Economic Impact of the COVID-19 Pandemic in Riverside County

Unemployment Insurance Coverage and Regional Inequality

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EXECUTIVE SUMMARY

The coronavirus pandemic has caused a major disruption to the economic system. In the wake of the pandemic, the Federal and state governments are scrambling to offset the negative economic shocks and massive surges in pandemic-related unemployment. Given the unprecedented nature of a modern global pandemic, coupled with the quick spread and dissemination of the virus, there has been little time for policymakers to ensure sound COVID-19 policy. As a result, certain groups remain at risk of not receiving pandemic-related aid. This brief examines the communities and neighborhoods in Riverside County that are at greatest risk of not receiving pandemic-related aid.

This brief examines the level of unemployment insurance (UI) coverage at the neighborhood (census-tract) level. The analysis looks at the various Riverside County neighborhoods at risk of not receiving UI benefits as well as some demographics of those neighborhoods. Current policy efforts such as the CARES Act don't include provisions for all members of society, and as a result, some groups remain ineligible for UI benefits. This is despite the Pandemic Unemployment Assistance (PUA) fund, which aimed to cover workers not typically eligible for UI and those who don't qualify for CARES Act benefits. An even further extension of UI-related benefits, the Heroes Act, has been proposed to extend benefits to workers ineligible for both the CARES Act and PUA fund. Given that certain members of society may not qualify for government aid programs, it is important to understand both the geographies and demographics of at-risk groups. Doing so enables policymakers to ensure that vulnerable neighborhoods and communities do not fall outside the boundaries of economic assistance from pandemic-related disruption.

The findings suggest that several clusters at risk of falling outside the UI system are in the Palm Desert, northern Hinda and southern Temecula regions, in addition to areas outside the urban cores of Corona and Riverside. Neighborhoods with the least UI coverage are adjacent to neighborhoods with the most coverage, illustrating the inequality that exists in both the urban and rural parts of Riverside County. Some Asian-Americans, Pacific Islanders, African Americans, and individuals of mixed race also live in disproportionately high-risk neighborhoods. Non-Hispanic whites and Native American/Alaska Natives were the least likely to fall outside of UI coverage, followed by Hispanics of any race and foreign-born immigrants who were less likely to be represented in areas of higher UI coverage. The CARES Act also provides inequitable support for workers receiving UI benefits: Those in low-wage states receive more than the average weekly state wage, and workers in high-wage states get less than the average.

RECOMMENDATIONS

1. Enact policy to identify and provide UI benefits to Riverside County residents least likely to receive UI benefits under the CARES Act.
2. Enact Federal policy that provides Federal UI benefits to those least likely to receive UI benefits under the CARES Act.
3. Expand the state Disaster Relief Assistance for Immigrants program to provide aid at rates similar to those of the CARES Act.
4. Ensure that marginalized populations are aware of and take advantage of resources in the public, private, and philanthropic sectors to help people weather the financial hardships brought on by the virus.
5. Ensure that regionally inequality doesn't worsen in the post-pandemic economy.
6. Enact Federal and state policies, and fund programs, to equip economically displaced people with job skills that are marketable during and after the COVID-19 crisis.
7. Adjust the Federal payment of $600 to ensure no disparity exists between workers in high- and low-wage states.

INTRODUCTION
Unemployment Insurance in the Pandemic Economy

The onset and spread of the coronavirus have caused significant distributions to the economic system. The high rates of transmission have caused regional and Federal policymakers to act fast in responses to public health and unemployment issues. Riverside County, like the rest of the world, is experiencing an unprecedented disruption to its people and economy caused by the spread of COVID-19 and subsequent lockdowns. As of June 15, 2020, Riverside County reported 10,240 confirmed cases and 383 deaths.[1] Since the outbreak of the virus, 113,974 Americans have died, and there are currently more than 2 million confirmed cases in the United States. On March 4, California entered into a state of emergency, and a statewide lockdown was later enacted to reduce the number of cases so that hospitals would not be overwhelmed. Public officials took dramatic action to limit person-to-person interactions by restricting group gatherings, encouraging social distancing, and ordering people to shelter in place.[2] Direct and indirect disruptions are creating enormous financial hardships for workers, families, businesses, and communities.

The magnitude of the economic impacts is evident in the dramatic increase in unemployment. Since the start of the government lockdowns in March, the unemployment rate rose from 5.3% to 15% in April, reflecting the unemployment of over 168,800 Riverside County residents. The levels of unemployment and economic disruption are unprecedented in modern times and far exceed the economic shocks of the Great Recession. But the potential long-term extent of these economic disruptions differs vastly from that of the Great Recession partly because the distributions are a result of policy response to the pandemic rather than the collapse of the financial system and housing market. So the long-term economic disruptions will be contingent partly on the length of lockdowns, the public health response on control and spread of the virus, testing and tracking, the state of the economy before the lockdown, and long-term solutions such as the development of a vaccine or herd immunity (scientists and epidemiologists are studying herd immunity and are trying to understand whether infected individuals develop the antibodies to prevent further reinfection).

[1] https://rivcoph.org/coronavirus http://sbcovid19.com/
[2] Gov. Gavin Newsom, State of California, Executive Order N-33-20, March 19, 2020.

The pandemic and its countermeasures have left millions of Americans jobless, and the long-term implications of this mass unemployment are unknown. A COVID-19 impact survey found that 40% of respondents feared they would be unemployed for more than 30 days following the onset of the lockdowns. But when asked about the following three months, only 32% feared they would be unemployed. For some workers, unemployment will be permanent but for others it will be temporary, contingent on whether they worked in the hardest-hit sectors of the economy (Hospitality, Tourism, and Health); government support of particular industries (essential versus nonessential); and the changes in consumer behavior in the post-pandemic economy. Will people who learned to cook during the lockdown eat out at similar rates in the post-pandemic economy? Will inequality exacerbated by the pandemic enact social and behavioral change? Although the long-term implications of COVID-19 related unemployment are unknown, Federal and state governments are trying to ensure that those who are currently unemployed do not slip into poverty during the pandemic and can reenter the workforce when most businesses emerge from the lockdown.

For jobless workers, the Unemployment Insurance (UI) program provides an economic safety net. It aims to keep them from slipping into abject poverty and able to reenter the workforce. The UI system, begun by Wisconsin in 1932 to provide temporary relief for those laid off during the Great Depression, spread to other states and was adopted by the Federal government.[3] The UI program is funded by a premium (or tax) paid by employers to the state, with a higher rate for firms that tend to have frequent layoffs. Each state has its own qualification period and benefit amount. Before the COVID-19 crisis, state UI programs provided an average coverage range of 26 weeks (ranging from a low coverage range of 12 weeks in North Carolina to a high coverage range in Massachusetts with 30 weeks), which replaced less than half of earnings.[4] Limiting UI benefits is a way to minimize perverse incentives to remain unemployed. The main goal is to move individuals back to work as quickly as possible. Benefits are not automatic for all unemployed. According to California's Employment Development Department (EDD), workers must be totally or partially unemployed, laid off through no fault of their own, physically able and available for work, actively seek work, and willing to immediately accept an offer.[5] UI payments are based on prior earnings, so those who had earned more receive more.

One of the major shortcomings of the system is that it was not designed to meet the unprecedented surge in claims and the reconfiguration of industry. The rise of platform-based employment in the economy means that more people than ever fell out of the UI system. The system also doesn't account for the industrial and economic changes that have occurred since its inception. The rise of app-based employment from companies such as Airbnb, Lyft, Uber, Postmates, and YouTube means that there are more self-employed and gig economy workers outside of essential industries. The Bureau of Labor Statistics estimates that 1.6 million workers (1% of the U.S. workforce) are paid through tech platforms in the gig economy. The Government Accountability Office estimates that nontraditional work arrangements could account for as much as a third of the workforce. [6]

[3] Price, Daniel N. "Unemployment insurance, then and now, 1935-85." Soc. Sec. Bull. 48 (1985): 22.
[4] UI Replacement Rates Report, https://oui.doleta.gov/unemploy/ui_replacement_rates.asp
[5] California Employment Development Department, "FAQs – Eligibility," https://www.edd.ca.gov/unemployment/eligibility.htm and
  https://www.edd.ca.gov/Unemployment/FAQ_-_Eligibility.htm.
[6] USA Facts, "What is the gig economy", https://usafacts.org/articles/what-gig-economy/, (retrieved on May 29th, 2020)

Current policies seek to remedy this by including these workers who don't meet traditional UI eligibility. Some of the shortfalls of the UI system are addressed in H.R. 748, also known as Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act, which became law on March 27 and provides $2.2 trillion in economic relief. One of its major provisions is Federal Pandemic Unemployment Compensation, which provides, through July, $600 in weekly benefits on top of that paid by the states and extends the number of weeks to 39.

The improvements under the CARES Act still fail to account for and capture all of the labor force. Some workers are not enrolled in the program, quit their job, do not meet the minimum earnings level, or have exhausted their benefits. One study found that nearly three-quarters of the unemployed did not apply for UI benefits, with most nonapplicants believing that they were not eligible.[7]

Low-wage workers and immigrants disproportionately do not qualify.[8] Even many immigrants who qualify fear that using public benefits will subject them to "public charge"[9] rules that consider legal immigrants receiving certain forms of welfare to be burdens on the state and who therefore may be denied green cards or visas.[10] The public charge rule was enacted just before the pandemic and CARES Act, which has confused immigrant communities regarding what benefits they can take. Undocumented immigrants are prohibited from collecting UI even though some of their employers may have contributed to UI funds. One possible exception includes Deferred Action for Childhood Arrivals (DACA) recipients, provided they have valid work authorization, and several states (including California) have allowed them to apply for UI.[11] Benefits from the CARES Act such as the stimulus payment of $1,200 also remain withheld from undocumented immigrants.

Eligibility for the stimulus aid was based on recipients' having a Social Security number, but many undocumented workers pay tax through an Individual Taxpayer Identification Number (ITIN). California has addressed this via the Coronavirus Disaster Relief Assistance for Immigrants fund, targeting undocumented immigrants ineligible for CARES Act and pandemic unemployment benefits. An adult who qualifies can receive $500 in assistance, with a maximum of $1,000 per household.[12] An even further extension of UI-related benefits, the Heroes Act, has been proposed to extend benefits to people ineligible for CARES Act benefits and the PUA fund.

[7] Bureau of Labor Statistics, U.S. Department of Labor, The Economics Daily: "Most unemployed people in 2018 did not apply for unemployment benefits," https://www.bls.gov/opub/ted/2019/most-unemployed-people-in-2018-did-not-apply-for-unemployment-insurance-benefits.htm insurance (visited April 02, 2020).

[8] Rebecca Smith, Immigrant Workers' Eligibility for Unemployment Insurance, March 31, 2020; California Budget Project, "Making the Unemployment Insurance System Work for California's Low Wage Workers," 2001. https://www.nelp.org/publication/immigrant-workers-eligibility-unemployment-insurance/

[9] U.S. Citizenship and Immigration Services, Public Charge, https://www.uscis.gov/green-card/green-card-processes-and-procedures/public-charge (retrieved May 29, 2020)

[10] Vox, "Low-income immigrants are afraid to seek health care amid the Covid-19 pandemic" https://www.vox.com/identities/2020/3/13/21173897/coronavirus-low-income-immigrants (retrieved May 29, 2020)

[11] According to one source they are California, Colorado, Illinois, Michigan, Texas, and New York. https://www.informedimmigrant.com/guides/daca-coronavirus/#

[12] Department of Social Services, "Coronavirus (COVID-19) Disaster Relief Assistance for Immigrants," https://www.cdss.ca.gov/inforesources/immigration/covid-19-drai, (retrieved May 29, 2020)

DATA AND UI COVERAGE RATE

This study is modeled after a similar study conducted by Ong and Associates for Los Angeles County. Ong and Associates provided the estimates on unemployment-insurance coverage. This study is used and adapted with permission from Paul Ong, Elena Ong and Jonathan Ong's "Economic Impacts of the COVID-19 Crisis in Los Angeles, Unemployment-Insurance Coverage and Disadvantaged Neighborhoods," April 12, 2020.

The estimates are based primarily on the U.S. Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) and the 2013-17 American Community Survey (ACS). These datasets are used to extract and assemble two key variables of the study, which are the number of covered employees in the UI system divided by the total labor force in the private sector. [13]These two key variables are used to calculate the UI coverage rate by neighborhood (census-tract level).

The LEHD program collaborates with states to assemble UI data and report statistics on employers and employees.[14] The program combines these administrative records with data from other administrative sources, censuses, and surveys. The number of jobs is not the same as the number of workers because some individuals hold more than one job. LEHD reports primary jobs (based on the job with the highest earnings for each worker) and total jobs (which include secondary or additional jobs). Job counts are available for small geographies, including census tracts, and are reported by either job sites or residential locations (the workers' addresses as recorded in tax records). We use the 2013-17 average (mean) counts for workers at their primary job in the private sector by census tract at the residential level.

The workforce socioeconomic and demography variables come from the ACS, specifically the information reported for census tracts. The ACS is a continuous survey conducted by the U.S. Census Bureau to collect housing, demographic, social, and economic information.[15] On an annual basis, the sample represents about 2.0% to 2.5% of households and individuals, and as such, reported statistics are subject to sampling variation. For small geographies (less than 65,000 people), statistics are reported as a five-year average. Census tracts fall into this five-year reporting category and typically have a population from 2,500 to 8,000. We use workers employed by for-profit businesses and nonprofits.[16]

Some data limitations arise in using LEHD data. The first is a possible error in assigning workers to their place of residence because LEHD relies on geocoding merged data from tax and other administrative records. These records contain addresses that may differ from the person's current permanent residence or are outdated. There is also an issue of the misuse of Social Security numbers (SSNs) when securing employment. Undocumented immigrants and others who prefer to remain anonymous may use SSNs that are not attached to their identity. Because of these problems, LEHD can over- or undercount workers, particularly in small geographies.

The primary limitation of the ACS is sampling error. Although selected randomly, a small sample size at the tract level produces a large confidence interval (the range that contains the real number of workers). In turn, under- and overcounts in both ACS and LEHD data can significantly affect the precision of the estimated UI coverage rate, particularly for tracts with few workers. [17]

Another limitation of the study is matching the ACS income data with the UI coverage rate of the LEHD data. The ACS income data includes the income of all workers (government and private), whereas the LEHD coverage-rate variable is constructed using the total labor force in the private sector. The quintiles used to aggregate and arrange the data by coverage risk is based on the private-sector variable, but the income is based on all workers. Linking the coverage-rate variable with the ACS income of all workers at the tract level creates a more stylized approximation of the income by risk. Finally, there is a temporal problem, which is due to the different way ACS and LEHD collect data. LEHD includes anyone who worked during a given payroll quarter, which is equivalent to asking a person if she or he was employed at any time over the last three months. ACS, on the other hand, is based on asking about employment status at a single point in time during the survey. The net result on average is that LEHD tends to produce a larger count than ACS for a hypothetical sample of workers; consequently, there is a corresponding upward bias in estimated UI coverage. The bias is more severe among workers who have high turnovers.

Despite these data limitations, the available information is sufficient for first-order approximations and statistical analyses. For this brief, it is more useful to look at the relative ranking of neighborhoods by the coverage rates of the estimated proportion of workers in the UI program. The estimated rate may have a bias, but the relative ranking in large quantiles is reasonable. We find, overall, a significant proportion of workers in Riverside County are unlikely to receive federal CARES Act UI funds.

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[15] https://www.census.gov/programs-surveys/acs

[16] Nonprofit organizations are not required to participate in the UI program, but many do. We also examined UI coverage rates for workers just in the for-profit sector and found similar results.

[17] A simple test for heteroscedastic finds that the variance around tract-level estimates of UI-coverage is correlated with the ACS estimates of the size of the labor force in tracts. Moreover, the estimates for tracts with few workers can produce unrealistic coverage levels. When the denominator (ACS estimate of the labor force) is significantly undercounted and the numerator (LEHD report of workers) is overcounted, the combination may lead to a calculated coverage rate greater than 100%. Not surprisingly, this affects the tracts with few workers, and the coverage rate is top coded to 100%.

NEIGHBORHOOD VARIATION

The map of Riverside County shows the estimated share of workers and their estimated rates of UI coverage at the census tract level. The data shows that the average coverage rate (all census tracts) for Riverside County is 86%, meaning that 14% of all private-sector workers in Riverside remain outside the UI system during the pandemic.

Figure 1 displays the data of all census tracts, their proportions of UI coverage, and their risk of not being covered. The data is arranged into five coverage groups (quintiles), which are arranged from least to most coverage, or highest risk of having no coverage to lowest risk of having no coverage. Each group has an assigned color on the map. The color scheme ranges from red (highest risk) to blue (lowest risk).

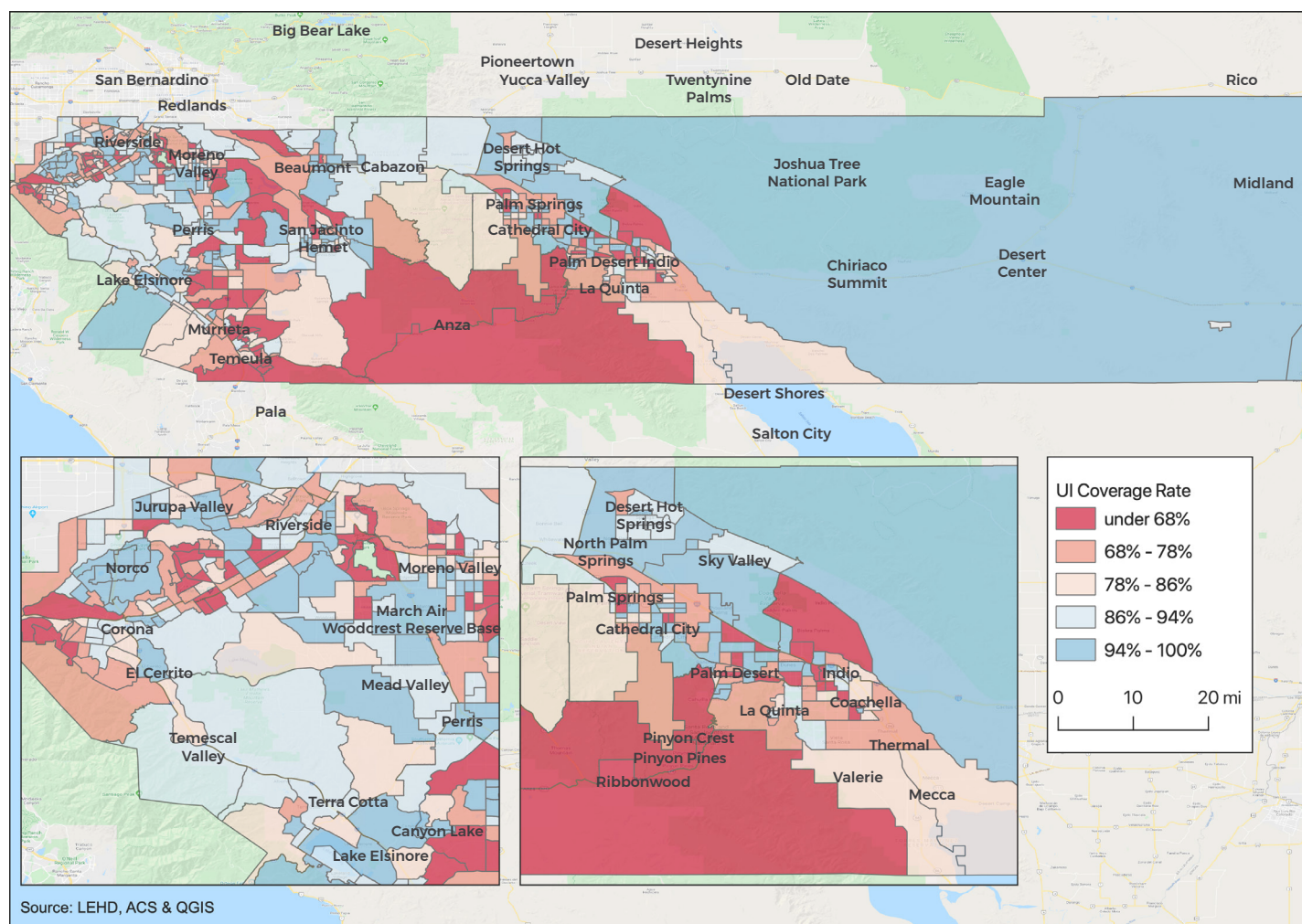## Riverside County Neighborhood UI Coverage Rates

Source: LEHD, ACS & QGIS

Table 1: Riverside County Neighborhood UI Coverage Rates

Coverage Rate %	% at Risk	Risk Category
Less than 68%	Less than 32%	Highest Risk
68% - 78%	32% - 22%	High Risk
78% - 86%	22% - 12%	Above Average Risk
86% - 94%	12% - 6%	Low Risk
94% - 100%	6% - 0%	Lowest Risk

- Red-colored tracts have UI coverage of less than 68%, meaning that 32% of workers remain outside the UI system.

- Light red tracts have UI coverage of 68% to 78%, with 22% to 32% of workers outside the UI system.

- Neutral red shaded tracts have coverage of 78% to 86%, meaning that 12% to 22% of workers fall outside the UI system.

- The light blue neighborhoods have a UI coverage rate of 86% to 94%. In these tracts, 6% to 12% of workers fall outside of the UI system.

- Dark blue neighborhoods are at the lowest risk of no coverage, with coverage of 94% to 100%. Zero to 6% of these workers are at risk of no coverage.

The red and light red tracts are at the greatest risk of receiving disproportionately the least from the enhanced UI payments and extended weeks of UI benefits from the CARES Act. The findings suggest there are three identified clusters with groups of high-risk workers. The main clusters of at-risk groups are in and around Palm Desert, the northern part of Hinda, and the southern part of Temecula. The final at-risk clusters in are located in the peripheral areas of Riverside and Corona. Census tracts with the highest risk of not receiving UI coverage are sporadically placed throughout Riverside County. The main concentrated areas with the most risk of no coverage is in the Palm Desert region. Cahuilla Hills has the lowest coverage rate, with only 43% of workers covered by UI. Spanish Walk in Palm Desert has coverage of 50%. Other high at risk tracts are the Hidden Palms area, with a 58% coverage rate and areas near the Palm Springs Airport.

Outside the Palm Desert region are clusters of at-risk communities in Anza and Mecca, with only around 60% UI coverage. There are also at risk clusters in the eastern and southern parts of Hemet. Others at risk clusters are located in northern Hinda, Nuevo, Homeland, Winchester, and Temecula.

High levels of at-risk clusters are also in more urban areas such as La Sierra, peripheral areas of Corona, the northern and eastern tracts of Riverside, and Orangecrest.

Census tracts with the highest proportion of UI coverage are also sporadically placed throughout Riverside County. A significant finding in the map data is that census tracts with the highest rates of UI coverage (100%) were adjacent to tracts with the lowest coverage (42%). Census tracts with the highest rates are in the northern and western part of Palm Desert. Other areas with total coverage, Beaumont and Glenoak Hills, are similarly next to the at-risk clusters of northern Hinda and southern Temecula. The final cluster of tracts with the most coverage is in the Riverside area, western Corona, Perris, and Lake Elsinore, also adjacent to census tracts with the lowest coverage. The spatial data show that in both urban and rural areas are census tracts with the highest coverage adjacent to tracts with the lowest coverage. This illustrates the nuances of regional inequality in both rural and urban areas.

Table 2: Riverside County Socioeconomic Characteristics by Risk Ranking

% at Risk	Average Income (000s)	White	Hispanic	Black/African American	Asian	Native American/ Alaska Native	Pacific Islander/ Native Hawaiian	Other Race	Mixed Race	Foreign Born
32%	$71	36%	47%	6%	7%	0.40	0.46%	0.18%	3%	21%
22%	$67	37%	46%	6%	8%	0.34	0.27%	0.20%	3%	22%
14%	$61	33%	52%	6%	6%	0.26	0.21%	0.23%	2%	25%
6%	$60	35%	51%	6%	6%	0.47	0.14%	0.21%	2%	22%
0%	$54	43%	45%	6%	4%	0.54	0.17%	0.21%	2%	20%

Source: 2013 – 2017 American Community Survey (5-year Estimates)

Table 3: Riverside County Racial Characteristics by the Overall Proportion of Racial Population

% at Risk	White	Hispanic	Black/African American	Asian	Native American/ Alaska Native	Pacific Islander/ Native Hawaiian	Other Race	Mixed Race	Foreign Born
32%	22%	21%	24%	24%	22%	40%	20%	27%	22%
22%	20%	20%	20%	26%	17%	22%	20%	24%	20%
14%	15%	18%	18%	17%	11%	14%	19%	15%	19%
6%	21%	23%	21%	21%	25%	12%	22%	19%	22%
0%	22%	18%	18%	11%	25%	13%	19%	14%	18%

Source: 2013 – 2017 American Community Survey (5-year Estimates)

The Riverside County analysis deviates from the variations observed in Los Angeles County and Orange County neighborhoods even though the average rate of risk of no coverage is similar in each quintile.[18] Table 1 provides the income and racial characteristics of neighborhoods by their respective coverage rates. Workers at risk of no coverage tend to be in higher-income areas on the aggregate level, but in the case of Riverside County, on the individual tract level there seems to be little correlation between income levels and coverage rates. For instance, in the case of those at most risk of no coverage, the bottom 10 tracts have a mean per capita income ranging from $11,737 to $49,955. Conversely, in the case of those at least risk of no coverage, the top 10 tracts have a mean per capita income ranging from $13,790 to $50,807. The income range of those most at risk is similar to the income ranges at those least at risk. The income at the aggregate level cannot capture the heterogeneity and income diversity of individual census tracts, so for that reason, we found that aggregate income had little correlation with the group's at-risk level. Income and regional inequality is not a new phenomenon; in 2018 Coachella Valley tax filers paid on average both the most and least state income tax in Riverside County. In 2018, the average taxpayer in Mecca paid roughly $112 in income tax, while the average taxpayer in Indian Wells paid $12,391, the highest in the county.[19]

Table 3 shows the racial tract data in proportion to the overall population of each racial group. In terms of the racial characteristics of the neighborhoods and their coverage, the data show that non-Hispanic whites, non-Hispanic African-Americans, and Hispanics of any race are represented at similar proportions in every risk level. But non-Hispanic whites are represented at equal levels in the highest- and lowest-risk groups at 22%. In the case of African-Americans, there are clear trends showing that they are represented less in the tracts with more coverage except for the low-risk (6%) tracts. Hispanics of any race are also less represented in the tracts with most coverage except for the low-risk tract (6%). The data show clear trends in the Asian and Pacific Islander data, in which they are disproportionally represented in neighborhoods that have fewer rates of UI coverage. The data also show the same trend for foreign-born workers. The racial data for most groups start with the highest number of individuals in the least-covered neighborhoods (except non-Hispanic whites) and then tend to go down by percentage at risk by racial group except the low risk (16% at risk) category, which seems to have an upsurge for all racial groups except Pacific Islanders.

IMPLICATIONS FOR POLICY AND IMPLEMENTATION

The findings show that the socioeconomic profiles of neighborhoods at high risk compared with those of low risk are not universal compared to regions such as Los Angeles and Orange County. However, there exist similar UI coverage rates in all regions (Los Angeles, San Bernardino, Orange County, and Riverside County), all regions have similar rates and risk of not having UI coverage. However, the socioeconomic data between different regions differ. The Riverside County findings show clear trends of the various coverage rates among different racial and immigrant groups and also the level of regional inequality that exists in the County. In all cases, the racial and immigrant data showed that Asians and Pacific Islanders were severely underrepresented in the neighborhoods that had the least risk. Conversely, Hispanics of any race, African-Americans, and immigrants were more represented in the tracts with less coverage than those with the most. Non-Hispanic whites had equal representation (22%) in both the highest- and lowest-risk groups.

The findings suggest that for all cases there was more representation in the highest-risk tracts, with the number declining in each subsequent risk group for all races (except non-Hispanic whites) except the low-risk group, in which the numbers seem to increase and then decline in the lowest risk group. There was also no correlation (aggregate level) between the income levels and coverage rate that can be explained by high-income census tracts like Indian Wells skewing the data for lower-income tracts such as Mecca. As stated in the neighborhood variation section, the census tracts with the lowest and highest levels of risk had a similar mean income per capita bracket, ranging from roughly $10,000 to $50,000 in both groups. This could be because census tracts with the highest risk are adjacent to tracts with the lowest levels. The findings shed light on regional inequality that exists in Riverside County and show that Asians, Pacific Islanders, and African American communities have more people at risk of not receiving state and Federal UI benefits from the CARES Act.

One of the most pressing policy issues is how to offset the bias in the CARES Act to provide financial support more universally. Many will fall between the cracks because they are not covered or don't meet the eligibility requirements. Many are low-wage workers who don't earn enough to qualify or part-time workers such as students or workers in the informal economy. Undocumented workers constitute a large segment of those least likely to receive CARES Act UI coverage. This is unfortunate because many undocumented workers contribute to the U.S. economy and pay U.S. taxes. Because of the type of jobs undocumented workers hold, they are more likely to be hurt by the economic disruptions and layoffs caused by the COVID-19 crisis.

Another policy issue of the CARES Act is the universal payment of $600 in all states. In the case of California, we added the average UI benefit and $600 payment and took that away from the average weekly wage and found that workers were at an imbalance of -$51,79. Conversely, a state like Maine had payments of $215,44 above the average wage, with the inclusion of the $600 CARES payment. The payment needs to take into consideration the economic factors of each state; findings suggest that high-wage states (New York, Alaska, and Massachusetts, etc.) are disadvantaged with regard to CARES Act payments compared with low-wage states (Mississippi, Alabama, and Arkansas), which seem to be at an economic advantage with the $600 payment.

One of the limitations of the analyses is that the findings identify only the neighborhoods at higher risk of being left out of the economic recovery program. It is critically important to continually monitor developments, and when possible, analyze direct measurements of CARES Act payment at the neighborhood level. Such information is vital to a fair and equitable immediate response to the COVID-19 crisis, and subsequently to post-coronavirus recovery efforts.

RECOMMENDATIONS

1. Enact policy to identify and provide UI benefits to marginalized populations in Riverside County least likely to receive UI benefits from the CARES Act. Policymakers should aim to target regional inequality by ensuring that underinvested poor neighborhoods have access to similar resources that more affluent areas do. The findings suggest that communities with the least UI coverage tend to be adjacent to communities with the highest UI coverage, so policy should aim at closing the regional inequality gap.

2. The Federal government should enact a policy similar to California's Disaster Relief Assistance for Immigrants to ensure marginalized workers paying tax through their ITIN are entitled to pandemic assistance benefits.

3. Enact state policies that provide state UI benefits to marginalized populations least likely to receive UI benefits from the CARES Act. In the case of more stimulus checks, they should be based on taxpayers' ITIN number as opposed to their SSN. A new bill, the Heroes Act, aims to make ITIN filers eligible for stimulus relief and includes a retroactive change to the CARES Act, to allow ITIN filers to receive the initial $1,200 stimulus payment.

4. Expand the state Disaster Relief Assistance for Immigrants program to make its benefits similar to those of the CARES Act. The benefits of the Disaster Relief Assistance fund are considerably less than the CARES Act, which puts marginalized groups at a further disadvantage. All aspects of the economy will not be able to rebound effectively if groups cannot participate at the same rates as they did before COVID-19. Measures should be taken to ensure that groups on the poverty line can economically participate at similar rates in the post-COVID-19 economy.

5. Ensure that marginalized populations are aware of and take advantage of resources in the public, private, and philanthropic sectors to help them weather pandemic-related financial hardships. The government has made considerable changes to immigration laws, such as the Public Charge rule, which has confused immigrant communities as to what benefits they are entitled to and which benefits can potentially affect their status in the country. There should be a general awareness of what benefits immigrants can use without affecting their immigration status.

6. Ensure that regionally inequality doesn't worsen in the post-pandemic economy. The Federal and state governments should ensure that disadvantaged neighborhoods and communities have regional resilience to rebound from any economic externalities caused by the pandemic. Policymakers should back local community-building efforts that have this goal.

7. Enact Federal and state polices, and fund programs, to equip economically displaced persons with job skills that are marketable during and after the COVID-19 crisis. This can be done by matching unemployed people with jobs in their community or providing workers with the necessary retraining to compete in the post-pandemic economy.

8. The $600 UI payment should take into consideration the average wage, average UI benefits, and living cost of various states to ensure there is no regional inequality and equity disparities.

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Paul Ong has a master's in urban planning and a doctorate in economics. His research focuses on spatial, racial, economic and environmental inequalities. Dr. Ong has served on advisory committees or as an expert technical advisor for a number of public agencies: the Race and Ethnic Advisory Committee for the U.S. Census Bureau, the Census Bureau's Longitudinal Employer-Household Dynamic's Program, the National Research Council, the U.S. Department of Justice, and the U.S. Small Business Administration. As director of the UCLA Center for Neighborhood Knowledge, Dr. Ong is currently leading a series of research that examines the direct and indirect impacts of COVID-19 on employment, renters, financial resources, the burden of sheltering-in-place, and Census 2020 responses. *View More*

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