The *Exponential* Economic Impact of COVID-19: Linking Health, Wealth, and Equity

November 17, 2020
Team Up Take Action

Jessica Santos, PhD
Director of Community-Engaged Research
Overview

- How our economy structures health, wealth, jobs, and equity
- Role of policy
- Impact of COVID-19
- Need for significant intervention: structuring equity into the future
- Q&A
Governors issue stringent new measures as US reports a staggering Covid-19 record of more than 184,000 daily cases.
The bubble you *actually* have
How is our economy structured?
Health, wealth, jobs, and equity
HHS Poverty guidelines (published every Jan)

<table>
<thead>
<tr>
<th>PERSONS IN FAMILY/HOUSEHOLD</th>
<th>POVERTY GUIDELINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$12,760</td>
</tr>
<tr>
<td>2</td>
<td>$17,240</td>
</tr>
<tr>
<td>3</td>
<td>$21,720</td>
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<tr>
<td>4</td>
<td><strong>$26,200</strong></td>
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<tr>
<td>5</td>
<td>$30,680</td>
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<tr>
<td>6</td>
<td>$35,160</td>
</tr>
<tr>
<td>7</td>
<td>$39,640</td>
</tr>
<tr>
<td>8</td>
<td><strong>$44,120</strong></td>
</tr>
</tbody>
</table>

For families/households with more than 8 persons, add $4,480 for each additional person.

Visit: https://aspe.hhs.gov/poverty-guidelines
<table>
<thead>
<tr>
<th></th>
<th>Vermont</th>
<th>New Hampshire</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty</td>
<td>10%</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td>Unemployment</td>
<td>4.8%</td>
<td>5.6%</td>
<td>7%</td>
</tr>
<tr>
<td>Median income</td>
<td>$63,000</td>
<td>$78,000</td>
<td>$68,324</td>
</tr>
<tr>
<td>Median income on Food Stamps</td>
<td>$19,500</td>
<td>$22,000</td>
<td>$22,000</td>
</tr>
<tr>
<td>Per capita income</td>
<td>$36,000</td>
<td>$41,000</td>
<td>$55,809</td>
</tr>
<tr>
<td>Cost burdened renters</td>
<td>47%</td>
<td>48%</td>
<td>50%</td>
</tr>
<tr>
<td>Percent of workforce in healthcare and education</td>
<td>28%</td>
<td>24%</td>
<td>22%</td>
</tr>
</tbody>
</table>
Does work pay?
Job + “work supports”

- EITC
- SNAP
- Medicaid
- Childcare subsidies
- Housing vouchers
- WIC
- Energy assistance
- TANF
- ETC...
Percentage of Families With Workers Receiving Supplemental Nutrition Assistance Program (SNAP) Benefits by Family Type

- **79.0%** include at least one worker
  - All SNAP families: 8.4%
  - Married-couple SNAP families: 14.7%
  - SNAP families with no spouse present: 4.7%

- **83.7%** include at least one worker
  - All SNAP families: 22.5%
  - Married-couple SNAP families: 34.2%
  - SNAP families with no spouse present: 15.7%

- **76.2%** include at least one worker
  - All SNAP families: 48.0%
  - Married-couple SNAP families: 34.9%
  - SNAP families with no spouse present: 55.7%

Note: Families include the householder (person who owns or rents the home) and anyone related to them by birth, marriage, or adoption. Married-couple families include the householder and their spouse, and anyone else related to the householder. Families with no spouse present (referred to as "Other families" in the online ACS tables) include a householder living with children or other relatives. For more information, see <www.census.gov/acs> and <https://data.census.gov>.

Source: U.S. Census Bureau, 2018 American Community Survey.
Wealth inequality is over 100 times worse than income inequality.
THE WEALTH INEQUALITY PROBLEM IN ONE CHART

It’s clear that America’s financial and political systems are broken

MEDIAN NET WORTH

<table>
<thead>
<tr>
<th>Class</th>
<th>1998</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Class*</td>
<td>$10,000</td>
<td>$11,000</td>
</tr>
<tr>
<td>Working Class**</td>
<td>$20,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Middle Class***</td>
<td>$40,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Top 10%</td>
<td>$100,000</td>
<td>$1,100,000</td>
</tr>
</tbody>
</table>

*Bottom 20% of incomes. **Second lowest 20% of incomes. ***Middle 20% of incomes.

SOURCE: Federal Reserve Survey of Consumer Finances; figures in 2013 dollars
Black, Latino and White Household Wealth


For every $1 owned by white men:

- Single white men: $43,800
- Single white women: $41,500
- Single black women: $120
- Single Latina women: $100

Higher Income ≠ Same Wealth Returns for people of color

Figure 17. Median Wealth Return to an Additional $1 of Income

Source: Survey of Income and Program Participation (SIPP), 2008 Panel Wave 10, 2011
“Sticky” wealth

Family Wealth is Sticky at the Top and Bottom of the Ladder
Chances of moving up or down the family wealth ladder, by parents’ quintile

- **Bottom Quintile**: 41% are stuck at the bottom
  - 27% in Second Quintile
  - 17% in Middle Quintile
  - 15% in Fourth Quintile
  - 7% in Top Quintile

- **Top Quintile**: 41% are stuck at the top
  - 16% in Second Quintile
  - 11% in Middle Quintile
  - 11% in Fourth Quintile
  - 25% in Bottom Quintile
Just a reminder: Jeff Bezos could give every Amazon employee $105,000 and still be as rich as he was before the pandemic.
"Poverty exists not because we cannot feed the poor, but because we cannot satisfy the rich." ~ Anonymous

Rumi's answer to questions asked by a disciple -

What is Poison?

He replied with a beautiful answer - Anything which is more than our necessity is Poison. It may be Power, Wealth, Hunger, Ego, Greed, Laziness, Love, Ambition, Hate or anything

~ For More Visit TheMindsJournal.com ~
Role of Policy
Policy history

1776
- Indian Land Thefts
- Indian Removal Act
- Slavery in Constitution
- Fugitive Slave Law
- Monroe Doctrine
- Mexican Land Loss
- Annexation of Mexican Land
- Foreign Miners Tax
- Denial of Naturalization
- Possession of Philippines
- Alien Land Laws
- Possession of Puerto Rico
- Chinese Exclusion Act & Other Asian Exclusions
- English Only Laws
- Jim Crow Laws
- Plessy (Segregation Legal)
- WWII
- 1986
- Allotment Act
- Hawai‘i Annexed
- 1896
- 1893
- 1887
- 1850
- 1824
- 1845
- 1848
- 1882
- 1919
- 1924
- 1943
- 1945
- 1954
- 1965
- 1994
- Tribal Taxation
- Tribal Termination
- FHA Redlining
- Farm Loss Due to USDA
- Operation Wetback
- Immigration Quotes
- NAFTA
- Road to Zero Wealth: How the Racial Wealth Divide is Hollowing Out America’s Middle Class. Adapted with permission from "Government Boots and Blocks to Building Wealth timeline" by United for a Fair Economy.
Cliff effect

EXAMPLE: Denver County, CO: Single-Parent Family of Three Hits Cliffs as Earnings Increase

- Loss of child care subsidies
- Loss of food stamps
- Loss of LEAP & children's public health insurance

Despite steady increases in earning, the family cannot get ahead.
Figure 1: Effect of Universal, Full-Day Prekindergarten on Net Family Resources
Single-parent family with one 4-year-old and one 8-year-old child in Denver County
Who is “on welfare?” Tax expenditures

- Not required to go through internal budget appropriation process – written into tax code
- One third of federal asset-building budget goes to wealthiest 1%
- Majority of assets built through homeownership, retirement, savings/investment, small business development
Tax code: who benefits?

Source: Calculations based on data from Urban-Brookings Tax Policy Center (2016). “Working families” defined as those with $50,000 or less in income. Dollar amounts reflect the average benefit in 2016 from several tax programs for tax units in the two income categories.
Misdirected investments: home mortgage interest deduction

- Black and Latinx families access 6-7% of MID, despite 13% of pop each
- Whites gain 78% of benefit (67% of pop)
- $4.8 billion in lost investments for Black families
- $4.1 billion for Latinx families
- Does not promote homeownership, concentrates wealth

Effect of safety net on poverty

Figure 1. Number of People Lifted out of Poverty, Using the Alternative Poverty Measure, 1967 and 2012

- 1967:
  - Lifted Out of Poverty: 2.6 million
  - In Poverty: 50.9 million

- 2012:
  - Lifted Out of Poverty: 39.9 million
  - In Poverty: 50.3 million


What do you think is the best PPE?

The Union.
Magnifying, exponential economic impact of COVID-19
What would an equitable labor market look like?
Findings: Gender alone

HEALTHCARE WORKFORCE SEGMENTS BY GENDER

<table>
<thead>
<tr>
<th>Segment</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIMARY INTERNAL</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>PRIMARY EXTERNAL</td>
<td>11%</td>
<td>89%</td>
</tr>
<tr>
<td>SECONDARY INTERNAL</td>
<td>28%</td>
<td>72%</td>
</tr>
<tr>
<td>SECONDARY EXTERNAL</td>
<td>21%</td>
<td>79%</td>
</tr>
<tr>
<td>TOTAL HEALTHCARE WORKFORCE</td>
<td>22%</td>
<td>78%</td>
</tr>
<tr>
<td>TOTAL POPULATION (AGES 18-64)</td>
<td>50%</td>
<td>50%</td>
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Legend: Men, Women
Intersection of gender and race/ethnicity

Healthcare Workforce Segments by Gender and Race/Ethnicity

<table>
<thead>
<tr>
<th>Segment</th>
<th>White women</th>
<th>White men</th>
<th>Black men</th>
<th>Black women</th>
<th>Hispanic men</th>
<th>Hispanic women</th>
<th>Asian men</th>
<th>Asian women</th>
<th>Other men</th>
<th>Other women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Internal</td>
<td>17%</td>
<td>53%</td>
<td>9%</td>
<td>6%</td>
<td>4%</td>
<td>7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary External</td>
<td>6%</td>
<td>55%</td>
<td>12%</td>
<td>16%</td>
<td>5%</td>
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<td>10%</td>
<td>6%</td>
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<tr>
<td>Total Population (Ages 18-64)</td>
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<td>6%</td>
<td>7%</td>
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<td>3%</td>
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NOTE: Chi squared tests reveal all group differences are significant. Value labels for groups with <3% not shown.
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<td>4%</td>
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Career Pathways: A Flawed Assumption

The workforce system is designed to get you here.
Zig-Zag Career Paths

Age: 31
The reality of career pathways

There’s not equal representation of minorities for the population. I think a huge part of that is the networks that we’re in, because the leaders, at least in this community, in our healthcare organizations, are not minority... so they’re not in the same networks as the minorities are... and so it takes a lot more effort to break in.

- Nurse, NH

...Going sideways, yeah. You can call it progressing because I mean I finally... went up until I saw I couldn’t go up anymore without going to school... family and kids and stuff like that and yes, I went as far as I could for now. I’m still taking some classes.

- CNA, CT
Black Women Concentrated in Essential Roles when Compared to Labor Force

Authors’ calculation of representation ratios in essential occupations compared to total labor force participation.
Black Women’s Unemployment Ballooned During Pandemic

The chart shows the unemployment rates for different groups over the course of the pandemic. The rates are compared for 2019 and 2020, with notable spikes in unemployment for all groups during the pandemic months, particularly in March and April. The rates then decrease as the year progresses, with some groups showing lower rates in December compared to January.
Regardless of Sector, Black Women Undercompensated
African American early childhood teachers earn 84 cents for every $1 earned by white teachers. That adds up to roughly $4,440 less per year, which could cover...

- 3 months of rent for a two-bedroom apartment
- 5 months of child care for children under age 5
- 7 months of groceries for a family of four
- 15 months of student loan payments
- 3 years of health insurance payments
- 4 years of transportation costs to cover fuel

What would it take to structure exponential equity?
STRUCTURAL DETERMINANTS

(World Health Organization, 2010)
STRUCTURAL DETERMINANTS

SOCIOECONOMIC AND POLITICAL CONTEXT
- Governance
- Macroeconomic Policies
- Social Policies
  - Labour Market, Housing, Land
- Public Policies
  - Education, Health, Social Protection
- Culture and Societal Values

Socioeconomic Position
- Social Class
- Gender
- Ethnicity (racism)
- Education
- Occupation
- Income

Social Cohesion & Social Capital

INTERMEDIARY DETERMINANTS
- Social Determinants of Health
  - Material Circumstances
    - Living and Working Conditions, Food Availability, etc.
  - Behaviors and Biological Factors
  - Psychosocial Factors

Health System

Impact on equity in health and well-being

(World Health Organization, 2010)
Nicole Hannah-Jones

AMERICAN SLAVERY
246 years
1619
1800
1865
1900
1954
2000

SEGREGATION
89 years
Bold Policy Solutions: Social Policy as Public Health?

“The question really is not whether we’ll be tied to the somethings of our past, but whether we are courageous enough to be tied to the whole of them.”

Ta-Nehisi Coates, testifying on H.R. 40 on June 19th (Juneteenth) 2019
Thank you!

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