

# Antiracist, Equitable State Response to COVID-19 and Stronger Recovery

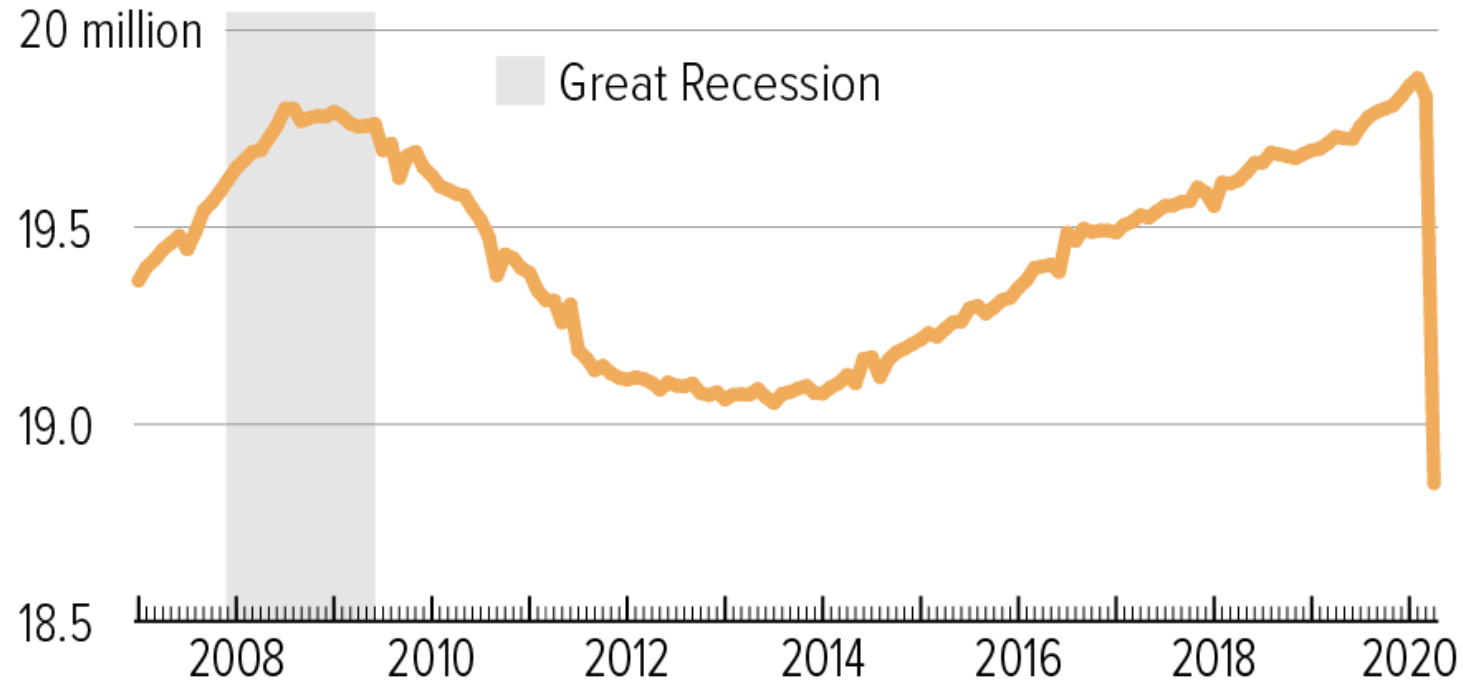
New Mexico Voices for Children  
Kids Count Conference

**Erica Williams**  
Center on Budget and Policy Priorities

October 13, 2020



# April's 1 Million Furloughs, Layoffs Put Total State and Local Employment Lower Than After Great Recession

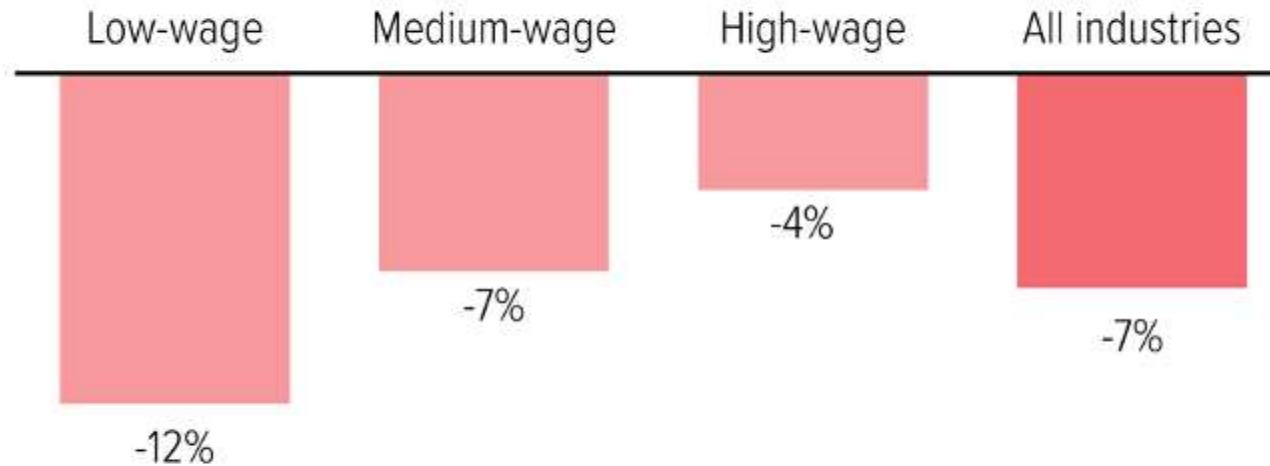


Note: Figures include Bureau of Labor Statistics' seasonal adjustment. Jobs decline in April 2020 with no seasonal adjustment is 945,000.

Source: Bureau of Labor Statistics

## Job Losses Largest in Low-Wage Industries

Percent change in number of jobs, February to September 2020



Note: Industries were ranked by average wages in February and divided into three groups containing roughly the same number of jobs.

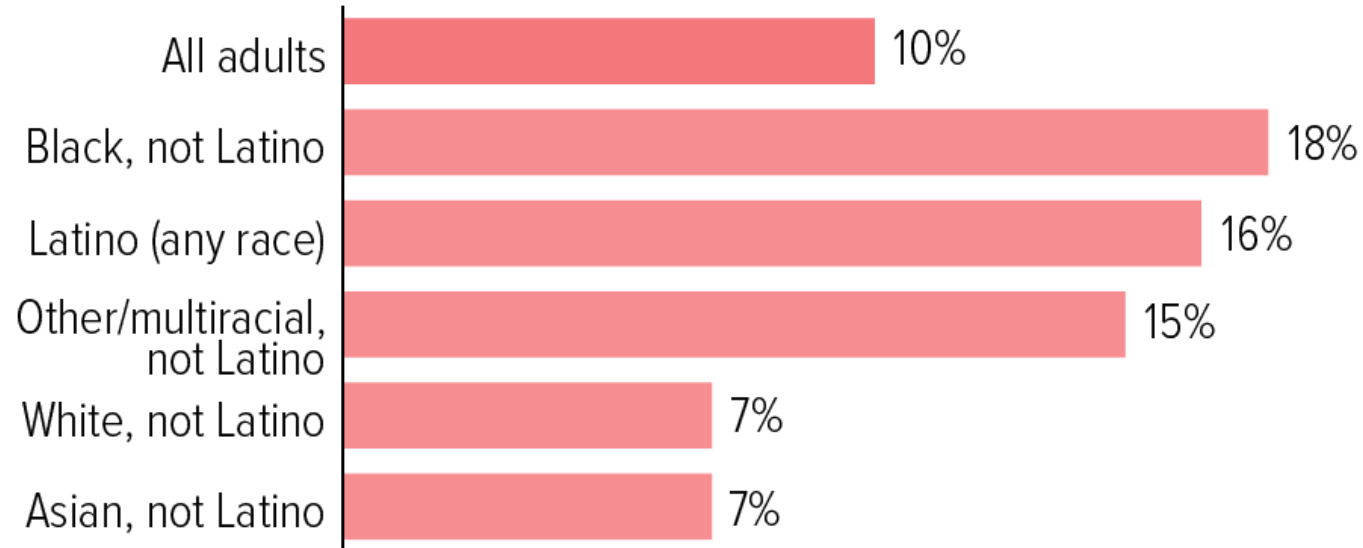
Source: CBPP calculations of Bureau of Labor Statistics data

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

---

## Black and Latino Households Likelier to Experience Food Insufficiency During Pandemic

Share of adults saying that their household sometimes or often did not have enough to eat in the last 7 days, as of September 16-28, 2020



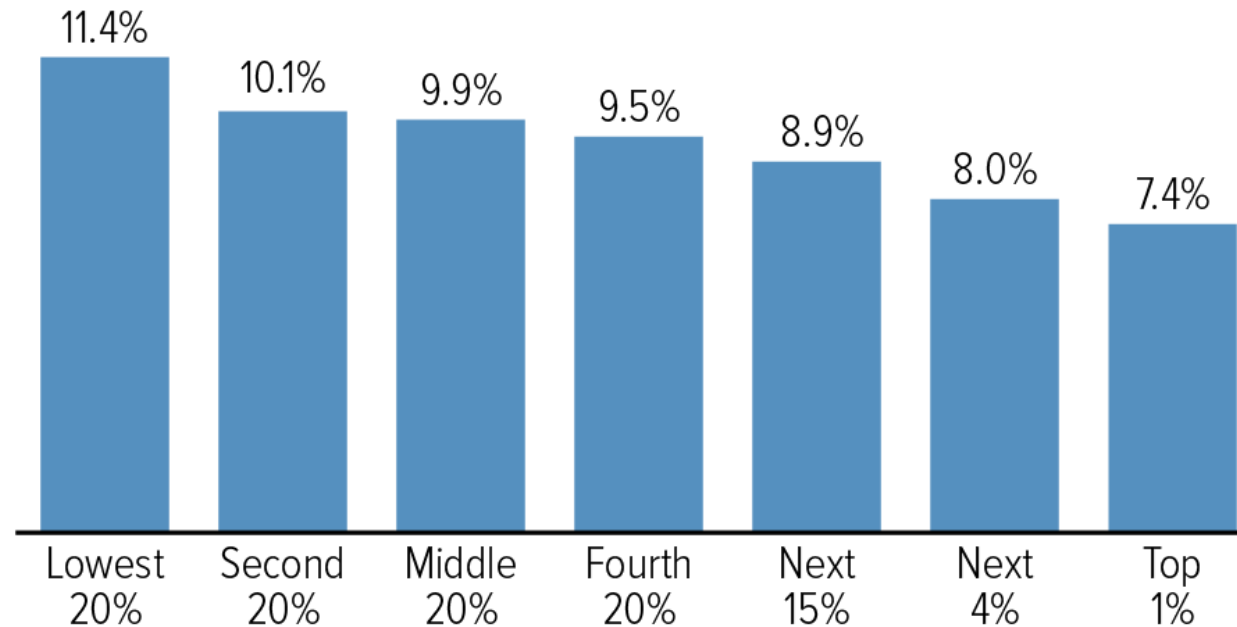
Note: Other/Multiracial not Latino = people identifying as American Indian, Alaska Native, Native Hawaiian or Pacific Islander, or more than one race. Percentages are based on reporting distributions and do not include the populations that did not respond to the question.

Source: CBPP analysis of Census Bureau Household Pulse Survey

---

## Lowest-Income Households Pay Highest State and Local Taxes

Total state and local taxes that non-elderly residents paid as a share of their income in 2018



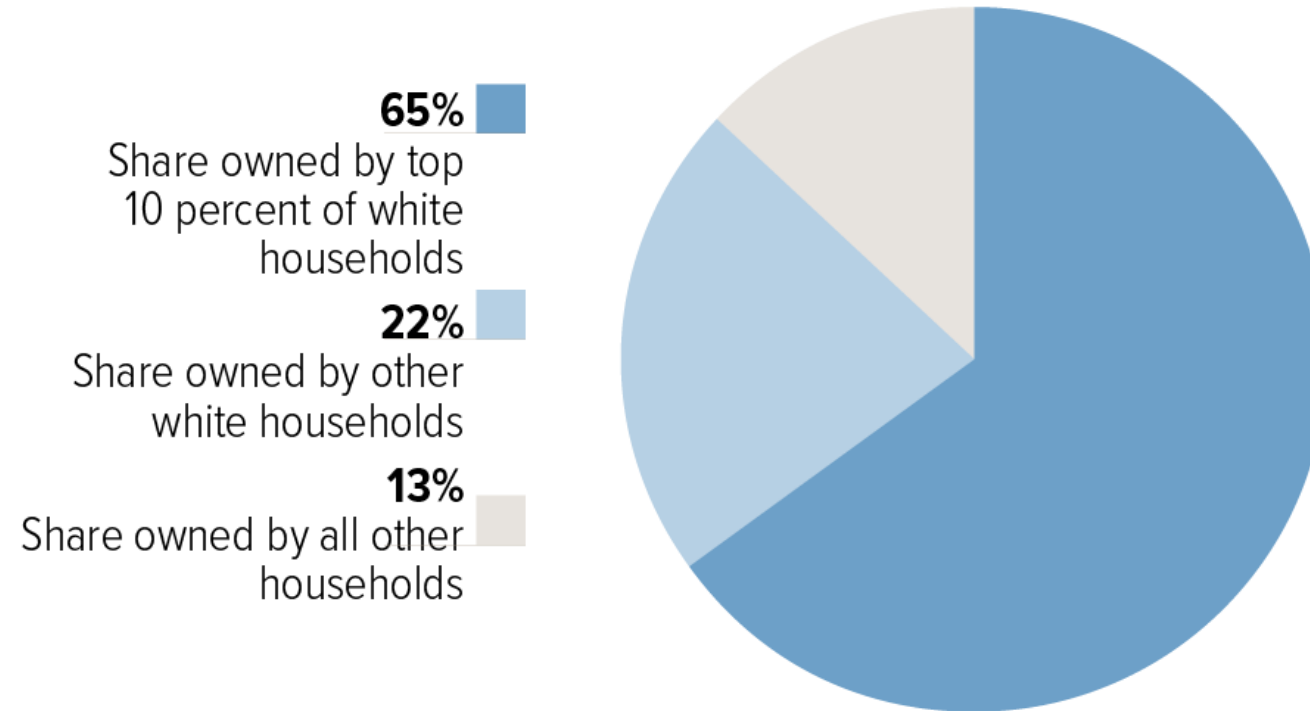
Income ceilings: \$21,000 for bottom 20%; \$37,000 for second 20%; \$60,000 for middle 20%; \$104,000 for fourth 20%; \$227,000 for next 15%; \$553,000 for next 4%.

Source: Institute on Taxation and Economic Policy

---

## Wealthiest 10 Percent of White Households Own Two-Thirds of U.S. Wealth

87 percent of wealth owned by white households



Source: Federal Reserve's Survey of Consumer Finances



## Three principles should guide state policymakers in these equity efforts:

- 1** Target aid to those most in need due to the COVID-19 and consequent economic crises.
- 2** Advance anti-racist and equitable policies – both short- and long-term – to dismantle persistent racial, gender, and economic inequities and other barriers non-dominant groups face.
- 3** Protect state finances to preserve the foundations of long-term economic growth and opportunity.

States can also make a broader commitment through steps such as an executive order, special commission, or task force to review their COVID-19 responses with equity in mind.



# 1

## TARGET AID TO THOSE MOST IN NEED DUE TO HEALTH, ECONOMIC CRISES

States' immediate policy responses should prioritize supports for people and communities most in need due to the pandemic and accompanying economic crisis. They should target aid to essential workers and people who, due to a lack of public investment, economic inequality, and historic and current discrimination and bias, were experiencing health and economic insecurity even before the crisis began. That includes those with chronic health issues or without health insurance, people who experience homelessness, and others facing major barriers to work or struggling on low pay. States can:

- Serve people experiencing homelessness and freeze evictions
- Expand cash assistance under Temporary Assistance for Needy Families (TANF)
- Adopt Medicaid expansion and extend health care to people who are undocumented
- Enhance food assistance for struggling families and individuals
- Establish emergency child care services for essential workers
- Protect funding for schools and support students most in need
- Release youth from confinement and support re-entry into schools and communities while social distancing
- Require and fund COVID-19 data tracking to understand its disparate impacts



## 2

# ADVANCE ANTIRACIST, EQUITABLE POLICIES TO DISMANTLE PERSISTENT INEQUITIES

States can use this moment to address inequities due to historical racism and various forms of ongoing bias and discrimination. Racism and other structural barriers to opportunity have created underlying social, economic, and health conditions that have left people of color, especially Black people, women, immigrants, and Indigenous people, particularly at risk of coronavirus infection and, in the case of Black people, death. Black unemployment has been roughly twice as high as white unemployment on average for decades, and it's not much better in the best of times than white unemployment is in the worst. States should push against this trend in various ways:

- Use state-funded rental assistance to serve people in need
- Make state unemployment insurance systems more inclusive
- Adopt state-level emergency and permanent paid leave policies
- Boost incomes through state Earned Income Tax Credits (EITCs)
- Invest in high-poverty school districts
- Invest in higher education for those from non-dominant groups
- Eliminate criminal legal fees and base fines on ability to pay
- Help tribal governments harmed by the pandemic



# 3

## PROTECT STATE FINANCES TO PRESERVE LONG-TERM GROWTH AND ENSURE OPPORTUNITY

State budgets face severe and mounting pressure from the COVID-19 outbreak and the economic fallout, especially without substantial additional federal aid.

States should protect the foundations of strong economies and avoid deepening and lengthening the downturn by focusing more on revenue-raising measures that generate resources in progressive ways, to promote equity and minimize cuts to public education, health care, and economic supports for residents. They can:

- Draw fully and immediately on “rainy day” funds and other reserves
- Raise revenue, especially from profitable corporations and the wealthy
- Roll back economic development incentives and other tax breaks for profitable corporations
- Reform or repeal restrictions on local government revenue-raising



**Erica Williams**

[ewilliams@cbpp.org](mailto:ewilliams@cbpp.org)

[www.cbpp.org](http://www.cbpp.org)

202.408.1080

