

Economic Hardship From COVID-19 Facing NYC's Working Parents and Youth

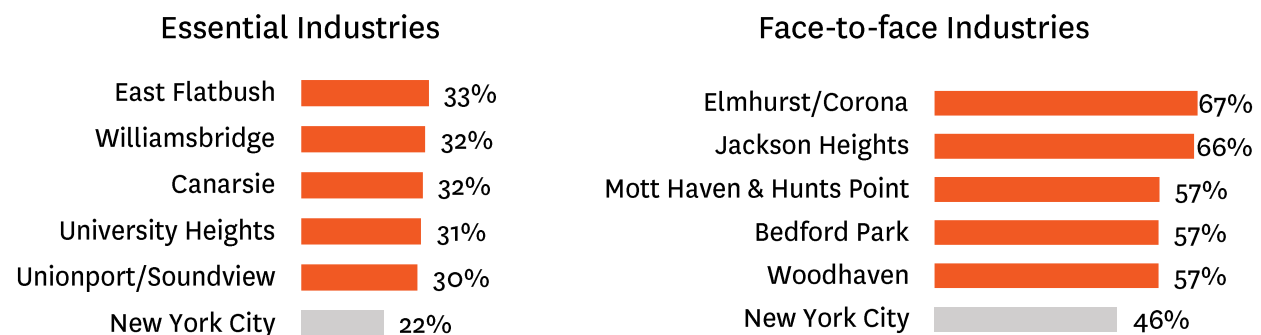


By Jack Mullan, Daryl Hornick-Becker, Bijan Kimiagar

The coronavirus pandemic is an unprecedented crisis for New York City, but the outbreak of cases has wrought particular devastation in select communities – specifically, though not exclusively, many outer-borough areas home to Black, Latino, and immigrant households.

There are multiple reasons for this, as outlined in CCC's [preliminary analysis of hard-hit communities](#), [recent testimonies](#), and [ongoing series on the impacts of COVID-19](#). One factor that has become undeniably clear: **New York City's stratified workforce put workers from a subset of neighborhoods at heightened risk of contracting the virus.** This may be due to a neighborhood having a higher share of residents in the essential workforce like health care and grocery stores. The data certainly correspond to this in areas like East Flatbush, Williamsbridge, and Canarsie.

Share of Residents Working Jobs in...



It may also be the case that communities with a greater share of workers in 'face-to-face' industries, i.e. hospitality and restaurants, experienced a surge in COVID-19 cases due to increased exposure during the incipient (pre-lockdown) phase of the outbreak. Indeed, the neighborhoods of Elmhurst/Corona and Jackson Heights encompass [the zip codes with two out of the three highest number of COVID-19 cases to date](#).

In the midst of this pandemic, New York City's workforce is now defined by three tiers of workers: those in *Essential Industries* who are continuing to commute to their jobs to meet every day needs, i.e. health care, food retail, and utilities; those in *Face-to-face Industries*, whose employment status and prospects are jeopardized by limits on in-person enterprises, like restaurants, salons, or theatres; and *Remote Industries*, where employees are most likely able to telecommute and work via digital means, in industries like professional services, finance, and technology. A more detailed breakdown of these industry groupings – which originally [derive from work outlined by the Center for NYC Affairs](#) – can be found in the appendix.

Who are the workers at risk of job displacement?

The impact of the statewide lockdown on businesses and general decline in economic activity appears to have had a particularly detrimental impact on the job security of workers in Face-to-face industries. Recent estimates from the Center for an Urban Future reveal that close to [half of all jobs in services industries](#), like restaurants, accommodation, and hospitality, have been lost since February.

While current information on the labor market is somewhat incomplete in New York City, the state of New York has [published weekly records of unemployment claims](#) opened by residents of the state. The initial unemployment claims data point to an overwhelming surge in unemployed workers in many Face-to-face industries. From March 14 to July 11, the rate of increase in unemployment claims increased the most among workers in Other Services, Retail, and Accommodation and Restaurants, comparing with the same period in 2019.

New York State Initial Unemployment Claims: Industries Reporting Highest Increase from 2019-2020

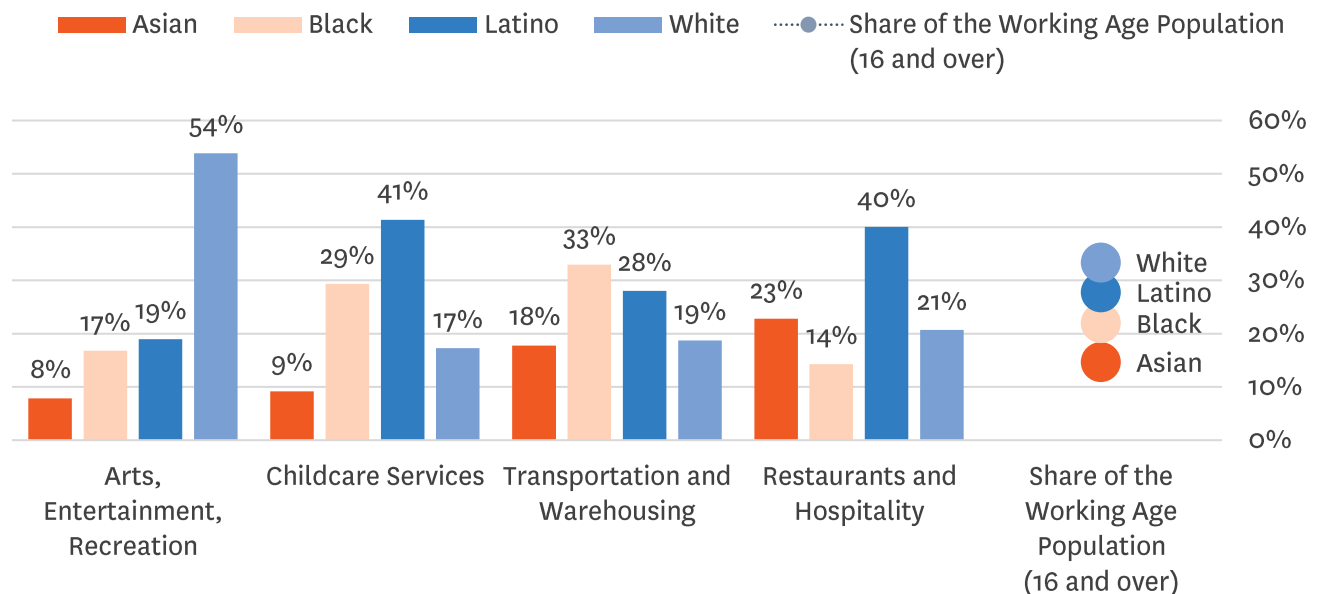
March 14 - July 11 (2019 to 2020 year over year change)		
Industry	Number of new unemployment claims	Percent change
Other Services	+142,811	+2543%
Retail Trade	+339,068	+1707%
Accommodation and Food Services	+449,979	+1383%
Health Care and Social Assistance	+344,554	+1315%
Wholesale Trade	+89,586	+1190%

What do these industry-specific projections mean for New York's communities right now? The following sections highlight some of the ways in which the segmentation of the labor market along demographic lines places specific groups of New Yorkers at higher risk of economic insecurity.

The workforce is racially stratified, even within industries that are losing jobs

In different ways, New Yorkers of different race/ethnic backgrounds are facing adverse risks to their employment security due to their disproportionate makeup in certain face-to-face industries.

Share of workers in each industry by race/ethnicity

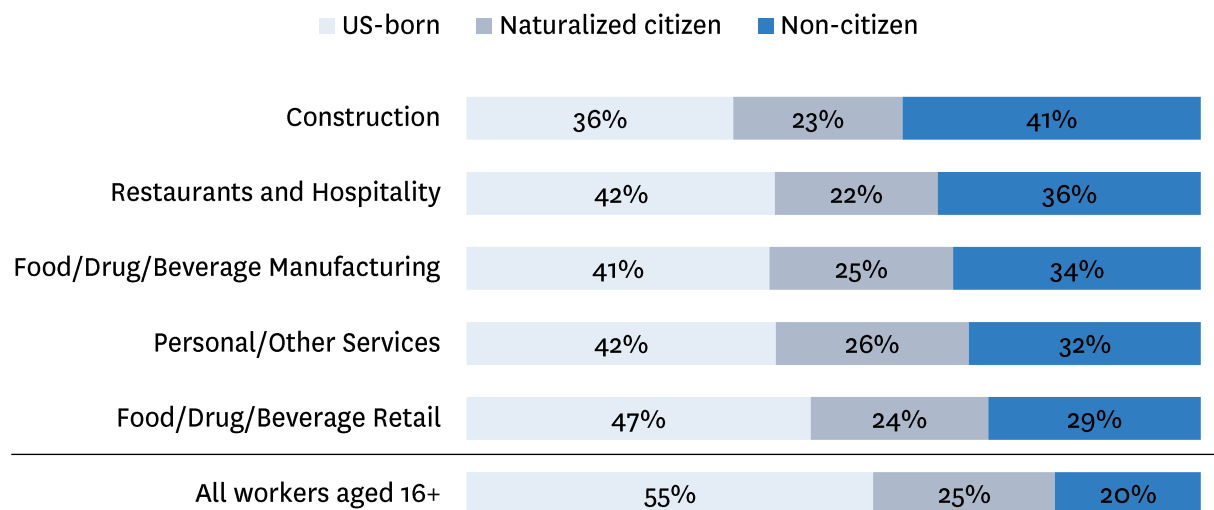


New York City's working age population is roughly 33% White, 28% Latino, 23% Asian, and 14% Black. However, the above chart illustrates how some industries see a disproportionate concentration of one racial/ethnic group relative to its overall share. For example, New Yorkers who are white make up more than half of all workers employed in arts, entertainment, and recreation jobs. Latinos are over-represented in childcare services; Black workers are significantly over-represented in transportation and warehousing; while Latino and Asian workers are more likely to be found in restaurants and hospitality. For each group of New Yorkers, their prevalence in these industries may contribute to increased vulnerability to job and/or income loss due to reduced economic activity in these industries during the COVID-19 pandemic.

Non-citizens make up a large share of workers on the frontlines, as well as those at risk of job loss

In essential jobs like manufacturing of food, drug, and beverages and workers at grocery stores and gas stations, non-citizens make up a substantial proportion of employees. Additionally, in many of the same face-to-face industries recording a high number of job losses, non-citizen New Yorkers are a large part of the workforce.

Share of workers in each industry by citizenship status

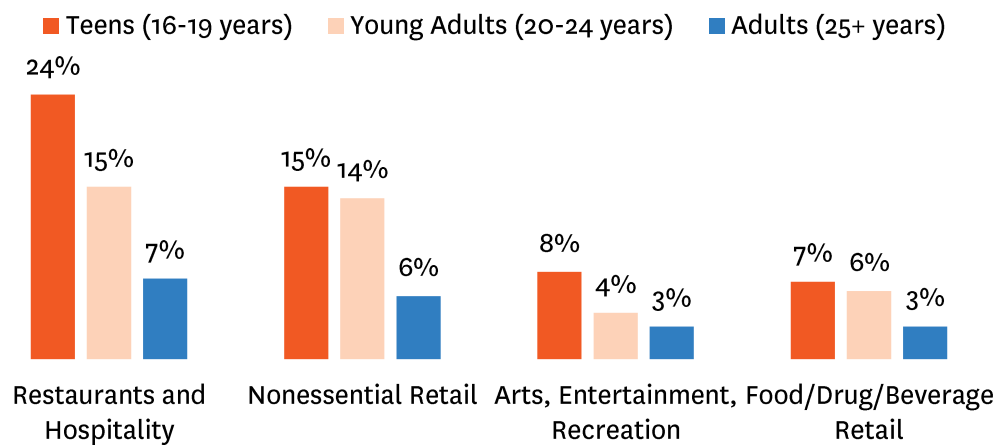


Thus far, federal stimulus and relief legislation has not been extended to undocumented residents and mixed status households. Yet immigrant communities have been overwhelmingly affected by the job losses and [economic precarity of the last few months, demanding greater support](#). Non-citizens' over-representation in restaurants and other services jobs place them and their families at risk of sustained deprivation in the absence of state and federal interventions.

Young New Yorkers were disproportionately employed in jobs at risk of displacement

Nearly one in five working youth between the ages of 16 and 24 were employed in restaurants and hospitality or nonessential retail in 2018. Teens were especially likely to be employed in restaurants and hospitality. Compared to their adult peers, youth are also more likely to work in arts, entertainment, recreation, and food retail stores.

Share of age group employed in...

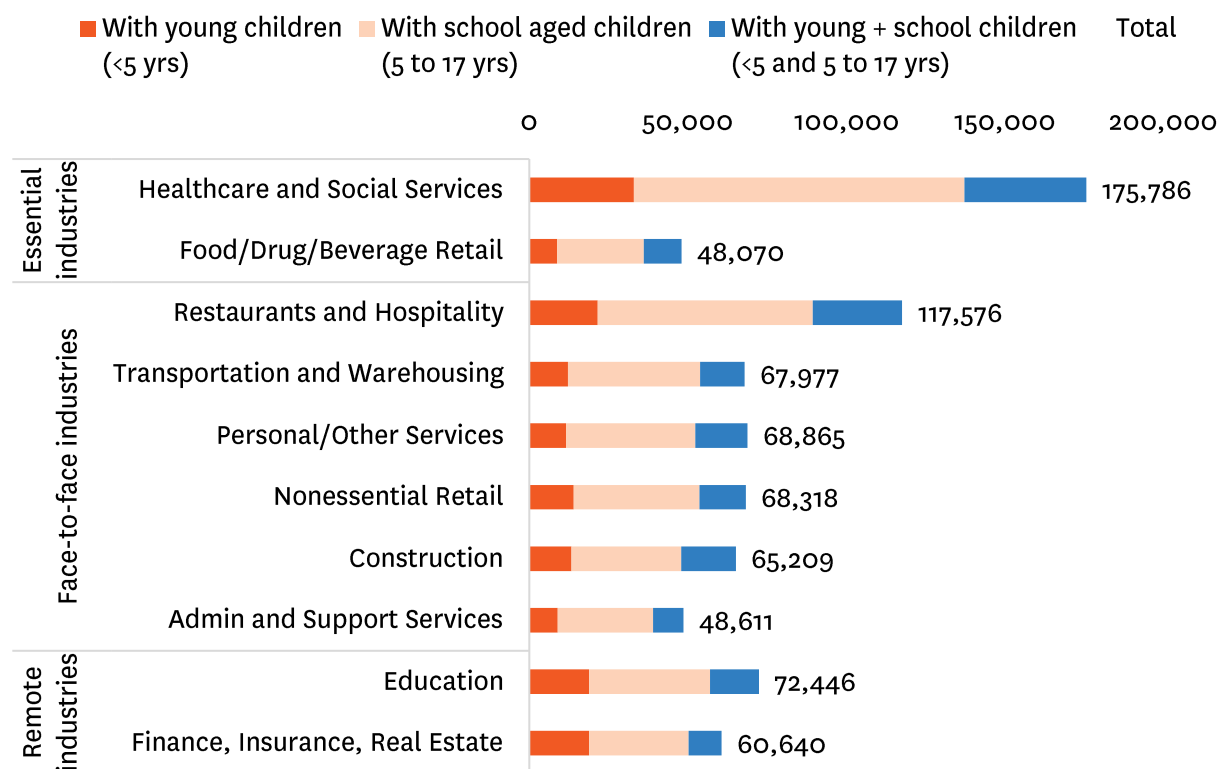


The belated and partial restoration of the Summer Youth Employment Program has proven to be a difficult undertaking, and its temporary nature means that job opportunities for youth will be even harder to come by in the fall and onward. As industries that often provide employment for youth – such as restaurants, hospitality, and retail – are currently curtailed by public health guidelines, it is critical to find innovative pathways for young people to enter the labor market and find meaningful employment. Multiple pathways are needed considering young people make up a significant share of the workforce and contribute to household income – there were 500,000-plus youth ages 16 to 24 working in 2018.

Nearly 250,000 essential workers live with at least one child under 18 at home

On top of the pressures on employment and wages, millions of parents and caregivers must grapple with the balance between work and childcare commitments. In the Healthcare and Social Services essential workforce who mostly commute to work, approximately 175,000 workers live with either a young child (under 5), school age child (5 to 17), or both at home – the bulk of them living with children at school age.

Number of workers living with children at home, by industry



Many workers in face-to-face industries also live with children at home, above all workers in restaurants and hospitality. Workers in these face-to-face jobs are less likely to have the flexibility to work remotely and may be in greater need of childcare, in-person school instruction options or place based remote learning options than workers employed in remote industries.

The way forward

Geographic and demographic stratification across workforce industries already placed greater economic precarity upon people of color, young people, families with children, and non-citizens living in New York City. These at-risk groups are the most negatively impacted by the COVID-19 pandemic and the economic fallout. New York City has seen a total of 2.9 million New Yorkers file for unemployment since the pandemic began and many more have seen their hours and salaries cut. Families are facing economic insecurity, housing instability, illness, loss of loved ones, and widespread uncertainty about their futures.

In the face of this unprecedented national crisis, federal action is necessary to support families' loss of income, prevent homelessness, fight hunger, and ensure those most affected can survive. Large-scale federal relief packages that included expanded unemployment insurance and increased benefits enacted earlier in the pandemic helped some, but with expanded unemployment set to expire, state and localities cutting support services, and no end to the economic devastation in sight, meaningful action at the federal level is needed again and more than ever.

For the next package of federal relief, the House of Representatives passed the HEROES Act in May, which included a number of important provisions that would help struggling families. Unfortunately, in response Senate Republicans have proposed legislation that falls far short of addressing the fundamental challenges facing children and families, instead prioritizing tax breaks for corporations.

The Senate must pass legislation that mirrors the HEROES Act and includes critical supports for families, including:

- Increasing SNAP benefits and extending Pandemic EBT benefits
- Providing aid to state and local governments so they don't have to make devastating cuts
- Continuing the \$600 weekly enhanced unemployment benefits and extending paid leave
- Funding coronavirus medical treatment and testing
- Providing direct aid and emergency rental assistance for struggling families
- Eliminating barriers to health screenings and treatment in Medicaid and supporting basic needs for immigrant families
- Providing new investments in early education and child care
- Providing direct aid to schools and school districts
- Increase the federal matching rate for Medicaid (FMAP) to states to 14%, with no "maintenance of effort" opt-outs for any state, or other changes that put Medicaid eligibility and access at risk.

Congress must act now to combat this crisis and avoid putting families at risk of deeper, long-term hardship, especially in families with people of color, young children and non-citizens.

Appendix

Overview of Industry Classifications

Source: CCC analysis of U.S. Census Bureau, American Community Survey Public Use Microdata Sample files (5-year average for 2014-2018).

		2018 estimate		
	Number of NYC residents working in...	Count	Percent	Margin of Error (N)
Essential	Healthcare and Social Services	762,807	15.7%	±7,946
	Food/Drug/Beverage Retail	160,234	3.3%	±4,048
	Food/Drug/Beverage Wholesale	41,504	0.9%	±1,890
	Food/Drug/Beverage Manufacturing	29,799	0.6%	±1,555
	Utilities	17,344	0.4%	±1,167
Face-to-face	Restaurants and Hospitality	403,082	8.3%	±6,570
	Admin and Support Services	201,775	4.1%	±4,874
	Transportation and Warehousing	291,339	6.0%	±5,454
	Personal/Other Services	270,720	5.6%	±5,222
	Nonessential Retail	321,953	6.6%	±5,591
	Construction	247,470	5.1%	±5,154
	Arts, Entertainment, Recreation	152,582	3.1%	±3,979
	Nonessential Wholesale	58,852	1.2%	±2,200
	Childcare Services	79,461	1.6%	±2,619
	Nonessential Manufacturing	138,715	2.9%	±4,030
Remote	Professional Services	449,288	9.2%	±7,189
	Finance, Insurance, Real Estate	429,082	8.8%	±7,349
	Education	443,761	9.1%	±5,888
	Information	177,371	3.6%	±4,257
N/A	Public Administration	181,259	3.7%	±4,483
	Agriculture, Fishing, Extraction	6,049	0.1%	±765
	Total	4,864,445		±11,843