Latino Unemployment Rate Spiked to 18.9%

U.S. Employers Lost 20.5 Million Jobs in April

LEISURE AND HOSPITALITY EMPLOYMENT LEADS JOB LOSSES, CUTTING 7.7 MILLION JOBS

In April, the leisure and hospitality industry cut 7.7 million jobs. Latinos are overrepresented in leisure and hospitality, making up 24% of workers.

INDICATORS

<table>
<thead>
<tr>
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<th>National</th>
<th>Latinos</th>
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<tbody>
<tr>
<td>Employed</td>
<td>133.4 million</td>
<td>22.6 million</td>
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<tr>
<td>• Working people over the age of 16, including those temporarily absent from their jobs</td>
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<tr>
<td>Unemployed</td>
<td>23.1 million</td>
<td>5.3 million</td>
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<td>• Those who are available to work, trying to find a job, or expect to be called back from a layoff but are not working</td>
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<tr>
<td>Civilian Labor Force</td>
<td>156.5 million</td>
<td>27.8 million</td>
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<tr>
<td>• The sum of employed and unemployed people</td>
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<tr>
<td>Unemployment Rate</td>
<td>14.7%</td>
<td>18.9%</td>
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<tr>
<td>• Share of the labor force that is unemployed</td>
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<tr>
<td>Labor Force Participation Rate</td>
<td>60.2%</td>
<td>63.3%</td>
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<tr>
<td>• Share of the population over the age of 16 that is in the labor force</td>
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<tr>
<td>Employment-Population Ratio</td>
<td>51.3%</td>
<td>51.3%</td>
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<tr>
<td>• Share of the population over the age of 16 that is working</td>
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Employment of Latinos in April 2020

The U.S. Department of Labor (DOL) found that employers reported the loss of 20.5 million jobs in April. More than 33 million Americans have applied for unemployment insurance since the start of the COVID-19 national emergency, marking the highest rate of seasonally adjusted jobless claims in the history of the department. In the weeks since the emergency was declared, the American economy has lost all job growth since The Great Recession (2007-2009).

The national unemployment rate rose from 4.4% to 14.7% in April—the largest over-the-month increase in the history of the government tracking these figures. Economists estimate the national unemployment rate could be closer to 17-22%; previously, highest unemployment rate in United States history was 25.6% in 1933, during the Great Depression. The unemployment numbers for April 2020 are likely to increase slightly as states continue to report their official unemployment claims in the coming weeks.

Latinos are disproportionately losing work and wages due to the COVID-19 pandemic while remaining at high risk of exposure.

Latinos comprise 17.6% of American workers, but 22.8% of American workers currently unemployed. In April, the Latino unemployment rate grew from 6.0% to 18.9%. While much higher than the national rate of 14.7%, the official 18.9% figure likely underestimates the true Latino unemployment rate. Research shows that Latinos are less likely than non-Latino peers to apply for or receive unemployment insurance. The government also counts part-time workers as employed in its official rate, even if workers would prefer full-time hours. Before COVID-19, Latino workers were more likely than peers to be underemployed. The coronavirus has exacerbated this inequity, as Latinos who are still employed are disproportionately experiencing cuts in hours and wages; polling from late April shows 61% of Latinos have lost household income due to COVID-19.

At the same time, many Latinos still in the workforce work in essential sectors. Latinos disproportionately lack access to paid sick leave, despite their risk of exposure to the coronavirus in frontline jobs. Many Latinos in non-essential roles cannot afford to stop working; before the pandemic, only 16% of employed Latinos had the ability to work from home—nearly half the rate of their non-Latino peers. Early data clearly show Latinos are experiencing disproportionate rates of COVID-19 infection and mortality across the country, undoubtedly due in part to compounded health and economic inequities.

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* Legislation in response to COVID-19, such as the Families First and CARES Acts, extend paid sick leave to more American workers, but not all workers qualify.
Latino Workers in the Gig Economy

On-demand contract workers are delivering food and providing services without social, economic, or, in many cases, physical protections from COVID-19. UnidosUS polling suggests many Latino gig workers face a grim dilemma: most cannot afford to stop on-demand work despite the health risks, and yet could not access or afford health care should they fall ill.10 UnidosUS found an estimated 41% of Latinos participated in the on-demand, or ‘gig,’ economy before the national emergency.

Latino gig workers were vulnerable to economic and health shocks before the COVID-19 crisis. More than 75% of Latino gig workers polled consistently worked on-demand jobs, and most did so in addition to other employment. Despite this work ethic, 76% of Latino gig workers reported struggling with monthly bills. Only 23% of Latino gig workers reported they would be able to pay a new, unexpected $400 expense; of the three-in-four who could not afford an unexpected $400 bill, 23% reported health care costs kept them from being able to save money for emergencies.

As ‘independent contractors,’ gig workers do not qualify for employer-sponsored health insurance. The Bureau of Labor Statistics (BLS) estimates before the pandemic at least 25% of gig workers lacked health insurance; research suggests closer to 35% of gig workers were uninsured, and as many as 37% of insured gig workers have forgone medical treatment due to high costs.11

Gig workers who have lost work due to the pandemic—an estimated two-thirds of gig workers—are struggling to find support from employers and the government.12 While most qualify for federal unemployment insurance for the first time under the CARES Act, only 23 states had begun paying benefits as of April 30. Of the states who are offering unemployment insurance to gig workers, many launched programs just in the past two weeks and are struggling to verify worker eligibility with outdated systems and overwhelming demand.13 Gig workers are also struggling to obtain the necessary documentation to apply for benefits. Most gig work platforms do not track independent contractors’ work hours and some even fail to report workers’ earnings to the state at all, making it nearly impossible for gig workers to receive state unemployment benefits.14

Gig workers have also reported difficulty receiving paid sick leave from on-demand platforms, such as Uber or Instacart, despite Center for Disease Control (CDC) safety recommendations under COVID-19. Workers with presumed exposure to COVID-19 face the same the nationwide shortage of coronavirus tests, which makes it difficult to obtain proof of exposure; others cannot afford the doctor’s visit.15

* The poll defined gig work as: “perform[ing] work as an independent contractor, freelance worker, online seller, or similar on-demand work, often referred to as a “gig work”. Some examples [of online platforms] are Uber, Postmates, TaskRabbit, Care.com, Handy, Rover or selling goods on Etsy and eBay.”
Latino Workers in the Gig Economy (continued)

Even those with a physician’s note report fighting for paid leave, such as the case of an HIV-positive gig worker with known exposure to COVID-19 who fought Uber for weeks before receiving sick leave in order to self-quarantine.6

Many gig workers faced discrimination and unfair practices before the pandemic. More than one-third of Latino gig workers UnidosUS polled reported experiencing discrimination on the job on the basis of race, age, gender, immigration status, sexual orientation, and/or disability. One-third of Latino gig workers also reported experiencing discrimination and other unfair labor practices by their employers, including unsafe working conditions and wage theft.

As the COVID crisis continues, the financial and health disparities gig workers experience are starkly emblematic of our nation’s inequities. The conveniences many Americans still enjoy from the safety of home—the take-out meals, the fresh groceries, the online orders—are not without human costs: gig workers, most of whom are people of color and immigrants, are placing themselves at risk of infection or death out of economic necessity, as are many frontline essential workers. Lawmakers must ensure that all American workers have access to affordable health care, portable benefits like paid sick and family leave, and stronger protections from workplace hazards and discrimination, pandemic or otherwise. Until they do, the workers who power our country will continue to be treated like the medical masks which are so hard to come by, disposable.

About Us

UnidosUS, previously known as NCLR (National Council of La Raza), is the nation’s largest Hispanic civil rights and advocacy organization. Through its unique combination of expert research, advocacy, programs, and an Affiliate Network of nearly 300 community-based organizations across the United States and Puerto Rico, UnidosUS simultaneously challenges the social, economic, and political barriers that affect Latinos at the national and local levels.

For more than 50 years, UnidosUS has united communities and different groups seeking common ground through collaboration, and that share a desire to make our country stronger. For more information on UnidosUS, visit www.unidosus.org or follow us on Facebook, Instagram, and Twitter.
Endnotes


10. UnidosUS bilingual English and Spanish polling with Lake Research Partners, November 4 - December 4, 2019 of 976 working age Latinos, reflective of the demographic composition of working age Latinos to a 95% confidence level.


