

Working Families' Experiences of the Enduring COVID Crisis: Snapshot from Midsummer

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This brief offers an updated snapshot into how working families are faring as the COVID-19 crisis endures. It also provides recommended actions for policymakers to take in order to keep struggling families afloat.

Introduction

As the COVID-19 crisis continues, policymakers, researchers, and the public need information about how families are faring. Alongside health consequences of the pandemic, families are also facing economic uncertainty. Particularly as federal government-provided stimulus fades, it is important to understand the effectiveness of the initial stimulus in stabilizing income and supporting family well-being. As those programs come to an end, it is also important to understand how long-standing safety net programs are filling the gap.

Data

Our data come from an ongoing study of over 1,000 service workers with young children in a large U.S. city. In the summer and fall of 2019, we recruited participants by visiting randomly selected retail, food service, and hotel establishments at randomly assigned times, and enrolling any parents of young children who were at work there. Because hourly service workers often change jobs, the sample now works across service industries including retail, food service, hotels, house cleaning, delivery, and home health care. Daily survey data were gathered from a subsample of 690 workers between February 20 and March 24, 2020. This subsample was contacted for a one-time survey about the effects of the crisis between May 18th and June 30th (614 respondents participated, an 80 percent response rate among the subsample contacted).

Key Takeaways:

- Economic instability remains high among hourly service workers — from both job and household income loss.
- Food insecurity has increased significantly among working families.
- Safety net programs can help families maintain their incomes and reduce food insecurity, however benefits are not reaching everyone.
- Keeping vulnerable families afloat during the pandemic will require policymakers extending benefit programs such as Pandemic Unemployment Compensation (PUC) and reducing administrative barriers to accessing government social safety net programs.

Results

Economic Instability Remains High

Unemployment. Unemployment rates remain high, falling little since we last surveyed workers in March. At that time, 41 percent of our sample reported being permanently or temporarily laid off. By May-June, despite some encouraging signs in the economy, 35 percent of the sample reported being laid off. Roughly another quarter of the sample reported that they were still employed but were working fewer hours than before the pandemic.

Income loss. Unsurprisingly, nearly two-thirds of respondents (65 percent) reported a drop in household pay from wages; layoffs, hours reductions, lower tips, and family member unemployment all led to lower total wage income in May-June than before the pandemic began. In most cases, this drop in pay translated to a drop in household income: about half of our sample (48 percent) reported lower total income since the start of the pandemic.

Food insecurity. Nearly half of all families were struggling with food insecurity in May-June, with 42 percent indicating that they had worried about food running out in the last month and 30 percent indicating they actually had run out of food in the last month and had not had money to buy more. As shown in Figure 1, this represents a significant increase in food insecurity since February.

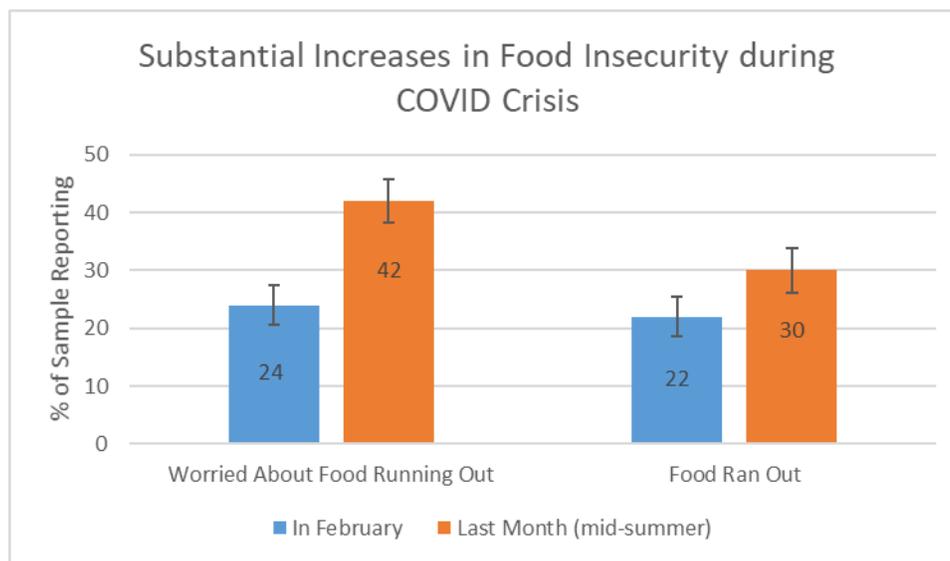


Figure 1

In response, many families turned to safety net programs and other sources to supplement their food budgets. Since the pandemic began, 18 percent of our sample applied for the Supplemental Nutrition Assistance Program (SNAP) – another 45 percent of our sample already received SNAP. Many families actively sought out food support in other ways as well: approximately two in five respondents reported they had either picked up grab-and-go meals at a school or gone to a food bank or pantry.

Policy Supports Can Help but Aren't Reaching Everyone

Social safety net programs that support family income have helped those who have received benefits. These include temporary programs enacted in response to the pandemic, like Pandemic Unemployment Compensation and federal stimulus payments, and well-established programs like Unemployment Insurance (UI), Temporary Assistance for Needy Families (TANF), and SNAP. Programs can be designed to have enrollment requirements (UI, TANF, and SNAP), or to be automatic based on eligibility (federal stimulus payments). Program design and eligibility requirements significantly impact access to benefits.

Unemployment Insurance made a significant difference for families receiving it: laid-off workers receiving UI were only about half as likely to report a drop in income since the pandemic started as laid-off workers not receiving UI (Figure 2). However, not all workers who were eligible received UI. Only about half (52 percent) of laid-off respondents reported receiving UI, and fewer than half (43 percent) reported receiving both basic UI and PUC. Workers with higher levels of education were slightly more likely to receive UI; Hispanic workers were less likely to believe they were eligible for UI and, therefore, had lower application rates; Black workers were less likely, conditional on being approved for UI, to actually have received payment.

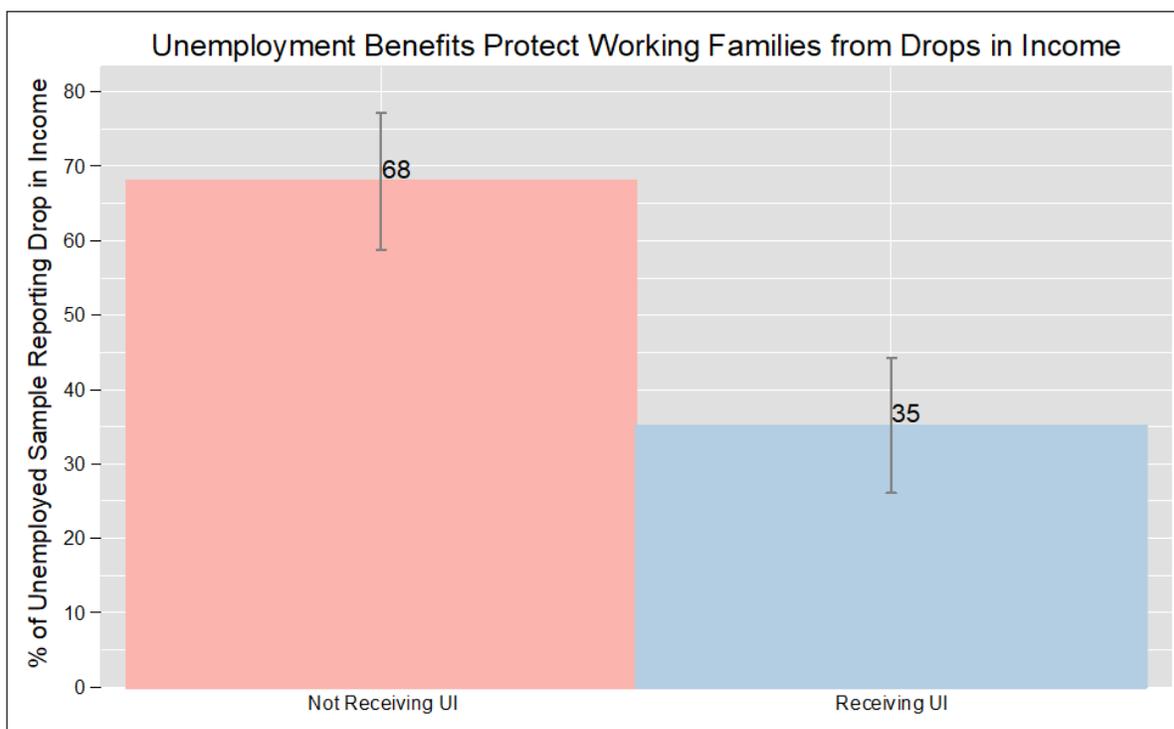


Figure 2

The majority of our sample (80 percent) received a federal government stimulus payment, and among those, 80 percent received the extra child stimulus payment, meaning 64 percent of our sample overall received the full federal stimulus for which nearly all should have been eligible.¹

¹ Some of our respondents have only partial child custody and others live in undocumented or mixed-status families, rendering them ineligible for full stimulus; however, these characteristics cannot fully explain non-receipt.

Stimulus payments did help families who received them stay afloat: respondents who received a stimulus payment were less likely to report a drop in household income (45 percent) than respondents who did not receive a stimulus payment (61 percent). Hispanic respondents, as well as respondents reporting a race or ethnicity other than white, Black, or Hispanic, were less likely to receive a stimulus payment.

Nonetheless, due to its lack of enrollment requirements, the stimulus did reach more of our recipients than did other supports. By contrast, traditional safety net programs that provide cash are typically designed to be difficult for families to access, and our data document that this difficulty continues during the pandemic. In the wake of the crisis, seven percent of our sample applied for TANF, the major traditional cash assistance program. This reflects a doubling of the number of people trying to access TANF, as only seven percent of households in our sample had any TANF receipt prior to the pandemic, a figure which itself underscores the challenges in accessing the program. However, the vast majority of the new TANF applicants have not received any benefits. Without major changes to the program, TANF is unlikely to fill in gaps for families.

Finally, despite the need and desire for help obtaining food, nutrition assistance did not reach all families. Nearly half of new SNAP applicants (45 percent), as well as approximately 70 percent of new WIC applicants, have not yet been successful in accessing benefits. Of those families receiving SNAP, over one-third (35 percent) did not receive expanded SNAP benefits for which they were eligible. In addition, all families with school-aged children were supposed to receive a one-time \$365 per student lump-sum transfer to replace missed school meals, but nearly three-fourths of eligible families (about two-thirds of our sample) had not yet received such a transfer. Private sources of nutrition assistance were not able to fill in the gaps: of the quarter of our sample who visited a food bank or pantry since the pandemic began, less than half (44 percent) were always able to access food on their visits.

The Pandemic is Taking a Toll on Parents' and Children's Mental Health

Given drops in income, increases in food insecurity, and uncertain access to public benefits, it is not surprising the pandemic is taking a toll on parents' mental health. Nearly half (48 percent) of our sample were either depressed (14 percent), anxious (11 percent), or both anxious and depressed (23 percent). Children are also affected: 7 percent of children appeared sad or worried the majority of the time, and 16 percent of children were uncooperative the majority of the time, representing marked levels of distressed behavior.

Conclusion

We find that working families continued to struggle to meet basic needs this summer. Social safety net programs are meant to help keep these families afloat; however, how programs are designed significantly impacts their effectiveness at helping families. When safety net programs can successfully be accessed, benefits are helping families maintain their incomes and reduce food insecurity through layoffs and reductions in work hours. To continue to help vulnerable workers and their families, policymakers can extend pandemic-specific benefit programs such as PUC, as well as increase the generosity of programs such as SNAP, which a majority of the families in our sample use. We note that, while thinking about how to get Americans back to work, policymakers need to consider that many Americans currently employed are working fewer hours and therefore earning less than they were previously. While individuals still unemployed need assistance, so do those Americans who are returning to work but at lower pay.

At the same time, policymakers need to reduce barriers to accessing government social safety net programs. Although these programs are helping those families who are able to access them, many of our respondents report not receiving benefits for which they have applied and are deemed eligible. Even benefits without application processes that are designed to be universal are not being received by all families. Reducing administrative barriers to programs meant to help children and families will help support families through this pandemic.

Acknowledgements

Support for this research was provided by the Eunice Kennedy Shriver National Institute of Child Health and Human Development, National Institutes of Health (Grant #1R21HD100893-01), the National Science Foundation (Award # SES-1921190), the Russell Sage Foundation (Grant #1811-10382) and Washington Center for Equitable Growth. Outstanding research assistance was provided by John Fitz-Henley II and Ying-Chun Lin. Excellent project support was provided by Jennifer Copeland.