



Recession for America, Depression for Communities of Color

A sense of desperation is starting to set in across the country as the United States experiences its worst economic crisis since the Great Depression of the 1930's. More than 1.5 million Americans lost jobs between October and December 2008, part of the 2.6 million newly unemployed last year. While overall unemployment stood at 7.2 percent in December 2008, Black unemployment was 11.9 percent and Latino unemployment was 9.2 percent. And those numbers do not account for the millions who have given up looking for jobs that no longer exist.

The spike in unemployment has created a multiplier effect of hard times. In the latest Community Service Society survey, "The Unheard Third," we found that low-income New Yorkers are suffering multiple hardships because of a lack of money or insurance: 27 percent could not fill a needed prescription, 21 percent often skipped meals, and 19 percent postponed getting medical care.

As more people lose their jobs, their health coverage also disappears. For the first time in decades, housing foreclosures are a front page story. Food stamp usage is increasing even as food pantries and soup kitchens are turning away hungry Americans. The quality of people's lives and their hopes for the future are diminishing.

The situation is disheartening. But it can very quickly become dangerous if not checked.

Institutional Failures

We are now seeing the breakdown of institutions whose failure threatens the fabric of our civil society. Banks, corporations, local governments – institutions that we count on to provide jobs, credit, and services - are staggering under the fiscal crisis. Most state governments, forced by law to balance their budgets, are slashing public services that are necessary for employment and the everyday life of many Americans. Violence among young people, especially young Black and Latino men in urban areas – many without hope of a decent education or a job – has been on the rise.

With the private sector in turmoil, only the federal government has the resources to successfully confront this situation. Both long-term and short-term solutions are needed. It has been done before. F.D.R. faced an even worse economic situation in 1933 and took action to bolster the banking system, employment, and credit. Although the nation didn't climb out of the depression completely until World War Two, government action and leadership restored people's confidence in America.

There are many things the federal government could and should do to help alleviate the trauma of this recession. Much of this is included in the government's economic stimulus package: expanding unemployment benefits, subsidizing health insurance, providing help to prevent foreclosures, investing in education, and sending funds to states and localities. But most important are restoring confidence in our institutions and creating jobs. Nothing else will be of much benefit unless people's confidence in the foundations of our economy is restored, and millions of the unemployed are back at work.

We need this sort of action and leadership again. The Works Progress Administration (WPA) was instituted by Roosevelt's executive order in April 1935 to generate public jobs for the unemployed. It

provided nearly 8 million jobs. The WPA built public buildings and roads. But it not only created construction jobs; it operated media and literacy projects; it distributed food, clothing, and housing. Today, almost every community in America has a park, bridge, or school constructed by the WPA.

Disconnected Youth

In the midst of all the activity to pass an economic stimulus package, the problems of disconnected youth could easily get overlooked. There were about 4 to 5 million disconnected young Americans – age 16 to 24 who were neither in school nor in the work force – a year ago. The great majority are Black and Latino youths in our large cities. That number, no doubt, has increased.

If unemployment continues to rise and nothing is done to reverse this problem, we could see the numbers of disconnected youth double or triple in the near future. If this happens, communities of color all over the country will be devastated. We will witness the growth of a huge underclass of young people without jobs, without hope, and with all the problems accompanying the long-term unemployed and unemployable – expanded welfare rolls, increased crime, more homelessness, and a diminishing quality of life for all of us.

There is some recognition that this situation must be addressed. New York’s Congressmen Charles Rangel and Jerrold Nadler have introduced bills – one to amend the current Work Opportunity Tax Credit to include low-skill youth and the other to create a Transportation Jobs Corps – that would provide greater avenues of employment for disconnected youth. These proposals are now part of the Obama administration’s economic stimulus package that recently passed the House of Representatives. But more needs to be done.

Every American has a stake in this struggle. When our young people lack the skills that industries need and are unable to support themselves, we all bear the financial costs — a weaker economy, a smaller tax base, and higher public benefits expenditures. For the future economic strength of the nation – as well as the well-being of our communities - we must not let this happen.

Our leaders can begin by restoring people’s confidence in our institutions and in government’s ability to function effectively in a time of national crisis.

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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From the New York Amsterdam News
February 5 - 11, 2009