

Economic Impact of COVID-19 on California Latinos

Research Brief

In recent weeks, the United States has seen a steady surge in COVID-19 cases with California rates also increasing dramatically. As of November 29, 1,212,968 Californians have been diagnosed with COVID-19 and 19,141 have died from the disease.¹ Since COVID-19 arrived, our state and nation have begun a prolonged economic recession. Millions of Californians across all racial and ethnic groups have found themselves out of work and many businesses are profoundly struggling.² The staggering health and economic impact of COVID-19 has been disproportionately felt among communities of color and low-income communities across the country.³ While this is the case in California as well, the impact of COVID-19 has been felt overwhelmingly among the Latino community.

Prior to the pandemic, California Latinos were consistently underrepresented among the state's upper-income groups and overrepresented in the state's lower-income groups, including among those living in poverty.⁴ More Latinos work in industries that are low paying and hit hardest by public health shutdowns such as with COVID-19. When not forced out of work, Latinos are more likely to be exposed to COVID-19 while on the job and more likely to be at risk at home in close, multigenerational housing.

This pandemic has magnified the urgency of addressing structural causes of economic inequality that have harmed Latinos in California. As the largest racial and ethnic group in California, the economic well-being of Latinos is an undeniable driver of the state's overall economic health. Latino purchasing power was \$359 billion or 19.5% of the state total in 2016.⁵ Latinos make up a significant and growing portion of California's workforce. Leading up to the pandemic, Latinos in the state were 37.4% of the employed population (employed civilians over 16 years of age).⁶ When the California economy is rebuilt after the devastation of COVID-19, Latinos must not be left behind. California will not fully recover if its Latino community does not. The economic well-being of Latinos, including the presence of a strong Latino middle class, is crucial to ensuring the greater well-being of all Californians.

This research brief provides data to inform a greater understanding of the disparate impact of COVID-19 on Latino health and economic well-being in California. It examines two key research questions (see Table 2 for measures and data sources):

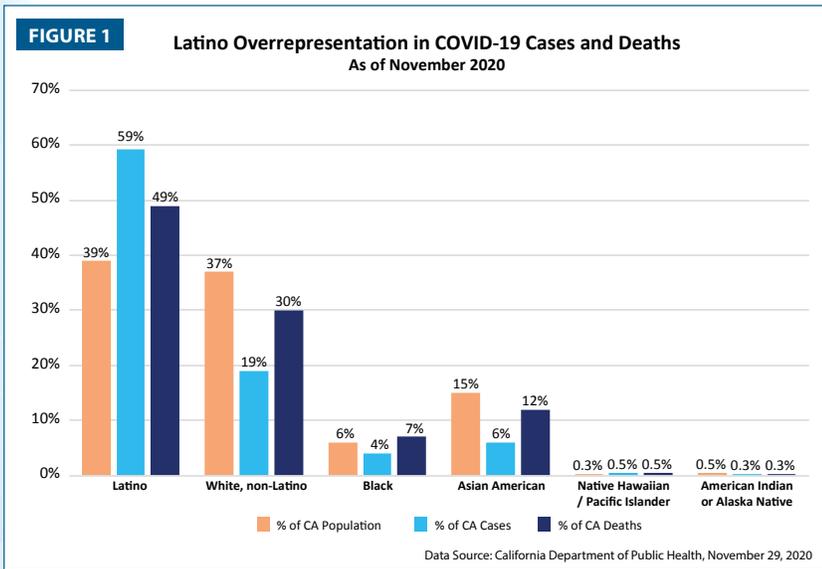
1. What is the state of COVID-19 in the California Latino community?
2. How has COVID-19 impacted California Latino economic well-being?

Key Findings

- Latinos are overrepresented among California's COVID-19 cases and deaths- 59% of cases and 49% of the state's deaths.
- Latino overrepresentation in California's cases has increased since April 2020.
- Nearly 12% of California Latinos are currently uninsured – double the rate of other groups.
- Latino unemployment rates are double those from the same time last year.
- Nearly two-thirds of California Latinos report experiencing a loss of employment income since March 2020.
- Over 40% percent of Latinos currently report that it is somewhat or very difficult to pay their usual household expenses in the last 7 days.
- Over three-quarters of California small business owners report that COVID-19 has had a moderate to large negative effect on their business.

1. What is the State of COVID-19 in the California Latino Community?

Latinos are Uniquely Overrepresented in COVID-19 Cases



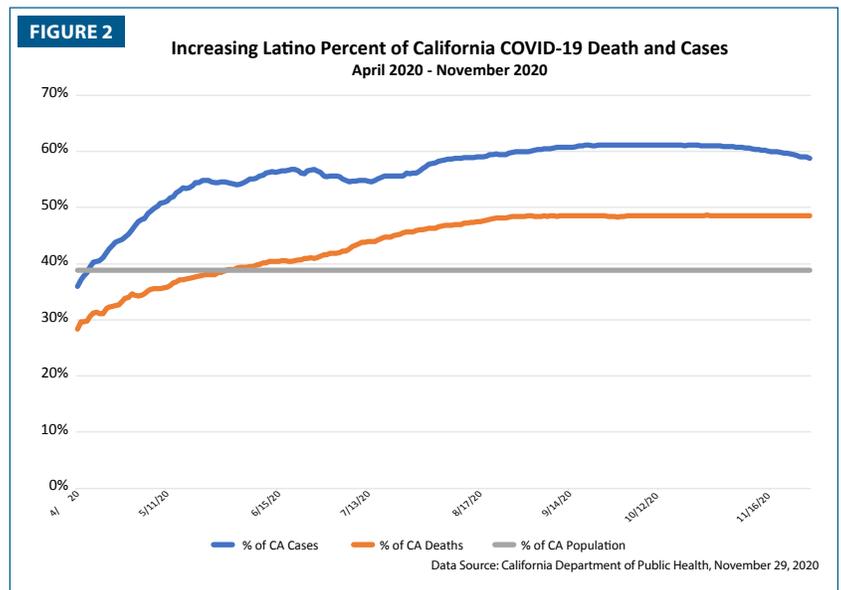
California Latinos carry the disproportionate burden of COVID-19 cases in the state compared to other racial and ethnic groups. While Latinos are a plurality of California’s population, they are the only large racial and ethnic group in California that is significantly overrepresented among COVID cases, currently comprising 59% (512,887) of cases in the state. In contrast, whites make-up only 19% of cases while totaling 37% of California’s population (Figure 1). It should also be noted that at 0.5%, as a group, Native Hawaiians and Pacific Islanders are also overrepresented among California cases.

When looking at the composition of COVID-19 related deaths, at 49% (9,233), Latinos are again significantly overrepresented. Blacks, Native Hawaiians and Pacific Islanders find themselves also overrepresented among COVID-19 related

deaths. Figure 1 shows that Blacks are 7% of deaths while 6% of the population. Native Hawaiians and Pacific Islanders are 0.5% of deaths but 0.3% of the state’s overall population.

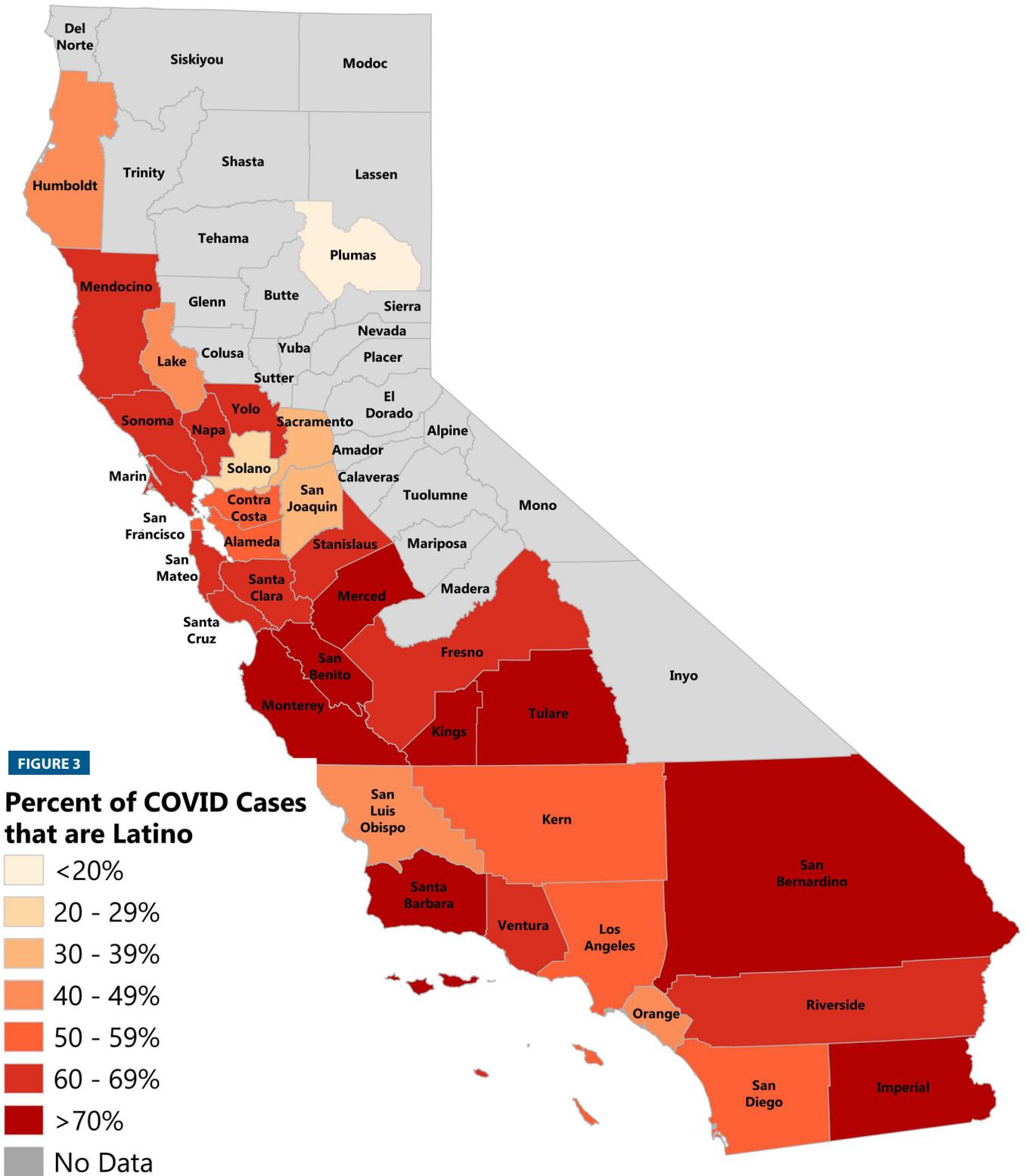
Not only are Latinos overrepresented in COVID’s impact on California, this disproportionate impact has steadily grown over the course of the pandemic. Figure 2 tells the story of the increasing Latino share of the state’s cases and deaths. At the outbreak of the pandemic, Latinos were a smaller share of cases and deaths compared to their proportion of the overall population. Since the beginning of September, the Latino proportion of both California cases and deaths has largely stabilized at around 60% and 49%, respectively.

Many California county health departments do not publicly report the race or ethnicity of any of their COVID-19 cases. Figure 3 shows the variation in the Latino proportion of cases for each California county that is reporting race and ethnicity data.⁷ Of all California regions, the Central Coast (Monterey, San Benito, San Luis Obispo, and Santa Barbara counties combined) has the highest Latino share of COVID-19 cases (76.3%), followed by the San Joaquin Valley (Fresno, Kern, Kings, Merced, San Joaquin, Stanislaus, and Tulare counties combined) at 63.7%. Just over 62% of the COVID-19 cases in the Los Angeles Region (Los Angeles, Orange, Riverside, San Bernardino and Ventura counties combined) are Latino.⁸

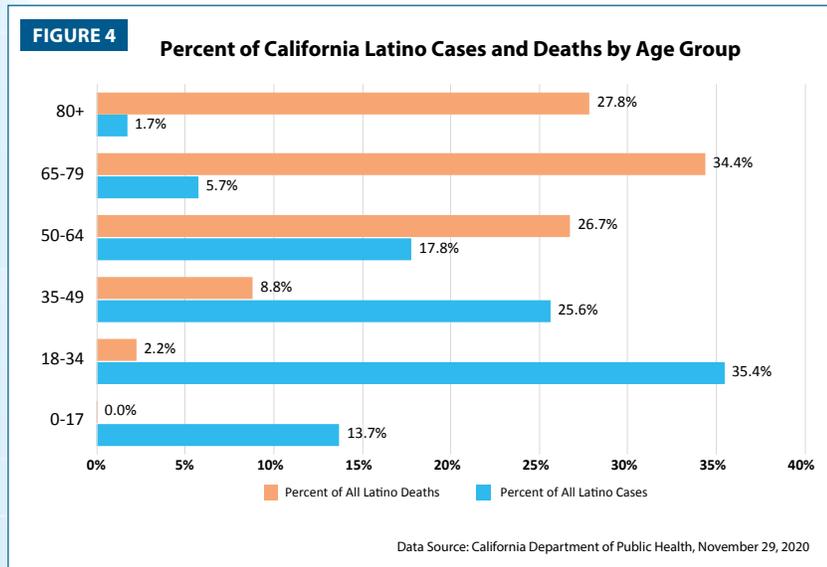


Data by race and ethnicity is not available from the California Department of Health for all COVID-19 cases and deaths in California. Providers and laboratories are required to report COVID-19 race and ethnicity data to the state, but the data sent are frequently incomplete.⁹ Currently, about 28% (339,249) of the over one million total cases statewide do not have race or ethnicity identified. Data identifying race or ethnicity is missing for about 1% (173) of the state’s nineteen thousand COVID-19 deaths. The percent of missing COVID-19 race and ethnicity data in California has fluctuated overtime.

Latino Share of COVID-19 Cases by California County



Latinos of All Ages Impacted by Latino COVID-19



COVID-19 is a disease that significantly impacts all ages within the Latino community, including children. Overall, greater proportions of Latino cases and deaths are among Latinos under age 35 compared to whites, Blacks and Asian Americans.

Figure 4 shows that almost 14% of all Latino cases in California belong to those under age 18. Nearly half of all Latino cases are from those under age 35. However, the age distribution of Latino COVID-19 related deaths is almost the mirror opposite of the age distribution of cases. Similar to the general population, the proportion of Latino cases is skewed younger while more deaths are among Latino seniors. Only about two percent of Latinos who have died from COVID-19 are under the age of 35, whereas 62% of Latino deaths are from Latinos age 65 and older. These dramatic differences are due to high death rates

of older Latinos. Nearly 30% of Latinos 80 years of age and older who contracted COVID-19 have died, while the death rate for those under 35 is extremely low (Table 1). Of course, public health experts stress that young people who contract the disease but recover (or never have symptoms) can impact death rates of other age groups through possible transmission of the disease to family members and acquaintances.¹⁰

TABLE 1 - LATINO COVID-19 DEATH RATE BY AGE GROUP

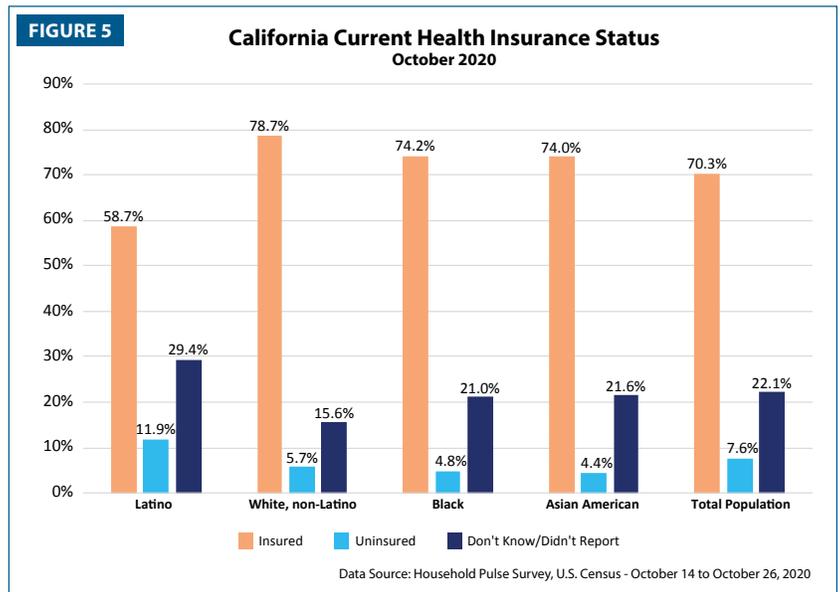
Age	Death Rate
0-17	0.0%
18-34	0.1%
35-49	0.6%
50-64	2.7%
65-79	10.9%
80+	29.7%
All Ages	1.8%

Data Source: California Department of Public Health, November 29, 2020

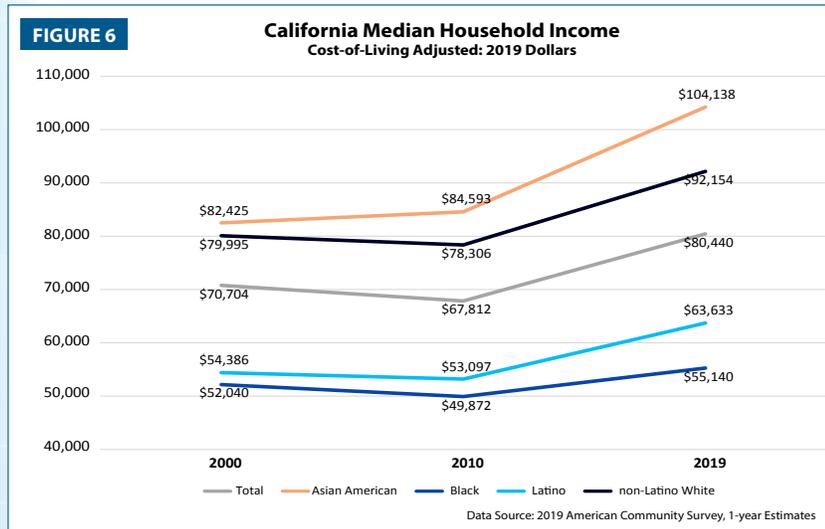
More Latinos are Currently Uninsured During the Pandemic

The risk of becoming seriously ill after contracting COVID-19 is heightened among those who do not have any form of health insurance. According to the Center for Disease Control, Latinos are hospitalized from the virus at four times the rate of white Americans.¹¹

Overall, Latinos are more likely than other groups to work in employment fields that do not provide health insurance (or that underinsure employees). During the pandemic, Latinos are experiencing lower rates of health insurance compared to other groups. According to the U.S. Census, nearly 12% of Latino households surveyed in California report being uninsured (Figure 5).¹² Of course, some uninsured Latinos that contract COVID-19 may not seek healthcare, putting them at an even greater risk of a serious COVID-19 infection.



2. How has COVID-19 Impacted California Latino Economic Well-Being?

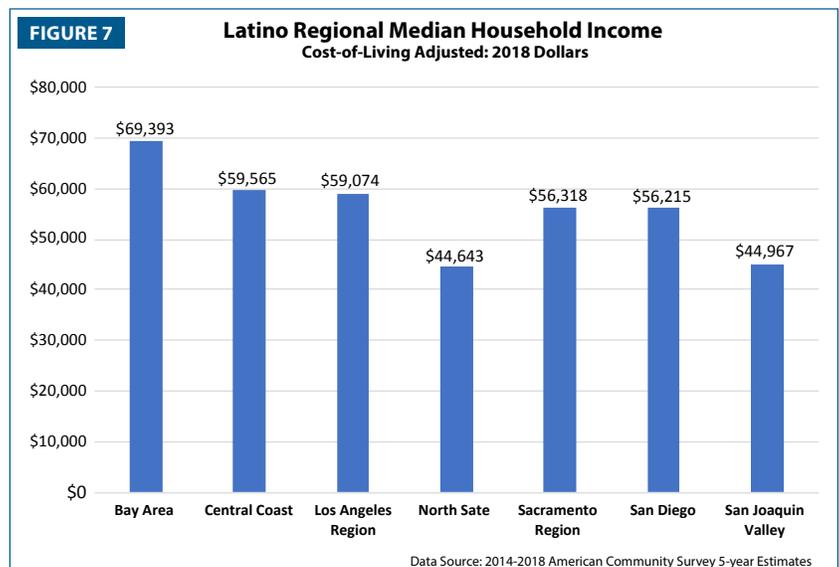


Before the pandemic, Latinos consistently experienced lower economic outcomes compared to the rest of California.¹³ As of 2019, the median household income for Latinos was \$63,633. Since the economic recession of 2010, (Figure 6). Latinos experienced a 19.8% increase in their household income, when adjusted for cost-of-living increases. This was greater than the increase seen by non-Latino Whites (17.6%) although lower than the increase seen by Asian Americans at 23.1%. Latino household income in 2019 remained \$40,505 less than Asian-American income, the state's highest income group. At the same time, Latino income is \$8,493 higher than Black income.

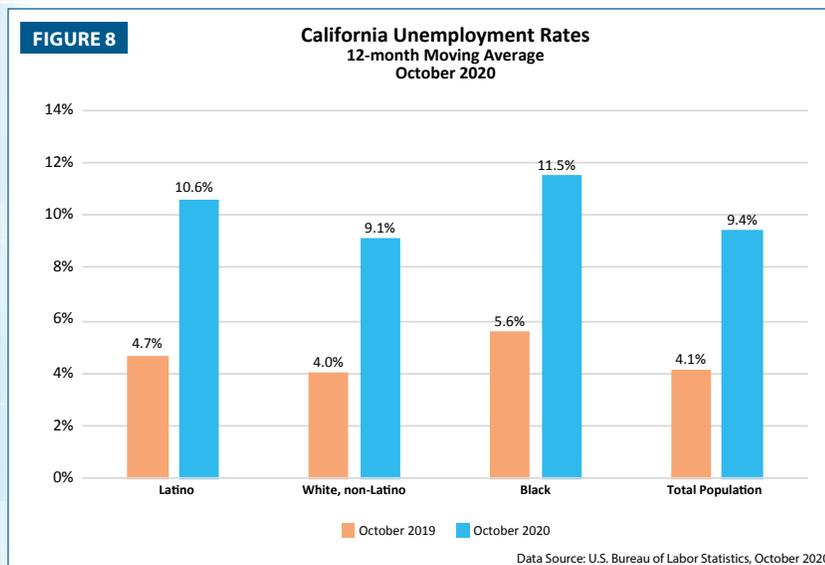
Regional Income Disparities

In years prior to the pandemic, Latinos experienced lower incomes compared to Asian Americans and white, non-Latinos in every region in California. The regions with the lowest Latino median household income were the San Joaquin Valley and the North State area at just under \$45,000. In contrast, Latinos in the Bay Area had a medium household income of nearly \$70,000 prior to the pandemic (Figure 7).

The income disparity between Latinos and Asian Americans (the racial or ethnic group with the highest income across all regions) in the San Joaquin Valley is also the lowest of any region. In contrast, disparate outcomes between Latinos and Asian Americans were greatest in the Bay Area. In the Bay Area, Asian Americans have a median household income that is \$38,736 greater than that of Latinos.



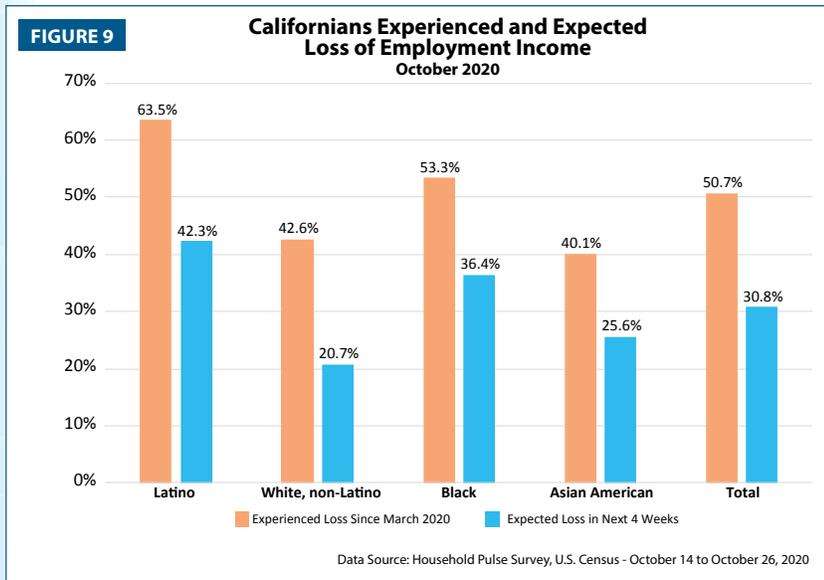
Latino Unemployment Rates Doubled



With the onset of COVID-19, most businesses were required by public health orders to temporarily close and some eventually found it impossible to continue to operate. As California businesses were impacted, the state's economy dramatically contracted, and unemployment rates rose sharply, frequently exceeding the state's peak unemployment rate during the recession ten years ago.

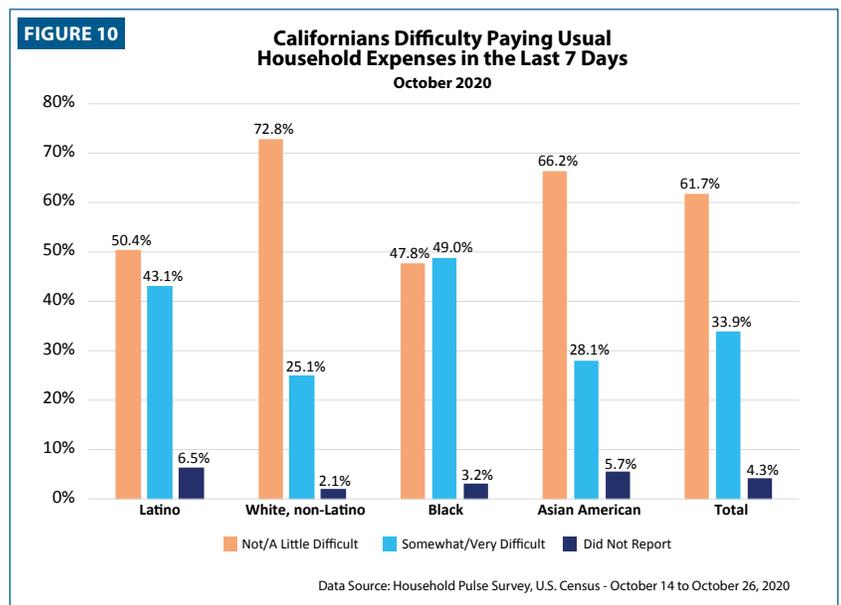
The California unemployment rate increased from a low of 3.9% in February to a high of 16.4% in April.¹⁴ California's preliminary October 2020 unemployment rate is 9.3%. The 12-month moving average is 9.4%. Figure 8 demonstrates that Latinos and Blacks have seen the greatest increases – almost 6 percentage points – in unemployment rates since October 2019.

Ongoing Financial Difficulty for Latinos

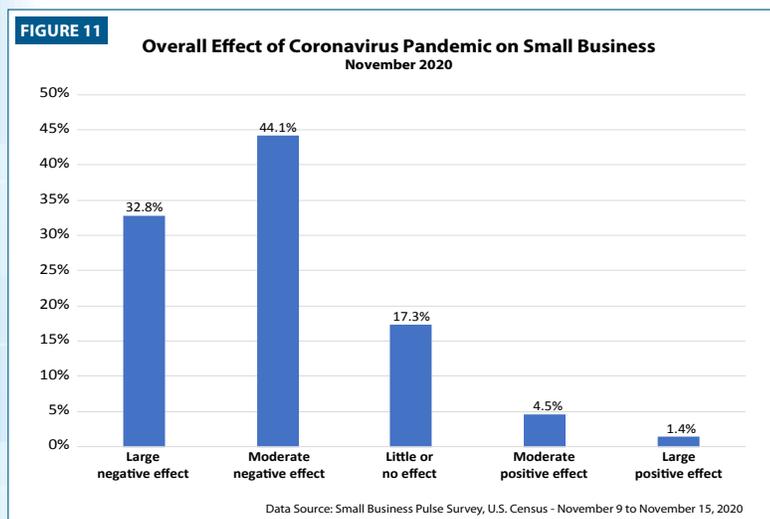


California's current unemployment rate does not reflect the totality of job and income instability that Latinos have experienced during the pandemic, which is significantly more than other groups. According to the U.S. Census, nearly two-thirds of California Latinos surveyed report experiencing a loss of employment income since March 2020 and another 42% expect a loss of income some time over the next 4 weeks (Figure 9).¹⁵ Over half of California Blacks report a loss of their income since March. In contrast, 42.6% of white, non-Latinos and 40.1% of Asian Americans report an income loss over the same period.

Many Californians experiencing job loss (or a reduction in wages) find themselves unable to pay their bills. Figure 10 shows that dramatic difference in the level of hardship in California by race and ethnicity. Over 40% percent of Latinos and almost 50% of Blacks surveyed by the U.S. Census currently report it is somewhat or very difficult to pay their usual household expenses in the last 7 days. In contrast, only 25.1% of whites report this level of difficulty.¹⁶



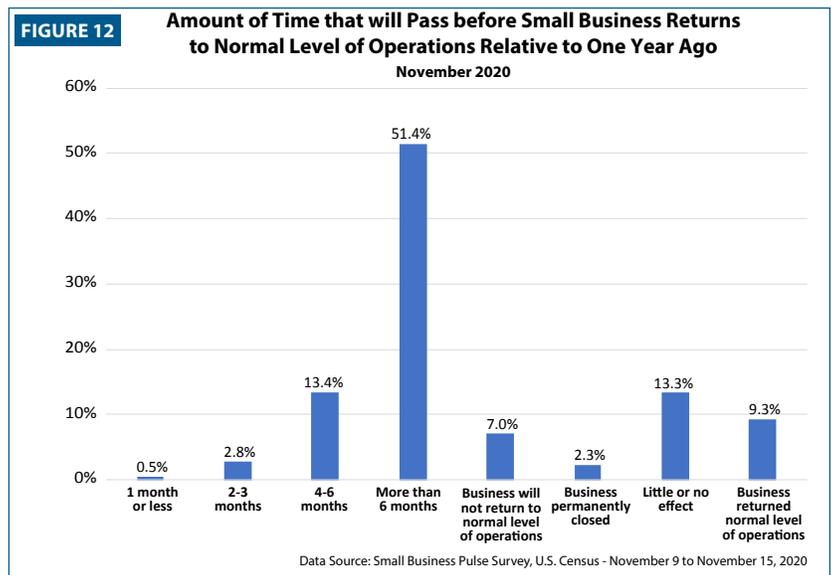
Difficult Road Ahead for Small Businesses



Businesses in California have experienced significant hardships due to the pandemic. Over three-quarters of California small business owners (defined as single-location employer businesses with 1-499 employees and receipts of \$1,000 or more) surveyed by the U.S. Census report that COVID-19 has had a moderate to large negative effect on their business (Figure 11).¹⁷ These data are not identified by the race or ethnicity of the business owner (very few current data sources for businesses identify this information). However, U.S. Census survey data show that even greater percentages of small businesses in sectors that historically have more Latino owners (and where Latino workers are more likely to be employed) report a moderate or large negative effect of COVID-19.

California small businesses will continue to struggle during the pandemic and in its wake. Over half of California small business owners report that more than six months will pass before their business returns to its normal level of operations relative to one year ago. Another 13% say it will be 4 to 6 months. Notably, 7% of business owners report that they believe their business will never return to normal levels (Figure 12).

California small businesses also report that they will continue to need financial support due to COVID-19. While 71% of small businesses say they received financial assistance from the Paycheck Protection Program (and a smaller percentage from other programs), 28.7% surveyed say that, in the next six months, their business will need to obtain financial assistance or additional capital.



Summary

The findings of this research brief highlight the magnitude of COVID-19’s impact on California’s Latino community. The California Latino population overwhelmingly bears the brunt of the state’s COVID-19 cases and deaths. At the same time, Latinos face inequitable access to health insurance, making them additionally vulnerable to both contracting COVID-19 and having difficulty recovering from it.

As Californians were first faced with the unprecedented economic fallout from COVID-19, Latinos were forced to navigate the financial crisis from an initial point of income inequality. Today, most Latino households and businesses have experienced income loss since the beginning of the pandemic, more than other racial or ethnic group, and over 40% of Latino households have difficulty currently paying household bills.

As California policymakers seek ways to rebuild the state’s economy, there must be a recognition that the story of COVID-19 is disproportionately a Latino story. Actions taken by California’s state and local leaders need to address COVID-19’s devastating impact on Latino health and economic well-being, both in the immediate and long term. If Latinos do not recover economically from the pandemic, and have pathways to thrive beyond it, then California as a state will not be able to see a full recovery.

TABLE 2 - RESEARCH MEASURES AND DATA SOURCES

California COVID Cases and Deaths	California Department of Public Health, November 29th 2020
California Current Health Insurance Status	Household Pulse Survey, U.S. Census-October 14 to October 26, 2020
California Median Household Income Cost-of-Living Adjusted:2019 Dollars	2000 U.S. Census and 2010, 2019 American Community Survey 1-year Estimates
Latino Regional Median Household Income Cost-of-Living Adjusted:2018 Dollars	2014-2018 American Community Survey 5-year Estimates
California Unemployment Rates September 2020	U.S. Bureau of Labor Statistics, October 2020
Californians Experienced and Expected Loss of Employment Income October 2020	Household Pulse Survey, U.S. Census-October 14 to October 26, 2020
Californians Difficulty Paying Usual Household Expenses in the Last 7 Days October 2020	Household Pulse Survey, U.S. Census-October 14 to October 26, 2020
Overall Effect of Coronavirus Pandemic on Small Business	Small Business Pulse Survey, U.S. Census- November 9 to November 15, 2020
Amount of Time that will Pass before Small Business Returns to Normal Level of Operations	Small Business Pulse Survey, U.S. Census- November 9 to November 15, 2020

Notes

- 1 See the California Department of Health COVID-19 Dashboard: https://public.tableau.com/views/COVID-19CasesDashboard_15931020425010/Cases?%3Aembed=y&%3AshowVizHome=no
- 2 See the U.S. Census Small Business Pulse Survey at: <https://portal.census.gov/pulse/data/>
- 3 Center of Budget and Policy Priorities: <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and>
- 4 Romero, Mindy. "The State of Latino Economic Well-Being in California". California Latino Economic Institute. July 2018. <https://static1.squarespace.com/static/57b8c7ce15d5dbf599fb46ab/t/5d2820cde6624e0001ad214d/1562912921569/CLEI+Latino+Middle+Class.pdf>
- 5 A Snapshot of the Nation, California and the HOPE Sample. <https://www.latinas.org/reports>
- 6 Romero, Mindy. "The State of Latino Economic Well-Being in California". California Latino Economic Institute. July 2018. <https://static1.squarespace.com/static/57b8c7ce15d5dbf599fb46ab/t/5d2820cde6624e0001ad214d/1562912921569/CLEI+Latino+Middle+Class.pdf>
- 7 These numbers were calculated as the proportion of a county's total reported COVID-19 cases where race or ethnicity is known (data available on county department of health websites), the same calculation used by the California Department of Public Health in its public reporting.
- 8 Regions are defined to include the following counties: Sacramento Region: Sacramento, El Dorado, Placer, Sutter, Yolo, Yuba; San Francisco Region: Alameda, Contra Costa, Marin; Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma; LA Region: Los Angeles, Orange, Riverside, San Bernardino, Ventura; San Joaquin Valley: San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, Kern, Tulare; North State: Butte, Del Norte, Lassen, Modoc, Siskiyou, Humboldt, Shasta; Central Coast: Monterey, San Benito, San Luis Obispo, Santa Barbara.
- 9 See the California Department of Health press release: <https://www.cdph.ca.gov/Programs/OPA/Pages/NR20-175.aspx>
- 10 See guidance on COVID-19 from the Center for Disease Control: <https://www.cdc.gov/coronavirus/2019-ncov/index.html>
- 11 See hospitalization rates at the Center for Disease Control: <https://www.cdc.gov/coronavirus/2019-ncov/index.html>
- 12 The Household Pulse Survey is an experimental survey administered by the U.S. Census. It is designed to quickly and efficiently deploy data collected on how people's lives have been impacted by the coronavirus pandemic. For more information, please see: <https://www.census.gov/data/experimental-data-products/household-pulse-survey.html>
- 13 Romero, Mindy. "The State of Latino Economic Well-Being in California". California Latino Economic Institute. July 2018. <https://static1.squarespace.com/static/57b8c7ce15d5dbf599fb46ab/t/5d2820cde6624e0001ad214d/1562912921569/CLEI+Latino+Middle+Class.pdf>
- 14 U.S. Bureau of Labor Statistics: https://www.bls.gov/eag/eag.ca.htm#eag_ca.f.2
- 15 The Household Pulse Survey is an experimental survey administered by the U.S. Census. It is designed to quickly and efficiently deploy data collected on how people's lives have been impacted by the coronavirus pandemic. For more information, please see: <https://www.census.gov/data/experimental-data-products/household-pulse-survey.html>
- 16 The Household Pulse Survey is an experimental survey administered by the U.S. Census. It is designed to quickly and efficiently deploy data collected on how people's lives have been impacted by the coronavirus pandemic. For more information, please see: <https://www.census.gov/data/experimental-data-products/household-pulse-survey.html>
- 17 The Small Business Pulse Survey (SBPS) is an experimental survey administered by the U.S. Census. It measures the effect of changing business conditions during the coronavirus pandemic on our nation's small businesses. For more information, please see: <https://www.census.gov/data/experimental-data-products/small-business-pulse-survey.html>

Acknowledgments

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About the California Latino Economic Institute

The CLEI is a collaboration of the California Latino Legislative Caucus and the California Business Roundtable. A stand-alone, independent organization, it focuses on funding and disseminating research, and advancing innovative policy options to support a growing and sustainable Latino middle class. To learn more about the CLEI, visit <http://www.latinoeconomicinstitute.org/>.



About Mindy S. Romero, Ph.D.

Dr. Mindy S. Romero, the study's lead researcher, is founder and director of the Center for Inclusive Democracy which is based at the University of Southern California Price School of Public Policy. Her research explores barriers to civic and political engagement, and their implications for the economic and social well-being of underrepresented and underserved groups. Dr. Romero is frequently invited to share her research findings in academic and policy venues throughout the U.S., including the California State Legislature and U.S. Congress. She is a member of the CLEI Academic Advisory Board. For more information about this study, contact Dr. Romero at msromero@usc.edu.