Reimagined Recovery:
Black Workers, the Public Sector, and Covid-19

JUNE 2020
A REPORT BY CENTER FOR THE ADVANCEMENT OF RACIAL EQUITY (CARE) AT WORK AT THE UCLA LABOR CENTER
Center for the Advancement of Racial Equity (CARE) at Work is an initiative of the UCLA Labor Center. The goal of the center is to bring Black workers, university, and advocates together to multiply racial equity by creating approaches and advancing innovative solutions that address the needs of Black working class people. CARE at Work is a model for any institution who is committed to advancing civic engagement and realizing a community where the equity created around Black life cascades into meaningful Black working conditions.

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EXECUTIVE SUMMARY

This report highlights the validity of public sector work as a solution in the response and recovery to the Covid-19 pandemic on Black people across communities in Los Angeles County. Covid-19 disproportionately impacts Black workers and communities. History shows that even once a disaster is over, Black workers and Black people across communities continue to disproportionately feel its impact far longer than other communities. Through the most recent government data and relevant literature, this report demonstrates why and how public sector jobs should be a tool used to address the Black jobs crisis and the recovery from Covid-19, particularly in Los Angeles County.

THE PUBLIC SECTOR AS A BLACK SECTOR

The public sector has provided Black workers at a variety of education levels with secure, quality jobs to earn a good living and have a good life — especially as compared to their private sector counterparts — since the Reconstruction Era when the U.S. Postal Service hired formerly enslaved Black workers. While the Great Recession diminished these benefits and made way for an onslaught of austerity, this report demonstrates how Black public sector workers still fare better than their private sector counterparts.

One in 5 Black workers in Los Angeles County work in the public sector, whereas 1 in 10 non-Black workers work in the public sector. The Black workers in the public sector in Los Angeles County also earn 46% more than private sector workers and live in households with total incomes that are 22% higher than their private sector counterparts. Additionally, Black public sector workers in Los Angeles County own their homes and have health insurance at a higher rate than private sector Black workers. Public sector work is also about Black women. Nearly two thirds of the jobs held by Black public sector workers in Los Angeles County are held by Black women. All of this confirms existing literature that finds public sector work provides Black workers with more opportunity to earn a good living more than private sector work. This, in part, speaks to the discrimination that Black workers experience in the private sector. The civil service and exempt status, as well as other state laws governing most public sector work, provide Black public sector workers with protections and resources that limit discrimination in their pay and benefits that union negotiation secured. This is not to say that discrimination does not exist, but rather there are more protections and resources available to Black public sector workers when it does inevitably happen.

LEARNING FROM PAST RECOVERY EFFORTS FOR COVID-19

The report also explores the impact of disasters and previous economic crises — like the 1992 Los Angeles Uprising, Hurricane Katrina, and the 2007-2009 Great Recession — on Black workers and communities, and the shortcomings of recovery efforts. Instead of recovery efforts that utilized the public sector, solutions centered the private sector and the wealthy. Those efforts failed to both strategically address the disproportionate impact of disasters on Black people, and to truly rebuild and support the Black community in the aftermath. This inevitably led to the disparities and injustice that caused the 1992 Uprising to fester and grow, and to the frustration and unrest we see across Los Angeles, and the country as a whole, in 2020. Generations of racism in a country founded by slaveholders combined with a string of recent racially charged killings to stoke the anger. Adding to that was angst from months of lockdowns brought on by the coronavirus pandemic, which has disproportionately hurt communities of color, not only in terms of infections but in job losses and economic stress.
The coronavirus pandemic is not only killing Black people disproportionately, in terms of infections, but also drastically threatening the ability for Black households to keep a roof over their heads. As of April 24, 2020, Covid-19 pushed people into unemployment at nearly four times the unemployment rate of 2008, hitting 30 million people in the United States.\(^1\) Those who were not laid off are risking their lives and their families lives as a designated essential worker. Nearly 1 in 2 Black workers in California work jobs classified as frontline essential jobs, and are put at risk for exposure while working outside of their homes during the pandemic. Some of the top occupations for Black essential workers include personal care aides, laborers and materials movers, accommodation and food workers, office clerks, and customer service representatives.

As California and Los Angeles enter into the next budget year, budget cuts and nearly 16,000 furloughs of workers, with the exception of Los Angeles Police Department, have already been proposed for the July 1, 2020 through June 30, 2021 fiscal year.\(^2\) The state of California as a whole is also contending with revenue losses, faces a $54.3 billion deficit for the 2020-2021 fiscal year, and is proposing major cuts to funding K-12 schools and other government services.\(^3\) As was the case in the Great Recession, Black workers and their families will likely be disproportionately impacted by the massive furloughs and layoffs these budget cuts require. As we look toward understanding and strategizing about Covid-19 recovery and redevelopment, it is crucial to fully take in the failures of these recovery efforts for Black workers. To that end, the public sector, excluding sworn police services, should be looked at as a primary strategy for adequate recovery for Black workers.

**STRATEGIES FOR AN ECONOMIC RECOVERY WITH A RACIAL EQUITY LENS**

The following is a set of recommendations that provide state, county, and local governments guidelines for protecting and expanding public sector jobs that can uplift communities through workforce development training and pipelines, specifically targeting Black communities. Though the report focuses on Los Angeles County, the lessons and strategies apply to California and other states across the U.S..

**RESPONSE**

As a first response, we must think about the immediate needs of our communities. Black people are already disproportionately impacted by Covid-19 and face greater barriers to accessing relief. Immediate response measures must be aligned with the following recommendations:

- **Protect the health of workers and communities.** The public health response must target testing in Black communities, and provide increased healthcare services to ensure that Black workers get access to the care they need.

- **Provide workers with adequate safety and safety net tools.** The combined experiences of Black workers necessitate the need for improved access to safe workplaces, personal protective equipment (PPE), and unemployment benefits.

- **Intentionally target the response resources to Black working class families.** Response resources must be intentionally earmarked for Black working families. Workforce expansion will likely be required to adequately meet the needs of Black working class families.

- **Prioritize hiring and retention programs in the public sector during the pandemic.** It is imperative that Los Angeles City and County resist cuts to programs, services, and related jobs that are critical to the community, and maintain equitable employment of Black workers.
• **Apply a racial equity lens to all forthcoming budget decisions.** All budgeting decisions must utilize a racial equity lens to understand the impact on vulnerable communities both in terms of services and economic stability. The resulting understanding should be used to lessen and/or eliminate any disproportionate impacts on communities of color by repurposing the budget for services and jobs that uplift low-income and working-class Black communities.

### RECOVERY

The coronavirus pandemic illuminates the cracks in our systems, and rather than filling these cracks, we have an opportunity to both expand services that communities need to recover justly and healthy, and place Black workers in quality jobs. All scales of government have work to do to contribute to this public sector solution for recovery. To this end, we make the following local, state, and federal recommendations:

### LOCAL

• **Expand and fund targeted local hire and broaden classifications that require more specialized skills.** The TLH program creates a pathway to civil service jobs and encourages public agencies in Los Angeles to hire from a targeted group of low-income Black workers. In light of the Covid-19 pandemic, by expanding the TLH program, more Black workers at various skill levels can work in the public sector. Such an expansion ensures that Black workers in Los Angeles workers in Los Angeles are hired in quality jobs.

• **Carefully consider the consequences of municipal funding strategies that result in a higher municipal debt service burden, and/or negotiate better terms that are mindful of the budget reality of the city.** High debt service is linked to lowered expenditures on public employees through the form of pay cuts, furloughs, hiring freezes, and lower starting salaries. Cities like Los Angeles can avoid taking on additional debt by deciding to increase revenues or lower expenses — and those decisions need to be made with a racial equity lens. When taking on additional debt is unavoidable, cities must negotiate better terms with the debtholders so that they are not put in the position of making the decision to bankrupt the city or lay off workers. Unprecedented times call for cities to make unprecedented moves to renegotiate current terms with debt holders.

### STATE

• **Allow local governments to access state dollars to train its workforce.** If we expect local governments to expand public employment and workforce training for Black workers, then a stable funding source for these programs is required. Other recommendations below discuss specific state funding sources:

  ° **Create a permanent High Road Training Partnership (HRTP) program to compliment public sector Targeted Local Hire (TLH) classifications that require more specialized skills.** Black workers are already working front-line public health jobs, and the state currently needs to build a more robust public health system. An HRTP program that targets Black workers for public health system jobs can address income inequality and economic competitiveness for Black workers, climate change, and the need for a more robust public health system.

  ° **Expand the ability for municipalities to access Employment Training Panel (ETP) funds.** The ETP program is a model for what public sector workforce development training could look like. Restructuring the program to allow for public entities to access funds for a local hiring program or apprenticeship program will not only increase the capacity of said local programs and the impact of ETP, but also allow for the local funds that would have otherwise been used for training to be used for hiring and service expansion.
• **Reverse Proposition 209.** California is one of the only eight states that ban the consideration of race in public contracting, employment, and university admissions. This fuels disproportionate underemployment and unemployment of Black workers both in the public sector higher-level jobs and within private businesses that pursue public-private partnerships. A reversal of this proposition will allow the state to reinstate racial diversity and inclusion mandates that will benefit all communities of color in California.

• **Reverse Proposition 13 and implement a 10-year plan to equitably reassess property values.** Prop. 13 limits municipal and state agencies in their property tax revenue by freezing the property value that property taxes are assessed at to the value at the last change of ownership. A reversal of proposition 13 will increase state and local tax revenue allowing for the expansion of public services and employment.

**FEDERAL**

• **Include state and city funding in federal coronavirus relief packages before the start of fiscal year 2021.** States need federal aid to expand the public sector at the scale that both communities and workers need. As of the writing of this report, Congress has yet to pass a coronavirus relief bill that includes direct funding to states. Due to the economic shutdown and falling revenue streams, many cities and states face massive budget deficits as they head into the July 1, 2020 - June 30, 2021 budget decisions. Without the financial support of the federal government cities and states have to endure massive cuts to budgets that are typically in the form of salary expenditures and services.

• **Include language in coronavirus relief packages that allows for the use of local hire ordinances for projects utilizing federal funding sources.** Local hire ordinances and programs are a useful tool at the state and local level to address specific labor and unemployment issues of specific communities in a targeted manner. Too often, federal funding regulations and laws prevent local hire ordinances from being applied to projects utilizing federal funds due to a variety of laws related to equal opportunity. In no way is this recommendation intended to eliminate equal opportunity laws; instead, we seek to include language that allows for equity-focused local hire ordinances to be acceptable in federally funded projects in coronavirus relief packages, and any other forthcoming aid package that includes funding that states and localities can tap.
INTRODUCTION

Black workers’ economic contributions are integral to the state of California as a whole, and particularly to Los Angeles County. Over one-third of Black workers in California work in Los Angeles County, which holds one of the largest Black communities in both the state and the nation. In spite of this, Los Angeles continues to be a site of racial disparities in educational opportunity, employment, housing, and life expectancy, with Black workers disproportionately experiencing unemployment, homelessness, incarceration and lower life expectancy. The public sector in Los Angeles provides what discrimination prevented the private sector from providing — quality jobs. This is a direct result of the legacy of civil rights advocacy and Black power building that recognized that the public sector could be a conduit to middle class jobs, financial stability and quality work for Black workers. The public sector holds a complex and important role in the Black community, and has been a historical source of jobs that provide financial stability and security. Yet, austerity measures and privatization put these public sector jobs at risk, and disproportionately impacts Black workers.

The onset of Covid-19 brought widespread devastation to the physical and economic health of Black communities and workers. Black workers were already in the throes of a Black jobs crisis in Los Angeles before the pandemic. In times of economic downturns, as Black communities are hit harder and take longer to recover, this jobs crisis is only getting worse. Black workers need good employment opportunities, livable wages, and fair workplace practices that are essential to develop an adequate and dignified standard of living. As such, a specific racial equity lens that not only addresses the disproportionate damage caused by Covid-19, but one that also addresses the pre-existing jobs crisis needs to be applied to any and all recovery efforts. Otherwise, Black workers will be left behind as they were in recoveries from past disasters and recessions, and the structural issues impacting Black communities will continue to thrive. As our region develops strategies and policies to address the public health and economic fallout resulting from the Covid-19 pandemic, this report posits that public sector jobs and their role in Black workers’ livelihoods need to be considered as a tool in recovery and creating a better system than before. In light of the economic fallout from the Covid-19 pandemic, the need for these programs are even more urgent. Commitments to the public sector can address the documented unemployment and underemployment in the Black community, support the stability and growth of the Black middle class, and expand the capacity and impact of the public sector.

This report highlights public sector work in the Black community through the most recent government data and relevant literature to demonstrate why and how public sector jobs should be a tool in addressing the Black jobs crisis and the recovery from Covid-19. The report also explores how disasters and previous economic crises — the 2008 Great Recession, Hurricane Katrina, and the 1992 Los Angeles Uprising — have impacted Black workers, their families, and communities, as well as the shortcomings of recovery efforts, respectively. This report includes a discussion on the specific impacts of Covid-19 on Black workers and communities in Los Angeles. Finally, a set of recommendations provide state, county, and local governments guidelines for protecting and expanding public sector jobs through workforce development training and pipelines that specifically target Black people. Though the report focuses on Los Angeles, the lessons and strategies apply to other cities across California and across the U.S.
OVERVIEW OF BLACK WORKERS IN THE PUBLIC SECTOR

Public sector jobs are a source of reliable, well-paid work, and have been since the Reconstruction era when the United States Postal Service hired formerly enslaved Black people. Over the next century, Black workers who were locked out of private-sector jobs found work in the public sector as the government expanded services, transportation, and public hospitals and schools. The public sector continued to grow to become the most important source of employment for Black workers, and a sector in which the wage differential between Black and white workers has been less than what it is in the general economy. Throughout the latter half of the 20th century, Black workers, and Black women in particular, were able to acquire a proportionally high number of public sector jobs. These jobs provided Black workers with fair pay, pensions, job security, and a career ladder largely as a result of the work of public sector unions and Black advocacy.

While the private sector is known to base pay increases and promotions on discretion, the public sector provides opportunities for Black workers to advance in their careers by way of historically classified or non-exempt worker categorization, civil service protection laws, and union negotiated wage increases and promotions. The classified or non-exempt worker status historically assigned to public sector work has provided specific rights as they relate to their jobs. The two important rights are restricting any termination to just cause reasons, and enabling workers to utilize complex and extensive equal employment opportunity laws to contest employer decisions related to wages, job placement, harassment, and promotion. Oftentimes, Black public sector workers earn higher incomes and enjoy better benefits than their private sector counterparts in the same positions. In recruiting Black workers for government positions, the union negotiated benefits of public sector jobs, and the limited access to and discrimination within the private sector furthered a nationwide trend toward Black workers being more likely to be public sector workers.

BLACK JOBS IN THE PUBLIC SECTOR IN LOS ANGELES

Municipal jobs and positions for Angelenos expanded in the 1970s and 1980s. In 2018, there were 570,761 government workers in Los Angeles County. Whereas public sector workers make up 12% of all workers in the county, Black public sector workers make up 22% of Black workers in the County. In other words, over 1 in 5 Black workers work in the public sector, compared to just under 1 in 8 of all workers work in the public sector.

<table>
<thead>
<tr>
<th></th>
<th>All Workers</th>
<th>Black</th>
<th>Non-Black</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Sector Job</td>
<td>12%</td>
<td>22%</td>
<td>11%</td>
</tr>
<tr>
<td>Non-Public Sector Job</td>
<td>88%</td>
<td>78%</td>
<td>89%</td>
</tr>
</tbody>
</table>

Most of the public sector jobs are locally held within city agencies, local school districts and hospitals.
Jobs in the public sector have declined in the past decade. Black jobs dropped 5 percentage points from 27% in the early 2000s to 22% in 2018.

Public sector jobs deliver public sector services. The expansion of these jobs can give the public sector the capacity and human power needed to improve and expand services. These services that public sector workers provide range from education and healthcare, to street repair and public transportation. These jobs and services are what keep communities going and lay the foundation for the Black community to survive and thrive before, during, and after any crisis. Throughout the coronavirus pandemic, and during recovery, front-line public sector workers are keeping the city going with many still providing essential services. Job cuts, furloughs, and hiring freezes diminish Black workers in the public sector’s ability to provide those essential services. Cuts in areas like maintenance have already led to public health problems in Skid Row and City Hall long before Covid-19. We must expand public sector occupation areas, with the exception of protective services, to meet the full needs of the Black community and workers disproportionately impacted by Covid-19.
FIGURE 4: Top 10 Public Sector Occupational Areas for Black Workers

<table>
<thead>
<tr>
<th>Occupation Areas</th>
<th>Key Occupations</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office and Administrative</td>
<td>Office clerks, administrative assistants, postal service workers, customer service, word processors</td>
<td>20%</td>
</tr>
<tr>
<td>Education</td>
<td>School teachers, teachers’ assistants, special education teachers, librarians</td>
<td>14%</td>
</tr>
<tr>
<td>Protective Services</td>
<td>Police officers, security guards, probation officers</td>
<td>9%</td>
</tr>
<tr>
<td>Health Care</td>
<td>Personal care aides, home health aides, medical assistants, nursing assistants</td>
<td>8%</td>
</tr>
<tr>
<td>Managerial</td>
<td>Education administrators, managers (emergency, construction, purchasing, sales, etc.)</td>
<td>8%</td>
</tr>
<tr>
<td>Counseling/Social Services</td>
<td>Social workers, counselors, therapists, probation officers</td>
<td>6%</td>
</tr>
<tr>
<td>Transportation</td>
<td>Bus drivers, truck drivers, movers, stockers, taxi drivers</td>
<td>6%</td>
</tr>
<tr>
<td>Medical</td>
<td>Nurses, physicians, technicians, radiologists</td>
<td>6%</td>
</tr>
<tr>
<td>Cleaning/Janitorial/Grounds</td>
<td>Janitors and building cleaners, landscaping, housecleaning</td>
<td>5%</td>
</tr>
<tr>
<td>Business</td>
<td>Human resources, compliance officers, operations</td>
<td>3%</td>
</tr>
</tbody>
</table>

SELECT CHARACTERISTICS OF PUBLIC SECTOR WORKERS
Public sector work is also about Black women. Nearly two thirds of the jobs held by Black public sector workers are held by Black women. Black workers are more likely to be in the public sector due to the benefits of the sector and the limited access to the private sector where women face the double layer of discrimination.

FIGURE 5: Public and Private Sector Black and Non-Black Workers in Los Angeles County by Gender

<table>
<thead>
<tr>
<th></th>
<th>Black Public Sector</th>
<th>Non-Black Public Sector</th>
<th>Private Sector Black</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>62%</td>
<td>56%</td>
<td>51%</td>
</tr>
<tr>
<td>Male</td>
<td>38%</td>
<td>44%</td>
<td>49%</td>
</tr>
</tbody>
</table>

Source: American Community Survey 2014-2018

Black workers skew older in the public sector as compared to non-Black public sector workers and Black workers in the private sector. This trend signals an aging out of Black workers initially targeted to join the public sector and indicates a failure to continue to recruit young Black workers to join the public sector.
Public sector jobs pay better wages to Los Angeles County workers. Black workers in the public sector earn 46% more than their private sector counterparts and live in households with incomes that are 22% higher than private sector workers.

While Black public sector workers earn 46% more than their counterparts in the private sector, they still earn less than white public sector workers.

Homeownership is a pathway for middle-class workers to build personal and familial wealth. Yet, Black people have been locked out of homeownership for a variety of reasons, from financial discrimination to housing segregation. Black families are also confronted with predatory lending practices and were more likely to lose their homes and wealth during the 2008 recession. In 2018, only one third of Black workers in Los Angeles owned their home, compared to nearly half of all workers in the county owning a home. Though, Black public sector workers seemed to fare better in regards to homeownership.

FIGURE 6: Public and Private Sector Black and Non-Black Workers in Los Angeles County by Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Black Public Sector</th>
<th>Non-Black Public Sector</th>
<th>Black Private Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-24</td>
<td>5%</td>
<td>7%</td>
<td>13%</td>
</tr>
<tr>
<td>25-39</td>
<td>26%</td>
<td>31%</td>
<td>37%</td>
</tr>
<tr>
<td>40-64</td>
<td>63%</td>
<td>57%</td>
<td>45%</td>
</tr>
<tr>
<td>65+</td>
<td>6%</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: American Community Survey 2014-2018

FIGURE 7: Median Individual and Household Income for Black Public and Private Sector Workers in Los Angeles County

<table>
<thead>
<tr>
<th>Income Type</th>
<th>Public Sector</th>
<th>Private sector</th>
<th>Percentage difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Wage Income</td>
<td>$50,800</td>
<td>$31,700</td>
<td>46%</td>
</tr>
<tr>
<td>Household Income</td>
<td>$78,300</td>
<td>$62,800</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: American Community Survey 2014-2018

FIGURE 8: Median Individual and Household Income for Black and White Public Sector Workers in Los Angeles County

<table>
<thead>
<tr>
<th>Income Type</th>
<th>Black</th>
<th>White</th>
<th>Percentage difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Wage Income</td>
<td>$50,800</td>
<td>$67,000</td>
<td>28%</td>
</tr>
<tr>
<td>Household Income</td>
<td>$78,300</td>
<td>$112,000</td>
<td>35%</td>
</tr>
</tbody>
</table>

Source: American Community Survey 2014-2018
Given their higher wages and household incomes compared to the private sector, Black public sector workers are more likely to own their homes. This has implications for long-term wealth and security. Homeownership provides an anchoring financial and physical safety net for the owner, their family, and their community. Moreover, in our current system, the financial and tax benefits that come with owning a home brings other wealth and income building tools.

**FIGURE 9:** Homeownership for Black Public and Private Sector Workers in Los Angeles County

<table>
<thead>
<tr>
<th></th>
<th>Public Sector</th>
<th>Private Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own</td>
<td>44%</td>
<td>28%</td>
</tr>
<tr>
<td>Rent</td>
<td>56%</td>
<td>72%</td>
</tr>
</tbody>
</table>

Source: American Community Survey 2014-2018

Public sector Black workers have a higher percentage of health insurance access than those in the private sector.

**FIGURE 10:** Health insurance for Black Public and Private Sector Workers in Los Angeles County

<table>
<thead>
<tr>
<th></th>
<th>Public Sector</th>
<th>Private Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have Health Insurance</td>
<td>97%</td>
<td>90%</td>
</tr>
<tr>
<td>Don’t have Health Insurance</td>
<td>3%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: American Community Survey 2014-2018
A SPECIAL NOTE ON THE CITY OF LOS ANGELES
In 2018, Black workers made up 16% of the city’s 47,979 public sector workforce, a lower percentage than the county public sector.

FIGURE 11: Race/Ethnicity of City of Los Angeles Employees 2017-2018 and Los Angeles City Residents 2018

<table>
<thead>
<tr>
<th>City of Los Angeles Public Sector Workers</th>
<th>City of Los Angeles Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black</td>
<td>16%</td>
</tr>
<tr>
<td>White</td>
<td>29%</td>
</tr>
<tr>
<td>Latinx</td>
<td>38%</td>
</tr>
<tr>
<td>Asian</td>
<td>16%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
</tbody>
</table>


The rate of employment for Black workers has not kept pace with the overall staffing trends. Whereas city job hires have increased by 2-3% each year, for Black workers city job hires have only increased by less than 1%, and in 2017-2018, Black workers saw a reduction in staffing.

FIGURE 12: City of Los Angeles Employees and Black Workers Yearly Percentage Change for 2014-2018

<table>
<thead>
<tr>
<th>All Workers</th>
<th>Percentage change</th>
<th>Black Workers</th>
<th>Percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-2015</td>
<td>44949</td>
<td>7760</td>
<td></td>
</tr>
<tr>
<td>2015-2016</td>
<td>46237</td>
<td>7811</td>
<td>0.66%</td>
</tr>
<tr>
<td>2016-2017</td>
<td>47309</td>
<td>7845</td>
<td>0.44%</td>
</tr>
<tr>
<td>2017-2018</td>
<td>47979</td>
<td>7785</td>
<td>-0.76%</td>
</tr>
</tbody>
</table>


If the decrease in Los Angeles’ Black city workers continues, in one generation Los Angeles’ Black city workers will represent less than their share of today’s Black population in the entire city of Los Angeles. This is even more troubling considering the impact of Covid-19 and the fact that the public sector is one of the top sectors for Black workers in Los Angeles and the pathway to economic stability. Already, the city, county and state have signaled they will make salary cuts as they head into a challenging budgeting year.19
Disasters and economic downturns impact communities differently. Black workers, overall, have higher unemployment rates than white workers, and face greater and more rapid job losses during economic downturns. They also endure a longer recovery. This section demonstrates the structural challenges Black communities face during stressed events by looking at three historical moments: the Great Recession, Hurricane Katrina, and the 1992 Los Angeles Uprising. This is meant to be a high-level analysis of each of these moments, with lessons to apply toward economic recovery for Black workers.

**THE 2007-2009 GREAT RECESSION**

The 2007-2009 Great Recession saw the largest job loss since the Great Depression. The employment contractions and budget cuts following the 2007-2009 recession hurt Black workers, and especially Black women, much more than their white counterparts. Austerity measures taken by cities in Southern California, pay cuts, furloughs, lower starting wages, and hiring freezes, led to reductions in public sector expenditures. During the recession and in the years following, Black women in the public sector were more likely to enter unemployment and least likely to find employment in the private sector, while Black men were most likely to remain long-term unemployed.

The American Recovery and Reinvestment Act (ARRA), which was supposed to help the whole country recover, failed to address the issue of the disproportionate impact on Black workers. In Los Angeles, by 2010, 1 in 4 Black workers were unemployed — up from 1 in 11 at the start of the recession, and twice that of white unemployed workers. The ARRA did not put enough focus on Black and Latinx communities in its approach, nor did it address the structural unemployment and underemployment amongst Black people that existed long before 2007. Further, the ARRA addressed the crisis by focusing on tax cuts, instead of direct job creation. The ARRA had the potential to address the chronic higher unemployment in Black communities. Instead, after the recession, Black workers lost their grounding in the labor market, even as many increased their educational attainment.

Nationally, the 2007-2009 recession saw 8.7 million in jobs losses — 15% occurred in California. In the state, it took six years to return to pre-recession job levels. But, when the economy recovered, many higher paying jobs were replaced with lower paying and temporary positions. Gaps in government jobs, particularly local government jobs, continued well after the rest of the economy recovered. In fact, California implemented austerity measures during the recovery, which countered the intended impacts of the ARRA by cutting jobs. California’s school districts were the hardest hit, with education making up almost half of the cuts in 2010 and 2011. Overall, the public sector shrunk by nearly 7% during the recession and by 2018 faced a 157,200 jobs gap from pre-recession levels. Black unemployment numbers in Los Angeles in 2018 of 11.1% still sit above the pre-Great Recession 9.9% indicating that a decade later Black Los Angeles workers still haven’t recovered from the Great Recession.
HURRICANE KATRINA
The 2005 Hurricane Katrina was a natural disaster that ravaged New Orleans and exposed the systemic inequalities and weaknesses. Low income, Black communities, people of color, and seniors extremely were particularly vulnerable to Hurricane Katrina’s devastation, both physically and economically. The federal government, whether through indifference or incompetence, failed to respond to the needs of the community before, during, and after the hurricane hit.33

The massive physical and economic redevelopment that the hurricane necessitated would have been an opportunity to dually redevelop New Orleans while transforming social and economic structures to create a more just New Orleans. But, government redevelopment efforts post-Katrina were anchored by luxury developments to support the remarked New Orleans tourism industry.34 Job creation from this strategy primarily offered Black workers in New Orleans low-wage or flexible jobs, or none at all, which echoed the plantation tradition of upholding racial hierarchies and devaluing the labor of those on the bottom.35 Low wage and discriminatory jobs were able to persist in the name of redevelopment in New Orleans as city and state governments approved construction and development contracts with no competitive bidding, provisions for living wages, local hiring requirements, nor community oversight.36 Few Black workers in New Orleans had a say in how New Orleans redeveloped after Katrina, or for whom it was redeveloped for. The economic effect of this persists to this day with 25% of resident’s living in poverty—75% of whom are Black.37 Ultimately, Black workers in New Orleans were already vulnerable to the potential impacts of a natural disaster, but Hurricane Katrina’s long-term negative economic impacts disproportionately hit Black workers, in part, because recovery efforts did not prioritize the most vulnerable and impacted individuals.

Essentially, redevelopment without a focus on the actual needs of marginalized workers failed workers in New Orleans and will fail workers in Los Angeles as well. Further, the federal government’s disregard and slow response to Hurricane Katrina in New Orleans mirrors the coronavirus pandemic which will have devastating long-term effects on those most vulnerable.

1992 LOS ANGELES UPRISING
Los Angeles has an extensive history with disasters and recovery in its Black communities. The acquittal of the officers who were filmed brutally beating Rodney King led to what is now known as the 1992 Uprising that occurred in the larger context of the racial, class, and gendered oppression experienced by Black and brown Angelenos.38 The aftermath of the uprising brought both a public health and economic lens to the large-scale redevelopment effort in 1992, Rebuild Los Angeles (Rebuild L.A.), to address the estimated one billion dollars of property damage.39 Rebuild Los Angeles began as an extra-governmental task force that later became a nonprofit with the goal of leveraging the private sector to rebuild south Los Angeles after the uprising.40 One of their most prominent initial commitments came from Vons, a supermarket chain, to bring 57,000 new jobs to South Los Angeles in five years through the construction of 12 grocery stores. Vons commitment garnered other commitments from other grocery chains, Ralphs, Smart & Final and Food 4 Less, to open stores, bringing the total to 30 new stores, of which six were built.41 The success of this plan could have meant good construction jobs, increased food access, an overall increase in neighborhood values, and potentially union grocery store jobs.42 But, Rebuild Los Angeles failed to deliver on this most promising commitment when Vons backed out of the deal as did the other grocery chains, part of this having to do with the consolidation in the grocery sector.43 After many other failed attempts by the organization Rebuild L.A. ultimately closed shop in 1997.

The 1992 uprising also served as the catalyst for the momentum for federal empowerment zones, state enterprise zones, and Los Angeles revitalization zones.44 Assessments of all three zones find that they created little to no job creation within South Los Angeles.45 There were also a number of other federal responses largely amounted to emergency aid to cities and promotion of existing programs including the HOPE
program and youth employment. There was some success from rebuilding efforts. In addition to Rebuild L.A. and economic development zones, Community Coalition successfully rebuilt South Los Angeles without liquor stores, and won unprecedented police reforms within LAPD practices. These successes were not enough to truly rebuild South Los Angeles communities and provide opportunities for Black workers. The consequence of this for Black people, in particular, is the economic divide that continues to grow. Since then, Los Angeles is facing an out-migration of Black Angelenos to other cities, counties, and even states that offer a more affordable and improved quality of life. The race, class, and gender oppression that sparked the 1992 Uprising still persists and continues to grow; this laid the groundwork for the disproportionate impact of Covid-19 on Black communities in Los Angeles today. Los Angeles leaders must know that the same solutions from 1992 did not serve Angelenos, and will continue to fall woefully short of the needs of Black residents that they represent.

Covid-19 has had a disproportionate impact on Black people and communities, with low-income and people of color being more likely to get sick and die from the illness. At the start of the pandemic, wealthier communities in Los Angeles reported the highest cases of Covid-19, but by May, the virus took root in South and Southeast Los Angeles home to the largest concentration of Black Angelenos. Issues such as the lack of access to health care, discrimination within healthcare, disproportionate environmental hazards in Black neighborhoods, high levels of poverty, and increasing levels of income inequality all stem from structural racism and create the conditions for chronic illnesses—like hypertension, diabetes, obesity, etc.—to prevail amongst Black people. Preliminary data demonstrates that Black people are more likely to get sick and die from Covid-19. In California, 12% of Covid-19 related deaths were Black people, even though the state is only 6% Black.

The history of structural racism continues to put already vulnerable Black workers at greater risk. Nearly 1 in 2 Black workers in California work jobs classified as front-line and essential, putting them at risk for exposure while working outside of the home during the coronavirus pandemic. Some of the top occupations for Black essential workers include personal care aides, laborers and materials movers, food prep workers, office clerks and customer service representatives. In Los Angeles, Black workers are in front-line essential jobs during the Covid-19 pandemic, with the majority of Black city workers in service and maintenance, and administrative support roles, rather than roles that would allow them to work from home.

The coronavirus pandemic wreaked economic havoc across the U.S. in all sectors. As of writing the report, the Covid-19 resulted in nearly four times the unemployment rate of 2008, hitting 40 million the week of May 22, 2020. When it comes to public sector jobs, the city of Los Angeles proposes budget cuts and nearly 16,000 furloughs for the 2020-2021 fiscal year. The state of California is also contending with revenue losses and facing a $54.3 billion deficit for the 2020-2021 fiscal year. The proposed budget includes major cuts to funding K-12 schools and other government services. As was the case in the Great Recession, Black workers will be disproportionately impacted by the massive furloughs and layoffs these budget cuts require.
Too often during times of economic crisis, we see cuts to public services and jobs. In the last recession, some of the biggest cuts were to education, leading to a teacher’s shortage in the state. In 2018, education made up 22% of the public sector jobs in Los Angeles, and accounted for 14% of all Black public sector jobs. In the May governor’s budget, education is spending $13.5 million less than last year, similar cuts were made during the Great Recession that led to a loss of over 33,000 educators. Past public sector cuts particularly impacted Black women, and these cuts will likely do the same. The cuts to government services also impact communities that rely on the public sector for services such as transportation, health care, education programs, park access, and more.

Austerity in the face of an economic crisis historically leads to a privatization of service provision. As this report illustrates, Black workers in the public sector fare better when it comes to wages and benefits than their counterparts in the private sector. Thus, privatization of public service provision that occurs in the name of budget cuts and austerity equates to a loss of public sector jobs and the improved wages and benefits that come with them for Black workers.

As states move forward with budget discussions, lift shelter-in-place orders, and allow businesses to reopen, Black workers and their families will continue to face an unprecedented public health and jobs crisis. Even when treatments and vaccines are developed and widely available, experts suggest that economic conditions comparable to the Great Depression will still arise. For Black people, this also means a deepening of the public health and jobs crises that existed prior to Covid-19. A key to getting out of this crisis is the public sector. To ensure the survival of the Black community in Los Angeles a robust public sector infrastructure, from healthcare and education to transportation and maintenance, is needed. By investing in the public sector and targeting Black workers, Los Angeles can expand and improve public service provisions and provide quality public sector jobs that ultimately improve Black communities as whole.
Structural racism and oppression existed long before Covid-19, the 2007-2009 Great Recession, Hurricane Katrina, the 1992 Los Angeles Uprising. These all disproportionately impacted Black communities, and their recovery efforts failed to truly rebuild and support Black people. In addition to the need for a racial equity lens on recovery efforts, there are other lessons to be learned from those past crises. The Great Recession teaches us that a lack of focus on direct job creation will limit the success of any policy response to an economic disaster. Hurricane Katrina teaches us that anchoring redevelopment on industries without living wages and benefits, and issuing no-bid non-competitive contracts will only continue and deepen the poverty experienced after a natural disaster. Lastly, the 1992 uprising demonstrates that a dependency on the private sector without a focus on expansion of public services for rebuilding efforts is not a reliable strategy in response to an uprising born out of a history of racial, class, and gendered oppression experienced by Black and brown Angelenos. As we look toward understanding and strategizing about Covid-19 recovery and redevelopment it is crucial to fully take in these lessons and address the needs of Black workers. To that end, the public sector needs to be the primary strategy in economic recovery and stimulus, with the exception of protective services.

The public sector proves to be a consistently reliable sector to anchor redevelopment and recovery efforts, both in times of financial crisis and in

“We have a lot more [MediCal and CalFresh] applications than we had in March and not necessarily enough workers to handle the extra workload. So it’s challenging to try and get work done, and then it’s the pressure because you want to help as many people as you can, but sometimes you can have more work than you have time...We have to have workers working and it [was] already difficult before, sometimes were busier than others. So sometimes it was difficult to get the work done by the deadlines before the crisis, and now we are about a month behind. So, we need to just keep the workers working so that the clients can get service.”

— An eligibility worker in Los Angeles County for 5 years who enrolls residents in public safety net programs, and is a member of Service Employees International Union, Local 721.
response to discrimination in the work force. But, an expansion of the public sector of the scale needed, or at the very least a stabilization of the sector, is largely dependent on federal funding as states and cities deal with dramatic drops in tax and fees revenue seen by the stay-at-home orders. The U.S. Congress has yet to pass a Covid-19 related aid package that includes support to states and cities directly. This will leave state and local governments no choice but to cut their expenditures at a time when their communities need their services the most. Further, salary expenditures are often one of the first places to cut. A study across fourteen different cities found that the variable most closely correlated with Black poverty is public employment, and thus cuts to public employment may worsen the conditions for Black communities rather than improve them. As we look toward understanding and strategizing about how Covid-19 response and recovery can meet the needs of Black workers, the public sector needs to be fully explored and developed as a promising and viable anchor for development.

The following are recommendations to address both the response to and recovery from Covid-19. The recommendations include immediate responses to support the short-term impacts of the economic fallout of Covid-19, and long-term recovery solutions and strategies to rebuild the economy that is equitable, fair, and better for our communities. While this report does not cover the public health response and recovery, the same principle of utilizing a racial equity lens applies.

**RESPONSE**

Our response must center the immediate needs of our communities. Black people across communities have already been disproportionately impacted by Covid-19 and face greater barriers to accessing relief. Immediate response measures must be aligned with the following recommendations:

- **Protect the health of workers and communities.** Black communities have been harder hit by Covid-19. The public health response needs to target testing in those communities, providing increased health care services that ensure that Black people get access to the care they need.

- **Provide workers with adequate safety and safety net tools.** Black workers are bus drivers, nurses, health aides and sanitation workers that have provided essential services during the coronavirus pandemic. These workers still need safe workplaces and personal protective equipment (PPE). Moreover, as businesses begin to reopen, requirements for PPE and social distancing need to be accompanied with resources for all businesses to secure the equipment for their workers. Finally, as Black workers have been disproportionately impacted by unemployment many will not be able to return to work, and need adequate access to unemployment benefits. These combined experiences of Black workers necessitate the need for improved access to safe workplaces, PPE, and unemployment benefits.

- **Intentionally target the response resources to Black working-class families.** Given the vast data available on the disproportionate health and employment impacts that Covid-19 has had on Black working class people and their families, in this report and others, response resources need to be intentionally earmarked for Black working families and communities.

- **Prioritize hiring and retention programs in the public sector.** It is imperative that the city and county maintain equitable employment of Black workers and resist cuts to programs, services and related jobs that are critical to the community. These jobs include eligibility workers for government programs, health care workers, public health workers, maintenance workers, and more. We need to counter hiring freezes, furloughs, and layoffs for public sector workers that are providing services that are essential to the community and to make fiscal policy decisions that invest in the public sector.
• **Apply a racial equity lens to all forthcoming budget decisions.** Cuts to services and jobs in light of the economic downturn caused by Covid-19 will disproportionately impact Black jobs and services for low-income and working-class Black people. To understand the impact on vulnerable communities, both in terms of services and economic stability, all budgeting decisions must utilize a racial equity lens. The insight that comes as a result should be used to lessen and/or eliminate any disproportionate impacts on communities of color by repurposing the budget for services and jobs that uplift low-income and working-class Black communities.

**RECOVERY**
The pandemic has illuminated the cracks in our systems, and rather than filling these cracks, we have an opportunity to address the underlying issues. We need long-term structural changes that move beyond reacting to the crisis, address the systemic issues that led to the disproportionate impact of Covid-19 on Black workers and communities, and ensure equity mandates in economic recovery. The solution this report highlights is an equitable expansion of public sector services while targeting Black workers for the jobs that would create expanded services for communities that need them the most, and place Black workers in quality jobs. All scales of government have work to do to contribute to this public sector solution. Toward this end, we make the following recommendations:

**LOCAL**

• **Expand and fund targeted local hire and broaden classifications that require more specialized skills.** The TLH program creates a pathway to civil service jobs and encourages public agencies in Los Angeles to hire from a targeted group of underrepresented populations such as residents from high poverty neighborhoods, formerly incarcerated and those vulnerable to or experiencing homelessness. In quarter 4 of fiscal year 2018-2019 (April - June) only 75 individuals were hired under the six job classifications used by TLH.\(^6^9\) The current impact of this program on addressing the needs of Black workers is minimal considering Los Angeles has over 45,000 employees and TLH is a small percentage of their hiring. Public employment efforts have been an underutilized mechanism to address larger economic disparities Black residents face regularly. By expanding the program in light of the Covid-19 pandemic, more Black workers at various skill levels working can enter the public sector.

• **Carefully consider the consequences of municipal funding strategies that result with a higher municipal debt service burden, and/or negotiate better terms that are mindful of the budget reality of the city.** High municipal debt service burdens require the city to pay its debt to avoid bankruptcy, as opposed to hiring workers and providing services regardless of economic circumstances. Higher debt service is linked to lowered expenditures on public employees through the form of pay cuts, furloughs, hiring freezes, and lower starting salaries. Thus, a solution to expand the public sector that relies on increasing cities’ debt service burdens sets itself up for future failure. Cities like Los Angeles can avoid the need to take on additional debt by either increasing revenues or lowering expenses, and by making decisions with a racial equity lens. When taking on additional debt is unavoidable, cities must negotiate better terms with the debtholders so that they are not put in the position of making the decision to bankrupt the city or lay off workers. Unprecedented times call for cities to make unprecedented moves to renegotiate their current terms with their debt holders.

**STATE**

• **Allow local governments to access state dollars to train its workforce.** In any time, and especially during an economic downturn, there is an immense need for cities to not have to rely solely on their general fund to train workers. Multiple funding sources from a variety of scales, including the state, can expand and stabilize funding pathways to recruit and train public sector workers. If we expect
local governments to expand public employment and workforce training for Black workers, then a stable funding source for these programs is required. Other recommendations below discuss specific state funding sources:

° **Create a permanent High Road Training Partnership (HRTP) program to complement Targeted Local Hire (TLH) classifications that require more specialized skills.** Black workers are already working front-line public health jobs, and the state currently needs to build a more robust public health system. An HRTP program that targets Black workers for public health system jobs can address income inequality and economic competitiveness for Black workers, climate change, and the need for a more robust public health system. The Worker and Education Resource Center (WERC) with the Service Employees International Union Local 721 has already demonstrated the success of a HRTP program aimed at the public sector. But, HRTP was a demonstration project, and thus is not institutionalized yet. A permanent HRTP program that compliments TLH classification can build upon the work WERC has already done can meet the long term needs of Black workers.

° **Expand the ability for municipalities to access Employment Training Panel (ETP) funds.** The California State Workforce Development Board has several revenue streams, and ETP, which is funded by way of a special payroll tax, is one of them. Private businesses can draw on the funds for training that increases the skills of their workers that will lead them to good paying, long-term jobs. Since the funding is from a business tax, City’s can not tap it for their own similar training purposes for its workforce. The ETP program is a model for what public sector workforce development training can be. Restructuring the program to allow for public entities to access funds for a local hiring program or apprenticeship program will not only increase the capacity of said local programs and the impact of ETP, but also allow for the local funds that would have otherwise been used for training to be used for hiring and service expansion.

• **Repeal Proposition 209.** California is one of the only eight states that ban the consideration of race in public contracting, employment, and university admissions. This fuels disproportionate underemployment and unemployment of Black workers both in the public sector higher-level jobs and within private businesses that pursue public-private partnerships. Repealing Proposition 209 will allow the state to reinstate racial diversity and inclusion mandates that will benefit all communities of color in California.

• **Reverse Proposition 13 and implement a 10-year plan to equitably reassess property values.** Prop 13 limits municipal and state agencies in their property tax revenue by effectively freezing the property value that property taxes are assessed at the last change of ownership. The assessed property value is capped at 2% every year starting with the value at the last change of ownership. So, the revenue from property taxes is not reflective of the actual assessed value of California property. This lowers state and city revenue to fund public services. A repeal of proposition 13 will increase state and local tax revenue allowing for the expansion of public services and employment.

**FEDERAL**

• **Include state and city funding in federal coronavirus relief packages before the start of fiscal year 2021.** States need federal aid to expand the public sector at the scale that both communities and workers need. As of the writing of this report, Congress has yet to pass a coronavirus relief bill that includes direct funding to states. Due to the economic shutdown and falling revenue streams, many cities and states face massive budget deficits as they head into the July 1, 2020 - June 30, 2021 budget decisions. Without the financial support of the federal government cities and states have to endure massive cuts to budgets that are typically in the form of salary expenditures and services.
• **Include language in coronavirus relief packages that allows for the use of local hire ordinances for projects utilizing federal funding sources.** Local hire ordinances and programs are a useful tool at the state and local level to address specific labor and unemployment issues of specific communities in a targeted manner. Too often, federal funding regulations and laws prevent local hire ordinances from being applied to projects utilizing federal funds due to a variety of laws related to equal opportunity. Those laws are important, but also prevent cities and states from getting projects to hire from a community for equity reasons, like disproportionately experiencing high levels of unemployment. Express language in the federal law or regulation for said federal funding source that requires equal opportunity ironically both protects all workers, and prevents the enforcement of local hire programs for workers who need it the most. In no way is this recommendation intended to eliminate equal opportunity laws; instead, we seek to include language that allows for equity-focused local hire ordinances to be acceptable in federally funded projects in coronavirus relief packages, and any other forthcoming aid package that includes funding that states and localities can tap.
APPENDIX

METHODOLOGY
This report is based on our analysis of current and historical census data and a comprehensive literature review. We used the American Community Survey 5-year estimate 2014-2018 and 1-year sample 2000, 2010, and 2014 retrieved from IPUMS-USA, University of Minnesota (www.ipums.org). All data is based on place of work in Los Angeles County, unless noted otherwise. For workers, we included those that are currently working and over 18-years-old. We defined Black as anyone who indicated their race as Black or African American.

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