

# COVID-19 demonstrates why wealth matters

July 7 2020, by Neil Schoenherr

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While COVID-19 has impacted all individuals, the impact has not been equal. In a new national Socioeconomic Impact of COVID-19 survey, the Social Policy Institute (SPI) at Washington University in St. Louis

found that liquid assets increased the likelihood that an individual could practice social distancing. However, Black individuals were least likely to afford social distancing.

"Social distancing is a privilege that comes with resources and wealth, but wealth is not distributed equally in America," said Michal Grinstein-Weiss, the Shanti K. Khinduka Distinguished Professor and director of the SPI. "Wealth gives individuals agency to make choices, like social distancing, that keep themselves and their families healthy."

The SPI interviewed approximately 5,500 respondents from all 50 U.S. states from April 27 to May 12.

Black households had a harder time being able to socially distance compared with white peers. Black respondents reported needing to work to make money.

"Lower liquid assets leave people in a position of choosing income over social distance safety," Grinstein-Weiss said. "As money increases, affordability to social distance increases."

Survey respondents also revealed other significant loss and hardships as a result of the pandemic. The survey found that:

- Low- and moderate-income households delayed major housing payments and [health care](#);
- Hispanic/Latinx homeowners were more than twice as likely (14.1%) to be evicted than Non-Hispanic White (6.4%) and five times as likely as Non-Hispanic Black (2.6%) homeowners, despite moratoriums on some evictions;
- Hispanic/Latinx (27%) and low-income individuals (29%) were most affected by job loss;
- One in three gig workers reported working less as a result of the

pandemic, and 86% of those individuals said gig income was essential or important to their household budget; and

- 34% of people who lost their job reported food insecurity.

"While it's too early to draw conclusions about long-term impacts of the virus, we know that it's exacerbating situations for households already experiencing financial vulnerability, wealth inequalities and health inequities."

The data was presented during a virtual event titled "[The Impact of COVID-19 on the Racial, Gender, and Generational Wealth Gaps](#)," co-hosted with the Center for Household Financial Stability at the Federal Reserve Bank of St. Louis.

Data suggest that the pandemic may exacerbate underlying inequalities, Grinstein-Weiss said.

"Understanding the wealth gap is important, but more critically we need to design policies that enable people to build [wealth](#) as the economy recovers," she said.

**More information:** The Impact of COVID-19 on the Racial, Gender and Generational Wealth Gaps: [socialpolicyinstitute.wustl.edu ... 103526689.1592831364](#)

Provided by Washington University in St. Louis

Citation: COVID-19 demonstrates why wealth matters (2020, July 7) retrieved 26 April 2024 from <https://phys.org/news/2020-07-covid-wealth.html>

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