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BRIEFING BEFORE THE UNITED STATES CONGRESS

House Select Committee on the Coronavirus Crisis

AN UNEQUAL BURDEN

Addressing Racial Disparities in the Coronavirus Pandemic

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June 4, 2020

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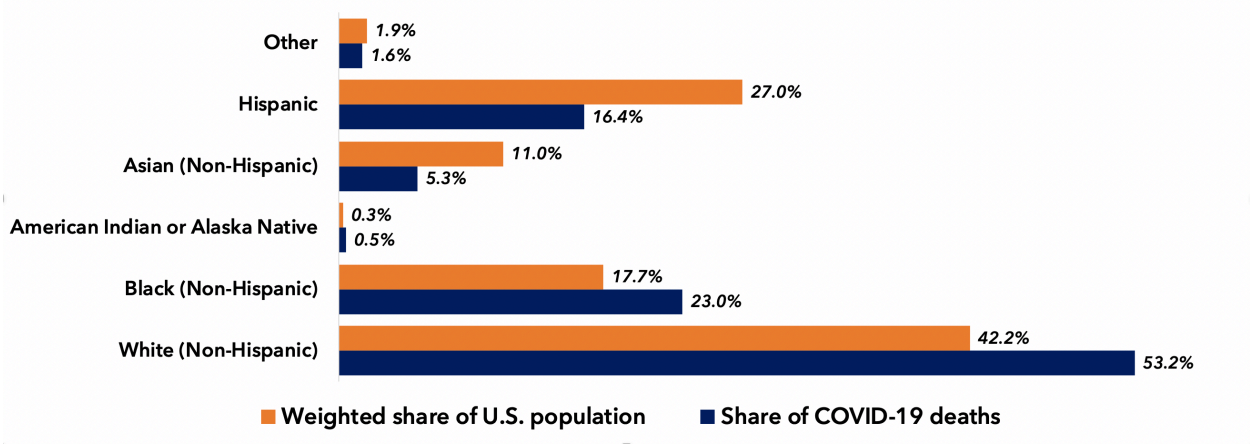
INTRODUCTION

Broadly speaking, there are two key sources of racial disparities with regards to the COVID-19 pandemic. The first is the differential impact of the coronavirus disease on different ethnic and racial populations. The second is the differential economic and health impact of governments' *policy response* to the pandemic: specifically, the "stay at home" policies and mandatory business closures that have dramatically increased unemployment.

Figure 1. CDC: Share of COVID-19 Fatalities by Race & Ethnicity, vs. Geographically Weighted Share of U.S. Population



Racial and ethnic distribution of COVID-19 fatalities is mixed. Whites and blacks are both overrepresented in their share of COVID-19 deaths, relative to their geographically adjusted share of the U.S. population. In contrast, Asians and Hispanics are underrepresented in their share of COVID-19 fatalities. *(Source: Centers for Disease Control and Prevention)*

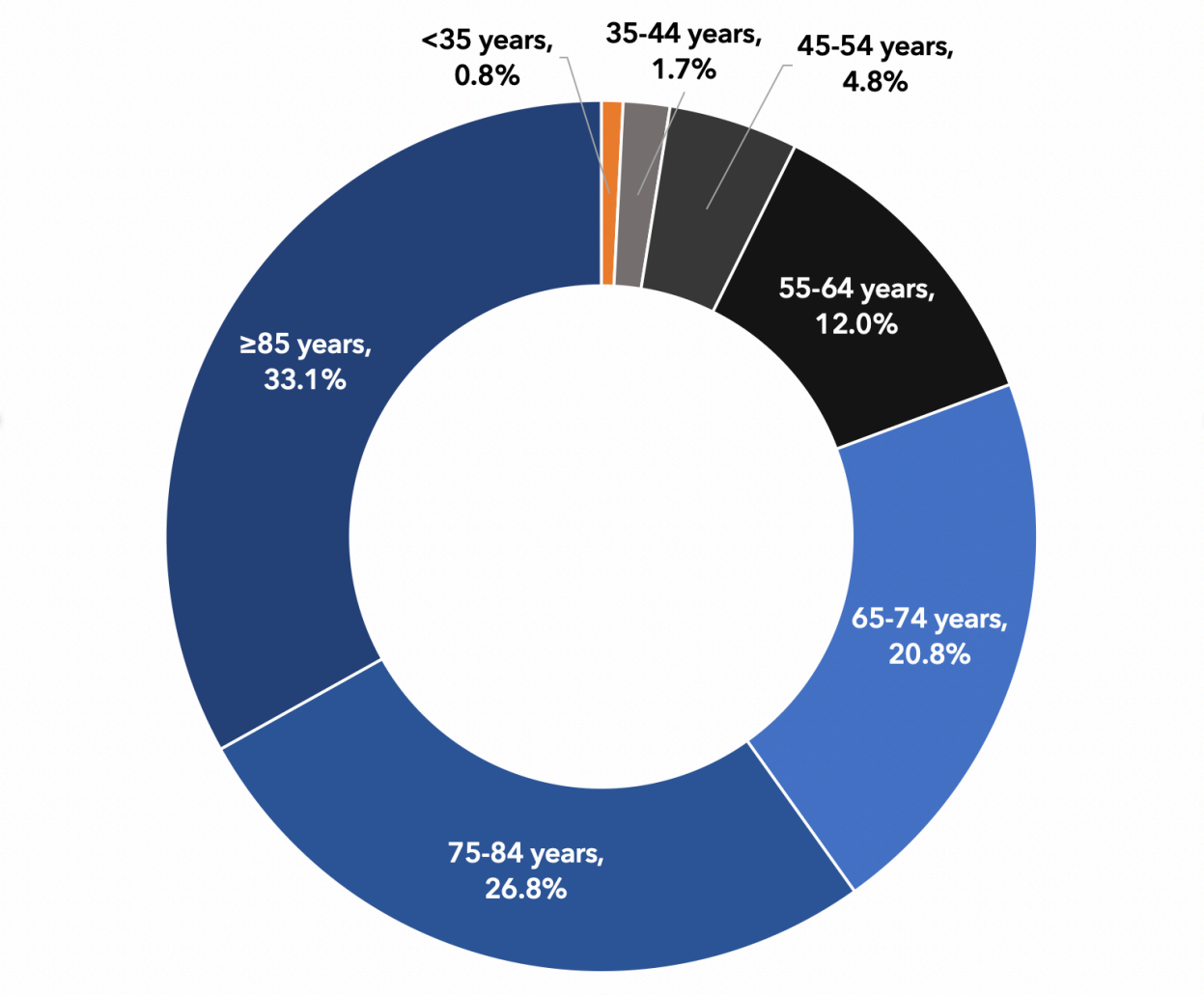
RACIAL DISPARITIES IN COVID-19 MORTALITY ARE MIXED

On a population level, both whites' and blacks' shares of COVID-19 deaths are higher than one would expect if deaths were evenly racially distributed. On the other hand, Asians' and Hispanics' shares of COVID-19 deaths are lower than one would expect. For example, whites represent 53 percent of all COVID-19 deaths, but only 42 percent of a geographically adjusted population. 23 percent of fatalities are among blacks, while blacks represent 18 percent of the geographically adjusted population.[1]

(The Centers for Disease Control and Prevention geographically adjust racial and ethnic groups' shares of the U.S. population in order to take into account the fact that COVID-19 fatalities are concentrated in cities, where a higher percentage of the population is non-white.)

[1] Centers for Disease Control and Prevention. Weekly Updates by Select Demographic and Geographic Characteristics. https://www.cdc.gov/nchs/nvss/vsrr/covid_weekly/; accessed June 3, 2020.

Figure 2. Share of COVID-19 Fatalities by Age Bracket



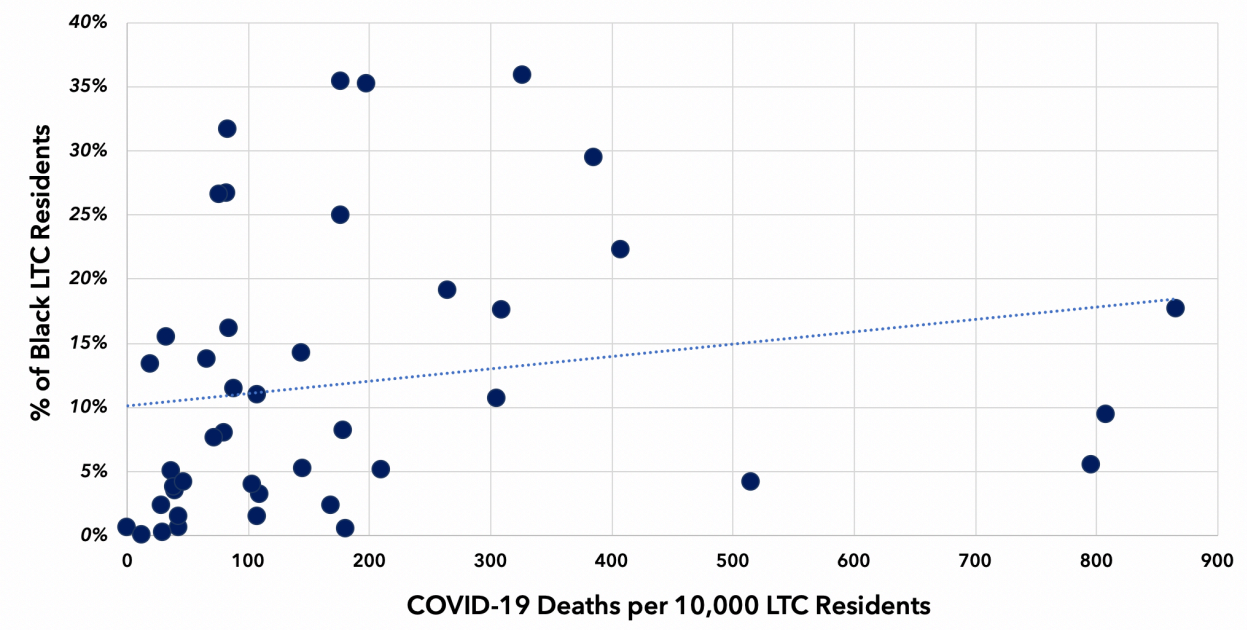
COVID-19 mortality is heavily skewed toward those over 65. 81 percent of all deaths from COVID-19 have occurred among those 65 and older. Those under 35 years of age represent 0.8 percent of deaths.. *(Sources: CDC, FREOPP analysis)*

The most probable explanation for most of these differences is related to age. Serious illness and death from COVID-19 are highly concentrated among the elderly. 81 percent of all U.S. COVID-19 deaths have taken place among those aged 65 or older; by contrast, only 0.8 percent of U.S. COVID-19 deaths have taken place among U.S. residents younger than 35. This is important to account for, because while the median age of white Americans is 44, for Asians it is 37, and for Hispanics it is 30. In other words, the disparity in share of deaths relative to whites, Hispanics, and Asians may turn out to be mostly explained by age differences.

The same explanation does not fully apply to blacks. The median age of African-Americans is 34—somewhere in between that of Hispanics and Asians—but blacks suffer from a disproportionate share of COVID-19 mortality.

Further data from the CDC, breaking out racial and ethnic shares by age bracket, should help us learn more about these differences.

Figure 3. No Correlation Between Long-Term Care COVID-19 Fatality Rates and State-Level African-American LTC Resident Share



At the state level, there is no correlation between African-American race and mortality in nursing homes and assisted living facilities. States with high black population shares in nursing homes and assisted living facilities were not correlated to those with high levels of black mortality. The r^2—the probability of a linear correlation—was only 3.5%. *(Sources: Brown University, FREOPP analysis)*

LTC FACILITIES: 42% OF COVID-19 DEATHS, BUT 0.6% OF THE POPULATION

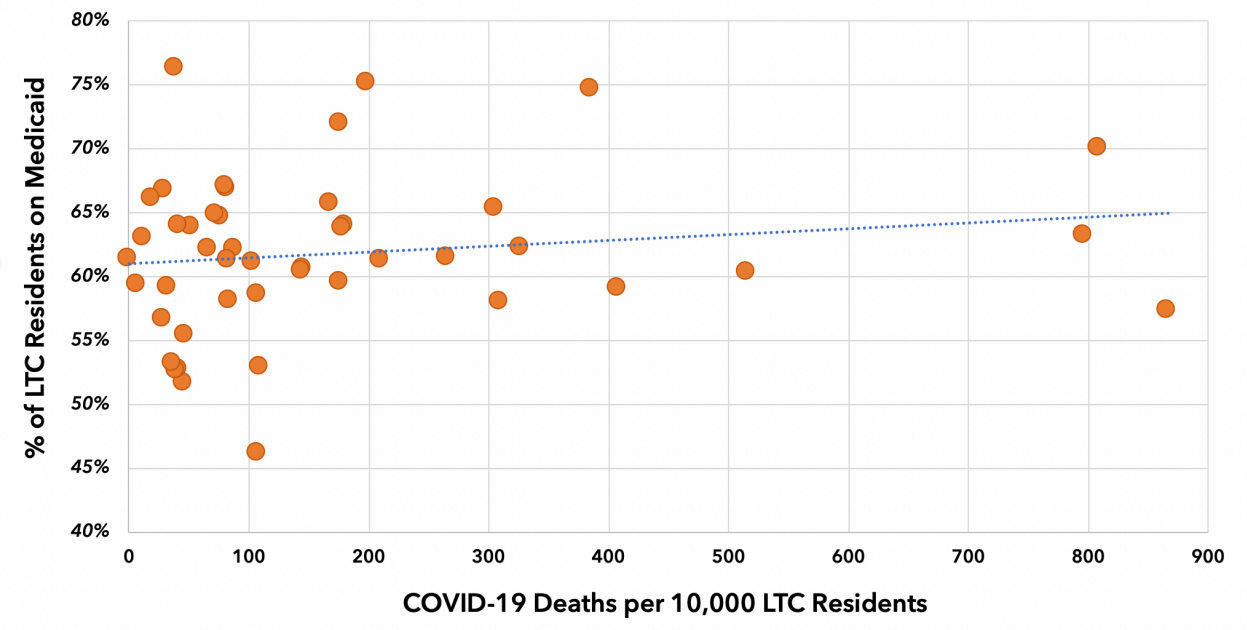
Another source of racial disparities in COVID-19 health outcomes may come from nursing homes and assisted living facilities. Nursing homes, in particular, serve disproportionately poor individuals, with a large number of Medicaid enrollees. Vulnerable seniors residing in such long-term care facilities represent 42 percent of U.S. COVID-19 fatalities, while residents of such facilities only account for 0.6 percent of the total U.S. population.[2]

[2] G. Girvan and A. Roy, Nursing Homes & Assisted Living Facilities Account for 42% of COVID-19 Deaths. The Foundation for Research on Equal Opportunity. 2020 May 7: https://freopp.org/the-covid-19-nursing-home-crisis-by-the-numbers-3a47433c3f70?source=collection_home---1------0----------; accessed June 3, 2020.

In part this is due to disastrous decisions taken by some state governors to force nursing homes to accept COVID-infected patients who had been discharged from a hospital, including New York, New Jersey, and Michigan.[3]

In order to examine racial disparities in COVID-19 deaths in nursing homes, I and my FREOPP colleagues Gregg Girvan and Mark Dornauer looked at state-level long-term care facility mortality rates, and compared them to the percentage of blacks living in long-term care facilities, and also the relationship between nursing home mortality and Medicaid eligibility.

Figure 4. No Correlation Between Long-Term Care COVID-19 Fatality Rates and State-Level Medicaid LTC Resident Share



At the state level, there is no correlation between enrollment in Medicaid and COVID-19 mortality in nursing homes and assisted living facilities. States with high Medicaid enrollment in nursing homes and assisted living facilities were not correlated to those with high levels of COVID-19 mortality. The r^2–the probability of a linear correlation–was only 2.3%. *(Sources: Brown University, FREOPP analysis)*

There was no correlation between black race and state-level long-term care fatalities. The r^2—the probability of a linear relationship between high black population and high long-term care death rates—was only 3.5 percent. Similarly, there was no correlation between

[3] A. Roy, The Most Important Coronavirus Statistic: 42% of U.S. Deaths Are From 0.6% Of The Population. *Forbes*. 2020 May 26: https://www.forbes.com/sites/theapothecary/2020/05/26/nursing-homes-assisted-living-facilities-0-6-of-the-u-s-population-43-of-u-s-covid-19-deaths/#232a01f074cd; accessed June 3, 2020.

states with high Medicaid enrollment and those with high COVID-19 mortality rates in their assisted living facilities; the probability of a linear correlation was only 2.3 percent..

Figure 5a. African-American Unemployment Rate, 1972–2020

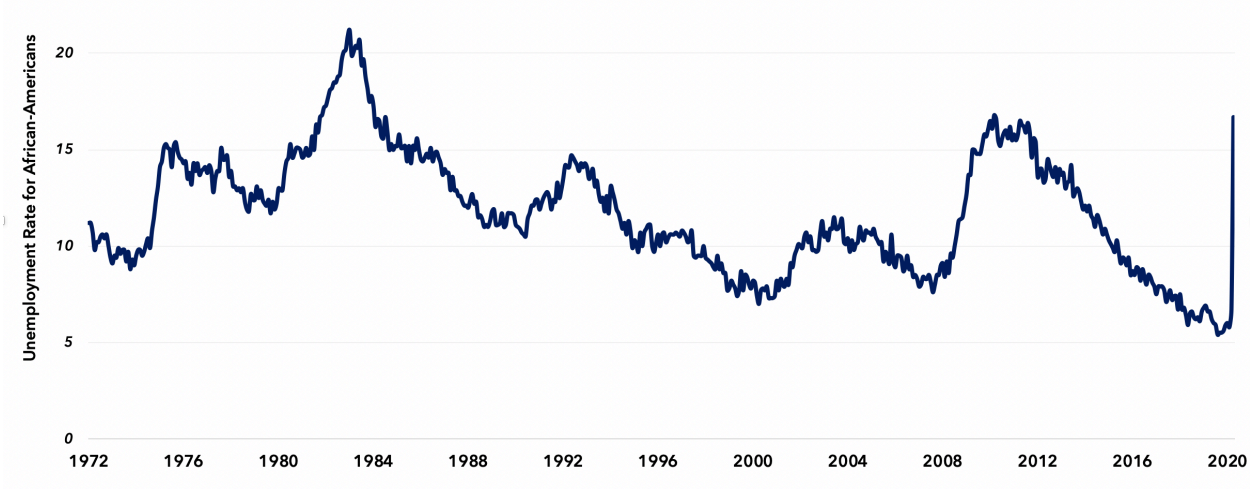
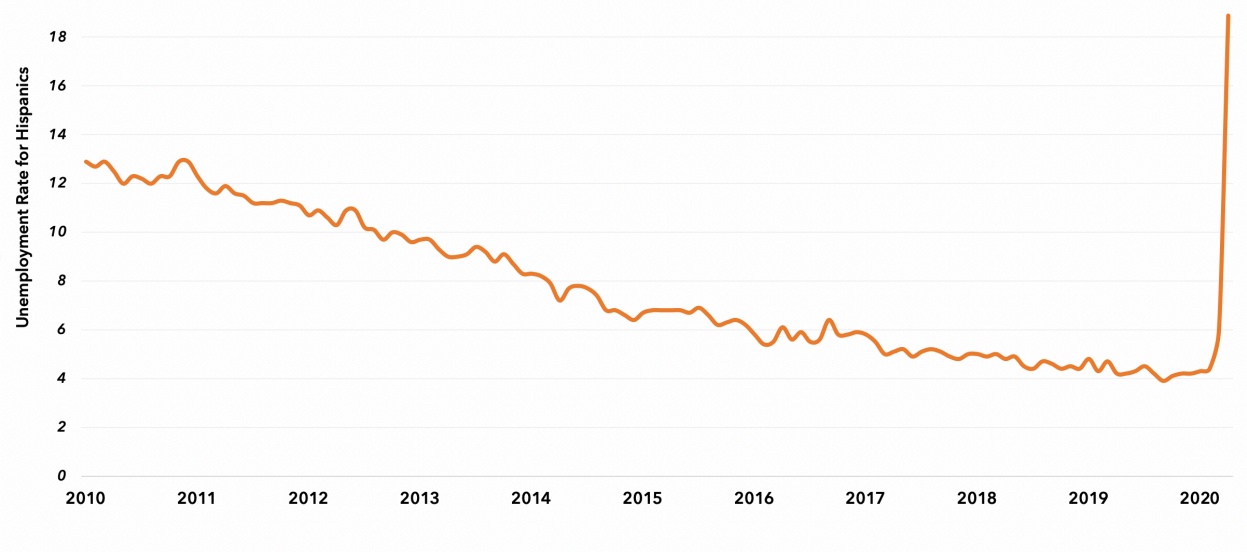


Figure 5b. Hispanic Unemployment Rate, 2010–2020



Lockdowns have dramatically increased black and Hispanic unemployment. Hourly-wage workers, who are disproportionately non-white, were most harmed by economic lockdowns that forced small businesses to close. *(Source: Bureau of Labor Statistics; Graphics: A. Roy / FREOPP)*

This finding was surprising, because we would expect to see that nursing homes with a high volume of low-income patients would fare worse under COVID-19. We aim to investigate

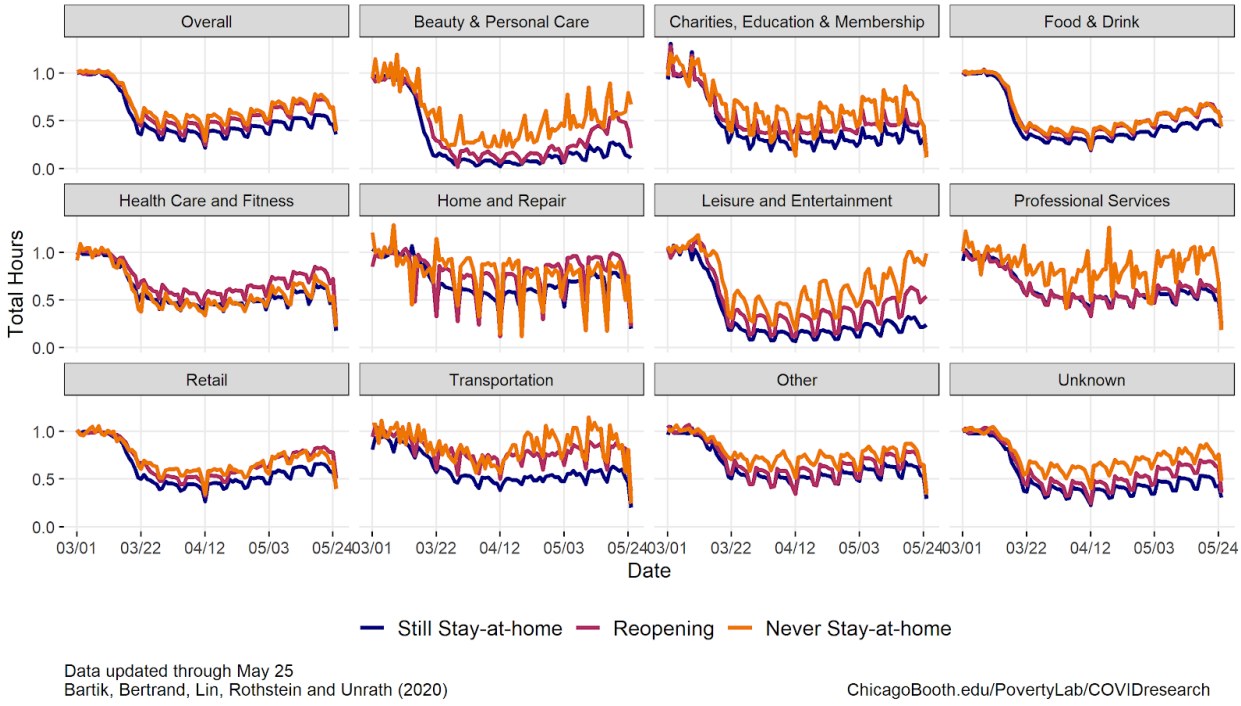
this question further, at the county level, in order to determine if the correlations are stronger within states.

One explanation for this finding could be that nursing home and assisted living facility residents are, as a group, vulnerable to the coronavirus pandemic, and that therefore African-American resident share is less impactful on overall long-term care mortality statistics.

ECONOMIC LOCKDOWNS HAVE HARMED MINORITIES

Relative to the direct health effects of COVID-19, in which racial disparities are mixed, there is an unambiguously disparate impact caused by economic lockdowns.

Figure 6. Hourly Wage Reductions by Industry and Economic Lockdown Policies



Racial and ethnic minorities have been disproportionately harmed by economic lockdowns. Blue-shaded curves represent work reductions for those in lockdown states; red and orange curves represent reopening and open states, respectively. *(Source: A. Bartik et al., University of Chicago)*

Prior to the pandemic, unemployment among African-Americans looking for work had reached 5.4 percent: the lowest figure ever recorded. However, after states enacted economic lockdowns, the black unemployment rate rose to 16.7 percent. Similarly, the jobless rate for Hispanics reached a record low of 3.9 percent last fall, but skyrocketed up to 18.9 percent in April.

While many white workers are in white collar professions in which remote work is possible, blacks and Hispanics often work in hourly-wage jobs where in-person attendance is essential. Researchers at the University of Chicago's Rustandy Center for Social Sector Innovation have found that hourly-wage workers have seen their hours cut by 50 percent in states that have continued to lock down their economies. In states that have reopened their economies, by contrast, hourly work is recovering.[4] Racial and ethnic minorities, unfortunately, live in many states where lockdowns have continued.

ECONOMIC LOCKDOWNS IMPACT PUBLIC HEALTH

Economic lockdowns do not merely have a financial impact on racial and ethnic minorities who lose their jobs or have their hours cut. Economic dislocation also worsens health outcomes in myriad ways, whether by deaths of despair, inability to access or afford physicians, or disruption in health insurance coverage.

The lockdowns have also had a significant impact on minority children, who have been unable to attend school, and therefore are falling further behind their affluent counterparts, whose parents are better able to arrange virtual learning and extracurricular enrichment in the absence of school. Educational attainment is strongly correlated to long-term health outcomes.

Hence, it is essential and urgent that states and localities do everything possible to responsibly reopen their economies.[5] Florida and Texas, in particular, have made substantial progress in reopening their economies—Florida's never fully shut down—while COVID-19 hospitalizations and deaths have continued to decline.

[4] A. Bartik, M. Bertrand, F. Lin, J. Rothstein, & M. Unrath, Week 7 and 8: Labor Market Impacts of COVID-19 on Businesses: Update with Homebase Data Through May 23. University of Chicago: https://www.chicagobooth.edu/research/rustandy/blog/2020/week-7-labor-market-impacts-from-covid19; accessed June 3, 2020.

[5] L. Chen, B. Kocher, A. Roy, & B. Wachter, A New Strategy for Bringing People Back to Work During COVID-19. The Foundation for Research on Equal Opportunity. 2020 Apr 14: https://freopp.org/a-new-strategy-for-bringing-people-back-to-work-during-covid-19-a912247f1ab5; accessed June 3, 2020.