

COVID-19 and Cities

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COVID-19 and the Suburbs

- The need for proximity and face-to-face relations in industries like high-tech, finance, media and entertainment will keep urban cores alive (building trust, serendipitous exchanges, and knowledge spillovers)
- Amenity values of urban centers likely to decline and push investment toward suburbs (e.g. bars, museums, buildings with elevators, sports complexes)
- Lower density and greater affluence of suburbs will work to the advantage of some suburbs (e.g. affluent professional workers in the suburbs can work remotely and isolate safely using delivery while frontline service workers are more exposed and must use transit to get to work)
- People will get pulled to suburbs by factors such as remote work, fear of mass transit, desire for private amenities like backyards and play areas

Actions Suburbs Can Take Related to Revenues

- Convene economic development organizations, chambers of commerce, and area businesses
- Assess the impact of the contraction on key industries & sectors, mobilize for financial assistance, establish a task force to pursue the creation of small business loan and support programs
- Identify hard-hit sectors, short-term vs. long term impact, and potential growth sectors
- Consider the impact of shift to remote work on the economy
- Assess fiscal impacts of the contraction on local revenues and spending
- Develop a strategy for longer-term economic recovery

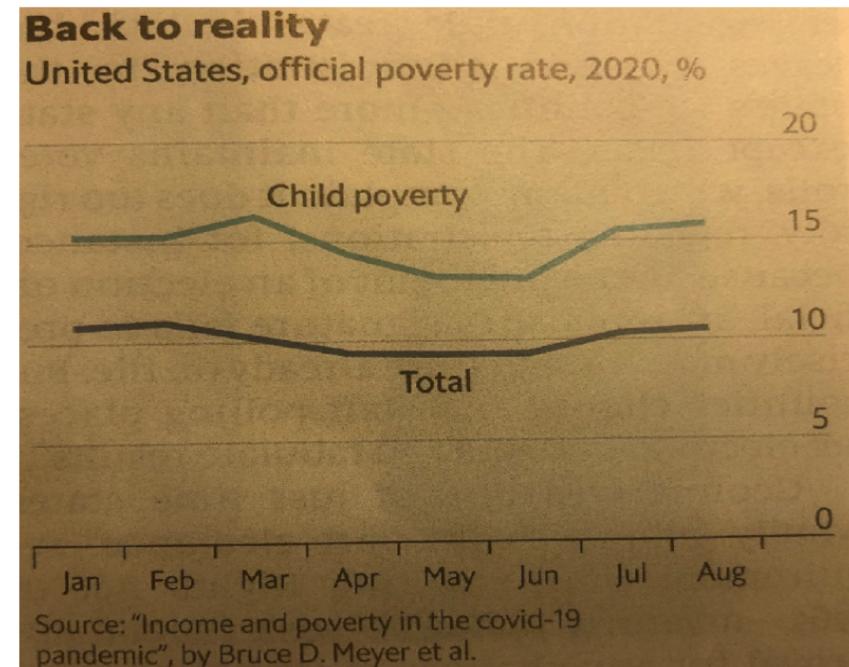
Actions Suburbs Can Take Related to Citizenry

- Reimagine and modify community public and open space to support social distancing, required sanitation, and cleaning
- Pedestrianize downtown areas and neighborhoods as needed
- Mobilize and find ways to support the arts and creative activities in the area (imagine suburbs devoid of creative arts and culture)
- Find ways to protect and support disadvantaged suburban communities (since the pandemic will fall heaviest on them)
 - Convene community development organizations & social service providers to develop a coordinated strategy for addressing health-care & economic vulnerabilities
 - Focus workforce and placement initiatives on developing training and job opportunities for residents of less advantaged neighborhoods

COVID-19 and Poverty

- At first, poverty declined
- One-time \$1200 checks + unemployment benefits of \$600 per week kept millions of families above poverty line (\$21,720 for family of 3)
- Support ended in July, although pandemic persisted.
- By August, poverty levels back up:

Source: The Economist, October 3, 2020: p24 - 25



Selected Implications for Urban Development

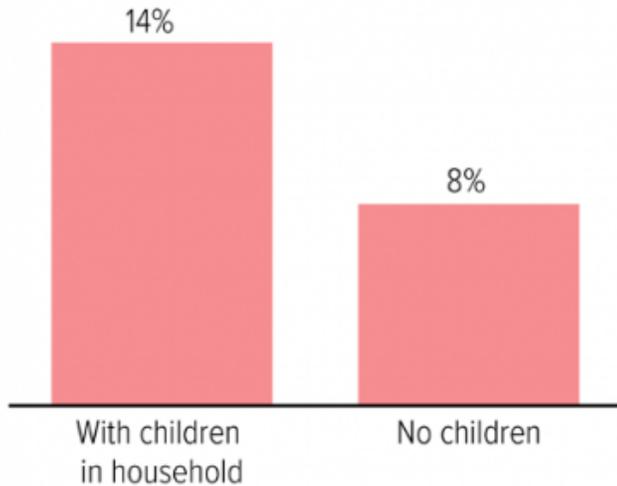
- Difficulty affording food and housing, especially for non-Asian minorities
- Census bureau reports that
 - 14.4% of households with children report not having had enough to eat sometimes or often within the past week
 - For black and Hispanic households, this number raises to above 22%
 - Among families making less than \$25k, the number is 35%
- Still further reductions in education (e.g. due to lack of internet access)
- Still further reductions in expected lifetime earnings and opportunities for inner city youth

FIGURE 1



For 1 in 7 Adults With Children, Household Lacked Sufficient Food in Last 7 Days

Share of adults reporting that their household sometimes or often did not have enough to eat



Note: Chart excludes individuals who did not respond to the question.

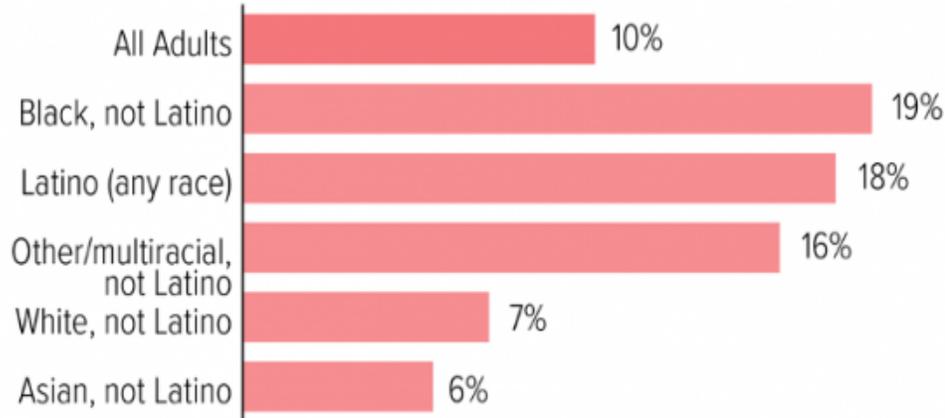
Source: CBPP analysis of Census Bureau Household Pulse Survey survey tables for September 2-14, 2020

FIGURE 2



Black and Latino Households Likelier to Experience Food Insufficiency During Pandemic

Share of adults saying that their household sometimes or often did not have enough to eat in the last 7 days, as of September 2-14, 2020



Note: Other/Multiracial not Latino = people identifying as American Indian, Alaska Native, Native Hawaiian or Pacific Islander, or more than one race. Percentages are based on reporting distributions and do not include the populations that did not respond to the question.

Source: CBPP analysis of Census Bureau Household Pulse Survey



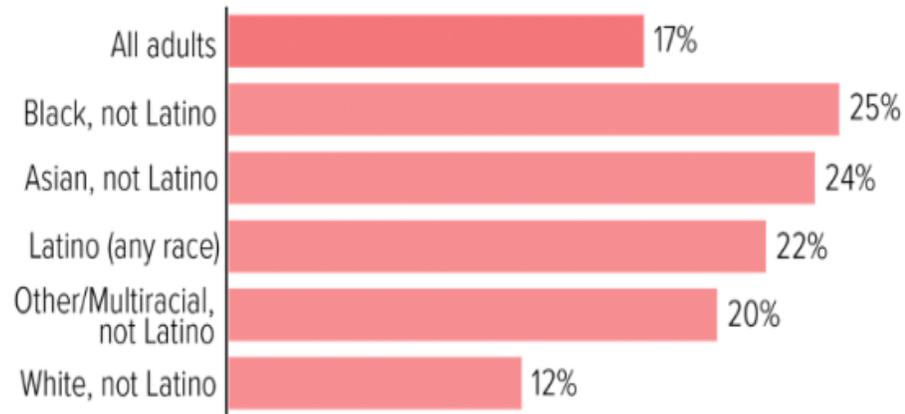
<https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and>

FIGURE 3



1 in 6 Renters Not Caught Up on Rent During Pandemic, With Black, Asian, and Latino Renters Facing Greatest Hardship

Share of adult renters saying their household is not caught up on rent, as of September 2-14, 2020



Note: Other/Multiracial, not Latino = people identifying as American Indian, Alaska Native, Native Hawaiian or Pacific Islander, or more than one race. Chart excludes renters who did not respond to the question.

Source: CBPP analysis of Census Bureau Household Pulse Survey

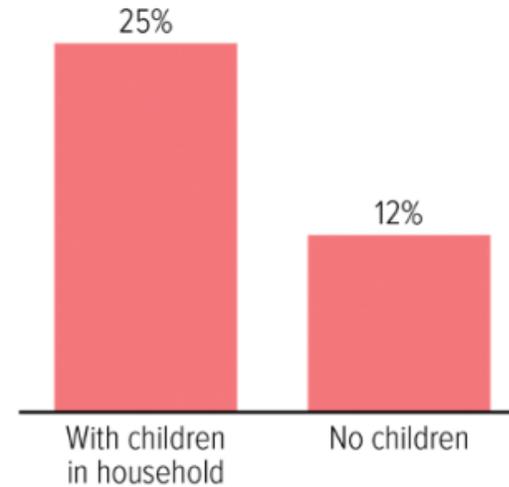
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FIGURE 4



1 in 4 Renters Living With Children Are Not Caught Up on Rent

Share of adult renters saying household is not caught up on rent, as of September 2-14, 2020



Note: Chart excludes renters who did not respond to question.

Source: CBPP analysis of Census Bureau Household Pulse Survey

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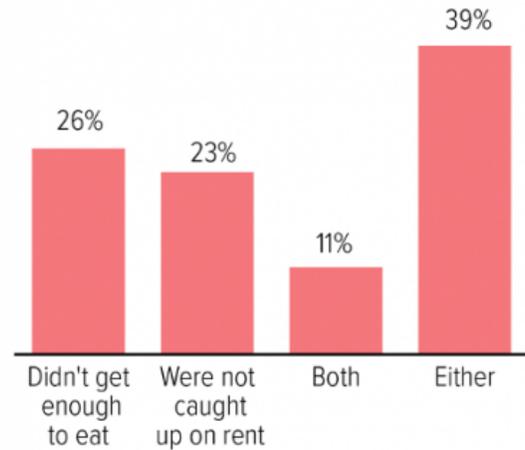


FIGURE 5



For More than 1 in 3 Children in Renter Households, Household Faces Food and/or Housing Hardship

Percent of children in households that:



Note: Didn't get enough to eat = household had "not enough to eat" sometimes or often in last 7 days. Figures omit children in households that do not pay cash rent, such as those in employer-provided housing, as well as those who did not respond to one or both hardship questions. Survey does not collect data on children directly; figures for children are estimated based on number of children in each household.

FIGURE 5



Job Losses Largest in Low-Wage Industries

Percent change in number of jobs, February to September 2020



Note: Industries were ranked by average wages in February and divided into three groups containing roughly the same number of jobs.

Source: CBPP calculations of Bureau of Labor Statistics data

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<https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and>

Further Implications

- US Census Bureau reports that among renting families 28% have little or no confidence in being able to pay next month's rent
- Among Hispanics, the number raises to 40%
- More than 40% of black, Latino, and Native American households report having exhausted most or all of their savings (compared with 25% of whites)
- Many will not be able to pay utility bills during winter, while stuck inside with COVID-19
- Markets left to themselves without public policies will not provide adequately for the poor