The COVID-19 pandemic and recession have disproportionately harmed Americans, especially people in low-income households. Across the United States, systemic inequalities in employment, wage-earning, health, and well-being have been strained for sub-populations facing poverty or near-poverty conditions. Drawing on recent surveys and studies, this brief details impacts of the COVID-19 pandemic, and the associated recession, on low-income families’ employment and income, economic well-being, and physical and mental health. This brief concludes with broad comparisons between the current recession and the Great Recession of 2007 to 2009 across economic and health indicators, particularly for women.

Employment and income effects of the COVID-19 pandemic have disproportionately hit households with historical barriers to employment.

Low-income families, as well as people of color, women, youth, and parents, experienced particular hardship due to the disparate economic impacts of the pandemic.

Impacts on Low-Income Families. In 2020, the COVID-19 pandemic and associated recession amplified preexisting employment inequalities. Low-wage workers lost jobs at five times the rate of middle-wage workers, while high-wage employment actually increased over the first year of the pandemic (Chetty et al., 2020). See Figure 1. Nearly half of lower-income families (those earning less than approximately $40,000 per year), report that they or someone in their household has lost a job or taken a pay cut as a result of the pandemic. The same is true for 42 percent of middle-income families and 32 percent of upper-income families (Parker et al., 2020). During the pandemic’s first year, many families struggled to meet basic economic needs. As Figure 2 shows, people who faced job losses or pay cuts—which disproportionately affected low-income workers—were more likely to experience financial hardship, including difficulty paying bills, such as rent, mortgage payments, and medical expenses, and accessing food (Desprad et al., 2020; Parker et al., 2020).
Consequences for People of Color, Women, and Youth.
Since March of 2020, people of color, young adults, women, and low-income workers have lost jobs at disproportionately high rates. Workers in these groups comprise a large proportion of the labor force subject to layoffs in the leisure and hospitality sectors (Alon et al., 2020, 2020; Escobari et al., 2020; Gould & Kassa, 2020; Maxwell & Solomon, 2020). For more information on the impacts on young adults, see “XXXXXXXX,” available at (COVID landing page URL).

The pandemic’s negative economic impacts have disproportionately increased the economic insecurity of Black and Hispanic individuals and families, who tend to have fewer financial reserves to buffer against extended periods of job loss or decreased earnings (Lopez et al., 2020). Black and Hispanic people are also over-represented...
in low-wage jobs and industries affected by the pandemic, which means that racial and ethnic inequities also grew as Black and Hispanic workers saw disproportionate increases in unemployment (Meade, 2021).

**Effect on Parents.** The pandemic also pushed parents, especially mothers, out of the workforce (Alon et al., 2020; Bateman & Ross, 2020; Modestino, 2020). By spring of 2020, mothers were twice as likely as fathers to have stopped working due to a lack of child care, while thirteen percent of all parents reported a job loss or reduction in hours after initial school closures (Modestino, 2020). With fewer options for alternative child care, women of color, women without a college degree, and low-income women lost more hours of work to care for children than higher-income and White women (Modestino, 2020).

**Poverty Impacts.** As job losses spiked in the spring of 2020, Congress passed legislation intended to help families mitigate job disruptions and losses. The Coronavirus Aid, Relief, and Economic Security (CARES) Act,1 passed in late March, included temporary expansions of Unemployment Insurance as well as Economic Impact Payments to most adults, providing brief respite for families in the pandemic’s initial months. Monthly poverty rates were lower in April and May 2020 than before the pandemic (Han et al., 2020; Parolin et al., 2020) though rates increased over the summer and then surpassed pre-pandemic levels. However, rates of deep poverty—defined as incomes below 50 percent of the poverty level—were higher than pre-pandemic rates, even in April 2020, likely because many very low-income families experienced difficulty receiving Economic Impact Payments and Unemployment Insurance (Han et al., 2020; Parolin et al., 2020).

**COVID-19 relief measures initially missed or may be insufficient for some low-income families.**

While the CARES Act helped many families, relief measures were not equitable. From late December 2020 to late January 2021, only a quarter of people who were unemployed received Unemployment Insurance benefits; about two-thirds of those not receiving benefits did not apply because they did not believe they were eligible, and about a quarter did not apply because they were not sure how to (Forsythe, 2021). As many as 12 million people who are not required to file taxes, most of whom have very low incomes, did not automatically receive Economic Impact Payments for which they were eligible for (Marr et al., 2020). The Urban Institute’s Coronavirus Tracking Survey found that 70 percent of all adults—but only 59 percent of adults below the poverty level—had received an Economic Impact Payment by late May 2020 (Marr et al., 2020). Black and Hispanic adults were less likely than non-Hispanic White adults to have received the payment by late May 2020, though the low recipiency rate for Hispanic individuals is largely attributable to eligibility criteria excluding families with undocumented immigrants (Holtzblatt & Karpman, 2020). By late September 2020, nearly 95 percent of eligible adults had received an Economic Impact Payment (Murphy, 2021).

Eviction moratoria enacted at local, state, and federal levels have prevented over a million evictions during the pandemic. However, many families still have insufficient income to pay for housing and risk eviction when the moratoria are lifted (Fish et al., 2020). One in seven renters was behind on rent as of March 2021; this rate was closer to one in five for Black, Hispanic, and Asian renters (Center on Budget and Policy Priorities, 2021). Despite many households struggling to pay rent, moratoria have prevented eviction filing rates from increasing during the pandemic; in several states evictions filings remain lower than pre-pandemic levels (Fish et al., 2020; The Eviction Tracking System, n.d.). Housing experts are concerned, however, that once eviction moratoria expire, low-income families may face a surge of evictions (Fish et al., 2020; Louis et al., 2020; The Eviction Tracking System, n.d.).

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1 https://www.congress.gov/116/bills/hr748/BILLS-116hr748enr.pdf
The COVID-19 pandemic and recession have disproportionately affected the physical health of low-income families and some communities of color.

Both low-income families and people of color are more likely to work or commute in places with higher risk of exposure to the COVID-19 virus. In addition, women and Black and Hispanic adults – especially those who have low incomes – have been more likely to experience disruptions in access to health care and healthy food.

**Risk of Exposure.** Members of low-income families and families of color are more likely than higher-income and White families to contract COVID-19 (CDC, 2020). Racial and socioeconomic disparities in contracting COVID-19 may be partially explained by differences in essential worker status (Rogers, 2020). White, high-income, and college-educated workers are much more likely to have work-from-home options than low-income workers, people of color, and those without a college degree (Collyer et al., 2020; Gould & Shierholz, 2020; Gould & Wilson, n.d.; McNicholas & Poydock, 2020; Rho et al., 2020). In the early months of the pandemic, Black and Hispanic workers in New York City, for example, were much more likely to be required to work on-site (Collyer et al., 2020). On-site work increases the risk of virus exposure not just in the workplace but also via potentially crowded public transit (Dubay et al., 2020; Hawkins, 2020). In addition, low-wage workers are least likely to have access to paid leave to allow them to stay home if they become sick or become exposed to COVID-19 (Bureau of Labor Statistics, 2021). These combined risks of workplace and transit exposure may contribute to further disparities in health outcomes by race and income due to increased demands on health care providers serving low-income communities.

**Overall Access to Health Care.** The COVID-19 pandemic has disrupted access to health care and caused many low-income and Black and Hispanic Americans to delay non-emergency medical care (Czeisler, 2020). Delays in care have led to increased illness severity and death among patients with non-COVID-19 medical conditions or illnesses. (Chen & McGeorge, 2020; Woolf et al., 2020). Nearly 41 percent of all adults have avoided medical care because of concerns about COVID-19 (Czeisler, 2020). During the pandemic, Black and Hispanic adults have been more likely than White to delay emergency care. The pandemic has also limited the ability of women—particularly low-income women and women of color—to access and afford contraception and other sexual and reproductive health services (Lindberg et al., 2020). Delaying access to contraception may increase women’s risk of unintended pregnancy, hold extensive financial implications, and disrupt women’s ability to work and attend school (Sawhill, 2015).

**Healthy Food Access.** Health concerns also include access to quality food. Food security, defined by the USDA as the ready availability of nutritionally adequate and safe food, has decreased during the pandemic, particularly among Black and Hispanic households. In 2019, 35.2 million Americans lived in food insecure households (Coleman-Jensen et al., 2020), or about 1 in 30 adults nationwide. Access to food decreased dramatically amidst the pandemic: between 1 in 20 and 1 in 10 adults reported not having enough to eat in 2020 (Winship & Rachidi, 2020; Ziliak, 2020). For Black adults, this rate was about 1 in 5 (Ziliak, 2020). Black and Hispanic families in particular report concerns about having enough to eat or have experienced a reduction in the quality, quantity, or variety of food (Schanzenbach & Tomeh, 2020; Waxman et al., 2020). As of March 2021, food insufficiency among Black and Hispanic households was two times higher than it was among White households (CBPP, 2021).
<table>
<thead>
<tr>
<th>Survey</th>
<th>Description</th>
<th>Date(s)</th>
<th>N (per wave or sample)</th>
</tr>
</thead>
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<tr>
<td>New York COVID-19 and Parent-Child Psychological Wellbeing</td>
<td>Gassman-Pines et al. February–April 2020</td>
<td>N = 8,222 person-days from 645 individuals</td>
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<td>National Identifying the Primary Mental Health Problems and Needs of</td>
<td>Children, Adolescents, and Their Caregivers during the Coronavirus Pandemic</td>
<td>Fitzpatrick et al. April–July 2020</td>
<td>N = 133</td>
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<td>National Socioeconomic Impact of COVID-19 Social Policy Institute</td>
<td>at Washington University in St. Louis, and April 2020, August 2020, November 2020, and April 2021 (four waves)</td>
<td>N = 2,300 (each wave)</td>
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<td>National Rapid Assessment of Pandemic Impact on Development—Early</td>
<td>Childhood project (RAPID-EC) University of Oregon Center for Translational Neuroscience</td>
<td>April 2020–Present</td>
<td>N = 8,390 (as of November 2020)</td>
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<td>National Challenge of Childcare During the COVID-19 Recession</td>
<td>Alicia Sasser Modestino May–June 2020</td>
<td>N = 2,557</td>
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<td>Oklahoma Tulsa SEED Study</td>
<td>OU-Tulsa Early Childhood Education Institute</td>
<td>May–July 2020</td>
<td>N = 586 (parents)</td>
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<td></td>
<td></td>
<td></td>
<td>N = 118 (teachers)</td>
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<tr>
<td>National Coronavirus Tracking Survey</td>
<td>Urban Institute</td>
<td>May 2020 and September 2020 (two waves)</td>
<td>N = 4,352 (Wave 1)</td>
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<td>N = 4,007 (Wave 2)</td>
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<td>National Well-being of Parents and Children During the COVID-19</td>
<td>Patrick et al. June 2020</td>
<td>N = 1,011</td>
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<tr>
<td>National Association for the Education of Young Children (NAEYC)</td>
<td>Pandemic Survey</td>
<td>NAEYC November 2020</td>
<td>N = 6,071</td>
</tr>
<tr>
<td>National Preschool Learning Activities Survey</td>
<td>National Institute for Early Education Research (NIEER)</td>
<td>December 2020</td>
<td>N = 1,450</td>
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</tbody>
</table>
COVID-19-related stress and social isolation have disproportionately affected low-income families.

Individuals with lower incomes—especially parents—have reported increased mental health challenges and stress during the pandemic.

Economic Stress. Economic uncertainties associated with the COVID-19 pandemic increased stress levels for many individuals and families, impacting mental health and overall well-being. As shown in Figure 3, pandemic-related economic impacts on low-wage workers contribute not only to financial stressors but also disparities in reported mental health concerns across the income spectrum (LegalShield Law Index, 2021). While more than half of all adults say their mental health was negatively affected by pandemic-related stress, low-income adults were almost twice as likely to report major negative impacts compared to high-income adults (Panchal et al., 2020).

Stress on Parents. Increased caregiving responsibilities amid pandemic-related school and child care closures has heightened stress levels among parents, with low-income parents particularly affected (Russell et al., 2020). Parents who experience increased COVID-19-related stress, including stress caused by job disruption, income loss, child care demands, food access, and physical illness, are also more likely to report increased anxiety or depressive symptoms than parents who did not experience such stressors (Gassman-Pines et al., 2020; Patrick et al., 2020; Rucker et al., 2020). As Figure 4 shows, stressors in households with young children are magnified in low-income families coping with the many pandemic-related challenges (American Dream, 2020).
Families with lower incomes have experienced lower access to quality child care and increased safety risks during the COVID-19 pandemic.

Families with lower incomes have been more likely to lose access to child care, including in-person care, during the pandemic. In addition, the pandemic has created both conditions likely to increase risk factors of intimate partner violence and child maltreatment as well as barriers for professionals to assess these risk factors and provide services.

Access to Child Care. Inequities in access to quality in-person child care have presented disproportionate caregiving burdens and intensified low-income parents’ stress. Many licensed child care providers are not located in low-income neighborhoods and many child care providers closed or began operating at limited capacity during the pandemic. Low-income households with young children were twice as likely as higher-income households to lose pre-established child care arrangements because of permanent closures or job loss (American Dream, 2020). Additionally, among children still enrolled in child care, children living in poverty are less likely to have access to in-person care than higher-income children. Unequal access to child care may contribute to low-income children’s disproportionate learning loss as well as increased parental stress (Barnett & Jung, 2021). Further, disparate effects arise among providers serving low-income families because of tighter profit margins present even prior to the COVID-19 pandemic, and more community financial instability than with providers serving higher-income communities (Kalluri, 2021; NAECY, 2020).

Child Maltreatment. COVID-19 driven stressors, including increased financial anxiety and job loss, as well as decreased connection to vital social networks and community resources, have increased risk factors for child maltreatment, particularly in families with child maltreatment concerns prior to the pandemic (Brown et al., 2020; Lawson et al., 2020; SAMHSA, 2020). Parents with children aged four through 10 report that job loss was associated with increased parental stress and self-reported emotional and physical child mistreatment (Lawson et al., 2020). Stay-at-home orders likely prevent abuse from being noticed and reported by educators, who are teaching virtually, and social service providers, who have largely transitioned to interacting with families by phone or video call (Barboza et al., 2020; Bullinger et al., 2020; HARC, 2020; Supplee & Crown, 2020). Following the implementation of stay-at-home orders, reports to Child Protective Services and children’s overall emergency visits declined (Barboza et al., 2020; Bullinger et al., 2020). Conversely, substantiated reports of child neglect in high-income counties have risen because of increased child injuries and poisonings that may be partially attributable to inconsistent supervision while parents are working (Bullinger et al., 2020).

Intimate Partner Violence. Intimate partner violence risk factors have also increased during the pandemic, and, furthermore, there are more barriers preventing victims from connecting with resources and support networks (Evans et al., 2020; Jetelina et al., 2021; Kaukinen, 2020; Lindberg et al., 2020; Piquero et al., 2021). While individuals of all income levels can experience intimate partner violence, those in households with lower incomes experience it at higher rates, and evidence suggests that poverty, financial stress, and low income—which have been exacerbated by the COVID-19 pandemic—can increase risk for intimate partner violence (Breiding et al., 2014; Niolon et al., 2017). Data on intimate partner violence is difficult to collect during the pandemic because responding to surveys at home may place victims at increased risk of abuse (Kaukinen, 2020). Economic stress, high levels of male unemployment, and increased stress at home, caregiving burdens, and social isolation are all estimated to have increased incidents of intimate partner violence by about eight percent (Kaukinen, 2020; Piquero et al., 2021). Victims report the severity of sexual abuse has worsened during the pandemic with non-sexual physical violence less severe, possibly because abusive partners want to avoid hospitals (Jetelina et al., 2021). Additionally, COVID-19-related social distancing and stay-at-home measures likely make it more difficult for victims of intimate partner violence to connect with support resources; one in three victims has reported difficulty accessing services during the COVID-19 pandemic (Lindberg et al., 2020).
Low-income families have been particularly affected during the COVID-19 recession, with certain populations likely to struggle more than during the Great Recession.

As with the Great Recession of 2007-2009, families with lower incomes have been particularly negatively affected by the COVID-19 recession. However, this recession may ultimately leave deeper mental health impacts but result in fewer losses of health care coverage for low-income populations. Furthermore, this recession has impacted women more than during the Great Recession.

**Economic Impacts.** Low-income families were hit hardest and were also the slowest to recover during recent recessions, from 1990–1991 and 2007–2009 (Bennett & Kochhar, 2020). In the United States, the Great Recession of 2007–2009 and the current COVID-19 recession both exacerbated deeply-embedded racial and economic inequalities, affecting low-wage workers most (Alon et al., 2020; Escobari et al., 2020; Gould & Kassa, 2020; Kochhar & Passel, 2020; Maxwell & Solomon, 2020). Notably, women and people of color (specifically Black and Hispanic workers) are overrepresented in the low-wage workforce (Ross and Bateman, 2019). Low-wage workers’ slow return to pre-recession employment rates following the Great Recession suggests that targeted interventions may be needed to effectively support low-wage workers following the COVID-19 recession, which would help boost equity and overall recovery efforts nationwide. Without sufficient support, families of color stand at risk of experiencing the largest percentage declines in wealth due to the COVID-19 recession, as they did as a result of the Great Recession (McKernan et al., 2014).

**Impact on Women.** Unlike the Great Recession, during which men saw higher rates of job loss, the COVID-19 recession has disproportionately impacted women. Women have been forced out of the labor market to care for children as many schools and child care centers have closed or switched to virtual learning (Alon et al., 2020; Bateman & Ross, 2020; Modestino, 2020). Moreover, the COVID-19 recession has disrupted schools and the child care industry in ways unseen in previous recessions. Closures and capacity limits have resulted in supply-side decreases among child care facilities that disproportionately serve low-income families (Ali et al., 2020).

**Health.** Health burdens imposed by the pandemic on low-income families may continue long into the future. Beyond the potential health consequences of COVID-19 and its variants, economic recessions are associated with detriments to physical and mental health, particularly concerning rates of depression and anxiety (Forbes & Krueger, 2019). Americans who experienced significant economic losses during the Great Recession were more likely than those with fewer financial problems to be sick, commit suicide, chronically abuse alcohol, experience chronic depression and anxiety, and report declines in self-reported physical health (Forbes & Krueger, 2019; Margerison-Zilko et al., 2016). Long-lasting impacts of the COVID-19 recession on low-income families’ mental health may be worse than after previous recessions because unlike previous recessions, the COVID-19 recession has also left families more socially isolated (Bitler et al., 2020).

**Health Care Coverage.** Losses of health insurance coverage during the COVID-19 recession may be moderate, rather than severe, because this is the first economic crisis after implementation of the Affordable Care Act (ACA) (Holahan, 2011; McDermott et al., 2020). ACA provisions may mitigate increases in the uninsured rate typically associated with job loss (Agarwal & Sommers, 2020). Sixty percent of workers who lost jobs during the Great Recession became uninsured, translating to about 9.3 million Americans, while the uninsured rate did not change as job losses mounted in 2020 (McDermott et al., 2020; Cawley et al., 2011; Huang et al., 2014). Medicaid expansions and enrollment in marketplace insurance plans may have offset the losses of employer-based health insurance. Medicaid enrollment increased by 9.6 million or 15 percent from February 2020 before the COVID-19 pandemic to February 2021 (“Monthly”). In addition, low-income jobs that did not offer benefits represent a large share of jobs lost during the pandemic (McDermott et al., 2020).

**Efforts to address the long-term impacts of the COVID-19 pandemic on economic well-being should prioritize an equitable recovery.**

The COVID-19 pandemic has caused massive economic and public health disruptions. Previously existing economic inequalities have been amplified by the pandemic and disproportionately affect women, Black and
Hispanic workers, young adults, and people with low incomes. Many people, especially those with lower incomes prior to the pandemic, have faced significant declines in their economic, physical, and mental well-being. While innovative and useful research continues to emerge, future studies will inform overall economic recovery by drawing on increasingly robust data sources. Additional information and analysis will help policymakers better understand how the pandemic has disproportionately affected populations that have historically faced barriers to accessing services. Addressing the long-term impacts of the COVID-19 recession on poverty and economic well-being will require efforts to mitigate inequity in employment opportunities, a potential surge in evictions after moratoria are lifted, lasting harms on wealth and income among low-wage workers, and health outcomes related to contingent stressors such as food insecurity, abuse and neglect, and increased rates of depression and anxiety among families in the United States.

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References


