

Ignoring the Unemployed at Our Peril

The “jobless recovery” must seem like a sick joke for the 14 million Americans who are out of work. But it didn’t really hit home to us just how bad the situation is until the Community Service Society’s annual survey, “The Unheard Third,” revealed last year that two-thirds of unemployed, low-income New Yorkers surveyed reported being out of work for more than a year, with 31 percent jobless for three years or more. How do families survive when workers have been unemployed for that long?

To make matters worse, there are signs of a growing reluctance on the part of employers to hire the long term unemployed. Perhaps this is because they have a wealth of people scrambling for jobs. But what are the prospects for these Americans? What are we doing to ensure that a generation of workers is not permanently left behind?

Focus Is on the Deficit

The response from our political leaders: They meet practically every day now to debate the ways to reduce the deficit. The fact of massive unemployment – the jobs deficit - has not engaged these officials. Thus the problems of the economy have been defined in terms of the deficit, not the millions of jobless.

Here are some reasons why this may be so. The high unemployment rate has not affected the stock market or business profits, which are booming. There may also be a generational gap that is becoming a racial gap: while nearly half of the nation’s young people are of color, more than 80 percent of seniors are white. As Angela Glover Blackwell wrote in “America’s Tomorrow” in PolicyLink: “For the first time, America’s seniors, business leaders, and elected officials simply do not see themselves in the faces of today’s young.” It may be the case that unemployment is seen as primarily affecting people of color and the less educated, groups that lack political clout. This is certainly true in New York City.

Among low-income workers, job losses are particularly steep among black New Yorkers. In the past year, 22 percent of low-income black households lost a job, compared to 17 percent of low-income white households. Also low-income blacks are almost twice as likely as low-income whites to have experienced long stretches of unemployment. In 2009, only 9 percent of low-income blacks reported long stretches of unemployment. That figure expanded to 16 percent a year later.

The effects of long-term joblessness have begun to set in among low-income New Yorkers. Among the unemployed in the CSS survey, 76 percent of moderate and higher-income respondents thought that they could find a new job within a year, compared to 55 percent of low-income respondents. But almost one-third of low-income respondents could not even guess how long it will take to find a job.

Much of the mainstream media has bought the arguments of those who say we should cut public spending and relax government regulations on business as the answer to the problem of unemployment. Historically, this has not been true. Cutting spending didn’t work for Herbert Hoover.

In 1932, in the depths of the Great Depression, Franklin D. Roosevelt ran for president on a platform espousing a balanced budget. But when he was elected, he gave up this idea and turned to government programs that put people to work, like the Works Progress Administration that employed millions of unskilled workers to carry out [public works](#) projects, including the construction of public buildings and roads. Almost every community in the United States has a park, bridge, or school constructed by this agency.

Need to Be Proactive

If the federal government took a more proactive stance, certain job creation proposals could significantly lower unemployment, including investing in transitional jobs programs such as the overhaul of our infrastructure and in energy related industries as well as easing credit for the expansion of small businesses. Even President Obama's fiscal stimulus, as one sided as it was – mostly tax relief, less on spending – was effective in creating and saving jobs.

Public-private partnerships may be part of the answer to creating jobs. A recent bill was introduced in the U.S. Senate to create an American Infrastructure Financing Authority that would provide private capital investment in infrastructure – but with accountability and limited government liability. And it would be owned by the taxpayers, not private shareholders. Ideas like an infrastructure bank could provide one way to get around the political stalemate that now exists in Washington over what to do about the economy.

New York City could do something about this problem. The Human Resources Administration's Back to Work program – where almost all young applicants are sent to qualify for aid - is not a suitable option for most young people, many of whom have not yet held a job. HRA should use this opportunity to reconnect these youth to educational services and job training.

The city should also be tamping down critical flashpoints. We have a chronically jobless group – young men of color – who are indiscriminately and in huge numbers the target of police stop and frisk tactics that have more bearing on repression than on fighting crime.

Also, the mayor simply ignored the fact that city summer jobs fell from 52,000 to 28,000 this year. He could have called in help from his generous donor list – no one in the city has a longer list – but he did nothing. It simply wasn't important to him.

By ignoring the millions of the unemployed, public officials are helping to create a vast underclass of the jobless for years to come, with all of the economic and social problems that would accompany it. We should be defining job creation as no less than crucial for the economic security of the nation.

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