

The Pandemic Recession: Hitting Immigrants and People of Color Hardest

November 2020

UNEMPLOYMENT RATES HAVE BEEN EXTRAORDINARILY HIGH DURING THE PANDEMIC RECESSION jumping in April to a peak of 16 percent in July 2020 after having hovered for several years around four percent through March 2020. The unemployment rate of nine percent in October is lower than the July peak, but it is still more than double the rate of last year. (Figure 1.) And, the rate in October is hardly lower than it was in September, a disturbing sign that future months may see an increase rather than a decrease in unemployment, perhaps related to the autumn increase in the number of COVID-19 cases.

The overall unemployment rates are dramatic, and every group is deeply affected by the COVID-19 recession. But, immigrants and people of color are hit far harder by unemployment. And undocumented immigrants may be hit hardest of all, while also being left out of aid such as the existing unemployment insurance system that can help workers through tough times.

The Pandemic Unemployment Crisis in New York State

Jan 2018 to Oct. 2020

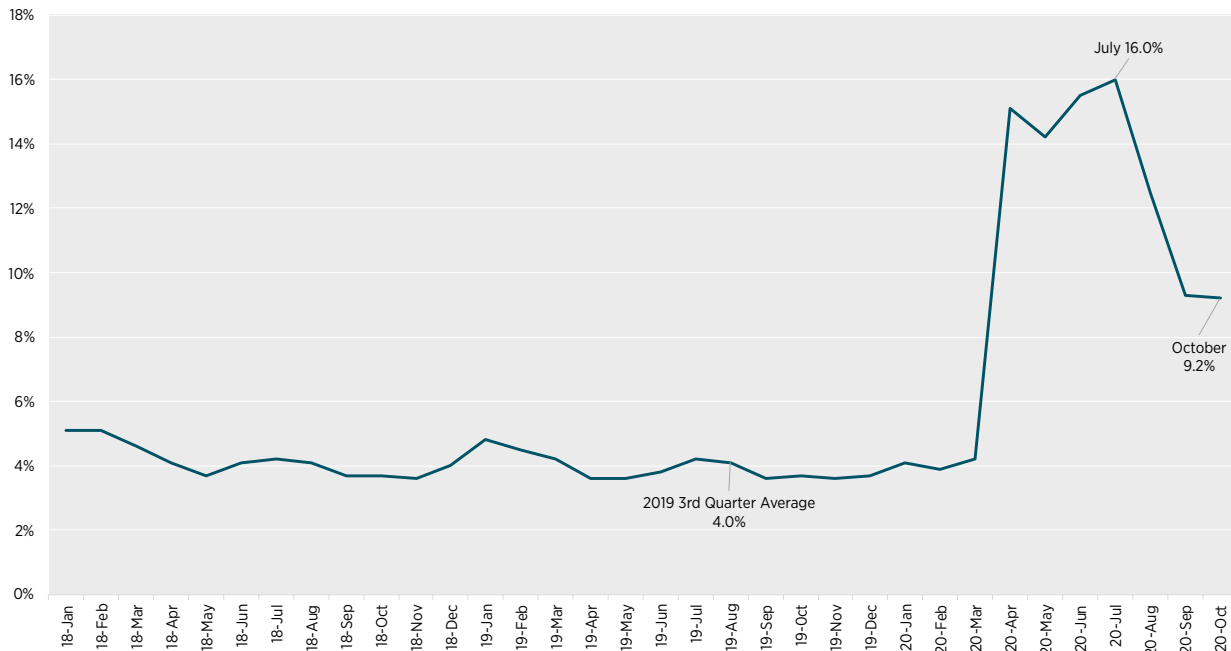


FIG. 1 Fiscal Policy Institute analysis of New York State Labor Department data. Not seasonally adjusted.

To look at the data in more detail, this analysis groups three months that represent the third quarter of 2020, July, August, and September, and compares to the same months a year ago. In New York State, the overall unemployment rate for that period was 13 percent, more than triple the rate of a year earlier. Yet there is a striking difference in the rates for white, Black, Latinx, and Asians (the data for Asians also includes people identifying as more than one race, or another race.) For white New Yorkers, the unemployment rate was 10 percent, for Black New Yorkers it was 13 percent, and for Asian New Yorkers it was 16 percent. For Latinx New Yorkers the rate was 19 percent—nearly double the rate for whites. (Figure 2.)

The impact of the pandemic recession on immigrant New Yorkers has been particularly dramatic. A year ago, the unemployment rate for immigrant New Yorkers was a little *lower* than for their U.S.-born counterparts. Today, the rate is considerably *higher*—15 percent for immigrants and 12 percent for U.S.-born.

Immigrants and People of Color Are Hit Hardest by Unemployment

	Unemployment Rate	
	2019 Q3	2020 Q3
White	4%	10%
Black	6%	13%
Latinx	5%	19%
Asian/Other	2%	16%
Immigrants	3%	15%
U.S.-Born	4%	12%
New York State	4%	13%

FIG. 2 Source: Fiscal Policy Institute analysis of Current Population Survey microdata provided by IPUMS (IPUMS-USA, University of Minnesota), adjusted to Local Area Unemployment Statistics.

And, there is good reason to think that *undocumented* immigrants in New York have been hit hardest of all by this recession, a particular concern since they are also left without many of the supports that other workers can count on during hard times, from unemployment insurance to health care coverage.

There is not a direct measure of unemployment among undocumented workers, but looking at the industries in which undocumented immigrants gives us insight into the labor market they are facing. On the one hand, undocumented workers are particularly

concentrated both among essential workers in jobs in supermarkets, public transportation, delivery services, and health care, for example.¹ On the other hand, undocumented immigrants are also concentrated in the industries that have seen the largest job loss, such as restaurants and hotels. Where undocumented immigrants are far less likely to work is in the jobs that have been able to continue relatively undisturbed through this recession because they can be done from home.

The biggest job decline looking at the third quarter of 2020 compared to a year earlier is in the leisure and hospitality sector: a 46 percent drop in arts, entertainment and recreation, and a 40 percent drop in accommodation and food services (Figure 3). This is also the sector where undocumented immigrants are most likely to be working. Twenty percent of all undocumented immigrants working in New York State work in the leisure and hospitality

industry, the largest single sector for employment of undocumented immigrants. Construction, the second-largest sector for undocumented immigrants, has also been hit hard by the recession. And the third largest concentration, wholesale, and retail, has been sharply divided. People working in grocery stores and pharmacies, for example, are essential workers who have continued on the job, at some risk to their health. Other retail and wholesale businesses have been closing at an alarming rate, with workers laid off and those without access to unemployment insurance put in a dire position.

Overall, there are an estimated 490,000 undocumented immigrants in New York State labor force, according to an estimate of the [Center for Migration Studies](#) for 2018.

Job Loss by Industry in New York State

2019 (3rd Quarter) to 2020 (3rd Quarter)

Industry	Jobs Lost	Percent Change
Leisure and Hospitality		
Arts, Entertainment and Recreation	-82,000	-46%
Accommodation and Food Services	-313,000	-40%
Transportation, Warehousing and Utilities		
	-57,000	-18%
Other Services	-63,000	-15%
Professional and Business Services*		
	-164,000	-12%
Wholesale Trade	-37,000	-11%
Construction & Natural Resources		
	-46,000	-11%
Retail Trade	-101,000	-11%
Manufacturing	-44,000	-10%
Government	-109,000	-7%
Educational Services		
	-37,000	-7%
Health Care and Social Assistance		
	-112,000	-7%
Finance, Insurance, & Real Estate		
	-43,000	-6%
Information	-16,000	-6%
All Industries**	-1,222,000	-12%

FIG. 3 Fiscal Policy Institute Analysis of New York State Department of Labor, Current Employment Statistics.

*Business Services includes Temp Agencies.

**All industries excluding farming industries.

Undocumented Workers Are Most Clustered in the Hard-Hit Leisure and Hospitality Sector

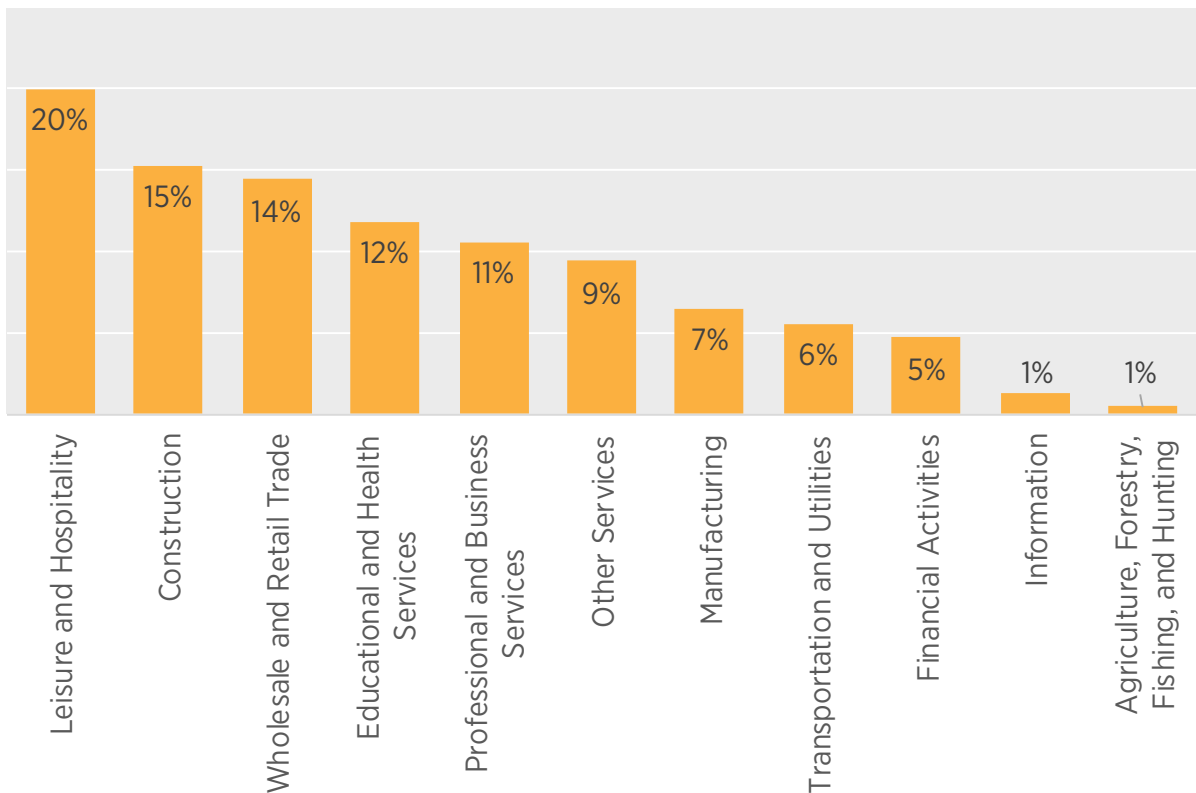


FIG. 4 Data provided to the Fiscal Policy Institute by the Pew Research Center. The Pew analysis is based on 2016 and 2017 data from the American Community Survey using a well established methodology to provide estimates about undocumented immigrants.

COVID-related federal relief has been slowing or stopping: unemployment insurance expansions are reduced and set to end with the new year, and a second federal aid package has been indefinitely stalled. Federal, state, and local governments all need to take note that the pandemic unemployment crisis is far from over, and it is hurting some communities and some industries far more than others.

Recommendations

- Pass the New York State Excluded Workers Fund to provide weekly payments to people who are unemployed but are excluded from the state's unemployment insurance system.
- Fully fund health care, schools, and other urgently needed government services rather than cutting back in the name of budget austerity.
- Ensure that those people who are working but not able to work from home have the personal protective equipment they need to keep as safe as possible.
- Remove the federal change to the "public charge" rule, which has created a chilling effect that stands in the way of immigrants and their families getting public services for which they are eligible.
- Make any federal funds coming to the states flexible enough to allow our state to include all New Yorkers in aid.

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The Fiscal Policy Institute is an independent, nonpartisan, nonprofit research and education organization committed to improving public policies and private practices to better the economic and social conditions of all New Yorkers. FPI's Immigration Research Initiative looks at immigration issues in New York State, and around the country.

Endnotes

¹ For more on essential workers, see the Fiscal Policy Institute's report "New York's Essential Workers: Overlooked, Underpaid, and Indispensable," April 8, 2020, by David Dyssegaard Kallick.