IN THE ERA OF COVID-19

ASSESSING WORKFORCE DEVELOPMENT IMPACTS ON AN INDIVIDUAL AND COMMUNITY LEVEL

Temple University
Lenfest North Philadelphia Workforce Initiative
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Executive Summary</td>
</tr>
<tr>
<td>03</td>
<td>Introduction</td>
</tr>
<tr>
<td>04</td>
<td>Individual Impacts of COVID-19</td>
</tr>
<tr>
<td>08</td>
<td>Community Impacts of COVID-19</td>
</tr>
<tr>
<td>10</td>
<td>Next Steps</td>
</tr>
<tr>
<td>11</td>
<td>Conclusion</td>
</tr>
<tr>
<td>12</td>
<td>Acknowledgements</td>
</tr>
<tr>
<td>13</td>
<td>References</td>
</tr>
</tbody>
</table>
Executive Summary

As the 2020 year continues on, our world is changing in vastly unprecedented ways. Due to the COVID-19 pandemic and the subsequent CDC safety regulations and stay-at-home orders issued nationwide, we must adapt to new normalities on a day-by-day basis. This new normal is not a comfortable one. Beyond just the threat of illness, more individuals are facing unemployment and reduced wages than ever before, causing financial insecurity for thousands, if not millions, of people. A need for strong workforce development programs has never been more necessary.

This report is divided into four main parts which includes (1) an analysis of COVID-19’s impacts on an individual level, (2) COVID-19’s impacts on a community level (3) a set of recommendations/next steps in order to better understand how to mitigate the effects of a global recession and pandemic, and (4) a final conclusion and summary.

The need to help our most vulnerable communities is only growing larger, but the ways in which it should be addressed is changing drastically. With the City of Philadelphia making drastic budget cuts in order to manage the fallout of this pandemic, it is time that more organizations step up to the plate and take action. We must improve communities’ access to finding meaningful workforce development opportunities, as well as remove all other barriers that are keeping people from finding jobs that will adequately support themselves, their families, and their loved ones.
Individual Challenges
In this report, it was identified that several groups of people were found to be especially vulnerable to the socioeconomic impacts of COVID-19. These individuals are most likely to face hardships related to the high rates of unemployment caused by COVID-19. Those who identify as nonwhite, have a high school diploma/GED equivalency or less as their highest form of education, and are working in an industry considered to be an “essential” service have been shown to feel the negative effects of the pandemic more than any other group.

Community Challenges
Additional issues have arisen in communities where there is a lack of access to digital technology or computer skills. English Language Learners (ELL) and the foreign-born immigrant community also struggle to gain access to financial resources and important documents that may only be available in English. Furthermore, individuals who are employed in the e-commerce industry as “temporary” or “flexible” workers will face greater job insecurity and a lack of employee benefits, such as healthcare benefits and paid sick leave, as compared to workers who are in more permanent positions.

Organizational Challenges
Nonprofits and other community-based organizations are now struggling to address issues of their own. A myriad of common problems have arisen from organizations of all shapes and sizes, such as a rise in competition to acquire funding despite the fact that fewer dollars are being distributed by the government and from philanthropic entities. There is also a higher demand for services and a lack of sufficient staff/resources to adequately serve their constituents. A reduction in services has been an unfortunate reality for nonprofits who needed to restructure their operations in order to comply with COVID-19 safety standards.

Future Solutions
A set of recommendations has been proposed to mitigate the widespread issues that have been caused by the pandemic. Some of these recommendations include:
1. Prioritizing the needs of communities that are the most vulnerable
2. Closing the gap in digital literacy and increasing access to technology resources
3. Focusing on increasing the number of workforce development opportunities wherever possible

Taking advantage of these opportunities now will help communities significantly during this unrivaled time of need and will help to foster a more supportive network that promotes resource sharing and resilience building in our neighborhoods in the future.
Introduction

The pandemic has demonstrated, and sometimes exacerbated, the many socioeconomic issues that communities have been struggling with for years. Industries that require close contact with others and cannot safely maintain the social distancing mandate see the greatest economic impacts. For example, workers in industries considered “essential businesses” such as food service, grocery stores, transportation & warehousing and retail are now on the frontlines facing the highest risk of infection while also maintaining a median income of just $23,141 (27). Demographic studies have shown that frontline workers are most likely to be nonwhite males who are under 25, and hold a high school diploma or less (29). It is apparent that the pandemic-induced recession is widening the racial, educational, and class disparities that continue to negatively affect low-income communities the most.

Community-based organizations who serve these populations have also been struggling to deliver the typical services that they offer to their neighborhoods. New needs and challenges are presenting themselves which require creative and unique solutions for the situation at hand. Programs like workforce development and educational training have been required to go virtual, presenting issues regarding digital literacy and access. More than 40% of Philadelphians do not have access to a sufficient or affordable Internet connection at home, let alone a computer or the necessary skills to operate one (6). This has called an awareness to the “digital divide” that exists in marginalized communities, specifically low-income communities of color. Those who are unaccustomed to using computers may find difficulty accessing basic training and low-cost Internet service when it is needed.

These challenges are especially relevant in the context of North Philadelphia. Most North Philadelphia residents have a GED or high school diploma, and one-third of the population has attended college (11). These communities are especially vulnerable to workforce layoffs due to COVID-19 and have a much smaller financial safety net to keep them afloat during times of economic stress. Residents are unsure how they will be able to pay the bills or other expenses if their job goes under during the crisis.

North Philadelphia is one of the most racially and economically diverse sections of the city. The neighborhood population is comprised of high numbers of Black and Latinx residents, as well as a portion of the population identifying as Asian or mixed race. About 19% of North Philadelphia residents were already employed in these fields before the pandemic, and that number could increase greatly (27). In these unprecedented times, new careers in healthcare or social assistance may arise post-COVID, which could greatly benefit North Philadelphians. While the future still remains vastly uncertain, a growth in workforce opportunities now could greatly help residents looking for sustainable jobs that will keep them employed in the long term. What is needed now is a workforce that promotes community-based resilience and strength.
Individual Impacts of COVID-19

Changes in the Workplace

The global pandemic is affecting the workforce at all levels of society. The stay-at-home order has forced millions of employees to uproot themselves from their physical workplaces and transition to remote work which has caused a drastic shift in the appearance of their typical work environment. Recent data from the Bureau of Labor Statistics has shown that only about one-third of the U.S. workforce has successfully been able to make the transition from in-person to remote work (10). These positions are largely white-collar industries that require higher education degrees and pay higher wages. As a result, 47% of remote workers ages 25 and up who work from home have a Bachelor’s degree or higher, compared to just 3% of workers with a high school diploma as their highest level of education (16). Meanwhile, other industries like food service, hospitality, entertainment and arts, which generally pay lower wages and offer less benefits to workers, are unable to transition to a remote model, thus pushing these workers to work in dangerous conditions or stop working altogether (10, 16).

For those who have not been able to make the switch to remote work, unemployment has reached the highest rates since the Great Depression. As of this writing, the current national unemployment rate is about 14.7%, and that number is expected to reach as high as 20% in the coming months (13). Governments at the state and federal level have attempted to distribute more than 3 trillion dollars nationwide to mitigate the damages of mass job losses (5). But most federal assistance money, such as the $1200 stimulus checks and the recently-passed CARES Act, is expected to run out by the end of July (5). Until new acts are passed or current financial assistance programs are extended, unemployed individuals have found themselves at an economic “cliff” whose outcome remains to be determined. This has left countless people with a deep sense of financial stress as the deadline looms closer and bills continue to be left unpaid.

Individuals with a Bachelor’s degree or higher are much more likely to succeed in transitioning to remote work.
Unemployment Challenges

People who have been laid off due to COVID-19 related closures are now finding themselves caught between the difficult decision of putting themselves and their families at risk of contracting the virus to earn money at work versus taking the economic blow of reduced hours or lost employment altogether. It is required by law to accept any work opportunities that are presented to an individual collecting unemployment compensation, and therefore puts economic pressure on people to work in unsafe conditions (14). There are few options for individuals who already experience difficulty when operating in an in-person workplace: many have to take mass transit to get to work, require childcare while they are out of the home, or are immunocompromised in some way that requires special care (14). All of these are important factors to consider when financial assets are on the line. While unemployment benefits are assessed on a case-by-case basis, thousands of people, especially those who are low income, are constantly worried about being forced to decide between their own safety and keeping their incomes afloat.

Conditions will be even more challenging for those who have been a part of the workforce without a higher education degree. This is supported by the fact that historically, those with less education are disproportionately more likely to feel the effects of economic downturns. During the Great Recession in 2008, unemployment for those with Bachelor’s degrees or more never climbed above 5 percent, and those who completed some amount of college or held an associate’s degree peaked at 8.9 percent unemployment. Conversely, individuals with a high school diploma or less saw unemployment rates of more than 16 percent (13). Even in its early stages, this incoming recession seems to be no different. Currently, one in six of all employees with a high school diploma or GED are now out of work, along with one in five for those without their high school equivalency (13).

Recent data shows that those who have a high school diploma/GED equivalency or less as their highest form of education are hit the hardest by the spikes in unemployment due to COVID-19. (Source: The74Million).
A lack of reliable full-time jobs has caused more people to participate in more temporary positions, such as e-commerce and the gig economy, earning income as delivery workers or transportation drivers. Staying at home has caused food delivery services like Instacart, UberEats, and Caviar to skyrocket in sales. The number of individuals choosing to get their groceries delivered to their home has more than tripled since the pandemic erupted in mid-March. Amazon plans to add as many as 100,000 new workers to their company in order to maintain their surge in sales, and stores like Target and Walmart plan to follow suit. (20)

When finances are tight, working on the frontlines to earn income seems like an easy solution. However, while e-commerce jobs entice many with flexible work hours and instant payouts, they rarely receive the same kinds of employee benefits found in traditional jobs, such as health care, employer-provided personal protection equipment (PPE) a 401k, and hazard pay—all of which are vital, especially during the pandemic.

E-commerce pay rates are heavily based on the height of demand for their service on a day-by-day, even hourly basis, and do not compound total earnings in the same way traditional jobs keep track of employees’ incomes. (15). Companies in the gig economy are allowed to give discounts to its customers that directly reduce its employees’ earnings. The massive growth of e-commerce has been an opportunity for employers to hire more people and ask them to work more, all the while paying everyone less than what were considered to be standard wages before the pandemic.
The Digital Divide

A major concern for thousands of people across the country is the massive shift towards virtual employment opportunities. A greater reliance on technology has been an uphill battle for many people who may not have needed it to conduct their work or to find work, in the past. During the pandemic, few resources have been made available for those who do not have strong computer skills, but the demand has grown exponentially. Hundreds of public computer labs centers are now closed for the indefinite future, cutting off a vital lifeline for many people. In Philadelphia, 28.4% of households do not have a computing device at home, and 44% of residents access the internet solely via a smartphone (8).

Relying on a phone for everyday tasks can become a slippery slope if some things are not very mobile-friendly. Applying for fundamental sources of aid during the pandemic such as unemployment benefits, SNAP, and utility bill assistance (LIHEAP), for example, can be incredibly difficult for people who do not have home computer access and/or trouble using one. Online forms tend to be very long, time-consuming, and expensive if you are relying on a data plan instead of broadband internet access.

Finding job opportunities has posed its own set of problems as well. Data from Burning Glass found that 82% of middle-wage jobs require digital skills, representing roughly 4 out of every 10 job postings (4). With in-person resources no longer available, those who struggle with digital literacy skills cannot receive proper training and learn skills that they need in order to succeed in the workforce. Those without any access to a computing device at home or in their community are left with very few options to access the resources, services, and opportunities they need to survive.

Not only is the digital literacy gap quickly closing in on employees who find themselves unable to make the switch to digital work, those who have been able to transition have found that virtual interactions can be hard on their mental wellbeing, levels of collaboration, and productivity. Virtual platforms like Zoom and Slack have become quintessential tools in the work-from-home toolbox. But questions have been arising as to whether or not they are effective replacements for the learning environment of the in-person workplace. Video conversations are hindered when a participant does not have high speed internet or their microphone does not work well. When a speaker is having trouble being heard during a meeting, attention spans are reduced and interactions feel less meaningful (9). Zoom calls have also been shown to reduce group collaboration efforts because it allows only one person to speak at a time (23). Reports of “Zoom fatigue” have significantly increased due to the mental multi-tasking that the brain does when trying to pay attention to several different webcams that are present on-screen (23). The Slack app creates a similar fatigue because work group chats can create a pressure for constant responsiveness and employees can find themselves easily distracted from the task at hand. For those hoping to replicate the same conversations that usually occur in-person, these digital tools sometimes tend to inhibit conversations rather than facilitate them. (17)

Online videochat platforms like Zoom have become a popular way to communicate with others virtually.
Community Impacts of COVID-19

Loss of Vital Resources for Community-Based Organizations

As everyday people are searching frantically for jobs, organizations of all shapes and sizes are searching every corner for new financial opportunities, such as government and/or philanthropic funding, to keep them alive during this critical time of need. The Pennsylvania Association of Nonprofit Organizations (PANO) asked nearly 200 organizations about the virus's impact on their operations, and 71% of organizations mentioned significant losses in projected revenue for the upcoming fiscal year. The collective revenue shortfall across the state of Pennsylvania has reached as high as $42 million in 2020 alone, with only more budget cuts, layoffs, and furloughs to come in the months ahead. (24)

The pandemic has been both a call to action and a cause for worry for many community-based organizations, nonprofits, and small businesses across the nation. Organizations are attempting to bring together as many resources and as much information as possible, but human and financial assets are being stretched thin. Many essential services and programs that nonprofits provide for their communities such as housing, food security, literacy skills and workforce development, have had to be cut back, operated at a reduced level of service, or eliminated completely (12). In addition, the quality of community services are undoubtedly hindered by the necessity to conduct everything through an online platform.

A lack of adequate connections online creates a two-way disconnect: organizations are unable to reach out to their clients and vice versa if there are issues adapting to new technology. Some organizations, including LNPWI, have made efforts to provide laptops and desktops to households in need, but quantities are limited and cannot be given to every community member that is lacking one (12). The rapid shifts in operations due to COVID-19 have left organizations scrambling to create new solutions that will allow them to continue safely providing their services at the same level of quality with just a fraction of the funding they had maintained just a few months earlier.

86% of nonprofits surveyed by PANO say demand for their services keeps rising. 57% of respondents say they are unable to meet these new demands, and that number grows to 65% when serving low-income communities.
Thousands of organizations are fearful of how this will affect them in the long term, assuming they will be able to withstand the current economic standstill. Even before the pandemic, many of these organizations have faced deep concerns over the perpetual rise in demand for their services without the capacity to sufficiently accommodate them. A 2018 survey by the Nonprofit Finance Fund found that three-quarters of nonprofits are projected to run out of cash in less than six months. Nineteen percent said they had only enough funds to last them one month at best (18). Nonprofits are often tasked with pouring everything they have into accomplishing their mission for their community, all while living off of the slimmest of funding sources that could run dry any day of the week (28). With a crisis that has already lasted more than four months and an end date that remains undefined, countless nonprofits are being pushed to the very edges of their abilities. Many of them will crumble in the process.

Struggling Small Businesses

Last month (April 2020), the Philadelphia COVID-19 Small Business Relief Fund was assembled by the City and other public-private partnerships in order to disburse more than $3 million to 563 businesses struggling to stay open. (2) Small businesses are a critical neighborhood asset that helps boost the local economy and provide jobs that hire individuals directly from the community. Unfortunately, the number of applications was more than six times greater than what could be funded, so many desperate businesses will have to be turned down. (19) Finding enough dollars to go around to support important community assets in Philadelphia has become fiercely competitive, and those who do not currently have the resources to compete will have no choice but to go under. Questions have also been raised surrounding equity when it comes to distribution of these emergency funds. A PlanPhilly analysis stated that about one-third of all funding went to just six out of 49 Philadelphia ZIP codes, with a majority of these areas clustering in or around Center City, as well as gentrifying neighborhoods like Fishtown and Northern Liberties. (2)

It is critical that small businesses, particularly those that are owned by foreign-born individuals, are given more protection during this time. In Philadelphia, immigrants are an integral part of the city’s growing labor force: from 2000 to 2016, the city’s immigrant labor force grew by 89 percent, and contributed a total of $27 billion to the local economy in the following year (26). However, businesses that support these communities may not necessarily have the time, capacity, or language skills to fill out an extended application for assistance. Despite increased efforts to translate as many documents as possible, the majority of applications for programs and support from the City of Philadelphia, Commonwealth of PA, federal government, and private philanthropists are typically only available in English (19). This has created strained relationships with English Language Learners (ESL) and Immigrants communities in Philadelphia who face difficulties accessing capital and finding better employment opportunities for those who have international backgrounds. (19)
Next Steps

As stay-at-home orders are lifted, one of the biggest challenges facing community-based organizations and employers will be how to respond to the high rates of employment and re-adapt to their workplaces, while preserving the safety of their clients, job seekers, employees, and community. Some of these challenges can be anticipated, such as the introduction of precautionary measures like social distancing and the use of masks for protection. Organizations are also prepared to function at a reduced capacity, and thus provide less services to their community. However, the full extent of what steps nonprofits in Philadelphia will need to take following this unprecedented pandemic is still unclear. In order to improve equity in our communities during these unsure times, the following measures should be prioritized in Philadelphia and beyond.

Prioritize the Needs of Our Most Vulnerable Communities

Organizations must understand what support vulnerable populations need during this global shutdown. Stores that are typically overlooked during the community outreach process, particularly those that are minority- and immigrant-owned, should be connected to information about where funding dollars are being distributed and how they can secure more grants/assistance from the government to stay alive during economic downfall. Organizations can utilize this data to take greater action in places where it will hold the greatest social and economic impacts. (21)

Close the Digital Literacy Gap

With regards to closing the gap in digital literacy, improving access to technology-related skills and tools could have significant impacts on the communities they serve. Providing more computers and internet services can help people find better jobs and connect them to more resources and information. Government entities at the state and federal level have begun pushing for increased internet connectivity during COVID-19 as well. (30) While there is still much work to be done, these kinds of programs are great tools to help communities stay connected during these uncertain times. (22)

Focus More On Workforce Development Opportunities

The core of these efforts should focus on intentional employer engagement based on the employment interests of residents and position availability. A more robust network of employers which connects job seekers to the right positions will help reduce the number of people who are unemployed and underemployed. By leveraging their access to vetted and qualified job seekers, workforce development providers can encourage employer partners to foster a supportive work environment that strengthens worker’s needs.
Conclusion

By exploring new strategies and applying different ideas, organizations across the country can strive to build a more resilient and interconnected system that helps people find valuable employment. While safety measures will likely need to be taken for the indefinite future, there are still opportunities for nonprofits and small businesses to provide adequate services to their clients. Our home and work environments are changing almost every day. It is paramount that communities adapt to the transient nature of the situation at hand. Funding will be more and more difficult to come by, making it all the more important for government entities to take economic action at the local, state, and federal level. This time of uncertainty has demonstrated the vast socioeconomic inequities that hinder the quality of life in many neighborhoods, and building a stronger foundation of support to those in need can help to keep people grounded until a “new normal” is reached. While the pandemic has brought about many new contingencies, it is still crucial that we develop techniques that will help us to address these new challenges together.
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About the Lenfest North Philadelphia Workforce Initiative

Temple University’s Lenfest North Philadelphia Workforce Initiative (LNPWI) seeks to strengthen the earning potential of local communities by providing job training and career readiness programs that result in outcomes that lead to sustainable employment.

Through the support of a grant from the Lenfest Foundation, LNPWI focuses on creating career and workforce development in the North Philadelphia community, and provides opportunities for both youth and adult employment.

By collaborating with Temple University, local employers, and North Philadelphia residents, Temple’s LNPWI is a community-informed initiative providing resources and information to residents targeted in the 8 ZIP codes immediately surrounding Temple’s Main Campus and Health Sciences Center. The ZIP codes are: 19121, 19122, 19123, 19125, 19130, 19131, 19132 and 19140.

About the OWL Collective

The Opportunities for Workforce Leadership (OWL) Collective is a collaborative partnership between community organizations, service providers, employers, and Temple University departments dedicated to improving employment outcomes for North Philadelphia residents through data-informed, strengths-based, and community-driven workforce development strategies.

For a full list of members of please visit templelnpwi.org/our-partners/

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References


