Introduction

The coronavirus pandemic has had previously unimaginable and devastating impacts on the country. In one year, over half-a-million Americans died from the virus. Job loss and food insecurity reached levels not seen in decades. Racial disparities in health and economic outcomes that preceded the pandemic came into plain view and widened dramatically.

Pandemic response measures—including expanded unemployment benefits, nutrition assistance, eviction moratoria, and cash relief for individuals and families—have been vital to stem the tide of suffering in the wake of the immediate crisis. Yet, prior to the pandemic, far too many people were already experiencing significant hardship and need. Large shares of children and young adults lived in poverty at critical developmental periods. Far too many workers—disproportionately women and people of color—experienced poverty as a result of low wages, lack of benefits, and underemployment.¹ Our public policies failed to sufficiently meet the health, mental health, and nutrition needs of people with low incomes. Policymakers largely ignored the needs of families to balance work and caregiving. Systemic racism worsened these challenges for Black, Latinx, Native, and Asian American (AA), Native Hawaiian, and Pacific Islander (NHPI) communities.
As the country works to recover and rebuild, it is imperative that we not simply try to “get back to normal” if that means replicating the inequitable status quo that preceded the coronavirus. The public health and economic crises have not abated. We must prioritize the needs of people who have suffered the most from the pandemic, and we must invest in the future: the country’s children and youth. Our nation’s most essential infrastructure is, and always will be, our people. Consequently, we must harness the full resources of the federal government to support those whose potential has been perpetually blocked by structural barriers: people with low incomes and communities of color.

The American Rescue Plan (ARP) ushered in a powerful change in social policy—prioritizing investments in people with low incomes and Black, Latinx, Native and AA and NHPI communities—to begin building a foundation for an equitable economic recovery. The Biden-Harris Administration is now proposing major investments in jobs, infrastructure, caregiving, and health care. As the Administration and Congress turn to economic recovery legislation, the country must make further investments to support people with low incomes in the long term and eradicate the vast gender and racial disparities and inequities that worsened the impacts of the pandemic.

A robust, equitable, inclusive economic recovery must include investment in good jobs for all, the care economy, income supports, and mental health. It must include a pathway to citizenship for immigrant workers who are essential to our economy. And it must center those who have been historically disinvested in, including Black and brown communities, and Native children and young adults— all of whom have always been integral to the present success and future of our country.

Policy Recommendations

Invest in Good Jobs for All

The COVID-19 pandemic and economic crisis devastated the health and economic wellbeing of millions of families with low incomes. Workers of color, immigrants, young people, women, workers in jobs paying low wages, and frontline workers are among the hardest hit by these crises. Worse still, significant job losses and reductions in income have deepened racial inequities and exacerbated poverty and economic hardship for millions.

Prior to the pandemic, women and people of color dominated low-paying jobs, characterized by lack of health benefits and paid leave, along with often unpredictable and unstable work schedules. As many as 4 in 10 workers were underemployed—meaning they work part time but would prefer to work more hours and are unable to do so. Women, Black, and Latinx workers were overrepresented in the low-paid workforce. Forty percent of this workforce was raising children and nearly 25 percent was made up of workers under the age of 25.

The same populations that were overrepresented in the low-paid workforce prior to the pandemic have disproportionately suffered from the pandemic-induced economic crisis. In August 2020, the
national unemployment rate was 8.4 percent, but it was far higher for workers of color. For Asian American workers, it was 10.5 percent, and it was 10.7 and 13.7 percent for Latinx and Black workers, respectively. At the same time, the unemployment rate for workers aged 20-24 was 14.1 percent.

Despite making up 49 percent of the labor force, women experienced 55 percent of job losses in April 2020, driving the female unemployment rate to double digits for the first time in decades. Women of color have faced even grimmer job losses than women overall. In December, women accounted for 100 percent of all jobs lost and, as of January, 1.4 million more mothers were not actively working for pay in January compared to pre-pandemic levels.

Today’s recession, like the Great Recession, and so many crises before it, makes clear the consequences of neglect and underinvestment. Continuing to overlook and underprioritize people of color, young people, women, and communities with low incomes will only ensure that they continue to suffer disproportionately. As we work to rebuild, we must avoid making the same inequitable cracks in our national foundation.

As the Biden-Harris Administration has proposed, an infrastructure package can create millions of new jobs. It’s imperative that individuals who have experienced the largest barriers to work opportunities and good jobs be centered in infrastructure investments. Core to our economic recovery is the need to urgently prioritize investments in high-quality career pathways and programs like pre-apprenticeships, registered apprenticeships, and subsidized and transitional employment programs that get people back to work.

**Subsidized jobs programs** have supported the country in times of economic crisis before, and they can do so again. During the Great Depression, the federal government effectively used subsidized jobs programs in the New Deal such as the Works Progress Administration (WPA) to put millions back to work, building roads, bridges, and infrastructure that paid dividends for generations. Unfortunately, some of the other New Deal programs reinforced segregation and racial inequity. During the Great Recession, states used funding from the TANF Emergency Fund to create a range of subsidized jobs programs, employing over a quarter-million workers in one of the largest programs in decades.

A well-designed and implemented subsidized jobs program should prioritize equity by targeting workers with the greatest barriers to employment and connecting them to well-paid employment.

**Recovery priorities should include a large-scale permanent and year-round national youth subsidized jobs program**, prioritizing young adults of color. Young people ages 18-24 account for 24 percent of all workers in low-wage occupations that have been permanently shuttered by the pandemic such as retail sales workers, cooks, and servers. Workers under age 24 without a degree earn a median hourly wage of $8.55. Many of the young adults working hard for these low wages rely on them to meet their own basic needs, support their families, or pay for their education. A national subsidized employment program would be an effective response to reconnecting the nearly 3 out of 10 young adults who are now out of school and work during the pandemic and can ensure the long-
Securing an Equitable Recovery

term success of young people who have persistently been left out of our economy.¹¹

**Transitional jobs programs**, which combine subsidized employment with supportive services, skill building, and job development, are an evidence-based strategy for providing work experience and earned income to people facing barriers to accessing employment even when the economy is growing. Transitional jobs have also proven to be particularly effective at serving people impacted by the criminal legal system. This program should target dislocated workers—particularly opportunity youth, people of color, immigrants, youth and adults impacted by the criminal justice system, individuals with foundational skills needs, English language learners, and workers who live in areas of substantial unemployment.¹²

**Registered apprenticeships** are one of the nation’s most successful federally authorized workforce development programs, and they are key to revitalizing our nation’s infrastructure. Registered apprenticeships ensure high-quality employment outcomes for participants through guided pathways, robust work and life supports, on-the-job training, and mentorship. Meanwhile, high-quality pre-apprenticeships help bridge the gap, ensuring equity in access and participation, especially for people of color, women, and young people who have been historically prevented from accessing apprenticeships.

Large-scale federal investments to address widespread need call for a pipeline of highly skilled workers to develop, operate, and maintain the physical and community infrastructure that supports our nation.

**Expanded career and technical education (CTE), work-based learning, and career readiness programs** are an essential step to recouping lost education and economic opportunity since the pandemic. Job losses since the pandemic’s onset disproportionately impacted young adults, and in particular young adults of color who were already at structural disadvantage to access quality employment and education pathways. These strategies are also critical for youth and adults impacted by the criminal justice system who face long-term collateral consequences and structural barriers to employment. Recovering from the disproportionate economic impact of the pandemic requires redressing long-standing inequities in access to high-quality education and training that leads to credentials and stable, high-wage employment.

**Invest in the Care Economy to Support Caregivers and Working Families**

The country is in desperate need of a modern caregiving infrastructure that supports families, ensuring that people do not have to trade off the need to earn a living with the need and desire to care for loved ones. This caregiving infrastructure must also assure that those who provide paid care — disproportionately women of color — receive the dignity they deserve, beginning with family-sustaining wages. COVID-19 did not create our country’s caregiving crisis, but it clearly exacerbated it. The care economy makes all other work possible. There is no economic recovery without robust investments in care.
President Biden’s proposed American Jobs Plan proposes a landmark investment to strengthen our care infrastructure by investing in home and community-based care and raising wages and benefits for the workers who do the critical work of caring for our nation’s elderly and disabled. This proposal must be complemented with equally robust investments in paid leave and child care.

**Create a National, Permanent Paid Family and Medical Leave Program**

As COVID-19 cases surged, our country’s shameful lack of national paid leave policies came into the spotlight. Low-paid frontline workers lacked protection to care for themselves or family members without risking their jobs. A strong paid leave program could have helped prevent the spread of contagion and stem the economic fallout of women—predominantly women of color—leaving the labor force due to caregiving needs. The vast majority (93 percent) of workers earning low wages have no access to paid family leave.\(^{13}\) And Black and Latinx workers are less likely to have access to paid leave than their white counterparts. Even before the pandemic, when a caregiving need arose, these workers faced impossible choices between caring for themselves or loved ones and putting food on the table or making rent.

When Congress passed emergency paid leave provisions in March 2020, it marked the first time Congress required paid leave for private sector employees. Yet, despite the importance of paid leave for individuals, families, and the economy, the leave was only temporary, and millions of workers remain without a guarantee of paid leave. The lack of a federal paid leave program made our economy more susceptible to the illness, death, and economic devastation of the pandemic.\(^{14}\)

Enacting permanent, comprehensive paid family and medical leave is essential for a robust and equitable economic recovery.\(^{15}\) Even as states and communities reopen, families are still struggling with school and child care closures and hybrid schedules—and individuals continue to face infection and sickness from the virus. This burden is acutely felt by women, single parents, women of color, families of color—particularly Black, Latinx, and American Indian and Alaska Native families—families with low incomes, and workers with unpredictable schedules. As the country seeks a full economic recovery, paid family and medical leave keeps workers employed and reduces economic instability that can otherwise result from experiencing an illness or caregiving need.\(^{16}\)

**Invest in Child Care and Early Education**

Even before the pandemic, significant gaps in our child care and early learning system placed undue burdens on families, children, and the educators who serve them. Due to insufficient public investments, fewer than one in seven eligible children were served by the federal Child Care and Development Block Grant, and the child care system was characterized by high parent fees and low provider wages. CLASP research indicates that access to subsidies was inequitable along racial and ethnic lines.\(^{17}\) Policymakers have also wildly underfunded Head Start and Early Head Start—essential community-driven programs that provide a whole family approach. Approximately 1 in 3 children aged three to five from at-risk backgrounds had access to Head Start, and just 1 in 10 eligible children prenatal to age three had access to Early Head Start’s comprehensive services.\(^{18}\)
Investment in affordable, high-quality child care is an essential investment in the infrastructure necessary for parents to return to work. It’s past time that we transform our child care system to create high-quality, affordable child care for all families. The $50 billion in federal funding provided by COVID-19 relief legislation to-date for child care is essential to mitigate the impacts of COVID-19 on the sector, but it is not an answer to the sector’s long-term inadequacies. We need significant public investments to fill the gap between what families can afford to pay and what educators need to make to provide high-quality care and early learning opportunities. Only with substantial direct investments and effective policies will we be able to meet our shared responsibility to give each of our nation’s children a strong start in life, ensure an equitable economic recovery, and support a 21st century caregiving and early education workforce. To this end, it is essential that Congress and the Biden-Harris Administration work together to introduce and swiftly pass the Child Care for Working Families Act.

Legislation to transform our child care system for all must address the needs of families and early educators so all families with children up to age 13 can access and afford high-quality child care when they need it. The bill should ensure that early childhood professionals in all settings can receive the support, resources, and compensation they need to provide high-quality care and support their own families.

The Child Care for Working Families Act would guarantee affordable child care for all families with low incomes. It would limit child care costs to 7 percent of family income for families with low and moderate incomes, allowing every child in the country to access high-quality care. The legislation would also raise wages for providers so they’re on par with K-12 teachers. Such an investment would pay dividends immediately, by supporting parents’ ability to work or go to school and, in the long run, through economic and educational outcomes for children.

Bolster Family Income to Reduce Poverty and Economic Hardship for Children and Young Adults

Make permanent the American Rescue Plan’s one-year improvements to the CTC and EITC.

Before the pandemic, children and young adults had the highest poverty rates of all age groups in the country—with severely inequitable rates among children of color.19 In a dramatic policy shift, the ARP temporarily expanded the child tax credit (CTC) to provide families a guaranteed minimum monthly income for the first time.20 The CTC is meant to offset some of the costs of raising children, but it has traditionally excluded families with the lowest incomes or no income at all. In all, prior to the temporary expansion, one-third of children—including over half of Black and Latinx children—didn’t receive full CTC benefits because of income requirements.

The ARP also nearly tripled the Earned Income Tax Credit (EITC) for workers without children or whose children do not live with them and expanded it to include—for the first time—workers under age 25.21 The expansion of the EITC is expected to boost the incomes of 17 million working adults earning low wages.22 No recovery will be complete unless our tax code provides a sustained pathway to
economic prosperity for all working adults and families.

Policymakers must make these temporary measures permanent to boost incomes for children and young adults. Investing in a monthly benefit for families with children would slash child poverty rates by 45 percent and improve health and education outcomes for children and families, especially those who are Black, Latinx, and Asian.\textsuperscript{23} All children in families with low incomes, including immigrants, must have access to the expanded CTC, which should follow children if they move between households in the course of a year.

In addition to making permanent the American Rescue Plan’s improvements to the EITC and CTC, policymakers should increase the federal minimum wage to at least $15 per hour, indexed to inflation, and eliminate the subminimum wages for youth and people with disabilities to lift millions more out of poverty. Women—and especially women of color—are disproportionately represented among those paid the federal minimum wage and subminimum wages.

**Provide a Path to Citizenship for Dreamers, TPS holders, and Essential Workers**

Immigrants make up about 14 percent of the U.S. population, and about a quarter of all U.S. children have at least one parent who is an immigrant. Immigrant workers have been on the frontlines of the pandemic, caring for our children and elderly and feeding our nation, often without access to COVID-19 financial relief or health care. Policymakers have excluded millions of immigrants from critical assistance. Immigrants have been essential in our nation’s ability to address the pandemic, and they are essential to its recovery.

Millions of Dreamers who were brought here as children, including over 600,000 Deferred Action for Childhood Arrivals (DACA) recipients, have grown up in the United States and are students, parents, and workers contributing to their communities. More than 400,000 individuals are Temporary Protected Status (TPS) holders and have raised their families here. About a third of TPS and DACA recipients are essential workers, serving on the frontlines of the pandemic, and over half-a-million U.S. citizen children have parents with DACA or TPS.

The COVID-19 pandemic has shined a light on what has always been true: immigrants play a critical role in communities across the nation, and our ability to overcome the pandemic depends on the extent to which immigrants and their families are also able to thrive. The next recovery package should recognize the significant contributions of immigrants by providing an inclusive path to citizenship for Dreamers, TPS holders, and essential workers, and ensure that beneficiaries can access critical health care, nutrition assistance, and economic supports.
Address Mental Health and Wellbeing

In September 2020, the U.S. Census Bureau found that the number of adults experiencing a depressive or anxiety disorder had tripled since 2019, from 11 to 37 percent.\(^4\) The perfect storm of isolation, uncertainty, recession, mass death, and rampant inequity has significantly worsened the country’s mental health. When people are unable to access adequate, culturally responsive, and affordable mental health care, it has negative consequences for themselves, their families and communities—and ultimately for society at large. Policymakers cannot wait any longer to address this long-neglected crisis.

Certain populations have suffered disproportionately high rates of stress and mental health conditions during the pandemic. These groups, including young people and people of color, should be the focus of mental health recovery efforts. The American Rescue Plan allocated $4 billion to address mental health, which is far lower than the amount needed. CLASP estimates that young adults (aged 16-25) alone need an investment of $7.5 billion through federal health agencies to address their mental and behavioral health needs.\(^5\) Congress must expand upon the public health workforce funding in the American Rescue Plan to establish a robust behavioral health workforce to meet the needs of the mental health crisis in a culturally competent and responsive way. This workforce should include providers across disciplines and in different locations, from peer support specialists to doulas, and include building future pipelines through increased loan repayment scholarships and other strategies.

Legislators must include a variety of other mental and behavioral health provisions in the recovery bill.\(^6\) Congress should direct the Department of Health and Human Services (HHS) to revise the Medically Underserved Area (MUA) and Health Professional Shortage Area (HPSA) criteria with input from communities to ensure that current demographics are being represented (e.g., primary language, sexual orientation/gender identity, disability, etc.) and culturally appropriate providers can be hired to meet primary care and mental health and substance use needs. The recovery bill should build on recent action in the ARP and mandate Medicaid coverage for people for at least a year after giving birth. Congress must also invest in telehealth and broadband access to improve access to and reimbursement of providers for communities with low incomes. Policymakers should direct HHS and state and local health agencies to directly provide funding to community-based organizations to focus on mental and behavioral health supports where people need it most (e.g., workforce agencies, community centers, etc.). Throughout all mental health related policymaking, legislators should prioritize the experiences and desires of people with lived experience in mental health systems and promote holistic, culturally responsive solutions.

Conclusion

As the country comes to grips with the impacts of the pandemic on our health and economy, the weaknesses of our public policies prior to the pandemic are becoming clearer. Our country’s hybrid public-private safety net already has many holes that individuals and families in low-wage and unstable jobs are likely to fall through. It was not prepared to respond to a crisis of this scale. During
the last recession, inadequate recovery legislation caused devastating austerity cuts in public benefits that disproportionately harmed people of color and people with low incomes. We must not make that mistake again.

We have an opportunity to transform our public policies and systems so they support the health, wellbeing and economic stability of all individuals. The priorities we have outlined cannot be traded off against one another. They are all critical to a robust and inclusive economic recovery—one that advances opportunity for women, communities of color, and immigrant communities. It’s time to turn around decades of underinvestment in our country’s most critical infrastructure: our people. As a country, we simply can’t afford not to.

Endnotes


