

## 21040 **America's inequality problem isn't new. The pandemic is just emphasizing it**

Anneken Tappe, CNN Business, February 3<sup>rd</sup>, 2021

The pandemic is shining a spotlight on America's inequality problem, but the nation's economic playing field was far from level long before the virus hit -- even as the US job market grew to its strongest point in 50 years.

Covid-19 exacerbated the wage, wealth and income inequality that was already present.

Politicians and economists are calling the recovery "k-shaped," a recently created term that means prosperity is returning more rapidly for some Americans as many others struggle to get by. The terminology might be new, but America's economy has always been shaped that way.

"People worry about a k-shaped recovery to the pandemic -- and that is a cause for concern -- but long before Covid-19 infected a single individual, we were living in a k-shaped economy," said the Treasury Secretary.

Take home ownership. It is vastly unequal: Nearly 75% of White households own their homes, compared to only 44% of Black households.

Although both White and Black homeownership has increased marginally over the past few years, oscillating in a narrow range since 2016, the gap between them hasn't narrowed perceptibly.

And even as the jobless rate fell to a historically low 3.5% right before the Covid-19 pandemic, Black and Hispanic workers still faced much higher rates of unemployment, and women were more likely than men to hold multiple jobs, often working part-time as well.

Before the pandemic, the US economy recorded more than a decade of growth — its longest expansion in history. But wages only really began to rise appreciably toward the end of this expansion, helped in part by increases in the minimum wage.

Wage inequality has been rising since the late 1970s in America, as the post-war economic growth burst slowed down. Since the turn of the millennium, wage growth has been strongest for higher-wage earners, according to the Economic Policy Institute.

Then came the pandemic, which hit the weakest groups in the US economy especially hard.

Lower-paid workers, minority communities and women accounted for many of the workers in sectors most affected by lockdown measures. As of December, the jobless rates for Black and Hispanic workers were still far higher than the 6.7% national average — at 9.9% and 9.3%, respectively. In fact, this trend has held true since the government started compiling jobs data by race.

The Biden administration acknowledges the disparities between different groups in America's economy. But it remains to be seen whether it can break this inequitable, decades-long trend.

