THE COVID-19 EFFECT – DIVIDING THE COUNTRY BY INCOME, RACE, AND GENDER
New University of Chicago Research of Households Shows COVID-19 Threatens to Worsen Inequality

Chicago, April 23, 2020 – The impact of COVID-19 is deepening divides in the United States along income, race, and gender lines, with lower-income women suffering the greatest, according to new research released today by the Rustandy Center for Social Sector Innovation at the University of Chicago's Booth School of Business and the University of Chicago Poverty Lab at the Harris School of Public Policy. Despite disparities in impact, researchers also found wide agreement for supporting state and national social-distancing measures, apart from lower-income Republicans, who are less willing to comply.

The Rustandy Center and the Poverty Lab partnered with the AmeriSpeak Panel team at NORC at the University of Chicago to conduct a weekly series of polls. In the first survey, AmeriSpeak surveyed over 1,400 representative households across the country. The research aims to understand how Americans are reacting to the COVID-19 pandemic, how they are coping with the social distancing, and how this unprecedented crisis may be impacting disparities across groups and changing views about the economy, politics, the role of government, and the country's future.

The preliminary analysis covers the period of April 6-11 and shows how the coronavirus is further increasing existing inequalities in the U.S. The household survey is the second in a series of ongoing COVID-19 research projects undertaken by the Rustandy Center and the Poverty Lab that are measuring on a weekly basis the pandemic's impact on employment and on small and medium-sized businesses. Results for each project can be found at: COVID-19 SOCIAL IMPACT RESEARCH.

"The new research underscores the importance of policies that do more to relieve the impact of COVID-19 on lower income households, who are being disproportionately affected," says **Marianne Bertrand**, Chris P. Dialynas Distinguished Service Professor of Economics at Chicago Booth and faculty director at the Rustandy Center for Social Sector Innovation and at UChicago Poverty Lab. "Our data support that this crisis is anything but 'a great equalizer'. It is dramatically amplifying income inequality in America."

Key initial findings from the household impact survey include:

The coronavirus crisis is impacting Americans unequally depending on their income, gender, and race. Lower income working Americans, especially women, were more likely to experience a drop in their incomes due to changes to their employment status already in the first month of the crisis. Early results show disparities by race, with non-white workers experiencing income loss across income groups, and further analysis of these disparities is forthcoming.

The crisis is taking a toll on the mental and emotional wellbeing of many Americans, but low-income households are most concerned about jobs, income stability, and health care coverage. More than half of low-income respondents reported being worried about losing their job, compared to less than 20 percent of higher income Americans.

Most Americans are supportive of stay-at-home COVID-19 measures, but support is influenced by their sources of COVID-19 information. About 20 percent of Americans believe that the media is exaggerating the gravity of the COVID-19 situation, compared to 51 percent who believe that the media representation is accurate, and 21 percent instead believe the media is underreporting the gravity of the situation.

Almost 40 percent of Americans do not believe that the COVID-19 outbreak is the most pressing policy priority over the next 12 months. For the rest of Americans, across political parties, Covid-19 was a top priority along with unemployment and the upcoming presidential elections.

"These early results will inform policymakers as they weigh new or expanded support programs in response to COVID-19," says **Carmelo Barbaro,** Executive Director of the University of Chicago Poverty Lab. "Because this is a longitudinal survey, we'll be able to track these results over time and measure how household attitudes and outlooks are changing as the pandemic and relief efforts unfold."

"The NORC AmeriSpeak team is proud to contribute to the University of Chicago's efforts to advance our country's understanding of the ongoing economic, social, and other impacts of the COVID-19 pandemic," said **J. Michael Dennis**, senior vice president at NORC at the University of Chicago and Executive Director of AmeriSpeak. "Our AmeriSpeak Panel provides the representative sample of U.S. households for tracking the pandemic's effects on the same households over the next few weeks, hopefully providing decision-makers vital and timely data on the country's economic health and social capital."

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About the Rustandy Center for Social Sector Innovation
The Rustandy Center for Social Sector Innovation is the destination at the University of Chicago Booth School of Business for people committed to helping solve complex social and environmental problems. As Chicago Booth's social impact hub, the Rustandy Center offers hands-on learning opportunities, supports innovative courses, and pursues research—all with the goal of developing people and practices with the potential to solve the world's biggest problems.
https://www.chicagobooth.edu/research/rustandy

About UChicago Poverty Lab
Founded in 2015, The University of Chicago Poverty Lab conducts rigorous experimental studies that lead to greater economic opportunity for communities that have been harmed by disinvestment and

segregation. The lab partners with policymakers, community-based organizations and others to identify their most urgent and pressing challenges, co-generate evidence about what works, and translate findings into policy changes that reduce urban poverty and improve people's lives. One of five Urban Labs based at the Harris School of Public Policy, the Poverty Lab is led by Pritzker Director Marianne Bertrand, Chris P. Dialynas Distinguished Service Professor of Economics at the Booth School of Business.
https://povertylab.uchicago.edu

About NORC at the University of Chicago
NORC at the University of Chicago is an objective, non-partisan research institution that delivers reliable data and rigorous analysis to guide critical programmatic, business, and policy decisions. Since 1941, NORC has conducted groundbreaking studies, created and applied innovative methods and tools, and advanced principles of scientific integrity and collaboration. Today, government, corporate, and nonprofit clients around the world partner with NORC to transform increasingly complex information into useful knowledge.
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