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Duke Experts on How to Help Struggling Families in The Pandemic

In a media briefing, trio says a massive infusion of government cash and other resources is needed



Eric Ferreri

A massive infusion of government cash and other resources is needed to help keep families afloat during the pandemic, a trio of Duke scholars said Tuesday.

The recently approved \$2 trillion stimulus bill won't come close to solving the problems facing America's working families, particularly African Americans, children and people who rely on government assistance to eat, they said during a web-based press conference.

Here are excerpts:

ON WHAT BLACK FAMILIES FACE RIGHT NOW

William "Sandy" Darity, economist

"Black Americans constitute approximately 13 percent of the nation's population but only possess about 2.6 percent of the nation's wealth. This translates into an average gap per household of about \$800,000."

"This immense differential means that under any emergency circumstances, black families have considerably less resources to function as a cushion and they do not have the resources to have access to the best health care or the best preventive measures to insure one has better health."

"And as a consequence we're seeing these staggering numbers associated with racial disparities and the mortality from COVID-19. For example, in the state of Louisiana, blacks make up 32 percent of the population but 70 percent of the deaths from the coronavirus."

ON WHAT HAPPENED TO WORKING FAMILIES WHEN THE PANDEMIC ARRIVED

Anna Gassman-Pines, public policy professor

"Immediately after restrictions on non-essential businesses were put into place, as you would expect, work hours decreased dramatically and well-being dramatically decreased both for parents and their children."

"They are not going to be able to pay their basic bills. Rent, utilities, food or grocery bills, starting this month. The majority of workers do not have savings. They are not well positioned to weather this kind of crisis, and when they become disconnected from work, that is having an immediate impact on their ability to cover basic living expenses."

Andrew Foster, law professor

"We do come into this crisis in a society that is deeply unequal. We can't forget that. That is our starting place. We're talking about a situation where close to 40 percent of Americans have less

than \$400 of savings. Most households have significant amounts of debt. So people are just not well-positioned for the disappearance of work."

"If you step back just a couple of months to the end of February, we were looking at unemployment of 3, 3.5 percent. Now it's 15 percent and could easily be 20 percent by the end of the month. So, \$2 trillion is a lot of money, but in light of this historical crisis, it really is just a drop in the bucket."

WHY BLACK AMERICANS ARE HIT PARTICULARLY HARD RIGHT NOW

Darity

"The types of disparities we're talking about in terms of disadvantage, particularly with respect to employment, is fairly wide spread but it disproportionately weighs on black America."

"Particular for folks who are in personal contact, personal service employment, that require close connections to your customer base at a time when we're trying to minimize connections between individuals and trying to minimize large gatherings, that means the odds of job loss is high. Or, if they're in ... employments we deem essential, like people in health care services or the hospital sector, they themselves are at greater risk. It's somewhat of a prisoner's dilemma. Either you lose your job or you keep a job in which you're going to be exposed to a high level of danger."

ON A RISE IN CHILD ABUSE AND NEGLECT

Gassman-Pines

"When there are large-scale job losses in communities, child maltreatment rates go up. That's true of both neglect, which is typically driven by poverty, and abuse. So we all need to be thinking about, during this time of stay-at-home orders and widespread economic strain, that those are the conditions under which families with preexisting vulnerabilities might be under – a lot of increased strain and stress."

"This is a real challenge for our social services system, the child welfare system, which ... relies on social workers having face-to-face interaction with families and will now require a reorganization of how they do their work. It's a crucially important question for the health of North Carolina children."

ON THE AFTERSHOCKS OF THIS CRISIS

Darity

"I think that on the side of income, as opposed to wealth, the first thing we have to consider is the vast amount of job loss that's going to take place. We know that historically in the United States the black unemployment rate is consistently two times the white unemployment rate. And that's true regardless of educational attainment. This has always been the case from the time we first began to collect unemployment statistics in the United States."

"People are projecting that the national unemployment rate is going to reach 30 percent or even higher possibly. Then, the projected unemployment rate for black Americans could run as high as 50 percent, which is absolutely staggering and is a number we have never seen in this country."

"There could be immense and devastating income effects associated with the evolving depression."

"In terms of wealth effects, if anything I would argue the existing policies we put in place, like the CARES Act, disproportionately benefits individuals who already are relatively better positioned because of the amount of resources going indirectly to workers, because they have to be delivered as the pass-through to small businesses but also fairly substantial large corporations."

"We might actually observe a further worsening in wealth disparities both in general and in respect to the racial wealth gap. I'm hard-pressed to put a real number on what that might look like, but it's been horrendous in recent years and I can only imagine those kinds of disparities will get worse in the absence of any significant policy intervention."

Foster

"It is challenging. We come into this with the system that we have. It would be great to have a way to more directly distribute both income and wealth support to families directly. But you can see this in the way the unemployment system is working right now. It's just not staffed to address the level of demand."

"It's really designed to minimize the number of people who benefit from unemployment. In North Carolina, for example, the pretty conventional estimate is about 90 percent of people who are unemployed are not able to get unemployment (benefits) from our system."

"Long term this creates real opportunities for thinking creatively and bold and morally about the kind of society we want to have and where we want to build to after."

ON THE BIGGEST NEAR-TERM CONCERNS

Gassman-Pines

"We all need to be on the lookout for the emergence of serious mental health problems, especially among young people. In my own prior work I have shown that economic downturns increase suicidality -- that is, young people considering, thinking about or planning suicide. That is a very serious level of mental health problem. It is particularly evident among black youth, who are so much more hard-hit during economic downturns, and this current crisis is certainly no different. I worry about a worsening of disparities in terms of mental health challenges, by race."

ON THE NEEDS OF RURAL AMERICA

Darity

"Rural communities to a greater extent than urban communities are lacking in access to broadband. So moving to universal wi-fi would be particularly valuable to rural communities. I also think we typically don't devote as much policy attention or journalistic attention to rural communities. We really need to canvass what's occurring in rural communities. We really need to get more information about what people themselves perceive their immediate needs to be."

And one policy change that can help right now

Gassman-Pines

"In terms of things we could implement quickly, one thing we should be considering is increasing the generosity and reach of the SNAP program -- the Supplemental Nutrition Assistance Program, which we used to call food stamps. It is meant to be responsive to economic downturns, and it is. It works incredibly well."

"If we made that benefit more generous, families would have more dollars to spend on food, which they're telling us is a need. It builds on existing technology and builds on a very strong existing infrastructure. If that program could be expanded and made more generous, that would help millions of families right away."

Meet the experts:

William "Sandy" Darity

<u>William "Sandy" Darity</u> is a professor of public policy, African and African American Studies and economics who specializes in wealth and income disparities, the social-psychological effects of exposure to unemployment and reparations. Darity also directs the <u>Samuel DuBois Cook Center on Social Equity</u>.

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Andrew Foster

<u>Andrew Foster</u> is a clinical professor of law and director of Experiential Education and Clinical Programs. He also serves as director of the Law School's Community Enterprise Clinic and teaches non-clinical courses in community development law.

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Anna Gassman-Pines

<u>Anna Gassman-Pines</u> is an associate professor of public policy, psychology and neuroscience, and faculty affiliate of the Center for Child and Family Policy. She studies low-wage work, family life and the effects of welfare and employment policy on child and maternal well-being, and the effects of job loss on children's test scores.

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Duke experts on a variety of other topics related the coronavirus pandemic can be found here.

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