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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.
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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