THE BROOKINGS INSTITUTION

BROOKINGS CAFETERIA PODCAST

How cities and states are responding to COVID-19

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P R O C E E D I N G S

DEWS: Welcome to the Brookings Cafeteria, the podcast about ideas and the experts who have them. I'm Fred Dews.

As Congress passes multi-trillion dollar economic support packages in response to the economic and physical shocks of the coronavirus pandemic, what are state and local governments doing to respond? What kinds of economic and other assistance do they need? What will be the enduring impact of this crisis on workers in certain industries?

On this episode, I talk with two Brookings experts about these and related issues. Amy Liu is vice president and director of the Metropolitan Policy Program, and Mark Muro is a senior fellow and policy director of the program. Also on this episode, Senior Fellow Sarah Binder offers three lessons on what we can learn from Congress's efforts to address the crisis and what lies ahead.

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First up, Sarah Binder with what's happening in Congress.

BINDER: Hi, I'm Sarah Binder, a senior fellow in governance studies at the Brookings Institution. Congress and the president last week enacted the largest economic rescue package in American history. The 2.2 trillion dollar package sends one-time checks to millions of Americans, provides billions in emergency funding to hospitals, significantly expands unemployment benefits and offers half a trillion dollars in emergency loans to small businesses and industries. This is actually the third rescue package that Congress enacted in the month of

March. And even with this historic package, many lawmakers think another round of aid will still be needed.

So what can we learn from Congress's efforts so far to address the crisis and what challenges lie ahead for lawmakers? Here are three lessons and the rocky road ahead. First, Congress always moves quickly to respond to national emergencies, including the Great Depression, the 9/11 attacks, and the global financial crisis. And that's true no matter which party controls the White House, Senate, or House. We often think, well, lawmakers just rise to the occasion, as Senate Republican Leader Mitch McConnell put it last week. The American people expect us to act, but it's just as likely that congressional leaders push members to action by warning that failing to act with losing at the polls, lawmakers cooperate lest they be blamed for the deadlock with COVID-19 infections spreading exponentially, deaths rising daily, and millions of Americans out of work. Congress knew it had to act fast, and that pressure gives leaders more power as rank and file lawmakers have very little time to probe a massive bill's details.

Second lesson: This was a strongly bipartisan effort in decidedly partisan times. How did lawmakers pull this off? Well, on the second emergency bill, Senate Republican Leader McConnell uncharacteristically let Treasury Secretary Mnuchin negotiate on behalf of both the White House and Republican lawmakers. So House Speaker Democrat Nancy Pelosi and Mnuchin personally negotiated the deal. And when several Republicans in the Senate objected to parts of the bill and threatened to derail the package, McConnell told his colleagues, I'm sorry, but you have to gag and vote for it.

So, on the third relief bill, McConnell made the first move. He pulled together groups of senators and asked them for proposals. And when Republicans balked at some of the Democrats' demands, McConnell called up a bill with only Republican priorities, and he dared Democrats to vote against it. And they did, twice. McConnell's gambit failed. Democrats stuck together in some of their demands, and even attracted Republican support. McConnell had no choice but to take Democrats' demands seriously. And days later, both chambers passed a deal that delivered both parties' top priorities. That's why it's so expensive. In matching both parties' priorities, they produce a historic level of government relief.

Third lesson, the ghost of past bailouts clearly spooked a lot of lawmakers. The original Republican proposal offered a $580 million fund. It would make loans to corporations and small businesses slammed by the pandemic. The Secretary of the Treasury pleaded with senators: Please do not call this a bailout. The White House wanted to avoid comparisons to the highly unpopular 2008 Wall Street bailouts, and Democrats were happy to oblige. Instead, they called it the mammoth corporate slush fund. And just as in 2008, Democrats pushed back against Republicans and they forced the other party to agree to oversight mechanisms both within the Treasury Department and inside Congress that were nearly identical to the rules put in place to oversee the funds given to Wall Street in 2008.

So, what lies ahead? Three immediate challenges for Congress. First, oversight. Lawmakers are already pushing to make sure Treasury is responsive to Congress as it gets emergency aid out the door. In fact, they've already fought the change in how Treasury will disburse cash payments. Lots more issues where Democrats in particular don't seem to trust Treasury's ability to implement the law.

Second challenge: There probably will be another economic package or two. And so far, parties have very different priorities. House Democrats want more economic relief and stimulus aimed at bolstering the health care system. The president has tweeted support for Infrastructure

Day and tax cuts for businesses. But the Senate Republican majority leader says it's way too early to think about another package, whatever it entails. The road ahead will be far rockier this time, although I suspect the grim reality of mounting deaths, millions of Americans out of work, that together will refocus lawmakers' minds on another massive effort.

The third and final challenge: House and Senate are out of session for most of April. And even then, it's not clear it will be safe for lawmakers to return to Washington. And there's no such thing as remote voting in Congress. Congress doesn't vote by Zoom. Growing support for electronic voting amongst rank and file members, for sure. But party leaders on both sides of the aisle are highly skeptical. And that means any fourth deal will be likely negotiated by party leaders, leaving again most of the lawmakers out of the room. A rocky road ahead for all.

DEWS: And now on with the interview. Amy, Mark welcome to the virtual Brookings Cafeteria.

LIU: Great to be here. And great to be with you, Mark.

MURO: Yeah, great to join you. We don't get to see each other in the same way. So we're all here.

DEWS: Well, good. Let me start with you, Amy. You've argued that COVID-19, should be treated like a natural disaster. Why? And what does it mean for funding and government response if it's being treated like a natural disaster?

LIU: Well, Fred, COVID-19 is currently treated as a public health crisis that's leading to a recession. Yet, I think it's more than that. It is triggering a whole of community crisis similar to what you would find in the aftermath of a catastrophe like Hurricane Katrina. You know, like a hurricane, this virus has brought entire bustling communities to a halt. Businesses, schools, churches, neighborhoods have shuttered. People have lost jobs. Small businesses may go out of business. Household incomes have sank, which may lead to lost homes if this extends for months without rent or mortgage forgiveness. And frankly, there are lives lost adding to, I think, the sheer sadness and stress that we all feel right now.

You asked how might the federal government respond differently if this was treated like a natural disaster. I'd say that in two ways. First is that the White House would hold daily briefings, yes, like they're doing now, but they would include a broader set of agencies than just HHS and CDC. Now, there's no doubt that fighting the coronavirus is the top priority right now to get the economy up and running. But in addition to the public health task force, you could imagine that they would also have an economic recovery task force, perhaps led by FEMA or Treasury. And they would report out the really important interagency coordination needed to help manage, again, a whole of community crisis, the unemployment crisis, the small business recovery, other issues affecting housing, K-through-12 education, childcare. Those are the kind of things that we need to see daily just as visible as the public health issues.

And then second, I would say that if this was a natural disaster, the White House would be working in strong coordination with governors, mayors, and county officials who are on the ground bearing the brunt of execution in fighting this pandemic and its economic fallout. You would see the White House give clear guidance to states and localities on how to apply for a federal emergency declaration and access to disaster relief funds, which actually are available right now to help states fight this pandemic. But instead, what we're getting is we're getting a White House that is giving mixed signals to states and cities. At times, the White House is actually outrightly confrontational and creating competition between states for limited resources or even competition with the federal government and the state. So that just simply doesn't reflect the normal course of action when you deal with the emergency or recovery from a disaster. You normally see a lot more intergovernmental spirit.

DEWS: I know that, Amy, you and Mark are your colleagues at the Metropolitan Policy program pay a lot of attention to the role of metropolitan areas and to governments below the federal level. Amy, you mentioned governors, mayors, and county officials. So in this space at this time, what are some of the specific needs that people and institutions have that are served by those state and local governments as opposed to what are served by the federal government?

LIU: Sure, Fred. Well, I think what's important to remind people is that outside of cutting checks and regulating some safety net programs, the federal government actually doesn't operate a single program. So when you think about this pandemic, it's actually up to state and local governments who have to make decisions on program delivery and reaching real people, families, and businesses.

So, for instance, if state and local governments who decide who will receive unemployment insurance, if state local governments who are supporting county and public hospitals in urban and rural areas and delivering other public health services. And if you think about it at the local level, if local governments that have to maintain public services right now for the parts of the economy that remain essential and to support the families that are staying in place in their homes. So think water and electricity have to continue. Garbage pickup, public safety of our streets and neighborhoods. There are still public transit services continuing so that our frontline workers can get to their jobs in grocery stores or health clinics. We see localities providing supports to teachers to help make sure that the kids are still getting their education. And there's a scramble right now on how to make sure low income kids can access breakfast and lunches because school used to be the place where they get the most of their nutrition. And on top of that, localities and states are providing shelter for the homeless, and they're providing food for the elderly who cannot leave their house right now.

So, as you can tell, there's just so much, Fred, that these state and local leaders are doing. That's why there's like near panic and stress when I talk to leaders at the local level. And you have to remember that these governments are providing all these services and programs at a time where their tax base is literally cratering from the economic moratorium in place. So that's why federal aid is so critical right now.

DEWS: Let me ask you one more question to follow up on that. Amy, before I go to you, Mark, and that's about the recent 2 trillion dollar economic support package that Congress passed last week and the president signed. What kinds of specific support for states and cities do you see in that package that are possibly good news for those localities?

LIU: Well, I would say there's mixed news in this package, and there's no doubt that the 2 trillion dollar stimulus package was absolutely essential and I'm really glad that the Congress and the White House came together on this. In terms of direct aid, state and local governments received $150 billion in this federal package, mostly in the form of a new program that's going to be administered by Treasury. And I think Mark and I would agree that that $150 billion is definitely not big enough for the scale and duration of the challenges the state and local governments are facing. Based on analysis by others at Brookings, state revenues fell by 9 percent in the Great Recession, which led to about 246 billion dollars in losses in states that resulted in cutting government jobs and services and a good portion of the GDP. And just think about that. That was just a state hit, that didn't even include the spending shortfalls that we would see in cities.

So, $150 billion is definitely way shorter than the potential $250 billion hit the states are going to get. And we have to remember that 150 billion dollars is split between states and localities, with 55 percent of it going to states and the rest being spread across tens of thousands of localities.

And I think that's why you're hearing that if there will be a fourth stimulus package, that the state and local aid is going to be one of the top priorities to address because it wasn't addressed here.

But I would say, going back to Fred, your question about what are the positive things. There are definitely some other important sources of support in this package that do create a really important down payment for other critical programs in communities. Things like the expansion of the unemployment insurance. Three hundred billion dollars for small businesses and sole proprietors. Twenty five billion dollars for public transit systems, which I just mentioned, is still important for a lot of those frontline workers. Thirty billion dollars for educational institutions and support for child care providers, which in some states they're mandating child care services for a lot of essential workers today. So, again, really great progress. What's most important now is that the state and local actors have to get themselves organized to take advantage of these new resources.

DEWS: Let me take this opportunity to mention that on the Brookings Website, there is a new Web page. Brookings dot edu slash COVID 19 that has a wealth of analysis and commentary from Brookings experts, including the both of you. And Amy, when you mention the fact that tax base is cratering across the country and localities that put me in mind of a piece that was published just yesterday on The Avenue blog in the Metropolitan Policy Program by Michael Pagano and Christiana McFarland, which has some amazing data on cities and when they will feel the fiscal impact of COVID-19. So, I commend that and all the other materials by you and Mark and others on our Web site.

Mark, let me turn to you here for a minute. You and colleagues like Jacob Witton and Robert Maxim have written a lot about the displacement of certain workers by automation before the COVID-19 pandemic hit and how this effect can accelerate in bad economic times. In fact, you've been on the Brookings Cafeteria a couple of times to talk about issues of automation and A.I. Can you comment on that phenomenon now and what kinds of workers might be most vulnerable in the current situation?

MURO: Yes, absolutely. Plenty to worry about. No rest for the weary here, is there? But it's true. Automation, substitution of machines for humans and work goes on constantly. Right? We've been through a very dynamic decade where we've seen all kinds of stories of innovative and interesting new automation and A.I. applications. You would assume maybe that this is something that just is a slow moving, ongoing process, but it turns out that actually automation spikes rather than ebbs and downturns, it doesn't constantly happen. It surges in especially down times. So the COVID-19 recessions is likely to bring about more, not less, labor saving automation, which is not great news, I'm sure, for already jittery workers.

It's interesting, you might think that in bad times with rising unemployment, firms would eagerly hire more workers at cheaper costs or the cost of the humans might be less. You think that might slow companies move to automation. But unfortunately for workers, that's not how it works. Automation is in fact a grinding, ongoing activity, but it also happens in these bursts, which in a shock like this humans become relatively more expensive as firms' revenues rapidly decline.

So several excellent papers now show that employers shed less skilled workers and replaced them with a mix of more technology and higher skilled workers in the first few years of a crisis like this. So, just concerting, my colleague Brad Hershhbein at the Upjohn Institute, a colleague of ours, and Lisa Kahn of Rochester looked at 100 million online job postings before and after the financial crisis. They found that firms in the hardest hit metros were steadily replacing workers who performed automatable routine tasks with a mix of technology and more skilled workers. So that's actually what is going to happen. We don't know the details. We don't know how extreme this dynamic will be. But my guess is that there's a lot of ready to go, new automation solutions that will be cheaper than they were 12 years ago.

So, I think people on the front line, both workers but also the people who are trying to help workers, need to be ready, not just for the end of plentiful jobs--that's gone away--but for changes in what the labor market demands given these new technologies.

And you asked about who is going to be the most vulnerable. We see two groups of people based on our reports in the last year about automation on the one hand and A.I. on the other. The automation report tells us that the COVID-19 crisis will likely affect some of the most vulnerable frontline workers in the economy. The ones who are already emerging as the kind of faces, very sympathetic faces I might say, of the crisis--food workers, transportation workers, cashiers, fulfillment workers--if you think about it, all of those activities are also things that are being automated. If you think about kiosk ordering at McDonald's or if you think about Amazon goes cashier less stores. I think we're going to see more of those things. And then who of those are the vulnerable of the vulnerable, as I keep saying? Young workers, Hispanics, African Americans, and especially young people, young people in all of those underrepresented groups.

But I wouldn't limit the queasiness to that. I think we can't rule out that more white-collar, professional class workers who are busily teleworking now may also be exposed. Our report on A.I. underscores that better educated professionals, whether in marketing, finance, administration, or other office jobs, are going to be increasingly involved with A.I.

So, and the last factor, I think, is with the implications of social distance may kind of begin to change both customers' desires, but also how firms want to operate. And maybe there's another prompt towards taking humans out of the equation. So we obviously don't know what's going to happen exactly. But there are these patterns that we've been seeing in recent recessions that give us these hints.

DEWS: Now, it's not something I would expect to start happening immediately because we're in a crisis and those frontline workers are doing critical jobs to support the country, to support the economy. Is this the kind of thing that you would expect to start to see changing in different job sectors after whatever the recovery from the coronavirus pandemic is in months or even years to follow?

MURO: Yes, but I would say in the meantime the research that we've been looking at and I think the logic of the situation suggests that the greatest pressure will be earlier in the recession. Hopefully this is a short recession. But in the financial crisis, the effects of this upskilling plus technology we're seeing even in the first years of what turned out to be a very drawn out recovery--but these effects will begin earlier than we think. I think that's a concern. A lot will be happening. But meanwhile, some companies will be moving to these technologies, which can have benefits for productivity. But they also begin to establish, I think, the layout of the coming recovery. And I think it can happen sooner rather than later. And there's a lot of technology ready to go now. So, yeah, this is something that we are going to watch very carefully through this cycle.

DEWS: Let me follow up, Mark, on something else. I know that you have done a lot of work on, the whole Metropolitan Policy Program has done a lot of work on: variations in local and regional economies by industry, it's kind of a hallmark of the Metropolitan Policy Program. So again, with Jacob and Robert, you looked at the uneven impact of local and regional economic shutdowns, again, based on geography and the type of industry. Can you elaborate on this specifically? Which kinds of industries and where are being hit the hardest now?

MURO: Yeah, sure, Fred. So here, too, it might seem that every place is going to be equally hit by this total seeming crisis, total seeming shutdown that is hitting every portion of the sector equally with frightening breadth, that has surely happened. But it's not actually true that all places will be hit hardest by a shutdown like this.

As we made the point in a paper two weeks ago, Amy and I are state, local nerds. Different industries, we think, have observed will always be affected differently. And thanks to how different industries are affected, different places will be hit harder or less hard given the industries that they possess. So right off we did a very simple look at some big industries that had been highlighted by Mark Zandi at Moody's as highly at risk. We know that discretionary consumption is extremely vulnerable. We know that face to face oriented activities are essentially ended by social distancing. So that suggests, for instance, that travel leisure, hospitality and hotel industries are going to be hammered and those involve 16 million workers in the country. So working that out and then pushing down to local level incidents in those industries, we saw huge swathes of communities that are deeply involved in leisure or vacation activities or food and drink that are going to be inordinately hit.

And this is obviously true. It's obviously already happening. Think of the scenes of abandoned Las Vegas. Ocean City. Myrtle Beach. Orlando. These are all places that have 30 or 40 percent of their jobs in leisure industries or food preparation or hotels. Another group that we looked at where oil and gas towns, Midland, Texas, Odessa, Texas, places like that affected by the collapse of oil prices, which is an under discussed part of this whole thing. Forty percent of jobs in Midland and a third of jobs in Odessa are tied to energy. So that's another example. Yes, the whole country is going on to social distancing and shutting the economy down, but some places are going to be immediately and are being immediately hammered. So those are two examples.

DEWS: I'll also point out again for listeners that all of this analysis is on our Web site, on our COVID-19 page. And in your piece, particularly with Robert and Jacob, there is an amazing table that shows these metro areas that are going to be the hardest hit now and also some that perhaps the least initially, maybe the least hardest hit. But as you said, every place is going to be hit. Amy, let me go back to you and this question references Alan Berube, who's another expert in metropolitan policy program. His research on inclusive growth in the top metro areas. Are there places that because of their strengths in certain dimensions that lead up to inclusive growth, that might be more resilient in the face of the coronavirus-induced economic fallout?

LIU: Sure, Fred. And I was just thinking, too, that we should come back and have Mark describe a little bit about how some of the more economically distressed places will probably have a hard time rebounding from this pandemic because of experience from past recessions. So there is another geography or geographic divide element to this, not just in terms of which places will be most impacted, but also which places will maybe have a harder time coming back. And that has implications for federal policy.

And this very much then tries to you question, Fred, about inclusive growth and which places will be most resilient, because I do think that the smaller, mid-sized, older industrial cities in the heartland, they've (A) not recovered from the recession as strongly when it comes to growth, prosperity, inclusion. But they may even be more hampered by this particular crisis. And again. Mark can elaborate on that more.

But going back to the work that Alan Berube did and whether it can predict another way of providing a prediction how cities can come back from this resilience, is this work that we put out every year called the Metro Monitor. And the Metro Monitor is essentially a tool to help the local regional leaders determine to what extent their economies are growing in ways that improve opportunity for everyone, including closing disparities by race, by income, and by zip code. And the goal of achieving inclusive economic growth or inclusive economies has been a mission or an objective of a lot of leaders around the country. Again, how we make the economy work for more people.

And what we found, especially when we expanded this analysis to include mid-sized metropolitan areas that are home to populations of 250,000 people or more, what we found was that at least in the last 10 years and in more recent years, the largest metropolitan areas in the economy of the U.S. have definitely expanded their economies better than mid-sized metros. They have grown more productively than mid-sized metros. Yet they still struggle with income growth and employment growth, especially by race. And what that means from the context of this pandemic is that size matters. I think mid-sized metropolitan areas that have not been able to grow as quickly or recover their fiscal tax base are going to be more disadvantaged in how they manage this crisis and how they bounce back and why we may need to pay more attention to how we tailor resources to mid-sized markets. In fact, some of the criticism about federal aid in the 150 billion dollars that went to state and localities is it did not go to cities that were smaller than 500,000-person communities. So small communities will be left out of that aid. And yet they're the ones that will probably have less resources to respond to both the health and economic crisis.

And one of the things you said, Fred, is there's not a single committee that's going to be immune to COVID-19. In fact, we're seeing small towns and rural areas also being hit with increased cases of COVID-19. So they do have to think about the geographic capacity.

And then, Fred, I'll just say the last thing is this is really about inclusive growth. And one of the things we saw before COVID-19, was that very few metropolitan areas at the end of the day actually achieved all the metrics of inclusive economic development. And you had asked me about framing this in the sense of a natural disaster. And the one thing we know about disasters is that they expose a lot of the structural inequalities that existed before a crisis. Think about New Orleans. What we learned is that vulnerable populations and vulnerable communities have the hardest time coming back and are most impacted. And so the importance of making sure we address or are very cognizant of inequality going into this crisis that that goal doesn't go away just because we're dealing with a pandemic. In fact, I think addressing inclusive growth and inequality is even more pressing today.

DEWS: Mark, can you add to that in terms of the geographic divide that Amy mentioned? What are some of the places, the regions of the country that will have a hard time bouncing back from this economic crash?

MURO: Yeah, absolutely. Amy is absolutely right about this. And it's a huge piece of why we are so exercised about the importance of state and local aid, but also potentially targeted state and local aid, in which some places are deemed a deeper emergency. The same Metro

Monitor that Amy alludes to also notices that essentially about 106 of 386 metros by the end of 2019 had still not recovered their pre-financial crisis employment levels. So I think we need to realize that one of the real learnings of the last decade and the recovery from the last fundamental crisis is that some places don't recover ever, and that we are beginning to create in especially the Midwest and the upper South a whole set of places that are permanently depressed, that are really in danger of falling into a state of permanent underdevelopment. And we're going to need to take that to heart and that that may need to be one of the real objects of any kind of relief or further recovery measures.

What tends to happen is that as the immediate emergency passes and the stories tend to roll in of some places beginning to normalize, the nation takes its foot off the pedal in terms of relief. Meanwhile, it has never taken on the fundamental challenge of what may be as many as a third of U.S. metropolitan areas and all of the regional and rural areas. So I think that some of this permanent recession is central to the whole heartland problem that the country's been struggling with in this decade.

LIU: Fred, I was just going to add that right now we know that New Orleans and Detroit are the epicenters of the COVID-19 outbreak in their respective states. We know that Cleveland and other places in Ohio, Ohio's governor, are being very aggressive and out front about managing this pandemic. These cities, I think, will need extra tools to manage this outbreak and the economic crisis because of the high poverty rates, health disparities that existed in these communities prior to the pandemic. So that is very different from what I think is occurring in Seattle or New York or the Bay Area, which are also dealing with major outbreaks. But in time, we'll probably be okay coming out of this crisis. So that's why I think we do need to be really sensitive to the unique situation facing older and distressed places.

DEWS: Well, let me use that as a jumping off point for the last question that I want to ask. And that's to look forward as much as we can. I know it's very difficult in this time to look beyond today, but I know at Brookings experts like yourselves are developing policies for the longer term. And a lot of Brookings scholars, including Metropolitan Policy Program, are saying we need to take this opportunity to address social and structural inequalities for the long run and come up with new approaches to policies in areas like housing and transportation and economic development and wages in a whole host of policy areas. Can you comment on that longer range thinking maybe Mark and then Amy?

MURO: Sure, absolutely. And first, this has to be the watchword of how we think about all of this. So, I think it's a great question. On this, I'd say the relief measure, the recent ones passed last week actually is encouraging. To the extent that it is embraced in record time without a lot of acrimony a number of very promising and reform minded solutions--direct cash payments to workers, a wholesale set of waivers and corrections of bad aspects of our broken unemployment insurance system, several other aspects of this, including some gestures at helping small businesses maintain payroll or reduce layoffs. So I would say those are pointing in the right direction.

The problem is, can we find ways to convert these into permanent reforms? Can the next relief and subsequent recovery packages and maybe actual legislation move to protect employment and help firms keep workers on payroll through these crises? That would be a much better outcome. Are we going to fix the unemployment insurance system permanently rather than just make small fixes for the emergency? Are we going to move to a more universal, more holistic safety net? Can we help regions stay out of the trap of underdevelopment that Amy and I have been talking about? Those are the right directions. I think it's important to use relief and stimulus efforts to push in those directions. But we need to move then also to permanent reforms.

LIU: Well, it's not a surprise that Mark and I think completely along the same lines. So let me just reiterate some of his points. We are going to see another stimulus package coming out of the White House and Congress. If we do, we are likely as taxpayers going to invest upwards to 4 trillion dollars or more in economic stimulus and emergency response to COVID-19. What I would hate to see is 4 trillion dollars going out the door and at the end of the day, we get the same structural inequality that we had prior to the pandemic. We cannot emerge out of 4 trillion dollars' worth of investments with status quo outcomes.

And so what does that mean? Well, A, it means that per the work that Martha Ross and Nicole Bateman have done, which is also on the Brookings website, we found that prior to the pandemic, 44 percent of the American workforce earned a low wage. And many of those workers were sole earners in their family or they had a child at home. Now, many of those low wage workers have been deemed essential by many states and the federal government. And they are putting their families and their own lives at risk by going to work as nursing assistants, by showing up at grocery stores, by helping elderly in nursing homes. And yet many of them still earn less than $10 an hour. And so even though there have been some efforts made to provide maybe $2 extra of hazard pay, but for most places and most of these workers, they still earn less than $15 an hour.

So, yet we now notice how valuable they are to our economy. And what I would say is, should there be more stable pay for low wage workers? Should there be more economic security for them? And can we provide them more protections as they continue to do this kind of work? And I have to also point out the stark inequality in the labor market today in the sense that many of these low wage workers are going to work while the high end service workers have the privilege of working from home and still collecting income from the security of their home while these workers go out with much less pay. So can we address that?

The other issue that is structural inequality is the digital divide. What we're seeing right now is a lot of households where children are trying to continue their education from home. And a lot of utilities are providing broadband service for free in this interim period to make sure that every household is covered and has access to affordable wireless broadband service. Why this is just a temporary move behooves me. It should be something that we make permanent for all households given the fact that almost everything from education to employment is done online. So those are some examples I think we hope to see coming out of something like this.

DEWS: Well, Amy and Mark, I want to thank you both very much for sharing your time and your expertise today to talk about all these issues. Super informative and it is much appreciated.

LIU: Thank you, Fred.

MURO: Really appreciate it, Fred. Thanks so much.

DEWS: You can find a lot more about Brookings experts' commentary and analysis on responding to the crunch virus pandemic on our Web site. Brookings, thank you to you. Slash coded 19.

The Brookings Cafeteria podcast is the product of an amazing team of colleagues, starting with audio engineer Gaston Reboredo and producer Chris McKenna. Bill Finan, director of the Brookings Institution Press, does the book interviews, and Lisette Baylor and Eric Abalahin provide design and Web support. Finally, my thanks to Camilo Ramirez and Emily Horne for their guidance and support.

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Until next time. I'm Fred Dews.