



# ICAE

Instituto Complutense  
de  
Análisis Económico

# COVID-19 restrictions in the US: wage vulnerability by education, race and gender

**Borja Gambau**

Universidad Complutense de Madrid (Spain)

**Juan C. Palomino**

University of Oxford (UK), INET and Department of Social Policy and Intervention

**Juan G. Rodríguez**

Universidad Complutense de Madrid (Spain), ICAE, EQUALITAS and CEDESOG

**Raquel Sebastian**

Universidad Complutense de Madrid (Spain), ICAE and EQUALITAS

---

## Abstract

We study the wage vulnerability to the stay-at-home orders and social distancing measures imposed to prevent COVID-19 contagion in the US by education, race, gender, and state. Under 2 months of lockdown plus 10 months of partial functioning we find that both wage inequality and poverty increase in the US for all social groups and states. For the whole country, we estimate an increase in inequality of 4.1 Gini points and of 9.7 percentage points for poverty, with uneven increases by race, gender, and education. The restrictions imposed to curb the spread of the pandemic produce a double process of divergence: both inequality within and between social groups increase, with education accounting for the largest part of the rise in inequality between groups. We also find that education level differences impact wage poverty risk more than differences by race or gender, making lower-educated groups the most vulnerable while graduates of any race and gender are similarly less exposed. When measuring mobility as the percentile rank change, most women with secondary education or higher move up, while most men without higher education suffer downward mobility. Our findings can inform public policy aiming to address the disparities in vulnerability to pandemic-related shocks across different socioeconomic groups.

**Keywords:** COVID-19; inequality; poverty; mobility; United States.

**JEL Classification** D33, I32, J31, O51.

---

## ICAE Working Paper nº 2108

**April, 2021**

ISSN: 2341-2356

WEB DE LA COLECCIÓN:

<https://www.ucm.es/icae/working-papers>

Copyright © 2021 by ICAE.

Working papers are in draft form and are distributed for discussion. It may not be reproduced without permission of the author/s.