

TESTIMONY OF
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On
THE IMPACT OF COVID-19 ON SOCIAL SECURITY AND ITS BENEFICIARIES
Before the
HOUSE WAYS AND MEANS COMMITTEE
SOCIAL SECURITY SUBCOMMITTEE

UNITED STATES HOUSE OF REPRESENTATIVES

WASHINGTON, DC

JULY 17, 2020

Good afternoon Mr. Chairman and Members of the Subcommittee. My name is Melanie Campbell and I am the President and CEO of the National Coalition on Black Civic Participation (National Coalition), a non-profit, non-partisan organization dedicated to increasing civic engagement and voter participation in Black and underserved communities. I am also the Convener of the Black Women's Roundtable, a program of the National Coalition, that is comprised of Black women leaders from around the country who advocates for equitable public policy for Black women and girls in the areas of health and wellness, education, economic security and global empowerment.

As a former recipient of Social Security survivors' benefits, I am keenly aware of how vital these benefits are to the economic well-being and stability of families. I remember how important it was for me to receive survivor benefits, when my father passed away from a chronic respiratory illness one month after I started college as a freshman at Clark College. I can remember how difficult it was for my mother, who was a public school teacher, having to try and figure out how to support me and two of my siblings who were also in college at the time. I also remember how difficult it was for me financially when I lost my survivors benefits by the federal government in the early 1980s and the Reagan Administration also reduced Pell grants for students as well. After I lost those benefits and much of my need-based financial aid, I had to get 3 jobs to stay in school. So, I know firsthand how important it is to extend Social Security child benefits for college students who need financial support.

Today, as we gather here for this very important hearing, I am reminded of the fact that four months ago, COVID-19 was declared a pandemic by the World Health Organization and has challenged the health and well-being of everyone one in this country. "We are all in this together," has been the rallying cry across this nation with regard COVID-19 and its potentially devastating affect on our lives. Whether you are a celebrity, grocery store clerk, politician, transit worker, entertainer, or janitor, COVID-19 continues to impact the lives of every American.

For this reason, some have described COVID-19 as an "equalizer" because everyone is subject to this virus—regardless of their social status, profession, or wealth. But during the challenging times that this pandemic presents us; it has become painfully clear that COVID-19 is not an equalizer at all. Instead, it has laid bare and exacerbated the racial and gender inequities in America that take a disproportionate toll on Black women and men, Black families, and others who were already marginalized before the pandemic began.

These glaring inequalities began to surface when it was determined who had the privilege to shelter in place during this pandemic. In a time when people are being advised to stay at home to minimize their risk of exposure to the virus, many Black people simply cannot afford to do so.

While white-collar workers can work from home and maintain their pre-pandemic incomes, a disproportionate number of Black women and men, who over-index in low-wage jobs¹, continue to go to these jobs because they are considered essential personnel. These workers include home health aides, grocery store workers, delivery drivers and shuttle bus drivers. These front-line workers are at greater risk of exposure to the coronavirus. Many of these Black workers have succumb to the ravaging effects of the virus or died as a result of their disproportionately high rate of pre-existing health conditions².

For the surviving family members of these workers, who were already struggling to make ends meet, closing the income gap created by the loss of a low-wage or middle-wage job could be the difference in living comfortably or being relegated to the throes of poverty. During these challenging times, the current Social Security benefits for survivors are not enough to keep these families, who are already struggling, out of poverty. These surviving family members need

¹ Christian Weller, *African Americans Face Systematic Obstacle to Getting Good Jobs*, Center for American Progress, December 5, 2019, available at (“African American workers still face more hurdles to get a job, never mind a good one, than their white counterparts. They continue to face systematically higher unemployment rates, fewer job opportunities, lower pay, poorer benefits, and greater job instability. These persistent differences reflect systematic barriers to quality jobs, such as outright discrimination against African American workers, as well as occupational segregation—whereby African American workers often end up in lower-paid jobs than whites—and segmented labor markets in which Black workers are less likely than white workers to get hired into stable, well-paying jobs.”), available at <https://www.americanprogress.org/issues/economy/reports/2019/12/05/478150/african-americans-face-systematic-obstacles-getting-good-jobs/>

² Elise Gould, Valerie Wilson; *Black Workers Face Two of the Most Lethal Preexisting Conditions for Coronavirus—Racism and Economic Inequality*, Economic Policy Institute, June 1, 2020, (“Preexisting health conditions—such as diabetes, hypertension, asthma, and diabetes—are associated with greater risk of death from the coronavirus. African Americans experience all of these illnesses at higher rates than whites.”), available at <https://www.epi.org/publication/black-workers-covid/>

targeted relief that includes Social Security benefits with reduced tax rates so that they can have the peace of mind that comes with financial well-being.

There is also a huge economic and racial disparity among those who are staying at home during this pandemic. Low-wage workers in the restaurant and retail industries have been especially vulnerable to layoffs and furloughs during this time. These workers are among those who can least afford to lose a paycheck by staying at home. Black women and men, who over-index in these low-wage jobs at major restaurant chains and retail stores, are out of work or have had their work hours drastically reduced. While these workers are struggling to maintain their homes and families, the executives of these industries are working comfortable from their homes or vacations homes.

This disruption in employment and income has an especially harsh impact on low-wage workers because their lost wages today will impact their social security retirement income in the future. As a result of this loss of income due to pandemic, these workers may never have an opportunity to retire or will have to work well into their retirement years to mitigate their lost income. Increasing the minimum benefit for these long-term low-wage earners would help these workers to avoid living in poverty as they age into their retirement years.

When we get to the other side of this pandemic—and I am optimistic that we will, Black people will still experience economic and retirement injustices. This is especially true for Black women who face unique challenges during our retirement years.

Each year, the Black Women's Roundtable releases an annual report on the status of Black women in the United States. This year, we reported that although Black women are among the highest numbers in this nation's labor force, work long hours, and overwhelmingly are the sole

breadwinners in our households, we experience a persistent earnings gap that results from the cumulative effects of gender and racial discrimination—and this gap gets larger over time.³

In 2018, Black women working full-time, year-round earned 62 cents for every dollar earned by White men working full-time year-round. This gap resulted in White men earning an estimated \$61,576 in median earnings that year, which was \$23,540 more than the median earning for Black women in the same year. Similarly, the disparity between the earnings of Black women compared to White women and Black men are equally as stark. In 2018, White women and Black men earned \$48,390 and \$44,386 respectively in median earnings, while Black women earned only \$38,036.⁴

Table 1. Median Wealth of Women by Race, Family Structure and Education, 2013

| | No Bachelor's Degree | | Bachelor's Degree | |
|---------|----------------------|-----------|-------------------|-----------|
| | Black | White | Black | White |
| Married | \$25,000 | \$117,200 | \$45,000 | \$260,000 |
| Single | \$500 | \$8,000 | \$5,000 | \$35,000 |

Source: Women, Race, & Wealth. Volume 1, January 2017, Research Brief Series

What this means for Black women is that even though higher education is commonly considered as a key element to greater earning potential--and we have the highest growth rate of college enrollment than any other racial group--we still earn less throughout our working years.

³ Jocelyn Frye, *Black Women and Equal Pay*, Black Women in the U.S. 2020: Priorities, Policy and Power, March 4, 2020, available at <https://www.ncbcp.org/assets/BWR-Report-2020.pdf>

⁴ Id.

This gender and racial inequity in pay robs Black women of the wealth that would position us for economic stability during our retirement years. As a result, “far too many [Black women] enter that time in their lives already economically insecure.”⁵ And “[f]or those Black women on the economic fringes, especially those who enter their retirement years having to navigate life without a spouse, access to pension benefits and Social Security are especially critical for staying economically above water and being equipped to live their golden years with a modicum of dignity and independence.”⁶

Table 2. Median Wealth of Women 60+ by Family Structure, Education and Race, 2013

| | No Bachelor’s Degree | | Bachelor’s Degree | |
|---------|----------------------|-----------|-------------------|-----------|
| | Black | White | Black | White |
| Married | \$89,500 | \$344,700 | \$424,000 | \$778,000 |
| Single | \$12,000 | \$60,000 | \$11,000 | \$384,000 |

Source: Women, Race, & Wealth. Volume 1, January 2017, Research Brief Series

Add to this dismal retirement reality for Black women the fact that those who turn 60 years old this year will have even less Social Security income due to this year’s unanticipated reduction in earnings caused by the COVID-19 pandemic. This unanticipated reduction is due to the aggregate loss of jobs and earnings this year due to the COVID-19 pandemic, which will substantially lower how Social Security benefits are calculated for 2020 compared to 2019.

⁵ Edna Kayne Williams, *Retirement Insecurity in the Lives of Black Women*, Black Women in the U.S. 2020: Priorities, Policy and Power, March 4, 2020, available at <https://www.ncbcp.org/assets/BWR-Report-2020.pdf>

⁶ Id.

If this notch is not addressed with a legislative fix, it will reduce the Social Security benefits for Black women born in 1960 for the rest of their lives.

The coronavirus pandemic has worsened the already enormous problem of racial inequality in America. Black people, women and the elderly are among those who are least able to weather the COVID-19 pandemic and are often the beneficiaries and families who rely the most on Social Security benefits to mitigate economic injustices that would otherwise subject them to living in abject poverty.

During this pandemic, the current Social Security benefits are not enough to keep Americans, who are suffering and struggling to make ends meet, from avoiding life beneath the poverty line. But these inequities do not have to stay this way. Congress can address these systemic racial and gender inequalities through the Social Security system.

For these reasons, we support H.R. 7499, the Social Security COVID-19 Correction and Equity Act, as a legislative measure that mitigates the inequalities in Social Security benefits and provide the relief needed to close the gaps that have emerged in Social Security benefits due to the COVID-19 pandemic. The Social Security COVID-19 Correction and Equity Act would also address the needs of vulnerable Americans during these challenging times as our nation moves toward a racially equitable recovery.

Thank you for the opportunity to testify today.