



Racial and Ethnic Disparities in the Effects of COVID-19 on Employment Disruption and Financial Precarity

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The COVID-19 pandemic disproportionately affected the employment and financial security of minoritized workers. Initial evidence shows that minoritized individuals experienced higher rates of infection and death during the COVID-19 pandemic than white counterparts. Minoritized workers were more likely to have jobs that exposed them to the public, increasing their chances of contracting an illness during the pandemic, and subsequently, to experiencing a job disruption. The consequences of job disruptions for minoritized individuals could have important implications for financial security, particularly among minoritized workers with a history of financial precarity.

Several studies have researched the COVID-19 pandemic's effect on employment, but little research has examined racial differences in COVID-19's financial impact among those who experienced job disruptions. Furthermore, there is limited empirical evidence on how pre-COVID-19

financial precarity may have influenced the risks of experiencing post-pandemic financial precarity, particularly for those who faced a job disruption.

To address these gaps, this study uses data drawn from the 2016 and 2018 waves of the Health and Retirement Study (HRS), as well as the 2021 HRS Perspectives on the Pandemic mail-in survey. We evaluated racial differences in the consequences of COVID-19-related job disruption and COVID-19-related financial precarity outcomes among individuals 51 and older who were working in the period leading up to the pandemic.

Results indicate that non-Hispanic Black and Hispanic workers had higher rates of pandemic-related job disruptions than their white counterparts. Specifically, non-Hispanic Black and Hispanic workers were more likely than white workers to experience temporary or permanent layoffs and also were more likely to have experienced job disruption to

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care for a loved one. Further, results show that non-Hispanic Black older workers were also more likely to have stopped work due to illness than their white counterparts. Further, minoritized workers who experienced job disruptions were more likely to experience post-COVID-19 financial precarity relative to their white counterparts.

Specifically, pre-COVID-19 financial precarity was significantly associated with post-COVID-19 financial precarity for all participants in the sample. However, based on moderation tests, we concluded that the association between pre-COVID-19 financial precarity status and post-COVID-19 financial precarity outcomes was dependent on race. Specifically, we find that even though pre-COVID-19 precarity was associated with significantly higher rates of post-COVID-19 precarity for all racial and ethnic groups,

white older workers without pre-COVID-19 precarity were uniquely protected from post-COVID-19 precarity. Results also show that non-Hispanic Black older workers without pre-COVID-19 financial strain had a similar probability of reporting one or more post-COVID-19 financial precarities as non-Hispanic white older workers with pre-COVID-19 financial strain.

Overall, this study suggests that the pandemic exacerbated existing socioeconomic inequalities across racial/ethnic groups. These findings can inform research and policy. Despite the federal support provided to workers who experienced job disruptions relative to previous financial crises, our findings suggest that minoritized older workers, especially those with a history of financial precarity, may be particularly vulnerable to major economic shocks. ❖

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