



## SECTION 1: EXECUTIVE SUMMARY

### INTRODUCTION

Contrary to initial claims by politicians and the media that coronavirus disease 2019 (COVID-19) was a “great equalizer,” data overwhelmingly shows that the virus is amplifying existing inequalities and harming poor communities, communities of color, and other groups that have been denied full access to economic and political power.<sup>1</sup> The latest data from the Centers for Disease Control and Prevention (CDC) shows that Black, Latinx, and Indigenous people are suffering hospitalization rates up to 5.3 times higher and death rates up to 2.1 times higher than white people.<sup>2</sup> Since this data has become available, multiple reports have linked disproportionately higher rates of COVID-19 infection, hospitalization, and death among Black, Latinx, and Indigenous communities to a variety of systemic racial inequities and failures.<sup>3</sup>

Environmental racism and the subsequent chronic exposure to air pollution has been identified as one of the biggest contributing factors to higher rates of severe illness and death from COVID-19 within Black, Latinx, and Indigenous communities.<sup>4</sup> Specifically,

even small increases in exposure to a pollutant known as “fine particulate matter” is associated with a 15 percent increase in the death rate from COVID-19.<sup>5</sup> Fossil fuel plants are among the top emitters of fine particulate matter, in addition to other pollutants that can cause or worsen respiratory problems and make people more susceptible to COVID-19.<sup>6</sup>

The fossil fuel industry receives billions of dollars in indirect and direct public subsidies every year.<sup>7</sup> For decades, Wall Street has been financing and profiting off the industry and has played a key role in sustaining the industry through its investments.<sup>8</sup> This report finds the fossil fuel industry not only has been a primary driver of climate change but also has harmed

**The CDC reports that Black, Latinx, and Indigenous people are suffering infection rates up to 2.8 times higher and death rates.**

the health of Black, Indigenous, and people of color (BIPOC) communities for decades and has made these populations highly vulnerable to severe illness and death from COVID-19.

## KEY FINDINGS

### ***The Fossil Fuel Industry Contributes To Adverse Outcomes From COVID-19 Within BIPOC Communities.***

Numerous scientific studies reviewed by the United States Environmental Protection Agency (EPA) have linked particulate pollution to a variety of serious chronic health problems, such as asthma, hypertension, and premature death.<sup>9</sup> Many of the same diseases linked to living near chemical plants, factories, and highways that produce higher levels of pollutants are associated with more severe cases of COVID-19 and COVID-19 related deaths.<sup>10</sup> Studies also show that low-income communities and communities of color are disproportionately exposed to air pollution and contamination of water and land compared to whiter, wealthier communities. Multiple studies conclude that race, not income, is the single greatest indicator in the United States that determines whether one lives near a hazardous, toxic facility. Black people in the United States face the greatest health burden from industrial and chemical facilities, at 54 percent compared to the overall population.<sup>11</sup>

***The Fossil Fuel Industry, Despite Untenable Financial Fundamentals, Is Propped Up By Billions In Public Dollars Annually.*** The fossil fuel industry has been in financial decline since the crash of global oil prices in mid-2014 and is under financial stress.<sup>12</sup> Yet, the U.S. government continues to subsidize this troubled industry that harms the environment and BIPOC communities. In 2015 and 2016, the fossil fuel industry received an average of \$20.5 billion a year in direct federal and state government fossil fuel production subsidies.<sup>13</sup> These subsidies, combined with indirect subsidies and supportive regulatory policy, have enabled an otherwise floundering industry to produce profits.<sup>14</sup>

***The Coronavirus Aid, Relief, And Economic Security Act Stimulus Package Prioritizes Fossil Fuel Corporations While Leaving Communities Of Color Behind.*** Despite already receiving billions

in subsidies and its contributions to the severity of the COVID-19 crisis for BIPOC and low-income communities, the fossil fuel industry lobbied the Trump Administration and Congressional leaders as they developed the Coronavirus Aid, Relief, And Economic Security Act (CARES Act) package for measures in its own financial interest.<sup>15</sup> The package ultimately provided the industry with nearly \$110 billion in stimulus funding in the form of corporate debt buyouts, tax cuts, and other programs and incentives—more than the CARES Act allocated for health care supplies and investments.<sup>16</sup>

Meanwhile, the CARES Act provided inadequate support to local communities, including the low-income, immigrant, and BIPOC communities most harmed by the fossil fuel industry.<sup>17</sup> For example, the CARES Act excluded many immigrants from Medicaid coverage, COVID-19 testing, federal unemployment insurance, and stimulus checks.<sup>18</sup> The administration of the Paycheck Protection Program (PPP) has favored large and publicly traded businesses, while, as of early May, only 12 percent of woman- and BIPOC-owned businesses received loans under the program.<sup>19</sup>

### ***Wall Street Is A Key Part Of The Fossil Fuel Industry That Is Making Us And Our Planet Sick.***

A handful of financial institutions—big banks, asset managers, private equity firms, and insurance companies—prop up a host of oil, gas, and coal corporations and their drilling operations, pipelines, refineries, petrochemical facilities, and power plants. Together, these financial institutions and fossil fuel corporations combine to uphold a fossil-finance engine that drives the chain of carbon and chemical emissions, has a damaging impact on public health in BIPOC communities, and results in preexisting health conditions in those communities that lead to greater vulnerability to adverse outcomes from death from COVID-19 infection.

## RECOMMENDATIONS

***Divest From Fossil Fuels And Invest In Frontline Communities.*** The fossil fuel industry receives, on average, \$20 billion per year in state and federal subsidies from tax breaks, regulatory relief, and

direct government spending.<sup>20</sup> Furthermore, the fossil fuel industry receives taxpayer support when public pension funds invest in its stocks and debt. These public resources could instead be put to more just, socially productive, and ecologically responsible use by expanding public health services, deploying energy efficiency and renewable energy technologies, and supporting a just transition for workers affected by the shrinking fossil fuel sector.

**Make Polluters Pay.** We must also make fossil fuel businesses pay for the carbon emissions and other harmful pollution that they create. The revenue from taxes and fines on polluters must be reinvested in ameliorating the harms caused by the fossil fuel industry and transitioning away from a fossil fuel-powered economy. The BIPOC communities on the frontlines of the climate crisis should be prioritized for this investment. Polluters and Wall Street should also

compensate BIPOC communities for the decades of harm inflicted by the fossil fuel industry and the Wall Street firms that financed the destruction.

### **Democratize Energy Production And**

**Distribution.** As long as energy resources are controlled by private interests for the purpose of wealth accumulation, the negative impacts of energy production and distribution will always be pushed onto those communities that have been foreclosed from political power. To rectify the imbalance in who bears the costs and ill effects of energy production and distribution and ensure that all energy development in the future meets the needs of the communities it is meant to serve, the sites of energy production and distribution should be brought under public ownership and control.

## SECTION 2. INTRODUCTION

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As of October 2020, the CDC reported that COVID-19 had reached 7.5 million total cases and 211, 000 deaths in the United States alone.<sup>21</sup> While in the early days of the pandemic the media and government officials, such as New York Governor Andrew Cuomo, claimed COVID-19 was a “great equalizer,” capable of infecting anyone regardless of age, race, or other demographic factors, data overwhelmingly shows that the virus is amplifying existing inequalities and harming poor and BIPOC communities most.<sup>22</sup>

CDC reports that Black, Latinx, and Indigenous people are suffering hospitalization rates up to 5.3 times higher and death rates up to 2.1 times higher than white people.<sup>23</sup> Numerous reports have linked disproportionately higher rates of severe illness and death from COVID-19 among Black, Latinx,

and Indigenous communities to a variety of factors, including chronic exposure to air pollution, adverse housing conditions, crowded living environments, diminished access to health care, reliance on public transportation, and higher rates of employment in sectors requiring close interactions with the public.<sup>24</sup>

Exposure to air pollution has been identified as one of the biggest contributing factors, with even the smallest increase of exposure to a common pollutant known as “fine particulate matter” being associated with a 15 percent increase in the death rate from COVID-19.<sup>25</sup> Fossil fuel plants are among the top emitters of fine particulate matter, in addition to other pollutants that can cause or worsen respiratory problems and make people more susceptible to adverse outcomes from COVID-19.<sup>26</sup> The fossil fuel industry receives billions of dollars in indirect and