Latinos Face Disproportionate Health and Economic Impacts From COVID-19

By Ryan Zamarripa and Lorena Roque | March 5, 2021

The COVID-19 pandemic and resulting recession have wreaked havoc on the United States’ Latino community. Due to Latino workers being overrepresented in industries that have been hit hardest by the pandemic, Latinos have faced large losses in employment, particularly among Latinas in the service industry.¹ Hispanics and Latinos are 1.7 times more likely to contract COVID-19 than their non-Hispanic white counterparts, as well as 4.1 times more likely to be hospitalized from COVID-19 and 2.8 times more likely to die from COVID-19.² Hispanics or Latinos, along with other communities of color, have also been disproportionately harmed by the economic fallout: They accounted for 23 percent of the initial job loss due to the pandemic while making up only 16 percent of the civilian noninstitutional population—those 16 years and older who are not incarcerated or serving in the armed forces. Hispanic or Latina women have also seen disproportionate economic impacts. Women accounted for 100 percent of U.S. job losses in December, with Hispanic or Latina women alone accounting for 45 percent of that job loss.³

Notably, Black and Latino Americans are being hit hardest by this economic crisis because of the structural and institutional racism that preceded it. The U.S. Bureau of Labor Statistics’ January 2021 Employment Situation Summary confirms that nine months after the labor market bottomed out, Black and Hispanic or Latino Americans still represented the higher share of job losses with unemployment rates of 9.2 percent and 8.6 percent, respectively, compared with 5.7 percent for their white counterparts.⁴ More so, the Latino employment level is still 7.2 percent below its pre-pandemic mark—comparable to the 7 percent deficit for Black Americans but notably below the 5.2 percent drop experienced by their white counterparts. While racial and ethnic wealth and earnings gaps existed prior to the pandemic, the fact that job losses have fallen disproportionately on communities of color means that these gaps have widened massively. For Latinos and other communities of color, returning to normalcy in a timely fashion is crucial, as occupational segregation and systemic racism have led them to have relatively lower levels of wealth and earnings than non-Hispanic whites.⁵ As President Joe Biden and Congress continue to negotiate the terms of the $1.9 trillion stimulus package—known as the American Rescue Plan—they must include measures that provide relief to the hardest-hit communities in the country, includ-
ing a more equitable vaccine rollout, support for struggling renters and homeowners, extended unemployment benefits, an increased minimum wage, an expanded child tax credit (CTC), and support for undocumented immigrants.

How the COVID-19 pandemic has affected Latino employment, earnings, and economic security

The economic shock caused by the COVID-19 pandemic has rocked labor markets, and the industries that are most reliant on consumer spending have felt its effects most acutely. Between February 1, 2020, and April 1, 2020, consumer spending dropped by 30 percent overall. As bleak as this figure is, it masks even larger drop-offs in specific sectors. During the same time period, consumer spending on entertainment and recreation decreased by 69 percent, and spending on restaurants and hotels dropped by 68 percent. On January 1, 2021, overall U.S. consumer spending was still 5 percent below its February 1, 2020, level, an enormous drop by any measure. Yet this drop is eclipsed by the drops in spending on entertainment and recreation and spending on restaurants and hotels, which were down 53 percent and 38 percent, respectively, as of January 1, 2021, compared with February 1, 2020.

The stunted recovery in these industries poses a serious problem for Latino workers, who tend to be overrepresented in the jobs that support them. In 2019, the latest year for which detailed occupational data by race and ethnicity are available, 9 percent of all Hispanic or Latino workers were employed in food preparation and serving-related occupations, compared with just 6 percent of the overall workforce. Likewise, 9 percent of all Hispanic or Latino workers were employed in building and grounds cleaning and
maintenance occupations, compared with just 3 percent of the total workforce. Latinas alone make up 1 in 10 workers in the leisure and hospitality industry.

More granular employment data on the racial and ethnic breakdown of occupational categories reveal that Latino workers not only disproportionately work in the most heavily affected sectors, but also that they are less likely to hold managerial positions. This means that they often work for very low wages with little job stability and few benefits. For example, Hispanics or Latinos represent 18 percent of the overall workforce and account for 27 percent of total food preparation and serving-related occupations. They represent 37 percent of cooks, yet are underrepresented in food service manager positions, representing just less than 20 percent of these roles. The situation for Latina workers is even bleaker, as they tend to be even more overrepresented in these employment categories than male Latino workers and are subjected to the intersection of gender and ethnic discrimination.

Effects of COVID-19 on Latino employment

These disparities can be clearly seen in recent employment data. The initial employment shock from the COVID-19 pandemic led to an increase in the Hispanic or Latino seasonally adjusted unemployment rate—from 4 percent in February 2020 to 18.1 percent in April 2020, a 14.2 percentage-point jump. White Americans experienced a 10.8 percentage-point increase in unemployment. Black Americans experienced a similar 10.9 percentage-point increase over this period, but like Hispanics, they have not experienced the employment rebound that white Americans have. In January 2021, the Hispanic unemployment rate was still 4.2 percentage points higher than it was in February 2020, while for Black workers, it was a comparable 3.6 percentage points higher. White workers, on the other hand, experienced a much quicker rebound, as their unemployment rate was just 2.5 percentage points above its pre-pandemic level.

The uniquely high increase in the Latino unemployment rate has been accompanied by an equally pernicious decrease in the community’s labor force participation rate. At the onset of the recession in April 2020, the labor force participation rate dropped by 4.7 percentage points for Hispanics and 4.4 percentage points for Black Americans, while white Americans saw a relatively lower decrease of 2.7 percentage points. As of January 2021, the Hispanic labor force participation rate was still 3.3 percentage points below its February 2020 level. Alarmingly, Hispanic women workers experienced an even more precipitous drop in their labor force participation rate; the rate for Hispanic women dropped by 5.4 percentage points between February 2020 and April 2020—nearly twice the drop experienced by white women over the same period. At the beginning of 2021, the 4.1 percentage-point decrease in the Hispanic women labor force participation rate relative to February 2020 was still the highest among all racial/ethnic and gender categories.
Latina workers have seen the worst employment data of any racial/ethnic and gender group during the coronavirus-induced recession. Hispanic or Latina women have seen the highest unemployment rate of any group—20.1 percent in April 2020. And as of January 2021, more than 1 million fewer Hispanic or Latina women were employed compared with pre-pandemic levels. Throughout the recession, Hispanic or Latina women’s unemployment rate has been consistently higher than that of Hispanic or Latino men. While Hispanic or Latina women workers have seen devastating job losses due to overrepresentation in the hardest-hit industries, they are also leaving the labor force at greater rates than Hispanic or Latino men because they have shouldered more of the increased caregiving responsibilities during the pandemic. As of January 2021, there were 633,000 fewer Hispanic or Latina women in the labor force than in February 2019, compared with 241,000 fewer Hispanic or Latino men.

The effects of COVID-19 on Latino earnings and economic security

These labor market disparities have affected Latinos’ earnings. Between Q4 2019 and Q4 2020, full-time Hispanic or Latino workers saw their median weekly earnings increase at a rate of 2.9 percent, slower than that of workers overall. Given that full-time Hispanic or Latino workers earned just $742 per week in Q4 2020—comparable to the $791 per week earned by their Black counterparts but far below the $1,007 per week earned by their white counterparts—the pandemic and recession are exacerbating the already wide income and wealth inequalities that exist across ethnic and racial lines in the United States. The gender wage gap compounds this issue for Latina workers; in 2019, Latinas who were employed full time, year-round earned $36,110 annually—just 55 cents for every dollar earned by white, non-Hispanic men.
Weakened earnings and higher part-time employment have likewise harmed Latinos’ ability to feed themselves and their families. For Latina mothers—41.4 percent of whom were the primary or sole breadwinners for their families in 2018—the disproportionate job losses and lower earnings have harmed their ability to pay for basic necessities for their families.\(^{26}\) Prior to the COVID-19 pandemic, 13 percent of Hispanic or Latino households that responded to the U.S. Census Bureau’s Household Pulse Survey expressed that they sometimes or often did not have enough to eat in the previous seven days, compared with just 5 percent of non-Hispanic white households.\(^{27}\) And during the week of April 23, 2020, Hispanics or Latinos reported the largest increase in food insufficiency at 2.7 percentage points above their pre-pandemic level. For non-Hispanic white households, food insufficiency increased by 2.1 percentage points.\(^{28}\) As of the week of January 6, 2021, food insufficiency had grown significantly worse in the Hispanic or Latino community, with an 8.1 percentage-point increase above pre-pandemic levels. In comparison, the increase for non-Hispanic white households over the same time period was 0.9 percentage points.\(^{29}\) At the same time, Black Americans experienced consistently high levels of food insufficiency both before and during the pandemic, with insufficiency levels rising slightly from 18 percent prior to the onset of the pandemic to 19 percent during the week of January 6, 2021.

Housing too has become more unaffordable for Hispanic or Latino families. Early in the pandemic, during the week of April 23, 2020, 40 percent of Hispanic or Latino renter households expressed slight to no confidence in being able to make next month’s rent payment. Among Black households, that figure was also a startling 40 percent, while it was only 19 percent among non-Hispanic white households.\(^{30}\) During the week of January 6, 2021, Hispanic or Latino renters had not recovered any certainty in their ability to make next month’s rent, and more Black households had actually become uncertain.\(^{31}\) And because renters of color are subject to higher rates and threats of eviction than white renters, they are more likely to experience homelessness than their white counterparts.\(^{32}\)

How the federal relief package can provide solutions

Given the unique nature of the pandemic and the resulting recession, the upcoming relief package needs to address several key issues in order to ensure that all communities—especially communities of color, which are most at risk—experience as little harm as possible going forward.

Prioritize a more equitable vaccine rollout
For starters, a more equitable rollout of the various COVID-19 vaccines will ensure that infection, hospitalization, and death rates do not remain disproportionate—or become more so—among the Latino community. According to data collected in the month following December 14, 2020, by the U.S. Centers for Disease Control and Prevention, Hispanics or Latinos accounted for only 11.5 percent of those who had...
received at least one vaccine dose, despite 53 percent of Hispanics or Latinos being high-proximity workers who must work in person and in close contact with others—the highest rate of any racial or ethnic category. Moreover, 31 percent of Hispanics or Latinos are essential workers. Hispanic households also make up 18 percent of multigenerational U.S. households with high-proximity workers despite representing only 13 percent of such households overall. Given these circumstances, a more equitable vaccine rollout is essential to mitigating harm to Latino families, and governments at all levels should increase outreach to historically hard-to-reach communities, such as those with limited English proficiency, about the availability and safety of the vaccine.

Provide support for struggling renters and homeowners
The American Rescue Plan should include critical support for renters and homeowners on the brink of eviction and foreclosure. Given Latinos’ current heightened volatility in employment and earnings, they are particularly at risk of being unable to meet future rent or mortgage payments. Moreover, Hispanic households are far likelier to be overcrowded—meaning that they contain more than one person per room—than households of any other racial or ethnic group. This means that relying on family or friends for temporary housing in times of need is particularly dangerous for Latino families because it is difficult for them to social distance and isolate if a household member is sick. As such, Congress should expand and extend the federal moratoria on evictions and foreclosures as well as significantly extend financial aid to renters and small landlords throughout the recovery. Without such help, Latino families will be at even higher risk of homelessness and exposure to COVID-19 than they already are.

Extend federal unemployment benefits
It will also be necessary to extend federal unemployment benefits through Pandemic Unemployment Assistance, which makes unemployment insurance available to self-employed workers, independent contractors, and part-time workers; through Pandemic Emergency Unemployment Compensation, which extends the duration that an unemployed worker is eligible for assistance; and through Federal Pandemic Unemployment Compensation, which provides weekly payments of $400 to unemployed workers on top of state unemployment benefits. The Congressional Budget Office has reported that without additional relief, labor market conditions will not return to normal until 2024. Given just how badly workers of color have been affected by the coronavirus-induced recession, these unemployment benefits should be extended to at least the end of 2021 and potentially beyond.

Take action to ensure economic equity
Immediate congressional action is necessary to prevent more widespread suffering and economic damage in the Latino community and other vulnerable communities. But in order to ensure that the economic recovery is equitable, the Biden administration should work toward longer-term solutions as well. For starters, it should increase the federal hourly minimum wage to $15 per hour, since Latino workers are more likely to work in the service sector and hold low-wage jobs. It should also eliminate the tipped
minimum wage, as Latino workers make up only 17 percent of the overall labor force but 24 percent of key tipped industry employees. Likewise, the Biden administration should strengthen workers’ right to organize, ensure that health care is affordable for all, and promote universal retirement savings plans.

In the next COVID-19 relief bill, Congress should reinstate and expand emergency paid leave in order to guarantee that all workers have access to it throughout the pandemic. The bill should also increase relief funding for the child care industry to $50 billion. Both emergency paid leave and child care are critical to supporting mothers, including Latinas, who have heightened caregiving responsibilities because of the pandemic. In addition, Congress should help those who are struggling to shore up finances by expanding the CTC to $3,000 per child, raising the maximum qualifying age to 17, and making the credit fully refundable. Congress should likewise boost the earned income tax credit (EITC) so that those who are employed but still struggling receive additional financial support. Given that more than 1 in 4 children in the United States are Hispanic, that Hispanics are more likely to work part time, and that Hispanics’ weekly earnings—particularly those of Hispanic women—are among the lowest of all racial/ethnic groups, expanding the CTC and EITC is critical to keeping Hispanic families, along with other at-risk families, out of poverty amid weak labor market conditions.

Provide support for undocumented immigrants and DACA recipients

Finally, Congress should ensure that undocumented immigrants—the vast majority of whom are Latino—are included in future relief measures and are granted a pathway to legal citizenship. Unfortunately, the expanded unemployment benefits included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act were not available to undocumented workers, regardless of tax-paying status. Likewise, the direct relief payments provided by the federal government—of up to $1,200 in May and $600 in December—were not available to taxpayers who filed their taxes using individual tax identification numbers (ITINs), which undocumented workers often use.

This oversight meant that some 5.1 million children—the vast majority of whom are American citizens—were left out, as were the more than 200,000 essential critical infrastructure workers who are Deferred Action for Childhood Arrivals (DACA) recipients. Scapping the ITIN requirement would not only aid some of the most vulnerable workers but would also provide ample income to small businesses that have seen their revenues drop as a result of depressed consumer spending. Moreover, President Biden’s forthcoming economic recovery and jobs package should build upon provisions contained in the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act—which twice passed the Democratic-controlled U.S. House of Representatives in 2020—to provide permanent protection and a pathway to citizenship for undocumented essential workers and their families, Dreamers, and Temporary Protected Status holders. Such a program would stimulate the economy, create jobs, and raise the average wages of all Americans, as well as strengthen worker power and help advance racial equity in the recovery.
Conclusion

It is hard to say with certainty when the economy will regain a sense of normalcy. This means that workers—especially Latino workers and other workers of color—will continue to face obstacles to maintaining both physical and financial security. Since Latinos have been disproportionately negatively affected in the U.S. labor market with respect to earnings, as well as in terms of COVID-19 deaths, it is imperative that lawmakers take into consideration the needs of the Latino community and what must be done to ensure that Latinos are provided the help they need.

As Congress continues to negotiate the terms of the next COVID-19 relief bill, it should make sure to provide relief to the most at-risk workers and people in the country. A more equitable vaccine rollout, expanded and extended unemployment benefits, boosts to the CTC and EITC, expanded rental assistance, and protections against evictions and foreclosures would go far toward protecting vulnerable Latino households, as would ensuring that undocumented workers are able to benefit from any future relief. As the country learned in the aftermath of the Great Recession, the costs of doing too little far outweigh the costs of not doing enough. Latino families need help, and Congress and President Biden must act quickly to minimize harm.

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Endnotes


4 Ibid.


7 Ibid.

8 Ibid.


10 Ibid.


15 Ibid.

16 Ibid.

17 Ibid.

18 Ibid.

19 Boesch and Phadke, “When Women Lose All the Jobs.”


21 Ibid.


23 Ibid.

24 Ibid.


29 Ibid.


31 Ibid.


34 Whitney Airgood-Obrycki, “High-Proximity Jobs and Household Vulnerabilities,” Joint Center for Housing Stud-

35 Ibid.


40 Key tipped industries include other amusement, gambling, and recreation industries; traveler accommodation; restaurants and other food services; drinking places, alcoholic beverages; barber shops; beauty salons; nail salons and other personal care services.

41 Boesch and Phadke, “When Women Lose All the Jobs.”


