

Could the Gulf Disaster Lead to a New Economy?

The consequences of the catastrophe in the Gulf of Mexico caused by the explosion of a deep sea oil rig should finally force a national economic revitalization. If there is anything emerging from this – the worst ecological disaster in U.S. history – it is that it will almost certainly end the nation’s giving lip service to alternative energy sources. The result could be a stimulus for the nation’s economy – a “green economy” - but only if the groundwork is laid for the expansion of basic work skills for many of the unemployed, especially young high school dropouts.

Today we have the highest rates of unemployment in our lifetime. There may be slightly less than 10 percent unemployment nationally, but those without skills – particularly people of color in large urban areas - are suffering as much as a 50 percent unemployment rate. We see this situation in New York City.

Many young people are facing a future without work experience or basic skills. Their opportunities to find a place in the evolving labor market are slim. As time goes on, some parts of our economy shrink while others expand; yet others, that never before existed, flourish. We know that many jobs that disappeared during the recent recession will never come back.

There was a time when a factory job provided millions of Americans without a college degree with an entry into the middle class. Those days are all but gone now. Especially in New York City, the factory economy has given way to the service economy, where new and different skills are necessary to succeed.

The Green Economy

Van Jones’s message may not have resonated with the White House, but President Obama is focusing on what he calls the “green economy” in stimulating job growth out of the recession. Generally speaking, the green economy refers to the millions of jobs anticipated to be created by the development of clean, renewable energy technologies. He is talking about alternate energy to replace our dependence on oil and natural gas. Other serious changes – more reliance on solar energy, conservation, alternative energy for automobiles – are bound to come and should be put on a fast track.

In addition, the climate change challenge is creating whole new industries, new jobs, and new types of responsibilities within existing jobs. For instance, there is a policy in place in New York City to “green” commercial buildings – so that they achieve a more efficient use of their energy sources. The job that needs to be done for this to happen didn’t exist a few years ago.

But the challenge of this new economy means that basic skills are now more important than ever. Literacy and numeracy are necessary for most jobs. With adequate training, many older workers, laid off in the recession, may be able to make the transition to a

reoriented economy. They already have work skills and an employment track record. But for the young, particularly those who have dropped out of school, a place in a new economy would appear to be unobtainable because of deep educational deficits.

There are a few organizations – such as STRIVE here in New York – that are training people for jobs in the new green economy. But even at STRIVE, trainees must already have a certain level of literacy and numeracy to successfully complete its core workshop and its Green Construction Training Program.

Youth Unemployment

Last month, I testified before the Joint Economic Committee of Congress. The hearing's subject was "Avoiding a Lost Generation: How to Minimize the Impact of the Great Recession on Young Workers." During the Great Recession, young workers have faced unemployment rates significantly higher than the national average. In April, one out of four teens (ages 16-19) was unemployed and one out of six younger workers (ages 20-24) was jobless. The hearing focused on the specific challenges faced by younger workers and examined actions that can be taken to ensure that these workers are able to fully participate in the economic recovery now underway.

I offered several actions and investments to help young people get necessary workforce experience. These include reauthorizing and increasing funding for the Workforce Investment Act with a focus on expansion of initiatives for out of school youth. Also, CSS has worked with Congressman Jerold Nadler on HR 2497, the Transportation Job Corps, a bill that would specifically target disconnected youth for basic skills training and pre-apprenticeship programs for jobs in the transportation industry.

It is these types of initiatives – teaching basic skills and targeting young dropouts – that would have the greatest effect in preparation for a changing economy. Studies have shown that working at an early age makes it more likely to be employed at a later age. Also, not having a positive workforce experience by age 25 can have severely negative impacts on individuals' chances for gainful employment over their lifetimes. We need to invest in initiatives that help our young people get workforce experience now, for the benefit of our economy and for their future.

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