



St. Louis City Direct Cash Assistance: Racial Equity Analysis

While all Missourians were impacted by the economic consequences of the COVID-19 pandemic, some were hit harder than others. Although every Missourian deserves the opportunity to thrive, with quality housing they can afford, a job that lets them provide for their families, and a strong community that offers access to a quality education, affordable healthcare, and all the resources that help families succeed, the pandemic highlighted the economic and racial disparities in Missouri that kept these conditions out of reach in many communities.

The unprecedented funds available to state and local governments through federal stimulus bills such as the American Rescue Plan provided an opportunity to build toward a better and more equitable future for all Missourians. **In 2021, St. Louis City dedicated \$5 million of its portion of the Coronavirus State and Local Fiscal Recovery Fund¹ toward \$500 direct cash assistance payments to 9,300 St. Louis residents impacted by the COVID-19 pandemic.** This report compares the recipients of those payments to the overall distribution of St. Louis City to determine whether these payments were equitably distributed.

St. Louis City Direct Cash Assistance Program

In the early months of the pandemic, nearly half of all Missourians lived in a household that had lost employment income.² One in five either missed or were at high risk of missing a rent or mortgage payment, and nearly one in eight were unable to put enough food on the table.³

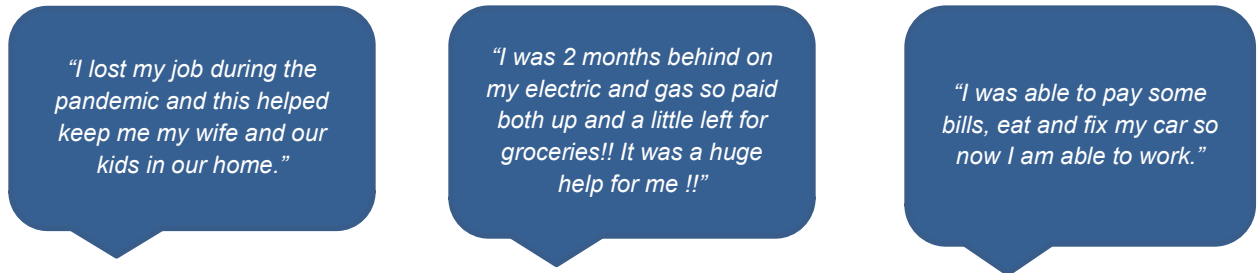
St. Louis City government recognized that quickly providing direct cash assistance to impacted residents could address these issues. Unlike other types of public assistance, cash assistance is flexible and allows families to purchase basic necessities or to respond to unexpected or irregular expenses. The vast majority of families receiving this type of cash assistance use the payments to invest in essentials (such as food, clothing, diapers, shelter, and utilities) and education.⁴ A growing body of research indicates that income support programs, such as cash assistance, are associated with improved infant and maternal health, better school performance and higher college enrollment.⁵

Eligibility to receive direct cash assistance was limited to one payment per household and to residents with an income of less than 80% of the Area Median Income (AMI) who suffered a loss of income due to the pandemic including (but not limited to) job loss, medical expenses, or reduced hours at work.

| Household Size | 80% AMI (2021) |
|----------------|----------------|
| 1 | \$47,550 |
| 2 | \$54,350 |
| 3 | \$61,150 |
| 4 | \$67,900 |

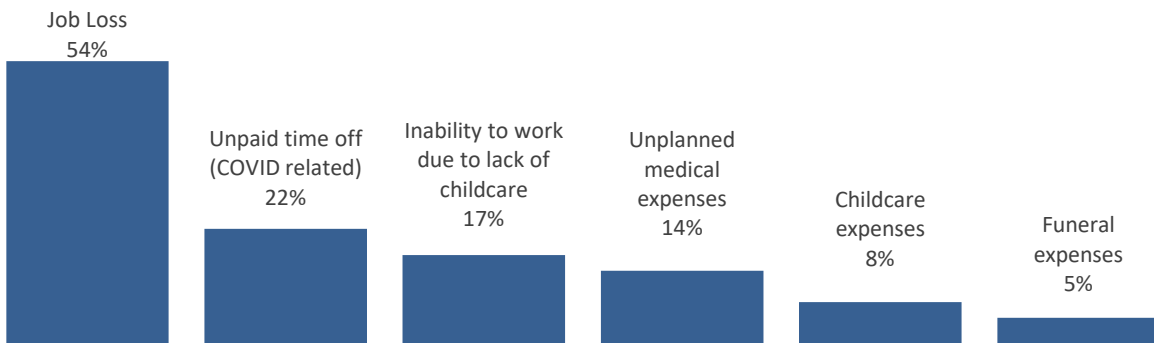
St. Louis City’s Direct Cash Assistance program distributed \$500 payments to 9,300 St. Louis households (or nearly 7% of all households in St. Louis City); these funds were invested in food, shelter, transportation, health care, childcare, and other basic necessities.

Sample Survey Responses from Recipients of Direct Cash Assistance



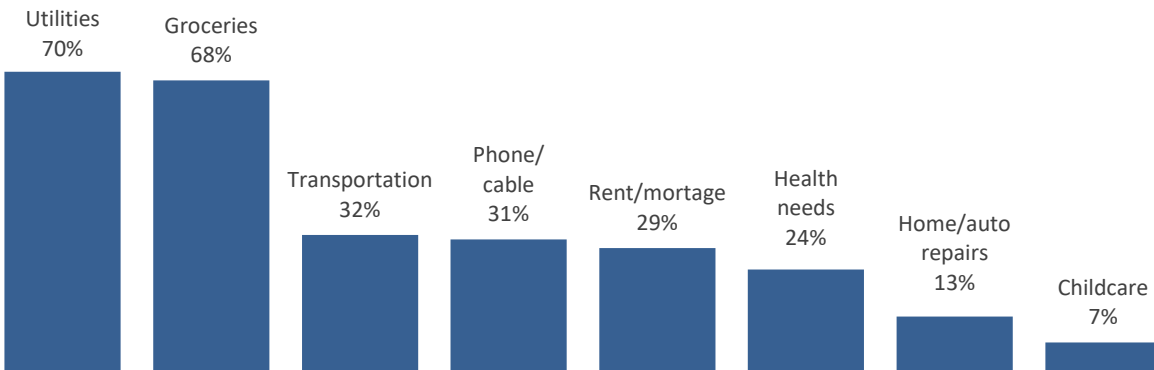
Source: Missouri Jobs with Justice. (2021). \$500 Direct Cash Assistance Follow-up Survey.

Percent of Households Receiving Direct Cash Assistance by Type of Hardship Experienced:



Source: 2021 American Community Survey 5-Year Estimates; St. Louis City Office of the Treasurer

Percent of Households Receiving Direct Cash Assistance who spent the payments on:



Source: Missouri Jobs with Justice. (2021). \$500 Direct Cash Assistance Follow-up Survey.

Racial Equity Analysis

Due to longstanding barriers that limit income and wealth accumulation opportunities (stemming from practices like redlining, mass incarceration, anti-immigrant policies, and discrimination), Black and Brown Missourians are disproportionately likely to have difficulty making ends meet. This is particularly true during economic downturns, during which unemployment among Black and Brown workers rises faster and stays high longer than among white workers.⁶ Further, the economic impact on Black Missourians was heightened in the pandemic because Black workers were more likely to work in jobs susceptible to pandemic-related staffing reductions.⁷

Thus, while cash assistance targeted toward families most affected by the economic impacts of the pandemic serves people of *all* races, this support also had the potential to serve a higher *proportion* of Black and Brown Missourians, thus reducing existing racial disparities.

Distribution of \$500 Direct Cash Assistance Payments and Economic Security of St. Louis City Residents by Race/Ethnicity

| Race/Ethnicity | DCA Payments | | Total Population | | Below Poverty | | Median Income |
|--------------------|--------------|--------|------------------|--------|---------------|--------------|-----------------|
| | Number | Share* | Number | Share | Number | Share | |
| Black non-Hispanic | 7,375 | 79.3% | 135,053 | 44.34% | 36,633 | 27.7% | \$30,947 |
| White non-Hispanic | 959 | 10.3% | 134,242 | 44.60% | 16,047 | 11.8% | \$64,989 |
| Hispanic/Latino | 345 | 3.7% | 12,799 | 4.23% | 2,241 | 18.2% | \$58,763 |
| Overall | 9,300 | | 302,787 | | 57,869 | 19.6% | \$48,751 |

**Share of total payments made*

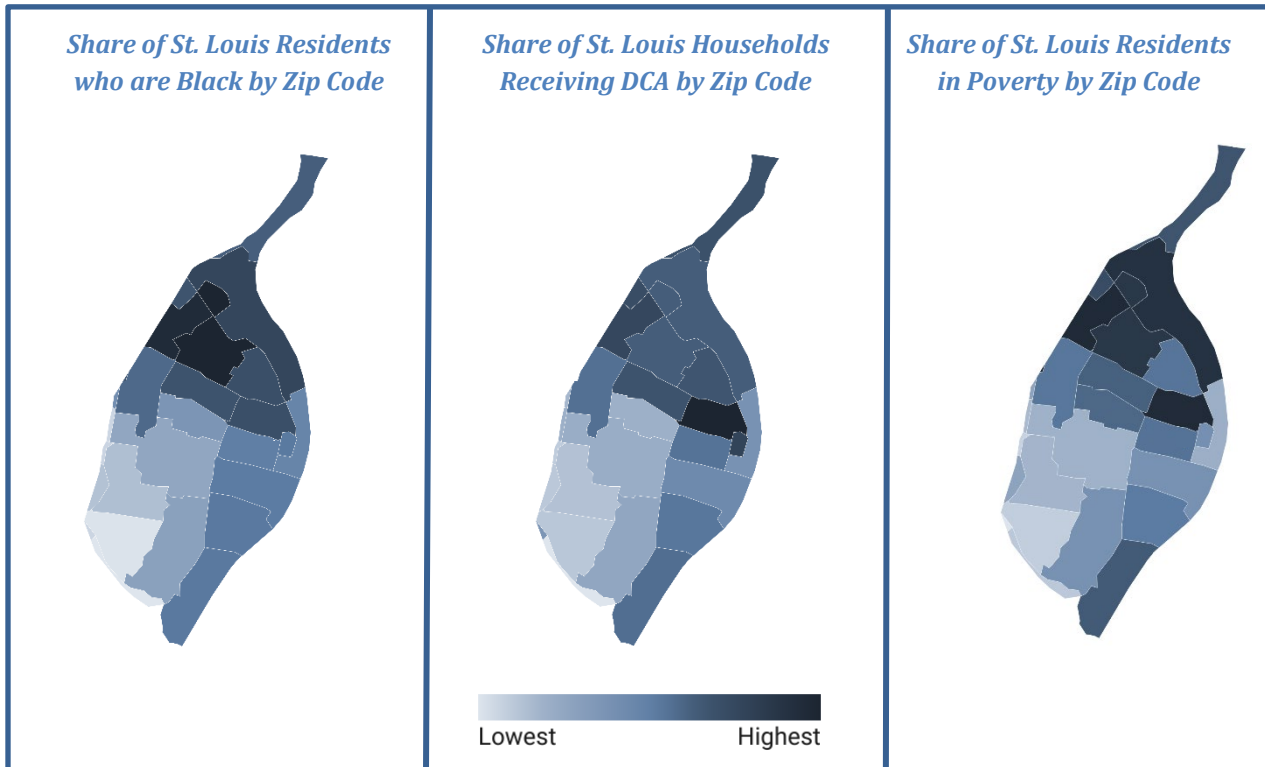
Source: 2021 American Community Survey 5-Year Estimates; St. Louis City Office of the Treasurer

Black residents of St. Louis City have a median income that is well below half that of white residents and are more than twice as likely to live in poverty. **Given the disproportionately high levels of economic insecurity within this group, Black residents received nearly 80% of direct cash assistance payments in St. Louis City.** The high level of uptake was in-part the result of outreach by St. Louis City, including application fairs targeted toward residents with barriers in accessing online applications as well as targeted outreach through nonprofit organizations and service providers.

While Hispanic/Latino residents of St. Louis City are also disproportionately likely to experience economic insecurity, the disparities are much less dramatic than among Black residents. Yet **Hispanic/Latino residents received a lower share of direct cash assistance payments than would be expected given elevated levels of economic insecurity.** While St. Louis City did provide targeted outreach, including to undocumented families, **this underrepresentation likely reflects long documented barriers to participation in public assistance programs among Hispanic/Latino families** including immigration concerns, language barriers, and difficulty navigating and producing documentation for program requirements.⁸

As shown in the figures below, the estimated share of households receiving DCA payments closely mirrors the distribution of St. Louis City residents who are Black as well as residents who live below the poverty line (see Appendix for detailed results). **While residents across all areas of St. Louis City benefited from the program, areas in northern and eastern sections of St. Louis City that have a higher share of Black residents and/or residents living in poverty received higher *proportion* of direct cash assistance.**

Distribution of Direct Cash Assistance (DCA) payments by Zip Code as compared to Distribution of St. Louis City Residents by Race and Poverty




Conclusions

This analysis suggests that the St. Louis City Direct Cash Assistance program was successful in equitably distributing payments to non-Hispanic Black households and households below the poverty line. However, more work needs to be done to remove barriers faced by Hispanic/Latino households in St. Louis City, including ensuring program documentation is accessible for immigrant and/or undocumented households.

While the impact of one-time payments on racial disparities in income and poverty are limited, these results can be used to inform the design and distribution of St. Louis City's newly passed Guaranteed Basic Income Pilot as well as other cash assistance programs at the state and local level in Missouri.

Appendix: Distribution of DCA Payments, Race, and Poverty by St. Louis City Zip Code



| Zip Code | Number of DCA payments per ZIP Code | Residents who are non-Hispanic Black ▼ | Estimated Share of Households Receiving DCA | Share of Residents Living in Poverty |
|----------|-------------------------------------|--|---|--------------------------------------|
| 63115 | 773 | 97% | 11% | 33% |
| 63120 | 342 | 96% | 16% | 36% |
| 63147 | 396 | 92% | 11% | 34% |
| 63106 | 941 | 91% | 24% | 36% |
| 63107 | 487 | 91% | 13% | 22% |
| 63113 | 589 | 90% | 13% | 25% |
| 63136 | 163 | 90% | 14% | 28% |
| 63133 | 88 | 89% | * | 37% |
| 63137 | 46 | 80% | 14% | 26% |
| 63112 | 724 | 66% | 8% | 22% |
| 63111 | 738 | 46% | 9% | 25% |
| 63101 | 350 | 45% | 16% | 17% |
| 63118 | 813 | 45% | 7% | 21% |
| 63104 | 524 | 42% | 5% | 17% |
| 63103 | 388 | 40% | 8% | 22% |
| 63102 | 63 | 38% | 5% | 11% |
| 63130 | 7 | 34% | 3% | 13% |
| 63108 | 345 | 30% | 3% | 24% |
| 63114 | 7 | 29% | 0% | 15% |
| 63116 | 726 | 25% | 4% | 17% |
| 63110 | 288 | 23% | 3% | 10% |
| 63139 | 217 | 14% | 2% | 10% |
| 63143 | 13 | 13% | 2% | 13% |
| 63117 | 5 | 8% | 2% | 6% |
| 63105 | 12 | 7% | 3% | 9% |
| 63119 | 7 | 7% | 5% | 4% |
| 63109 | 246 | 4% | 2% | 7% |
| 63123 | 1 | 3% | 0% | 7% |

**Data suppressed for Zip Code 63133 due to small number of households and very small share of zip code falling within St. Louis City boundaries making estimate unreliable.*

Source: 2021 American Community Survey 5-Year Estimates; St. Louis City Office of the Treasurer

Note: Estimated share of households receiving DCA calculated based on the estimated number of households in each zip code within St. Louis City using the Missouri Census Data Center Geographic Correspondence Engine (Geocorr 2022).⁹

References

¹ The American Rescue Plan provided nearly \$5.5 billion in flexible fiscal relief to Missouri and its localities. St. Louis City received approximately \$58 million in flexible relief. For more detail on these funds and how they can be spent see [American Rescue Plan: State & Local Funding for Missouri](#).

² Household Pulse Survey Interactive Tool <https://www.census.gov/data-tools/demo/hhp/#/>

³ Household Pulse Survey <https://www.census.gov/data-tools/demo/hhp/#/>

⁴ Zippel (2021). 9 in 10 Families With Low Incomes Are Using Child Tax Credits to Pay for Necessities, Education. Center on Budget and Policy Priorities.

⁵ Waxman, Sherman, & Cox. (2021). Income Support Associated With Improved Health Outcomes for Children, Many Studies Show

⁶ New America (2020) Unpacking Inequities in Unemployment Insurance.; Economic Policy Institute (2022) State unemployment by race and ethnicity.

⁷ Federal Reserve Bank of Dallas (2020) Spotlight: Black Workers at Risk for 'Last Hired, First Fired'. <https://www.dallasfed.org/research/swe/2020/swe2002/swe2002e.aspx>

⁸ Marta Alvira-Hammond and Lisa A. Gennetian (2015) How Hispanic Parents Perceive Their Need and Eligibility for Public Assistance. <https://www.hispanicresearchcenter.org/wp-content/uploads/2019/08/Income-Brief-No.-2-Perceptions-of-Eligibility-V21.pdf>

⁹ Missouri Census Data Center. Geocorr 2022. <https://mcdc.missouri.edu/applications/geocorr.html>