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The Council of the City of New York

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COMMITTEE ON CIVIL SERVICE AND LABOR

Hon. I. Daneek Miller, *Chair*

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OVERSIGHT: THE STATE OF LABOR DURING COVID-19

I. INTRODUCTION

On January 27, 2021, the Committee on Civil Service and Labor, chaired by Council Member I. Daneek Miller, will hold an oversight hearing on *the State of Labor During the COVID-19 Pandemic*. The Committee has invited representatives from the Mayor's Office of Labor Relations, the Department of Citywide Administrative Services, and the Department of Consumer and Worker Protections, as well as various labor organizations, advocates, stakeholders, and other interested parties of the public to testify.

II. BACKGROUND

In late 2019, the novel coronavirus SARS-CoV-2, as well as COVID-19, the disease it causes, emerged and began to spread rapidly around the world. The disease's highly transmissible nature, as well as its potential to cause severe illness and death, has brought about a pandemic that has caused nearly 25 million cases and over 415,000 deaths in the United States alone, as of January 25, 2021.¹

This pandemic has hit New York City particularly hard, as the City has reported nearly 500,000 cases and 26,558 deaths.² As close contact with other individuals is a primary mechanism for viral transmission, a major tool for slowing the spread of COVID-19 has been to reduce or eliminate social and interpersonal interactions.³ In an attempt to control the virus at the pandemic's outset, in March 2020 Governor Andrew M. Cuomo issued a statewide executive

¹ *United States COVID-19 Cases and Deaths by State*. Center for Disease Control. Available at: https://covid.cdc.gov/covid-data-tracker/#cases_casesinlast7days.

² *COVID-19: Data*. New York City Department of Health. Available at: <https://www1.nyc.gov/site/doh/covid/covid-19-data-totals.page>.

³ *Social Distancing*. Center for Disease Control. Available at: <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/social-distancing.html>.

order putting “New York on PAUSE.”⁴ This executive order closed down much of the state, including by issuing stay-at-home orders to those individuals above the age of 70 and temporarily banning all non-essential gatherings.⁵ Importantly, the executive order also delineated specific industries and occupations that were deemed “essential” and allowed to continue operations in some form—all other businesses were ordered to close in-person operations.⁶

As the pandemic has evolved, so too have these orders been relaxed and modified.⁷ However, most industries still operate in a truncated fashion, and must comply with a variety of social-distancing mandates designed to limit the amount of social interactions that may cause viral transmission.⁸ These measures, although necessary to combat COVID-19, have brought about a sharp economic downturn and numerous layoffs as employers struggle with a sharp reduction in income.⁹ While the full picture of the pandemic’s total toll on New York City’s workers remains to be seen, preliminary data indicates that New York City has experienced more drastic effects on employment than New York State and even the rest of the nation. According to the New York State Department of Labor, New York City experienced a 13.5% loss in private-sector employment in 2020, compared with an 11.5% loss for the state and a 6.1% decline nationwide.¹⁰

⁴ *Governor Cuomo Signs the ‘New York State on PAUSE’ Executive Order*. New York State Officer of the Governor. Available at: <https://www.governor.ny.gov/news/governor-cuomo-issues-guidance-essential-services-under-new-york-state-pause-executive-order>.

⁵ *Id.*

⁶ *Id.*

⁷ *COVID-19 Executive Orders and Emergency Orders: NY State Executive Orders*. Erie County Department of Health. Available at: <https://www2.erie.gov/health/index.php?q=covid-19-executive-orders-and-emergency-orders>.

⁸ *Id.*

⁹ Lauren Bauer, Kristen E. Broady, Wendy Edelberg, and Jimmy O’Donnell. *Ten Facts About COVID-19 And The U.S. Economy*. Sept. 17, 2020. Brookings. Available at: <https://www.brookings.edu/research/ten-facts-about-covid-19-and-the-u-s-economy/>.

¹⁰ *Labor Statistics for the New York City Region*. New York State Department of Labor. Available at: <https://www.labor.ny.gov/stats/nyc/>.

COVID-19 and the Workforce

A key question for understanding the impact of COVID-19 on the workforce in New York City is how the pandemic has interacted with, and potentially exacerbated, existing structural inequities in the labor market.¹¹ An April 2020 working study from the University of Chicago found that the workers most likely to be negatively impacted by COVID-19 are low-income, less educated, in possession of fewer liquid assets, and renting their place of residence.¹² In addition, many workers who fall under those categories also comprise frontline, or essential, workers during the pandemic—those workers on the frontline of the pandemic response, such as grocery store clerks, nurses, cleaners, and bus drivers.¹³ Studies have found that essential workers, on average, tend to be less educated, have lower wages, and a higher representation of disadvantaged minorities and immigrants.¹⁴ In May 2020, for example, the Kaiser Family Foundation reported that essential workers are more likely to be Black (15% vs 5%), have a household income of less than \$40,000 (31% vs 19%), and a majority (70%) of essential workers do not hold a college degree, while six in ten (61%) non-essential workers have at least a 4-year degree. One-fourth (26%) of essential workers say that they or someone in their family is a health care worker, one classification of employment that has been considered essential across the country.¹⁵

¹¹ Zia Qureshi. *Tackling the inequality pandemic: is there a cure?* Nov. 17, 2020. Brookings. Available at: <https://www.brookings.edu/research/tackling-the-inequality-pandemic-is-there-a-cure/>.

¹² Simon Mongey, Laura Pilossoph, and Alex Weinberg. *Which Workers Bear the Burden of COVID-19 Social Distancing Policies?* Working Paper No. 2020-051. April 2020. University of Chicago Becker Friedman Institute. Available at: https://bfi.uchicago.edu/wp-content/uploads/BFI_WP_202051.pdf.

¹³ Francine D. Blau, Josefina Koebe, and Pamela Meyerhofer. *Who are the Essential and Frontline Workers?* IZA DP No. 13650. August 2020. IZA Institute of Labor Economics. Available at: <https://www.iza.org/publications/dp/13650/who-are-the-essential-and-frontline-workers>.

¹⁴ *Id.*

¹⁵ Audrey Kearney and Cailey Munana. *Taking Stock of Essential Workers*. May 1, 2020. Kaiser Family Foundation. Available at: <https://www.kff.org/policy-watch/taking-stock-of-essential-workers/>.

This is significant because, per the University of Chicago’s study, this means that those groups making up the frontline workforce are most likely to be disproportionately negatively impacted by COVID-19.¹⁶

Importantly, numerous studies of essential workers have shown that these individuals are disproportionately women and people of color.¹⁷ A Fiscal Policy Institute study of these workers observes that 63% of frontline workers are women, 53% are immigrants, 33% are Black, and 30% are Latinx.¹⁸ Historically, the impact of large-scale crises tends to fall on groups that are already vulnerable; for example, unemployment during and after the 2008 financial crisis rose across all demographics, but rose most swiftly and was most permanent for Black and Hispanic workers.¹⁹ Indeed, this pattern seems to be playing out again during the COVID-19 crisis—recent research has demonstrated that women and employees of color have experienced disproportionate job loss during the pandemic, and that these workers also tend to be concentrated in industries that have been most affected by COVID-19.²⁰

Given that even prior to the pandemic these groups of workers already faced existing labor-related discrimination, fewer employment opportunities, and structural barriers to full participation in the labor market, in order to understand the full impact of the pandemic on the

¹⁶ *Id.*

¹⁷ Hye Jin Rho, Hayley Brown, and Shawn Femstad. *A Basic Demographic Profile Of Workers in Frontline Industries*. April 2020. Center for Economic and Policy Research. Available at: <https://cepr.net/wp-content/uploads/2020/04/2020-04-Frontline-Workers.pdf>.

¹⁸ *New York’s Essential Workers: Overlooked, Underpaid, and Indispensable*. April 8, 2020. Fiscal Policy Institute. <https://fiscalpolicy.org/wp-content/uploads/2020/04/Essential-Workers-Brief-and-Recs.pdf>.

¹⁹ Michael Neal and Alanna McCargo. *How Economic Crises and Sudden Disasters Increase Racial Disparities In Homeownership*. June 2020. The Urban Institute. Available at: <https://www.urban.org/sites/default/files/publication/102320/how-economic-crises-and-sudden-disasters-increase-racial-disparities-in-homeownership.pdf>.

²⁰ Neeta Kantamneni. *The impact of the COVID-19 pandemic on marginalized populations in the United States: A research agenda*. May 8, 2020. Journal of Vocational Behavior, 119. doi:10.1016/j.jvb.2020.103439.

workforce, it is important to understand how these pre-existing issues have been altered or worsened by COVID-19.²¹

Disparate Impacts of the Pandemic in the Workforce

While the entire workforce has been impacted by the realities of COVID-19, that impact has not been felt evenly across all categories of workers; this is particularly true between the categories of essential and non-essential workers. In New York, the distinction between essential and non-essential businesses and essential and non-essential workers was laid out by Governor Cuomo in his March 20, 2020 Executive Order 202.6, titled “New York State on PAUSE.”²² Per the Governor’s executive order, categories of essential businesses that could stay open during the shutdown—and by extension essential employees who were asked to continue working outside the home—included health care and hospital operations; forms of public-sector employment like sanitation, social services, and public safety; certain types of retail, such as grocery stores, pharmacies, and restaurants; and essential infrastructure, including public transportation, airlines, and utilities.²³ These examples are not exhaustive; forms of financial services, news media, manufacturing, personal services, and other occupations were also part of Governor Cuomo’s list.²⁴

As not all businesses were allowed to remain open during the state’s shutdown, not all workers were allowed to continue working either.²⁵ Thus the primary difference between the two

²¹ Emilie Openchowski. *Weekend Reading: Racial and gender discrimination in the labor market edition*. September 18, 2020. Washington Center for Equitable Growth. Available at: <https://equitablegrowth.org/weekend-reading-racial-and-gender-discrimination-in-the-labor-market-edition/>.

²² *Governor Cuomo Issues Guidance On Essential Services Under the ‘New York State on PAUSE’ Executive Order*. Governor.NY.gov. March 20, 2020. Available at: <https://www.governor.ny.gov/news/governor-cuomo-issues-guidance-essential-services-under-new-york-state-pause-executive-order>.

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

worker categories set up by *New York on PAUSE* was the ability to work outside the home even while businesses and services were physically shut down during the pandemic.²⁶ While essential employees were asked, and even required, to continue working outside the home, non-essential employees were restricted from doing so; non-essential employees were those employed by non-essential businesses that were shut down by the Governor's order as well as those employees of essential businesses who could work remotely.²⁷

The different restrictions and requirements between the different categories of workers set the course for the pandemic to disparately impact different workers in different ways. One very real difference between on-site essential workers and non-essential and remote workers, for example, is the risk of contracting COVID-19.²⁸ Select groups of essential workers, such as doctors, nurses, and funeral home employees, work at job sites that are frequently exposed to the SARS-CoV-2 virus on a daily basis and others, such as grocery store workers, have no choice but to work on site and have many in-person interactions, despite safety concerns during the pandemic²⁹ And in fact the data corroborates this; according to a medical study published in December 2020, essential workers have an increased risk for severe COVID-19 relative to non-essential workers.³⁰

²⁶ *Id.*

²⁷ Hunter Moskowitz. *What is an Essential Worker in New York State?* Cornell University. April 24, 2020. Available at: <https://www.ilr.cornell.edu/work-and-coronavirus/work-and-jobs/what-essential-worker-new-york-state#:~:text=Essential%20services%20necessary%20to%20maintain,building%20cleaners%2C%20general%20maintenance%2C%20auto.>

²⁸ Emily Stewart. *The Pandemic Job Divide: Those Who Can Stay Safe At Home, and Those Who Can't*. June 12, 2020. Vox. Available at: [https://www.vox.com/covid-19-coronavirus-economy-recession-stock-market/2020/6/12/21283820/coronavirus-economy-reopening-work-from-home-health-risk.](https://www.vox.com/covid-19-coronavirus-economy-recession-stock-market/2020/6/12/21283820/coronavirus-economy-reopening-work-from-home-health-risk)

²⁹ Long H. Nguyen, et al. *Risk of COVID-19 Among Frontline Healthcare Workers and the General Community: A Prospective Cohort Study*. July 31, 2020. The Lancet. Doi: [https://doi.org/10.1016/S2468-2667\(20\)30164-X](https://doi.org/10.1016/S2468-2667(20)30164-X).

³⁰ *Essential Workers Have Increased Risk for Severe COVID-19*. December 11, 2020. HealthDay. Available at: <https://consumer.healthday.com/essential-workers-have-increased-risk-of-severe-covid-19-2649412592.html>.

Further, while all workers during the pandemic have weathered such consequences as facing a host of concurrent risk factors for poor mental health and substance use problems, frontline and other essential workers face a particularly high risk of such problems.³¹ Essential workers have reported, for example, higher burnout and generally poorer mental health outcomes.³² Further, surveys conducted in June 2020 found that although a substantial share of all adult workers reported symptoms of depressive disorder, essential workers reported these adverse effects more often than non-essential workers (42% vs 30%).³³ Essential workers also reported higher rates of substance abuse (25% vs 11%) and suicidal thoughts (22% vs 8%) than their non-essential counterparts.³⁴

As essential workers have disproportionately felt the negative impacts of the pandemic and since essential workers tend to be women and persons of color,³⁵ it follows that the pandemic has disproportionately adversely impacted women and workers of color. Compounding this disproportionate impact, already existing disparities along race, gender, and income levels may further exacerbate how different groups of workers are impacted by the pandemic as well.³⁶ One example of this structural inequity can be seen in simple unemployment numbers. Nationally, Black workers have recovered just over a third of employment lost during

³¹ Rabah Kamal, Nirmita Panchal, and Rachel Garfield. *Both Remote and On-Site Workers are Grappling with Serious Mental Health Consequences of COVID-19*. December 22, 2020. The Kaiser Family Foundation. Available at: <https://www.kff.org/policy-watch/both-remote-and-on-site-workers-are-grappling-with-serious-mental-health-consequences-of-covid-19/>.

³² Rabah Kamal, Nirmita Panchal, and Rachel Garfield. *Both Remote and On-Site Workers are Grappling with Serious Mental Health Consequences of COVID-19*. December 22, 2020. The Kaiser Family Foundation. Available at: <https://www.kff.org/policy-watch/both-remote-and-on-site-workers-are-grappling-with-serious-mental-health-consequences-of-covid-19/>.

³³ *Id.*

³⁴ *Id.*

³⁵ *New York's Essential Workers: Overlooked, Underpaid, and Indispensable*. April 8, 2020. Fiscal Policy Institute. <https://fiscalspolicy.org/wp-content/uploads/2020/04/Essential-Workers-Brief-and-Recs.pdf>.

³⁶ Qureshi. *Tackling the Inequality Pandemic*. <https://www.brookings.edu/research/tackling-the-inequality-pandemic-is-there-a-cure/>

the pandemic compared to White workers, who have recovered more than half of their jobs lost between April and February 2020.³⁷ Where White women have recovered 61 percent of the jobs they lost, the U.S. Department of Labor data shows that Black women have only recovered 34 percent.³⁸ According to the Washington Post, other key demographic groups that have recovered their lost employment more slowly include: mothers of school-age children, Hispanic men, Asian Americans, younger Americans, and those without college degrees.³⁹

In another example, although nonessential workers in general are able to work more safely and remotely from home than essential workers, the ability to work from home at all differs enormously by race and ethnicity.⁴⁰ In March 2020, the Economic Policy Institute found that Black and Hispanic workers are much less likely to be able to work remotely—less than one in five Black workers and roughly one in six Latinx workers have jobs allowing them to work from home.⁴¹ The so-called digital divide, or structural disparity in access to the internet, compounds this problem, as a far higher proportion of nonwhite and low-income workers report decreased access to the Internet or the technology necessary for these kinds of jobs.⁴² In a situation like the COVID-19 pandemic, where remote workers are safer by virtue of more insulation from exposure to the virus, structural inequity along these lines can thus exacerbate adverse impacts as simple as increased health risks for workers in these demographics. In fact, in a case study of workplace outbreaks in Utah, a team of researchers found that Hispanic and non-

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ Elise Gould and Heidi Shierholz. *Not Everybody Can Work From Home*. March 19, 2020. [Economic Policy Institute, Working Economics Blog](https://www.epi.org/blog/black-and-hispanic-workers-are-much-less-likely-to-be-able-to-work-from-home/). Available at: <https://www.epi.org/blog/black-and-hispanic-workers-are-much-less-likely-to-be-able-to-work-from-home/>.

⁴¹ *Id.*

⁴² Stuart Andreason, Pearse Haley, Sarah Miller, and Mels de Zeeuw. *The Digital Divide and the Pandemic: Working from Home and Broadband and Internet Access*. June 29, 2020. [Federal Reserve Bank of Atlanta](https://doi.org/10.29338/wc2020-06). Doi: <https://doi.org/10.29338/wc2020-06>.

White workers, though only accounting for roughly a quarter of the affected workforce, represented nearly three-quarters of workplace-associated COVID-19 cases.⁴³ None of these factors are mutually exclusive. Nonwhite workers are being impacted in greater and more varied ways by the pandemic, in part, because new challenges build on the structural challenges and disparities that already existed for them.⁴⁴

III. ISSUES AND CONCERNS

Although City labor agencies have responded to the pandemic by issuing general workplace health, safety, and legal guidance⁴⁵ and enforcing the City’s protective labor laws,⁴⁶ it is unclear what work has been done to address the varied impacts of the pandemic among the City’s workforce and how the City has been supporting differently impacted groups of workers. While the City is responsible for protecting and supporting all public and private employees, the abovementioned data shows that not all workers are feeling the effects of the pandemic evenly—this, in turn, means that offering one uniform system of support does not necessarily help all workers in the same way. It is thus important that the City agencies tasked with protecting workers strive to actively address known and developing issues of inequity while issuing guidance, creating programs and initiatives for pandemic unemployment, and generally serving New York City’s workforce.

⁴³ David P. Bui, et al. *Racial and Ethnic Disparities Among COVID-19 Cases in Workplace Outbreaks by Industry Sector — Utah, March 6–June 5, 2020*. August 17, 2020. [CDC.gov](https://www.cdc.gov/mmwr/volumes/69/wr/mm6933e3.htm). Available at: <https://www.cdc.gov/mmwr/volumes/69/wr/mm6933e3.htm>.

⁴⁴ See, e.g. Heather Long, Andrew Van Dam, Alyssa Fowers, and Leslie Shapiro. *The covid-19 recession is the most unequal in modern U.S. history*. September 30, 2020. [The Washington Post](https://www.washingtonpost.com/graphics/2020/business/coronavirus-recession-equality/). Available at: <https://www.washingtonpost.com/graphics/2020/business/coronavirus-recession-equality/>.

⁴⁵ See *Worker Rights*. NYC Consumer Affairs. <https://www1.nyc.gov/site/dca/workers/worker-rights.page>.

⁴⁶ See, e.g. *Bronx Grocery Workers Return to Work After Filing Complaints with the Department of Consumer and Worker Protection*. January 12, 2021. [New York City Department of Consumer Affairs](https://www1.nyc.gov/site/dca/media/pr011221-Bronx-Grocery-Workers-Return-to-Work.page). Available at: <https://www1.nyc.gov/site/dca/media/pr011221-Bronx-Grocery-Workers-Return-to-Work.page>.

In order to keep the existing structural disparities from further increasing the divide between different categories of workers, the City must learn more about the different ways in which workers are being affected by the virus and do more to better support those workers being most impacted by the pandemic.

IV. CONCLUSION

The Committee thus seeks to gain a greater understanding of the state of organized and unorganized labor in New York City, especially as to how workers have been impacted by and responded to the COVID-19 pandemic. During this hearing, the Committee wishes to hear from the Administration and from members the public about how the pandemic has impacted different groups of workers, what the City has done to help address these issues of inequity and how successful these efforts have been, and what the City can do better to help serve public and private employees going forward as the COVID-19 pandemic continues.