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New Census Data: Anti-Poverty Agenda Must Address COVID-19, Young People, and Systemic Racial Inequities

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Poverty in 2019: Persistent Inequity and Pervasive Racism

Each year the Census Bureau releases national data on income, poverty, and health insurance coverage in the United States for the previous year. The release of 2019 data provides a snapshot of where we were as a country prior to the coronavirus pandemic and before the country fell into a deep economic recession. The Census Bureau cautions the pandemic *did* impact response rates for survey data that were collected in March 2020. This year's data had a significantly lower response rate than the previous year among individuals with lower income and education levels. In other words, positive findings on declining rates of poverty and other economic improvements shown in the data may be overstated.

Regardless of the data challenges, it's clear that in 2020 we face a far grimmer economic context than a year ago. Moreover, even if the 2019 data represent our economy at its best, vast inequities in the economic context provide key lessons to inform the urgent agenda ahead for addressing poverty:

Large shares of children and young adults experienced poverty at critical developmental moments. In 2019, even while the U.S. economy was considered strong by many economic measures, 14.4 percent of children and 13.3 percent of young adults (ages 18-24) lived in households with incomes below the poverty threshold with severe consequences for their long-term economic, physical, and mental wellbeing.¹ In a country of great wealth, these are still unacceptably high rates of poverty.

The devastating effects of systemic racism were evident long before the pandemic hit. Racist policies, from health care to housing to education and more, were damaging the life prospects of Black people and other communities of color long before the pandemic and before the summer's uprisings that made racial injustice more visible to many Americans. The experience of poverty in

2019—and historically—is highly uneven. Communities of color experience poverty at disproportionate rates due to historic and systemic racist policies that limit access to opportunity. Just one example: in 2019, 26.4 percent of Black children and 20.9 percent of Latinx children were living in poverty compared to just 8.3 percent of white children.²

Work is no guarantee against poverty. Prior to the coronavirus-fueled recession, far too many people lived in poverty despite high levels of work among families with low incomes. Low wages, inadequate hours, involuntary part-time work and underemployment—jobs held by people living in or near poverty—mean that work does not pay a family-sustaining wage for millions of households.³

Large public investments have reduced poverty and harm. In 2019, refundable tax credits lifted 4 million children out of poverty and the Supplemental Nutrition Assistance Program did the same for nearly 1 million children, demonstrating that when the nation chooses to make investments in anti-poverty programs they pay off for families.⁴ While health insurance coverage continued a troubling downward trend in 2019, the only state where coverage increased was Virginia.⁵ This was a result of the implementation of Medicaid expansion starting in early 2019, showing the importance of public programs. Also in 2019, 20 states raised their state minimum wage, likely contributing at some level to the national increase in income.

Poverty in 2020: A More Dire Picture of Poverty, Inequities & Impacts of Systemic Racism

The coronavirus pandemic emerged in the context of deep inequities, widening long-standing chasms across income, race, and ethnicity. While the Census Bureau's 2020 poverty data will not be available until September 2021, several data sources—including surveys out in the field with families today—give us early information about the effects on issues including hunger, hardship, and unemployment. These data paint a haunting picture of the deep economic hardship and despair that many families of color have fallen into—particularly those who were already living in households with low incomes and little cushion to weather an economic crisis.

The disproportionate impacts of the current public health and economic crises have dramatically deepened racial inequities. Due to systemic health disparities and other factors—all rooted in racism—Black, Latinx, and Native American people are disproportionately catching the coronavirus, developing severe illness from COVID-19, and dying from the virus or underlying health conditions.⁶ Asian American Pacific Islander (AAPI) individuals are facing xenophobia, discrimination, and mental health impacts.

Workers of color have been hardest hit by the recession. Due to historic and systemic racism, these workers have been disproportionately employed in such sectors as hospitality and the service sector that pay low wages.⁷ Because job loss has been particularly acute in low-wage sectors, the pandemic and its effects are exacerbating economic insecurity and hardship for these workers and their families. Even with improvements in the labor market since April's unprecedented and precipitous loss of jobs, unemployment remains historically high. While the unemployment rate was 8.4 percent in August, workers of color faced much higher unemployment. Unemployment was 13 percent for Black workers, 10.5 percent for Latinx workers, and 10.7 percent for Asians.⁸ As of mid-July, 64 percent of Latinx adults and 57 percent of Black adults reported that they or someone in their household lost income from employment due to the coronavirus.⁹ In the United States, where health insurance coverage is so

closely tied to employment, job loss has multiple ripple effects on health. In one survey, more than half (63 percent) of Latino families reported losing their employer-sponsored health insurance coverage during COVID-19, and 54 percent also lost coverage for their children.¹⁰

Workers in jobs paying low wages are also less likely to have paid family and medical leave or paid sick days, which forces them to make difficult choices about going to work sick, leaving children unattended with schools closed and few child care options, or forgoing income to remain home in the face of a pandemic. The emergency paid family and medical leave and paid sick days legislation that Congress passed earlier this year in response to COVID-19 included large carveouts excluding millions of workers earning low wages—predominantly women, people of color, and immigrants.

The crisis has also deeply intensified stress and hardship for immigrant families with low incomes. Despite being on the frontline of COVID-19 response efforts, millions of immigrants and their families have been left out of Congressional relief efforts. Immigrant workers are also unemployed at higher rates than U.S. citizens.¹¹ In April, Latina immigrants had the highest unemployment rate of all racial and ethnic groups: 22 percent.¹² With higher unemployment and little access to federal fiscal relief, noncitizens are facing greater financial and health risks.¹³

A perfect storm for the next generation: children and youth of color

These data bode trouble far beyond the anticipated end of this pandemic for the next generation. Even before the pandemic, children and young adults had the highest poverty rates of all age groups. Young adults face far higher rates of unemployment than any other age group. Some also face massive student loan debt and few jobs prospects. Prior to the coronavirus, the economy was already leaving out young adults. Young people accounted for approximately 25 percent of jobs paying low wages, nearly half of all minimum-wage earners, and a disproportionate share of the unemployed.¹⁴ Between January and May, the unemployment rate jumped from 13 percent to 30 percent for teens age 16-19 and from 7.6 to 23.2 percent for young adults age 20-24.¹⁵ Young people of color are overburdened with structural and systemic factors that create barriers to work. These include

- mass incarceration and the implicit biases in the criminal justice system;
- racism and discrimination;
- segregation and isolation;
- policy and investment failures in the K-12 and postsecondary systems; and
- major gaps in access to and investment in crucial supports for work, including child care, health, and behavioral health.¹⁶

This disruption in their education and work experience comes when young adults are just beginning their careers, which can have lifelong implications for earnings.

While many children have been spared the worst of the virus's direct health effects, they have the potential to suffer the greatest collateral damage as the pandemic rages on. Loss of income is creating material hardship and emotional distress for families. Congress passed the CARES Act in March, which provided families direct economic relief in the form of enhanced unemployment benefits and a stimulus cash payment—although excluding many immigrant families, including those with citizen children. But now, families have spent their stimulus payments, and Congress has let enhanced unemployment insurance (UI) benefits expire. A survey of households with young children, who are

particularly vulnerable to economic insecurity, found nearly half of households (42 percent) were worried in July about paying for at least one basic need including food, housing, or utilities. That fear was higher among Black (59 percent) and Latinx (61 percent) households.¹⁷

Child hunger—and all its damaging physical and mental effects—is on the rise during the pandemic. Nearly 14 million U.S. children are not getting enough to eat because their families cannot afford to buy an adequate amount of food. About 3 in 10 Black households and 1 in 4 Hispanic households are experiencing child food insecurity.¹⁸ Food insecurity—consequential for children during a crucial period of development—is also a primary predictor of emotional stress of parents and caregivers of young children.¹⁹ Parental stress also has severe effects on children’s health and wellbeing. Virtual learning undoubtedly will exacerbate the achievement gap between children in lower-income households and their peers. Mental health and anxiety – of children and their parents – will continue to take a deeply damaging toll. These harms will be greatest on children and families of color, who must be centered in our policy response.

The child care industry continues to experience a massive fallout from the economic crisis. The child care sector’s crisis will hurt children, working parents, and the child care workforce—which is disproportionately women of color and immigrant women. Without a strong child care sector, the economic recovery will be stunted—and will particularly harm women who face unequal declines in labor force participation in the current recession without access to employment. Over half of job losses in April were women, and Black women experienced an unemployment rate of 16.4 percent.²⁰ Black families already had the least access to affordable child care. Moreover, the loss of child care slots will exacerbate disparities in quality child care in communities with low incomes and communities of color, leaving parents with the impossible decision of choosing between their paychecks and the safety of their children.

Public investment is crucial to addressing these impacts – but has fallen far short

Congress has passed three legislative packages in response to the COVID-19 pandemic. These bills have included important provisions—funding to support hospitals, health care workers, and coronavirus testing; paid sick days and paid family and medical leave for some workers; income and nutrition supports; and some state/local fiscal relief. These efforts mattered greatly in the early months of the pandemic: they provided cash to families to pay rent and utilities; they helped children access meals when schools were closed; and they potentially kept millions of people from falling into poverty.²¹

However, the public response to date has fallen far short—by excluding far too many people, most notably many immigrant families and by failing to match the level of public investment with the level of need. While CARES stimulus payments and enhanced UI benefits were a lifeline, families have now spent these payments, and Congress has not extended the UI benefits. Temporary boosts to SNAP left out the nearly 40 percent of SNAP recipients with the lowest pre-recession incomes, providing no help in the face of sharply rising food costs.²² Even with escalating food insecurity, Congress has not raised the basic SNAP benefit, which could address hunger and support a broader economic recovery. States and localities are now facing budget shortfalls that will lead to cuts in public services—education, health care, and social services—and almost surely compound the current crisis.²³ Emerging research shows poverty rates among key groups, including children and people of color, began to rise as CARES Act provisions ended.²⁴

Urgent Next Steps: Anti-Poverty Policies that Address the Pandemic and Devastating Recession and Lay the Groundwork for Racial and Economic Justice

As both the public health and economic crises rage on, individuals and families need immediate and sustained help. Data on hardship in 2020 make clear the need for immediate relief for individuals and families. Seen in a larger context, the persistent poverty, pervasive inequity, and racial injustice that was prevalent prior to the pandemic—and has been deeply exacerbated by it—make clear that the country needs a far more robust anti-poverty, racial justice agenda. We must systemically assess our policies and investments to root out racism and prioritize communities of color and immigrant communities that have faced recent and historic discrimination and underinvestment. Where possible, policymakers should respond to the urgent needs of the pandemic *and* lay the groundwork for larger reform.

Congress must act immediately to pass a COVID-19 relief package that addresses the urgent health and economic security of people with low incomes, communities of color, and immigrant communities. The dire needs of families to get help purchasing food, paying rent and meeting other basic needs must be addressed immediately. In May, the House passed the Heroes Act, which would address urgent economic, nutrition, and health needs—as well as fill gaps in previous coronavirus response legislation such as expanding paid sick days and paid family and medical leave for all workers and restoring the exclusion of immigrant families in economic stimulus payments. More than three months later, Senate Republicans have proposed only narrow legislation that does not address the scale of the crisis, and the White House has unilaterally moved forward with executive actions that also fail to ease the economic crisis, neglect the public health crisis, and are no substitute for comprehensive legislation. Moreover, without Congressional action, families' suffering will worsen as we face a likely second wave of the virus in the fall and states and localities must address reduced revenues and budget shortfalls. There is no substitute for Congressional action. Without delay, the Senate should pass the Heroes Act and ensure that individuals, families, and states get the help they so urgently need.²⁵

But COVID-19 relief will not be sufficient.

The country needs a robust economic recovery agenda that responds to the current crisis. This agenda must also lay the groundwork for large-scale changes in our policies and structures that

- **support the economic advancement of individuals and communities with historic barriers to work and economic stability,**
- **prioritize investments in children and their wellbeing, and**
- **uproot historic and systemic racism that pervades our public policies.**

Lawmakers must do all they can to respond to the immediate danger of the coronavirus pandemic. This response must center those most impacted by the current recession: children, youth and young adults of color, women of color, and workers in industries paying low wages. Given the long-standing racial inequities in economic opportunity—and that have been greatly worsened because of the pandemic—such a recovery package must get help quickly to those most harmed *and* create far greater opportunity for individuals and communities who have faced historic discrimination and underinvestment. Past economic recessions suggest that the return to employment will be slow for those with the largest barriers to work. Workers will need sustained cash and other assistance to make

ends meet and targeted job creation to ensure all workers can get good jobs.

Historic uprisings are calling attention to long-standing and systemic racism and violence, which has contributed to gross inequities in this country and is the root of deep-seated trauma for adults and children of color. As state-sanctioned violence continues to take the lives of so many Black people, our federal policy needs to immediately divest from systems of oppression and invest in the economic opportunity of marginalized communities. We must work to eradicate systems of power and instead focus on healing, justice, and economic opportunity.²⁶

Young workers face a particularly precarious future in a volatile economy. Policymakers must prioritize youth and young adults for major investments in postsecondary education, workforce development, subsidized jobs, and career pathways. Investments should prioritize those with historic barriers to education and employment, including youth of color, individuals impacted by the justice system, and immigrants. To focus on young adults, policymakers must also intentionally incorporate transformative and healing mental health policies to address trauma and untreated mental health issues.²⁷

To lift the nation as a whole, our large-scale changes must invest in the future. The tragedy of child poverty should end in this country—with economic supports for families including cash assistance and fully refundable tax credits, along with substantial investment in child care and early education, Head Start and Early Head Start, and early intervention.

All families need comprehensive paid leave, affordable health insurance coverage, and far larger income and nutrition supports and educational opportunities. Parents need quality jobs with family-sustaining wages. These solutions must acknowledge the systemic impacts of failed policies on Black, Latinx, and Native children and young adults and immigrant families while also centering racial equity.

Conclusion

Reducing poverty is possible and urgent. Our country can – and should – seize this moment to respond to the urgent crises in front of us and do much more to make large-scale reforms that address intransigent poverty that preceded the COVID-19 pandemic. Our country scored poorly on measures of child and youth wellbeing prior to the pandemic, and it is difficult to overstate the severity the current pandemic will have on this generation.

We must also address ongoing systemic racism in our public policies. How we respond to today's crisis and how we shape our policies for tomorrow are choices. We must choose policies that are anti-racist, that invest in our future, and that support the economic stability and wellness of everyone to make our country collectively stronger and healthier. It's not enough to address basic needs. It's intolerable to let systemic racism go unchecked. Prior to the COVID-19 pandemic, enduring poverty impacted millions. Going forward, we can reduce poverty and ensure our country is even stronger in the face of the next national tragedy.

Endnotes

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