

# DEVASTATING IMPACT OF COVID CRISIS ON WORKING FAMILIES



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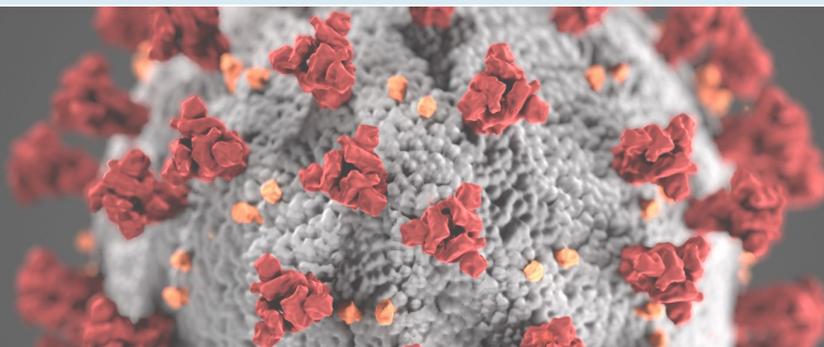
## Overview

The outbreak of the novel Coronavirus has profoundly affected many American families. We use real-time data and find that Coronavirus has already led to drastic reductions in work hours, income and family well-being.

Our results come from surveys we gathered from hourly service workers with a young child in a large U.S. city that has had a typical progression of the crisis: it closed schools and nonessential businesses early in the week of March 16, and it had several hundred confirmed COVID-19 cases as of March 25.

This brief provides an overview of **4** key ways in which COVID-19 has impacted working families, as drawn from our study's survey analysis.

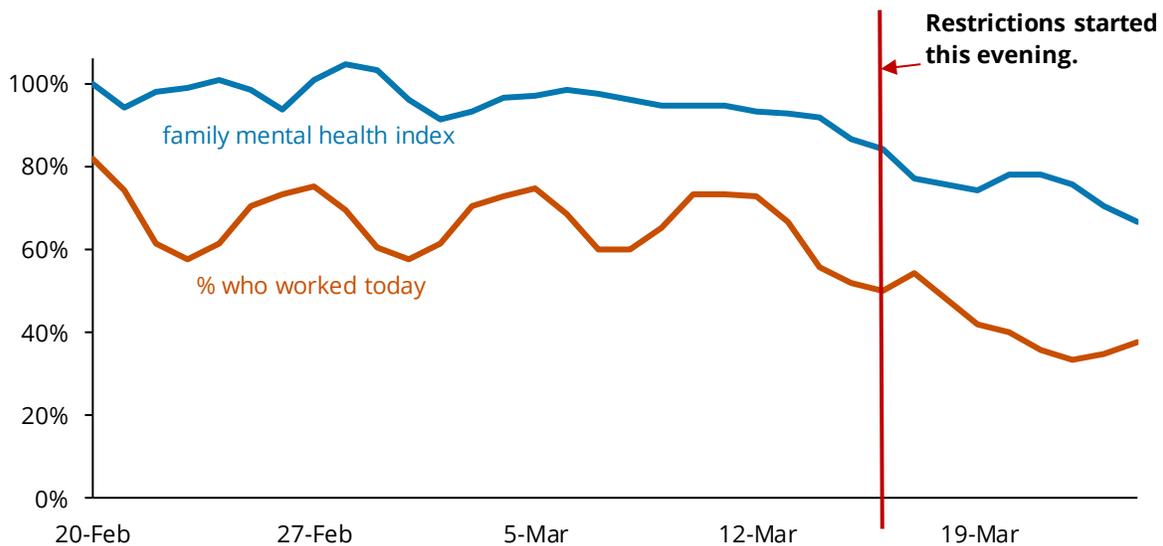
- 1. Drastic Reductions in Work Hours and Increase in Job Loss**
- 2. Harmed Well-Being of Both Parents and Their Children**
- 3. Policy Supports Not Reaching Families**
- 4. Employer-Provided Benefits Reaching Some Families**



## 1 This Outbreak Has Led to Drastic Reductions in Work Hours and Increase in Job Loss

Work hours fell precipitously the week of March 16 among parents who hold hourly service jobs, and the majority of families experienced a layoff. On a typical day, 67% of these parents work a shift. Over the 8-day period from March 16 to March 24, that fell to 41% (See Figure 1).

Figure 1: COVID's Day-by-Day Effects on Working Families



Moreover, as of March 25, 21% of our sample reported being permanently laid off and another 20% temporarily laid off. **A majority, 55%, reported that someone in the household had been laid off.** Of those who retained employment, over half, 51%, saw their hours reduced.

## 2 The Well-Being of Both Parents and Their Children Has Been Harmed

The share of parents who felt anxious or depressed *all day* rose from 6% over the first month of our study to 10% between March 16 and March 24, a **67% increase in severe mental health symptoms**. Children, too, felt worse; the share exhibiting what developmental psychologists call externalizing behaviors, a measure of child mental health, increased from 14% to 20%, a 42% increase. Our family mental health index, a composite of parent and child measures, fell by 2 standard deviations.

## 3

## Policy Supports are Not Reaching Families

The federal government, states, and localities have quickly sought to address families' needs, but we find a gap between announced policies and what families are actually getting on the ground. **Very few families are accessing announced resources:**

- Only 45% of those who have been laid off have applied for Unemployment Insurance
- Only 4% of those who have been laid off have received any Unemployment Insurance (despite the waiting period being waived)
- Only 11% have picked up a grab-and-go meal at a public school
- Only 1% have accessed emergency child care
- Only 50% of families with a school-aged child have received promised distance learning
- Only 51% currently receive SNAP (formerly known as Food Stamps)

Worst of all, **two-thirds of our sample report income declines since the crisis hit, and for over one-third, income has fallen by more than half.** Despite encouraging reports by some grocery and delivery employers that they are hiring, only 3% of respondents reported that someone in their household had gotten a new job since the crisis started.

And hourly workers like these generally don't have a lot of savings to fall back on: most report that they will be able to pay rent or mortgage for no more than two months and will be able to buy groceries for two and a half months under the current circumstances. **A quarter of parents report they will be unable to either pay rent, buy groceries, or both next month if the crisis continues.**

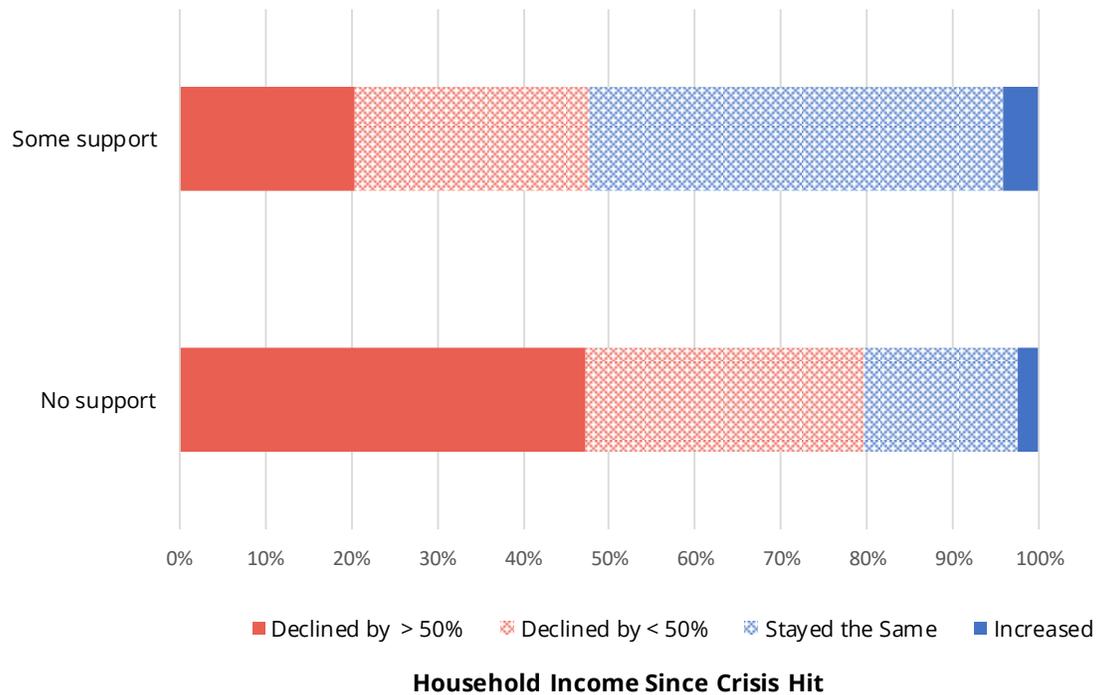
## 4

## Employer-Provided Benefits are Reaching Some Families

Policies that encourage employers to keep paying people appear to be the most immediately effective way to stabilize income. Those who are receiving some pay are doing much better financially than those who aren't (see Figure 2).

Even with the new policies of some employers and the government to provide pay for lost hours, however, **fewer than half of respondents, 49%, report receiving any pay for lost work.** Unemployment insurance may eventually be able to cushion the shock, but since fewer than half who lost a job applied and virtually none have gotten assistance yet, it is not providing the immediate help that is needed.

Figure 2: Employer-Provided Support Helps Stabilize Family Incomes



## Conclusion

As the Coronavirus crisis has intensified, low-wage working families immediately experienced drastically reduced work hours and layoffs. The economic and psychological consequences for families have been severe. Although employer-provided supports have helped some families maintain income, the broad set of public policies that were immediately enacted have not reached these vulnerable families. **Vulnerable families' circumstances will only worsen unless efforts to reach them greatly intensify immediately.**

*This brief [originally appeared](#) on [EconoFact.org](#).*

## About the Sample and Data

This sample was generated using venue-time sampling, a technique that produces representative samples of unrostered populations. This technique was applied to the population of hourly workers in retail, food service and hospitality with a young child (aged 2-7) in a major U.S. city, in summer and fall of 2019. Because hourly service workers often change jobs, the sample now works across service industries including retail, food service, hospitality, house cleaning, delivery, and home health care. Daily survey data was gathered from this sample (N=690) between February 20 and March 24, 2020. A subsample was contacted for a one-time survey about the effects of the crisis between March 23 and 25 (N=405; 80% of those contacted).

## Acknowledgements

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