

This Is What 3.3 Million Americans Filing for Unemployment Means for Black People

According to The ROOT on 3/26/20, for many economic experts, it was not a matter of if a recession would hit once the coronavirus became a pandemic, but how bad it would be when it did. On Thursday morning, the numbers from the Department of Labor were even worse than what many had initially predicted: 3.3 million Americans filed for unemployment in the last week alone, far eclipsing previous records. According to The Washington Post, the largest surge documented before this week happened in 1982, when 695,000 new jobless claims were filed.

Not only are last week's claims nearly five times greater than the previous record; economists warn it's only the beginning. The first wave of unemployment comes as scores of businesses had to shut down to help mitigate the spread of the new coronavirus, a virus that is both more contagious and more deadly than the flu. Restaurants, coffee shops, gyms, barbershops, casinos, and hotels across the country were forced to shut down, driving millions of Americans to seek unemployment benefits.

"This morning's jobless claims confirm that the United States is in the thralls of a catastrophic unemployment crisis, the likes of which we haven't seen since the Great Depression," Andrew Stettner, a senior fellow at the Century Foundation, told the Post.

In any scenario, Black households will be among those hit hardest. As the Post notes, the "true number" of unemployed Americans is "likely much higher" than the Labor Department's 3.3 million, because it excludes workers who are ineligible for receiving this benefit; among them, self-employed workers and gig workers.

"The labor market is very segregated," Rebecca Dixon, executive director of the nonprofit National Employment Law Project, recently told The Root. "Black people are more likely to work in retail and in gig jobs—jobs that were hardest hit in this first wave of layoffs and shutdown. They also tend to work lower-wage jobs and do undervalued work."

“Black people are often in the lowest-paid jobs, the dirtiest jobs, the most dangerous jobs in our labor market. And that’s been true across history,” Dixon said. “Their labor is often undervalued and their jobs are more precarious than the jobs of their peers.”

The 2007 Great Recession provides a road map for how Black Americans will likely be affected by this economic downturn. “We know from the last recession that the Black workers are often the first fired,” Dixon says. “They are less likely to receive unemployment insurance benefits. And it’s unclear whether it’s because they weren’t eligible or because they were discouraged from applying.”

This means that Black workers have to navigate higher risks—and a much more porous safety net—than many of their peers. Dixon points out that data from the last recession shows black people had a more difficult time finding work again, comprising a large share of the long-term unemployed, which includes folks who are unemployed for six months or longer.

This dynamic will be more complex in this crisis, which has no clear endpoint in sight. With businesses shuttered and a much more limited number of jobs available, and under directives to stay home to keep their communities safe, millions of Americans simply won’t be able to find work until the pandemic abates.

These unprecedented benefits are warranted for unprecedented challenges to our global economy, but there are other specific fixes that could provide much-needed relief to Black workers. “It’s going to take measures that are more extraordinary than what we’ve used in the past and relied on in the past,” Dixon points out. One of her recommendations for protecting American workers is included in the new stimulus bill—a provision that would disproportionately affect Black households.

But Dixon notes that unemployment state-to-state also needs to be shored up. Most unemployment programs have work search requirements that ought to be waived immediately, as the nation continues to deal with increasing numbers of COVID cases and businesses continue to shutter or reduce their workforces.