

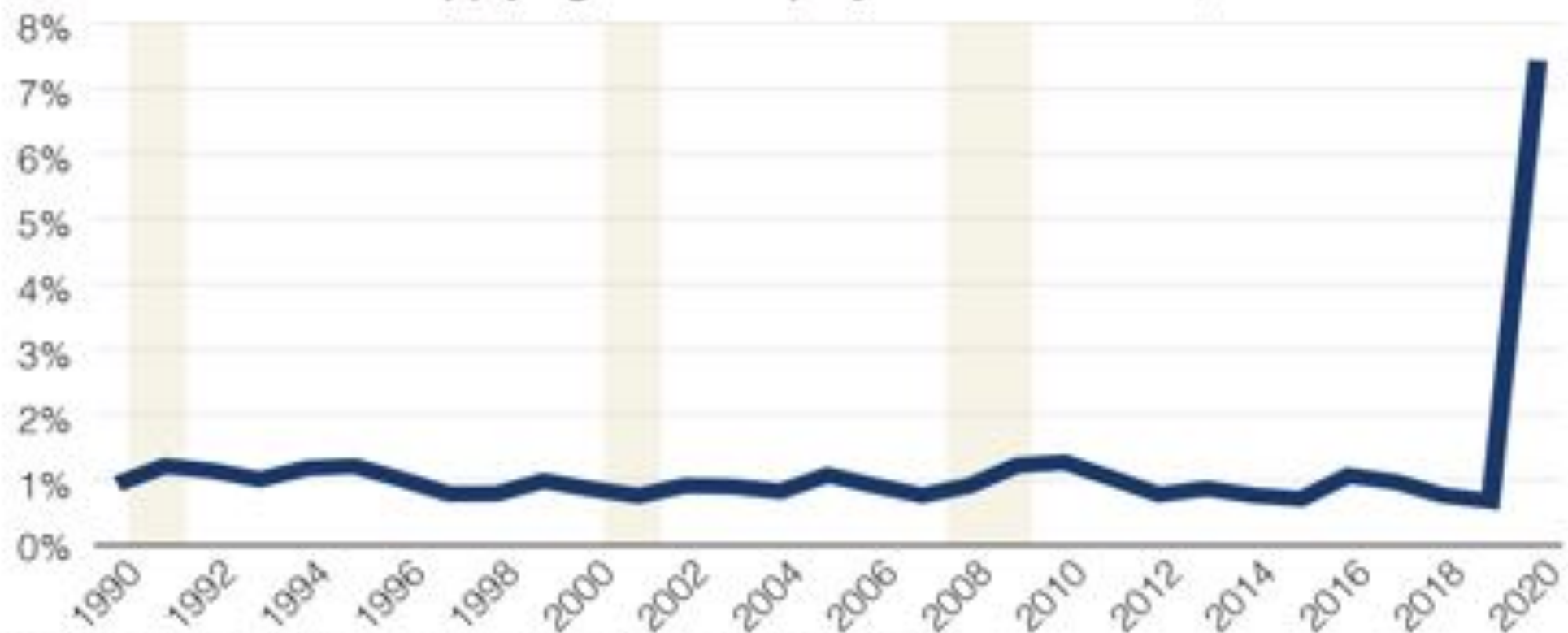
# New Jersey & COVID-19

**A Decade of Trickle Down & A Lack of Preparedness  
Present a Grave Threat to the Garden State's Future**

Brandon McKoy, President, New Jersey Policy Perspective

## Over 7 Percent of New Jersey's Labor Force Applied for Unemployment Insurance During March 2020

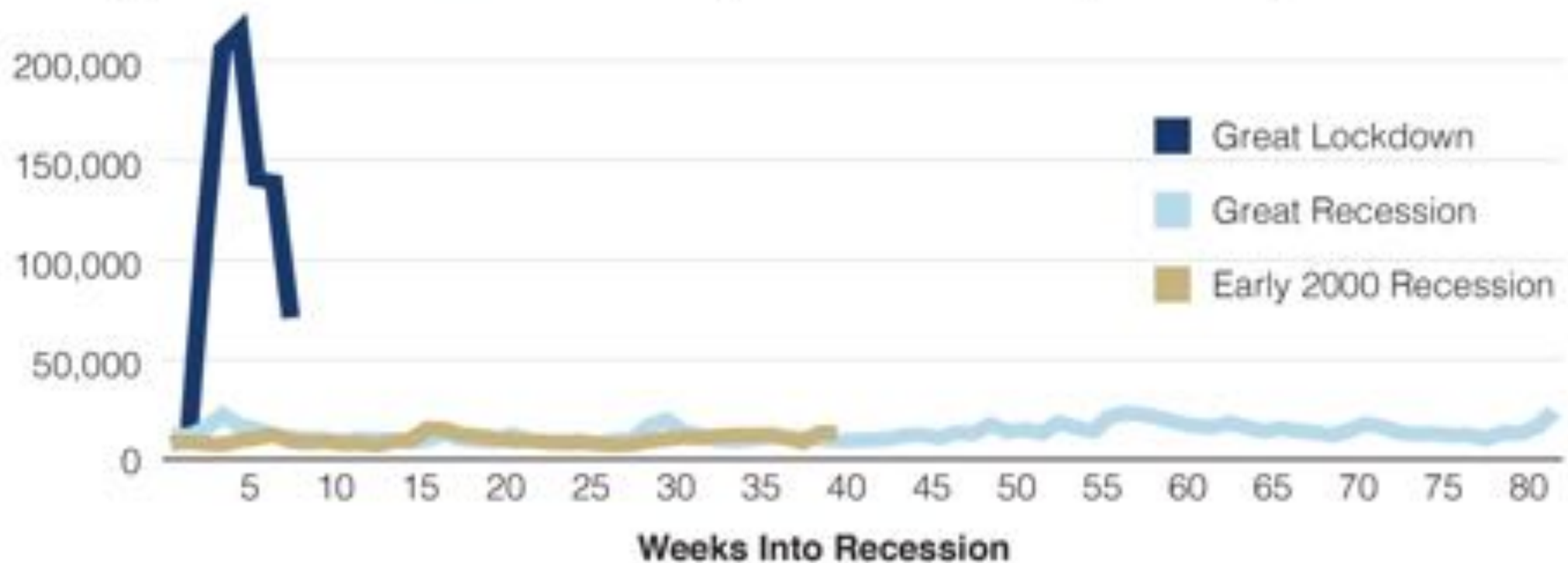
*Percent of labor force applying for unemployment insurance, March 1990 - 2020*



Source: NJPP analysis of U.S. Department of Labor unemployment insurance (UI) weekly claims and seasonally adjusted labor force numbers from the Bureau of Labor Statistics.

## Weekly Unemployment Claims During Great Lockdown Drastically Surpasses Weekly Claims of Past Two Recessions

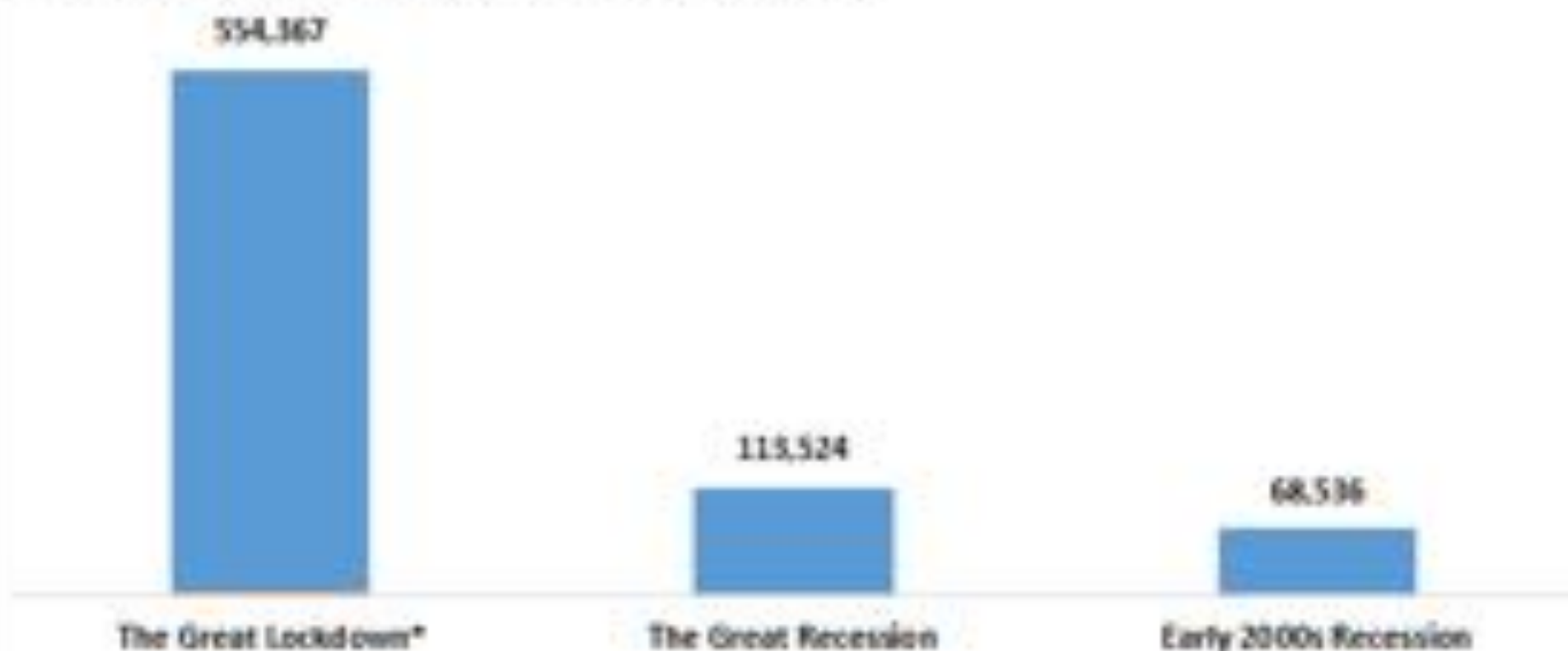
*Weekly UI claims in Great Lockdown, Great Recession, and Early 2000s Recession*



Source: U.S. Department of Labor unemployment insurance (UI) claims ending the week of March 10, 2001 through April 25, 2020. Not seasonally adjusted.

**The Great Lockdown has seen more unemployment claims in the first 5 weeks than the 5 top peak weeks in the last 2 recessions.**

The 5 largest of weekly UI claims during each recession.



NPP analysis of U.S. Department of Labor unemployment insurance (UI) weekly claims from March through November 2000, December 2007 through June 2009, and March and April 2020.

## Major Private Sector Industries at Risk of Direct Impacts from COVID-19 Pandemic

Industry	Total Employed (2018)	Total Pay 2018 (in billions)	Average Annual Pay 2018
Restaurant and Bar	266,237	\$5.5	\$20,811
Retail (excluding grocery, gas, hardware, liquor)	201,182	\$8.2	\$40,857
Taxi, Limo, School and Charter Buses	93,463	\$3.4	\$35,887
Personal Care Services	62,262	\$1.6	\$25,458
Amusement, Gambling, Recreation	54,760	\$1.2	\$21,297
Hotels and Lodging	51,390	\$2.1	\$40,200
Childcare Services	36,197	\$0.9	\$25,013
Air Transportation	17,972	\$1.7	\$95,365
Performing Arts and Spectator Sports	11,389	\$1.3	\$116,040
Museums, Historical Sites, Parks	1,840	\$0.1	\$29,237
<b>Total</b>	<b>796,692</b>	<b>\$25.9</b>	<b>\$45,017</b>

Source: NJPP and Rutgers Center for Innovation in Worker Organization analysis of Bureau of Labor Statistics, Quarterly Census of Employment and Wages

## Estimated Undocumented Workforce in Major Private Sector Industries at Risk of Direct Impacts from COVID-19 Pandemic

Industry	Total Employed (2018)	Estimated Undocumented Workforce (2018)
Restaurant and Bar	266,237	43,645
Retail (excluding grocery, gas, hardware, liquor)	201,182	42,000
Taxi, Limo, School and Charter Buses	93,463	9,239
Personal Care Services	62,262	6,155
Amusement, Gambling, Recreation	54,760	8,967
Hotels and Lodging	51,390	8,418
Childcare Services	36,197	3,578
Air Transportation	17,972	1,777
Performing Arts and Spectator Sports	11,389	1,126
Museums, Historical Sites, Parks	1,840	182
<b>Total</b>	<b>796,692</b>	<b>125,086</b>

Source: NJPP and Rutgers Center for Innovation in Worker Organization analysis of Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Migration Policy Institute, Profile of the Unauthorized Population

# Summary of Federal Bills

- **Coronavirus Preparedness and Response Supplemental Appropriations Act**
  - Signed into law March 6<sup>th</sup>
  - Provides \$8.3 billion in emergency funding for federal agencies to respond to the coronavirus outbreak<sup>1</sup>
- **Families First Coronavirus Response Act**
  - Signed into law March 18<sup>th</sup>
  - Provides paid sick leave, tax credits, free COVID-19 testing, expanded food assistance and unemployment benefits, and increases in Medicaid funding
- **CARES Act – Coronavirus Aid, Relief, and Economic Security Act**
  - Signed into law March 27<sup>th</sup>
  - \$2 trillion package to provide relief to the workers, families, small businesses and major corporations, state and local governments. Includes cash payments to families and support for public health, education, and the safety net.
  - Up to an additional \$600/week in Unemployment Insurance payments to supplement state support

# HEROES Act (Pending)

- **Fiscal Aid to States and Local Governments**

- \$900 billion total (\$500 to states, \$375 to local governments, \$40 to Native American tribes and territories) to help prevent layoffs, service/program cuts, and regressive tax increases.

- **Second Round of Direct Payments to Citizens**

- \$1,200 per family member (including children) up to \$6,000 per household.

- **Labor Protections**

- \$200 billion “heroes fund” to provide Hazard Pay for “essential workers”.
- Extends \$600/week supplemental Unemployment Insurance support through January 2021 (previously terminated at end of July 2020).

- **Housing Assistance**

- \$175 billion to states to help low-income renters and homeowners afford housing costs.

- **Education**

- \$100 billion to states, school districts, and universities to defray additional pandemic-related costs.



# HEROES Act: Changes for Non-Profits

- **Major changes to:**
  - Unemployment Insurance program
  - Expansion of Paycheck Protection Program eligibility
  - Including mid-sized nonprofits in the Main Street Lending Program
  - Extend paid leave provisions for nonprofits with over 500 employees
- **Detailed breakdown at [CouncilofNonprofits.org](https://www.councilofnonprofits.org)**
  - Article title: “Review and Recap of Nonprofit Provisions in the HEROES Act”

Major challenge for Non-Profits:

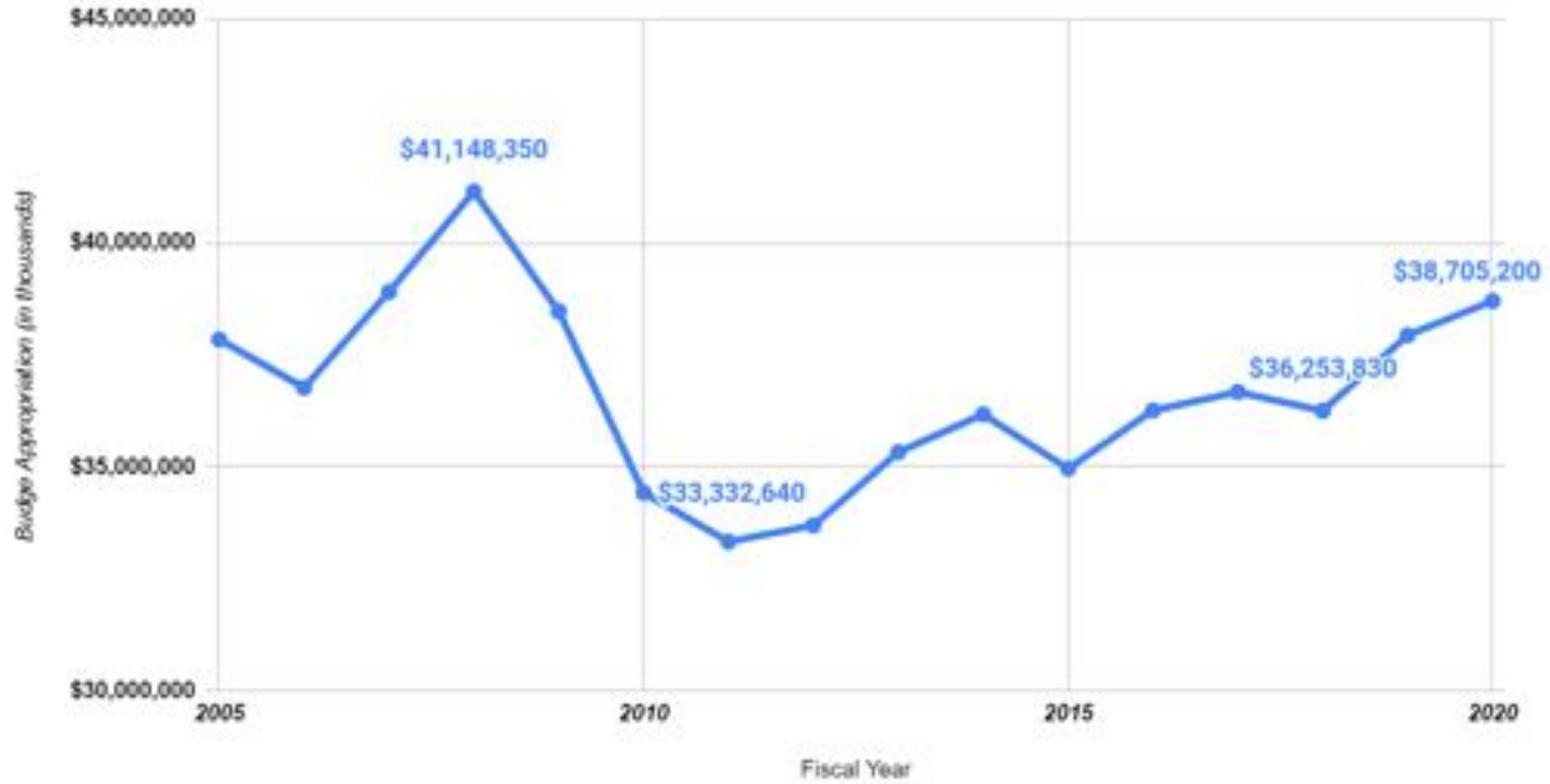
Needing to do much, much more with a decreasing amount of resources

# New Jersey's Ability to Act Severely Hampered

- **Severe underfunding of critical assets, programs, and services**
  - Particularly pronounced since the Great Recession
- **Tax and Budget policies that avoid adequate investment in assets that grow the economy**
  - Higher education, NJ Transit, affordable housing construction never recovered from the Great Recession
  - New Jersey has ranked #1 in foreclosure rates for the past decade without seriously tackling the problem
- **Critical state departments have fewest resources and staff levels on hand in decades**
  - Departments of Health, Human Services, and Labor are needed more than ever and don't have the resources necessary to respond fully and adequately
- **Essentially zero savings on hand entering the Coronavirus Pandemic**
  - Rainy Day Fund tapped out during Great Recession
  - Governor Murphy made first investment in more than a decade (\$401 million/4 days)

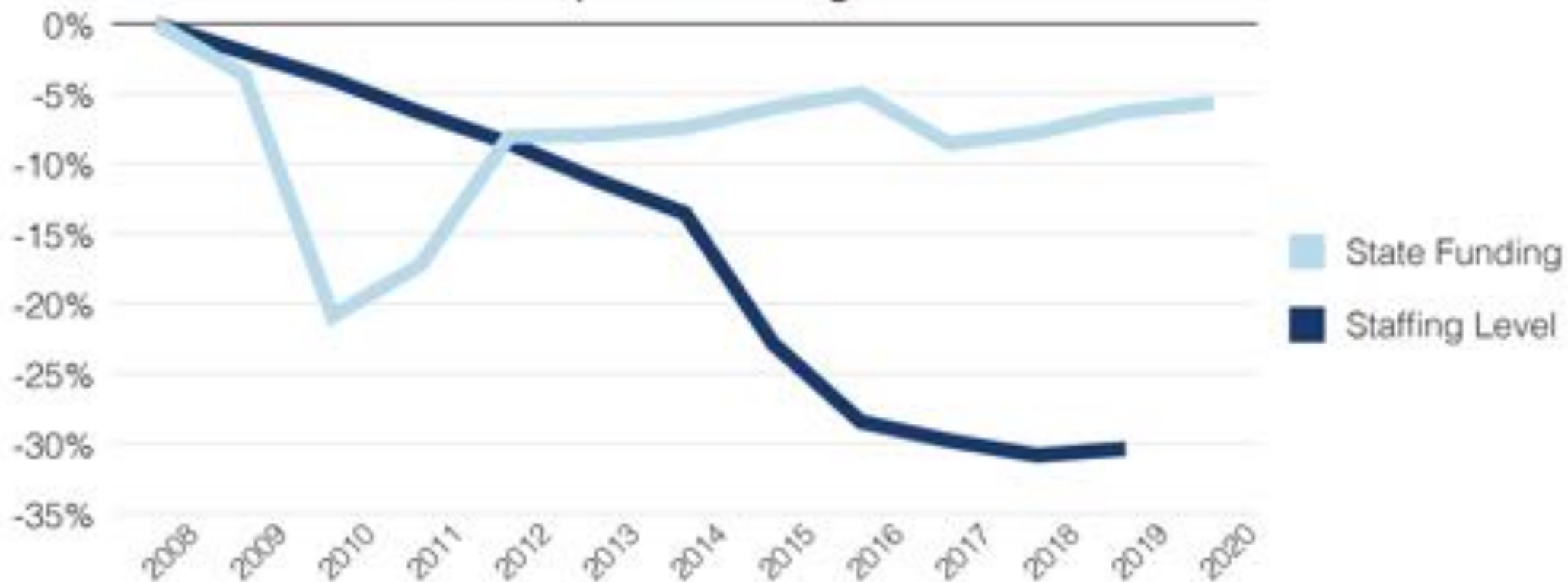
# NJ Budget Total Appropriations

*Inflation-Adjusted (2019 Dollars)*



## Cumulative Change in Staffing Levels and State Funding, New Jersey Departments of Health and Human Services

*Cumulative percent change since 2008*

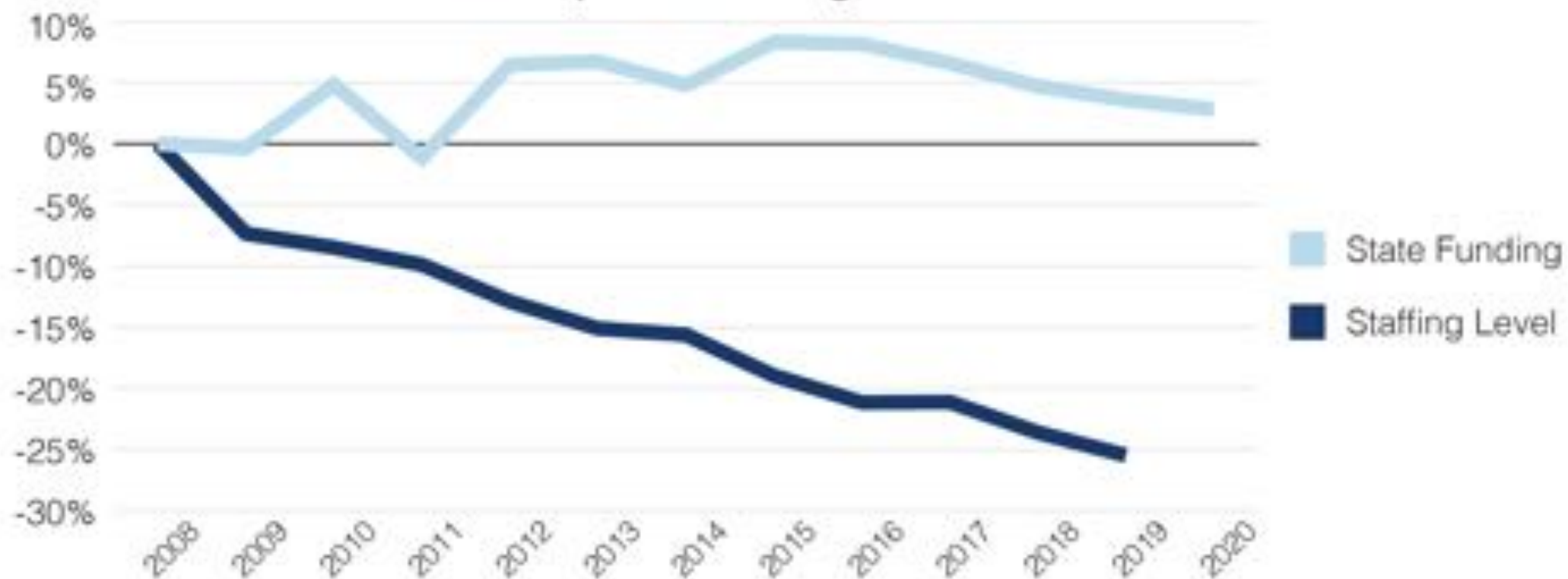


Source: NJPP analysis of OLS Summary of Appropriations Act and FY 2008 to FY 2019 CAFR, Office of Management and Budget, NJ Treasury

NEW JERSEY POLICY PERSPECTIVE NJPP.ORG

## Cumulative Change in Staffing Levels and State Funding, New Jersey Department of Labor and Workforce Development

*Cumulative percent change since 2008*

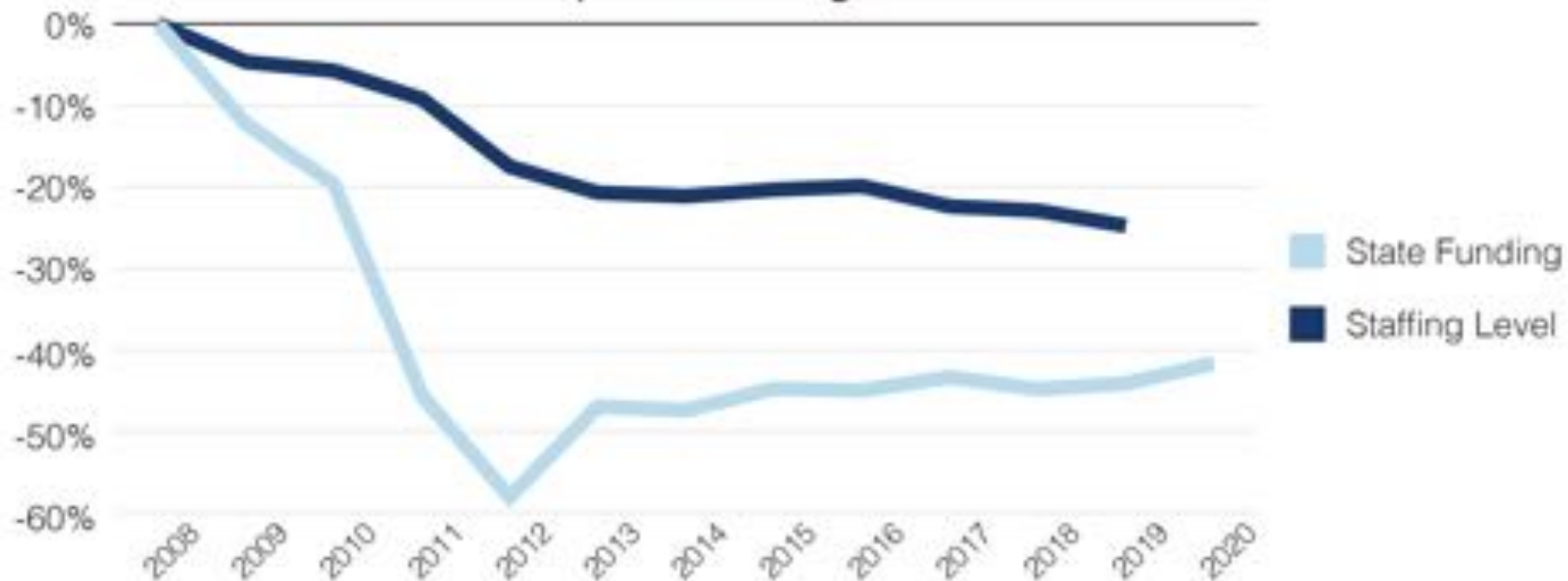


Source: NJPP analysis of OLS Summary of Appropriations Act and FY 2008 to FY 2019 CAFR, Office of Management and Budget, NJ Treasury

NEW JERSEY POLICY PERSPECTIVE NJPP.ORG

## Cumulative Change in Staffing Levels and State Funding, New Jersey Department of Community Affairs

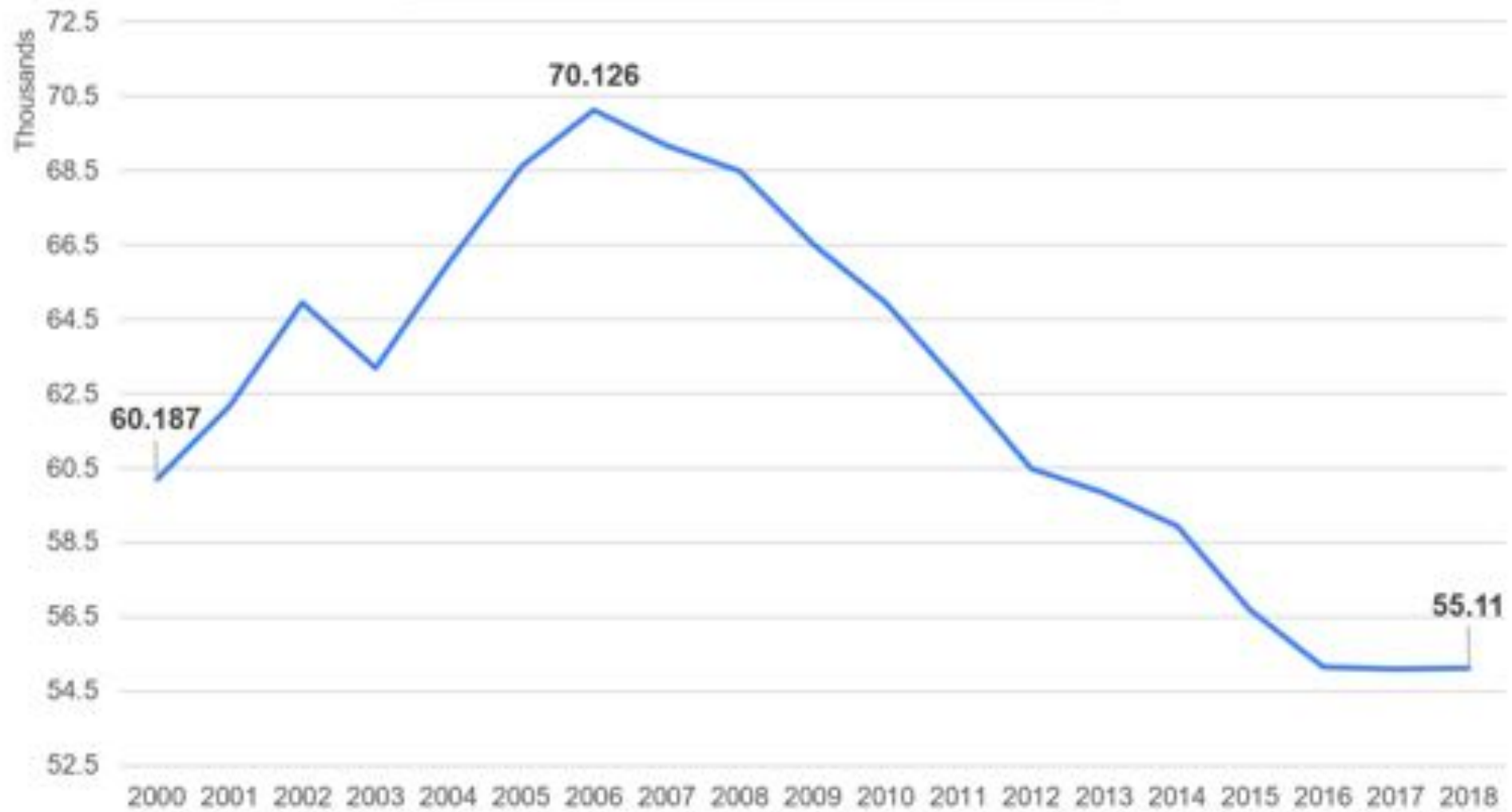
*Cumulative percent change since 2008*



Source: NJPP analysis of OLS Summary of Appropriations Act and FY 2008 to FY 2019 CAFR, Office of Management and Budget, NJ Treasury

NEW JERSEY POLICY PERSPECTIVE NJPP.ORG

Staff Levels for All New Jersey State Level Departments  
in the Executive Branch (FY2000 - FY2018)



## A Decade of Trickle-Down: Revenue Lost Since 2010

*New Jersey cut taxes for big corporations and wealthy families by a cumulative \$15 billion since 2010*

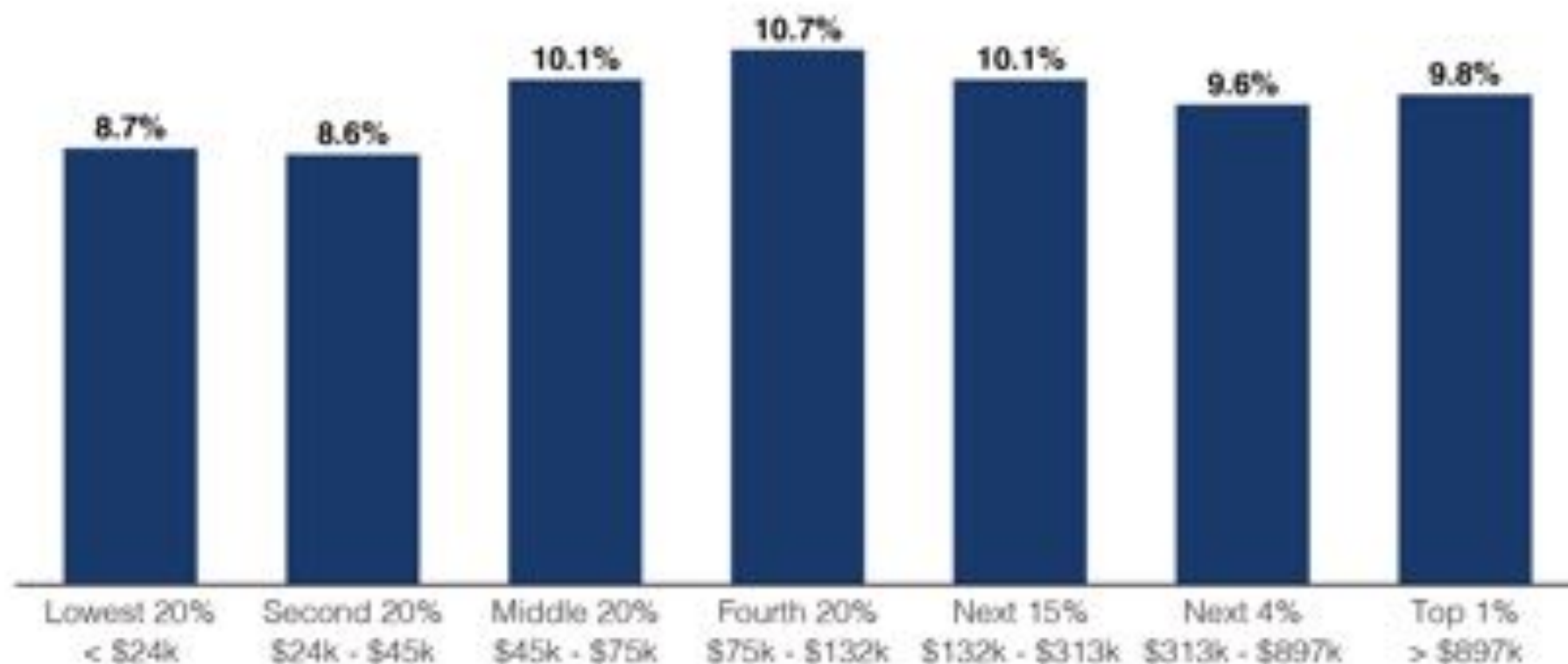


Source: NJPP analysis of A4102 fiscal note (2009), FY 2014 Budget Summary, A12 fiscal estimate (2016), EDA budget testimony (FY 2019).



## Middle Class Families Pay a Higher Share of Income in Taxes Than Top 1%

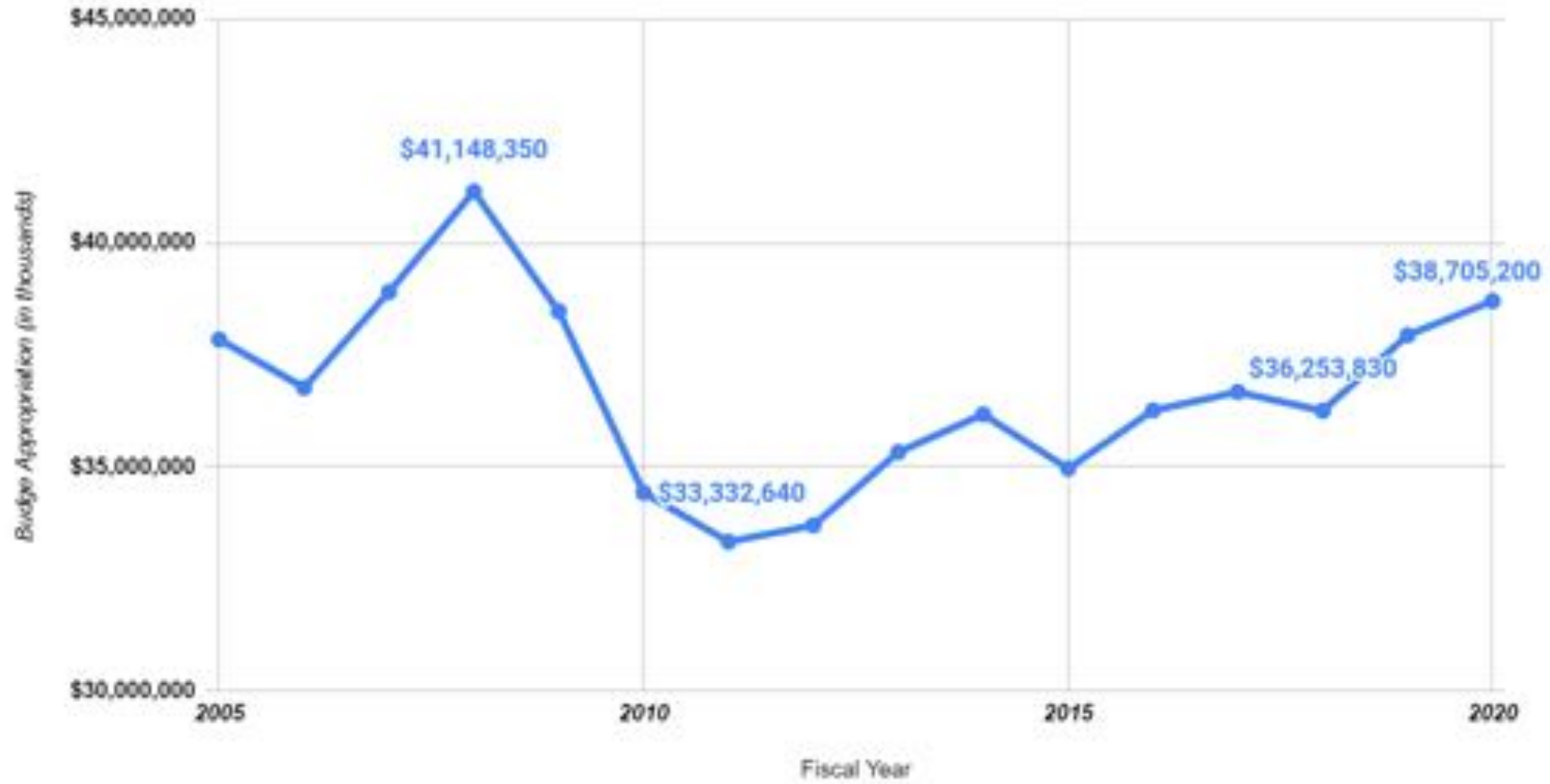
*Share of family income paid in state and local taxes in New Jersey*



Source: Institute on Taxation and Economic Policy, ITEP microsimulation model.

# NJ Budget Total Appropriations

*Inflation-Adjusted (2019 Dollars)*



Learn More At:



@NJPolicy



@NJPolicy



NJPP.org