

MARCH 4, 2022 (updated from March 1 report)

Excluded Worker Fund: \$3 Billion Needed in FY 2022-23

In April 2021 New York’s governor and legislature included in the state budget a groundbreaking program to ensure that all New York workers had some form of unemployment compensation during the Covid recession. The Excluded Workers Fund allocated \$2.1 billion in the FY 2021-22 budget to cover people, mostly undocumented immigrants, who were not eligible for regular unemployment insurance or Pandemic Unemployment Insurance. The Excluded Worker Fund was the first program in the nation to provide people left out of the regular system something approaching the level of compensation other workers got if they lost a job.

Last year, the Excluded Worker Fund provided critical support to 130,000 workers.¹ Unlike other aid programs that got bogged down in delays and difficulties with administration, the Excluded Worker Fund successfully overcame challenges to provide deep aid to people in dire need.

The Excluded Worker Fund did not, however, reach all the people who qualified. The Immigration Research Initiative estimates \$3 billion would be required in FY 2022-23 to cover the remaining 175,000 workers who qualify for the fund who have not received payments. Included in that number are an estimated 70,000 to 75,000 unadjudicated but apparently valid applications submitted to the Department of Labor before October 8, 2021, when the application portal was closed.² Adding the 175,000 workers in the coming year to the 128,000 who received payments last year would bring the 2-year total to 305,000. The calculation also includes a 10 percent cost for administration, the same as in last year’s fund.

\$3 BILLION NEEDED TO REPLENISH EXCLUDED WORKER FUND IN FY 2022-23

	Total number of eligible workers	Number paid in 2021	Number who would receive payment in 2022	Amount needed in FY 2022-23
Undocumented workers	259,000	110,500	148,500	
Other excluded workers	46,000	19,500	26,500	
Total	305,000	130,000	175,000	\$3.0 billion
Of the total:				
Number of applications already received and screened			70,000 to 75,000	

Fig. 1 Calculations assume that 55 percent of the 470,000 undocumented immigrants in the New York State labor force experienced loss of work between Feb. 2020 and April 2021, and 15 percent of the fund goes to excluded workers who are not undocumented. See text for detailed references. Totals are independently rounded. Total amount required includes 10 percent for administration of the fund. See footnote regarding updated data for 2021.

Why is more money needed this year? The main reason is that the fund initially envisioned two tiers of payments: \$15,600 for those who could fully prove their claims, and a lower tier at \$3,200 for workers who could not muster the necessary paperwork. Responsive implementation and successful outreach and assistance meant that 99 percent of applicants who were approved were able to appropriately document their claims and qualify for Tier 1 payments.³ That was a success, but also added to the cost.

Methodology

The total number of undocumented workers in New York State is estimated to be 470,000.⁴ IRI's cost estimate assumes that 55 percent of undocumented workers experienced unemployment between February 2020 and April 2021, the period covered by the fund. The estimate is grounded in the work of James A. Parrott and Lina Moe, who published a report in April 2020 estimating that 54 percent of undocumented immigrants in New York City had experienced job displacement. Displacement in other parts of the state might differ in areas where, for example, there are more farm workers but fewer delivery service workers. The rate of displacement is, however, not clearly either higher in other regions, so IRI rounds the number to 55 percent to estimate the statewide number of people who experienced a period of unemployment in the 13-month period.⁵

IRI also assumes that 15 percent of the fund recipients are not undocumented workers in 2021 and projecting into 2022. The exact share going to this group is not clear: if it is ten percent, the total needed for 2022 is \$2.7 billion; if it is five percent, the total is \$2.5 billion.

The IRI calculation assumes that all the people who qualify will apply for the funds. Typically it would make sense to assume a lower take-up rate, but the \$15,600 one-time payment provides a significant incentive for those who are eligible to apply, and the substantial outreach has been shown to help those eligible to overcome typical barriers to application when the timeframe for applying is reasonable. This calculation without a reduction for take-up should be taken as a ceiling for how much would be needed to cover all workers; some eligible workers might not apply despite the significant payment and the assistance in applying.

David Dyssegaard Kallick

David Dyssegaard Kallick is director of Immigration Research Initiative, a nonprofit, nonpartisan think tank that looks at immigration issues. He can be reached at ddkallick@immresearch.org or 646-284-1240.

End Notes

¹ A previous version of this report showed a total of 128,000 receiving funds in 2021, as reported in: “Excluded Workers Fund,” New York State Department of Labor, January 2022, https://dol.ny.gov/system/files/documents/2022/01/nys-ewf-whitepaper-november21_01-26-22_0.pdf. This report updates that based on the 130,000 claims approved, as reported on the New York State Department of Labor data portal, <https://dol.ny.gov/excluded-workers-fund-data>, accessed March 4, 2022.

² New York State Department of Labor staff have communicated the estimate of 70,000 to 75,000 viable applications to the Immigration Research Initiative.

³ See “Excluded Workers Fund.”

⁴ The number of undocumented immigrants in New York State labor force is estimated by the Center for Migration Studies, applying its well-established methodology to the American Community Survey 2019 1-year data. For details see data.cmsny.org.

⁵ James A. Parrott and Lina Moe, “The New Strain of Inequality: The Economic Impact off Covid-19 in New York City,” The New School Center for New York City Affairs, April 15, 2020. Displacement is not identical to unemployment, but for the purpose of the Excluded Worker Fund it is likely very similar since qualifying for the fund can be based on a single period of job loss.