

# ***Poor Americans Hit Hardest by Job Losses Amid Lockdowns, Fed Says***

Fully 39 percent of former workers in households earning \$40,000 or less lost work, and a new Federal Reserve survey shows many families have few resources to make it through.





Poor workers entered the pandemic with little savings and have been among the hardest hit by job losses amid lockdowns, the Federal Reserve said. Credit...Justin Lane/EPA, via Shutterstock

**By Jeanna Smialek**

• May 14, 2020

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Households entered the coronavirus shutdown in precarious economic positions that have only worsened as workers are furloughed [by the millions](#), and the challenges are especially acute for the poorest Americans, according to a Federal Reserve survey released Thursday.

Many Americans went into the nationwide lockdown with limited savings, despite gains from a [record-long economic expansion](#). At the end of 2019, three in 10 adults said they could not cover three months' worth of expenses with savings or borrowing in the case of a job loss, "indicating that they were not prepared for the current financial challenges," the Fed report said.

One in five people who were working in February reported losing a job or being furloughed in March or the beginning of April, the data showed, and that pain was highly concentrated among low earners. Fully 39 percent of former workers living in a household earning \$40,000 or less lost work, compared with 13 percent in those making more than \$100,000, a Fed official said.

The U.S. economy began slowing in March as state and local governments instituted [stay-at-home orders](#) to tame the coronavirus' rapid spread. That has most likely caused the [steepest growth decline](#) in the United States' postwar history. Consumer spending has plummeted as stores and restaurants closed, and mass layoffs have become a feature of everyday life. [Nearly three million people](#) filed for unemployment benefits last week, pushing the two-month tally over 36 million.

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Lawmakers have responded with \$2 trillion in relief spending, expanding unemployment insurance and forgivable loans to small business. But most families would not have gotten relief checks by the time the Fed survey was fielded in early April. Policymakers and economic experts increasingly worry that it will prove insufficient to stem the damage, as the timeline for reopening and the path back for consumer spending remain uncertain.

The Fed's report included both a large annual survey fielded in October and a roughly 1,000-person supplement conducted April 3 to April 6, and it showed just how intense — and disparate — the economic fallout has been so far.

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While about 53 percent of those with jobs worked from home at the end of March, that was a highly educated group. More than 60 percent of workers with at least a bachelor's degree worked completely from home, versus 20 percent of those with a high school degree or less.

Among those who had lost hours or jobs amid the pandemic, 48 percent were "finding it difficult to get by" or "just getting by," according to the survey. Just 64 percent of those who had taken an employment hit felt that they would be able to pay their bills in April, compared with 85 percent of those without a work disruption.

Those challenges came as a large swath of Americans took pay cuts. About 23 percent of all adults, and 70 percent of those who had lost their jobs or their hours reduced, said their income was lower in March than in February.

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That coronavirus lockdowns have hit disadvantaged communities hard comes as no surprise to Paul Ash, executive director of the San Francisco-Marin Food Bank. Mr. Ash said his food pantry network, which typically serves 32,000 households weekly, had seen traffic increase by about 26,000 since the crisis began.

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At one location, “the line stretched, when the pantry opened, around 10 city blocks,” he said. “People have to have a motivation to wait in a line like that.”

While food bank pantry visits also increased during the Great Recession, that wave of demand came slowly — this one hit suddenly, and has not abated even after the government response kicked in.

“People were feeling the same angst as those with more money were feeling,” he suggested, so while the well-to-do went the Safeway to fill their pantries, those of lesser means went to the food bank. While Mr. Ash’s organization doesn’t ask for recipient information, his sense from volunteering at one of the food pickups is that many of those seeking assistance are newly in need.

### The Coronavirus Outbreak

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Updated May 20, 2020

### ○ **How many people have lost their jobs due to coronavirus in the U.S.?**

Over 38 million people have filed for unemployment since March. One in five who were working in February reported losing a job or being furloughed in March or the beginning of April, data from a Federal Reserve survey released on May 14 showed, and that pain was highly concentrated among low earners. Fully 39 percent of former workers living in a household earning \$40,000 or less lost work, compared with 13 percent in those making more than \$100,000, a Fed official said.

### ○ **What are the symptoms of coronavirus?**

Common symptoms include fever, a dry cough, fatigue and difficulty breathing or shortness of breath. Some of these symptoms overlap with those of the flu, making detection difficult, but runny noses and stuffy sinuses are less common. The C.D.C. has also added chills, muscle pain, sore throat, headache and a new loss of the sense of taste or smell as symptoms to look out for. Most people fall ill five to seven days after exposure, but symptoms may appear in as few as two days or as many as 14 days.

### ○ **How can I protect myself while flying?**

If air travel is unavoidable, there are some steps you can take to protect yourself. Most important: Wash your hands often, and stop touching your face. If possible, choose a window seat. A study from Emory University found that during flu season, the safest place to sit on a plane is by a window, as people sitting in window seats had less contact with potentially sick people. Disinfect hard surfaces. When you get to your seat and your hands are clean, use disinfecting wipes to clean the hard surfaces at your seat like the head and arm rest, the seatbelt buckle, the

remote, screen, seat back pocket and the tray table. If the seat is hard and nonporous or leather or pleather, you can wipe that down, too. (Using wipes on upholstered seats could lead to a wet seat and spreading of germs rather than killing them.)

○ **Is 'Covid toe' a symptom of the disease?**

There is an uptick in people reporting symptoms of chilblains, which are painful red or purple lesions that typically appear in the winter on fingers or toes. The lesions are emerging as yet another symptom of infection with the new coronavirus. Chilblains are caused by inflammation in small blood vessels in reaction to cold or damp conditions, but they are usually common in the coldest winter months. Federal health officials do not include toe lesions in the list of coronavirus symptoms, but some dermatologists are pushing for a change, saying so-called Covid toe should be sufficient grounds for testing.

○ **Can I go to the park?**

Yes, but make sure you keep six feet of distance between you and people who don't live in your home. Even if you just hang out in a park, rather than go for a jog or a walk, getting some fresh air, and hopefully sunshine, is a good idea.

○ **How do I take my temperature?**

Taking one's temperature to look for signs of fever is not as easy as it sounds, as "normal" temperature numbers can vary, but generally, keep an eye out for a temperature of 100.5 degrees Fahrenheit or higher. If you don't have a thermometer (they can be pricey these days), there are other ways to figure out if you have a fever, or are at risk of Covid-19 complications.

○ **Should I wear a mask?**

The C.D.C. has recommended that all Americans wear cloth masks if they go out in public. This is a shift in federal guidance reflecting new concerns that the coronavirus is being spread by infected people who have no symptoms. Until now, the C.D.C., like the W.H.O., has advised that ordinary people don't need to wear masks unless they are sick and coughing. Part of the reason was to preserve medical-grade masks for health care workers who desperately need them at a time when they are in continuously short supply. Masks don't replace hand washing and social distancing.

○ **What should I do if I feel sick?**

If you've been exposed to the coronavirus or think you have, and have a fever or symptoms like a cough or difficulty breathing, call a doctor. They should give you

advice on whether you should be tested, how to get tested, and how to seek medical treatment without potentially infecting or exposing others.

o **How do I get tested?**

If you're sick and you think you've been exposed to the new coronavirus, [the C.D.C. recommends that you call your healthcare provider and explain your symptoms and fears.](#) They will decide if you need to be tested. Keep in mind that there's a chance — because of a lack of testing kits or because you're asymptomatic, for instance — you won't be able to get tested.

o **How can I help?**

[Charity Navigator](#), which evaluates charities using a numbers-based system, has a running list of nonprofits working in communities affected by the outbreak. You can give blood through the [American Red Cross](#), and [World Central Kitchen](#) has stepped in to distribute meals in major cities.

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“A good number of them, they don't know what the procedures are — there's a group that just hasn't asked for food help in the past,” he said. He and his colleagues are beginning to plan for elevated demand over the next six to 12 months, he said.

There are signs that coronavirus' economic damage could take longer to fade than many were hoping.

About nine in 10 workers who had lost jobs in the Fed's survey anticipated that they would return to work for the same employer or said they had already returned to work, but the vast majority of those people do not have a specific date yet. About 5 percent had already returned to work, and 8 percent did not expect to go back to the same employer. “There is a sense, a growing sense I think, that the recovery will come more slowly than we would like,” the Fed chair, Jerome H. Powell, said on Wednesday, [after warning](#) that the U.S. economy may require more fiscal policy help to make it through the crisis. “Additional fiscal support could be costly, but worth it if it helps avoid long-term economic damage and leaves us with a stronger recovery,” he said in his speech.

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