



COVID-19 Crisis and the Informal Economy: Street Vendors in New York City, USA



Maria Crespo is originally from Cuenca, Ecuador. She sells Ecuadorian food on Junction Boulevard and Roosevelt Avenue in Queens. "I've been a vendor for more than 34 years. Like many street vendors I stopped working in March. I was afraid for my health and my community. Like many people I am behind on payments." Photo credit: Leticia Ochoa.

Key Findings

- 1 All street vendors interviewed as part of this study stopped working completely in April 2020. By June, only 26% had gone back to work part-time or more.
- 2 98% of respondents had zero earnings in April.
- 3 By June, average earnings were 20% of average earnings in February, with 79% of respondents still earning nothing.
- 4 26% of respondents received no government financial relief such as "stimulus checks" and 63% received no government food assistance. Street vendors have been excluded from local, state and national small business assistance programs, creating severe financial distress for owners and workers.
- 5 Respondents described struggles with COVID-19 illness, illness and deaths of family members, and inaccessibility of medical care. Poor mental health and anxiety were impacting many respondents.
- 6 76% of respondents have borrowed money, drawn down savings, sought financial help from family, friends or neighbours, or sold or pawned assets as a response to the crisis. Many have been unable to make rent payments, and more than half of respondents expressed the need for assistance to meet basic needs.

Background

COVID-19 Crisis and the Informal Economy is a WIEGO-led 12-city longitudinal study that assesses the impact of the COVID-19 crisis on specific groups of informal workers and their households. Using a survey questionnaire and in-depth interviews, Round 1 assessed the impact of the crisis in April 2020 (the period of peak restrictions) and in June 2020 (when restrictions had been eased) in comparison to February 2020 (pre-COVID-19). Round 2 will assess continuing impacts versus signs of recovery in the first half of 2021, compared to the pre-COVID-19 period and Round 1. Researchers in New York surveyed and interviewed street vendors and canners who are members of Street Vendor Project (SVP) and Sure We Can. This report presents the summary findings for street vendors. Results for canners are presented in a separate Fact Sheet available at wiego.org/covid-19-global-impact-study.

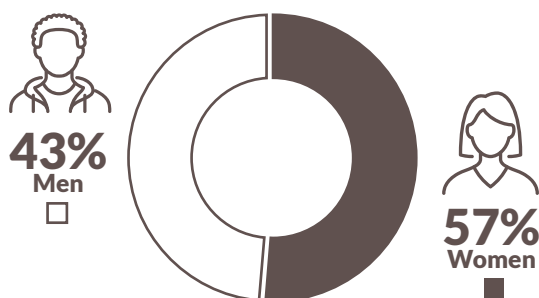
Street Vendors in New York City

Street vendors are informal workers, lacking social or effective legal protections in their employment. While there are no statistics on the city’s total informal or vending workforces, advocates estimate that between 10,000 and 20,000 New Yorkers make their living selling food or merchandise on the city’s streets. Vendors are overwhelmingly immigrants of color. While the challenge of complying with New York’s complex vending regulatory system puts all vendors at risk of fines, confiscation and harassment from the City of New York City Police Department (NYPD) and other regulatory agencies, these risks are particularly high for the majority who cannot access permits due to the legal limits on the number available.¹ The stakes of these interactions can be extremely high, as in the case of vendor Eric Garner, who died after being put in a chokehold by a NYPD officer, or as is the case for undocumented vendors fearing the immigration enforcement system.

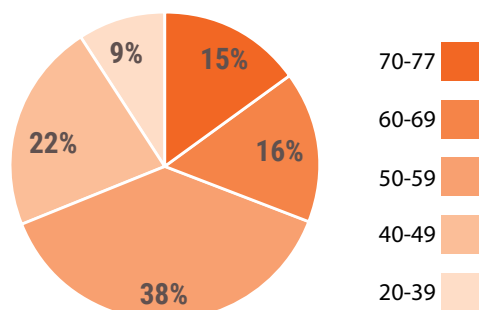
Food vendors were among New York State’s “essential workers” permitted to continue working during the city’s strictest period of lockdown; a workforce that, like all vendors, is disproportionately immigrant, Black, Latinx, and/or undocumented, and likely to live in poverty.²

Gender* of respondents

(Number of respondents: 62)



Age** range of respondents



DATES: Phone surveys were conducted in June 2020. In-depth interviews were conducted in September 2020.

PRE-COVID DAILY EARNINGS: Before the pandemic, respondents earned an average of \$115 daily. Average earnings of women vendors was approximately one-quarter less than those of men (\$99 versus \$134).

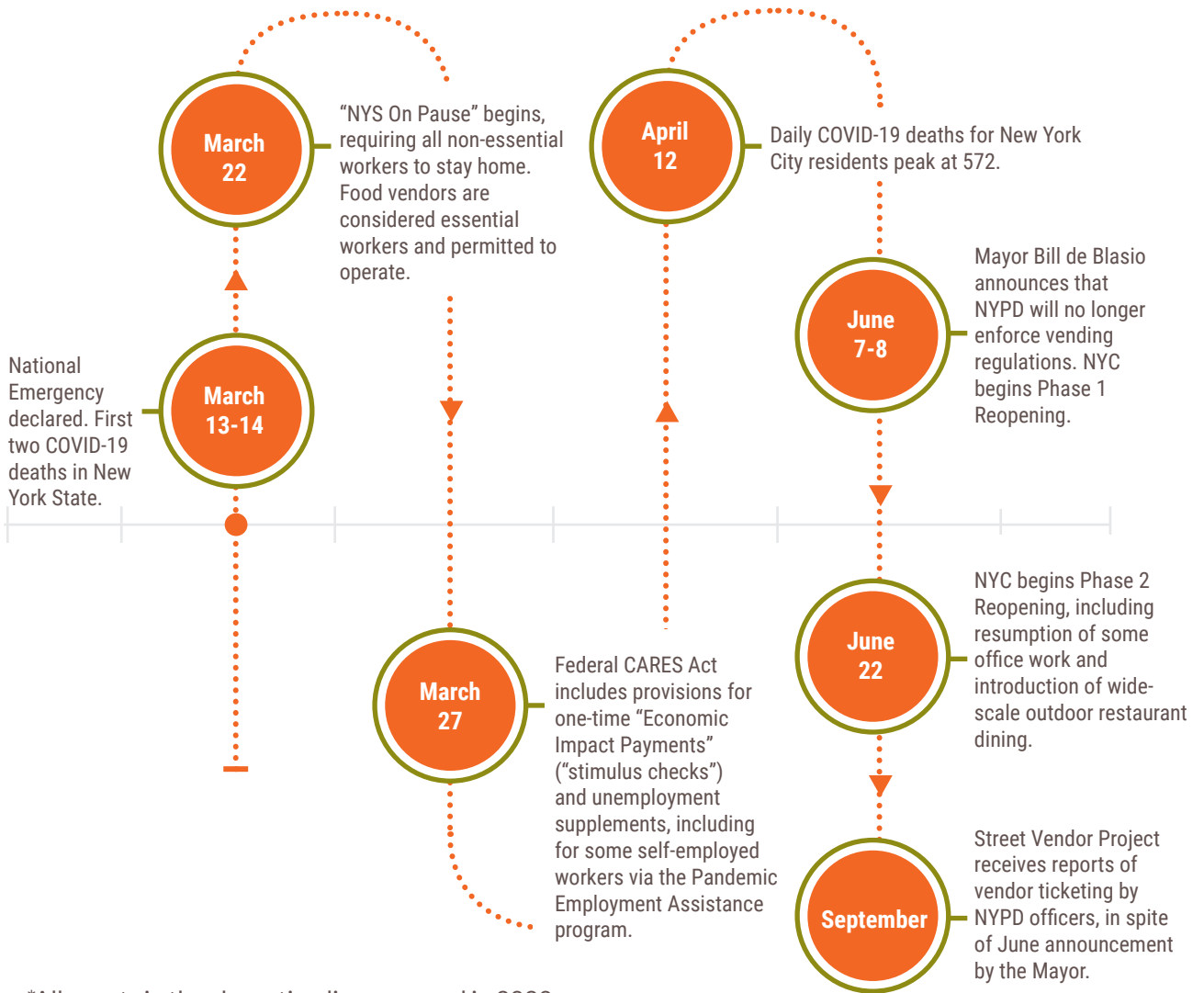
*The survey sample is intended to reflect the composition of SVP’s constituency and is not representative of street vendors in New York City more broadly. There are no statistics on street vendors in New York City from which to draw a representative sample.

**Four respondents did not specify their age.

1 Devlin, Ryan Thomas. 2011. “An area that governs itself: Informality, uncertainty and the management of street vending in New York City.” *Planning Theory* 10, no 1.
Dunn, Kathleen. 2014. “Street vendors in and against the global city: VAMOS Unidos.” In Milkman, Ruth and Ott, Ed (eds) *New labor in New York: precarious worker organizing and the future of unionism*. Cornell Univ Press, Ithaca, NY.

2 New York City Comptroller Scott Stringer, “New York City’s Frontline Workers,” March 2020.

Timeline*



*All events in the above timeline occurred in 2020.



Juan Carlos Landa, churro vendor in New York City. Photo credit: Clay Williams.

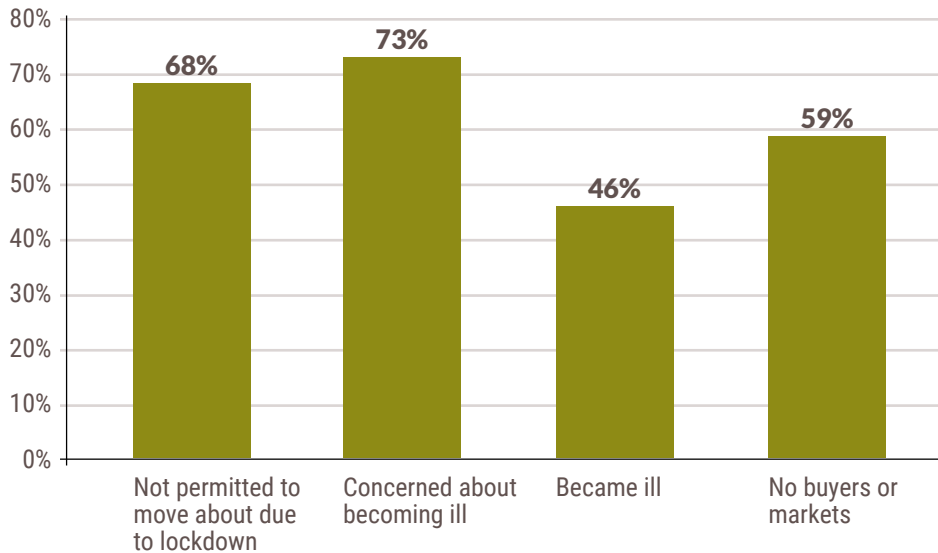
Work, Income and Food

The COVID-19 crisis is a disaster for New York’s street vendor community. Like other low-wage and informal workers in New York City, street vendors today face a crisis of work, income, housing, debt and health, compounded by archaic regulations that penalize their livelihoods.

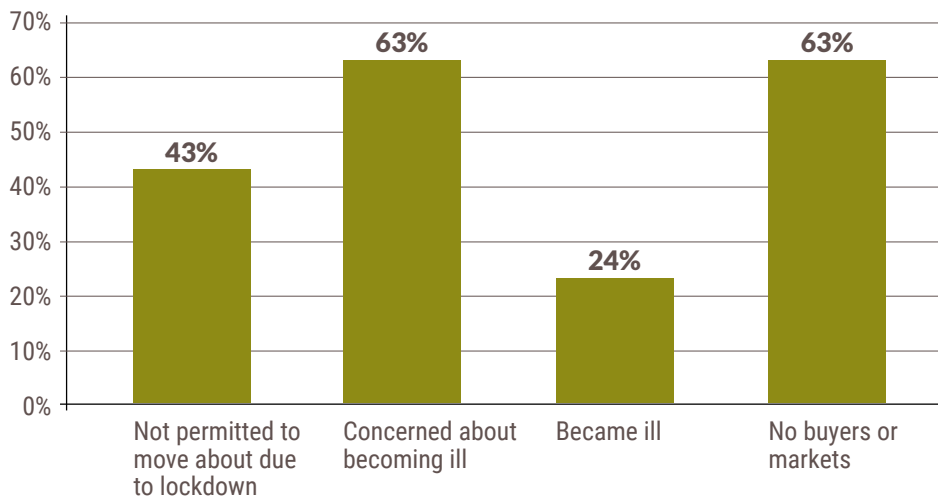
The crisis for vendors started in March, as city foot traffic on NYC’s bustling streets came to a standstill and many workers started to fear for their health. By April, 100% of respondents had stopped working. By June, only 26% were working part-time or more.



Main reasons for not working, April 2020 (N=59) Percent

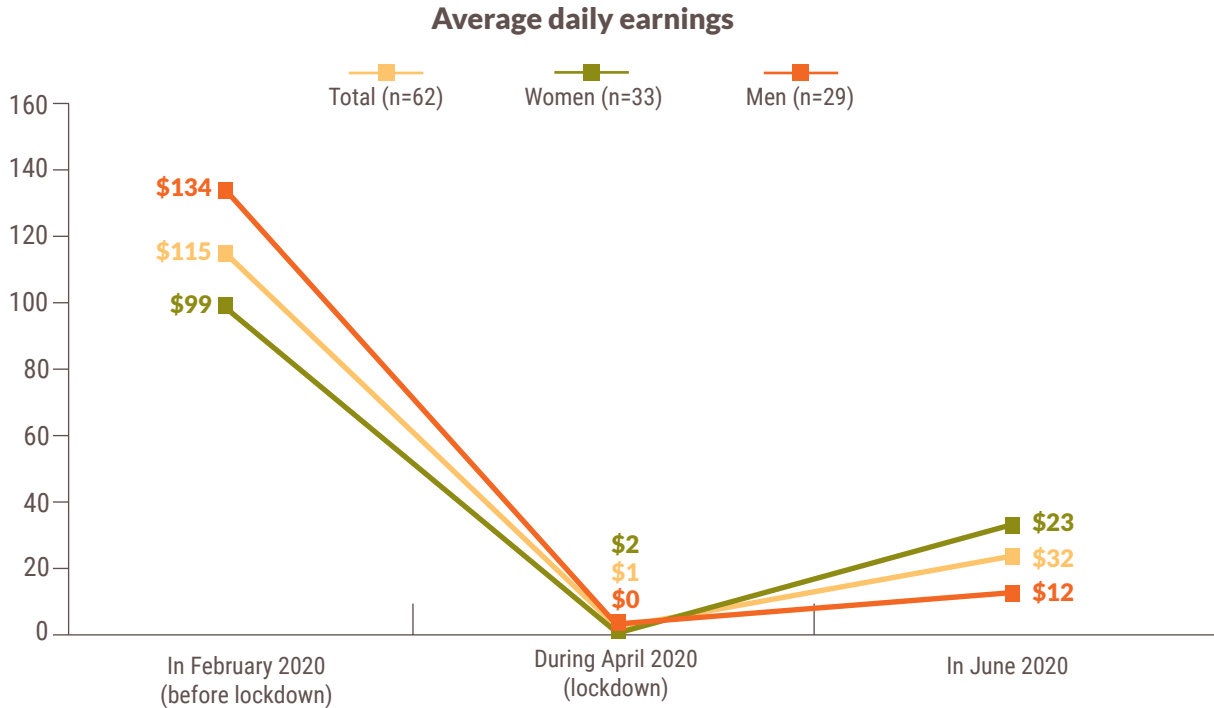


Main reasons for not working, June 2020 (N=46) Percent



Impact on Earnings

In April, respondents were earning less than 1% of their average February earnings, with 98% of respondents earning zero. By June, the average income of respondents was only 20% of their average February earnings, with 79% still earning zero.



Women respondents, whose average daily earnings were 73% less than those of men in February (before the pandemic), by June had average earnings of 38% more than men, though at a much lower level overall. This also reflects that women vendors were more likely to start working again in June (30%) than men (21%).

Respondents described having a fraction of their normal clientele volume, and barely breaking even on many work days. Some who had previously employed other workers had let them go. At the same time, respondents described increased competition from new vendors, people who lost their regular jobs as a result of the crisis.

The dramatic loss of earnings in the April-June period is problematic for vendors, who typically depend on higher earnings during the summer months, or may not even operate during the winter.



“A lot of people are even reporting that business is not even a quarter of what it used to be. But they just cannot take it anymore, they cannot stay without working anymore.”

– Mohamed Attia, Director of the Street Vendor Project

“Paintings are quite special, and good business depends on the weather and tourists. Basically, through September is wasted.”

– Woman Art Vendor, NYC

Impacts from Law Enforcement

Despite appeals from SVP and other allies for leniency during the crisis period, the city continued to enforce all vending regulations as usual in March, April and May. One vendor described that in mid-March while he was sick, his son who was watching the cart received a substantial fine for a violation related to its placement. At the time of the survey, he was awaiting a notice to appear in court.

On June 7, the New York City Mayor surprised the community with the announcement that he would suspend NYPD's involvement in vending enforcement. While the Mayor offered no dates or plans for new enforcement, SVP found that vendors did stop receiving tickets during the summer months. However, this ended abruptly in mid-September, when NYPD conducted a sweep in lower Manhattan. Since then, numerous SVP members have received tickets from NYPD officers.

Tickets and fines eat into vendors' low earnings and ability to survive the crisis. Vendor leaders described the uncertainty of the current enforcement regime as adding to their anxiety and fear.



“We could say the big fear for vendors would be we don't know yet who is the authority who is going to inspect...Personally, my biggest fear is knowing this, that we don't know what authority is going to come, not having a specialized permit, they would arrive and take our things as they have always done.”

– Woman Food Vendor



Marie-Rose Goba, Bronx resident originally from the Ivory Coast, provides mangoes at a street vendor rally for lifting the cap on vendor permits in Times Square in August 2020. Photo credit: Clay Williams.

Health and Safety Concerns



24% of vendors reported having household members with COVID-19 or COVID-19 symptoms

City data show that Latinx and Black New Yorkers have died from COVID-19 at twice the rate of white New Yorkers.³ Neighbourhoods with some of the most vibrant vending communities in New York City, such as Corona, East Elmhurst and Jackson Heights, suffered among the highest death rates.⁴

While one-quarter of respondents reported that someone in their household had COVID-19 or COVID-19 symptoms, this is likely an underestimate, since respondents had the option to skip this sensitive question. Many vendors described falling sick themselves, having sick family members, or losing family or friends to the virus. Respondents also described struggles to access other types of critical medical care, including cancer treatments, and some expressed reluctance to visit medical facilities for fear of contracting COVID-19. One vendor commented that he could not afford medicine for his wife, who had cancer.

Such pressures – sickness or fear of sickness, death or illness of family members, economic pressure and struggles to pay rent, among other factors – had a profound impact on respondents’ mental health. Many described depression, anxiety and fear of what might happen next.



“I have diabetes and at times depression for all that is happening. I am alone and afraid of getting sick.”

– Woman Food Vendor, NYC

“My wife has cancer, and when she went to the doctor they couldn’t treat her for it, and she was upset.”

– Man Food Vendor, NYC

³ NYC Health, accessed 13 October 2020. Available at: <https://www1.nyc.gov/site/doh/covid/covid-19-data-deaths.page>.

⁴ Zip codes that include the neighbourhoods of Corona (11368), East Elmhurst (11369) and Jackson Heights (11372) have suffered among the highest caseloads and deaths from COVID-19, with a death rate of nearly 500 per 100,000 in East Elmhurst. <https://www1.nyc.gov/site/doh/covid/covid-19-data.page>.

Household Stress



94% of respondents reported that their household's overall income was lower than in February 2020.

Though the survey did not ask about ability to pay rent or utility bills, one-third of respondents nevertheless mentioned paying rent as a major challenge, source of stress, or area where public support was urgent. Several were struggling with rent both for their homes and for the garages where they store their carts. Some noted that they had been unable to pay rent for one or more months.

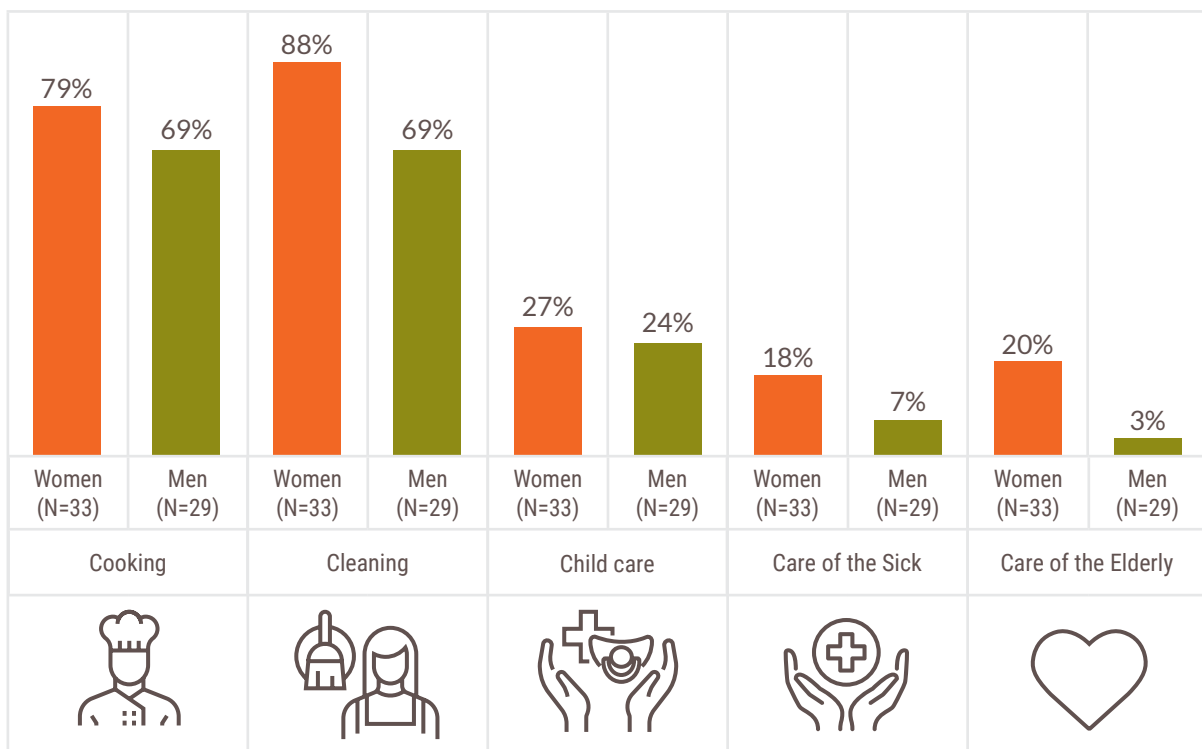
The pandemic has also led to a rise in unpaid household labor. This is particularly the case for women vendors. Several respondents mentioned the challenge of keeping children inside and focused during the day.



"I haven't been able to work because I'm in the house taking care of my kids making sure they connect to the internet for school."

- Woman Vendor

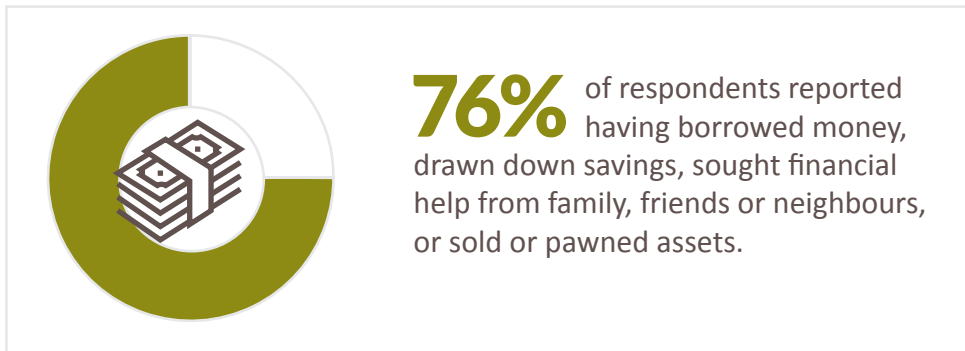
% of respondents reporting increase in care and household responsibilities by gender



Coping Strategies and Adaptations

According to interviews, since June, vendors have slowly returned to the streets – though not necessarily to the same streets as before, opting for residential neighbourhoods in outer boroughs rather than central business districts. As often happens during economic crises, new vendors have entered the market, creating in some cases additional competition for those traditionally selling in those areas.

Some survey respondents mentioned looking for other work, though generally without success.



Relief Measures by Government

63% Respondents who **did not receive food assistance** from government in response to COVID-19.

26% Respondents who **did not receive cash relief** from government in response to COVID-19.

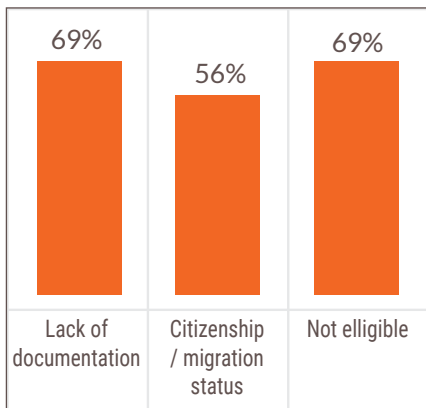
According to interviews, some vendors had received the one-time federal Economic Impact Payments (“stimulus checks”) of \$1,200 for a single adult or \$2,400 per couple plus \$500 per child. A smaller number had received unemployment assistance through the Pandemic Employment Assistance program, though many were not approved until June or July. Some described concerns that these benefits would be too short lived: “At the end of July, how to survive after the rescue/bailout is finished is a problem,” an art vendor said.

The reason that 26% of vendors did not receive cash bailouts was because of eligibility related to migration status and/or lack of documents.

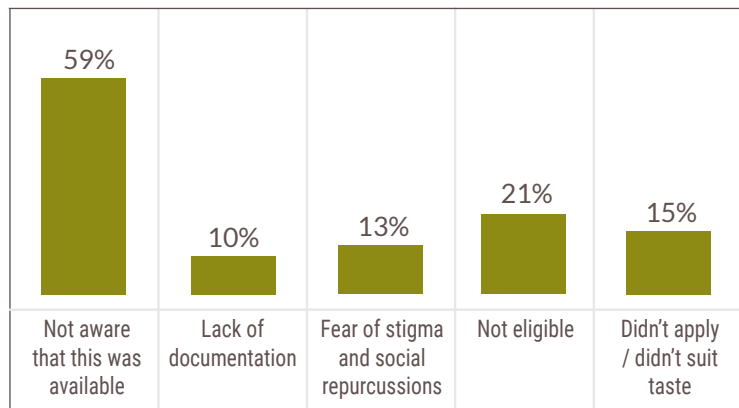
Despite the fact that the majority of respondents received some form of government cash relief, most were excluded from small business support that helped keep other New York businesses afloat. Vendors, like many other small and micro businesses, did not qualify for programs such as Payroll Protection or Economic Injury Disaster Loans (EIDL) because they were self-employed, lacked payroll, and/or lacked other types of documentation. Despite many attempts, none of the vendors who SVP assisted to apply for small business loans received approval.

With regard to food relief, the lack of awareness among vendors of city-support food relief programs – including the belief that they were ineligible for this support – suggests a gap in communications. A few respondents commented that they felt the food was not suited to their cultural tastes.

Reasons why respondents did not receive cash grants



Main reasons why respondents did not receive food assistance from government.



“I have applied to programs but I don’t have all the required documents they are asking for. I have contacted my state senator. They are asking for my net income and other things that I have not been able to complete because of everything we are going through.”

– Male Merchandise Vendor, NYC

“Being undocumented people we don’t qualify for the government support, so it has been difficult for paying rent, we have been excluded. For them we have been invisible in this situation of sickness, but we are essential for them.”

– Female Food Vendor

Relief by SVP

The pandemic has challenged SVP to step up for vendors in ways and at a scale it has not done before. In addition to its usual legal support, organizing and advocacy work, SVP has:

- Raised \$147,000 through a crowd-funding campaign and distributed prepaid gift cards of \$300 to 490 members.
- Helped distribute \$300,000 in Open Society Foundation grants to over 300 undocumented members.
- Developed vending safety guidelines and trainings, and assisted vendors to meet standards.
- Helped individual SVP members apply for Pandemic Unemployment Assistance and small business support loans, including forgivable loans from the non-governmental organization, Business Center for New Americans, and small business grants from Citizens Committee for New York City.

- Partnered with vendors and elected leaders to distribute vendor-prepared meals to community members in Queens and Brooklyn neighbourhoods.
- Enhanced digital communications among SVP members, providing information and conducting regular meetings on Whatsapp and Zoom.

In December 2020, SVP announced that it would be distributing \$2.25 million in additional direct support to vendors, through a grant from the Robin Hood Foundation and Morgan Stanley. This funding will help sustain SVP members and their families through an unprecedentedly difficult winter.

Recovery: Workers' Needs and Demands

The vast majority of vendors highlighted the need for assistance to meet their basic needs, ranging from cash assistance, food or extension of existing relief measures, to paying rent and utilities. Others mentioned support for employment or their businesses, including loans, vending space, reduction of ticketing and fines, reduction of garage rental costs and/or vending permits.



"We need financial support from the government. We need financial support from somewhere. We are late on rent....Sometimes we have very little food."

– Woman Vendor, NYC

"Any help with the rent, because the accumulation of unpaid rent is unbearable."

– Man Food Vendor

"Employment opportunities, not money. For example, open up business licenses and provide business premises in district."

– Woman Art Vendor

A just recovery for New York's street vendors means more than survival, however. It requires recognition of vendors' rights as workers and small business owners, contributing to New York's thriving economy. It must include:

- Immediate passage of City Council Intro 1116, which would raise the cap on food vending permits; establish a single vending enforcement agency to harmonize regulations and remove NYPD permanently from vending enforcement; and establish a multi-stakeholder Vending Advisory Committee.
- Passage of NYS6817A/NYA9782, which would eliminate all caps on vending permits or licenses in New York State.
- Passage of the Excluded Workers Fund (NYS8277B/A10414A), which would impose a billionaire wealth tax in New York State and redistribute the revenue to workers who have been excluded from other government relief programs.
- Extension of small business loans and other support services to vendors by NYC Small Business Services and other state agencies.



"A post-COVID reality will be related to fixing the existing system. A post-COVID reality will look like vendors are out there operating their business legally, not being harassed. Resources should be allocated to support [vendors]... resources like cash assistance, like small business development trainings, like financial education trainings. A lot of these resources need to be invested in these communities moving forward."

– Mohamed Attia, Director of the Street Vendor Project

COVID-19 Crisis and the Informal Economy is a collaboration between Women in Informal Employment: Globalizing and Organizing (WIEGO) and partner organizations representing informal workers in 12 cities: Accra, Ghana; Ahmedabad, India; Bangkok, Thailand; Dakar, Senegal; Dar es Salaam, Tanzania; Delhi, India; Durban, South Africa; Lima, Peru; Mexico City, Mexico; New York City, USA; Pleven, Bulgaria; and Tiruppur, India. The mixed methods, longitudinal study encompasses phone questionnaires of informal workers and semi-structured interviews conducted with informal worker leaders and other key informants. Round 2 will be conducted in the first half of 2021. For more information, visit wiego.org/COVID-19-Global-Impact-Study.

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on empowering the working poor, especially women, in the informal economy to secure their livelihoods. We believe all workers should have equal economic opportunities, rights, protection and voice. WIEGO promotes change by improving statistics and expanding knowledge on the informal economy, building networks and capacity among informal worker organizations and, jointly with the networks and organizations, influencing local, national and international policies. Visit www.wiego.org.

The Street Vendor Project (SVP) is a grassroots, membership organization of New York City street vendors. SVP's mission is to defend and expand vendors' rights and improve their working conditions. It provides legal services when vendors face harassment, helps vendors sustain and grow their businesses, and advocates for policies that allow vendors to operate securely, safely and lawfully. The SVP Women's Committee aims to provide a dedicated space and support to women vendors to address their unique challenges.

Research team: Talia Salas, Irlanda Zea Marino, Luo Guannan, Husam Zaid, Nasif Mia, Dr. Sari Kisilevsky, and Mohamed Attia.

