



EXECUTIVE SUMMARY

A Glimpse of Stability: The Impact of Pandemic Aid on Families in Poverty

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From March 2020 to March 2022, as the global COVID-19 pandemic raged, the U.S. government unlocked over \$5 trillion in relief funds—the largest domestic recovery effort outside wartime in recorded history, five times the response to the 2008 Great Recession.¹ These sweeping pandemic relief packages were intended to contain public health threats, support workers facing widespread unemployment, and stabilize families and the economy.

The aid was enormously effective. It helped avert what some economists feared would be a financial apocalypse, particularly for families living in poverty or on low wages. Instead, the unprecedented spending actually improved the financial well-being of families across the United States. Unemployment rates fell from 14 to 4 percent, and child poverty, hunger, and eviction rates reached historic lows.²

Over the past two years, the Better Life Lab team and our partners at the New Practice Lab have sought to understand the impact of the pandemic aid on families facing economic hardship. This report presents findings from our qualitative research based on direct conversations with families. Through focus groups and in-depth interviews, we captured real-life stories that reveal the impact and limitations of the short-lived pandemic aid, offering critical lessons for policymakers and the public about what families need to thrive.

We found that for a brief and powerful moment, many families living in poverty had a glimpse of what a more stable, financially secure life might be like. “I finally felt human,” said one study participant. Participants told us that to truly thrive, they needed a minimum standard of living, including health care, stable housing, healthy food, better-paying jobs, and an unemployment insurance system that helps get them back to work. They also need supportive policies and practices that provide access to child care, reduce financial stress, ensure equitable opportunity, and foster respect and dignity for people across all income levels.



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1. Alicia Parlapiano, Deborah B. Solomon, Madeleine Ngo, and Stacy Cowley, “Where \$5 Trillion in Pandemic Stimulus Money Went,” *New York Times*, March 11, 2022, www.nytimes.com/interactive/2022/03/11/us/how-covid-stimulus-money-was-spent.html.

2. Michael Linden, “The State of the U.S. Labor Market 4 Years after the Start of the COVID-19 Recession,” Washington Center for Equitable Growth, March 5, 2024, equitablegrowth.org/the-state-of-the-u-s-labor-market-4-years-after-the-start-of-the-covid-19-recession/; U.S. Census Bureau, “Poverty in the United States: 2022,” Census.gov, accessed November 1, 2024, www.census.gov/library/publications/2023/demo/p60-280.html.

During the pandemic, the federal investments that participants told us they benefited the most from included:



Rental assistance and eviction moratoria



Improved food benefits



An expanded Child Tax Credit, with flexible direct cash benefits



Wider access to Medicaid



Expanded unemployment insurance benefits





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What they most needed but didn't get, they said, was access to paid leave and affordable child care. The end of the pandemic aid also hit many of our study participants' families hard. "We're the working class and we're trying our best to be sustainable, pay our taxes, be a proper citizen, do all the things that we're supposed to," one participant told us. "Sometimes you just feel like you're being punished just for doing those simple things."

Participants also said they needed good-paying jobs. "If our jobs paid us enough money, we wouldn't need any help at all," said another study participant. "If I earn good money, I'm not going to be looking for benefits. I'll take care of my bills."

The experiences of 11 families and one child care provider's community also showed a reality that runs counter to prevailing poverty narratives: Families work hard, often in full-time jobs, but because of low wages—particularly in care and service work—they are simply unable to make ends meet. Although pandemic aid was not enough to remedy historic discrimination, close opportunity gaps, or end poverty, we found that when families' basic physical needs were met, they were more likely to have the expanded emotional, psychological, and mental bandwidth not only to manage stress and daily struggles better, but also plan for the future. In some cases, the aid allowed them to begin to take active steps toward a better life.

Pandemic aid showed the power of public policy in reducing economic inequality and stabilizing the lives of individuals and families. The stories in this report also help drive home another powerful takeaway: Poverty is not the result of an individual choice but the result of ongoing policy choices. Without good, family-supportive jobs and a strong social safety net, many families with children will continue to face financial precarity, scarcity of resources, and high levels of stress and worry.

Our study also illuminates just how pervasive poverty narratives are: The beliefs held by policymakers, business leaders, and others who don't live in poverty or on low incomes about why people are in poverty can shape attitudes, policy decisions, institutions, and entire ways of living.

To make the necessary changes to public policies that would make a real difference in the lives of all families, we found new, more truthful narratives.

Poverty is, too often, a policy choice, not the result of individual bad decisions.

Pandemic aid didn't solve poverty. To alleviate poverty in the long term, structural change is required.

Racism creates poverty, both past and present.

Hard work isn't enough to keep someone out of poverty.

Poverty is a complex, traumatic experience.

Poverty drains families of time to do much else, an invisible burden called “time poverty.”

Accessing resources shouldn't be so hard or require a unique set of skills.

Poverty is harmful to health.

Geography matters. Access to resources varies from state to state, county to county.

Language—and how a person speaks it—can create or validate discrimination, limiting one's opportunities.

A cynical “fraud prevention” approach to policy design harms those living in poverty.

Local control produces mixed results. Leaders and stakeholders at the local level can address or reinforce discrimination.

Child care is critical for the economic security and well-being of families.

This report shows the power of enabling families on the frontlines of hardship to tell their own fuller, more authentic stories of poverty. Listening to these diverse voices allows us to better understand the barriers to family economic security and well-being in the United States and the changes necessary to overcome them.

To read the full report, visit newamerica.org/better-life-lab/reports/a-glimpse-of-stability.

To view additional resources, see our collection at newamerica.org/better-life-lab/better-life-lab-collections/pandemic-aid.