

Poverty Reduction: Lessons from COVID-19

Health Equity Council

Executive Statement

COVID-19 demonstrated weaknesses in our economic structure, as well as pathways to positively impact poverty. Local to federal interventions during the pandemic shine a light on not only what is possible, it has shown us what works.

Background

Poverty is a structural component of the US economy. COVID-19 caused many levels of government to work together to support individuals, families, and communities through various forms of aid. From community-led mutual aid to federal stimulus money, the response to COVID-19 has shown that US poverty does not need to stay in its current form. Government benefits and stimulus packages decreased the poverty rate 72% (8.4% vs 30.0% projected) in New Mexico. This demonstrates that poverty is preventable and structural changes can result in reduction and elimination of poverty. Continuation and expansion of government benefits from federal to local levels will lead to further decrease in poverty.

Recommendations

Recommendation 1: Expand Safety-Net Programs

COVID-19 Benefits and Stimulus Packages significantly reduced poverty. The combination of federal and local policies that ensure timely access to economic safety nets (i.e. unemployment insurance, direct cash payments, child tax credit, earned income tax credit, supplemental security insurance, etc.) must continue and be expanded to provide access to all.

Recommendation 2: Equity, Ensure Access for all

The city of Albuquerque's commitment to equity is commendable. Health equity is strongly associated with economic equity. Health for all will require access to economic resources for all. Safety-net programs and job opportunities must be accessible for undocumented people, people with mixed immigration status and formerly incarcerated people.

Recommendation 3: Gender Pay Equity

Gender-pay disparities contribute to avoidable poverty (in Albuquerque, women of color earn \$5/hr less than white men). Policies that ensure equal pay will reduce gender-pay disparities. The pandemic forced many women out of the workforce entirely or significantly reduced their working hours. Ensuring job access and recognizing all forms of work will increase economic security.

Recommendation 4: Increase Minimum Wage

Increased income leads to an improved standard of life. The different minimum wages for tipped workers, youth working less than 90 days, and workers with disabilities need to be done away with to ensure that all workers have equitable opportunities to have a reasonable standard of living. There are very strong correlations between poverty, wages, and health.

Recommendation 5: Ensure Paid Leave for All Workers

Congress addressed this need during the pandemic by providing temporary emergency paid sick leave and emergency paid child-care leave with the Families First Coronavirus Response Act. Unfortunately loopholes and exemptions excluded millions of workers. This will allow workers to stay home when ill and reduce spread of infections and stay home to care for family members who are ill.