



## RECOMMENDATIONS ON HOW TO APPROACH AND MITIGATE THE DISPROPORTIONATE ADVERSE IMPACTS OF COVID-19 ON MINORITY COMMUNITIES

Testimony at a Joint Assembly and Senate Legislative Hearing by Felecia Webb, NPower  
May 18, 2020

Thank you for the opportunity to provide testimony regarding the disproportionate impact of COVID-19 on the communities of color we serve. The pandemic has exacerbated existing health disparities facing minority communities in New York and nationwide, leading to higher morbidity rates during the pandemic. Minority communities are adversely impacted by the digital divide, and are the most at-risk to be negatively impacted by the widening of the economic gap in a post-pandemic recession. To address the social determinants of health, we must address the inequities of job opportunities and the emerging new norm within the context of a technology driven era. The future of work will be in Information Technology (IT). There must be an investment in tech workforce training for minority communities.

The CDC reports Blacks and Hispanics/Latinos accounted for the highest percentage of hospitalized Americans, and the NY Department of Health reported that as of April 29, 2020, fatality rates amongst Black and Hispanic/Latino New Yorkers accounted for a combined total of 62% in New York City. This is significantly higher than any other ethnic community (27% white and 7% Asian). Inequality is magnified in during times of national crisis, and communities of color have long endured inequalities across economic, social, and civic systems.

Long-standing structural inequities have created an uneven landscape which makes it difficult for many people of color to secure jobs with solid wages and opportunities for advancement, gain access to quality health care that is timely and responsive; and to reside in communities with the essential services for healthy life outcomes.

Over 30 million people have filed for unemployment in the United States, including more than 1.8 million New Yorkers as a result of COVID-19, and recent data from the U.S. Department of Labor show that the hospitality, food services, and health care industries have been among those hardest hit by severe unemployment. 53.8% of women of color in the United States are employed in these highly impacted industries. Minority workers in essential jobs, disproportionately work in the lowest-paid service and domestic occupations in the industries hit hardest by job losses are disproportionately staffed by minority workers.<sup>1</sup>

Furthermore, minority communities and most specifically women of color experience larger pay gaps than their white male counterparts and lack access to critical benefits such as health insurance. For all of these workers, the COVID-19 crisis puts their health and lives even further at-risk as they struggle to withstand severe economic pressures without much-needed policy and work protections.

The disruption to employment caused by COVID-19 will worsen the long-standing challenges faced by minority communities and women of color as they navigate the labor market. Women and people of color have been shown to face a lesser likelihood than white counterparts of moving from low-wage work to higher-paying jobs without access to high-quality employment and workforce training programs that demonstrated records of success.

---

<sup>1</sup> <https://www.theguardian.com/us-news/2020/apr/28/african-americans-unemployment-covid-19-economic-impact>

This is the time to prioritize investment in workforce training for information technology (IT) careers to begin rebuilding the economy. At the same time, it is critical to put protections in place for the most at-risk communities to mitigate the impact of COVID-19 and future health-related crises, as well as preventing a widening of the economic gap between wealthy and low-income families – otherwise, these inequities will increase the severity of a post-COVID recession.

As a point of comparison, during the last major recession in 2008 unemployment was high, housing values declined, and there was a record increase in poverty. Recessions always hit minority communities the hardest. The overall unemployment rate peaked at 9.6% in 2010 and for Black/African Americans, it was 16%. William Rodgers, former chief economist at the US Department of Labor, estimates that the unemployment rate for African Americans may reach more than 19% this May.

The coronavirus pandemic is having an unprecedented impact on the way we live and work. Mandated self-isolation has left businesses and schools no other option than to shift toward a remote work and learning model. While the public health response to the COVID-19 crisis remains paramount, we also need to frame this emerging new norm within the context of a technology-driven era. The future of work is in tech, and tech will drive both the economic recovery and the new economy that will emerge after the crisis.

Before COVID-19, we witnessed significant growth in IT/tech jobs. Minority communities stand to lose thousands of jobs to automation over the next decade, according to new research from McKinsey & Co. Minority workers and women of color in the fast-food, retail and customer-service industries — especially those in support roles like cashiers, office clerks, stockroom laborers and call-center representatives — are most vulnerable to their jobs disappearing as companies invest more in labor-replacing technologies. In all, researchers project that African-Americans will lose a total of 132,000 jobs between now and 2030 due to automation.<sup>2</sup>

Post-COVID, the disruption of industries and economic sectors will further impair the ability of minority communities to support their families. These disruptions are occurring on top of existing inequities that have long undermined the economic status of women of color. In addition to substantial economic responsibilities for their families, women of color continue to experience pay disparities that reduce their overall earnings and undermine their economic stability, a significant social determinant of health. It is worth noting that A Center for American Progress 2018 data found that 67.5% of Black mothers and 41.4% of Latina mothers were the primary or sole breadwinners for their families, further illustrating how the impact of COVID-19 will exacerbate the inequities and life-outcomes for minority communities.

According to researchers, closing this inequality-produced economic gap could boost the U.S. economy by \$1.5 trillion by 2028.<sup>3</sup> Providing post-secondary workforce training would assist with shrinking the divide among the opportunities offered to minority communities and women of color. Data from Burning Glass shows that in 2019 there were 4.2 million unfilled IT jobs across the country. According to CompTIA, the tech workforce is projected to grow by at least 800,000 workers nationally in the next decade. In the State of New York, an anticipated 17.5% growth in IT/tech and computer occupations is expected by 2026,<sup>4</sup> making our state well-positioned to lead in the economic recovery through investment in training for these jobs.

Technology is fueling remote working arrangements for thousands of organizations across the country. Some of these changes will become permanent and the demand for tech talent to support them increase after the crisis. While the service jobs in travel, retail and hospitality industries will likely be negatively affected by the health

---

<sup>2</sup> <https://www.mckinsey.com/featured-insights/future-of-work/the-future-of-work-in-black-america>

<sup>3</sup> <https://www.cbsnews.com/news/automation-why-automation-could-hit-black-workers-harder-than-other-groups/>

<sup>4</sup> <https://www.labor.ny.gov/stats/lproj.shtm>

pandemic, the most in-demand jobs in 2020 and beyond will be in technology. Therefore developing IT talent should be a top priority to drive the economic recovery and combat generational poverty experienced by minority communities.

In the words of Dr. Martin Luther King – “it is the fierce urgency of now.” It is a critical time for investment in proven tech workforce training programs that move people from poverty to the middle class through gainful employment. Economic stability is a core social determinant of health<sup>5</sup> and addressing economic inequities for minority communities and women of color through employment leads to better health outcomes. Job training programs are a vital tool to help low-income workers gain the skills they will need to take advantage of in-demand jobs. Programs like NPower can turn a \$7,500 investment in a student into \$1 million in earnings in their lifetime, a 133x return on investment.

NPower and other workforce development programs can offer insights on the importance of partnerships between nonprofits, businesses and government to avoid further income inequality and provide a tremendous return on investment (ROI) for the economy and the minority communities that are most in need.

### **RECOMMENDATIONS FOR LEGISLATORS**

We are calling on the Governor of New York, the NY Assembly and NY state senate to make investments in workforce development that will support tech training for minority communities and women of color – both most impacted and displaced from work in the COVID-19 crisis:

- We support the policy recommendations of the National Skills Coalition<sup>6</sup> and call on state policymakers and executive leadership to:
  - **Consider applying for Dislocated Worker National Reserve (DWNR) funds to respond to layoffs through investments in job training, specifically for the IT sector.** The Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law March 27, 2020, includes \$345 million in new funding to DNWR.
  - **Utilize existing Reemployment & Systems Integration Dislocated Worker Grants funding to fund training and employment services** for individuals impacted by the crisis. Training programs for the IT sector should be a priority here, for the reasons noted earlier in this policy brief.
  - **Promote digital literacy-building activities** by considering how to clarify language in existing adult education or higher education grants and contracts to affirm the eligibility of these activities in state training providers.
- Linear career paths will cease to exist: the new norm and the future of work will require constant training, and it will be crucial for workers’ employability and income mobility in the economic recovery. This requires rethinking of post-secondary education and workforce development including support for remote learning, and closing the digital divide with access to broadband and technology for all.
- NY State government needs to address the issue of unemployment driven by automation, AI and other emerging technologies that require an upskilled workforce to meet the demand for tech jobs. With investments in IT training programs that include hands-on experience in real work environments such as internships and apprenticeships, trainees can get firsthand experience with cutting-edge innovation and be better prepared for the future of work.

---

<sup>5</sup> <https://www.cdc.gov/socialdeterminants/index.htm>

<sup>6</sup> <https://www.nationalskillscoalition.org/covid19>