

As economy struggles amid coronavirus, low-wage workers of color taking a major hit

People of color make up a disproportionate share of workers in the industries where layoffs are the most intense and only expected to get worse.



A worker looks out from a near empty restaurant on North Avenue during the coronavirus outbreak in New Rochelle, N.Y., on March 11, 2020. Mike Segar / Reuters

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By Janell Ross

About 70 percent of the nation's hotel maids are people of color – as are 57 percent of those working as restaurant head chefs and cooks, and 42 percent of all waitstaff.

[People of color make up a disproportionate share](#) of workers in the industries where layoffs are the most intense and only expected to get worse. And while all of America will feel the economic effect of the pandemic, experts warn that [lower-income workers of color](#) could be hit particularly hard.

“In terms of the economic situation, all you have to do is look around the corner and you can see that

for us, for people of color, we are overrepresented in the low-wage workforce and in the very industries we already know to be taking serious hits,” Marc Morial, president and CEO of the National Urban League, said. “Without federal relief, the right type at the right time, this could be entirely catastrophic.”

As of now, [the nation’s latest \\$2 trillion coronavirus relief bill](#) includes a four-month income replacement allowance for many of those out of work because of the COVID-19 pandemic. It also expands unemployment benefits and [provides direct supplement payments to many American households](#). Most workers earning \$75,000 or less [will receive \\$1,200, according to the bill](#), with the benefit amount scaling down for people earning more. Many families will receive a \$500 direct payment for each child. [The bill will also send cash to businesses](#), hospitals and states to cover some costs associated with the crisis and lost tax revenue. Provision for immigrants – documented and undocumented – were not clear as of Wednesday afternoon.

"Is it enough? I can not say that it is," Rep. Karen Bass (D-Calif.), chair of the Congressional Black Caucus, said Wednesday. She said the Caucus, along with other groups, was reviewing the bill and working to identify issues to address in subsequent bills.

Because of a long history of occupational segregation, a term economists use, people of color more often work in industries that provide few benefits and chronically low pay.

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“Segregation is the right term,” said Valerie Wilson, an economist and director of the program on race, ethnicity and the economy at the Economic Policy Institute, a nonpartisan think tank on the needs of low- and middle-income workers. “A lot of the patterns we currently observe in our workplaces are historic patterns going back to the time when people were literally prohibited from having certain jobs or having access to certain jobs, and those patterns have persisted because as much as we may have tried to do with policy, there are still various challenges and barriers that people face.”

A doorman looks out from an empty hotel lobby in Herald Square in Manhattan during the coronavirus outbreak in New York City on March 18, 2020. [Mike Segar / Reuters](#)

Now the wave of shutdowns, layoffs and furloughs sweeping hotels, restaurants and entertainment venues means that many who have experienced that occupational segregation have lost their source of income. The numbers, as they so often do, tell the tale.

People of color together [make up almost 40 of the nation's population](#) and about a third of the nation's workforce.

In the hospitality industry alone, 51 percent of clerks and front-desk staff are people of color, with [black and Latino workers each making up about 23 percent of this group](#). A full 49 percent of hotel maids are Latino while nearly 30 percent of all bellhops, concierge and porter staff are black. In the casino world, just over 59 percent of workers are people of color. About 20 percent of these workers are black and 27 percent are Latino.

Outside of the hospitality industry, those in personal transportation and related industries have also faced layoffs now that the nation's day-to-day activity is grinding to a halt. A full 56 percent of those working in parking lots and as parking garage attendants are people of color, about 31 percent of whom are Latino. Just over 66 percent of those driving taxis and cars for hire are people of color. Nearly 30 percent of those drivers are black.

Then there are the workers who provide personal services, such as attendants and nannies – about 45 percent of whom are people of color. Barbers, beauticians and massage therapists are included in that category. Nearly 79 percent of all manicurists and estheticians are people of color and 59 percent of these workers are Asian.

Even more broadly, many Americans enter this possible recession in a fragile economic condition: Thirty-nine percent said that if they faced a \$400 unexpected expense they would either be unable to cover it, would have to sell something to do so or borrow, [according to a 2019 report from the Federal Reserve](#).

Adding to that, only about 10 percent of workers earning \$10.48 an hour or less have health insurance, according to a Economic Policy Institute analysis completed last week. That means they are also more likely to enter the crisis without a primary care doctor or carefully monitored health. Workers of color are again overrepresented in this group: About 25 percent of the nation's low wage workforce is Latino, 15 percent is black and 15 percent is Asian, together totaling 55 percent of those working for limited wages, according to [a November 2019 Brookings Institution analysis](#).

“I think almost any time we have an economic crisis – speaking more specifically about black folks and Latinos – the same groups of people are going to be severely harmed because in the best of times, they are subjected to marginalization,” said Sandy Darity, an economist at Duke University who researches economic stratification as well as the way race shapes economic and social policy. “The pattern is clear. Everyone loses work, but people of color lose more of them. This time it seems the job losses will be really severe for some, while others are called upon to possibly put themselves at greater risk.”

What the nation has long needed, Darity said, is a federal work guarantee program. In good times, few

people would need to do work directed by the federal government and collect wages from the same source. In bad times, like the current pandemic and the likely recession to follow, that infrastructure could expand to put even more people to work on critical priorities and needs.

The potential severity of the impact on workers of color is a matter of deep concern to some of the nation's leading civil rights organizations. Last week, representatives of the NAACP and the National Urban League joined a conference call with dozens of civic organizations and members of the Democratic Senate leadership.



[Sen. Schumer breaks down massive coronavirus aid package](#)

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“We have no information at this time that, in terms of infection rates, the problem is any more severe among one community than another,” Morial said. “But we do want to be a voice for an organized and equitable testing and treatment operation and getting that moving as soon as possible to reach as many people as possible.”

Existing inequities make that a challenge, NAACP President and CEO Derrick Johnson said. Johnson also worries about echoes of previous crises that have already begun to surface: abundant concern about industry broadly and comparative frugality when it comes to workers. He also sees some members of Congress engaged in policy debates that do not take into account the real relationship between race,

ethnicity and economic wherewithal.

“In black America, a high percentage of elderly population also suffers from compounding health challenges, respiratory issues, high blood pressure and heart disease,” Johnson said. “We have to include that in our plans and response. And as we talk about bail-out funds or industries such as the airlines, I am concerned with what sort of support will be provided to hourly workers, low-wage workers who load the bags, who sell the airport gifts and bottles of water and will also be deeply impacted if trends continue.

“Their budgets have no wiggle room.”



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