



Let's Build: Freedom. Fairness. Future

To: Interested Parties
From: Future Majority
Re: An Unforgivable Disparity: Black Americans and COVID-19
Date: June 4, 2020

Over 105,000 Americans are gone. 40 million more have lost their jobs. Hundreds of thousands are in the streets rallying for an end to racism and police brutality.

It's a series of tragedies and events that have disproportionately rested on the shoulders of Black Americans. And it's another tale of the racial inequities that have plagued America since its inception.

As we reflect on our shortcomings to achieve racial justice in America, it is important to examine the disparities that have been borne out during the COVID-19 crisis. Those disparities are twofold: First, Black Americans have been disproportionately impacted by the disease itself and are less likely to receive the healthcare they need. Second, the economic consequences of the pandemic have hit Black Americans harder than other communities.

In a new memo, the Future Majority team is shedding light on these unforgivable gaps that have played out as COVID-19 takes its toll on Americans.

Healthcare Access and Outcomes

The COVID-19 pandemic has disproportionately impacted the Black community. Louisiana was one of the first states to release pandemic data by race: Black citizens account for 33% of the population but accounted for 70% of the deaths. Other states soon followed: in Michigan, Blacks make up 14% of the population but were 40% of deaths; in Wisconsin, Black people are 7% of the population but represented 33% of deaths; in Mississippi, black people are 38% of the population and represented 61% of deaths. The pattern has been repeated across the country in troubling statistics that ultimately have devastated families and communities. Overall, 22% of U.S. counties that are disproportionately black accounted for more than half of the nation's COVID-19 cases and almost 60% of deaths.

Healthcare access is a major determinant in contracting the virus. A history of housing discrimination and redlining has forced Black Americans to live in areas that lack access to adequate healthcare. In all age groups, Blacks were more likely than whites to report not being able to see a doctor in the past year because of the cost. Moreover, studies show that even when Black patients voice concerns about their health, they are often ignored or treated differently than white patients by providers — often subconsciously but the impact is the same. Compared to whites, Black Americans consistently experience higher death rates and a higher prevalence of chronic conditions. The pandemic has only exacerbated these health disparities: 27% of Black non-elderly adults are at a higher risk of serious illness if infected with COVID-19 compared to 21% of white adults. The stressors of these disparities have had a real impact; nine in ten Black voters have very or somewhat serious concerns about themselves or a family member contracting the disease and getting sick, while only half of white Americans are concerned.

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Economic Impacts

The disparities in how COVID-19 has impacted Americans do not stop at healthcare access and outcomes; they are also featuring prominently in economic impacts. In May, the U.S. reached a record-high official unemployment rate of 14.7% — the actual unemployment rate is likely closer to 20%. And as staggering as that is overall, Black Americans have been most impacted: The unemployment for whites reached 14.2% while the rate was 16.7% for Blacks. According to a recent Pew poll, 44% of Black Americans said someone in their household had experienced a job or wage loss due to COVID-19, compared to 38% of white adults. This high unemployment rate is only compounded by the fact that 73% of Black adults said they did not have emergency funds to cover three months of expenses.

Black households aren't the only ones suffering - so are Black-owned businesses. According to an April report by the Federal Reserve of NY, 58% of Black-owned businesses are "at risk" or "distressed." If these businesses had any hopes of getting a loan from the government through the Paycheck Protection Program (PPP), their chances were slim. The Center for Responsible Lending estimated that 95% of Black-owned businesses had slim chances of receiving a PPP loan because the SBA did not provide guidance to lenders to help prioritize borrowers in underserved markets, including minority and women-owned businesses. While government-funded loans had no issue going to a private jet company and the Lakers, only 12% of Black and Latinx businesses owners who applied for loans reported receiving what they asked for.

While investors and Americans are hopeful for a quick recovery after the pandemic slows its spread, the Black economy will face much economic slower growth. Bias, employment segregation, and historical inequalities will drastically impact the rehiring of Black Americans: It is estimated that recessions impact Black Americans 1.9 times harder than they do the general public. Even before COVID-19, Black Americans had an unemployment rate that was almost twice the national rate. In February 2020, the Black unemployment rate was 5.8%; the white unemployment rate was 3.1%.

Conclusion

Recognizing the racial disparities in this crisis is a first and important step — but it is not enough. Policymakers at every level must take concrete actions to help reform the systems that lead to these inequities in the first place. As a start, those actions could include:

- Expanding Medicaid in every state
- Increased access to other affordable healthcare options
- Expanded healthcare education
- Suspension of student loan payments
- Student loan relief for essential workers
- Ending all discriminatory housing policies and practices
- Comprehensive criminal justice reform that is led by Black communities

And those in positions of power must work directly with communities most affected to listen and find solutions that meet the moment and are sustainable for the long run. As we emerge from the pandemic, the focus should be on rebuilding and expanding — rebuilding communities and expanding community-based care; rebuilding healthcare systems to expand access; rebuilding the economy to expand job opportunities; and rebuilding the housing system to expand access to affordable and quality housing. Doing so will help dismantle systemic inequalities that have been underscored and exacerbated by the pandemic.