



Unemployment claims from Asian Americans have spiked 6,900% in New York. Here's why

By [Shannon Liao](#), CNN Business

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Ten days before New York issued a stay-at-home order, Truman Lam, 35, was already contemplating whether to close his restaurant Jing Fong, an icon in Manhattan's Chinatown. It was Tuesday, March 10. During the peak lunch hour, he went upstairs to count how many customers he still had.

Jing Fong's dining room is massive; a destination for banquets and weddings, it can hold up to 794 people — and on weekends, there has historically been a long wait to get in for dim sum. But on that day, Lam counted just 36 guests.

Business had started to slow as early as January and was down 80%. All of the parties in March were canceled, too, he said.

"That day, I decided, you know what? Let's just close for the rest of the weekdays," Lam told CNN Business, adding that he was thinking about staying open on the typically busier weekends.

Soon after, Lam made the final decision to furlough 170 staff members across two locations and encourage them to apply for unemployment benefits. He declined to say whether he has filed for benefits, too.

Across New York, businesses like Lam's have shut down during the coronavirus pandemic and Asian American workers have filed for unemployment benefits at extraordinary rates. In the state, about 147,000 self-identified Asian workers have filed initial unemployment claims in the last four weeks alone, up from just 2,100 during the same period last year.

That's a 6,900% increase — by far the largest percentage increase experienced by any one racial or ethnic group.

In contrast, claims were up 1,840% for white workers, 1,260% for black workers, and 2,100% for Hispanic and Latino workers in New York.

Truman Lam, manager of Jing Fong Restaurant in Manhattan's Chinatown, pictured in February. (Jorge Corona / New York University)

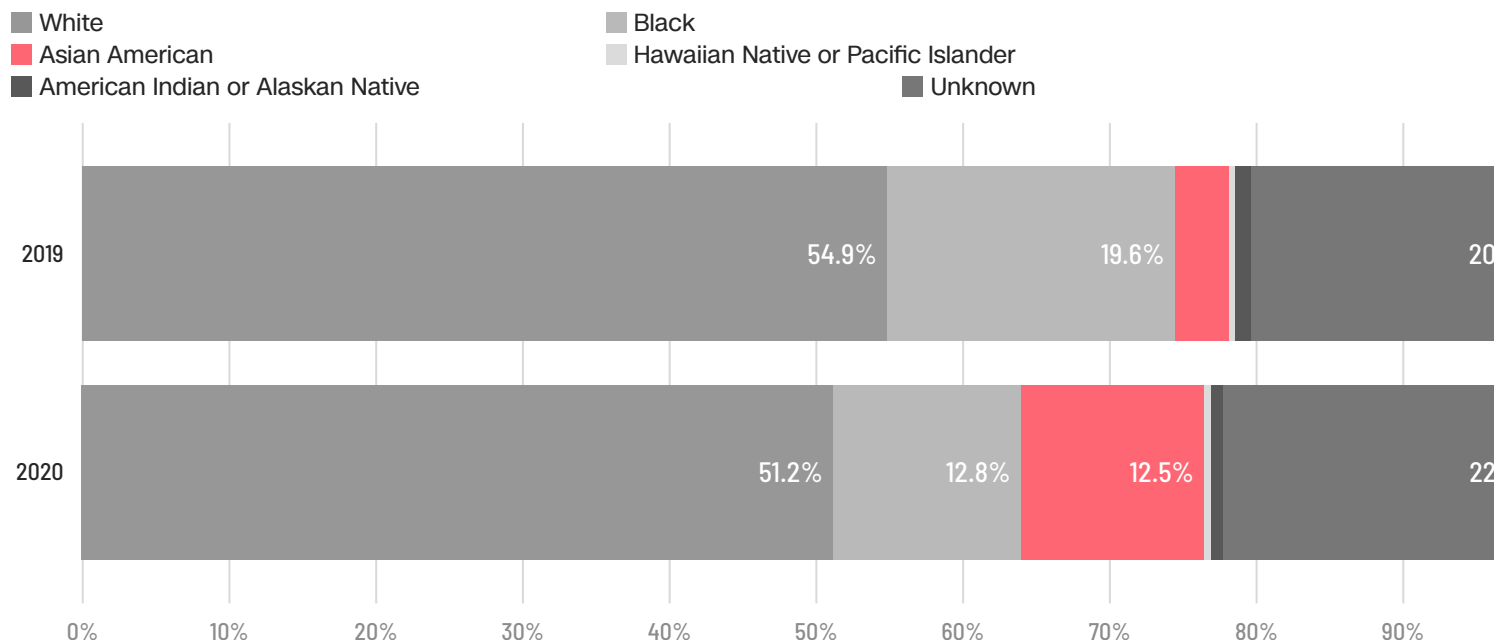
New York stands out from other states in that in early April, it started releasing detailed demographic breakdowns of unemployment claimants every week. Not surprisingly, claims are skyrocketing for every group in the state, reflecting the sharp economic downturn that nationwide has left 30 million Americans filing first-time unemployment claims since mid-March.

But even so, the increase for Asian Americans is an oddity: It's so large, it's disproportionate to the size of their labor force. Asian workers make up about 9% of New York state's population and work force, but now account for 12.5% of initial claims over the last four weeks. A year ago, they made up just 3.7% of claims during the same time period.

For the other groups, claims are either roughly in line — or well below — the size of their populations. White workers, for example, make up 65% of New York's labor force, but only 51% of recent claims.



Asian American workers have been disproportionately impacted by the jobs crisis in New York, accounting for 12.5% of initial unemployment claims in the last 4 weeks, up from 3.7% during the same period last year.



Note: March 30 - April 27, 2019; March 28 - April 25, 2020

Source: New York State Department of Labor

Graphic: Tal Yellin, CNN

What's the cause? Academics and members of the community point to several potential factors ranging from xenophobia to Asian Americans working in industries hard hit by the pandemic, including food and services. Many Asian workers also say they began social distancing earlier in the crisis than others — a factor that led some to close down businesses even before official lockdowns.

Lam, for instance, believes the main reason his restaurant began to lose business starting in January is because of "Chinese people practicing social distancing early." One regular customer told him that their parents hadn't left the house in a month since January except to get coffee and the newspaper.

"Jing Fong was first established around 1978," said Lam, who took over daily operations of the business after his father, uncle and grandfather. "And we've never seen anything like this before."

Jing Fong's massive dining room, shown here a year ago, is usually bustling with customers, but after business slowed, it closed in mid March. (Jing Fong Restaurant)

Low unemployment rates never told the full story

For much of the last ten years, Asian workers have had the lowest unemployment rate and highest median household income of any racial or ethnic group in the US. Part of the reason is due to their higher education levels. All of those figures contribute to the common perception that Asian Americans are more economically successful than average and to the pernicious model minority myth about Asian Americans being polite, working hard and pulling themselves up by their bootstraps.

But studies have shown low unemployment rates and high household earnings obscure persistent disadvantages for Asian Americans, including workplace discrimination and increasing income inequality within the group.



We've never seen anything like this before."

TRUMAN LAM, MANAGER OF JING FONG RESTAURANT

Averages also hide the fact that Asian Americans — one of the fastest growing populations in the US — are a diverse population. Those who self-identify as Chinese, Indian or Filipino ancestry make up the three largest Asian groups in the US, but no one ethnicity makes up a majority. The same is true of Asian Americans in New York State, where smaller populations of Burmese, Bangladeshis and Pakistanis are also growing quickly.

10th percentile.

All of those underlying factors are at play now in New York's data, as unemployment claims spike disproportionately for the Asian community.

Low-wage workers hit first

One theory from experts to explain the high unemployment claims is that many Asian Americans work in industries that were hardest hit by lockdowns — places like restaurants, small shops and nail salons.

While overall, Asian Americans are more likely to work in education and health services than retail and restaurants, those who were hardest hit by layoffs and furloughs early in the pandemic probably were in low-wage service sectors.

Wellington Z. Chen, executive director of the Chinatown Partnership, a nonprofit that focuses on revitalizing the neighborhood, said that Asian communities' reliance on industries like food services and personal care meant they bore the brunt of shelter-in-place orders. "You can't cut nails from six feet away, right?" said Chen. "A lot of people are not going to hang on. [They're] not going to make it."

Nationwide, Asian workers make up about 6% of the US labor force, but 57% of 449,000 "miscellaneous personal appearance workers," a category that mainly includes nail salons.



You can't cut nails from six feet away, right?"

WELLINGTON Z. CHEN, EXECUTIVE DIRECTOR OF THE CHINATOWN PARTNERSHIP

On the opposite end of the income-spectrum, however, they also represent 35% of software developers, 20% of physicians and surgeons, and 23% of pharmacists. Those white collar jobs are generally more resilient to layoffs — but economists expect those sectors could be hit later in the pandemic as well.

But occupations alone likely don't explain the disproportionate rise in Asian unemployment claims as other groups work in hard-hit industries too. That's why experts also point to other potential explanations.

Racism and xenophobia as a factor

Business owners and workers told CNN Business that recently, racism and xenophobia against Chinese and Chinese-looking people have been a factor in driving business closures and unemployment claims.

In some of New York City's predominantly Asian neighborhoods, business owners told CNN Business that foot traffic took a downturn months before lockdowns were in place. Not only that, but Asian employees and business owners said they were also apprehensive about commuting to work, as people would give them strange looks and news about anti-Asian hate crimes was spreading across their social media networks.

Lin Weng, 25, who lives in Sunset Park, a neighborhood known as Brooklyn's Chinatown, applied for unemployment benefits after she was furloughed from her coffee shop on March 22. But while customers were still coming into the shop, she said, she experienced an incident in which she was associated with the coronavirus potentially due to her race.

[thinking] like, are you asking me or telling me?

Lin Weng poses in her home in April. She applied for unemployment benefits after being furloughed from her job at a coffee shop. (Lin Weng)

Reports of attacks against Asians and those appearing to be East Asian have intensified after the coronavirus outbreak began in China in January. The NYPD Hate Crimes Task Force told CNN Business that of the 14 coronavirus-related hate crimes it investigated since the start of the outbreak, all of the victims were of Asian descent.

Jennifer Lee, a sociology professor at Columbia University, said that President Donald Trump's reference to the coronavirus as a "Chinese virus" exacerbated fears among Asian Americans, by playing into xenophobia. "While he no longer refers to coronavirus as the 'Chinese virus,'" the damage has already been done," she wrote in an email.

In addition to racism and xenophobia, Asian businesses in neighborhoods like Chinatown and Flushing have faced caution from their own communities as well. Some Asian customers have drastically cut back their interactions with Asian-run businesses, as owners noticed huge drops in traffic.

Early social distancing hurt Chinese businesses

Some essential businesses, including Asian-run supermarkets in Flushing and laundromats in Brooklyn, have closed despite being allowed to operate under shelter-in-place rules.

The Korean American Dry Cleaners Association of New York estimates that 70% of its 1,500 members will soon or already have temporarily closed their operations, according to Ahyoung Kim, small business project manager at the nonprofit Asian American Federation. Reasons varied from workers being unwilling to come in, to some contracting the virus, or because business had dropped off.



Zixian Tang, 25, who lives in Flushing, Queens, worked at a popular karaoke place that closed on March 15.

Even if his boss had not chosen to close the place, Tang said in comments translated by CNN Business from Mandarin Chinese, "I'm not willing to go to work because I'm afraid" despite having rent to pay. "The death toll is too high," he said.

Jennifer Feng, 38, a nail technician at an ordinarily bustling mall salon in Flushing told CNN Business in comments translated from Mandarin that the salon decided to cancel its many upcoming appointments and close on March 16, several days ahead of New York's stay-at-home order. While she can apply for unemployment, she said she is waiting for her stimulus check to hit first to see if she needs the extra benefits.

Jennifer Feng, 38, a nail technician at a mall salon in Flushing, takes a photo at home on April 30, 2020. (Jennifer Feng)

Feng said she believes Flushing stores closed early because the Chinese American community acted faster in taking precautions, from social distancing early to wearing face masks, compared to those in other groups.

Economists from Columbia University, New York University, and the University of Massachusetts Boston said they can't know for sure whether xenophobia or caution were reasons for the high amount of unemployment claims from Asian Americans. It's too early, and data on that is unavailable so far.

A different story for South Asian communities

While workers of East Asian backgrounds say they grappled with shop closures, social distancing and xenophobia early on in the pandemic, South Asian neighborhoods in Queens were still pretty crowded at the end of March.



Indian grocery store in Jackson Heights, Queens. "It was life as usual, like nobody had actually heard of any pandemic."

Mohammed Uddin, 42, told CNN Business that although the virus' first case in New York was announced on March 2, only when the death toll began to rise in mid-March did he begin to realize it was a dangerous situation.



If I got any other job, which is not close to people, of course I'll go to work."

MOHAMMED UDDIN, FORMER ACCESS-A-RIDE DRIVER

Compared to stores in Flushing, the ones in Jackson Heights — a diverse neighborhood known for Indian, Bangladeshi and Latino American residents as well as other groups — stayed open longer, Uddin observed.

But despite different reaction times — and, anecdotally, fewer coronavirus-related hate crimes against them, South Asians are also reporting a sudden uptick in unemployment claims, according to Seecharan.

Uddin said he left his job as an Access-a-Ride driver on March 17 because it involves chauffeuring elderly and ill patients from their homes to hospitals and he felt it was too risky. His friends, drivers who introduced him to the job, quit too, he said.

Mohammed Uddin was a used car salesman, then a driver for Access-a-Ride, but is now unemployed.
(Mohammed Uddin)



"If I got any other job, which is not close to people, of course I'll go to work," he said.

Small numbers in 2019 meant a large spike for 2020

Another factor behind the large jump: Asian Americans filed very few claims last year, so that's partly why their percentage gains were higher than any other group, said Christian Moser, assistant professor of economics at Columbia Business School. "The larger number... will come from the fact that we've started out with such a low level to begin with for Asian Americans," he said.

The small base numbers in 2019 can be potentially explained in part by pride, said Ahyoung Kim, the small business project manager. And now, it's possible Asian American people are rethinking that stance given the combination of racism and economic fallout they've experienced during the pandemic.

"I can't speak for all Asian cultures, but at least in the Korean community, there has been a bit of shaming, in a cultural sense that you can't really demand stuff from the government," she said. "There's a huge shift in the community. Those that are asking are now realizing, 'I can take this money and we should take this money because there really is no choice.'"

Undocumented immigrants missing from the numbers

Even as unemployment claims have surged, the number almost surely undercounts the total of Asian Americans who are unemployed during the pandemic, as undocumented immigrants are ineligible to apply. About 238,000 undocumented Asian immigrants live in New York state, according to the Migration Policy Institute, a nonpartisan think tank. There's no data on how many of them have lost jobs recently. Sora Lee, 23, who lives in Bayside, Queens, told CNN Business that her whole family is ineligible.

Both her parents are undocumented, while she and her sister worked jobs that were paid in cash. All four of them lost jobs recently, although her dad is unemployed due to an injury unrelated to coronavirus.

Sora Lee was paid in cash and isn't eligible for unemployment benefits. Neither are her parents, who are undocumented immigrants. (Sora Lee)

Her mom, who requested to remain anonymous because of her immigration status, is a nail technician who lost her job after her salon closed. "I would like to be working because of the money, but at the same time, it's very dangerous because of the virus, so it was a good idea to close down," she said in comments translated from Korean by her daughter.

Thanks to a babysitting gig, Lee does have some income right now, but she's the only one in the family who does and her mother said she's worried she won't be able to pay her bills. Rent, electricity, cable, internet, car insurance and life insurance payments due soon total up to \$2,600 and the family is leaning on credit cards and about \$1,000 left in savings. She said she wished that undocumented immigrants could be eligible for some sort of relief.

The long road ahead

The financial impact on Asian Americans may change how these neighborhoods look once the pandemic ends. During the 2008 recession, Asian Americans had the highest long-term unemployment of any group, according to [a 2012 study from Marlene Kim](#), a professor of economics at the University of Massachusetts Boston.

"I'm going to predict that this is going to happen again," Kim told CNN Business. "I think it was part discrimination but also part other people dropped out of the labor market, they didn't even look for jobs. But Asians kept looking for jobs and being counted [as unemployed.]"

Economists predict that nationwide, unemployment could surge to [around 20% by June](#) — a level not seen since the 1930s Great Depression.

New York's skyrocketing unemployment numbers could be just the beginning. And with many working in sectors hard hit by coronavirus and potentially facing discrimination, it could be difficult for Asian Americans to find jobs once New York opens back up again.



location north of Little Italy open only for takeout and delivery.

"I have told the people that we laid off to please go exercise that right and use the unemployment benefits that they've paid towards and the company has paid towards and whatever stimulus checks or whatever resources they can to survive and weather this storm," he said.

Correction: An earlier version of this story misstated the number of Jing Fong employees who were furloughed.

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