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Why Utah Urgently Needs More Federal Help to Protect its People from the Impact of COVID-19

Utah's COVID-19 cases have spiked sharply in recent weeks, more than [30,000](#) as of July 14 (945 per 100,000), with 216 deaths. The impact on Utah's people and the state's economy is severe. More than four in ten of Utah's households (44% percent) included someone who [lost employment income](#) between March 13 and June 30. Unprecedented numbers of people have been unable to purchase enough food or pay their rent. The blow to Utah's economy is reflected in plummeting [state revenues](#), a decline of \$1.0 – 1.4 billion in FY2020 (13-18 percent below pre-COVID projections), with as much as \$447 million in projected losses in FY 2021 (up to 5 percent). That does not take into account reduced revenues hitting Utah's local governments.

Without additional federal aid, Utah will not be able to provide the services needed to help its people recover and move forward. Lay-offs of local and state workers are already starting to occur, with 17,600 fewer [government jobs](#) in Utah in May than in March. Education for children in Utah, already adversely affected by school closings, will suffer from teacher lay-offs. Further, the combined [education and health category](#) (which includes higher education) lost 11,700 jobs in Utah from March to May.

Many sectors of Utah's economy have suffered. [Leisure and hospitality jobs](#) dropped from 157,400 to 87,200 in just one month (March to April), a 45 percent drop. Reopenings resulted in added jobs in May, but still left this sector with 45,600 fewer jobs in May than in March. Utah began reopening on May 1. However, surging caseloads will keep some 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, Utah will be hard-pressed to provide needed unemployment benefits. [Unemployment was 8.5 percent in May](#), down from April (10.4 percent), but still stunningly higher than the March level of 3.8 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.

Poverty, Hunger, and Racial Disparities. The coronavirus pandemic has laid bare racial disparities that Utah and the nation must address. Before the pandemic, [8 percent of Utah's non-Hispanic white children](#) lived below the federal poverty level, while [20 percent](#) of Utah's Hispanic/Latinx children were poor. Children growing up in poverty 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. For example, in Utah, three times as many Latinx as white households with children reported that in the previous 7 days, they [sometimes or often did not have enough to eat](#) (20.4 percent versus 6.8 percent, respectively). Nearly 17 percent of Black households with children and 45 percent Asian households with children sometimes or often did not have enough to eat in the past 7 days. When someone in a Utah household with children was laid off due to the pandemic, [nearly one-third](#) (31.1 percent) said their household did not have enough to eat sometimes or often in the previous week. When household income was below \$25,000 per year, close to one-third (32.3 percent) reported sometimes or often not having enough to eat in the previous 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.

Threatened Evictions and Homelessness. Utah could face an unacceptable surge in homelessness as lost income makes it impossible for households to afford rent. More than [12 percent of Utah's households](#) were not able to pay rent in the previous month, as surveyed during a seven-day period ending June 30. Fourteen percent of Latinx households in Utah missed paying the previous month's rent, as compared to 9.1 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](#).

Access to Health Care Varies by Race. 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 people must have access to testing and medical treatment to limit the impact of the disease. There are too many Utahns without health insurance. Here too, disparities by race are unacceptable. While 6.6 percent of whites in Utah have no health insurance and 7.9 percent of Asians are uninsured, 19.3 percent of Latinx in Utah and more than 15 percent of Blacks in Utah are uninsured. This will mean they delay treatment and potentially increase the 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. Utah has expanded its Medicaid program under the Affordable Care Act, so can more readily serve people who may be losing their health insurance through work, but the unanticipated high costs of coping with a pandemic make a higher federal Medicaid match (FMAP) extremely important to Utah's recovery.

Household Income Losses Not Seen Since the Great Depression. The fact that close to half of Utah's households have experienced a loss of income from work underscores the urgency of Utah's need for help to prevent a long-term deep recession. More than [60 percent of Latinx households](#) in Utah have experienced earnings losses since March 13, as have nearly 62 percent of Black households, 41 percent of white households, and 47 percent of Asian households. Utah 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 [nearly 75,000 Utahns](#) receiving unemployment benefits will start losing nearly \$45 million per week, causing great harm to their families and to 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 Senate must act.