## Written Testimony of the New York Association of Training and Employment Professionals Submitted to the Joint Legislative Public Hearing on 2022 Executive Budget Human Services Proposal February 2, 2022

New York's labor force participation was around 61% pre-pandemic and is now hovering around 59.8%<sup>1</sup>. The New York Times reported last month that a record number of Americans were quitting their jobs, primarily concentrated in low-wage sectors, such as hospitality and food services, making employers desperate to hire and raising wages to attract more workers. During a time where New York is facing a significant labor shortage, we must eliminate the barriers that hinder New Yorkers from getting a job or advancing into higher wage employment.

My organization, the New York Association of Training and Employment Professionals (NYATEP) has reported in the last three annual State of the Workforce Reports, that the top 10 fastest growing occupations, accounting for nearly 2 million jobs, are historically dominated by low wage work. Of the occupations represented, 9 out of 10 pay less than \$32,000, and the vast majority are in sectors directly impacted by COVID 19. They include retail salespersons, food prep workers, waiters and waitresses, cashiers, and office administrative roles. In our most recent report, released just last week, we found the 10 largest occupations, which account for 6.5M jobs, only Home Health and Personal Care Aides require a high school diploma or less, and five out of ten pay poverty-level wages.

## 10 LARGEST OCCUPATIONS STATEWIDE<sup>12</sup>

	# of Jobs	Entry Pay	Median Pay	<b>Experienced Pay</b>
Office and Administrative Support Occupations	1.2M	\$32K	\$45K	\$59K
Sales and Related Occupations	769K	\$28K	\$39K	\$83K
Education, Training, and Library Occupations	736K	\$34K	\$67K	\$100K
Business and Financial Operations Occupations	607K	\$54K	\$85K	\$123K
Healthcare Support Occupations	600K	\$29K	\$33K	\$39K
Healthcare Practitioners and Technical Occupations	529K	\$49K	\$84K	\$122K
Transportation and Material Moving Occupations	529K	\$28K	\$38K	\$55K
Nursing, Psychiatric, and Home Health Aides *	525K	N/A	N/A	N/A
Management Occupations	524K	\$80K	\$147K	\$207K
Home Health & Personal Care Aides**	430K	\$28K	\$32K	\$36K

<sup>\*</sup>Wage estimates that do not meet publication standards are labeled n/a.

2021-2022 Federal Income Guidelines identify New York's poverty level for a family of four at \$49,025<sup>13</sup>

<sup>\*\*</sup>requires a high school diploma or less

<sup>&</sup>lt;sup>1</sup> "Labor Force Participation Rate for New York", St. Louis Federal Reserve Bank, data pulled 1/31/2022

Furthermore, in a recent report from the Federation of Protestant Welfare Agencies (FPWA) shared that "Nearly 1.5 million working households in New York were unable to meet their most basic needs in 2019. To make ends meet, a single parent in the Bronx with a baby and a preschooler needs to earn about \$95,000—three times the minimum wage in New York City. And while a similar family could get by on much less in Syracuse, the \$58,000 a year they'd need is still double the minimum wage in Onondaga County."<sup>2</sup>

Individuals outside of workforce development will often say — why can't that person just "get a better job" or "go back to school". Our members who work directly with the working poor and those in poverty, have noted a major hurdle that keeps low income New Yorkers from economic mobility. These organizations have indicated that in some instances, pursuing career advancement puts an individual or family above the income eligibility threshold for public assistance programs. Due to the gradual or sudden loss of these programs, often worth more than the wage increase, career advancement opportunities can result in the family being financially worse off (a benefits cliff) or no better off (a benefits plateau) than before the wage increase. In short, it does not make short-term financial sense to earn more money and lose crucial sustaining benefits. In New York these programs include Temporary Assistance for Needy Families, i.e. cash assistance, Supplemental Nutrition Assistance Program (SNAP) benefits, Supplemental Security Income, New York Child Care Subsidy Program, Section 8-Housing Choice Voucher Program, and/or Emergency Housing Voucher Choice Program.

In 2019, per the <u>Urban Institute's Welfare Rules Database</u>, two States have already worked to disregard 100% of participants' income for a year or more, Oklahoma and Connecticut. <sup>3</sup> In 2018, Massachusetts implemented an earned income disregard of 100% for the first six months of employment while receiving TANF for family income under 200% of the federal poverty level. Maine enacted similar legislation in 2019.<sup>4</sup>

To begin to address the benefits cliff, Senator Persaud and Assembly Member Rosenthal introduced S6589 Persaud/A7534 establishing a 6 month,100% income disregard for New Yorkers receiving cash assistance. We encourage the Legislature to amend and pass S6589 Persaud/A7534 Rosenthal, establishing a 6 month,100% income disregard for New Yorkers receiving cash assistance, as well as Supplemental Nutrition Assistance Program (SNAP) benefits, Supplemental Security Income, New York Child Care Subsidy Program, Section 8-Housing Choice Voucher Program, and/or Emergency Housing Voucher Choice Program and participating in government funded job training, adult or postsecondary education programs, and/or subsidized and unsubsidized employment opportunities.

And New Yorkers agree too. NYATEP <u>conducted public polling of 1,200 registered voters</u><sup>5</sup> across New York, evenly split between New York City/Long Island and Upstate. We found that:

<sup>&</sup>lt;sup>2</sup> Pushed to the Precipice, FPWA, April 19, 2021

<sup>&</sup>lt;sup>3</sup> Welfare Rules Database - 2019, Urban Institute.

<sup>&</sup>lt;sup>4</sup> Moving on Up: Helping Families Climb the Economic Ladder by Address Benefits Cliffs, July 2019, National Conference of State Legislatures, pg. 11

<sup>&</sup>lt;sup>5</sup> Public Polling Results, NYATEP and ALG, August 2021, nyatep.org

- Nearly 2-in-3 voters statewide, and majorities in every region of the state, don't currently think there's enough skills training in their area.
- Support for increasing state funding for skills training is nearly unanimous –84% overall support it, and those in higher level management at companies are even more supportive.
- The primary areas that New Yorkers want to see progress includes (and the % of voters who support it):
  - Better linking colleges and training programs to the business community (90%)
  - O User friendly, public facing data that shows program outcomes and where New Yorkers can access training (90%)
  - Increasing funding for technical education and apprenticeships for youth. (88%)
  - Make it easier for people who receive government assistance like welfare or food stamps to get skills training, so they can find a family supporting job. (85%)

## New York Association of Training and Employment Professionals (NYATEP)

Melinda Mack is the Executive Director of NYATEP, the statewide workforce development association representing over 200 of New York's education, job training, postsecondary and employment providers. NYATEP's members serve over 1.2 million New Yorkers annually in education and employment services, and support thousands of businesses in their regions as they train and employ talent. Learn more about NYATEP at www.nyatep.org