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Hidden Figures: The Economic Impact of Covid-19 on Low-Income Women and Their Children

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The coronavirus (Covid-19) pandemic has shaken the world, resulting in a significant loss of life, income, health, and economic stability for many Americans. Social routines that many families rely on to provide structure to their daily lives—such as going to work, sending children to school or day care, gathering at local religious services, volunteering, and visiting friends and families—are no longer feasible due to stay-at-home orders and social distancing requirements. Now many families find themselves trying to adjust to the new normal, and deal with the stressors and anxieties that have arisen in a time of great uncertainty. In addition to apprehension about contracting the virus, widespread trepidation about current and future financial stability is rampant. The unemployment rate is rapidly increasing and small businesses may not survive the loss of revenues during this pandemic, resulting in a decline of future job availability.

Women with children are one of the most vulnerable populations impacted by this pandemic, as they often bear the primary responsibility for their children and are overrepresented in low-wage jobs. In 2018, about 72% of U.S. women with children under age 18 were in the labor force.¹

Single mothers were more likely than married mothers to be in the labor force, but they were also more likely to be in poverty.² Occupations that are predominantly held

by women include secretaries, childcare workers, receptionists, nurses, cashiers, and maids and housekeeping cleaners;³ the median annual income of these jobs is lower than the population-wide U.S. median annual income.⁴ Poverty negatively impacts child outcomes, and contributes to income and health disparities in adulthood.⁵ Moreover, minority women disproportionately work in lower-paid jobs,⁶ contributing to further inequities for minority children.

The public health measures enacted to prevent the spread of Covid-19 have unintended, disparate consequences on women with children. More than 30 states have implemented statewide or locally issued shelter-in-place or stay-at-home orders. These orders generally close nonessential business operations, restrict movements, and limit personal interactions to slow the spread of Covid-19.

Although the definition of an “essential business” varies slightly between different government authorities,⁷ stay-at-home measures profoundly affect all residents and the economy—and negatively impact low-income working mothers the most. As noted, women comprise a significant portion of the workforce in industries that are now deemed essential services, including health care and essential retail (such as grocery stores, some big box retailers, restaurants, and laundry services). These women can,



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and most are required to, continue working. The vast majority cannot work remotely, which immediately poses a conflict with their childcare responsibilities, if they have children. Prior to Covid-19, many working mothers were already the primary caregiver for their children. Now millions of children are at home all day, and working mothers are faced with balancing their children's distance learning requirements, new childcare needs for their school-age children, and working in a low-wage job that is now deemed essential, while worried about becoming ill.

Although many of these mothers may continue to have the same income, their household expenses have likely increased, leading to an overall net decline in available income for living expenses. Many other mothers will experience a prolonged loss of income and may have difficulty finding employment within the new reduced labor market. For example, in Harris County, many nonessential businesses are customer-facing, brick and mortar retail establishments, personal service-based businesses, and operations in the hospitality industry.⁸ These businesses will remain closed during the stay-at-home period and may have difficulty reopening once the restrictions are lifted.

THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT (FFCRA)

The FFCRA⁹ —the second of three recently passed coronavirus relief packages—was designed to mitigate the economic impact of Covid-19 on families. FFCRA was signed into law on March 18, 2020. Among the various issues addressed by the FFCRA, three provisions stand out as the most relevant to low-income women with children.

First, Division C of the FFCRA expands the Family and Medical Leave Act (FMLA) and provides up to 12 weeks of leave at two-thirds of pay if an employee is absent from work to care for a child whose usual childcare facility has closed due to the Covid-19 outbreak.

Second, Division E of the FFCRA establishes the Emergency Paid Sick Leave Act, which grants employees up to two weeks of sick leave at two-thirds of pay due to Covid-19 related illness of self or family.

Finally, the FFCRA authorizes an additional \$500 million to the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) to provide food access to low-income pregnant women or mothers (with young children) who lose their jobs due to Covid-19.¹⁰ This brief discusses whether low-income mothers will benefit from FFCRA as intended and examines important considerations for protecting the development of young children during this pandemic.

FAMILY MEDICAL LEAVE ACT REVISIONS

The expanded FMLA provisions may not benefit all working women, particularly in low-wage industries where a one-third cut in pay could significantly hinder the ability to pay rent or buy food for the family. Moreover, long-term temporary employees and contract-to-hire employees are not eligible for FMLA protections, nor are employees who work at companies that have more than 500 employees. For instance, employees who work at large chain grocery stores likely would not be eligible, as most grocery stores have more than 500 employees.¹¹ The result is that these workers cannot take extended leave, as their employer remains open to the public. However, women bear the brunt of that burden. Moreover, the low-wage women whose school-age children are not in school—or whose day care facility is closed or whose family childcare arrangements are no longer feasible due to fear of spreading Covid-19 to high-risk relatives—are struggling. Yet they are unable to take advantage of this FMLA revision. Overall, some estimate that only 12% of workers in essential operations will benefit from this legislation.¹²

EMERGENCY PAID SICK LEAVE ACT

An unfortunate reality is that many low-income mothers receive limited paid leave benefits through work. The most recent federal-level statistics show that lower-wage workers are less likely than higher-wage workers to have paid sick leave and paid family leave benefits. For the lowest 10% of wage earners, 31% have paid sick leave benefits, compared with 92% of the highest 10% earning group. Furthermore, 4% of workers in the lowest 10% income group and 31% in the top 10% income group have paid family leave benefits. The industries least likely to offer paid leave benefits—hospitality, hotels and food services, retail, and cleaning services—are consistent with industries that disproportionately employ low-income women.¹³

The FFCRA could have greatly benefitted low-income working mothers, for it was intended to cover two weeks of paid sick leave to employees who become ill due to Covid-19. Paid sick leave is important: it keeps employees from going to work sick in order to sustain their income. However, as described above, the FFCRA is limited to employers who have fewer than 500 employees, thereby excluding many of the industries that hire low-wage workers, such as grocery stores and hospitals, which are essential services during a pandemic. Essential workers who cannot self-isolate have a higher risk of exposure to Covid-19 and are more likely to get sick than those who are able to adhere to social distancing and stay-at-home guidelines. Thus, the intended purpose of preventing employees from having to make the choice of coming to work sick or feeding their family is not met for many low-wage workers, with single mothers the most negatively impacted.

Besides working at low-wage and thin-benefit jobs, women usually shoulder most domestic responsibilities. Based on state-level data in California, which has had the longest running state-mandated paid family and medical leave programs since 2004, women are consistently twice as likely as

men to be the caregiver in paid leave cases that do not involve childbirth.¹⁴ In addition, survey data shows that in over 75% of U.S. families, mothers are in charge of their children's health care decisions, including taking children to a doctor and ensuring they receive doctor recommended care.¹⁵ For working parents, mothers are over 10 times more likely than fathers to stay at home and care for sick children (39% vs. 3%).¹⁶ Among mothers who missed work to care for sick children, 60% did not get paid.¹⁷ As noted, the burden is especially high for low-income working mothers, who not only have limited workplace benefits, but also fewer childcare options and financial resources. Thus, the population most in need of paid sick leave during a pandemic is the one least likely to be able to take advantage of this benefit because of employer exclusions.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

Lastly, the FFCRA authorizes additional funds to the WIC program for pregnant women and mothers who meet certain income thresholds, and who experience job losses or are laid off due to the Covid-19 outbreak. Research demonstrates that WIC is one of the most successful and cost-effective nutrition intervention programs in the United States.¹⁸ Among 6.87 million WIC beneficiaries in FY2018, 51% were children younger than six, 24% were infants, and 24% were pregnant women or new mothers. The average monthly food cost for each participant was \$41,¹⁹ in part due to the infant formula rebate program.²⁰

Despite the intention of FFCRA to increase the availability of nutritional food for young children during the Covid-19 pandemic, access to services may be limited by the closure of local WIC agencies, including those in Texas.²¹ However, additional FFCRA provisions may help WIC offices increase access to benefits without requiring participants to visit a physical location; this may reduce barriers to access.²² Still, outside of the infant formula

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rebate program, existing monthly WIC benefits are modest and unlikely to make a significant difference in the ability of low-income mothers to feed their children. Therefore, the impact of the additional federal funds to WIC is likely limited.

IMPACT ON YOUNG CHILDREN

Unfortunately, FFCRA will not mitigate the impact of the Covid-19 outbreak on many low-income mothers, and their young children are the unseen population most affected by the failure of this bill to reduce parental strain. Low-income parents are more likely than higher income parents to experience an increase in parental stress and depression during natural disasters.²³ The Covid-19 pandemic meets the definition of a disaster, i.e., “a serious disruption of the functioning of a community or a society, leading to one or more of the following: human, material, economic, and environmental losses and impacts.”²⁴ Young children are the most vulnerable in disasters because they are completely dependent on adults for their emotional, physical, mental, and developmental growth. Stress and depression can impede parents from interacting with their children in ways that support that growth and in extreme cases can lead to child maltreatment.²⁵

Parent-child interactions are extremely important for child development, especially from birth to age 4 when the brain is developing at an incredibly rapid rate.²⁶ Young children require lots of warm, loving interactions with caregivers.²⁷ These positive interactions drive optimal brain development, and a paucity of such interactions drive suboptimal brain development.²⁸ Suboptimal brain development can lead to learning disabilities, behavioral challenges, and impaired socio-emotional development.²⁹ Additionally, trauma and child abuse or neglect can irreversibly alter an already fragile brain architecture, causing life-long ramifications.^{30,31} The media has already reported cases of parental stress-related

child abuse and/or deaths during this pandemic,³² and with increased social isolation and decreased access to sources of support that reduce stress, the incidence of child maltreatment during the Covid-19 pandemic will likely be substantial.

Financial strain is correlated with parental stress,³³ particularly for low-income parents; 31.2% of parents earning 200% or below of the federal poverty level report they usually or always feel stressed, compared to only 6.9% of parents who earn 400% or more of the federal poverty level.³⁴ Therefore, legislation to reduce the financial impact of Covid-19 becomes very important to the lives of young children because it can reduce parental stress, thereby reducing the risk of adverse parent-child interactions. This is increasingly significant while stay-at-home orders are in place, as young children are home for extended periods of time while low-income mothers cope with the challenges described above. For many, childcare facilities will not be a reliable option as they often operate with very small profit margins, and despite being an essential service, many may be unable to stay open as better-resourced parents remove their children from day care.

Thus far, none of the congressional legislation has provided adequate support for low-income mothers. This failure will not only have a financial consequence for low-income mothers, but also a long-term impact on their children.

The \$2 trillion stimulus package expands unemployment insurance by \$600 per week for an additional four months and provides one-time checks of \$1,200 to Americans with incomes up to \$75,000 (for individuals) and \$150,000 (for married couples), subject to phase-outs. An additional \$500 per child benefit is also included as a one-time payment.³⁵ The stimulus package will provide a much-needed cash injection to low- to moderate- households and benefit low-income mothers with young children, but will only offer temporary relief.

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LEGISLATION NEEDED TO ENSURE AN EQUITABLE FUTURE FOR LOW-INCOME CHILDREN

In the next coronavirus-related bill, Congress must consider the disparate impact of Covid-19 legislation on low-income mothers with young children. Gaps in FMLA and sick leave provisions should be closed. In addition, childcare centers should receive additional financial support so they can keep their doors open—and be a resource for essential workers and parents who need to alleviate their stress and create space between them and their children. Finally, specific funding for evidence-based programs that provide parenting support, such as nurse family partnership,³⁶ will allow organizations to convert to virtual platforms so that mothers can still access their services. Without intentional, directed efforts to alleviate the strains of the Covid-19 pandemic on low-income women with young children, the fallout will be seen in 10 years when these children are in elementary school or entering middle school: our country will experience a surge of students with academic, behavioral and emotional challenges as result of the unaddressed trauma that occurred during this time. Covid-19 will likely impact the U.S. economy for many months to come, but the impediments to the development of young children will be seen for decades if we do not respond to their needs now.

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This issue brief is the first of four on the health impact of Covid-19 related policies on families.

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