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

North Dakota's [COVID-19 cases](#) have spiked sharply in recent weeks, with 5,130 as of July 20 (90 per 100,000), with 97 deaths. The number of new cases each day has risen from 25 on June 20 to 107 on July 20. The impact on North Dakota's people and the state's economy is severe. More than one-third of North Dakota's households (36% percent) included someone who [lost employment income](#) between March 13 and July 7. Unprecedented numbers of people have been unable to purchase enough food or pay their rent. The blow to North Dakota's economy is reflected in plummeting [state sales tax revenues](#), a decline of more than 35 percent in May 2020, one of the worst losses in the nation.

Without additional federal aid, North Dakota 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 5,400 fewer [government jobs](#) in North Dakota in June 2020 than in June 2019. Education for children in North Dakota will suffer from teacher lay-offs. Further, the combined [education and health category](#) (which includes higher education) lost 2,000 jobs in North Dakota from June 2019 to June 2020.

Many sectors of North Dakota's economy have suffered. [Leisure and hospitality jobs](#) dropped from 40,600 to 31,300 in one year (June 2019 to June 2020), a 23 percent drop. North Dakota never had a stay at home order, and businesses and other facilities 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, North Dakota will be hard-pressed to provide needed unemployment benefits. Unemployment was 6.1 percent in June, considerably down from April (9.1 percent), but still stunningly higher than the June 2019 level of 2.4 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 North Dakota and the nation must address. Before the pandemic, 9 percent of white North Dakota households lived below the federal poverty level, while more than one in four Native Americans and Black Americans were poor. The poverty rate for North Dakota's Latinx people was nearly 17 percent. Nearly 11 percent of children were poor in North Dakota before the pandemic. Children growing up in poverty are likely to experience worse health, education and adult earnings outcomes. The pandemic is

increasing the need for assistance in securing food. In North Dakota, the number of [households receiving food assistance](#) through Supplemental Nutrition Assistance Program (SNAP) rose 8.1 percent in just one month, from March to April 2020. While North Dakotans are less likely to experience food insecurity than people in other states, 11 percent of households with children reported that they sometimes or often did not have enough to eat in the previous 7 days (from the Census Bureau's Household Pulse survey, data collected from June 25 – July 7, compiled by the [Center on Budget and Policy Priorities](#)). For households with children in which the survey respondent was not working because of the need to care for children not in school or child care, the proportion sometimes or often without enough to eat in the previous 7 days rose to close to 16 percent (from [data collected](#) July 2-7). When household income was below \$25,000 per year, more than 17 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. North Dakota could face an unacceptable surge in homelessness as lost income makes it impossible for households to afford rent. Nearly [12 percent of North Dakota's households were not able to pay rent](#) in the previous month, as surveyed during a seven-day period ending July 7. Twenty-six percent of Black households in North Dakota missed paying the previous month's rent, as compared to 11.5 percent of white households and 4.5 percent of Latinx households. Nearly 29 percent of households with children had not paid their rent in the previous month. 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 before the end of July. Continued reduced income from work will make it impossible for people to make up unpaid back rent once the partial moratorium expires, and a surge in evictions is expected, with harmful consequences to the children disproportionately affected. 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 Income and Employment. 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 North Dakotans without health insurance. For the population as a whole, the percentage uninsured during the pandemic is just over 5 percent. But for those with household income of less than \$35,000, the uninsured rate jumps to over 17 percent. The uninsured rate for a person in a household in which someone lost income from employment during the pandemic is 12.5 percent. The only data with reliable breakdowns by race for North Dakota is from [2018](#), which showed substantial disparities: 6 percent of whites were uninsured; 32 percent of Blacks; and 29 percent of American Indians. Uninsured people are likely to 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. North Dakota 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 North Dakota's recovery.

Household Income Losses Not Seen Since the Great Depression. The fact that more than one-third of North Dakota's households have experienced a loss of income from work underscores the urgency of North Dakota's need for help to prevent a long-term deep recession. Nearly 60 percent of Black households in the state have experienced earnings losses from March 13 through July 7, as have nearly 36 percent of white households, 18 percent of Latinx households, and 40 percent of Asian households. North Dakota 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 37,000 North Dakotans receiving unemployment benefits will start [losing nearly \\$22.4 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 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.