

SEATTLE JOBS INITIATIVE

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# COVID-RECESSION & RECOVERY

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MAY 2020



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## Affected Workers

The emergence of the SARS-CoV-2 virus in late 2019 and subsequent COVID-19 pandemic has up-ended the world and sparked an unprecedented global recession. The situation is dynamic and rapidly evolving in the US as federal, state, and local governments adjust to changing public health conditions. The economic impact has been rapid and extensive.

The Seattle Metro was the first known epicenter of the pandemic in the US, and state and local governments worked quickly to reduce the transmission of COVID-19. They first encouraged large tech employers to voluntarily transition their office-based employees to work from home (WFH) during the first week of March and subsequently closed restaurant dining rooms (March 16<sup>th</sup>) and schools (March 17<sup>th</sup>) and issued a state-wide Stay-at-Home order (March 23<sup>rd</sup>). The pandemic and these critical countermeasures have caused a rapid slowdown in the Seattle economy, with an outsized impact on specific industries, occupations, and workers.

This brief spotlights those Seattle area workers most impacted by the recession's immediate and more lasting, structural economic changes. The data used to describe these impacts is drawn from Washington State's Economic Security Department's (ESD) weekly initial unemployment insurance (UI) claims<sup>1</sup> and are preliminary and evolving. The full scope of layoffs and COVID-19-associated unemployment is undoubtedly larger as not all workers are eligible for UI and some workers have had difficulty filing for unemployment. \* To date the key findings include:

- In the eight weeks between March 8<sup>th</sup> and May 9<sup>th</sup>, the Seattle-Tacoma-Bellevue Metropolitan Statistical Area (Seattle MSA)<sup>†</sup> has lost 608,688 jobs, 323,989 of those in King County alone. The hardest-hit occupations are those that are low-paying, where workers are close to other people, and there is no option of telecommuting.
- Workers of color, younger workers, and those with lower educational attainment have both sustained more job losses in the first wave of COVID-19 layoffs and are over-represented in the essential workforce. **The rapid changes in nearly all aspects of daily life have exacerbated pre-existing inequalities in the workforce.**
- The formal stay-at-home orders did not spark the initial rise in unemployment; people changed behavior in advance of formal restrictions.<sup>1,2</sup> **It is unlikely the relaxing of the orders will bring about an increase in economic activity and employment proportionate to the relaxation unless people feel safe.**
- While not all the jobs lost are lost forever, **the pandemic will likely hasten structural changes in the labor force** that had been happening relatively gradually. The rapid shift to remote working and other changes to jobs to increase physical distance has increased the digitalization of work.<sup>3</sup> The cost-effectiveness of automation technology will increase the longer the need to physically distance persists. Workers most threatened by these long-term structural changes are those working in jobs with routine tasks, which overlap substantially with those who have been hardest hit by the initial COVID-19 layoffs.<sup>4</sup>
- It is essential that the workforce system target young workers, workers of color, and those with low educational attainment, connecting them to training and education opportunities and providing adequate support for them to be successful. **Failure to target these workers risks repeating the mistakes of the American Recovery and Reinvestment Act (2009) and permanently shutting them out of the economy, hampering the post-pandemic recovery.**<sup>5</sup>

\* ESD was staffed for historically low unemployment and had to quickly shift gears to processing 28 times the number of claims they were a mere six weeks before while also moving all of their operations to remote working.

†Seattle Metropolitan Statistical Area covers King, Pierce, and Snohomish counties.

In order to meet immediate needs and start the process of this adaptive recovery, it is important to understand the specific occupations and workers who are most affected. While many of these workers will be able to return to their prior occupations or even their old jobs as restrictions are lifted, many of those jobs are not coming back either in the near term due to suppressed demand or in the long term due to structural changes. In addition, the longer these workers are disconnected from the workforce, the more difficult it will be for them to reengage. Targeted interventions that address basic needs and help these workers gain in-demand skills will speed the recovery and prevent further worsening of pre-existing inequalities.

## Geographic Scope

The data is available on the county level. We have chosen to look at the Seattle-Tacoma-Bellevue Metropolitan Statistical Area that covers King, Pierce, and Snohomish counties, which are “adjacent communities having a high degree of economic and social integration.”<sup>6‡</sup> Using a slightly larger scope gives a more accurate picture of the impact on the workforce, particularly given the displacement of low-income workers to outside of Seattle as well as the presence of several large employers (e.g., Boeing, Swedish Health Services) that maintain multiple locations throughout the MSA and move workers between them.

## A Massive Spike in Local Unemployment

The rise in unemployment in March-May of 2020 has been unprecedented. **In just the third week of March, initial unemployment insurance (UI) claims outstripped peak unemployment claims during the Great Recession** and have continued to remain well above that high-water mark through the first week of May.<sup>1</sup>

We can see in Figure 1 that via initial UI claims,<sup>5</sup> unemployment began to rise in the week following the first reported death in the US, well in advance of Governor Inslee’s formal Stay-at-Home order. Unemployment initially peaked the week following the order before quickly falling off as employers adjusted. This likely constituted the first wave of layoffs.

A second uptick in UI claims in the last week of April is likely due to a confluence of factors. First, employers came to the end of the first full month of reduced or no revenue. Second, they experienced difficulties navigating the federal Paycheck Protection Program or were not able to participate at all.<sup>¶</sup> Third, they anticipated that Governor Inslee would extend the Stay-at-Home order, which had been set to expire on May 4<sup>th</sup> before being extended to May 31<sup>st</sup> on May 1<sup>st</sup>.

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‡ Ninety-five percent of Seattle-Tacoma-Bellevue MSA workforce lives within those three counties whereas 80% of the King County workforce lives within King County, while 17% of the King County workforce live in Pierce and Snohomish Counties combined.<sup>7</sup>

§ The system has at times been overwhelmed and there may be some delay in initial claims. In addition, several workers who were not previously eligible for UI—self-employed, contract, and platform economy workers—became eligible with the passage of the CARES Act on March 27<sup>th</sup>.

¶ The unfortunate failure of the first and second round of the Payment Protection Program to target the most vulnerable businesses has made the recovery much more difficult as many of these workers may have been able to remain employed.

Initial Unemployment Insurance Claims by Week  
January 1-May 9, 2020

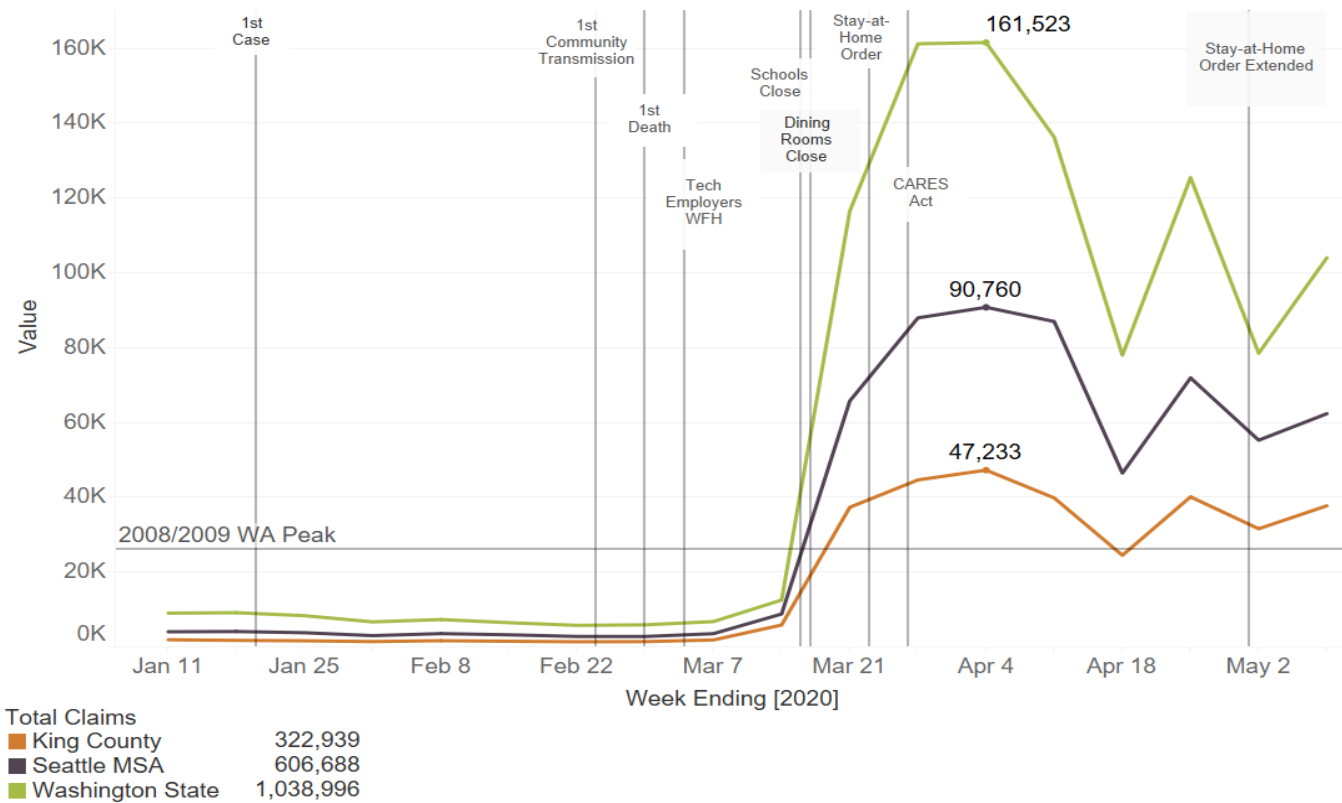


Figure 1. Initial Unemployment Claims, 2020<sup>1</sup>

It is difficult to predict how unemployment rates will respond to the phased re-opening of the local economy proposed by Governor Inslee on May 1st. In the first place, how fast we progress through the phases is contingent on health care system capacity, testing, infections, and the ability to protect high-risk populations.<sup>8</sup> Many of these factors are still unknown. And one critical element, the rate of testing, has been essentially flat locally,<sup>9</sup> while rising very slowly nationally. In both cases, it is still far below the rate necessary to keep COVID-19 in check with fewer restrictions on movement.<sup>\*\*10,11</sup> Further, phases 1 through 3 of Washington’s

<sup>\*\*</sup> The guideline for adequate testing is that 10% or fewer tests are positive, which Washington State has achieved and maintained since April 1<sup>st</sup> under the Stay-at-Home order.

However, the ability to expand testing is still limited based on the supply of swabs, vial transport material, and reagents.<sup>3</sup> It is not clear that testing and tracing could expand at the rate necessary to keep up with increased exposure and transmission that will occur with looser restrictions. Harvard Global Health Institute estimates that the minimum necessary test rate is 152 per 100,000 people,<sup>10</sup> which is 11,850 tests per day in Washington State. The current highwater mark is 6,556 tests in one day reported and the average for the first seven days of May is 4,227.<sup>9</sup>

re-opening constitute an adaptive recovery in which employers will need to adjust how they operate to protect the health of their employees and the public in the period before a vaccine is widely available.<sup>12</sup>

These adjustments, which could last for months if not years, may impact the viability of many employers and their demand for workers. Finally, even as our state and local governments move to re-open the economy, we do not know how employers and the general public will respond. As seen in Figure 1, unemployment rose rapidly in response to the emerging outbreak *before* the formal closure of restaurant dining rooms and the Stay-at-Home order based on the decisions of individuals and businesses. The phasing out of these orders is thus likely to have less impact on unemployment rates than the health and economic decisions being made by individuals and companies. **Some of the fundamental shifts in business operations made in response to COVID-19 may take longer to reverse—if they ever are—than they took to implement.** For example, many large tech employers in the Seattle area have indicated that their office-based employees will continue to work from home through the fall or even permanently regardless of state or local restrictions.<sup>13</sup> This will have a cascading effect on employment in restaurants and retail near those offices.

### Proportion of Unemployment Insurance Claims by Industry in the Seattle MSA

March 8-May 9, 2020

(King County percentages indicated by the black bar)

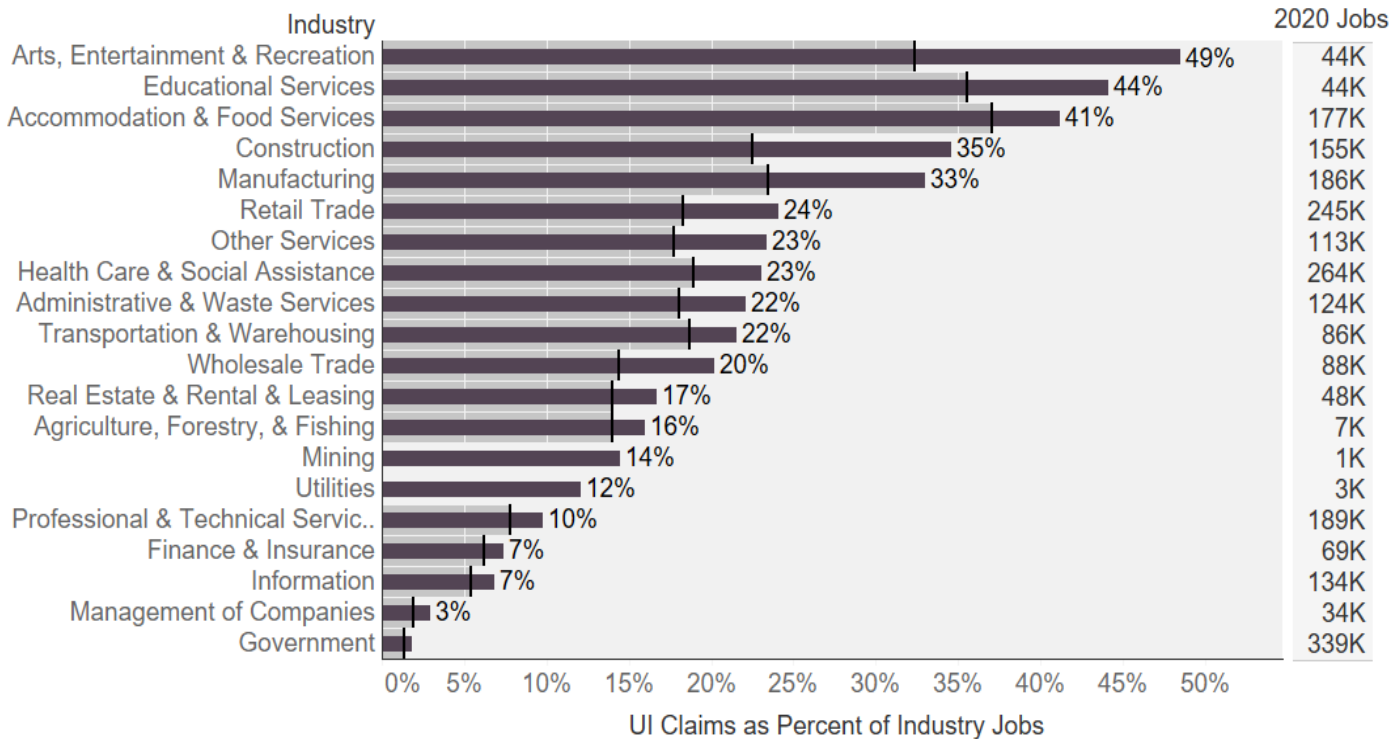


Figure 2. Proportion of UI Claims by Industry in the Seattle MSA<sup>14</sup>

## What Industries and Jobs are Most Affected?<sup>1,14</sup>

Not all industries are equally affected by the COVID-19-driven recession, and within industries not all occupations are equally affected. As shown in Figure 2 (above), in the Seattle-Tacoma-Bellevue MSA<sup>††</sup> **the Arts and Entertainment industry has lost the largest percentage of workers, with UI claims that account for 49% of the pre-COVID jobs.** Education, Accommodation and Food Service, Construction, Manufacturing, and Retail have also UI claims for more than one-third of their pre-COVID-19 jobs.

Looking at the number of workers affected, **Accommodation and Food Service has the largest number of UI claims.** It is followed by Manufacturing, Healthcare, Retail, Construction, and Retail. Each of these sectors having lost more than 50,000 jobs in the eight weeks (see Table 1).

### Initial Unemployment Insurance Claims by Industry

March 8-May 9, 2020

Industry	King County UI Claims	King County 2020 Jobs	UI Claims as a Percent of Jobs King Co	Seattle MSA UI Claims	Seattle MSA 2020 Jobs	UI Claims as a Percent of Jobs Seattle MSA
Accommodation & Food Services	45,383	122,512	37.04%	72,814	176,676	41.21%
Manufacturing	24,970	106,491	23.45%	61,413	186,005	33.02%
Health Care & Social Assistance	32,466	171,868	18.89%	60,935	264,306	23.05%
Retail Trade	31,131	170,026	18.31%	59,008	244,812	24.10%
Construction	21,040	93,568	22.49%	53,691	155,300	34.57%
Administrative & Waste Services	14,573	80,705	18.06%	27,484	124,313	22.11%
Other Services	14,341	80,904	17.73%	26,366	112,721	23.39%
Arts, Entertainment & Recreation	10,797	33,353	32.37%	21,489	44,281	48.53%
Educational Services	11,360	31,960	35.54%	19,243	43,607	44.13%
Transportation & Warehousing	11,176	59,723	18.71%	18,630	86,426	21.56%
Professional & Technical Services	12,322	158,353	7.78%	18,548	189,424	9.79%
Wholesale Trade	9,341	65,010	14.37%	17,795	88,159	20.19%
Information	6,850	126,210	5.43%	9,128	133,883	6.82%
Real Estate & Rental & Leasing	5,024	35,998	13.96%	7,938	47,521	16.70%
Government	2,746	198,520	1.38%	6,150	339,161	1.81%
Finance & Insurance	2,942	47,703	6.17%	5,104	68,789	7.42%
Agriculture, Forestry, & Fishing	450	3,211	14.01%	1,064	6,656	15.98%
Management of Companies	605	32,096	1.88%	1,020	34,409	2.96%
Utilities	0	2,125	0.00%	348	2,884	12.07%
Mining	0	430	0.00%	115	795	14.47%

Table 1. Initial Unemployment Insurance Claims by Industry<sup>1,14</sup>

<sup>††</sup> The Seattle-Tacoma-Bellevue MSA covers King, Pierce, and Snohomish County.

That the **Health Care and Social Assistance sector has also lost more than 60,000 jobs** may be surprising given the public health emergency. However, due to the fear of hospitals being overwhelmed with COVID-19 patients, the prohibition of non-urgent medical and dental procedures and the cancelation of routine in-person medical appointments, clinics and hospitals experienced reduced revenue, requiring them to lay off staff who were not involved in the COVID-19 response.<sup>15</sup> However, these jobs are spread across many different occupations so there is only one healthcare occupation (vs. industry) in the top twenty occupations for initial UI claims between March 8 and May 9<sup>th</sup>.

As seen in Table 2, the largest losses of jobs are among waiters and waitresses, bartenders, and retail workers, followed by hairstylists. The workers in these occupations are disproportionately women and the median hourly earnings for these three occupations less than \$18/hour.

Initial Unemployment Insurance Claims by Occupation  
March 8-May 9, 2020

Category	Occupations	King County UI Claims	King County 2020 Jobs	UI Claims as Percent of Jobs King County	Seattle MSA UI Claims	Seattle MSA 2020 Jobs	UI Claims as Percent of Jobs Seattle MSA
Management	Sales Managers	9,172	4,654	197.09%	15,806	5,780	273.46%
	General & Operations Mngrs	8,703	22,937	37.94%	14,656	30,935	47.38%
	Managers, All Other	4,333	9,887	43.82%	7,661	14,616	52.41%
	Construction Managers	3,140	4,957	63.34%	6,548	7,668	85.39%
	Food Service Managers	3,340	1,698	196.72%	5,543	2,514	220.50%
	Marketing Managers	3,762	5,128	73.36%	5,531	5,947	93.00%
Healthcare	Dental Assistants	2,674	4,018	66.54%	5,965	6,110	97.63%
Food Preparation & Serving	Waiters and Waitresses	10,708	25,515	41.97%	18,025	35,593	50.64%
	Bartenders	5,383	5,874	91.64%	8,779	8,175	107.39%
	Cooks, Restaurant	3,720	15,487	24.02%	6,189	21,924	28.23%
	Counter Attendants	3,436	5,254	65.40%	5,494	7,812	70.33%
Cleaning & Maint	Maids & Housekeeping	3,439	13,524	25.43%	5,432	17,370	31.27%
Personal Care	Hairstylists	5,542	7,045	78.67%	10,859	11,180	97.13%
	Childcare Workers	3,098	10,356	29.91%	5,821	14,137	41.17%
Sales	Retail Salespersons	8,716	37,716	23.11%	16,751	59,300	28.25%
	Cashiers	4,029	22,268	18.09%	7,397	36,249	20.41%
	Sales Representatives	2,783	14,897	18.68%	5,171	17,921	28.85%
Office & Admin	Customer Service Reps	4,088	32,531	12.57%	7,577	40,695	18.62%
	Stock Clerks & Order Fillers	3,165	12,365	25.60%	6,348	19,252	32.97%
	Receptionists	2,871	11,422	25.13%	5,643	16,532	34.13%
Construction & Extraction	Carpenters	4,309	13,393	32.17%	10,031	21,634	46.37%
	Electricians	3,188	8,195	38.90%	8,339	12,589	66.24%
	Construction Laborers	2,603	13,134	19.82%	6,712	22,317	30.08%
Production	Production Workers, All Other	4,031	1,779	226.58%	9,176	2,632	348.62%
Transportation	Taxi Drivers & Chauffeurs	7,337	6,155	119.21%	9,158	8,262	110.84%

Table 2. Initial Unemployment Insurance Claims by Occupation §§,<sup>14</sup>

§§ UI claims may exceed the number of jobs in the geographical area. First and foremost, the UI claims are still preliminary data the initial assignment of a standard occupation code (SOC) to a claim is not necessarily precise. Second, UI claims are based on where people live versus where the jobs are.



One of the key factors driving the first wave of layoffs is the extent of physical proximity between the worker and others involved in certain occupations.<sup>16</sup> For example, a server must work within an arm length of customers and other employees while a graphic designer works independently for much of the time. Physical proximity is not a perfect measure for examining the pandemic’s impact on job loss within occupations because it is a measure of what is *typical* for the job, not what is *necessary* for the job. Thus, occupations that typically involve working in an office but can be done remotely reflect that employers generally have expected individuals to work from the office. Still, we can see in Figure 3 that those working with an arm’s length and touching (a proximity score 75 and above, e.g., dental hygienist) are experiencing a disproportionate number of layoffs while those working in shared offices (a proximity score of approximately 50) are experiencing lower rates.

Total Seattle MSA Jobs & Initial Unemployment Insurance Claims by Occupations' Typical Physical Proximity to Others  
March 8-May 9, 2020

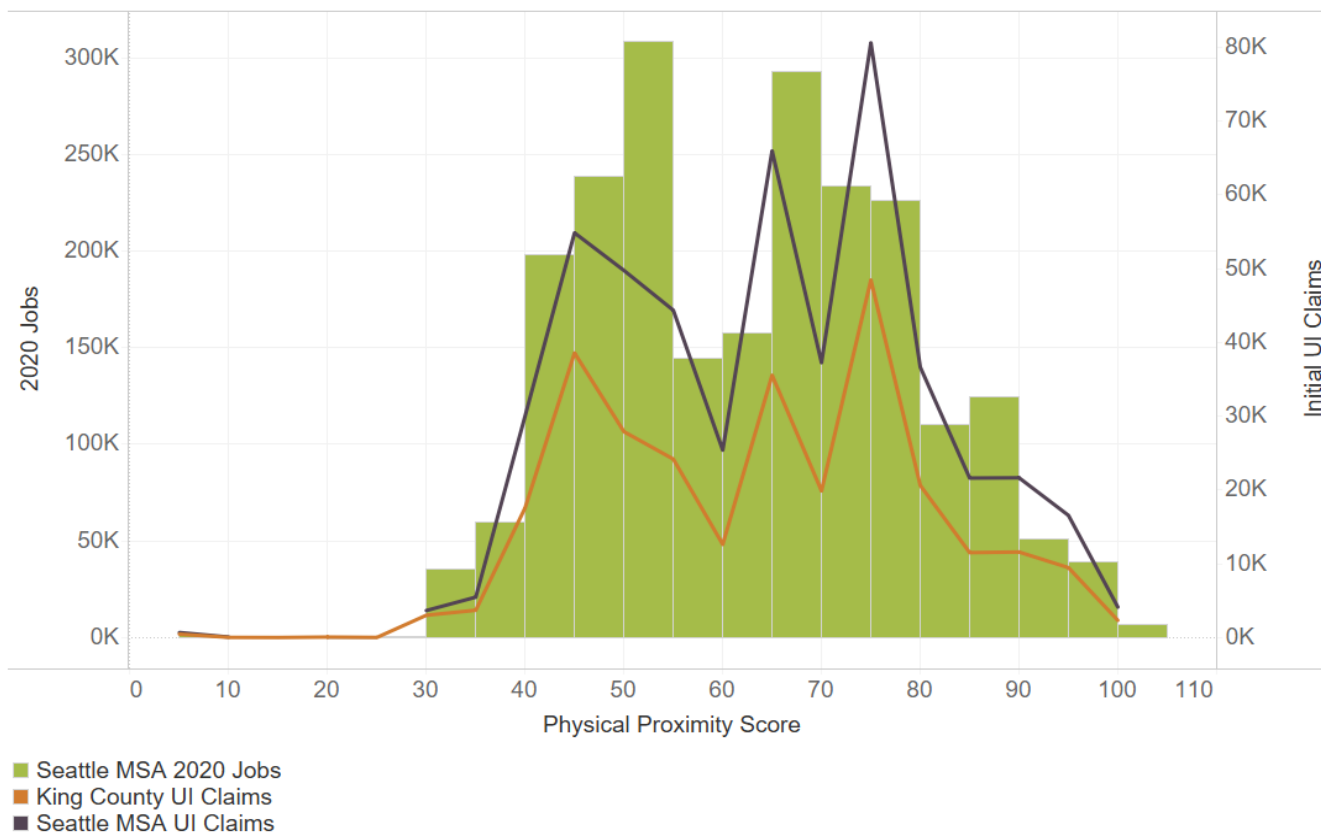


Figure 3. UI Claims by Occupational Physical Proximity<sup>1, 14, 16</sup>



Recent research has tried to determine what jobs can be done via telework under current conditions.<sup>17</sup> We can see in Figure 4 that being able to work from home is correlated with higher median hourly wages. **Layoffs are concentrated in those jobs, typically lower-paid, that cannot be performed via telecommuting.**

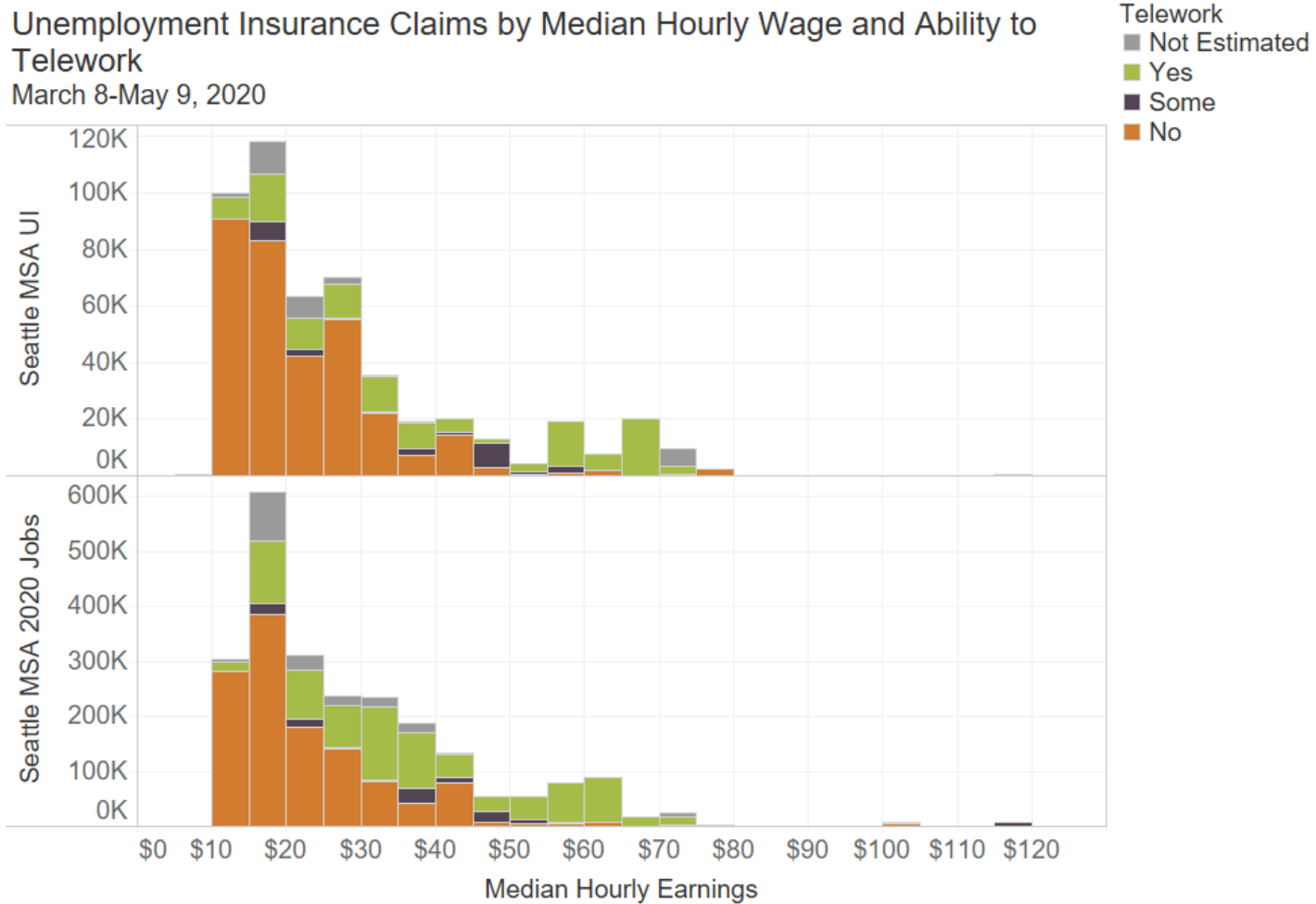


Figure 4. Ability to Telecommute by Median Wage<sup>1, 14, 17</sup>

## Long-Term Impact

Recessions spur companies to eliminate less productive workers and restructure operations to lower costs.<sup>3</sup> Complicating the recovery from the COVID-19 recession, pre-pandemic work conditions cannot be resumed without a vaccine, which is many months if not years away.<sup>12‡‡</sup> **Structural changes that have been underway for years, if not decades, have been and will be accelerated by the pandemic.**

The need to increase physical distance has amplified a long-term trend of digitalizing—the amount and complexity of digital work an occupation requires—the workforce.<sup>3</sup> Nearly all work currently being performed that can be accomplished via the Internet is dramatically increasing the digitalization of some jobs (e.g., teaching). While some occupations will reverse their move toward digitalizing once physical distancing is no longer required, not all will return to pre-COVID-19 levels. Even low-digitalization jobs now require digital skills and digital access just to apply and communicate with supervisors, coworkers, and clients as human resources and other business functions have moved to telecommute.

Additionally, **the need to maintain physical distance for an extended period will make labor-saving automation more attractive.** Many tasks will be automated to eliminate or reduce face-to-face interaction or increase space between individuals so that economic activity can resume with minimal risk of transmitting COVID-19. The shift to automation has happened in fits-and-starts over the last three decades. However, the longer businesses anticipate needing to engage in physical distancing, the more of them will reach a tipping point at which it makes sense to adopt automation technology. Within this context, we look at the Seattle area occupations that are at high risk of automation and those experiencing substantial layoffs due to COVID-19, and the extent to which these overlap (see Figure 5).<sup>4</sup>



Figure 5. The Overlap between Jobs with a High Risk of Automation and COVID-19 Layoffs

‡‡ The fastest a vaccine has ever come to market is the mumps vaccine, which took five years.

The occupations with the largest number of layoffs in the Seattle MSA are split between high and moderate risk for automation. They account for nearly one-third of the unemployment insurance (UI) claims in the first eight weeks of COVID-19 layoffs (see Table 3). While these occupations may not be fully automated in the short run, the pressures to reduce labor costs and increase physical distance will make investments in automating some of these jobs more cost-effective now than they were pre-COVID-19.

Occupations with the Most Initial UI Claims by Automation Risk  
 March 8-May 9, 2020

Risk	Occupations	King County UI Claims	Seattle MSA UI Claims
High	Retail Salespersons	8,716	16,751
	Carpenters	4,309	10,031
	Taxi Drivers & Chauffeurs	7,337	9,158
	Bartenders	5,383	8,779
	Cashiers	4,029	7,397
	Construction Laborers	2,603	6,712
	Dental Assistants	2,674	5,965
	Receptionists	2,871	5,643
Moderate	Waiters and Waitresses	10,708	18,025
	Sales Managers	9,172	15,806
	General & Operations Mngrs	8,703	14,656
	Hairstylists	5,542	10,859
	Electricians	3,188	8,339
	Customer Service Reps	4,088	7,577
	Construction Managers	3,140	6,548
	Stock Clerks & Order Fillers	3,165	6,348
	Cooks, Restaurant	3,720	6,189
	Childcare Workers	3,098	5,821
Not Estimated	Production Workers, All Other	4,031	9,176
	Managers, All Other	4,333	7,661

Risk  
■ High  
■ Moderate  
■ Not Estimated

Table 3. Occupations with the Most Initial UI Claims by Automation Risk<sup>4,9</sup>

## Workers Most Affected<sup>1,14</sup>

Layoffs have been concentrated among low-wage workers, with 38% from occupations with a median hourly wage of \$20 or less (see Figure 6). Delays in accessing Washington State UI benefits have been well documented,<sup>18,19</sup> and unfortunately, the most impacted are low-wage workers. Delays in filing, processing, or receiving benefits impose intense hardship on workers laid off from low-wage jobs.

Unemployment Insurance Claims by Median Hourly Wage  
March 8-May 9, 2020

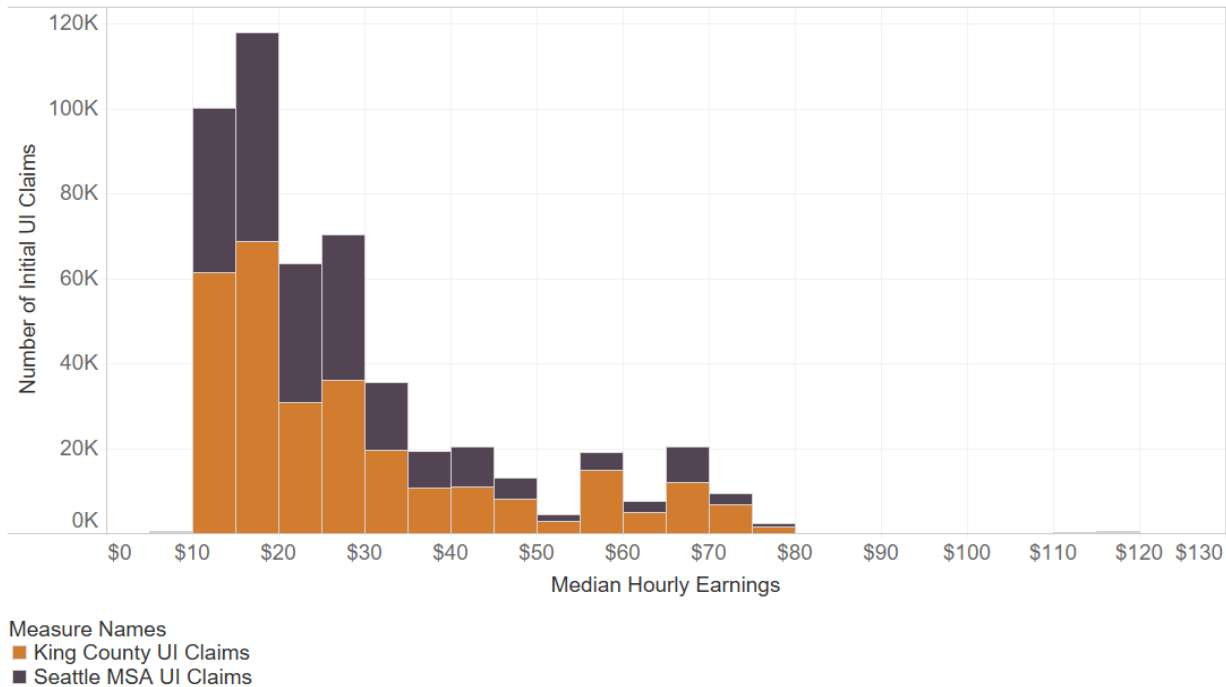


Figure 6. Initial UI Claims by Median Hourly Wage<sup>1,14</sup>

Consistent with wage data, those with less than a Bachelor’s degree are more likely to have been laid off than those with a Bachelor’s degree or more (see Figure 7). **Particularly hard hit are those without a high school diploma (6% of UI Claims vs. 3% of the population) or with a high school diploma or equivalent (30% of UI claims vs. 21% of the population).** However, all education levels less than a Bachelor’s degree except “no schooling” have filed a disproportionate number of initial UI claims.

That those with lower educational attainment are being more affected by the recession is consistent with most of the hardest-hit occupations requiring no formal post-secondary education. Of the hardest-hit occupations, only general operations managers, construction managers, and sales managers typically require a 4-year degree. Of the remaining hardest-hit occupations, only half require nondegree award (e.g., hairstylists and dental assistants) or an apprenticeship (e.g., carpenters and electricians).

Initial UI Claims by Education Attainment vs Seattle MSA Population  
March 8-May 9, 2020

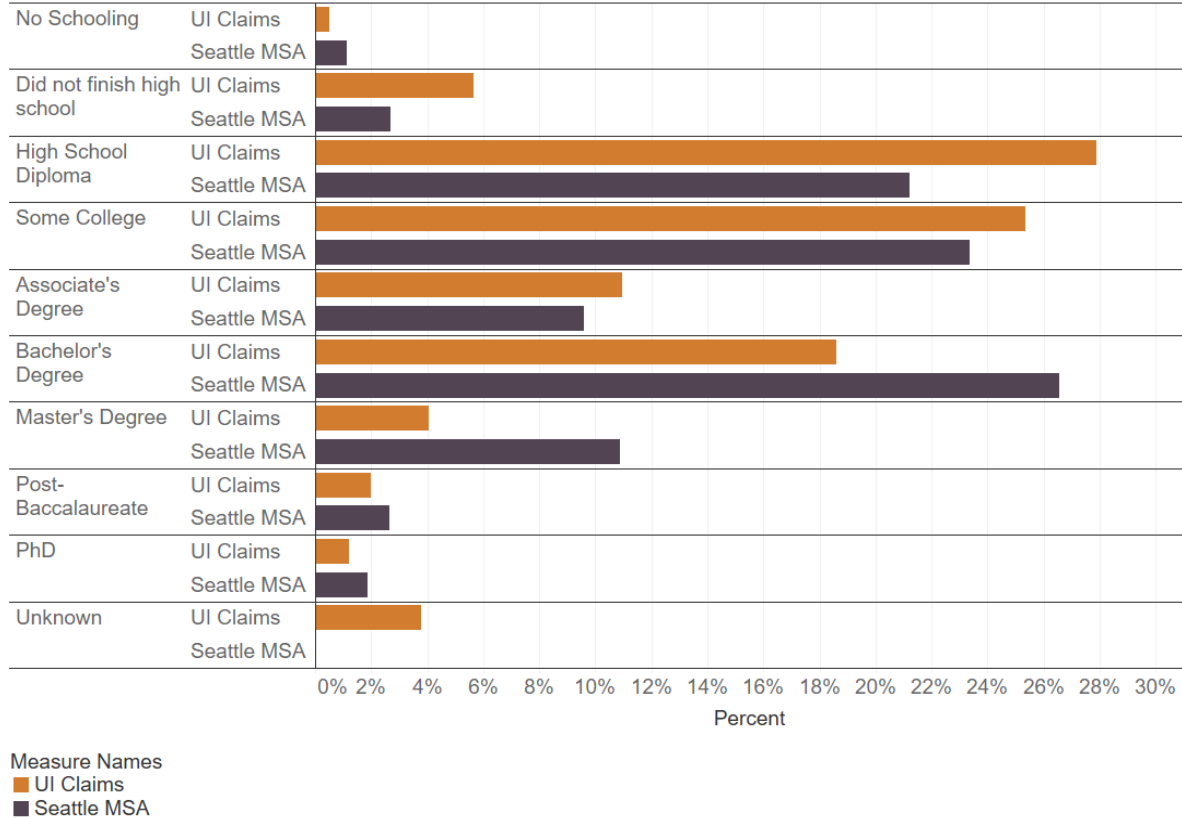


Figure 7. UI Claims by Education<sup>1, 14</sup>

Similarly, younger workers have been more likely to experience a layoff based on UI data, with those between 18 and 24 filing 12% of UI claims while representing just 9.6% of the population (Figure 8). Those 25 to 34 are also filing disproportionately more (26% of claims vs 25% of population). All other age groups are filing disproportionately fewer claims with the oldest workers (65+) filing the fewest. This is due in part to younger workers being

more likely to have a job with more physical proximity and not being able to work from home. Younger workers also have lower levels of educational attainment and are thus more likely to work in the hardest-hit occupations. However, older workers may have also had more difficulty filing remotely, particularly if they have previously filed a UI claim.

Initial UI Claims by Age vs the Seattle MSA  
 March 8-May 9, 2020

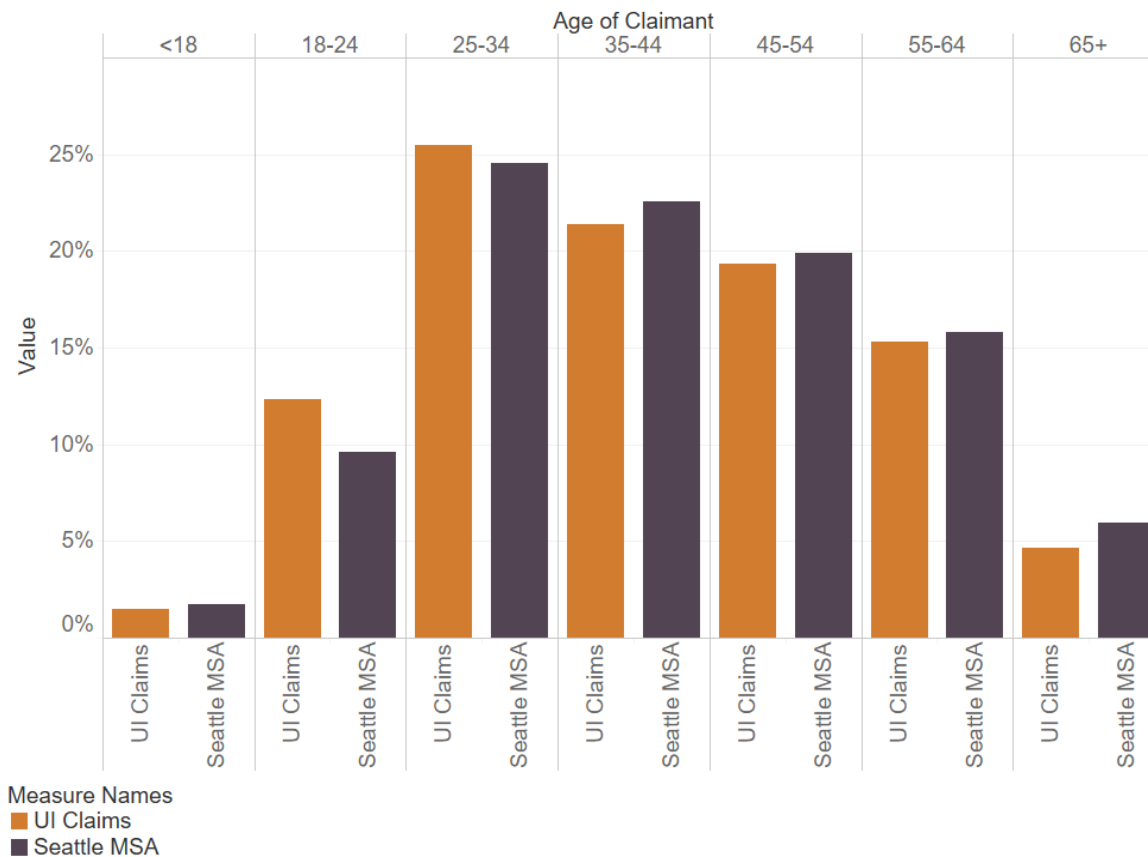


Figure 8. UI Claims by Age<sup>1,14</sup>

According to the Brookings Institute, there are 77,000 low-income young adults with less than a college degree in the Seattle MSA. Fifty percent work in immediately impacted industries, and an additional 21% work in near-term risk industries.<sup>5</sup>

The long-term impact on younger workers' lifetime earnings is profound, and their ability to engage in typical milestones (e.g., have children, buy a home) will be negatively affected without targeted intervention. **It will be critical to provide these young workers with training and education opportunities, including wraparound supports, if they were not already in school before being laid off, to help them re-enter the workforce with in-demand skills.**<sup>5</sup>

There is a clear pattern of workers of color experiencing layoffs at higher rates than white workers (see Figure 9). Though approximately 7% of UI claimants did not disclose their race or their ethnicity, **it is clear white workers are being laid off at a far lower rate than all other racial groups.** This is despite workers of color, excluding Asian American/Asian workers, being overrepresented in critical infrastructure occupations (essential workers) (Figure 10, percent of all workers in jobs designated critical infrastructure jobs denoted with the black line).<sup>1,14,20</sup>

Initial Unemployment Claims by Race/Ethnicity vs Seattle MSA Workforce  
March 8-May 9, 2020

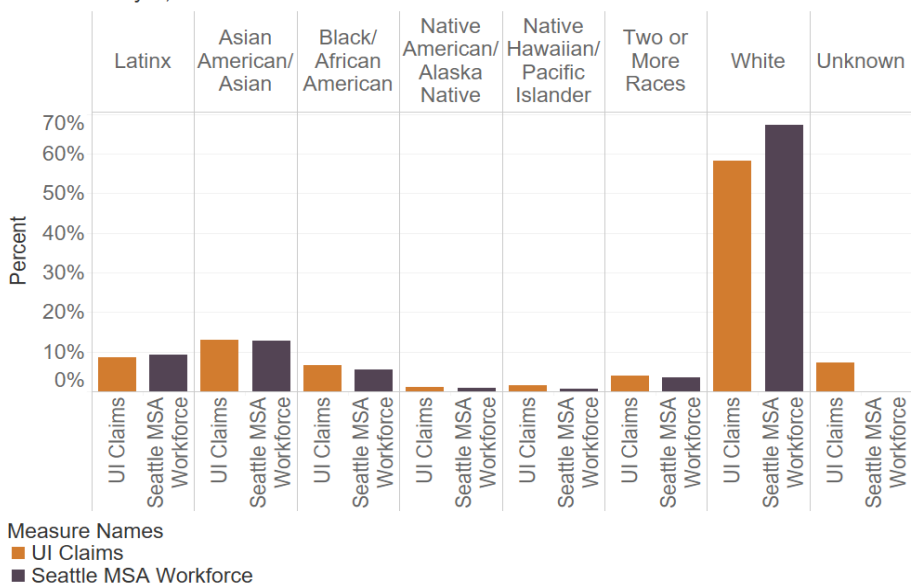


Figure 9. UI Claims by Race<sup>1, 14</sup>

Critical Infrastructure Job Designation by Race and Ethnicity  
Seattle MSA 2020 Jobs

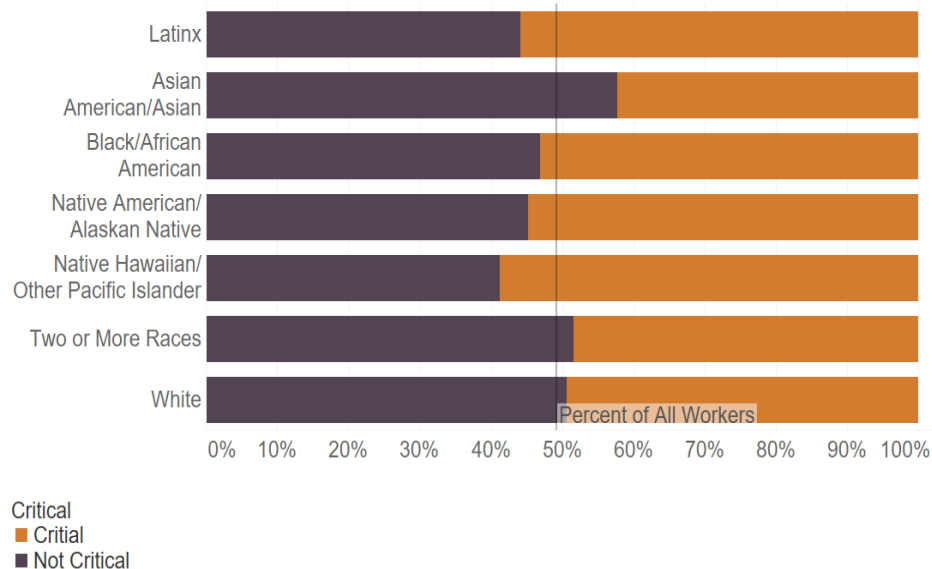


Figure 10. Share of Workers in Critical Infrastructure Jobs by Race/Ethnicity<sup>1, 14, 20</sup>



Workers of color, excluding Asian American/Asian workers, are more likely to work in jobs that both have more physical proximity and in which they cannot work from home. White and Asian American/Asian workers are much more likely to work in jobs that allow them to telecommute. However, the disproportionality is not only due to the difference in the ability to work from home. Despite Asian American/Asian workers being the most likely work in a job that can telecommute, they are still filing a disproportionate number of UI claims. This has leveled off in the past week. Asian American/Asian workers' proportion of initial UI claims over the last eight weeks is closer to the proportion of Asian American/Asians in the Seattle MSA population than it has over previous eight week periods.<sup>§§</sup>

## Conclusions

While data demonstrating the impacts of the COVID-19-driven recession on Seattle area occupations and workers is still evolving, emerging patterns highlight that the first workers to be affected by COVID-19 layoffs are, in fact, the most vulnerable with the fewest resources to withstand even short periods without income. They are disproportionately younger, less educated, lower-earning, and people of color. The systems to support these workers were already scaled down due to the extraordinarily low unemployment leading up to the COVID-19 shutdown. These workers were already the most likely to lack skills for the occupations that have transitioned to work from home and their work opportunities will be highly uneven during and following the adaptive recovery that will take place over the next 18 months or more.

**The workforce development system needs to take note: during the Great Recession, many populations with the highest needs were left behind by the 2009 American Reinvestment and Recovery Act (ARRA), and we need to be sure not to repeat this mistake.** The longer this recession lasts, the more difficult it will be for laid-off workers to re-enter the workforce. It will be critical to focus program development and delivery on supporting these workers in upskilling and reengaging with the workforce to prevent further broadening of inequality.

**It is also critical that these workers are explicitly protected during the adaptive recovery.** Due to their lack of resources, they may feel they have to take any job available, and employers may exploit this, reducing wages and increasing their exposure to COVID-19 by failing to provide safe working conditions

## Next Steps

In future work, SJI will lay out:

- The capacity of the Seattle/King County workforce development system and existing resources and networks that can be leveraged to support the newly unemployed to reconnect to the labor market, whether that entails looking for work or engaging in training, and support them during the adaptive recovery.
- Opportunities to scale up or expand programs to meet the unique demand of this period, particularly given the very disproportionate impact on workers of color, low-wage workers, and those with lower educational attainment.

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§§ The data currently available does not allow for further exploration that might offer some possible explanations. For example, crosstabulation of UI claims by race and occupation, age, or education, could help zero in on whether Asian American/Asian workers are also overrepresented in key groups that are particularly vulnerable to the economic slowdown or if the overrepresentation was primarily due to a rise in anti-Asian racism in response to COVID-19 (e.g., Asian restaurants experienced a steeper decline in business in February than other restaurants; however, Chinese food, being take out friendly, rebounded as the orders to close restaurant dining rooms and Stay-at-Home orders took affect<sup>2</sup>).

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