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How the ‘Delivery Protection Act’ Disproportionately Impacts New York City’s Communities of Color

A Closer Look at Intro 518’s Impact on Jobs, Small Businesses, and Neighborhoods Across the Outer Boroughs

Overview

A new analysis of the potential impacts of Intro 518 shows that the legislation’s consequences would fall disproportionately on New York City's communities of color. Drawing on a comprehensive study conducted by AKRF examining the legislation’s potential effects on New York City’s last-mile delivery industry, this report takes a closer look at the workers, small businesses, and neighborhoods most exposed to those impacts. The report identifies substantial exposure among outer-borough workers and businesses, including a workforce that is approximately 80 percent New Yorkers of color and nearly half of whom live in census tracts designated as Disadvantaged Communities (DACs).

1. The Last-Mile Workforce Is Predominantly Workers of Color, Concentrated in the Outer Boroughs

The study estimates that 88 percent of last-mile facility workers live in New York City and approximately 83 percent live in the outer boroughs. Queens accounts for approximately 36 percent of the sampled workforce. AKRF describes the workforce as approximately 80 percent minority. The report also states that more than half of New York City's transportation and warehousing employees are Black and Hispanic men without college degrees. Most last-mile jobs are entry- to mid-skill positions typically requiring no more than a high school diploma.

Report location: *pp. 4, 54–56; Endnote 7–8.*

2. A Large Share of the Workforce Lives in Disadvantaged Communities

Nearly 49 percent of the last-mile workforce lives in census tracts designated as Disadvantaged Communities (DACs). If facilities close, consolidate, or relocate outside New York City, the report expects many jobs to be lost rather than simply transferred to the new locations because of commuting costs, travel time, and limited transit access.

Report location: *pp. 12–13, 54, 57; Executive Summary pp. 5–6.*

3. The Report Identifies Direct Exposure to Black and Hispanic Workers

The report draws on federal and New York State data to place the workforce in racial context. It states that in 2025, approximately 20 percent of U.S. driver/sales and truck-driver positions were held by Black workers and 26 percent by Hispanic workers, compared with 12.7 percent and 20 percent, respectively, of the overall workforce. It also cites the New York State Comptroller's finding that more than half of New York City transportation and warehousing workers are Black or African American and/or Hispanic or Latino.

Report location: *Endnote 7, p. 102; discussion of workforce demographics, p. 54.*

4. Many Small Delivery Businesses Are Minority- and Immigrant-Owned

The contractor-based model has enabled hundreds of small New York City delivery companies to participate in the e-commerce economy. AKRF reports that many of these businesses are minority-, immigrant-, veteran-, or family-owned. The firms provide entry-level employment opportunities, often serving working-class and immigrant communities. The study estimates that more than 100 subcontracted last-mile delivery businesses may be active in New York City, with these firms disproportionately concentrated in the outer boroughs, especially the Bronx, Queens, and Brooklyn.

Report location: *pp. 58–59.*

5. Intro 518 Could Put Thousands of Jobs at Risk

AKRF models three broad industry-response scenarios. In the low-impact scenario, approximately 3,000–5,000 New York City jobs are at risk. In the moderate scenario, approximately 6,000–9,000 jobs are at risk. In the high-impact scenario, 10,000 or more New York City jobs are at risk. The report states that the most immediate and direct risks fall on workers employed by subcontracted delivery firms.

Because the affected workforce is disproportionately made up of workers of color, is concentrated in the outer boroughs, and is heavily connected to DACs, the study identifies a disproportionate local impact on those communities.

Report location: *pp. 4, 46, 49–50, 54.*

6. Relocation Could Reduce Access to Jobs for Outer-Borough Residents

The study finds that relocating facilities outside New York City—particularly to Northern New Jersey or farther portions of Long Island—would create longer commutes, toll costs, and limited transit connectivity. AKRF concludes that relocation would therefore lead to workforce attrition and job loss rather than a simple geographic transfer of existing jobs. This is particularly significant because approximately 83 percent of workers live in the outer boroughs.

Report location: *pp. 57–58; pp. 12–13.*

7. Low-Income Communities and Small Businesses Could Face Higher Costs

The report finds that small businesses in outer boroughs and low-income neighborhoods could face compounding challenges from slower deliveries and higher shipping costs. AKRF notes that businesses with thin margins have fewer resources to absorb these changes and may respond by holding more inventory, accepting stockouts or missed sales, or passing higher shipping costs on to customers. The report similarly finds that consumers in underserved communities, particularly those without easy access to brick-and-mortar stores, could face higher prices or longer waits.

Report location: *pp. 97–99.*

8. Delivery Costs Could Rise Substantially

AKRF projects substantial increases in delivery costs depending on how carriers respond to Intro 518. In the most disruptive scenario, average delivery costs could nearly double citywide, while deliveries originating from relocated warehouses could increase by two- to three-fold. In moderate scenarios, per-package cost increases of approximately 40–80 percent are projected. Elsewhere in the report, the worst-case modeled scenario produces an average citywide per-package increase of more than 90 percent, with increases exceeding 250 percent for packages involving relocated warehouses.

Report location: *pp. 13, 90–91.*

9. Service Impacts Would Fall More Heavily on the Outer Boroughs

The study projects that service degradation would be most significant in the outer boroughs. Under more disruptive scenarios, delivery times would lengthen, on-time performance would worsen, and some lower-density or harder-to-reach areas could experience longer delivery windows or fewer delivery services. AKRF notes that Manhattan is less exposed because its current delivery model already relies more heavily on out-of-city facilities and alternative delivery formats.

Report location: *pp. 13, 97–99.*

10. Economic Ripple Effects Extend Beyond the Delivery Sector

AKRF estimates that for every 1,000 direct last-mile jobs at risk, an additional 109 jobs are supported elsewhere in the broader economy. For every 1,000 direct jobs, the report estimates total employment of 1,109, $37.6 million in labor income, $61.9 million in value added, and $82.8 million in economic output. The report also estimates approximately $11.7 million in total tax revenue associated with every 1,000 direct jobs, including approximately $2.3 million accruing to New York City and sub-county jurisdictions.

Report location: *pp. 61–62, Table E-4.*

Bottom Line

There are clear equity dimensions to the potential effects of Intro 518. The workers most directly exposed to job loss are disproportionately workers of color, the majority live in the outer boroughs, and nearly half live in DACs. The small-business ecosystem most directly affected by the legislation includes many minority-, immigrant-, veteran-, and family-owned firms. Intro 518 could therefore have potentially uneven economic, employment, service, and environmental effects across New York City, with particularly significant implications for communities of color, lower-income communities, outer-borough residents, and small businesses.

Source and Interpretation Note

All findings above are drawn from the June 2026 AKRF report titled, "Intro 518 Impact Assessment: Implications for New York City's Last-Mile Delivery Industry, Workers, and Consumers." Page references refer to the report's printed page numbers where available. This report uses both original AKRF analysis and information from cited sources, including the U.S. Bureau of Labor Statistics and New York State Comptroller. Statements attributed to those sources are identified as such. The modeled job, cost, and economic impacts are scenario-based estimates rather than predictions of a single guaranteed outcome. The AKRF report itself notes that its model is intended to capture a range of plausible outcomes and has limitations.