

## **Putting People First as the Recession Get Worse**

Several years ago, a Community Service Society report revealed that although the city's unemployment rate was about 8.5 percent, nearly half of Black men in New York were jobless - 48.2 percent or more than 250,000 men. This is where we are headed today.

In the last year, more than 3.6 million Americans lost their jobs and, in many cases, their health insurance. The official unemployment rate nationally for January was 7.6 percent, but we know that this statistic does not account for the millions of Americans who have given up looking for a job. The number of jobless Black and Latino men was likely to be at least four to five times that percentage.

As the private sector hemorrhages jobs, predictions for unemployment in the near future range upwards to 10 percent or more. The impact on Blacks and Latinos is already catastrophic. What is being done? Well, President Obama's stimulus package is a hopeful sign. It includes billions to create jobs rebuilding the nation's infrastructure. But this will take time.

### **Loss of Jobs**

In this recession, problems are connected and impact each other. The loss of jobs is creating another crisis. As New Yorkers in higher paying jobs are laid off, many move to low-wage employment to bridge the gap to a better payday. In doing so, these experienced workers are pushing young people out of employment, out of a first time job, and out of the labor market.

In Sunday's *New York Times*, Bob Herbert wrote, "Nearly 2.2 million young people, ages 16 to 29, have already lost their jobs in this recession. This follows an already steep decline in employment opportunities for young workers over the past several years." He added, "Young men and women who remain unemployed for substantial periods of time find it very difficult to make up that ground. They tend to lag behind their peers when it comes to wages, promotions and job security."

A series of reports by the Community Service Society revealed that nearly 200,000 young New Yorkers, ages 16 to 24, are neither in school nor in the labor force. That number has, no doubt, increased dramatically since the economic downturn that began last year. These young people are "disconnected" from any institution that could provide them with a successful future. They are overwhelmingly people of color: over 70 percent are Black and Latino, mostly males.

### **Government Action**

New York City should receive about \$35 million allocated to youth employment opportunities from the president's stimulus package. It states: "The age of eligibility for youth services is extended through age 24 to allow local programs to reach young adults who have been disconnected from both education and the labor market." The city should include services especially for youths with low literacy levels who are often excluded from many public programs. At least 25 percent of funds in youth employment should be used for intensive programs addressing core skills for disconnected youth with a focus on building

literacy, math, and related skills. This is an opportunity for the city to expand the investment in our future workforce.

The stimulus – the American Recovery and Reinvestment Act – is crucial because with corporate America paralyzed – or trying to stay out of bankruptcy – government is the only institution that can deal with the impact of the recession on millions of Americans. Until our economy is producing jobs rather than joblessness, we must put people first, particularly low-income people. Certain considerations must be extended to those who are struggling to eat, pay bills, and get health care.

This isn't simply altruism. It's common sense. Over three million New Yorkers live near or below the federal poverty level. Given the loss of jobs, the high price of food and rent, and the number of uninsured people in the city, we are moving toward a time when the quality of life for all of us will suffer. We are already seeing people crowding into food pantries and homeless shelters. If we don't use the powers of government to alleviate this situation, thousands of New Yorkers will be roaming the streets, homeless, hungry, broke, and sick.

### **Extending Benefits**

We have already heard and read the argument that the successes of welfare reform will be reversed if New Yorkers who lost low-wage employment get government aid – that welfare rolls must remain low. But welfare exists for just such a time as ours, when millions are thrown out of work through no fault of their own.

The president's stimulus package provides expanded unemployment benefits and a temporary increase in the Federal Medical Assistance Percentage so that no state will have to cut eligibility for Medicaid or SCHIP. These will help low-income New Yorkers until jobs become available under the stimulus plan.

The economy will get better. It just won't get better any time soon. While New Yorkers are suffering the effects of the recession, the right government actions will help to get us through these hard times.

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Join the discussion on how we can improve the lives of low-wage workers by making your voice heard on our Turnstile blog at <http://turnstile.cssny.org/turnstile/>.

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