

MONITORING POVERTY AND WELL-BEING IN NYC

## SPOTLIGHT ON COVID-19:

Nearly half of all New York City workers lost employment income from the pandemic, deepening economic insecurity and racial inequity across the city

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# Introduction

In the summer of 2020, the economic crisis associated with the coronavirus (COVID-19) pandemic pushed the unemployment rate in New York City to roughly 20 percent.<sup>1</sup> Analyses of past economic downturns show that their impacts are primarily borne by those already in vulnerable financial positions, exacerbating the economic hardships and inequities that preceded them.<sup>2</sup> Economic downturns also widen inequality along racial lines, as people of color endure the greatest losses and benefit the least during periods of recovery.<sup>3</sup> Research on the Great Recession shows that while total wealth of both white and Black Americans fell between 2007 and 2009, it began to increase in 2009 for white Americans even as it continued to fall for Black Americans.<sup>4</sup> This is just one example of how an economic crisis can intensify racial inequities.

Understanding how the current crisis has played out in New York City — both in terms of who has been most affected and how they were faring previously — requires comprehensive longitudinal data on the New York City population, a unique feature of the Poverty Tracker. The Poverty Tracker is a longitudinal study of poverty and disadvantage that provides detailed information about New Yorkers' employment status, income levels, and economic well-being. This report uses Poverty Tracker data to identify which New Yorkers were hardest hit at the beginning of the economic crisis associated with COVID-19 and to assess their economic positions in the year prior to the outbreak.<sup>5</sup> In future analyses, we will use Poverty Tracker data to identify who has fallen into poverty and material hardship as a result of the pandemic.

This crisis presents an opportunity to implement policy responses that address the immediate impacts of the fallout associated with the pandemic, while also addressing underlying inequalities exacerbated by COVID-19. Policy solutions that return New York City to the status quo will only bring us back to a fragile economic situation in which millions of New Yorkers struggle to get by and remain vulnerable to devastating economic shocks. Instead, we need to reimagine how the institutions and policies in our society function in response to the current economic crisis and to historic economic inequality, both of which disproportionately impact communities of color.

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<sup>1</sup> New York State Department of Labor (2020).

<sup>2</sup> Hout, Levanon, and Cumberworth (2011).

<sup>3</sup> Drake (2013); Federal Reserve Bank of Chicago (2018).

<sup>4</sup> Burd-Sharps and Rasch (2015).

<sup>5</sup> We specifically examine rates of poverty and material hardship in 2019.

# Key Findings

## NEARLY HALF OF ALL NEW YORK CITY WORKERS LOST EMPLOYMENT INCOME DURING THE HEIGHT OF THE OUTBREAK.

A decimated labor market left low-wage workers, who are predominantly Black and Hispanic, more vulnerable to economic hardship because of COVID-19 than higher-wage workers.



More than half of low-wage workers in New York City, who are predominantly Black and Hispanic, lost employment income at the height of the COVID-19 outbreak.

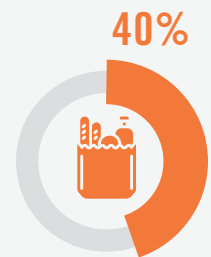


## THOSE WHO LOST EMPLOYMENT INCOME BECAUSE OF COVID-19 WERE ALREADY SIGNIFICANTLY MORE LIKELY TO FACE POVERTY AND MATERIAL HARDSHIP BEFORE THE OUTBREAK THAN THOSE WHO TRANSITIONED TO REMOTE WORK AND DID NOT LOSE EMPLOYMENT INCOME.



New Yorkers who **lost employment** income were more than twice as likely to be in poverty prior to the pandemic compared to those who began to work from home.<sup>6</sup>

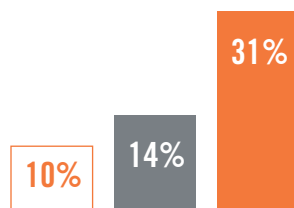
**Forty percent** of New Yorkers who lost employment income because of COVID-19 faced food hardship before the outbreak, compared to only 5 percent of those who began to work from home.<sup>7</sup>



## THE PANDEMIC THREATENS TO DEEPEN ECONOMIC INEQUALITY ALONG RACIAL AND ETHNIC LINES AS BLACK AND HISPANIC NEW YORKERS WHO LOST EMPLOYMENT INCOME FACED A HIGHER RISK OF FALLING INTO POVERTY THAN WHITE NEW YORKERS WHO LOST EMPLOYMENT INCOME.

Pre-pandemic, Black and Hispanic New Yorkers who later lost employment income were **more likely to be in poverty or to be low-income** than white New Yorkers who eventually lost employment income.

## BLACK WORKERS HAVE DISPROPORTIONATELY CONTINUED TO WORK ON-SITE AS ESSENTIAL WORKERS DURING THE PANDEMIC — BEING PUT AT A GREATER RISK OF EXPOSURE TO COVID-19.



Roughly **31 percent** of **Black workers** continued to work on-site at the peak of the COVID-19 outbreak — twice the rate of Hispanic workers and three times the rate of white workers.<sup>8</sup>

<sup>6</sup> In this comparison, the group that transitioned to work from home does not include anyone who lost employment income.

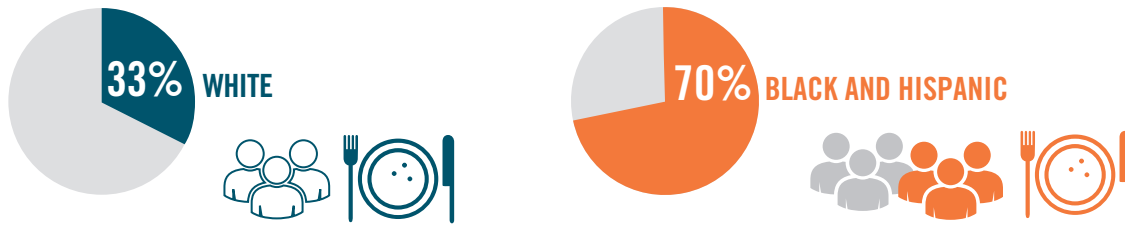
<sup>7</sup> In this comparison, the group that transitioned to work from home does not include anyone who lost employment income.

<sup>8</sup> Note that this estimate excludes essential on-site workers who also lost employment income because of COVID-19.

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**BLACK AND HISPANIC NEW YORKERS WHO LOST EMPLOYMENT INCOME DUE TO COVID-19 WERE MORE LIKELY TO WORRY ABOUT FOOD RUNNING OUT THAN WHITE NEW YORKERS WHO LOST EMPLOYMENT INCOME.**

At the height of the COVID-19 outbreak, roughly 70 percent of Black and Hispanic New Yorkers who lost employment income worried that they would run out of food before the end of the month because they did not have money to buy more. Roughly 33 percent of white New Yorkers who lost employment income faced this hardship.



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**ESSENTIAL ON-SITE WORKERS WHO DID NOT LOSE EMPLOYMENT INCOME WERE IN MORE VULNERABLE FINANCIAL POSITIONS PRIOR TO THE COVID-19 OUTBREAK THAN THOSE WHO WERE ABLE TO WORK FROM HOME.**

Before the pandemic, **20 percent** of essential on-site workers were unable to make a full rent or mortgage payment and **30 percent** had fallen behind on utility bills or had their utilities shut off. These experiences were twice as common among essential on-site workers than those who began to work from home.



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**THE POLICIES ENACTED IN RESPONSE TO COVID-19 HAVE PROVIDED SHORT-TERM RELIEF, BUT ACHIEVING LONG-TERM SOLUTIONS TO POVERTY AND ECONOMIC INSECURITY WILL REQUIRE AMBITIOUS AND SUSTAINED PUBLIC POLICIES THAT TARGET PREEXISTING ECONOMIC AND RACIAL INEQUITIES.**

## The Poverty Tracker

Launched in 2012, the Poverty Tracker surveys a representative sample of New Yorkers every three months, providing critical information on the dynamics of poverty and other forms of disadvantage in the City. In addition to measures on poverty and disadvantage, the Poverty Tracker collects a wealth of information on other topics such as employment, assets and debts, and health.

# About our Approach

In April, May, and June of 2020, the Poverty Tracker fielded a survey on the immediate impacts of COVID-19 on employment and work-related income.<sup>9</sup> The survey asked respondents (who had worked since January 1, 2020) if they had experienced any of the following because of COVID-19:

1. Been unable to work,
2. Lost employment income,
3. Been laid off or furloughed, or
4. Worked from home.

With this data, we were able to categorize respondents' employment-based experiences into the following groups:

## LOST EMPLOYMENT INCOME

Respondents who lost income, or were laid off or furloughed.

## ESSENTIAL ON-SITE WORKERS WHO DID NOT LOSE EMPLOYMENT INCOME

Respondents who are not working from home and have not lost income or been laid off or furloughed.

*(Note that if an essential on-site worker also lost employment income, we grouped them with the other workers who lost employment income. See Appendix B to learn more.)*

## WORKED FROM HOME OR HAD FULL PAID LEAVE

Respondents who worked from home and did not lose any income, or who were unable to work, but did not lose income.

*(Note that if a respondent worked from home and lost employment income, we grouped them with the other workers who lost employment income.)*

The group who lost employment income includes both those who lost their job and those who lost employment income for other reasons. For example, they may have kept their job but had their hours cut, their salary cut, or earned less from tips. We chose to focus on all workers who lost employment income instead of solely on those who lost their job in order to capture this wider array of economic losses. Supplemental results that break out those who lost their job from those who lost employment income for other reasons are included in Appendix A. In addition, New Yorkers who both transitioned to remote work and lost employment income are grouped with those who lost employment income. The same is true for essential on-site workers who lost employment income. Lastly, this data was collected in April, May, and June of 2020, and the employment data discussed in the report is specific to those months.

With this data, we answer four key questions:

1. How did COVID-19 disrupt the New York City labor market, and which workers were most affected?
2. How were New Yorkers who lost employment income because of COVID-19 doing prior to the crisis relative to those who have worked from home?
3. What do we know about the hardships faced at the peak of the COVID-19 outbreak in New York City by those who lost employment income?
4. Prior to the COVID-19 outbreak, how were essential on-site workers faring economically, relative to those who have worked from home?

<sup>9</sup>The overwhelming majority (79 percent) of respondents completed this survey in April of 2020.

# Findings

## HOW DID COVID-19 AFFECT THE NEW YORK CITY LABOR MARKET?

A decimated labor market left low-wage workers, who are predominantly Black and Hispanic, more vulnerable to economic hardship because of COVID-19.

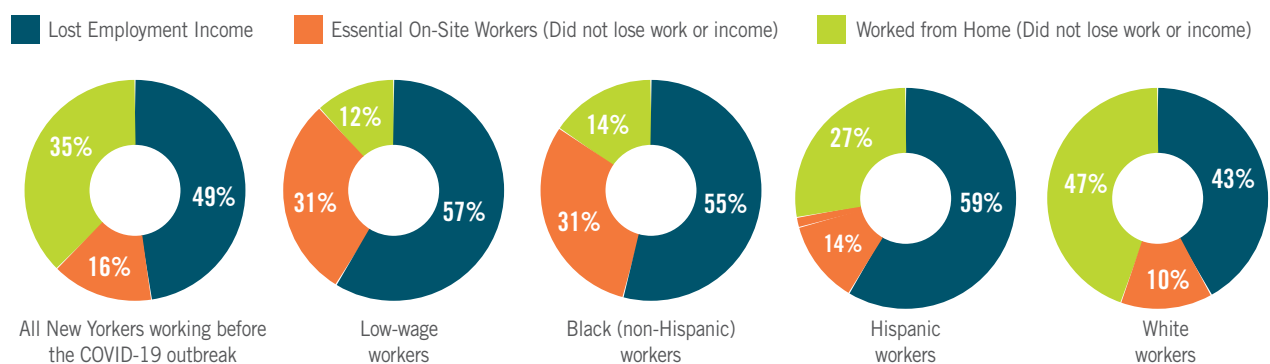
On March 1, 2020, the first COVID-19 case was diagnosed in New York City, and two weeks later the state went “on pause.” This necessary public health policy led millions of New Yorkers to lose work and income. Low-wage workers, who are predominantly Black<sup>10</sup> and Hispanic, were particularly vulnerable to losing work and income in the three months following the “on pause” order. Black New Yorkers also faced an elevated risk of exposure to COVID-19 as they were overrepresented among essential on-site workers.

## NEARLY HALF OF ALL NEW YORK CITY WORKERS AND MORE THAN HALF OF LOW-WAGE WORKERS LOST EMPLOYMENT INCOME BECAUSE OF COVID-19.

Nearly 50 percent of Poverty Tracker respondents who were working prior to the COVID-19 outbreak lost employment income for a reason related to the pandemic (see Figure 1). Over half (57 percent) of low-wage workers<sup>11</sup> lost employment income because of COVID-19, and they were significantly more likely to have lost employment income than higher-wage workers (see Appendix C, Table C1). Workers of color are overrepresented among low-wage workers, and the data show that 55 percent of Black workers and 59 percent of Hispanic workers lost employment income because of COVID-19, compared to 43 percent of white workers.

Figure 1

### Employment status in initial months<sup>12</sup> of the New York City COVID-19 outbreak



**Note:** If an essential on-site worker or a worker who worked from home also lost employment income, they are grouped with the other workers who lost employment income. See Appendix B to learn more.

**Source:** Poverty Tracker annual survey data and 27-month survey data, third panel.

<sup>10</sup> In this report, the term “Black New Yorkers” refers to the population of Black New Yorkers who do not identify as Hispanic, Latino, Latina, or Latinx.

<sup>11</sup> In this report, we define low-wage workers as those with earnings below \$20 per hour.

<sup>12</sup> This includes April, May, and June 2020.

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But the crisis has also affected those who remained fully employed. We identified workers who have not lost their job or employment income because they continued to work on-site at the peak of the COVID-19 outbreak in New York City — essential, on-site workers. Roughly 31 percent of Black workers continued to work on-site in the months they were surveyed (April, May, and June 2020) — twice the rate of Hispanic workers and three times the rate of white workers.<sup>13</sup> Black New Yorkers were overrepresented on the frontlines and were being put at a double risk. They were at a heightened risk of exposure to and dying from COVID-19 due to longstanding disparities in health driven by a lack of access to quality healthcare, insufficient income, and the structural racism that underpins these inequities.<sup>14</sup>

It is also important to note that our survey results indicate widespread economic distress, including in Asian-American and other communities. We cannot currently quantify the precise impact that the COVID-19 economic crisis has had on Asian-American communities due to constraints in our data, but we will be able to produce these estimates in the coming year.

These results show how COVID-19 has intensified longstanding inequities in the labor market — those who were making less have lost the most, while those making more have faced fewer consequences. As discussed in the next section of this report, these underlying inequities are present when examining all forms of disadvantage measured by the Poverty Tracker.

## **HOW WERE NEW YORKERS WHO HAVE LOST EMPLOYMENT INCOME DOING PRIOR TO THE COVID-19 CRISIS RELATIVE TO THOSE WHO HAVE WORKED FROM HOME?**

New Yorkers who have lost employment income because of COVID-19 faced significantly elevated rates of poverty and material hardship before the outbreak relative to those who have been able to work from home. Prior conditions were even worse for Black and Hispanic New Yorkers who lost employment income relative to white New Yorkers who lost employment income.

COVID-19 has both introduced economic insecurity and exacerbated several crises that had already left millions of New Yorkers struggling to get by. Below, we define and examine the pre-pandemic economic experiences of New Yorkers who lost employment income due to COVID-19 and compare them to those who worked from home in the initial months of the outbreak.<sup>15</sup> We begin by comparing the pre-pandemic poverty rates of these two groups, and then turn to their experiences of material hardship. (Later in the report, we compare the experiences of essential on-site workers to those who have worked from home.)

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<sup>13</sup> Black New Yorkers were significantly more likely to perform essential on-site work compared to white and Hispanic workers (see Appendix C, Table C1).

<sup>14</sup> Centers for Disease Control and Prevention (2020).

<sup>15</sup> Note that this group includes workers who have been unable to work but have had full paid leave (i.e., been unable to work but have not lost any income).

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# Poverty Status

Every year, the Poverty Tracker measures poverty in New York City using the Supplemental Poverty Measure (SPM) — an improved measure of poverty compared to the Official Poverty Measure (OPM).<sup>16</sup> Under this measure, a single adult in New York City is in poverty if they have an income below roughly \$17,000, and for an adult with two children, an income below roughly \$30,000. Note that these poverty thresholds are regionally adjusted to account for the high cost of housing in New York City.

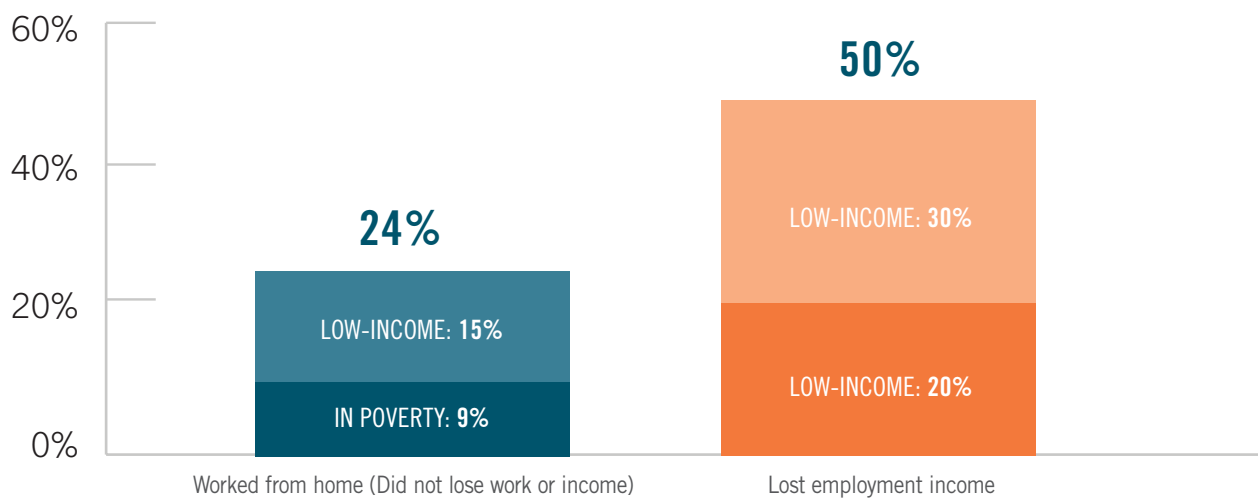
On average, 20 percent of New Yorkers who lost employment income because of COVID-19 were living in poverty prior to the pandemic (see Figure 2).<sup>17</sup> Those who lost employment income were significantly more likely to be living in poverty compared to those who have worked from home (20 percent versus 9 percent).

Figure 2

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## Economic positions prior to COVID-19 by employment status

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Source: Poverty Tracker annual survey data and 27-month survey data, third panel.

We also examine the share of workers in families that are considered “low-income.”<sup>18</sup> This is defined as those living between 100 and 200 percent of the poverty line (double the poverty line), which translates to roughly \$34,000 for a single adult and \$60,000 for an adult with two children. Families and individuals who are near poverty or are low income are at an elevated risk of falling into poverty,<sup>19</sup> thus being above 200 percent of the poverty line is an important indicator of economic stability.

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<sup>16</sup>For a comparison of the OPM and the SPM, see: Collyer, Maury, Bushman-Copp, Garfinkel, Kennedy, Neckerman, Teitler, Waldfogel, Wimer (2020).

<sup>17</sup>This is the average poverty rate across three years for workers in this group.

<sup>18</sup>Families living between 100 percent and 150 percent of the SPM poverty threshold are considered “near poverty,” while those between 150 percent and 200 percent of the threshold are “low-income.”

<sup>19</sup>See: Wimer, Collyer, Maury, Garfinkel, Kennedy, Neckerman, Teitler, and Waldfogel (2018).

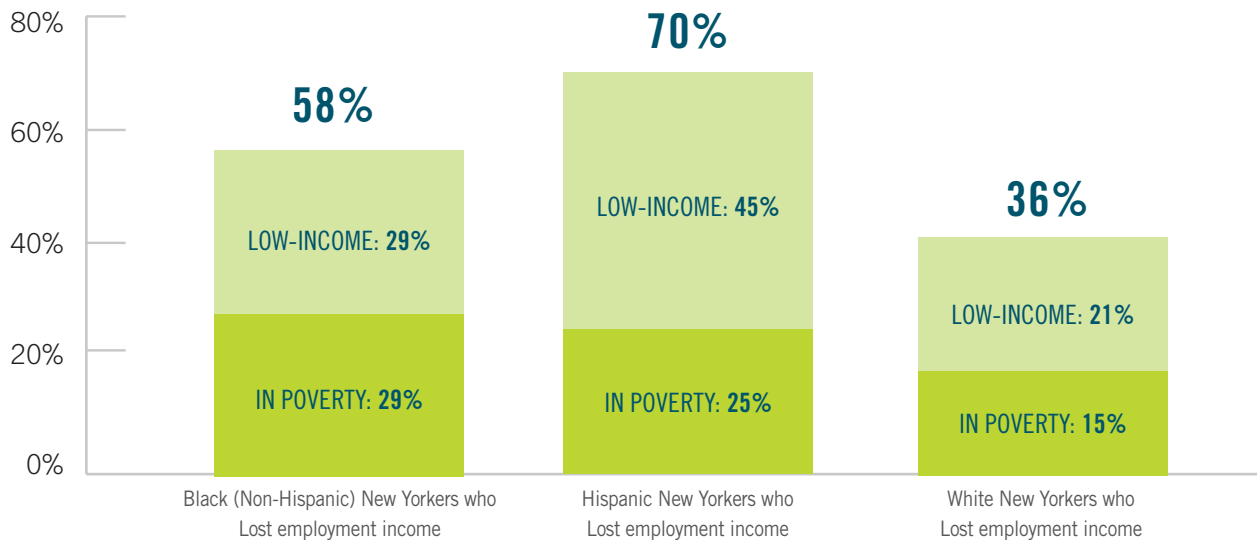


Approximately 30 percent of workers who lost employment income because of COVID-19 were considered low-income before the outbreak and were therefore extremely vulnerable to falling into poverty when they experienced these losses. By comparison, 15 percent of those who have worked from home were considered low-income or near poverty prior to the COVID-19 outbreak.

Before the pandemic, Black and Hispanic New Yorkers who later lost employment income were more likely to be in poverty or to be low-income compared to white New Yorkers who eventually lost employment income (58 percent, 70 percent, and 36 percent, respectively; see Figure 3).<sup>20</sup> Note that these results have a margin of error around them and the exact estimates should be interpreted with caution. Regardless, they show that Black and Hispanic New Yorkers who lost employment income were significantly more likely to be low-income or in poverty prior to the COVID-19 outbreak compared to white New Yorkers who lost employment income. This shows that the pandemic threatens to deepen economic inequality along racial lines as Black and Hispanic New Yorkers who lost employment income faced an elevated risk of falling into poverty compared to white New Yorkers who lost employment income. In future analyses, we will use Poverty Tracker data to identify who has fallen into poverty and material hardship as a result of COVID-19, how the pandemic exacerbated economic inequality, and how public policies have prevented against or exacerbated these consequences of the pandemic.

Figure 3

### Economic positions prior to the COVID-19 outbreak among New Yorkers who lost employment income by race and ethnicity



Source: Poverty Tracker annual survey data and 27-month survey data, third panel.

<sup>20</sup>The results in Figure 3 present the average poverty rates across three years for workers in these groups.



## Material Hardship

In addition to measuring poverty status, the Poverty Tracker captures experiences of material hardship in five domains: housing, medical, bills, food, and financial. These measures indicate whether someone is unable to meet their acute needs, such as not being able to make rent payments, buy groceries, or see a doctor because there is not enough money. Like the results from our analysis of the pre-pandemic poverty rates, New Yorkers who lost employment income were particularly vulnerable to enduring additional hardships due to COVID-19, and the risk was greatest for Black and Hispanic New Yorkers in these positions.<sup>21</sup>



## Housing Hardship

is defined as not making a full rent or mortgage payment, having to move in with others because of costs, or having to stay in a shelter or other place not meant for regular housing.

More than a quarter of New Yorkers who have lost employment income faced a housing hardship in the year prior to the COVID-19 outbreak, compared to 9 percent of those who worked from home (see Figure 4). These rates of housing hardship are evidence of the pre-COVID housing crisis that has persisted for years, leading to overcrowding and homelessness, forced moves, and evictions. And the consequences of this crisis have been borne by Black and Hispanic New Yorkers.<sup>22</sup> These housing hardships were more common among Black and Hispanic New Yorkers who lost employment income than white New Yorkers who faced these losses, meaning that the pandemic threatens to exacerbate the racial divide in the housing crisis even further (see Appendix A, Table A2). Prior Poverty Tracker research has shown how forced moves — such as informal or formal evictions — have pushed households away from higher opportunity neighborhoods, therefore, decreasing the prospects of intergenerational economic mobility.



## Medical Hardship

is defined as not being able to see a doctor because of cost.

Before the pandemic, nearly one-in-three (32 percent) New Yorkers who have lost employment income were unable to see a doctor or medical professional because of cost in the year prior to COVID-19. This hardship was twice as common among this group relative to those who worked home (see Figure 4). The pandemic has emphasized the strong linkage between personal health and public health, and the fact so many New Yorkers who lost employment income faced medical hardship shows how inequities leave the city vulnerable to public health crises.

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<sup>21</sup> Note that the definitions of hardship used for this analysis are broader than the severe hardship indicators used to construct the Poverty Tracker's global measure of material hardship. The global measure accounts for hardships in five domains: food, housing, bills, medical care, and general financial hardship. A household is classified as facing material hardship if they face a severe form of hardship in one of these areas. The hardship is classified as "severe" if it is experienced often (for example, often running out of food without money to buy more), or if it means that a respondent is deprived of a basic necessity (for example, they experienced a utility shut off). The Poverty Tracker also identifies more moderate forms of hardship within these domains. They are termed "moderate" because they are experienced with less frequency (for example, sometimes running out of food without money to buy more), or they signify that a necessity has been compromised, but not necessarily lost (for example, falling behind on utility payments). The Poverty Tracker's measures of hardship which we employ in this report include experiences of severe hardship and moderate hardship.

<sup>22</sup> See: Kramer and Krug (2018).



## Bills Hardship

is defined as falling behind on utility payments or having utilities cut off because of lack of money.

Roughly one-in-three (35 percent) New Yorkers who lost employment income were unable to pay their electricity, gas, and internet bills, or dealt with utility shutoffs before the COVID-19 outbreak. Approximately 16 percent of New Yorkers who worked from home faced this hardship before the pandemic (see Figure 4). Research from before the pandemic shows that to manage bills, one in four New Yorkers used up their savings, one in ten racked up large credit card debt, and one in six were unable to pay for other necessities such as food, heat, or rent.<sup>23</sup>



## Food Hardship

is defined as sometimes or often running out of food or worrying food would run out before there was money to buy more.

Prior to the pandemic, 40 percent of all adults who lost employment income and half of Black and Hispanic workers who lost employment income faced food hardship (see Figures 4 and Appendix A, Table A2). Since COVID-19, the city's food pantries have faced the greatest demand that many have ever seen.<sup>24</sup>



## Financial Hardship

is defined as sometimes or often running out of money between paychecks or before the end of the month.

Nearly half of all New Yorkers who lost employment income sometimes or often ran out of money before the end of the month, compared to 34 percent of those who have worked from home (see Figure 4). Nearly 75 percent of Hispanic New Yorkers who lost employment income faced financial hardship before the pandemic (see Appendix A, Table A2).

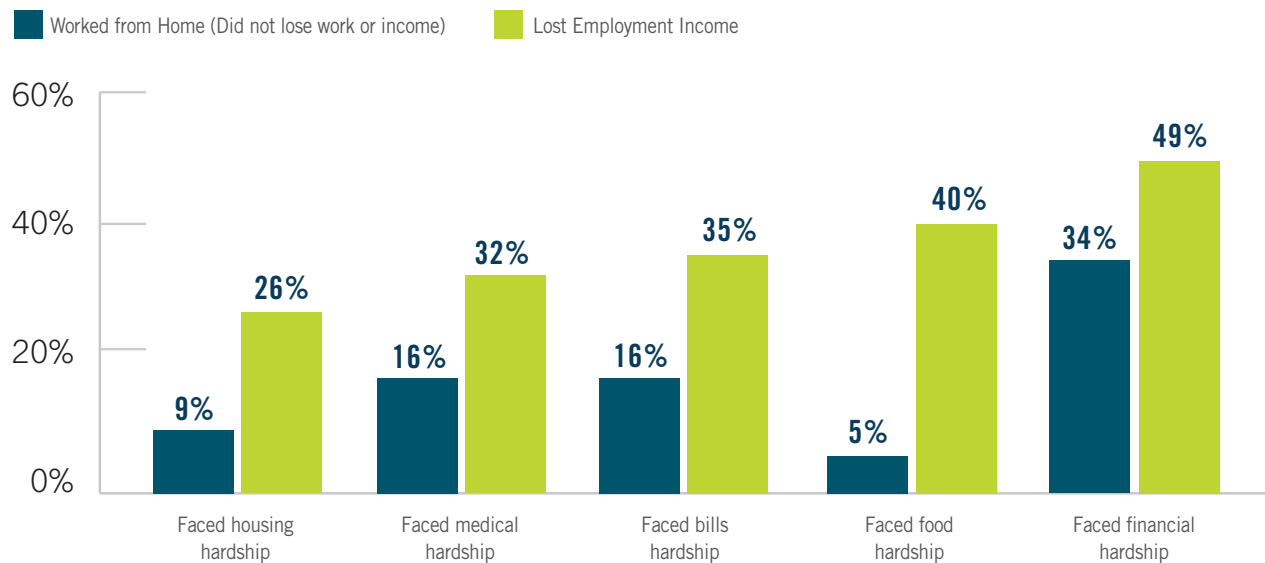
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<sup>23</sup> Benjamin (2019).

<sup>24</sup> Gannon (2020).

Figure 4

## Rates of material hardship prior to the COVID-19 outbreak



**Note:** See Appendix C, Table C3 for models that test the significance of these differences.

**Source:** Poverty Tracker annual survey data and 27-month survey data, third panel.

## WHAT DO WE KNOW ABOUT HARDSHIPS EXPERIENCED SINCE THE OUTBREAK?

The initial employment losses driven by the pandemic are associated with a significant increase in food hardship. At the height of the COVID-19 outbreak, the rates of food hardship for New Yorkers of color who lost employment income were substantially higher than those of white New Yorkers who lost employment income.

Every three months, the Poverty Tracker asks New Yorkers how often they worried about running out of food before the end of the month,<sup>25</sup> and this is one of the indicators used to construct the food hardship measure. With this frequent data collection, we can tell if this form of food hardship has increased or decreased over time. New Yorkers who have lost employment income were 7 percentage points more likely to report this form of food hardship at the height of the COVID-19 outbreak (April, May, and June 2020) than they were roughly one year prior. This translates to 140,000 additional adult New Yorkers and 140,000 additional children facing this food hardship within the span of three months. On the other hand, we see roughly no change in the rate of food hardship for those who have worked from home.<sup>26</sup>

<sup>25</sup>The reference period for this question is the three months prior to the survey.

<sup>26</sup>See Appendix C, Table C1 for the models behind the estimates in Figure 4.

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Black and Hispanic New Yorkers who lost employment income faced very high rates of food hardship in the early months of the COVID-19 outbreak. Roughly 70 percent of Black and Hispanic New Yorkers who lost employment income reported being sometimes or often worried about food running out at the height of the pandemic (see Table 1).

Table 1

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### Food hardship rates among New Yorkers who lost employment income (by race and ethnicity)

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	REPORTED SOMETIMES OR OFTEN WORRYING ABOUT FOOD RUNNING OUT IN APRIL, MAY, AND JUNE 2020
BLACK (NON-HISPANIC) OR HISPANIC	70%
WHITE (NON-HISPANIC)	33%

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Source: Poverty Tracker annual survey data and 27-month survey data, third panel.

These results show a rapid uptick in the incidence of food hardship among New Yorkers who lost employment income, with no change for those who have worked from home. We also see vastly different experiences for Black, Hispanic, and white workers who lost employment income. This is early evidence of how the pandemic is deepening inequality in New York City, particularly along racial lines. And as the pandemic continues, the unemployment rate remains high.<sup>27</sup> Many of the federal supports provided through the Coronavirus Aid, Relief, and Economic Security (CARES) Act that helped offset the initial economic challenges driven by COVID-19 have expired, threatening an even greater increase in the rate of food hardship in the city.

### WHAT ABOUT ESSENTIAL ON-SITE WORKERS?

Essential on-site workers who did not lose employment income were also in vulnerable financial positions prior to the COVID-19 outbreak relative to those who have been able to work from home.

It is not just those who have lost employment income who faced elevated rates of economic disadvantage prior to the pandemic. Essential on-site workers — ranging from nurses and home healthcare providers to grocery store cashiers, Metropolitan Transportation Authority workers and child care providers — have been praised for their commitment throughout the pandemic. But recognition of their essential role has not historically protected them from economic insecurity. Prior to the pandemic, nearly half of essential on-site workers were either in poverty or were low-income (living below 200 percent of the poverty line; see Figure 5).<sup>28</sup> Essential workers also faced elevated rates of material hardship prior to the pandemic (see Figure 6):

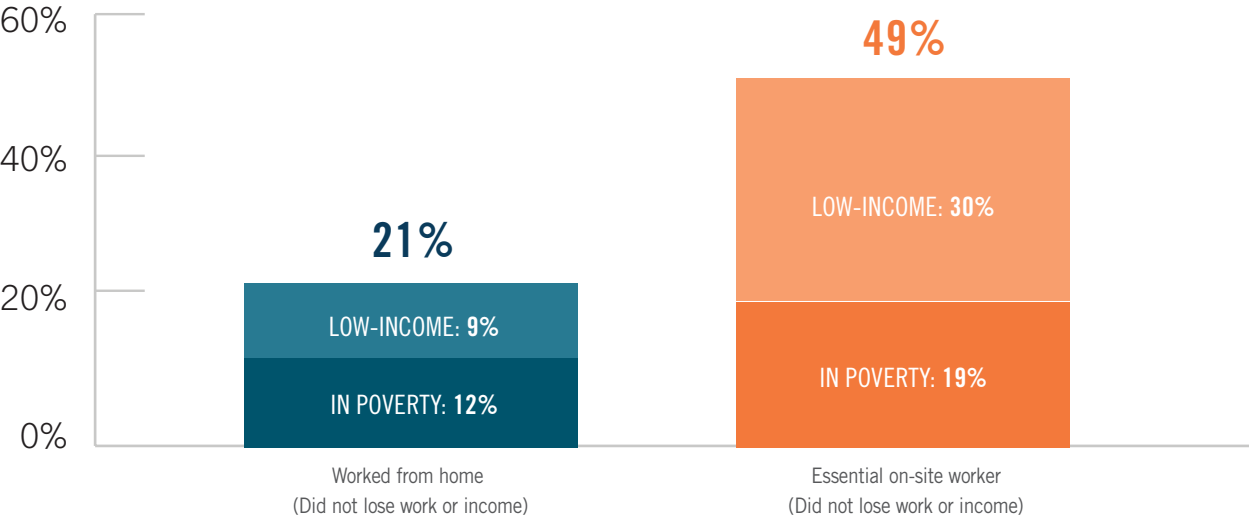
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<sup>27</sup> In September 2020, the New York City unemployment rate was 14 percent (an increase of more than 10 percentage point relative to September 2019). See New York State Department of Labor (September 2020).

<sup>28</sup> In this analysis, the group identified as essential on-site workers is restricted to those who did not lose work or income.

- Twenty percent of essential on-site workers were unable to make a full rent or mortgage payment (housing hardship), and 30 percent had fallen behind on utility bills or had their utilities shut off (bills hardship). These experiences were twice as common among essential on-site workers relative to those were able to work from home.
- Nearly a quarter of essential on-site workers were not able to see a doctor because of costs (medical hardship), a deeply troubling finding given the fact that essential workers put their health at risk every day that they go to work.
- Compared to those who have worked from home, essential workers were six times as likely to have faced food hardship (29 percent versus 5 percent).
- Essential on-site workers were more likely run out of money before the end of the month (financial hardship) than those who worked from home (46 percent vs. 34 percent).
- The high rates of hardship among essential on-site workers relative to those who worked from home is, in part, driven by wages. Roughly 50 percent of essential on-site workers were low-wage workers, compared to roughly 10 percent of those who were able to work from home.

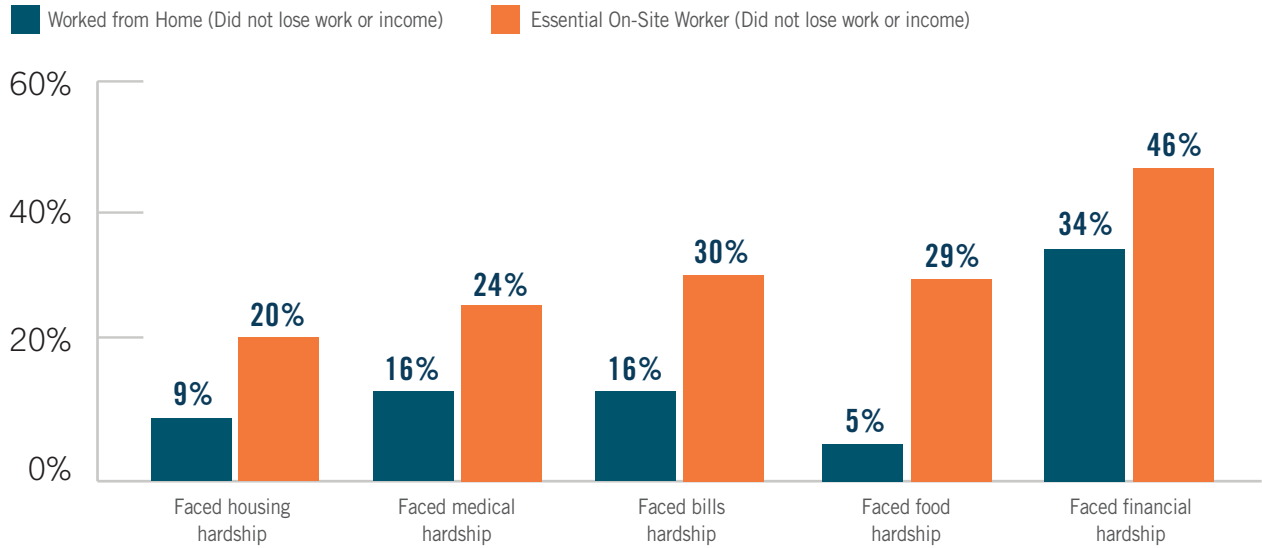
**Figure 5**  
**Economic positions prior to the COVID-19 outbreak**



Source: Poverty Tracker annual survey data and 27-month survey data, third panel.

Figure 6

## Rates of material hardship prior to the COVID-19 outbreak



**Note:** See Appendix C, Table C3 for models that test the significance of these differences.

**Source:** Poverty Tracker annual survey data and 27-month survey data, third panel.

New Yorkers who have worked on-site during the pandemic are essential to the operations of this city. But their essential role has not translated into compensation that protects them from economic insecurity.

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# Conclusion

The unique data captured by the Poverty Tracker allow us to understand how the early impacts of the economic crisis driven by COVID-19 played out — both in terms of who was most affected and how they were faring previously. These early impacts are troubling but in-line with past economic crises. New Yorkers who were already in precarious economic positions bore the brunt of the initial economic fallout associated with COVID-19, and New Yorkers of color are overrepresented among those who have endured these losses.

While there has been a federal policy response aiming to steady the economic crisis, our results show that economic disadvantage and inequality will persist through the response due to underlying inequities.<sup>29</sup> These policy interventions target many of the hardships examined in this report, but coverage has been temporary and many families have been left out of the benefits. For example, the expansions to Unemployment Insurance in CARES Act addressed some long-standing criticisms of the Unemployment Insurance system,<sup>30</sup> like the restrictions on who is eligible for Unemployment Insurance and the low payment amounts. But these fixes have an expiration date and payment amounts have already been lowered substantially.<sup>31</sup> The same is true when looking at paid sick leave and access to medical care — federal laws have made paid leave<sup>32</sup> and diagnostic testing accessible, but only for reasons related to COVID-19. And mixed immigration status families were entirely left out of the economic stimulus payments provided through the CARES Act, while undocumented New Yorkers are ineligible for Unemployment Insurance. New York City and State have stepped in to provide additional support for families weathering the economic downturn, but like the federal policies, the bulk of the city and state level interventions provide only temporary relief.<sup>33</sup>

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<sup>29</sup> The federal government has passed some of the largest policy packages in modern history to steady the economic upheaval caused by the pandemic, including the Families First Coronavirus Response Act (FFCR) Act and the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The FFCR, passed in March 2020, expanded paid sick leave coverage and increased SNAP benefits. The CARES Act, also passed in March 2020, enacted large-scale expansions to Unemployment Insurance, funded federal stimulus payments, provided states with funds for rental assistance, and banned eviction from federally funded buildings (among other expansions). See: Acosta, Bailey, and Bailey (2020).

<sup>30</sup> Many workers are ineligible for traditional unemployment insurance, such as many gig-workers and part-time workers, and weekly unemployment payments are, on average, very low (roughly 50 percent of a worker's previous wage). The National Women's Law Center and the Center on Budget and Policy Priorities both write about these gaps in coverage. See: National Women's Law Center (2019), and Stone and Chen (2014).

<sup>31</sup> The increase to Unemployment Insurance (UI) benefits through Pandemic Unemployment Compensation (which provided an additional \$600 per week to people receiving UI benefits) expired on July 31, 2020. Pandemic Unemployment Assistance, which made many workers who are typically ineligible for UI eligible, will expire on December 31, 2020.

<sup>32</sup> See: US Department of Labor (2020).

<sup>33</sup> New York State responded quickly to many hardships set off by the pandemic. Examples of this responses include the moratorium on evictions that the state put into effect beginning on March 20th, 2020. The moratorium was extended twice, and, as of this writing, is in effect through January 1, 2021. In late June, 2020, the state also passed the Tenant Safe Harbor Act, which prohibits landlords from evicting any tenant who has endured financial hardship due to COVID-19 until non-essential gatherings and businesses are able to reopen in the tenants' county. The state also banned utility shutoffs (including gas and electricity) until the state is no longer in a state of emergency, and expanded paid sick leave law. See an analysis of the paid sick leave expansion in: Maury, Collyer, Waldfoegel, and Wimer (2020).



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We must remember that these policy packages, while large and significant, will not bring about transformative change. Their aim is at best a return to the status quo. Relief from the economic fallout driven by COVID-19 is vital, but the results presented in this report show that these stabilizing policies will only bring us back to a place where one in five adults in New York City lived in poverty, struggling to get by, and highly vulnerable to whatever shock is in store.

New York City is also a place with deep divisions along racial lines — where white New Yorkers faced significantly higher rates of economic security compared to New Yorkers of color. These disparities were designed and hardened through public policies working against New Yorkers of color, and our results demonstrate how the COVID-19 outbreak threatens to deepen this inequity. Black and Hispanic New Yorkers were more likely to lose employment income because of COVID-19, and compared to white New Yorkers who lost employment income, they faced higher rates of poverty and hardship before the pandemic. Essential on-site workers also faced high rates of poverty and material hardship before the pandemic, which does not align with their “essential” status.

To truly address economic disadvantage and inequality in New York City, policymakers and advocates must advance the policies that aim to stabilize the economy in tandem with those that could substantially improve life in the city, protect New Yorkers from economic insecurity, and reduce racial inequities. This includes policies like a living wage, adequate unemployment insurance, child allowances, affordable housing, and universal access to paid sick leave, medical care, and broadband internet, to name a few. These policies must also be made available to immigrant communities that have continued to be left out of safety net programs. Progress on these fronts will ensure that we do not “return to normal,” but we build an economy that better serves the people of New York City.

# Appendix A

Table A1

## Results for workers who were laid off

SHARE OF WORKERS WHO WERE LAID OFF	19%
<b>PRE-COVID RATES AND OF POVERTY AND HARDSHIP AMONG WORKERS WHO WERE LAID OFF</b>	
SHARE OF WORKERS BELOW 200% OF THE POVERTY LINE	55%
SHARE OF WORKERS BELOW THE POVERTY LINE	20%
SHARE OF WORKERS FACING HOUSING HARDSHIP	26%
SHARE OF WORKERS FACING MEDICAL HARDSHIP	36%
SHARE OF WORKERS FACING BILLS HARDSHIP	40%
SHARE OF WORKERS FACING FOOD HARDSHIP	48%
SHARE OF WORKERS FACING FINANCIAL HARDSHIP	55%

Source: Poverty Tracker 27-month survey data, third panel.

Table A2

## Rates of material hardship prior to the COVID-19 outbreak among New Yorkers who lost employment income (by race and ethnicity)

	<b>BLACK (NON-HISPANIC) NEW YORKERS WHO LOST EMPLOYMENT INCOME</b>	<b>HISPANIC NEW YORKERS WHO LOST EMPLOYMENT INCOME</b>	<b>WHITE NEW YORKERS WHO LOST EMPLOYMENT INCOME</b>
FACED HOUSING HARDSHIP	36%	33%	21%
FACED MEDICAL HARDSHIP	30%	37%	36%
FACED BILLS HARDSHIP	37%	41%	37%
FACED FOOD HARDSHIP	51%	50%	29%
FACED FINANCIAL HARDSHIP	50%	72%	35%

Source: Poverty Tracker annual survey data and 27-month survey data, third panel.

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# Appendix B

According to the Poverty Tracker data from a survey fielded in April, May, and June 2020, roughly 29 percent of New York City workers were leaving their homes to go to work in the period when the city's non-essential services were closed. The majority of these workers were frontline workers (see Table B1). Roughly 21 percent of the city's workforce was made up of frontline workers, and this estimate aligns with those produced by the New York City Comptroller.<sup>34</sup>

Table B1

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## Share of workers classified as essential workers

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ALL OTHER WORKERS	70%
ESSENTIAL WORKERS	30%
<i>FRONTLINE WORKERS</i> WHO DID NOT LOSE EMPLOYMENT INCOME	11%
<i>FRONTLINE WORKERS</i> WHO LOST EMPLOYMENT INCOME	10%
OTHER ESSENTIAL WORKERS WHO DID NOT LOSE EMPLOYMENT INCOME	5%
OTHER ESSENTIAL WORKERS WHO LOST EMPLOYMENT INCOME	4%

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Source: Poverty Tracker 27-month survey data, third panel.

We identified essential workers in the sample as those who were not working at home at the time when non-essential services were closed in New York City, and further classified frontline workers as those who were leaving their home and who worked in any of the following industries.

- A. Food service, hotel, entertainment (Restaurant, bar, catering, movie theater, gym)<sup>35</sup>
- B. Retail (Store, news stand, car dealer, e-store)
- C. Health care and social services (Hospital or clinic, doctor's office, nursing home, shelter)
- D. Transportation or wholesale (Public transit, taxi/ride share, truck driving, mover, warehouse or wholesaler)

The results in Table A1 show that nearly half of these essential workers also lost employment income because of COVID-19, and for the analyses presented in this report, those who lost employment income were grouped with other workers who lost employment income.

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<sup>34</sup> See: Office of the New York City Comptroller Scott M. Stringer, "New York City's Frontline Workers," March 2020, [https://comptroller.nyc.gov/wpcontent/uploads/documents/Frontline\\_Workers\\_032020-.pdf](https://comptroller.nyc.gov/wpcontent/uploads/documents/Frontline_Workers_032020-.pdf).

<sup>35</sup> Many respondents who work in supermarkets selected this as their industry.

# Appendix C

Table C1

## Differences in employment experiences for low-wage workers relative to higher wage workers

	(1)	(2)	(3)
<b>VARIABLES</b>	MODEL 1 DV: WORKED FROM HOME - DID NOT LOSE WORK OR INCOME IV: LOW WAGE WORKER	MODEL 1 DV: LOST EMPLOYMENT INCOME IV: LOW WAGE WORKER	MODEL 1 DV: ESSENTIAL ON-SITE WORKERS - DID NOT LOSE WORK OR INCOME IV: LOW WAGE WORKER
LOW WAGE WORKER	-0.346*** (0.0628)	0.134** (0.0679)	0.212*** (0.0480)
CONSTANT	0.467*** (0.0328)	0.435** (0.0354)	0.0979*** (0.0250)
R-SQUARED	0.101	0.014	0.068

Standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table C2

## Differences in employment experiences by race and ethnicity

	(1)	(2)	(3)
<b>VARIABLES</b>	MODEL 1 DV: WORKED FROM HOME - DID NOT LOSE WORK OR INCOME IV: RACE AND ETHNICITY	MODEL 1 DV: LOST EMPLOYMENT INCOME IV: RACE AND ETHNICITY	MODEL 1 DV: ESSENTIAL ON-SITE WORKERS - DID NOT LOSE WORK OR INCOME IV: RACE AND ETHNICITY
BLACK (NON-HISPANIC)	-0.328*** (0.0731)	0.120 (0.0786)	0.208*** (0.0571)
ASIAN (NON-HISPANIC)	-0.0797 (0.0685)	0.00772 (0.0737)	0.0720 (0.0535)
OTHER OR MULTIRACIAL (NON-HISPANIC)	-0.218 (0.134)	0.155 (0.144)	0.0628 (0.104)
HISPANIC	-0.202*** (0.0661)	0.157** (0.0711)	0.0452 (0.0516)
CONSTANT	0.469*** (0.0400)	0.432*** (0.0430)	0.0992*** (0.0313)
R-SQUARED	0.065	0.020	0.037

Standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table C3

## Differences in employment experiences by race and ethnicity

VARIABLES	(1)	(2)	(3)	(4)	(5)
	MODEL 1 DV: EXPERIENCED FOOD HARDSHIP IV: EMPLOYMENT	MODEL 1 DV: EXPERIENCED HOUSING HARDSHIP IV: EMPLOYMENT	MODEL 1 DV: EXPERIENCED BILLS HARDSHIP IV: EMPLOYMENT	MODEL 1 DV: EXPERIENCED FINANCIAL HARDSHIP IV: EMPLOYMENT	MODEL 1 DV: EXPERIENCED MEDICAL HARDSHIP IV: EMPLOYMENT
LOST EMPLOYMENT INCOME	0.345*** (0.0490)	0.177*** (0.0458)	0.181*** (0.0523)	0.155*** (0.0584)	0.155*** (0.0511)
ESSENTIAL ON-SITE WORKERS, DID NOT LOSE WORK OR INCOME	0.238*** (0.0675)	0.110* (0.0631)	0.130* (0.0720)	0.118 (0.0805)	0.0735 (0.0704)
CONSTANT	0.0546 (0.0375)	0.0860** (0.0351)	0.165*** (0.0400)	0.338*** (0.0447)	0.165*** (0.0391)
R-SQUARED	0.127	0.041	0.034	0.020	0.026

Standard errors in parentheses

\*\*\* p&lt;0.01, \*\* p&lt;0.05, \* p&lt;0.1

Table C4

## Changes in rates of food hardship by survey wave

VARIABLES	(1)	(2)	(3)
	MODEL 1 DV: FOOD HARDSHIP IV: INDIVIDUAL FIXED EFFECTS	MODEL 1 DV: FOOD HARDSHIP IV: INDIVIDUAL FIXED EFFECTS SUBPOP: WORKED FROM HOME	MODEL 1 DV: FOOD HARDSHIP IV: INDIVIDUAL FIXED EFFECTS SUBPOP: LOST EMPLOYMENT INCOME
6M SURVEY	-0.0151 (0.0156)	0.0394 (0.0346)	-0.0435 (0.0305)
9M SURVEY	0.0135 (0.0157)	0.0186 (0.0347)	-0.0289 (0.0306)
18M SURVEY	0.0149 (0.0158)	-0.0315 (0.0343)	-0.00703 (0.0307)
21M SURVEY	0.000182 (0.0159)	-0.0383 (0.0345)	0.0120 (0.0306)
27M SURVEY	0.0530*** (0.0162)	-0.00919 (0.0341)	0.0669** (0.0302)
CONSTANT	0.340*** (0.0112)	0.199*** (0.0245)	0.390*** (0.0216)
R-SQUARED	0.006	0.014	0.019
NUMBER OF ID	768	111	184

Standard errors in parentheses

\*\*\* p&lt;0.01, \*\* p&lt;0.05, \* p&lt;0.1

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