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Community Development in the Time of COVID-19

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Cornhusker Economics

Community Development in the Time of COVID-19

Market Report	Year Ago	4 Wks Ago	9-18-20
Livestock and Products,			
Weekly Average			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight.	*_	*	*
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb.	161.24	161.51	161.45
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb.	152.97	146.86	148.45
Choice Boxed Beef, 600-750 lb. Carcass.	218.75	204.52	215.87
Western Corn Belt Base Hog Price Carcass, Negotiated	*	*	*
Pork Carcass Cutout, 185 lb. Carcass 51-52% Lean.	68.10	68.51	85.71
Slaughter Lambs, woolled and shorn, 135-165 lb. 3-Market Average.	140.88	115.84	129.87
National Carcass Lamb Cutout FOB.	392.70	NA	422.47
Crops,			
Daily Spot Prices			
Wheat, No. 1, H.W.			
Southwest NE , bu.	3.55	4.00	4.36
Corn, No. 2, Yellow			
Central NE , bu.	3.70	2.86	3.40
Soybeans, No. 1, Yellow			
Central NE , bu.	7.93	8.21	9.54
Grain Sorghum, No.2, Yellow			
Southeast NE , cwt.	5.68	6.00	4.14
Oats, No. 2, Heavy			
Minneapolis, Mn , bu.	3.08	2.96	2.96
Feed			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185			
Northeast Nebraska, ton.	*	*	155.00
Alfalfa, Large Rounds, Good			
Platte Valley, ton.	105.00	*	*
Grass Hay, Large Rounds, Good			
Nebraska, ton.	105.00	*	*
Dried Distillers Grains, 10% Moisture			
Nebraska Average.	141.00	121.67	150.50
Wet Distillers Grains, 65-70% Moisture			
Nebraska Average.	42.50	35.92	44.93
* No Market			

The global pandemic has driven the whole country into an unprecedented crisis. As the months passed and the death toll climbed, the pandemic did something else: it unveiled deep inequities within the country. Those getting sick and dying were disproportionately low-income racial and ethnographic minorities, most of them essential workers. According to the latest data from the Center for Disease Control and Prevention, the virus has overly affected Black people and Latinos (<https://www.cdc.gov/coronavirus/2019-ncov/covid-data/covidview/index.html>). Communities of color are also overrepresented among essential workers who are generally unable to work from home and more likely to come into contact with the virus stretching the racial wealth gap in the United States and making the richest wealthier while leaving many of the poorest without jobs (<https://www.epi.org/blog/black-and-hispanic-workers-are-much-less-likely-to-be-able-to-work-from-home/>).

Thomas Piketti (2014), showed that the gap between the rich and the poor has increased in the United States and many other countries for several decades and will continue to grow while the rate of capital return is higher than the rate of economic growth. Based on Piketti’s findings, researchers have shown the effects of income inequality on every aspect of quality of life including significant negative impacts on public health like the ones caused by the global COVID-19 pandemic.

Clarke and Whiteley (2020) examined the relationship between COVID-19 and economic, social and demographic factors, finding that states with dense populations and greater income inequality are more likely to see COVID-19 cases and related deaths. Fortunately, Nebraska has a sparse population and lower income inequality when compared to other states. Nebraska’s

Please nte the following changes:
Slaughter Lamb prices are now from a 3-market average price.
Daily Spot Prices for grains are for a region, not a specific location

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2020 Gini Index, a measure of the distribution of income inequality, is 0, 442 while the United States' is 0, 485 (<https://worldpopulationreview.com/state-rankings/income-inequality-by-state>). The Gini Index ranges from 0, representing perfect equality (where everyone receives an equal share), to 1, perfect inequality (where only one individual or group of people receives all the income). However, even in sparse areas where COVID-19 cases are lower like Nebraska, people of color are more likely to get and die from the virus because poverty is heavily concentrated among minorities. Table 1 shows that the poverty rate of white residents in Nebraska is dramatically lower than that of other races (and ethnicities). Among white Nebraskans, 132,819 out of 1,471,138 live below the poverty line. Approximately 77.7% of the total population of Nebraska are white.

Table 1. Nebraska Poverty Rate by Race and Ethnicity

Race	Population	Poverty Rate %	National Poverty Rate %
Black	85,003 4.50%	28.6	25.2
American Indian	15,303 0.80%	32.6	26.8
Asian	40,697 2.10%	19.3	11.9
Pacific Islander	1,403 0.10%	19.2	19.0
Other	34,466 1.80%	20.8	23.8
Two or More Races	43,938 2.30%	20.5	18.4
White	1,471,138 77.70%	9.0	10.3
Hispanic	193,358 10.20%	22.7	22.2

Source: 2017 American Community Survey 5-Year Estimate.

Although Nebraska COVID-19 infection and death rates are not as high as nationwide, data from the COVID Tracking Project racial data tracker (<https://covidtracking.com/race/dashboard#notes-ne>) suggests

racial/ethnic disparity¹. As mentioned previously, it is not a coincidence that the races/ethnicities with more families living in poverty are the same ones that have been hit hardest by COVID-19. Decades of disparities in education, food security, housing, jobs and stress levels have contributed to an excess risk of chronic disease based on race, ethnicity and income. And those same issues are exacerbating the COVID-19 crisis. Tables 2 and 3 reflect the cases and deaths by race and ethnicity in Nebraska. The numbers differ dramatically among different racial and ethnic groups.

Table 2. Nebraska Cases and Deaths by Race (September 2020)

Race	Percent of Population	Percent of Cases	Percent of Deaths
Black or African American	5	*7	8
Asian	2	*5	4
Native Hawaiian and other Pacific Islanders	<1	<1	0
American Indian and Alaska Natives	<1	<*1	3
Two or more races	2	^	^
White	87	80	83
Some other race	3	^6	3

* Racial/ethnic disparity likely

^ Data not specified by the State of Nebraska

Source: The COVID Tracking Project

Table 3. Nebraska Cases and Deaths by Ethnicity (September 2020)

Ethnicity	Percent of Population	Percent of Cases	Percent of Deaths
Hispanic or Latino	11	*40	*23
Non-Hispanic or Latino	89	60	77

* Racial/ethnic disparity likely

Source: The COVID Tracking Project

¹ They calculate likely racial/ethnic disparity based on three criteria:

1. Is at least 33% higher than the Census Percentage of Population.
2. Remains elevated whether we include or exclude cases/deaths with unknown race/ethnicity.
3. Is based on at least 30 actual cases or deaths.

But with every national crisis comes a chance to look to the future with new determination and ideas. Do we really want to go back to where we were? If there was a lesson learned from the 2008 economic recession, it was that we must ensure this recovery is more inclusive bringing everyone along with it. The goal of closing gaps in opportunities needs to start now.

Today communities are being challenged by a great deal of uncertainty and stress along with limited financial resources and external assistance. Regardless if it is health care, food security, affordable housing or the closing of local businesses, community recovery should be guided by the principles of equality. This task will depend on creativity and innovation more than ever to compensate for the lack of resources. Strong Towns, an organization that supports communities across the United States, put together a toolkit to help towns around the United States to become stronger and more financially resilient during and after the COVID-19 pandemic. These are a few suggestions from the toolkit that can benefit most places, but mainly low-income communities:

- Waive some zoning restrictions: policies to contain COVID-19 led to mixed-use buildings even in areas deemed exclusively residential. Daily essentials (small groceries, pharmacies, etc.) should be allowed in residential areas creating opportunities for innovators to respond to the crisis.
- Spark social entrepreneurs: use of empty commercial buildings in strategic locations (ones that fill streetscape gaps and connect places) for pop-up commercial spaces to spur the next generation of social entrepreneurs.
- Legalize housing adaptations: mainly accessory dwelling and duplex conversion to respond to the increasing demand for affordable housing.
- Make investments in walking and biking: giving families the opportunity to not have to own a car (or have just one car), saving money for more urgent needs.
- Minimize restrictions on growing food: remove restrictions on gardening, greenhouses, chickens, and other small-scale food production activities.
- Thicken civic infrastructure: use of city resources to coordinate, connect and promote the efforts of place-based organizations serving the needs of the low-income population within the community.
- Begin shifting community power imbalances: redirect city staff whose job is related to economic development to work closely with local minorities by giving them a voice and addressing the most urgent barriers for social and economic inclusion and well-being.

As communities recover and rebuild from the COVID-19 pandemic, it is essential to rebuild better by focusing on resilience and inclusiveness and initiating systemic change. While Nebraska may be socioeconomically more fortunate than other states in the short term, the longer-term prognosis is gloomier. Communities need to remain flexible and agile in their thinking to adjust to changing situations.

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