

**WAGES+WEALTH**  
in the CONTEXT OF COVID-19

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**Loss of Work and Income  
Insecurity by Race and  
Ethnicity**

July 2021

by Meghna Hari and Stephanie Holcomb

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# Introduction/Background

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COVID-19 dramatically affected households across New Jersey, with weekly Unemployment Insurance claims that topped 100,000 for several weeks in 2020, and an unemployment rate that rocketed to 16.6%.<sup>1</sup> Insecurity about a household member's job translates into insecurity about paying for rent or mortgage, utilities, child care, education, and food for the entire household. A 2018 [Heldrich Center for Workforce Development](#) report highlighted how some households rely on wages as their primary source of income more than others, differing across various demographic characteristics. This dependency on wages over other sources of income leads to a greater financial shock and slower recovery for those who lose their jobs. Recovery from the Great Recession (which lasted from December 2007 to June 2009) was uneven, with many of the state's households not having a safety net for emergencies, much less for a pandemic.

The purpose of this research brief series, *Wages and Wealth in the Context of COVID-19*, is to examine the impact of COVID-19 on New Jersey workers and households by different demographics. This research brief focuses on the income and employment gaps by race and ethnicity to better understand how these populations in New Jersey are affected by the COVID-19 pandemic.

## **Key findings from this research include:**

- ▶ Non-white households in New Jersey are more dependent on wages as a source of income than white households.
- ▶ The share of non-Hispanic Black and Hispanic households that experienced work loss is higher than the share of non-Hispanic white households reported to experience work loss.
- ▶ A higher share of Hispanic and non-Hispanic Black households expected imminent loss of income during the pandemic as compared to non-Hispanic white households.

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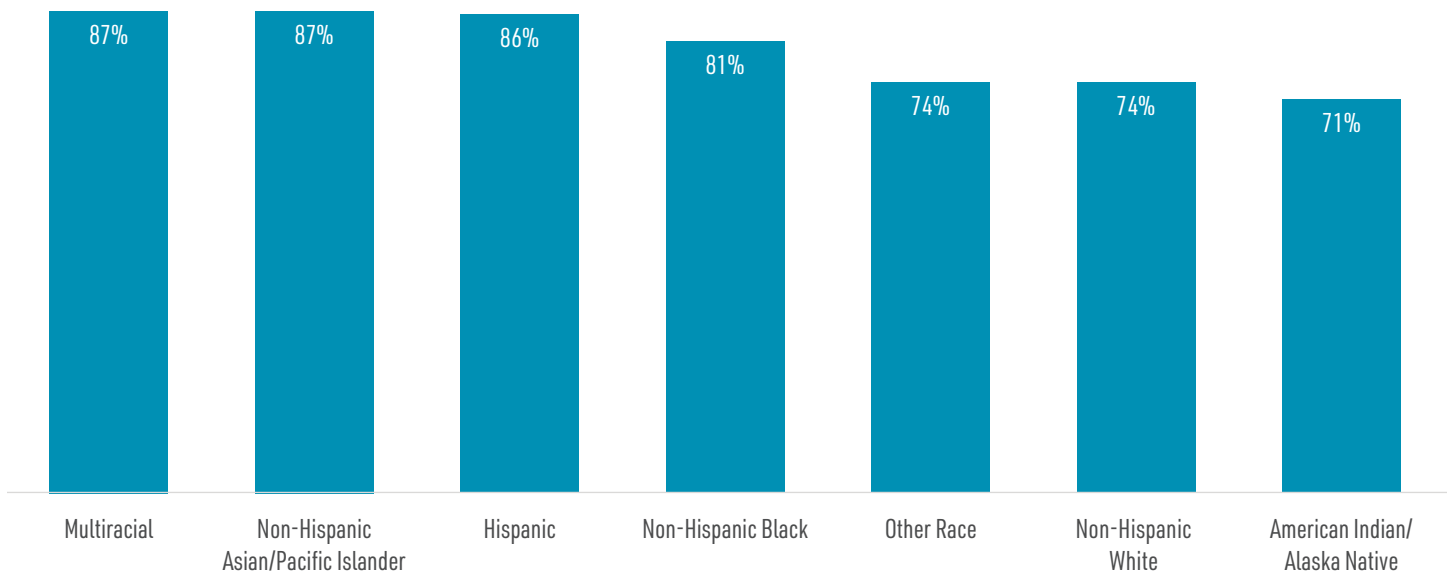
<sup>1</sup> New Jersey Department of Labor and Workforce Development, Labor Market Information 2020. [https://www.nj.gov/labor/lpa/LMI\\_index.html](https://www.nj.gov/labor/lpa/LMI_index.html).

# Wage Dependency

Compared to white households, households headed by someone who is not white were more dependent on wages as a primary income source. Additionally, gaps in wage dependency increase for householders who were lower-income or non-white. Other sources of income can include investment earnings, social security, public assistance, rental income, and self-employment. Figure 1 shows the

average percent of household income that comes from employment wages for each group, with householders who are multiracial, non-Hispanic Asian/Pacific Islander, Hispanic, and non-Hispanic Black all receiving more than 80% of their household income in employment wages. A relatively higher dependency on wages would have a higher impact of job loss for the household.

**Figure 1: Percent of Household Income Coming from Wages Earned at Work, by Race and Ethnicity**



Source: American Community Survey Public Use Microdata Sample 2019 estimates

## Loss of Income

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Higher dependence on employment wages can leave families more vulnerable to economic shocks, such as the pandemic. The U.S. Census Bureau's Household Pulse Survey started soon after the onset of COVID-19 to track household impacts of the pandemic; it began with weekly releases and moved to biweekly releases of data. The survey collects information such as employment and income, material hardship and food security, experiences with in-home education, use of stimulus payments, and personal experience with the virus and subsequent vaccine from a nationally representative sample. The survey has entered into a new phase and continues to be released regularly. There were 30 iterations of the survey used in this analysis, with data collected from April 23, 2020 to May 24, 2021.

In the Household Pulse Survey, respondents are asked if they have lost any income since the start of the pandemic. Figure 2 shows that loss of income disproportionately affected Hispanic and non-Hispanic Black households compared to non-Hispanic white and non-Hispanic Asian/Pacific Islander households in New Jersey. This particular question, in its

original wording, was asked over a period of 27 surveys from April 23, 2020 to March 29, 2021. During that time, an average of 47% of white respondents had lost income since the start of the pandemic, compared to 46% of non-Hispanic Asian/Pacific Islander respondents, 60% of those of multiple races or a non-categorized race, 57% of non-Hispanic Black respondents, and 62% of Hispanic respondents. Weekly estimates for each group are listed in Appendix A.

Figure 2 compares the difference in any income loss for each group compared to the overall state average. For Hispanic and non-Hispanic Black households, the estimated proportion of any work loss is consistently higher than the state average. There were only three weeks – weeks 5, 7, and 22 – where non-Hispanic Black households reported a lower estimated share of income loss than white households, and only one week – week 11 – where Hispanic households had a lower share of income loss. There were no survey releases that indicated that white respondents had the highest share of income loss.

Figure 2: Difference in Work Loss Compared to Average, by Week and Race/Ethnicity



Source: U.S. Census Bureau's Household Pulse Survey, 2020 and 2021

Note: Weeks that are marked with a diamond indicate that the margin of error between the estimates of the two groups do not overlap. This means that, despite where the true estimate falls along the margin of error for either group, there is a true difference between the two. In weeks without a marker, margins of error overlap, indicating that the two groups could share the same estimate or one group whose estimate appears higher could potentially be lower than the other group.

In the iterations of the survey since the close of the third phase, the Census Bureau altered the wording of the question regarding loss of employment income. Instead of asking if respondents or anyone in their households had lost employment income since March 13, 2020, the Census Bureau has since asked if respondents have lost income within the past four weeks. This change in language led to a significant drop in the proportion of respondents who replied that they had lost

income. For the survey periods ending April 26, May 10, and May 24, 2021, approximately 20% of respondents reported themselves or a household member losing employment income within the four weeks prior to the survey. By race and ethnicity, this ranged from 8% of white respondents experiencing income loss in the survey week ending April 26, 2021, to 39% of respondents who are multiracial or another race experiencing loss of income in the week ending May 10, 2021.

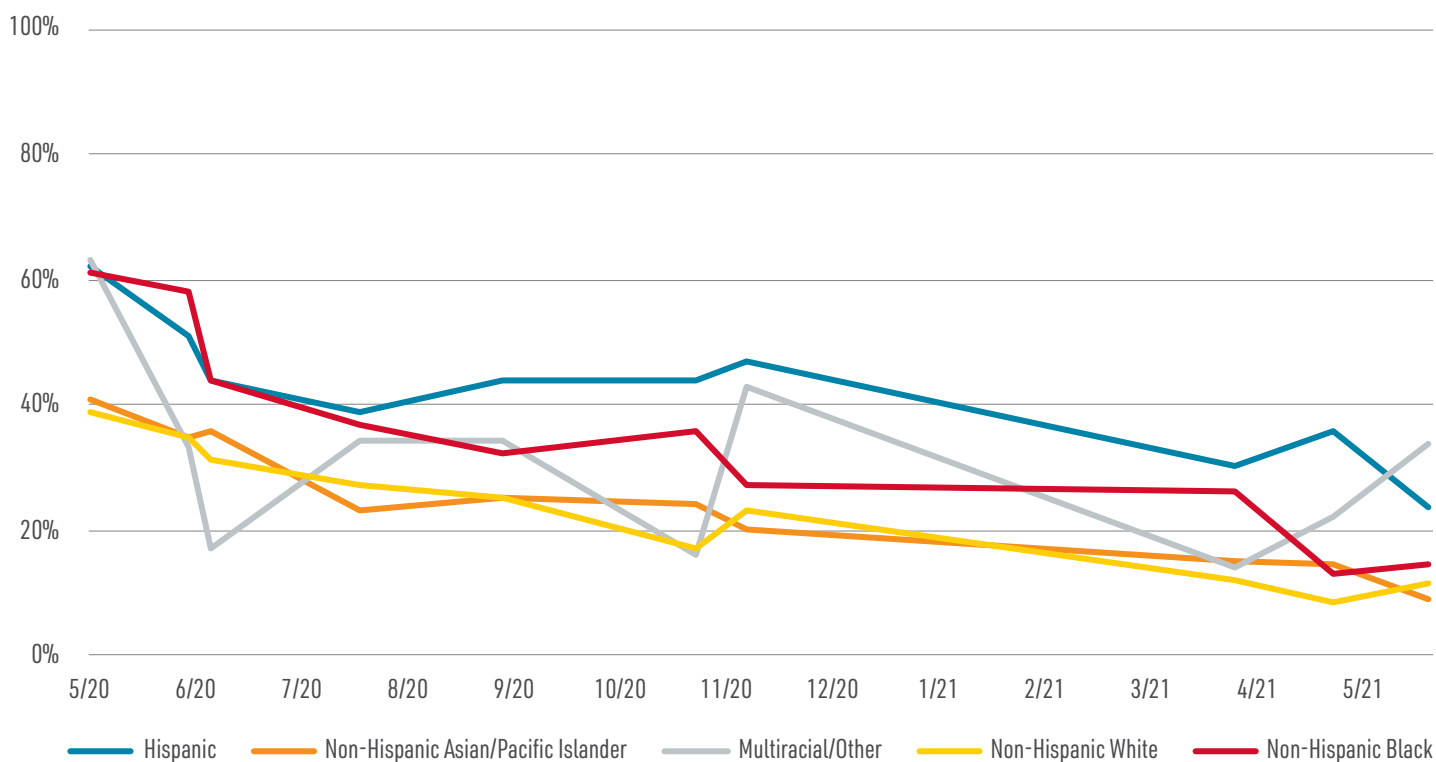
### Expected Loss of Income

In addition to experienced income loss, the expectation of future lost income is a big uncertainty and source of stress for households. Figure 3 illustrates responses to the survey question “respondent or household member expected loss of employment income in next 4 weeks” for those who indicated there was an expected loss of income. Counter to a relatedly stable and high level of experienced loss of income in Figure 2, expectations of income loss start very high for most groups and steadily decline over the course of the survey period following the start of the pandemic.

In the first week of the survey, ending on May 5, 2020, expectations of job loss ranged from 39% for white respondents to 63% for multiracial or other race respondents.

In the final week of the survey, this figure ranged from 9% for white respondents to 34% for respondents of multiple races or a race not categorized. The earlier weeks of the survey saw some of the highest percentages for respondents anticipating a loss in income, with 81% of multiracial or other race respondents and 71% of Hispanic respondents expecting loss in the second week of the survey, ending on May 12, 2020. While white respondents had a lower expected loss in income throughout the series, they also reached their highest point in the second week, at 42%. Even though the expectation of employment loss has declined steadily for all groups, the share is consistently higher for non-Hispanic Black and Hispanic workers when compared to non-Hispanic white workers.

Figure 3: Expectation of Income Loss by Race Over Time



Source: U.S. Census Bureau’s Household Pulse Survey, 2020 and 2021

Note: For visual ease, this figure illustrates data from the first and last survey in each of the survey’s current four phases. Data from each week, including margin of error, can be found in Appendix B.

## Conclusion/Future Products

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The Heldrich Center's prior work on inequity in wages and wealth highlighted a higher reliance on wages in non-white households, leaving those households at higher risk of economic challenges with changes in employment. The COVID-19 pandemic led to the highest unemployment rate in New Jersey on record, causing many families to lose income. This research shows how that loss of income was disproportionately experienced by households of color. Hispanic and non-Hispanic Black households experienced high and sustained levels of income loss and continue to expect future loss in income at higher rates than all other groups. Consequently, policies to provide relief during the pandemic, such as an eviction moratorium, extended unemployment benefits, and changes to these policies, will affect these groups. The Heldrich Center's findings support the importance of targeted economic relief to communities most affected by the pandemic to support a balanced economic recovery.



## Appendix A. Percent with Experience of Income Loss by Race/Ethnicity, by Week

Survey Week	Hispanic		Non-Hispanic Asian/Pacific Islander		Multiracial/Other		Non-Hispanic White		Non-Hispanic Black	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
5/5/20	64%	7%	46%	11%	75%	16%	49%	4%	63%	10%
5/12/20	69%	14%	28%	14%	90%	40%	53%	5%	79%	12%
5/19/20	65%	8%	48%	13%	64%	21%	50%	6%	57%	11%
5/26/20	74%	5%	49%	10%	54%	19%	45%	4%	61%	8%
6/2/20	66%	7%	45%	8%	67%	22%	51%	4%	45%	9%
6/9/20	59%	12%	49%	14%	45%	22%	45%	6%	70%	11%
6/16/20	55%	10%	43%	12%	61%	28%	48%	5%	43%	11%
6/23/20	67%	9%	46%	12%	54%	23%	46%	5%	71%	7%
6/30/20	57%	10%	58%	13%	58%	34%	49%	5%	56%	10%
7/7/20	56%	10%	49%	13%	42%	23%	49%	4%	64%	11%
7/14/20	45%	11%	46%	11%	56%	24%	50%	5%	65%	8%
7/21/20	71%	12%	61%	14%	69%	21%	49%	5%	50%	11%
8/31/20	68%	8%	49%	11%	45%	16%	49%	3%	55%	8%
9/14/20	72%	6%	41%	6%	56%	15%	48%	4%	52%	10%
9/28/20	62%	7%	49%	8%	50%	12%	47%	4%	61%	8%
10/12/20	58%	8%	32%	7%	46%	16%	43%	3%	60%	8%
10/26/20	64%	7%	42%	7%	55%	15%	41%	3%	60%	10%
11/9/20	58%	10%	40%	13%	52%	33%	46%	4%	59%	6%
11/23/20	51%	8%	58%	9%	73%	27%	49%	4%	54%	11%
12/7/20	61%	8%	48%	11%	63%	21%	51%	3%	55%	10%
12/21/20	63%	9%	47%	11%	66%	22%	45%	3%	67%	11%
1/18/21	65%	8%	48%	13%	59%	14%	44%	4%	43%	11%
2/1/21	62%	8%	44%	9%	51%	20%	46%	3%	57%	9%
2/15/21	71%	7%	49%	9%	50%	10%	43%	3%	49%	11%
3/1/21	58%	8%	46%	8%	66%	18%	46%	3%	55%	9%
3/15/21	59%	9%	38%	8%	54%	23%	43%	3%	50%	10%
3/29/21	53%	11%	43%	8%	85%	13%	43%	3%	49%	11%
4/26/21*	41%	8%	17%	7%	52%	22%	15%	3%	12%	6%
5/10/21*	26%	9%	24%	8%	40%	17%	15%	3%	25%	9%
5/24/21*	27%	7%	11%	5%	18%	15%	18%	3%	21%	11%

Source: U.S. Census Bureau's Household Pulse Survey, 2020 and 2021

\* The final three survey releases in this table used new wording for this question, which altered the meaning. Instead of income loss experienced since March 13, 2020, the survey now asked about income loss in the four weeks prior to the survey. Readers should note that the margin of error is used to add and subtract from the estimate to develop a confidence interval.

## Appendix B. Percent with Expected Income Loss by Race/Ethnicity, by Week

Survey Week	Hispanic		Non-Hispanic Asian/Pacific Islander		Multiracial/Other		Non-Hispanic White		Non-Hispanic Black	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
5/5/20	62%	8%	41%	9%	63%	21%	39%	4%	61%	14%
5/12/20	71%	13%	30%	13%	81%	52%	42%	6%	56%	12%
5/19/20	57%	9%	38%	12%	60%	24%	39%	6%	43%	11%
5/26/20	63%	6%	41%	9%	43%	24%	32%	3%	51%	11%
6/2/20	51%	10%	35%	7%	33%	19%	35%	4%	58%	10%
6/9/20	44%	10%	36%	15%	17%	12%	31%	5%	44%	16%
6/16/20	47%	9%	41%	12%	49%	28%	30%	5%	27%	12%
6/23/20	53%	9%	44%	12%	34%	21%	26%	4%	44%	10%
6/30/20	50%	8%	53%	13%	72%	24%	35%	4%	40%	12%
7/7/20	39%	8%	38%	12%	26%	22%	28%	3%	41%	9%
7/14/20	38%	10%	33%	10%	56%	19%	31%	4%	49%	9%
7/21/20	39%	12%	23%	10%	34%	17%	27%	4%	37%	11%
8/31/20	44%	7%	25%	9%	34%	17%	25%	3%	32%	9%
9/14/20	49%	6%	21%	6%	35%	15%	21%	3%	27%	9%
9/28/20	36%	7%	29%	9%	31%	9%	20%	3%	31%	7%
10/12/20	34%	8%	15%	5%	29%	17%	19%	3%	37%	9%
10/26/20	44%	8%	24%	7%	16%	9%	17%	3%	36%	11%
11/9/20	47%	10%	20%	11%	43%	35%	23%	4%	27%	9%
11/23/20	40%	8%	36%	11%	48%	19%	33%	4%	43%	9%
12/7/20	51%	8%	30%	11%	56%	21%	30%	4%	41%	11%
12/21/20	44%	9%	21%	9%	38%	13%	25%	3%	36%	11%
1/18/21	42%	9%	23%	7%	20%	10%	19%	3%	29%	12%
2/1/21	45%	9%	23%	6%	22%	13%	21%	2%	30%	9%
2/15/21	34%	9%	22%	9%	34%	19%	17%	3%	30%	10%
3/1/21	35%	8%	15%	6%	10%	6%	18%	3%	23%	10%
3/15/21	34%	9%	21%	7%	14%	9%	16%	3%	22%	8%
3/29/21	30%	9%	15%	7%	14%	11%	12%	2%	26%	10%
4/26/21	36%	8%	14%	8%	22%	15%	8%	2%	13%	7%
5/10/21	23%	8%	15%	7%	39%	16%	10%	2%	22%	9%
5/24/21	24%	8%	9%	5%	34%	21%	12%	3%	14%	6%

Source: U.S. Census Bureau's Household Pulse Survey, 2020 and 2021

## Acknowledgments

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The authors of this brief were Heldrich Center research staff Meghna Hari, Research Project Manager, and Stephanie Holcomb, Research Project Coordinator.

Kathy Krepcio and Sean Simone, Ph.D. reviewed this brief. InBum Chung was the graphic designer. Robb C. Sewell was the editor.

## About the Wages and Wealth in the Context of COVID-19 Series

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This series of research briefs focuses on the economic impact of COVID-19 on households across New Jersey, highlighting how the loss of employment affects some households more than others.

## About the Heldrich Center

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The John J. Heldrich Center for Workforce Development at Rutgers University is devoted to transforming the workforce development system at the local, state, and federal levels. The center, located within the Edward J. Bloustein School of Planning and Public Policy, provides an independent source of analysis for reform and innovation in policymaking and employs cutting-edge research and evaluation methods to identify best practices in workforce development, education, and employment policy. It is also engaged in significant partnerships with the private sector, workforce organizations, and educational institutions to design effective education and training programs. It is deeply committed to assisting job seekers and workers attain the information, education, and skills training they need to move up the economic ladder.

As captured in its slogan, “Solutions at Work,” the Heldrich Center is guided by a commitment to translate the strongest research and analysis into practices and programs that companies, community-based organizations, philanthropy, and government officials can use to strengthen their workforce and workforce readiness programs, create jobs, and remain competitive. The center’s work strives to build an efficient labor market that matches workers’ skills and knowledge with the evolving demands of employers. The center’s projects are grounded in a core set of research priorities:

- ▶ Career and Technical Education
- ▶ Data Collection and Analysis
- ▶ Disability Employment
- ▶ Job Seekers in Transition
- ▶ Program Evaluation
- ▶ Trend Analysis

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