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Principles to Guide Coronavirus Response

Co-Chair Roblan, Co-Chair Holvey, and Members of the Committee,

My name is Daniel Hauser, policy analyst at the Oregon Center for Public Policy, and I want to share with this committee a set of principles that should be used in responding to the COVID-19 (coronavirus) pandemic.

There is a clear and pressing need for the state of Oregon to complement much-needed federal actions to address the current public health and economic crisis. While there are countless ideas on what public policy changes are needed, this committee will need to hone in on the very best solutions. The principles below are designed to help guide you to the desired outcome: Oregon and Oregonians not just surviving this crisis, but coming out of it stronger and more resilient.

Prioritize resources for the Oregonians in greatest need: Unlike the federal government, Oregon cannot run a deficit. Therefore, we must target the limited resources available at the Oregon families in greatest need. Many of the families already living paycheck-to-paycheck work in the service or retail sectors and will be unable to pay rent, afford meals, and otherwise survive. These families, in particular, need support during this crisis. This same logic should apply to businesses: small operations in desperate need for cash flow should receive loans and support, not large and highly profitable businesses.

Ensure investments benefit historically oppressed communities: Our collective history of racist and misguided public policies have pushed Black, Indigenous, and other people of color into lower-paying jobs and left them with fewer savings to draw on than non-Hispanic white people - both factors that could make a family's financial situation more fragile in a recession. For example, nationally, 71% of white families said they can get \$3,000 from family or friends in an emergency, while only 43% of Black families and 49% of Hispanic families can. The median white family has nearly ten times the net worth of the median Black family. Oregon must work with community leaders to prioritize the types and magnitude of investment needed to help our neighbors of color and ensure they do not fall further behind economically, as occurred during the Great Recession.

Tap available reserves now; prepare to raise revenue later: We should use all available resources, including the Rainy Day Fund, to ameliorate these public health and economic crises. However, the impact on available resources will not end with the pandemic. Should Oregon (and the nation) fall into a longer recession, we will have meaningful budget shortfalls in current and future biennia that need to be addressed not with cuts to the programs Oregonians depend on, but with additional revenues.

Act with urgency: The term “flattening the curve” currently has a public health meaning of mitigating the spike in cases of COVID-19 by taking immediate steps. That same urgency should apply to our economic response - we must “flatten the dip” and reduce the depth of economic fallout that could result from this pandemic. Rapid and immediate action to help the Oregonians in greatest need will have lasting and deep benefits for our state.

These four principles should form the lens with which this committee and the legislature determine the appropriate response to the COVID-19 pandemic and resulting economic fallout. Thank you, and I am available to answer any questions you may have.

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