

THE FRAGILE FINANCIAL STABILITY OF IMMIGRANT HOUSEHOLDS IN LIGHT OF COVID-19



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The COVID-19 pandemic has exposed deep inequities and structural vulnerabilities that disproportionately affect certain segments of the U.S. population. The 7 million low- and moderate-income (LMI) immigrant households, and the 8.1 million LMI immigrant workers in the civilian labor force are among those groups.¹

Some of the most fundamental and essential² industries in the U.S. economy rely heavily on the work of LMI immigrant workers—namely, construction, food service and preparation, home health services, child care, and agriculture, as well as dozens of others.³ Immigrants tend to work in different occupations from those the native-born generally work in, and they create the demand for complementary tasks and skills⁴—in other words, they are more likely to complement rather than substitute native-born workers.⁵ Yet, a large proportion of immigrant households are excluded from the basic benefits that being a member of U.S. society typically provides.

This brief sheds light on the structural barriers that have made immigrant households particularly vulnerable to the financial shock caused by the COVID-19 pandemic. It specifically highlights the propensity of LMI immigrant households to become financially unstable based on:

- The concentration of foreign-born workers in industries that, on average, pay lower wages and were particularly hard-hit by the pandemic and related economic crisis;⁶
- Their limited access to benefits or other safety nets;
- Non-citizen household's higher likelihood of not having enough in savings to weather an emergency;
- Their limited access to high-quality credit;
- The existing residential segregation that makes immigrants less able to access high-quality social networks.

The financial stability of many LMI immigrant households has been severely impacted by the pandemic. Those impacts have manifested in multiple ways: from job or income loss, to food insecurity, to avoidance of medical care due to cost, to missed rent or mortgage payments.

Yet, the government responses adopted to address the adverse economic effects of the COVID-19 pandemic have largely excluded a large proportion of immigrants, further aggravating the dire circumstances a large portion of this

LMI Immigrant Households

Throughout this paper, **LMI immigrant households** is defined as *households with a foreign-born head of household, earning 200% of the federal poverty level or below*, which is determined by household size and state of residence.

LMI immigrant workers is defined as *foreign-born individuals, aged 16 and older, that are members of the civilian labor force, and that live in a household identified as an LMI immigrant household.*

population is facing. Specifically, undocumented workers have been by and large written out of the \$192 billion Families First Coronavirus Response Act (FFCRA) and the \$2.3 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act. This has forced them to make an impossible choice: either take the government mandated public health precautions by staying at home and losing the income they rely on, or go to work in order to feed their families and cover essential expenses such as rent—putting at risk their health and the health of all living in their communities.

How Is COVID-19 Financially Impacting Immigrant Households?

Immigrant workers are disproportionately experiencing the financial impact of COVID-19 because of the implementation of social distancing measures and the related economic shutdown. Immigrants now face unemployment at higher rates than their native-born counterparts, and persistent economic challenges that low-income immigrants faced prior to the crisis, like food insecurity and insufficient access to medical care, are only being exacerbated.

More than five million immigrant workers lost their jobs from February 2020 through May 2020, a 19 percent decline in total employment over a three-month period.⁷ According to the Bureau of Labor Statistics, foreign-born workers' unemployment rate was 15.7 percent in May 2020, compared to 2.8 percent in May of 2019—a 460 percent increase from year to year. This is compared to the native-born population reporting an unemployment rate of 12.4 percent in May 2020, a year-to-year increase of 254 percent, from a 3.5 percent unemployment rate a year prior.⁸ The employment losses among foreign-born workers were concentrated in the accommodation (e.g., lodging) and hospitality industries, and in private service-providing occupations—all sectors in which immigrants are overrepresented.⁹

The food and domestic service industry—where immigrant workers are also concentrated—was particularly hard-hit by the pandemic. There are six million immigrant workers employed in the food and domestic service industry, representing 20 percent of the total number of workers in these industries.¹⁰ The unemployment rate within the accommodation and food services sector jumped from just 7.9 percent in March to a peak of 37.3 percent in April, down to 33.9 percent in May.¹¹ Likewise, unemployment among domestic services workers was 17.3 percent in May, up from a 10.7 percent rate in March.¹²

These losses to income and employment have had severe financial effects for noncitizens and mixed-status families. From the end of March to the end of April 2020, 69 percent of Hispanic adults with noncitizens within their family reported losing work or income due to COVID-19.¹³ Additionally, 25 percent of Hispanic adults in families with noncitizens went without medical care in the past 30 days because of cost, 18 percent said that they were late or did not pay in full their rent or mortgage, and 42 percent reported food insecurity.¹⁴ Other survey estimates suggest that non-citizens are two times more likely to suffer COVID-19-related food insecurity than their citizen peers.¹⁵

At the state, local, and federal level there are a variety of emergency moratoriums on evictions and foreclosures with various expiration dates to prevent people from losing their access to shelter during the pandemic.¹⁶ Yet, there are reports of undocumented immigrants being unable to take advantage of these measures because of fear of drawing attention to their immigration status and their landlords taking advantage of their vulnerable renter status. In Washington state, the majority of complaints that the attorney general's office has received for illegal evictions and late fees during the pandemic have been from immigrants.¹⁷

Low- and Moderate-Income Immigrants Play a Critical Role in the U.S. Economy

Immigrants play a central role in the U.S. economy, not only reflected in their quantifiable economic and tax contributions, but also by the nature of the jobs they do. Low- and moderate-income immigrant workers comprise a

sizable proportion of the workforce in fundamental sectors of the U.S. economy and society as a whole. These sectors, sometimes collectively referred to as the “essential economy,” include the food services and hospitality industries, construction, agriculture, elder care, and manufacturing.¹⁸

Table 1: Top 20 industries where LMI immigrant workers are employed

Industry Name	LMI Immigrants			LMI Native-Born U.S. Citizens		All LMI Workers	
	Median Hourly Wage	Total Employed	Percentage of Industry Employment	Total Employed	Percentage of Industry Employment	Total LMI Employed	Percentage of Industry Employment
Construction	\$23.57	1,064,960	9.6%	1,607,243	14.5%	2,672,203	24.1%
Restaurants and other food services	\$11.48	939,696	8.8%	3,408,953	31.8%	4,348,649	40.6%
Services to buildings and dwellings	\$14.26	299,295	18.2%	385,689	23.5%	684,984	41.8%
Landscaping services	\$15.90	270,485	18.6%	339,276	23.4%	609,761	42.0%
Crop production	\$13.18	230,809	19.7%	210,579	17.9%	441,388	37.6%
Private households	-	221,504	23.8%	229,996	24.7%	451,500	48.6%
Elementary and secondary schools	\$23.05	176,976	1.9%	1,046,794	11.1%	1,223,770	13.0%
Colleges, universities, and professional schools, including junior colleges	\$27.84	176,431	3.9%	580,209	12.9%	756,640	16.8%
Traveler accommodation	\$12.97	174,953	10.8%	389,383	23.9%	564,336	34.7%
Home health care services	\$14.11	155,843	10.1%	452,783	29.3%	608,626	39.4%
Supermarkets and grocery stores	\$12.36	151,284	5.4%	669,987	23.8%	821,271	29.1%
Taxi and limousine service	\$14.24	124,869	21.1%	109,994	18.6%	234,863	39.7%
General medical and surgical hospitals, and specialty hospitals	\$27.98	122,011	1.6%	706,517	9.5%	828,528	11.1%
Child day care services	\$12.71	115,559	7.0%	460,434	27.7%	575,993	34.7%
Truck transportation	\$21.34	109,543	5.5%	262,529	13.2%	372,072	18.7%
Individual and family services	\$13.49	99,208	5.9%	341,435	20.1%	440,643	26.0%
Nail salons and other personal care services	\$13.18	97,758	19.4%	93,715	18.6%	191,473	37.9%
Automotive repair and maintenance	\$17.14	92,142	7.0%	240,062	18.2%	332,204	25.2%
Other amusement, gambling, and recreation industries	\$13.18	82,161	3.5%	481,956	20.6%	564,117	24.1%
Beauty salons	-	81,493	7.6%	251,123	23.4%	332,616	31.0%

Source: Prosperity Now analysis of 2018 American Community Survey 1-Year Estimates data, U.S. Census Bureau; and May 2019 Occupational Employment Statistics data, Bureau of Labor Statistics. “-” denotes median wage data unavailable for specified industry.

While immigrants constitute about 14 percent of the U.S. population and just over 17 percent of the full labor force, they account for over 23.2 percent of the low- and moderate-income labor force.¹⁹ Relative to the low-income native-born population, low- and moderate-income immigrants are more than two times as likely to work in construction, building and home services, grocery wholesales, fruit and vegetable processing, and meat packing and processing (See *Table 1* for a breakdown of the top 20 industries where LMI immigrant workers are employed). Immigrants are more than three times as likely to work in crop production or in private household services.²⁰ And among the low- and moderate-income population, immigrants are roughly 35 percent less likely than their native-born peers to be long-term unemployed or have never worked.²¹

Immigrants also make up roughly one-third of the low- and moderate-income workers employed as home health aides, animal care and production, and hotel staff—all industries included in the “essential economy.” And immigrant workers are overrepresented within industries critical to the operation of office buildings and supporting office workers. Each of these occupations will play a major role in recovery as office buildings slowly reopen and staff return to in-person operations, particularly as heightened security and health measures are put into place and maintained.²²

The Structural Barriers That Made LMI Immigrant Households Vulnerable to Financial Instability Predate COVID-19

Short-term financial stability is usually equated to having enough capacity to deal with everyday financial challenges, while still progressing towards financial goals.²³ Based on this framework, such stability relies on four financial cushions—namely, “routinely positive cash flow (income that exceeds expenses), liquid savings (such as cash and money held in checking and savings accounts), access to high-quality credit, and strong social networks.”²⁴ In all four domains, LMI immigrant households face unique barriers and circumstances that challenge their ability to remain financially stable—especially in the context of a major financial shock.

Low-income, often short-term and informal work

The earnings of immigrant workers tend to fall at the extremes of the earnings distribution. But while the proportion of immigrants working in high-wage, or so-called “high-skill”, occupations has grown in recent years,²⁵ immigrant workers remain more heavily concentrated in low-wage occupations than do their native-born counterparts.²⁶ Food service and preparation, maids and housekeepers, agricultural graders and sorters, farmworkers, home health and personal care aides, manicurists and pedicurists, textile workers, stock workers, and nursing assistants—along with dozens of other occupations—are all paid less than \$15 at the median, and are occupations disproportionately held by immigrants.²⁷ In sum, nearly 30 percent of foreign-born workers are LMI, including 25 percent of those working at least 30 hours a week.²⁸

Immigrants are also overrepresented among gig economy workers, which leaves them at greater risk by being responsible for their employment costs without the typical reimbursement or benefit supplement from employers.²⁹ While gig economy work allows flexibility around scheduling—and documentation challenges, in some cases—it leaves immigrant workers exposed to underpayment, long hours, racism and xenophobia, and other health risks.³⁰ Higher rates of self-employment and contract-based work among immigrants also limit their ability to access unemployment, health insurance, savings, and other benefit programs typically accessed or funded through employers

Limited access to federal benefits and other safety net programs

The most important federal public benefits programs have always implicitly or explicitly excluded some categories of non-U.S. citizens. Programs such as the Supplemental Nutrition Assistance Program (SNAP), non-emergency

Medicaid, Supplemental Security Income (SSI), and Temporary Assistance for Needy Families (TANF) have, since their inception, been inaccessible to undocumented immigrants and individuals on temporary visas.³¹ Others, such as the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC)—which boost the wages of millions of low-income U.S. citizens each year—have been amended over the years to further restrict access by immigrants and their families.

For example, as part of the 1996 welfare reform legislation (The Personal Responsibility and Work Opportunity Reconciliation Act), Congress modified the eligibility rules for the EITC by requiring individuals and households to provide a valid Social Security number for themselves and any qualifying children in order to claim the credit.³² That same law also barred most lawfully residing immigrants from receiving assistance under the major benefits programs for five years or longer. More recently, as part of the 2017 tax reform law (The Tax Cuts and Jobs Act), Congress updated the eligibility standards for claiming the CTC to only include children with Social Security numbers. Researchers estimate that this single change prevents one million children in immigrant families that pay taxes from benefitting from the program.³³

These exclusions are reflected in the fact that immigrants use nearly 40 percent fewer public benefits than native-born individuals, on average.³⁴ Further, immigrants are less able to draw on Social Security or Medicare benefits—despite paying into both systems.³⁵ This lack of access to benefits manifests explicitly in the economic well-being and poverty status of immigrant households. In 2018, over 1.4 million non-citizen immigrants, and 1.1 million naturalized citizens, were pushed into poverty through their being unable to access public benefits, increasing the percentage of immigrants living in poverty from 13.8 percent to 19.4 percent.³⁶

The economic impact of limited access to benefits can have grave effects on a person's physical health. In 2018, over 31 percent of all non-citizens—including 45 percent of undocumented immigrants—did not have health insurance coverage, compared to nine percent of citizens.³⁷ Households without health insurance are in danger of having to spend long-term savings, sell off assets, or accrue debt if faced with a medical emergency—resources that most low-income immigrant households didn't have available to draw upon even prior to the crisis.³⁸ People without health insurance also forego health care services due to cost, which could result in not being tested or treated for COVID-19.

Under the newly adopted public charge rule, which went into effect in February 2020, the government has introduced new standards for determining when an immigrant is likely to become a public charge, thus giving the government cover to deny otherwise eligible applicants admission to the country or green cards. The rule, along with multiple other anti-immigrant policies and the chorus of anti-immigrant rhetoric, have already had a chilling effect in immigrant communities. And the threat of losing access to legal status could prompt millions of noncitizens and U.S. citizens living in mixed-status families using public benefits to disenroll.³⁹

Insufficient liquid savings and access to banking

Limited access to lucrative and stable employment opportunities, and to safety net programs, exacerbates the challenges LMI immigrants have creating their own financial safety net. Among immigrants irrespective of income, non-citizen households (58 percent) are more likely to be liquid asset poor than are naturalized citizen households (35.7 percent).⁴⁰ Roughly 77.5 percent of LMI immigrants are liquid asset poor. This means that nearly 60 percent of all non-citizen immigrant households, and over three-quarters of LMI immigrant households, do not have enough cash on hand, emergency savings, or retirement savings to subsist at the federal poverty level for three months without income. Non-citizens without permanent residency status are also unlikely to have sufficient emergency savings (63.8 percent), as are non-citizens who are limited-English speakers (82.7 percent).

For many, a lack of emergency savings is not only a function of low-paying work, but also limited access to banking products altogether. Non-citizen households are unbanked at a 16.2 percent rate, compared to 5.9 percent of U.S. born households and 4.8 percent of naturalized citizen households.⁴¹ Spanish-speaking households are unbanked at a 24.4 percent rate. Another 31 percent of non-citizen households have access to a bank account, but still rely upon alternative financial services to meet their day-to-day needs.⁴² Taken together, nearly half of all non-citizen households have insufficient access to traditional banking products, limiting their ability to open emergency lines of credit, or even to build the security that a savings safety net provides.

Limited access to high-quality credit

Consumer access to credit, through products like credit cards and home equity lines of credit, has served as a form of safety net for many households, particularly since the Great Recession. Credit can be a valuable tool for households trying to build a comfortable, stable life. Obtaining access to affordable mainstream credit remains a challenge for new immigrant households, however, leaving many a step behind in gaining that initial foothold into life in the United States.

Mainstream lenders typically rely upon previous credit history, and stability of housing and employment, to guide their decisions to make credit available to a consumer.⁴³ Many LMI immigrant households have not had the prior credit access or employment history that would make them attractive to financial service providers that offer safe and affordable credit products. This leaves many immigrants vulnerable to more predatory lenders.

The low-wage work that non-citizens are often pushed into also serves as a barrier to building credit. Access to loan, banking, and credit products requires documentation—including regular residence—and seed deposits or a minimum balance, all requirements which many immigrants struggle to meet.⁴⁴ Further, limited transportation access, unpaid time off from work, and limited English proficiency can prohibit hourly or contract-based workers from pursuing mainstream financial access outright.⁴⁵

As a result, more than a third of non-citizen households (35.9 percent) have no mainstream credit, compared to 19.9 percent of naturalized citizen households and 18.5 percent of U.S.-born households.⁴⁶ More than half (50.3 percent) of Spanish-speaking households have no mainstream credit. And while non-citizen and U.S.-born households applied for credit cards or personal bank loans at a 14-15 percent rate, non-citizen households are roughly half as likely as their native-born counterparts to actually have student loans, personal bank loans, or a mortgage/home equity loan.⁴⁷

Residential segregation and limited access to diverse social networks

In the absence of access to other resources, immigrants tend to rely on family and friends to improve financial stability. However, immigrants' social networks tend to have lower levels of ethnic and socioeconomic diversity.⁴⁸ This disparity is largely a result of the economic stratification and patterns of racial discrimination that influence residential choice in the United States, and not a function of immigrants' self-selection into ethnically-familiar neighborhoods or communities.⁴⁹

Among non-native U.S. residents, residential segregation is most acute among low- and moderate-income households, who are far more likely to be clustered within low-income communities than are their low-income native-born peers.⁵⁰ Additionally, social capital can only help so much, especially in communities where most people struggle financially. Research suggests that social capital has a limited effect on the earnings and occupational outcomes of Black and Hispanic immigrants, meaning that while social ties can help with the familiarization process, their longer-term impacts on economic fortunes is limited in the face of the structural barriers those groups face.⁵¹

DRIVERS OF FINANCIAL INSTABILITY FOR LMI IMMIGRANT HOUSEHOLDS IN LIGHT OF COVID-19

ANTI-IMMIGRANT POLICIES / ANTI-IMMIGRANT RHETORIC

STRUCTURAL FACTORS

- Labor Market Structure
- Limited access to public benefits and other safety nets
- Insufficient savings
- Insufficient access to high quality credit and banking
- Limited access to high-quality social networks
- For many, no path to legal status available

INADEQUATE RELIEF

- Massive exclusion from federal relief authorized by Congress 
- Gap only partially filled by some state and municipal governments as well as civil society organizations

SOME IMMEDIATE IMPACTS ON IMMIGRANT WORKERS

- Jobs directly impacted by pandemic and social distancing policies
- Job or income loss

INCREASED FINANCIAL INSTABILITY

HOUSEHOLDS' INABILITY TO MEET BASIC NEEDS



FOOD INSECURITY



AVOIDANCE OF MEDICAL CARE



MISSED RENT OR MORTGAGE PAYMENTS



INABILITY TO COVER OTHER BASIC EXPENSES



Many Immigrants Were Excluded from Government Response to COVID-19

The two major federal legislative measures in response to the COVID-19 pandemic—the FFCRA and the CARES Act—excluded various immigrant populations from the relief authorized by Congress. Additionally, immigrants—

particularly those who are undocumented—continued to have no access to many safety net benefits available to other segments of the population. In the absence of a federal response, some states and municipalities have stepped in to provide some relief.

FFCRA and CARES Act Exclusions

The FFCRA was signed into law on March 18, 2020, and included expanded nutritional assistance funding, created COVID-19-related family medical or sick leave, provided \$1 billion in state grants for unemployment insurance, and increased funding for Medicaid and free coronavirus testing.⁵² Less than 10 days later, Congress provided further relief by passing the CARES Act. This \$2.3 trillion package included one-time economic impact payments to tax-paying adults and qualifying children, expanded unemployment insurance for furloughed gig and freelance workers, additional \$600 weekly payments to unemployment insurance (set to expire on July 31, 2020), and loans for small businesses and big industries, such as airlines.⁵³ While these programs have been helpful to a wide swath of U.S. households and businesses, many immigrants have been unable to access these relief mechanisms. Some exclusions are either explicitly written into pandemic-focused legislation, or passively uphold the restrictions already written into pre-existing policies.

For example, the one-time cash payments allocated through the CARES Act (which were designed as a tax credit) featured similar immigrant-focused restrictions now found in EITC and CTC. As a result, the one-time cash payments allocated through the CARES Act were only disbursed to people with valid Social Security numbers, a stipulation which excluded all tax filers that use an IRS-issued Individual Tax Identification Numbers (ITIN) and all people that file jointly with an ITIN filer. DACA and Temporary Protected status recipients were also excluded from these cash payments. Further, undocumented workers are still unable to collect unemployment insurance, forcing many to return to unsafe workplaces even if they feel unwell, or face a total loss of income. There are also reports of immigrants not applying for unemployment insurance despite being eligible to receive benefits, because of fear surrounding the public charge rule.⁵⁴

While the dual relief bills provided additional funding for Medicaid, there was no concurrent expansion in Medicaid eligibility for immigrants. At present, Medicaid coverage is only available for lawful permanent residents, refugees, and those seeking asylum and some other humanitarian groups. Even then, most lawful permanent residents must wait five years from receiving status to be eligible to receive care. Federal funds are not available for undocumented children to access Medicaid, but six states and the District of Columbia use state funds to cover Medicaid for income-eligible undocumented children.⁵⁵

Additionally, mixed-status families have been barred from accessing other safety net programs, multiplying the effects of exclusions to citizens as well. There are an estimated 15.4 million people in mixed-status families that have been unable to access the stimulus payments allocated through the CARES Act, including 3.7 million children who are U.S. citizens or green card holders.⁵⁶ Mixed-status families have been unjustly left out of coronavirus relief because of the undocumented status of potentially only a single family member, barring their spouse and children from receiving stimulus funds. Across the country, there have been multiple lawsuits filed against the federal government claiming that this stipulation in the CARES Act is unconstitutional on equal protection grounds, because of the discrimination against mixed status households and U.S. citizens' right to marry whomever.⁵⁷

That said, some federal relief remains available for immigrants to access. Federal responses without stipulations based on residency status include funding for community health centers that serve patients, regardless of status, funding for Pandemic-Electronic Benefit Transfer (P-EBT), which provides benefits to families of children previously receiving free or reduced-price lunch, and paid family medical or sick leave.⁵⁸

Local and State-Level Response

Exclusions at the federal level against low- to moderate-income immigrants from receiving federal support, have forced a few state and local municipalities to fill in the gap. For example, California has allotted \$75 million in state funds to unauthorized immigrants with one-time cash transfers of \$500 per adult. While this fund has provided temporary relief for some, one nonprofit that was tasked with distributing the funds received over 1.1 million phone calls to apply for aid within the first day, with only a projected 150,000 immigrants able to benefit from the program.⁵⁹ Further, initial reporting on the program suggests that delays in implementation have hampered the state's ability to meet demand, and to disburse the relief funds in a timely manner.⁶⁰

Chicago Mayor Lori Lightfoot signed an executive order to extend benefits to all refugees and immigrants, including a one-time \$1,000 housing assistance grant. On June 10, Mayor Lightfoot announced the Chicago Resiliency Fund which is a \$5 million relief fund providing \$1,000 per household for eligible Chicago residents, including undocumented individuals and mixed-status families.⁶¹ Initiatives similar to California's and Chicago's have also been proposed in cities like New York⁶² and Seattle.⁶³

While these initiatives have been able to fill in some holes of the federal relief aid for immigrants, many states and cities are already projecting major budget shortfalls because of coronavirus. In response to these likely shortfalls, more than 2,400 cities are planning on slashing program funding and, in many cases, staff.⁶⁴ Reduction in capacity for local and state-level municipalities will only lead to greater reduction in government support for immigrant communities.

Conclusion

Many of the workers who build our houses; care for our elderly and children; grow, cook, and serve our food; and clean our homes and offices are immigrants. Among them, many are undocumented, and therefore are not able to access many of the safety nets and protections available to other workers. Because of the industries LMI immigrants typically work in, their earnings are regularly too low, and many of them are unable to save enough cash to weather an emergency. Additionally, their immigration status often hinders their access to high-quality credit.

For many LMI immigrants the economic shock caused by the COVID-19 pandemic has been nothing short of devastating. In spite of that, the federal government COVID-19 response has neglected to provide any kind of relief to broad categories of immigrant workers and their family members, many of whom are U.S. citizens. Specifically, undocumented immigrants have been excluded from receiving direct financial support through cash payments, as well as being left out of safety net programs such as unemployment insurance. As a result, following the pandemic-related mass job loss in industries heavily populated by immigrants, millions more immigrants are now struggling with food and housing insecurity.

One lesson the COVID-19 pandemic has taught us is that excluding large segments of the population from accessing financial and other basic supports is not only unethical but also unsustainable. The economic future of the United States depends on everyone having access to financial and other supports to be able to stay home if/when ill. It also demands granting everyone access to testing and treatment without fear of huge medical bills or immigration enforcement. If a large portion of our country's workforce has no choice but to work, that affects the health of all of us. And that, in turn, affects the health of our economy.

Many argue that COVID-19 will leave an indelible mark in our society. At the same time, it will give our elected officials a chance to rethink the way our economy is structured. Through innovative policies, the government could proactively help shape an economy and a society that are both inclusive and sustainable, rather than simply reacting to crises or

market failures when they occur. This would entail, among many other things, regularizing the status of the millions of immigrants that for years (or even decades) have called the United States home, and yet are denied access to essential resources and opportunities that are available to others.

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Prosperity Now (formerly CFED) believes that everyone deserves a chance to prosper. Since 1979, we have helped make it possible for millions of people, especially people of color and those of limited incomes, to achieve financial security, stability and, ultimately, prosperity. We offer a unique combination of scalable practical solutions, in-depth research and proven policy solutions, all aimed at building wealth for those who need it most.

¹ Prosperity Now analysis of 2018 1-Year American Community Survey data estimates, U.S. Census Bureau. Per the most recent Bureau of Labor Statistics estimates, and the above noted ACS estimates, immigrants constitute just over 17 percent of the full labor force. As of 2018, there were over 8.1 million immigrant workers living in LMI households, accounting for 4.9 percent of the overall labor force and 23.2 percent of the LMI labor force. For more information about the 2020 federal poverty guidelines, which were used to derive the estimates of LMI households and workers, please visit the Department of Health and Human Services' website at <https://aspe.hhs.gov/poverty-guidelines>.

² In this brief we use the term essential economy in a sense that goes well beyond the U.S. Department of Homeland Security's definition of essential critical infrastructure workers. See U.S. Department of Homeland Security, Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response at <https://www.cisa.gov/sites/default/files/publications/CISA-Guidance-on-Essential-Critical-Infrastructure-Workers-1-20-508c.pdf>.

³ Prosperity Now analysis of 2018 1-Year American Community Survey data estimates, U.S. Census Bureau.

⁴ Peri, Giovanni (March 2007). "Immigrants' Complementarities and Native Wages: Evidence from California." *NBER Working Paper No. 12956*. Accessed at <https://www.nber.org/papers/w12956>;

⁵ W.E. Upjohn Institute for Employment Research (April 19, 2017). "Q&A With Giovanni Peri: Noted Expert on Immigration Responds to Three Topical Questions." Accessed at <https://www.upjohn.org/q-giovanni-peri-noted-expert-immigration-responds-three-topical-questions>

⁶ While the proportion of foreign-born workers in "high-skill" occupations has increased in recent decades, immigrants remain more likely than their U.S.-born counterparts to work in "lower-skilled" occupations, which typically pay low salaries. See Bennett, Jesse (2020). "The share of immigrant workers in high-skill jobs is rising in the U.S." *Pew Research Center*. Accessed at <https://www.pewresearch.org/fact-tank/2020/02/24/the-share-of-immigrant-workers-in-high-skill-jobs-is-rising-in-the-u-s/>.

⁷ Kochhar, Rakesh (June 9, 2020). "Hispanic women, immigrants, young adults, those with less education hit hardest by COVID-19 job losses". *FactTank, Pew Research Center*. Accessed June 23, 2020 at <https://www.pewresearch.org/fact-tank/2020/06/09/hispanic-women-immigrants-young-adults-those-with-less-education-hit-hardest-by-covid-19-job-losses/>

⁸ Bureau of Labor Statistics. (June 5, 2020). "The Employment Situation- May 2020" Accessed on June 18, 2020 at <https://www.bls.gov/news.release/pdf/empisit.pdf>

⁹ Current Employment Statistics, Employment and Earnings Table B-1b: Employees on nonfarm payrolls by industry sector and selected industry detail, not seasonally adjusted. Accessed June 24, 2020 at <https://www.bls.gov/web/empisit/ceseeb1b.htm>.

¹⁰ Chishti, Muzaffar, and Jessica Bolter (April 24, 2020). "Vulnerable to COVID-19 and in Frontline Jobs, Immigrants Are Mostly Shut Out of U.S. Relief." *Migration Policy Institute*. Accessed on May 28, 2020 at <https://www.migrationpolicy.org/article/covid19-immigrants-shut-out-federal-relief>

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