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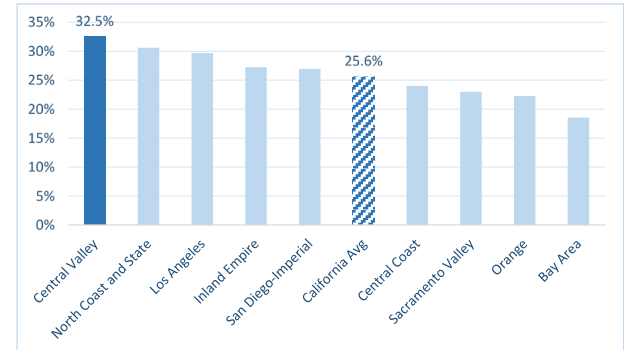
## FACT SHEET: How Merced's Economic Inequalities Exacerbated the COVID-19 Pandemic

Merced County and the Central Valley suffer from high social and economic inequalities. Central Valley households headed into the COVID-19 pandemic with a below-subsistence income, jobs at high risk of COVID-19 exposure, low rates of immigrant naturalization, and lack of access to the safety net. These inequalities resulted in a disproportionate impact of the COVID-19 crisis on Merced residents' health and well-being—and the second highest rate of pandemic-related deaths in the state.

### Household Inequalities

- **Living Below a "Living Wage."** Nearly one in three (32.5%) Central Valley households survive on less than a "living wage"—the amount needed to avoid "consistent and severe housing and food insecurity" (Nadeau 2018, 2). This ranks last among the state's regions (see figure 1). Merced's rate (32.3%) was sixth-to-last among all counties in the state.<sup>1</sup>
- **Large and Low-Wage Households in the Region.** The Central Valley's median household income (\$60,000) and worker earnings (\$30,000) were second-to-last in the state. These figures are particularly disadvantaged considering the valley had the state's largest mean household size (3.0 persons) and children per household (0.9) (analysis not shown).
- **Merced County's Large and Low-Wage Households.** Merced's median household income (\$60,000), worker earnings (\$28,100), and children per household (0.9) were similar to the those of the Central Valley as whole. Merced's average **household size** (3.2) was third-highest, and its rate of multiple families (15 per 100 households) was **highest** of any California county.
- **High Rent Burden.** Nearly one fifth (18.7%) of all Merced County households were rent

Figure 1. Percent of Households Living Below a Living Wage, by California Region



Source: UC Merced Community and Labor Center analysis of IPUMS-USA American Community Survey 2019 data

burdened, spending over 30% of household income on rent. More than half (54.1%) of renter families were rent burdened, **the highest rate in the valley.**

- **High Utility Costs.** High utility costs are partially responsible for a large number of the region's households living below a living wage. Despite low regional incomes, Central Valley renters' median annual utility costs (\$2,720) were second-highest in the state.<sup>2</sup> Merced County renter households paid much higher costs (\$3,020) while high rent-burdened households paid slightly higher costs (\$2,840).
- **High Poverty.** Merced County's **household poverty** rate (16.7%) was higher than the valley (16.0%), and ranked **eighth-highest in California** in 2019.

<sup>1</sup> We applied the MIT (2020) living wage calculator to ACS data from 41 California counties (and areas of combined counties) with over 150,000 persons.

<sup>2</sup> This measure combined median water costs, and median gas/electricity, for those households who paid either costs.

## Worker and Health Inequalities

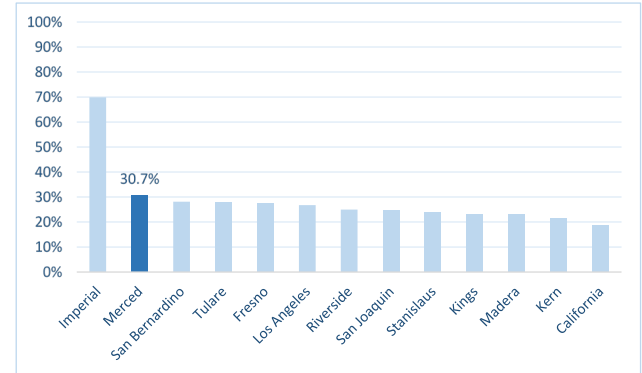
- **High COVID-19 Risk at Work.** Over one in four (26.8%) Central Valley workers worked in jobs with the highest risk of COVID-19 spread.<sup>3</sup> This was the **highest** rate for any region. Merced County's rate (32.0%) was the **second-highest rate for any California county**.
- **Disadvantages among High-Risk Workers.** In 2014-2018, Central Valley workers in COVID-19 high-risk industries were disproportionately immigrant (45.2% vs. 25.6%), non-citizen (31.5% v. 13.3%), lived in larger households (3.9 vs. 2.1 persons), and had a poverty rate nearly twice as high (18.1% vs. 10.6%) (Padilla et al. 2021). In 2019, they earned much less than other workers (\$23,000 vs. \$32,000).
- **High-Risk Workers and Health Insurance.** Merced high-risk workers had even lower earnings (\$22,000 vs. \$31,200) and were less likely to have health coverage (77.8% vs. 84.4%) than other workers. Overall, only 82.3% of Merced residents had health insurance—the **lowest** rate in the state. This contributed to a 30.7% increase in pandemic-era deaths—**second in the state** (see figure 2).<sup>4</sup>
- **High COVID-19 Positivity Rate.** Merced County's positivity rate (10.1%) was higher than the Central Valley (9.6%) and was the **second highest rate in the region**.<sup>5</sup>

## Lack of a Safety Net

- **Immigrant Naturalization.** The naturalization rate among Central Valley immigrants (45.6%) was second-to-last among the state's ten regions. Merced County's rate of **noncitizen residents** (16.9%) was **third-highest** in the state. Many were undocumented, and—as the only group federally prohibited from receiving federal aid—had no access to stimulus checks or unemployment relief during the pandemic.

<sup>3</sup> The California Labor Workforce & Development Agency has identified agriculture, food processing, grocery, restaurant/food service, janitorial/hospitality, warehousing, and manufacturing at highest risk of COVID-19 spread.

Figure 2. Top Twelve County-Level Increases in Death, California (2019-2020)



Source: UC Merced Community and Labor Center analysis of California Department of Public Health- California Comprehensive Death File Mar-Dec 2019-2020

- **High unemployment among Black, Latina and immigrant women.** During the peak of the pandemic economic downturn, job loss rates for California's Black (25.4%) and Latina (28.9%) women were among the highest for any groups (Flores and Padilla 2020). Job loss rates were highest for non-citizen immigrant women (36.3%)—many of whom were undocumented and had no access to the safety net.
- **Unclaimed Relief.** Even residents who qualified for aid often failed to claim aid. The valley lost an estimated \$951m from unclaimed federal stimulus checks, second in the state only to Los Angeles' \$1.55bn loss (Augustine et al. 2021).

## References

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## Mission Statement

The UC Merced Community and Labor Center conducts research and education on issues of community, labor and employment, in the San Joaquin Valley and beyond.

<sup>4</sup> See UC Merced Community and Labor Center (forthcoming).

<sup>5</sup> Rates were calculated based on positive COVID-19 cases between January 1, 2020 and March 16, 2021. See UC Merced Community and Labor Center (forthcoming).