

# 11 Things Congress Must Do Now to Sustain the Finances of Black and Brown Households

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Across the country, millions of Americans are struggling with the economic and public health fallout of the coronavirus—losing jobs, facing health risks if they do continue to work, and seeing access to basic needs like housing, food, and medical care threatened. Yet it has long been clear that the crisis is not striking all Americans equally: The same long-standing patterns of systemic racism that produce the criminalization and police killing of Black people lead to Black, Indigenous and Latinx people confronting both the [worst health outcomes](#) and the greatest [threats to household financial stability](#) as a result of the pandemic. Immigrant families have been [explicitly excluded](#) from accessing much of the federal assistance that exists. In uprisings throughout the U.S., Black people and allies are demanding not only divestment from police and prisons but also [renewed investment in communities](#) to provide full access to housing, employment, and health. As the HEROES Act—which includes some of the provisions on the list below—faces roadblocks in the Senate, the urgency continues to grow. Congress must enact policies that offer immediate support and relief to Black and brown people and communities even as policymakers also embark on the longer-term project of uprooting systemic racism.

- 1. Support State, Local, and Tribal Governments.** The Trump administration has left state, local, and tribal governments to lead the response to COVID-19, yet failed to provide adequate resources for them. Now the expense of dealing with the pandemic, combined with a [plunge in tax revenue](#) as a result of the economic slowdown,

is producing [catastrophic shortfalls in public budgets](#). In an effort to balance budgets, lawmakers are already moving to cut public education, Medicaid, mass transit, and other critical services that communities rely on. Policymakers are readying layoffs of public sector workers—the public sector is the largest source of employment for Black workers—and [threatening public pensions](#), a key source of retirement security for Black workers. [Polls find](#) that 3 out of 4 voters agree the federal government should be responsible for helping states during the coronavirus pandemic. Governors are calling on the federal government to [provide \\$1 trillion](#) to meet the scope of the need. States must continue to employ existing personnel (not outsource public jobs) and should equitably share funds with all local governments. Some of the funds should be directed to the CARES Act education stabilization fund and to update public technology, like the [outdated state unemployment insurance systems](#) now overwhelmed by the flood of applications.

- 2. Give People Money.** Not only are Black and brown workers facing [elevated unemployment rates](#), as a result of discriminatory policy choices throughout history, they also have [fewer resources than the typical white household](#) to cushion the blow of lost income. At a time when it is not safe for most working people to show up at their jobs and overburdened state unemployment insurance systems have lagged in processing and paying claims, workers need another source of income. Rep. Pramila Jayapal's [Paycheck Guarantee Act](#) calls on the federal government to directly cover the full payroll costs for businesses experiencing revenue loss or shutdown as a result of COVID-19 so that working people retain incomes, health coverage, and connections to their jobs. At minimum, Congress must pass the [American Workforce Rescue Act](#), sponsored by Senators Charles Schumer and Ron Wyden, to extend the CARES Act's \$600 federal boost to weekly unemployment benefits, which is otherwise set to expire at the end of July. The Congressional Budget Office finds that [Black and Latinx workers will be disproportionately harmed](#) if benefits are allowed to expire.
- 3. Enact the Essential Workers Bill of Rights.** From licensed practical nurses to bus drivers, Black workers are [over-represented in frontline industries](#), and often first to suffer when employers fail to provide key supports that essential workers need to work safely. The lack of workplace protection is [one reason](#) Black, Latinx, and Indigenous workers are contracting COVID-19 and dying at elevated

rates. [Voters strongly agree](#) that Congress must act to protect frontline workers. [The Essential Workers Bill of Rights](#), sponsored by Rep. Ro Khanna and Senator Elizabeth Warren, would require that employers provide free personal protective equipment, mandate hazard pay, protect collective bargaining agreements, guarantee paid sick and family leave to [all working people](#), protect whistleblowers who raise the alarm on safety issues, prevent worker misclassification (classifying employees as independent contractors), guarantee health coverage and child care for essential workers, provide workers with a voice on COVID response, and hold corporations responsible for implementing worker protections.

- 4. Guarantee Free Medical Testing and Health Care.** Based on what is known [from the locations that are reporting COVID-19 infection data by race](#), Black people are contracting the disease at especially high rates [and dying from it](#). In some areas, [Latinx](#), [Native Hawaiian and Pacific Islanders](#), and [Indigenous](#) people also face exorbitant rates of disease and death. As The Root's Michael Harriot [vividly noted](#), higher infection and death rates can be traced to “the slurry mix of economics, medical bias and institutional inequality that creates and perpetuates health disparities... For Black people, healthcare is more expensive, harder to acquire and more difficult to keep.” This deep-running inequality won't be easily rooted out, but it's imperative that Congress act, starting by ensuring that Black and brown people, regardless of immigration or incarceration status, have full and easy community access to free [testing](#) and [medical care](#) for COVID-19 and—at a time when millions are losing their jobs and access to employer-sponsored health coverage—all other health conditions and preventive care as well. As communities struggle with the anxiety, trauma, and grief of coping with a global pandemic, the need to fully include care for mental health is more apparent than ever. In a pandemic and beyond, subsidized COBRA benefits are not enough—universal health care is [a racial justice necessity](#). [The Medicare for All Act](#), sponsored by Reps. Jayapal and Debbie Dingell, would enact a comprehensive national health insurance program.
- 5. Prevent Hunger.** As working people lose their jobs and low-income children lose access to free meals at school, [food insecurity is growing rapidly across the nation](#). Black, Latinx, and Indigenous communities face the highest rates of hunger and food insecurity. Increasing SNAP and WIC benefits and waiving all work requirements and time limits for eligibility would increase access to nutrition at a time of great

vulnerability. The HEROES Act includes vital SNAP benefit increases, and Congress can act to pass food security legislation independent of the omnibus relief bill.

- 6. Ensure Access to Housing and Utilities.** The core public health recommendations to avoid the spread of COVID-19 include staying home and washing hands frequently. Yet even before the economy went into a tailspin, Black and brown people across the country faced [elevated rates of evictions, foreclosure, and utility shut-offs](#), factors which are now worsening the threat posed by the pandemic and contributing to financial devastation. The partial eviction moratorium enacted by Congress was not sufficient—no one should be forced out from any type of housing in the midst of the global pandemic. More substantial relief would come from Rep. Ilhan Omar’s [Rent and Mortgage Cancellation Act](#), which would cancel rent or mortgage payments for an individual’s primary residence for up to 1 year. A federal fund would cover the resulting losses incurred by landlords and mortgage holders, provided they agree to provisions that would increase the affordability of housing and the fairness of the market, including freezing rent for 5 years, not discriminating against tenants on the basis of characteristics like sexual orientation and immigration status, and [not evicting tenants without just cause](#) in the 5 years following the pandemic. Reps. Rashida Tlaib and Dingell’s [Emergency Water Is a Human Right Act](#) would ban water shut-offs during the crisis. Congress must also invest in providing emergency housing to unhoused people, who face some of the greatest risks of exposure to disease.
- 7. Support Child Care.** Before the pandemic, child care teachers and providers—[disproportionately Black and brown women](#)—were caring for millions of young children in [the most diverse generation in American history](#). No return to work is possible without the resumption of child care, yet nearly [half of child care centers have closed](#) as a result of the crisis. Child care providers need [targeted support](#) to provide care, while Black and brown families, [already straining to pay the astronomical cost of child care](#), must be able to afford care, and [caregivers need pay, benefits, and respect](#) commensurate with the essential service they provide. [The Child Care Is Essential Act](#), sponsored by Reps. Rosa DeLauro and Bobby Scott, and Senator Patty Murray, would provide a critical infusion of resources into the existing child care system, while the [Child Care for Working Families Act](#), sponsored by Rep. Scott and Senator Murray, would create longer-term change.

- 8. Don't Let Lenders Rip People Off.** Generations of discrimination in employment, lending, education, and housing have produced [significant racial disparities in credit history](#) as well as [wealth](#). As a result, Black and Latinx families face higher [interest rates](#) for loans, more [harassment by debt collectors](#), and [more fees](#) from banks and other financial services providers. The COVID-19 economic downturn threatens to further decimate household finances. Rather than allowing lenders to extract more wealth from Black and brown communities during the crisis, Congress must act to suspend all debt collection activity, halt all garnishments and asset seizures, and prevent debts from expanding with fees and compounding interest. Credit bureaus must be temporarily barred from listing missed payments and other negative items, as required by the [Disaster Protection For Workers' Credit Act](#) sponsored by Senators Brian Schatz and Sherrod Brown, so that the pandemic doesn't do long-term damage to household finances. In addition, 7 in 10 Americans support [capping interest rates on high-cost loans](#) at 36 percent to prevent lenders from taking advantage of borrowers during the crisis. [The Veterans and Consumers Fair Credit Act](#), sponsored by Reps. Jesús "Chuy" García and Glenn Grothman, and Senators Brown, Jack Reed, Jeff Merkley, and Chris Van Hollen, would offer needed protection from predatory lending.
- 9. Cancel Student Loan Debt.** Even before the COVID-19 pandemic, in a relatively stable economy, student debt placed an unacceptable and often insurmountable burden on Black and brown families, who borrow more than white families for a degree, or are often shut out of educational opportunities for fear of taking on too much debt. Twelve years after starting college, [Black borrowers](#) typically owe more than they originally took out, and over half of Black men experience a default on their student loans. Now, with the economy plunging, policymakers should put money back into the pockets of borrowers while relieving them from the financial strain and anxiety of having to pay off burdensome debt while contending with a disastrous job market. Reps. Ayanna Pressley, Alma S. Adams, and Omar [proposed](#) cancelling at least \$30,000 of debt for each borrower, which would eliminate college debt for the majority of households who have it.
- 10. Protect Black and Brown Businesses.** Black and Latinx small businesses are often community institutions that build wealth, provide opportunity, and strengthen neighborhood ties. Yet

Black and Latinx small business owners have long been [denied equitable access to credit](#) and shut out of opportunities to launch and build their businesses. This discriminatory pattern is poised to continue: The Center for Responsible Lending [finds](#) that, as a result of a variety of structural factors, roughly 95 percent of Black-owned businesses and 91 percent of Latinx-owned businesses are likely to be locked out of Congress' Paycheck Protection Plan relief program. Rather than assuming equitable access to credit, policymakers should target support to Black and brown businesses, support Community Development Financial Institutions and Minority Depository Institutions that serve Black and brown borrowers, and collect racial and other demographic data on all stimulus money recipients to better track the program.

**11. Sustain the Postal Service.** [The U.S. Postal Service is reeling](#) from the COVID-19 downturn and legislative maneuvers that have sabotaged its finances. Not only is the Postal Service critical to our national infrastructure and our democracy, but post office jobs also remain a bastion of the Black middle class, with Black workers making up more than a quarter of current postal service employees. There is no reason to expect a vital public service to be self-funding: [The Postal Service needs \\$75 billion](#) to continue delivering for America. The HEROES Act includes \$25 billion of these needed funds and ends the Trump administration's obstruction of a \$10 billion loan authorized in previous legislation.

With its focus on household finances, this list is not an exhaustive racial justice response to COVID-19. We need to build a [racially inclusive democracy during COVID-19 and beyond](#). We urgently need to free the disproportionately Black and brown people held in dangerous, disease-spreading conditions in prisons, jails, and immigrant detention centers. We need to end racial disparities in policing, which are continuing to show up in the COVID response. We need to halt deportations and immigration enforcement that is spreading the virus. We need to [address the environmental injustices](#) that contribute to racial health disparities and are worsening the climate crisis. But immediate material conditions matter, and by taking the steps outlined above to address basic financial needs, we can put our families—and especially Black and brown communities—on firmer footing to fight all of the essential battles for justice that remain ahead.



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Through cutting-edge policy research, inspiring litigation and deep relationships with grassroots organizations, Dēmos champions solutions that will create a democracy and economy rooted in racial equity.

Our name means “the people.” It is the root word of democracy, and it reminds us that in America, the true source of our greatness is the diversity of our people.

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