



Budget Cuts Hurt Working Families

By David R. Jones
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The latest Community Service Society survey of low-income New Yorkers, *The Unheard Third*, revealed that low-income Latinos suffered exceptional hardships in the economic recession. More than four in ten either had their hours, wages, or tips reduced, or lost their jobs — or both — in the past year. Among low-income Latino respondents, one in three reported falling behind on their housing payments and one in four needed to fill a prescription but could not afford it. In addition, nearly half of low-income Latinos report zero savings.

Many Latino families are counting on government safety net policies to survive. Yet the budget choices the Bloomberg administration has made will only make their situation worse. Once again, the brunt of a cost-cutting budget is to be borne by those least able to carry the burden – low-income working families and individuals.

Over 40 percent of the city's workforce is stuck in low-wage jobs, including 53.5 percent of Latino workers. Many simply lack the basic skills necessary in a changing economy to fill better jobs. In a city with enormous numbers of immigrants, some workers do not have the language skills to do more than fill the most menial – and lowest paying – jobs.

The national unemployment rate in May for Latinos was 12.4 percent; the rate for young Latinos ages 16 to 19 was 28.6 percent. One-third of the city's native-born out-of-school Latino youth do not have a high school diploma or GED. In New York City, close to 170,000 young people ages 16 to 24 are neither in school nor in the workforce, disconnected from any institution that would provide them with a solid future; over 40 percent are young Latinos.

Yet where are the cuts in the city's budget? Summer jobs for youth, adult literacy programs, child care centers, transitional job programs. These are exactly the programs that should be shielded from budget cuts.

Summer job cuts make it harder for young people to gain work experience and support themselves and contribute to their families. Adult literacy cuts make it harder for immigrants and low-income workers to gain skills, get their GEDs, and get and/or advance in jobs. Cuts to child care centers undermine a key support for working families. Cuts to child care and senior centers means working class families will lose jobs. Cuts to transitional jobs eliminate programs for those seeking early workforce experiences.

The Bloomberg administration ought to look to revenue sources to balance the budget. We should change the city's tax policies: increase taxes for top earners and provide more tax credits for lowest

earners. The city's personal income tax should be more progressive, rather than increasing regressive sales and property taxes that hurt low-income families.

Wall Street, with a record year of \$61 billion in profits made possible by a taxpayer-funded bailout, should also be contributing. We should eliminate the "carried interest" exemption in the Unincorporated Business Tax credit, which exempts the vast majority of private equity and hedge fund manager income, costing the city between \$100 million and \$200 million in annual revenue.

Big nonprofits like NYU and its Medical Center, the major museums, and Columbia University already get too many tax exemptions. These and many other nonprofit institutions pay no property taxes, which costs the city more than \$7 billion a year in lost revenue.

It's past time to focus on working New Yorkers, the people that businesses count on when they move here or start up a new enterprise. There must be some equity in the way the city operates, and that means a different mindset when making budget cuts.

David R. Jones is president and CEO of the Community Service Society (CSS), the leading voice on behalf of low-income New Yorkers for over 160 years. For over 10 years he served as a member of the board of directors of the Puerto Rican Legal Defense and Education Fund. The views expressed in this column are solely those of the writer.