Uneven Impact

What Job Loss During COVID-19 Means for New Yorkers Now and into the Future

December 2020

NYC Consumer and Worker Protection

Bill de Blasio
Mayor

Lorelei Salas
Commissioner

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Acknowledgments

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The Department also acknowledges the following staff members for their contributions: Zayne Abdessalam, Director of Policy and Research, OFE; Steven Ettannani, Executive Director of External Affairs; Debra Halpin, Assistant Commissioner for Creative Services; Abigail Lootens, Associate Commissioner of Communications & Marketing; Kenny Minaya, Chief of Staff; Idisha Odama, Research Analyst, OFE; Nicole Perry, Deputy Commissioner, OFE; Lorelei Salas, Commissioner; and Samuel Wylde, formerly Policy Analyst, OFE.

Acronyms

CARES	Coronavirus Aid, Relief, and Economic Security Act
DCWP	NYC Department of Consumer and Worker Protection
EIP	Economic Impact Payment
FHEPS	Family Homelessness & Eviction Prevention Supplement
NYSDOL	New York State Department of Labor
OFE	Office of Financial Empowerment
PPP	Payment Protection Program
PUA	Pandemic Unemployment Assistance
SNAP	Supplemental Nutrition Assistance Program
UI	Unemployment Insurance

Background

On June 8, 2020, the National Bureau of Economic Research declared that the U.S. had entered a recession in February 2020 (National Bureau of Economic Research, 2020). Also in June 2020, unemployment reached 20.3 percent in New York City. By October[1], to great relief, the unemployment rate had fallen to 13.2 percent (U.S. Bureau of Labor Statistics, 2020b).

While the drop in unemployment provides a glimmer of hope, the October 2020 unemployment rate is still approximately 3 percentage points higher than the highest rates during and after the Great Recession, which occurred between 2007 and 2009 (New York State Department of Labor). Further, the unemployment rate does not tell the whole story, as it masks disparities in unemployment and does not account for the many workers who face a reduction in hours or pay, have been furloughed and expect to return, or have left the workforce altogether (Nunn, Parsons & Shambaugh, 2019; Rothwell, 2020).

The NYC Department of Consumer and Worker Protection (DCWP) Office of Financial Empowerment (OFE) has been following the current economic recession to understand the impact of unemployment on the financial health of New Yorkers in the short, medium, and long term (the three stages of financial health):

1. **Short-Term Financial Health**
   Steady employment allows workers to pay bills and to cover the cost of material needs, such as food, housing, medical care, etc.

   Job loss, as research has found, can lead to material hardship, which is the inability to afford material needs. In New York City, it is estimated that job loss nearly doubles the probability of experiencing material hardship (Collyer et al., 2020).[2]

2. **Medium-Term Financial Health**
   Steady employment allows workers to mobilize their income to save for medium-term investments and big-ticket items, such as a down payment for a house or durable goods like a washing machine, and to mobilize their savings to hedge against spending volatility and insulate against income shocks.

   In the companion brief about the COVID crisis, *Already At-Risk: The New Yorkers Struggling Economically Before COVID-19*, we examined the preparedness aspect of medium-term financial health and identified neighborhoods with lower preparedness pre-COVID.

3. **Long-Term Financial Health**
   Steady employment can be the means for workers to afford to build equity through continued payments on a mortgage and to save for retirement.

An interruption in steady employment can disrupt all three stages of financial health.

1 The October 2020 unemployment statistics used throughout this brief were still preliminary and subject to revision at the time of publication.
2 The researchers measured material hardship in five domains: food, housing, bills, medical care, and general financial hardship.

About This Brief

In this second brief about the COVID crisis, we examine how the pandemic-induced recession is impacting New Yorkers in the short term and what we can learn from the Great Recession about potential long-term impacts, given how deep and unevenly felt the economic effects are. In the sections that follow, we:

- Examine job loss in New York City and the short-term impacts already being felt as a result.
- Highlight the uneven impact of income loss in New York City to date and the socioeconomic factors that are associated with greater short-term struggles with financial health. Much like the Great Recession, the current crisis and recovery are disproportionately impacting Black and Hispanic New Yorkers, as well as other groups who were already struggling to build financial health before the crisis.
- Consider the wealth impacts of the Great Recession to motivate a conversation about the potential long-term financial health implications for New Yorkers if no further steps are taken to blunt the current economic crisis.
- Conclude with a brief summary and a call for the federal government to step in to prevent short-term financial struggles from becoming a long-term crisis.

Job Loss in New York City

The COVID-19-induced recession started even before states and municipalities began the process of formally shutting down businesses to curb the spread of the virus.

In Figure 1, we show the seasonally adjusted monthly unemployment rate in 2020 compared to 2019. The unemployment rate spiked over 10 percentage points from March 2020 to April 2020, increasing to 15 percent, the largest increase since the government began recording this information in 1976. Counter to the national unemployment rate, which decreased in May and June 2020, the unemployment rate in New York City continued its climb, reaching a high of 20.3 percent in June 2020 before falling each month from July 2020 to October 2020 to 13.2 percent. For comparison, New York City's unemployment rate in October 2020 was over 9 percentage points higher than October 2019 and close to double the national unemployment rate (New York State Department of Labor, 2020a), which stood at 6.9 percent in October 2020 (U.S. Bureau of Labor Statistics, 2020a).

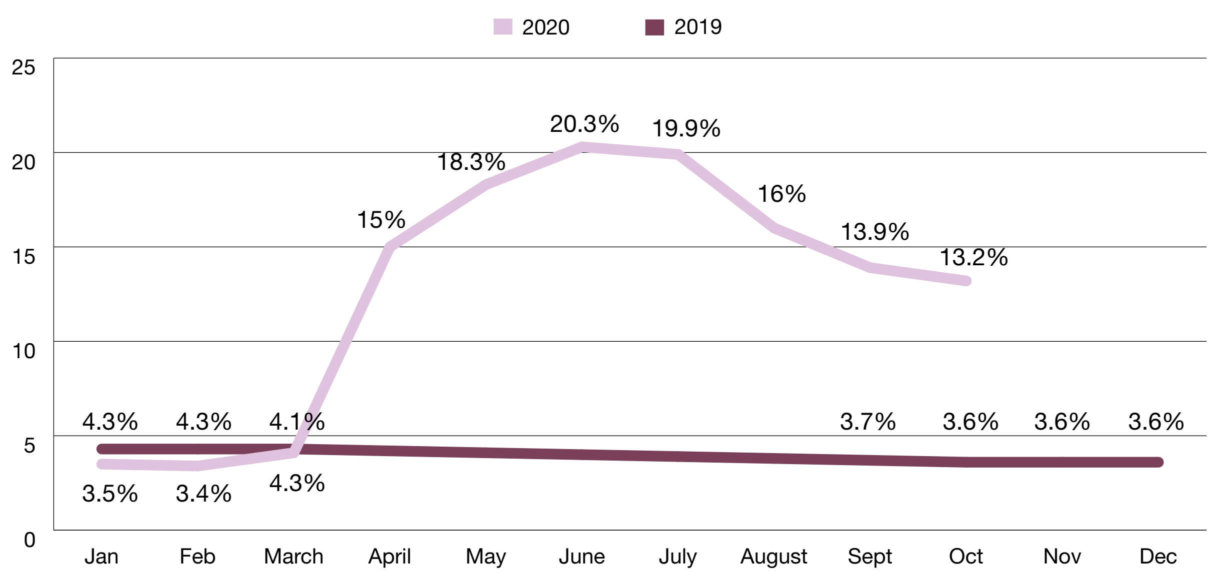
These historically high unemployment rates are not shared evenly across New York City's five boroughs. Figure 2 on page 7 shows the unemployment rates by borough for October 2020 compared to the June 2020 highs. As of October, the unemployment rate was highest in the Bronx at 17.5 percent, followed by Brooklyn and Queens at 13.3 percent and 13.1 percent, respectively, with the "lowest" rate in Manhattan at 10.3 percent.

The Bronx also saw the smallest percent reduction in unemployment from June 2020: 29 percent compared to reductions of 35 percent or greater.

The disproportionate impact across boroughs is largely explained by the industries in which borough residents are employed. The virus that causes COVID-19 spreads faster in groups, and particularly indoors; as a result, the job losses are most felt in face-to-face industries, such as retail, hospitality, and other service industries.

FIGURE 1

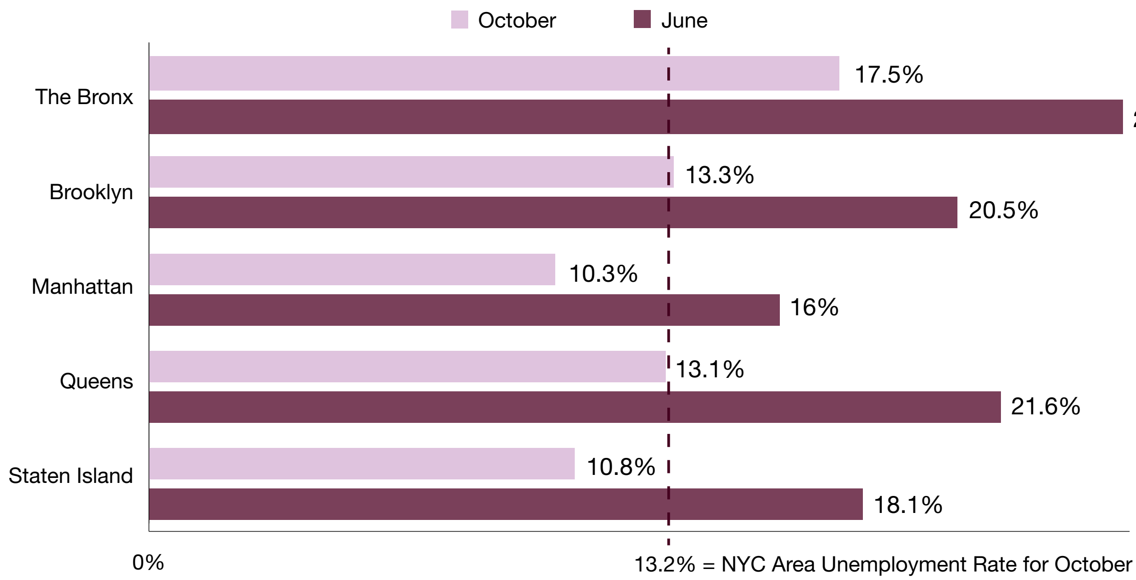
New York City Unemployment Rate in 2020 Compared to 2019 (Seasonally Adjusted)



Source: DCWP OFE analysis of New York State Department of Labor (NYSDOL) Labor Statistics for the New York City Region, NYC Seasonally Adjusted Unemployment Rate History table

FIGURE 2

New York City Unemployment Rate for June and October 2020 (Not Seasonally Adjusted), by Borough



Source: DCWP OFE analysis of NYSDOL Labor Force and Unemployment Data by Area

Note: Data are not seasonally adjusted, meaning they are not adjusted for seasonal trends in employment. Data are preliminary and subject to revision.

In an April 2020 report, the Center for New York City Affairs noted that 42 percent of New York City's workforce hold jobs that must be face-to-face, or in person. While more than half of workers in Queens and in the Bronx (57 percent and 56 percent, respectively) work in industries that require face-to-face interactions, workers in Manhattan are predominantly able to work remotely, with remote workers accounting for 53 percent of the workforce in Manhattan (Parrot and Moe, 2020a).

In pondering the economic outlook for New York City, it is hard to ignore the economic impact of the rapid change in consumer behavior resulting from the COVID crisis.

In the New York City metro area, where the initial impact of the virus was quite severe and the shutdown fairly strict, consumer spending[3] at the end of March 2020 fell 44.8 percent from the January 2020 level and, while consumer spending has recovered a great deal, it was still 11 percent lower at the end of October 2020 compared to January 2020. As a comparison, by the end of October 2020, consumer spending nationally was down only 4.5 percent compared to January 2020 (Opportunity Insights). Consumer spending has remained lower because continued economic uncertainty has resulted in a decline in spending on nonessential goods and services (Carlson et al., 2020).

The pandemic has also changed how consumers are spending their money, as anxiety about catching COVID-19 has led consumers to avoid in-person interactions. A survey of U.S. consumers between March and June 2020 found that many consumers anticipated spending less on restaurants and entertainment outside the home and more on groceries and entertainment for the home. Survey respondents also indicated an intention to spend less overall on clothing, but expected to do more of their clothes shopping online (Arora et al., 2020).

If changes in consumer spending—both how and how much—are enduring, they lead to permanent job loss as businesses adapt to meet changing demand. Early research from the Becker Friedman Institute estimated that 32 to 42 percent of pandemic-related layoffs nationally will result in permanent job loss (Barrero, Bloom, and Davis, 2020).

Already, we can see the permanent impacts of changed spending habits in New York City.

3 Measured here as the seasonally adjusted change in consumer debit card and credit card spending as compared to January 4-31, 2020.

Many imperiled large chain establishments have announced closures—for example, JCPenney, Brooks Brothers, and Dunkin' (Young, 2020)—and many small businesses in New York City have permanently shuttered (Closson, 2020). According to data from Opportunity Insights, on November 16, 2020, the number of open small businesses in New York City was 30.6 percent lower than the January 2020 number. However, the November number was up from the mid-April 2020 number, which was 56 percent lower than the January 2020 number (Opportunity Insights).[4]

A key contributing factor to the decrease in spending in New York City is the precipitous drop in tourism as a result of the pandemic.

Tourism has serious linkages to the retail and restaurant sectors. In a report, the Center for an Urban Future found that tourism drives about a quarter of all restaurant and drink sales and nearly a fifth of all Visa transactions at retail stores (González-Rivera, 2018). Not to mention, tourism accounted for more direct employment in New York City than finance in 2019 (Smith, 2020).

In 2020, however, many of the major attractions for tourists—concert venues, sports arenas, museums, restaurants, and retail stores—remain closed or, if they are allowed to reopen, are mandated to operate at a limited capacity until the risk of COVID-19 spread diminishes.

Further exacerbating the local economic crisis are government cuts to employment and spending, which are vital components of the economy and will have an impact on economic recovery (Harrison, 2020). On top of the loss of tax revenue, government at all levels incurred extra costs due to COVID-19 mitigation efforts, deepening budget shortfalls and ostensibly shrinking government spending on the greater economy.

When we consider all of the factors working against the New York City economy, it is also important to remember the role that economic stimulus and expanded benefits played in propping up the economy to date.

- The **Coronavirus Aid, Relief, and Economic Security (CARES) Act**, which was signed into law in March 2020, bolstered the economy by providing measures to mitigate the impact of rapid job loss. Provisions included:
  - additional $600 per week supplemental unemployment insurance (UI) benefits;
  - Pandemic Unemployment Assistance (PUA), which expanded unemployment insurance to workers not traditionally eligible;
  - Economic Impact Payments (EIP), stimulus payments sent to all eligible adults beginning in April 2020.
- The **Paycheck Protection Program (PPP) and Health Care Enhancement Act**, which was signed into law in April 2020, provided forgivable loans to small businesses to cover operating costs, including payroll (Watson et al., 2020).

Researchers at the Center for New York City Affairs estimated that the CARES Act's additional $600 per week supplemental UI benefits alone accounted for $11 billion of spending power in the New York City economy from mid-April 2020 (Parrot and Moe, 2020c). Further, a report from Columbia University estimated that, without the CARES Act, the national poverty rate would have increased by 30 percent—12.5 percent to 16.3 percent—from February 2020 to April 2020 and that the CARES Act benefits may have returned poverty rates to pre-crisis levels (Parolin, Curran, & Wimer, 2020).

The CARES Act income supports were limited in duration, however.

- The weekly bonus UI payments expired at the end of July 2020 (Watson et al., 2020), though a presidential executive order temporarily extended payments at half the rate through December 6, 2020 or when funds run out, whichever comes first (Trump, 2020). Funds have run out for New York State (Barret, 2020).
- PUA expires at the end of December 2020.
- PPP was estimated to have run out at the end of July 2020.
- EIP was a one-off payment (Watson et al., 2020).

4 Opportunity Insights does not distinguish between businesses that are closed temporarily as a mitigation tactic or closed permanently.

Whether these supports will be extended or expanded is yet to be seen. As of early December 2020, Congress is still in the process of negotiating.

What is certain is that New York City is struggling with unemployment rates unparalleled in recent history. Face-to-face industries—a prime example being tourism—cannot safely operate at pre-pandemic levels. Without the public stimuli from the CARES Act, the impacts of job loss in New York City would have been even more extreme than they are. Without an extension of the CARES Act benefits, economic recovery in the future is sure to be slower or to reverse.

The Uneven Impact of the COVID-19 Economy and Short-term Struggles with Financial Health

In a recession with unprecedented unemployment rates, such as what we are currently experiencing, we are sure to see signs of financial struggle. The short-term ability to manage financially, i.e., provide for monthly expenses, is highly dependent on income. National data shows that the groups more likely to face unemployment as a result of the COVID-19 pandemic include:

- younger workers;
- workers with lower educational attainment;
- workers who are Black or Hispanic; and
- women (U.S. Bureau of Labor Statistics, 2020a).

These groups are also less likely to be called back to work by their former employer (Shierholz, 2020).

The U.S. Census Bureau's Household Pulse Survey allows us to take a closer look at how adult residents of the New York City metro area[5] are managing financially at this time. In the sections that follow, we will show how the uneven impact of the recession translates into struggles with short-term financial health. We will group together different socioeconomic factors[6] to identify which NYC metro residents are struggling the most to meet their short-term obligations, focusing on:

- lost employment income;
- food insecurity; and
- ability to pay housing obligations.

Lost Employment Income

In Figure 3 on page 10, we show the share of NYC metro adults by race and ethnicity, gender, age, income, and education level who have reported experiencing a loss in income, either themselves or somebody in their family, since mid-March 2020.

As of October 2020, 54 percent of NYC metro adults reported experiencing a loss of employment income.

Race and Ethnicity

Even in a good economy, the burden of unemployment does not fall proportionally across race and ethnicity (Cajner et al., 2017). But in a bad economy, the racial employment gap becomes dire. As Figure 3 shows, Hispanic residents reported experiencing income loss with the greatest frequency (68 percent), followed by Black residents (67 percent), Asian residents (48 percent), and White residents (45 percent).

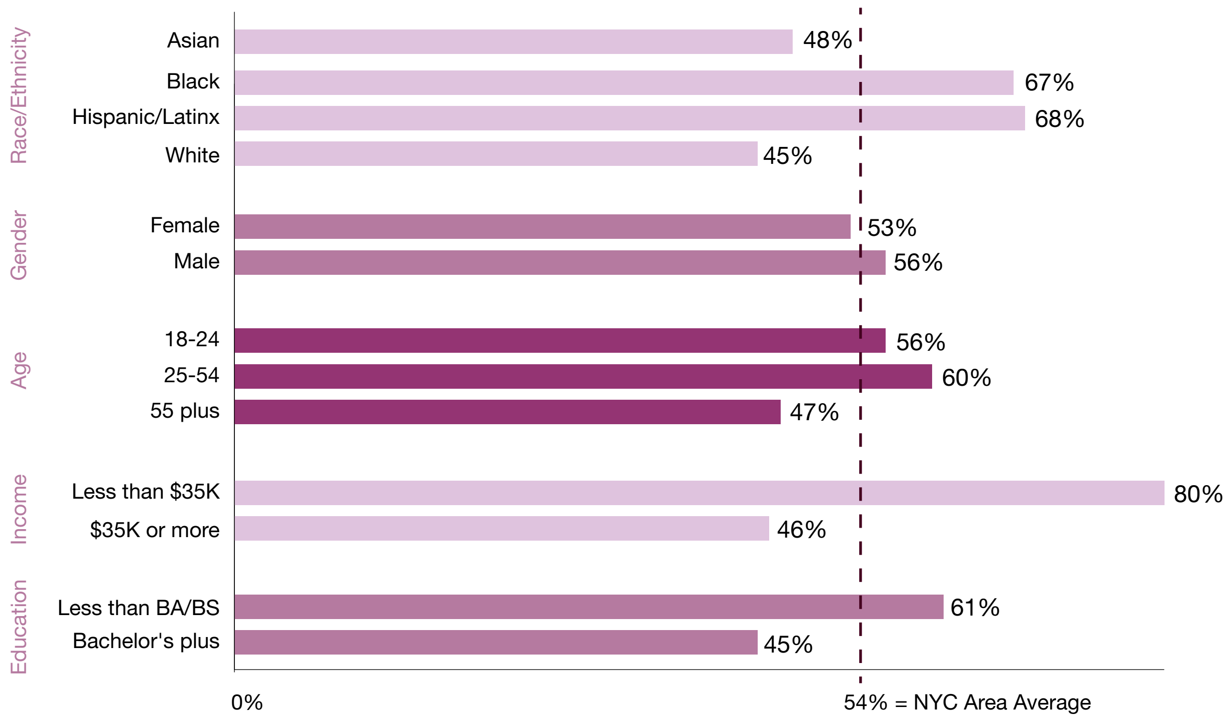
This squares with national data, which shows the seasonally adjusted unemployment rate for Hispanic and Black workers has been higher during the current recession.

- Among Hispanic workers, the unemployment rate in October 2020 was 8.8 percent, down from a high of 18.9 percent in April 2020.

5 The survey is limited to New York City metro area adults whom we refer to interchangeably as NYC metro residents and NYC metro adults in the report. We also use "NYC metro" and "NYC metro area" as modifiers; for example, NYC metro area mortgage holders.
6 We acknowledge that there is more nuance to the current situation than our analysis allows, but feel these groupings tell a meaningful story.

FIGURE 3

Share of NYC Metro Adults Who Experienced a Loss in Income Since March 13, 2020



Source: DCWP OFE analysis of U.S. Census Bureau Week 17 Pulse Survey: October 14 – October 26, Employment Table 1

- Black workers, who typically have an unemployment rate that is consistently higher than White workers regardless of the health of the economy, have a national unemployment rate of 10.8 percent in October 2020, which has been slow to decrease from its peak of 16.8 percent in May 2020 compared to a drop of 8.2 percentage points to 6 percent for White workers.
- Asian workers also had an elevated national unemployment rate of 7.6 percent in October 2020, down from a high of 15 percent in May 2020 (U.S. Bureau of Labor Statistics, 2020a).

While we are unable to present the unemployment rate for noncitizens in Figure 3, we would like to point out that unemployment is particularly risky for this group. Many of the standard income and nutrition supports, as well as the expanded CARES Act assistance programs, are limited to citizens and qualifying noncitizens, leaving many households without a lifeline. Yet families with noncitizens experience income loss at a higher rate.

A March/April 2020 national survey conducted by the Urban Institute found that approximately 68.8 percent of working age Hispanic adults with a noncitizen in the family reported somebody in their family lost a job, work hours, or income because of the pandemic. Contrast this with the fact that only 38 percent of White, non-Hispanic working age adults reported the same (Gonzalez et al., 2020).

Gender

Women reported experiencing income loss at a rate 3 percentage points lower than men: 53 percent compared to 56 percent. Nationally, prior to October 2020, women had slightly *higher* rates of unemployment and experienced a steeper decline in their labor force participation rate during the pandemic (U.S. Bureau of Labor Statistics, 2020a). With child care centers shuttered, schools moving online, and the risk of infection high, many working women with families were unable to return to work (Cassella and Mueller, 2020). With cold weather moving in and an increase in COVID cases, we may see the pre-October 2020 pattern return.

Age

Nationally, workers aged 16 to 24 had an unemployment rate of 10.8 percent or greater in October 2020 (U.S. Bureau of Labor Statistics, 2020a). Approximately 56 percent of NYC metro residents in this age group have already experienced income loss during the pandemic. The share of disconnected youth, i.e., neither working nor attending school, grew during the Great Recession, and a new report by The Measure of America project outlines fears that the current economic downturn and higher rates of unemployment among youth will erase the gains that had been made since then (Lewis, 2020).

While the share of older NYC metro adults who have lost income (47 percent) is lower than the New York City metro share, there is cause for concern. Older workers, aged 62 and over, who were impacted during the Great Recession were nearly half as likely as younger workers, aged 25 to 49, to be reemployed within 18 months of being let go. When older workers did find new work, their median monthly earnings shrank by the most (47 percent), compared to pre-recession levels (Johnson & Butrica, 2012). Further, older workers close to retirement age who choose to retire instead of enduring increased health risks or because they are unable to find a new job will receive a smaller monthly Social Security payment, compared to waiting until they reach full retirement age at 67 (Johnson, 2020).

Income

Households with the lowest incomes, less than $35,000, also felt losses in household earnings at higher rates than households with higher earnings: 80 percent compared to 46 percent. This phenomenon of higher unemployment among low wage workers has led researchers at the Center for New York City Affairs to label this a "low-wage worker recession" (Parrot and Moe, 2020b).

Education Level

In October 2020, workers 25 and older without a bachelor's degree had a nationwide unemployment rate ranging from 6.5 percent (some college or an associate's degree) to 9.8 percent (did not graduate high school), compared to just 4.2 percent unemployment rate for holders of a bachelor's degree or higher (U.S. Bureau of Labor Statistics, 2020a). From March 2020 through October 2020, NYC metro adults without a bachelor's degree had the highest rate of income loss (61 percent), and NYC metro adults with a bachelor's degree had the lowest rate of income loss (45 percent).

Since the middle of the 20th century, the economy has shifted toward industries that favor workers with postsecondary credentials. Industries that used to offer good jobs (in terms of wages and benefits) to workers with lower levels of educational attainment, such as production industries, are shrinking, reducing access to good jobs for workers with lower levels of education. These structural changes have led to a cycle of economic downturns that result in uneven recoveries, in which those with lower levels of educational attainment are the first fired and the last hired (Carnevale, Jayasundera, & Gulish, 2016).

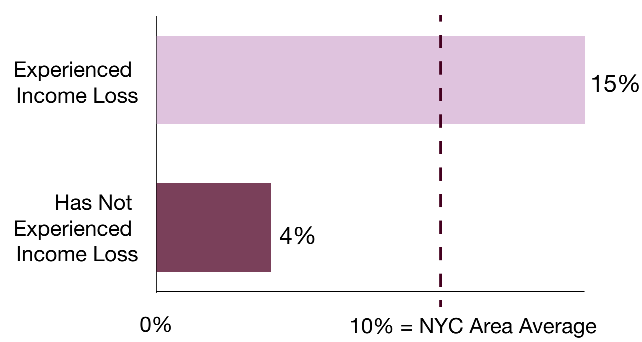
Food Insecurity

One of the most important material needs a household must provide for is food. Lost employment income makes this difficult.

In Figure 4, we show the share of NYC metro residents who were food insecure, defined here as having reported sometimes or often not having enough to eat as of October 2020.[7]

FIGURE 4

Share of NYC Metro Adults Who Experienced Food Insecurity in the 7 Days Prior to the Survey



Source: DCWP OFE analysis of U.S. Census Bureau Week 17 Pulse Survey: October 14 – October 26, Food Sufficiency and Food Security Table 2b

7 The denominator includes NYC metro residents and the numerator includes those who reported that they sometimes or often did not have enough food to eat in the seven days prior to participating in the U.S. Census Bureau Week 17 Pulse Survey: October 14 – October 26.

We found that approximately 15 percent of respondents who experienced an income loss in their household had experienced food insecurity in the last seven days, compared to just 4 percent of adults who had not endured a loss in income since March 2020. Across the NYC metro area, 10 percent—or approximately 1 in 10 adults—had reported that they were food insecure in the seven days prior to the survey. Food insecurity among New York City residents may be higher than the NYC metro area rate. Using a different methodology, Feeding America projected that, in October 2020, 1.6 million adult residents—approximately 25 percent or 1 in 4 adults—were food insecure citywide (Gunderson et al., 2020).

Ability to Pay Housing Obligations

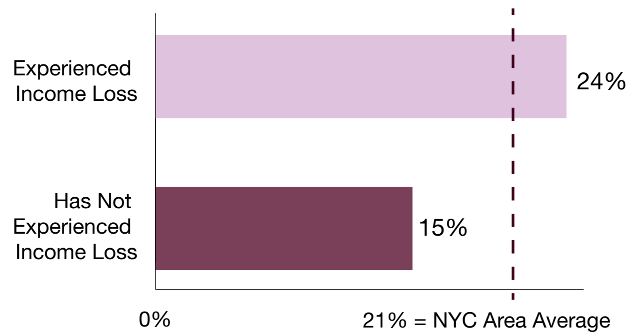
Like food, housing is a priority expenditure.

To visualize how the struggle to meet expenses plays out during a pandemic, in Figure 5, we show the share of NYC metro residents who reported that they were not caught up on their rent in October 2020.[8] Over a fifth of NYC metro residents (21 percent) who owed rent said they were not caught up on payments. Of the renters who experienced a loss of employment income within their household, 24 percent were behind on their rent, compared to 15 percent among renters who had not reported lost income.

A very telling indication of the future wealth implications of short-term financial difficulties is the share of homeowners who were unable to pay their mortgage.[9] In Figure 6, we show the share of NYC metro area mortgage holders who reported being behind on their mortgage payments. About 16 percent of NYC metro area mortgage holders reported that they were not up to date on their payments in October 2020. That number rose to 24 percent for residents who experienced a loss of employment income, compared to 7 percent for mortgage holders who had not experienced an income loss.

FIGURE 5

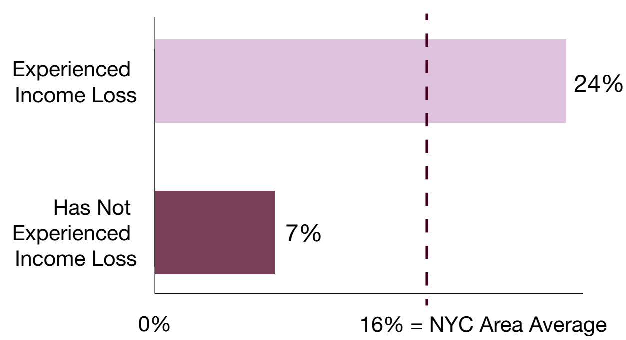
Share of NYC Metro Renters Who Were Unable to Pay Rent in the Month Prior to the Survey



Source: DCWP OFE analysis of U.S. Census Bureau Week 17 Pulse Survey: October 14 – October 26, Housing Table 1a

FIGURE 6

Share of NYC Metro Mortgage Holders Who Were Unable to Pay Their Mortgage in the Month Prior to the Survey



Source: DCWP OFE analysis of U.S. Census Bureau Week 17 Pulse Survey: October 14 – October 26, Housing Table 1a

8 This refers to NYC metro residents who rent their house or apartment. For the calculations, the denominator includes renters. The numerator includes those who answered that they were not currently caught up on their payments.
9 This refers to NYC metro residents who own their house or apartment with a mortgage or loan. For the calculations, the denominator includes mortgage holders. The numerator includes those who answered that they were not currently caught up on their payments.

By and large, the findings in this brief bear out what we found in the companion brief.

- In *Already At-Risk: The New Yorkers Struggling Economically Before COVID-19*, we examined which New York City neighborhoods were least prepared to cope with income shocks based on residents' banking status, access to emergency savings, and access to credit. We also looked at the financial preparedness of Black New Yorkers, Hispanic New Yorkers, and New Yorkers with low incomes. Based on our findings, we identified these groups as being vulnerable to withstand the current economic crisis, given their difficulty building financial resilience.
- In this brief, we expanded our examination to include more vulnerable groups. We found that those grappling with the impacts of income loss include NYC metro residents who are Black, Hispanic, and have lower incomes, but also residents who are young and who have lower levels of educational attainment. Further, even with pandemic relief, such as the CARES Act, New Yorkers who have experienced income loss are struggling to afford their greatest material needs: food and housing.

A Discussion of the Potential Long-term Financial Health Implications of the COVID Crisis

The bottom line is: Without an income or with a reduced income, New York City residents will struggle to build the financial foundation needed to ensure a secure life for themselves and their families. Job loss and income loss not only decrease a household's ability to meet obligations in the short term, they are associated with a persistent reduction in future earnings (Stevens, 2018).

It took nearly 10 years for the unemployment rate to recover from the Great Recession (CBPP, 2020) and, in its wake, a deeper inequality ensued.

- Just as today, during the Great Recession, New York City's Black and Hispanic workers and residents with low median incomes had the highest average unemployment rates (Fiscal Policy Institute, 2009).
- The uneven recovery after the Great Recession, combined with decades of stagnating wages, resulted in an increase in income and wealth inequality (Horowitz, Igielnik, & Kochhar, 2020). The uneven recovery also led to a growth in the Black-White homeownership gap, erasing all gains in Black homeownership made in the last 30 years (Veal & Spader, 2019).
- Even before the Great Recession, the national share of workers employed in "good jobs," as measured by income and retirement and health benefits, had been decreasing for decades (Guilford, 2019). Exacerbating matters for Black workers, Hispanic workers, and workers with lower levels of educational attainment is the fact that they were already at a disadvantage in accessing good jobs (Weller, 2019; Carnevale et al., 2019).

If this pattern persists without intervention, today's short-term financial struggles and unequal access to quality jobs will result in more permanent and uneven long-term declines in financial health, which will not just impact today's more vulnerable workers, but will have spillover effects on the next generation of New Yorkers.

Conclusion

Unlike previous recessions, the COVID-19 recession is driven by a virus that is transmitted through human contact. This has a tremendous impact on an economy like New York City's which relies heavily on social interaction in many of its core industries, such as retail, the service industry, and tourism. Many businesses have already closed, and others are left to adapt to an uncertain and rapidly changing situation.

The recession is already wreaking havoc on the short-term financial health of New York City's workers.

- Approximately 1 in 8 workers in New York City's workforce are unemployed.
- Over 1 in 10 adult New Yorkers are struggling to maintain an adequate diet.
- 1 in 5 renters and 1 in 6 mortgage holders are behind on their housing payments.

The impact of recession-induced job loss across New York City has been uneven, with a greater share of the workforce unemployed in the Bronx. Black and Hispanic New Yorkers; New Yorkers with low incomes; New Yorkers without a bachelor's degree—all are facing increased vulnerability to income loss and difficulty meeting their short-term material needs.

As our first brief showed, even before the recession, vulnerable groups struggled to build financial resilience. This second brief shows that they continue to struggle even with the CARES Act benefits, which will end in December 2020 without government action. If the CARES Act benefits are not reinstated or are reinstated but for too short a time or at a lower rate, New Yorkers' financial troubles will only worsen.

Based on similarities with the Great Recession, we can anticipate long-term impact on financial health in the form of decreased wealth building opportunities, which affect future generations. Furthermore, as was the case with the Great Recession, the uneven impact of the COVID crisis in the short term suggests that these long-term impacts may lead to increased inequality.

As we reported in the companion brief, the City of New York has already begun to address the impact of the COVID-19 pandemic and resulting economic strain across New York City.

- Appointed by Mayor Bill de Blasio, the **Taskforce on Racial Inclusion & Equity** was formed to address the immediate needs of the communities hit hardest by COVID-19 and other socioeconomic disparities—largely Black, Latinx, and Asian communities—and to center racial equity within the City's long-term recovery.
- Working with the courts and advocates, the City advocated for and the State granted moratoriums on evictions and utility shutoffs.
- The administration quickly mobilized City programs, existing and new, to support vulnerable New Yorkers (*see list on next page*). In the case of public benefits, to ensure recipients' safety and health, the City advocated for and the State granted waivers to allow recipients to apply for or to recertify benefits online or by phone instead of in person, a requirement in many instances.

City assistance, however, is not sufficient to stem individuals' financial health struggles in the absence of federal government action. It is with great concern for New Yorkers that DCWP calls on the federal government to pass a new relief bill with support measures to enable hardworking New Yorkers to meet their material needs and to better weather the current economic crisis. To adequately protect the financial lives of New Yorkers, at a minimum, a new fully funded federal coronavirus relief package should:

- include an extension, with back pay where applicable, of the CARES Act enhanced UI provisions;
- provide emergency rental assistance funds; and
- increase supplementary nutrition program benefits.

Additionally, the expiration of this necessary support system should be tied to improvement in economic indicators, rather than be set arbitrarily.

If no further federal action—or insufficient action—is taken, the current crisis has the potential to exacerbate inequality and to pass the formidable burden it creates to the next generation.

City Programs That Support Vulnerable New Yorkers

ACCESS NYC
ACCESS NYC is a mobile-friendly tool for New Yorkers to screen for benefit and program eligibility, learn how to apply, gather required documents, and find local help. New York City residents can get information for over 40 City, state, and federal benefits and services, including Supplemental Nutrition Assistance Program (SNAP) and Cash Assistance, including emergency assistance.

Family Homelessness & Eviction Prevention Supplement (FHEPS)
FHEPS is a rent supplement for families with children who receive Cash Assistance and have been evicted or are facing eviction, who lost their housing due to a domestic violence situation, or who have lost their housing because of health or safety issues.

Get Food NYC
Get Food NYC is a map of free food resources across the city, including food pantries and Grab & Go meals at New York City schools, available for all children or adults who need immediate food assistance. The map also provides the locations of grocery stores and farmers' markets.

NYC Financial Empowerment Centers
NYC Financial Empowerment Centers offer free one-on-one professional financial counseling and coaching to support all New York City residents in reaching their goals by providing them with the tools and resources to withstand an income shock and to achieve financial stability. DCWP administers the program and suspended most in-person service for health and safety reasons; however, New Yorkers can schedule an appointment for free financial counseling by phone, and limited in-person sessions are available. To raise awareness about the program, DCWP launched advertising in May and June 2020, and additional advertising launched in October 2020.

NYC Tenant Resource Portal and Tenant Helpline
Launched in August 2020, the NYC Tenant Resource Portal features an eviction prevention tool to help residential renters navigate free public and private resources to stabilize their housing situations. The portal is a collaboration of the Mayor's Office to Protect Tenants, Mayor's Public Engagement Unit, and NYC Department of Information Technology & Telecommunications.

Launched in April 2020, the Tenant Helpline connects tenants with Tenant Support Specialists and legal services providers for information, advice, and possible case management or legal representation. The helpline is available to all New York City tenants, regardless of income, immigration status, or ZIP code, and the service is language accessible. The helpline is a collaboration of the Mayor's Office to Protect Tenants, Mayor's Public Engagement Unit, NYC Office of Civil Justice, and 311.

One Shot Deal
A "One Shot Deal" is a one-time emergency cash grant for eligible applicants who can't meet an expense due to an unexpected situation or event. New Yorkers may apply for emergency assistance for situations that include, but are not limited to:

- Rental arrears, including a pending eviction
- Utility arrears, including pending disconnection or shutoff
- Replacement of clothing or furniture due to fire disaster
- Storage assistance for homeless individuals

Information about all programs is available via nyc.gov/coronavirus or by calling 311.

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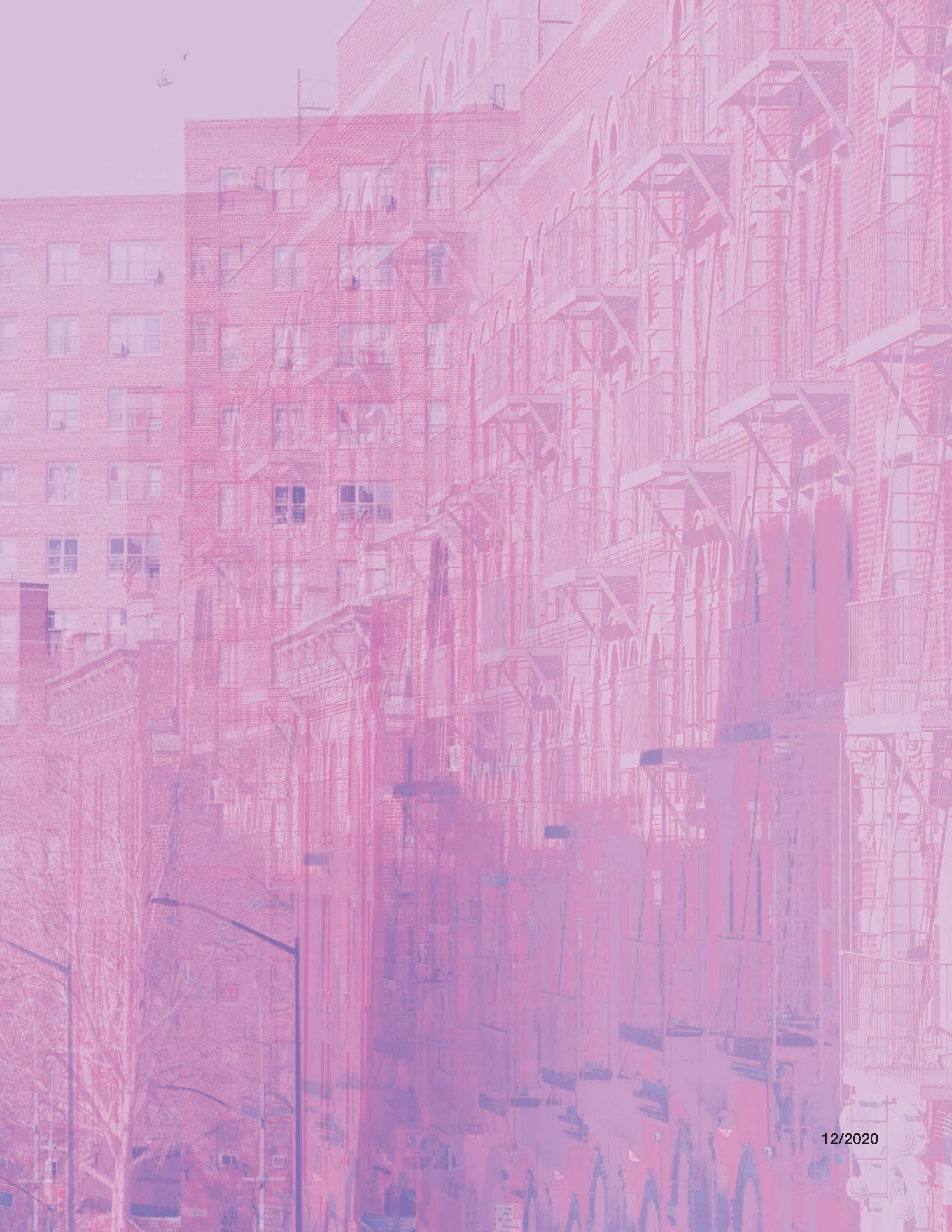

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