



HOT BREAD KITCHEN 2020 MID-YEAR IMPACT SNAPSHOT

RESPONDING TO A CITY IN CRISIS

March—June 2020

HOT BREAD KITCHEN'S RESPONSE TIMELINE

PRIOR TO COVID-19 PANDEMIC

New York City

- 315,000 people employed in the food industry (NYC Current Employment Statistics (CES) History)
- Two-thirds of all workers in the city's face-to-face industries earn less than \$40,000 annually (Parrot).

Hot Bread Kitchen

- 64 active member small businesses.
- 160 alumnae of our workforce program were actively employed in jobs in food and 28 recent graduates were preparing to enter the workforce.

MARCH 12–20, 2020

New York City

- Mayor DeBlasio declared a State of Emergency, closing bars, restaurants, and cafes, and announced all schools would shift to distance learning.
- 31,000 food workers made a new unemployment claim in the first 7 days (Initial Claims Data).

Hot Bread Kitchen

- Initiated outreach to members to understand job status, business revenue loss, and financial support plans.
- Launched an emergency hotline to receive member concerns and questions and make Hot Bread Kitchen resources accessible.

MARCH 22–23, 2020

New York City

- Governor Cuomo closed all non-essential businesses as New York State goes into PAUSE on March 22.

Hot Bread Kitchen

- Launched one-on-one and group technical assistance to help over 200 members apply for unemployment and public benefits and accessing emergency food.

HOT BREAD KITCHEN SERVES COMMUNITIES IMPACTED DISPROPORTIONATELY BY TWO EMERGENCIES THAT HAVE BEEN CALLED THE DUAL PANDEMICS: COVID-19 AND ONGOING SYSTEMIC RACISM.

The COVID-19 pandemic has exposed the ways in which race, gender and socioeconomic status contribute to unequal outcomes when it comes to health, justice and economic opportunity, and reinforces what we at Hot Bread Kitchen have seen first-hand in the food industry: entry-level workers and small business owners, who are predominantly women, immigrants, and people of color, face enormous inequities at work, on the streets, and in their homes.

As COVID-19 took hold in spring 2020, Hot Bread Kitchen moved quickly to understand the needs of our community. We tailored our immediate response accordingly to provide the support and relief that women in the food industry, small business owners, their families, and communities have needed in these challenging and uncertain times.



FOOD INDUSTRY SHUTDOWN DESTABILIZES NYC HOUSEHOLDS

In late winter 2020, Hot Bread Kitchen was operating as usual, incubating small food businesses and training women for their first food jobs. New York City's food industry was thriving, but Hot Bread Kitchen was focused, increasingly, on how to make the industry better for workers, especially those in entry-level positions.

As the COVID-19 pandemic unfolded and food establishments across the city began to close or shift their operations, our program members immediately faced enormous economic challenges:



JOB LOSS

More than 40% of alumnae of our workforce program lost their jobs immediately when the stay-at-home order took effect.



HOUSEHOLD INCOME LOSS

68% of the alumnae surveyed did not have any source of household income in the months following the shutdown.



DECLINE IN REVENUE

64% of active incubator member businesses saw a decrease in revenue, with 35% experiencing a revenue decrease of 50% or more.



HOT BREAD KITCHEN 2020 MID-YEAR IMPACT SNAPSHOT

RESPONDING TO A CITY IN CRISIS

March—June 2020

MARCH 29, 2020

New York City

- 2,637% increase in the number of unemployment claims in NYC from this time period in 2019, including over a 4,150% increase in claims in the Accommodation and Food Services industry statewide (Initial Claims Data).
- 2 out of 3 of all restaurant workers lost their jobs on a temporary or permanent basis (Parrot).

Hot Bread Kitchen

- Disbursed first emergency checks, which would ultimately help 177 members weather the gap between income loss and delayed unemployment payments.
- Started offering resource guides to help members navigate unemployment and public benefits applications.

APRIL—MAY 2020

New York City

- Payroll Protection Program (PPP) loan applications open: 12% percent of NYC businesses approved to receive PPP loans ("The Failures of the PPP in NYC").
- Unemployment rate in NYC reaches 20% ("NYS Economy Added 296,400 Private Sector Jobs in June 2020").
- 2.9 million people applied for unemployment in New York since March (Initial Claims Data).

Hot Bread Kitchen

- Disbursed first emergency checks, which would ultimately help 177 members weather the gap between income loss and delayed unemployment payments.
- Started offering resource guides to help members navigate unemployment and public benefits applications.

JUNE 2020

The United States

- George Floyd is killed by police in Minneapolis on May 25, triggering massive Black Lives Matter protests across the U.S. and around the world.

Hot Bread Kitchen

- Re-committed to anti-racism work and solidarity with Black Lives Matter movement and BIPOC, including a refocus on a staff-led DEIA committee and creating safe-space community conversations for our members.

NATIONWIDE, LAYOFFS AND BUSINESS LOSSES DUE TO THE COVID-19 PANDEMIC HAVE AFFECTED LOW-WAGE WORKERS, WOMEN, IMMIGRANTS, AND PEOPLE OF COLOR DISPROPORTIONATELY.

In New York City, 75% of job losses in NYC have taken place in low-wage industries, such as the restaurant and food service industry (Parrot). By May 2020, the estimated unemployment rate for Black, Latinx, and Asian workers was double that of white workers ("The New York City Employment Situation in May: Continued Deterioration").

The sudden, mass unemployment resulting from contractions in the food industry highlighted the deeper job quality issues in the sector: **almost half (43%) of restaurant workers live on incomes below 200% of the poverty line**, the level generally accepted as what is needed for a family to make ends meet (Shierholz), and, nationally, one in four food industry workers do not have health insurance (Gangopadhyaya).

Conversations with alumnae of our workforce program and incubator members made the impact of these realities clear: we heard again and again that what our program participants needed—and needed quickly—was cash to cover basic expenses, including groceries and rent.

SOCIAL SAFETY NET PROGRAMS MEANT TO ADDRESS UNEXPECTED JOB LOSS OR BUSINESS CLOSURE WERE QUICKLY OVERWHELMED BY HIGH DEMAND.

For many workers, it would take weeks—sometimes months—before their applications were approved and the first relief benefit payment would be received. Some were not approved at all. In New York City, only about 12% percent of businesses were approved to receive Paycheck Protection Program (PPP) loans ("The Failures of the PPP in NYC").

As our team heard more about difficulties accessing assistance from government safety net programs, Hot Bread Kitchen responded by quickly activating an Emergency Response Fund to provide cash stipends directly to alumnae of our workforce program and incubator members to help bridge the income gap left by job loss, hours reduction or canceled sales orders. For some small business owners, this infusion helped their businesses continue to produce to meet existing orders.

177

Alumnae of our workforce program and small business owners who received cash stipends

\$260,000

Emergency funding disbursed

1,500

Average amount disbursed per person



HOT BREAD KITCHEN 2020 MID-YEAR IMPACT SNAPSHOT

RESPONDING TO A CITY IN CRISIS

March—June 2020



"[The emergency fund] helped me cover my rent and buy ingredients. Because of the stipend, I have started producing again and Whole Foods was able to take more inventory."

CHEF BINTOU N'DAW
NAFI'S HOT PEPPER CONDIMENTS



Incubator Alum Little Green Gourmets prepared meals for NYC Health + Hospital workers, Spring 2020



"The learning curve is really steep—I am figuring out how to do something we never did before. [...] Compared to the beginning of the year, my e-commerce business has seen an 11,000% increase in orders."

JANIE DEEGAN
JANIE'S LIFE-CHANGING BAKED GOODS

TAILORING OUR SUPPORT TO MEET CHANGING NEEDS

In tandem with our emergency funding, we launched a focused technical assistance effort to help our members navigate the complicated and overloaded application systems for unemployment insurance, Payroll Protection Program (PPP) and Economic Injury Disaster Loans (EIDL), and public benefits.

100

Alumnae of our workforce program and small business owners who had weekly check-ins with Hot Bread Kitchen staff

72

Alumnae of our workforce program and small business owners who received unemployment insurance funding

15

Incubator member businesses who were approved for either a PPP or EIDL loan

Additionally, our team of social workers provided tailored resources and referrals for other needs. Food assistance was the most common service that our staff provided, after cash assistance and support with public benefits applications.

16% of members received referrals to food pantries or other food assistance programs. Three-quarters of food pantries and soup kitchens have seen an increase in visitors since the beginning of the pandemic (Koible).

For Barbara, an alumna of our workforce program who lost a job she loved and had held for 3 years, having access to unemployment insurance was essential.

"I just moved to a studio apartment in January after being in the NYC shelter system. Hot Bread Kitchen gave me the information on how to file for unemployment, and now I am putting that toward my rent. I feel peaceful right now that I can keep up with my rent. I am not worried that I'm going to go back to the shelter system."

BARBARA, HOT BREAD KITCHEN ALUMNA

WE FOUND SEVERAL WAYS TO SUPPORT FOOD BUSINESSES WHO NEEDED TO ADAPT THEIR BUSINESS MODELS TO SHIFTING CUSTOMERS NEEDS AND OPPORTUNITIES.

Some businesses pivoted to join relief efforts. Through a partnership with NYC Health + Hospitals and Start Small Think Big, two of our incubator member businesses received a total of \$158,000 to provide over 25,000 meals for hospital workers battling the surge in COVID-19 cases.

To assist with emergency food relief efforts in the community, Hot Bread Kitchen offered our uptown kitchen space to East Harlem-based school food producer Red Rabbit, which pivoted to providing emergency meals after New York City schools closed. Our partnership helped Red Rabbit provide an additional 20,000 emergency meals weekly to those facing food shortages and allowed them to hire six community members to meet increased demand. One-third of incubator businesses reported that they were shifting their focus to online sales.



HOT BREAD KITCHEN 2020 MID-YEAR IMPACT SNAPSHOT

RESPONDING TO A CITY IN CRISIS

March—June 2020



COMBATING ANOTHER PANDEMIC: RACIAL INEQUITY

Following the killing of George Floyd by Minneapolis police in May, a reignited anti-racism movement has highlighted the impacts of systemic racism on communities of color, which are most affected by police violence and have been disproportionately burdened by COVID-19.

AS WE HAVE LONG KNOWN, THE FOOD INDUSTRY IS NOT IMMUNE TO THE EFFECTS OF SYSTEMIC RACISM.

Rather, the industry reflects the racist structures that underpin so much of our country. This shows up in the funding gap for entrepreneurs of color, the underrepresentation of people of color in management, and the lack of stability of low-wage, entry-level food jobs. Now, more than ever, we are committed to identifying and combating racial inequity that our community faces.

IN SOLIDARITY WITH THE ONGOING FIGHT FOR RACIAL JUSTICE, HOT BREAD KITCHEN HAS:



Created a statement of solidarity with the Black Lives Matter movement and organized a series of safe-space conversations for staff under the leadership of our staff's Diversity, Equity, Inclusion, and Allyship (DEIA) Committee.



Hosted ongoing, organization-wide discussions of how to incorporate an anti-racist lens into every aspect of our work.



Recruited a DEIA expert to assist us in leading processing conversations for alumnae of our workforce program and incubator members with the intention of building a supportive alumni community, named "Amplify Your Voice." Participants reported feeling "depressed", "worried", and "frozen" prior to discussion, but afterwards chose "purpose", "hopeful", "confident", "peace", and "focused" to describe their state of mind.



MOVING FORWARD

The unprecedented events of this year have once again laid bare the inequities facing entry-level workers and small business owners in the food industry, a sector that has historically provided opportunity for the people of color, immigrants, and women who make up the majority of its workforce. While we have transitioned our immediate crisis relief efforts to a steady push toward recovery, we will remain nimble and responsive as new emergencies arise and our city starts to rebuild.

As we all move forward, Hot Bread Kitchen is more focused than ever on reimagining an equitable and sustainable food industry while we continue to support women, immigrants, and people of color in achieving their financial and career goals.



HOT BREAD KITCHEN 2020 MID-YEAR IMPACT SNAPSHOT

RESPONDING TO A CITY IN CRISIS

March—June 2020

REFERENCES

NYC Current Employment Statistics (CES) History. New York State Department of Labor. Accessed July 2020

Parrot, James A and Lina Moe. The Covid-19 New York City Economy Three Months In: Reopening, and a Continuing Low-Wage Worker Recession. Center for New York City Affairs, June 2020.

Initial Claims Data. New York State Department of Labor, 26 March 2020.

Initial Claims Data. New York State Department of Labor, 2 April 2020.

Parrot, James A and Lina Moe. The Covid-19 New York City Economy Three Months In: Reopening, and a Continuing Low-Wage Worker Recession. Center for New York City Affairs, June 2020.

The Failures of the PPP in NYC. Office of the New York City Comptroller, July 2020.

NYS Economy Added 296,400 Private Sector Jobs in June 2020. New York State Department of Labor, July 2020. Press release.

Initial Claims Data. New York State Department of Labor, 2 July 2020.

Parrot, James A and Lina Moe. The Covid-19 New York City Economy Three Months In: Reopening, and a Continuing Low-Wage Worker Recession. Center for New York City Affairs, June 2020.

The New York City Employment Situation in May: Continued Deterioration. Office of the New York City Comptroller, 19 June 2020.

Shierholz, Heidi. "Low Wages and Few Benefits Mean Many Restaurant Workers Can't Make Ends Meet." Economic Policy Institute, 21 Aug. 2014, www.epi.org/publication/restaurant-workers/.

Gangopadhyaya, Anuj, and Elaine Waxman. Supporting Food Service and Preparation Workers during the COVID-19 Pandemic. Urban Institute, 2020, <https://www.urban.org/research/publication/food-service-and-preparation-workers-and-covid-19-pandemic>.

The Failures of the PPP in NYC. Office of the New York City Comptroller, July 2020.

Koible, William-Guillaume and Insiah Figueroa. Fighting More Than COVID-19: Unmasking the State of Hunger in NYC During a Pandemic. Food Bank for New York City, June 2020. Accessed June 2020.