

JOBLESSNESS AMONG DOMESTIC WORKER RESPONDENTS DECREASED TO 19% IN FEBRUARY

RESPONDENTS EXPERIENCED IMPROVED ECONOMIC SECURITY

Domestic Workers Economic Situation Report · February 2024

Source: La Alianza surveys, NDWA

Released: March 8, 2024

The most recent Bureau of Labor Statistics (BLS) Employment Situation Report shows payroll job growth was above market expectations, while the unemployment rate ticked up.¹

NDWA's February data shows a decrease to 19% in joblessness for surveyed domestic workers after three months of remaining between 21 and 20%. However, joblessness remains higher than the rate of 9% who reported having no jobs before COVID-19.²

Domestic workers are the nannies, homecare workers, and house cleaners whose work is essential to our economy, yet they are some of the most vulnerable and marginalized workers. They work in private homes and often have multiple employers, meaning they may have to schedule several jobs to make ends meet. Domestic workers earn less than the average US worker and are three times as likely to be living in poverty.³

La Alianza survey data from **Spanish-speaking domestic workers** shows how respondents continue to face low wages and high levels of unemployment and underemployment.

<u>February Jobs Report - Bureau of Labor Statistics</u>

The BLS releases an Employment Situation Summary with employment and other labor market data each month. It's an important report to keep track of how the economy is doing. However, domestic workers and other vulnerable workers are underrepresented in official data.⁴ Here, we present an overview of the BLS Jobs report

along with NDWA's data, which shows the employment and economic situation of thousands of Spanish-speaking domestic workers.

On March 8, the BLS released new employment data for February 2024.

- The number of jobs added in February was above market expectations.
- The general unemployment rate ticked up but remains around historically low levels.
- The unemployment rate for Latina women increased.
- The unemployment rate for Black women decreased.
- The unemployment rates for Black and Latinx adults continue to be higher compared to the rates for white adults.
- Average hourly earnings for employees in private nonfarm payrolls edged up.

NDWA's February data shows movement in the opposite direction of BLS reported unemployment for Latinas, with a slight decrease in the share of jobless domestic worker respondents. While the share of joblessness for domestic workers is not directly comparable to the unemployment rate nationwide,* looking at trends in the data for Spanish-speaking domestic workers in the context of national trends can support our understanding of the sector as it relates to the broader economy.

February Domestic Worker Economic Situation

Below are the main findings on the economic situation of surveyed Spanish-speaking domestic workers in February. Note that monthly numbers may be volatile, which is why we look at the findings as they relate to prior trends in the data and the economic situation of the overall economy. At the end of each quarter, we calculate quarterly averages for key economic indicators.

Jobs and Wages

- Joblessness improved slightly from the prior month, decreasing from 20% to 19%.
- Meanwhile, underemployment worsened significantly in February, increasing to 74% from 59%.
 - Joblessness and underemployment rates moving in opposite directions may be explained by the large decrease in the share of respondents who worked more than 31 hours/week compared to January.
 - Another possibility is that respondents' desired work hours increased.
 However, we do not have available data to confirm this hypothesis.

- The main reason for underemployment reported was that workers could not find clients (64%), followed by taking care of a family member (13%), having a health problem (14%), and "other" (10%).
- This is also a significant increase from the fourth quarter average in 2023 of 60%.
- The wage distribution worsened slightly in February compared to January.
 - 56% of working respondents earned less than \$15 per hour, from 54% the prior month.
 - This share is higher than the share of respondents who earned less than \$15 per hour before COVID-19, which was at most 55%.**

Economic Security

- Food scarcity decreased in February to 82% from 85%.
 - Domestic worker respondents said their households faced food scarcity either often (13%) or sometimes (69%).
 - This is a decrease from the previous quarter's average of 83%.
- Housing insecurity improved in February, decreasing to 44% from 50%.
 - Housing insecurity was 48% on average in the fourth quarter of 2023.
 - o 7% of respondents reported that the question regarding the ability to afford rent or mortgage does not apply to them. This does not necessarily mean they are housing secure. While some of these respondents may be debt-free homeowners, others may be temporarily staying with friends or family, staying in shelters, or facing homelessness.
- A lower share of respondents reported difficulty affording regular household expenses in February, with 53% of respondents finding it very or somewhat difficult.
 - Domestic worker respondents experienced varying levels of difficulty affording regular household expenses, such as food, housing, car payments, and medical expenses: 6% reported no difficulty, 41% reported little difficulty, 29% reported some difficulty, and 24% reported large difficulty.
 - Difficulty affording regular household expenses was 55% on average in the fourth quarter of 2023.

About the surveys

NDWA surveys Spanish-speaking domestic workers via La Alianza, a Messenger chatbot. Starting in 2024, the survey has been sent every other week excluding office closures. At the end of each survey, La Alianza provides respondents with relevant news articles and resources in Spanish. To learn more about NDWA's La Alianza survey of Spanish-speaking domestic workers, see the methodology section of this report.

In September 2023, the survey sample was expanded to increase the volume of responses and address survey fatigue. We learned that respondents newly added to the survey schedule reported lower joblessness on average compared to prior respondents. We updated the rotation groups in 2024 to reduce monthly volatility.

The numbers presented in this report include data from two biweekly surveys in February. The total number of fully completed surveys, which includes both new and repeated respondents, was 4,458.

Questions about hours worked and hourly wages are asked biweekly, and questions regarding underemployment, job search, and economic security are asked monthly.

For questions or feedback, please contact us here.

<u>Notes</u>

¹ Jeffry Bartash (2024), <u>February employment report likely to show 198,000 new jobs. Still too much for Fed's</u> liking

- * Unlike unemployment rates, joblessness for domestic workers may include people who are not working but are currently unavailable to work, or not actively looking for jobs. Additionally, the NDWA's joblessness rate for surveyed domestic workers is not seasonally adjusted, while BLS unemployment rates are adjusted.
- ** The share of respondents earning less than \$15 cannot be directly compared to baseline numbers before COVID-19, due to a change in answer option ranges. However, since 55% of respondents reported earning \$15 or less before COVID-19,² a share which is inclusive of those who earned \$15 per hour, we know that the share of respondents earning less than \$15 is at most 55%.

² NDWA Labs (2020), <u>6 Months in Crisis: The Impact of COVID-19 on Domestic Workers</u>

³ Economic Policy Institute (2022), <u>Domestic Workers Chartbook</u>

⁴ Kopparam (2022), <u>What federal statistical agencies can do to improve survey response rates among Hispanic communities in the United States</u>