

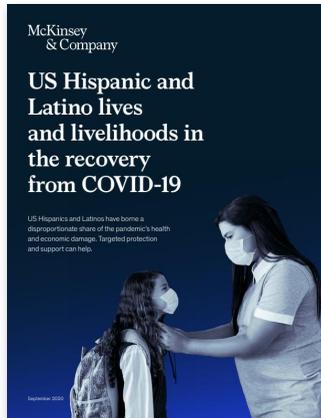
US Hispanic and Latino lives and livelihoods in the recovery from COVID-19

September 2, 2020 | Report

By Ingrid Millán, Nick Noel, [Lucy Pérez](#), and Alfonso Pulido

Hispanics and Latinos are key to the US recovery but have been damaged disproportionately by the pandemic. Targeted interventions are required to improve their health and economic outcomes.

DOWNLOADS



Special Report

[↓ Full Report \(42 pages\)](#)

That the **COVID-19** crisis shines a spotlight on socioeconomic inequities in the United States is not news. In particular, the 60 million Hispanics and Latinos in the country have experienced a disproportionate share of the health and economic effects of the pandemic. They are about three times more likely than white residents to test positive for the

virus, experience more challenges with accessing care, and are more economically vulnerable. As 18.7 percent of the US population, Hispanics and Latinos are a disproportionately young group of voters, workers, entrepreneurs, and consumers—and a group projected to grow from 17 to 22 percent of the workforce by 2030. The population's size and composition make it crucial to the US economy and society, and its vulnerability threatens the country's overall recovery from the pandemic.

Economically, the five business sectors most affected by the pandemic generate almost 50 percent of the revenues of Hispanic- and Latino-owned businesses, and 65 percent of Hispanics and Latinos work in those sectors. Indeed, the group is overrepresented in nine of the ten lowest-wage jobs that are considered high contact and essential, including food preparation and certain healthcare jobs. In brief, the population's health and finances are at an outsize risk during the pandemic, and before the pandemic there was already a wealth gap of \$1.3 trillion to \$1.6 trillion (in 2018 dollars) between it and white Americans. US Hispanics and Latinos with additional disadvantaged identities—

particularly Hispanic and Latina women, Afro-Latinos, and undocumented workers—bear an even heavier load.

Investing in inclusive growth—crucial for the future growth of the United States—means removing obstacles that affect Hispanics and Latinos disproportionately and fostering more equitable public-health and economic outcomes, which can benefit everyone in the country. In this article, we outline some of the central insights and possible interventions from our report on COVID-19 and Hispanic and Latino Americans.

Elevated risks and tenuous connections to healthcare

US Hispanics and Latinos are more likely than the general US population to develop COVID-19, to lack access to testing, to suffer from severe cases of the disease, and to die from it. Hispanics and Latinos are also more likely to suffer secondary medical effects,

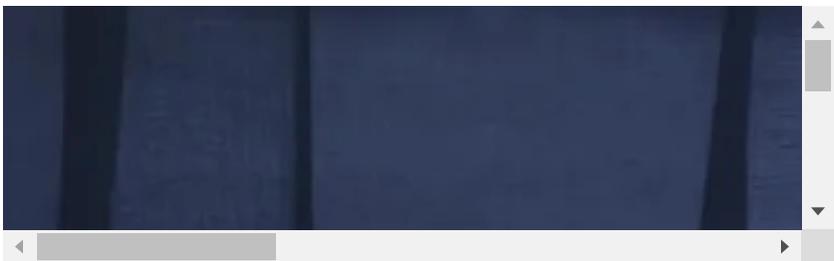
Interrupted upward mobility

Before the pandemic, Hispanic and Latino families and communities had been making socioeconomic progress, albeit precarious. The number of Hispanic- and Latino-owned businesses with at least one employee increased by 13 percent from 2014 to 2016, compared with about 3 percent for non-Hispanic- or non-Latino-owned businesses, but [our analysis](#) shows that before the pandemic Hispanic- or Latino-owned small businesses were twice as likely as non-minority-owned businesses to be classified as at risk or distressed. The pandemic has disrupted these businesses' progress and added economic challenges to healthcare-related obstacles specific to Hispanic and Latino families and communities.

Indeed, many Hispanics and Latinos face work in vulnerable sectors, locales, and types of businesses. Our analysis shows that about 50 percent of revenue of Hispanic- and Latino-owned businesses is in the hardest-hit sectors, including leisure and hospitality, retail trade, and construction. Since [Hispanic- and](#)

such as mental health challenges, from the pandemic. Indeed, as of July 21, 2020, they were eight percentage points more likely than the US white population to report symptoms of depression or anxiety.^[1]

Our analysis suggests that Hispanics and Latinos are about 20 percent more likely than white US residents to have chronic health conditions that exacerbate the effects of COVID-19.^[2] Compounding their vulnerability is a lower likelihood of being insured, even when they qualify for it: 25 percent of the adult Hispanic or Latino population under 65 was uninsured in 2017, compared with 8 percent of the white population.^[3] During the pandemic, Hispanics and Latinos are also three times more likely than white survey respondents are to lose, or expect to lose, their health insurance coverage.^[4]



Hispanics and Latinos are also less likely to seek care, owing to factors that include a lack of insurance coverage and a lack of linguistically and culturally compatible healthcare providers.^[5] In 2019, 25 percent of nonelderly Hispanic and Latino survey respondents reported zero healthcare visits, compared with 15 percent of white nonelderly respondents.^[6] Adult Hispanic and Latino patients admitted for COVID-19 in two large New York City hospitals waited on average two days longer than their white counterparts to seek care.^[7]

In addition, the size of Hispanics' and Latinos' households make viral transmission more likely. Current knowledge of COVID-19's transmission patterns suggests that clusters of people in close proximity to each other are at a heightened risk for transmission. With a median of 3.25 members per household, compared with 2.37 per white household,^[8] about 6.6 million Hispanics and Latinos are at greater risk for COVID-19 transmission than a similarly sized cross section of their white peers.

Latino-owned businesses are disproportionately small and already more likely to be at risk or distressed, their overrepresentation in places that are more likely to struggle to resume normal economic operations make these businesses even more vulnerable.^[9]

During the pandemic, Hispanics' and Latinos' incomes—and safety—are in jeopardy in jobs that are vulnerable to both the pandemic and automation. The net effect is a drain on families' financial and emotional reserves, and Hispanics and Latinos are more likely than white Americans to report being concerned about the financial implications of the pandemic.^[10] To deal with the ongoing crisis, Hispanic and Latino communities must be connected to resources and safeguards, but Hispanics and Latinos are less likely to have high levels of social trust. In 2019, 12 percent of Hispanic and Latino adults, and 27 percent of white adults, reported high levels of trust.^[11]

Potential interventions

Hispanic and Latino population growth means the country's long-term recovery is inextricable from the recovery of Hispanic and Latino families, communities, and businesses. Indeed, the community's unique assets—such as its relative youth and above-average rates of entrepreneurship—can contribute to more equitable postpandemic recovery and growth.

In the meantime, major stakeholders in the public, private, and social sectors could contribute to Hispanic and Latino families' and communities' financial health. For instance, public-sector stakeholders could provide additional liquidity and issue—or extend—education, planning resources, and even moratoriums for major debts such as housing-related debts. Large customers of Hispanic- and Latino-owned businesses, especially small and medium-size enterprises, can expedite their payables to those businesses.

The private and public sectors could also collaborate to make the mainstream financial system more inclusive for Hispanic and Latino families and businesses, starting with ensuring that resources in consumers' preferred language are easily accessible. In both the

short and long term, credit, basic financial services, and greater financial literacy can help both families and businesses plan for their financial future.

Educational institutions and the technology sector could partner to improve remote learning experiences and content—and help students access remote learning through increased broadband connectivity. Combined with the proper training of educators, this improvement could help provide access to remote learning to an additional 2.4 million students.

Finally, US stakeholders should foster and maintain positive interactions with US institutions and society to build US Hispanics' and Latinos' social trust. This social trust is required before any group can be civically engaged. Indeed, the intertwined effects of trust and civic and socioeconomic engagement are underlying themes of our report.

The COVID-19 crisis has highlighted an ethical and economic imperative to create more equitable outcomes throughout US society. Beyond the human

considerations, helping US Hispanics and Latinos regain the interrupted trajectory of upward mobility would be a significant contribution to the US's long-term economic growth. The return on this investment would be lives and healthy years saved and a stronger economy that benefits more people in the United States.

Download the full report on which this article is based, [US Hispanic and Latino lives and livelihoods in the recovery from COVID-19 \(PDF–807.90 KB\)](#).

1. “Mental health: Household pulse survey,” Center for Disease Control and Prevention, July 29, 2020, [cdc.gov](https://www.cdc.gov).
2. The chronic health conditions evaluated were asthma, cardiovascular disease, chronic kidney disease, diabetes, hypertension, and obesity.
3. “Health and health care for Hispanics in the United States,” KFF, May 10, 2019, www.kff.org.
4. McKinsey COVID-19 consumer survey, July 11–14, 2020.
5. “Health and health care for Hispanics in the United States,” KFF, May 10, 2019, www.kff.org. For more on culturally compatible healthcare with respect to Hispanic and Latino patients, see Gregory Juckett, “Caring for Latino patients,” *American Family Physician*, January 1, 2013, Volume 87, Number 1, pp. 48–58.

6. “Health and health care for Hispanics in the United States,” KFF, May 10, 2019, www.kff.org.
 7. Matthew J. Cummings, Matthew R. Baldwin, Darryl Abrams, et al, “Epidemiology, clinical course, and outcomes of critically ill adults with COVID-19 in New York City: A prospective cohort study,” *The Lancet*, June 6, 2020, Volume 395, Number 20239, pp. 1763–70.
 8. “America’s families and living arrangements: 2019,” United States Census Bureau, October 16, 2019.
 9. For an interactive map of the distribution of populations that may be disproportionately vulnerable to—or affected by—the pandemic and its effects, see “Where are vulnerable populations who may be impacted by COVID-19 across the United States?”; see also “[Insights on racial and health inequity in the context of COVID-19](#),” July 31, 2020.
 10. McKinsey COVID-19 consumer survey, April 13, 2020.
 11. Lee Rainie and Andrew Perrin, “Key findings about Americans’ declining trust in government and each other,” Pew Research Center, July 22, 2019, pewresearch.org.
-

ABOUT THE AUTHOR(S)

Ingrid Millán is an associate partner in McKinsey's Washington, DC, office, where **Nick Noel** is a consultant. **Lucy Pérez** is a senior partner in the Boston office, and **Alfonso Pulido** is a partner in the San Francisco office.

The authors wish to thank Jorge Amar, Xavier Azcue, Bertil Chappuis, Erica Coe, Judy D'Agostino, Eduardo Doryan, Oscar Gonzalez, Fidel Hernandez, JP Julien, Krzysztof Kwiatkowski, Deepa Mahajan, Alex Mandel, Duwain Pinder, María Jesús Ramírez, Rafael Rivera, Vivien Singer, and Shelley Stewart for their contributions to this article.