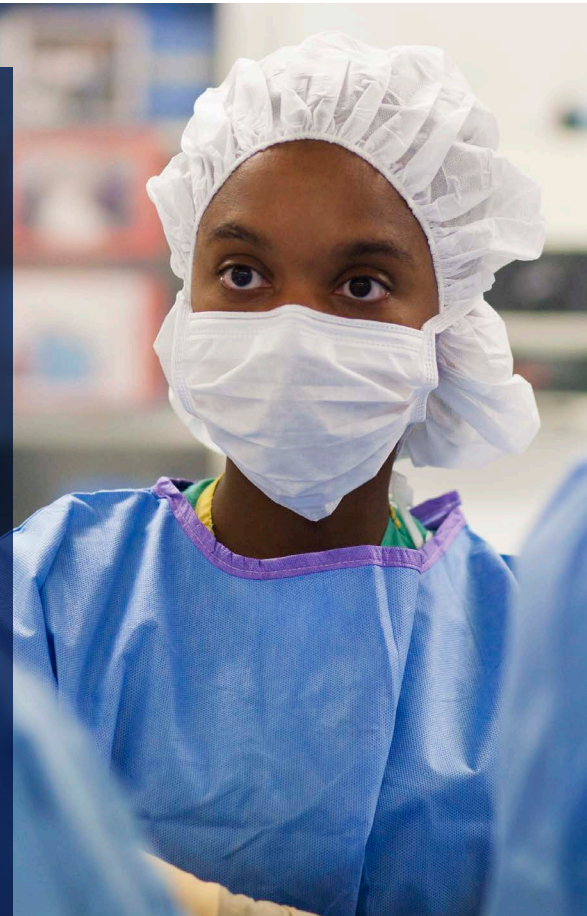


THREE PRINCIPLES

FOR AN ANTIRACIST, EQUITABLE STATE RESPONSE TO COVID-19 – AND A STRONGER RECOVERY

July 2021

COVID-19's effects have underscored the ways our nation's history of racism, bias, and discrimination are embedded in our health, social, and economic systems. Black, Indigenous, and Latinx people are experiencing higher rates of infection, hospitalization, and death, and people of color are also overrepresented in jobs that are at higher infection risk and hardest hit economically. Shaping these outcomes are structural barriers such as wealth and income disparities, inadequate access to health care, and racial discrimination built into the health system and labor market. But recent, substantial federal aid in the American Rescue Plan and an improving revenue outlook in many states are offering states a historic chance: they can make policy choices that repeat and exacerbate these inequities, which also will slow the economy's recovery, or they can set another course – toward antiracist, equitable, and inclusive policies that build an economic recovery that extends to all people.



Three principles should guide state policymakers in these equity efforts:

- 1** Target aid to those most in need due to the COVID-19 and consequent economic crises.
- 2** Advance antiracist and equitable policies – both short- and long-term – to dismantle persistent racial, ethnic, gender, and economic inequities and other barriers non-dominant groups and identities face.
- 3** Strengthen state revenue systems to sustain transformative, long-term investments in Black, brown, Indigenous, immigrant, and low-income communities.

States can also make a broader commitment through steps such as requiring racial equity impact assessments for legislative proposals and appointing equity and inclusion officers or committees. Even hearings on how racism has shaped state policy decisions can help set the stage for policymaking more focused on addressing the legacy of historical racism and ongoing forms of discrimination and bias.

PANDEMIC WORSENING HISTORICAL INEQUITIES

States have a historic opportunity not only to support people struggling due to the pandemic but also to set them and their communities up for a better future by directly addressing the racial and economic inequities that have made the pandemic so much worse. Doing so, however, will require a principled approach that explicitly seeks to address these inequities.



The need for such principled choices has always existed. White supremacy and structural racism created – and perpetuate – disparities in power, resources, and opportunities that systematically disadvantage communities of color and preserve the privilege of an elite, largely white class. Due to these barriers, the wealthiest 10 percent of white households hold nearly two-thirds of the country’s wealth, and other white households about another fifth, leaving only 13 percent for everyone else.

The need for an equity focus is all the more imperative now as the pandemic has made the effect of such policy choices clearer. Research has found people of color to be overrepresented among coronavirus-related hospitalizations and deaths. In addition, positivity rates among those tested for COVID-19 were higher for LGBTQ+ people of color than for white people regardless of sexual or gender identity. This highlights that having multiple identities that fall outside of white, hetero-normative culture can exacerbate disparities in outcomes.

Such disproportionate health outcomes are due in significant part to structural factors such as inadequate access to health care, racial discrimination built into the health system, and the social and economic legacies of the nation’s racist past, particularly its history of oppression of Black people.

In addition, job losses during the health and economic crisis have been concentrated in lower-wage industries such as retail and hospitality, restaurants, and child care, where women and people of color – including immigrants – are overrepresented. Workers in these industries are also at higher risk of contracting COVID-19. Some 24 percent of both Black and Latinx people are in service industry jobs, compared to 16 percent of white people. While high-wage jobs, which are held disproportionately by white workers, largely rebounded from the initial downturn in the spring of 2020, low-wage jobs held more heavily by workers of color remain far below pre-pandemic levels.

States have critical choices to make that can do much to reverse these inequities. Substantial federal aid in the recently enacted American Rescue Plan offers states and localities an opportunity to both help people struggling due to the pandemic and to begin addressing the underlying structural inequities that made the pandemic worse. The decisions lawmakers make in the coming months will shape the duration of the health and economic crises they face and the strength and quality of their economic recovery. Three principles can guide them in their efforts.

1 TARGET AID TO THOSE MOST IN NEED DUE TO THE COVID-19 AND CONSEQUENT ECONOMIC CRISES

States’ immediate policy responses should prioritize supports for people and communities most in need due to the pandemic and accompanying economic crisis. They should target aid to essential workers and people who, due to a lack of public investment, economic inequality, and historical and current discrimination and bias, were experiencing health and economic insecurity even before the crisis began. That includes those with chronic health issues or without health insurance, people who experience homelessness, and others facing major barriers to work or struggling on low pay. States can:

- Build a robust outreach operation
- Use rental assistance to stop evictions
- Serve people who otherwise would go hungry
- Build a high-functioning child care system with a focus on equity and essential workers
- Avoid cuts in existing services for people in need and undo earlier cuts
- Provide premium pay to essential workers
- Create subsidized jobs
- Provide unrestricted cash payments to individuals and families with limited incomes
- Help children catch up on unfinished learning
- Increase access to health coverage and services

2

ADVANCE ANTIRACIST AND EQUITABLE POLICIES – BOTH SHORT- AND LONG-TERM – TO DISMANTLE RACIAL, ETHNIC, GENDER, AND ECONOMIC INEQUITIES

States can use this moment to address inequities due to historical racism and various forms of ongoing bias and discrimination. Racism and other structural barriers to opportunity have created underlying social, economic, and health conditions that have left people of color, especially Black people, women, immigrants, and Indigenous people, at higher risk of coronavirus infection and, in the case of Black, Latinx, and Native American people, death. Black unemployment is roughly twice as high as white unemployment, on average over time, and it's not much better in the best of times than white unemployment is in the worst of times. States should push against this trend in various ways:

- Invest in broadband, water, and sewer infrastructure projects
- Adopt the Affordable Care Act's Medicaid expansion
- Make state unemployment insurance systems more inclusive
- Adopt state-level emergency and permanent paid leave policies
- Boost incomes through state Earned Income Tax Credits or state Child Tax Credits
- Release youth from confinement and support reentry into schools and communities while social distancing
- Eliminate criminal legal fees and base fines on ability to pay
- Invest in high-poverty school districts
- Invest in higher education for those from non-dominant groups
- Help tribal governments harmed by the pandemic
- Build a comprehensive support system for people with substance use disorders



3

STRENGTHEN STATE REVENUES TO SUSTAIN INVESTMENTS IN BLACK, BROWN, INDIGENOUS, IMMIGRANT, AND LOW-INCOME COMMUNITIES

State policymakers face an unprecedented situation. Their costs are way up as they attempt to contain the pandemic and help the millions of people and businesses facing severe hardships. At the same time, the American Rescue Plan and other emergency federal support have created a historic opportunity to drastically reduce the hardships that people would otherwise experience during the remainder of the health emergency, and set the stage for a future in which these hardships are much rarer and long-standing inequities due to racism and economic inequality are overcome.

To take advantage of this opportunity for transformative change, states should create revenue systems capable of supporting a future where children aren't allowed to go hungry, where people can afford housing, health care, and education, and where barriers created by racism are no longer obstacles to opportunity. Moving forward, state policymakers can:

- Raise revenue, especially from the wealthy and profitable corporations
- Remove barriers to revenue raising, such as supermajority vote requirements
- Roll back economic development incentives and other tax breaks for profitable corporations
- Reform or repeal restrictions on local government revenue raising





== *About us:* ==

The State Priorities Partnership shapes state policies that reduce poverty, advance equity, and promote inclusive economies that pave the way for widespread prosperity. It is coordinated by the Center on Budget and Policy Priorities.

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