



Promoting a Rapid, Equitable Economic Recovery from COVID-19 for New York City

 From Crisis to Opportunity
A POLICY AGENDA FOR AN EQUITABLE NYC

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The COVID-19 pandemic unleashed an unprecedented jobs crisis in New York City, which will require a massive, publicly supported workforce development response not seen since soldiers re-entered the labor force immediately following World War II.

In the pandemic's opening months, New York City lost more than a million jobs, and, as the early epicenter for COVID-19, the city was hit by economic effects of the resulting shutdown that were longer and deeper than for the rest of the nation. Hardest hit were low-wage workers in restaurants, hotels, and retail shops—jobs held largely by workers of color—while those in better-paying, remote-working industries such as finance and tech were relatively unscathed. Additionally, the pandemic accelerated the use of technology and other labor market changes, which could mean many of these lost jobs won't be coming back. Black, Latinx,¹ and Asian-owned small businesses were devastated by the sudden loss of customers, and their limited access to business aid made it difficult for many of them to survive and adapt. Young adults, less-educated workers, and immigrants have all borne the brunt of this economic crisis—as have thousands of women, especially women of color, who were forced out of the labor force due to the burdens of caregiving during the pandemic. The pandemic hit hardest those who were already at greatest economic risk. According to Robin Hood's Poverty Tracker, 58 percent of Black New Yorkers who lost employment income during the pandemic were already low-income or experiencing poverty prior to the pandemic, as were 70 percent of Latinx New Yorkers—with heavy impacts on the children who have the highest poverty rate of any age group.² The digital divide further exacerbated the racially disparate impacts, and created additional barriers for school-age children and college students without Internet access at home.

The loss of employment income for these New Yorkers threatened the foundation of family economic security, placing them at risk for loss of housing, economic deprivation, and toxic stress, all of which have immediate and lasting consequences for their children. This impact was felt most acutely by undocumented workers who did not have access to an enhanced federal social safety net that has kept hundreds of thousands of other New Yorkers from experiencing poverty during the pandemic. As New York City transitions out of this crisis, there's an urgent need to restore employment and continue to strengthen strong social supports such as child care, health care, and family tax credits that enable low-income New Yorkers to thrive at work.

1. The sources consulted for From Crisis to Opportunity: A Policy Agenda for an Equitable NYC used a variety of terms in collecting data about ethnic identity, such as Hispanic, Latino, Latinx, or Spanish origin. Some of the sources collected data using only one of these terms and reported their results under one term, while others collected data using several of the terms, but reported their data using only one term. This project uses Latinx universally in referring to the identities expressed in these data sets.

2. Poverty Tracker annual survey data and twenty-seven-month survey data, third panel, Robin Hood and the Center for Poverty and Social Policy, Columbia University Population Research Center, available at <https://www.robinhood.org/programs/special-initiatives/poverty-tracker/index.html>.

With one in five New Yorkers currently out of a job or forced to work part-time, New York City's next mayor (working closely with the City Council) needs to implement policies that match the scale of the challenge. The city cannot repeat the mistakes of past economic crises such as those in the early 1990s and the immediate aftermath of the 2008–09 financial crisis, when the prior economic gains, particularly those made by people of color, were largely wiped out, in part due to lack of bold, proactive action by local government.

This section recommends an all-systems strategy that accelerates hiring and invests public resources into getting more low-income New Yorkers and New Yorkers of color on the track to family-sustaining jobs with the dignity that all workers deserve and on a pathway to upward professional mobility. **Specifically, we recommend that the next mayor:**

1. **Revitalize the workforce development system to empower workers displaced by the pandemic to find new, better-paying jobs** by investing substantial public funds in a sustainable workforce development plan that responds to job displacement and the pre-existing and expanded inequities in the wake of the pandemic, working with New York City's training providers, educators, and employers.
2. **Implement a new wage subsidy program that will incentivize hiring and boost small businesses, particularly those owned by women or people of color**, guiding aid through intermediaries across the city that can identify businesses that were left out of previous federal programs, and expanding the City Service Corps to provide employment pathways for young adults.
3. **Invest in shovel-ready infrastructure in ways that will build a more equitable New York City**, including infrastructure investments in caregiving, broadband, transit, schools, health, and climate resilience, to create hundreds of thousands of jobs and shape a more equitable city. To ensure these investments create jobs for the New Yorkers that need them, infrastructure investments should include strong targeted and local hiring requirements, and improved bridge and apprenticeship programs.
4. **Establish a strong floor of worker protections that prevents exploitation of the most vulnerable workers**, including minimum wage standards for more gig workers, new policies to lift restaurant workers to the \$15 minimum wage, and policies and enforcement to protect all workers from wage theft, retaliation, and arbitrary dismissal.

Goals

Leading a strong jobs recovery will be a critical priority for the new mayor's first term. The baseline projections by the Independent Budget Office (IBO) indicate that, on the city's current course, it will still be in a jobs deficit until the end of 2024.³ The right policy agenda and strong implementation, however, can accelerate progress and lead to a full jobs recovery by the end of 2023—turning this crisis into an opportunity for New York City to reinvent itself, and to once again have an economy that has ladders to the middle class open to all its residents. Working from this goal, a new administration should:

2. "Double Shot: An Infusion of federal Funds Boosts City's Bottom Line, As Vaccines Bring Optimism for Economic Recovery," New York City Independent Budget Office, May 2021, <https://ibo.nyc.ny.us/iboreports/double-shot-an-infusion-of-federal-funds-boosts-citys-bottom-line-as-vaccines-bring-optimism-for-economic-recovery-executive-budget-report-may-2021.pdf>.

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- Aim for a full jobs recovery earlier than the IBO's current baseline projection, including 100,000 more high-quality jobs than pre-pandemic levels by the end of their first term.
 - Support 150,000 workers (including at least 120,000 New Yorkers of color) shifting into new and better-paying jobs post-pandemic, through stronger workforce development pathways.
 - Ensure 30,000 New Yorkers (including at least 24,000 New Yorkers of color) are hired back by small businesses and nonprofits through the wage subsidy program, and reduce the poverty rates of these participants and their 30,000 additional household members by more than 50 percent.
 - Raise the wages of more than 50,000 gig workers and 60,000 restaurant workers.

Throughout this section, references to a high-quality job mean one that provides workers at a minimum:

- a living wage that allows workers to meet their basic needs,
- access to health care,
- protection from exploitation and/or misclassification,
- stable and predictable work hours
- a safe environment in which workers are treated fairly, and with respect and dignity

and that provides or works to create mechanisms to provide:

- job security in a position not vulnerable to automation,
- opportunity for advancement through clearly stated and attainable pathways,
- access to benefits beyond health care that facilitate a healthy life like paid leave,
- access to a retirement plan and/or other asset-building resources, and autonomy and the space and right to innovate to improve work standards.

Background and Need

In the first few weeks after the World Health Organization declared a global pandemic in early March of 2020, New York City lost a million jobs, leaving one out of every five New Yorkers suddenly unemployed. A year later, the city re-gained only 40 percent of those jobs, and the post-pandemic economy is likely to be significantly reshuffled by a variety of forces, such as the change in office usage and the accelerated use of automated technologies by businesses. And many New Yorkers who have returned to work are only able to secure part-time employment due to slack business demand. Twenty percent of New York City workers are still out of work, involuntarily working part time, or have dropped out of the workforce altogether. Fourteen

percent of the workforce is long-term unemployed, which is associated with adverse long-term outcomes for workers and their families.⁴ Nearly half of the city's workers lost employment income at the height of the pandemic, which is especially concerning because pre-pandemic almost half (45 percent) of New Yorkers reported that they wouldn't be able to cover an unexpected expense of \$400 with cash, making these households significantly more vulnerable to economic shocks, material hardship, and poverty.⁵

The pandemic's outsized impact on New York City employment is largely due to its dampening effects on tourism and the steep decline in Manhattan office-based workers frequenting local restaurants and retail stores.⁶ Recent estimates peg the share of the 1.2 million Manhattan office workers who have returned to their offices at roughly 12 percent.⁷ The employment drop-off in leisure and hospitality that straddles both these effects accounts for over one-third of New York City's job losses, and the 45 percent leisure and hospitality decline here has been more than three times the national decline.⁸

The pandemic's economic and employment impacts have been extremely lopsided, disproportionately impacting low-wage workers and workers of color. Industries characterized by face-to-face contact such as restaurants and performing arts, and jobs that cannot be carried out remotely such as construction or manufacturing, bore the brunt of these adverse effects. Many workers in such industries are paid only when they work, and in New York City these workers are largely people of color. These industries also have lower educational attainment levels and pay levels than in industries that were able to pivot to mainly remote operations such as finance, technology, or professional services. On average, 20 percent of New Yorkers who lost employment income due to the pandemic were experiencing poverty prior to the pandemic, more than twice the rate of those who transitioned to remote work (9 percent).⁹ This disproportionate economic impact has contributed to what has been labeled a "new strain of inequality" that needs to be recognized and addressed with vigor by policymakers sensitive to New York City's long standing structurally rooted racial inequities.

Seventy percent or more of New Yorkers who lost jobs by the end of 2020 were workers of color, with Latinx workers 29 percent more likely than white workers to have lost jobs. Workers with a high school diploma or less were 55 percent more likely to have been laid off or furloughed compared to workers with a four-year college degree or better. Young adults ages 18 to 24 were 41 percent more likely to lose work than other workers, and immigrants were 14 percent more likely to lose their job than a native-born worker. Low-wage workers generally were much harder hit than those further up the income scale. Workers with jobs paying less than \$40,000 a year were 77 percent more likely to have lost their jobs than workers paid \$100,000 or more.¹⁰

4. Donna Rothsgtein, "An analysis of long-term unemployment," Bureau of Labor Statistics, July 2016, <https://www.bls.gov/opub/mlr/2016/article/pdf/an-analysis-of-long-term-unemployment.pdf>.

5. Chloe Cargill, Matthew Maury, and Christopher Wimer, "On the Precipice: An Analysis of the Vulnerability of New Yorkers to Financial Shocks," Robin Hood and Columbia Population Research Center, https://www.robinhood.org/wp-content/themes/robinhood/images/poverty-tracker/pdfs/POVERTY_TRACKER_REPORT16.pdf.

6. James Parrott, "Five industries with job declines in NYC much greater than nationally," Center for New York City Affairs Economic Update, September 17, 2020, <http://www.centernyc.org/reports-briefs/2020/9/17/cnycas-covid-19-economic-update>.

7. Partnership for New York City, "Return to Office Survey Results," June 2021, <https://pnyc.org/news/return-to-office-survey-results-released-june-2021/>.

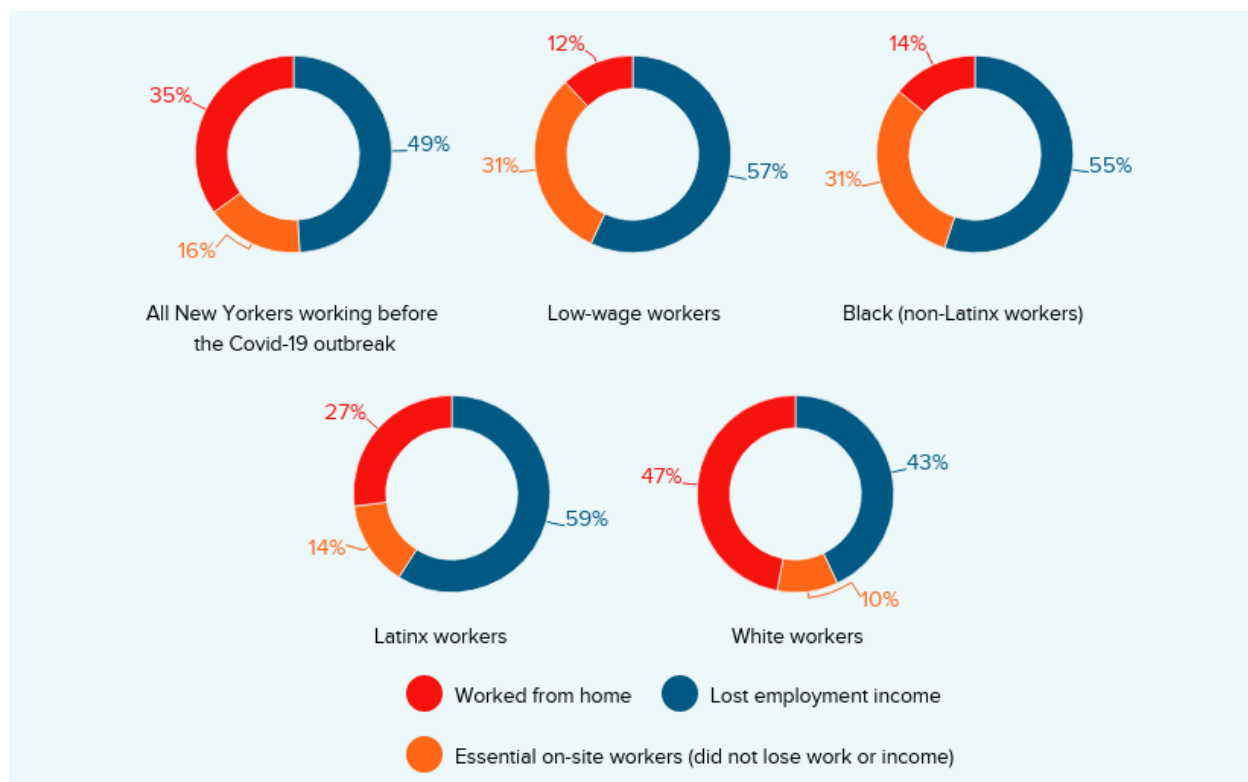
8. Center for New York City Affairs analysis of NYSDOL and BLS payroll employment data.

9. Irene Lew, "The Pandemic Economy: COVID-19 Fallout Continues to Hit Low-Income New Yorkers the Hardest," Community Services Society of New York, November 19, 2020, <https://www.cssny.org/news/entry/pandemic-economy-covid-fallout-low-income-new-yorkers>.

10. Center for New York City Affairs analysis based on March 2021 New York State Department of Labor revision of payroll employment data and American Community Survey 2019 five-year demographic profile by industry.

Similar racial and income disparities are evident when broadening the extent of the pandemic's economic impact to include workers who had their hours reduced and workers who were laid off or furloughed. Over half of all Black and Latinx workers (55 percent and 59 percent) lost employment income (those losing jobs or hours) compared to 43 percent of white workers. As Figure 1 shows, because nearly a third (31 percent) of Black workers continued working during the worst of the pandemic in essential jobs, they faced heightened exposure to COVID-19 and consequently a greater risk of dying from it due to long-standing health care disparities. Figure 1 also shows the wide disparities by race in working from home.

FIGURE 1. EMPLOYMENT STATUS IN INITIAL MONTHS OF THE NEW YORK CITY COVID-19 OUTBREAK



Source: Poverty Tracker annual survey data and twenty-seven-month survey data

An estimated 600,000 New York City workers have already been unemployed for well over six months.¹² Research has shown that workers often experience permanently lower wages from long-term unemployment and that adverse health and family impacts also result from extended periods without work.¹³

Failure to act promptly to respond to the unemployment crisis could jeopardize the considerable economic gains accruing to low-income New Yorkers and workers of color particularly in recent years. The sustained economic expansion through 2019 brought tens of thousands of New York City workers of color into the labor

11. Sophie Collyer, Sonia Huq, Kahlen Washington, and Christopher Wimer, "Nearly half of all New York City workers lost employment income from the pandemic, deepening economic insecurity and racial inequity across the city," Robin Hood and Columbia Population Research Center, 6–7, https://www.robinhood.org/wp-content/themes/robinhood/images/poverty-tracker/pdfs/POVERTY_TRACKER_REPORT21.pdf. Half of those losing employment income were either experiencing poverty before the pandemic (20 percent) or were low-income (30 percent), making them extremely vulnerable to falling into poverty.

12. Estimated by Center for New York City Affairs based on New York City's share of the number of New York State workers receiving some form of extended unemployment benefits as of May 2021.

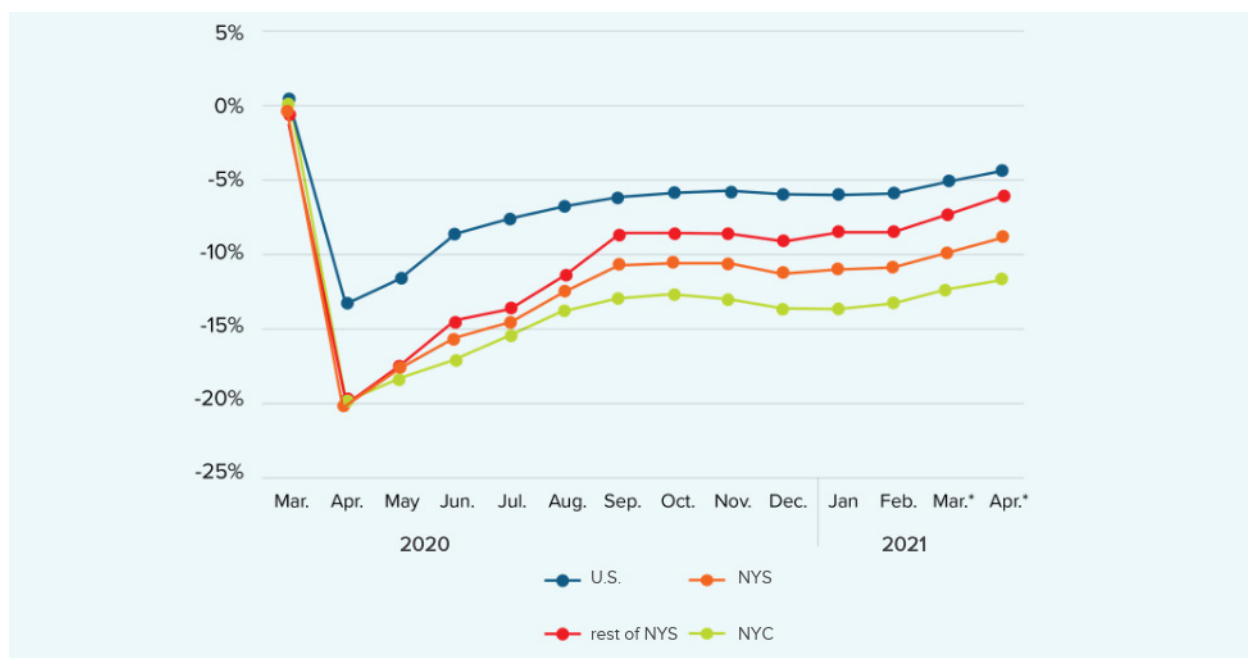
13. Donna Rothstein, "An analysis of long-term unemployment," Monthly Labor Review, July 2016, <https://www.bls.gov/opub/mlr/2016/article/pdf/an-analysis-of-long-term-unemployment.pdf>.

market and helped raise wages more than at any time in the past fifty years. From 2013 to 2019, wages for the lowest-paid fifth of the Black workforce rose by 15 percent and by 24 percent for Latinx workers. The share of city households experiencing near poverty (150 percent of the NYCgov Poverty Measure threshold) fell by five percentage points from 2013 to 2018, and child poverty (based on the federal poverty measure) fell by a quarter from 2013 to 2019 (from 30 percent to 22 percent).¹⁴

Even with these real and substantial pre-pandemic economic gains for those in the bottom half of the wage distribution, systemic racism held back greater achievement for many workers of color. Many City University of New York (CUNY) graduates (75 percent of whom are people of color) encounter limited prospects to secure good jobs, and there is a pronounced lack of diversity in tech and other well-paying professional occupations. Wages and benefits are particularly low for nonprofit human services workers providing essential services under City contracts (as discussed in the section on Human Services for this project). This is particularly concerning because this workforce is heavily comprised of women of color and under-funded city contracts are the main culprit for the low pay.¹⁵

A massive, publicly funded effort to shift unemployed workers into new jobs is needed, along with significant efforts to retain jobs in businesses weakened by the pandemic's economic shock, and to aid workers who have endured long unemployment spells and those who have assumed family-care responsibilities. Tens of thousands of jobs have already been permanently lost as businesses have closed. The job market is changing as a result of pandemic-induced changes in relative demand among industries and greater use of technology in several industries. The prospect of significant new federal investments in physical and social infrastructure can create new employment demand, which is much needed to make up for jobs lost due to the pandemic's economic effects.

FIGURE 2. EMPLOYMENT PERCENTAGE CHANGE FROM PRIOR YEAR



Source: Author's analysis of Bureau of Labor Statistics.

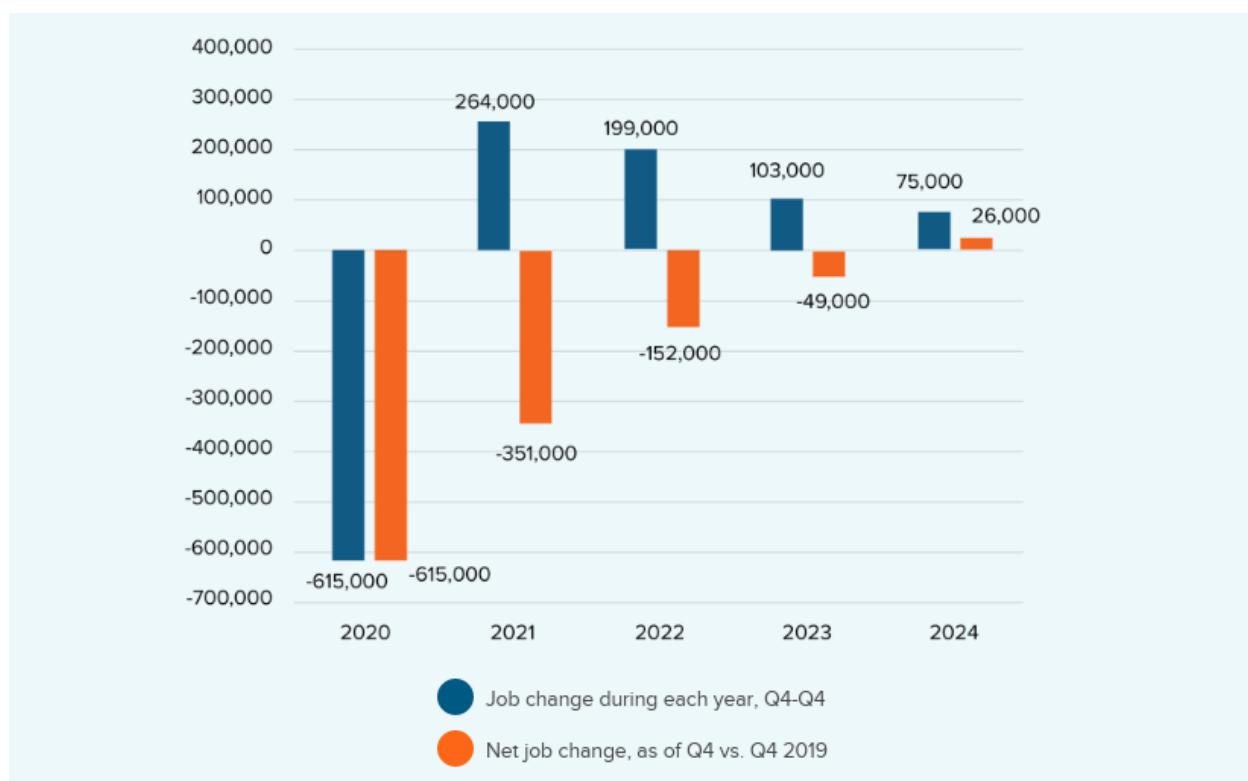
14. CNYCA analysis of Current Population Survey data, 2013–19; “New York City Government Poverty Measure 2018,” Mayor’s Office for Economic Opportunity, City of New York, 2020; CNYCA analysis of American Community Survey data 2013–19.

15. Center for New York City Affairs, forthcoming report on New York City Human Services Workforce, report for the Human Services Council, August 2021.

As shown in Figure 2, as of spring 2021, New York City's total job level was still nearly 12 percent below pre-pandemic levels, compared to 4.4 percent for the United States and 6.2 percent for the New York suburbs and the rest of the state. New York City has suffered a much steeper job loss than the nation overall, and the city's rate of pandemic job loss surpasses all other large U.S. cities. In April of this year, there were 550,000 less workers on payroll compared to February of 2020; when factoring in self-employed and independent contractors, the city's overall job loss is over 600,000.¹⁶

Without a prompt response, the New York City Independent Budget Office's (IBO) pessimistic employment outlook may come to pass. In May, the IBO projected that New York City would still be short 351,000 jobs by the end of 2021 and that it would take until 2024 for the city to return to its pre-pandemic employment level (see Figure 3).

FIGURE 3. NYC IBO PROJECTS COVID-19 JOBS DEFICIT WILL LAST UNTIL LATE 2024



Source: New York City Independent Budget Office, May 17, 2021.

The early 1990s recession was also much steeper in New York City than nationally, and since the city did nothing then to promote a faster rebound, it took ten years to return to pre-recession job levels. Unemployment rates for Black and Latinx workers averaged 14–15 percent for most of the decade of the 1990s.¹⁷ Swift action in the post-pandemic period can avoid a similar fate.

16. CNYCA analysis of NYSDOL payroll employment data for New York City and estimates of independent contractor declines.

17. CNYCA analysis of Current Population Survey data, and Census Bureau data.

Conditions for Success

The policy recommendations that follow are dependent not only on their implementation, but on a set of related actions by policymakers—including those below, and those outlined in other reports in this project:

- **Preservation of American Rescue Plan Act (ARPA) dollars.** New York City received an infusion of \$5.9 billion in flexible fiscal relief from ARPA, part of a total of over \$15 billion in additional funds from federal relief and administrative actions.¹⁸ The success of this plan requires critical investments by the current administration and preservation of funds for the long recovery ahead.
- **Affordable and accessible child care and dependable public schools.** Policies must support New York City parents and other caregivers' ability to work by further partnering with the necessary government entities to expand access to child care assistance for New Yorkers who need it the most, thus making high quality child care affordable, accessible, and available when and where families need it (as outlined in the section on Child Care for this project). And public schools must provide all students the opportunity for full-time, in-person learning opportunities, as Mayor de Blasio announced on May 24,¹⁹ to support parents being able to return to work; and the reopening must include an intentional effort to rebuild trust with families so they are comfortable sending their children to school (as outlined in the section on Education for this project).
- **A robust P-12–workforce pipeline.** The New York City Department of Education should invest in expanding a college and career readiness pipeline from elementary school through college, in both district and charter schools, to better connect and prepare NYC students with high-opportunity pathways of their choosing.

Policy Response

1. Revitalize the Workforce Development System to Empower Workers Displaced by the Pandemic to Find New, Better-Paying Jobs

An equitable and inclusive recovery means getting New Yorkers back to work in stable, high quality jobs (defined above) that provide adequate and predictable pay, stable hours, safe working conditions, benefits (e.g. health insurance, retirement), and offer opportunities for career advancement. It is also critical that the recovery address systemic problems characterized by racial and gender pay inequities and disparate access to training and higher education.²⁰

Given the upheaval caused by the pandemic's economic and labor market effects, New York City must start planning now for an unprecedented labor market reallocation of 150,000 workers and commit to a significant investment in workforce development to ensure this reallocation is successful for workers and employers. This figure represents the share of unemployed New Yorkers who are unlikely to be able to smoothly return to work in their old occupations/worksites without government intervention.²¹ To put this in context, the city's

18. The City of New York Executive Budget, FY 2022, Message of the Mayor, April 26, 2021, 5, <https://www1.nyc.gov/assets/omb/downloads/pdf/mm4-21.pdf>.

19. Eliza Shapiro, "N.Y.C. will eliminate remote learning for next school year," New York Times, May 24, 2021.

20. Sophie Collyer, Sonia Huq, Kahlen Washington, and Christopher Wimer, "Nearly half of all New York City workers lost employment income from the pandemic, deepening economic insecurity and racial inequity across the city," Robin Hood and Columbia Population Research Center, October 2020, https://www.robinhood.org/wp-content/themes/robinhood/images/poverty-tracker/pdfs/POVERTY_TRACKER_REPORT21.pdf.

21. This represents an estimate of those from occupation and firms unlikely to return in the same form during the recovery.

Department of Small Business and Human Resources Administration placed 67,000 New Yorkers in jobs in 2019, a task that mostly involved placement in existing entry-level positions at a time of robust economic growth.²² The current situation requires a significant investment in worker skills and stronger systems for placement.

Typically, job seekers are largely on their own when it comes to finding a job, and the workforce assistance that is provided by government or nonprofits has come across as ad-hoc, rather than systematically organized. Providers decide what to offer based on short-term funding and there is very little integration between workforce development efforts and New York City public schools or CUNY, or on a large scale with employers. The city's official Workforce Development Board has never been tasked with the coordination of planning, programming, or service delivery, as it is in many other major cities, including Boston and Chicago. The current crisis requires something closer to the post-World War II demobilization effort that placed returning veterans and displaced defense industrial workers into the post-war economy. Today's labor market redeployment challenge must also address systemic racial inequities, drawing on comprehensive, up-to-date information on employment and skill needs; a citywide capacity to assess placement, career, and training needs; robust and extensive employer engagement; and a coordinating mechanism to execute the redeployment effort on a scale of tens of thousands, not hundreds.

The next mayoral administration should pursue a two-pronged workforce development approach, with one prong to respond to pandemic displacements, disruptions, and structural economic changes, and one prong that addresses systemic problems at the root of racial and gender pay inequities, including overcoming barriers to the full range of career choices needed by young New Yorkers of color. These workforce investments must occur alongside stable housing access, an equitable and appropriately career-relevant K–12 and higher education system, and a broadening of affordable, accessible, and high-quality child care to enable parents, particularly mothers, to re-engage in the labor force. (See the sections on Housing, Education, and Child Care for this project for recommendations in those areas.)

This policy shift cannot wait until the next mayor. By the end of 2021, the current administration should establish the infrastructure for coordinated and expanded workforce services to alleviate the hardships and long-term unemployment damage affecting tens of thousands of low-income New Yorkers. If the current administration fails to meet this challenge, it will squander the considerable economic gains achieved by low-income New Yorkers over the past seven years and risk having hundreds of thousands of families predominantly of color, slide back into poverty.

The city should set aside \$500 million from this year's and next year's allotment of American Rescue Plan Act state and local relief funds (two-year total of \$1 billion) to plan, better coordinate, and deliver a comprehensive suite of workforce development and upward mobility opportunity structures to serve 150,000 or more workers, as well as additional young adults who are embarking on their career during this period. While President Biden's proposed American Jobs Plan may deliver additional resources to New York if passed, existing federal funds from the American Rescue Plan Act should be set aside now to strengthen

22. "Mayor's Management Report: Fiscal 2019," The City of New York, September 2019, https://www1.nyc.gov/assets/operations/downloads/pdf/mmr2019/2019_mmr.pdf.

the existing infrastructure and make reforms that enable this infrastructure to act as a truly aligned workforce development system.

The two-pronged approach should be carried out through a comprehensive systems approach. Activities taken as part of this approach should be coordinated by the Mayor's Office in partnership with key field building organizations, such as the New York City Employment and Training Coalition (NYCETC) and the Consortium for Worker Education. **Components of this two-pronged approach should:**

- **Strengthen oversight and coordination of the workforce development system** by elevating the importance of workforce priorities within the portfolio of **a new deputy mayor for workforce and economic development**, empowered to oversee all allocated funds and programming; and to ensure workforce development is fully integrated into the city's growth and development strategy. As part of this work, the deputy mayor should direct the NYC Department of Education to collaborate with the workforce development system, CUNY, employers, and existing nonprofits such as Career Wise to scale career opportunities, especially for juniors and seniors in high school.²³ (More on this recommendation can be found in the section on Education for this project.)
- **Map the workforce development system** to provide a worker-, training provider-, and employer-facing tool that improves understanding of, increases the effectiveness of, and enhances access to all parts of the system.
- **Develop comprehensive labor market analysis of the changing job market**, including insights on which jobs won't come back, and how industries are adjusting, deploying more technology, and changing the demand and skill requirements for jobs, and use this analysis to align the real-time hiring and skill needs of employers across industries to investments in training programs throughout the city by philanthropic organizations and government agencies.
- **Seize opportunities to bolster job development and training through new state and federally funded workforce development initiatives**, including funding an appropriate scale of employment retention (such as through wage subsidies that accomplish the dual purpose of putting people back to work and preserving small businesses, consistent with the recommendation below), citywide assessment and placement services (not just through Workforce One Centers), and a range of training and upskilling programs developed closely with and leveraging investment from employers and employer organizations.
- **Strengthen and expand the capacity of existing union and nonprofit training programs to deliver quality training.** While a new overall coordinating function is needed, this should support and expand, not supplant, existing providers.
- **Build employer support for training initiatives** and intergrate employer input into the development of credentials, curriculum, and program delivery; to ensure participants are receiving relevant training that effectively prepares them for jobs.
- **Implement new workforce support services designed to respond to the challenges of working through and after the pandemic**, such as more extensive career counseling and wraparound services. Supportive

22. "2021 Policy Priorities," New York City Employment Training Coalition, accessed May 27, 2021, <https://nycetc.org/what-we-do/>.

services including coaching should become a standard part of a trauma-informed approach to engaging New Yorkers recovering from the pandemic.

- **Ensure that every income-eligible New Yorker participating in job training or workforce development programs receives child care assistance** by automatically screening and enrolling eligible workers in child care subsidies or connecting workers to available child care slots at care settings of the parent's choice. (More on this recommendation can be found in the section on Child Care for this project).
- **Address barriers that prevent system success**, including city contracts that do not provide flexibility and funding for innovation by provider, design, professional development, capacity building, and other resources. This includes revamping the current structure of city contracts, which have stringent requirements for participant enrollment, program spending restrictions, and strict outcome expectations that hinder nonprofit organizations from effectively serving their community.

Additionally, NYCETC and its members and partners have made a more comprehensive set of recommendations based on the needs of the workforce development field.²⁴

Program funds could support innovative initiatives that place hard-to-employ workers in growth sectors and sectors needed for an equitable recovery, channeling young people and out-of-work adults into mid-level tech careers; new national models for the child care and elder care sectors; investments to support urban manufacturing of electric vehicles deployed by public agencies; and technical assistance support to expand worker cooperatives, among others.

On a long-term basis, going forward, once the current labor market emergency has passed, the new mayor should ensure that workforce development and economic development priorities are integrated, and commit at least 10 percent of all city economic development spending (including economic development-related tax breaks) to fund workforce development programming.

Expected Impact

Coordinating the city's workforce development system as proposed above would:

- serve 150,000 workers needing workforce development and allocation services coming out of the COVID19- pandemic, placing them in new and better-paying jobs and over the long haul, promoting their financial independence and reducing the city's expenditures on public benefits.

24. "2021 Policy Priorities," New York City Employment Training Coalition, accessed May 27, 2021, <https://nycetc.org/what-we-do/>.

2. Implement a New Wage Subsidy Program That Will Incentivize Hiring and Boost Small Businesses, Particularly Those Owned by Women or People of Color

A new administration should quickly implement a two-year, short-term wage subsidy program that helps unemployed workers get back to work and speeds the process of the reopening of small businesses and nonprofits. Research from Robin Hood's Poverty Tracker has found that losing a job propels nearly one in four

90 of New Yorkers and 92% of low-income New Yorkers support creating a new fund to help small businesses reopen by giving them money to cover the wages of newly-hired or re-hired workers for their first three months back on the job.

high school educated New Yorkers into poverty, and all efforts should be made to quickly get front line workers back on the job.²⁵ The program would be targeted at businesses owned by women and people of color, especially those in low-income neighborhoods, that have had the hardest time accessing other businesses aid programs, such as the federal Paycheck Protection Program; the program would

also take proactive steps to include both immigrant-owned small businesses and immigrant workers. The city should also expand the New York City Civic Corps to give young adults focused pathways to work to and to strengthen neighborhood nonprofits.

New York City is a city of small businesses. Before the pandemic, 98 percent of businesses were small (fewer than 100 employees) and 89 percent were very small (fewer than 20 employees).²⁶ These companies, including restaurants, small retail shops, and light manufacturers, employed nearly half of the New York City workforce.²⁷ During the lead-up to the pandemic, the number of Black-owned and Asian-owned small businesses was increasing faster than that of white-owned ones, so that now more than 60,000 small businesses in New York City are owned by people of color.²⁸ But as many as one-third of small businesses could close permanently due to the pandemic, and²⁹ Black-owned businesses were more likely to be forced to close than white-owned ones during the pandemic.³⁰ The New York Times documented how the nation's \$734 billion in forgivable Paycheck Protection Program loans failed to reach Black and Latinx businesses, especially in the Bronx and Queens, and it also failed to reach micro-businesses such as street vendors.³¹ Nonprofits face additional strains, and a recent survey found that human service organizations face a 15 to 50 percent financial deficit.³² Nonprofits make up 15 percent of all employment in New York City, 1.5 times the national average, and multiple methods will be needed to boost nonprofit work including wage subsidies.³³ Because of the importance of small businesses and

25. Annual Poverty Tracker data, Robin Hood and the Center for Poverty and Social Policy, Columbia University Population Research Center, 2012–18, <https://www.robinhood.org/programs/special-initiatives/poverty-tracker/index.html>.

26. "Better Government. Stronger Businesses," NYC Department of Small Business Services, February 2015, <https://www1.nyc.gov/assets/smallbizfirst/downloads/pdf/small-business-first-report.pdf>.

27. Ibid.

28. Eli Dvorkin, Lulu Davis, and Laird Gallagher, "NYC Minority Businesses in Flux: Black- and Asian-Owned Businesses Grow While Hispanic-Owned Decline," Center for an Urban Future, September 2021, <https://nycfuture.org/research/nyc-minority-business>.

29. "A Call for Action and Collaboration," New York City Partnership, July 2020, <https://pnyc.org/research/a-call-for-action-and-collaboration/>.

30. Claire Kramer Mills and Jessica Battisto, "Double Jeopardy: COVID-19's Concentrated Health and Wealth Effects in Black Communities," Federal Reserve Bank of New York, August, 2020, https://www.newyorkfed.org/medialibrary/media/smallbusiness/DoubleJeopardy_COVID19andBlackOwnedBusinesses.

31. Stacey Cowley, "Minority Entrepreneurs Struggled to Get Small-Business Relief Loans," New York Times, April 4, 2021, <https://www.nytimes.com/2021/04/04/business/ppp-loans-minority-businesses.html?referringSource=articleShare>.

32. Sarah Amandolare, "New York's Safety Net in Jeopardy," Center for an Urban Future, April 2021, <https://nycfuture.org/research/new-yorks-safety-net-in-jeopardy>.

33. "Who Is New York City's Nonprofit Sector?" Nonprofit New York, February 12, 2020, <https://www.nonprofitnewyork.org/2020/02/who-is-new-york-citys-nonprofit-sector/>.

nonprofits as sources of employment, and the continued vulnerability of this vital sector, a new administration should develop a major city aid program focused on these jobs.

New York City has experience using wage subsidy programs in previous crises to help sustain small businesses while meeting the city's goal of reducing unemployment, and a new administration should learn from those experiences. The 9/11 wage subsidy program provided 50 percent of salary for ninety days, and was administered by the Consortium for Worker Education (CWE).³⁴ CWE contracted with over 150 businesses, for jobs that paid up to \$25 per hour, with a maximum subsidy of \$100,000 per company, and 69 percent of employers reported keeping workers on after the subsidy ended.

New York City should authorize a wage subsidy to support small businesses and small nonprofits, designed according to these guidelines:

- The New York City wage subsidy program should support 20,000 jobs by 2022 and 10,000 jobs by 2023.³⁵ The subsidy itself should be short term (initially ninety days but with additional payments linked to retention) but robust, along the lines of a 75 percent subsidy for up to \$25 per hour.
- To incentivize stable employment, 33 percent of the subsidy for the first 90 days should be withheld until the employee has been on the job for 180 days. Moreover, the program should provide firms an additional bonus of 10 percent of the subsidy, if the individual remains employed one year after the subsidy is paid out. The subsidy could also be a platform to provide additional benefits to workers, and incentivize workplaces to offer better benefits. For example, participating workers could receive an educational benefit, get free training to advance their career, or a cash retention bonus if they stay on the job for a certain period of time.
- This aid should be limited to businesses with fewer than 100 employees, and include both nonprofits and for-profits. Eligible businesses would have to show at least a 25 percent revenue loss between 2019 and 2020, and priority should be given to small businesses owned by women and people of color. Aid for this program should be limited to the hiring of workers who were unemployed for at least three months in 2020, and can only be used to pay for workers who are newly hired or re-hired.
- The program should have specific goals for the number of businesses owned by people of color that receive the benefit, and goals for subsidies delivered by borough. The program would fund and be driven by intermediary organizations to recruit and guide businesses into the program. The program should partner with existing workforce organizations to identify and prepare workers for new opportunities with a special attention to workers of color who have been disproportionately impacted by pandemic unemployment.
- The program should be under a new deputy mayor for workforce and economic development (as described above), but should also have a visible role for the Mayor's Office of Immigrant Affairs, to help with reaching out to small immigrant owned businesses that are difficult to reach with government aid.
- City funds should supplement federal dollars for this program, and the program must be structured in

34. Bruce G. Herman, "Working Assets," Center for an Urban Future, June, 2003, <https://nycfuture.org/research/working-assets>.

35. With small businesses representing half of all employment in the city, this would represent roughly 10 percent of small business jobs lost during the pandemic.

a way that does not require citizenship or employment verification among those supported with wage subsidies to ensure it is open to all otherwise eligible New Yorkers.

Such a program would cost roughly \$250 million over the life of the program; the per-worker subsidy in this program would amount to \$6,825 per worker for 30,000 individuals. The funds for this program could come from the American Rescue Plan Act, specifically the Local Fiscal Relief provisions, which specifically name support for small businesses as one of the allowed uses.³⁶ This funding should be supplemented by city funds to ensure that undocumented immigrant workers can be served.

The next mayor should also expand the NYC Civic Corps program³⁷ in the City's NYC Service Office³⁸ to help youth to find employment quickly and support nonprofit staff capacity.

- NYC Service already places AmeriCorps members—supported in part by funding from the federal government to do a year of service—at nonprofits around the city through its NYC Civic Corps program.³⁹ Participation in Civic Corps helps host organizations avoid much of the normally required AmeriCorps paperwork, and an independent evaluation of Civic Corps sites said that, compared to others sites, those with Civic Corps members “were significantly more likely to have implemented a plan that identifies community partnerships.”⁴⁰
- The Civic Corps program, which currently only serves a few hundred members, should be significantly expanded to support an additional 2,000 young people and focused on hiring residents of the communities the host nonprofits serve, with a designated focus on youth and communities who have the greatest needs. AmeriCorps is a proven model that helps connect youth to jobs⁴¹ that has already received a \$1 billion boost under the American Rescue Plan Act, and may receive even more.⁴²
- As a part of this expansion, NYC Service must take steps to tackle the structural inequities within AmeriCorps, and ensure participants receive an adequate wage. NYC Civic Corps should utilize additional local, state, federal and private funds to ensure their living allowance allows New Yorkers of all backgrounds to participate.

Expected Impact

Implementing a targeted wage subsidy program and an expansion of NYC Civic Corps as proposed above should:

- support the hiring of 30,000 New Yorkers in jobs over the course of 2022 and 2023, with at least 20,000 remaining in those positions at the end of 2023, supplying them with income that could impact more than 30,000 additional family members in these households, including at least 20,000 workers of color and their families; and

36. This use was not allowed in the original CARES Act Coronavirus Relief Fund.

37. “NYC Civics Corps,” NYC Service, <https://www.nycservice.org/initiatives/3>.

38. NYC Service, <https://www.nycservice.org/>.

39. “NYC Civics Corps,” NYC Service, <https://www.nycservice.org/initiatives/3>.

40. Nathan Dietz, Daniel Teles, and Deondre’ Jones, “NYC Civic Corps Program Evaluation,” Urban Institute, March 14, 2019, <https://www.urban.org/research/publication/nyc-civic-corps-program-evaluation>.

41. Eric Friedman, et al., “AmeriCorps Alumni Outcomes: Final Survey Technical Report,” Corporation for National and Community Service, August 2016, https://www.nationalservice.gov/sites/default/files/evidenceexchange/FR_AmeriCorpsAlumniOutcomesFinalTechReport.pdf.

42. “AmeriCorps Invests \$1 Billion in Pandemic Recovery through National Service,” news release, AmeriCorps, <https://americorps.gov/newsroom/news/american-rescue-plan>.

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- expand NYC Civic Corps so that it reaches an additional 2,000 young people.

Because this program would target individuals who are unemployed, the wage subsidy program would have a significant anti-poverty impact. According to estimates prepared for this project by Columbia University's Center for the Study of Social Policy, the wage subsidy program would:

- reduce poverty rates among participants and their families by more than one half, from 37 percent to between 11.8 percent and 15.7 percent, depending on how many workers would enter into full-time jobs

3. Invest in Shovel-Ready Infrastructure in Ways That Will Build a More Equitable New York City

Infrastructure investment will create jobs for New Yorkers who need them, including those transitioning from other sectors. It will also help address the numerous needs and disparities exposed and exacerbated by the pandemic, and will make New York City more resilient during not only public health crises but also rising sea levels, stronger storms, heat waves, and other effects of our changing climate. President Biden's American Jobs Plan proposes \$1.7 trillion for infrastructure investments, enough to fill the gap for New York City's current capital plans and address additional needs. The next mayor should be guided by the principles that follow in making any new infrastructure investments, including but not limited to those funded by additional federal funds.

Significant investment in correcting the deficits and disparities in our infrastructure will create jobs and make the city more equitable and climate resilient. For example, lower-income neighborhoods suffer worse air quality, correspondingly higher asthma rates,⁴³ and inadequate access to public transit,⁴⁴ all in part a legacy of racist and classist highway placement.⁴⁵ With the right policies, the jobs created from these investments will flow to those communities most impacted historically by environmental racism. **The next administration should pursue this policy initiative, guided by the following principles:**

- **Prioritize projects to create a more equitable and climate-resilient city.** The mayor must prioritize project placement in immigrant communities, low-income communities, and communities of color. Transit infrastructure can help people quickly access better jobs than they could before. Resiliency projects can reduce air pollution as well as the impact of storms, heatwaves, and rising sea levels on vulnerable communities. These projects must include sizable investments in child care and broadband access (see section on Human Services for this project) that have exacerbated inequity during the pandemic. At least 50 percent of new infrastructure investments should benefit lower-income communities and communities of color, with special care taken not to repeat the environmental injustice created by locating highways, sanitation facilities, and other heavy infrastructure in the most vulnerable neighborhoods.

43. Jeremy Hinsdale, "By the Numbers: Air Quality and Pollution in New York City," Columbia State of the Planet Blog, June 16, 2016 <https://blogs.ei.columbia.edu/2016/06/06/air-quality-pollution-new-york-city/>

44. Michael Meyers and Adam Friedman, "Mobility and Equity for New York's Transit Starved Communities," Pratt Center and the Rockefeller Foundation, December 2013 https://prattcenter.net/our_work/mobility_and_equity_for_new_yorks_transit_starved_communities

46. Ashish Valentine, "The Wrong Complexion For Protection." How Race Shaped America's Roadways And Cities," National Public Radio, July 5, 2020 <https://www.npr.org/2020/07/05/887386869/how-transportation-racism-shaped-america>

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- **Create quality, unionized, careers for people who most need them.** A new mayor must also ensure that the people from these same communities are hired into the jobs that infrastructure investments create. Thanks to union and community efforts, currently 55 percent of workers in unionized construction in New York City are people of color, and the next mayor can build on that success, providing bona fide apprenticeships while avoiding the lower wages and higher safety risks in nonunion construction.⁴⁶ Regardless of whether state-level community hire legislation passes, the next mayor can aggressively leverage development opportunities to create project labor agreements (PLAs) that include, among other measures, set-asides for programs that train and place women and other underrepresented populations in trades careers, strict local and targeted hire goals for construction jobs that target those same populations, and training and other supports future employees need to meet those goals.⁴⁷ For example, since 2010, San Francisco has had a mandatory local hire requirement for publicly funded construction projects, which began at 20 percent and increased by 5 percent each year until it reached 50 percent in 2017.⁴⁸
 - **Create strong community benefits agreements.** Linked to new infrastructure projects, the next mayor must also promote community benefits agreements (CBAs) that create permanent, good jobs for community members that outlast construction projects, and the PLAs that govern them. For an example of a successful CBA, a 2013 deal in the Bronx with the Kingsbridge National Ice Center secured commitments on community space, local procurement, local hiring, Leadership in Energy and Environmental Design (LEED) construction standards, and free after-school programs for local youth.⁴⁹
 - **Create a pipeline for a new generation of infrastructure workers to ensure they benefit from investments.** More robust city funding for programs focused on entry of women, people of color, immigrants, justice-involved, and other historically underrepresented populations into infrastructure jobs must accompany these investments. In particular, the city should devote \$70 million per year to bridge programs that teach not just literacy, numeracy and contextualized the basic literacy and skills,⁵⁰ but critical credentials such as high school equivalencies and driver licenses needed to enter into a pre-apprenticeship or skills training program.⁵¹ As more construction is conducted with union labor, that labor should reflect the diversity of New York City. This can be accomplished through apprenticeship set-asides by the building and construction trades to recruit from target communities. Set-asides for women should be increased from 15 percent to 20 percent, while a goal of 60 percent people of color should be targeted. Periodic reporting and measuring

87% of New Yorkers and 91% of low-income New Yorkers support making sure that a certain percentage of new infrastructure jobs go to people hardest hit by COVID-19, including low-income New Yorkers and New Yorkers of color.

46. Lawrence Mishel, "Diversity in the New York City: Union and Nonunion Construction Sectors," Economic Policy Institute, March 2, 2017, <https://www.epi.org/publication/diversity-in-the-nyc-construction-union-and-nonunion-sectors/>.

47. Julian Gross, "Local and Targeted Hiring," PolicyLink, <https://www.policylink.org/sites/default/files/Local-and-Targeted-Hiring.pdf>.

48. Ibid.

49. "Community Benefits in New York City Bring Wall-to-Wall Living Wage Jobs to the Bronx," Partnership for Working Families, June 24, 2013, <https://www.forworkingfamilies.org/article/community-benefits-new-york-city-bring-wall-wall-living-wage-jobs-bronx>.

50. This funding is just one aspect of the type of comprehensive investment in literacy infrastructure needed in the city, as described by the Literacy Assistance Center. See "Investing in Quality: A Blueprint for Adult Literacy Programs and Funders," Literacy Assistance Center, December 2017, <https://www.lacnyc.org/investing-in-quality.html>.

51. While Mayor DeBlasio proposed \$60 million for these programs in 2014, they are currently only funded at approximately \$1 million per year. See "Career Pathways: One City Working Together," The City of New York, <https://www1.nyc.gov/assets/careerpathways/downloads/pdf/career-pathways-full-report.pdf>.

of work hours will ensure these goals do not result in workers being hired only for the short term.⁵²

- **Support strong community enforcement.** PLAs, CBAs, and related apprenticeship programs must be strong enough to secure the support of labor and community representatives, who remain at the table for the duration of projects in order to review regularly shared data and ensure that agreement targets are met. Fines or clawbacks of funds must be enforced when goals are not met. City funding should go to programs to train community and labor organizations to ensure goals are actually met.
- **Focus on shovel-ready projects.** The Regional Plan Association (RPA) has made the argument for funding shovel-ready projects that are in the city government's and city and state agencies' capital plans.⁵³ These projects have already been the subject of extensive planning, public scrutiny, and both legislative and regulatory review and approvals, and are just awaiting funding. Examples of these ready-to-go projects from already-released capital plans include: modernizing the MTA's subway signal system;⁵⁴ expanding the number of electric buses in the system; and replacing aged roofs of NYCHA developments.⁵⁵ Beyond the existing capital plans, the Mayor should drive climate infrastructure investments like making our waterfronts more resilient⁵⁶ to closing peaker plants⁵⁷ in heavily polluted communities and significantly broadening the scope of energy retrofits for NYCHA and other low-income housing.⁵⁸

While passage of the American Jobs Plan would provide a substantial downpayment to address NYC's aging infrastructure needs, these principles can and should be adhered to whether infrastructure upgrades are being supported by new federal infrastructure dollars or other funding sources (e.g., dedicated use fees or issuance of new bonds).

Expected Impact

As stated above, the scale and scope of federal infrastructure funding is still being determined, but it may well be large enough to allow New York City and key agencies such as the MTA and NYCHA to implement most of their capital plans, which the Regional Plan Association estimates would:

- support approximately 200,000 jobs per year over the next four years (at a cost of \$137 billion).⁵⁹

As noted above, there are numerous other infrastructure needs to build a more equitable, resilient city, such as schools, health care facilities, and child care facilities.

52. While Mayor DeBlasio proposed \$60 million for these programs in 2014, they are currently only funded at approximately \$1 million per year. See "Career Pathways: One City Working Together," The City of New York, <https://www1.nyc.gov/assets/careerpathways/downloads/pdf/career-pathways-full-report.pdf>.

53. "Infrastructure for Recovery and Renewal," Regional Plan Association, January 2021, <https://rpa.org/work/reports/immediate-infrastructure-priorities>.

54. Ibid.

55. "Capital Plan Calendar Years 2019–2023," New York City Housing Authority, December 19, 2018, <https://www1.nyc.gov/assets/nycha/downloads/pdf/capital-plan-narrative-2019.pdf>.

56. "The Waterfront and Resilience Platform for the Next Mayor of New York City," Waterfront Alliance, https://waterfrontalliance.org/wp-content/uploads/2021/01/Waterfront_Alliance_Mayoral_Platform-1.pdf.

57. "The Waterfront and Resilience Platform for the Next Mayor of New York City," Waterfront Alliance, https://waterfrontalliance.org/wp-content/uploads/2021/01/Waterfront_Alliance_Mayoral_Platform-1.pdf.

58. "An Equitable Recovery for NYC: Creating 100,000 Climate Jobs for Frontline Communities of Color," Climate Works for All, October 2020, <https://alignnyc.org/wp-content/uploads/2020/10/CW4A-Equitable-Recovery-Report-v3-1.pdf>.

59. "Infrastructure for Recovery and Renewal," Regional Plan Association, January 2021, <https://rpa.org/work/reports/immediate-infrastructure-priorities>.

4. Establish a Strong Floor of Worker Protections That Prevents Exploitation of the Most Vulnerable Workers

The low-wage economy is riddled with higher risks for injury, unemployment, and instability. As a new administration looks to build a more equitable economy city-wide, the city can play a critical role in upholding fundamental employment rights and filling in the gaps left by federal and state laws, especially for undocumented immigrants, freelance and gig workers, and restaurant workers. Enforcement is particularly important to the approximately half-million undocumented immigrant New Yorkers whose work has kept the city running before and during the pandemic despite being written out of many key labor laws, such as unemployment insurance. They are at a heightened risk of retaliation by employers because of the terrifying consequences of having their immigration status exposed to authorities. The state's recently enacted Excluded Worker Fund (heroically advocated for by Make the Road NY and a broad coalition) took one important step by addressing undocumented immigrants' exclusion from unemployment benefits but action can't stop there. Freelance and gig workers are also left out of federal and state protections—and the city must act boldly to fill those gaps.

New York City's Office of Labor Policy Standards (OLPS) already enforces an array of local labor laws, including paid sick days and the Freelance Isn't Free Act, which protects freelancers from nonpayment on contracts.⁶⁰ Further action is needed, especially, to address endemic wage theft among low-wage and immigrant workers. A seminal study of frontline workers found that 26 percent of low-wage workers were paid less than the legally required minimum wage.⁶¹ A focus group of immigrant workers conducted as a part of this project expressed the pain of job loss from restaurants and other service jobs during the pandemic without access to the formal safety net. This trauma came on top of years of laboring in an economy rife with labor theft. As one participant in a roundtable discussion held by The Century Foundation and Robin Hood—a worker from Queens—said:

It doesn't just happen in restaurants with tips and wages, but also happens for construction workers. They pay them for the first week of work and they won't pay them anymore. They declare themselves in bankruptcy [to avoid paying]. . . . Whether at a federal or state level, there should be plenty of offices that handle wage theft regardless of immigration status. Penalties for wage theft are too minor and not enforced consistently enough.

The next administration can extend protections for workers by taking the following actions, that would build on the progress already made to establish new city level labor protection and stronger city human rights laws:

- **Bolster community and public enforcement.** To support enforcement, the city should increase funding to the successful Office of Labor Policy and Standards by \$2 million, increasing headcount by twenty-five staff.⁶² The city should increase the amount given to community-based organizations to promote worker rights, including know-your-rights training, helping workers file complaints with government agencies, and provide legal representation—spanning issues such as wage theft, worker safety, and collective action rights. This requires delivering \$7.5 million to Low-Wage Worker Support for outreach and Low-Wage Worker Initiative for legal services, which were cut back last spring amidst pandemic-related budget cuts

60. "NYC's Resource for Workers: The Office of Labor Policy and Standards," New York City Department of Consumer Affairs, <https://www1.nyc.gov/assets/dca/downloads/pdf/workers/OfficeofLaborPolicyandStandards-WhatWeDo.pdf>.

61. Annette Bernhardt, Ruth Milkman, Nik Theodor, "Broken Laws, Unprotected Workers: Violations Of Employment And Labor Laws In America's Cities," National Employment Law Project, September 2009, <https://www.nelp.org/publication/broken-laws-unprotected-workers-violations-of-employment-and-labor-laws-in-americas-cities/>.

62. This would elevate OLPS into 10 percent of the total DCA enforcement staff. See "Report of the Finance Division on the Fiscal 2021 Preliminary Plan and the Fiscal 2020 Preliminary Mayor's Management Report for the Department of Consumer Affairs," Council of the City of New York, March 6, 2020, <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2020/03/866-DCA.pdf>.

and only partially restored—as well as consistent general public education efforts.⁶³ The mayor should strive to make this work more effective by brokering a stronger role for the city and nonprofits in sparking state and federal Department of Labor enforcement.

- **Anti-retaliation provisions.** The mayor should support workers’ calls for safe, fair, and harassment-free workplaces by working with the City Council to adopt a city whistleblower protection law to protect workers who speak up about workplace conditions from retaliation. Such a whistleblower law should include: (1) a private right of action; (2) significant penalties; (3) protection for not just when workers file a formal complaint, but also when they notify fellow employees or the public about workplace dangers or issues; and (4) guarantee a right to refuse to work under dangerous conditions without being fired.
- **Enact just cause legislation.** Under labor law, the three out of four New Yorkers who are not in a union can be fired without reason, because of the doctrine of “at will” employment.⁶⁴ The City Council has passed a law establishing rules that individuals cannot be fired from their job without cause in fast food establishments.⁶⁵ The new law requires fast food companies to set up progressive discipline policies. The next step is to

79% of New Yorkers and 85% of low-income New Yorkers support requiring all companies to go through a disciplinary process before firing an employee without justification.

extend these protections to larger establishments in other major sectors, such as warehousing, national retail, health care, hotels, and restaurants. The State of Illinois is currently considering this type of proposal,⁶⁶ and at will employment has been restricted in Montana since 1987.⁶⁷

- **Extend minimum wages across the gig economy.** The city should establish a minimum wage for app-based delivery services such as DoorDash, Instacart, GrubHub, and UberEats. The mayor should order the Department of Consumer and Worker Protection and the Department of Transportation to mandate data collection from these services on wait times, expenses of delivery workers, and pay per delivery, and use this information to establish minimum pay for delivery jobs that can translate into a minimum wage that pays \$15 per hour for the entire job. These efforts to establish a gig wage floor should not supplant or undermine efforts around worker misclassification.

84% of New Yorkers and 92% of low-income New Yorkers support expanding the City’s \$15 minimum wage requirements to apply to gig workers such as food delivery and restaurant workers.

63. Shant Shahrigian, “Faced with NYC funding cut, over 100 low-wage workers poised to lose legal help,” New York Daily News, July 26, 2020, <https://www.nydailynews.com/news/politics/ny-essential-workers-lawsuits-bill-de-blasio-make-the-road-20200726-kubrbauh5dlhibcof76dbfwwe-story.html>.

64. Barry Hirsch and David Macpherson, “Union Membership and Coverage Database,” accessed April 1, 2021, <http://www.unionstats.com/>.

65. Introduction 1415-2019, New York City Council, January 5, 2021.

66. Jeff Schuhrke, “The Movement to End At-Will Employment Is Getting Serious,” In These Times, April 6, 2021, <https://inthesetimes.com/article/at-will-just-cause-employment-union-labor-illinois>.

67. “Wage and Hour FAQs,” Montana Department of Labor and Industry, <https://erd.dli.mt.gov/labor-standards/wage-and-hour-payment-act/wage-and-hour-faq>.

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- **Use the city's power to establish one fair wage for all New York City workers.** Local Law 100 allowed the city's restaurants to tack on a 10 percent surcharge to patron's bills to boost their businesses during the recovery.⁶⁸ Not surprisingly, a majority of restaurant workers surveyed reported that their tips declined after the surcharge was enacted, as surcharges (unlike tips) are the property of the restaurant.⁶⁹ Following recommendations by Councilmember Antonio Reynoso, permanent city law should allow restaurants to add a surcharge on to a customer's bill, but only if they pay workers the \$15 minimum wage available to all workers, with tips on top.⁷⁰ This is a concrete step the city can take to move New York to having "one fair wage" for restaurant workers, as the state has a discriminatory low wage of \$10 per hour for tipped food service workers in New York City. This policy for raising compensation will make the entire industry more competitive at a time when it is struggling to recruit workers.

Expected Impact

Implementing worker protections as proposed above would:

- position the Low-Wage Worker Initiative to directly serve 5,000 workers per year, with impacts that would reverberate into their communities;
- benefit tens of thousands of nonunion workers through anti-retaliation and just-cause laws;
- raise the wages of more than 50,000 food delivery workers in the city through the higher minimum wage for gig workers; and
- raise the wages of more than 60,000 tipped restaurant workers to the city minimum of \$15 per hour, if even half of city restaurants chose the surcharge option.⁷¹

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68. Introduction 0823-2018, New York City Council, October 17, 2020.

69. Doing More for Less: New York Restaurant Workers' Experiences of Tips, Surcharges, Racial Inequity, and Why They're Leaving the Industry During COVID-19," One Fair Wage, February 2021, https://onefairwage.site/wp-content/uploads/2021/02/OFW_DoingMoreForLess_NY.pdf.

70. Introduction 2163-2020.

71. The American Community Survey indicates that in January 2020 there were approximately 113,000 workers in tipped restaurant occupations (Bartenders, Waiters and Waitresses, Host and Hostesses, Food Servers-Non-restaurant.)



From Crisis to Opportunity

A POLICY AGENDA FOR AN EQUITABLE NYC

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