One Saturday last March, Gustavo, a thirty-nine-year-old single dad to three, went to work at a San Jose bar. “The next day,” he tells me, “the world shut down.”

This was Gustavo’s first time being unemployed since he started working at the age of sixteen. Both the health and economic realities of the pandemic came as a shock. “I had been hospitalized with pneumonia back in 2008, so I knew how scary it can get,” he explains.

Gustavo grappled with a lot of emotions during those months. “You’re taught to feel shame,” he recounts. “It reminded me of when I was a child, being in line at the welfare office with my mother, tears streaming down her face because she was embarrassed.”

In December, Gustavo survived a COVID infection that rendered him barely able to walk and in too much pain to speak. “I was drenched in sweat, trying not to move, silently sobbing. I was afraid not for myself but for what I’d be leaving behind. Who’s going to raise my boys?” Ultimately, he recovered. And by April 24, 2021, with bars beginning to reopen, he returned to work. Unemployment benefits had kept the lights on and a roof over his head for more than a year.

Not everyone has been so lucky. Mary Gent is fifty years old. She has been working in hospitality for thirty years, for the last three at Hollywood’s iconic Standard hotel, which closed permanently this January. She’s managed to stay afloat financially, but she’s still unemployed. “I’ve applied for all the programs, rental assistance — I got food stamps, I got Medi-Cal. So I’ve done all the work. And it’s a lot of work, let me tell you, to be poor.”

Mary’s discouragement is palpable. “My industry is decimated in Los Angeles,” she says. “The place that I used to call home is gone. The hotel closed, and nobody saved it. And I won’t lie — I wake up some mornings, and I’m like, ‘Well, what’s the point?’ I’m tired of this fight.”

It’s no secret that low-wage workers have suffered disproportionately throughout the pandemic, with black and Latino workers bearing the biggest burdens. More than 80 percent of the pandemic job losses were those held by low-wage workers.

As the economy shows the beginning signs of recovery, two contradictory narratives have emerged. One highlights the collapse of the low-wage labor market and its likely slow recovery ahead. Despite some significant gains and promising signs of further job growth in leisure and hospitality, as of June, the sector remained 2.5 million jobs below its pre-pandemic levels.

The other narrative claims widespread labor shortages and jobless workers who prefer to collect historically generous unemployment benefits rather than return to work. In this account, labor shortages are granting workers the kind of leverage over employers they haven’t seen in decades.

The first narrative is undoubtedly true. But there is also a grain of truth in the second. While a shifting balance in class forces shouldn’t be overstated, there are signs that the extraordinary levels of government spending since last spring have shifted the terrain on which workers and the labor movement can organize.

The Low-Wage Nightmare

Wealth and income inequality in the United States was already at historic highs before the pandemic hit. The top 1 percent of US households held almost a third of the country’s wealth. Meanwhile, wages for the lowest income earners have remained stagnant for decades, despite significantly rising productivity over the last forty years.

Despite the relative strength of the pre-pandemic economy, in 2019, a quarter of adults had a family income of less than $25,000, almost one-fifth of adults were not able to find full-time work, and one in ten adults were “regular” gig workers. Official poverty rates declined in 2019, but they demonstrated deep racial disparities: 7.3 percent of white people were living in poverty, while the poverty rate for African Americans was 18.7 percent.

The experience of low-wage workers during the pandemic has exposed and exacerbated these inequalities, not only between workers and CEOs but among workers as well. The US economy has relied on an increasingly bifurcated workforce, and those divisions have become all the more entrenched as the pandemic has continued.

The most job losses by far were experienced by the lowest earners, and these jobs have also been the slowest to recover. In part, this reflects a simple pandemic reality: the industry hit hardest by lockdowns was leisure and hospitality, a sector characterized by low wages. But jobs in government, education, and health services were also hard-hit. And, significantly, a recent paper found that, in every sector, it was the lowest-earning workers that were disproportionately hammered by job losses.

Gig economy workers had to contend with an added layer of hardship. Seydou Ouattra is an Uber driver and father of three who found himself without riders in March. But he was unable to collect unemployment benefits for almost two months, while he and his fellow drivers were asked to fax in document after document in order to prove that they worked for Uber. He finally participated in a lawsuit against the Department of Labor to get his benefits. Other drivers he knew waited twice as long.

“It’s hard,” he says, telling me about his family. “This is the first time everyone is hurting. We’ve reduced our spending to a minimum: bills, rent, and internet for school. I used to work every day for years to make sure they didn’t have to do without money. And now it’s completely different.”

Of course, the unemployment rate is far from the only measure of the pandemic's consequences. Low-income workers are disproportionately concentrated in frontline, essential work. Poor workers have often had to choose between risking their lives or their livelihoods, while higher-wage workers were six times more likely to be able to work from home, effectively shielding them from both the health and economic devastation wrought by the pandemic. The stark income division among workers who were able to stay home goes beyond leisure and hospitality, where the vast majority of work simply can't be done from home. Yet both within and outside of this sector, the bind expresses a basic dynamic of capitalist exploitation — those least compensated for their work also tend to hold the least power in determining their working conditions.

So when Jesenia Rochez, twenty-eight years old, found out that the childcare center where she had been working as an assistant teacher was closing, she was given just two weeks paid time off. After that, she had the option of getting furloughed or being transferred to one of the "hubs" that the childcare chain kept open through the pandemic.

The pressure was on to accept a transfer. "There were a lot of rumors going around that if you didn't go back to work, you might get fired." She saw some coworkers being let go, and it was unclear whether they'd be brought back. "I thought really hard, and I said, 'You know what, I'll put a mask on for safety and just go out there and continue to work.'"

The transfer wasn't easy. Her hours weren't guaranteed. She was transferred a second time. The child-to-adult ratio actually went up, making work a lot harder.

"I had a lot of anxiety and depression," she tells me. "I wanted life to kind of just stop for a second. I felt like I was clinging on to my mental health, trying to stay positive and find my sanity riding the subway every day."

Income inequality and racial disparities have also played central roles in determining COVID mortality rates. One recent study in Elsevier found that, while wealthier counties were often first to experience high infection rates, owing to greater levels of economic activity, workers from poorer areas nearby exposed themselves to the virus while providing services to their rich counterparts. Once COVID enters poor neighborhoods, social, health, and economic disadvantages take hold, making the disease much more difficult to control than in richer counties.

In 2020, 11 million households were significantly behind on their rent or mortgage payments. The threat of homelessness in normal times is associated with higher rates of depression, expulsion from school, and increased health risks. During a pandemic, the consequences of housing instability are much worse.

Renters, who tend to have lower incomes and fewer savings to draw from in a crisis, particularly suffered. Among renters, while 18 percent of households overall were behind on rent by the end of last year, 27 percent of those households earning less than $25,000 per year were behind. The CARES Act made it relatively easy for many homeowners to receive a mortgage forbearance for a year — but renters had no such recourse.

It was through this and similar government programs that a real growth in household savings has been noted, a potential source of economic recovery. Though the personal savings of US households skyrocketed over the past year, however, the top 20 percent of income earners accounted for 85 percent of the savings accrued, while the bottom 20 percent accounted for just 0.5 percent.

A Peculiar Recovery

As the economy reopens more widely and hopefully more steadily in the months ahead, jobs are coming back at a faster clip than in previous recoveries. The COVID recovery, just like the crash, is unique. Recoveries usually entail months or years of slow job growth, with many more people looking for work than there are new openings appearing.

In contrast, businesses today are reopening, but not everyone is ready to go back to work. The extent to which that has to do with the relatively large size and scope of unemployment benefits has been hyperbolized by conservatives seeking to claw back government spending. In reality, many jobless workers are weighing the difficulties of finding reliable childcare, health considerations, and still-low wages against unemployment benefits that have provided consistent economic support (at least to those who were able to penetrate an often-dysfunctional bureaucracy). Even the recent uptick in pay observed in leisure and hospitality only means that wages there are approaching rates that are still lower than other sectors' average earnings.

Consider Kharisi Bonner, a twenty-nine-year-old single mother. Before the pandemic, she seemed to be on track to fulfilling her goal of moving out of her parents' apartment and into her own place with her daughter. She was working as a passport agent at the Brooklyn Public Library, and she had just completed classes to be certified as a phlebotomy technician. She had started an internship at a pediatric clinic. She was the vice president of the PTA at her three-year-old's school. In early March, she found out she was pregnant with her second child. And soon thereafter, the passport agency closed down.

Over the course of the past year, she has handled complications with her pregnancy, birthed a baby boy, and helped her mother undergo cancer treatment.

The manager from the passport agency reached out to her in January with news that they were reopening at partial capacity. They could offer her a one-day-a-week return. But returning to work poses a major problem. Kharisi's mother is her only source of childcare assistance, but her mother's current health struggles limit how consistently she can help. Kharisi wanted to try. She explains, "I thought, 'Okay, I really want to go back to work.' I was even looking at it as a break from these kids, even if that means going back to work for only one day. Because

I love my job. And I'm stuck in the house 24-7 with a baby and a four-year-old."

Ultimately, the math didn't add up. A one-day-a-week job would barely cover the cost of her transportation to work. Her mother told her, "I don't see how that's going to help you."

"It really put me in a bind," Kharisi explains. "They want everyone to get up and go get a job, which is understandable. But where I'm coming from is — I do want to go back to work, but what they're offering me, I can't survive on. Whereas me staying on unemployment could really help."

The reality of the recovery is complicated. Jobs are coming back, but the ability of jobless workers to get back to work is uneven, and it particularly disadvantages women who have been saddled with full-time childcare responsibilities. While a tighter labor market has the potential to give workers greater leverage in demanding higher wages, better job conditions, and scheduling flexibility, it's far from a guarantee. And what will happen to millions once COVID-era benefits expire?

"I've never experienced anything like this in my life," Gustavo, the San Jose bartender, said when I followed up with him this June. "To see how fragile the system really is, how it immediately collapsed, who suffered and who didn't. The rich got richer, the poor got poorer. And the poor died. A lot of things that you heard about or read about, we saw in real time in my lifetime. It's kind of like, 'Wow, were we living this way this whole time?'"