In the wake of the global pandemic caused by the novel coronavirus, economies and health systems around the world are experiencing unprecedented levels of strain. The virus and resulting economic hardship not only shed light on our interconnectedness as societies, but also the ways in which existing policies and economic structures create and perpetuate inequities that are then further exacerbated in times of crisis.\(^1\) Given lessons learned from previous economic down-turns, it is reasonable to expect that the effects of the current crisis will have a long-term impact on families.\(^2\) Policy solutions at federal, state, and local levels are urgently needed to respond to the immediate and long-term needs of families with children, particularly young children whose health is impacted by even brief periods of deprivation.

An Emergency Policy Response to the Coronavirus (COVID-19)

**NATIONAL OPPORTUNITIES TO ADDRESS THE NEEDS OF FAMILIES WITH YOUNG CHILDREN AND PROMOTE EQUITY AMID PUBLIC HEALTH AND ECONOMIC CRISSES**

**Key Takeaways**

The COVID-19 pandemic and economic crisis as a result will increase hardship among families of young children with low incomes, immigrant families, and communities of color, which in turn threatens their health and well-being. As our nation responds to the current economic downturn, these are critically important considerations:

- Evidence from previous recessions show families of young children with low incomes, communities of color, and immigrants are particularly vulnerable to economic downturns resulting in increased economic hardship over longer periods of time even after the economy as a whole recovers.
- The current volatility in financial markets paired with large-scale job loss, furloughs, and decreased work hours will disproportionately affect families with low incomes, communities of color, and immigrants.
- This reality, when compounded by pre-existing wealth disparities by race, ethnicity, and gender, will exacerbate inequity and increase hardship.
- Young children’s long-term health is placed at risk when they experience even brief periods of deprivation.
- Federal policies that respond to the immediate and long-term needs of families with young children are urgently needed to reduce the harm caused by the current economic crisis.
Conditions created by the spread of COVID-19 have resulted in a global economic crisis

Throughout the initial course of the pandemic individuals and families struggled to retain work and meet basic needs while also protecting themselves and others against this deadly virus. Early in the crisis, jobs across industries, particularly manufacturing, suffered as supply chains were disrupted due to travel restrictions in China and Europe and, less than one month later, the U.S. economy experienced massive shocks as officials ordered businesses, schools, and child care centers to close to slow the spread of the virus. These disruptions in daily economic life, which were critical life-saving public health measures, have led to financial instability for millions of families, especially those with low incomes, immigrants, and communities of color, which will likely continue for years to come.

As unemployment across the U.S. skyrockets and workers are furloughed during the pandemic, families with low incomes will experience the greatest levels of financial instability. Further, lessons from prior downturns suggest institutionalized discrimination will exacerbate the plight of families with immigrant members and communities of color. Evidence from the Great Recession documents this reality, provides insights into the forthcoming rise in hardships among families, and offers potential solutions to proactively mitigate the harms of economic crisis.

Lessons from the Great Recession: Families with low incomes are particularly vulnerable to economic shocks

The Great Recession from 2007-2009 was the longest and, by most measures, worst recession in the U.S. since the Great Depression. During this period, there was a sharp rise in unemployment rates as well as a mortgage foreclosure crisis that left millions of families without homes. Both circumstances meant families struggled to afford basic needs. Even as the economy at large recovered starting in 2009-2010, unemployment and long-term unemployment rates remained high and workers’ wages stagnated.

Less publicized than the overall economic recovery was that families with low incomes prior to the economic decline were not only disproportionately impacted by the Great Recession, but their recovery also was slower than others. Household food insecurity — inadequate access to enough food for all household members to lead active, healthy lives — is a telling indicator of economic strain is a telling indicator of economic strain and impacts families with young children at a higher rate than other households nationwide. In Figure 1, Children’s HealthWatch data collected on the frontlines of pediatric care in five U.S. cities (Baltimore, Boston, Minneapolis, Little Rock, and Philadelphia) show trends in food insecurity among families with young children before and after the recession. While overall rates of food insecurity nationally among families with children were slow to return to pre-recession levels, families interviewed by Children’s HealthWatch not only experienced alarmingly high rates of food insecurity during the recession, but these rates remained elevated well after the economy as a whole recovered.

The impact of the current economic crisis is predicted to have a disproportionately greater impact on women, immigrants, and people of color than the Great Recession

Views expressed by many economists suggest the looming recession created by COVID-19 will differ from previous postwar recessions in critically important ways. These differences stem from conditions causing the current economic crisis compared to other recessions that will have ripple effects on particular populations. In multiple previous recessions, there was a decline in investment spending that led to job loss in certain sectors, such as manufacturing and construction, as businesses decreased their production and the housing market slowed out of fears of an uncertain future. During previous postwar recessions, spending on services, includ-
ing for restaurants, personal care, and transportation, remained relatively stable. The COVID-19 recession, on the other hand, is driven by both volatility in financial markets and widespread disruption in service industry jobs with wholesale closure of entire sectors of the economy — notably those affecting restaurant and retail workers, which make up nearly one-fifth of the nonfarm workforce in the U.S.\textsuperscript{12}

Layoffs and furloughs in service industries — particularly for low-wage workers — rose sharply in March 2020 following the closure of businesses across the country.\textsuperscript{13} Recent unemployment data show disproportionate increases among Black, Latinx and immigrant workers.\textsuperscript{14,15} This reality coupled with the increased burden of child care responsibilities primarily for women as a result of school and child care closures has a disproportionate impact on people of color, mothers, and immigrants who are more likely to work in positions that cannot be performed remotely.\textsuperscript{16-18}

These acute rises in unemployment and losses of income are compounded by preexisting inequities, particularly the ever-widening wealth gap. Many families with low incomes lack enough savings to afford three months of expenses following a job loss and nearly one-fifth have no savings at all.\textsuperscript{19} For Black and Latinx families, this reality is even more stark. Nationally, the median wealth of single Black mothers is $0 and for single Latina mothers is $50, compared to $15,540 for single white women and $28,900 for single white men.\textsuperscript{20} This means that women of color and their families, in particular, are at high risk of severe financial instability when they lose pay, even if temporarily. For many of these families, this means they will be unable to afford basic needs, including food, rent, utilities, health care, and medications.

\begin{figure}[h]
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\caption{Trends in Food Insecurity Pre- and Post- Great Recession}
\end{figure}

\begin{itemize}
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The growth and development of young children are placed at risk when families are unable to afford basic needs

These shocks to the economy are particularly concerning for families with young children during a critical window of growth and development. The social distancing measures implemented to mitigate the spread of COVID-19, while essential, may have a direct and disproportionate impact on families with young children as child care centers close and parents lose income due to either job loss or inability to work in order to care for their children. Furthermore, young children are particularly vulnerable to even the most subtle policy shifts and changes due to the rapid rate of physical, cognitive, and socioemotional growth in the early years. Thus, public policy decisions and economic distress have immediate and direct effects on young children placing them at risk of poor overall health, developmental delays, and hospitalization, often well before outcomes are documented in the broader population. Children’s HealthWatch research and that of others overwhelmingly demonstrate the ways in which inability to afford basic needs harms the health and well-being of young children and their families.
Recognizing the rapid spread of the disease and the economic impact it is having, Congress passed and the President signed the Coronavirus Preparedness and Response Supplemental Appropriations Act on March 6, 2020. This bill provides emergency funding for federal agencies to respond to the disease domestically and abroad primarily through measures to support health systems and build capacity to identify and treat the disease. Following this initial funding measure, Congress passed the Families First Coronavirus Response Act and the CARES Act, which became law on March 18 and March 27, 2020, respectively.

37,38 These bills address some of the immediate health and financial impacts of the pandemic and include important provisions to jumpstart the economy and mitigate the sharp economic decline already appearing. Further work, however, is necessary in both the immediate and long-term to safeguard children and families’ economic stability and health.

Economic stimulus policies designed to respond to this crisis should include efforts that bolster the well-being of families of young children living with low incomes. These improvements include:

Previous research shows that improvements and expansions to federal programs that mitigate family hardships, especially in times of crisis, including nutrition assistance, affordable housing, refundable tax credits, health care coverage, and high-quality, affordable child care, support the health of children and their families.27-30 Efforts to increase SNAP benefit amounts and make enhancements to the Child Tax Credit (CTC) and Earned Income Tax Credit (EITC), among other policy improvements, in response to the last recession helped mitigate the effect of the recession on families.31 Specifically, increases to SNAP benefits reduced food insecurity and health care costs and improved child health.32-34 Additionally, expansions to the CTC and EITC effectively lifted millions of families out of poverty, decreased income inequality, and increased workforce participation.35,36 Despite these important improvements, longer term solutions were needed.10 Taking rapid as well as long-term measures to reduce food insecurity and other family financial hardships that impact health is critical for the current and future health of our nation’s children and families, especially as the economic crisis created by COVID-19 continues to unfold.

Emergency Policy Responses
Necessary to mitigate immediate and long-term harm to families

FAMILY HEALTH & WELL-BEING SUPPORTS
HOUSING
NUTRITION ASSISTANCE
FINANCIAL STABILITY
FINANCIAL STABILITY

- **Issuing direct cash transfers** monthly to ensure families are able to afford basic needs until the economic recovers that:
  > Are directed to families with the lowest incomes regardless of immigration status or 2019 tax filing.
  > Provide children equal or higher payments to those allocated to adults recognizing that families with children — particularly those with young children — are at greater risk of living in poverty than other households without children.40
  > Build upon the existing infrastructure of the CTC and EITC and provide an option for payments via Electronic Benefit Transfer (EBT) cards on a regular basis to support child and family financial stability.41
  > Enable families who lost jobs or income as a result of this pandemic to use 2019 earnings when filing 2020 taxes to provide additional support to families in the future.

NUTRITION ASSISTANCE

- **Increasing SNAP by 15% for all participants**, mirroring policy action during the Great Recession, and increasing the minimum benefit to $30 to adequately meet the nutritional needs of families with low-incomes and reduce food insecurity.42
- **Suspending all SNAP administrative rules** that would terminate or weaken benefits.”

HOUSING

- **Instituting a national moratorium on evictions and foreclosures** for all renters and homeowners.
- **Increasing funding for rental assistance and eviction prevention resources** to ensure people are able to afford rent during the crisis and have access to resources, including legal services and housing counseling in order to avoid eviction.
- **Establishing a national Emergency Assistance Fund** to provide rapid response funding for families with rent or utility arrearages to ensure families are not at risk of eviction or utility shutoffs as a result of the economic crisis.
- **Expanding access to affordable and adequate health insurance** options so all families, including children and adults, regardless of immigration status, are able to access medical care, prescriptions, and vaccines when they need them without having to sacrifice other basic needs or accrue medical debt.
- **Providing robust resources for child care to:**
  > Ensure essential employees are able to access child care and to cover additional expenses and resources required for child care providers that remain open to care for the children of essential employees.
  > Support the child care workforce who will financially struggle as a result of closures.
  > Keep all providers afloat during closures to ensure all families maintain access to child care when shelter in place orders lift and parents return to work or school.
- **Expanding unemployment benefits** to support those who are out of work until the economy recovers. Current unemployment benefits expire at the end of 2020, but more is necessary to mitigate the long-term harm of the economic crisis.
- **Extending paid sick leave and medical leave provisions** to cover all workers, including low wage workers and immigrants currently excluded from policies enacted on the federal level, and increasing wage replacement amounts within the programs to ensure families are able to make ends meet.45
- **Creating Emergency Assistance Grants** as enacted during the Great Recession through the Temporary Assistance for Needy Families (TANF) program to enable states, territories, and tribes to address unmet emergency needs, including providing subsidized jobs and administering cash assistance to extremely low income families.46
Conclusion

The recent outbreak of COVID-19 and subsequent economic downturn have placed millions more people at risk for financial instability and poor health outcomes. These crises disproportionately harm families with low incomes, immigrants, and communities of color, as existing lack of access to resources and financial support are exacerbated. Young children from families with low incomes are particularly vulnerable to the lasting effects of this economic crisis, highlighting the need for solutions focused on this particular population. Evidence-based food, housing, energy, child care, health care, and income transfer policy solutions exist to address family needs. Strong national leadership and immediate action at all levels of government is essential to implement these evidence-based legislative and administrative strategies that will alleviate short-term impacts and mitigate long-term health and economic ripple effects.
COVID-19 repercussions and economic hardship have increased food insecurity and other negative outcomes for children.

12. Mathy G. The COVID-19 epidemic will be the first services recession and the dose: cuts to SNAP benefits increased food insecurity following the Great Recession. Children’s HealthWatch Website. [https://childrenshealthwatch.org/delineating-the-dose-cuts-to-snap-benefits-increased-food-insecurity-following-the-great-recession/]. Published 2019.