

La Nueva Mayoría

By David R. Jones



Job Creation Is Crucial for Nation's Economic Security

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Just how bad the jobless situation is did not fully hit home until the Community Service Society's annual survey, "The Unheard Third," revealed last year that two-thirds of unemployed, low-income New Yorkers surveyed reported being out of work for more than a year, with 31 percent jobless for three years or more.

Job losses are particularly steep among low-income Latino New Yorkers. In the past year, 27 percent of low-income Latino households in our survey lost a job, compared to 17 percent of low-income white households. Also low-income Latinos are almost twice as likely as low-income whites to have experienced long stretches of unemployment. The effects of long-term joblessness have begun to set in among all low-income New Yorkers. Almost one-third of unemployed low-income respondents in our survey could not even guess how long it will take to find a job.

There are signs of a growing reluctance on the part of employers to hire the long-term unemployed. Perhaps this is because they have a wealth of people scrambling for jobs. What are we doing to ensure that this generation of workers is not permanently left behind?

The response from our political leaders has been to debate the ways to reduce the deficit. The problems of the economy have been defined in terms of the deficit, not the millions of jobless.

Here are some reasons why this may be so. The high unemployment rate has not affected the stock market or business profits, which are booming. There may also be a generational gap that is becoming a racial gap: while nearly half of the nation's young people are of color, more than 80 percent of seniors are white. It may be the case that unemployment is seen as primarily affecting people of color and the less educated, groups that lack political clout.

Much of the mainstream media has bought the arguments of those who say we should cut public spending and relax government regulations on business as the answer to the problem of unemployment. Historically, this has not been true. Cutting spending didn't work for Herbert Hoover.

In 1932, in the depths of the Great Depression, Franklin D. Roosevelt ran for president on a platform espousing a balanced budget. But when he was elected, he gave up this idea and turned to government programs that put people to work, like the Works Progress Administration that employed millions of unskilled workers to carry out public works projects, including the construction of public buildings and roads. Almost every community in the United States has a park, bridge, or school constructed by this agency.

If the federal government took a more proactive stance, certain job creation proposals could significantly lower unemployment, including investing in transitional jobs programs such as the overhaul of our

infrastructure and in energy related industries as well as easing credit for the expansion of small businesses. Even President Obama's fiscal stimulus, as one sided as it was – mostly tax relief, less on spending – was effective in creating and saving jobs.

New York City could do something about this problem. The Human Resources Administration's Back to Work program – where almost all young applicants are sent to qualify for aid - is not a suitable option for most young people, many of whom have not yet held a job. HRA should use this opportunity to reconnect these youth to educational services and job training. Also, the city could have done more to save summer jobs for young people, which fell from 52,000 to 28,000 this year.

By ignoring the millions of the unemployed, public officials are helping to create a vast underclass of the jobless for years to come, with all of the economic and social problems which would accompany it. We should be defining job creation as no less than crucial for the economic security of the nation.

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 165 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.