



Pandemic Resurgence Advisory Committee

Equity Subcommittee Meeting

JUNE 30, 2020

Admin Notes:

- Please make sure your mic is MUTED unless you are providing comment
- Phone participants: Please identify yourself upon entering the meeting
- Upon Call To Order
 - All mics will be muted
 - Roll will be taken based upon (Zoom) participant list
- Committee Members: Please use the “raise hand” function if you’d like to ask a question or make comment during the presentation.
- Public Members: Once the Chair opens up the meeting for public comments, please use the “raise hand” function, and the admin will call out your name to provide comment. For phone participants, please state your name once the Chair opens up for public comment.
- Meeting material and minutes will be post on the PRAC website:
 - <https://governor.delaware.gov/prac/>

Agenda

- 1 Provide situation update and review common goals
- 2 Discuss emerging findings on individual financial impacts of Covid-19 to date
- 3 Discuss emerging findings on economic impacts of Covid-19 for minority owned businesses
- 4 Public Comments
- 5 Closing and schedule of next meetings

Goals of Today's Sub-committee meeting

- 1 Understanding the financial impact of the pandemic on individuals and gaps in support for **individuals in financial distress**
- 2 Understanding the economic impact of the pandemic on businesses and gaps in support for **minority-owned businesses**

Pandemic Resurgence Advisory Council: Equity subcommittee members



Eugene Young
President, Metropolitan Urban League
of Wilmington

Chair of the Equity Subcommittee



Shavonne White
Director, Office of Supplier Diversity

Support Staff, Equity Subcommittee



Anas Ben Addi
Director, DE State
Housing Authority



James Collins
CIO, Department of
Technology and Information



Claire DeMatteis
Commissioner, DE
Department of Corrections



Sherry Dorsey Walker
State Representative



Van Hampton
CEO, True Access Capital



Dr. Leroi Hicks
CMO, Wilmington
Hospital



Gerald Hocker
Senator



Jane Hovington
NAACP State Conference
Executive Member



Elizabeth Lockman
State Senator



Lolita Lopez
CEO, Westside Family
Healthcare



Maria Matos
CEO, Latin America
Community Center



Rev. Rita Paige
Pastor, New Beginnings
Community AME Church



Rosa Rivera
COO, La Red Health
Center



Dr. Josh Thomas
CEO/Executive Director,
NAMI Delaware

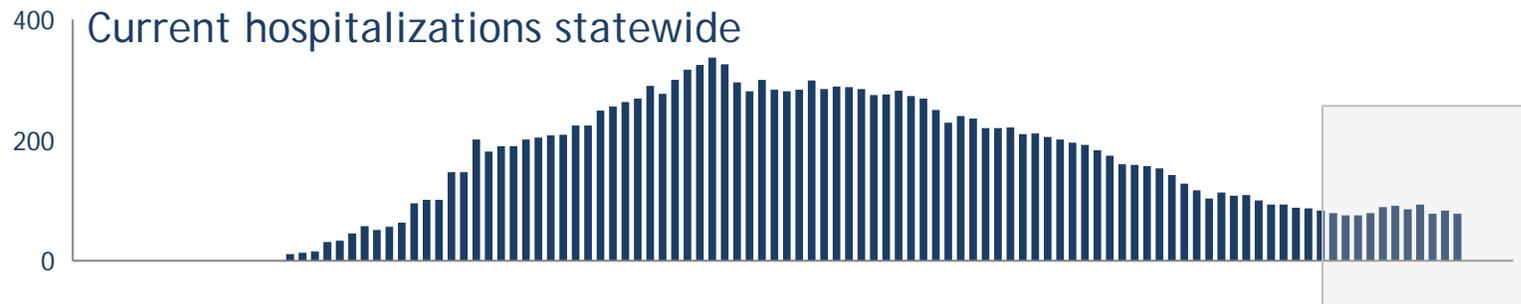


Freeman Williams
NAACP State Conference
Executive Member

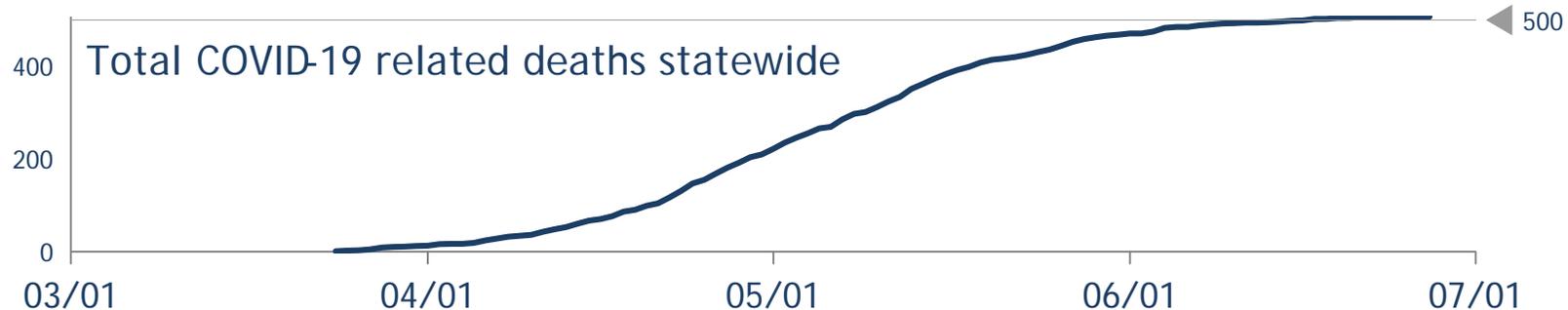
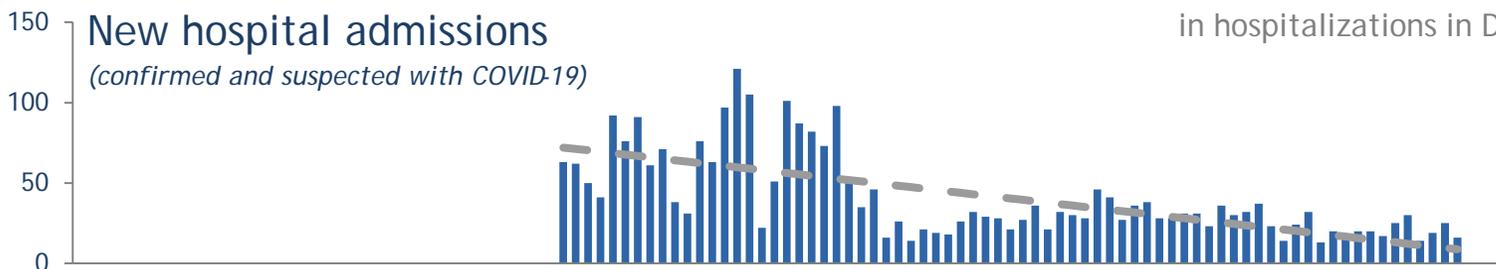


Lyndon Yearick
State Representative

Delaware has successfully reduced COVID-19 related hospitalizations/admissions, while deaths have begun to plateau...

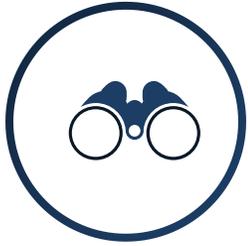


Past two weeks show increase in hospitalizations in DE



Note: Data as of 6/27/2020; hospital admissions data limited prior to April 16, 2020; Data on hospital admissions includes both residents and non-residents
Source: Delaware DHSS "My Healthy Community"; analysis

Recall: Goals of resurgence planning and management



Monitor pandemic to **proactively develop a plan** in case a broad resurgence occurs

- Identify metrics (e.g., leading indicators) to pro-actively trigger state and/or community action
- Clearly communicate to the community what is being measured and why
- Mobilize assets to prevent a resurgence



Communicate regularly and effectively to all Delaware residents

- Be transparent about key health metrics and impact on Delawareans
- Communicate widely about how people can best protect themselves and their responsibilities to their communities
- Ensure outreach is designed in partnership with at risk communities



Ensure **readiness and accessibility** of the health system

- Maintain adequate access to care for non-COVID conditions
- Provide PPE and early testing for essential workers, those with pre-existing conditions, and people living in congregant settings, including long term care providers



Maximize **economic opportunity** for all Delawareans by supporting businesses and individuals

- Minimize impact on businesses and jobs as much as possible, implementing restrictions vs full closure where possible
- Ensure enablers are in place to maximize economic opportunity (e.g., childcare, transportation, education)



Support individuals and businesses who have been **disproportionately affected** by COVID-19

- Provide protective measures for most vulnerable populations (e.g., nursing homes, low income, homeless, minority populations)
- Support industries and individuals that experience disruption with targeted measures to reduce economic damage and job loss

Focus of discussion next week

Health outcomes and access

COVID-19 has an
extensive impact,
especially for the health
of most vulnerable
communities

A dual crisis

Focus of discussion today

Economic supports and opportunity

The resulting economic
downturn
disproportionately
impacts low-income and
minority workforce and
businesses

For discussion today: Economic crisis exacerbated due to existing inequalities and gaps in support during the pandemic



Elevated unemployment among Black and Latino workers in threatened industries

High representation in service industries with high rates of job loss during shutdown leads to disproportionately high rates of unemployment for Black and Latino workers



Existing inequality in income and wealth gap increases fragility in crises

For Black, Latino and immigrant families, lower average income and household savings means job instability and economic crisis are especially challenging



Limitations in economic assistance restrict ability to continue to reach those most in need

Existing economic supports may be insufficient going forward and existing programs require adaptation for pandemic context.

Eligibility limitations discourage or exclude residents based on citizenship status, language, and ability to apply for programs



Black/Latino owned businesses in hard hit industries have limited access to support

Minority-owned businesses were disproportionately impacted by economic crisis and often missed by federal and state support programs

For discussion next week: Disparity in COVID health outcomes related to employment in essential industries and social determinants of health



Black and Latinx essential workers are vulnerable

Higher representation in essential industries and business operations without sufficient supports meant many continued working even while sick or at risk of infection



Additional risk factors exist for low-income families

Housing conditions and transportation needs put low-income families at higher risk of infection because of the difficulty of social distancing



Existing health and economic conditions impact health access

Higher rates of underlying health conditions and lower rates of access to health insurance and health institutions meant most vulnerable patients could not always access necessary care



Language and digital communication affect access to care

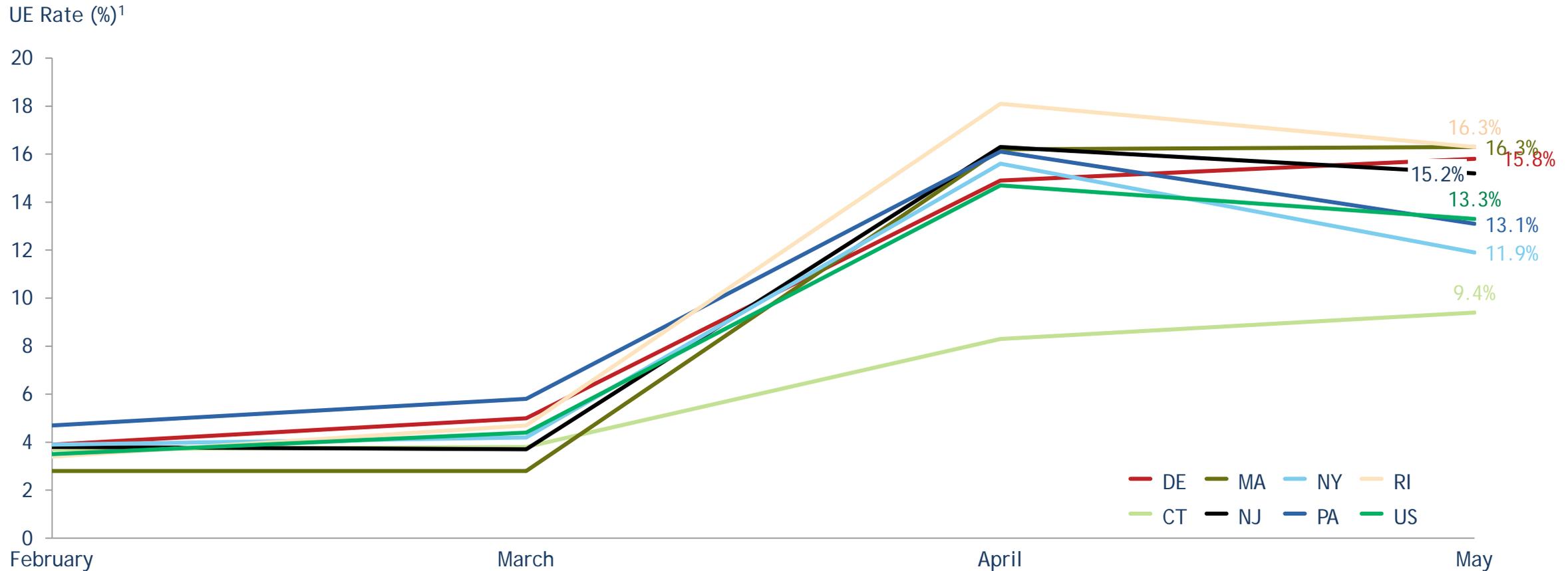
Challenges in reaching monolingual communities and limited access to internet create barriers for access to testing and treatment

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Equity Baseline: Economic impacts of COVID

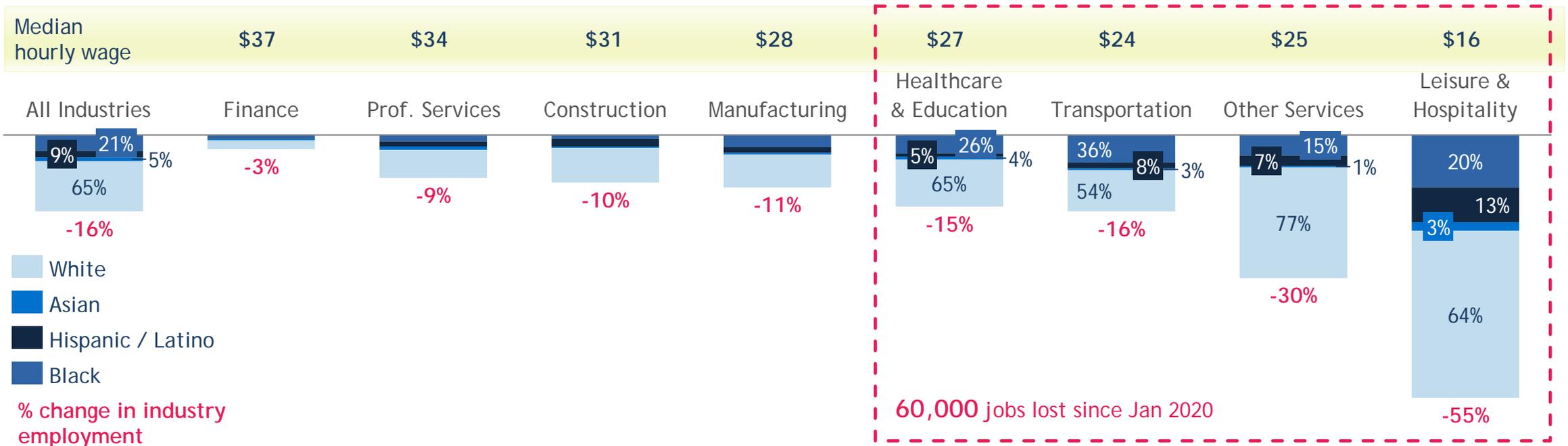
At 15.8% unemployment overall, DE above the US average but in line with its Northeast neighbors' in terms of joblessness



However, service industries that employ many low-income and Black and Latino workers have been severely impacted

Service sectors such as food & accommodation, healthcare, and childcare make up 40%+ of employment (~170,000) in DE and have been most impacted by economic crisis

Change in employment in DE in select industries, Jan - May 2020, by racial composition



Nationally, employment among Black and Latino workers are more heavily affected by COVID-19 economic crisis than members of other racial groups

61%
Latinos

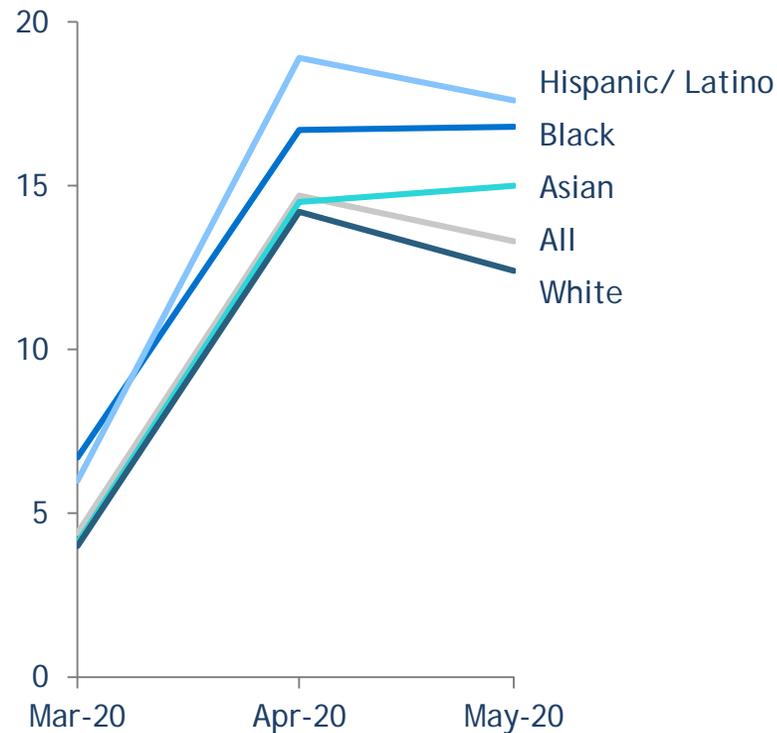
44%
African American

38%
Whites

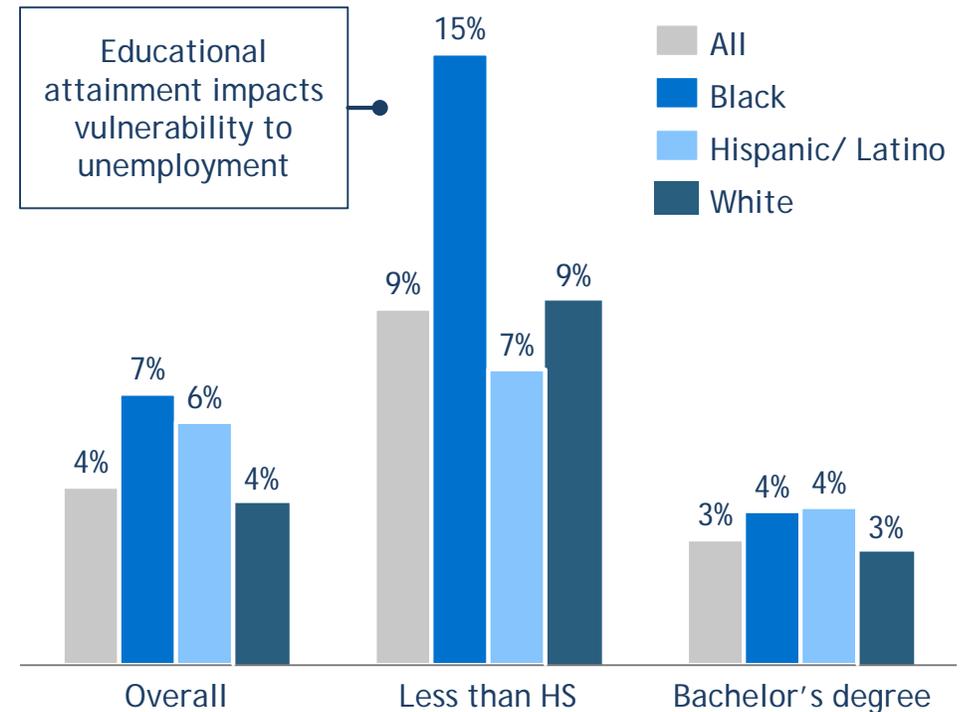
report that they or someone they knew have lost jobs or taken a pay cut



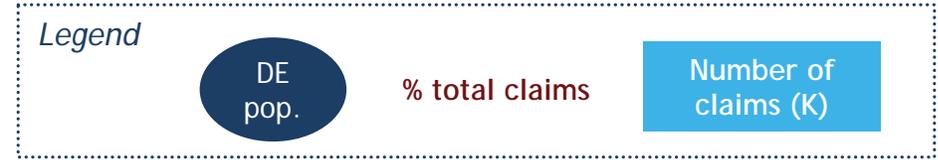
National unemployment rates by race, March - May 2020



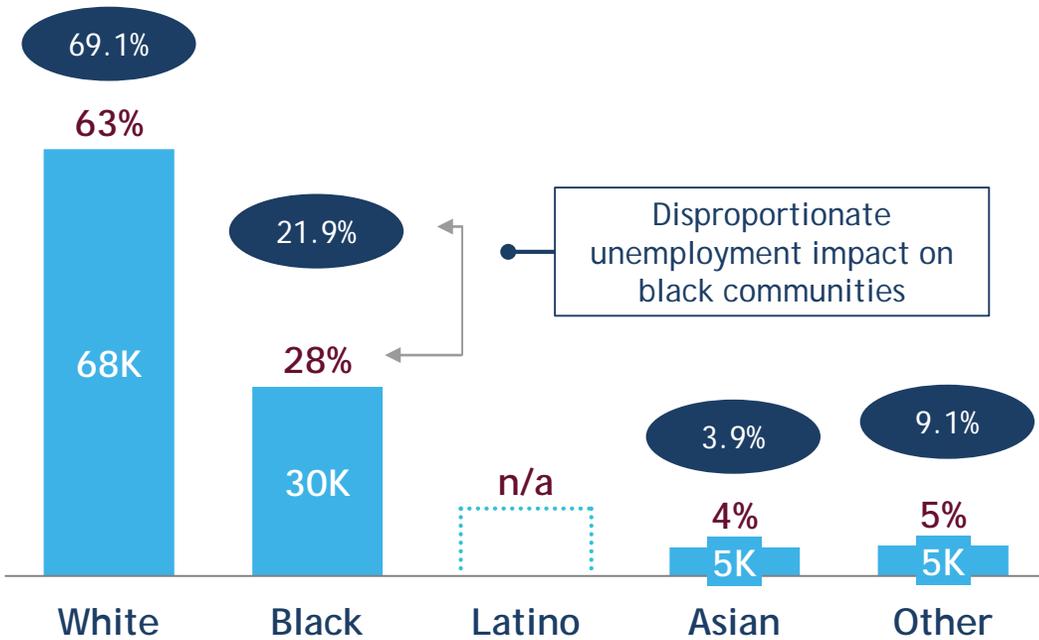
National unemployment rates by race and educational attainment, March 2020



As a result, unemployment is disproportionately high for Black DE residents and for people with lower educational attainment

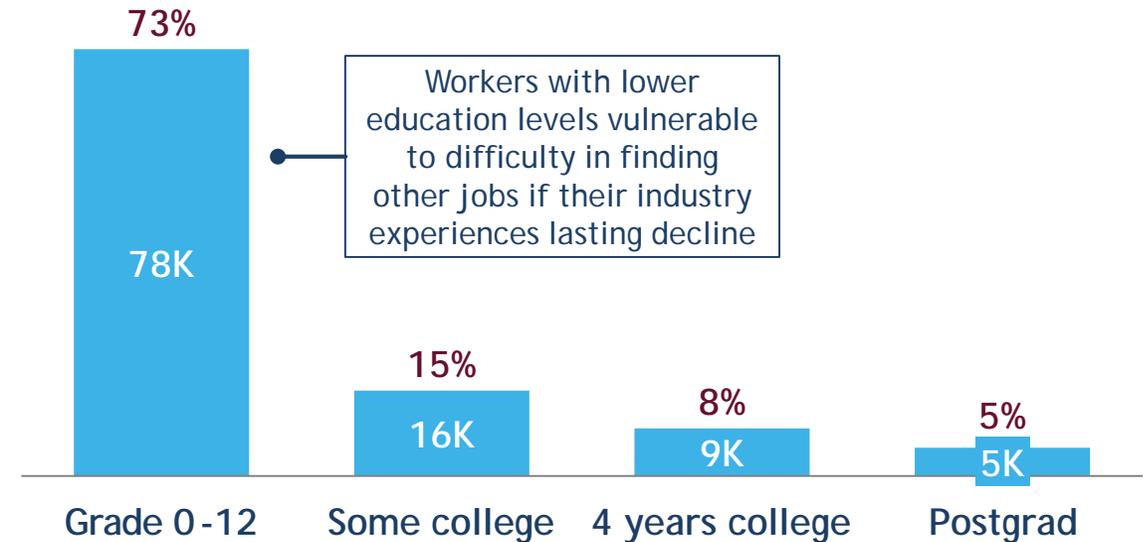


Unemployment claims by race
100K Initial claims from Mar 1 - Jun 20th (thousands)



Claims for Latino population not separated in State data

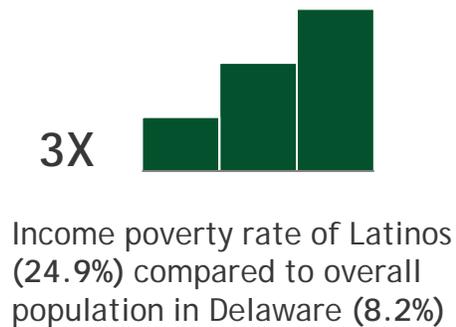
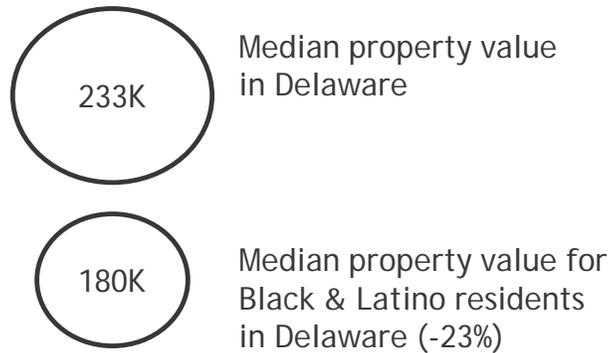
Unemployment claims by educational attainment
Initial claims from Mar 1 - Jun 20th (thousands)



Workers with lower education levels vulnerable to difficulty in finding other jobs if their industry experiences lasting decline

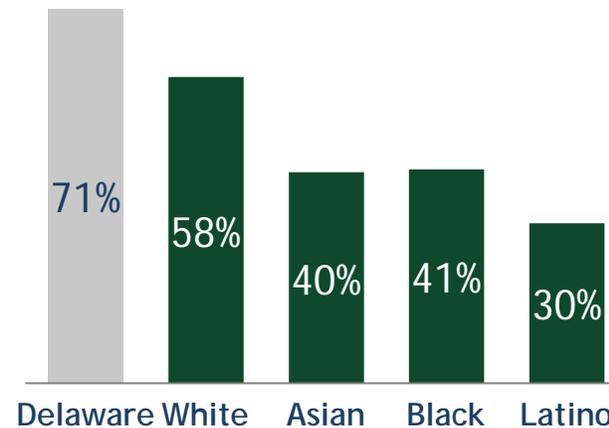
For example, in Wilmington racial wealth gap leaves Black and Latino families more vulnerable to financial hardship without steady income

Delaware by the numbers



Beyond family income, factors such as home ownership and net worth show significant racial wealth gap in Wilmington

Home ownership rates in Wilmington, by race



\$60,772



Median Income



- 15% of White families have zero net worth
- White median income is \$60,772

\$30,034

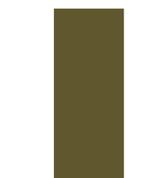


Median Income



- 33% of Black families have zero net worth
- Black median income is \$30,034

\$32,976



Median Income

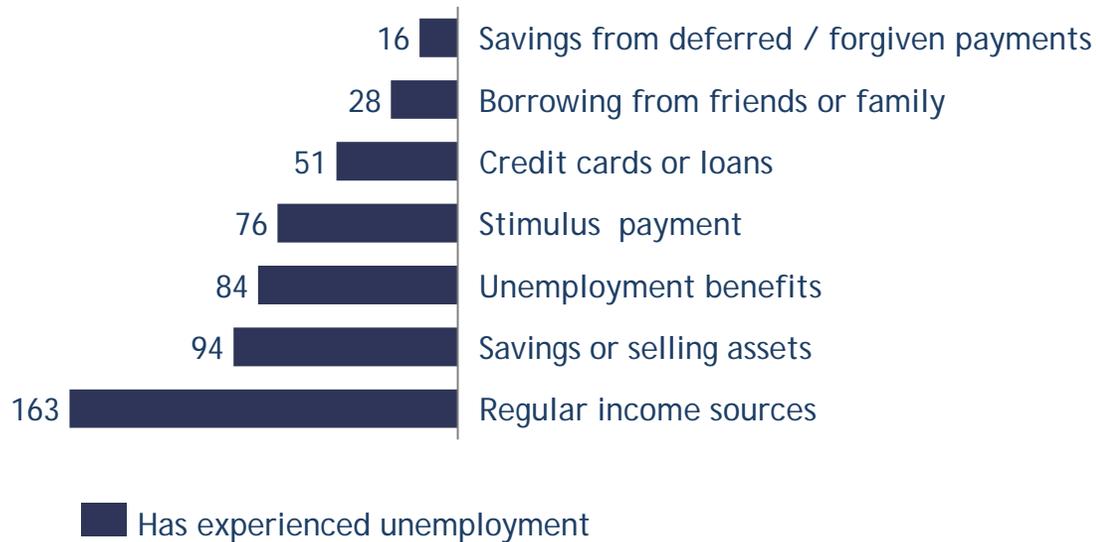


- 31% of Latino families have zero net worth
- Latino median income is \$32,976

Over course of pandemic, families in Delaware increasingly relying on a range of supports that have limited sustainability

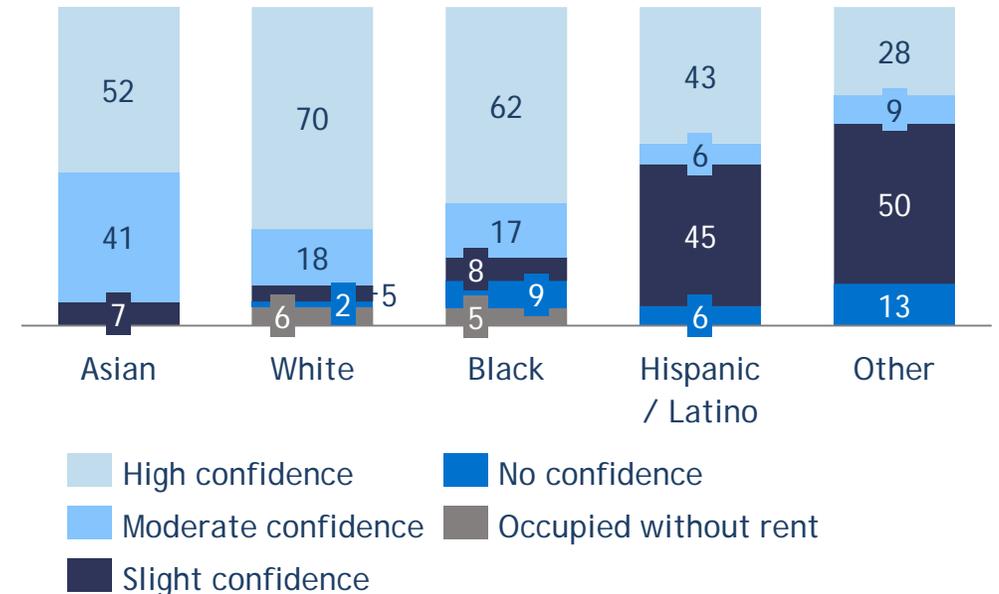
For DE households experiencing job loss and instability, meeting spending needs requires government assistance, savings, or credit

Financial resources used to meet needs for DE households with some unemployment, June 2020 (in thousands)



Without access to long-term supply of resources, Black, Latino, and other communities of color lack confidence in ability to pay next month's rent

Reported confidence in ability to pay next month's rent, June 2020



Source: U.S. Census Bureau Household Pulse Survey, June 16th, 2020

Low-income families in Delaware face increased food insecurity and rely on community support to fill gaps

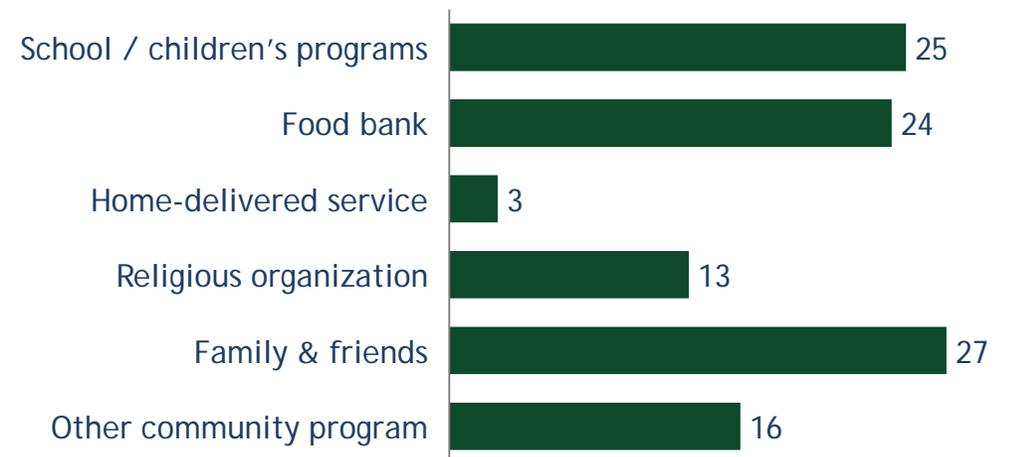
22% of low-income households sometimes do not have enough to eat¹ ...

Reported food sufficiency by income, June 2020



... and a majority of surveyed respondents rely on family and friends and community programs for support

Sources of free groceries, June 2020 (in thousands)



1. Compared to 12.6% of Delaware population pre-Covid. Source: Feeding America; U.S. Census Bureau Household Pulse Survey, June 16th, 2020

Ability to rely on unemployment benefits remains in question for DE residents

Surge in claims **overwhelmed state capacity** to process applications and led to **delays** in benefits

Federal Pandemic Unemployment Compensation program ends July 31st, **reducing by ~2/3 payments** for those currently receiving benefits and **ending payments** for independent contractors

In the case of resurgence, Federal assistance may not be forthcoming

8
weeks

Time spent

Waiting for unemployment benefits by Independent contractors who qualified for federal PUA but not State UI

-\$600

Emergency aid

Per week that DE residents will lose at end of July if they currently receive unemployment assistance through the FPUC program

Gaps Discussion:

*What have been the gaps in COVID response to date for **individuals in economic distress***

What levers to address?



Support for displaced workers

Starter list: Potential levers to address gaps

- Surge capacity for claims processing and extension of unemployment insurance benefits
- Expanded enrollment and eligibility for newly unemployed in social safety net programs Medicaid/Medicare, WIC, SNAP/EBT, TANF, etc
- Workforce development for displaced workers
- Support for displaced undocumented workers
-



Addressing underlying inequalities

- Regulation of predatory lending practices
- Support access to credit/ support against negative impacts for delinquencies during pandemic
- Broadband access to support both K-12 education and access to support services/ job opportunities
- Recovery assistance geared toward medium and long-term given protracted financial crisis
-



Emergency financial assistance

- Capacity of community programs providing assistance
- Rent/Utility/Mortgage assistance, including support for affordable housing eco-system
- Food assistance capacity - including food bank ability to meet total volume and new service/ delivery needs
- Adaptation of existing programs to better meet Stay at Home requirements (e.g. use of food stamps for grocery delivery)
- Financial assistance for medical debt related to COVID
-

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Demographic, income and business ownership compared to national average



Delaware has a higher proportion of Black residents compared to US...

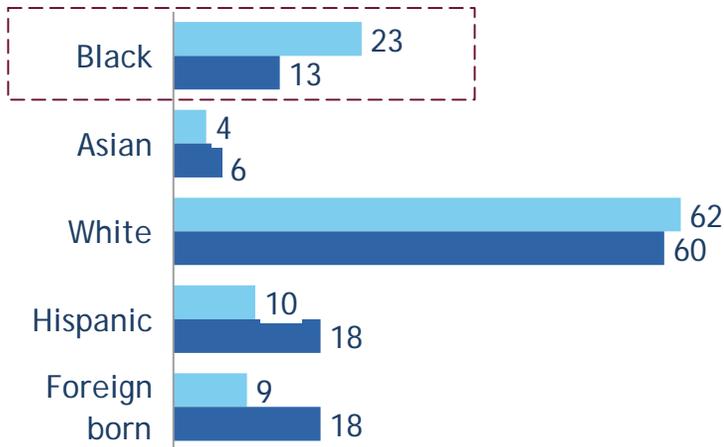


... but significant income disparities remain ...

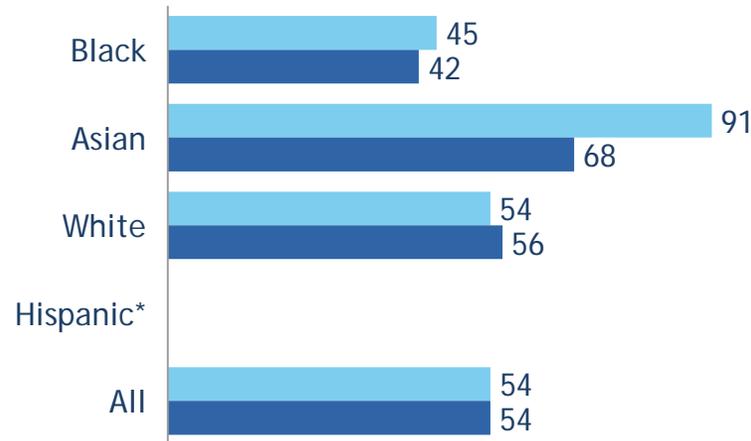


... and minorities are underrepresented as DE business owners

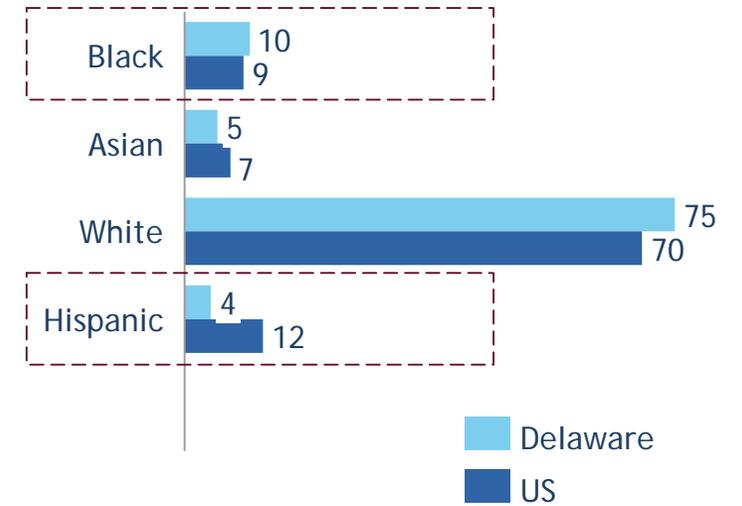
Ethnic makeup of Delaware (% of total)



Mean annual income across groups (\$'000)



Business ownership (% of total)

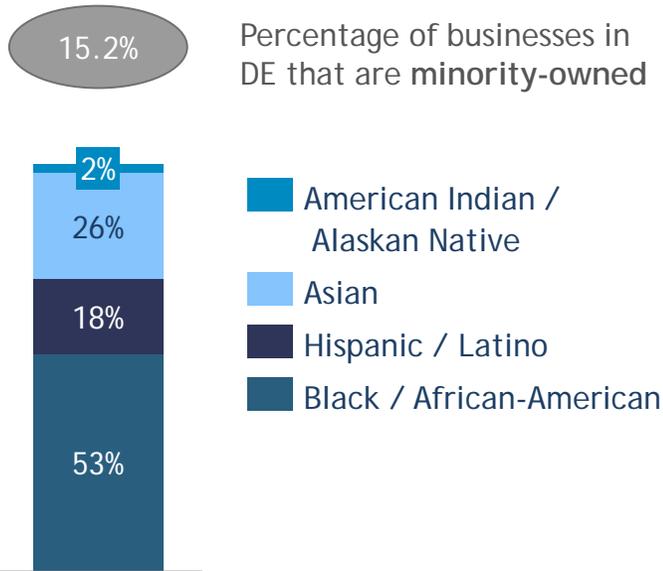


* Hispanic is not broken out as a race
 Source: census.gov quick facts. American Community Survey (2018). Survey of Business Owners (2012)

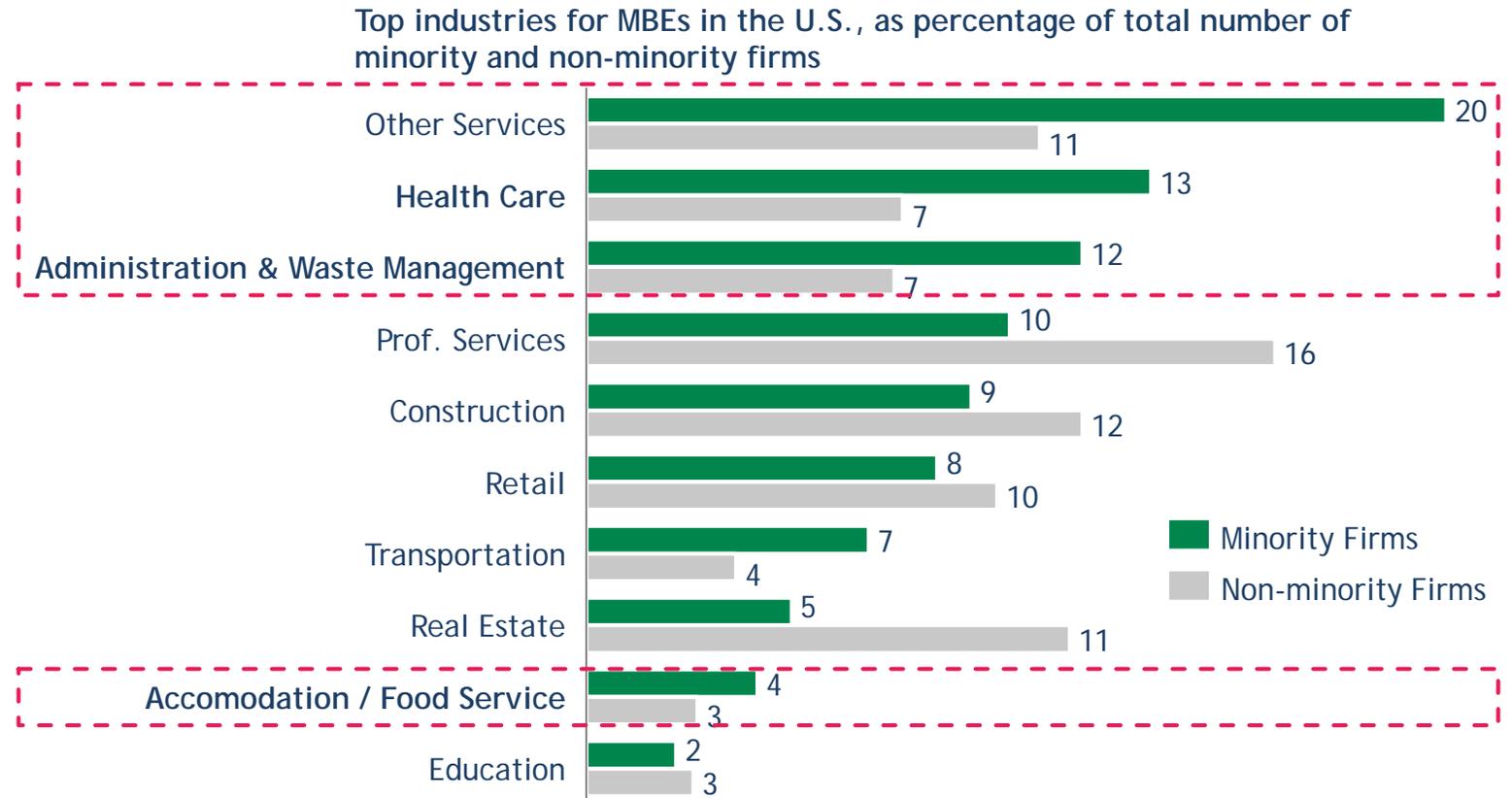
Minority-owned businesses are concentrated in industries heavily impacted by COVID-19

Before COVID-19, Delaware had a small but growing minority business (MBE) sector...

Percent ownership of MBEs, by race/ethnicity



...but many MBEs were in industries heavily impacted by COVID-19



For federal relief, CARES Act PPP loans were not well-suited to support small and minority-owned businesses



Short timeline for full support

8 weeks

Amount of time in which funds must be used for eligible expenses for loan forgiveness



45%

Percentage of Black- & Latino-owned businesses that say they will likely close in the next six months if conditions remain the same



Mismatched access to capital requirements

100%

Percentage of applications that must be submitted through SBA-approved banks or credit unions



23%

Percentage of Black-owned businesses that had accessed credit at a bank in previous years, establishing relationships



Unequal support, even after applying

38%

Percentage of white-owned businesses whose PPP applications were approved for funding



12%

Percentage of Black- and Latino-owned businesses whose PPP applications were approved

"There needs to be enough attention and priority given to minority businesses from the state ..."

Gaps Discussion:

What have been the gaps in COVID response to date for impacted, minority-owned businesses

What levers to address?



Minority-owned business support

Starter list: Potential levers to address gaps

- Targeted business resilience support for minority owned businesses impacted by crises, with particular focus on underrepresented Black and Latino businesses
- Reduce restrictions and eligibility for financial supports to better match needs of businesses
- Support for medium and longer term recovery given protracted length of financial crises in case of resurgence
- Support equitable access to capital and credit/ support against negative impacts for delinquencies during pandemic
- Support eco-system of community banks, CDFIs and other organizations supporting businesses
- Provide incentives to protect employment and workforce for MOBs
- Contract between private sector and government agency for equitable procurement/ contracting and to finance, build, and operate projects (e.g., infrastructure)
- ...

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Next Steps

Next Subcommittee meeting Tuesday, July 7th

Requests for data and upcoming focus groups will continue to be sent this week



Thank you