

JANUARY 2023

NYC'S UNSETTLED COVID-19 ERA LABOR MARKET

THE CASE FOR AN ACTIVE LABOR MARKET POLICY



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ACKNOWLEDGEMENTS

Many experts offered their insight and many organizations provided their support to make this report possible. Thank you to Sharon Sewell-Fairman and Andrea Vaghy Benyola at the Workforce Professionals Training Institute, and Greg Morris from the New York City Employment and Training Coalition for their support, expertise, and thoughtful feedback. A very special thanks goes to Justin Collins for his essential collaboration and always insightful contributions, especially to the section of this report on Employer Demand, for which we consider him a co-author. Also, we offer special thanks to Darly Corniel and Joe McDermott at the Consortium for Worker Education.

We thank the experts, professionals in the field, and workers on the frontline of New York City's economic development and worker organizations who generously gave their time and insight to the development of this report, including:

Seth Bornstein (Queens Economic Development Corporation), Randy Peers (Brooklyn Chamber of Commerce), Charles Yu (Long Island City Partnership), Merrill Pond and Nicky Lineaweaver (Partnership for New York City), Natalie Mendell, Harry Chen, and Kevin Munoz (Manhattan Chamber of Commerce), Darlene Blanco (Staten Island of Commerce), Aaron Ghitelman (Office of Cannabis Management), Patricia Robinson and Justin Rodgers (Greater Jamaica Development Corporation), Maria Luisa Castaneda and Tiffany McGuire (1199SEIU Training and Employment Fund), Jason Clark (Tech:NYC), Tara Gardner (Daycare Council of New York), Santos Rodriguez (Building and Construction Trades Council), Maryam (Sara) Esfarayeni (CUNY School of Urban and Labor Studies), Jessica Garcia (Retail Wholesale and Department Store Workers Union), Marcia Hunte (AFSCME District Council 37), Hannah Weinstock

(LaGuardia Community College), Lauren Andersen (City University of New York), Je'Nean Jones (NYC Department of Small Business Services), Beverly O'Donnell, Glenda Williams and John McDermott (Consortium for Worker Education), Bret Halverson (management consultant), Pat Jenny, Robert Sainz (New Ways to Work), and David Fischer (Altior Policy Solutions).

We thank the Partnership for New York City for sharing Lightcast job openings data. We are particularly grateful to the Economic Research & Policy team at the New York City Economic Development Corporation for sharing their summary analysis of Quarterly Census of Employment and Wage microdata.

Thanks go to Bruce Cory for editorial assistance, to Emil Mella Pablo, Sally Svenlen, and Brent Kramer for data analysis, to Lauren Melodia for research assistance, and a special thanks to Emil Mella Pablo for designing the figures and for coordinating production. Thank you to Seth Moncrease and Kristin Morse for general support. The authors accept sole responsibility for the substance and views presented in this report.

This report and the companion policy recommendations report grew out of collaborative work with the Workforce Professionals Training Institute and the New York Employment and Training Coalition over the past two years. Funding support for this report was generously provided by the Workforce Professionals Training Institute, the Robin Hood Foundation, the JPMorgan Chase Foundation, the New York City Workforce Development Fund, and the New York Community Trust.

Design was provided by East End Advertising.



EXECUTIVE SUMMARY

This report combines an analysis of the current state of New York City's changing labor market with a survey and examination of the city's workforce system – the array of agencies, training programs, and support services designed to help jobseekers find work and careers. The city's workforce system is vast, encompassing several City government agencies, CUNY programs, union apprenticeship and training programs, and roughly 200 mainly nonprofit workforce development providers. These programs and providers are staffed with committed professionals, and have combined annual workforce development budgets of more than \$750 million. And yet, while these four segments each perform a vital function, a lack of overall coordination and planning limits their effectiveness and impact. There is an urgent need for a coordinated workforce system that better responds to the changes and challenges caused by the Covid-19 pandemic and can address the compounded inequities in workforce opportunities that predated the pandemic.

Unlike many cities and the nation overall, New York City has yet to recover from pandemic-induced job loss. Industries with face-to-face or on-site work, such as retail, hospitality, construction, and the arts, are still enduring substantial job loss. Moreover, unemployment rates remain higher than they were pre-pandemic. These economic losses are most pronounced among lower-income workers, and are also marked by racial disparities. The impact on working parents has been severe. Both workers and small businesses face a challenging landscape of rising costs, difficulty finding childcare, and changed commercial and commuter habits.

Top findings include

New York City's slow and uneven economic recovery

- Compared to the U.S. overall, New York City's economic recovery lags, with a 2.5 percent payroll jobs deficit (116,000 payroll jobs) compared to February 2020.
- Covid's economic impact fell disproportionately on workers in industries characterized by face-to-face work, such as restaurants, retail, hotels, construction, the arts, and manufacturing. These industries accounted for over three-quarters of initial job losses. As of late 2022 they still see a deficit of 180,000 jobs (8.9 percent). Net job growth in essential and remote-working industries reduce the citywide jobs deficit to 116,000.
- In contrast to double digit losses in several industries in New York City, industry employment declines have been smaller at the national level and in some cases, like retail and construction, employment is greater nationally than before the pandemic.
- Pandemic job losses have been concentrated in Manhattan, which absorbed 75 percent of citywide job losses as of early 2022, much greater than its pre-pandemic job share.
- Of the 950,000 jobs lost during the first two months of the pandemic, over 300,000 were lost for good due to businesses that closed and never reopened. Over 400,000 jobs have not returned at employers remaining in business. In a job market experiencing upheaval, over 400,000 jobs have been added in existing businesses or in entirely new businesses.
- New York City has seen a 300,000 person drop in the labor force and an even larger decline in the working age population since early 2020. Employment among residents has fallen by 280,000. That magnitude exceeds the net decline in the city's payroll jobs since some of the residents moving out retain jobs located in the city. Self-employment among city residents declined by 90,000 over the course of the pandemic.
- The Mayor's Budget Office doesn't expect the city to regain its February 2020 employment level until the last quarter of 2024, nearly five years after the pandemic's onset.

Economic challenges fall on workers who can least afford them

- The pandemic's adverse employment impacts hit the New York City workers hardest who could least afford to lose work and wages, with sharp disparities by income, education, age, and immigration status.
- New York City's unemployment rate was 6.1 percent in the third quarter of 2022, well above the nation's 3.5 percent. Black workers had an unemployment rate of 9.8 percent, compared to 3.5 percent for white workers.
- Compared to the average worker, workers with a high school education or less were 25 percent more likely to lose a job, and workers in households with income less than 200 percent of the federal poverty line (i.e., members of the working poor) were 31 percent more likely to lose work during the pandemic.
- From the onset of the pandemic to mid-2022, employment rates for less-educated males fell sharply from 60 to 49 percent, and declined for females from 37 to 34 percent.
- Employment rates for young males, ages 18-24, dropped from 49 percent in the six months before the pandemic to 38 percent over the second and third quarters of 2022.
- The Current Population Survey suggests there have been large declines since 2019 in the number of workers ages 25-34, with a particularly steep drop among parents of children four years old and younger, and sizable population and labor force declines for workers 55-64. Labor force participation and employment fell sharply among those 65 and older.
- The number of city residents receiving cash assistance has surged by 112,000, or 35 percent, from February 2020 to September 2022. There were 226,000 more city residents receiving supplemental nutrition assistance (SNAP) in September 2022, and 911,000 additional city residents qualified for Medicaid health insurance coverage over that time.

Employer job needs reflect the scale of economic reshuffling since the onset of Covid-19

- Employer representatives report an across-the-board high demand for workers and difficulty recruiting and retaining workers in industries with rapid job growth as well as in those that have not

regained pre-Covid job levels. This persistent high demand underscores the pandemic's scale of economic and social dislocation, and the need to remove organizational roadblocks in the workforce system that impede connecting those looking for career-sustaining jobs with businesses seeking reliable workers.

- Workers express strong desires to have more flexibility, a better work/life balance, and more fulfilling work, while seeking higher pay to defray rising costs of living. Some small business owners understand such realities but nevertheless see offering entry-level workers more than the minimum a difficult economic proposition, as their own costs rise.
- Employers seek “soft skills” among entry-level workers, favoring workers with sales experience, customer-facing professionalism and eagerness to work, and who are communicative and responsive to direction.
- Small businesses paying low wages and recruiting for jobs without clear career ladders see a revolving door of entry-level workers, incurring high recruitment and training costs. Meanwhile workers without extra training find it difficult to trade up for better jobs.
- Most employers do not look to the city's workforce system, including CUNY, the City Workforce Centers, or non-profit community-based workforce providers, because they perceive a mismatch between business needs and workforce programs, and instead utilize other recruitment channels. While this employer disconnection from the workforce system is not new, the stakes are higher now given pandemic dislocations and upheaval.

Current growth industries and the outlook for occupational demand

- While New York City has yet to recover the jobs lost at the onset of the pandemic, 20 industries added a combined total of 154,000 new jobs between February 2020 and November 2022. These industries can be grouped into three categories: lower- and moderate paying industries; tech-related industries; and higher-paying industries in finance and professional services.
- Healthcare leads current job openings and forecasted growth. Five of the top seven occupations with the highest number of entry-level job openings are in healthcare, including medical secretaries, medical assistants, and patient representatives.
- Topping the list of occupations with the largest projected New York City 2018–28 job growth are home health aides and personal care aides. Both are mainly Medicare-funded positions to assist elderly clients and allow them to remain in their homes.
- The 2018–28 10-year forecast puts net job growth at 600,000 jobs, and suggests that two-thirds of total jobs in 2028 will require less than a four-year college degree. Fifty percent of new jobs won't require more than a high school diploma. While job growth will remain strong, the city will need to pursue an active labor market policy to ensure that jobs with lower educational requirements have career-sustaining wages.

New York City's workforce system is extensive and diverse, but lacks coordination

- Nonprofit and community-based organizations serve populations with the highest barriers to employment, unions provide skill-intensive career pathways, CUNY provides a mix of degree and credential and other non-degree training programs, and City agency programs serve public assistance populations, entry-level job seekers, and young New Yorkers. Many City programs are operated by nonprofit providers.
- The city's workforce system lacks coordination and incentives for cooperation. Collecting and sharing information about available education and training programs is resource-intensive, as is keeping up with labor market trends and developing new programs to keep pace with a changing economy.
- Some good models for collaborative and innovative workforce programs have emerged with the City's Pathways to Industrial and Construction Careers and the New York State Energy Research and Development Authority (NYSERDA) initiatives.

As this report has documented, the pandemic has greatly unsettled the city's labor market and compounded pre-pandemic inequities. A companion report will present a comprehensive set of policy recommendations to move from a reactive, fragmented workforce development system to an active labor market policy that can more effectively tackle labor market-rooted inequities.

INTRODUCTION

Our first report on the economic impact of Covid-19 in the early days of the pandemic discussed a “new strain of inequality” then emerging in New York City (and beyond).¹ Adding to the wide income and wealth inequality that have characterized our city and the nation over the previous 40 years, the Covid public health crisis introduced a new dimension of inequality, with widely disparate health and employment impacts.

The lowest-paid workers bore the brunt of job dislocations, some of which have now persisted for nearly three years. Meanwhile, many professional and managerial workers have seen ultra-low unemployment rates and strong real wage gains, and, in many, cases, have benefitted from hybrid work arrangements. Income inequality among city residents, which had moderated in the five years prior to the pandemic, soared in the first year of the pandemic, and economic hardships and rent pressures have escalated since the expiration of federal pandemic economic assistance. Race and ethnicity have factored heavily in the pandemic’s divergent economic fates, with Black and Latinx unemployment rates twice or more those of white workers.

In addition to compounding pre-pandemic inequities, the pandemic unsettled the city’s labor market in unprecedented ways. Several industries primarily employing service and blue collar workers are far from recovering pre-pandemic employment levels. Other industries have added thousands of jobs. But many of those offer low wages and limited benefits. Long-term projections also suggest that much of the job growth the city can expect in the years ahead will not require a college education and will have relatively low pay.

Overall, the city lags far behind the nation in recovering pre-pandemic job levels. And rather than exhibiting signs of a “Great Resignation” on the part of workers, New York City’s job market could be more aptly characterized as undergoing a “Great Reshuffling,” akin to a real-life game of musical chairs. Employer job demands and expectations are changing, and many workers are moving from one employer to another, but scores of thousands of low-wage workers, including many of them Black, Latinx, young, and less educated, remain jobless when the music stops.

Complicating the city’s incomplete recovery, Federal Reserve Board actions to hike interest rates are slowing the economy and job growth. The City’s Office of Management and Budget doesn’t expect the city to return to the pre-pandemic total job level until late 2024, nearly five years after the first coronavirus case occurred in the city at the end of February 2020.

In addition to documenting the pandemic-wrought changes in the city’s economy and labor market, this report examines the city’s workforce development infrastructure, a system upon which many workers rely to navigate myriad labor market challenges. The workforce system helps unemployed workers find jobs, and aids workers who seek new skills, further education or credentials to advance or move into a new field. The workforce system too has been challenged by the pandemic’s upheaval, forcing changes in how services are delivered and placing new demands on providing organizations. Yet, while there have been significant improvements in many aspects of the workforce development infrastructure in recent years, there is no overall coordination among the four main branches of the workforce system, and such basics as a comprehensive mapping of the landscape of training and services does not exist. And, without an effective mechanism to provide sufficient planning and coordination, it is no surprise that the city is ill-equipped to confront the compounded inequities and policy challenges that currently characterize the city’s job market.

Chapters 1 and 2 of this report provide an updated analysis of how the pandemic has affected and reshaped New York City’s labor market, taking an in-depth look at both the employer demand and labor supply sides. Based on over two dozen in-depth interviews with a cross-section of businesses, Chapter 3 summarizes current hiring challenges faced by city employers. Chapter 4 analyzes the industries and occupations where employment demand has been growing and considers the implications of long-term projections for occupational demand in New York City. The city’s nonprofit, union, higher-ed based, and public workforce development infrastructure is examined in Chapter 5. A concluding chapter summarizes the city’s current workforce challenges and identifies issues that need to be addressed for the city to move from a reactive, fragmented workforce development system to an active labor market policy that can more effectively tackle labor market-rooted inequities. A companion report will present a comprehensive set of policy recommendations.

¹ James A. Parrott and Lina Moe, *The New Strain of Inequality: The Economic Impact of Covid-19 in New York City*, Center for New York City Affairs, April 15, 2020.

CHAPTER 1

NEW YORK CITY'S LAGGING RECOVERY

New York City's current labor market challenges reflect the profoundly disproportionate impact that Covid-19 had on the city's economy. The city's job losses as of the fall of 2022 — two-and-a-half years after the pandemic's onset — stem mostly from the employment decline in lower-paid, face-to-face industries most immediately affected by public health business restrictions and subject to the lingering effects of changed commuting and hybrid working patterns. These dislocations struck hardest at less-educated workers, many of whom are workers of color and young adults. This lopsided impact compounded inequities that pre-dated the pandemic: inequities in terms of access to good jobs with career growth opportunities, and inequities often systemically rooted in racial bias. Today's low male youth employment rates and wide racial unemployment rate disparities reflect these compounded inequities. This analysis points up the importance of stepped-up efforts to connect dislocated workers of all ages to promising job opportunities in the changing New York City economy.

This chapter updates ongoing analysis of the city's economy and labor market by the Center for New York City Affairs at The New School.² It examines the patterns of Covid-wrought changes by industry and borough, provides comparisons to national trends by industry, and assesses the impacts on business closures and start-ups.

New York City's recovery from pandemic-induced job losses lags the nation. The city's November 2022 total payroll employment was still 116,300 jobs (or 2.5 percent below) its pre-pandemic February 2020 level. Until very recently, the city's pandemic jobs deficit exceeded that of the Downstate suburbs and Upstate regions but as of the latest data, the city's jobs deficit is now lower than the 3.3 percent suburban deficit or the 2.7 percent Upstate pandemic jobs deficit. (See Figure 1.)³

No other large industrial state has had a larger pandemic jobs deficit over the past 33 months than New York State's 2.9 percent deficit. In fact, the nation overall and several large states, including New Jersey, now have more jobs than at the start of the pandemic. The pace of job growth in New York City and nationally has slowed in recent months as a result of the Federal Reserve's aggressive policy to raise interest rates and slow the economy. The city's 12,000 monthly average job growth for the months of August–November 2022 is half of the monthly average for the prior 18 months (February 2021–July 2022).

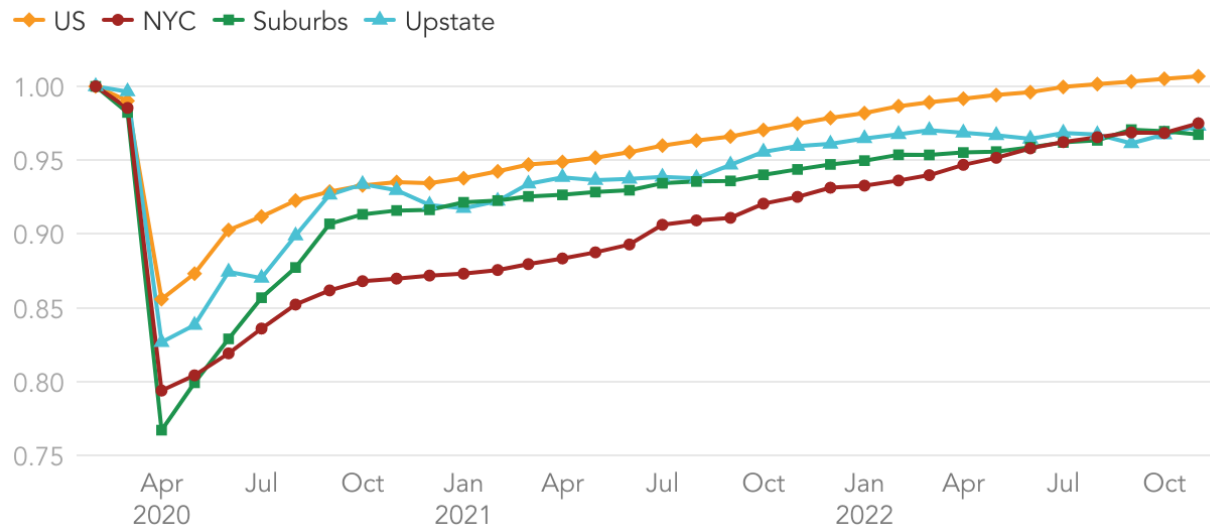
² See the Center's periodic economic and workforce reports and regular Covid-19 Economic Updates. <http://www.centrernyc.org/covid19-economic-impact>

³ Unless otherwise specified, all payroll employment data cited in this section are from the Current Employment Statistics (CES) survey and are seasonally adjusted. CES data are jointly compiled by state labor departments and the U.S. Bureau of Labor Statistics. CES data for New York City are from the City's Office of Management and Budget's seasonally adjusted series. "Downstate suburbs" refers to Nassau, Suffolk, Orange, Rockland, and Westchester counties.

Figure 1

While the U.S. has regained all of its pandemic job losses, New York City has a 2.5 percent pandemic jobs deficit, and it is slightly higher in the suburbs and Upstate New York

Total employment relative to February 2020



Source: BLS and NYS DOL, Current Employment Statistics, seasonally adjusted non-farm employment; New York City Office of Management and Budget seasonally adjusted employment data

Face-to-face industries have borne the brunt of job losses

Covid-19's business and job dislocations resulted from government-mandated restrictions to protect public health. The economic impact of these restrictions differs fundamentally from the impact usually seen during a business cycle downturn.⁴ To understand the unique character of the pandemic's economic impact it is useful to group industries into three broad categories: Essential, Face-to-face, and Remote. Essential jobs are those in health care, social assistance, and government. Face-to-face service and production workers include those in restaurants, hotels, transportation, construction, neighborhood personal services, administrative and building services, and retail, wholesale trade, and manufacturing. Information, financial, professional, and managerial services, many of which can be performed remotely, constitute the third, Remote, category.

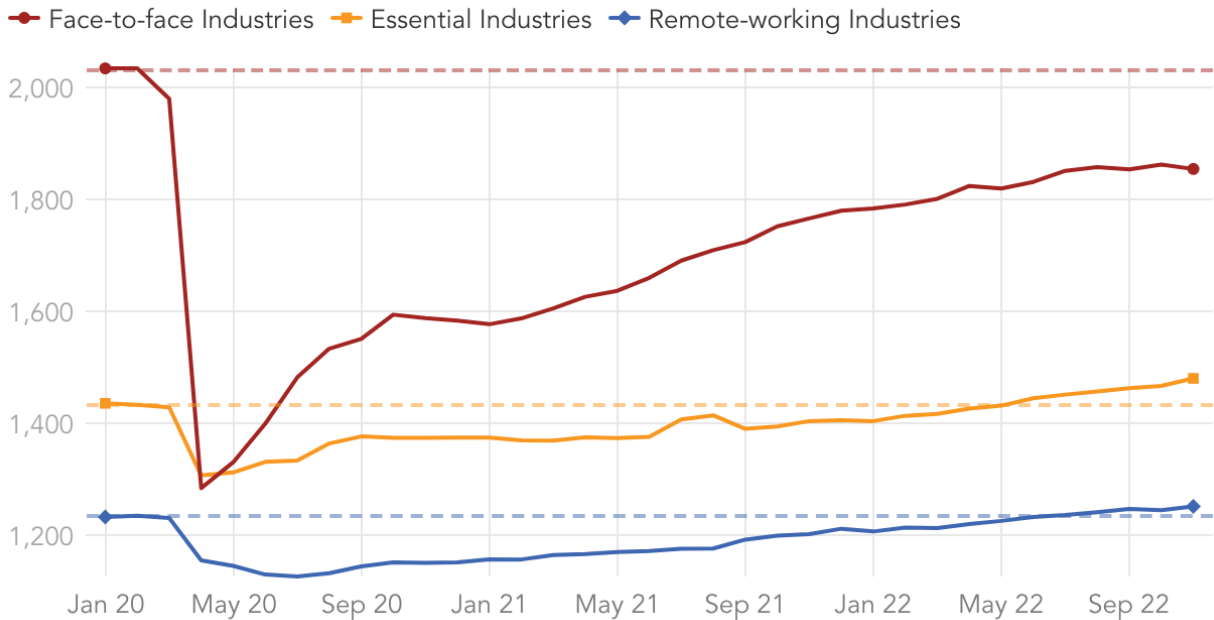
Through the 12 months following the pandemic's onset in March 2020, New York City's jobs shortfall averaged over 690,000, nearly 15 percent of the February 2020 employment level. Over three-quarters (76 percent) of this shortfall occurred in the face-to-face industries, with 13 percent in the remote-working group, and 11 percent in essential industries. While the pace of job recovery over the 20 months following that first year (i.e., March 2021–November 2022) was considerably faster in the face-to-face industries compared to the other two categories, the extremely steep drop-off that occurred in April 2020 has still not been made up in the face-to-face industries, while the remote-working and essential industry categories are now showing slight gains compared to the pre-pandemic peak. (See Figures 2 and 3.)

⁴ See Appendix Figure 1.

Figure 2

New York City's face-to-face industries, like restaurants and retail, have yet to fully recover jobs lost in the pandemic

Thousands of employees in New York City by month and industry group



The dashed lines indicate each corresponding industry group's employment level as of February 2020.

Source: CNYCA analysis of Current Employment Statistics, seasonally adjusted

Figure 3

Face-to-face industries accounted for three-fourths of the city's job loss during the first 12 months of the pandemic, and while recovering jobs at a faster pace since, have still not made up all of the jobs lost during the first month of the pandemic

	Pandemic's first 12 months, Apr. 20 - Mar. 21			20 months, Mar. 21 - Nov. 22		
	Avg. Jobs Deficit vs. Feb 2020	Percent Deficit vs. Feb. 2020	Share of Pandemic Jobs Loss	Job Growth	Job Growth (%) vs. Mar. 21	Share of Job Growth
Total Nonfarm	-691,500	-14.7%	100.0%	447,400	10.8%	100.0%
Essential Industries	-78,200	-5.5%	11.3%	111,400	8.1%	24.9%
Face-to-face Industries	-525,200	-25.8%	76.0%	249,200	15.5%	55.7%
Remote-working Industries	-88,000	-7.1%	12.7%	86,900	7.5%	19.4%

Source: CNYCA analysis of Current Employment Statistics, seasonally adjusted

Figure 4 shows that as of November 2022, the pandemic jobs deficit in New York City's face-to-face industries was 180,100 (or 8.9 percent). A decline of that magnitude is comparable to that in a severe recession, and this was 33 months after the onset of the pandemic. The essential industries group had 47,300 more jobs (3.3 percent) than pre-pandemic, and the remote-working group had 16,600 (or 1.3 percent) more jobs than before Covid-19.

The six face-to-face industries highlighted in yellow in Figure 4 had double-digit job declines as of November 2022. Collectively, these industries account for a decline of 162,000 jobs, 46,000 greater than the city's net payroll job decline of 116,000 since February 2020.

The largest absolute job decline occurred in accommodation and food services (i.e., hotels and restaurants), which suffered the loss of 269,000 jobs in the first month of Covid-19. As of November 2022, accommodation and food services had recouped 82 percent of that initial job loss (see the last column of Figure 4), but the sector was still down by 49,100 jobs, for a continued deficit of 13.1 percent.

Overall, the face-to-face group of industries have regained only 76 percent of the initial pandemic job loss. Retail trade had regained only 61 percent of its job loss. Administrative services was the only face-to-face industry as of November 2022 with a higher than pre-pandemic employment level; this results from considerable growth in the employment (or temporary help) services industry that is part of administrative services.

Figure 4

As of November, most pandemic jobs loss is concentrated in six face-to-face industries with double-digit losses since February 2020

Employment (000s)	Feb 20	Nov 22	Feb - Apr 2020	Apr 20 - Nov 22	Feb 20 - Nov 22	Change (%)	% re-gained
Total Nonfarm	4,702.8	4,586.5	-957.1	840.8	-116.3	-2.5%	88%
Total Private	4,108.4	3,995.0	-946.9	833.6	-113.4	-2.8%	88%
Essential industries	1,433.1	1,480.3	-126.4	173.7	47.3	3.3%	137%
Health Care & Social Asst.	823.5	874.0	-116.1	166.5	50.5	6.1%	144%
Utilities	15.1	14.8	-0.2	-0.1	-0.3	-2.0%	-32%
Government	594.4	591.5	-10.1	7.2	-2.9	-0.5%	71%
Face-to-face industries	2,034.9	1,854.8	-750.8	570.7	-180.1	-8.9%	76%
Construction	162.6	141.2	-74.9	53.5	-21.4	-13.2%	71%
Manufacturing	65.9	59.0	-28.1	21.2	-6.9	-10.5%	75%
Retail Trade	346.1	301.1	-115.9	70.9	-45.0	-13.0%	61%
Wholesale Trade	139.8	128.2	-31.6	20.0	-11.6	-8.3%	63%
Transportation & Warehousing	135.0	134.4	-36.2	35.6	-0.6	-0.4%	98%
Administrative Services	262.9	269.6	-56.6	63.4	6.8	2.6%	112%
Educational Services	256.4	230.1	-27.0	0.7	-26.2	-10.2%	3%
Arts, Entertainment & Rec.	95.7	82.2	-45.0	31.6	-13.5	-14.1%	70%
Accomm. & Food Services	374.4	325.3	-268.7	219.6	-49.1	-13.1%	82%
Other Services	196.1	183.5	-66.9	54.2	-12.6	-6.4%	81%
Remote-working industries	1,234.8	1,251.4	-79.8	96.4	16.6	1.3%	121%
Information	229.2	244.2	-25.1	40.1	15.0	6.5%	160%
Finance and Insurance	348.6	347.9	-4.3	3.6	-0.7	-0.2%	84%
Real Estate	138.5	130.0	-13.7	5.2	-8.6	-6.2%	38%
Prof., Sci. & Tech. Svcs.	446.0	459.6	-28.7	42.3	13.6	3.1%	148%
Management of Companies	72.5	69.7	-8.1	5.3	-2.8	-3.9%	65%

Source: CNYCA analysis of NYC Office of Management and Budget, seasonally adjusted Current Employment Statistics series

The initial 116,000-job decline in the health care and social assistance sector stemmed mainly from the closing of doctors' offices, the loss of nursing home jobs, and job losses among childcare providers. Additionally, essential workers in hospitals, and in ambulance, emergency food, and other social and public services, were subjected to significant personal health risks and endured intense work and mental pressures, often also jeopardizing the well-being of family members. One-third of all essential workers are black and 71 percent are workers of color.

Compared to the 37 percent job loss suffered in the face-to-face industries by April 2020, the 6.5 percent job loss in the remote-working industries was relatively minor. Most workers in the remote-working industries, such as financial and professional services, retained their jobs, salaries, and benefits and were able to work remotely.

There were two main reasons why job losses were so large in New York City. First, the early outbreak in the city of the virus when it was at its most lethal eventually resulted in stringent public health restrictions that limited business activity for longer than in other localities. And second, these social distancing restrictions significantly impeded the tourism and arts industries, and the businesses catering to Manhattan's one million office workers. The slow rebound in international business travel and tourism and the persistence of working from home for those in remote-working industries have been a continued drag on the city's jobs recovery. (The way the U.S. government structured pandemic economic assistance to dislocated workers and businesses meant that workers needlessly lost jobs; other countries with advanced industrial economies managed assistance in a manner to maintain worker attachment to jobs.)

Mixed patterns across three categories relative to national changes

While New York City's total pandemic jobs deficit is 2.5 percent (and its private sector jobs deficit 2.8 percent), it is very uneven across the three groups of industries that we focus on. Figure 5 compares employment changes in these three categories and their component industries from February 2020 to November 2022 for NYC and the U.S.

Broadly, employment in essential industries has fared better in NYC than in the U.S. overall. The city's face-to-face industries, on the other hand, have experienced an 8.9 percent decline, while many face-to-face industries have recovered at the national level, and the category overall is slightly above its pre-pandemic level. Job growth in the remote-working industries in NYC has been only about one-fourth that of the U.S. as a whole.

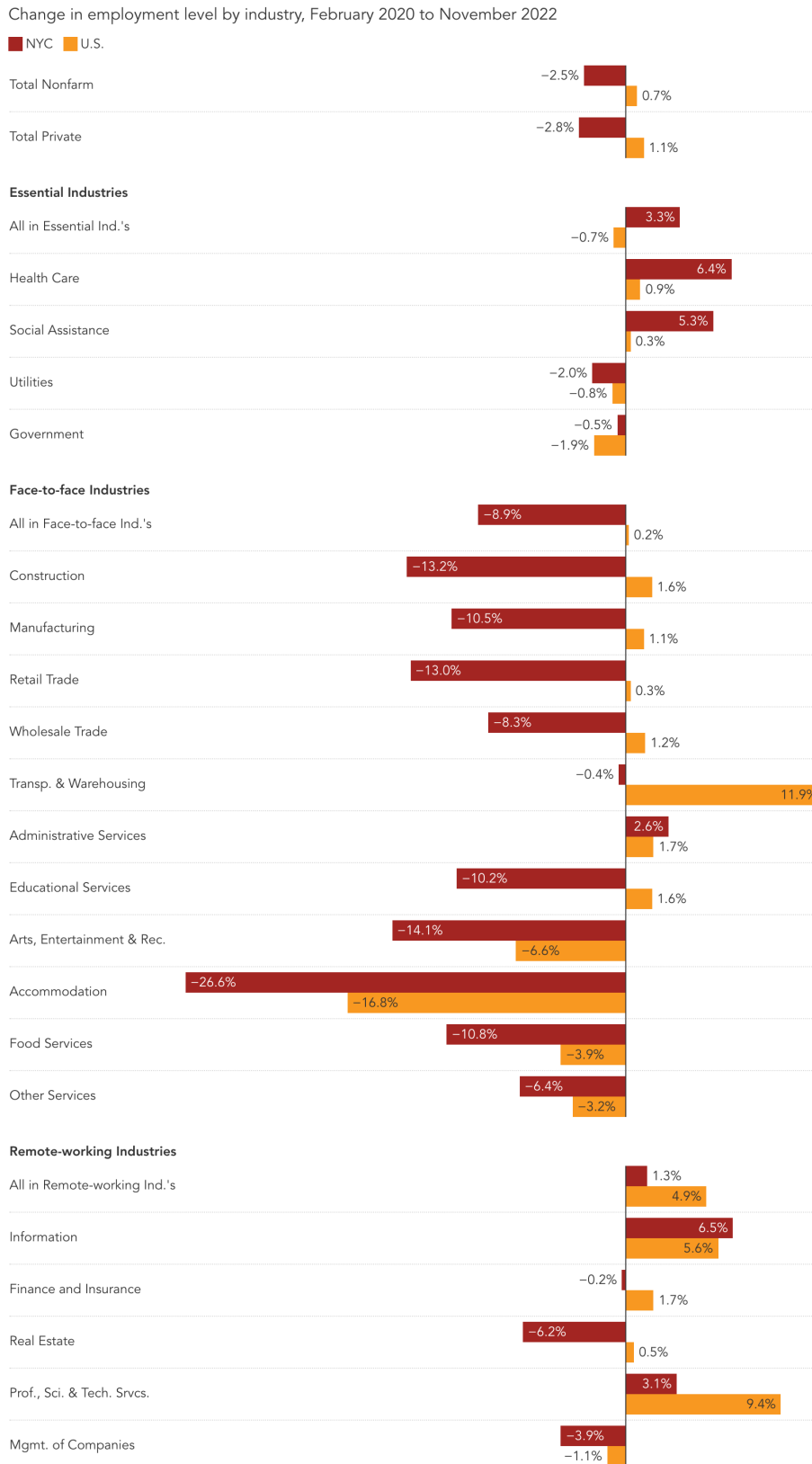
There are significant NYC-U.S. differentials in the essential industries category. Largely due to the rapid growth in home health care employment, health care jobs have increased by 6.4 percent in the city compared to only 0.9 percent for the nation as a whole. As a result of the increase in homelessness and economic hardship more broadly, New York City also has increased funding for nonprofit human services providers. This has lifted employment in social assistance by 5.3 percent since February 2020, compared to a slight gain nationally.

However, within social assistance, despite heightened awareness of the importance of childcare since the start of the pandemic, and despite increased State funding for childcare, there are 1,00 fewer payroll jobs (-2.6 percent) in childcare services in New York City than in February 2020.⁵ (Nationally, child care employment is also down, by 7.1 percent.)

Within the face-to-face category, there is a wide gap in employment change in several industries between New York City and the U.S. Construction, manufacturing, retail, wholesale trade, and private educational services in the city have all experienced declines of eight percent or more, while employment at the national level in these industries is now above pre-pandemic levels. While there has been a moderate 0.4 percent decline in transportation and warehousing employment in the city, employment in this industry nationally is 11.9 percent above February 2020. Four other face-to-face industries have seen employment decline considerably more in New York City than at the national level.

⁵ There were 2,586 child care businesses in New York City during the second quarter of 2022 paying into the state's unemployment insurance system, down by 166, or six percent, from the first quarter of 2020. NYSDOL, Quarterly Census of Employment and Wages.

Figure 5
 Employment in Face-to-Face and Remote-working industries has fared more poorly in NYC than in the U.S. from February 2020 to November 2022



Source: CNYCA analysis of BLS and NYC Office of Management and Budget, seasonally adjusted Current Employment Statistics series

With Manhattan office occupancy currently around 50 percent, employment in the city’s real estate sales and leasing industry was, not surprisingly, still 6.2 percent below pre-pandemic levels as of November 2022. By contrast, nationally the real estate industry is back to the February 2020 level.⁶ Employment in the information sector in New York City was 6.5 percent greater in November than in February of 2020, compared to a 5.6 percent gain nationally. The net city employment change in the other three remote-working industries was below national levels.

Concentrated job losses in Manhattan

The ability of office-based professional workers to work from home (or anywhere, for that matter) has had a pronounced impact on employment in several face-to-face industries that, pre-pandemic, serviced Manhattan’s one million office workers, including in restaurants, coffee shops, retail stores, and bars and entertainment venues. Pre-pandemic, 86 percent of the city’s remote-working industry jobs were based in Manhattan.

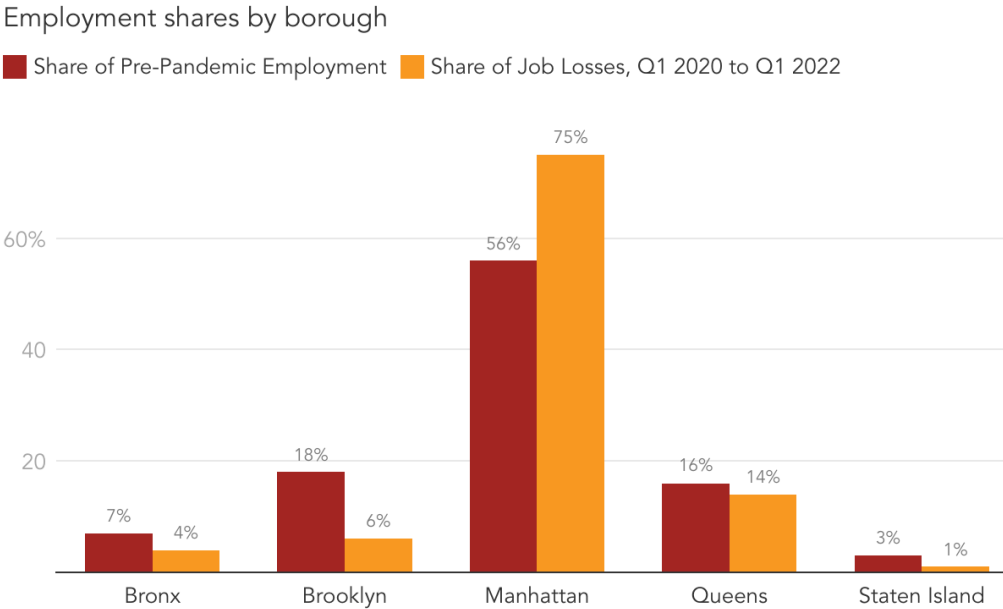
As of the first quarter of 2022, total citywide employment was 288,000 below that in the first quarter of 2020. As Figure 6 shows, Manhattan had 56 percent of all New York City jobs in the pre-pandemic first quarter of 2020. As of two years later, it had absorbed 75 percent of the 288,000 citywide job loss.

Two-thirds of Manhattan’s pandemic job losses as of the first quarter of 2022 had come in five industries. Accommodation and food services employment was down 59,000. Retailing jobs were lower by 32,000. Arts and entertainment employment was off by 18,000, professional services was down by 17,000, and administrative services (including building service workers and security guards) was off by 16,000.

Manhattan had uniformly high shares of citywide job losses across all three essential, face-to-face, and remote industry categories. It had two-thirds of the city’s 31,000 essential jobs deficit as of the first quarter of 2022, 76 percent of the 221,000 face-to-face job decline, and 79 percent of the 36,000 fall-off in remote-working jobs.

Employment in retailing and the accommodations and restaurants sector suffered in Manhattan during the first two years of the pandemic, as tourism plummeted and many Manhattan office workers worked from home. The boroughs outside of Manhattan, however, all had much smaller job losses in accommodation and restaurants, in retail and in employment overall.

Figure 6



Source: CNYCA analysis of BLS Quarterly Census of Employment and Wages

6 New York City office occupancy data from Kastle Systems, December 6, 2022.

Among the other boroughs, Queens fared the worst, accounting for 14 percent of citywide job losses compared to its 16 percent share of pre-pandemic jobs. Queens had a sizable decline in transportation industry jobs, largely related to greatly reduced activity at JFK and LaGuardia airports, and had the largest declines in accommodation and food, retail, and construction employment outside of Manhattan.

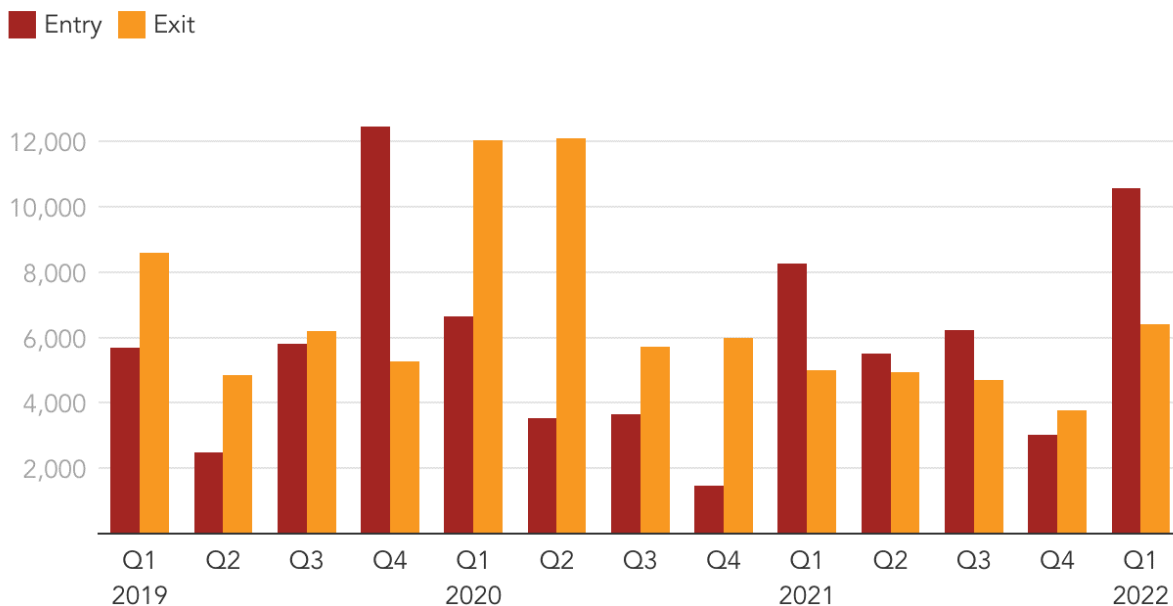
Because of the addition of thousands of Amazon distribution facility jobs, Staten Island's overall net job loss from the first quarter of 2020 to the first quarter of 2022 was only 1,800 jobs, less than one percent of the citywide loss. The relatively smaller adverse pandemic impact on total employment in the Bronx and Brooklyn is partly due to very large shares of health care and social assistance employment, which accounted for 30 percent of all Bronx jobs and one-third of all Brooklyn jobs in early 2020. In fact, Brooklyn gained a net of over 10,000 jobs in that sector from early 2020 to early 2022. Brooklyn and the Bronx experienced relatively small job declines (in the three-to-five percent range) in accommodation and food services, and in retail.⁷

Business firm entry and exit during the pandemic

New York City's landscape of business entry and exit is certainly more fluid than is commonly understood. In 2019, the last full year prior to the pandemic, there were 26,500 new firms employing people in New York City, and 24,900 firms that closed for good, according to an analysis by the New York City Economic Development Corporation (NYCEDC).⁸ Those numbers represent roughly 10 percent of the 258,800 average number of firms that year. For the eight quarters (two years) following the onset of the pandemic, New York City lost 48,600 firms. But since the city has gained 42,200 new firms over that period, the net decline in the number of businesses was 6,400, about 2.5 percent of the 2019 total. Figure 7 shows the quarterly numbers on firm entries and exits from the first quarter of 2019 through the first quarter of 2022, the latest quarter of data analyzed by NYCEDC at this writing.

Figure 7
Following extensive business closures in 2020, New York City has seen business start-ups rebound in 2021 and early 2022

New York City business firm entries and exits by quarter



Note: Private household employers and public sector firms are excluded. Data are subject to revision.

Source: NYC EDC analysis of Quarterly Census of Employment and Wages microdata

⁷ See Appendix Figure 2 for employment changes by industry for each borough.

⁸ "Closed for good" (or a "firm exit") here means firms with zero employment for four quarters after positive employment.

Combining firm entries and exits over the four quarters through the first quarter of 2022, there was a net increase of 5,400 firms. This indicates considerable resilience in the city's business environment. For example, in 2021, 1,400 restaurants closed for good. But that was more than offset by 2,200 new restaurants opening their doors. On the other hand, 1,400 construction companies closed but only 1,150 new ones opened, and 2,600 professional services firms shut down while 1,750 new ones emerged.⁹

The NYCEDC analysis also shows a shift in new business formation from Midtown Manhattan before the pandemic toward Astoria and eastern Queens over the past two years. The Northwest Brooklyn neighborhoods of Williamsburg, Greenpoint, and Bushwick showed strong start-up activity in the two years preceding the pandemic, and in the two years that followed it as well.

While there is considerable employment churn related to business closures and new start-ups, on balance, most employment change is driven by existing businesses either expanding or contracting. From the end of 2019 to the end of 2021, 309,000 New York City jobs were lost when firms shuttered entirely. But 406,000 jobs were lost as businesses stayed open but reduced their payrolls. Also, a slightly greater number of jobs (214,000) were added during that period by expanding firms than by firms starting up (205,000).¹⁰

In short, the pandemic triggered considerable employment flux. In the first two horrifying months of the pandemic (March and April 2020) 925,000 jobs were lost. Of these, over 300,000 jobs were lost for good due to businesses that closed and never reopened. Among employers remaining in business, over 400,000 jobs had not returned nearly two years later. On the other hand, over 400,000 jobs were added in entirely new businesses or in existing businesses that expanded since early 2020.

Job growth projected to slow further in the year ahead

As noted above, the city's average monthly payroll job growth slowed to 12,000 in the August–November period, half the rate of the prior 12 months. In its latest economic forecast (January 12, 2023), the Mayor's Budget Office projects the addition of only 32,000 net jobs between the fourth quarter of 2022 and the fourth quarter of 2023, an annual growth rate of only seven-tenths of one percent. For the four quarters following that, the budget office expects the growth of 92,000 jobs. Thus, the City's official forecast doesn't foresee that New York City will return to its pre-pandemic employment level until the last quarter of 2024, nearly five years after the onset of the pandemic. The employment forecast by the city's IBO is roughly similar.¹¹

9 NYCEDC, Economic Research & Policy, State of the Economy: Business Openings & Closure Analysis Update, September 8, 2022.

10 NYCEDC, Economic Research & Policy, State of the Economy: Business Openings & Closure Analysis Update, September 8, 2022.

Ibid.

11 New York City Independent Budget Office, Current Year Surplus Projected Despite Slowing Economy, Future Year Challenges Remain, December 18, 2022.

CHAPTER 2

LOPSIDED IMPACT HITS WORKERS WHO CAN LEAST AFFORD IT

In this chapter, we try to make sense of the upheaval in labor market and population changes that have occurred over the past two-and-a-half years. We look at the steep falloff in the city's working-age population and labor force and note the much greater decline in employment for city residents than the payroll jobs data suggest. The lopsided economic impact on New York workers who can least afford it is detailed, and dislocation disparities by race/ethnicity, age, education, and family status are examined. We note the prolonged periods of high unemployment for the city's workers of color in the wake of the last three economic downturns. Finally, we return to the issue of compounded inequities, analyzing disparate real wage trends over the past year and the latest data on the sharp rise in economic hardships.

NYC's steep population and labor force decline

Taking stock of New York City's pandemic-affected labor market involves more than comparing the before and after unemployment rates, or the change in the number of payroll jobs presented in the previous chapter. It is clear from statistics reported each month by the State Labor Department (see the labor force categories in Figure 8) that the number of city residents employed has declined by more than three times as much as the fall-off in the number of payroll jobs. Resident employment was 380,000 (9.2 percent) lower in the third quarter of 2022 compared to the first quarter of 2020, while the total number of payroll jobs in the city (whether held by residents or commuters) fell by 129,000 from the first quarter of 2020 to the third quarter of 2022 (from February 2020 to November 2022 the payroll job change was -116,000 as indicated in Figure 4.)

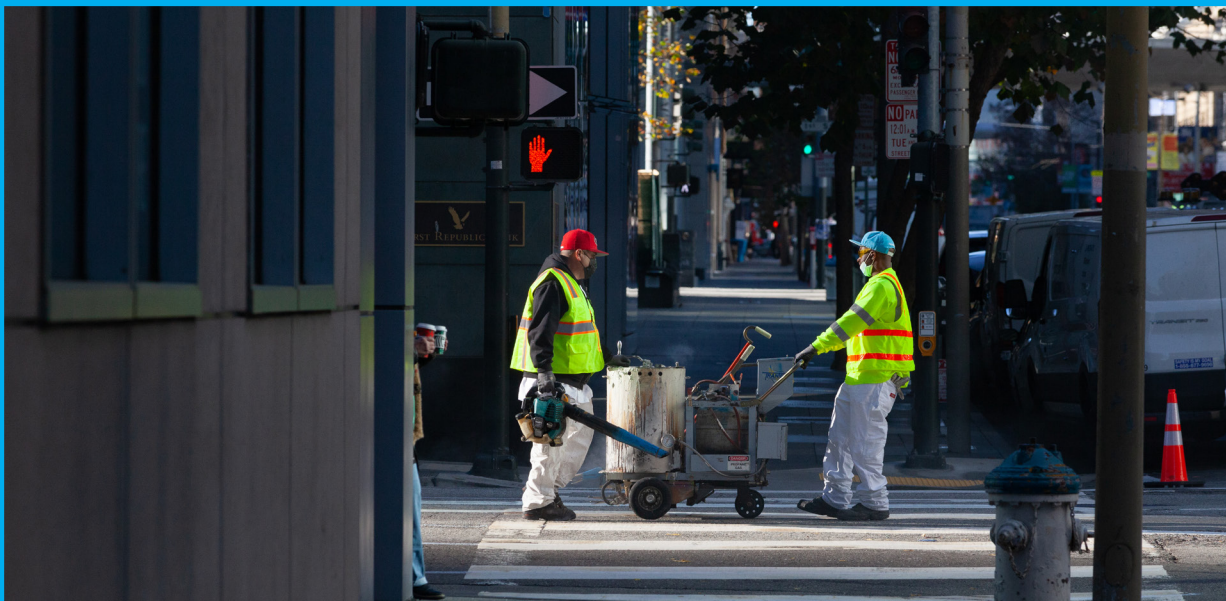


Figure 8

Since the onset of the pandemic, New York City's has seen a falloff in its working age population and labor force as well as a steep drop in resident employment

	Labor Force	Imputed Working Age Pop.	Employment	Unemployed	Unemployment Rate	Labor Force Part. Rate	Employment-Population Ratio
	(000's)	(000's)	(000's)	(000's)	(%)	(%)	(%)
Q1 2020	4,299.7	7,101.6	4,140.3	159.4	3.7	60.6	58.3
Q3 2022	4,003.2	6,612.5	3,760.3	242.9	6.1	60.6	56.9
Change	-296.5	-489.1	-380.0	83.5	2.4 ppt	No change	-1.4 ppt

Note: Working age population imputed by dividing resident employment by the employment-population ratio.

Source: NYSDOL, Monthly Seasonally Adjusted Local Area Unemployment Statistics

As discussed below, the main reason for the large decline in resident employment is likely the relocation of city residents to the suburbs, upstate or elsewhere. There has not been a surge in gig or online platform work; we estimate that there were about 180,000 gig workers in New York City in 2022, possibly up a few thousand from 2019 as the increase in the number of app-dispatched restaurant delivery workers offset a decline in the number of Uber and Lyft drivers during the pandemic.¹² Overall self-employment (which, like gig work, is not counted in the payroll job figures) among city residents, according to the Current Population Survey, fell by 90,000 (more than 20 percent) from the first quarter of 2020 to the third quarter of 2022.¹³

The city's unemployment rate in the third quarter of 2022 was 6.1 percent, much higher than the nation's 3.5 percent. The reason it wasn't even higher (given the 9.2 percent contraction in resident employment) is that the city's working age population has dropped by roughly a half-million people since the first quarter of 2020. The size of the labor force has also fallen by nearly 300,000.

It is difficult to pinpoint the precise magnitude of labor force or population change from the Census Bureau's Current Population Survey (the underlying data are estimated and revised annually). Data from other sources, such as Post Office change of address orders, indicate it is likely that there has been a significant shrinkage in both population and labor force (-6.9 percent in both from the first quarter of 2020 to the third quarter of 2022) over the past two-and-a-half years. The greater decline in resident employment than in the number of payroll jobs in the city could be due to city residents who have left, retaining jobs based in the city, or it could be that residents who remain are no longer able to support themselves through self-employment.

Largely due to domestic out-migration, New York State saw a net population decline of 524,000 (-2.6 percent) from April 1, 2020 to the latest Census Bureau estimate for July 1, 2022 — the largest among all states. While 2022 Census estimates for New York City were not available as this is being written, most of the state's net decline in 2021 was due to New York City. The statewide pace of decline in 2022 was about half that of 2021, and data for 2021 showed that several other large cities also lost population in the pandemic's first year, including San Francisco, San Jose, Los Angeles, Boston, Washington, D.C., Philadelphia, Chicago, and Dallas. One of the factors contributing to New York City's population decline since 2020 has been a significant reduction in international in-migrants, a slowdown that began in 2017.¹⁴

¹² James Parrott and L.K. Moe, For One in Ten New York Workers, 'Independent Contractor' Means Underpaid and Unprotected, Center for New York City Affairs, June 2022, p. 31. According to data from the NYC Taxi and Limousine Commission, average daily trip volume and the number of drivers for high-frequency for-hire vehicles was 10-11 percent lower in October 2022 than the average for 2019.

¹³ CNYCA analysis of Current Population Survey data.

¹⁴ U.S. Bureau of the Census, <https://www.census.gov/programs-surveys/popest/data/tables.html>.

New York City is not alone in experiencing labor force decline. The Washington, D.C. area has also experienced significant labor force declines since the onset of the pandemic. The District of Columbia's labor force fell 6.2 percent from February 2020 to October 2022, Maryland's dropped by 4.6 percent, and Virginia's declined by 2.8 percent. In the Midwest, Ohio's labor force has shrunk by 2.5 percent since the start of the pandemic.¹⁵

In looking at detailed demographic data from the Current Population Survey, it appears that there were large declines in the number of workers 25-34, with a particularly steep drop among parents of children four years old and younger. There were also sizable proportionate population and labor force declines in older workers 55-64, an age cohort that accounted for nearly 15 percent of the city's labor force pre-pandemic. A number of those in the 55-64 age cohort apparently moved out of the city. While there was a smaller proportionate exodus from the city among those 65 and older, there was a steep drop labor force participation for this age cohort. Among those 65 and older, employment dropped very sharply (by nearly a quarter) among payroll workers while self-employment rose by over 40 percent. Labor force participation for those 65 and older dropped by two percentage points from 20 to 18 percent between the first quarter of 2020 and the third quarter of 2022.¹⁶ This decline in labor force participation in New York City among those 65-plus tracks a broader national trend of many older workers choosing retirement over working.¹⁷

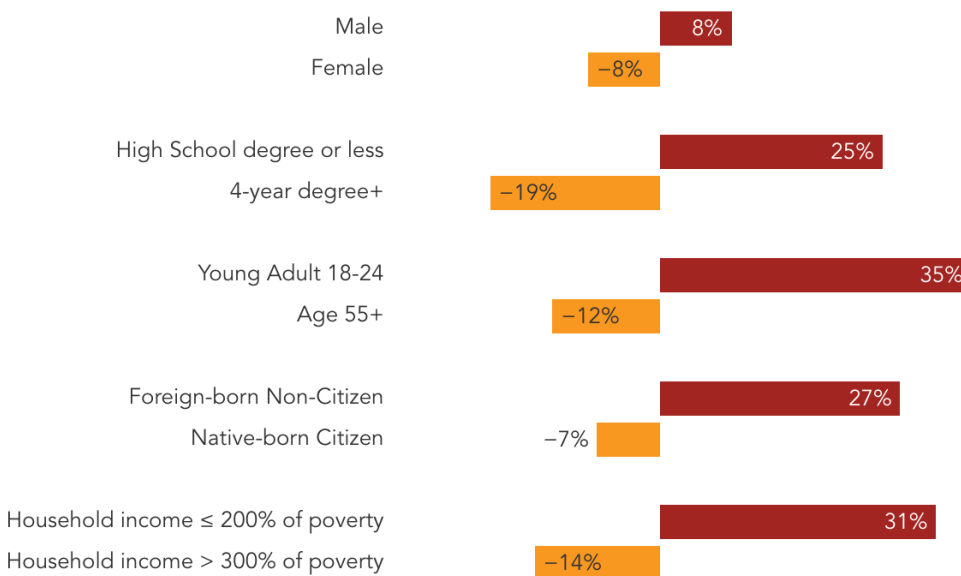
Job impact disparate along multiple dimensions

The pandemic's adverse employment impacts have been extremely lopsided, hitting the New York City workers hardest who can least afford to lose work and wages. As Figure 9 shows, there are sharp cleavages in terms of pandemic effects by income, education, age, and immigration status, and a less pronounced but significant difference by gender.

Figure 9

Young, less-educated, low-income, and non-citizen immigrants bore the brunt of New York City pandemic job dislocations

Likelihood of losing a job during the pandemic compared to the average by group



Source: CNYCA analysis of NYSDOL Current Empl. Statistics and 2019 American Community Survey 5-year data

¹⁵ BLS, Local Area Employment Statistics.

¹⁶ CNYCA analysis of Current Population Survey data. Deaths due to Covid-19 are unlikely to account for more than 15,000 of the city's labor force decline since the onset of the pandemic. As of the end of 2022, there had been about 44,000 Covid-19 deaths according to the NYC Health Department, with an estimated two-thirds of that number occurring among those age 70 and over.

¹⁷ Jeanna Smialek and Ben Casselman, Retirees Are One Reason the Fed Has Given Up on a Big Worker Rebound, The New York Times, December 27, 2022.

The analysis in Figure 9 was done based on the pre-pandemic demographic distribution of employment by industry for New York City residents. The demographic distribution by industry was then applied to the average industry job loss for the period from March 2020 through November 2022 relative to the pre-pandemic month of February 2020.¹⁸

The percentages shown in Figure 9 indicate the likelihood of job loss by demographic category compared to the average for all workers. Thus, workers with a high school education or less were 25 percent more likely to lose a job while those with a four-year college degree or better were 19 percent less likely than the average to be displaced.

Because nearly two-thirds of young workers ages 18–24 worked in the face-to-face category of industries before the pandemic, young workers were 35 percent more likely to be displaced than all workers on average.¹⁹

While workers of color accounted for two-thirds of pre-pandemic employment in industries losing jobs during the pandemic, actual job displacement likely was more heavily concentrated among such workers since they typically comprise a smaller share of managerial jobs that would have been less subject to layoffs in the affected industries. Just based on pre-pandemic employment shares, Latinx workers would have been 18 percent more likely to suffer job loss and Asian and other workers nine percent more likely.

Members of the working poor, i.e., a worker with a household income of 200 percent or below the federal poverty line, were 31 percent more likely to lose work during the pandemic. Conversely, a worker with a household income more than 300 percent of the federal poverty line was 14 percent less likely to be displaced during the pandemic.

Income tax data corroborate the lopsided impact of the pandemic. Households making up to \$40,000 had combined wages 25 percent less in 2020 than in 2019, although these lost earnings were more than offset by unemployment insurance (and pandemic relief) payments. On the other hand, the top one percent of taxpayers in the city saw a surge in their share of all incomes from 35.4 percent in 2019 to 38.7 percent in 2020. Those with incomes in the one percent of the income distribution benefitted from the surge in realized capital gains as the financial markets boomed, and also from a 30 percent increase in business income. Total business income received by the other 99 percent fell by 40 percent and total wages declined 10 percent.²⁰

Widely disparate unemployment rates by race and ethnicity

The data in Figure 9 (above) are hypothetical, assuming an even impact on workers within an industry regardless of demographic characteristics. Actual labor force data reflect wide impact disparities by education attainment, age, nativity and gender. The pandemic exacerbated longstanding trends, such as wide disparities in unemployment by race and ethnicity in New York City. Given that Black workers are heavily concentrated in essential industries (government, health care and social assistance) where job displacements were moderate, the Figure 9 analysis would suggest that they would have been 16 percent less likely to suffer job dislocation. However, labor force data show that Black workers have experienced the highest unemployment rates over the course of the pandemic. Figure 10 shows that the unemployment rate for the city's Black workers has risen more over the course of the pandemic than for workers in any other race/ethnic category. As has been the case historically, Blacks have likely suffered from a “last hired, first fired” effect, coupled with some element of race-based employment discrimination.

Given pre-pandemic patterns of employment by industry, Latinx workers would have been 18 percent more likely than the average worker to have lost employment during the pandemic. The sizable reduction in the number of Latinx workers in the city according to the Current Population Survey likely explains why the unemployment rate for Latinx workers did not rise more than it did, increasing from 5.7 percent in the first quarter of 2020 to 7.5 percent in the third quarter of 2022. The unemployment rate for Asian and other workers has more than doubled. Figure 10 also shows that unemployment has risen more for men than for women over the course of the pandemic (+3 percentage points vs. +1.8 percentage points).

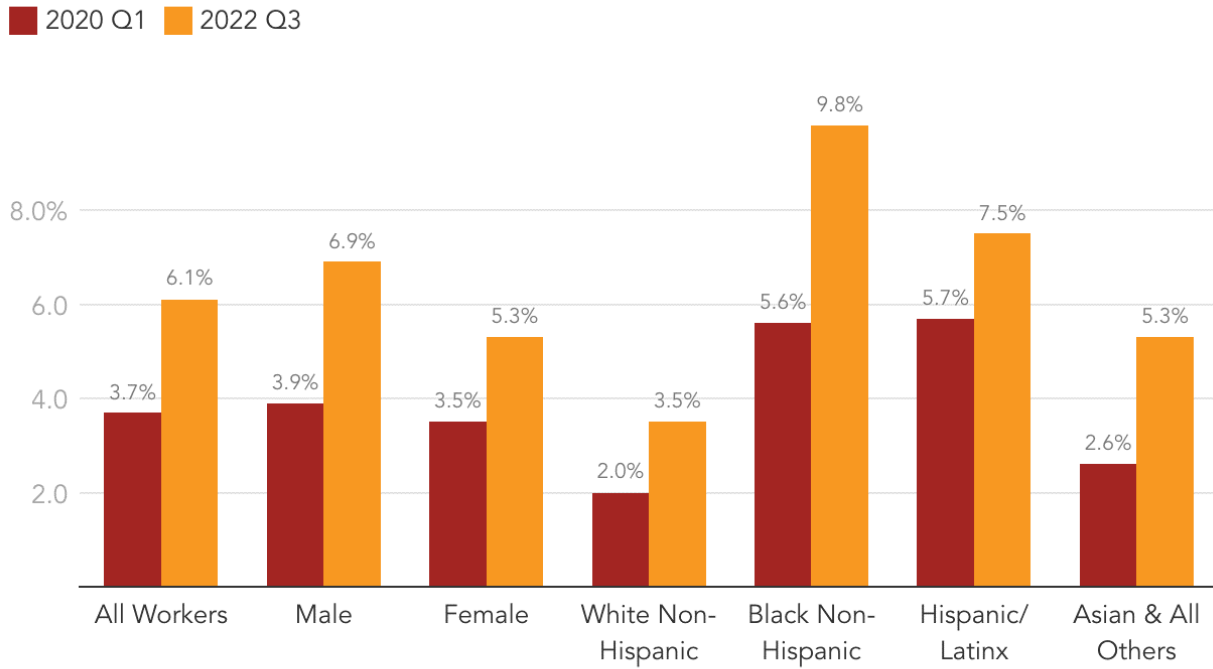
¹⁸ See Appendix Figure 3 for pandemic job loss by industry averaged over the last 32 months.

¹⁹ James A. Parrott, New York City's young adults are bearing the brunt of the pandemic job displacement; the employment rate for young men plunges to 34 percent, CNYCA's Covid-19 Economic Update, July 20, 2022.

²⁰ The New York City Independent Budget office prepares an annual summary of city income data, <https://ibo.nyc.ny.us/RevenueSpending/fiscal-history-pit-tables-overview.html>

Figure 10
 Pandemic job dislocations have disproportionately affected NYC workers by race/ethnicity and gender

Unemployment rate by group and by quarter in New York City



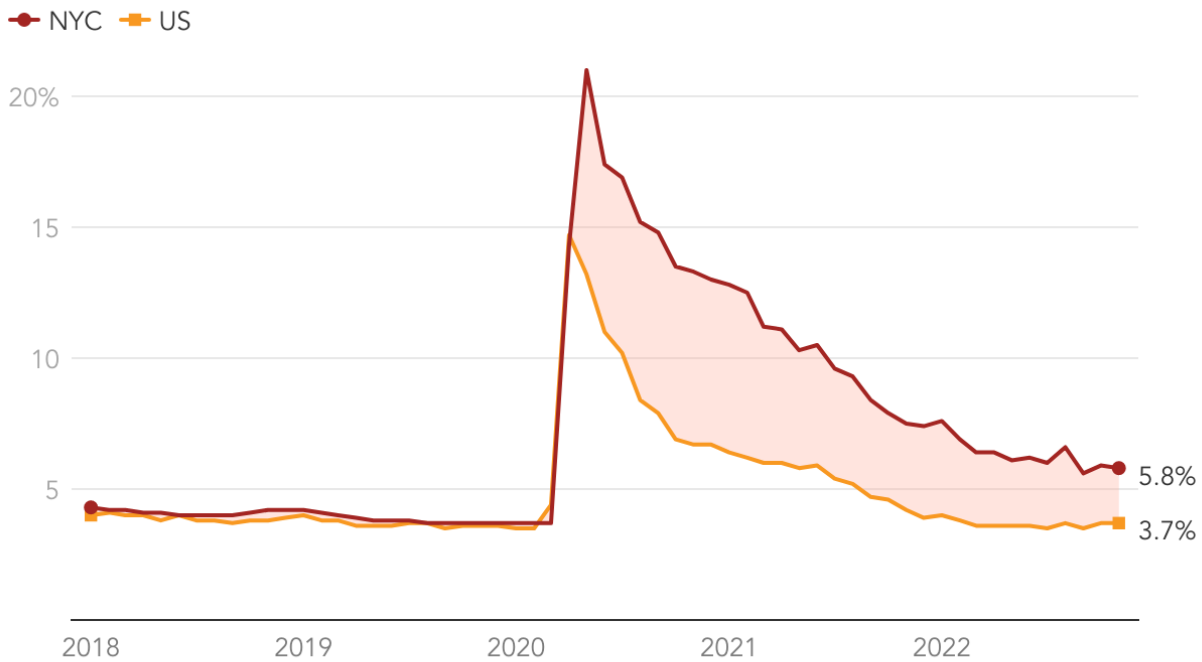
Source: CNYCA analysis of the Current Population Survey, seasonally adjusted

New York City's 6.1 percent unemployment rate was considerably greater than the national 3.5 percent rate during the third quarter of 2022. Before the pandemic, the city's unemployment rate had moved in tandem with the national rate for several years, as Figure 11 shows.

Figure 11

While NYC’s unemployment rate was in line with the national rate pre-pandemic, it has stayed well above the national unemployment rate over the past two-and-a-half years

Seasonally adjusted unemployment rates, January 2018 - November 2022



Source: BLS and NYSDOL seasonally adjusted unemployment rates

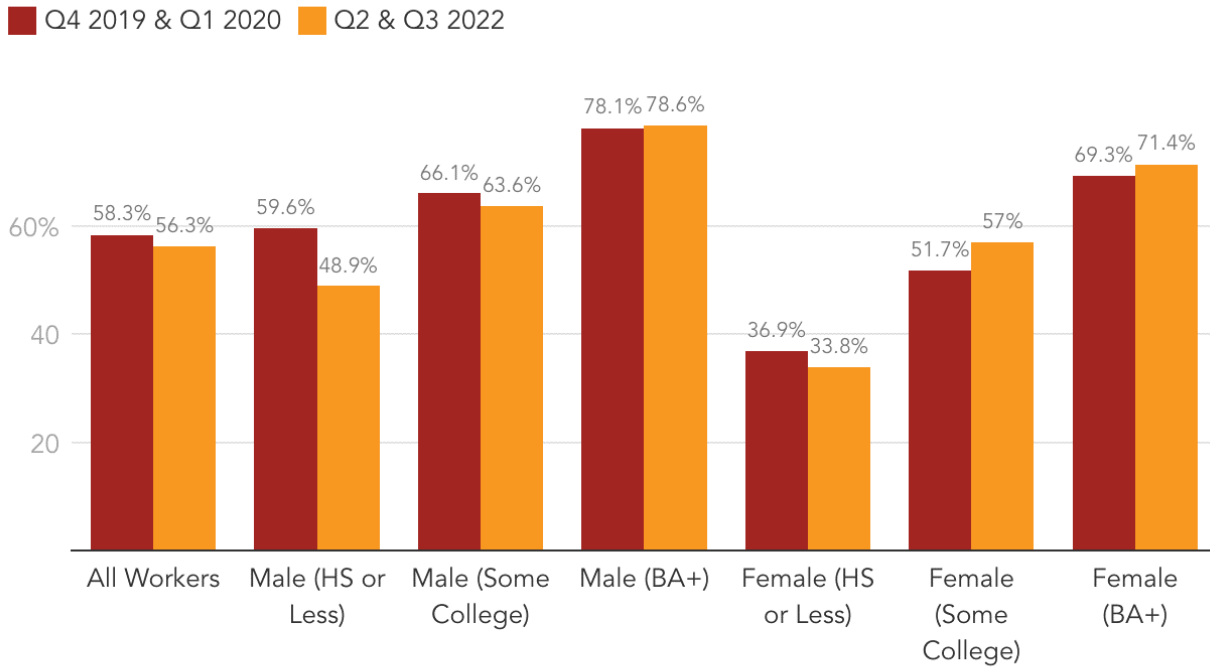
The significant disparity in pandemic effects by education predicted by the demographic analysis is borne out in the labor force data drawn from the Current Population Survey. The overall citywide employment rate – technically the employment-to-population ratio – was two percentage points lower in the second and third quarters of 2022 than in the two quarters prior to the pandemic onset (the fourth quarter of 2019 and the first quarter of 2020). For men with a high school diploma or less, however, the employment rate falloff exceeded 10 percentage points, while for men with a four-year college degree or better, the employment rate rose.²¹ For women with a high school education or less, the employment rate declined by three percentage points, while it rose significantly for women with some college or an associate’s degree and rose by two percentage points for those with a four-year college degree or better. (See Figure 12.)

21 To enhance the sample size and improve the reliability of the analysis, Figures 12 and 13 pool six months of Current Population Survey data.

Figure 12

Employment rates for less-educated New York City workers fell sharply for both males and females during the pandemic

Employment rates by gender and education levels



Source: CNYCA analysis of Current Population Survey data, seasonally adjusted

Employment rate plummets for young males

Employment rates also dropped sharply for young males, ages 18-24. Their employment rate dropped from nearly 49 percent in the six months before the onset of the pandemic to less than 38 percent over the second and third quarters of 2022. The recent employment rate level for New York City’s young males is the lowest it has been over the past two decades.²²

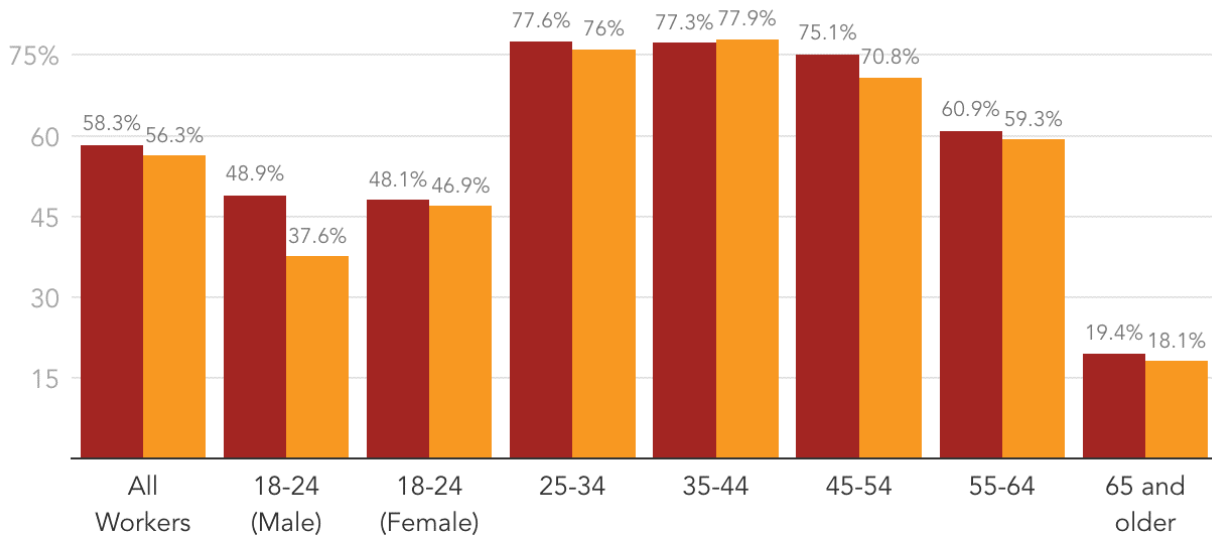
There was also a sizable drop in the employment rate for workers ages 45-54, by slightly more than four percentage points. In that age range, men again had a much steeper employment falloff than women. There was a 1.6 percent decline in the employment rate for workers ages 55-64. As noted earlier in this chapter, there was a decline in the population of workers in this age range.

Figure 13

Over the past two-and-a-half years, employment rates have fallen much more sharply for young adult ages than for all other workers

Employment rate by age group

■ Q4 2019 & Q1 2020 ■ Q2 & Q3 2022



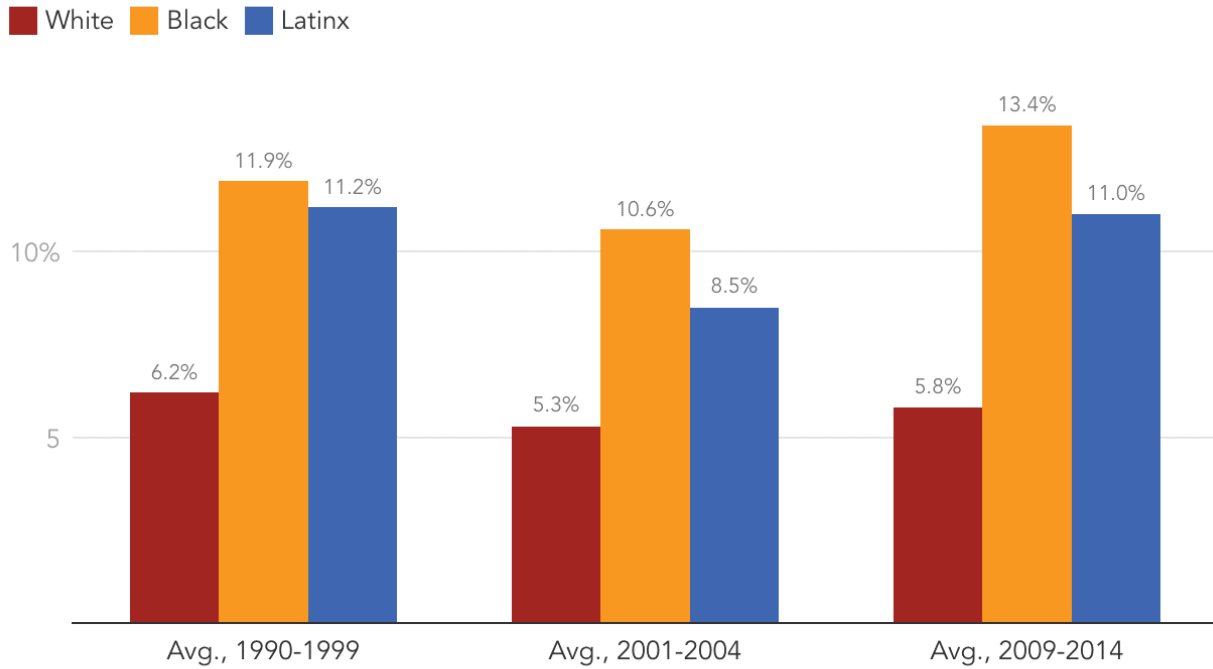
Note: The 18-26 age group is split according to respondent gender.

Source: CNYCA analysis of Current Population Survey data, seasonally adjusted

In the wake of the three most recent previous economic downturns in New York City (1989-93, 2001-03, and 2008-09), unemployment rates for Black and Latinx workers remained at very high levels, and well above the unemployment rate for white workers, for periods ranging from five to 10 years. (See Figure 14.) For example, in the wake of the 2008-09 Great Recession, unemployment among the city’s Black workers averaged over 13 percent (two-and-a-half times unemployment for whites) for six years, and unemployment for Latinx workers averaged 11 percent over the six years spanning the years from 2009 to 2014. Despite these prolonged periods of high unemployment for Black and Latinx workers, City government displayed a laissez faire attitude toward the labor market in these earlier periods in not taking significant policy actions to reduce unemployment.

Figure 14
 Following the last three economic downturns, unemployment for Black and Latinx workers remained in or near double-digits for five to ten years

New York City unemployment rates by race/ethnicity, averaged by time period



Source: CNYCA analysis of Current Population Survey data

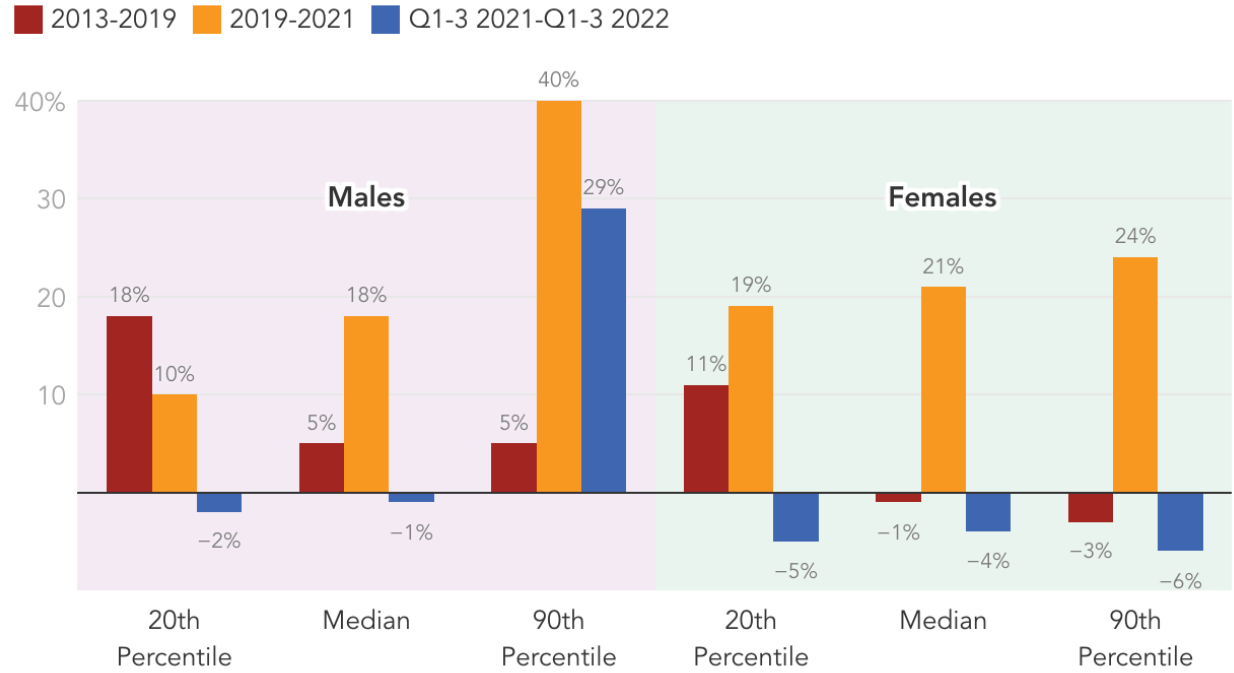
Wage trends pre-pandemic and during the pandemic

Only highly-paid New York City male workers saw their pay keep pace with inflation from the first 9 months of 2021 to the same months in 2022, a period when the New York metro area Consumer Price Index rose by 6.1 percent. In fact, male workers at the 90th percentile in the wage distribution (who have wages that are slightly over \$100 an hour), saw a 29 percent inflation-adjusted increase for the first nine months of 2022 compared to the same months in the prior year. And that increase came on the heels of a 40 percent increase in real hourly pay in the first two years of the pandemic, between 2019 and 2021. See Figure 15.

Figure 15

Real hourly wage change for New York City workers at the median and 20th and 90th percentiles in the wage distribution: 2013-19, 2019-2021, and for Q1-3 of 2022 compared to Q1-3 of 2021

Change in New York City real wages at three percentiles, by time and gender



Women across the pay spectrum saw wage gains in the 20-percent range from 2019 to 2021 after factoring in the relatively low inflation for that period, but have seen their wages eroded by inflation during the first nine months of 2022, with real declines of five percent for women at the 20th percentile of the wage distribution, and a six percent decline at the 90th percentile. For women at the 90th percentile wage for the first nine months of 2022, their wage was \$52 an hour, making it only 52 percent of male wages at the 90th percentile. (At the median, women’s pay was 82 percent of men’s pay.)

Lower paid workers at the 20th percentile saw their biggest real wage gains (regardless of gender) in the period from 2013-19, when the minimum wage floor more than doubled from \$7.25 an hour to \$15.00. Males at the 20th percentile saw an 18 percent real wage gain from 2013-19, and women an 11 percent gain (women’s pay at that level was 85 percent of men’s pay.) During the first two years of the pandemic, men at the lower-(20th percentile) and middle-part (median) of the wage distribution had wage gains of 10 percent, and 18 percent, respectively.

One of the reasons why wage gains appeared so high over the first two years of the pandemic (2019-21) is that the loss of thousands of jobs held by the lowest-paid workers in leisure and hospitality, retail and various low-paid services positions in 2020 skewed upward the wage distribution of those whose wages were measured in the Current Population Survey in 2021. To that extent, wage gains over the 2019-21 period likely are over-stated. However, the underlying distribution of wages would not have changed very much from the first three quarters of 2021 to the first three quarters of 2022, so the effect from a change in the composition of workers by pay would have been much less in 2022.

Unlike in most states with a minimum wage well above the \$7.25 federal hourly minimum, New York State does not index its minimum wage for inflation. Thus, there has been no adjustment in the State minimum wage for New York City workers since 2019 (since December 31, 2018 for employees of companies with more than 10 employees).

Hardships rise as pandemic economic aid ends

The federal government provided historic amounts and forms of economic assistance in the first two years of the pandemic, with two rounds of general pandemic relief, supplemental and extended unemployment assistance (including to unemployed self-employed workers for the first time), increased supplemental nutrition assistance, and higher, refundable child tax credits.²³ For example, in 2020, New York City households with incomes under \$40,000 received \$13.2 billion in unemployment assistance (roughly 90 percent of which was federally funded), accounting for slightly more than one-third of their combined incomes that year. That amount was equal to 58 percent of what these low-income households received in wages and salaries in 2020.²⁴

However, all federal unemployment assistance ended in early September 2021, leaving an estimated 750,000–800,000 city residents without a critical form of income that averaged a citywide total of \$463 million each week.²⁵ Since then, there has been a steep increase in families turning to public assistance as shown in Figure 16, likely because many were dislocated workers losing federal unemployment assistance.

Since February of 2020, there are 112,000 more recipients of temporary cash assistance in New York City, 226,000 more city residents receiving supplemental nutrition assistance (SNAP), and 911,000 additional city residents qualifying for Medicaid health insurance coverage. The September level of temporary cash assistance recipients reached nearly 430,000, the highest level in 18 years (since November 2004). While administrative procedures to qualify for and renew eligibility for public assistance have been relaxed during the pandemic, these substantial increases in the number of people receiving assistance reflects a degree of economic hardship that is not widely appreciated in New York City. The falloff in SNAP reciprocity in August and September 2022 evident in Figure 16 partly results from a 20 percent staffing shortage at the City's Human Resources Administration and a sharp decline in timely processing of SNAP applications and recertifications which fell from 92 percent to 60 percent in the fiscal year through June 2022.²⁶



23 Derek Thomas and James A. Parrott, New York City's Covid-19 Federal Relief Funding: Implications for Human Services and Workforce Development, Center for New York City Affairs, December 2021. There were also various forms of federal aid provided to businesses, hospitals, and to state and local governments.

24 NYC Independent Budget Office, 2020 Income Tax data.

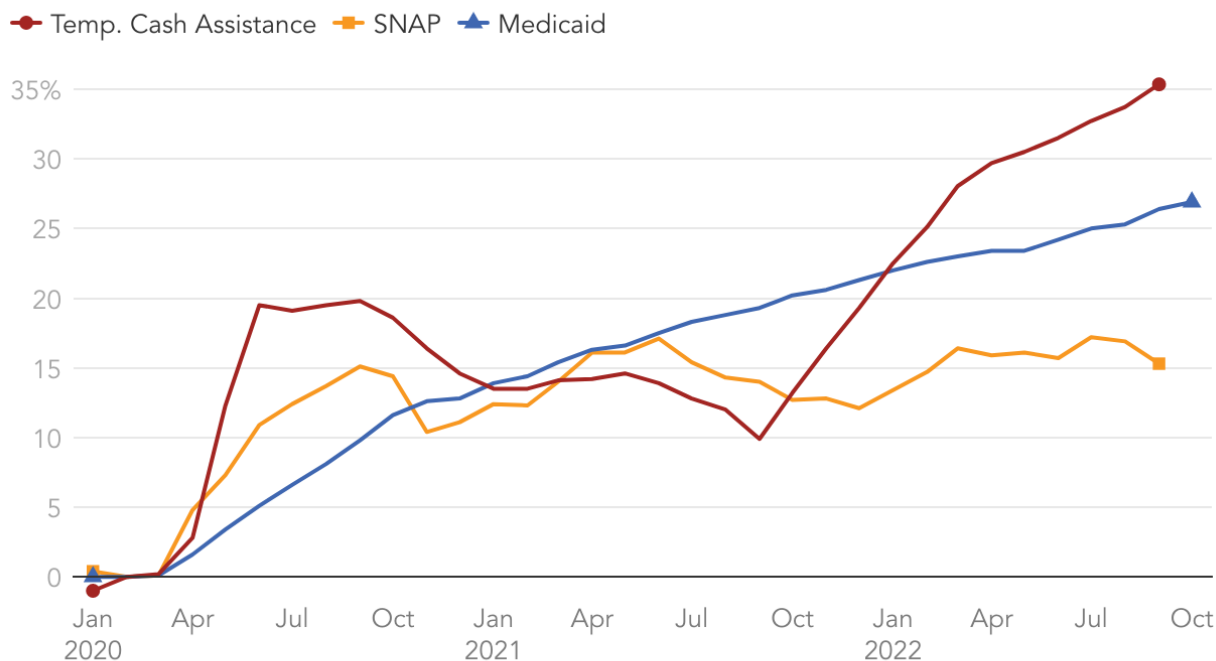
25 James A. Parrott, 750,000–800,000 NYC residents will lose all Federal unemployment benefits after Labor Day—10 percent of the national total; lost benefits total an estimated \$463 million weekly, CNYCA's Covid-19 Economic Update, August 26, 2021.

26 David Brand, "40% of Food Stamp Applicants Left Waiting for Benefits, Data Shows," City Limits, November 10, 2022.

Figure 16

The number of city residents receiving public assistance has surged by 15–35 percent since February 2020

Change from Feb. 2020 in NYC residents receiving public assistance, by type



Source: CNYCA analysis of data from NYS Office of Temporary & Disability Assistance and NYS Dept. of Health

After falling by nearly a quarter from 20.9 percent in 2014 to 16 percent in 2019, poverty is rising sharply in New York City in the wake of the pandemic, increasing to 18 percent in 2021. It is likely that the official federal poverty data for 2022 will show a further increase when it is released in fall 2023. The federal poverty measure, the basis for the figures cited here, do not count non-cash benefits such as SNAP or income tax credits such as the federal Child Tax Credit that was boosted in 2021, or the Earned Income Tax Credit (EITC). An estimated 800,000 low-income city residents will benefit beginning in 2022 from the first increase in the City's EITC in 18 years. The New York State FY 2023 budget included Mayor Adams' proposal to increase the City's Earned Income Tax Credit by \$250 million annually, more than two-and-a-half times the total amount of the credit in 2019.²⁷

²⁷ Mayoral press release, Mayor Adams Applauds Earned Income Tax Credit Enhancement in State Budget, Fulfilling Pledge to Bolster Social Safety Net for Working Families, April 16, 2022.

CHAPTER 3

EMPLOYER PERSPECTIVES ON PANDEMIC-AFFECTED LABOR DEMAND

To better understand employer demand and current labor market conditions in New York City at a turbulent and fast-changing economic moment, we interviewed 28 employer organizations and representatives. Together with the Center for New York City Affairs' ongoing quantitative analysis of sectoral unemployment and job losses since the onset of the pandemic, these qualitative interviews offer details about industry-specific demand, labor supply, and factors employers believe are influencing job seeker decisions to reenter the workforce. In addition, employers offer insights into ongoing challenges in worker recruitment and retention as well as the most in-demand skills. The following account is built up from the perspective of economic development corporations, Chambers of Commerce, and other business organization representatives who have direct contact with neighborhood, borough, and citywide employers, and informed by the report's broader data analysis of available job openings, pay, and unemployment rates.

This moment is characterized by economic and organizational uncertainty, with big questions about the shape of work still unanswered, such as: Will remote or hybrid work remain a permanent part of work? Are there options for incorporating greater autonomy and flexibility even for entry-level positions that must be in-person? Workers express strong desires to have more flexibility, a better work/life balance, and more fulfilling work, while also earning higher pay that can help them defray the rising cost of living in New York. A minimum wage job may not cover even the cost of childcare and commuting. Yet even small business owners who understand such realities see offering entry-level workers more than the minimum wage a difficult economic proposition, as their own costs of operation rise.

The major themes that emerged from two dozen-plus interviews are a pervasive sense of dislocation, uncertainty, and a reluctance to return to a pre-pandemic "normal." Across the board, there is high demand for workers. These labor shortages have a range of trickle-down effects, with, for example, some small businesses short on staff deciding to reduce their business hours. On the other hand, workers are frustrated with low pay and a lack of clear paths for advancement from entry-level jobs.

Even with strong labor demand, the role of the workforce development system is unclear. Small businesses rely on word-of-mouth and social networks to recruit employees while large companies have nationwide recruitment capacity. Few employer representatives reported eagerness to deepen their ties with workforce development organizations, but several offered meaningful criticism that could help create stronger ties between workforce organizations and employers moving forward.

In what follows, we offer further details on: citywide employer demand, focusing on industries with particularly acute labor needs; skills employers say are in highest demand; and how employers are connected to (or detached from) the city's workforce development system.

Demand across lagging and fast-growing sectors

The onset of Covid-19 caused unprecedented job loss and business closure in New York City, the effects of which are still being felt as workers shift to new employers, new jobs, or even new occupations. Many workers have yet to successfully reconnect to steady employment. Although the greatest degree of occupational reshuffling and wholesale rehiring happened between summer 2020 and spring 2021, the current broad demand for workers across many industries should still be understood to reflect the enormous scale of pandemic economic dislocation.

Across the board – from hospitality to construction to healthcare – employers report that it is hard to find employees with the skills that match their needs: whether it's a restaurant looking for cooks and servers or an industrial company seeking staff with technical and manual skills, demand is high. Employers report that worker shortages span industries with rapid job growth as well as those that are experiencing a slower rebound. That is, even industries that have not regained pre-Covid job levels have intense employer demand. Food service and hospitality are two such areas that are lagging in job growth but nevertheless have high demand. This high demand reflects the sheer amount of job dislocation following initial closures and uneven reopenings. Even if face-to-face industries, like retail and hospitality, remain below pre-pandemic levels, the scale at which those industries had laid off or furloughed hundreds of thousands of workers early in the pandemic created a huge backlog of positions that had to be refilled when businesses reopened and created a citywide organizational challenge of businesses simultaneously trying to hire workers at once.

Growth industries, such as healthcare and the tech industry, include both entry-level and higher-skilled jobs. Healthcare, an industry that has recovered and outstripped its pre-pandemic job levels, is an area of huge demand – from low-paid home health aides to higher-paid registered nurses. New entry level positions in healthcare are emerging, such as community health workers and outreach workers, that offer opportunities to advance in the field. The tech sector is another growth industry that includes non-technical jobs in administrative services, marketing, and human resources, as well as both entry-level and highly trained engineering positions. Many entry-level positions at “help desks” or in servicing the remote work infrastructure that many industries now rely upon are in high demand.

In our interviews of business organizations and representatives we heard about urgent demand for workers regardless of sector. Where are the workers? Employers report that former employees have left the city for the wider metropolitan area, been hired by competitors, returned to school, or changed occupations. Workers have left small businesses for larger chains, where they might find higher wages or better benefits. Especially for workers reluctant to return to hospitality and food service, relying on self-employment through apps, especially delivery work, is one alternative. Some workers seeking to lower expenses have moved in with family members, relied on savings, or started their own home-based businesses.

Employers offered many reasons for the scarcity of workers, but many acknowledged two key issues: First, a desire by workers for higher pay to meet rising costs, and second, a profound reluctance to return to pre-Covid business as usual. The disruptions of the past two years have combined to create an economic environment with uncertain inflation prospects, rising rents, and lingering health concerns. Socially, many workers have hopes and expectations for meaningful work that allows for greater worker autonomy, advancement, and the possibility of remote or hybrid working arrangements.

Organizational, social, and economic issues driving high demand

Persistently high demand is a complex issue. It can be understood as: an organizational issue; reluctance among workers to return to pre-Covid business as usual; and a consequence of how changed worker attitudes and poor retention are reinforcing demand.

First, the organizational challenge reflects the difficulty of massive rehiring and business reorganization, the change in the workforce (workers who have changed or want to change location or occupation), and a changed set of economic conditions.

Second, reluctance among workers to return to a pre-Covid business as usual situation reflects a desire for higher pay, lingering concerns about health and safety, and a shift toward a desire for more remote work and autonomy. Even employers understand that a minimum wage can barely cover commuting and childcare costs. Additionally, employers report that, overall, their workers are less attached to their positions and are more ready to quit to move to other employers or work situations. This disaffection reflects the tight economic situation many entry-level workers find themselves in, with wages not keeping pace with the rising cost of living. It also indicates a broader sense of social dislocation and the disruption of routines wrought by the pandemic.

Third, employers report labor demand is supercharged by poor retention. On the one hand, workers appear to be more ready to leave current work to seek better pay, more fulfilling work, jobs with advancement opportunities—even though, employers predict, without a new certificate, training program, or good luck, workers are likely to end up in similar entry-level positions at another business. At the same time, employers express more reluctance to invest in workers given what they perceive as the hyper-mobility at present.

The battle to retain workers at big technology companies may fill headlines, but it is also a drama playing out at local bodegas, pizza parlors, and nail salons. Employers are finding it challenging to find entry-level workers and difficult to retain them. Seeking better alternatives, workers are more likely to quit, even if it is to move horizontally. The revolving door of entry-level workers stresses the ability of small businesses to recruit and on-board new workers. It also represents, of course, how workers are discontented at jobs that don't offer room for advancement, skills development, or pay that will provide them savings. Yet without attaining a certificate or additional training, workers may end up in similar positions. This cycle affects workers and small businesses, who spend resources looking for, recruiting, and training workers, only to lose them. With a more efficient system for matching job seekers and employers, some of the resources spent searching for and training new hires could be redirected to providing higher pay and training to improve the experience of existing workers.

Many employers reported feeling that the current moment is characterized by a sense that “nobody wants to work.” Some employers — especially small businesses — have adapted by reducing staff, cutting business hours, or instituting automation (such as automated ordering systems at small food and beverage businesses). Employers say that after experiencing what was often above minimum wage-level income from pandemic unemployment insurance, workers are taking time to look for better opportunities, either by relying on savings or cutting costs by living with friends or family, before committing to entry-level jobs. Some are looking to find similar entry-level jobs, but with better benefits or pay, by moving from small businesses to chains.

While workers experienced profound dislocation during the pandemic, prompting many to reexamine low-paid jobs and look for more fulfilling and remunerative work, employers also experienced a profound upheaval, with many now struggling to return to a pre-pandemic “normal,” which may well have included high turnover, low profit margins, and the constant battle against New York's rising cost of living, rent, and intense competition.

“Soft skills get you in the door, hard skills help you advance”

From industrial managers in Long Island City to retail shop owners in Brooklyn’s Sunset Park, employers spoke about the high priority they put on “soft skills” for entry-level workers. While the term “soft skills” can be vague at times, several business representatives use it to refer to sales experience and customer-facing professionalism. Employers seek people who they can train, are eager to work, and are communicative and responsive to direction. These “soft skills” often refer to general worker reliability: Who will show up on time, who will call in sick, and who will be easy to work with?

But many fields have more specific skills they look for even in their entry-level workers. At beauty salons in Manhattan, for example, there is desire for experience and knowledge in the field. For healthcare workers, there is a strong need for bilingual workers. The growing importance of community outreach partners in the healthcare sector demands not only linguistic skills, but also workers who have cross-cultural knowledge.

Computer skills and digital literacy in general are important across all sectors; even retail cashiers must be comfortable using computer interfaces. Many employers understand these technical skills, or what we think of as a digital and interface literacy, can be taught on the job.

Employer disconnection from the workforce system

In our interviews with employers and employer representatives, we found a persistent lack of connection to all segments of the city’s workforce development system, from the City Workforce 1 Career Centers, to nonprofit community-based workforce providers, to CUNY. The reasons included a perceived structural mismatch between small business needs and workforce programs, and a reliance on informal, frequently used channels by small businesses and large companies that bypass the city-based workforce system. This lack of connection to the workforce system is hardly new with Covid-19, but given the extent of continuing displacement and the associated upheaval in the city’s labor market, the imperative to overcome that disconnection is more pressing.

Small businesses reported that they perceived their needs to be poorly met by existing workforce channels. Small businesses rarely dedicate significant staff resources to human resources, and feel burdened by some of the requirements of workforce programs, such as wage reporting and program audits. Additionally, some small businesses are often slow to adopt new technology, including technology involving worker recruitment. While small businesses need to find more staff based on their experiences, they are reluctant to become more involved with workforce development organizations.

Instead, small businesses rely on traditional word-of-mouth channels for recruitment, drawing on local social and familial networks or simply posting signs in their business windows. To help small employers cast a wider net, the Manhattan Chamber of Commerce offers hiring assistance through the Department of Small Business Services and Business Solutions Centers. Some businesses, particularly in hospitality, rely on networking groups, or Facebook groups, where they post jobs or other worker needs. Large businesses, on the other hand, tend to recruit nationally, posting on Indeed, or LinkedIn. Most of these employers are part of major corporations that have little to do with the city’s workforce development system. Occasionally they have on-campus recruiting efforts at CUNY branches.

Overall, employers are hesitant about partnering with workforce providers. For small businesses, this may entail commitments they feel unable to support. For large employers there is a sense that without clear information about the quality of program pipelines there is no way to forecast the quality of job candidates. However, some employers do report successful workforce partnerships reported with CUNY programs.

CHAPTER 4

CURRENT INDUSTRY AND OCCUPATIONAL EMPLOYMENT GROWTH AND OUTLOOK

While New York City has yet to recover the jobs lost at the onset of the pandemic, it is also important to note where job growth and job openings have been concentrated in the past two years, and where jobs are likely to grow over the next few years. The picture of prospective employment demand that emerges is one that raises concerns about job quality. If job growth unfolds as expected in coming years, based on the State Labor Department's occupational forecast, the city will need to pursue an active labor market policy to ensure that such jobs, most of which have lower educational requirements, have career-sustaining wages.

Twenty growth industries in New York City

Between February 2020 and November 2022, 20 industries reported a net gain in jobs. (See Figure 17, below.) These are grouped into three clusters: Low- and moderate-paying industries; tech industries; and higher-paying industries, including finance. The first cluster of low- and moderate-paying industries added nearly 100,000 jobs, accounting for more than six in 10 of all net jobs added during this period. Healthcare, in particular, is heavily represented in this list, as well as among current job openings and forecasted growth occupations.

Understanding economic growth must go hand in hand with assessing economic opportunity for workers. Much of the job growth since the onset of the pandemic must be considered alongside an assessment of job quality, especially for entry-level workers.

Group A in Figure 17 includes primarily lower-paid face-to-face and essential industry jobs, including in home health care, warehouses, and temporary help (employment services) jobs. Many of these jobs have low pay, few benefits, and no clear paths for career advancement. These low-to moderate-paying jobs typically pay under \$70,000 annually, with home health services and individual and family services averaging annual pay of less than half of that.²⁸

Group B of the growth industries encompasses the major tech industries which added 32,200 jobs over the past 33 months. Recent developments suggest that this growth has slowed and a few prominent tech companies have announced layoffs. For example, Facebook recently issued a notice it intended to lay off 900 of its New York City workers. However, growth in the tech industry is likely to resume and remain strong in the future. The tech sector encompasses entry-level as well as high-skilled positions, and its prospects are discussed further later.

Finally, Group C represents high-paying jobs where New York City has a competitive edge. These include advertising, legal services, and financial management and investment-related jobs, as well as those in entertainment, the performing arts, and professional sports. This group of growth industries has added 23,400 jobs since February 2020, accounting for 15 percent of the jobs added in these 20 growth industries. This group of employers should be of great interest for the city's workforce developers seeking to match more local college graduates with high paying career opportunities.

²⁸ According to 2019 NYS occupational data for the employment services industry, most temp jobs were for positions in office and administrative or health care support (including home health care), warehouses, and factories. Seventy percent of employment services jobs were in occupations with median hourly wages of \$18 or less.

Figure 17

Twenty detailed New York City industries with net job growth since February 2020

Industry	Feb 20 - Nov 22 Change (000's)	Feb 20 - Nov 22 Change (%)	Share of Jobs in Growing Industries	Avg. Annual Pay, 2021
Group A, Low- or moderate-paying industries				
Home Health Care Services	37.5	17.2%		\$30,700
Employment Services	19.2	21.9%		\$69,500
Individual and Family Services	14.1	8.6%		\$34,400
Warehousing	8.4	40.4%		\$51,200
Offices of Physicians	6.6	23.0%		\$42,800
Couriers and Messengers	4.1	2.4%		\$93,800
Hospitals	3.7	6.2%		\$97,100
Outpatient Care Centers	2.6	12.0%		\$69,500
Community, Food, Housing, & Emerg. Svcs	1.8	14.3%		\$53,200
Subtotal, Group A industries	98.0	12.5%	63.8%	
Group B, Tech industries				
Internet Publishing & Web Search Portals	11.4	16.5%		\$190,400 - \$277,300
Software Publishing	8.0	12.3%		\$198,900
Mgmt, Sci. & Tech. Consulting Svcs	6.4	8.3%		\$207,800
Computer Systems Design & Related Svcs	6.4	31.0%		\$206,900
Subtotal, Group B industries	32.2	13.9%	21.0%	
Group C, Finance and other high-paying ind.'s				
Motion Picture & Sound Recording	9.4	17.0%		\$121,200
Portfolio Mgmt. & Oth. Investment Activities	5.5	6.9%		\$544,400
Performing Arts, Spectator Sports and Related	2.5	3.5%		\$149,800
Advertising, PR, & Related Svcs	2.0	2.4%		\$197,841
Nondepository Credit Intermediation	1.7	3.6%		\$157,055
Legal Services	1.5	11.4%		\$236,500
Architectural, Engineering, & Related Svcs	0.8	2.1%		\$115,300
Subtotal, Group C industries	23.4	6.0%	15.2%	
Total, these 20 industries	153.6	11.0%	100.0%	

Source: CNYCA analysis of NYSDOL Current Employment Statistics, not seasonally adjusted



Entry-level job openings by industry and occupation

Entry-level jobs include those for low-skilled workers who are just entering a field or those for workers with an associate's degree. They encompass jobs that may start a young worker in a profession with career ladder opportunities, or that may redirect a worker in a dead end job with few paths for advancement.

Figure 18 shows job openings requiring two years of experience or less for those with an associate's degree or less. Openings are shown by industry, along with median advertised salaries. Top fields for entry-level jobs include healthcare, professional, scientific, and technical services, and administrative support jobs.

Figure 18
New York City Entry-level Job Openings and Salary by Industry

Industry	Job Openings (2 years exp. or less)		Advertised Salaries (Avg. Jan-Sept 2022)	
	Avg., Aug - Sept 2022	Avg., Aug 21 - Jul 22	Hourly Median Advertised Salary	Annual Median Advertised Salary
Health Care & Social Assistance	3,568	3,075	\$20.00	\$41,600
Prof., Scientific, & Technical Serv.	1,239	996	\$24.06	\$50,048
Admin., Support, Waste Mgmt. & Remediation Services	1,223	1,313	\$22.46	\$46,720
Finance and Insurance	909	891	\$25.66	\$53,376
Retail Trade	776	734	\$20.00	\$41,600
Educational Services	557	443	\$22.46	\$46,720
Accommodation & Food Services	521	454	\$20.00	\$41,600
Manufacturing	435	404	\$22.46	\$46,720
Other Services (except Public Admin.)	393	298	\$22.34	\$46,464
Real Estate, Rental & Leasing	284	264	\$22.46	\$46,720
Information	259	234	\$25.66	\$53,376
Transportation & Warehousing	263	281	\$19.26	\$40,064
Wholesale Trade	252	251	\$20.49	\$42,624
Construction	152	153	\$22.95	\$47,744
Public Administration	126	118	\$27.38	\$56,960
Arts, Entertainment, & Recreation	67	62	**	**
Utilities	35	25	**	**
Mgmt. of Companies & Enterprises	21	17	**	**
Agri., Forestry, Fishing & Hunting	12	15	**	**
Mining, Quarries/Oil & Gas Extraction	8	7	**	**
Unclassified Industry	3,969	3,732	\$21.97	\$45,696
Total Across All Industries	15,066	13,768	-	-

Note: Data was filtered to only include jobs requiring two years' experience or less as well as a high school, GED, or Associate's degree. ** indicates where data was removed for industries with less than 100 postings.

Source: CNYCA analysis of Lightcast job openings data, provided by the Partnership for New York City.

Healthcare is a broad field, representing a wide range in skills and earnings. Entry level positions in the health-care and social service sector advertise median earnings of \$20/hour or \$41,600 annually. These entry-level earnings are the same as those offered to workers in retail and accommodation and food services, and are slightly above the entry-level hourly wages of transportation and warehouse workers. These entry-level positions fall below the advertised pay of the entry-level earnings of professional, scientific, and technical services positions, an industry that includes accountants, bookkeepers, computer systems services, and others.

Job listings for entry-level positions most frequently list general organizational, communication, and management skills rather than requiring particular certifications. See Figure 19. These listings emphasize qualifications such as interpersonal skills, including the ability to collaborate and plan with others or communicate with team members, and logistical skills, including time management and utilizing basic computer programs.

Figure 19
Skills and qualifications requested for entry-level positions
(2 years of experience or less)

Skill or Qualification	Avg., Oct 21-Sept 22
Communications	6,517
Customer Service	5,092
Management	3,271
Operations	2,422
Sales	2,177
Detail Oriented	2,457
Microsoft Office	2,293
Microsoft Excel	1,951
Multitasking	1,781
Computer Literacy	1,841
Leadership	1,699
Planning	1,493
Written Communication	1,472
Problem Solving	1,676
Interpersonal Communications	1,703
Professionalism	1,506
Scheduling	1,503
Clerical Works	1,485
Organizational Skills	1,498

Note: Data was filtered to only include jobs requiring two years' experience or less as well as a high school, GED, or Associate's degree.

Source: CNYCA analysis of Lightcast job openings data, provided by the Partnership for New York City

Job openings by occupation are dominated by a mix of healthcare, administrative, and sales positions. These openings comport with what employer representatives reported. There is urgent need for healthcare workers, with many entry-level positions requiring certifications (for example, medical secretaries and assistants). Secretaries, customer service representatives, and other positions that require the desirable “soft skills” described by employers (see Chapter 3) are also in high demand. See Figure 20.

Figure 20
New York City Job Openings by Occupation

Occupation	Avg., Aug 22 - Sept 22	Avg., Aug 21 - Jul 22
Registered Nurses	795	646
Secretaries & Adm. Assistants (Not Legal, Med., Exec.)	629	596
Customer Service Representatives	496	522
Medical Secretaries and Administrative Assistants	368	347
Retail Salespersons	346	322
Medical Assistants	296	299
Patient Representatives	271	239
First-Line Supervisors of Retail Sales Workers	253	269
Sales Reps, Wholesale & Manufacturing, Except Tech. & Scientific Products	246	236
Human Resources Specialists	247	174
Office Clerks, General	255	273
Bookkeeping, Accounting, and Auditing Clerks	243	258
Medical and Health Services Managers	224	172
Licensed Practical and Licensed Vocational Nurses	225	316
Maintenance and Repair Workers, General	219	206
Securities, Commodities, and Fin. Serv. Sales Agents	231	220
Managers, All Other	207	158
Nursing Assistants	206	171
Receptionists and Information Clerks	183	164
Computer User Support Specialists	169	164
Home Health Aides	153	113

Note: Data was filtered to only include jobs requiring two years' experience or less as well as a high school, GED, or Associate's degree.

Source: CNYCA analysis of Lightcast job openings data, provided by the Partnership for New York City.

NYC occupational growth projections for workers without a four-year degree

The State Department of Labor 10-year forecast (2018–2028) for employment growth in New York City projects a net growth of 600,000 jobs. (See Figure 21.) Sixty percent will require less than a four-year college degree; 40 percent will require a high school diploma or less.²⁹ This means that the city will need to pursue an active labor market policy to ensure that jobs with lower educational requirements have career-sustaining wages.

Figure 21

Sixty percent of NYC's 600,000 net Job Growth will be in Occupations that do not require a 4-year College Degree

Typical Education Needed for Entry	Employment		2018-28 Change	
	2018	2028	Net	Percent
No formal educational credential	906,320	925,230	18,910	2.1%
High school diploma or equivalent	1,863,730	2,146,750	283,020	15.2%
Some college, no degree	126,870	138,120	11,250	8.9%
Postsecondary non-degree award	208,870	237,480	28,610	13.7%
Associate's degree	94,630	109,800	15,170	16.0%
<i>All associate's degree or less</i>	<i>3,200,420</i>	<i>3,557,380</i>	<i>356,960</i>	<i>11.2%</i>
Bachelor's degree	1,300,580	1,470,390	169,810	13.1%
Master's degree	103,710	131,660	27,950	27.0%
Doctoral or professional degree	216,920	261,920	45,000	20.7%
<i>All 4-year degree plus</i>	<i>1,621,210</i>	<i>1,863,970</i>	<i>242,760</i>	<i>15.0%</i>
Total, All Occupations	4,821,630	5,421,350	599,720	12.4%
Associate's or Less, % of Total	66.4%	65.6%	59.5%	-

Source: CNYCA analysis of NYSDOL Occupational Employment Projections by Region

Of the 25 occupations with the largest projected 2018–28 net job growth in New York City, home health aides and personal care aides top the list. (Both are mainly Medicare-funded positions to assist elderly clients and allow them to remain in their home). The projected growth for these two occupations alone will account for one in every three net new jobs in New York City. (See Figure 22.)

These 25 occupations will account for 63 percent of all net projected job growth. Fifteen of them will require less than a four-year college degree, and will account for 77 percent of the growth of in these top 25 occupations. They will grow an average of 32 percent over 10 years, more than 2.5 times the overall 12.4 percent projected growth for New York City.

²⁹ New York State publishes ten-year forecasts, updated biannually, for expected employment growth and annual job openings for all published occupations in New York State and ten sub-state labor market regions. Including predicted annual wages and educational requirements, the statewide projections currently cover 2020–2030 and regional projection cover 2018–2028.

Figure 22**Top 25 Occupations with Largest Projected 2018–28 New York City Net Job Growth**

Title	Employment		Change		Annual Wages (\$) - 2022				Typical Education Needed for Entry
	2018	2028	Net	Percent	Mean	Median	Entry	Experienced	
Total, All Occupations	4,821,630	5,421,350	599,720	12.4%	\$84,110	\$62,820	\$35,240	\$108,550	
Home Health Aides	165,810	285,030	119,220	71.9%	N/A	N/A	N/A	N/A	High school diploma or equiv.
Personal Care Aides	126,720	210,360	83,640	66.0%	N/A	N/A	N/A	N/A	High school diploma or equiv.
Registered Nurses	78,470	97,570	19,100	24.3%	\$105,980	\$102,860	\$82,520	\$117,710	Bachelor's degree
Janitors & Cleaners, Ex. Maids	101,560	116,150	14,590	14.4%	\$45,500	\$41,000	\$32,740	\$51,880	No formal educ. credential
Software Developers, Applications	38,910	51,080	12,170	31.3%	N/A	N/A	N/A	N/A	Bachelor's degree
Security Guards	84,250	96,200	11,950	14.2%	\$44,710	\$40,340	\$34,530	\$49,800	High school diploma or equiv.
Market Research Analysts & Mktg. Specialists	46,730	56,580	9,850	21.1%	\$95,720	\$82,280	\$56,750	\$115,200	Bachelor's degree
Accountants and Auditors	75,340	84,940	9,600	12.7%	\$117,010	\$103,640	\$68,630	\$141,200	Bachelor's degree
General and Operations Managers	86,090	94,460	8,370	9.7%	\$171,760	\$161,960	\$75,660	\$219,810	Bachelor's degree
Receptionists and Information Clerks	41,580	48,650	7,070	17.0%	\$42,120	\$38,760	\$32,960	\$46,700	High school diploma or equiv.
Health Specialties Teachers, Postsecondary	18,950	25,860	6,910	36.5%	\$157,880	\$135,020	\$82,180	\$195,730	Doctoral or professional degree
Comb. Fd. Prep. & Serv. Workers (Inc. Fast Fd.)	70,850	77,330	6,480	9.1%	N/A	N/A	N/A	N/A	No formal educ. credential
Financial Managers	30,900	37,260	6,360	20.6%	\$233,220	N/A	\$142,850	\$278,410	Bachelor's degree
Teacher Assistants	44,510	50,500	5,990	13.5%	N/A	N/A	N/A	N/A	Some college, no degree
Lawyers	58,900	64,850	5,950	10.1%	\$202,030	\$202,970	\$106,100	\$249,990	Doctoral or professional degree
Nursing Assistants	39,790	45,570	5,780	14.5%	N/A	N/A	N/A	N/A	Postsecondary non-degree award
Medical Assistants	13,670	19,220	5,550	40.6%	\$46,960	\$40,920	\$37,500	\$51,700	Postsecondary non-degree award
Management Analysts	35,870	41,390	5,520	15.4%	\$126,140	\$106,230	\$76,170	\$151,120	Bachelor's degree
Computer User Support Specialists	26,410	31,480	5,070	19.2%	N/A	N/A	N/A	N/A	Some college, no degree
Physicians and Surgeons, All Other	28,380	33,370	4,990	17.6%	N/A	N/A	N/A	N/A	Doctoral or professional degree
Sales Representatives, Services, All Other	38,410	43,400	4,990	13.0%	N/A	N/A	N/A	N/A	High school diploma or equiv.
Self-Enrichment Education Teachers	20,270	25,240	4,970	24.5%	\$78,710	\$62,030	\$39,140	\$98,500	High school diploma or equiv.
Social and Human Service Assistants	18,210	23,140	4,930	27.1%	\$45,380	\$40,090	\$33,700	\$51,220	High school diploma or equiv.
Laborers & Freight, Stock, & Material Movers	54,090	59,020	4,930	9.1%	\$44,490	\$39,730	\$31,930	\$50,770	No formal educ. credential
Maintenance and Repair Workers, General	55,580	60,230	4,650	8.4%	\$55,330	\$49,810	\$37,000	\$64,490	High school diploma or equiv.
Total, 25 occupations with largest projected 2018-2028 growth	1,400,250	1,778,880	378,630	27.0%	-	-	-	-	-

Source: CNYCA analysis of NYSDOL Occupational Employment Projections by Region

Growth sectors: healthcare, green jobs, and tech

Healthcare

Healthcare is a top growth industry and, importantly, spans a range of job skill levels, offering opportunities for entry-level as well as high-skilled workers. However, given the high projected job growth among lower-paid healthcare jobs, it will be essential for the State and the City to boost the earnings of entry-level and lower-skilled positions. In this vein, the State acted in 2022 to phase in a three-dollar an hour increase in the starting wage for home healthcare workers, and to keep it three dollars above the State's minimum wage floor when it rises. Figure 23 below shows 25 healthcare occupations requiring less than a four-year degree (excluding home health aides), which are projected to grow by 22 percent over the decade. This is nearly twice the average projected job growth for New York City overall.

Many of the top growth occupations require only a credential or associate's degree, and have median salaries of greater than \$50,000 annually. Salaries for "experienced" workers exceed \$60,000 annually, with a few in the \$90,000-\$100,000 range. These jobs for lower-skilled workers that nevertheless have moderate- to middle-income earnings potential should be the target of intense focus and collaboration across the city's workforce development institutions. (See the discussion of the 1199SEIU Training and Education Fund in Chapter 5.)

Green jobs

Market forces, technological innovations, and a growing set of public policies fueled by widespread local and global concern regarding the risks of climate change point toward the continued growth of green jobs in New York. The New York State Energy Research and Development Authority (NYSERDA) estimates that there were 73,400 clean energy jobs in New York City in 2021, an increase of about 3,800 jobs (5.4 percent) from 2020.³⁰ Public and private investments in energy efficiency and renewal energy will generate thousands of additional green jobs over the next decade. These investments will result from New York City's and the State's ambitious greenhouse gas reduction goals and related initiatives such as Local Law 97 to impose carbon caps on the 50,000 largest residential and commercial buildings in New York City beginning in 2024, the Biden administration's infrastructure and inflation reduction bills, and the recently enacted NYS Environmental Bond Act.

Green jobs are defined as those that produce goods or services or that change production processes or business practices that benefit the environment or conserve natural resources.³¹ Green jobs span a number of industries and occupations but generally have to do with renewal energy generation, increasing energy efficiency, or environmental management to deal with more systemic aspects of climate change. Much of the green jobs growth in the city will include construction related jobs for electricians, plumbers, sheet metal workers, carpenters, painters, and laborers, as well as professional and managerial jobs in engineering and environmental management. Various studies project that the bulk of green jobs will be middle- or high-paying. While many green jobs do not require a college education, apprenticeship training in skilled trades is essential for many positions.

A study prepared for the Just Transition Working Group established under the State's 2019 Climate Leadership and Community Protection Act projects that roughly 45,000 green jobs could be added in New York City by 2030, with 83 percent of those jobs occurring in construction occupations and 11 percent in professional services.³² The City's Economic Development Corporation is managing an offshore wind project based in Sunset Park Brooklyn to support the construction and operation of offshore wind power generating capacity. The Empire Wind Project includes a commitment to ensure that New Yorkers from environmental justice communities and communities of color equitably share in job and business development opportunities generated by the wind project.³⁴ (See the discussion in Chapter 5 on NYSEDA's innovative workforce development program.)

In addition, funding under the federal Infrastructure Investment and Jobs Act and the Inflation Reduction Act, and the recently enacted \$4.2 billion statewide Environmental Bond Act will provide considerable resources to support further green jobs-related investments in New York City in areas including MTA capital investments, electric vehicle charging stations, tax credits for energy efficiency investments by commercial building owners, and climate change mitigation and flood risk mitigation projects.³⁵ Green jobs offer the promise of better-paying jobs due to the vocational skill requirements and because New York and federal policy measures funding green job investments include prevailing wage standards.

30 NYSEDA, New York Clean Energy Industry Reports, 2021 and 2022.

31 "Measuring Green Jobs," U.S. Bureau of Labor Statistics, 2013. <https://www.bls.gov/green/home.htm>

32 For example, the Just Transition Working Group projects that 43 percent of the jobs expected to be added by 2030 in green jobs related to improving building efficiency will be middle-wage (\$28-\$37 an hour in \$2021), 31 percent will be lower-wage (<\$28), and 26 percent will be higher-wage (> \$37). Just Transition Working Group, 2021 Jobs Study, NYSEDA, December 2021, p. 138.

33 Just Transition Working Group, 2021 Jobs Study, NYSEDA, December 2021, pp. 109, 123-124.

Figure 23**Projected 2018–28 Job Growth and Educational Requirements for 25 Healthcare Occupations in New York City**

Health care occupations requiring Bachelor's degrees or less, ranked by absolute job growth (excluding Home Health Aides)

Title	Employment		Change		Annual Wages (\$) - 2022				Typical Education Needed for Entry
	2018	2028	Net	Percent	Mean	Median	Entry	Experienced	
Nursing Assistants	39,790	45,570	5,780	14.5%	N/A	N/A	N/A	N/A	Postsecondary non-degree award
Medical Assistants	13,670	19,220	5,550	40.6%	\$46,960	\$40,920	\$37,500	\$51,700	Postsecondary non-degree award
Licensed Practical and Licensed Vocational Nurses	15,380	19,360	3,980	25.9%	\$62,270	\$62,220	\$52,240	\$67,280	Postsecondary non-degree award
Dental Assistants	8,450	10,750	2,300	27.2%	\$48,370	\$50,110	\$37,990	\$53,560	Postsecondary non-degree award
Emergency Medical Technicians and Paramedics	7,650	8,910	1,260	16.5%	N/A	N/A	N/A	N/A	Postsecondary non-degree award
Radiologic Technologists	5,200	6,440	1,240	23.8%	\$86,660	\$81,360	\$69,960	\$95,010	Associate's degree
Health Technologists and Technicians, All Other	2,470	3,420	950	38.5%	\$62,910	\$49,940	\$43,490	\$72,630	Postsecondary non-degree award
Medical Records and Health Information Technicians	3,950	4,840	890	22.5%	N/A	N/A	N/A	N/A	Postsecondary non-degree award
Diagnostic Medical Sonographers	2,160	2,980	820	38.0%	\$92,130	\$98,620	\$76,580	\$99,910	Associate's degree
Dental Hygienists	2,790	3,540	750	26.9%	N/A	N/A	N/A	N/A	Associate's degree
Physical Therapist Assistants	1,750	2,440	690	39.4%	\$71,300	\$67,160	\$56,610	\$78,650	Associate's degree
Massage Therapists	3,460	4,150	690	19.9%	\$55,880	\$50,020	\$38,600	\$64,520	Postsecondary non-degree award
Respiratory Therapists	2,260	2,940	680	30.1%	\$94,810	\$98,200	\$76,060	\$104,180	Associate's degree
Phlebotomists	1,920	2,500	580	30.2%	\$52,820	\$50,650	\$42,710	\$57,880	Postsecondary non-degree award
Pharmacy Technicians	8,960	9,530	570	6.4%	\$42,550	\$38,400	\$32,810	\$47,420	High school diploma or equivalent
Healthcare Support Workers, All Other	2,440	2,930	490	20.1%	\$50,370	\$50,940	\$38,660	\$56,230	High school diploma or equivalent
Ophthalmic Medical Technicians	1,490	1,960	470	31.5%	\$45,770	\$48,410	\$32,660	\$52,330	Postsecondary non-degree award
Physical Therapist Aides	1,140	1,560	420	36.8%	\$39,030	\$38,830	\$31,200	\$43,130	High school diploma or equivalent
Surgical Technologists	2,530	2,910	380	15.0%	\$65,510	\$62,190	\$49,140	\$73,690	Postsecondary non-degree award
Occupational Therapy Assistants	870	1,250	380	43.7%	\$82,380	\$67,210	\$59,670	\$93,740	Associate's degree
Magnetic Resonance Imaging Technologists	1,310	1,670	360	27.5%	\$99,680	\$102,110	\$81,540	\$108,750	Associate's degree
Psychiatric Aides	1,880	2,230	350	18.6%	N/A	N/A	N/A	N/A	High school diploma or equivalent
Veterinary Technologists and Technicians	1,360	1,630	270	19.9%	\$52,600	\$49,110	\$40,160	\$58,820	Associate's degree
Medical Equipment Preparers	1,530	1,780	250	16.3%	\$53,860	\$51,620	\$45,950	\$57,810	High school diploma or equivalent
Orderlies	1,530	1,770	240	15.7%	N/A	N/A	N/A	N/A	High school diploma or equivalent
Total, 25 health care occupations with largest projected 2018-2028 growth	135,940	166,280	30	22.3%	-				

Source: CNYCA analysis of NYSDOL Occupational Employment Projections by Region

Tech

New York City's tech industries reduced employment by five percent in the first few months of the pandemic, but have since made up lost ground and collectively had employment of 264,000 as of November 2022, 32,000 (13.9 percent) more than in February of 2020. (See Figure 17 above.) In addition to the longer-term growth in tech jobs underway before the pandemic, many facets of work, shopping and private and social lives saw an accelerated use of some form of technology since the onset of Covid-19 that boosted the fortunes of many tech companies.

However, as has happened nationally, tech employment in New York City has leveled off in recent months, and is likely to decline in the months ahead. Facebook, Twitter and three smaller tech companies have announced layoffs totaling 1,442 jobs since early September.³⁶

The four detailed tech industries identified in Figure 17 are part of a broader New York City tech ecosystem that encompasses tech jobs in non-tech industries, such as finance, health care, and government. Employment in the overall tech ecosystem encompassed about 400,000 jobs at the end of 2022, making it a larger employer than all other private industries in the city except for healthcare and professional services.³⁷ Tech's rapid growth adding 200,000 jobs in the decade before the pandemic has helped diversify the city's economy and made it less dependent on the sometimes-volatile finance sector.

Not all of those working in tech industries are computer professionals with a four-year college degree. In fact, 63 percent of jobs in the tech industry are non-tech jobs such as customer service, marketing or human resources. In addition, about 20 percent of computer occupations require less than a four-year degree. For example, the typical education level for those becoming computer user support specialists — one of the largest occupations in the computer and mathematical occupations category — is some college but not a college degree.³⁸ Those becoming web developers or computer network support specialists usually have an associate's degree.³⁹ Jobs in the tech ecosystem that do not require a four-year degree have a median hourly wage one-third higher than jobs elsewhere in the city economy not requiring a four-year degree.³⁹

Once the economy picks up again, there will be renewed growth in the demand for a range of skills in the tech ecosystem, including many entry-level positions for which a short-term training program or certification will enable job seekers without a four-year degree to get a foot in the door. Tech industry leaders acknowledge that they need to bolster efforts to recruit more women and workers of color since there have been only "slight improvements" over the past decade in making the sector more reflective of the city's racial and gender diversity.⁴⁰ Indicative of the employment outlook for the tech sector, the number of jobs for computer professionals and specialists is projected to grow by 20 percent by 2028.⁴¹

34 New York City Economic Development Corporation, <https://edc.nyc/program/offshore-wind-nyc>

35 "The Inflation Reduction Act Delivers Affordable Clean Energy for New York," The White House, August, 2022; Ethan Geringer-Sameth, "New York Voters Approve \$4.2 billion Environmental Bond Act," Gotham Gazette, November 9, 2022.

36 The announcements took the form of WARN notices filed with the NYSDOL. Some of the layoffs are not scheduled to take effect until February of 2023.

37 A recent report, The New York City Tech Ecosystem: November 2022 Update, by the Tech:NYC trade group, Google, HR&A and the Association for a Better New York, estimated that average 2021 NYC tech ecosystem employment was 369,000 (238,000 in the tech industries and 131,000 tech jobs in non-tech industries.) The difference between average annual 2021 employment for the four tech industries specified in this report and November 2022 employment was 31,000.

38 <https://dol.ny.gov/employment-projections>

39 The New York City Tech Ecosystem, p. 11

40 *Ibid.*, p. 18.

41 <https://dol.ny.gov/employment-projections>

CHAPTER 5

NYC'S WORKFORCE ECOSYSTEM IN AN ERA OF SOCIAL AND ECONOMIC DISRUPTION

Covid has renewed and reframed long-simmering “future of work” and “future of workers” conversations. In New York City, this debate now encompasses the lagging nature of the city’s pandemic recovery and a new, widely shared commitment to address race-based inequities, as well as a decades-long push for more systemic reforms to improve the quality of jobs.

Technology has catalyzed a transformation of the workplace during the pandemic. Companies and individuals utilized technology – from online communication and collaboration tools to automation systems – to respond to the public health crisis. In the process, they changed the contours of what a workday looks like, both for essential workers who continued to work in person but with extra health precautions and risks, and also for workers whose jobs allowed them to work remotely and online. There is likely to be a long-term increase in remote work. A surge in e-commerce also created spillover effects in warehouse and delivery work.

The pandemic created sudden and mass unemployment, a huge reshuffling of workers to either new employers or new occupations altogether, and an appetite for different forms of work. While some workers experienced only brief furloughs or layoffs, many were disconnected from the labor market for months, raising serious concerns regarding labor force participation and long-term unemployment.

Low-pay and poor job quality have long posed great challenges in New York City. A quarter century ago there was pushback against the Giuliani administration’s implementation of a “work first” approach to welfare reform. Less than a decade later Mayor Bloomberg’s poverty commission highlighted large numbers of “working poor” and urged policies to address the low pay characteristic of many jobs. In the six years prior to the onset of the pandemic (2013–19), strong job growth and a doubling of the minimum wage boosted incomes for those in the bottom half of the income spectrum. By the close of 2022, unemployment, failure to increase the minimum wage, and uneven progress in raising job quality meant that the pay of 30 percent of New York City workers is \$18 an hour or less and that nearly a million people are working but still mired in poverty.⁴²

The workforce development system will continue to play a crucial role in helping workers and companies respond to the tumultuous past few years. The workforce system helps unemployed workers find jobs. It also helps workers who need retraining to keep their jobs, and assists those who want new skills to enter a different field, or get certificates and degrees necessary for advancement.

In the early stages of the pandemic, many unemployed workers turned to workforce organizations for help with unemployment insurance, eviction protection, finding food banks, or getting mental health counseling. The work of meeting the immediate needs of laid-off and furloughed workers primarily fell to nonprofit organizations and unions. The Covid-19 era underscores how crises that generate largescale unemployment and business closures require robust workforce systems to help workers and the economy weather periods of disruption and transformation.

The main branches of New York City's workforce system are: the non-profit sector; labor unions; CUNY; and the city government workforce system, including One-Stops operated by the Department of Small Business Services, and also programs of the Department of Youth and Community Development and Human Resources Administration. See Figure 24.

Figure 24

The Four Branches of New York City's Workforce Development System

Nonprofit and community-based workforce development providers

Focus: Provides short-term training (generally) and occasionally support services to workers of all ages facing barriers to employment.

Funding: City agency contracts and philanthropy.

Union and union-related training and education programs

Focus: Provides union members multiple training options, often as part of explicit career pathways or apprenticeships. Some offer support services.

Funding: Collectively-bargained employer contributions, supplemented by government grants and philanthropy.

CUNY's workforce development role

Focus: Provides mainly young adults but also some adult learners both degree offerings for associate's programs and non-degree certificate programs. 185,000 non-degree students.

Funding: Government budgets and grants.

City agency workforce programs

Focus: Provides young adults with a mix of programs (DYCD); connects low-income job seekers with jobs and training referrals (SBS Workforce1 Centers), and provides employment services and wage subsidies for public assistance recipients (HRA).

Funding: Government budgets and grants.

Most workforce development programs followed similar three-phase trajectories during the pandemic. First, there were the initial closures and lockdown, during which connecting workers to social service supports and unemployment benefits was prioritized. That was followed by the slow and uneven economic reopening, during which hybrid, online, and limited in-person training and education programs resumed. Today, we have a fully re-opened economy, but one characterized by uncertainty, and lasting social and economic changes. This chapter examines the four branches of the workforce system, including how they responded over the course of the evolving pandemic.

There are overlapping goals and functions among the major branches of the New York City workforce system, however each also reaches constituents not regularly served by other sectors. Additionally, each sector of the workforce system relies on different informational feedback channels to guide their training and educational efforts, from city contracts and grant requirements, to labor market information provided by the City and the State, to feedback from workers, instructors, and employers. Nonprofit organizations and community-based organizations serve populations with the highest barriers to employment, and are responsive to immediate needs. Unions provide skill-intensive career pathways for jobs with middle class wages and benefits. CUNY provides a mix of degree and credential and other non-degree training programs. The main City agency programs serve public assistance populations, job seekers for entry level positions, and extensive youth programs. Many of the City programs are operated by nonprofit workforce providers.

Non-profit and community-based-organizations serving those facing barriers to employment

In September 2022, the Center for New York City Affairs, along with the New York Employment and Training Coalition and the Workforce Professionals Training Institute, released a report on a survey of 143 non-profit and community-based organizations. It assessed the size, scope and budgets of the organizations, their areas of service, modes of program delivery, and range of certificates and trainings offered, and outlined the challenges, needs, and priorities of these workforce providers.

Non-profit and community-based workforce organizations across the city provide crucial services on behalf of the City, including job training and placement, career exploration, internships and apprenticeships, adult education and literacy, college access, and wage subsidies. This section draws on multiple surveys and studies The Center for New York City Affairs has conducted over the past two years with partners in the non-profit workforce system, including the Workforce Professionals Training Institute and the New York City Employment and Training Coalition.⁴³

New York City relies heavily on nonprofit workforce development providers to connect with all New Yorkers, especially those who face barriers in the labor market. These nonprofit and CBO workforce providers serve many of the same constituents as CUNY and union-based programs. But they also reach constituents who are less well-served and face higher employment barriers: justice-involved individuals, recent immigrants, and those who suffer housing instability. They also offer programs for public housing residents, persons with disabilities, youth in foster care, veterans, retirees, and LGBTQIA+ youth and adults.

While workforce organizations tend to serve a wide range of constituencies, we asked organizations to identify up to five demographic groups that were the focus of their programming. The leading groups were high school students (61 organizations), NYCHA residents (56 organizations), immigrants, refugees, asylum seekers (53 organizations), and justice-involved individuals and families (49 organizations).

Nonprofits take a multi-dimensional approach to helping workers, from identifying skills and training needs to providing essential support services. These organizations are the frontline in helping the City meet the needs of its low-income residents. Many are multi-service organizations, like settlement houses that have long-standing connections to the communities they serve. They have evolved over the years to provide counseling and mental health support, housing services, legal assistance, wage subsidies, and childcare. These broad

43 See, New York City's Workforce Landscape Report: A network of programs, providers, and organizations foundational for catalyzing a robust and equitable economic recovery, Center for New York City Affairs, New York City Employment and Training Coalition, and Workforce Professionals Training Institute, September, 2022, <http://www.centernyc.org/reports-briefs/new-york-citys-workforce-landscape-report>; and L.K. Moe, Justin Collins, and Andrea Vaghy, Navigating Uncertain Waters: NYC's Workforce Professionals in the Age of Covid-19, Voices from the Frontline, The Hub, The Center for New York City Affairs, and Workforce Professionals Training Institute, December 2021. <https://www.workforceprofessionals.org/wp-content/uploads/2021/12/WPTI-Voices-Navigating-Uncertain-Waters-Final-Version.pdf>.

'wrap-around' services were in high demand during the initial onset of Covid-19.

Our research revealed a tension between providers that reported difficulty recruiting participants for programs and a lack of capacity to offer requested services. Many organizations saw a shift in the needs and ambitions of job-seekers. Initially, it was difficult to recruit workers for programs like career readiness training or sector-based training but there was an urgent demand that often outstripped the capacity of organizations to meet basic needs like food and rent assistance.

The nonprofit organizations surveyed offer a total of over 300 sector-specific trainings, led by technology (18 percent of all programs), construction (14 percent), and healthcare (14 percent). These are fields with growing employment opportunities and it is incumbent on the city to continue to facilitate program growth in these areas. Construction programming can include "green jobs" training. Moreover, construction is an industry that can provide less well-educated workers relatively well-paying jobs, making construction an area of not just job growth, but job quality. However, in two other areas of high need, there was a dearth of options.

In spring of 2021, through a series of focus group conversations with frontline workers, we heard that many workers they dealt with were reluctant to return to the same jobs they held before Covid. Many were looking for opportunities that could be remote, offer greater flexibility, or room for growth. It is likely that many workers who earlier on expressed reluctance to return to the workforce have done so with the expiration of federal unemployment insurance benefits in September of 2021. However, what will likely be less quick to fade is the pervasive sense that the pandemic gave rise to a desire for better jobs, to spend less time commuting and more time with families, and to find work that could give them a more holistic feeling of contributing to their neighborhood, community, and city through jobs that are meaningful and fulfilling. Yet, these changed preferences have occurred against a backdrop of soaring rents and increased prices. As a consequence, many have seen the dissipation of the earlier hope that the promise of a Covid-era reassessment of work would lead to new opportunities in the post-Covid economy.

The pandemic also highlighted the constraints of grant-supported programming, where success is often rigidly measured by numbers of job placements. Some of these requirements were loosened during the pandemic, with funders offering more flexibility about using money to meet client needs. Such flexibility should herald a more systematic reexamination of how placement requirements are driving and circumscribing nonprofit activities. Workforce providers could not meet client needs for childcare, stipends, and paid trainings. Organizations, and especially frontline staff, reported they were overstretched and did not have the flexible funding they needed to creatively respond to the multi-dimensional needs of their clients.

In a December 2021 report surveying frontline workforce staff members, we saw how demanding – and often stressful and demoralizing – direct service provision can be.⁴⁴ While 95 percent of frontline professional workforce staff surveyed said that they understood the mission of their organization and believed in the work, 48 percent said it was likely that they would leave the field within three years. They felt pressure to place clients, even in what they considered poor-quality jobs, especially during the early pandemic closures when traditional entry-level service industries were largely closed.

These frontline workforce professionals also reported frustration that they did not have more autonomy or input into their organizations' strategies. They felt they were not offered sufficient training or support to do their jobs well. Low pay also created uncertainty for these workers and for organizations: less than half of respondents said that their take home earnings were sufficient to cover basic living expenses and only a third of workers felt their take home pay allowed them to save money. While they believed in their work and the mission of their organizations, they commonly felt they did not earn enough to allow them to have a good quality of life, and might have to leave a job they value for more financial security.⁴⁵

44 Navigating Uncertain Waters: NYC's Workforce Professionals in the Age of Covid-19.

45 Navigating Uncertain Waters: NYC's Workforce Professionals in the Age of Covid-19.

Union education and training: building career pathways to the middle class

Unions provide an invaluable resource for New York City's working class: good jobs and strong benefits along with career advancement pathways within many industries. Unions have many roles in the economy, from giving workers a voice on the job and in their union, to establishing wage standards, to advocating for improved worker protections and benefits. Unions serve a distinct and often overlooked role in the city's workforce landscape. Union apprenticeship programs provide critical career pathways that allow workers to advance in their fields, and they map out and make accessible the courses and educational credentials necessary to do so.

Unions are both direct service providers and work as intermediaries to connect their constituents to CUNY and CBO-based trainings. With a focus on coordinating with employers and offering classes that will align worker skills with job requirements, unions in many ways offer more tailored and specialized offerings than other sectors of the workforce development ecosystem. Frequently, they offer short-term educational and training courses at the workplace to further eliminate barriers to worker participation. Unions can arrange trainings around the workhour ebb and flow of their particular industry. Finally, unions must be responsive to their constituents, offering trainings that their members demand and making clear the connection between trainings or certificate- and degree-bearing courses and improved job opportunities.

Many local unions coordinate their own trainings or work with CUNY and the nonprofit sector, but many also rely on the Consortium for Worker Education (CWE), the workforce development arm of the New York City Central Labor Council, AFL-CIO, for coordination and employment services. CWE provides funding, logistical support, and direct training for affiliated unions and worker advocacy groups across the city; they also provide logistical support connecting unions and nonprofit workforce providers who can deliver customized trainings.

The Building & Construction Trades Council recruits and trains workers through a number of programs and related organizations. The Helmets to Hardhats program targets veterans. Nontraditional Employment for Women (NEW) prepares, trains and places women in skilled construction trades. The Edward J. Malloy Initiative for Construction Skills (CSkills) has career development pathways for high school seniors interested in the building trades. And Pathways to Apprenticeship delivers training, education, and certification to justice-involved youth and adults.⁴⁶

Between 2018 and 2022, the CSkills program recruited and trained over 500 apprentices by recruiting in more than a dozen Career and Technical Education high schools across the five boroughs, as well as from Workforce1 organizations, NYCHA developments, and CBO organizations. The CSkills program has a retention rate of 92 percent in moving apprentice trainees to active apprenticeships.

Skilled building and construction trades are higher-paid jobs that do not require a post-high school degree, with a wage premium that reflects the risk and high-skilled nature of the work. The sector has well-developed career pathways to move working-class New Yorkers, including many of color, into well-paying jobs. The unionized construction sector employs a greater share of Black workers than non-union construction companies. Overall, unionized construction workers have a 14 percent earnings premium over other blue-collar workers, with Black workers earning 13 percent more and Hispanic workers earning 24 percent more than other union blue-collar workers of the same race and ethnicity.⁴⁷

Scaling these programs is limited not by difficulty recruiting participants; rather, unions calibrate the programs to their forecasts of available union jobs. To encourage the expansion of union construction the building trades seek to have policy-makers incorporate prevailing wage requirements into publicly-funded or subsidized construction projects. In many respects, the three-to-five year apprenticeship model pursued in the building trades is an exemplary workforce development strategy, providing extensive classroom skills and on-the-job training. Construction work can be dangerous, and apprentices receive more extensive health and safety training than the minimum required by law. Apprentices work and earn (and have benefit coverage) while pursuing training, and employer funding for the apprenticeship system is incorporated into collective bargaining agreements. The higher benefit contributions union employers are required to make include financing for the apprenticeship system as well as paying for healthcare and retirement benefits. While wage and benefit rates for trades workers attaining journey-person status are higher than for non-union workers, several academic studies conclude that the productivity of union labor is commensurately higher as well.⁴⁸

46 See The New York City Building & Construction Trades program list, <http://www.nycbuildingtrades.org>.

47 Larry Mishel, "Diversity in the New York City union and nonunion construction sectors," Economic Policy Institute, March 2017, <https://www.epi.org/publication/diversity-in-the-nyc-construction-union-and-nonunion-sectors/>

48 See, e.g., Steven G. Allen, "Unionized Construction Workers are More Productive," *The Quarterly Journal of Economics*, May, 1984.

As noted in Chapter 4, the healthcare industry is growing and nearly all roles are in high demand. Healthcare encompasses low-, middle, and high-skilled work. In New York City, the 1199SEIU Training and Employment Fund (TEF), a joint labor-management fund operated by 1199SEIU United Healthcare Workers East, an affiliate of the Service Employees International Union, offers a wide-range of workforce offerings, from entry-level positions to educational support for nurses to earn master's degrees. The Local 1199 TEF was established in 1969 to aid entry-level healthcare workers, many of whom are workers of color, access additional training and education opportunities to move ahead in their careers. Services are primarily funded through employer contributions negotiated in union contracts and supplemented by government and philanthropic workforce funding.

The 1199 TEF responds to employer needs and promotes career pathways for healthcare workers by providing a broad range of skills enhancement education and training, access to higher education with pre-paid tuition, job placement and innovative worker-employer initiatives. Of those participating in programs offered in 2018-20, 77 percent were workers of color, 85 percent women, 65 percent immigrants, and 45 percent have dependents. The TEF provides support and career counseling services to increase completion and career advancement success rates. Occupational certificate programs are offered in several healthcare positions, and the TEF has been a leader in establishing the registered apprenticeship model in the healthcare sector, combining classroom instruction with mentored on-the-job training in occupations including medical coders, licensed practical nurses, and home health aides. The fund also provides bilingual training and cross-cultural awareness training to ensure quality patient care.

The 32BJ SEIU Training Fund, financed through collectively-bargained employer contributions, provides its members with access to 200 courses and training programs. Eleven career tracks are provided that culminate in certificates such as building engineer, commercial building superintendent, handyperson, or security professional. The 32BJ Fund also trains members in sustainable building operations and management that includes courses in reducing energy and water usage and carbon emissions. The green commercial and residential building certificates require over 700 hours of classroom instruction.⁴⁹

The Early Childhood Career Ladder (ECCL) program is jointly administered by Local 205 of AFSCME and the Day Care Council of New York. The ECCL program provides scholarships for those working in the city's community-based child care centers to complete undergraduate and master's degrees in early childhood education, and helps entry-level workers earn a child development associate (CDA) credential.

The pandemic has presented waves of challenges for union representatives. Unions helped workers apply for unemployment insurance, then helped members get back into jobs during an uneven and unpredictable re-opening period. The experience of the Hotel and Gaming Trades Council, which represents 40,000 hotel and gaming unionized workers in New York and New Jersey, illustrates these challenges. At the height of the pandemic, 90 percent of their members were furloughed or laid off. The union helped members apply for unemployment benefits and find temporary work. In the summer of 2020, with grant funding and logistical support from CWE, the union restarted their training program, beginning with offering English as a Second Language and computer skills classes. Over the next two years, over 1,000 members registered for these courses.

CWE provided a computer lab for training and used their network for find instructors. The union helped their workers transition to online – and later in-person – classes, adding Microsoft Suite classes over Zoom. Their members struggled with online courses, and the return to in-person and hybrid classes has brought more success. Hotel jobs were slow to rebound, so the union added more courses to help workers upskill and stay engaged during periods of unemployment. Union representatives said they were challenged by their members to make a clear case between learned instruction, skills, and access to better employment opportunities, such as how computer classes could help a worker to move from a housekeeping job to the hotel's front desk.

The Covid era has underscored the need for worker protections. Among the most popular trainings during the pandemic, several unions reported, were "Know your Rights" and health & safety trainings. Unions such as the Retail, Wholesale and Department Store Union (RWDSU) offered those trainings for their members as well as for non-union workers through their Retail Action Project worker center.

Covid-19 accelerated changes in several industries. With the surge in e-commerce and last-mile delivery, union petitions for representation elections in warehouses have risen over the past two years. They see improving these low-quality jobs as part of their mandate. With support from the RWDSU, the Teamsters and other unions, the Warehouse Workers' Protection Act was enacted and signed into law in 2022 in response to a steep increase in workplace injuries at Amazon's New York distribution centers the year before. The legislation regulates the use of performance-based quotas and requires employers to establish an injury reduction program with input from workers and ergonomists.⁵⁰

Since unions operate over a long time horizon, they provide career-long representation and paths for advancement to their members. As such, they play a unique role in the city's workforce landscape by combining this long-term perspective with meeting the current needs of members. In taking a long view, unions weigh in on policy reforms to improve the economic conditions of workers and attempt to shape the evolution of industries where they have a significant presence. Unions' long-term perspective and focus on public policies to improve the condition of workers should factor in to the city's workforce long-term planning. (See the discussion of the Pathways to Industrial and Construction Careers initiative later in this chapter for an example of a recently-launched City-union workforce program.)

CUNY's expansive workforce development role

The CUNY system spans 25 schools in all five boroughs: 11 senior colleges, seven community colleges, and seven graduate, honors, and professional schools. It has 240,000 degree-seeking students, and 185,000 non-degree seeking students. The CUNY network and, in particular, its community colleges serve as both a workforce development institution as well as an institutional ladder for higher education instruction.

CUNY not only reflects the diversity of New York City, but is an important means for working class graduates to find a pathway toward economic mobility and stability. CUNY serves a student body of which more than 50 percent report an annual income of less than \$30,000, and two in three undergrads attend tuition-free. More than a third of CUNY students are immigrants.

Community college curricula include both degree offerings for associates' programs and non-degree certificate programs and courses. The non-degree certificate programs and courses can, in turn, be divided into three categories:

1. Precollege, pre-GED, GED classes, and college preparation classes;
2. Businesses services with programs for small and medium sized businesses and aspiring entrepreneurs; and
3. Workforce programs that range in length from a single day to yearlong courses, with most lasting three to six months.

Workforce programs provide vocational training – in software engineering, or nursing, for example – with a clear goal of employment upon completion. Other programs are on-ramps into associates or bachelor's programs. Many are aimed at workers who are already employed and seeking to improve their technical skills – for example, to get advanced plumbing, electrical, or construction certifications – or who want to develop their soft skills, with customer service trainings, computer and digital literacy skills, business ethics, or entrepreneurial training.

Many workforce programs are offered on nights and weekends to accommodate employed adults. Some are tuition-based and others are grant-supported and offered at low-cost or for free. Schools utilize Perkins Funds, the main source of federal funding for career and technical education, to meet their strategic goals, and can be deployed to cover student exam fees, such as Teacher Certification Exams, tutoring, or funding new workforce programs. The workforce and adult and continuing education (ACE) arms of community colleges also provide Contract Trainings for employers. These trainings are generally informed by already-designed curricula and tailored to meet the needs of a specific industry or business.⁵¹

The workforce institutional infrastructure includes not only course offerings and trainings, but also career centers located at each college that help graduates and current students find employment and curricula designed together with industry partners. These are also hubs for employers to recruit students and for the college to invite employers for informational presentations.⁵²

⁵⁰ See National Employment Law Project, *Warehousing Pain: Amazon Worker Injury Rate Skyrockets with Company's Rapid Expansion in New York State*, May 2022. Annie McDonough, "Injury rates surge at Amazon's New York facilities," *City & State*, May 19, 2022.

Senior college have strong transfer pipelines with a number of community colleges. Sixteen colleges support ACE departments. Queens College, for example, which serves up to 30,000 non-degree participants per year, focuses on healthcare, with its emergency medical technician (EMT) and community healthcare training (also offered at LaGuardia Community College). LaGuardia is both a feeder school for Queens and an important workforce and ACE institution itself. LaGuardia serves 30,000 students total and between 3,000 and 5,000 workforce participants each year. For example, the TechHire program at LaGuardia was a software engineering bootcamp which was found to be effective at helping low-income students find middle- and high-skilled jobs in the STEM sector.⁵³

In Brooklyn, Kingsborough Community College has ACE programs in culinary arts and hospitality, and City Tech has a large construction (including green buildings) program. In the Bronx, Hostos Community College workforce program focuses on healthcare and tech. Bronx Community College and Lehman College also offer grant-based and fee-based programs. In Staten Island, the College of Staten Island, with a focus on healthcare, business services, tech, and trades, has a number of adult and continuing ed programs, as well as strong articulation agreements with Guttman and Kingsborough Community Colleges. Borough of Manhattan Community College specializes in healthcare, information technology, data science, and the arts.

Healthcare programs range from community health workers (3–4 months) to EMT programs (about 5 months) to paramedic (1 year), to a newly launched mental health peer specialists (6 months of training and internship) will train people who have overcome their own mental health challenges to serve as peer recovery coaches. With the adoption of hybrid classes, moreover, CUNY schools continue to graduate EMTs and paramedics who help fill critical vacancies across the city and the state.

Some areas of new programmatic interest, including green jobs, clean energy, and technology, draw on trainings that CUNY colleges have long offered in general maintenance and construction. A grant from NYSEERDA has allowed the development of a building skills program including a certificate in clean energy HVAC, including training on installing heat pumps, and the development of an offshore wind technician training program that will launch in 2023.⁵⁴ Community college offerings are informed by State Labor Department employment projections, real-time job analysis databases like Burning Glass, and feedback from instructors and program staff who are experts in the field.

Following the citywide closures of in-person classes in March 2020, workforce programs moved online. In general, the hands-on components of trainings—required, for example, for EMT and phlebotomy certifications—were postponed and gradually brought back online in summer and fall of 2020. Many programs for the next two years remained hybrid, with the didactic portions delivered online and the hands-on units conducted in person. As of fall 2022, more classes are offered in-person, but hybrid options remain.

Yet despite the transition to remote and then hybrid offerings, both degree and workforce CUNY programs saw a plunge in enrollment numbers, as did many colleges across the country. Total CUNY enrollment has fallen nearly 19 percent, from 271,400 in fall of 2019 to 220,300 (preliminary) in fall of 2022. First-time freshman community college enrollment is down sharply by one-third in the fall of 2022 from fall 2019. However, enrollment of first-time freshman in senior colleges is largely the same as pre-pandemic levels. In 2019, CUNY awarded 18,499 Associates degrees; that number fell by 38,000 (21 percent) to 14,662 in 2021–2022.⁵⁵

51 See, for example, LaGuardia Community College's Center for Contract Training, <https://www.laguardia.edu/ce/pages/business-services/center-for-contract-training/>.

52 See, for example, the LaGuardia Community College Center for Career & Professional Development: <https://www.laguardia.edu/careerservices/> or BMCC's Center for Career Development: <https://www.bmcc.cuny.edu/student-affairs/career/>.

53 Betsy Tessler, Kelsey Schaberg, Barbara Fink, and Joseph Gasper, "Implementation and Early Impacts from the TechHire and Strengthening Working Families Initiative 55 Randomized Control Trial," MDRC, September 2021. <https://www.mdrc.org/publication/implementation-and-early-impacts-tech-hire-and-strengthening-working-families-initiative>. See also, LaGuardia Community College's TechHire, <https://www.laguardia.edu/ce/techhire-open-code/>.

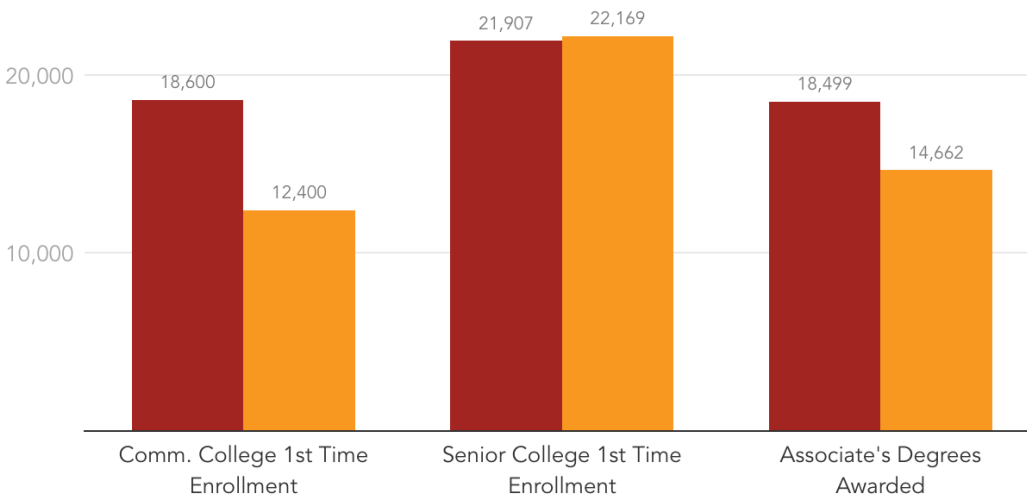
54 "Building Skills New York, Positive Workforce & LaGuardia Community College Launch Free Training to Expand Clean Energy Workforce," January <https://www1.cuny.edu/mu/forum/2022/01/10/building-skills-new-york-laguardia-community-college-launch-free-training-to-expand-clean-energy-workforce/>

55 Data in this paragraph provided by Lauren Andersen and colleagues at CUNY. <https://www1.cuny.edu/mu/forum/2022/01/10/building-skills-new-york-laguardia-community-college-launch-free-training-to-expand-clean-energy-workforce/>

Figure 25

Key CUNY metrics, Fall 2019 to Fall 2022

■ Fall 2019 ■ Fall 2022



Source: CUNY Associate Provost of Careers and Industry Partnerships Lauren Andersen and colleagues

Under the enacted State FY 2023 budget, state funding for CUNY senior colleges will rise by 13.6 percent, including increased operating support, support for higher education opportunity programs and training centers, and funding to add over 500 full-time faculty at CUNY. The adopted State budget also included \$966 million in additional capital funds for new projects, needed improvements and maintenance at CUNY facilities.⁵⁶

CUNY enrollment could receive a boost from a recent 22 percent increase in State budget funding for New York's Tuition Assistance Program (TAP) that provides up to \$5,665 annually to low-income students to attend CUNY, SUNY, and other not-for-profit in-state institutions. With TAP's extension to include part-time students made possible by the FY 2023 State budget, an estimated 75,000 additional students will be eligible for tuition assistance.⁵⁷ In 2021, approximately 40 percent of CUNY senior and junior students were enrolled part-time. During Covid, the decline in part-time students was less sharp than the plunge in full-time enrollment. However, though TAP has been extended to part-time students, it has not yet been extended to non-degree programs, including workforce certificates and non-certificate trainings.

⁵⁶ State of New York, FY 2023 Enacted Budget Financial Plan, April 2022, p. 39.

⁵⁷ "The New York State Tuition Assistance Program," New York State Higher Education Services Corporation, <https://www.hesc.ny.gov/pay-for-college/apply-for-financial-aid/nys-tap.html>. "Governor Hochul Announces Launch of Historic \$150 Million

One of the challenges the Covid-19 era has made clear is that of making the case that education in the form of degrees, certificates, or employment-integrated training matters. The substantial CUNY workforce system will play a crucial role in this, as short-, long-, and employer contract training helps undo what many young people think of as a unidirectional pathway from a degree to a job. Instead, many of the workforce and continuing education programs offered by CUNY allow work to coincide with education.⁵⁸ Because workforce is such a large part of the university system, articulation agreements allow students to earn certificates necessary for finding employment, but also carry these certificates or credits with them into future training and educational programs. CUNY remains affordable, with state and federal grants and, increasingly, employer tuition assistance programs.

CUNY has and will continue to play an important role in the recovery and restoring the city's economic vitality, in large part by creating economic opportunities for low-income workers and their communities. By allowing students to earn while working, to learn as a pathway toward employment, and to keep the door open to future educational pursuits, CUNY is a critical bridge in the city's workforce system between job-directed training and higher education.

The City agency workforce sector

City government invests considerable budget resources each year in programs to prepare young adults for careers, and to train and connect thousands of adult New Yorkers with jobs. Public workforce investments are targeted to low-income populations and young adults. These programs are scattered across a number of City agencies, although three agencies account for the bulk of those served. The number of clients served fell sharply in City Fiscal Year (FY) 2021 and while the numbers rebounded to some degree in FY 2022, in most cases, they remain below pre-pandemic FY 2019 levels. However, given the sharp increase in public assistance reciprocity and the disproportionate impact of pandemic job dislocations on young workers, program assistance levels will likely need to be much higher than levels achieved in the FY 2017-19 period.

Three agencies — the Human Resources Administration (HRA), Department of Youth and Community Development (DYCD), and Department of Small Business Services (SBS) — operate significant workforce development programs. (As Figure 26, below, shows, The City Departments of Parks and Recreation and Correction and the New York City Housing Authority also operate smaller jobs training programs, too.)

In total, \$671 million in local, state and federal government funding supported citywide workforce development programs in City FY 2021.⁵⁹ (See Appendix Figure 4, based on an analysis by Invest in Skills NY.) In FY 2021, City funds of \$348.4 million accounted for 52 percent of this amount, federal funds (\$245.9 million) comprised 37 percent, and State funds (\$77.1 million) were 11 percent of the total. (The workforce development role of CUNY, for which the City and the State share governance and funding responsibility, was discussed above.)

HRA helps cash assistance recipients obtain and retain employment by providing (through vendors) job search, training and education referrals, and placement in transitional subsidized employment in the public and private sectors. In FY 2022, 9,200 cash assistance recipients were connected to jobs, a fraction of the nearly 40,000 placements in FYs 2018 and 2019. (See Figure 26.) During the first quarter of FY 2023 (the three months ending in September 2022), placements rose by 30 percent over the first quarter of the prior fiscal year. HRA also assists cash assistance clients with medical and mental health barriers to obtain employment or apply for federal disability benefits.

58 Family Voices: Building Pathways from Learning to Meaningful Work, Carnegie Corporation of New York, https://media.carnegie.org/filer_public/65/88/6588ffd2-561a-4c98-a8fd-b39730ddd100/carnegie_gallup_family_voices_final_report_040221.pdf

59 This figure does not include training programs for employees of City agencies.

Figure 26
 NYC agency workforce performance indicators, FYs 2018–22

Agency/Performance Indicators	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Small Business Services					
Workforce1 hires and promotions	25,534	27,367	26,204	18,889	25,098
Customers enrolled in training	3,756	2,195	2,123	8,764	6,948
Human Resources Administration					
Clients whom HRA helped obtain employment *	39,790	39,853	32,071	5,101	9,231
Dept. of Youth and Community Dev.					
Participants in SYEP	69,716	74,354	74,453	35,198	74,884
Participants in Train & Earn	1,687	1,562	1,197	1,270	1,508
Participants in Learn & Earn	1,638	1,583	1,565	1,460	1,486
Participants in Advance & Earn	N/A	N/A	477	957	948
Participants in DYCD-funded Eng. literacy progs.	10,792	14,033	15,631	13,308	13,983
Parks Department					
Parks Opportunity Program participants	1,506	1,392	1,420	779	819
Department of Correction					
Avg. daily # of individuals in custody in vocational skills training programs	482	418	287	73	46
Avg. daily attendance in school prog.	169	77	60	11	32
NYC Housing Authority (NYCHA)					
Resident job placements	2,903	2,933	2,127	1,411	1,663
Youth placed in jobs through youth empl. progs.	960	972	3,896	3,231	3,516

* Change from Q1-FY 2022 to Q1-FY 2023: 30%

Source: FY 2022 NYC Mayor's Management Report, September 2022

DYCD's signature program is the Summer Youth Employment Program (SYEP). It was expanded in the summer of 2022 (FY 2023) to 90,000 youth in paid employment during the months of July and August.⁶⁰ (There were an additional 10,000 slots in non-SYEP programs.) SYEP provides critical income support to participants along with participation in workshops on job readiness, career options, and financial literacy. The program prioritizes low-income, justice-involved, foster care, runaway, and homeless youth, New York City Housing Authority (NYCHA) residents, and others from high-need neighborhoods.

DYCD relies on federal Workforce Innovation and Opportunity Act (WIOA) funds for its Train & Earn program, which served a little over 1,500 out-of-work/out-of-school youth in FY 2022. Train & Earn provides job training and support services to help participants find a permanent job, obtain their high school equivalency degree, or access postsecondary education and training. Learn & Earn supports high school juniors and seniors with work readiness, career exploration, tutoring, and paid internships.

60 Much of the funding for SYEP comes from City tax levy. City funding for SYEP for the summer of 2022 was \$227 million, up considerably from \$157 million for the summer of 2019. New York City Office of Management and Budget, Budget Function Analysis, Adopted Budget, FYs 2020 and 2023.

Utilizing City tax levy funding, DYCD's Work, Learn & Grow program serves 3,000 SYEP participants from October to April, providing career readiness training, career exploration, and paid internships. Another program, Advance & Earn, is geared to assist out-of-school youth in attaining high school equivalency or employer-recognized trainings, credentials, or certifications and provides paid internships. Advance & Earn provides advanced training in areas such as masonry, energy efficiency, or digital marketing.

SBS used \$26 million in federal WIOA funds in FY 2022 to contract with providers that operate 18 Workforce1 career centers across the five boroughs. The Workforce1 Centers are the main mechanism the City uses to reach predominantly low-income job seekers to provide job readiness assistance, and to connect them with employers and/or training. There are at least two centers in each borough (some have three) that handle placements in a wide range of industries, plus a Healthcare Career Center in lower Manhattan, and an Industrial & Transportation Career Center in Jamaica, Queens. The Workforce1 Centers placed 25,100 workers into jobs in FY 2022, about a third more than in the prior year, but eight percent fewer than in FY 2019. In recent years the emphasis has been on placing job seekers in higher-paying jobs, permanent rather than seasonal jobs, and positions where workers are classified as employees and not gig workers or independent contractors. The average hourly wage for those placed in FY 2022 was \$18.04, and 87 percent of those placed were working full-time.⁶¹ SBS also funds construction safety training mandated by local law, assists workers in accessing training, and coordinates industry partnerships in healthcare, construction, and manufacturing.

The Parks Department works with HRA to provide six months of subsidized employment at \$15.45 an hour to cash assistance recipients under the Parks Opportunity Program. Participants receive career coaching, on-the-job training, and access to other training opportunities.⁶² Directly and through partner organizations, NYCHA's Office of Resident Economic Empowerment and Sustainability placed 1,663 NYCHA residents in jobs in FY 2022.⁶³ To assist incarcerated individuals in making a successful transition upon release, the City's Correction Department with job readiness, education, job training, and mental health services. In-person assistance was resumed in the summer of 2021 after being suspended during the pandemic's first year. The numbers being served in discharge planning programs appear to be well below pre-pandemic levels.⁶⁴

Current city workforce initiatives

The City programs discussed above are perennial programs. In addition, from time to time, administrations initiate targeted programs to address priority needs of the moment, or shift toward more effective programs. In what was probably the largest single workforce investment in New York City in decades, the administration of Mayor Bill de Blasio used \$230 million in federal Covid-19 fiscal relief to fund (mainly in FY 2022) an initiative called the City Cleanup Corps (CCC). It hired 10,000 people in communities that were the most affected by Covid-19 for six-month jobs to clean up public spaces, and provided limited assistance in transitioning to unsubsidized employment.⁶⁵ Despite the scale of the CCC, it does not appear the City is planning to evaluate the effectiveness of the program.

In a first for a large-scale workforce program, several City agencies led by HRA are partnering with six unions and the CWE on an \$18.6 million "Good Jobs Challenge" federal grant. Under the Pathways to Industrial and Construction Careers (PINCC) initiative announced by Mayor Eric Adams in August 2022, 2,300 cash assistance recipients and public housing residents will be trained, placed, and provided often essential wrap-around support through and beyond job placement in unionized and/or high-wage jobs. These jobs will include diesel mechanic, general utility worker, building tradesperson, or construction project manager.⁶⁶ The PINCC initiative was modeled after the CWE's ATLAS program begun in 2017 with funding from the JPMorgan Chase Foundation and that was carried out in conjunction with Bronx Community College, the Transport Workers Union and the Machinists Union. It placed 130 workers in skilled transportation jobs. This initiative also represents an intent to improve the long-term impact of HRA employment services by focusing on recruitment, retention, and deeper employer engagement.

61 New York City Mayor's Management Report, September 2022.

62 <https://working.nyc.gov/programs/parks-opportunity-program-pop/>

63 New York City Mayor's Management Report September 2022.

64 New York City Mayor's Management Reports, September 2021 and September 2022.

65 Derek Thomas and James Parrott, New York City's Covid-19 Federal Relief Funding: Implications for Human Services and Workforce Development, Center for New York City Affairs, December 16, 2021, p. 16. The de Blasio administration also allocated \$50 million in federal Covid-19 fiscal relief funding for a Public Health Corps to build a workforce of Community Health Workers and supervisors to support communities most affected by the coronavirus.

66 Mayoral press release, Mayor Adams Announces Major Investment in NYC Workers and Employers, New Approach to Talent and Workforce Development with \$18.6 Million Federal Grant, August 15, 2022. The Good Jobs Challenge program was part of the American Rescue Plan Act of 2021.

In October 2022 Mayor Adams announced a \$54 million investment in FY 2023 to expand the Precision Employment Initiative, established in July 2021 by former Mayor de Blasio. The program is run in partnership with the Brooklyn-based climate technology company BlocPower and several community-based organizations. The expansion will increase the program's capacity, to serve up to 3,000 New Yorkers considered at possible risk of involvement in gun/gang violence, to help reduce unemployment, promote sustainability, and bolster long-term public safety in underserved areas across the city. Life coaches will work with participants to help develop critical reasoning and conflict resolution skills. After completing other foundational training and earning an OSHA certification, participants will be connected to clean energy contractors and apprenticeships, effectively putting them on a path to permanent jobs with starting salaries of \$20 an hour or more.⁶⁷

A related New York City workforce program that emerged in the summer of 2021 in response to the increase that year in gun violence is the State Labor Department's Gun Violence Prevention Initiative coordinated by the Consortium for Worker Education. In partnership with 20 community-based organizations, the CWE program targets unemployed, under-employed and out-of-school 18-24 year-olds in neighborhoods where gun violence had increased, providing industry-specific training, enrollment in programs providing credentials, and job placement.⁶⁸

Through the Human Services Career Advancement Scholarship established in 2021, the City provides funding for workers at City-funded nonprofit human services organizations to earn a CUNY degree or a social work license. This modestly-funded initiative that covers up to 50 percent of tuition costs builds on years of organizing around the need to develop more explicit pathways for advancement within the nonprofit human services sector that employs predominantly women of color in professional positions.⁶⁹

NYSERDA's collaborative workforce development model

The NYSERDA workforce development strategy represents an innovative, collaborative model that funds hands-on and technical training in clean energy and green jobs with strong wraparound services targeting disadvantaged and low-income communities and that is informed by an updated analysis of market demand. The NYSERDA strategy encompasses clean energy and the jobs related to those industries, with \$120 million in federal funds earmarked for programs that prioritize underserved and disadvantaged communities and populations. Its goal is training 40,000 workers, with priority given to a number of specific populations, including low-income and displaced workers.⁷⁰ (See the discussion of the outlook for green jobs in Chapter 4.) NYSERDA's New York Community Colleges Energy Equity Consortium (NYCCEE) brings together 24 colleges across New York state, 22 unions, employers and trade groups, and 15 community-based partner organizations to fund local projects that build a clean energy jobs pipeline with half of participants from underserved communities.⁷¹

NYSERDA's ongoing Energy Efficiency and Clean Technology Training supports technical and hands-on training, jobs placement, and wraparound services, including housing supports, mental health counseling, stipends, and transportation stipends, to help workers train and move into green jobs.⁷² NYSERDA takes a holistic view of training and supporting workers, especially those who are transitioning into a new occupation or industry. For example, in partnership with Nontraditional Employment for Women (NEW), they have supported 75 low-income women for jobs and apprenticeships in the green construction industry by offering hands-on training, as well as soft skills training, physical conditioning, mentoring, and networking opportunities. Additionally, their on-the-job training program provides wage subsidies of 50-75 percent for four to six months to lower the financial risk of hiring new workers for clean energy positions.⁷³

66 "Mayoral press release, Mayor Adams Announces Major Investment in NYC Workers and Employers, New Approach to Talent and Workforce Development with \$18.6 Million Federal Grant, August 15, 2022. The Good Jobs Challenge was part of the American Rescue Plan Act of 2021.

67 Mayoral press release, Mayor Adams, BlocPower Announce Significant Expansion of Precision Employment Initiative to Provide Green Jobs to New Yorkers Most Impacted by Gun Violence, October 20, 2022. <https://www.nyc.gov/site/safestbigcity/keep-nyc-safe/precision-employment.page>. The program is administered by the Mayor's Office of Criminal Justice.

68 <https://dol.ny.gov/gun-violence-prevention-initiative>

69 James A. Parrott and L.K. Moe, The Case for Ending Poverty for New York City's Human Services Workers, Center for New York City Affairs, March 2022; Mayoral press release, Mayor de Blasio, CUNY Announce Scholarship Program to Advance Careers of City's Human Services Workers, June 9, 2021.

70 NYSERDA, "Workforce Development and Training," <https://www.nyserda.ny.gov/All-Programs/Clean-Energy-Workforce-Development-and-Training>. See also, Beth Offenbacher, "Energy Transition Workforce Training," presentation from the NYC Employment and Training Coalition Conference, October 2022. <https://www.youtube.com/watch?v=dllm9Yn4U2I&list=PLJVE7LaqJle3lnw5iWbh1IBVqDn9FZT1X&index=23>

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CHAPTER 6

CONCLUSION

This report has documented the many ways in which the pandemic has unsettled the New York City labor market and compounded pre-pandemic inequities for low-income workers and workers of color who were disproportionately hit by Covid-related displacements. Pandemic labor market upheaval has set back many New Yorkers who can ill-afford it, but particularly young males and parents of young children, and it has prematurely pushed many older workers into retirement.

The city's recovery has lagged the nation's and given the current slowdown resulting from Federal Reserve interest rate hikes, the City's budget office projects that the city will not return to pre-pandemic employment levels until late 2024, nearly a half decade after the pandemic's onset. During previous periods of New York City's slow recovery from economic downturns, workers of color have paid a heavy price in terms of high unemployment, lost job opportunities and stagnant incomes. The considerable economic progress of rising real incomes and falling poverty achieved by those in the bottom half of the income spectrum during the half-dozen years before the pandemic is at risk of unraveling.

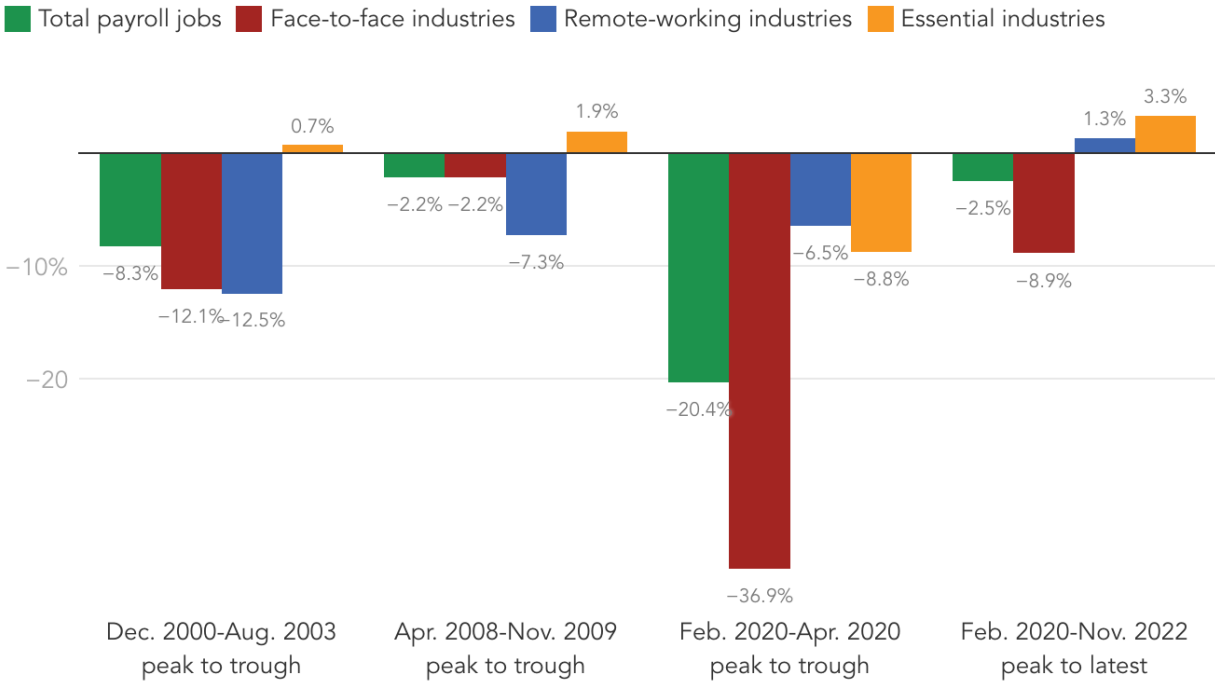
While the four branches of the city's workforce system each perform a vital function, a lack of overall coordination and planning limits their effectiveness and impact. There is an urgent need for a coordinated workforce system that better responds to the changes and challenges caused by the Covid-19 pandemic and that can leverage policy changes to address the compounded inequities in workforce opportunities. A companion report will present a comprehensive set of policy recommendations to move from a reactive, fragmented workforce development system to an active labor market policy that can more effectively tackle labor market-rooted inequities and to ensure that jobs with lower educational requirements have career-sustaining wages.



APPENDIX

Appendix Figure 1
 Distinctive pandemic pattern of NYC job losses compared to the two most recent economic downturns

Payroll employment change vs. prior peak



Source: CNYCA analysis of NYC Office of Management and Budget, seasonally adjusted Current Employment Statistics series

Appendix Figure 2

Payroll employment change by three industry categories, by NYC borough, first quarter of 2020 to first quarter of 2022

	Bronx	Brooklyn	Manhattan	Queens	Staten Island	New York City
Q1 2020 Employment Level						
Essential Industries	173,539	397,882	479,901	289,771	57,131	1,398,225
Face-to-face Industries	124,004	331,953	998,289	355,809	63,356	1,873,412
Remote-working Ind.'s	22,036	77,199	1,018,513	61,166	9,589	1,188,504
Share of NYC Industry Employment						
Essential Industries	12.4%	28.5%	34.3%	20.7%	4.1%	100.0%
Face-to-face Industries	6.6%	17.7%	53.3%	19.0%	3.4%	100.0%
Remote-working Ind.'s	1.9%	6.5%	85.7%	5.1%	0.8%	100.0%
% Change, Q1 2020-2022						
Essential Industries	-2.8%	1.2%	-4.3%	-2.1%	-7.0%	-2.2%
Face-to-face Industries	-4.5%	-5.3%	-16.9%	-9.3%	5.3%	-11.8%
Remote-working Ind.'s	-9.3%	-4.1%	-2.8%	-2.2%	-11.9%	-3.0%

Source: CNYCA analysis of BLS Quarterly Census of Employment and Wages

Appendix Figure 3

Average employment by industry for Feb. 2020 to November 2022 compared to the Feb. 2020 Pre-pandemic Level

Employment (000s)	Feb 20	Avg., Feb. 20 - Nov 22	Feb. 20-Nov 22 Avg. vs Feb. 20
Total Nonfarm	4,702.8	4,280.8	-9.0%
Total Private	4,108.4	3,700.8	-9.9%
Essential industries	1,433.1	1,397.4	-2.5%
Health Care & Social Asst.	823.5	802.9	-2.5%
Utilities	15.1	14.6	-3.3%
Government	594.4	580.0	-2.4%
Face-to-face industries	2,034.9	1,694.5	-16.7%
Construction	162.6	139.2	-14.4%
Manufacturing	65.9	54.7	-17.1%
Retail Trade	346.1	293.6	-15.2%
Wholesale Trade	139.8	123.7	-11.5%
Transportation & Warehousing	135.0	121.1	-10.3%
Administrative Services	262.9	237.1	-9.8%
Educational Services	256.4	240.8	-6.1%
Arts, Entertainment & Rec.	95.7	64.2	-32.9%
Accomm. & Food Services	374.4	251.6	-32.8%
Other Services	196.1	168.6	-14.0%
Remote-working industries	1,234.8	1,188.8	-3.7%
Information	229.2	222.3	-3.0%
Finance and Insurance	348.6	341.6	-2.0%
Real Estate	138.5	127.5	-8.0%
Prof., Sci. & Tech. Svcs.	446.0	431.0	-3.4%
Management of Companies	72.5	66.5	-8.3%

Source: CNYCA analysis of NYC Office of Management and Budget, seasonally adjusted Current Employment Statistics series

Appendix Figure 4

New York City Fiscal Year 2021 workforce development spending in millions, by source

Agency	Federal	State	Local	Total by Agency
CUNY	6.3	54.2	76.7	137.1
Dept. of Education	6.9	5.9	-	12.8
Dept. of Youth and Community Dev.	44.3	0.2	148.0	192.4
Human Resources Administration	98.0	11.8	34.0	143.7
NYC Council	-	-	16.5	16.5
Small Business Services	27.2	-	28.6	55.8
All Other Agencies	63.3	5.1	44.6	113.0
Total Fiscal Year 2021 Spending	245.9	77.1	348.4	671.4

Source: Invest in Skills NY report, "Follow the Money: Understanding NYC's Workforce System Funding" (Sept. 2021)



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