

# THE PANDEMIC PERSISTS: PAIN POINTS FOR THE CHILDREN OF MASSACHUSETTS

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December 14, 2020

Policymakers have the responsibility and an opportunity to make smart and fair policy choices that will support children and families. This is particularly true now amid the twin health and economic emergencies that expose and make worse long-standing racial and economic inequities.

COVID-19 and the economic downturn have hit hard, particularly in households with children and in communities already disadvantaged by lack of access to stable employment, housing, and economic security:

- The economic downturn has had a particularly deep impact on **women, on families with children, and on Black and Latinx households.**<sup>1</sup>
- More than half of Massachusetts households with children have lost employment income since mid-March. For **Black and Latinx households, about two-thirds have lost income** since the pandemic hit.<sup>2</sup>



Policy choices can and do have an impact. For example, the national CARES Act that increased unemployment assistance and provided stimulus checks made a significant difference when that money was released:

- **Increased federal spending** on unemployment benefits and the stimulus checks kept more than **18 million people in the U.S. out of poverty** in April.<sup>3</sup>
- As important as these benefits were, they **did not reach everyone in need**, the stimulus checks were one-time only, and the **unemployment increases will soon run out.**

In Massachusetts, because of historic patterns of discrimination and inequitable housing policies, households that have felt the brunt of the combined impact of this health crisis and economic crisis tend to be concentrated in communities of color:

- There were close to **45,000 new unemployment claims** in a single week in mid-October. Since mid-March and as of early December, workers have filed almost **1.7 million** initial claims for unemployment. **Workers of color** have been disproportionately affected by recent job losses.<sup>4</sup>
- Close to **1 of 6 households with children** report they may be **unable to pay their rent or mortgage** in the next month. This number for **Black and Latinx households is twice** that of White households.<sup>5</sup>

- About **1 in 10 households** with kids say that the **kids aren't eating enough** because they just can't afford it.<sup>6</sup>
- More than a **quarter of adults** are having difficulty covering their usual expenses.<sup>7</sup>

The economic story is different for some in Massachusetts. This provides an important opportunity for policymakers to consider:

- Massachusetts is home to about **20 billionaires**.
- Collectively, these billionaires' wealth has risen by about **\$17 billion** since mid-March.
- Some corporations are turning **record profits** while other businesses – especially smaller, brick-and-mortar businesses – have been hard hit.<sup>8</sup>

Whether or not Congress agrees on additional aid for the state, Massachusetts policymakers can make fiscal policy choices that could have a profound impact on the lives of families and communities hit hardest by the COVID recession:

- A variety of policies would raise needed revenue to support families in need by increasing taxes specifically on those who can best afford it.
- Policies such as increasing the tax on **unearned income**, increasing the **tax on wealthy corporations**, and increasing the **tax on corporations that shift their income to offshore tax havens (GILTI: Global Intangible Low Taxed Income)** can help make the tax system more fair and can generate revenue needed to invest in our hard-hit communities.
- Choices made in our **state budget** on spending for childcare, schools, housing, food assistance and more can help **create opportunity** and undo some of the damage left in the wake of the pandemic.

Returning to pre-COVID “normal” will not be enough. We need our political leaders to make policy choices *now* that will address systemic problems in health care, housing, education, and economic opportunity. The decisions about how we raise and spend our tax revenues will either create opportunity and prosperity so that *everyone* can thrive or will perpetuate the circumstances that have held people back.

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<sup>1</sup> [“Monthly Poverty Rates in the United States during the COVID-19 Pandemic,”](#) Zachary Parolin et al., Columbia University Center on Poverty and Social Policy, October 15, 2020; and [“COVID-19 recession is tougher on Women,”](#) *Monthly Labor Review*, September 2020.

<sup>2</sup> Kids Count Data Center, [Adults living in households with children who lost employment income since March 13, 2020](#)

<sup>3</sup> [“Monthly Poverty Rates in the United States during the COVID-19 Pandemic,”](#) Zachary Parolin et al., Columbia University Center on Poverty and Social Policy, October 15, 2020.

<sup>4</sup> [Mass. Weekly Unemployment Claimant Data 10-22-20;](#) [Mass. Weekly Unemployment Claimant Data 12-10-20.](#)

<sup>5</sup> Kids Count Data Center, [Adults living in households with children who have little or no confidence in their ability to pay their next rent or mortgage payment on time.](#)

<sup>6</sup> Kids Count Data Center. [Adults living in households with children who sometimes or often did not have enough food to eat in the past week.](#)

<sup>7</sup> [Tracking the COVID-19 Recession's Effects on Food, Housing, and Employment Hardships,](#) Center on Budget and Policy Priorities, December 4, 2020.

<sup>8</sup> Americans for Tax Fairness, Institute for Policy Studies, [“Since Pandemic Began Massachusetts Billionaires' Net Worth Jumps \\$17.2 Billion, or 33% - 3 Times More than State's up to \\$6 Billion Revenue Shortfall in 2020 & 2021.”](#)