important." This process is very similar to "boundary work," as described by author Michele Lamont in *The Dignity of Working Men*. Like Lamont, I believe that "groups that find themselves in relatively similar structural positions can draw very different [social] lines" and that in this respect, "social exclusion takes different forms" depending on the particular "sets of cultural tools" available to the group (Lamont, 2000: 7). In this study, I employ the inductive method as a

means of illuminating the status distinctions that underpin social inequalities from the point of view of those living in the SLV.

Throughout the project I took care to interview both men and women, to speak with individuals of different races and ethnicities as well as people from different social classes. My interviewees ranged in age from 15 to 95. The individuals I interviewed openly welcomed me into their lives; allowing me to observe their daily routines at home, while working in the blistering heat on their farms, during moments of worship in their churches and temples, and even during moments of reflection and recreation on the banks of rivers and in the grace of beautiful mountain valleys. Our conversations were semi-structured; still, I never restricted discussions to the confines of my interview scripts. Rather, I allowed the natural flow of our conversations to dictate the direction of the interview, which often revealed information that I might not otherwise have discovered.

By meeting my participants where their life naturally occurs I found them to be more relaxed and willing to open up to my momentary intrusion into their lives. Most of my interviews were around 40 minutes long but others went on for hours. In some cases, I spent entire days with my subjects. With key informants, I stayed in contact throughout the duration of the study, and in many cases, I interviewed these subjects multiple times. At the end of the day, the depth of my interaction with subjects allowed me to peer deeper into their lived experiences.

Results

On a brisk spring morning in 2016 I drove down to Demetrio and Olive Valdez's ranch, which sits just south of Antonito, CO along the west side of Highway 285. I had to cancel our first interview because a late spring storm snowed in their driveway and Demetrio was afraid I wouldn't be able to get back out if I went down the steep hill leading to their home. However, the weather

cooperated the second time around, and after I settled in, I began to talk with them about their family history as well as their experiences raising cattle in SLV.

Demetrio's ties to the region run deep. His ancestors were shepherders who came to the Americas from Basque Country in the 17th century. In fact, in 1694 his relatives descended the steep hill that now serves as the couple's driveway as part of the De Vargas' expedition. Then, in the mid-19th century several of these explorers' decedents returned to the SLV to settle permanently.

They called it *el valle donde nace el rio del norte*. [Later] they got a land grant from Spain, the first land grant for the whole valley. Then after Mexico won the independence from Spain, they applied for a land grant from Mexico but they broke it up into the Costilla land grant, the Baca Grande, the Zapata, and the Conejos. But the Conejos land grant was still the big one from the Rio Grande this way [west], from the San Antonio Mountain north, from La Garita south, and into the timberline [west] (Demetrio Valdez, personal communication, March 1, 2016).⁷

Like his father, and his grandfather before him, Demetrio grew up farming and ranching. He learned his trade on the job, but despite his deep ties to the land, he and his wife have struggled to keep the ranch afloat. As Olive pointed out,

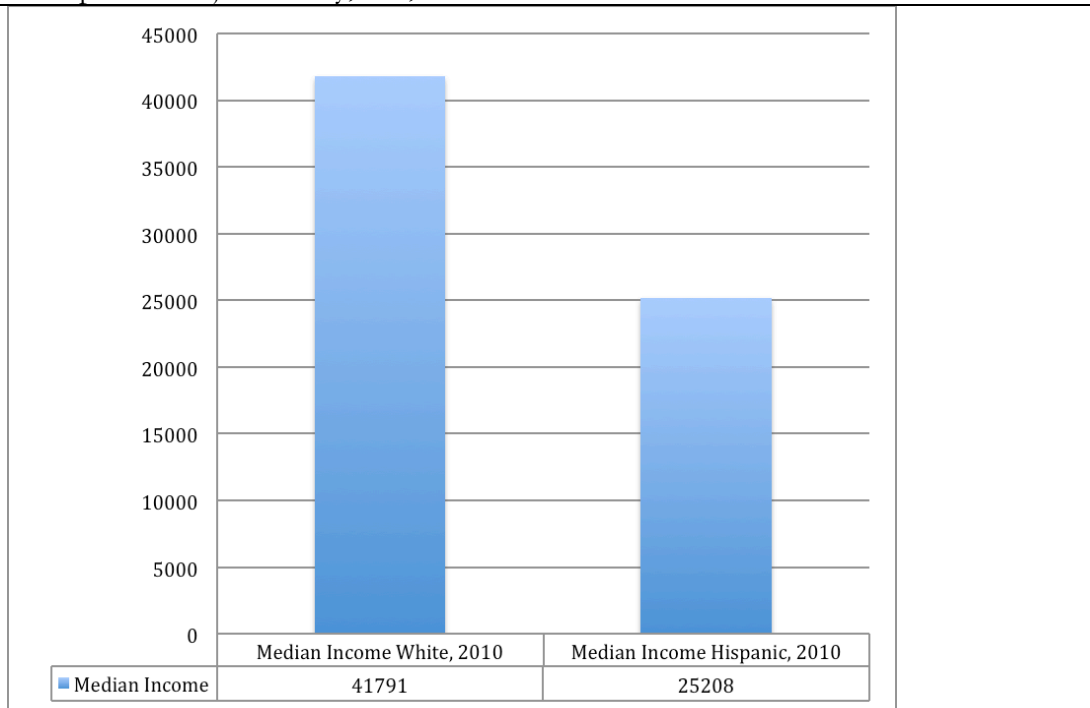
I had never seen anyone work harder than Demetrio. He worked and he worked and he worked and got so little, got so little for all those hours. Demetrio was certainly a prime example of someone who had such a good heart, such a love of the land and yet wasn't able to make a living, to make a living wage when he was working just as hard and as smart as he possibly could (Olive Valdez, personal communication, March 1, 2016).

Demetrio and Olive's struggles are not uncommon in the San Luis Valley; where, at just under \$30,000 per year, median income is more than \$20,000 below the national average. For years, the couple assumed that their struggles were similar to what their neighbors were facing. As they came to find out, while their experience paralleled that of other Hispanics, it differed from the experience of White farmers and ranchers. Inequities between Hispanics and Whites are particularly

⁷ Historical accounts contrast slightly with Demetrio's version. For example, technically, Spanish law dictates possession only in case of settlement, so by not establishing a settlement the property was likely never transferred. Also, the Baca #4 was established in 1860, Ill after Mexican concession in 1848, by the US government in exchange for land near present day Las Vegas, NM. Tracts #1, 2, 3, and 5 are in other states. Finally, Baca Grande refers to a modern subdivision near Crestone, CO, not the land grant.

strong in Conejos County, where Demetrio and Olive live. In 2010, 58.9% of residents in the county were Hispanic. Still, despite earlier settlement patterns, and initial advantages in way of land and water rights, as Figure 1 shows, in 2010 median incomes for Hispanics was \$25,208, compared to \$41,791 for Whites. The 40% income gap between Hispanics and Whites in Conejos county is 14% more than the gap between Whites (\$54,168) and Hispanics (\$40,165) at the national level.

Figure 1 Income Gaps in Conejos County, CO,



Source: US Census, 2010.

Erwin Romero grew up in Los Pinos, which is southwest of the Valdez ranch near New Mexico. Erwin grew up speaking Spanish but was forced to learn English in school. His childhood home lacked electricity and running water, and he studied at night to the dim light of an oil lamp. He spent his summers in the high country with his family’s sheep, and as a young adult he lived in Leadville, where he worked with other Hispanics from the SLV in mines and restaurants. Later, he served his country in South Korea, where he met his wife. Traditionally, his family farmed and ranched, and while his grandfather had land, he didn’t have enough to go around. So, when Erwin

returned from Korea, he turned to credit agencies to purchase land. In the early 1970s he and his brother found a ranch in foreclosure that fit their needs. The bank was selling it for \$250,000. However, they were unable to procure financing. “I just thought that’s the way things were,” Erwin told us. “I didn’t start to wonder if something else was going on until someone told me, ‘You didn’t get those loans because you’re just a couple of poor Mexicans.’ That was my first sign that things might not be fair.” Erwin’s experience was unfortunately common. However, unlike many minorities denied loans in the 20th century, the Romero brothers had a paper trail. “The house was in foreclosure, so the lawyers had to sign it and there was a written record. Otherwise I wouldn’t have had any proof” (Erwin Romero, personal communication, September 14, 2016).

Without the proper financing, Erwin was unable to farm and ranch. Instead, he finished his undergraduate degree and began working in local school districts, and teaching mathematics for Adams State University. Now that he is financially stable, Erwin is finally getting back to ranching, which is what he wanted to do in the first place. Unfortunately, his most productive years are behind him. It’s hard to imagine what might have become of his life had he received the loan he applied for, but as Erwin pointed out, \$250,000 in the 1970s is worth a fortune today. In fact, the cumulative rate of inflation between 1970 and 2016 is 523%, which means that \$250,000 in 1970 would be worth \$1.5 million today.

Alfonzo Abeyta, Aaron’s father, parallels that of the Romero brothers. Mr. Abeyta grew up in Mogote, CO, which is just west of Antonito. In 2010, 270 people lived in Mogote. The median age of the town was 55, which is 15 years above the national average, and just under 40% of the town’s homes were unoccupied. Furthermore, 29.4% of homes were used for seasonal, recreational, or occasional use, reflecting the town’s transition from a once-stable ranching town to a transient population of tourists and former residents who have left over the years in search of more-stable

economic conditions. Many of the latter return periodically to visit family or tend to land holdings, but very few move back home.

Population shifts in the Mogote tend to mirror those taking place across the rest of the United States. In 1900, over 72% of the country lived in rural areas, that is, in regions with less than 2,500 residents. By 1970 only 30% of the country lived in such regions and by 2010 less than 18% resided in rural areas. Within the next generation less than 10% of the nation's residents will reside in towns like Mogote. Still, as Alfonzo's story reveals, whereas in White communities economic factors best explain emigration, in places like Mogote race and ethnicity have played a fundamental role in the unraveling of the community.

Alfonzo served in the military in the late 1950s and returned home with the dream of expanding his father's ranch. However, he was unable to procure financing. "I remember his [the lender] words to this day. He told me that my people were made to work the land, not own the land." However, as Alfonzo pointed out in an interview at his home,

[C]ome to find out that in the same month that I got turned down a loan the superintendent of North Conejos [School District], or in that time, in La Jara was the superintendent, he got over some \$200,000 to purchase some land in Manassa (Alfonso Abeyta, personal communication, February 09, 2016).

In the early 1960s Alfonzo and his wife Martha, who also grew up in Conejos County, moved to the Eastern Slope in search of work. They returned every weekend to tend to the ranch, with the hope of one day coming back permanently. Along the way they took out private loans, but at much higher interest rates than the federally funded loans given out by the Farm Service Agency (FSA). It's worth noting, of course, that private financing in the SLV was, and still is, controlled by Anglos. Thus, by denying Hispanics subsidized financing, loan officers forced Hispanics into higher interest rates with Anglo lenders. Despite these barriers, the Abyetas slowly expanded their ranch, and in the early 1990s they came home. Still, like Erwin Romero, by the time Alfonzo came back, his

most productive years were long gone. Still, the sacrifices that he and his wife made set the foundation for their son, Andrew, and his son, Amos, who currently run the family ranch.

Over the years Alfonzo and his wife spoke out against the injustices they faced, and when they returned home they met others with similar experiences. They began strategizing about how to seek compensation. To document his losses, Alfonzo hired an economist from Washington, DC to estimate what his family's earnings would have been had it been provided access to credit over the years. The report estimated the Abyeta's forgone earnings at just over \$3 million dollars. This report aided the family in its efforts to seek compensation through the *Garcia v. Vilsack* case.

The *Garcia* case, as most know it, was an effort by Hispanic farmers and ranchers to seek compensation through a class-action suit against the federal government. Like other minority groups before them, the Hispanic plaintiffs argued that discriminatory lending practices had deprived them of their way of life, and thus, the government should be held accountable. Jose Guadalupe "Lupe" Garcia, from Las Cruces, New Mexico, spearheaded the efforts. Lupe lost his land to an Anglo farmer who had deliberately sought out ways to bankrupt him by working with local loan officers. In the end, they were successful, but Lupe never gave up his fight. However, unlike African-Americans in *Pigford v. Glickman* (1999), and Native-Americans in *Keepseagle v. Vilsack* (2011), the case never gained class-action status. Still, in 2008 efforts by people like Lupe and Alfonzo caught the attention of incoming U.S. President Barack Obama. After appointing Secretary Thomas James Vilsack to his post, President Obama asked him to prioritize some form of settlement with Hispanic ranchers and farmers. In 2015, Hispanics were provided with a settlement fund from which they could solicit compensation.

According to the United States Department of Agriculture (USDA), compensation under *Garcia v. Vilsack* comes from the judgment fund, which is:

“a permanent, indefinite appropriation available to pay final money judgments and awards against the United States. The Judgment Fund is also available to pay compromise

settlements entered into by the U.S. Department of Justice related to actual or imminent litigation, but only if a judgment on the merits in that litigation would be payable from the Judgment Fund.”

In 2015 the Abeyta’s received \$250,000 in compensation for their losses. Despite receiving settlement, Mr. Abeyta said that their compensation was a “drop in the bucket.” His wife, Martha, described the settlement in similar terms.

"When the children were young it really affected us in the way that we had to have two homes, we had to live in Denver or Pueblo or wherever we were working at the time during the week and on the weekends we had to travel here because of what we were trying to do with the ranch. We'd have to come and work and the kids would have to come and do their chores, you know, whatever it entailed, and so it affected us in that way. We didn't have much of a life on the weekends because we're here and then during the week we were there. And the kids had to switch schools you know and that kind of affected them. So, I think that the \$250,000 that we received was alright but it could never ever make up for what we went through. For all the sacrifices we made, for all the things we had to give up. For all the things we couldn't give our kids. No, the \$250,000 is nothing, nothing. And it came a little late" (Martha Abeyta, personal communication, February 09, 2016).

“It was never about the money,” Alfonzo said. “It was about what is right.”

The principal of the matter is what kept Richard Gomez going through the years as well. Mr. Gomez worked for more than three decades for the Farmers Home Administration (FmHA), and the Rural Development Administration of the USDA. Richard grew up in Guadalupe, CO, which is a 15-minute drive from Mogote. When he was young he spent his summers tending to sheep in the high country. “I used to lay under the stars up there, with no one to talk to but the sheep, and think, I’m not doing this all my life! That’s why I paid attention in school!” After High School, he went to Trinidad Community College on a baseball scholarship and when he graduated he began working as a contractor with his father, who owned Gomez and Sons Construction. Then, in the late 1960s, Richard was offered a job with the FmHA in Alamosa. “I was the first Hispanic to work there,” he told me proudly in 2016 at his home several months before he passed away. Richard’s insider status gave him a unique opportunity to document the injustices facing Hispanics (Richard Gomez, personal communication, February 29, 2016).

In a declaration for the *Garcia v. Vilsack* settlement Richard stated,

“[I]n the San Luis Valley of Colorado and in Southern Colorado all County Farm Loan Committees were Anglo, so Hispanics had very little chance of getting loans. The FmHA loan personnel were also all Anglo. It was known in this area you had very little chance of getting a farm loan if you were Hispanic and my observations while working at the FmHA confirmed it.” (Civil Action No. 1:00CV02445, pg. 2)

In 1986, for example, Richard Gomez noted that of the 30 farm loans given out in the San Luis Valley, only 2 were provided to Hispanics, even though just over 40% of the valley’s resident reported being Hispanic on the U.S. Census (1980). Still, per Gomez’s experience, even when Hispanics were given loans, the agency frequently delayed the delivery of funds, which made it hard for them to run their operations without going bankrupt. The case of Gary Sandoval and his brother make this process clear. As Gomez noted in his declaration,

“In 1993 I did get involved with a matter on behalf of the Sandoval brothers, two Hispanic farmers. They needed to borrow money from FmHA to finance their crop, but delays in FmHA processing forced them to seek money from a private bank in order to obtain the money needed for the upcoming crop year. The bank agreed to do so on condition that FmHA would agree to guarantee the loan. 9 or 10 months later the FmHA had still not processed the application. The bank complained to me about FmHA’s delay, saying that the Sandovals weren’t being treated fairly. I got involved and forced the County Supervisor, who I had authority as district director, to fire, to expedite the process. This resulted in prompt approval.”

When I met with Gary Sandoval he told me that he was initially blind to the fact that he was being treated with different standards. “I kept blaming myself. I don’t have enough equity, I don’t have enough cattle, I don’t have machinery, I kept pointing the finger at me. It was my fault I wasn’t getting the loan,” he said outside his home near Mogote. Mr. Sandoval was saddling up his horse as we spoke. As he explained, he grew up on the T-Bone ranch, where his father worked as a foreman. From an early age, Gary expressed interest in owning his own ranch. However, by the time he turned 21 he realized that buying land wasn’t an option for men like him. Gary had to make ends meet and so like many other Hispanics in the area, he began working at the nearby perlite mine

south of town. He worked in the mine for 9 years before he decided to give ranching another shot. In the mid-1970s he applied for a loan, but was denied.

In retrospect, Gary said he now sees everything more clearly.

“Spanish is my first language and I still communicate with my brother and neighbors in Spanish. I went to school in Antonito and many of the kids were Hispanic, but discrimination was apparent. I saw it in sports when White kids and their parents were treated differently than us. It made us feel inferior.”

As Gary pointed out, the differences that began in school carried through into the workplace.

Regarding the mines, Gary said,

“[M]uch like everywhere else, the Whites were always in the high positions, and that was the case at the perlite mines. Even though there were a lot of Hispanics working there, the Whites were the ones that were foremen. They too should prejudice, giving the Hispanics the labor work, while the Whites were operators” (Gary Sandoval, personal communication, September 16, 2016).

Unequal treatment is what drove Gary from the mines. He wanted to get back to his roots, and back to the land, where he would be his own boss. The first time he applied for a loan he went with his father, who introduced him to the loan officer. His father was well-respected in the area, which led Gary to feel confident about his odds of getting a loan. However, as he came to find out, the respect his father had earned as a foreman on the T-bone was worth very little on paper. Gary applied for an operating loan so that he could buy cattle and land. He intended to buy machinery, 200 acres, and 50 head of cattle. The loan officer denied Gary’s request, claiming that he did not have enough experience to justify such a large loan. The officer verbally committed to loaning Gary a smaller amount so that he could buy land and cattle. He drew up an alternative farm plan in which he would use his father’s equipment and machinery. After several months he received an official response from the loan office in which they informed him that he did not qualify for the loan.

Gary forged on anyways. He continued working in the mines and laboring for other ranchers on the side. Little by little he pieced together enough land and machinery to ranch on his own but

his efforts came at a cost. Like many Hispanics I spoke to Gary found himself working day and night.

“I think it took a toll on my marriage. I was spreading myself too thin. I was working at the Perlite, bucking bails on the side, ranching, and roping. So, I was hardly ever home. I was trying to get ahead and have a ranch one day. It takes its toll on family life, when you are spreading yourself to thin.”

As Richard Gomez pointed out, Mr. Sandoval’s struggles mirror the efforts of other Hispanics in the area. In an interview at the USDA’s new office in Alamosa just northwest of town, Richard told me, “That’s how they’d break them. They’d give them just enough to get in trouble and then they’d let them go bankrupt. They’d break them.” In the same interview, referring to one of his former supervisors, he said,

“That guy was terrible. He sold those potatoes on that guy. Another guy, Miguel Gonzalez, he went out to his farm out there in La Jara, he was delinquent on his loan and he [Richard’s supervisor] went and rented a semi and loaded up all his sheep and sold them. And then the guy didn’t have any money to pay his real estate taxes with and so they foreclosed on him. That destroyed that man.”

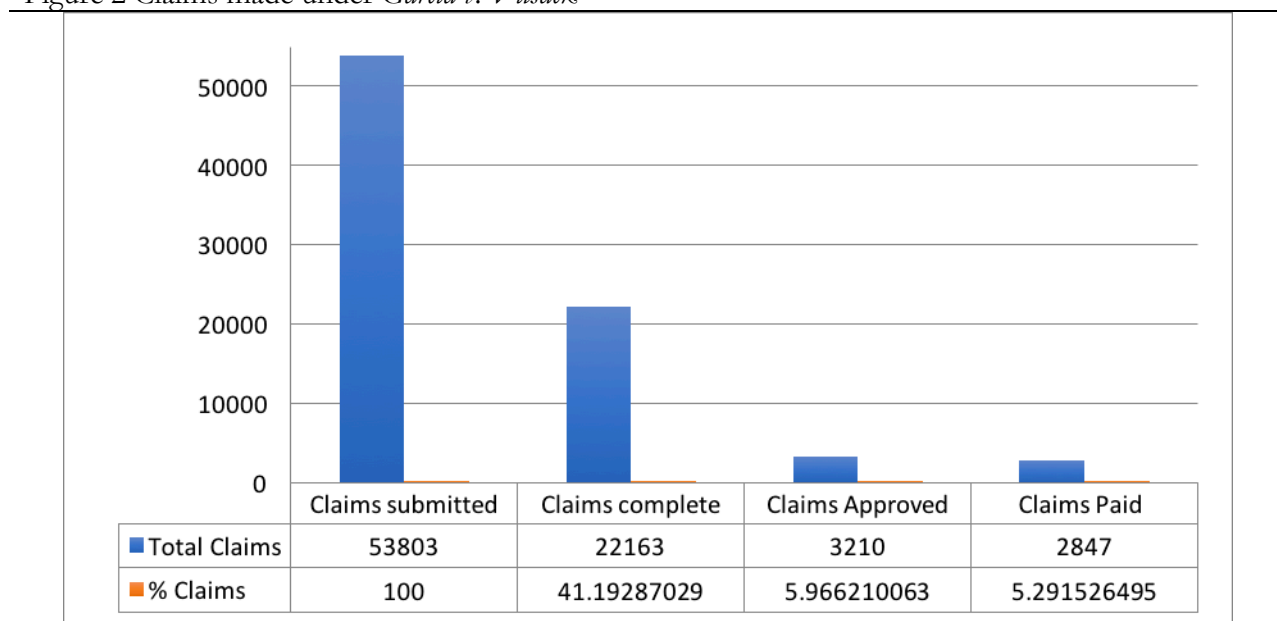
Richard went on to explain that while the repossession of goods connected to delinquent loans was within the legal rights of lenders, such practices were typically reserved for minority borrowers as a means of weeding out unwanted farmers and ranchers.

“First, they would deny minorities the loans with subsidized rates. Then, they’d recommend them to private lenders, who would frequently work with appraisers to undervalue their land and assets. They all knew each other. They worked together, you see. Sure, they’d procure financing but with low appraisals, Hispanics were extended just enough credit to get in trouble but never enough to keep their farms and ranches afloat. And so, they’d turn to working second and third jobs off the ranch. That’s what my dad had to do. That’s what they all had to do. In time, they’d fail or simply leave. The land would go back to the bank and who do you think was there to buy it up at a discounted rate at the courthouse? The Anglos. It was a big scheme and that’s why they wanted me out. I was the only one on the inside that was willing to call things as I saw them. And they hated me but they couldn’t get rid of me either. I was a minority hire. They needed me to prove they were complying with equal opportunity laws! Can you believe that?! (Richard Gomez, personal communication, February 29, 2016).”

In the case of the SLV, insider information made it possible for Hispanics to document discrimination in a way others were unable to. Compared to other regions, claims under *Garcia v.*

Vilsack by Hispanics in the SLV were approved at much higher rates. Unfortunately, triangulation between Hispanic farmers and ranchers with insiders like Richard Gomez is extremely rare. In most cases, Hispanic plaintiffs lacked the necessary documentation to prove, beyond a doubt, that they suffered from discriminatory lending. This helps explain the extremely low approval rate of claims made under the *Garcia v. Vilsack* settlement. As Figure 2 demonstrates, although nearly 54,000 claims were made, only 2,847 were paid out. That is, 95% of claims were denied.

Figure 2 Claims made under *Garcia v. Vilsack*



Source: United States Department of Agriculture (USDA). Data extracted from *Rosemary Love, v. Tom Vilsack*.

In 2015 the USDA compensated more than 30 Hispanics from the SLV under *Garcia v. Vilsack*. Although the rate of compensation in the SLV was substantially higher than elsewhere in the nation, many claimants were nonetheless denied compensation. Faustin Martinez, for example, made a claim for \$50,000 but he was rejected. Mr. Martinez grew up on a ranch south of Alamosa, in Las Sauces. In the 1980s he applied for a loan but was turned down by the local FHA office.

"Back then it was called the FHA office and that was on State St. [in Alamosa] and I went in to get a loan to buy some land and so they took my information but I was denied. The reason they gave me is that I couldn't borrow a loan from the government because I was a teacher, that I had other means to make a living beside borrowing loans" (Faustin Martinez, personal communication, March 30, 2016).

As Mr. Martinez pointed out in our interview, many Hispanics were denied loans in the SLV for having outside employment. Meanwhile their Anglo neighbors were frequently provided with loans despite having additional employment. When I asked him if he could think of examples he said,

"Oh yeah, several, there was one that was actually in my neighboring school district, he was actually the superintendent, and at that time I was denied he got a pretty good sized farm loan."

Faustin said that at first he didn't think much of the fact that he had been denied the loan but after several more rejections, he noticed a pattern. He began to hear of similar experiences from friends and neighbors. It wasn't until the late 1990s that they began to reach out to Hispanics beyond the SLV. As Faustin explained,

"In 2000 or so I met Lupe Garcia from Las Cruces, New Mexico, they were in the same situation down there, and that's when Lupe got together with some attorneys and started the beginning of what became *Garcia v. Vilsack*. And it was a long road from there until, well, most people got a settlement in 2015. I was denied, I didn't get anything. I got a letter of denial and I couldn't believe it because a lot of other people were getting their acceptance letters. So, I called my attorney to see what was going on and she said, 'That couldn't be right. Something is wrong.' So, she called over to the USDA office and she kept telling them that it was a mistake, that if anybody had all the paperwork in line it was Faustin and I was one of the original ones that filed way back and I've been in farming all my life."

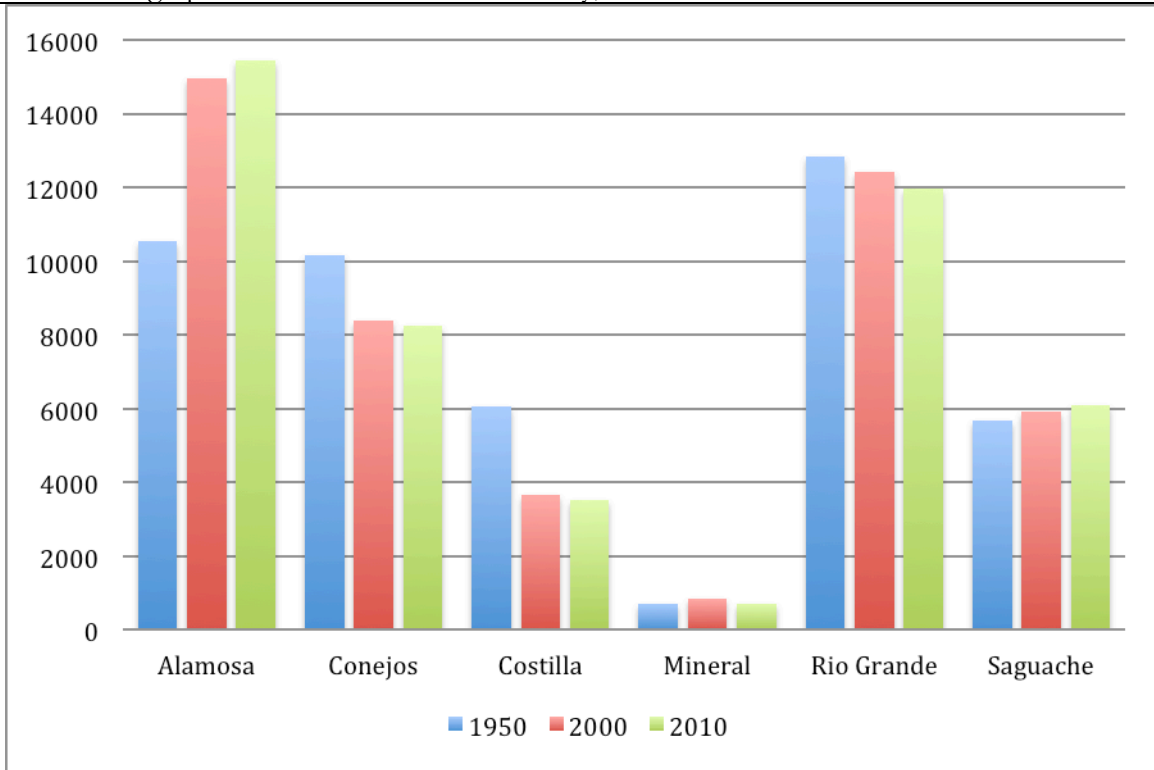
Faustin's case reveals what the majority of claimants under *Garcia v. Vilsack* experienced. The outcome affected his faith in government.

"You know I think it changed my trust. In the legal system, my trust in the political system, and I'll tell you one of the reasons I say that is because I supported and I campaigned for President Obama. I wanted to meet with him in Denver since he was going to be there and explain our situation and see why they were making it so hard for Hispanics but not once did he ever respond to us."

Discrimination sets in motion a process that is not easily reversed. Discriminatory lending not only cost Hispanic farmers and ranchers their land, it cost them their way of life. Compensation *ex post facto* is a kind gesture, but it is unable to restore what is lost. For example, it is impossible to know whether the Abeyta family would have realized the \$3.4 million in foregone earnings, but even

if they had realized half of that figure, the money would have contributed to the local economy by providing local jobs, increasing tax revenue, and in general, improving wellbeing within the wider community. With a stronger economy and more employment opportunities, fewer people would have had to leave farming and ranching. As this shows, the multiplier effects of discriminatory lending in the Southwest run much deeper than the individual plaintiffs listed in the final settlement under *Garcia v. Vilsack*. Discriminatory lending is a financial practice, but its repercussions extend beyond the bank and into the community, affecting families, traditions, and ultimately, local cultures. In the SLV discriminatory lending cost many their very way of life. Related to this, all my interviewees shared one thing in common; after being denied loans, they left the SLV in search of work. As Figure 3 shows, their experience is not uncommon within Hispanic regions of the SLV. In fact, during the 20th century emigration rates in the SLV were highest in Costilla county and Conejos county, which is where most Hispanics in the region reside. As Figure 3 shows, this is particularly evident between 1950-2000, when more than 4,000 people left these two counties.

Figure 3 Demographic Shifts in the San Luis Valley, 1950-2010



Source: US Census 2000 and 2010

The lack of financial support, combined with the exodus of young people in search of work, has undermined the ability of Hispanics to keep their farming and ranching operations afloat, but it has also made it difficult to pass on customs and traditions to the next generation.

“It was more than cleaning a ditch,” pointed out José Martinez one afternoon in the village of San Francisco, which is east of San Luis, Colorado. “I’ve been trying to teach these things to my grandson but it’s hard” (José Martinez, personal communication, September 5, 2016). Part of Mr. Martinez’s frustration is rooted in the fact that his grandson only visits from time to time, and only a few families remain in San Francisco and most residents are retired. “Our grandson is one of the few young people connected to the village that is trying to learn the traditional ways of doing things. He doesn’t live here and there’s a huge cultural divide between our traditions and the world he lives in,”

pointed out Juanita Martinez, who is married to José (Juanita Martinez, personal communication, September 5, 2016).

The issues that José and Juanita discussed were evident at the 4th Annual Acequia Congreso in San Luis, CO, which I attended on October 6, 2016. The event had a big turnout but there were very few young faces in the crowd. Several days before the event I spoke with Rick Manzanarez, who was serving as interim director of the Sangre de Cristo National Heritage Area. “The acequia system is the glue of the community. It’s what keeps everything else together. It’s the economy” (Rick Manzanarez, personal communication, September 7, 2016).⁸

Local educator Dennis Lopez, who grew up on a ranch near Capulin and went on to teach for decades at Alamosa High School, made a similar point.

“Where talking about lending practices but that’s only scratching the surface because many people have lost water rights, they’ve lost land, where denied educations because they were told they should go be sheep herders or they should stay and work the ranches as laborers instead of getting an education. It goes deeper than just one topic, or one subject, discrimination across the board is what has kept our people oppressed, and it truly is, an oppressive society” (Dennis Lopez, personal communication, October 14, 2016).

Land loss, oppression, high unemployment rates, and dwindling populations have accelerated social disorganization in communities across southern Colorado. In many towns schools are underfunded, infrastructure such as roads and bridges are crumbling, and substance abuse rates are very high. According to the Colorado Trust, which is a foundation dedicated to the wellbeing of Colorado residents, drug and substance abuse rates in the southern SLV are among the highest in the country (Jones 2015). However, as South Conejos Elementary Principal Michele Trujillo explained, substance abuse is a symptom of a much deeper problem.

"When things like land are taken or sold and people lose that attachment that they are innately born to do, I think that causes pain and they go off searching for things that they can do in this world that can make as much of a difference and sometimes they can't find that and sometimes they have no means to leave and so they have to numb their pain

⁸ There is a large literature concerning the culture of traditional Spanish irrigation in the southwest. For more on this rich and detailed history please see: Peña 2005; Rivera 1998; Rodriguez 2006.

somehow. And they can't take care of their family and maybe they don't feel much like a role model or a provider. They feel like they're a loser and so they have to numb, so you just keep covering it up and covering it up and sometimes the alcohol doesn't work enough, so then you choose something else, and something else, and something else" (Michele Trujillo, personal communication, February 15, 2016).

Michele's observations resonate with something that Aaron Abeyta revealed during an interview at Adams State University, where he is a professor of English.

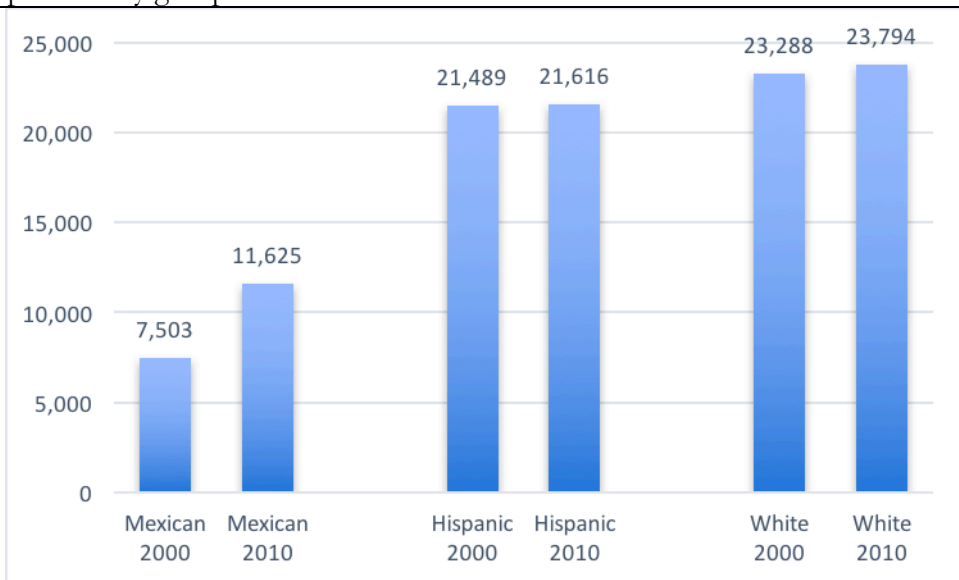
"I think that eventually, I don't want to sound too pessimistic about it because there's a lot of beauty, there's a lot of strength and a lot of good things. But eventually you become so in tune with your loss and the losses around you seem to multiply. And you know it's not any sort of this plus this, it's this times this. And I think with that multiplication of loss, it's become compounded, and then there's this loss of hope. And then when there's loss of hope I think it becomes more compounded and it becomes shame. And I'm not trying to put myself on a pedestal to make my point but I think that so many men are afflicted by shame because they've been emasculated by racism, by prejudice, by lack of employment, by so many outside factors that emasculation leads to loss of hope. And when you get a point of shame, just like anyone else who is ashamed, you just don't contribute. You go within yourself, you find other avenues to mend and to heal yourself and unfortunately, I think that some of those are very damaging and hurtful. Drugs, alcohol, abandonment, and that's just the tip of the iceberg really" (Aaron Abeyta, personal communication, March 9, 2016).

Today, much like elsewhere around the country, the San Luis Valley finds itself in the midst of a new demographic shift. As the previous pages illustrate, many multigenerational families are moving out of the southern end of the valley. In fact, everyone I spoke to for this project has extended family in Pueblo, Colorado Springs, and Denver. Nonetheless, population in Conejos county and Costilla county has remained steady in recent years due to the arrival of Latino immigrants from Mexico and other parts of Latin America.

According to the 2010 US Census, Hispanic residency in the SLV has remained nearly constant at 21,116. However, as Figure 4 shows, population growth across the SLV has depended almost solely on the arrival of Mexican immigrants. The number of residents who identify as Mexican rose from 7,503 in 2000 to 11,625 in 2010. This represents a 55% increase in the Mexican population between 2000 and 2010, which is on par with the 68% increase in Mexican residents across the state. In Conejos county, with a 71% increase, the growth in Mexican residents actually

outpaced the state's average. And as the reader might suspect, due to undocumented populations that are less likely to be captured in the census, the number of Mexican residents actually living in the SLV is probably even higher. In the SLV, Latino immigrants work primarily in service industries and agricultural. Unfortunately, they appear to be experiencing discriminatory behavior similar to what multigenerational Hispanics faced during the 20th century.

Figure 4 Population by group in the SLV



Source: US Census 2000 and 2010

Interviewing Latino immigrants about discriminatory lending is difficult due to the fact that most Latino families are composed of both documented and undocumented family members. However, during my field research I got to know a young man named Pedro Guerrero, whose mother and step-father live in Conejos county.⁹ Growing up, Pedro's family always managed to get by but they lived a simple life without excess. His mother came to the US from Honduras without documents in the early 1980s but she became a citizen following the migrant amnesty program that president Reagan passed in 1986. Pedro's father was from Mexico but he disappeared when Pedro was young.

⁹ Although I use real names throughout my article, here I use a pseudonym to mask Pedro's real identity, as he spoke to me under the understanding that I would not identify his family's actual name due to their fear of retaliation by local immigration officers. I spoke with Pedro multiple times between January 2015 and December 2016. Today, he continues to live in the SLV, as do his parents and direct relatives.

“He left us when I was like 4 or something. I barely remember him,” Pedro told me. His mother remarried a while later, this time to a man from Chihuahua, Mexico, who was undocumented but was able to obtain citizenship through Pedro’s mother. “They’re from down there but they’ve lived all their life here. They’re as American as anyone else. They pay taxes, they work hard, and they care about their community,” he said. “But that’s not how they get treated.”

Pedro told me that growing up in the valley he was always on the wrong end of racist jokes. Even the local Hispanics, who claimed Spanish ancestry, made fun of him. “I was the ‘beaner,’ the ‘wetback,’ the ‘spic,’ you name it,” he said as he formed quotations marks above his head with his fingers. “And I saw the glares my parents received when we went to town. They were treated like shit. I acted like it didn’t affect me, and so did they, but it did. That shit just wears on you, man.”

During the course of my research, Pedro’s step-father tried to apply for an agricultural loan through the local lending office.

“They’ve worked all their life for a big rancher down south but they wanted to get their own spread,” Pedro told me. “But they never even finished the application. Can you believe that? The man in the office said they weren’t eligible and they just believed him. Now that I’m in college, I know they should have gotten that loan. They made enough but it didn’t matter. They heard their accents and that was it.” (Pedro Guerrero, personal communication, January 18, 2016).

Pedro told me that his parents simply closed the door on their dream. “They should be eligible. They are eligible,” he said. “But they didn’t want to rock the boat. There’s an ICE office in town and everyone in the migrant community knows it. We’ve got family here without papers, you know? So, that was it. They just kept working for the boss and renting the same little house from him. They’ll be there until they die. It’s not right but that’s the way it is.”

The way Pedro and his family have been treated in the SLV mirrors accounts of discrimination against Latino immigrants in other parts of rural America (Dalla et al, 2010). And as the history of the San Luis Valley reveals, over time, discrimination has measurable consequences

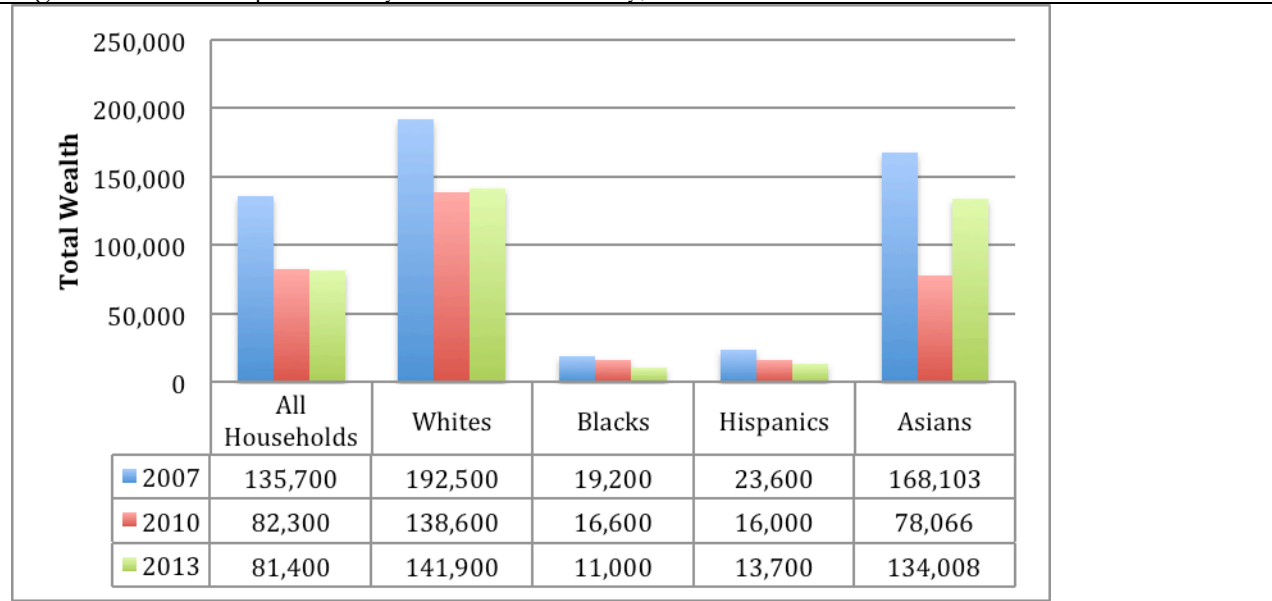
when it comes to opportunity structures and social mobility. Pedro's own experience speaks to this. He began drinking in Middle School by the time he graduated High School he was using crack cocaine. He told me that he dabbled in meth and pills as well. "I just didn't see a purpose in trying. I mean, they [Pedro's parents] worked all their lives, and for what? To get treated like that? I just wanted to escape it all. I'm not using now, but I struggle with addiction every day. Every time something bad happens I want to go back to it."

Discussion

The consequences of discriminatory lending against Hispanic and Latino farmers extend well beyond the SLV. Although my findings are limited to a specific region, my results parallel the findings of research conducted elsewhere (Dalla et al. 2010). In this sense, my results are generalizable to other rural communities. As this research reveals, access to credit matters. All else equal, those who have access to lending markets accumulate more wealth overtime than those who do not. Unfortunately, access to credit markets in the US has historically been limited to Anglos, which helps explain the vast wealth gaps between non-Hispanic Whites and minorities in the US.

As Figure 5 reveals, in 2013 the average wealth of Black Americans and Hispanics was just \$11,000 and \$13,700, respectively. Asian Americans fared much better at \$134,008 but they still lagged behind White Americans, who reported an average wealth of \$141,090 (Pew Center). The gap between Whites and Asians is particularly revealing of the compounding nature of discrimination in the sense that despite having higher human capital levels, Asians continue to trail their White counterparts in both income and wealth accumulation. In a true meritocracy, higher levels of human capital would equate to higher earnings. These wealth disparities are even more acute in rural areas, where White landowners possessed just over 98% of all private land in rural America, equating to a value of 1.1 trillion dollars (USDA 1999).

Figure 5 Wealth Gaps in US by Race and Ethnicity, 2007-2013



Source: US Census.

*Median net worth of households. Figures in 2013 dollars.

Racial and ethnic inequities of this nature reflect the compounding effects of discrimination. As my results reveal, *ex post facto* compensation does not make up for discrimination. For decades, Hispanic ranchers and farmers sought reparation from the USDA. After years of fighting, their efforts led to the creation of a settlement fund, which came to be known as *Garcia v. Vilsack* or the *Garcia* case. Unfortunately, most plaintiffs were unable to document the discrimination that they had suffered. As a result, an astounding 95% of claimants were denied compensation under *Garcia v. Vilsack*. Although the *Garcia* settlement ostensibly provided Hispanic farmers and ranchers with compensation, in reality it simply served as a reminder that even in the 21st century minorities do not compete on equal ground with members of the majority group.

The outcomes of the *Garcia* settlement sheds light on the compounding effects of discrimination. All too often people assume that as soon as discrimination ends the effects of unfair treatment also stop, but that is simply not true. Discrimination sets in motion a destructive cycle that extends beyond the discriminatory act itself. In fact, the legacies of discrimination compound overtime, such that unfair treatment in the past sets the foundation for unfair advantages in the

future. Today, years removed from the heyday of discriminatory lending in the SLV, Hispanic farmers and ranchers find themselves at a distinct disadvantaged vis-à-vis Anglo farmers who have also been in the SLV for generations. Hispanics are less likely to inherit land and equipment, which leaves them with less collateral to expand their farms and ranches. It also means that if they were to need credit today, even if they were eligible, they would face less favorable lending terms than producers with more assets. In this respect, the profits of well-to-do farmers and ranchers today are tainted by the unfair treatment of their minority counterparts in the past.

This vicious cycle underscores a final point, which is that the economy is inherently linked to culture. In fact, the economy is a product of culture. Financial practices are deeply rooted in cultural habits and norms. Thus, when Anglo lenders in the SLV chose not to extend credit to Hispanic farmers and ranchers, they not only undercut these individuals' ability to manage their land, they underwrote the demise of Hispanic communities throughout the valley. With this in mind, those interested in restoring what has been lost must consider not only financial forms of compensation but also, and perhaps more importantly, meaningful ways to support Hispanic culture. For in the end, the only way to revive an economy is by investing in the culture that drives the economy itself.

Conclusions

In this article, I examine discriminatory lending practices in southern Colorado. Specifically, I focus on the long-term effects of such practices within Hispanic communities. I explore the degree to which unfavorable access to credit has contributed to wealth disparities in the southern end of the SLV. My results demonstrate that Hispanic farmers and ranchers were systematically denied subsidized loans throughout the 20th century. In turn, these same agencies provided loans to Anglo farmers and ranchers living in similar conditions. Discrimination against Hispanic farmers and ranchers burdened minority families in the SLV with unbearable debt, making it extremely difficult for many families to continue working in agriculture.

The lack of access to formal banking, the under appreciation of homes and land, and the deliberate isolation of Hispanics from formal institutions contributed to the type of economic hardship that few could withstand. As a result, many Hispanic families have been pushed out of agriculture altogether. Most of these individuals have left their farms and ranches reluctantly but they were faced with few alternatives. Without the ability to work the land, they were forced to seek other forms of employment. Many others left, and in their absence, their hometowns have struggled to keep cultural norms and traditions alive. Ultimately, unequal access to credit in the SLV has fostered deep inequalities, and in addition, it has led to the demise of numerous Hispanic communities throughout the area.

Today, Latino immigrants, and Mexicans in particular, are moving into the SLV in historic numbers. My work here provides a cautionary tale for these individuals. The arrival of young workers to a region in need of laborers is promising given the aging demographics of local farmers and ranchers. With an average age of 59, the typical Colorado farmer and rancher is quickly approaching retirement (Vilsack and Clark, 2014). Unfortunately, my research suggests that Latino immigrants in the SLV are suffering discriminatory treatment very similar to what their Hispanic counterparts suffered from during the 20th century. Additional research is needed to better understand the nature of discriminatory lending against Latinos in rural America today. Nonetheless, it suffices to say that in a nation in which the average farmer and rancher is 58 years old (Vilsack and Clark, 2014), political leaders would be wise to create policies designed to fast-track young Latino immigrants into owning their own farms and ranches. Unfortunately, at present, it appears that we may be doing the exact opposite.

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