

# COVID-19 PANDEMIC EMPLOYMENT IMPACT: EQUITY AND WORKFORCE



**National Able Network's  
Response and Recommendations**

**June 2020**

# THE PANDEMIC SHINES A LIGHT ON EQUITY AND WORKFORCE

As the novel coronavirus quickly became a ‘once in a generation’ global pandemic in early 2020, statements like “**Unprecedented**” and “**The New Normal**” found their way into our everyday vernacular. “**The New Normal**” included kids sent home from school while parents adapted to e-learning and other alternative instructional resources and non-essential businesses going dormant, with many projected to shutter forever. The impacts of this global crisis will be seen for many generations to come, and National Able Network has been working on the front lines of this crisis to help implement innovative workforce solutions and charter a promising future for job seekers and employers.

More than 42 million Americans—**1 in 5 workers**—filed for unemployment benefits between mid-March and the end of May;<sup>1</sup> by far the worst string of layoffs on record. The American jobs landscape has changed dramatically, shedding millions of jobs, with more than half of restaurant, retail, and hospitality jobs lost in a single month. This economic downturn is impacting vulnerable populations—minorities, seniors, low-income workers, immigrants, women, and those with low or limited education among others—disproportionately and devastatingly higher.

In late-2018, National Able Network began implementing workforce strategies through the lens of equity. The process was anchored through assessments that benchmarked factors that were within our control and those were not, and included surveys and interviews with staff, job seekers and employer partners. For example, National Able Network began translating program enrollment materials (both internally-developed materials and those that were developed by partners) into Spanish building stronger referral partners and a regular presence in vulnerable communities, switching to a less onerous educational assessment to better support non-traditional learners, building stronger relationships with employers, and teaching program staff different tools and practices to meet the needs of the most vulnerable job seekers.

Though National Able Network had never in its history experienced a global pandemic, the organization took swift action to respond, prioritizing the safety of our staff and customers first and foremost. As the unemployment situation became more volatile, our largest facilities, many of which are American Job Centers where we are co-located with state agencies administering unemployment insurance benefits among other lifeline benefits, would need to be shuttered to protect the public and our frontline staff. The decision to close facilities was difficult for all of us: we struggled to balance our desire to help people who needed us most during a profoundly difficult time while also making certain that we were heeding the precautions set forth by local health officials that could best protect our community from a potentially life-threatening disease. Because of National Able Network’s equity strategy, it came as no surprise that both the disease and its economic impact had a profoundly grave impact on vulnerable communities and individuals in which we work.

The American Job Centers National Able Network operates were flooded with foot traffic from individuals seeking in-person career assistance and assistance with filing unemployment insurance benefits as many states across the U.S. struggled to support the surge of online applicants.



PHOTO CREDIT: CHICAGO TRIBUNE

**On March 16, 2020, more than 250 individuals showed up in-person at National Able Network's Center in Chicago's Pilsen community, Illinois' largest and most comprehensive Center.**

Americans across the country struggling to file unemployment insurance claims due to inadequate and overwhelmed websites and office

closures certainly made headlines, but the broader public was only seeing the 'tip of the iceberg' of the challenges being faced by the millions who lost their livelihoods. Enacted in 1935, the Unemployment Insurance (UI) system is a lasting piece of the Social Security Act, and by the time COVID-19 broke out, UI funding and staffing levels were at an all-time low.<sup>2</sup>

Exacerbating the barriers that vulnerable populations already face, including limited internet access, language barriers and transportation challenges, state UI systems disproportionately exclude those who are new to the labor force, not consistently employed full-time in the previous year, or whose incomes were too low to meet income thresholds.<sup>2</sup> Essentially, UI systems tend to exclude exactly the types of workers this pandemic is impacting the most: minorities, older workers, low-wage workers, and individuals with low education rates.<sup>2</sup>

The Coronavirus Aid, Relief, and Economic Security Act, or **CARES Act, signed into law on March 27, 2020, promised help to small businesses and expanded unemployment benefits for workers impacted by the pandemic.** People who lost their jobs are eligible to receive an additional \$600 per week in unemployment benefits on top of what they would normally get, which varies by state. Further, the benefits are extended to people who might not usually qualify, including gig workers, part-time employees, and the self-employed. Individuals with qualifying income requirements also were in position to receive a one-time \$1,200 check and additional \$500 per child, with some restrictions. But far too many individuals who needed it most were still left behind. People who did not file tax returns for 2018 or 2019—including roughly 10 million American families whose incomes were so low that they were **not required to file**—will not get stimulus payments unless they submit an application to the I.R.S.<sup>3</sup> And the cycle started again: overwhelmed websites, misinformation, and confusing applications were again a barrier to the most vulnerable, those without internet access, and those with little available resources that would have better positioned them to complete and submit the application.

Many of us, **but far fewer than we would say is enough**, knew that an economic downturn would gravely affect millions of vulnerable workers. **This global pandemic is another reminder of the inequities that exist among America's workers.** We have the power to learn from this crisis and create a strong safety net and better workforce system to support both job seekers and employers.

# NATIONAL ABLE NETWORK COVID-19 PANDEMIC RESPONSE TIMELINE

<b>December 31, 2019</b>	Cluster of cases of respiratory illness reported in individuals associated with a market in Wuhan, China
<b>January 7, 2020</b>	Chinese health authority confirms the illness is associated with novel coronavirus and person-to-person transmission is occurring
<b>January 20, 2020</b>	First U.S. citizen confirmed to have COVID-19 after visiting family in China
<b>January 30, 2020</b>	Nearly 10,000 cases of COVID-19 reported in at least 21 countries
<b>End of January</b>	<b>U.S. unemployment rate in January 2020 was 3.6%</b>
<b>February 28, 2020</b>	National Able Network CEO sends email to staff promoting no-contact practices, cautionary signage posted at offices
<b>End of February</b>	<b>U.S. unemployment rate in February 2020 was 3.5%</b>
<b>March 2, 2020</b>	Mass communications begin; CDC recommendations distributed across social media, website and posted in offices
<b>March 9, 2020</b>	Staff paid sick policy updated, work from home plan established to address virtual service delivery approach
<b>March 13, 2020</b>	First office closures announced via website, social media, and phone message
<b>March 15, 2020</b>	Chicagoland in-person programming adjustments announced
<b>Mid-March</b>	Unemployment claims across the U.S. begin to climb as states begin to adopt stay-at-home orders for non-essential businesses
<b>March 16, 2020</b>	All Senior Community Service Employment Program (SCSEP) participants advised to stay home
<b>March 16, 2020</b>	All Chicagoland offices closed and staff working from home except National Able Network's Center in Pilsen which served more than 250 people
<b>March 17, 2020</b>	First virtual Workforce Innovation and Opportunity Act (WIOA) program orientation for Illinois residents hosted; continues twice per week thereafter
<b>March 17, 2020</b>	All signature <b>JUMPSTART!</b> job readiness training classes are virtual and open to job seekers across the country
<b>March 27, 2020</b>	All staff working from home
<b>March 27, 2020</b>	Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, signed into law
<b>End of March</b>	<b>U.S. unemployment rate in March 2020 was 4.4%</b>
<b>Mid-April</b>	1 in 6 American workers, some 26 million individuals, have lost their jobs since Mid-March
<b>End of April</b>	<b>U.S. unemployment rate in April 2020 was 14.7%</b>
<b>May 2020</b>	National Able Network continues to follow federal and state guidance, develops plans for graduated reopening strategy designed to protect staff and clients
<b>May 15, 2020</b>	American Job Center in Omaha reopens with new social distancing practices: limited attendance, masks must be worn, frequent hand-washing encouraged
<b>End of May 2020</b>	<b>U.S. unemployment rate was 13.3%</b>

# WORKFORCE INEQUITIES

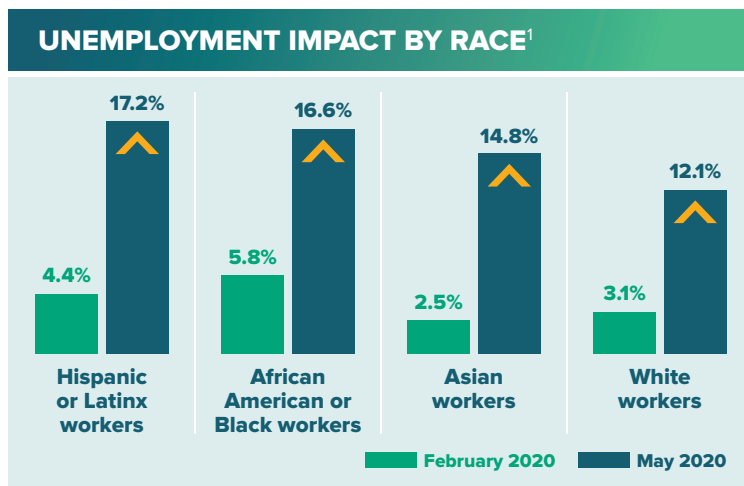
**We are all in the same storm, but we are not all in the same boat.** The old adage resonates with many of us now during the global pandemic and subsequent economic downturn. In 2018, National Able Network began framing strategic priorities through the lens of equity. Many clients have significantly underdeveloped starting points along their career pathway and for most, these challenges have persisted for generations before them. With a goal to become the strongest advocates for vulnerable job seekers, each day National Able Network champions solutions that allow job seekers of any circumstances or starting point to pursue sustainable career pathways.

The global pandemic has amplified the inequities that exist among vulnerable populations. Race, gender, age, educational attainment, and income all weigh heavily on an individual's ability to provide for themselves and their family.

## RACIAL DISPARITIES AMPLIFIED DURING COVID-19 PANDEMIC

The racial and ethnic disparities in the employment landscape have been significantly amplified during the pandemic-related economic downturn. Virtually all sectors have experienced layoffs, but the sectors and workers who have been hardest-hit by the downturn impacted are minorities and low-wage workers. The unemployment rate for black Americans soared

to 16.6% in May 2020, nearly triple the rate in February 2020 and the highest since early 2010.<sup>1</sup> Hispanic and Latinx' jobless rate hit a record 18.9% in April 2020, up from 4.4% just two months earlier.<sup>1</sup> Asian Americans saw a record 14.5% unemployment rate in April 2020—nearly six times greater than it was two months ago. White workers saw their unemployment rate jump to a record 14.2% in April 2020, more than four times higher than February 2020.<sup>1</sup>



The coronavirus pandemic has devastated sectors of the economy dominated by immigrant labor: restaurants, hotels, office cleaning services, in-home childcare and hair and nail salons, among others, have seen businesses shuttered as nonessential.<sup>13</sup> In April 2019, the unemployment rate of foreign born workers age 16 and older was 2.7%, a rate which grew more than seven times that amount by May 2020 at 15.7% of these vulnerable workers unemployed. A recent analysis from Pew based on Census statistics found that about 8 million Hispanic or Latinx workers were employed in service-sector positions that are at higher risk of job loss.

## RACE AND EMPLOYMENT: CHICAGO'S STORY<sup>5</sup>



In a strong job market, median household incomes by race in Cook County:

- > White.. \$1.00
- > Latinx.. \$0.64
- > Black... \$0.47



The system of segregation costs the Chicago region \$4.4 billion annually.



Black unemployment in Chicago is 3 TIMES HIGHER than the national average.



Nearly 25 percent of Latinx families in Chicago live below the poverty line, compared to 18.3% nationally.

### ENTERING THE UNEMPLOYMENT 'AGE'

One of the populations that are most susceptible to the novel coronavirus are seniors. As an organization that serves and employs **thousands** of seniors each year, National Able Network took swift action to ensure their safety and security first and foremost. Though many employment resources were moved online, more than 8 out of 10 seniors enrolled in our programs do not have in-home computer and internet access. **The national unemployment rate of persons age 55 or older was just 2.6% in February 2020, and skyrocketed to 13.6% in April 2020.**<sup>1</sup>

Authorized by the Older Americans Act, the Senior Community Service Employment Program (SCSEP) is the only program supported by the US Department of Labor to help low-income seniors age 55+ build skills and connect with employment resources. National Able Network is just one of 19 national organizations administering the program. National Able Network advocated at the federal level to safeguard seniors from unnecessary exposure in their communities. One of the most important outcomes from these efforts was allowing all seniors enrolled in the Senior Community Service Employment Program (SCSEP) to remain enrolled and receive their modest on-the-job training stipend which is state minimum wage for part-time hours. All SCSEP participants continued to receive their paychecks and were offered alternative virtual learning options to help them continue to build their skills even though they would not be returning to their training assignments for the foreseeable future. As a workaround for those without access, National Able Network printed and mailed job training workbooks and provided career coaching by phone.

But the future for older workers is filled with uncertainty. Historically, older workers spend more time unemployed and the majority report experiencing age discrimination in the job market. The fivefold increase in unemployment rates among workers age 55+ is only the beginning of the foreseeable challenges older workers will face as a result of the economic downturn.

## DISTANCING DIVIDES US: SOCIALLY AND DIGITALLY

**Minorities, seniors, those who live in rural areas, and low-income individuals experience higher rates of social isolation and find themselves on the wrong side of the ‘Digital Divide’ or lack of personal computer and internet access.** Social distancing has become a social norm for all of us while in public during the pandemic, but for far too many Americans **social isolation** has been a way of life for years. The factors that contribute to these gaps can be circumstantial or conditioned; but technology adoption has arguably never been more important than it is today. With tens of millions of out of work, and millions more at risk of losing their jobs, the absence of internet and technology access for the most vulnerable Americans has devastating consequences.

Thirty years after the debut of the World Wide Web, internet use, broadband adoption and smartphone ownership have grown rapidly for all Americans—including those who are less well-off financially.<sup>6</sup> Even with a steady stream of public and private investments including the Federal Communications Commission’s Connect America Fund, as well as localized programs and efforts that offer reduced or free internet, infrastructure improvements that increase accessibility in rural expanses, the Digital Divide is still quite prevalent among lower-income individuals, minorities, seniors, and those who live in rural communities.

Some 73% of American adults reported having broadband access at home in 2019. But, **many lower-income Americans rely on smartphones for internet access.** As of early 2019, 26% of adults living in households earning less than \$30,000 a year are “smartphone-dependent” internet users—meaning they own a smartphone but do not have broadband internet at home.<sup>6</sup> In contrast, only 5% of those living in households earning \$100,000 or more fall into this category in 2019.<sup>6</sup> Although smartphones help bridge internet access gaps, other 2014 Pew Research Center data shows that blacks, Hispanics and lower-income smartphone users are about **twice as likely** as whites to have canceled or cut off service because of the expense. These “smartphone-dependent” internet users are at a significant disadvantage when it comes to job search.

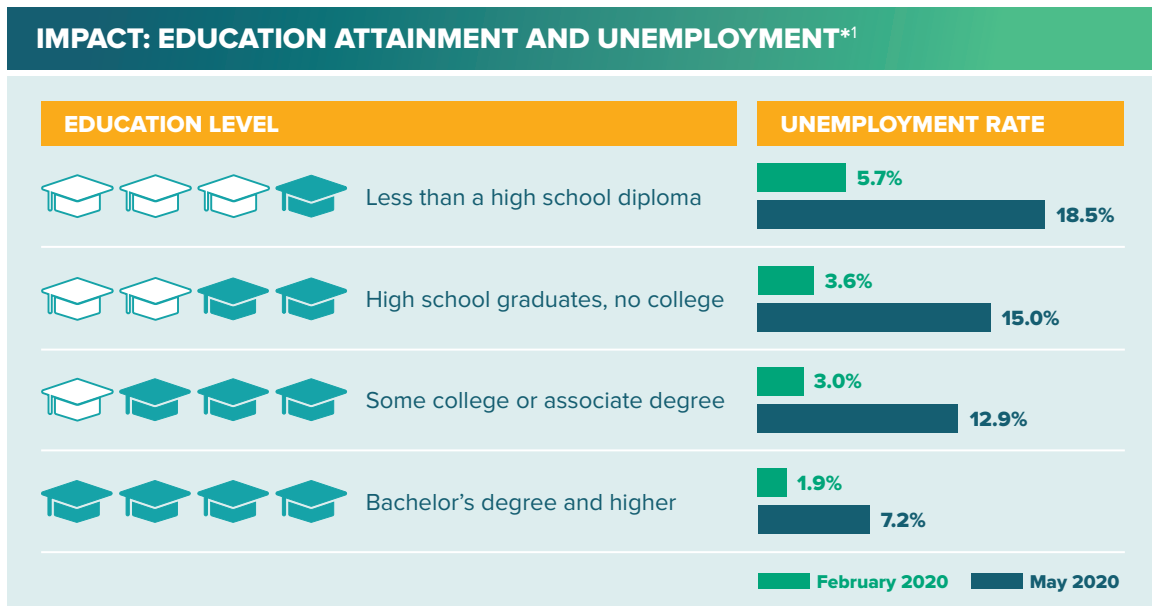
Rural Americans have made large gains in adopting digital technology over the past decade, but they generally remain less likely than urban or suburban adults to have home broadband or own a smartphone.<sup>9</sup> Roughly two-thirds of rural Americans (63%) say they have a broadband internet connection at home, up from about a third (35%) in 2007, according to a Pew Research Center survey conducted in early 2019.<sup>9</sup>

Even before the pandemic, nearly all open positions were posted using web-based job boards. Increasingly, video job interviews are a preferred method of screening, even more so now that social distancing practices are in place and many companies are only partially reopened. **Smartphones do not allow for the development of critical tools needed to seek and apply for jobs, namely word processing documents to create a resume and cover letter.** Roughly eight-in-ten whites (82%) report owning a desktop or laptop computer, compared with 58% of blacks and 57% of Hispanics. Home broadband adoption was also similar: 66% of blacks and 61% of Hispanics had home access versus 79% of whites.<sup>8</sup>

## EDUCATION LIMITATIONS AND UNEMPLOYMENT

The generational effects of the academic achievement gap are well-known, and for those school-age individuals who as adults continued a trajectory that did not include high school completion or post-secondary education are experiencing pandemic-related unemployment rates that are three- to five-times higher than their more-educated peers.

The majority of the pandemic-related job losses have been in retail and accommodation & food service, and have had a greater impact on minorities, women, and individuals with lower education levels.



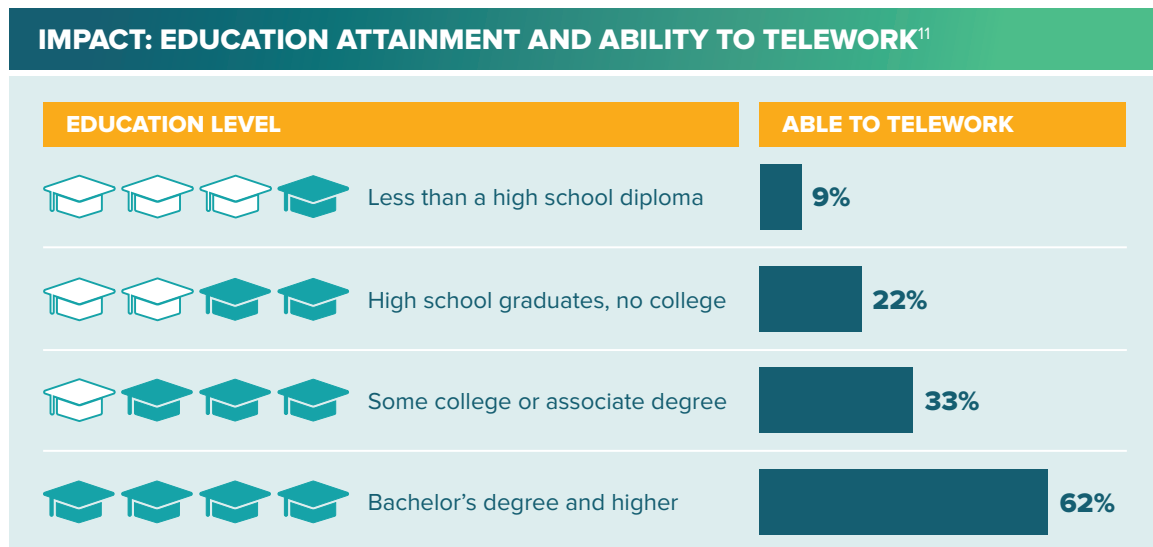
\*Employment status of the civilian population 25 years and over by educational attainment

But the challenges are far from over: workers without a bachelor's degree also hold the greatest share of vulnerable jobs. **Of the jobs currently filled by individuals without a bachelor's degree, 45% of them are considered vulnerable which means that another 21 million workers are at risk for job loss.**<sup>10</sup>



## WORK WORKS WELL FOR SOME BUT NOT ALL

As “Stay at Home” became the first line of defense against the spread of the coronavirus, businesses across the U.S. were divided into two categories: essential and non-essential. Workers, too, were separated by those who **could** continue to work and those who **could not**, and unfortunately millions in the “non-essential” classification lost their jobs. But what further divided the pool of still-employed workers was their ability to work from home or **not**. And the disparities among the workers who had the ability to telework became very apparent; those with more education and those in higher-income occupations have a significant advantage when it comes to working remotely.



In February 2020, 62% of workers with a bachelor’s degree or more education had jobs that could be performed remotely. That is nearly double the share among workers who had completed some college education (33%), including an associate degree, and almost triple the share among high school graduates who did not go to college (22%). **Of the workers that did not graduate from high school, only 9% had the option to telework.**

### **Occupations with higher incomes have greater access to telework options.**

Around a quarter (24%) of workers in “management, business and financial” occupations—such as corporate executives, IT managers, financial analysts, accountants and insurance underwriters—have access to telework. So do 14% of “professional and related” workers, such as lawyers, software designers, scientists and engineers. Among private-sector workers whose occupations are in the top quarter of earnings (with average hourly wages of \$30.61 or more), 19% have access to telework. The share rises to 25% for those in the top 10% of occupations (i.e., those with average wages of \$48.28 an hour or higher). On the other hand, only 1% of private-sector workers in the bottom quarter of occupations (those with average hourly wages of less than \$13.25) have access to telework. So few workers in the lowest-paying tenth of occupations can telework that the BLS doesn’t even report the number.<sup>12</sup>

## RECOMMENDATIONS

Invest in worker training. Build accessibility. Protect vulnerable workers.



### INVEST IN INNOVATIVE WORKER RETRAINING PROGRAMS

While tens of millions of workers have already lost their jobs, about twice as many workers hold jobs that are at risk. Experts predict many of the jobs that have already been lost are not coming back. But there **are** jobs that are growing, and we will need a skilled workforce to fill those jobs. National Able Network recommends investments in innovative worker retraining programs that are responsive to the needs of specific populations who have been most gravely impacted—minorities, mature workers, women, and those with limited post-secondary education—because they face greater barriers and have experienced significant inequities, many of which have persisted for generations.



### INCREASE FUNDING FOR CURRENT WORKFORCE PROGRAMS

Unemployment had reached its lowest levels in nearly a decade throughout 2019 and in the first couple months of 2020, but even then the number of workers in need still far exceeded federal investments in workforce programming. The Workforce Innovation and Opportunity Act (WIOA) serves adults, dislocated workers, and in-school and out-of-school youth and creates a network of 2,400+ American Job Centers across the U.S. National Able Network recommends an increase of 40% in overall funding for the program, as well as additional infrastructure investments that would better support the broader WIOA network. National Able Network also recommends a 25% increase in funding available through the Supplemental Nutrition Assistance Program (SNAP) to address basic needs and a transition into self-sufficiency.



### INCREASE DIGITAL ACCESS FOR VULNERABLE COMMUNITIES

The Federal Communications Commission (FCC) Bridging the Digital Divide effort is aimed at key barriers to accessibility, including affordability and the infrastructure needed to serve rural communities, among other initiatives, but this pandemic has amplified the need for a quicker response. The federal government, in partnership with private companies, should invest more and more quickly in broadband access for vulnerable communities so that everyone has access to the Internet wherever they live. Additionally workforce and educational organizations should work together to implement a system of computer access and digital literacy to ensure the most vulnerable have both the hardware and skills to use the Internet for training and job search.



### BUILD A STRONGER SAFETY NET

The expanded unemployment insurance benefits under the CARES Act will eventually end, but these are changes that should continue. After the Great Recession, job opportunities that experienced rebounded quickly tended to include gig, temp, contract and part-time roles. It took years before companies were more steadily hiring full-time roles. We need to ensure that contract, gig workers, and the self-employed continue to have access to unemployment after the pandemic is over. Additionally, the federal government should ensure that states provide unemployment insurance support at a level that job seekers can live on, that they invest in their unemployment systems to make them more accessible, and remove barriers to unemployment claims. While not in the scope of our work, we see the incredible risk we have in our country by having healthcare tied to employment during a pandemic and the lack of paid sick leave. How many people went to work sick because they had no alternative?

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**National Able Network, Inc.** is a leading non-profit organization specializing in providing employment counseling, training, and placement services for disadvantaged job seekers. At National Able Network, our mission is to help make careers happen. Each client receives personalized career supports that integrate career coaching, specialized training, and direct connections to the job market. Our programs are designed to assist jobseekers from all backgrounds, including the unemployed, career changers, military veterans, seniors, and aspiring IT professionals. Each year, National Able Network serves more than 76,000 individuals throughout Delaware, Illinois, Indiana, Iowa and Nebraska.

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