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The COVID-19 Pandemic Is Straining Families' Abilities to Afford Basic Needs

Low-Income and Hispanic Families the Hardest Hit

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As it confronts the COVID-19 pandemic, the US faces what could be its worst economic crisis since the Great Depression. The social distancing measures needed to slow transmission of the novel coronavirus have already taken a staggering economic toll, with over 26 million unemployment insurance claims filed between March 15 and April 18.¹ To combat the crisis, federal policymakers have passed four major relief bills to date, including the \$2 trillion CARES Act, which includes enhanced benefits and expanded eligibility for unemployment insurance, forgivable small-business loans, economic relief payments sent directly to most US households, aid to state and local governments, and increased funding for housing assistance and other safety net programs.

A successful government response to the economic consequences of the pandemic is critical for sustaining families' health and well-being and allowing families to remain housed as major sectors of the economy remain closed. Such a response is also important for maintaining public support for stay-at-home orders, business and school closures, and quarantines—and for laying the foundation for a strong recovery. The success of this response will partly depend on its effectiveness in reaching the families hardest hit by the loss of jobs and incomes. As relief is distributed, policymakers will need timely data on families' financial and material well-being to evaluate and improve current efforts and inform new legislation.

This brief uses new data from the Urban Institute’s Health Reform Monitoring Survey (HRMS), a nationally representative survey of nonelderly adults conducted between March 25 and April 10, 2020, to examine the effects of the coronavirus outbreak on families’ employment and abilities to meet basic needs, as well as racial/ethnic and family income–related disparities in the economic impact of the pandemic. As of late March/early April, we find the following:

- Just over 4 in 10 nonelderly adults (41.5 percent) reported that their families have lost jobs, work hours, or work-related income because of the coronavirus outbreak.
- Job and income losses are widespread but more prevalent among the families of low-income and Hispanic adults.
- In response to the crisis, 30.6 percent of adults reported that their families reduced spending on food, 43.1 percent put off major purchases, and 27.9 percent drew down savings or increased credit card debt. Among adults in families that lost work or income, 46.5 percent reduced spending on food, 58.1 percent put off major purchases, and 43.9 percent tapped savings or increased credit card debt.
- Low-income, Hispanic, and black adults were most likely to report that their families reduced spending on food, delayed major purchases, or used savings or increased credit card debt.
- As families cope with new financial challenges, many have experienced serious material hardships. Nearly one-third of adults (31.0 percent) reported that their families could not pay the rent, mortgage, or utility bills, were food insecure, or went without medical care because of the cost during the last 30 days. Among adults in families that lost work or income, the share experiencing these material hardships was 42.0 percent over the same time period.
- Over two-thirds (68.6 percent) of adults with family incomes below the federal poverty level and over 45 percent of black and Hispanic adults reported that their families experienced one or more hardships in the last 30 days.
- Looking ahead to the next month, adults are most likely to be worried about being able to work enough hours (38.5 percent) and pay their debts (33.1 percent), and more than one-quarter worry about paying for housing, utility, and medical costs and having enough food to eat.

We find that the coronavirus outbreak has already had a profound economic impact on nonelderly adults and their families. As of late March/early April, many were struggling to cover essential expenses like food and housing and worried about how they will cope for the next month. If increasing numbers of families cannot maintain their housing, afford enough food, or get needed medical care during the pandemic, it is likely that they will face adverse health consequences and their communities will confront increased risks to public health. Overall, these data raise questions about the adequacy of the federal response to the economic fallout from the pandemic. The next round of the HRMS, which will be fielded in May, will continue assessing whether federal assistance is reaching the families most in need as the crisis continues unfolding.

Background

Even before the pandemic, millions of families had little to no savings for an emergency and struggled to meet their basic needs for housing, utilities, food, or medical care (Federal Reserve Board of Governors 2019).² Though these challenges were most prevalent among nonworkers, many employed adults also had problems affording basic needs; the highest rates of material hardship were among hourly and self-employed workers, who constitute the majorities of workers in industries most likely to be affected by the pandemic.³

Last month, the coronavirus outbreak forced an abrupt shift in the economy's trajectory as fears about spread of the disease led people to curtail their economic activities,⁴ and state and local governments banned large public gatherings, closed schools and nonessential businesses, and instituted stay-at-home orders. Between March 19 and April 6, all but nine states put in place statewide stay-at-home orders.⁵ Without a vaccine, effective testing, or treatments, social isolation and physical distancing were determined to be essential to containing the virus's spread and not overloading hospitals and other parts of the health care system. Early indicators show these practices have had an immediate and far-reaching effect on economic activity, employment, and hardship: in addition to a historic rise in unemployment insurance claims, the decline in retail sales in March was the largest on record,⁶ food banks have faced surging demands,⁷ and reports of delinquent rent and requests for mortgage forbearance have increased.⁸ The sharp economic contraction that began in March has increased the risk of acute hardship, particularly among families already in precarious financial situations.

Because mitigating the outbreak requires an unavoidable decline in economic activity, one key objective of the federal response is to help people cover their basic expenses while they cannot go to work. Increased unemployment insurance benefits, cash payments to households, and business incentives to keep workers on payrolls are designed to help families weather the crisis until it is safe for people to gather in groups and return to their regular commuting and work patterns.

Data and Methods

Currently, there is limited national data to assess how well the federal response to the crisis is helping families meet basic needs. Timely data can assist policymakers in monitoring changes in well-being over time, identifying and addressing disparities, overseeing policy implementation, and developing new legislation to fill gaps in relief efforts.

This brief draws on data from the March/April 2020 round of the Urban Institute's Health Reform Monitoring Survey, a nationally representative, internet-based survey of adults ages 18 to 64. Launched in 2013, the HRMS was originally designed to provide timely information on the Affordable Care Act before federal survey data became available. This year, the Urban Institute updated the design and content of the HRMS to focus on the impact of the novel coronavirus outbreak and support analyses of vulnerable populations so that the survey continues to provide timely data on critical policy issues.⁹ Just

over 9,000 adults participated in the current round of the HRMS between March 25 and April 10, with about three-quarters of respondents completing the survey by March 31.

For each round of the HRMS, we draw a stratified, random sample of nonelderly adults from Ipsos's KnowledgePanel, the nation's largest probability-based online panel. Members of the panel are recruited from an address-based sampling frame covering approximately 97 percent of US households, including those without internet access. If needed, panel members are given internet access and web-enabled devices to facilitate their participation. We designed the March/April 2020 round of the HRMS to provide representative samples of adults in low- and moderate-income households, nonwhite and Hispanic adults, young adults, and adults in families with children. Survey weights adjust for unequal selection probabilities and are poststratified to the characteristics of the national nonelderly adult population, based on benchmarks from the Current Population Survey and American Community Survey. Participants can take the survey in English or Spanish, and the survey takes a median of 15 minutes to complete. Future tracking surveys will follow up with a subset of participants in the March/April 2020 round of the HRMS to examine how the impact of the coronavirus on families is changing over time.

The March/April 2020 HRMS included questions on the impact of the coronavirus outbreak on family employment and financial decisions; problems paying for housing, utilities, food, and medical care in the last 30 days; and worries about being able to work enough hours, pay debts, and meet basic needs in the next month. Our definition of family includes respondents, their spouses or partners, and any of their children or stepchildren under 19 who live with them. In measuring material hardship, we draw on validated questions used in federal surveys, such as the National Health Interview Survey and the Survey of Income and Program Participation. Our estimate of household food insecurity is based on the six-item short form of the US Department of Agriculture's Household Food Security Survey Module, with a 30-day reference period. We analyze outcomes for the overall national sample and by a respondent's race/ethnicity and family income as a percentage of the federal poverty level (FPL) in the past year.

The data have several limitations. All surveys are subject to various sources of error, including coverage and nonresponse bias, sampling error, and measurement error. One limitation of surveys drawing on the KnowledgePanel is the low panel recruitment rate, which contributes to a cumulative response rate of approximately 4 percent for the HRMS. However, previous studies assessing panel recruitment for the KnowledgePanel have found little evidence of nonresponse bias for core demographic and socioeconomic measures (Garrett, Dennis, and DiSogra 2010; Heeren et al. 2008). The HRMS survey weights mitigate but do not eliminate the potential for this bias. Previous studies have found HRMS estimates generally consistent with benchmarks from federal surveys with larger samples sizes, higher response rates, and stronger designs (Long et al. 2014; Karpman and Long 2015). Additionally, new questions on the impact of the coronavirus outbreak have greater potential for measurement error, because these questions have not been cognitively tested and families' employment and financial situations have been changing rapidly during the outbreak.

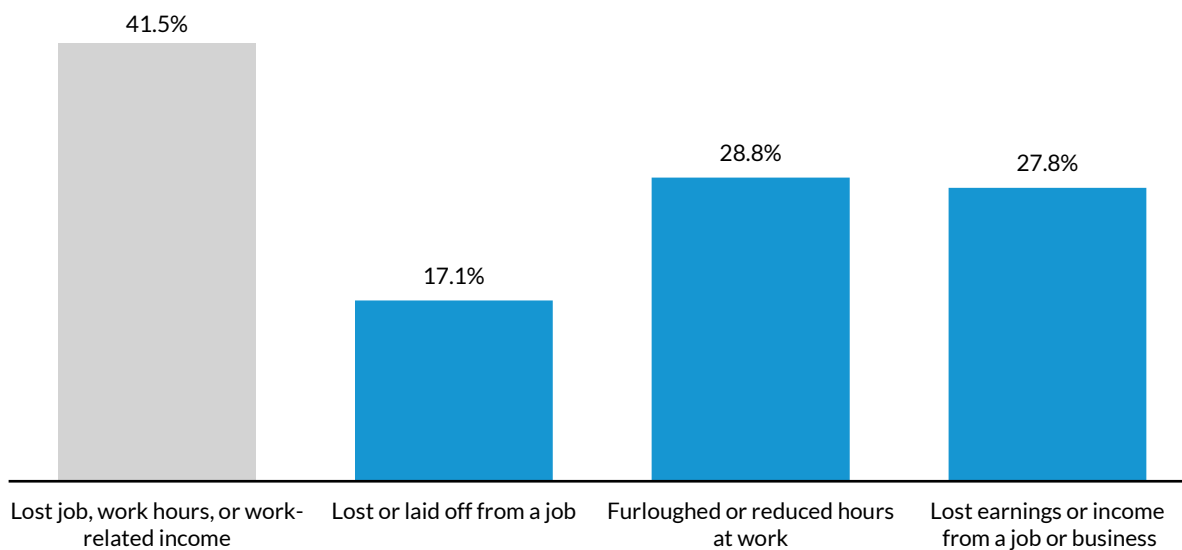
Results

Just over 4 in 10 nonelderly adults (41.5 percent) reported that their families have lost jobs, work hours, or work-related income because of the coronavirus outbreak.

Though the rise in unemployment insurance claims suggests the unemployment rate has soared over the past month, the official rate will likely understate the negative effects of the pandemic on families, because it will not account for reductions in work hours or work-related income (e.g., reduced business income) that are not connected to job losses. As figure 1 shows, we find that 41.5 percent of nonelderly adults reported that the coronavirus outbreak has had one or more of the following effects on their work or the work of someone in their family: losing or being laid off from a job (17.1 percent), being furloughed or having work hours reduced (28.8 percent), or losing earnings or income from a job or business (27.8 percent).

The finding that about 4 in 10 adults were in families that lost work or work-related income is consistent with results from recent surveys and polls conducted by the Henry J. Kaiser Family Foundation (March 25–30), Pew Research Center (April 7–12), and Monmouth University Polling Institute (April 3–7).¹⁰

FIGURE 1
Share of Adults Ages 18 to 64 Whose Families Lost Jobs, Work Hours, or Work-Related Income Because of the Coronavirus Outbreak, March/April 2020



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Source: Health Reform Monitoring Survey, quarter 1 2020. The survey was conducted between March 25 and April 10, and 74.5 percent of respondents completed the survey by March 31.

Notes: The gray bar represents the share of adults who reported at least one of the following effects of the coronavirus outbreak on their work or the work of someone in their families: lost or laid off from a job, furloughed or reduced hours at work, or lost earnings or income from a job or business.

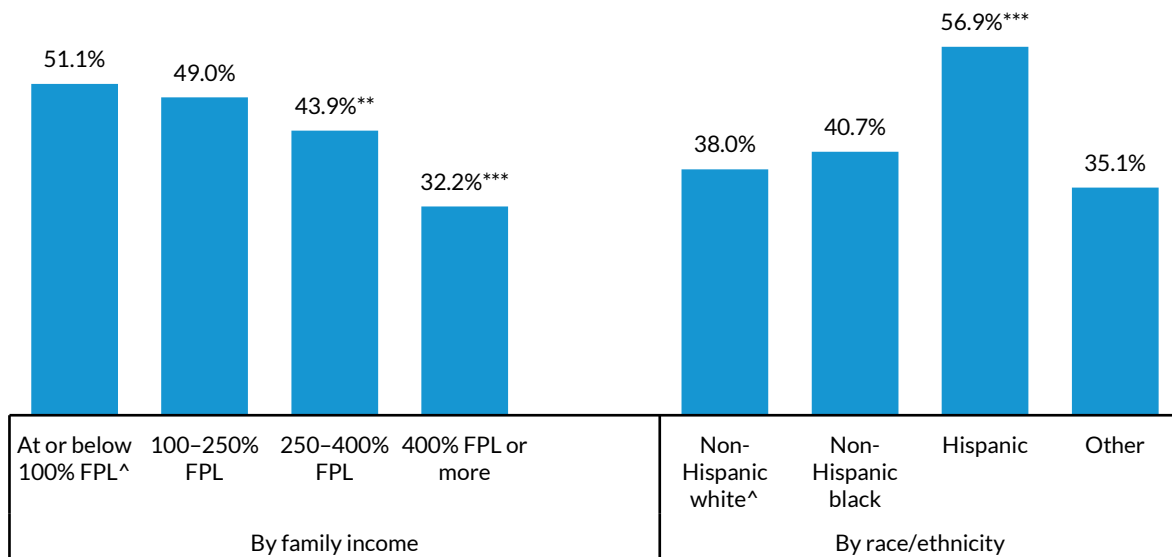
Though demand for workers is declining across most of the economy, some occupations have seen increased hiring, such as nurses, drivers, and warehouse workers.¹¹ Some adults in our sample reported that they or someone in their family found new jobs (2.4 percent), increased work-related income (5.6 percent), or increased work hours (12.4 percent; data not shown).

Job and income losses are widespread but more prevalent among the families of low-income and Hispanic adults.

About half of adults in families with incomes at or below poverty (51.1 percent) or between 100 and 250 percent of FPL (49.0 percent) reported that their families lost jobs, work hours, or work-related incomes because of the coronavirus outbreak (figure 2). In contrast, just under one-third (32.2 percent) of adults in families with incomes at or above 400 percent of FPL reported job or income losses because of the outbreak.

Between 35 and 41 percent of non-Hispanic adults in the racial groups we examined reported job or income losses. But 56.9 percent of Hispanic adults reported that they or someone in their families lost jobs, work hours, or work-related income, which echoes findings from a recent Pew survey.¹²

FIGURE 2
Share of Adults Ages 18 to 64 Whose Families Lost Jobs, Work Hours, or Work-Related Income Because of the Coronavirus Outbreak, by Family Income and Race/Ethnicity, March/April 2020



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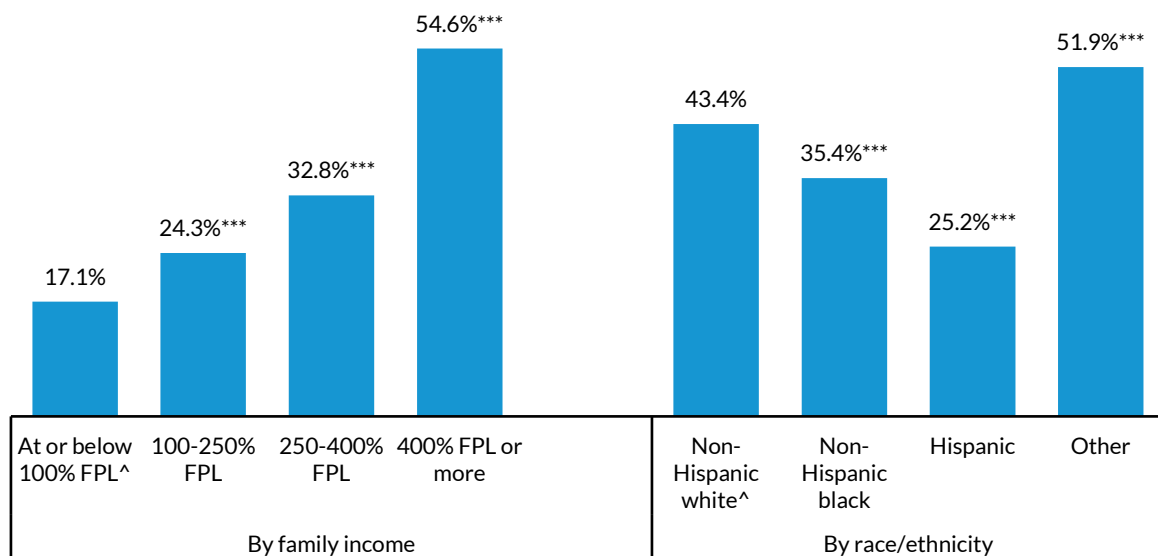
Source: Health Reform Monitoring Survey, quarter 1 2020. The survey was conducted between March 25 and April 10, and 74.5 percent of respondents completed the survey by March 31.

Notes: FPL is federal poverty level. "Other" includes non-Hispanic adults who are not black or white or are more than one race.

/**/* Estimate differs significantly from reference group (^) at the 0.10/0.05/0.01 level, using two-tailed tests.

These income-related and racial/ethnic disparities likely reflect differences in the workforces of industries most affected by the recession and differences in workers' abilities to do their jobs from home. One recent study found that Hispanic and black adults were disproportionately more likely to work in industries most vulnerable to job loss (Berube and Bateman 2020). Figure 3 confirms this, showing that Hispanic workers were least likely to report being able to do at least part of their jobs from home (25.2 percent), followed by non-Hispanic black workers (35.4 percent). In addition, workers with incomes below poverty were far less likely to report being able to work from home than the highest-income group of workers (17.1 percent versus 54.6 percent).

FIGURE 3
Share of Employed Adults Ages 18 to 64 Who Can Do at Least Part of Their Jobs from Home, By Family Income and Race/Ethnicity, March/April 2020



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Source: Health Reform Monitoring Survey, quarter 1 2020. The survey was conducted between March 25 and April 10, and 74.5 percent of respondents completed the survey by March 31.

Notes: FPL is federal poverty level. Other includes non-Hispanic adults who are not black or white or are more than one race.

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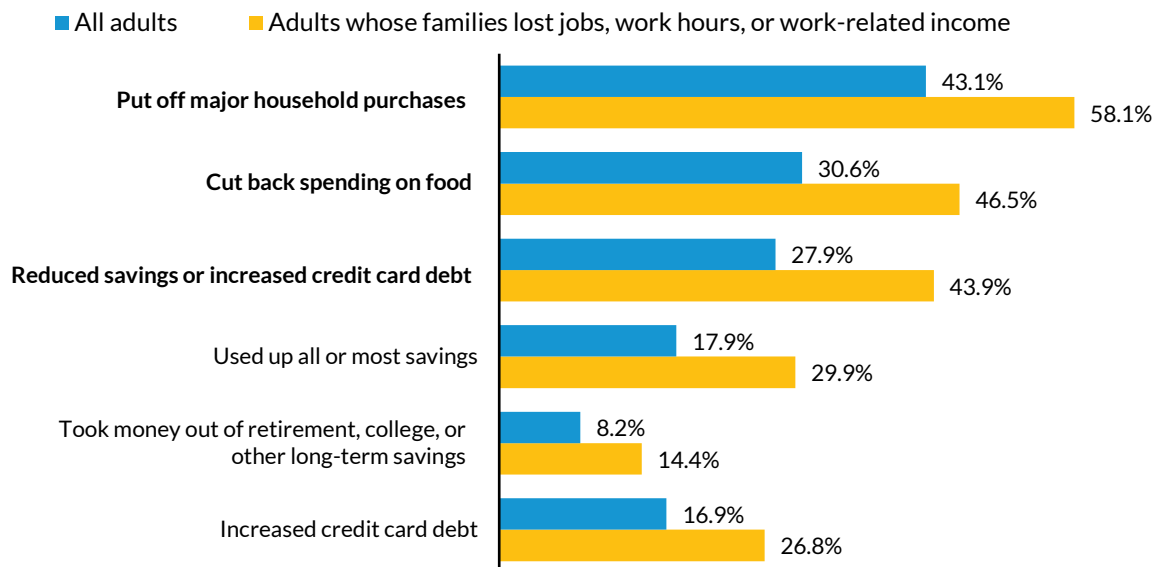
In response to the crisis, 30.6 percent of adults reported that their families reduced spending on food, 43.1 percent put off major purchases, and 27.9 percent drew down savings or increased credit card debt. Among adults in families that lost work or income, 46.5 percent reduced spending on food, 58.1 percent put off major purchases, and 43.9 percent tapped savings or increased credit card debt.

To date, there has been limited data on families' financial decisions in response to the economic crisis and its effect on employment. As noted, we find that nearly one-third of adults reported that their families cut back spending on food, and more than two in five have put off major household purchases because of the impact of the coronavirus outbreak (figure 4). For many families, however, cutting

spending likely cannot offset the loss of income. More than one-quarter of adults reported that their families used up savings or increased credit card debt because of the impact of the pandemic.

Responses were even more severe among adults in families experiencing a loss of work or work-related income. Of that group, nearly half (46.5 percent) reduced spending on food, more than half (58.1 percent) put off major purchases, and 43.9 percent tapped savings or increased credit card debt. Nearly one-third (29.9 percent) of those in families that lost work or income reported using up all or most of their families' savings. Some adults may not have reported using up savings if their families did not have any before the outbreak.

FIGURE 4
Impact of the Coronavirus Outbreak on Family Financial Decisions
among Adults Ages 18 to 64, March/April 2020



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Source: Health Reform Monitoring Survey, quarter 1 2020. The survey was conducted between March 25 and April 10, and 74.5 percent of respondents completed the survey by March 31.

Notes: The share who reported that their families reduced savings or increased credit card debt represents the share of adults who reported that their families did at least one of the following because of the impact of the coronavirus outbreak: used up all or most savings; took money out of retirement, college, or other long-term savings accounts; or increased credit card debt.

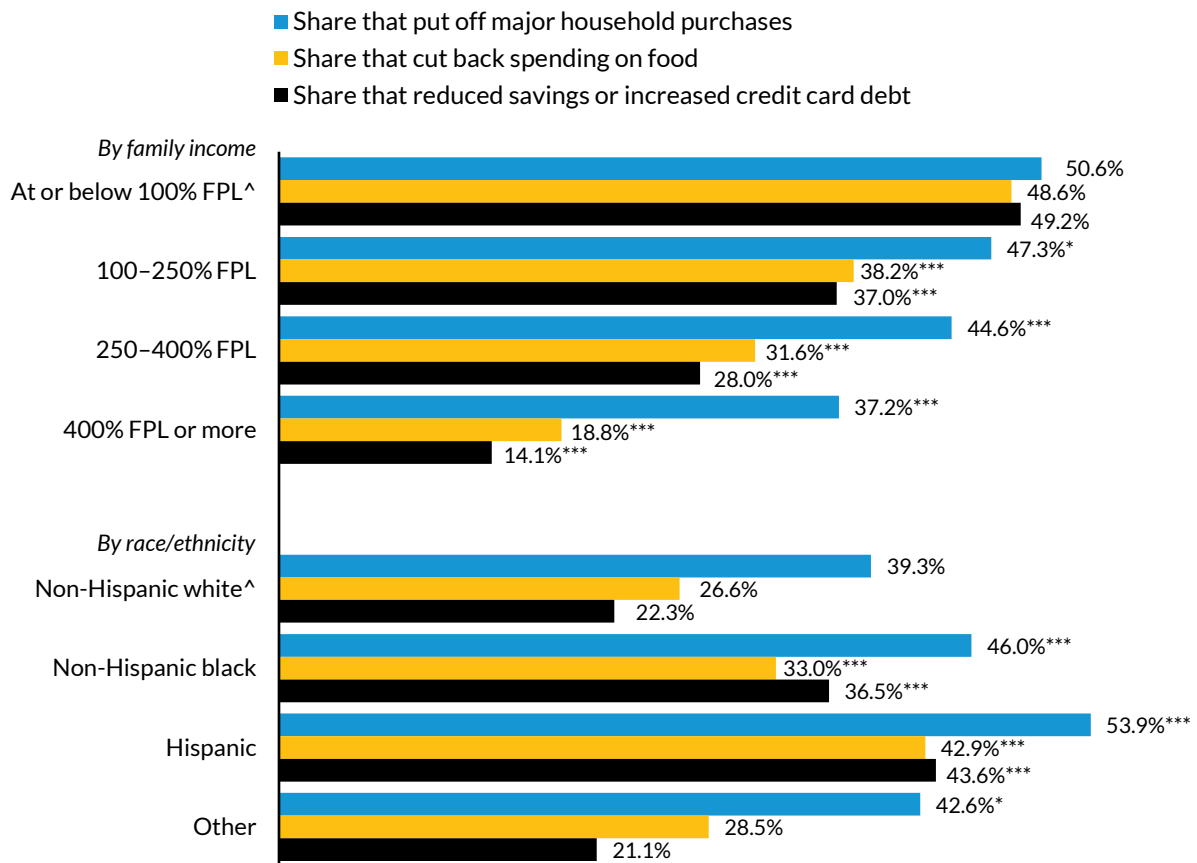
Low-income, Hispanic, and black adults were most likely to report that their families reduced spending on food, delayed major purchases, or used savings or increased credit card debt.

Income and racial/ethnic disparities in the financial impact of the coronavirus outbreak are as large or larger than such disparities in the outbreak's employment impact, likely because job and income losses are concentrated among groups least likely to have had slack in their budgets and savings for an emergency (Federal Reserve Board of Governors 2019).¹³ About half of adults in families with incomes at or below poverty reported cutting back spending on food (48.6 percent), delaying major purchases

(50.6 percent), or drawing on savings or increasing credit card debt (49.2 percent) because of the economic impact of the coronavirus outbreak (figure 5). In contrast, 14.1 percent of adults with incomes at or above 400 percent of FPL reported that their families drew on savings or increased credit card debt.

The racial/ethnic differences in the share of adults whose families have reduced spending on food suggest the economic crisis may be worsening prepandemic disparities in food insecurity (Odoms-Young and Marino 2018). About 43 percent of Hispanic adults and 33 percent of non-Hispanic black adults reported that their families cut back on food spending, compared with 26.6 percent of non-Hispanic white adults. The coronavirus outbreak is also likely to widen racial/ethnic disparities in savings and financial stability. More than two in five Hispanic adults (43.6 percent) and over one-third of non-Hispanic black adults (36.5 percent) reported reducing their savings or increasing credit card debt because of the outbreak, compared with less than one-quarter (22.3 percent) of non-Hispanic white adults.

FIGURE 5
Impact of the Coronavirus Outbreak on Family Financial Decisions among Adults Ages 18 to 64, by Family Income and Race/Ethnicity, March/April 2020



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Source: Health Reform Monitoring Survey, quarter 1 2020. The survey was conducted between March 25 and April 10, and 74.5 percent of respondents completed the survey by March 31.

Notes: FPL is federal poverty level. Other includes non-Hispanic adults who are not black or white or are more than one race.

*/**/*** Estimate differs significantly from reference group (^) at the 0.10/0.05/0.01 level, using two-tailed tests.

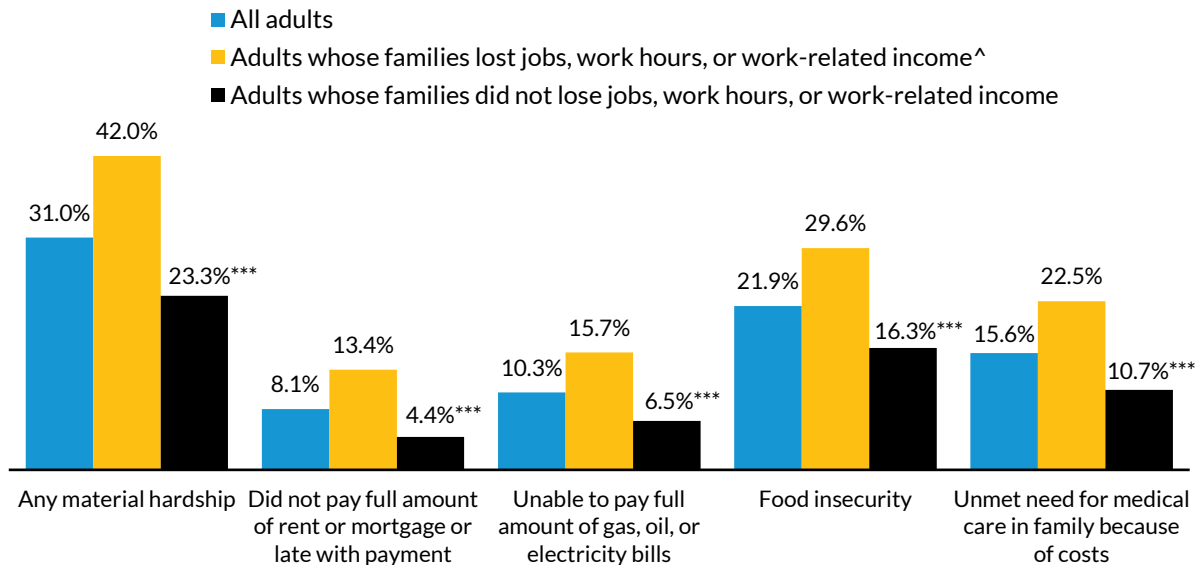
As families cope with new financial challenges, many have experienced serious material hardships. Nearly one-third of adults (31.0 percent) reported that their families could not pay the rent, mortgage, or utility bills, were food insecure, or went without medical care because of the cost during the last 30 days. Among adults in families that lost work or income, the share experiencing these material hardships was 42.0 percent over the same period.

Figure 6 shows estimates of reported material hardship in the last 30 days. We define material hardship as being unable to pay the rent or mortgage, being unable to pay utility bills, reporting household food insecurity, or having someone in the family go without medical care because of the cost. As noted, 31.0 percent of all adults and 42.0 percent of adults in families experiencing a loss of work or work-related income because of the pandemic reported that their families faced at least one type of hardship in the month before they completed the survey. This included 8.1 percent of adults whose households did not pay the full amount of the rent or mortgage or were late with such a payment; 10.3 percent who did not pay gas, oil, or electricity bills; 21.9 percent reporting household food insecurity; and 15.6 percent with unmet needs for medical care. These estimates likely understate housing hardship, because about three-quarters of respondents completed the survey before rent was due on April 1.

Among adults in families that lost work or work-related income, the shares reporting each type of hardship were significantly higher than such shares among adults in families that have not lost work or income. Nearly one in three (29.6 percent) adults in families that lost work or income reported food insecurity for their household in the last 30 days, nearly twice the share of adults in families not losing work or income who reported food insecurity (16.3 percent). Food insecurity was the most commonly reported hardship among all adults and those in families that lost work or income, and that food insecurity occurred during a period when people were being encouraged to stock up on food and limit trips to grocery stores.

FIGURE 6

Material Hardship in the Last 30 Days Reported by Adults Ages 18 to 64, March/April 2020



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Source: Health Reform Monitoring Survey, quarter 1 2020. The survey was conducted between March 25 and April 10, and 74.5 percent of respondents completed the survey by March 31.

Notes: Any material hardship includes any of the following in the past 30 days: problems paying the rent or mortgage, problems paying utility bills, food insecurity, or unmet needs for medical care.

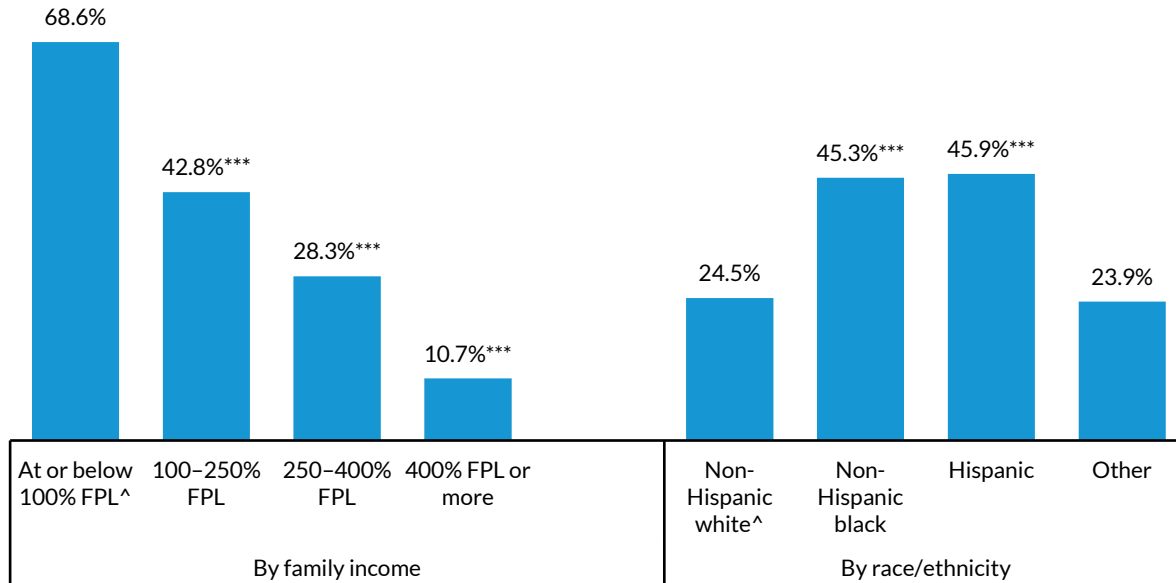
*/**/*** Estimate differs significantly from reference group (^) at the 0.10/0.05/0.01 level, using two-tailed tests.

Over two-thirds (68.6 percent) of adults with family incomes below the federal poverty level and over 45 percent of black and Hispanic adults reported that their families experienced one or more hardships in the last 30 days.

The share of adults reporting that their families faced material hardships varied significantly by family income and race/ethnicity: whereas about 45 percent of both Hispanic and non-Hispanic black adults reported hardship, 24.5 percent of non-Hispanic white adults reported hardship (figure 7). Additionally, the share of adults reporting hardship falls sharply as family income increases: whereas more than two-thirds (68.6 percent) of adults with family incomes at or below poverty reported one or more hardships, 10.7 percent of adults with incomes at or above 400 percent of FPL reported hardship.

FIGURE 7

Share of Adults Ages 18 to 64 Reporting Material Hardship in the Last 30 Days, by Family Income and Race/Ethnicity, March/April 2020



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Source: Health Reform Monitoring Survey, quarter 1 2020. The survey was conducted between March 25 and April 10, and 74.5 percent of respondents completed the survey by March 31.

Notes: FPL is federal poverty level. Other includes non-Hispanic adults who are not black or white or are more than one race. Material hardship includes any of the following: problems paying the rent or mortgage, problems paying utility bills, food insecurity, or unmet needs for medical care.

*/**/*** Estimate differs significantly from reference group (^) at the 0.10/0.05/0.01 level, using two-tailed tests.

Table 1 provides more detail on the extent to which low-income adults, Hispanic adults, and non-Hispanic black adults reported higher rates of housing, utility, food, and medical hardship. Non-Hispanic black and Hispanic adults were more than three times as likely as non-Hispanic white adults to report being unable to pay the rent or mortgage in the last 30 days (15.2 percent and 15.4 percent versus 4.7 percent) and were more than twice as likely to report food insecurity in the last 30 days (33.9 percent and 33.3 percent versus 16.3 percent).

TABLE 1

**Material Hardship in the Last 30 Days Reported by Adults Ages 18 to 64,
by Family Income and Race/Ethnicity, March/April 2020**

	By Family Income			
	At or below 100% FPL [^]	100–250% FPL	250–400% FPL	400% FPL or more
Any material hardship (%)	68.6	42.8***	28.3***	10.7***
Did not pay full amount of rent or mortgage or late with payment	21.7	10.8***	6.2***	2.2***
Unable to pay full amount of gas, oil, or electricity bills	27.5	13.9***	8.2***	2.6***
Food insecurity	57.5	31.0***	17.9***	4.6***
Unmet need for medical care in family because of costs	29.4	22.3***	14.9***	6.4***
Sample size	1,429	3,203	1,327	3,073

	By Race/Ethnicity			
	Non-Hispanic white [^]	Non-Hispanic black	Hispanic	Other
Any material hardship (%)	24.5	45.3***	45.9***	23.9
Did not pay full amount of rent or mortgage or late with payment	4.7	15.2***	15.4***	6.3
Unable to pay full amount of gas, oil, or electricity bills	7.0	19.9***	16.4***	6.8
Food insecurity	16.3	33.9***	33.3***	18.9
Unmet need for medical care in family because of costs	13.1	21.3***	21.4***	12.6
Sample size	5,638	1,004	1,667	723

Source: Health Reform Monitoring Survey, quarter 1 2020. The survey was conducted between March 25 and April 10, and 74.5 percent of respondents completed the survey by March 31.

Notes: FPL is federal poverty level. Other includes non-Hispanic adults who are not black or white or are more than one race. Any material hardship includes any of the following: problems paying the rent or mortgage, problems paying utility bills, food insecurity, or unmet needs for medical care.

*/**/*** Estimate differs significantly from reference group (^) at the 0.10/0.05/0.01 level, using two-tailed tests.

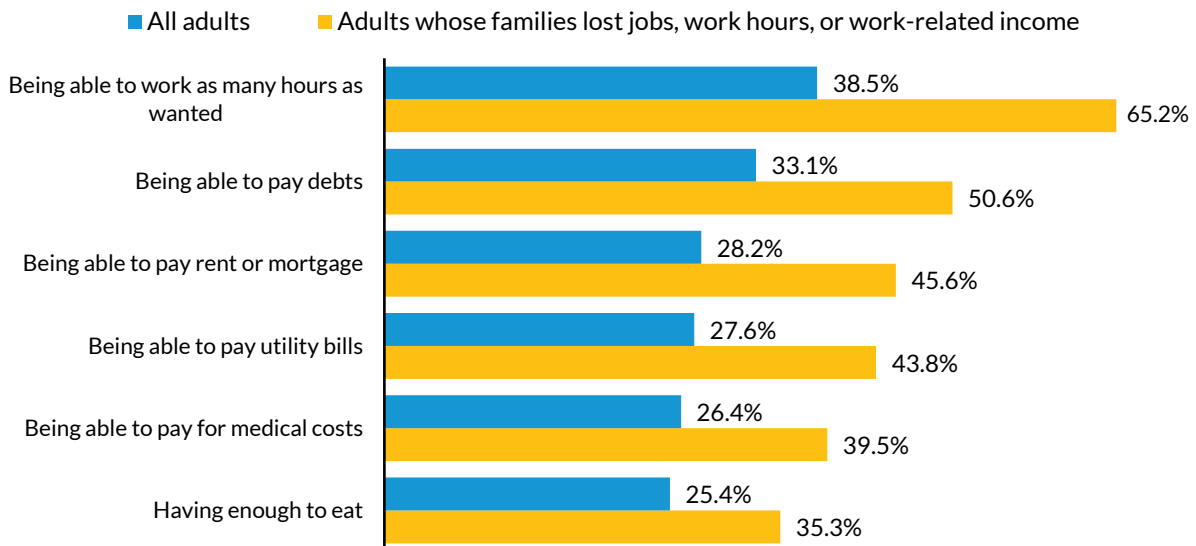
In addition to asking respondents about material hardship in the last 30 days, the March/April 2020 HRMS asked if respondents experienced the same hardships the year before the coronavirus outbreak, between March 2019 and February 2020. Combining these responses suggests the outbreak exacerbated existing challenges for some families and presented new challenges to others: Among adults reportedly not paying the full amount of the rent or mortgage or being late with such a payment in the last 30 days, 64.4 percent reported having similar problems the year before the outbreak (data not shown). In contrast, among adults who reported that the food they bought just did not last and they did not have money to get more in the last 30 days (one of the questions used to construct the household food security measure), less than half (41.6 percent) reported experiencing that problem the year before the outbreak (data not shown).

Looking ahead to the next month, adults are most likely to be worried about being able to work enough hours (38.5 percent) and pay their debts (33.1 percent), and more than one-quarter worry about paying for housing, utility, and medical costs and having enough food to eat.

Consistent with other findings about the impact of the crisis, a substantial share of adults reported being very worried about employment, family finances, and their ability to cover basic expenses in the next month. The most common issue adults reported being very or somewhat worried about was being able to work enough hours (figure 8); about 4 in 10 (38.5 percent) adults and 2 in 3 (65.2 percent) adults whose families lost work or work-related income worried about this. The next most common worry was being able to pay debts (33.1 percent). Over one-quarter worried about being able to pay housing and utility costs (about 28 percent) and medical costs (26.4 percent) and having enough to eat in the next month (25.4 percent).

Among adults in families that lost work or income, over half (50.6 percent) were worried about being able to pay debts, and many also worried about being able to pay housing costs (45.6 percent), utility bills (43.8 percent), and medical costs (39.5 percent) and having enough food to eat (35.3 percent) in the next month. These data suggest that in addition to those who have already had problems paying their bills, a large share of adults in families losing work or income were newly at risk of falling behind on the rent, mortgage, or utility bills and going without food and medical care in the months ahead.

FIGURE 8
Share of Adults Ages 18 to 64 Who Are Very or Somewhat Worried about Being Able to Work Enough Hours and Pay Debts and Bills in the Next Month, March/April 2020



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Source: Health Reform Monitoring Survey, quarter 1 2020. The survey was conducted between March 25 and April 10, and 74.5 percent of respondents completed the survey by March 31.

Discussion

Between March 25 and April 10, just over 40 percent of nonelderly adults reported that their families lost work or work-related income because of the coronavirus outbreak, about 43 percent put off major purchases, 31 percent reduced spending on food, and about 28 percent used their savings or increased their credit card debt. Moreover, the economic fallout is hitting low-income families and Hispanic adults the hardest, exacerbating historical disparities in financial security and ability to meet basic needs. During just the 30 days before they were surveyed, nearly one-third of adults—and over 45 percent of Hispanic and black adults—reported serious challenges paying for housing, utilities, food, and medical care.

The data for this survey were collected before most provisions of the CARES Act were implemented. For instance, the direct cash payments, or “economic impact payments,” of up to \$1,200 per adult and \$500 per child under 17 should have started reaching households just after the survey ended, and most respondents completed the survey before enhanced unemployment insurance benefits became available. This legislation is designed to help mitigate economic pain, and several provisions are intended to target people in greatest need. The law expands eligibility for unemployment insurance benefits to workers who otherwise would not have qualified for reasons such as their work history or being self-employed or gig workers, extends eligibility for regular benefits by 13 weeks, augments benefits by \$600 per week through the end of July, and increases funding for work-sharing programs (Parrott et al. 2020).¹⁴ However, these changes to unemployment insurance are proving hard to implement, because the overwhelming number of claims are being processed through outdated state systems that must be modified to accommodate the new eligibility and benefit rules.¹⁵

The CARES Act tries to target the economic impact payments where they may have the greatest impact by phasing payments out at incomes of \$75,000 for single adults and \$150,000 for married couples. However, gaps in the design of relief efforts and administrative problems could delay assistance when it is most needed, or leave people out altogether. Families must take extra steps to access the economic impact payments if they did not file a 2018 or 2019 tax return and do not receive other federal payments, such as Social Security benefits. Additionally, issuing paper checks to families that do not have their tax refunds directly deposited in a bank account will take time. The payments also exclude minor dependents ages 17 and older. Most notably, taxpayers cannot receive the payments if they file with an individual taxpayer identification number instead of a Social Security number, or if they file jointly with a spouse who uses an individual taxpayer identification number. This provision restricts the payments from going to families with undocumented immigrants, including mixed-status families in which US citizens or lawfully present noncitizens file taxes jointly with an undocumented spouse and families with US-born children and undocumented parents.¹⁶

The CARES Act also did not focus much attention on two of the most important safety net programs for low-income families: Medicaid and the Supplemental Nutrition Assistance Program (SNAP). Given that job losses are expected to increase uninsurance rates as workers and families lose employer-sponsored health insurance coverage, additional federal action will be needed to mitigate coverage

losses (Gangopadhyaya and Garrett 2020). Increasing the federal match for Medicaid funding and tying such increases to the unemployment rate in each state would help shore up state budgets and provide states with incentives to close the Medicaid “coverage gap” (Blumberg and Mann 2020; Holahan et al. 2020). Also, implementing a nationwide open enrollment period and increasing subsidies for Marketplace coverage could mitigate the rise in uninsurance (Blumberg et al. 2020). Additional action is also needed to expand SNAP. Though the Families First Coronavirus Response Act provided emergency funding for SNAP, and the US Department of Agriculture recently announced it is increasing its monthly benefit to the maximum level for all participants, challenges will persist in reducing hunger given that the maximum per meal benefit in SNAP does not cover the cost of a low-income meal in 99 percent of US counties (Waxman, Gundersen, and Thompson 2018). Increased SNAP benefits would help more families meet their nutritional needs as they cope with lost earnings, in conjunction with other steps, such as ensuring a robust strategy to provide summer meals to children when school is out of session (Schwabish et al. 2020).¹⁷

Moreover, the housing assistance in the CARES Act falls far short of projected needs, particularly for renters.¹⁸ Direct payments for rental assistance and stronger eviction moratoria are needed to prevent a wave of evictions (Goodman and Magder 2020).¹⁹ Expanding assistance through the Low Income Home Energy Assistance Program and moratoria on utility shutoffs could ensure families struggling to pay utility bills do not have their electricity, gas, or water turned off during the pandemic.²⁰

Protecting families from material hardships and helping them stay in their homes during the crisis will require more attention to the disparate effects of the crisis by income, race, and ethnicity. The findings in this study indicate that families of Hispanic adults are among the hardest hit by the crisis, perhaps because Hispanic workers are least likely to be able to work from home and are among those most likely to work in adversely affected industries. Many of these adults are immigrants or live with immigrant family members. The new “public charge” rule, which took effect on February 24, is having a chilling effect on participation in public benefits like Medicaid and SNAP, because families are afraid participation will lead to negative immigration consequences (Bernstein et al. 2019). Suspending implementation of this rule while litigation continues would help immigrant families access critical health and nutrition benefits.

Alleviating financial and material hardships is not only vital to each person’s health and well-being but essential for combating the pandemic. Maintaining public and political will for extending social distancing measures and keeping people housed depend on easing financial pressure on people who have been forced to stop working or have otherwise lost income from jobs or businesses. As the US continues to address both the public health and economic crises, timely data like those available from the Health Reform Monitoring Survey can help policymakers assess and improve relief efforts so that everyone can afford basic needs until the crisis lifts.

Notes

- ¹ “Unemployment Insurance Weekly Claims,” US Department of Labor, April 23, 2020, <https://www.dol.gov/ui/data.pdf>.
- ² Michael Karpman, Stephen Zuckerman, and Dulce Gonzalez, “Even before the Coronavirus Outbreak, Hourly and Self-Employed Workers Were Struggling to Meet Basic Needs,” *Urban Wire* (blog), Urban Institute, March 20, 2020, <https://www.urban.org/urban-wire/even-coronavirus-outbreak-hourly-and-self-employed-workers-were-struggling-meet-basic-needs>.
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- ⁴ Anna Wiederkehr, “Coronavirus Is Hitting Restaurants Hard, Even in States That Haven’t Shut Them Down,” *FiveThirtyEight*, March 19, 2020, <https://fivethirtyeight.com/features/coronavirus-is-hitting-restaurants-hard-even-in-states-that-havent-shut-them-down/>.
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- ⁹ The March/April 2020 round of the HRMS included several changes in survey design and content. The sample size was reduced from 9,500 to 9,000. Instead of oversampling adults in households with incomes at or below 138 percent of FPL, the updated HRMS includes oversamples of nonwhite or Hispanic adults in households with incomes at or below 150 percent of FPL and between 150 and 250 percent of FPL; non-Hispanic white adults in households with incomes at or below 150 percent of FPL and between 150 and 250 percent of FPL; and adults ages 18 to 29. We also updated the definition of the family unit used to construct measures of family size and income for survey weighting to include unmarried partners. Finally, we revised the order of questions in the core survey module. Our analysis of these design changes suggests they will have limited effects on HRMS estimates.
- ¹⁰ Ashley Kirzinger, Audrey Kearney, Liz Hamel, and Mollyann Brodie, “KFF Health Tracking Poll – Early April 2020: The Impact of Coronavirus on Life in America,” Henry J. Kaiser Family Foundation, April 2, 2020, <https://www.kff.org/health-reform/report/kff-health-tracking-poll-early-april-2020/>; Kim Parker, Juliana Menasce Horowitz, and Anna Brown, “About Half of Lower-Income Americans Report Household Job or Wage Loss Due to COVID-19,” Pew Research Center, April 21, 2020, <https://www.pewsocialtrends.org/2020/04/21/about-half-of-lower-income-americans-report-household-job-or-wage-loss-due-to-covid-19/>; “COVID-19 Impact on Daily Life Heightens,” Monmouth University Polling Institute, April 13, 2020, https://www.monmouth.edu/polling-institute/reports/monmouthpoll_us_041320/.
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