



New Yorkers Struggle While Wall Street Collapses

ELECTION 2008: 8 DAYS LEFT TO REGISTER TO VOTE

The federal government has put together a bailout package to save tanking Wall Street firms. But the current economic crisis also threatens the basic survival of many New Yorkers who may not work on Wall Street.

The collateral damage from this crisis is certain to make life even more difficult for working families in the city. This June and July – before the current Wall Street financial crisis - close to half of all low-income working households with children (46%) reported facing three or more economic, food, health, and housing hardships in the last year. Four in 10 fell behind in their rent or mortgage; 1 in 3 went without a necessary prescription; and 1 in 4 went hungry for lack of cash.

Worried About Basics

These are some of the findings of the Community Service Society's (CSS) *Financial Development and Economic Insecurity* report, part two of its *Unheard Third* survey, which shows that New York City residents – across all income levels – are hurting economically and are very worried about their ability to cope with future economic stresses. Low- and middle-income New Yorkers are most worried about the basics of life: keeping up with housing costs, holding on to their jobs, and paying for rising gas and home heating costs.

As the financial sector unravels, New York City is bracing for a surge in joblessness and hardships. In addition to financial executives, many low- and middle-income financial sector workers – as well those in the service industries which support the financial sector – will lose their jobs and be forced to dip into savings to pay for health insurance. Foreclosures, already at record rates, are going to increase. This severe downturn occurs at a time when New Yorkers' safety net is precarious.

Talk of cutbacks has already begun. Mayor Bloomberg announced last week that the city will cut spending by about \$500 million this fiscal year and another \$1 billion next year. This is certain to be followed by even larger cutbacks by the state and the federal governments. What will be cut? If history is any judge, cuts will be made in safety net programs like Medicaid, food stamps, child care programs, and funds for affordable housing. As in earlier economic crises, the most vulnerable segments of our population – low-income families – will bear the greatest burden.

We can already see that in the CSS survey. More than half of low-income New Yorkers have less than \$500 to fall back on if tough times were to hit their families; one-third report having no savings at all. Nearly half of low-income blacks face credit card debt, and about 1 in 4 are in debt because of medical bills, a common occurrence among low-income families. High rates of debt and lack of savings in a climate where wages are stagnant has caused one in three low-income New Yorkers to use their tax refund or rebate to buy basics like food. Our survey revealed that this situation is most severe for low-income blacks and Latinos, who report less savings and more debt than their white counterparts.

Safety Net Programs

While public officials are huddling to try to save financial institutions, they must not ignore the needs of working Americans. If the experts in Washington are serious about getting the economy back on track, they should be investing in social safety net programs that support the base of our economy – the working people of America - not Wall Street. Bailing out the top tier will only prolong the recession. We need broad-based economic stimuli to get the economy to bounce back.

Cutbacks in government spending must not limit support for extending health care coverage. As more people are covered, the cost of health care will decrease. In the nation's urban areas, thousands of disconnected youths, young people ages 16 to 24 who are neither in school nor in the labor force, are a threat to the well-being of our economy. The great majority are black and Latino males. Programs that create opportunities for apprenticeships or career and technical education for these young people must be protected and expanded.

While the feds are bailing out billion-dollar financial institutions, the legislation does little to help renters and homeowners who are threatened with the loss of their homes. Most low-income families in the city are renters. There is a proposal to create a new federal entity to protect tenants and communities affected by the mortgage crisis, especially those hurt by “predatory equity” – highly speculative investments in multi-family housing where most low- and moderate-income renters live. And homeowners in the city are facing a record rate of foreclosures. Senator Schumer has proposed a plan to renegotiate family mortgages to help keep people in their homes.

These proposals must be adopted. Politicians must be reminded that this crisis did not occur in a vacuum. Its fallout has been felt by the great majority of Americans who cannot hire lobbyists to plead their cases. As decisions are made, our public officials must be vigilant for the rest of us.

Register to Vote

Economic policies that affect safety net programs will be determined by the outcome of the November election. Will you be voting on Election Day?

In order to vote in the city, you must be a U.S. citizen, a resident of New York City for at least 30 days, and 18 years of age before the election. But before you can vote, you must register.

The general election this year is on November 4. In order to vote, you must be registered by October 10.

If you are not yet registered to vote, you can register in person at the Board of Elections in your borough. You can also register by mail. Call 212-868-3692 to get an application through the mail, or pick up an application at your local post office, public library, or motor vehicle office. Once registered, you will receive a voter notification card that will indicate where your polling place is located.

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