For an Equitable Recovery, Invest in New Mexican Workers

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James A. Crowder Jr. November 2020



This research brief draws from data in the National Equity Atlas—an online resource for data to track, measure, and make the case for inclusive growth in America's cities, regions, states, and nationwide.

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Introduction

The outbreak of Covid-19 has shone a spotlight on the persistent inequities facing people of color across the nation, including those in New Mexico. The economic shock caused by the pandemic occurred at a time when low-wage workers in New Mexico were already struggling with flat paychecks and exorbitant costs for basic needs like housing and health care, with the vast majority of households having little or no savings for an emergency. Just like the coronavirus crisis itself, the economic crisis is hitting workers of color, particularly Native American workers, the hardest. They are experiencing more layoffs and greater financial hardship than White workers. The state's Covid-19 recovery strategy offers an opportunity to create a more equitable economy—one in which prosperity is broadly shared and working-class people and people of color have good jobs; improved standards of living; and increased agency, power, and ownership. To realize this vision, New Mexican policymakers must lead with equity—just and fair inclusion into a society in which all can participate, prosper, and reach their full potential. The goal for recovery should not be to return to the way that things were before the outbreak, because the systems in place before the pandemic were already inequitable. From the Great Depression, to Hurricane Katrina, and the 2008 financial collapse, we have seen that recovery efforts that do not deliberately address issues facing lowincome communities and communities of color only serve to reinforce existing inequities.

As New Mexico state leaders begin to address the widespread economic impact of Covid-19, they should capitalize on this moment to create both immediate and long-term opportunities for low-income people and people of color. In the short term, the immediate need is to get more cash into people's hands to mitigate the health and economic crisis caused by the coronavirus pandemic. However, the state also has an opportunity to invest in a long-term strategy that entails reskilling and upskilling workers to create sustained economic opportunity for years to come. This type of long-term, peoplefirst strategy is critical for ensuring that communities do not just recover but instead thrive. This brief describes the importance of embracing a racial equity lens in developing New Mexico's Covid-19 recovery strategy, particularly as it relates to the state's education and workforce development systems, and also lays out a policy agenda for achieving this goal. The research included here is part of a series of community data products developed with the generous support of the W.K. Kellogg Foundation to provide local leaders with effective, data-driven narratives that will help to advance racial equity and economic inclusion. The analyses were developed by the National Equity Atlas team at PolicyLink and the Equity Research Institute (ERI) at the University of Southern California in partnership with the Center for Workforce Development at San Juan College. While current racially disaggregated data at the local level is not yet available, we illustrate that the existing racial inequities in San Juan County are being exacerbated by the pandemic. The San Juan College Center for Workforce Development is prepared to work with state and local partners to implement the recommendations presented in this report.

Impact of Covid-19 on New Mexico's Economy

The Covid-19 pandemic has ravaged New Mexico, taking both a human and economic toll across the state. However, not all residents are feeling these impacts equally. Similar to the rest of the country, people of color in New Mexico are bearing the brunt of the virus on both fronts. For example, Native Americans comprise only about 11 percent of New Mexico's population, but represent more than 57 percent of confirmed coronavirus cases in the state.¹ Furthermore, as much of the rest of New Mexico prepares to re-open, the northwest corner of the state, which includes McKinley and San Juan counties, continues to see high rates of infection and death.² These counties include portions of the Navajo Nation, the country's largest Indian reservation, which has a higher coronavirus death rate than all but four US states.³

In addition to negatively impacting public health, the Covid-19 pandemic has also forced many of the businesses across the state to close to stem the spread of the virus. This has caused a significant ripple effect on the economy as nonessential hourly workers have been left without income, and many workers in positions that cannot be done from home have been laid off or fired. In New Mexico, more than 238,500 workers filed for unemployment insurance between March 15, 2020, when the crisis began, and July 13, 2020.⁴ Workers in New Mexico are faring poorer than those in the nation as a whole. The July 2020 seasonally adjusted unemployment rate in New Mexico of 12.7 percent is notably higher than the national unemployment rate of 10.2 percent.⁵ At the county level, only unemployment rates that are unadjusted for seasonality are available. The unadjusted rate for San Juan County in July 2020 was 15.5 percent compared with 13.3 percent for New Mexico and 10.5 percent for the nation overall.⁶ Some experts estimate that these rates have not yet peaked.7

San Juan County has been hit particularly hard by the economic downturn given that the three core industries in the region—oil and gas, retail, and hospitality—have either already collapsed or been negatively impacted by coronavirus-related business restrictions or closures.⁸ Indeed, Covid-19 has only amplified racialized inequities facing workers in the county that were present before the pandemic. At the national level, Native Americans are 31 percent less likely to be employed than their White counterparts, even when controlling for factors such as age, sex, educational attainment, marital status, and state of residence.⁹ Racially disaggregated data reveals that Native Americans are the group most likely to be unemployed in the San Juan County region. For example, in 2018, 7 percent of Native American workers were unemployed, compared to only 5 percent of Latinx workers, and 4 percent of White workers.

Unemployment Rate by Race/Ethnicity, San Juan County, 2018



Source: PolicyLink/ERI analysis of 2018 5-year American Community Survey microdata from IPUMS USA.

Note: Universe includes the civilian noninstitutional population ages 25-64. The unemployment rate is the number of people who are out of work divided by the number who are in the labor force not including armed forces. Data reflect a 2014-2018 average. San Juan County is defined as Public Use Microdata Area 200 in New Mexico, which covers about 77 percent of the San Juan County population.

Racial Inequities Impede Access to Opportunity

The outbreak of Covid-19 has laid bare the racialized inequities facing many New Mexican workers even before the pandemic. For example, New Mexico is ranked 48th out of the 50 states for economic opportunity, as measured by four key metrics: percentage of households living below the federal poverty line, food insecurity, median household income, and income disparity between lowest income household and the highest.¹⁰ Similarly, the state ranks 47th in terms of economic strength as measured by a number of metrics, including rates for new businesses, job growth, unemployment, and GDP growth.¹¹ Workers in San Juan County faced even bleaker prospects before Covid-19 than much of the rest of the state. Roughly one in four (24.4 percent) residents in San Juan County live below the poverty level, compared to approximately one in five (19.5 percent) residents in the state as a whole.¹² The decline of the county's major industry is a primary factor in this disparity. A representative from the New Mexico Department of Workforce Solutions explained that, "San Juan County's dependence on the natural gas industry meant that it was hit harder than many places by the recession in 2008. The county has never recovered; meanwhile, the nation has rebounded and seen 11 years of economic expansion."13

Workers of color, particularly Native American workers, are disproportionately working in low-wage jobs that do not pay wages sufficient to sustain a family

Everyone should be able to earn an income sufficient to provide for their families, yet far too many American workers, including people who work full-time year-round do not have this basic standard of economic security.¹⁴ The failure of even full-time jobs to pay wages sufficient to sustain a family hinders workers' ability to build wealth or save for an unanticipated financial emergency, and forces families to make difficult decisions around critical expenses, such as housing, health care, childcare, and transportation. In New Mexico, workers of color are more likely to be among the working poor. This is illustrated by the disproportionate number of workers of color who are essential, frontline workers but often earn low wages and lack sufficient benefits. The Center for Economic and Policy Research confirms that New Mexico's workers of color are disproportionately employed as essential workers, representing 60 percent of all workers but 65 percent of essential workers.¹⁵

This disproportionality was evident in San Juan County even before the pandemic. Those workers of color able to find full-time employment are disproportionately likely to be struggling to make ends meet. For example, in 2018, almost one in five Native American workers between ages 25 and 64 were working full-time and living below 200 percent of the federal poverty level (about \$50,000 for a family of four), compared to 16 percent of Latinx adults and 8 percent of White workers.

Working-Poverty Rate by Race/Ethnicity, San Juan County, 2018



Source: PolicyLink/ERI analysis of 2018 5-year American Community Survey microdata from IPUMS USA.

Note: Universe includes the civilian noninstitutional population ages 25-64 not in group quarters who worked during the year prior to the survey. Working poverty is defined as working full time with family income below 200 percent of the federal poverty line. Data reflect a 2014-2018 average. San Juan County is defined as Public Use Microdata Area 200 in New Mexico, which covers about 77 percent of the San Juan County population.

Children of color face barriers in accessing education and pathways to economic opportunity

Many challenges facing workers of color in New Mexico are the result of a public education system that is ill equipped to provide low-income families with the curriculum and additional supports necessary for them to succeed in a 21st century economy. The state's high school graduation rate of 75 percent is 10 percentage points less than the national average of 85 percent.¹⁶ However, the educational inequities begin much earlier, as higher income families have more resources available to enroll their children in preschool, while lower income families who cannot afford preschool tend to leave their kids with a grandparent or neighbor.¹⁷ Access to high-quality early childhood education is particularly important in New Mexico as the state ranks last in child well-being according to the national 2020 Kids Count Data Book produced by the Annie E. Casey Foundation, a distinction the state has held for three consecutive years.¹⁸ Children in San Juan County are faring worse than children in New Mexico as a whole. In San Juan County, 29 percent of children are living in poverty compared to 27 percent in New Mexico.¹⁹ Living in poverty during childhood has long-term impacts on critical adult milestones that can shape an individual's employability and overall economic security. For example, persistently poor children are 13 percent less likely to finish high school and 37 percent less likely to be consistently employed as young adults than their counterparts that are not persistently poor.²⁰

The outbreak of Covid-19 amplified the racialized inequities in educational opportunity when schools closed and teachers began providing instruction online. Successful delivery and retention of online learning is heavily influenced by parents' ability to support their children at home. In higher income families, parents with professional jobs who are more likely to be able to work from home or take leave are better able to support or supplement online instruction with enhancements, such as additional readings or other learning opportunities outside of the standard curriculum. Conversely, parents in low-wage jobs that cannot be performed from home are not able to provide the same level of support. These parents are among the essential employees, such as health-care workers, grocery clerks, food service workers, delivery drivers, and others putting their health—and the health of those around them—at risk in order to make ends meet.²¹ Prior to the pandemic, less than one in five Black workers and approximately one in six Latinx workers in the US were able to

work from home.²² The children in these low-income families of color will only fall further behind their more affluent counterparts as the pandemic continues to affect their educational opportunities. As one educator summarized, "When we add in what we know about the summer learning gap, where the impact of losing learning in the summer disproportionately impacts students of color and students living in poverty, we must realize that losing an additional 2-3 months cannot occur without acknowledging the differential costs."²³

Percent of Children (18 years or under) Who Attend K-12 and Lack a Computer and High-Speed Internet at Home by Race, San Juan County, 2018



Source: PolicyLink/ERI analysis of 2018 5-year American Community Survey microdata from IPUMS USA.

Note: Universe includes the population ages 18 and below attending grades K-12 and not in group quarters. Data reflect a 2014-2018 average. San Juan County is defined as Public Use Microdata Area 200 in New Mexico, which covers about 77 percent of the San Juan County population.

In addition to the supplemental education that more affluent parents are able to offer, a digital divide has left those families without access to a computer or high-speed internet at an immediate disadvantage compared to students with access to those resources. In San Juan County, the racialized inequities in home schooling are pronounced, with children of color almost twice as likely to lack access to a computer and high-speed internet: roughly half of Native American (49 percent) and Latinx (46 percent) children who attend K–12 schools lack access to a computer and high-speed internet, compared to 27 percent of their White counterparts.

The quality of education at home is also contingent on a child's ability to focus and concentrate on learning. Researchers have confirmed that children in overcrowded neighborhoods are more likely to experience toxic stress that interferes with emotional health and learning.²⁴ In addition to neighborhood conditions outside the home, many children in low-income families are trying to complete schoolwork in small spaces shared with other family members. Overcrowding is more prevalent in tribal reservation homes compared to the rest of the nation.²⁵ This inequity rings true in San Juan County where Native American children enrolled in K-12 education are four times more likely than Latinx children and 27 times more likely than White children to live in an overcrowded household: 8 percent of Native American children live in an overcrowded household compared to 2 percent of Latinx children and 0.3 percent of White children.

Percent of Children (18 years or under) Who Attend K-12 Living in Overcrowded Households by Race, San Juan County, 2018



Source: PolicyLink/ERI analysis of 2018 5-year American Community Survey microdata from IPUMS USA.

Note: Universe includes the population ages 18 and below attending grades K-12 and not in group quarters. Overcrowded households are defined as having more than 1.5 persons per room. Data reflect a 2014-2018 average. San Juan County is defined as Public Use Microdata Area 200 in New Mexico, which covers about 77 percent of the San Juan County population.

Creating Pathways to Middle-Skill Jobs

Given the realities of the challenges facing low-income students of color, the coronavirus recovery is an opportune time to invest in the workforce training and post-secondary education that will be critical to New Mexico's recovery and long-term economic prosperity. State leaders should focus on preparing New Mexicans to take advantage of the growing number of middle-skill jobs, which are those that require more than a high school diploma but not a four-year degree.²⁶ The need to invest in the middle-skill workforce is not new. In their analysis of the state's education and workforce systems and industries projected to see the most growth, the National Skills Coalition recommended that the state's recovery package after the 2008 financial crisis ensure that "every New Mexican should have access to the equivalent of at least two years of education or training leading to a vocational credential, industry certification, or one's first two years of college."27 Prior to the pandemic, these middle-skills jobs comprised more than half of job opportunities in the state.²⁸

In recent years, New Mexico has embraced a career pathways framework. A career pathways model supports nontraditional adult students by aligning adult basic education programs, workforce training, and college courses, which are supplemented with comprehensive student support services.²⁹ This model allows students with lower educational attainment or those in need of adult basic education to more easily receive the training they need and increase their chances of securing a job that pays family-sustaining wages. Career pathways also offer a vehicle for addressing racialized economic inequities rooted in educational disparities. For example, the graduation rate for Native American students in New Mexico (70 percent) is lower than the state average (75 percent).³⁰ Accordingly, a career pathway model, such as the ones offered at San Juan College's Center for Workforce Development, could help to level the playing field for Native American students pursuing middle-skill jobs.

Despite the documented need for middle-skills job training and the benefits of career pathways, New Mexico's leaders are failing to invest the proper resources to ensure that these programs are able to operate at the appropriate scale. This is particularly disconcerting given the anticipated economic fallout of the coronavirus pandemic. In April 2020, the US Department of Education launched a grant competition to support states in implementing student-centered, agile learning opportunities for K–12 and post-secondary learners as part of their recovery strategies.³¹ However, despite the fact that states were able to compete for more than \$300 million in funds, state leaders in New Mexico opted not to apply.

An Inclusive Recovery Strategy for All

The goal for economic recovery in New Mexico should not be to return to the way things were before the pandemic began, because the systems in place then did not adequately serve low-wage workers of color. State leaders should seize this moment as a way to address the barriers preventing lowincome workers from acquiring the training they need to achieve economic mobility. Policymakers must ensure that public investments create equitable opportunities for all New Mexicans. Six policies are critical:

- 1. Leverage recovery and stimulus funds that can support career and technical education and adult basic education.
- 2. Review the Workforce Innovation and Opportunity Act and other workforce training resources, and streamline access to ensure that those most impacted by the economic downturn are able to access training and job placement.
- 3. Deepen partnerships with community colleges, such as San Juan College and other workforce training providers, to develop curricula for high-growth industries.
- 4. Expand the New Mexico Child Care Assistance Program administered by the New Mexico Children, Youth, and Families Department, eliminate costly co-payment requirements for low-income families, and eliminate barriers for custodial parents so that parents can more easily obtain education and job training.
- Support efforts to address the digital divide and improve access to broadband internet by creating a dedicated digital inclusion officer position in the New Mexico Department of Information Technology.
- 6. Grow the Navajo Community Development Financial Institution to spur economic development that leads to job creation for Native American workers.

While the Covid-19 pandemic is creating new hardships for many throughout the state and nation, creating a recovery strategy that leads with equity will provide New Mexicans with the opportunity to create a more equitable economy—one in which prosperity is shared and working-class people and people of color can all participate, prosper, and reach their full potential.

Notes

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Author Biography

James A. Crowder Jr. is a senior associate at PolicyLink. He researches and develops policy and community engagement strategies to create more equitable economic outcomes for low-income families and communities of color.

PolicyLink

Lifting Up What Works®

Headquarters

1438 Webster Street Suite 303 Oakland, CA 94612 t 510 663-2333 f 510 663-9684

Communications

75 Broad Street Suite 701 New York, NY 10004 t 212 629-9570

Washington, DC

1301 K Street, NW Suite 300 W-414 Washington, DC 20005

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