The Impact of Coronavirus on the Working Poor and People of Color

The coronavirus pandemic has caused the deaths of over 50,000 Americans, including those from every region, race and socioeconomic background. However, the virus has hit hardest those of modest means, particularly Black Americans, far out of proportion to their numbers. While it has long been understood that wealth, race and health are closely tied, COVID-19 has focused attention on the high human cost of structural inequalities in American society.

Research shows that poor and working poor Americans are most vulnerable to COVID-19. They are much more likely to have underlying health conditions like hypertension, chronic lung disease, diabetes and heart disease. A preliminary study by the Centers for Disease Control (CDC) finds that nearly nine of 10 individuals hospitalized with COVID-19 suffer from such conditions.1

Black Americans are twice as likely as White Americans to live in poverty. Partly as a result, they are more likely to contract the virus, be hospitalized for it and die from it. While no comprehensive national data are yet available, a preliminary CDC report found that one-third of those hospitalized were Black, while they made up only 18% of those in the study.2 In New York City, which has suffered the largest outbreak of COVID-19, Blacks are twice as likely as Whites to die from the disease.3 Nevertheless, there have been reports that Blacks showing symptoms of the coronavirus may be less likely to be tested for it.4

The working poor are more likely to be exposed to the contagious illness because they are more likely to have jobs in parts of the service sector that put them in close contact with the public—for example, as home health aides, grocery clerks, restaurant workers and housekeepers. These occupations are disproportionately held by Black Americans and Latinos. They also are far less likely than better-paying jobs to offer paid sick leave or health insurance. Almost none of them offer the opportunity to work from home.5

The poor, working poor and people of color will disproportionately suffer from the massive recession caused by the pandemic. Working-poor service sector workers have been hit particularly hard by massive layoffs caused by stay-at-home orders. Historically, the unemployment rate for Blacks is roughly twice that for Whites.6 Black Americans also have far less wealth to help them survive an economic crisis, with the median Black household holding only about $17,000 in total assets—approximately one-tenth of White households.7 These massive disparities are partly the result of persistent discrimination.

Economic inequality in the United States strongly determines who will be most likely to be hospitalized or die from COVID-19 and who will be most harmed by its economic impact. As a result, the virus likely will increase inequality, disproportionately hurting the poor, working poor and communities of color. If these underlying conditions are not addressed, the next pandemic could have even more painful results.
THE RISK OF CONTRACTING THE CORONAVIRUS

The poor and working poor are most likely to have medical conditions that are risk factors

The relationship between health and socioeconomic status flows in both directions: the wealthy effectively can buy better health, and the healthy are better able to become wealthy. The poor can’t afford the health insurance and medical services necessary to stay healthy, making them less able to escape from being poor.

Research has found that Americans living below the poverty line and with lower household incomes are 50% more likely to see their treatment for asthma fail. Another study found that 16.5% of individuals living at or below the poverty level were at high risk of developing heart disease, compared to 9.5% of high-income individuals. Low-income individuals are twice as likely to have diabetes and four times more likely to smoke (36% vs 8.8%).

COVID-19 has a particularly devastating effect on those with health conditions associated with poverty. The Centers for Disease Control (CDC) reports that nearly 90% of those hospitalized with COVID-19 in their study had one or more underlying health condition, including hypertension (49.7%), chronic lung disease (primarily asthma, 34.6%), diabetes (28.3%) and heart disease (27.8%). There are strong relationships between socioeconomic status (SES; a measure of social and economic well-being that often includes income, wealth and education) and these chronic health conditions.

Black Americans are more likely to live in poverty and suffer the chronic health conditions associated with it

Black Americans are over twice as likely to live in poverty as White Americans, with just 8% of non-Hispanic White Americans living under the poverty line compared to 21% of Black Americans. Black Americans also face much higher rates of child poverty in America, with under-18 poverty rates close to or exceeding 30% and regularly tripling the rates for White children.

In part because of this greater exposure to poverty, Black Americans are also more likely to suffer from the medical conditions that are high-risk factors for serious complications or death from coronavirus. Forty-two percent of Black Americans had hypertension between 2015 and 2016, compared to just 28.7% of White Americans. Black Americans had a much higher death rate from heart disease than White Americans (208 per 100,000 vs 169 per 100,000). And Black children were nearly twice as likely to report having asthma as White children (13.8% vs 7.3%).

Those living in poorer neighborhoods are at elevated risk

Research has shown that living in poor, cramped housing conditions and crowded neighborhoods increases the risk of viral infection. Early studies of the “R naught” of COVID-19—a measure of how many people will get sick for each infected person—suggest that it could be more contagious than either H1N1 or the 1918 influenza pandemic virus.
In the coronavirus outbreak, early reports from New York City have shown that low-income, crowded neighborhoods have indeed been the hardest hit. For example, Borough Park in Brooklyn, which has a poverty rate of more than 30%, has one of the highest rates of confirmed COVID-19 cases. Neighborhoods in the bottom quartile (25%) of incomes represent more than one-third of COVID-19 cases (36%) in the city, while the wealthiest quartile accounts for less than one in 10.

The concentration of confirmed COVID-19 in New York City cases also correlates with race. Six out of the 10 ZIP codes with the highest number of confirmed COVID-19 cases are majority Black or Latino.

The clustering of Black families in certain neighborhoods is in part a result of decades of segregation, which have not been fully overcome by the Civil Rights Act and other legislative remedies. Black families are more likely to live in neighborhoods with fewer public resources, that are exposed to pollutants and that have a lack of healthy food options, even when they are not poor, in large part due to racial residential segregation. Racial segregation has similar negative effects on health outcomes for Black Americans.

Black and Latino families are also more likely to live in multigenerational housing than White families, increasing the odds of living in close proximity with others and with at-risk older adults. Twenty-seven percent of Latinos and 26% of Blacks lived in multigenerational homes in 2016 compared to just 16% of Whites.

**Service occupation workers are most vulnerable to contracting the virus**

Following the Bureau of Labor Statistics’ National Compensation Survey, service occupations include health care support, protective service, food preparation, building and grounds cleaning and maintenance and personal care, and are distinct from management, business and financial occupations (though these provide services as well). These workers are at risk of exposure to coronavirus due to the inherent person-to-person nature of the work, which also makes it near impossible for many service occupation employees to work from home.

Employers in service occupations are also less likely to provide their workers with access to paid sick leave as compared to management occupations. Sixty-one percent of workers in service occupations had access to paid leave in 2019, compared to 94% of workers in management occupations.
In 2019, just 1% of all workers in service occupations had access to a flexible workplace, which would allow them to complete their work at home or an approved alternate location. In comparison, 22% of workers in management, business, and financial occupations had access to a flexible workplace. Without options for paid sick leave and working from home, workers in the service occupations are at risk of contracting and spreading the virus from sick co-workers and customers, and of bringing it home to their families.

Black and Latino Americans are overrepresented in service occupation employment

Twenty-four percent of both Black and Latino Americans work in service occupations, compared to 16% of White and Asian Americans. Within the service occupations, the largest shares of Black and Latino workers work in health care support, food preparation and serving, personal care, and building and grounds cleaning and maintenance. Black workers are particularly overrepresented in health care support compared to other service occupations, making up 27% of the workers in that occupation, which includes nurses, psychiatric aides and home health aides. Latino workers are overrepresented in building and grounds cleaning and maintenance, making up 38% of the workers in that occupation, which includes maids, housekeeping cleaners and grounds maintenance workers.22
**Professions that were pathways to the middle-class expose workers to the coronavirus**

Public sector occupations have for decades provided a reliable path into the middle class for Black and Latino workers, who often face intense employment and wage discrimination in the private sector. Many of these jobs are stable because they are deemed “essential”—that is, they remain in operation even during economic downturns because they are often required for the country to function at a basic level.

These stable jobs have proven to be a double-edged sword during the coronavirus outbreak because most of them cannot be done from the safety of home. To bring home a paycheck, these middle-class workers are at greatly increased risk of becoming infected with the coronavirus and infecting their families.

Tragic reports are surfacing daily of public transit workers, grocery store workers and health care assistants being exposed to coronavirus, contracting COVID-19 and in some cases dying because they did not have the choice to stop working to protect themselves.
Low-income workers are less likely to have paid sick leave

Low-income workers of all races across different industries and occupations are less likely to have access to the resources and benefits that would allow them to stay healthy and financially secure throughout the pandemic. Less than one-third of low-income workers have access to paid leave at their place of work, as compared to 94% of those in the top 10% of income.

![Access to Paid Sick Leave Is Sharply Divided by Income; Less than a Third of Low Income Workers Have Access](chart)


The working poor don’t have the option to telecommute

Just under one-third of American workers stated that they could work from home, including those workers who were simply bringing their work home with them, according to the American Time Use Survey.\textsuperscript{25} Even fewer workers—just 12%—actually did work from home at least once per month.\textsuperscript{26} These numbers are far lower for those in the bottom quartile of workers: only 9% could work from home, and just 1% worked from home at least once per month.\textsuperscript{27}

Most workers do not have access to a flexible workplace that would permit them to work an agreed-upon portion of their schedule at home, but those in the bottom 10% of income are the least likely while the highest-paid workers are the most likely.
Low-income workers are less likely to have health insurance

Low-income people are less likely to have health insurance both because they are less likely to have insurance through their employer and because take-up rates in the individual market are lower for those with less income—even with subsidies, plans are too expensive for many low-income families. The Affordable Care Act made health insurance more affordable for low- and moderate-income people; the uninsured rate for non-elderly people with incomes between 138 and 400% of the poverty line fell from 19.2% in 2013 to 12.5% in 2017.

While the Affordable Care Act expanded coverage rates for low and moderate-income individuals, cutting the uninsured rate for Black Americans from 19% to 11% and for Latino Americans from 32.6% to 19.1%, these coverage gains began to stall and even reverse in 2017. The uninsured rate for Black individuals rose to 11.5% in 2018, while the rate for Latino Americans remained stagnant at 19%. This reversal is largely due to Trump administration policy decisions that decreased funds for enrollment assistance, among other changes to the program as enacted.

More Americans—particularly the working poor—will lose health insurance coverage as a result of COVID-19

A recent report shows 9.2 million workers may have lost their employer-provided health insurance as a result of coronavirus, with those losses highly concentrated in the accommodation and food services industry.

Low-income workers who rely on Medicaid are at risk of losing coverage if states do not get substantial assistance from the federal government to deal with the increased burden presented by the coronavirus. The Families First Coronavirus Act and the CARES Act together increase the federal matching rate for Medicaid (FMAP) to 6.2 percentage points and provide additional
support through a Coronavirus Relief Fund—necessary steps toward easing states’ fiscal burden. However without substantial additional support, including further increases to the FMAP, states may resort to cutting Medicaid programs.\(^{33}\)

*Discrimination may worsen health outcomes*

Even when they have escaped poverty, Black and Latino Americans are both more likely to have low incomes and lack wealth, and they are more likely to have preexisting health conditions that increase the risk of severe coronavirus complications. The link between improving socioeconomic status and health is much stronger for White Americans than for Black or Latino Americans. For example, in a study of economic mobility, every 10% increase in family income for White respondents reduced their odds of having suboptimal health by 9.7%, while it only reduced Black respondents’ odds of suboptimal health by 6.9%.\(^{34}\)

Racial discrimination plays a major role in disrupting this link between wealth and health, with Black and Latino Americans being increasingly likely to experience discrimination even as they move upward in income, wealth and education. This greater exposure to discrimination explains a significant amount of the Black-White gap in self-rated health among upwardly mobile young adults. Controlling for exposure to acute discrimination reduced the odds that Black young adults would report lower self-rated health than their White counterparts by 58%.\(^{35}\) There is also some evidence that exposure to discrimination increases the risk of hypertension, inflammation and other health conditions now shown to be risk factors for COVID-19 complications.\(^{36}\)

*Blacks and Latinos may face racial bias in medical care for COVID-19*

Black and Latino Americans also face significant implicit racial bias (unconscious attitudes that affect our understanding, actions and decisions) when interacting with the health care system, leading to both lower-quality care and a lack of trust which could lead to fewer opportunities for care overall.\(^{37}\) In a review of 15 studies using the Implicit Association Test with health care professionals, low to moderate levels of implicit bias against Black, Latino and dark-skinned people were found in all but one.\(^{38}\) The studies found that the symptoms and pain levels of Black patients often are treated as less legitimate than those of White patients, and as a result, they are less likely to be recommended certain treatments.\(^{39}\)

There are some reports that these biases are being reflected in coronavirus screenings, with Blacks with symptoms consistent with coronavirus being less likely to be given the test.\(^{40}\) These longstanding inequities in health care will likely lead to difficulties in ensuring those infected with coronavirus get tested and receive equal treatment throughout the outbreak.

**CONFIRMED CASES, HOSPITALIZATIONS AND DEATH RATES**

*Blacks Americans are more likely to contract the coronavirus*

As of April 13, Black Americans are overrepresented among those infected by the coronavirus in most places where racial data is available, with 20 of the 28 states plus the District of Columbia
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with usable racial data reporting disproportionate infection rates.\textsuperscript{41} Blacks living in Southern states have been particularly hard-hit thus far: in Mississippi, Blacks made up 56\% of cases despite being just 38\% of the population; in South Carolina, they made up 41\% of cases, while only 26\% of the population; and in Alabama, they made up 37\% of cases and 27\% of the population.\textsuperscript{42}

\textbf{Black Americans are overrepresented among early COVID-19 hospitalizations}

At this early stage of the pandemic, nationally comprehensive data on who has been affected by the coronavirus and where hospitalization rates for COVID-19 are highest is largely unavailable.\textsuperscript{43} Members of Congress have written letters to the Department of Health and Human Services, requesting a national-level database that includes race data, which the CDC has claimed is forthcoming.\textsuperscript{44} Currently available data indicate that there are already sharp racial disparities emerging. A widely cited CDC study of COVID-19 hospitalization across 14 states in March showed that 33\% of admitted patients were Black, despite Blacks making up just 18\% of that study’s population.\textsuperscript{45}

\begin{figure}[h]
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\caption{Black Americans Are Overrepresented Among COVID-19 Hospitalizations in Early CDC Study}
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\textit{Source: JEC Democratic Staff Calculations; CDC 8 April 2020. DOI: http://dx.doi.org/10.15585/mmwr.mm69s15e3}

\textbf{Black Americans have had much higher mortality from COVID-19}

While a lack of widespread coronavirus testing still prevents a full nationwide assessment of infection and death rates, cities and states have begun to report that Black Americans are facing disproportionately high mortality rates from COVID-19. Data reported on April 14 from 18 out
of 23 states and the District of Columbia suggest that Black Americans are more likely to die from COVID-19 than any other group. In Louisiana and Chicago, approximately 70% of people who have died from COVID-19 have been Black, despite Black Americans making up just around one-third of the population in both places. In Michigan, they accounted for 40% of COVID-19 deaths while comprising just 14% of the population; many of the cases were concentrated in metro Detroit where 79% of the population is Black. In the District of Columbia, Blacks make up 81% of COVID-19 deaths. And in New York City, where the largest COVID-19 outbreak is occurring, Blacks make up a third of the deaths—with a death rate of 92 per 100,000, compared to rates of 74 per 100,000 for Latinos, 45 per 100,000 for Whites and 34.5 per 100,000 for Asians.

*The data on COVID mortality rates for Hispanics is inconclusive*

Data on Latino American mortality and morbidity from COVID-19 have been more mixed thus far. In Los Angeles County, Latino Americans appear to have made up a smaller share of those infected by coronavirus than their population share would suggest, accounting for 28% of the deaths with race and ethnic data available reported as of April 8th, despite making up nearly half of the county’s population. In New York City, they make up 28% of recorded deaths thus far, roughly in line with their 29% of the city’s population. In most cases where there is available data, Latino Americans make up a share of coronavirus deaths that is less than that of Black Americans, yet still greater than that of the general population.

*Native American populations are vulnerable to the spread of coronavirus*

Native American populations suffer from many of the same social and economic challenges that Black and Latino American populations face in the United States, and in many cases have less community access to the resources necessary for combating a major viral outbreak. This leaves Native Americans similarly vulnerable to the spread of coronavirus, if not more so. Higher risk of incidences of preexisting health conditions (e.g., heart disease, diabetes), frequent shortages of needed medical personnel and equipment and a lack of wealth all contribute to making coronavirus a challenge for the Native American community. Overcrowding and a lack of access to clean water, which is necessary for handwashing to prevent the spread of the virus, are also issues that disproportionately affect Native American communities.

National-level statistics on the impact of coronavirus on Native Americans have been scarce, though some statistics are available at this early stage. The Navajo Nation has seen the highest number of confirmed cases (1,282) and deaths (49) thus far. In New Mexico, Native Americans make up 37% of those confirmed with coronavirus; in 2019, the Census Bureau estimates show only 11% of the state’s population identifies as Native American. In Arizona, 16% of those who have died from COVID-19 are Native Americans, while only 4.6% of the state’s population identifies as American Indian or Alaska Native.
THE DISPARATE ECONOMIC IMPACT OF THE CORONAVIRUS

Black workers are at the highest risk of job loss and long-term unemployment

In general, the ratio of Black to White unemployment rates hovers around two-to-one in the U.S. economy. This trend persists throughout economic crises, as seen in the 2008 financial crisis (Black unemployment peaked at 16.8% in March 2010 while White unemployment reached 8.9%) and as a result of the Volcker Shock induced recession of the early 1980s (Black unemployment peaked at 21.2% in January 1983 while White unemployment was 9.1%). In the first quarter of 2020, the Black unemployment rate averaged 6.6%, compared to the 3.6% White unemployment rate. If this trend continues throughout the economic crisis caused by the coronavirus pandemic, then as we start to see the general unemployment rate rise to levels matching the 2007-2008 recession and beyond, the Black unemployment rate could rise to depression levels.

Black workers are typically the first to be fired in the event of an economic downturn. For many workers who were brought into the labor market from non-participation late in the recovery from the financial crisis, losing a job now would be devastating, and could be the start of a long spell of unemployment or a return to the sidelines.

Latino workers are facing job loss and pay cuts as a result of coronavirus

Latino workers have been hit particularly hard by pay cuts and job losses since the outbreak of coronavirus. A recent poll found that nearly two-thirds of Latinos had lost their jobs or suffered a significant reduction in their incomes as a result of the pandemic, and one-third has lost a significant amount of savings. Nearly half of all Latinos in a separate survey reported that someone in their household had taken a pay cut or lost their job as a result of the pandemic, compared to just a third of U.S. adults generally.
The working poor are more likely to experience severe economic distress as a result of illness

Health shocks can be challenging economic events for households across the socioeconomic spectrum, but are devastating for poorer households. With U.S. health care costs the highest in the world (and with worse health outcomes than countries in the OECD that spend far less), paying for unexpected health care costs can bankrupt some families. In 2018, nearly 40% of American adults would have found it difficult to cover a $400 expense, having to either carry out a credit card balance or other loan, borrow from a friend or family member, sell something or else forgo the expense altogether. Workers who experience serious health shocks and have to leave the labor force often do not receive public assistance after doing so, find it difficult to reintegrate into the labor force and are therefore at increased risk of falling into poverty.

This creates a pernicious cycle for COVID-19 victims. Poverty increases the risk that a person might have serious complications from COVID-19; and if they are indeed infected and need to leave work, or perhaps pay for an expensive unexpected medical cost, the disease will have further deepened poverty and economic hardship. In this way, coronavirus could further lock in both economic and public health inequality.

Most Black and Latino households have little wealth to help weather an economic crisis

The racial wealth gap is vast, meaning different groups of workers have differing capacities to weather an economic downturn or period of extended unemployment. While the typical White household has $171,000 in wealth, the typical Black and Latino households have just a fraction of that: $17,150 for Black households and $20,720 for Latino households.

In the event of economic hardship such as the loss of a job or an unexpected medical bill, having a store of wealth to fall back on becomes vitally important. In uncertain economic times like these, the stark racial wealth gap becomes tragic.
CONCLUSION

The coronavirus has had a devastating impact, taking the lives of more than 50,000 Americans of every race, region and means. However, the poor and the working poor, especially those who are Black Americans, are hit hardest. Early data suggest that Blacks are far more likely to contract the illness, more likely to be hospitalized and more likely to die from it. The poor and working poor in the service sector are more likely to be exposed to it, less likely to have paid sick leave and health insurance and completely unlikely to have the privilege of working at home during the pandemic.

Moreover, the coronavirus-caused recession very likely will cause severe economic distress for less-privileged Americans. The working poor, which are overrepresented by Blacks and Latinos, have persistently higher rates of unemployment, lower incomes and far less wealth than their wealthier counterparts. They are far more vulnerable to what may be a deep and protracted recession.

The coronavirus has helped expose the effects of deep economic inequality in the United States. When the pandemic subsides to a degree that Americans can return to some version of their former lives, it likely will leave in its wake even greater inequality. Policymakers will have to take into account the racial disparities in the coronavirus’s impact; race-neutral policies may not be enough to undo the damage. If these conditions are not addressed aggressively, the next pandemic could cause even more human suffering.
ENDNOTES


2 Ibid.


7 Ibid.


10 Ibid.


14 Ibid.


27 Ibid.


39 Ibid.


