

Holder, Michelle; Jones, Janelle; Masterson, Thomas

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Working Paper No. 963

The Early Impact of COVID-19 on Job Losses among Black Women in the United States

by

Michelle Holder

John Jay College, City University of New York

Janelle Jones

Groundwork Collaborative

Thomas Masterson

Levy Economics Institute of Bard College

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Levy Economics Institute
P.O. Box 5000
Annandale-on-Hudson, NY 12504-5000
<http://www.levyinstitute.org>

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ABSTRACT

The COVID-19 pandemic seemingly appeared out of nowhere but changed nearly everything. As the pandemic unfolded, industries deemed nonessential were leveled. Many occupations in these industries are low-wage, and women constitute a greater share of America's low-wage labor force than men. Even as some workers were able to do their jobs from their homes, a high proportion of "essential workers" were African American, other people of color, women, and an intersection of these groups—women of color. The goal of this paper is to closely examine the contours, depth, and causes of COVID-19's impact on Black women's employment in the United States through the lenses of both feminist economic theory and stratification economics.

KEYWORDS: Occupational Segregation; Racial Discrimination; Gender Discrimination; COVID-19

JEL CLASSIFICATIONS: J15; J16; J21

INTRODUCTION

The COVID-19 pandemic seemingly appeared out of nowhere but changed nearly everything. Until February of 2020, the American economy had been at what is considered full employment levels—3.5 percent overall (see table 1). Even African Americans, who traditionally occupy a less favorable position in the labor market (as measured by unemployment and wage disparities) were experiencing historically low levels of unemployment. However, the first signs of the massive job losses that were to come appeared when initial claims filed for unemployment insurance rose to unprecedented levels in March, leaping from approximately 220,000 new claims filed each week since the start of the year to an astonishing 3.3 million by the third week in March, then more than doubling the following week to 6.9 million. While this pace slowed down in May, new claims for unemployment insurance in the United States still numbered in the millions each week. With shelter-in-place orders implemented across the country in February and March, along with state-by-state mandatory shutdowns of “nonessential” businesses, aggregate demand for many goods and services ground to a halt, leaving tens of millions of American workers jobless.

As the pandemic unfolded, industries deemed nonessential, such as leisure, hospitality, and retail trade, were leveled. Many occupations in these industries are low-wage, and women constitute a greater share of the low-wage labor force in the United States than men (Holder 2018, 689). Moreover, the largest share of minimum wage workers in America is female (Holder 2017, 12). Thus, when the US Department of Labor’s Bureau of Labor Statistics (BLS) released their monthly “Employment Situation” report for April on May 8 (a week later than it normally would have) it was met with only modest surprise that the April unemployment rate for women exceeded the unemployment rate for men—16.2 percent versus 13.2 percent, respectively (US DOL 2020). The pattern of higher unemployment for women as compared to men is also true in the Black community, along with the US’s long-standing pattern of an unemployment rate for Blacks that routinely exceeds that of Whites—16.7 percent and 14.2 percent, respectively (US DOL 2020).

As COVID-19 deaths began to mount, it became clear that African Americans were disparately affected not only with regard to their livelihoods, but also their very lives; while the Black community is 13 percent of the US population, given inequitable access to healthcare as well as other structural inequalities, they accounted for roughly one-quarter of all deaths in the country as of May 28, 2020 (US CDC 2020). Moreover, as some American workers were able to do their jobs from the comfort of their homes, a high proportion of “essential” workers (somewhat loosely defined as those who work in supermarkets, public transportation, pharmacies, grocery stores, nursing homes, hospitals, and correctional facilities, among other industries) were African American, other people of color, women, and an intersection of the these groups—women of color. The goal of this paper is to closely examine the contours, depth, and causes of COVID-19’s impact on Black women’s employment in the United States. Because the early job loss numbers indicate that women in the United States have thus far borne the brunt of the COVID-19-inspired downturn, most demographic comparisons we make in this text will be between female demographic groups, primarily Black and White women, using the lenses of both feminist economic theory and stratification economics.

Table 1: Major Labor Force Indicators for Select Demographic Groups (in percent)

	February	March	April	Percentage point change (March to April)	Percentage point change (February to April)
Unemployment Rate					
Black women 20+ years of age	4.8	5.2	16.4	11.2	11.6
White women 20+ years of age	2.8	3.6	15.0	11.4	12.2
Black men 20+ years of age	5.8	7.0	16.1	9.1	10.3
All	3.5	4.4	14.7	10.3	11.2
Labor Force Participation Rate					
Black women 20+ years of age	63.8	61.7	59.4	-2.3	-4.4
White women 20+ years of age	58.2	57.8	55.4	-2.4	-2.8
Black men 20+ years of age	68.0	67.7	63.4	-4.3	-4.6
All	63.4	62.7	60.2	-2.5	-3.2
Employment–Population Ratio					
Black women 20+ years of age	60.8	58.5	49.6	-8.9	-11.2
White women 20+ years of age	56.6	55.7	47.1	-8.6	-9.5
Black men 20+ years of age	64.0	63.0	53.2	-9.8	-10.8
All	61.1	60.0	51.3	-8.7	-9.8

GENDER AND RACE IN THE COVID-19 DOWNTURN

The recession of the early 1980s, as well as the Great Recession, were downturns in which men, Black workers, and Latinx workers experienced disproportionate job loss, mostly attributable to the industrial distribution of these groups—they tend to be employed in industries that are more vulnerable to cyclical downturns (Hoynes, Miller, and Schaller 2012). Although there were across-the-board job losses among all major demographic groups during the Great Recession, according to Hoynes, Miller, and Schaller (2012) the smallest absolute increase in unemployment during that downturn occurred among White women. Those researchers attributed this to the industrial distribution of women whom, they posited, tend to be employed in industries less vulnerable to cyclical downturns than industries in which men are concentrated. Women of

color, however, were more vulnerable than women overall, given the roles of race and ethnicity in that group's industrial distribution.

The current economic downturn in the United States, however, is quite unlike business cycle downturns of the past. The normal predictions and expectations of where job losses were going to occur have not closely followed past patterns. Industries such as leisure and hospitality, retail trade, construction, manufacturing, and “other services” (including personal care services) were labeled as “nonessential,” and companies operating in these industries were ordered, state by state, to temporarily cease or slow down operations. Industries operating in the sphere of “essential services” were allowed to continue, but with significant restrictions, resulting in significant declines in economic activity. With much of the US population sheltering in place during the early phases of the pandemic—including those employees who were able to work from home—other industries still considered essential, like transportation, experienced a massive slowdown in activity. Unlike the Great Recession and the recession of the early 1980s, women, particularly women of color, were bearing the brunt of early job losses given the extraordinary nature in which economic activity was deliberately, not organically, slowed down or halted. Rising unemployment among women, given their overrepresentation in service industries and occupations, became pervasive (see Boushey and Sanchez Cumming 2020). While jobholding by Black women in services deemed essential (like hospitals and supermarkets) offered some insulation against job loss, this was not enough to offset large job losses in other sectors.

CHANGES IN LABOR FORCE INDICATORS FOR WOMEN DURING THE EARLY PANDEMIC

The seasonally adjusted US unemployment rate for April 2020 climbed by slightly more than 10 percentage points, to 14.7 percent from 4.4 percent in March. This increase was the largest month-to-month change in over 70 years. Moreover, the April unemployment rate was nearly 50 percent higher than the average US unemployment rate during the 18-month period of the Great Recession. This was clearly an astonishing rate of job loss. Drilling down the numbers by gender and race, Latinas appear to have experienced the highest unemployment rate in April—20.2

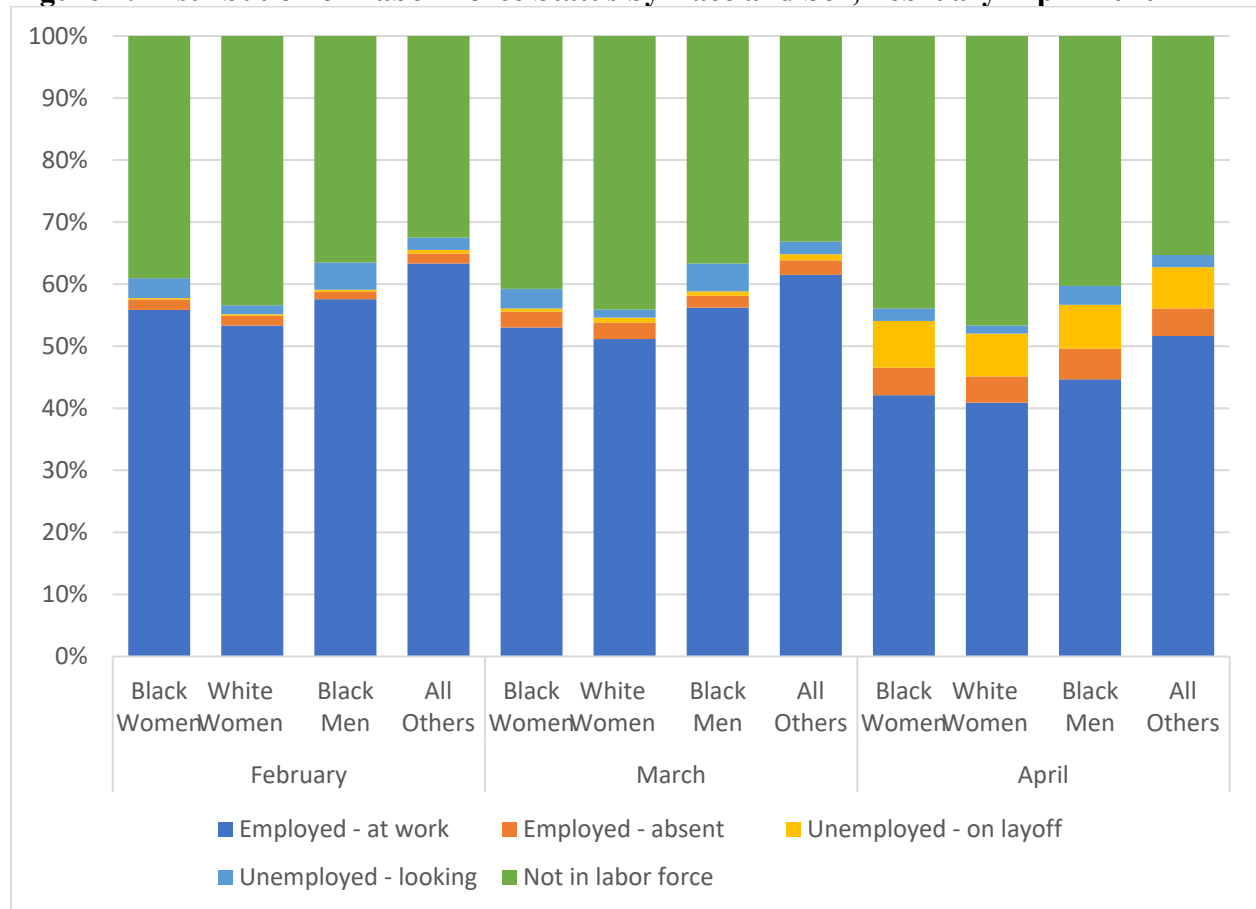
percent—followed by African American women at 16.2 percent; White women’s unemployment rate reached 15 percent (US DOL 2020). However, the change in the rate of unemployment only captures part of the story; after averaging approximately 63 percent for the first quarter of 2020, the overall labor force participation rate declined to just over 60 percent in April, signaling the start of an exodus from the American labor force. The official unemployment rate does not capture individuals who are not in the labor force, and that number swelled by about 8 million in April, with nearly half of this increase attributable to persons who wanted to work but who could not find employment.

Among major female demographic groups for whom the BLS provides monthly data, Black women possessed both the highest labor force participation rate as well as employment–population ratio (see table 1), leaving this group especially vulnerable to the COVID-19-inspired downturn, given their strong attachment to the workforce. Black women’s unemployment rate for April shot up to 16.4 percent, higher than that for Black men, whose unemployment rate reached 16.2 percent that month. Unlike the Great Recession of 2007–9, where the unemployment rate for Black men significantly exceeded that of Black women, the early impact of COVID-19 on unemployment has clearly been “gendered,” with more intense ramifications for African American women.

In comparing Black and White women, in February of this year, prior to the initial impact of COVID-19 on US employment, Black women not only had a higher unemployment rate than White women (4.8 percent versus 2.8 percent, respectively), but also a higher labor force participation rate (63.8 percent versus 58.2 percent, respectively). Feminist economists such as Nina Banks (2019), Cecilia Conrad (2005), and Randy Albelda (1985) have long highlighted the historically higher labor force participation rate of Black women compared to White women in the United States. As noted in the preceding paragraph, this attachment to the labor force also makes Black women more vulnerable during economic downturns. In examining table 1, while there appears to be little difference in the increase in the unemployment rate from February to April for Black women compared to White women, because of Black women’s more entrenched—and, at the same time, more precarious attachment to the American workforce (evidenced by historically higher unemployment rates than White women)—the impact of

COVID-19 on Black women’s position in the labor force has been somewhat deeper than that for White women, with slightly larger (and statistically significant) declines for Black women than White women in both the labor force participation rate and the employment–population ratio (see table 1 and figure 1).

Figure 1: Distribution of Labor Force Status by Race and Sex, February–April 2020



Source: Author’s calculations based on Current Population Survey (CPS) basic monthly data for February, March, and April 2020

DATA AND METHODOLOGY

The data used in this analysis is drawn from the basic monthly Current Population Survey (CPS) carried out by the US Census Bureau in February, March, and April of 2020, containing observations on 400,208 individuals. Of these observations, labor force information is available for 265,924 individuals aged 15 to 85. We identify subsets of individuals using variables such as race, Hispanic ethnicity, and sex. Black women and men are identified as all those that self-identified as “Black only” or “White and Black” and as not being of Hispanic ethnicity. White women are identified as all those that self-identified as “White only” and as not being of Hispanic ethnicity. This categorization yields 19.25 million Black women, 104 million White women, 16.4 million Black men, and 124 million others in each monthly data set.

We analyze trends in the labor force between February and April, encompassing the period before the impact of the COVID-19 pandemic and the most recent data. We examine shifts in the employment of Black women, White women, and Black men in terms of their occupational and industrial distributions, as well as their changes in labor force status, including both employment and hours of employment. For industry and occupation, we use the 22 major industry and 22 major occupation recoded variables from the CPS. We now turn to an analysis of the changes in the industrial distribution of Black women between February and April.

CHANGES IN INDUSTRIAL DISTRIBUTION OF BLACK WOMEN IN THE UNITED STATES DURING EARLY PANDEMIC

The stay-at-home orders in various US states include exemptions for what are deemed “essential” businesses, though the definition of essential businesses varies across states as well. Thus, employment changes between February and April varied widely across industries, ranging from a 55.1 percent drop in “arts, entertainment, and recreation” to a 5.3 percent increase in “utilities.” Utilities accounted for just 0.3 percent of employment in February, while the industries with the largest share of overall employment, “healthcare and social services” (13.8 percent) and “retail trade” (10.2 percent), both saw decreases in employment (17.4 percent and

24.2 percent, respectively). These changes were not evenly distributed by race and gender, due to occupational and industrial segregation and concentration.

Black women have a highly concentrated industrial distribution. Borrowing from the industrial organization literature, we define CR5 as the share of employment in the five industries with the highest share of total employment. For Black women, CR5 is 64.7 percent. Over 28 percent of Black women worked in the “healthcare and social services” industry in February, more than twice that industry’s overall share of employment. The next largest share (10.3 percent) of Black women worked in the “educational services” industry, followed closely by “retail trade” (9.2 percent) and “accommodation and food services” (9.1 percent). The pattern of concentration for White women is similar, with the same top four industries (with employment shares of 22 percent, 14.4 percent, 10.8 percent, and 7.5 percent, respectively) but the fifth largest share for Black women is in “public administration” (8 percent), while for White women it is “professional and technical services” (7.3 percent). CR5 for White women is 62.1 percent, while for Black men it is 46.9 percent—close to the overall share of 47.4 percent. So far, the pandemic has increased the concentration of Black women: the (same) top five industries accounted for 67.8 percent of Black women’s employment in April. The concentration of Black men decreased to 45.2 percent, while the concentration of White women decreased to 59.6 percent, and the increased employment concentration of Black women contributed to an increase in overall concentration to 49.7 percent. The overall, larger-than-average drop in Black women’s employment between February and April is due in part to the large decreases in employment in industries in which they are highly concentrated.

The industry that employed nearly 28 percent of Black women in February, “healthcare and social services,” lost 17.4 percent of its jobs between February and April, and although Black women suffered a smaller decline of 14.9 percent, this still contributed roughly one in six of the jobs lost by Black women. In “educational services,” Black women lost jobs at about the same rate as everyone in that industry (about 20 percent). In “retail trade,” Black women lost a substantially lower share of jobs (19.6 percent) compared to the overall change (24.2 percent). Nonetheless, this sector contributed 7.4 percent to the overall decline in Black women’s employment. The decline in Black women’s employment in “hotels and restaurants” was slightly

higher than the industry change at 52.3 percent, but this accounted for the largest share (nearly one-fifth) of employment losses for Black women. “Public administration” had one of the lower overall declines (7 percent) in employment, but the change for Black women was larger (9.7 percent). The other large contributors to Black women’s employment losses were the “transportation and warehousing” and the “management, administrative, and waste management services” industries. While these were not among the very largest in terms of the share of Black women’s employment in February (4.3 percent and 5.4 percent, respectively), these industries did see very large losses for Black women (39.4 percent and 44.2 percent), especially compared to the lower-than-average overall declines in “transportation and warehousing” and “management, administrative, and waste management services,” at 19.9 percent and 18.7 percent, respectively. Over 55 percent of the jobs lost by Black women were from the top five industries in which they were concentrated, but only two of those industries (“accommodations and food services” and “retail trade”) had higher-than-average losses. Thus, Black women’s employment losses by industry are only partially accounted for by industrial segregation, but this is not the case when the level of examination is employment by occupation, as delineated in the next section.

Table 2: Share of Employment and Change in Employment between February and April 2020, by Industry, Race, and Sex (in percent)

Occupation	Black Women		White Women		Black Men		Total	
	Share of Employment (Feb 2020)	Change in Employment (Apr – Feb)	Share of Employment (Feb 2020)	Change in Employment (Apr – Feb)	Share of Employment (Feb 2020)	Change in Employment (Apr – Feb)	Share of Employment (Feb 2020)	Change in Employment (Apr – Feb)
Management	7.8	-9.9	11.0	-9.0	8.5	-15.6	11.9	-7.3
Business and financial operations	6.8	-20.8	6.5	-8.3	4.3	-24.3	5.8	-8.2
Computer and mathematical science	1.6	-11.9	1.6	-10.3	3.9	13.0	3.6	0.8
Architecture and engineering	0.5	-7.0	0.5	8.4	1.8	8.8	2.1	-9.3
Life, physical, and social science	0.4	69.6	1.1	-10.0	0.2	88.6	1.0	-2.2
Community and social service	3.3	-0.8	2.4	-2.1	2.0	-39.5	1.8	-5.8
Legal	1.1	23.2	1.4	-18.2	0.6	-20.3	1.2	-8.4
Education, training, and library	6.9	-28.6	10.3	-21.9	2.8	-32.7	6.2	-20.4
Arts, design, entertainment, sports, and media	1.1	-4.5	2.2	-18.3	2.6	-64.4	2.1	-30.1
Healthcare practitioner and technical	9.2	-10.6	9.8	-12.9	3.3	-11.7	6.2	-12.2
Healthcare support	10.4	-15.9	5.0	-25.8	1.8	-44.1	3.2	-21.6
Protective service	2.0	-3.6	0.9	-34.3	4.4	-12.1	2.0	-15.4
Food preparation and serving related	6.1	-48.7	6.2	-57.7	6.2	-50.8	5.4	-58.1
Building and grounds, cleaning, and maintenance	3.6	-48.2	3.1	-41.1	4.3	-11.0	3.3	-26.6
Personal care and service	4.1	-60.7	4.1	-64.2	1.9	-62.7	2.6	-64.1
Sales and related	9.8	-39.5	10.1	-26.6	8.3	-30.3	9.5	-25.8
Office and administrative support	16.3	-21.1	16.7	-18.0	7.1	-7.7	10.4	-16.8
Farming, fishing, and forestry	0.2	-30.5	0.5	-35.8	0.5	11.9	0.7	-9.3
Construction and extraction	0.3	14.3	0.5	-29.9	5.8	-30.4	5.1	-27.5
Installation, maintenance, and repair	0.4	-96.2	0.3	-39.8	4.3	-11.2	3.1	-17.6
Production	3.4	-38.6	3.1	-34.3	7.6	-29.9	5.3	-28.1
Transportation and material moving	4.6	-37.3	3.0	-34.2	17.8	-17.3	7.4	-26.7
Total	10,751,302	-24.5	55,543,538	-23.3	9,439,319	-22.1	154,232,175	-20.8

Source: Author's calculations based on CPS Basic Monthly Data for February, March, and April 2020

CHANGES IN THE OCCUPATIONAL DISTRIBUTION OF BLACK WOMEN DURING THE EARLY PANDEMIC

The downturn in employment was quick and widespread. As states shut down large parts of their economies, workers in a variety of occupations lost their jobs, particularly in service-sector jobs not easily performed remotely. Between February and April, the steepest percentage declines in employment occurred in “personal care and service” (64.1 percent), “food preparation and serving” (58.1 percent), and “arts, design, entertainment, sports, and media” (30.1 percent). However, these three occupations comprised only 10 percent of all jobs in the United States in February. The occupations with the largest employment shares in February—“management” (11.9 percent), “office and administrative support” (10.4 percent), and “sales and related” (9.5 percent)—all saw declines in employment between February and April (7.3 percent, 16.8 percent, and 25.8 percent, respectively). Occupational segregation by race and gender all but ensured that the COVID-19-inspired economic decline was not equally shared (McGrew 2016).

Black women experience significant occupational segregation, with five occupations accounting for more than half of all the jobs in which Black women work; this is consistent with a large body of feminist economic literature that shows women, including Black women, tend to be crowded primarily in low-wage occupations, not just in the United States, but in many other parts of the world (see, for example, Berik, van der Mullen Rodgers, and Zammit [2009] and Seguíno and Braunstein [2019]). Here we also apply the concept of CR5 to occupations, defined in this section as the share of employment in the five occupations with the highest percentage of total employment for Black women, Black men, or White women; we estimate the CR5 for Black women’s occupational distribution in February was 53.5 percent. Nearly one in six Black women worked in “office and administrative support” in February (16.3 percent). The next largest share of Black women worked in “healthcare support” (10.4 percent), followed by “sales and related” (9.8 percent), “healthcare practitioner and technical” (9.2 percent), and “management” (7.8 percent). Like Black women, most White women are also crowded into a handful of occupations. Four of the top five occupations for White women are the same as those for Black women, with the exception of “healthcare support”—the occupation “education, training, and library,” and not “healthcare support,” rounds out the top five occupations where

White women are concentrated. The February CR5 for White women was higher than for Black women, at 57.9 percent, and Black men had a CR5 of 49.3 percent for that month. The early stage of the pandemic increased occupational segregation for Black women to an April CR5 of 56.7 percent. The CR5s for White women and Black men also increased in April, to 62.2 percent and 50.8 percent, respectively.

For each of the three occupations with the highest share of Black women, there was an employment drop between February and April. In April, “office and administrative support” and “healthcare support” remained the most likely occupations for Black women. However, the third most likely occupation in February, “sales and related,” was replaced with “healthcare practitioner and technical.” The percent decline in employment in the largest occupation in terms of share of employed Black women, “office and administrative support,” was more than the overall decline (21.1 percent versus 16.8 percent, respectively), contributing to nearly one in seven jobs lost by Black women from February to April. Given the essential nature of healthcare work during the COVID-19 pandemic, the percentage decline in jobs held by Black women in the healthcare occupation was *less* than the overall decline, but still accounted for one in ten jobs lost. In “healthcare support,” the overall decline was 21.6 percent compared to 15.9 percent for Black women, and in “healthcare practitioner and technical” the overall decline was 12.2 percent compared to 10.6 percent for Black women. Black women are overrepresented in “essential” occupations such as nursing assistants, registered nurses, and personal care aides where workers are more likely to stay employed throughout the health crisis (Frye 2020). *Ironically, the few instances in which occupations where Black women are crowded were insulated against more massive job losses due to the nature of the pandemic were the same occupations in which exposure to COVID-19 was more likely.* In “sales and related,” the decrease in Black women’s employment was more than the overall decline, accounting for nearly one in every seven jobs lost by Black women. Thus, more than half of all employment losses for Black women were concentrated in just four occupations in which women, generally, are crowded.

Table 3: Share of Employment and Change in Employment between February and April 2020, by Race and Sex (in percent)

Industry	Black Women		White Women		Black Men		Total	
	Share of Employment (Feb 2020)	Change in Employment (Apr – Feb)	Share of Employment (Feb 2020)	Change in Employment (Apr – Feb)	Share of Employment (Feb 2020)	Change in Employment (Apr–Feb)	Share of Employment (Feb 2020)	Change in Employment (Apr – Feb)
Agriculture, forestry, fishing, and hunting	0.4	-52.2	1.0	-10.7	0.8	-10.3	1.5	-3.2
Mining	0.0	0.0	0.2	-26.0	0.5	-27.3	0.5	-17.1
Construction	0.7	-32.5	1.7	-14.2	7.2	-38.3	7.0	-23.7
Manufacturing - durable goods	2.4	-31.6	3.4	-19.3	6.7	-17.0	6.3	-19.9
Manufacturing - nondurable goods	3.0	-21.6	2.7	-12.9	4.7	-8.5	3.6	-11.7
Wholesale trade	0.9	-7.3	1.5	-19.1	1.8	56.1	2.3	-14.1
Retail trade	9.2	-19.6	10.8	-29.7	12.0	-24.4	10.2	-24.2
Transportation and warehousing	4.3	-39.4	2.1	-15.9	10.9	-10.5	4.8	-19.9
Utilities	0.3	26.3	0.4	-2.7	0.7	25.3	0.8	5.3
Information	1.8	-41.7	1.5	-8.7	1.9	-15.0	1.8	-14.5
Finance and insurance	5.0	-14.4	5.8	-8.0	3.2	7.5	4.9	-3.4
Real estate and rental and leasing	1.4	-37.0	2.3	-21.5	2.2	-45.9	2.1	-21.7
Professional and technical services	4.4	-7.6	7.3	-16.0	5.8	-12.0	8.3	-10.1
Management, administrative, and waste management services	5.4	-44.2	3.6	-26.0	5.7	-19.7	4.0	-18.7
Educational services	10.3	-19.8	14.4	-20.1	5.9	-28.8	9.3	-20.1
Healthcare and social services	28.1	-14.9	22.0	-20.1	8.5	-23.0	13.8	-17.4
Arts, entertainment, and recreation	1.2	-68.9	2.0	-49.1	2.5	-71.9	2.1	-55.1
Accommodation and food services	9.1	-52.3	7.5	-50.3	8.3	-48.9	7.1	-51.0
Private households	0.8	-58.5	1.0	-46.9	0.2	-80.8	0.5	-46.7
Other services, except private households	3.1	-46.4	4.5	-43.2	3.7	-43.9	4.2	-36.8
Public administration	8.0	-9.7	4.1	-7.4	6.8	-9.2	4.8	-7.0
Total	10,751,302	-24.5	55,543,538	-23.3	9,439,319	-22.1	154,232,175	-20.8

Source: Author’s calculations based on CPS Basic Monthly Data for February, March, and April 2020

POLICY IMPLICATIONS

COVID-19 has sparked an economic crisis that will be massive and long-lasting, but there is a policy agenda imaginable that provides immediate relief for those directly impacted and creates a stronger and more resilient economy. As shown above, industries and occupations employing a disproportionate share of Black women are getting hit hard by this disaster. We discuss policy recommendations to address the cyclical and structural flaws in the labor market for this demographic group.

In the near term, policymakers should continue cash assistance: expanded Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) benefits, and increased unemployment insurance funding. The magnitude and duration of this disaster will require greater sustained aid—it took seven years into the recovery from the Great Recession for unemployment to drop from 9.5 percent to below 5 percent, and that was without a pandemic depressing economic activity (US DOL 2018). Future legislation must include mechanisms, or automatic stabilizers, to ensure aid will not stop prematurely. Tying direct cash assistance to cyclical movements in the economy, like the unemployment rate, is a popular policy tool we have yet to use (Winters 2020). To ensure Black women are not left out of the recovery, automatic stabilizers could be tied specifically to this group’s unemployment rate instead of the average rate. Since the BLS began tracking this series, the unemployment rate for Black women has consistently been higher than the average rate.

Healthcare coverage is always critical, but especially during a pandemic, and gaps in coverage have ramifications for people of color, particularly in states that have yet to expand Medicaid. A bolder, long-term solution would be to completely remove healthcare from the private sector, where issues of equity are subordinate to shareholder profit. Research has also shown that separating access to healthcare from employment can raise wages, increase job quality, and encourage small business development (Bivens 2020). Tying benefits to employment leaves out millions of workers, who are all too often women of color, low-wage employees, and an intersection of these two groups.

With unemployment rates reaching Great Depression levels and business shutdowns continuing, now is the time for direct job creation. Black workers are often the “last hired and first fired” and, as Bernstein and Jones (2020) show, they are on pace to lose years of economic gains in just a few months. Job creation programs can be varied in their implementation and effect, from short-term subsidies to cover employment in affected industries and occupations to a federal jobs guarantee as described by Paul, Darity, and Hamilton (2018). Black women are disproportionately employed in low-wage jobs with no benefits. A jobs subsidy would ensure a base of pay and benefits that provides economic stability.

The Federal Reserve has a significant role to play in the economy, and that is especially true in a recession. To help Black workers, the Federal Reserve should use its power to ensure the labor market reaches, and maintains, full employment. During a previous period of full employment between 1995 and 2000, Black workers experienced low unemployment rates, real wage growth, and an expansion of the Black middle class (Wilson 2015). The perceived risk of inflation at the expense of full employment ensures labor market slack, and Black workers frequently bear that burden. For a more targeted approach, the Federal Reserve could target the Black unemployment rate instead of the overall rate. In sum, we would not declare the economy at full employment, and therefore pull back on efforts to achieve that goal, until full employment is also experienced by Black workers.

DISCUSSION AND CONCLUSION

The early job losses during the COVID-19 pandemic were characterized by gender and racial disparities. With regard to job losses by industry, the “healthcare and social services” industry accounted for nearly 14 percent of all workers in the United States but 28 percent of employed Black women and 22 percent of employed White women; the 17 percent decline in employment in this industry, therefore, was bound to have an outsized impact on women. Feminist economic theory has explored the role that discrimination plays in occupational crowding by gender, notably the historical exclusion of women from jobs that are deemed more appropriate for men (see Beller 1982). In addition, Black women, along with Black men, suffered disproportionately

staggering losses in the “accommodation and food services” industry, an industry leveled during the pandemic, where the overrepresentation of Black female and Black male workers exceeds that of their White counterparts. This industry offers notoriously low wages and stratification economic theory suggests that privileged groups have a material interest in maintaining sexism and racism—as well as other forms of oppression—because benefits accrue to advantaged groups as a whole (see Darity et. al. 2017). This is true even though the benefits do not necessarily accrue to all individual members of the privileged group at all times. Thus, discrimination can and does persist in market-based economies. The crowding of Black workers in low-wage industries is suggestive of opportunity hoarding by White workers, consistent with stratification economic theory.

Occupationally, the roles of both gender and race proved to be disastrous for employment losses for Black women. The only two major occupational categories that experienced employment declines greater than 50 percent—“food preparation and serving” (which accounts for just over 5 percent of all workers) and “personal care and services” (which accounts for nearly 3 percent of all workers)—are two occupations where, among Black and White employees, Black women are the *only* demographic group overrepresented in both.

The pandemic has catalyzed a public health and economic crisis on a scale not seen since the Great Depression. In one month, the unemployment rate increased by 10 percentage points, the largest month-to-month increase in more than a generation. While the devastation has been widespread, it is not shared equitably across race and gender. There are two main reasons why Black women are disproportionately impacted by the COVID-19 recession. First, Black women in the labor market face high levels of occupational and industrial segregation. Second, Black women’s strong attachment to the labor market, as measured by their labor force participation rate and employment-to-population ratio, makes them more vulnerable to economic downturns, and this current recession is no exception.

Unlike previous economic downturns, industries once thought immune to recessions were ordered by government officials to stop or significantly slow their activity. Between February and April, when the economy shed millions of jobs, Black women experienced larger-than-

overall declines in employment due to their concentration in parts of the economy. Black women are overrepresented in “essential” jobs, like nursing assistants and cashiers, while at the same time also overrepresented in occupations and industries that are shedding workers by the millions, such as hotels, restaurants, and retail trade. In responding to this economic crisis, policymakers must firmly commit to a policy agenda that provides immediate relief to those who need it and make our economy more stable and equitable in the future. In the short term, we should continue to give direct support to families through cash payments and an expansion of unemployment benefits. In the long term, we can enact policies that fix the structural flaws of our system, including using economic measures tied directly to the position and status of Black women in order to more accurately determine when an economy has reached those often left behind.

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