

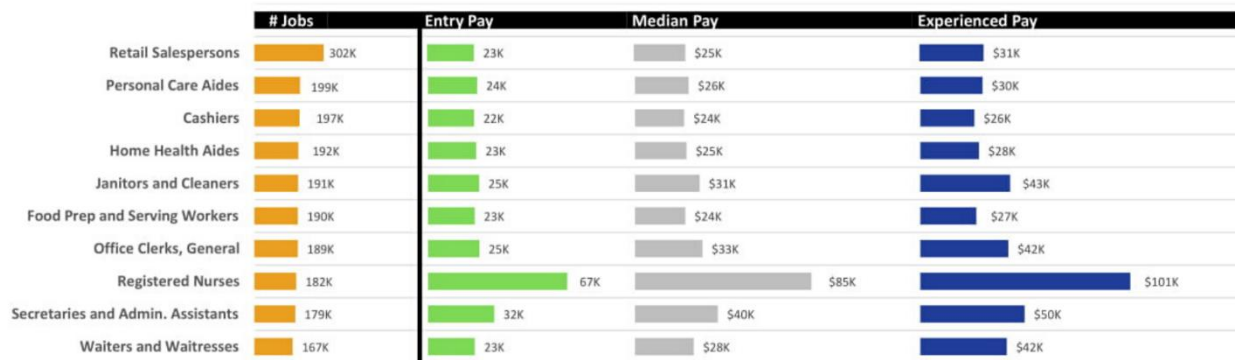
New York State Legislative Hearing: Impact of COVID-19 on the Workforce
August 13, 2020
Testimony of the New York Association of Training and Employment Professionals

Since March, our lives, work, and communities have dramatically changed due to COVID-19. Parents are juggling new schedules for their families; employers are grappling with keeping staff on their payroll; and many New Yorkers are unsure when they will see a regular paycheck again. In New York, Governor Cuomo has been a tremendous leader in slowing the spread of the virus and prioritizing the health and safety of New Yorkers. Everyday heroes in healthcare, public service, transportation, grocery stores, and critical supports for the most vulnerable people in our State are on the front lines buoying our communities during this crisis. Their commitment to service is an incredible reminder of what New Yorkers are made of.

As we begin to round the bend of COVID 19, getting people back to work will be front in center to mitigating the severe economic aftershocks across New York State. In mid-March, it seemed unfathomable that 3.3 million people filed for unemployment insurance nationally, the highest number since the government began tracking in 1967, and five times the prior record set in 1982. As of August 1st, 3.4 million New Yorkers are receiving Unemployment Insurance, and another 1.3 million are receiving Pandemic Unemployment Assistance, as provided by the federal CARES Act, to extend support to those often ineligible for State Unemployment Assistance, independent contractors, many tipped employees and part-time workers, etc. In stark contrast, in February weekly jobless claims were at a historic low nationally, hovering around 200,000 nationally and during the height of the Great Recession, New York’s unemployed claims hovered around 800,000.

This is unlike any time in modern history, however as we shared publicly back in March – New York was already facing serious structural issues within our labor market that raised early red flags. The New York Association of Training and Employment Professionals (NYATEP) has reported in the last three annual State of the Workforce Reports, that the top 10 largest occupations, which makes up nearly 2 million jobs, are dominated by low wage work. Of the occupations represented, 9 out of 10 pay less than \$32,000, and the vast majority are in sectors directly impacted by COVID 19. They include retail salespersons, food prep workers, waiters and waitresses, cashiers, and office administrative roles.

10 LARGEST OCCUPATIONS STATEWIDE ²⁰



Source: New York Association of Training and Employment Professional’s State of the Workforce Report, 2019

Due to the State’s dependence on low wage work, too many New Yorkers struggled to make ends meet when the economy was good. The United Way of New York estimates that 45% of New Yorkers are “working poor” -- meaning they are [asset limited, income constrained, and employed](#) – however, unable to cover basic monthly costs of food, childcare, transportation, housing, etc. COVID-19 has exacerbated all of these challenges, bringing many families to the brink.

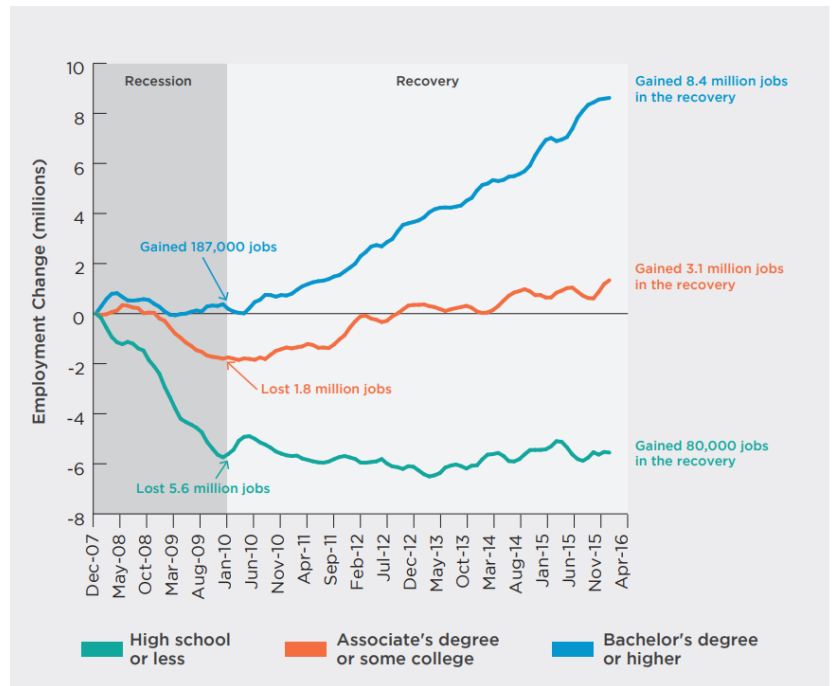
As we learned during the last Recession, that even as the economy improves, it doesn’t improve for everyone equally. As [reported by Georgetown University’s Center on Education and the Workforce in, *America’s Divided Recovery: College Haves and Have-Nots, 2016*](#), people with a high school diploma or less did not rebound following the last recession. Workers with a bachelor’s degree or higher gained over 8.4 million jobs in the recovery, whereas those with a high school diploma or less gained a mere 80,000. In New York, 42% of people (5.65 million) have a high school diploma or less, and of those who completed less than a high school, nearly half never made it past 9th grade.

Before COVID-19 the debate that rallied elected officials and educators was the “Future of Work”, automation, and its impact on jobs. However, COVID-19 has laid bare what has been true all along – the labor market, as it has been designed, does not benefit all people equally. We are seeing mass unemployment rivaling the Great Depression, and while many New Yorkers have lost their jobs, the glaring disproportionate negative impacts for people of color and individuals working in low wage jobs is unambiguous. It is not fair or equitable, and it is not good for New York.

We will have one shot to be sure this recovery does not leave people behind.

The origin of the workforce system is rooted in addressing inequity in our labor market, and for decades we have worked against the undercurrent of overt and systemic racism that has shaped federal, state, and local policy making. As New York rebuilds its economy this moment in time has afforded us all the opportunity for change, which must include how we fund and structure workforce programs to meet the needs of the people who need it most; and how we work and support the business community to be part of the change. We all benefit when our local labor markets are diverse, workers are skilled, and well-paid.

Figure I. Workers with a Bachelor’s degree have added 8.4 million jobs in the recovery, but workers with a high school diploma or less added only 80,000 jobs after losing 5.6 million jobs in the recession.



Source: Georgetown University Center on Education and the Workforce analysis of *Current Population Survey* (CPS) data, 2007-2016.
 Note: Employment includes all workers age 18 and older. The monthly employment numbers are seasonally adjusted using the U.S. Census Bureau X-12 procedure and smoothed using a four-month moving average.

To support this effort, *Invest in Skills NY* has launched the NYS Workforce Strategy Group. A collaboration of the business community, educators, workforce, and community college leadership to develop a set of recommendations for New York. This group includes decades worth of direct experience supporting the needs of New Yorkers and the business community.

The full set of recommendations, including specific policy changes to benefit New York, will be published in early September. To date, several key themes have already emerged:

1. New York State can and should be a national leader in aligning programs across K-12, adult education and literacy, job training and community college, and four-year institutions. This includes eliminating policy barriers that make it difficult for students to gain or transfer credit; tackling affordability; maximizes business engagement to design and align curriculum; and clarity around career pathways across New York.
2. New York must wield its economic development power, by aligning incentives to increase job quality and employer investment in workforce development.
3. New York State must set statewide goals and invest in a 21st century performance management system for the education, job training and employment programs statewide to track, improve and communicate outcomes.
4. New York State needs to maximize its existing funding provided through the federal Workforce Innovation and Opportunity Act and Temporary Assistance to Needy Families to provide more in-depth services to New York's low-income workers, over a longer timeframe and increase flexibility for local service providers.
5. The benefits cliff is real. As New Yorker's struggle with their basic needs, investment in creative solutions will be critical to our ability to keep New Yorkers connected to training and employment.
6. New York lags behind in overall State investment in workforce development. If we are serious about moving New Yorkers out of poverty, we need to be serious and committed to investing in their skills.
7. The digital divide is significant. Many New Yorkers still lack access to high speed internet, due to availability or affordability. Additionally, barriers to accessing equipment and software, continue to stifle New Yorker's ability to train and work remotely.
8. The State's workforce system is seen as an afterthought, often lacking the basic investments in infrastructure, staffing, and professional development needed. In reality – this network of local workforce boards, career centers, literacy and job training and postsecondary programs, are the front lines of getting New Yorkers back to work and connected to benefits so they can continue to work.

New York Association of Training and Employment Professionals (NYATEP)

Melinda Mack is the Executive Director of NYATEP, the statewide workforce development association representing New York's education, job training, postsecondary and employment providers. NYATEP's members serve over 1.2 million New Yorkers annually in education and employment services, and support thousands of businesses in their regions as they train and employ talent. Learn more about NYATEP at www.nyatep.org