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Economic Impact of COVID-19 on Communities of Color

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Why Wealth Matters

Lack of Wealth

- Today, for every \$1 of wealth a typical Latinx family has – a typical white family has \$7
- Today, for every \$1 of wealth a typical black family has – a typical white family has \$10.

Jobs People of Color Hold

- People of color are overrepresented in service sector jobs
- Jobs are typically low wage and lack quality benefits

Can't Afford an Unexpected \$400 expense

- 30% of Black college-educated households
- 20% of Latinx college-educated households

The Impact

Unemployment Rate

- Unemployment is at 14.7% (likely undercount)
 - Black 16.7%
 - LatinX 18.9%
- Forced to choose a paycheck over health of self and family
 - Less than 1 in 5 Black Americans can work from home
 - 1 in 6 LatinX Americans can work from home

Have Less Liquidity

- Black and Hispanic households also have far less liquidity than their white counterparts.
 - More than 1 in 10 Asian American households and 1 in 4 American Indian and Alaska Native households live in poverty.

Minority Businesses

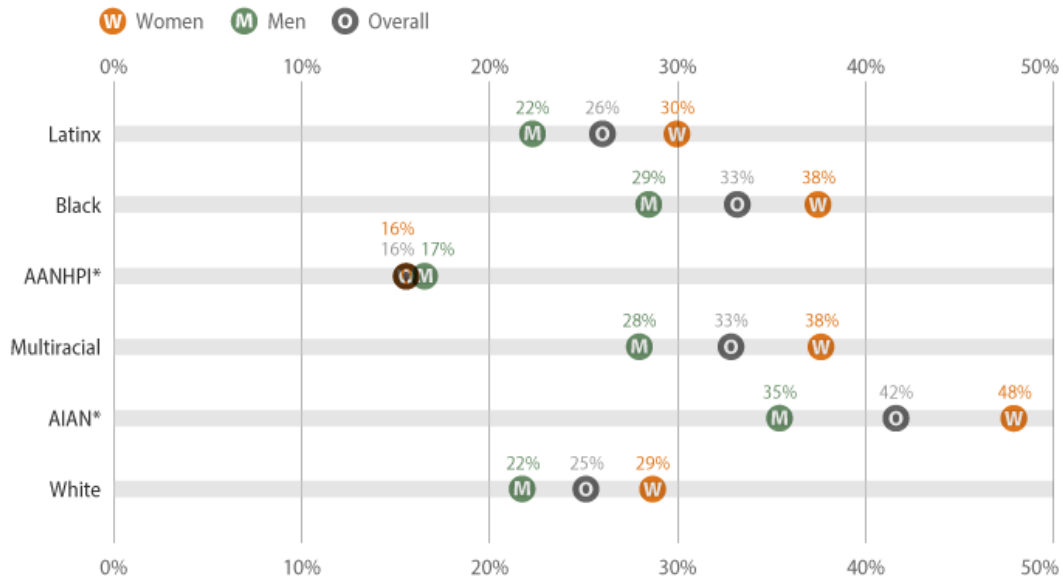
- Likelihood of being denied a PPP loan:
 - 95% Black
 - 91% Latinx
 - 91% Native American
 - 75% Asian American

At least 28 percent of people of color between the ages of 18 and 64—more than 21 million people in total—have a condition that could put them at higher risk of severe illness from COVID-19

FIGURE 1

Workers of color are at higher risk for severe illness from COVID-19

Percentage and number of working-age adults who have serious underlying medical conditions that put them at greater risk of COVID-19 complications, by race, ethnicity, and gender



* "AANHPI" is an acronym for "Asian American, Native Hawaiian, or other Pacific Islander." "AIAN" is an acronym for "American Indian or Alaska Native."

Note: This analysis defined "at-risk" individuals as anyone with current asthma, diabetes, chronic obstructive pulmonary disease (COPD), heart disease, kidney disease, or severe obesity—defined as a body mass index of 40 or higher.

Source: Author's calculations are based on data from the Centers for Disease Control and Prevention, "2018 BRFSS Survey Data and Documentation," available at https://www.cdc.gov/brfss/annual_data/annual_2018.html (last accessed April 2020).



We've Seen This Before

▶ **Great Recession**

- ▶ Unemployment peaked at 10%
 - ▶ 16.8% Black unemployment
 - ▶ 15.1% American Indian/Alaska Native
 - ▶ 13% Latinx
- ▶ Wealth Lost
 - ▶ Black households lost 48%
 - ▶ Latinx households lost 36%
 - ▶ White households lost 24%

Short-Term & Long-Term Solutions

Short Term

- ▶ Ensure unemployment insurance
- ▶ Extend moratoriums on foreclosures and evictions
- ▶ Prohibit negative credit reporting
- ▶ Provide access to capital for minority businesses
- ▶ Provide paid sick & family leave

Long Term

- ▶ Close racial wealth gap
- ▶ Make intentional and targeted policy interventions:
 - ▶ Increase wages
 - ▶ Provide robust benefits
 - ▶ Robust civil rights enforcement
 - ▶ Reduce debt burdens



THANK YOU

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