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Why Missouri Urgently Needs More Federal Help To Protect its Residents from the Impact of COVID-19

Missouri's COVID-19 cases have been rising steadily since mid-May, with nearly [30,000](#) as of July 13 (485 per 100,000), with more than 1,100 deaths (18 per 100,000). The impact on Missouri's people and the state's economy is severe. More than [four in ten](#) of Missouri's households (43% percent) included someone who lost employment income between March 13 and June 23. Unprecedented numbers of people have been unable to purchase enough food or pay their rent. The blow to Missouri's economy is reflected in plummeting [state revenues](#), with a decline of \$1 billion estimated FY2021 (10 percent below pre-COVID projections). That does not take into account reduced revenues hitting Missouri's local governments.

Without additional federal aid, Missouri will not be able to provide the services needed to help its people recover and move forward. [Lay-offs](#) of local and state government workers are already starting to occur, with 30,100 fewer government jobs in Missouri in May than in March. Education for children in Missouri, already adversely affected by school closings, will suffer from teacher lay-offs. Further, the combined education and health category (which includes higher education) lost 16,500 jobs in Missouri from March to May. Since April, Governor Parson has withheld more than \$150 million from pre-K and K-12 education and more than \$100 million from higher education in order to balance Missouri's state budget.

Many sectors of Missouri's economy have suffered. Leisure and hospitality jobs dropped from 290,300 to 157,500 in just one month (March to April), a 46 percent drop. Reopenings resulted in added jobs in May, but still left this sector with 95,800 fewer jobs in May than in March. The state largely reopened on May 4, with all state restrictions ended on June 16 (localities still retain authority to impose closures or other rules). The [7-day average COVID-19 caseload](#) was 229 on May 4; it did not rise immediately, but by July 7 the 7-day average had climbed to 470. Surging caseloads will keep customers home whether officials allow businesses to reopen or not. Federal Reserve Chair Jerome Powell has predicted national unemployment exceeding 9 percent at the end of this year. Without continued federal assistance similar to provisions in the HEROES Act as passed by the House, Missouri will be hard-pressed to provide needed unemployment benefits. Unemployment was [10.1 percent in May](#), down only slightly

from April (10.2 percent). Without additional cash payments to individuals and families, people who have lost income from work will find it more and more difficult to pay for necessities, causing supermarkets and other retail stores to lose income and the economic downward spiral to continue.

The coronavirus pandemic has laid bare racial disparities that Missouri and the nation must address. Before the pandemic, nine percent of Missouri's children lived in areas of [concentrated poverty](#) (overall poverty rates of 30 percent or more). Children growing up in high poverty areas are likely to experience worse health, education and adult earnings outcomes. The pandemic is making the hardships associated with poverty far worse, with glaring disparities along racial/ethnic lines. Missouri could face an unacceptable surge in homelessness as lost income makes it impossible for households to afford rent. Nearly [22 percent of Missouri's households](#) were not able to pay rent in the previous month, as surveyed during a seven-day period ending June 23. Nearly 30 percent of Black households in Missouri missed paying the previous month's rent, compared to nearly 18 percent of white households. Previously enacted federal legislation set a moratorium on evictions in rental properties with federal subsidies or backing. Those protections took effect March 27 and will expire in 120 days. Continued high unemployment will make it impossible for people to make up unpaid back rent once the partial moratorium expires. The Senate should agree to provide \$100 billion for emergency rental assistance, as the House did in the HEROES Act, and to broaden and extend the moratorium on evictions. People who are homeless and contract coronavirus are twice as likely to be hospitalized, two to four times as likely to require critical care, and two to three times as likely to die than others in the general public, according to the [National Low Income Housing Coalition](#).

In [Missouri, more than 12 percent of households with children](#) reported that in the previous 7 days, they sometimes or often did not have enough to eat. Nearly 18 percent of Missouri households with children that lost income from work said their household did not have enough to eat sometimes or often in the previous week. When the respondent in a household with children reported being in fair or poor health, more than 40 percent sometimes or often did not have enough to eat in the past week. In order to reduce these unprecedentedly high proportions of people going without food, Congress must increase the maximum benefit for SNAP by 15 percent and raise the minimum benefit from \$16 to \$30 per month.

It remains true that rebuilding the economy requires better control over the spread of COVID-19. The timing for development of effective vaccines and more effective treatments is uncertain. But we know that our people must have access to testing and medical treatment to limit the impact of the disease. This is urgently true now, with [hospitalizations](#) for COVID-19 rising to 932 on July 10, the highest number since May 6. There are too many people in Missouri without health insurance. Disparities by race are unacceptable. While 9.6 percent of whites in Missouri have no [health insurance](#) more than **half** (50.2 percent) of Blacks, close to 23 percent of Latinx¹, and 16.5 percent of Asians are uninsured. This will mean they delay treatment and potentially increase the

¹ Term in current usage to express gender neutrality.

spread of the coronavirus as they return to work. One important solution for medical care is for the federal government to increase the share it pays states for Medicaid, allowing states to better meet needs for emergency services and all other forms of care, as proposed in the House's HEROES Act. Missouri has not expanded its Medicaid program under the Affordable Care Act, so is less readily able to serve people who may be losing their health insurance through work. Voters in Missouri have the opportunity to close the Medicaid coverage gap through a ballot measure on August 4. Still, the unanticipated high costs of coping with a pandemic make a higher federal Medicaid match (FMAP) extremely important to Missouri's recovery.

The fact that 43 percent of Missouri's households have experienced a [loss of income from work](#) underscores the urgency of the state's need for help to prevent a long-term deep recession. More than half of Latinx households in Missouri have experienced earnings losses since March 13 (55 percent), as have 46.5 percent of Black households, 41 percent of white households, and 33.5 percent of Asian households. Missouri needs the continuation of the special pandemic unemployment benefits that will otherwise expire well before the economy recovers. If they are allowed to expire as of July 27, more than [260,000 Missouri unemployment insurance beneficiaries](#) will start losing \$156 million per week – a loss that will hurt them badly and damage the economy. Families unable to regain earnings or to work at all must have cash aid similar to the \$1,200 cash payments made earlier this year, modified to allow households with immigrants to receive at least some benefits, with expedited distribution of the aid to people with income too low to owe federal income tax.

Improving the Earned Income Tax Credit and Child Tax Credit would also help to sustain families starting next year. Investments in paid leave and child care are also essential to help parents return to work – and no one should be forced to work without the protection of safe working conditions.

All these are essential components of what states need to recover from the twin crises of pandemic and severe economic downturn. The U.S. Senate must act swiftly to provide the relief that Missouri and other states need in order to respond to community needs and move toward lasting recovery.