



RESEARCH BRIEF #60

December 2, 2021

COVID-19 Has Had Devastating Economic Impacts on Older Black and Latinx Adults

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The COVID-19 pandemic has disproportionately impacted the health and financial wellbeing of Black and Latinx populations, magnifying long-standing economic and health inequalities.¹ Older Black and Latinx adults are at an increased risk of severe illness and death from COVID-19 compared to older White adults.² Researchers and policymakers have increasingly begun to recognize structural racism as a root-cause that underlies racial/ethnic disparities in COVID-19 health risks for all age groups, including older adults.³

Black and Latinx communities have also been disproportionately affected by economic hardships during the pandemic.⁴ Prior research on disasters and economic downturns suggest that social inequities are often magnified by crises such as COVID-19.⁵ Older Black and Latinx adults may be especially financially vulnerable to the COVID-19 economic recession. Rates of job loss during COVID-19 have been higher among older workers, *and* Black and Latinx workers are overrepresented in frontline occupations that offer the least job security.⁶ Importantly, COVID-19-related financial disruptions may reduce older adults' immediate and long-term access to resources such as food, housing, healthcare, and long-term care services, which may negatively affect mental and physical health outcomes.^{2,7}

KEY FINDINGS

- Compared to older White and Black adults, a greater proportion of older U.S.-born and foreign-born Latinx adults reported that their income decreased during the pandemic.
- A larger portion of older Black adults reported increased household spending compared to other racial/ethnic and groups.
- Latinx adults were disproportionately affected by economic hardships, with 56% of foreign-born Latinx adults and 49% of U.S.-born Latinx adults reporting at least one economic hardship.
- Foreign-born Latinx adults were more likely to report missing a rent or mortgage payment, not being able to pay medical bills, and lacking money for food than other racial/ethnic groups.

This brief summarizes the results of our recent study published in the *Journals of Gerontology: Series B*.⁸ We used data from the 2020 COVID-19 module of the Health and Retirement Study (HRS) to highlight the economic impact of COVID-19 during the first year of the pandemic on older White, Black, U.S.-born Latinx, and foreign-born Latinx

adults (ages 50 and above). We tested for racial/ethnic and nativity (U.S.-born versus foreign-born) differences in economic hardships and discuss the implications of COVID-19's unequal economic impacts on the long-term health and well-being of older Black and Latinx adults.

COVID-19 Economic Impacts Were More Severe for Older Black and Latinx Adults Compared to White Adults

Compared to older White and Black adults, a greater proportion of older U.S.-born and foreign-born Latinx adults reported that their income decreased during the pandemic. A larger proportion of older Black adults reported increased household spending compared to other racial/ethnic and nativity groups. Latinx adults were disproportionately affected by economic hardships during the pandemic. Nearly half (48.7%) of U.S.-born Latinx and 55.6% of foreign-born Latinx older adults reported at least one economic hardship, compared to 28.3% of Black and 24.7% of White older adults (see Figure 1).

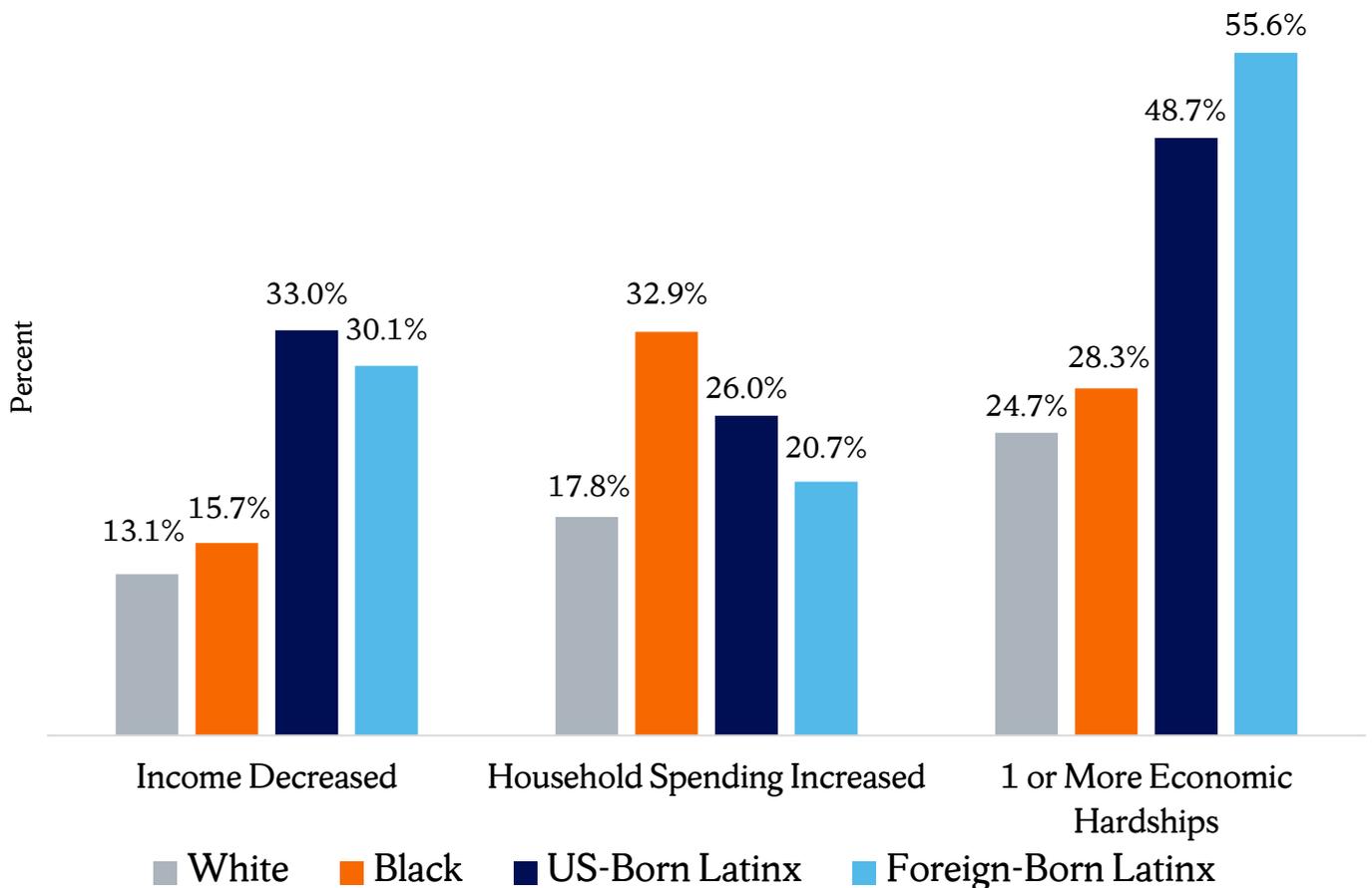


Figure 1: Income Loss, Spending Increase, and Economic Hardship Prevalence for White, Black, and Latinx Adults Aged 50 and Older, 2020

Data Source: 2020 Health and Retirement Survey (HRS) COVID-19 Module (N=2,803).

Reports of specific types of economic hardships varied by on race, ethnicity, and nativity status. Missing a rent or mortgage payment in 2020 was more common among foreign-born Latinx (8.6%) and U.S.-born Latinx (8.5%) older adults. A greater proportion of foreign-born Latinx older adults could not pay their medical bills (27.8%) and lacked money for food (16.0%) compared to other racial/ethnic groups. Missed payments on credit cards or other debt (17.9%) and missed payments on utilities or insurance (19.9%) were most common for U.S.-

born Latinx adults. Older White adults were most likely to report missed utilities or insurance payments (16.8%).

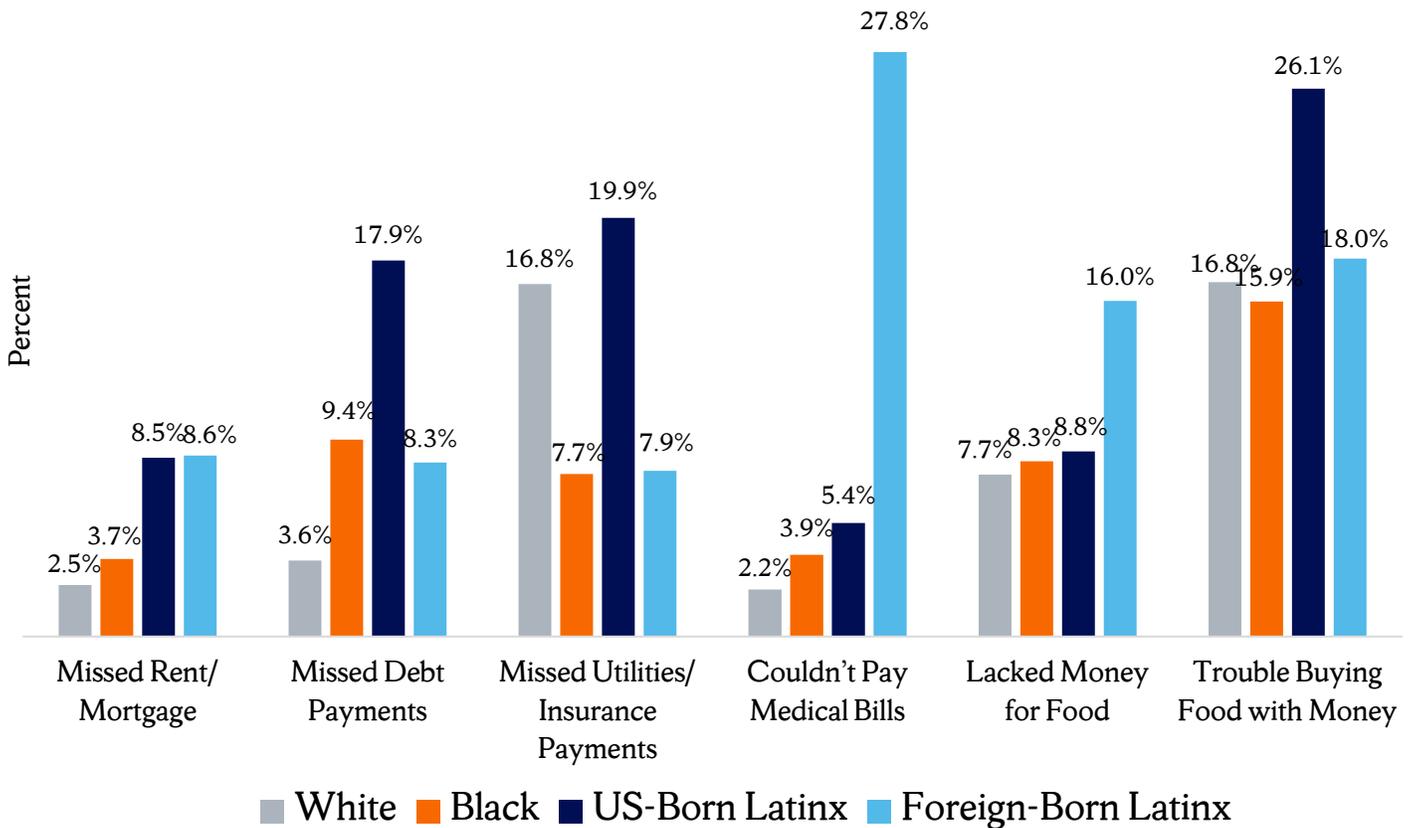


Figure 2: Rates of Economic Hardship Among White, Black, and Latinx Adults Aged 50 and Older, 2020
Data Source: 2020 Health and Retirement Survey (HRS) COVID-19 Module (N=2803).

Urgent Policy Action is Needed to Promote Wellbeing and Equity for Older Adults

The COVID-19 pandemic has had devastating health and economic impacts on older Black and Latinx adults. Our findings showed that foreign-born and U.S.-born Latinx adults experienced especially significant economic hardships relative to other groups, while older White adults were the least likely to experience decreased income, increased spending, and nearly every type of economic hardship.

Several factors may explain COVID-19’s disproportionate negative economic impacts for older Black and Latinx adults. First, long-standing and deeply rooted social and economic inequalities have resulted in lower levels of economic security among older Black and Latinx adults pre-pandemic,⁹ leaving many without a financial buffer. This increases their risk of devastating social and health impacts during crisis events when income declines or essential expenses increase suddenly. Second, Black and Latinx adults were more likely than Whites to lose jobs due to COVID-19 shutdowns,⁵ and this income loss combined with pre-pandemic wealth inequality creates compounding economic burdens for older Black and Latinx adults. Third, Black and Latinx households may face greater barriers to enrollment in COVID-19 relief programs such as expanded SNAP and extended unemployment benefits compared to White households. Foreign-born Latinx adults’ especially high levels of economic hardship may reflect high rates of ineligibility for federal, state, and local COVID-19 relief benefits due to immigration or legal status.

Our findings of unequal economic impacts during the COVID-19 pandemic have implications for older Black and Latinx adults’ health and well-being during the pandemic and in years to come. COVID-19 related financial impacts

may further exacerbate later-life social and economic disparities by depleting older Black and Latinx adults' resources and obligating many to work longer than they had planned or would prefer in order to make up for insufficient retirement and savings funds.¹⁰

COVID-19 relief initiatives such as stimulus checks, increased SNAP benefits, and eviction moratoria played a critical role in ensuring that basic needs were met despite precarious financial circumstances for older Black and Latinx adults. During future crises or economic downturns, these policies should be reinstated to reduce the disproportionate economic impacts of disasters and other shocks on communities of color. Longer-term, major policy action is needed to strengthen the U.S. safety net and reduce economic and health inequalities at all ages, for example by raising the federal minimum wage, permanently expanding SNAP benefits and renter protections, expanding SSI, and reforming the American tax code to raise taxes on the very wealthy.¹¹ Broadly, social policy decisions such as the COVID-19 Recovery Build Back Better legislation currently being debated in Congress should consider and prioritize the needs of older Black and Latinx adults to improve equity in older adults' health, financial security, and quality of life.

Data and Methods

We obtained data on financial impact and economic hardship during the COVID-19 pandemic from the 2020 COVID-19 module of the Health and Retirement Study. Our sample included adults >50 years of age who were U.S.-born non-Latinx White and Black, U.S.-born Latinx, and foreign-born Latinx (n=2,803). Data collection occurred between June and November 2020. Full details about study methods are included in the [peer-reviewed article](#).

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Acknowledgements

The author thanks Shannon Monnat and Alexandra Punch for edits and feedback on a previous version of this brief.

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