

One year later: The economic consequences of COVID-19 in Arizona

Samantha Wetherell¹
 Anna Josephson¹
 Francesco Acciai²
 Sarah Martinelli²
 Aggie J. Yellow Horse³
 Punam Ohri-Vachaspati²

¹Dept. of Agricultural and Resource Economics, University of Arizona
²College of Health Solutions, Arizona State University
³School of Social Transformation, Arizona State University

Key Findings

1. Since the onset of the COVID-19 pandemic in March 2020, a large number of AZ households have experienced some type of job disruption, including job losses (44%), getting furloughed (20%), or reduced work hours or income (52%).
2. Hispanic households experienced a much higher rate of job disruptions (53% compared to 25% in non-Hispanic White households).
3. Low-income households were among the most affected, with nearly half of households making less than \$50,000 a year experiencing a job disruption.
4. Within households that experienced a job disruption, Non-White households faced food insecurity rates greater than 50%.

Introduction

As of May 2022, there have been more than 80 million confirmed cases of COVID-19 across the United States, and over two million cases in Arizona. The pandemic has had a devastating impact on local, national, and global economies.^{i,ii} This brief features the findings from data collected from a survey administered to Arizona residents in April of 2021, as well as national statistics, to understand some of the economic consequences of COVID-19 and its impacts on Arizona households.

The data collected refer to approximately the first four months of 2021, although for job disruptions, we inquire about changes since the beginning of the pandemic in March of 2020.

Unemployment rose dramatically during the early months of the pandemic and the road to recovery since then has not been smooth. Before the pandemic, in March of 2019, the unemployment rate was 5.0% in Arizona (3.8% nationally). In April 2020, these figures rose sharply to 14.2% in Arizona (14.8% nationally). They declined later in 2020 (7.0% during August in Arizona and 8.4% nationally) and into 2021 (6.7% during March in Arizona and 6.0% nationally). Throughout 2021 unemployment fell: rates in Arizona were just 3.9% in November 2021 (4.2% nationally).ⁱⁱⁱ

Changes in Employment

Job disruptions have been widespread among Arizona households since the onset of the COVID-19 pandemic.

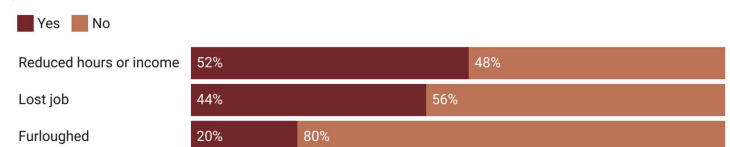


Figure 1. Prevalence of Job Disruptions Since March 2020.

- Since the onset of the COVID-19 pandemic in March 2020, more than half of respondents (52%) reported that they (or someone in their household) have experienced reduced hours or income; 44% reported having lost their job; and 20% reported being furloughed (Figure 1).
- Non-Hispanic White households had the lowest rate of job disruption (25%). Other households experienced a much higher rate of job disruption, including greater than 50% for Hispanic households (Figure 2).

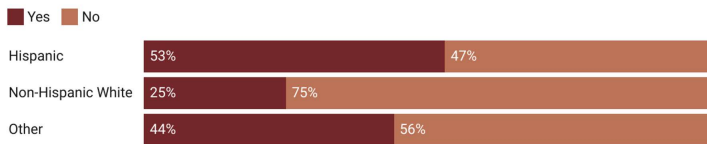


Figure 2. Prevalence of Job Disruption, by Ethnicity.

- There was a clear income gradient in the prevalence of job disruptions among Arizona households. Lower income households (based on the 2019 annual income) disproportionately experienced job disruptions since the start of the pandemic (Figure 3).
- Close to half of households with an annual income of less than \$50,000 reported experiencing some type of job disruption. The prevalence of job disruptions decreases to 34% for households with income between \$50,000 and \$99,999 and to 29% for households with the highest income (\$100,000 or more) (Figure 3).

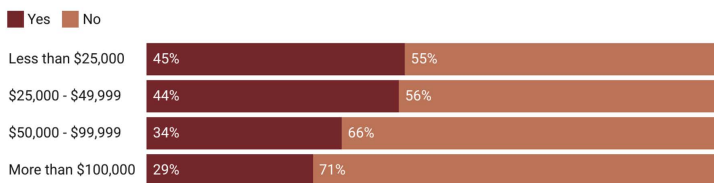


Figure 3. Prevalence of Job Disruption, by Income.

Job Disruptions and Food Security

Experiencing a job disruption is associated with considerably higher food insecurity rates.

The U.S. Department of Agriculture (USDA) defines food insecurity as a lack of consistent access to enough food for an active, healthy life.^{iv} We measured food insecurity using the USDA’s validated six-item household food insecurity survey module.^v Households where respondents answered affirmatively to two or more of the food insecurity questions were considered food insecure.^v



Figure 4. Food Security Status, by Job Disruption Status.

- The prevalence of food insecurity was almost four times greater among households that experienced some type of job disruption, compared with households that did not experience any job disruption (55% vs 14%) (Figure 4).

- Among households that experienced a job disruption, Non-Hispanic Non-White (a composite group that includes non-Hispanic Black, Asian, Native Hawaiian and Pacific Islanders, Native American, and individuals belonging to two of more races) households faced the highest rate of food insecurity with 62%, followed closely by Hispanic households at 58% (Figure 5).

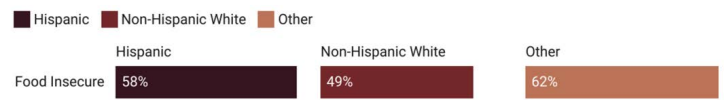


Figure 5. Prevalence of Food Insecurity among Households that Experienced a Job Disruption, by Race / Ethnicity

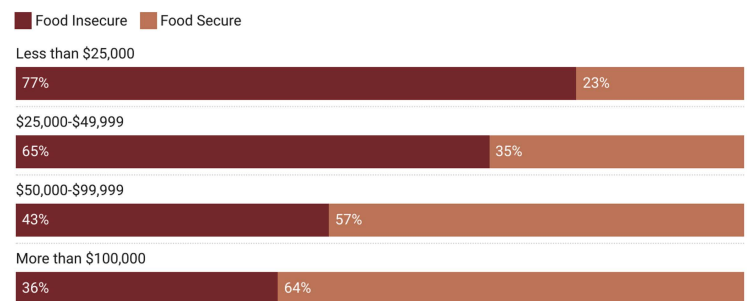


Figure 6. Prevalence of Food Insecurity among Households that Experienced a Job Disruption, by Income.

- There is an obvious income gradient in food security among households which experienced a job disruption (Figure 6).
- Among households which experienced a job disruption, nearly 80% of those with income lower than \$25,000 and 65% of those with income between \$25,000 and \$50,000 were food insecure (Figure 6).

Conclusions

- Uncertainty about the economy persists. As unemployment begins to decline around the country and in Arizona, assistance is needed for families experiencing job disruptions. Ongoing assistance may be required to help households to weather the negative impacts of job loss, furlough, and lost hours and income. Program outreach should focus on households affected by job disruptions, including low-income households and Non-White households.
- As households that faced a job disruption were more than three times as likely to experience food insecurity—a figure that did not change since the early months of the pandemic—waivers to federal food assistance programs to help families facing food insecurity should remain in place.

Study Approach

The survey instrument used for the current study is a publicly available.^{vi} We surveyed 814 Arizona residents (age 18 or over) in April of 2021, one year since the start of the pandemic, using Qualtrics online panels. The current brief reports results based on 696 respondents with complete data on all variables used in the analysis. Survey respondents were selected to be representative of the Arizona population, with an oversampling of respondents from low-income households. The respondents in the full sample resided in 84 towns, from 14 out of the 15 counties in Arizona. Most respondents lived in Maricopa county (61%), followed by Pima (15%) and Pinal (6%) counties. Respondents were 18-89 years old, with an average age of 48. Almost half (45%) of the respondents were from low-income households (i.e., with an annual income in 2019 lower than \$50,000). The racial/ethnic composition of the sample was as follows: 52% non-Hispanic White; 26% Hispanic; 8% Black; 6% Asian or Pacific Islander; 5% American Indian or Alaskan Native; and 3% 'Other/Multiple' race.

Participants were asked to answer questions on a variety of topics, including food security, food access, food assistance program participation, employment status, as well as household and individual demographic characteristics. All analyses used sampling weights so that the sample reflects the Arizona income, race, and ethnicity distribution in 2019, based on the American Community Survey 5-year estimates. Limitations of the current survey may include the underrepresentation of groups with low literacy or unable to take survey in English/Spanish, without cell phone or Internet, facing high pandemic demands, and with low trust of surveys. Self-selection into the sample might be even more relevant for older adults (age 65+), as use of Internet is less prevalent among this demographic group. Additionally, responses may be influenced by factors such as social desirability, recall bias, misunderstanding, or rushing to complete.

Acknowledgments

This project was supported by a COVID-19 seed grant from the College of Health Solutions, Arizona State University and a COVID-19 seed grant from the College of Agriculture and Life Sciences, University of Arizona.

About NFACT

The National Food Access and COVID Research Team (NFACT) is a national collaboration of researchers committed to rigorous, comparative, and timely food access research during the time of COVID. We do this through collaborative, open access research that prioritizes communication to key decision-makers while building our scientific understanding of food system behaviors and policies. To learn more visit nfactresearch.org.

References

- i. New York Times. Tracking Coronavirus in Arizona: Latest Map and Case Count. Published 2021. <https://www.nytimes.com/interactive/2021/us/arizona-covid-cases.html>.
- ii. Our World in Data. Coronavirus Pandemic – the Data. Published 2021. <https://ourworldindata.org/coronavirus-data>.
- iii. Bureau of Labor Statistics. Economy at a Glance. Published 2021. <https://www.bls.gov/eag/eag.az.htm>.
- iv. United States Department of Agriculture. Definitions of Food Security. United States Department of Agriculture. Published 2020. ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-us/definitions-of-food-security.aspx. Accessed on 10/22/2020.
- v. USDA. U.S. Household Food Security Survey Module: Six-Item Short Form United States Department of Agriculture; Published 2012.
- vi. Niles, M.T., Neff, R., Biehl, E., Bertmann, F., Belarmino, E.H., Acciai, F., Ohri-Vachaspati, P. "Food Access and Food Security During COVID-19 Survey - Version 2.1" <https://doi.org/10.7910/DVN/4KY9XZ>, Harvard Dataverse, V3. Published 2020.