

# 5 CRITICAL NEEDS FOR BABIES IN COVID-19: Boosting Economic Security



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## Boosting Families' Economic Security During COVID-19

### The Investment:

- Extend the \$600 Pandemic Unemployment Compensation (PUC) for the duration of the COVID-19 pandemic
- Provide an additional round of economic impact payments of \$1,200 per family member, up to \$6,000 per household
- Permanently enact paid family and medical leave insurance for all workers, including emergency paid family and medical leave and emergency paid sick days in a public health emergency
- Permanently ensure workers can accrue 7 paid sick days

### Why is this need critical?

- **Critical for the hardest hit families:** The economic devastation caused by the pandemic has disproportionately impacted people of color and particularly families who were already struggling in jobs that pay low wages—families where a large proportion of infants and toddlers live. Many lost jobs that are returning slowly. Others on the front lines at grocery stores, child care centers, and health care facilities are deemed essential, but lack access to comprehensive policies like paid family and medical leave and paid sick days that would protect them during illness or crisis. Families continue to face difficult choices for children's care and learning, as they cannot go without a paycheck and are unable to take the time off to meet those family needs.
- **Critical for the economy to reopen:** This pandemic continues to create unprecedented challenges for families and businesses alike. Ensuring economic security through financial assistance during continued high unemployment, and permanent federal paid sick, family, and medical leave benefits for all workers will help stabilize families and the economy. Employers will be better prepared to manage the diversity of personal challenges that workers may face in the coming months, and families will have more cash on hand to spend on basic goods and services they need to survive as the economy slowly recovers.
- **Critical for a baby's early development:** Babies' rapidly developing brains and bodies need strong economic and emotional supports to thrive. Infants and toddlers, particularly in Black and Latinx families, already were experiencing high poverty rates pre-COVID. Caring, consistent relationships are essential to laying the foundations for a child's future learning and relationships. In a crisis, these relationships can buffer the impact of stress and trauma. Supports like paid family and medical leave and financial assistance to meet basic needs help reduce caregivers' stressors increasing their capacity to nurture their babies.

### Investment Details:

#### ***Congress should extend enhanced unemployment benefits for the duration of the pandemic and pass another round of economic impact payments.***

Congressional action early in the crisis appears to have prevented many babies and families from falling into poverty, but those economic supports have lapsed with the economy only slowly recovering. The COVID-19 pandemic devastated the finances of millions of families as workplaces closed across the country, with job losses disproportionately concentrated among workers with low wages and workers of color. In March alone, 39 percent of people in households with incomes below \$40,000 reported [losing their jobs](#). With more than 40 million individuals losing jobs at the height of the economic crisis, a massive increase in poverty seemed inevitable. Yet, the enhanced Pandemic Unemployment Compensation (PUC) included in the CARES Act and the one-time economic impact payment of \$1,200 per individual and \$500 per child provided millions of families a lifeline. For babies, it meant that projected increase of 3 percentage points in poverty rates was staved off.

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*Ashley, from Harrison AR, described how economic struggles continue:*

*“COVID has certainly taken my family on a roller coaster ride. [In March], I was just getting started as an LMSW mental health professional, hoping to work with young children and parents, as I worked toward LCSW licensure... As of Friday [end of August], I (along with several others) was let go from the company due to funding issues related to COVID 19.”*

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*A roller coaster ride for families:* Unfortunately, while families' economic situations continue to fluctuate, Congress allowed the additional PUC to expire at the end of July and has not yet taken action to restore those benefits or pass additional stimulus payments. Almost all states have applied for the Lost Wages Assistance program established by Executive Order, using \$44 billion in Federal Emergency Management Agency (FEMA) funds to provide \$300 per week in additional federal unemployment assistance, matched with \$100 from the state, for a total of \$400 per week. However, states may just provide the federal payment, counting their own UI payments as the match, or they have the option to tap into their CARES funding to provide the additional \$100 per week. Only a handful of states are offering the full amount of \$400, while most states are opting to offer \$300 a week in benefits. The period of assistance will end on December 27<sup>th</sup>, or when the funds run out – whichever comes first. The limited amount of funding is unlikely to last long, as some states have already used their allocation and these benefits have ended. Workers who are able to access the benefit will get only a few weeks of payments at best.

Further action is urgently needed as the economy has yet to substantially recover, and the pandemic still rages in communities across the country. Jobs are coming back, but the country is still down almost 12 million jobs from pre-pandemic levels and job growth has slowed. The national employment rate dropped in August, but remains at a historically high level, disproportionately higher for Black and Latinx workers. Moreover, job loss is shifting to be more permanent – a sign that many families will continue to struggle. Millions of families are facing a sharp decline in income that could become more long-term. The [Rapid EC Survey taken in August](#) after families lost these enhanced payments found two in five

families with young children—double the rate in mid-July—were worried about meeting their families' basic needs, concerns felt more intensely by Black and Latinx families. Without immediate Congressional action to restore enhanced PUC benefits, and pass another round of economic impact payments, we could see a ripple effect in families facing homelessness and hunger, while decreases in income for spending will cause further economic stagnation. For babies and toddlers, 40 percent of whom lived in families with precarious economic security before the pandemic, the long-term effects of these stresses during their years of foundational brain development could be disastrous.

### ***Congress should pass the PAID Leave Act to support families during this unprecedented time.***

The PAID Leave Act addresses the many immediate needs of families caused by the COVID-19 pandemic, but also draws an important path to future. The implementation of a progressive paid family and medical leave strategy will create a framework that supports workers in the face of future crises, whether they be national or personal.

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*Autumn, from Conde, SD, shared this concern:*

*"I am working from home, though if I need to stay home with my young children, my ability to work is greatly diminished. I don't have any paid time off at this time, because my children have appointments and illnesses too, so it would possibly be without pay. This would cripple our family's finances, where we need both incomes just to survive. At this point, I have more anxiety about finances than I do about staying healthy and virus free."*

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Overall, paid leave is strongly associated with reduced infant and post-neonatal mortality rates. Researchers conservatively estimate that providing 12 weeks of job-protected paid leave in the U.S. would result in nearly 600 fewer infant and post-neonatal deaths per year. Time for parents to provide care facilitates the early detection of potential delays at a time when problems can be most effectively addressed, and interventions identified to minimize them. As the pandemic continues, paid time at home could relieve parental and child stress that surveys are finding at levels higher than normal. Stressors include fear of not meeting basic needs like housing, nutrition, and consistently accessing diapers, wipes, and formula as well as the lack of child care and need to supervise remote learning.

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*Sierra, from Sylacauga, AL, shared this concern:*

*"I had surgery right before the virus had gotten to the level it is at now. I had expected to be out of work for two weeks (no paid leave). Now I can't work both because I have an increased health risk and because child care is closed. So my two children and myself are trying to make ends meet with no pay, no work, and no assistance that I could possibly get fast enough to help. I truly hope the government is going to be sending help to families like mine because we desperately need it."*

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The implementation of a paid leave policy like the PAID Leave Act could benefit employers, taxpayers, and the economy – now and in the future. When parents can attend to a child's early medical needs, infant mortality and the occurrence and length of childhood illnesses are reduced, which in turn lowers

private and public health expenditures. During the crisis, many people are putting their health needs on hold, and child vaccination and well visit rates are dropping.

Once we can safely return to routine healthcare visits, families will need paid time to meet their own and their child's medical needs. [Surveys show](#) more than 78 percent of US adults say they would be more likely to get tested for COVID if they were guaranteed two weeks of paid sick time in the event of a positive COVID test. Paid leave can also give parents and other caregivers time to search for quality child care that meets the unique needs of their families, thereby allowing them to enter/re-enter the workforce. There is an additional need for expanded paid family leave during the enduring pandemic. With more than half of school-aged children remote learning for the current school year parents may have difficulty with full-time, out of home employment with the needs of a young child learning online. A robust paid family leave plan would allow parents to not only take time when they need it to further their children's education but also do so without threat of retaliation from their employer.

The same concerns voiced by many about missing work in the case of a positive COVID test for themselves shapes their views on who they want to interact with in public. A recent survey shows that [75 percent](#) say that they would feel more comfortable shopping and eating out if they knew others had a guaranteed two weeks of paid time off if they test positive. To this end, removing the concern of lost jobs or wages through robust paid family and medical leave policy may prove key to restarting the American economy.