

## **Rapid Research on the COVID-19 Pandemic and Racial and Ethnic Inequities in Wealth, Labor Force Participation, Occupations and Virus Risk, and Unequal Benefits from Education**

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The Institute on Race and Political Economy (IRPE) at The New School report provides findings, analysis, and recommendations in three interconnected areas of research and policy making:

1. the differential racial effects across the business cycle
2. the differential racial effects associated with occupational crowding and virus exposure risk; and
3. the importance of a race-conscious national infrastructure to gather federal and regional data on the racial/ethnic wealth gap. Too little research looks at deeper financial economic indicators by race, such as wealth, business ownership, and homeownership. Wealth impacts people's ability to respond to a pandemic – it provides security in an emergency. This crisis will only exacerbate our unjust racial wealth gap that leaves Black, Latinx, and other low asset communities vulnerable.

In essence, when labor markets tighten, it does so more for Black and Latinx workers than for white workers. These labor market differences cannot be fully explained by education or any other individual characteristics. In fact, (1) racial disparity persists or worsens with higher levels of education, including college degree attainment; (2) wages for Black college graduates tend to be more unstable and take a more substantial hit during economic downturns; (3) in comparison to White men, Black women, Latinx women, and Latinx men are crowded into “essential work” referred to as occupational crowding (the degree to which a racial, ethnic or gender group is over, under, or proportionally represented in an occupation given the group's educational attainment and the educational requirement for jobs), (4) the crowding index is highest for Black women, who are 80 percent more likely than White men to be in low-wage high-health risk occupations, followed by Latinx women; and (5) while income is often used by researchers, practitioners, advocates, and policymakers to describe local economic conditions and drive policy decisions, it also increasingly is recognized as an inadequate indicator of economic well-being, mobility, and security, especially across race and generation. Wealth is the economic indicator in which White and communities of color are most disparate.

An important recommendation that emerges from this report is the importance of having a permanent national data collection infrastructure in place, disaggregated by ancestral origin, race/ethnicity, and immigrant-status. The Color of Wealth Studies can provide a template for a more permanent data collection infrastructure. This can be done by complementing and being integrated into the Survey of Consumer Finances (SCF), which is conducted every three years by the Federal Reserve. And in doing so, this could be a model for a federal data collection infrastructure to measure the economic wellbeing of America's racially/ethnically plural communities.

At the core of this rapid assessment report is the idea that race is inseparable from all aspects of the US economy. There are significant differences in wealth holdings across race in the US. Black and Brown households hold mere fractions of the wealth of White households. Second, patterns of occupational crowding are such that Black and Brown workers are crowded into low paying precarious jobs with significant pay differences stratified by race. Most of these

occupations are classified as essential and thus continue to expose many Black and Brown workers to the risks of the Covid 19 pandemic. Lastly, the burden of unemployment that comes with recessions tends to disproportionately fall on Black and Brown workers who also have to contend with racial discrimination in labor markets.