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New Data on Hardship Underscore Continued Need for Substantial COVID Relief

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Tens of millions of people are struggling to meet basic needs, according to the most recent Census data released on December 2, yet core parts of the relief that policymakers provided this spring have already expired or are slated to expire by the end of the year. Policymakers need to act in coming weeks to extend these expiring provisions and to provide the additional relief needed to address ongoing hardship and to strengthen the recovery. Waiting until next year would allow hardship to worsen further, causing harm to millions of people, and also result in a weaker economy and a slower recovery.

Data from the Census Bureau's Household Pulse Survey collected November 11-23 show that:

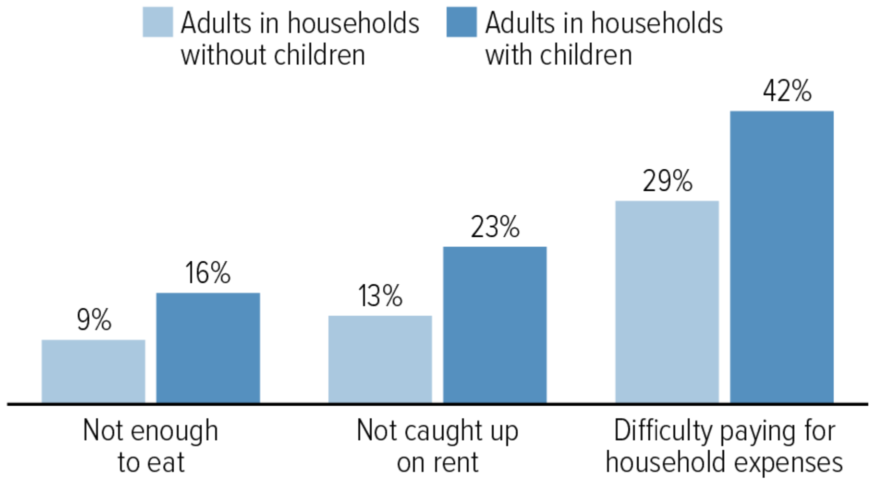
- Nearly 83 million adults — 34 percent of all adults in the country — reported that their household found it somewhat or very difficult to cover usual expenses such as food, rent or mortgage, car payments, medical expenses, or student loans in the last seven days.
- An estimated 12.4 million adult renters (1 in 6) reported that they were not caught up on rent.
- Nearly 26 million adults — 12 percent — said their household didn't get enough to eat sometimes or often in the last seven days. This is far above the most comparable pre-pandemic estimate, which showed that 8 million adults lived in households that didn't get enough to eat at some point over the full 12 months of 2019.

Hardship rates are even higher for children: an estimated 45 percent of all children live in a household that reported it was somewhat or very difficult to cover usual expenses in the past seven days, according to an analysis of more detailed data for October 28-November 9. And over 4 in 10 children living in rental housing live in a household that either isn't getting enough to eat or is behind on rent. Adults in households with children were also likelier to report hardship. For example, 42 percent of adults with children reported difficulty covering usual household expenses in November 11-23, compared with 29 percent without children. (See Figure 1.)

FIGURE 1

Adults in Households With Children Face Higher Household Hardship

November 11-23



Note: Not enough to eat = sometimes or often not enough to eat in last 7 days. Difficulty paying for household expenses = somewhat or very difficult to pay for usual household expenses in last 7 days. Chart excludes individuals who did not respond to the question.

Source: CBPP analysis of Census Bureau Household Pulse Survey tables for November 11-23

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Children are especially vulnerable to poverty and financial strain and hardship. For infants and young children, the lack of access to good nutrition can lead to less favorable life-long outcomes, while receiving early nutrition assistance has been found to reduce later metabolic illness such as heart disease and enhance self-sufficiency in early adulthood.[1] School-aged children who don't get enough to eat may have more difficulty learning in school,[2] which can translate to lower high school completion rates and lower earnings potential.[3] For reasons such as these, struggles paying for food

[1] Sarah Jane Schwarzenberg and Michael K. Georgieff, "Advocacy for Improving Nutrition in the First 1000 Days to Support Childhood Development and Adult Health," *Pediatrics*, Vol. 141, No. 2, February 2018, https://pediatrics.aappublications.org/content/141/2/e20173716; Hilary Hoynes, Diane Whitmore Schanzenbach, and Douglas Almond, "Long-Run Impacts of Childhood Access to the Safety Net," *American Economic Review*, Vol. 106, No. 4, April 2016. An earlier version of the paper is at http://www.nber.org/papers/w18535.

[2] Priya Shankar, Rainjade Chung, and Deborah A. Frank, "Association of Food Insecurity with Children's Behavioral, Emotional, and Academic Outcomes: A Systematic Review," *Journal of Developmental & Behavioral Pediatrics*, Vol. 38, No. 2, February/March 2017, https://www.ingentaconnect.com/content/wk/dbp/2017/00000038/00000002/art00009; Larry L. Howard, "Does food insecurity at home affect non-cognitive performance at school? A longitudinal analysis of elementary student classroom behavior," *Economics of Education Review*, Vol. 30, No. 1, February 2011, https://www.sciencedirect.com/science/article/abs/pii/S0272775710001093.

[3] Meredith Hickson *et al.*, "Feeding Our Human Capital: Food Insecurity and Tomorrow's Workforce," Children's HealthWatch, September 3, 2013, https://www.childrenshealthwatch.org/wp-content/uploads/FeedingHumanCapital_report.pdf.

and other bills are linked to worse child outcomes.[4] Conversely, when public policies provide economic security for their families, children tend to have better educational, health, and behavioral outcomes.[5]

The impacts of the pandemic and the economic fallout have been widespread, but are particularly prevalent among the Black and Latino population. These disproportionate impacts reflect harsh, longstanding inequities — often stemming from discrimination, policies that furthered housing segregation, and other past and current barriers to good schooling, decent jobs, and needed health care — that this crisis is exacerbating. Some 49 percent of Black adults reported it was somewhat or very difficult to pay usual household expenses, according to data from November 11-23, nearly twice the rate among white adults (28 percent). A similar share (47 percent) of Latino adults reported such difficulties, and the share for Asian adults was 28 percent.

Despite this hardship, key relief programs are set to expire by the end of the year, the opposite of what the country needs. For example:

- **Unemployment insurance (UI)**. Roughly 20 million Americans are UI claimants, two-thirds of whom are receiving benefits through programs created by the CARES Act that will *make their last payments Christmas week*. Most people currently receiving unemployment benefits as a result of these CARES Act provisions will receive *no* further UI benefits after that time, despite a labor market in which job growth has slowed and payroll employment is still roughly 10 million jobs below its level in February. The CARES Act's $600-a-week federal supplement to UI benefits ended July 31. The other two CARES Act programs for unemployed workers — the provision of 13 weeks of Pandemic Emergency Unemployment Compensation benefits to workers who exhaust their regular state UI benefits, and the Pandemic Unemployment Assistance (PUA) program that provides up to 39 weeks of unemployment benefits to people who have lost their jobs but aren't eligible for regular state UI benefits — will both be gone after December 26.

  These CARES Act provisions were essential to address the inadequacies of current state UI programs, including low benefit levels, short duration of assistance despite a prolonged economic downturn, and outdated and overly restrictive eligibility requirements. Policymakers should address all three of these issues in any relief package by providing additional weeks of benefits for people who exhaust their benefits while unemployment remains high; by

[4] Ajay Chaudry and Christopher Wimer, "Poverty is Not Just an Indicator: The Relationship Between Income, Poverty, and Child Well-Being," *Academic Pediatrics*, Vol. 16, No. 3S, April 2016, https://www.academicpedsjnl.net/article/S1876-2859(15)00383-6/fulltext; Elizabeth T. Gershoff *et al.*, "Income Is Not Enough: Incorporating Material Hardship Into Models of Income Associations With Parenting and Child Development," *Child Development*, Vol. 78, No. 1, January/February 2007, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2835994/; Joan P. Yoo, Kristen S. Slack, and Jane L. Holl, "Material Hardship and the Physical Health of School-Aged Children in Low-Income Households," *American Journal of Public Health*, Vol. 99, No. 5, May 2009, https://ajph.aphapublications.org/doi/pdfplus/10.2105/AJPH.2007.119776; and Afshin Zilanawala and Natasha V. Pilkauskas, "Material hardship and child socioemotional behaviors: Differences by types of hardship, timing, and duration," *Children and Youth Services Review*, Vol. 34, No. 4, April 2012, https://www.sciencedirect.com/science/article/abs/pii/S0190740912000230.

[5] Arloc Sherman and Tazra Mitchell, "Economic Security Programs Help Low-Income Children Succeed Over Long Term, Many Studies Find," CBPP, July 17, 2017, https://www.cbpp.org/research/poverty-and-inequality/economic-security-programs-help-low-income-children-succeed-over.

continuing PUA for people who fall through the cracks of the regular UI system; and by restoring a federal supplement to the regular weekly benefit levels in these programs.

- **Eviction moratorium and rental assistance.** Many of the millions of people behind on rent could face eviction early in the new year if a Centers for Disease Control and Prevention (CDC) order preventing evictions is allowed to expire. To limit the spread of COVID-19, the CDC ordered in September a halt in evictions through December 31 for renters who are unable to pay their rent.[6] While imperfect, this ban and similar moratoriums that state and local governments have implemented have likely prevented hundreds of thousands of people from losing their homes during the pandemic.[7] Yet, as the Pulse data show, millions of renters are still experiencing considerable hardship, and many are accumulating substantial debt in unpaid rent bills.[8] If the CDC order expires at the end of this year, evictions and homelessness will spike in the subsequent weeks and months.

  To avert such a spike, policymakers should swiftly extend the CDC order and provide substantial rental assistance to help people remain current on their rent during the pandemic (which also will help landlords). They should also extend more aid for those who have already lost their homes and are living in emergency shelters or other temporary lodging so they can move to healthier, more stable housing. The most effective approach to addressing these problems is to accompany an extension of the federal evictions moratorium with a mix of short- and long-term rental assistance, aid for people who are homeless, and supplemental funding for rental assistance programs to cover the increased subsidy costs caused by tenant income losses.[9]

- **COVID-fighting aid for states, localities, tribal nations, and U.S. territories.** The CARES Act's Coronavirus Relief Fund has helped these governments cover costs associated with fighting COVID and its economic effects.[10] These funds, which have been used for a variety of purposes including virus testing, protections for patients in nursing homes, helping people pay their rent or utility bills, and support for K-12 schools as they attempt to educate students during the pandemic, expire on December 30. While nearly all these funds have already been allocated,[11] some funds allocated for rental assistance and other vital supports will

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[6] Centers for Disease Control and Prevention, "Federal Register Notice: Temporary Halt in Residential Evictions to Prevent the Further Spread of COVID-19," updated October 9, 2020, https://www.cdc.gov/coronavirus/2019-ncov/covid-eviction-declaration.html.

[7] Eviction Lab, data as of November 28, 2020, https://evictionlab.org/eviction-tracking/.

[8] Davin Reed and Eileen Divringi, "Household Rental Debt During COVID-19," Federal Reserve Bank of Philadelphia, October 2020, https://www.philadelphiafed.org/community-development/publications/special-reports/household-rental-debt-during-covid-19.

[9] Peggy Bailey and Douglas Rice, "Pandemic Relief Must Include Comprehensive Housing Assistance for People Experiencing the Most Severe Hardship," CBPP, July 27, 2020, https://www.cbpp.org/research/housing/pandemic-relief-must-include-comprehensive-housing-assistance-for-people; Douglas Rice, "More Funds Needed to Avert Housing Voucher Cuts as COVID-Related Job Losses Increase Costs," CBPP, November 24, 2020, https://www.cbpp.org/research/housing/more-funds-needed-to-avert-housing-voucher-cuts-as-covid-related-job-losses.

[10] National Conference of State Legislatures, "State Actions on Coronavirus Relief Funds," November 23, 2020, https://www.ncsl.org/research/fiscal-policy/state-actions-on-coronavirus-relief-funds.aspx.

[11] National Governors Association, "Nearly 90% of Coronavirus Relief Funds Already Allocated," October 20, 2020, https://www.nga.org/advocacy-communications/nearly-90-of-coronavirus-relief-funds-already-allocated/.

> likely not be fully spent by the deadline, in part because confusing Treasury guidance delayed state decisions about how to spend the aid.[12]
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> With the virus surging and widespread vaccine distribution likely still some months away, states, localities, tribal nations, and U.S. territories will continue to face COVID-related costs in the new year. Congress should not only extend the December 30 deadline for spending the Coronavirus Relief Fund resources, but also should provide these governments with substantial additional fiscal aid. The additional aid is needed both to fight COVID and its economic effects and to help make up for the substantial state and local revenue losses caused by the pandemic,[13] which Coronavirus Relief Fund monies can't be used to offset.

As the number of COVID cases continues rising at an alarming rate across the country and millions of people continue to struggle to pay the rent and afford food, it's clear that substantial further COVID relief is urgently needed. Extending unemployment benefits, the evictions moratorium, and aid for state and local governments are essential elements of a new relief package. But they aren't sufficient by themselves. To more adequately address ongoing hardship and shore up a weak economy, policymakers also need to provide rental, nutrition, and child care assistance; paid leave for workers affected by COVID; and help for small businesses hit hard by the crisis. Congress should not adjourn this year without passing adequate relief.

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[12] Michael Leachman, "Good Reasons Why States Haven't Yet Spent All Coronavirus Relief Funds," CBPP, June 25, 2020, https://www.cbpp.org/blog/good-reasons-why-states-havent-yet-spent-all-coronavirus-relief-funds.

[13] Michael Leachman and Elizabeth McNichol, "Pandemic's Impact on State Revenues Less Than Earlier Expected But Still Severe," CBPP, October 30, 2020, https://www.cbpp.org/research/state-budget-and-tax/pandemics-impact-on-state-revenues-less-than-earlier-expected-but.