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THE STAGGERING ECONOMIC IMPACT OF THE CORONAVIRUS PANDEMIC

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EXECUTIVE SUMMARY

- ▶ The financial impact of the coronavirus is hitting Americans hard: thirty-three percent of voters have already lost their job, been furloughed, placed on temporary leave, or had hours reduced, with 41 percent of those who've lost a job already reporting having trouble covering basic costs.
- ▶ Black voters are feeling the worst of the financial crisis with almost half (45 percent) reporting they've lost jobs, hours, or been put on leave.
- ▶ A \$1,200 check for adults and \$500 for children is inadequate to cover expenses for more than a month for most voters

We are just beginning to understand the scope of the impact of the coronavirus pandemic and the economic fallout from the virus. With unemployment numbers literally off the charts, most states under lockdown and an uncertain future ahead, it is important for policymakers to understand the toll this is taking on the public, as well as noting the racial disparities that are being further exacerbated by this situation. And they need to act now because, through no fault of their own, millions of Americans have been laid off, had their hours reduced at their jobs or lost their health insurance.

For many voters, the economic consequences of the Coronavirus have arrived. In this first chart, we look at changes to the employment status of

voters. Specifically, we asked: "Have you lost a job, been put on leave or otherwise had your hours reduced because of the Coronavirus pandemic?"

Those surveyed were then provided the five following response options:

- ▶ *Yes, lost job entirely*
- ▶ *Yes, had paid hours reduced*
- ▶ *No, but I expect to lose employment or paid hours in the next few weeks*
- ▶ *No, my employment hasn't changed or my hours have increased*

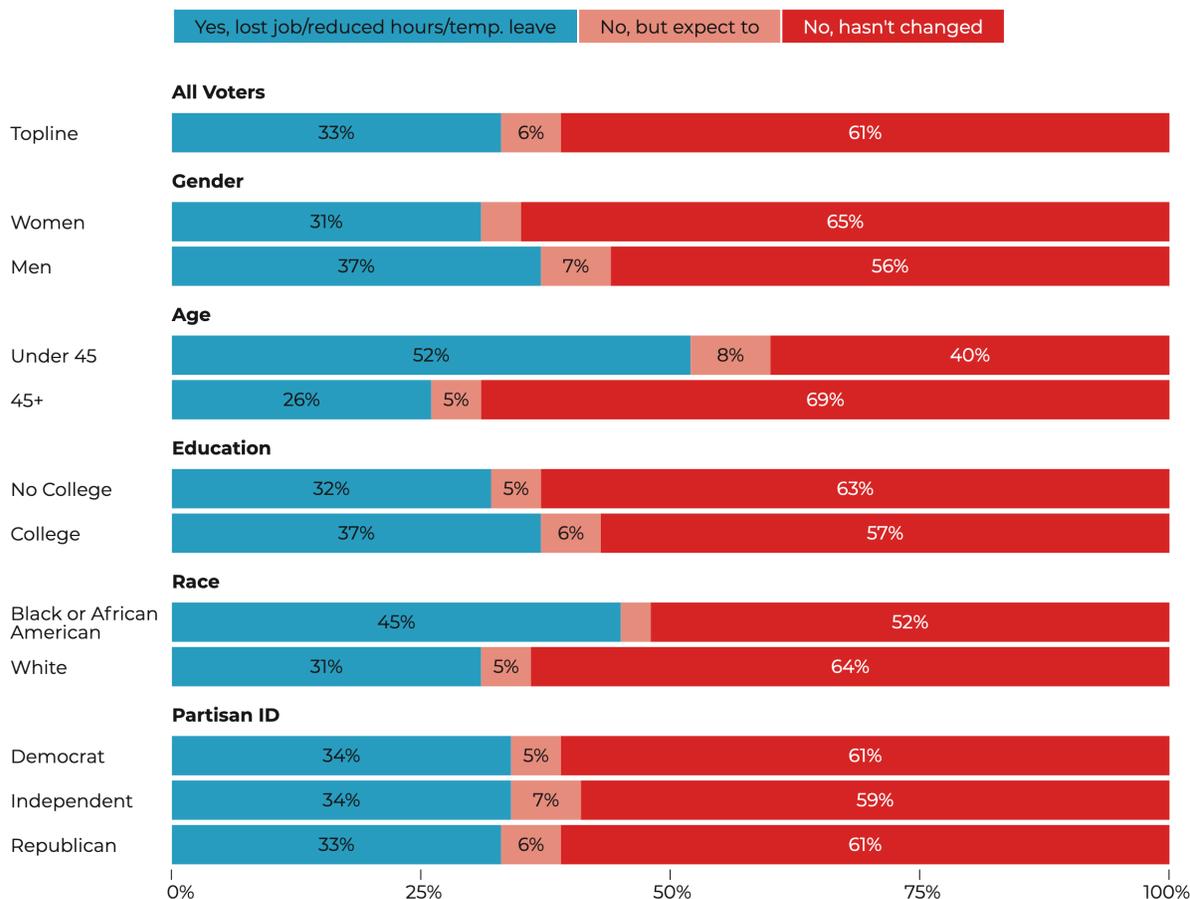
We then grouped these responses into three categories:

1. A group consisting of those with any change in employment status (lost job, reduced hours, or temporary leave/furlough).
2. People expecting to lose their job that have not yet.
3. Those without any change or expected change to employment status.

We find that a third (33 percent) of respondents fall into this first category of having lost their jobs, reduced hours or been put on leave. Slightly more men (37 percent) fall into this category than women (31 percent). While over half of voters under 45 (52 percent) have lost their job, been placed on leave, or had hours cut, only 26 percent of those over 45 fall into this category. While the burden of the coronavirus has fallen heaviest on the elderly, it is younger voters who are paying a higher economic toll.

33 Percent Of Voters Have Lost Jobs, Lost Hours, Or Been Put On Leave

Have you lost a job, been put on leave or otherwise had your hours reduced because of the Coronavirus pandemic?



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The pandemic and economic fallout are having disproportionate impact on communities of color. The effects of the coronavirus pandemic reflect the racial inequality built into American society. The [initial reports](#) of the differential racial impacts of the virus show that African-Americans are disproportionately represented in COVID cases and deaths.

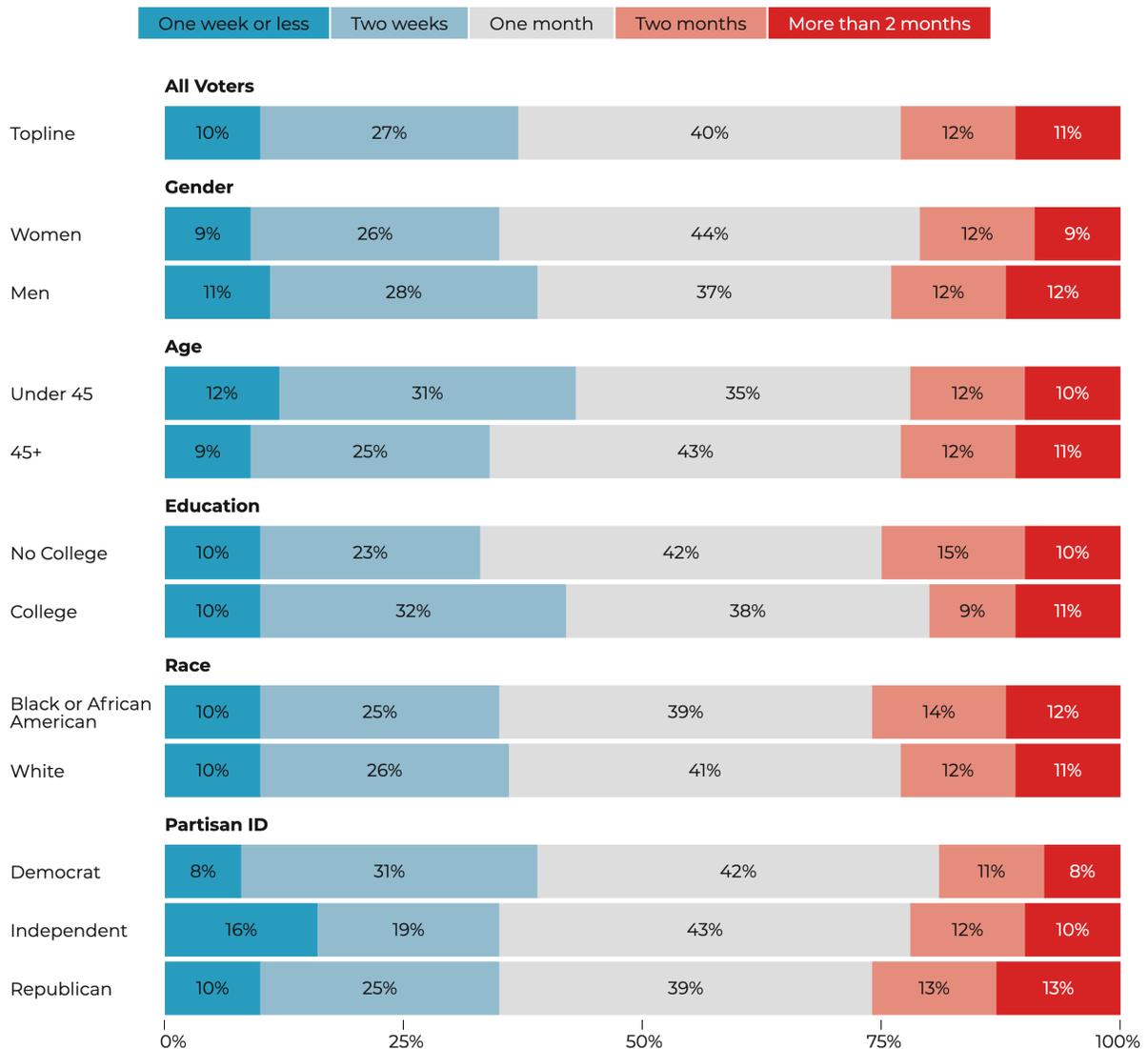
They are also overrepresented in the economic impacts of the crisis, with 45 percent already having lost jobs or hours due to the virus. We find that 62 percent of African-American respondents report that they expect to have issues covering costs within the next month, and that 63 percent would be unable to pay their bills within a month if they lost their income. This population is at greater risk of both serious health outcomes from the virus and negative economic outcomes from the crisis.

We also asked voters how many weeks of expenses for their family the \$1,200 per adult (\$500 per child) payment recently passed into law would cover. We find that this payment is inadequate for

the scale and expected likely length of the crisis, as 77 percent of voters report that the payment would cover a month (40 percent) or less (37 percent) of their expenses.

For Most Voters \$1,200 plus \$500/child Covers One Month Of Expenses

How many weeks of expenses, on average, would a lump sum of \$1,200 per adult and \$500 per child cover for your family?



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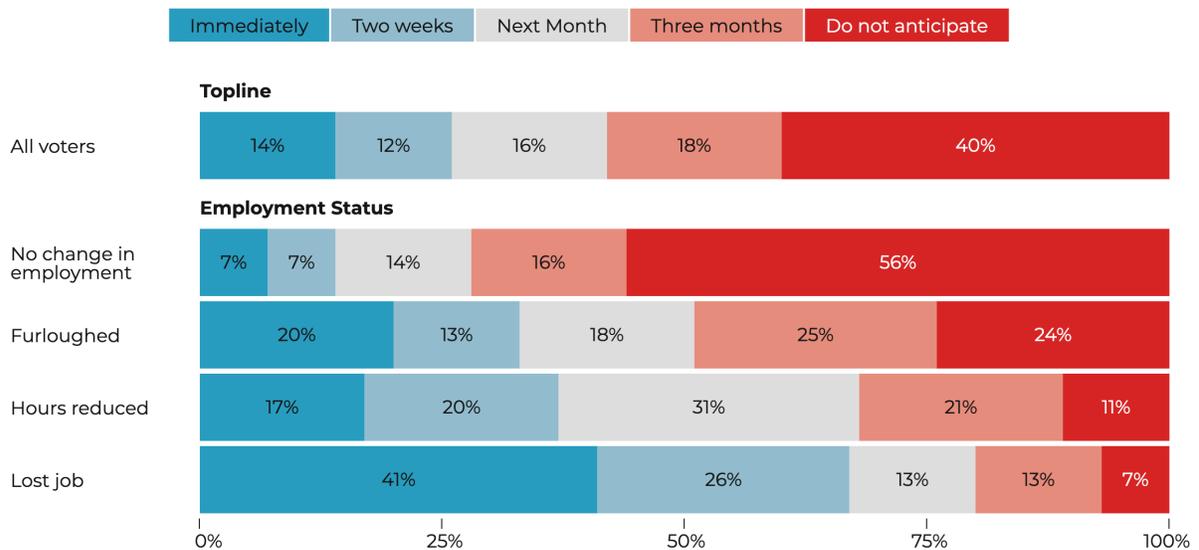
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Among people who have already suffered some loss in income because of the pandemic, 41 percent anticipate having difficulty covering costs immediately, 81 percent within the next month. Most voters report that if they lost their current income, they would be able to go 2 months or less before they were unable to pay their bills.

Americans do not have the cushion to survive a shock to their income of this magnitude without assistance, as 51 percent report being able to go one month or less without income without having issues paying bills, and we will only see the proportion of people having difficulty covering basic costs increase as the crisis goes on.

41 Percent Of Those Who Lost Their Jobs Are Already Having Trouble Covering Basic Costs

At what point do you anticipate having trouble covering basic costs for things like housing, food, and utilities?



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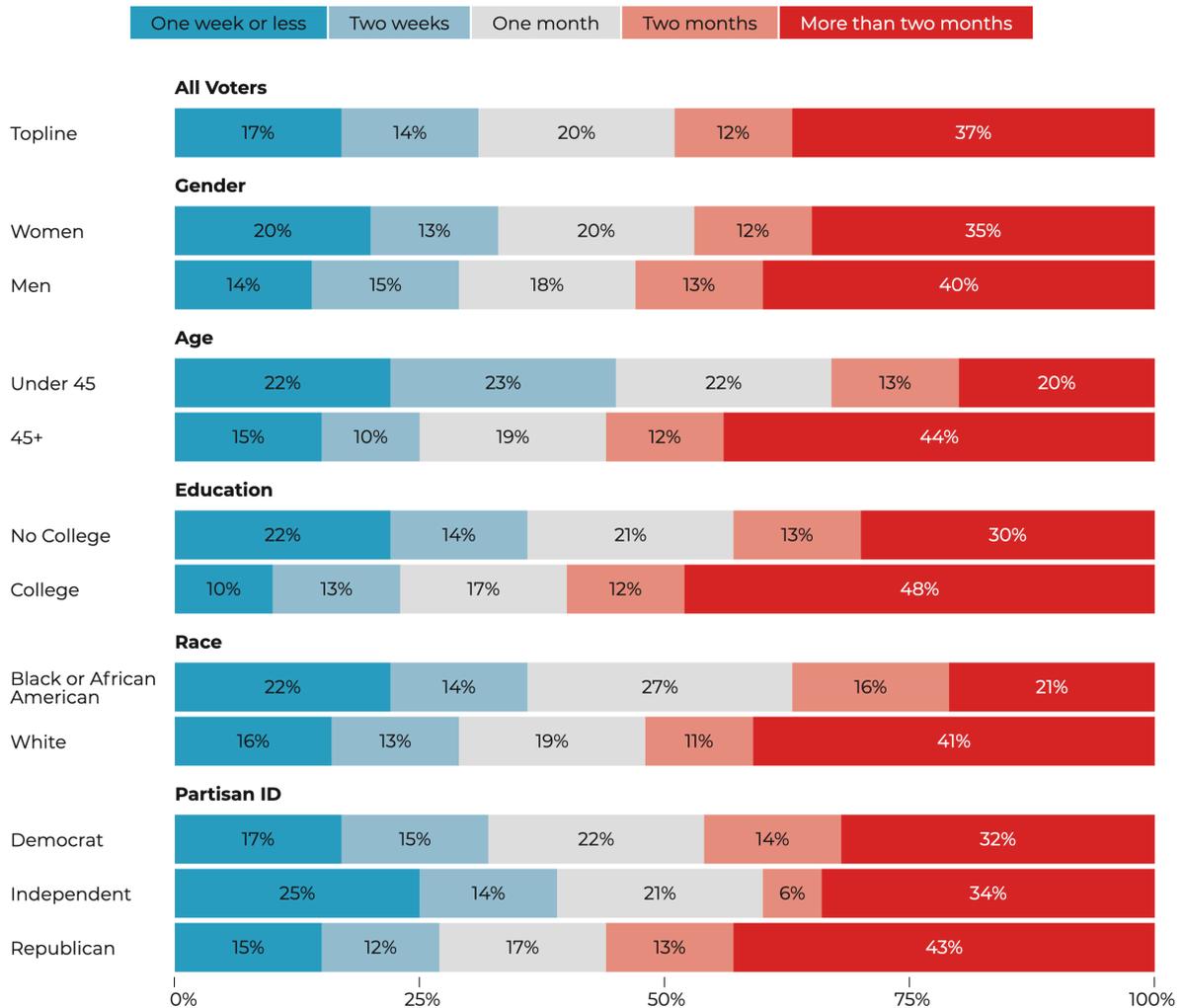
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Americans will not be able to ride out this crisis on their own. Most report that if they lost their income, they could go only a month or less before being unable to pay their bills. Non-college

respondents and American Americans are even more likely to have a minimal cushion and report being able to go as little as a week without income.

Most Voters Can Go One Month Or Less Before They Would Be Unable To Pay Their Bills

If you lost your current source of income, how long could you go before you were unable to pay your bills?



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CONCLUSION

The combination of a lack of personal safety net (measured as how long you could go without income before forgoing basic needs, less than a month for the majority of voters) and the inadequacy of the current assistance (covering a month or less for most people) means that as the crisis intensifies and unemployment goes up, voters will desperately need more help to survive. They'll also need it quickly, as those already out of a job are unable to wait several months for help with their bills. Lawmakers must take note of the precarious situation these Americans find themselves in, and expedite an increased level of assistance.

METHODOLOGY

From April 5, 2020 to April 6, 2020, Data for Progress conducted a survey of 2644 likely voters nationally using web panel respondents. The sample was weighted to be representative of likely voters by age, gender, education, urbanicity, race, and voting history. The survey was conducted in English. The margin of error is ± 1.9 percent.