



TESTIMONY BEFORE THE UNITED STATES CONGRESS
House Education & Labor Committee

INEQUITIES EXPOSED

How COVID-19 Economic Lockdowns Widened Racial
Inequities in Education, Health, and the Workforce

AVIK S. A. ROY

President, The Foundation for Research on Equal Opportunity

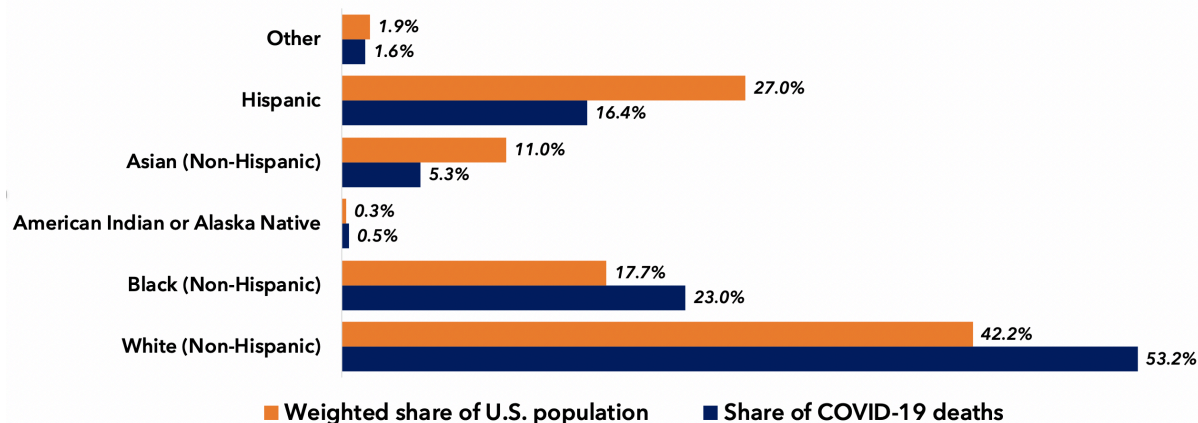
June 22, 2020

The Foundation for Research on Equal Opportunity (FREOPP) is a non-partisan, non-profit, 501(c)(3) organization dedicated to expanding economic opportunity to those who least have it. FREOPP does not take institutional positions on any issues. The views expressed in this testimony are solely those of the author.

INTRODUCTION

Broadly speaking, there are two key sources of racial disparities with regards to the COVID-19 pandemic. The first is the differential impact of the coronavirus disease on different ethnic and racial populations. The second is the differential economic and health impact of governments' *policy response* to the pandemic: specifically, the mandatory school and business closures that have dramatically increased unemployment.

Figure 1. CDC: Share of COVID-19 Fatalities by Race & Ethnicity, vs. Geographically Weighted Share of U.S. Population



Racial and ethnic distribution of COVID-19 fatalities is mixed. Whites and blacks are both overrepresented in their share of COVID-19 deaths, relative to their geographically adjusted share of the U.S. population. In contrast, Asians and Hispanics are underrepresented in their share of COVID-19 fatalities. (Source: Centers for Disease Control and Prevention)

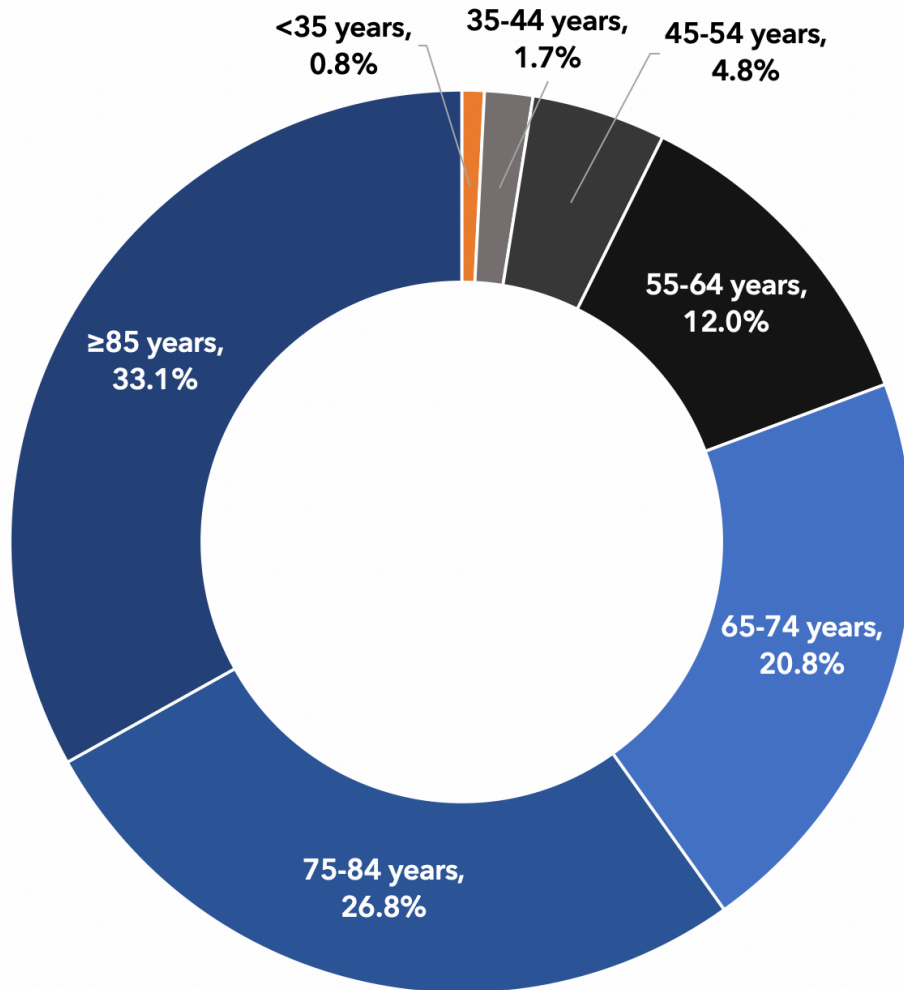
RACIAL DISPARITIES IN COVID-19 MORTALITY ARE MIXED

On a population level, both whites' and blacks' shares of COVID-19 deaths are higher than one would expect if deaths were evenly racially distributed. On the other hand, Asians' and Hispanics' shares of COVID-19 deaths are lower than one would expect. For example, whites represent 53 percent of all COVID-19 deaths, but only 42 percent of a geographically adjusted population. 23 percent of fatalities are among blacks, while blacks represent 18 percent of the geographically adjusted population.¹

(The Centers for Disease Control and Prevention geographically adjust racial and ethnic groups' shares of the U.S. population in order to take into account the fact that COVID-19 fatalities are concentrated in cities, where a higher percentage of the population is non-white.)

¹ Centers for Disease Control and Prevention. Weekly Updates by Select Demographic and Geographic Characteristics. https://www.cdc.gov/nchs/nvss/vsrr/covid_weekly/; accessed June 3, 2020.

Figure 2. Share of COVID-19 Fatalities by Age Bracket



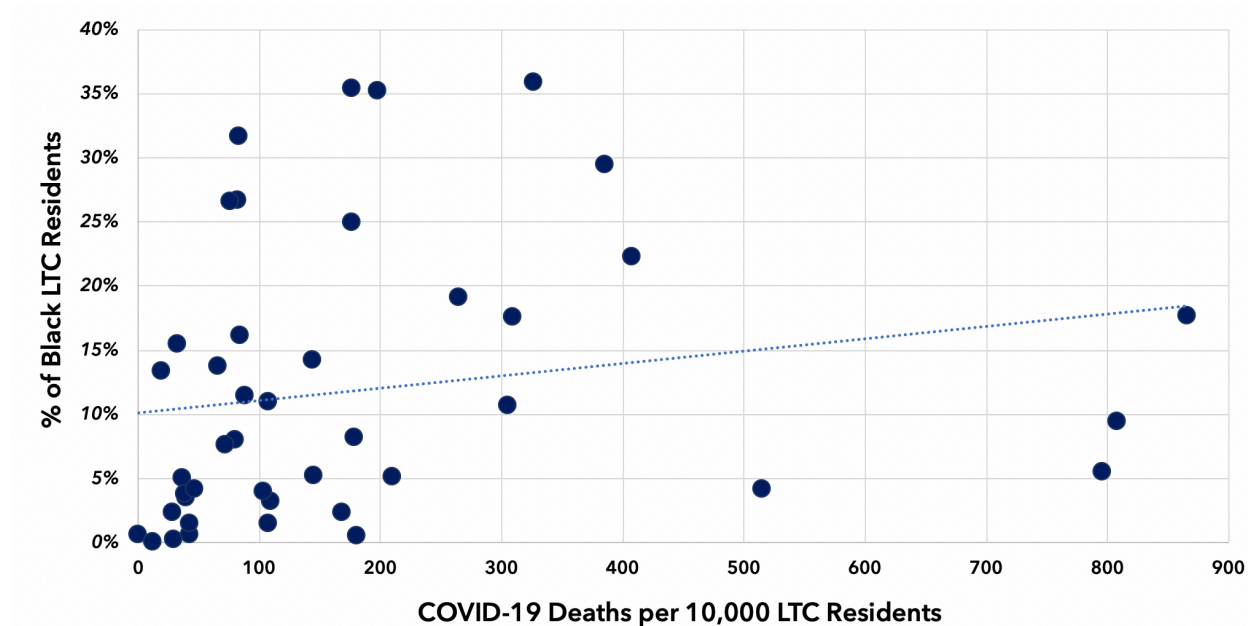
COVID-19 mortality is heavily skewed toward those over 65. 81 percent of all deaths from COVID-19 have occurred among those 65 and older. Those under 35 years of age represent 0.8 percent of deaths.. (Sources: CDC, FREOPP analysis)

The most probable explanation for most of these differences is related to age. Serious illness and death from COVID-19 are highly concentrated among the elderly. 81 percent of all U.S. COVID-19 deaths have taken place among those aged 65 or older; by contrast, only 0.8 percent of U.S. COVID-19 deaths have taken place among U.S. residents younger than 35. This is important to account for, because while the median age of white Americans is 44, for Asians it is 37, and for Hispanics it is 30. In other words, the disparity in share of deaths relative to whites, Hispanics, and Asians may turn out to be mostly explained by age differences.

The same explanation does not fully apply to blacks. The median age of African-Americans is 34—somewhere in between that of Hispanics and Asians—but blacks suffer from a disproportionate share of COVID-19 mortality.

Further data from the CDC, breaking out racial and ethnic shares by age bracket, should help us learn more about these differences.

Figure 3. No Correlation Between Long-Term Care COVID-19 Fatality Rates and State-Level African-American LTC Resident Share



At the state level, there is no correlation between African-American race and mortality in nursing homes and assisted living facilities. States with high black population shares in nursing homes and assisted living facilities were not correlated to those with high levels of black mortality. The r^2 —the probability of a linear correlation—was only 3.5%. (Sources: Brown University, FREOPP analysis)

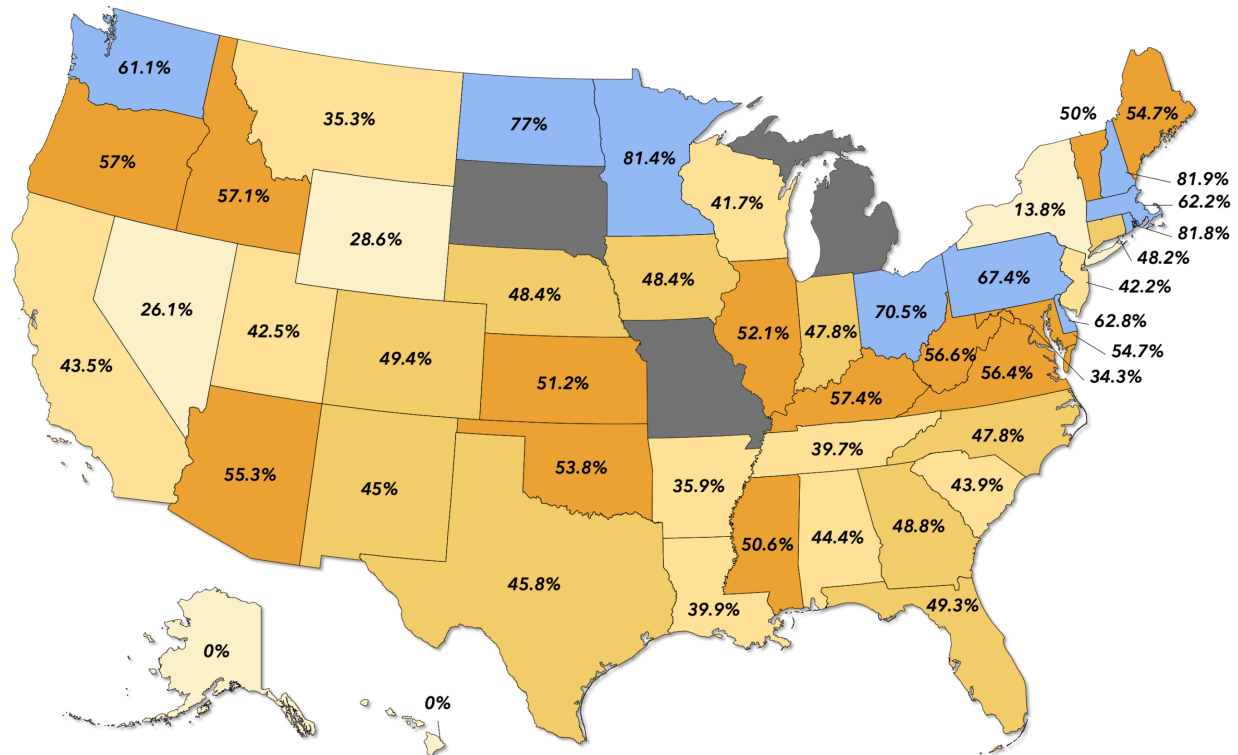
LTC FACILITIES: 42% OF COVID-19 DEATHS, BUT 0.6% OF THE POPULATION

Another source of racial disparities in COVID-19 health outcomes may come from nursing homes and assisted living facilities. Nursing homes, in particular, serve disproportionately poor individuals, with a large number of Medicaid enrollees. Vulnerable seniors residing in such long-term care facilities represent 42 percent of U.S. COVID-19 fatalities, while residents of such facilities only account for 0.6 percent of the total U.S. population.²

² G. Girvan and A. Roy, Nursing Homes & Assisted Living Facilities Account for 42% of COVID-19 Deaths. The Foundation for Research on Equal Opportunity. 2020 May 7: https://freopp.org/the-covid-19-nursing-home-crisis-by-the-numbers-3a47433c3f70?source=collection_home---1-----0-----; accessed June 3, 2020.

In part this is due to disastrous decisions taken by some state governors to force nursing homes to accept COVID-infected patients who had been discharged from a hospital, including New York, New Jersey, and Michigan.³ This catastrophic policy helped spread COVID-19 in long-term care facilities, leading to needless deaths and additional hospitalizations that we then asked our health care personnel to take on.

Figure 4. COVID-19 Deaths in Long-Term Care Facilities as a Share of Total COVID-19 Deaths (as of June 1, 2020)



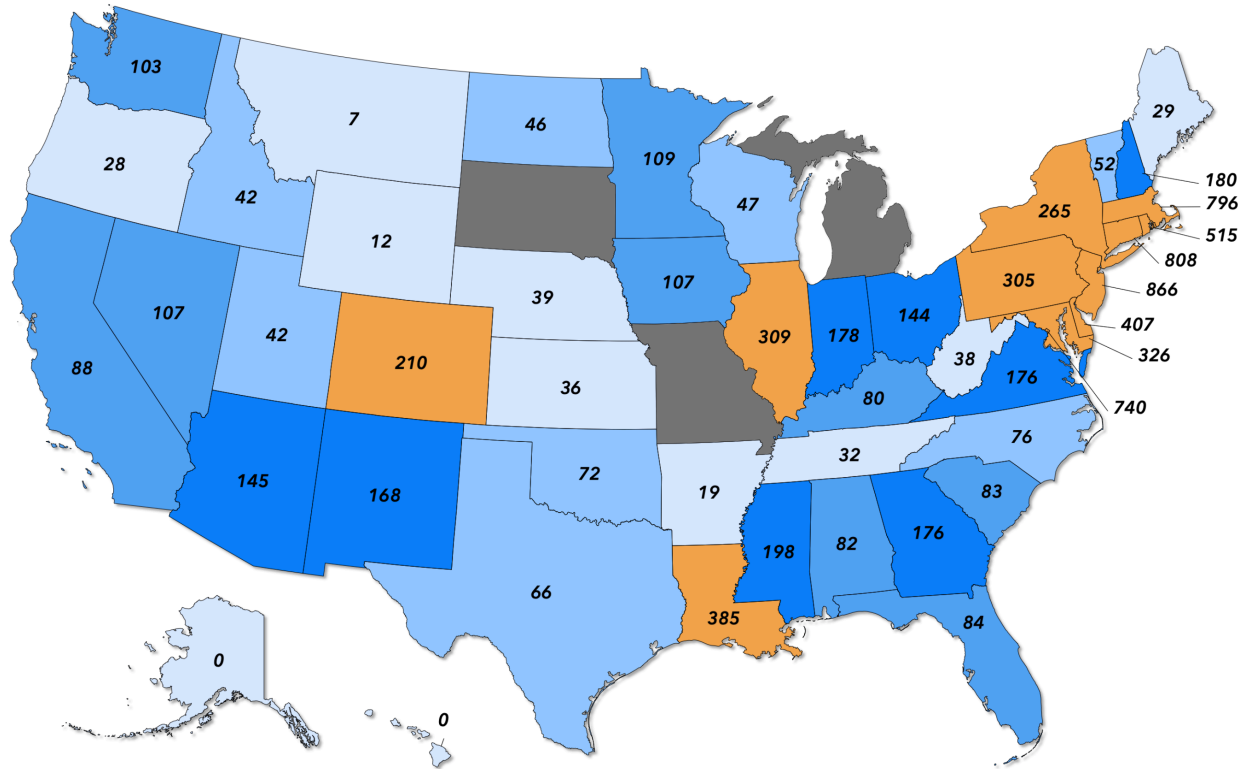
0.6% of Americans live in long-term care facilities that account for 42% of all COVID-19 deaths. In some states, this tragedy was compounded by policies that forced nursing homes to accept patients infected with the novel coronavirus SARS-CoV-2. (Source: G. Girvan and A. Roy, FREOPP.org)

In order to examine racial disparities in COVID-19 deaths in nursing homes, I and my FREOPP colleagues Gregg Girvan and Mark Dornauer looked at state-level long-term care facility mortality rates, and compared them to the percentage of blacks living in long-term care facilities, and also the relationship between nursing home mortality and Medicaid eligibility.

³ A. Roy, The Most Important Coronavirus Statistic: 42% of U.S. Deaths Are From 0.6% Of The Population. *Forbes*. 2020 May 26: <https://www.forbes.com/sites/theapotheary/2020/05/26/nursing-homes-assisted-living-facilities-0-6-of-the-u-s-population-43-of-u-s-covid-19-deaths/#232a01f074cd>; accessed June 3, 2020.

There was no correlation between black race and state-level long-term care fatalities. The r^2 —the probability of a linear relationship between high black population and high long-term care death rates—was only 3.5 percent. Similarly, there was no correlation between states with high Medicaid enrollment and those with high COVID-19 mortality rates in their assisted living facilities; the probability of a linear correlation was only 2.3 percent.

Figure 5. COVID-19 Deaths in Long-Term Care Facilities per 10,000 Long-Term Care Residents (as of June 1, 2020)

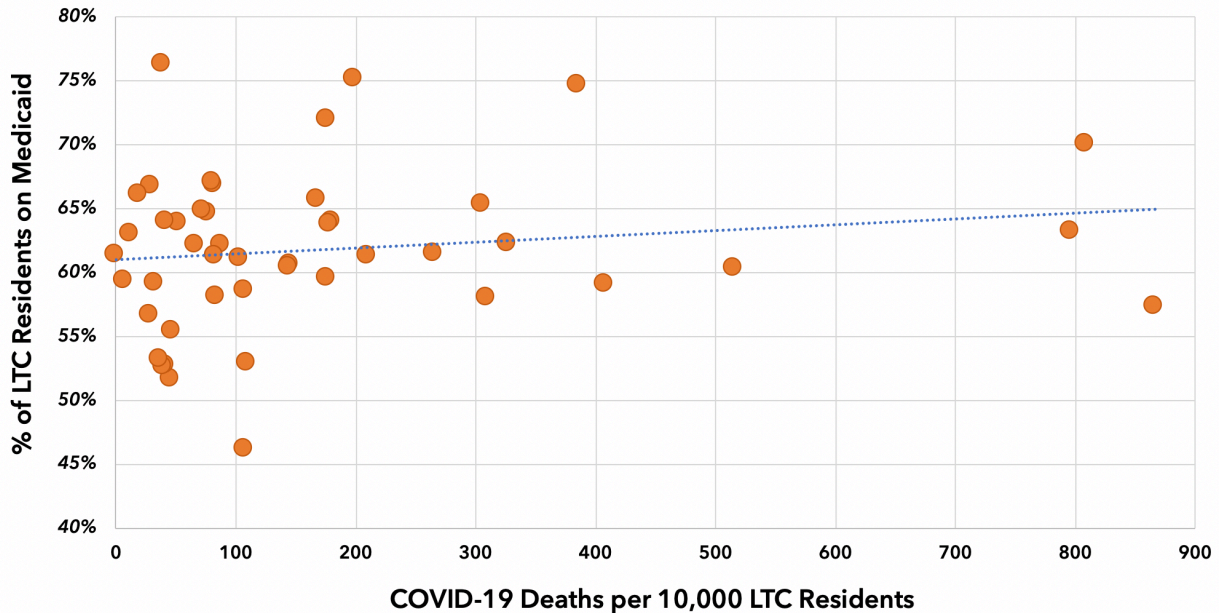


COVID-19 deaths in nursing home and assisted living facilities are concentrated in the Northeast. In New Jersey, nearly one in ten long-term care facility residents have died of the novel coronavirus. (Source: G. Girvan and A. Roy, FREOPP.org)

This finding was surprising, because we would expect to see that nursing homes with a high volume of low-income patients would fare worse under COVID-19. We aim to investigate this question further, at the county level, in order to determine if the correlations are stronger within states.

One explanation for this finding could be that nursing home and assisted living facility residents are, as a group, vulnerable to the coronavirus pandemic, and that therefore African-American resident share is less impactful on overall long-term care mortality statistics.

Figure 6. No Correlation Between Long-Term Care COVID-19 Fatality Rates and State-Level Medicaid LTC Resident Share



At the state level, there is no correlation between enrollment in Medicaid and COVID-19 mortality in nursing homes and assisted living facilities. States with high Medicaid enrollment in nursing homes and assisted living facilities were not correlated to those with high levels of COVID-19 mortality. The r^2 —the probability of a linear correlation—was only 2.3%. (Sources: Brown University, FREOPP analysis)

ECONOMIC LOCKDOWNS HAVE HARMED MINORITIES

Prior to the pandemic, unemployment rates for all racial and ethnic groups reached record lows. In August of last year, black unemployment fell to 5.4 percent: the lowest rate ever recorded. The following month, Hispanic unemployment hit a record low of 3.9 percent. And in June of that year, Asian unemployment hit a record low of 2.1 percent.

The economic lockdowns have destroyed those gains. Today, the unemployment rates for whites, blacks, Hispanics, and Asians are 12.4, 16.8, 17.6, and 15.0 percent, respectively.

Notably, last fall, the disparities between white and black unemployment, and between white and Hispanic unemployment, also fell to record lows. Over the last five decades, the association is clear: a strong economy most benefits minorities, and a worsening economy most harms them.

For most of the 21st century, Asian-Americans have enjoyed a lower unemployment rate than whites. But since the lockdown, Asians have faced record unemployment.

Figure 7a. Black Unemployment Rate Minus White Unemployment Rate, 1972-2020

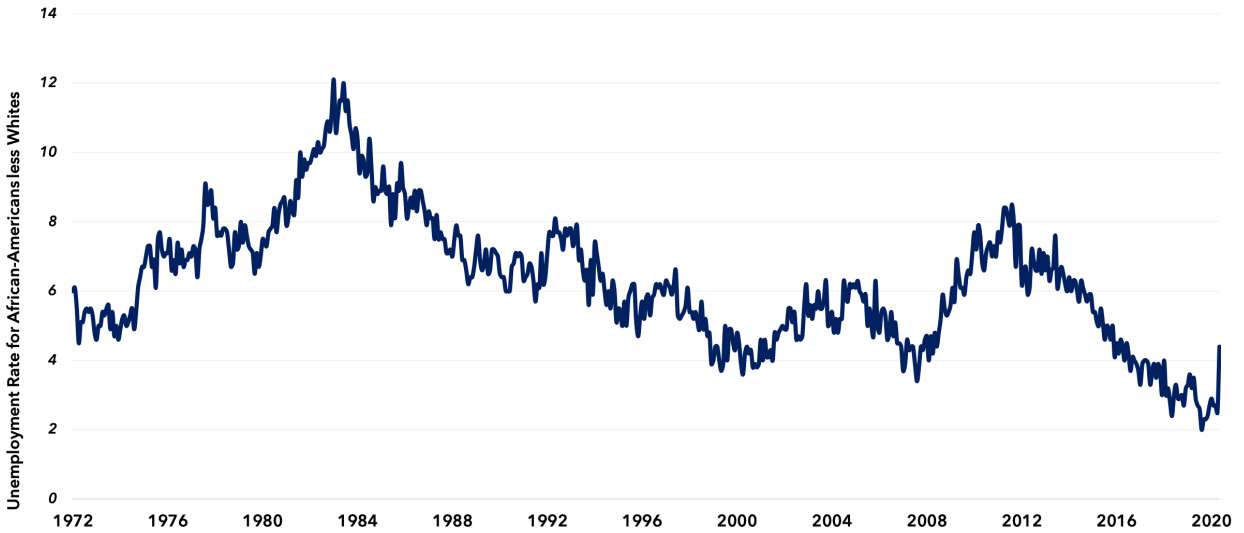
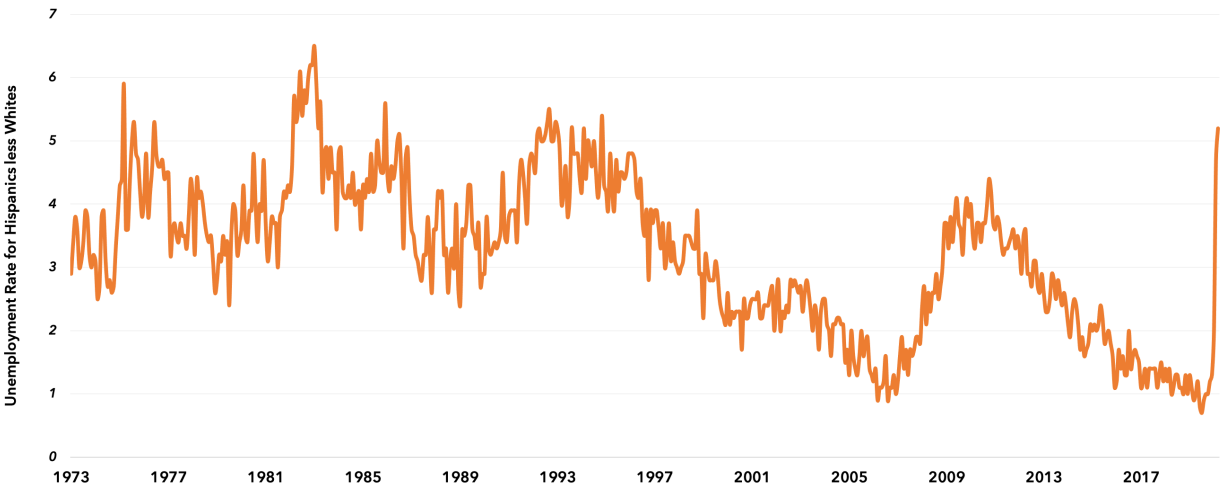


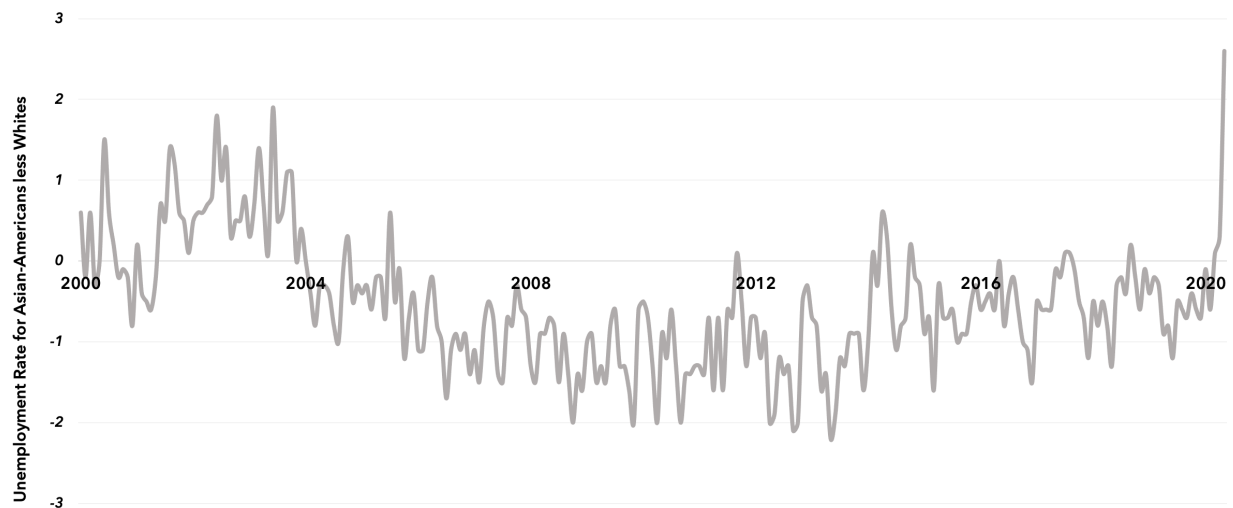
Figure 7b. Hispanic Unemployment Rate Minus White Unemployment Rate, 1973-2020



Lockdowns have widened the disparities between white vs. black and Hispanic unemployment. Hourly-wage workers, who are disproportionately non-white, were most harmed by economic lockdowns that forced small businesses to close. (Source: Bureau of Labor Statistics; Graphics: A. Roy / FREOPP)

These disparities are in part caused by the fact that racial and ethnic minorities make up a disproportionate share of hourly wage earners; 25% are Hispanic, 15% are black, and 5% are Asian. In contrast, for the overall workforce, 17% are Hispanic, 13% are black, and 6% are Asian.^{4 5}

Figure 8. Asian Unemployment Rate Minus White Unemployment Rate, 2000-2020



The disparity between the Asian and white unemployment rates has reached a record high. For most of the 21st century, Asians have enjoyed a lower unemployment rate than whites. That changed during the COVID-19 pandemic. (Source: Bureau of Labor Statistics; Graphics: A. Roy / FREOPP)

While many white workers are in white collar professions in which remote work is possible, blacks and Hispanics often work in hourly-wage jobs where in-person attendance is essential. Researchers at the University of Chicago’s Rustandy Center for Social Sector Innovation have found that hourly-wage workers have seen their hours cut by 50 percent in states that have continued to lock down their economies. In states that have reopened their economies, by contrast, hourly work is recovering.⁶ Racial and ethnic minorities, unfortunately, live in many states where lockdowns have continued.

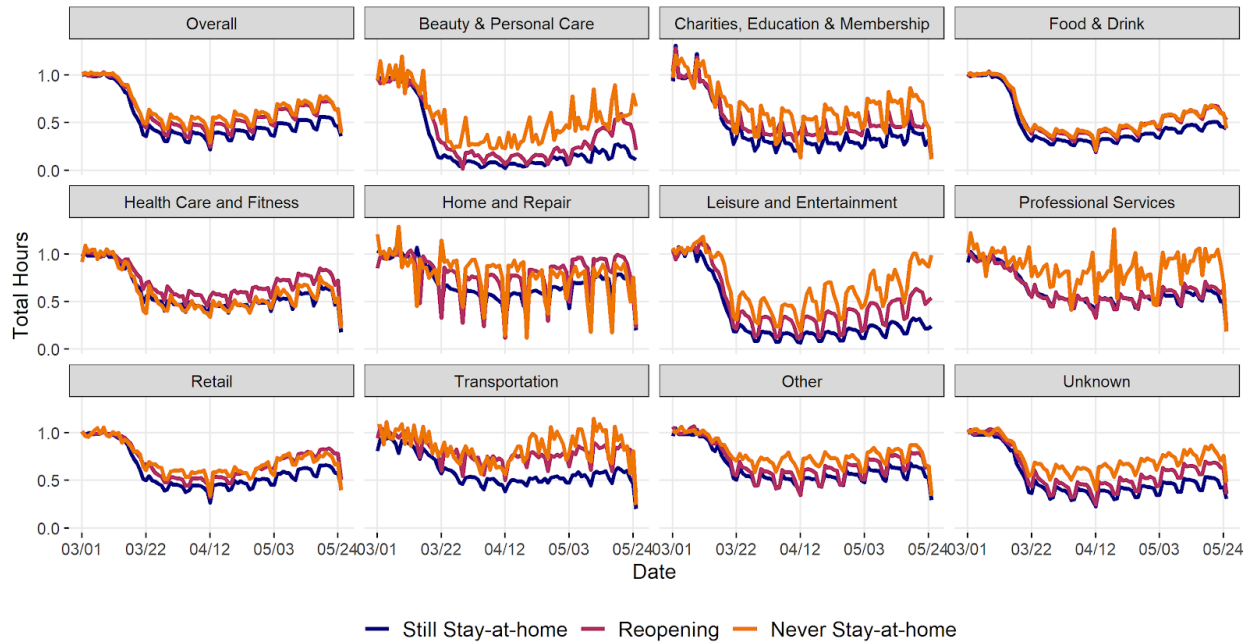
⁴ M. Ross and N. Bateman, Meet the Low-Wage Workforce. The Brookings Institution. 2019 Nov: https://www.brookings.edu/wp-content/uploads/2019/11/201911_Brookings-Metro_low-wage-workforce_Ross-Bateman.pdf; accessed June 9, 2020.

⁵ Bureau of Labor Statistics, Labor force characteristics by race and ethnicity, 2018. 2019 Oct: <https://www.bls.gov/opub/reports/race-and-ethnicity/2018/home.htm>; accessed June 9, 2020.

⁶ A. Bartik, M. Bertrand, F. Lin, J. Rothstein, & M. Unrath, Week 7 and 8: Labor Market Impacts of COVID-19 on Businesses: Update with Homebase Data Through May 23. University of Chicago: <https://www.chicagobooth.edu/research/rustandy/blog/2020/week-7-labor-market-impacts-from-covid19>; accessed June 3, 2020.

Small businesses have also been hammered by the policy response to COVID-19. A new working paper by Robert Fairlie of the University of California, Santa Cruz, estimates that “the number of active business owners in the United States plummeted by 3.3 million or 22 percent over the crucial two-month window from February to April 2020.” Black-owned businesses fell 41 percent, Hispanic-owned businesses 32, percent, and Asian-owned businesses 26 percent. Immigrant-owned businesses dropped by 36 percent.⁷

Figure 9. Hourly Wage Reductions by Industry and Economic Lockdown Policies



Data updated through May 25
Bartik, Bertrand, Lin, Rothstein and Unrath (2020)

ChicagoBooth.edu/PovertyLab/COVIDresearch

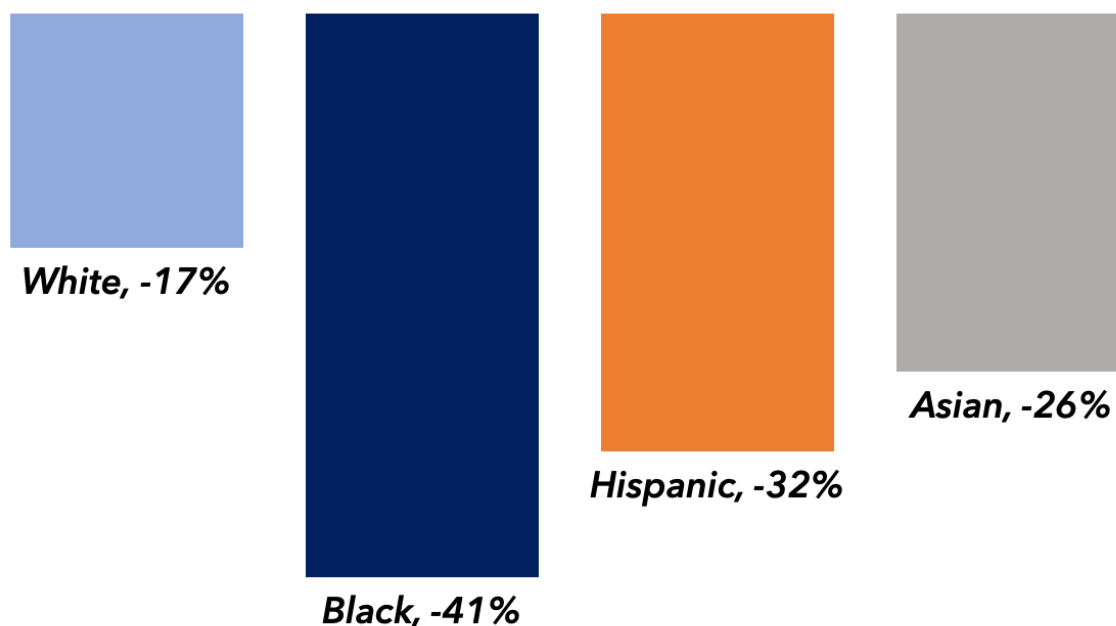
Racial and ethnic minorities have been disproportionately harmed by economic lockdowns. Blue-shaded curves represent work reductions for those in lockdown states; red and orange curves represent reopening and open states, respectively. (Source: A. Bartik et al., University of Chicago)

ECONOMIC LOCKDOWNS IMPACT PUBLIC HEALTH

Economic lockdowns do not merely have a financial impact on racial and ethnic minorities who lose their jobs or have their hours cut. Economic dislocation also worsens health outcomes in myriad ways, whether by deaths of despair, inability to access or afford physicians, or disruption in health insurance coverage.

⁷ R. Fairlie, The Impact of Covid-19 on Small Business Owners: Evidence of Early-Stage Losses from the April 2020 Current Population Survey. National Bureau of Economic Research. 2020 Jun: <https://www.nber.org/papers/w27309.pdf>; accessed June 9, 2020.

Figure 10. Reduction in Small Business Activity, by Ownership, February–April 2020



Minority-owned businesses have been disproportionately harmed by the COVID-19 lockdowns. In particular, businesses owned by African-Americans have seen substantial losses. (Source: R. Fairlie, National Bureau of Economic Research)

Hence, it is essential and urgent that states and localities do everything possible to responsibly reopen their economies.⁸

LOCKDOWNS WIDEN EDUCATIONAL DISPARITIES

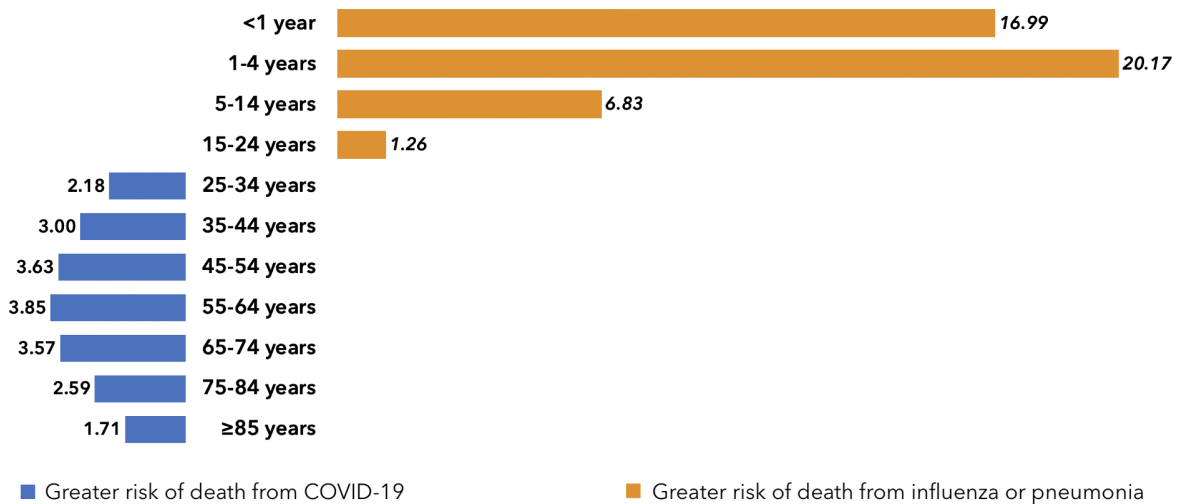
A necessary step to allow the nation to go back to work is to reopen K-12 schools, preschools, and child care centers. Beyond their mission of providing learning opportunities, K-12 schools, preschools and child care centers allow their parents to work.

Reopening the nation’s education and child care programs is also important to ensure that American children continue to learn, and particularly to help children from lower-income families who often have fewer opportunities to learn outside of school. Researchers have found that differences in outside of school learning opportunities contribute to the academic

⁸ L. Chen, B. Kocher, A. Roy, & B. Wachter, A New Strategy for Bringing People Back to Work During COVID-19. The Foundation for Research on Equal Opportunity. 2020 Apr 14: <https://freopp.org/a-new-strategy-for-bringing-people-back-to-work-during-covid-19-a912247f1ab5>; accessed June 3, 2020.

achievement gap between rich and poor children.⁹ The current situation is likely exacerbating this opportunity gap, particularly since poor children are less likely to have internet access at home.¹⁰

Figure 11. Estimated Relative Risk of Death from Influenza vs. COVID-19
(Assuming 150,000 Total COVID-19 Deaths)



Those under aged 25 are at the lowest risk of death from COVID-19. A clear pattern emerges from what we know, in which those under aged 25 are at the lowest risk of death from COVID-19, relative to influenza or pneumonia. (Source: A. Roy, FREOPP.org)

Widespread school closures have other negative consequences for the nation’s children, and particularly those from low-socioeconomic backgrounds. For example, American schools provide food to more than half of the school aged population. Nearly 30 million children receive free or reduced-price lunch through the National School Lunch Program. (While most children will not go hungry without free or subsidized meals, children from the poorest families could be affected by the lack of regular access to these services.) Schools and child care centers also play a critical role in state child welfare systems and supporting children’s health.

In addition, other student populations, including children with special needs and English language learners, suffer from school closures and the lack of specialized instruction outside of school.

⁹ J. McCombs et al., Making Summer Count. RAND Corporation: 2011: https://www.rand.org/content/dam/rand/pubs/monographs/2011/RAND_MG1120.pdf; accessed June 19, 2020.

¹⁰ National Center for Education Statistics. Table 218.70: Number and percentage distribution of 5- to 17-year-old students, by home internet access, poverty status, and locale: 2017. https://nces.ed.gov/programs/digest/d18/tables/dt18_218.70.asp?current=yes; accessed June 19, 2020.

Beyond these direct educational effects, widespread closures are having significant impacts on school systems. For example, dozens of private schools are closing due to the loss of revenue and families' inability to afford tuition after the pandemic. These closures may increase the burdens on traditional public school systems as private school students enroll in public schools. (A coalition of organizations that support choice in education estimated that public schooling costs will increase by \$15 billion if 20 percent of private school students enroll in public schools.) Moreover, many states are projecting revenue shortfalls due to the pandemic and economic downturn.

American policymakers and school leaders have an opportunity to study and learn from international examples, particularly as several nations have already reopened and are operating their school systems. Schools in other countries are applying a range of tactics to protect public health, such as modifying school calendars and schedules, promoting social distancing, keeping windows open to improve ventilation, and checking students' temperatures.

The good news is that children and young adults are at extremely low risk of dying of COVID-19, as detailed in Figures 2 and 11.

State and local policymakers must quickly work to develop two distinct but aligned education systems: (1) a physical school system for in-person learning consistent with public health guidance, and (2) a virtual or distance learning that supports all children's options to learn at-home or outside of the traditional school setting. A forthcoming paper from the Foundation for Research on Equal Opportunity, co-authored by Dan Lips, Preston Cooper, and Avik Roy, among others, will explore these questions in detail.