

The New York Times

September 16, 2010

Rising Poverty and the Social Safety Net

Introduction



Erik S. Lesser for The New York Times

Applying for benefits, including Medicaid and food stamps, at the Gwinnett County Department of Family and Childrens Services in Lawrenceville, Ga., in 2009.

One in seven residents of the United States lived in poverty in 2009, [the Census Bureau reported on Thursday](#), the highest level since 1994. Of the 44 million people living under the poverty line -- an increase of 4 million over 2008 -- one in five were children.

Some economists and social welfare experts said that unemployment insurance and other aid kept the number from going even higher. Government benefits like food stamps and tax credits, which can provide thousands of dollars in extra income in some cases, were not included in calculating whether a family's income fell below or above [the poverty line](#) (\$22,050 for a family of four).

How should we interpret the poverty figures, and what should government's response be? What is the state of the American safety net?

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Contributors

- [A Matter of Political Will](#)



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- **We Can Afford Aid Programs**



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- **A Seriously Frayed System**



Rodney D. Green, economist, Howard University

- **Little Bang for the Buck**



Michael D. Tanner, Cato Institute

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Security in Vocational Skills

Updated September 17, 2010, 01:57 PM

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The social safety net had taken too many hits even before the recession – begun in December 2007. The changes in the nation’s labor market – from a manufacturing base to what is now primarily a service economy – have left many workers who have lower skills and little education out in the cold.

We need to concentrate our effort – and our funding – on young people who are not going on to college.

Besides protecting such safety net programs like Medicaid, food stamps, and unemployment insurance, the nation must move toward a new paradigm of jobs for those without a college education. President Obama’s recent plan for a \$50 billion jobs bank to upgrade the nation’s infrastructure should be a big help. In addition, the recent federal health care reform legislation will be one of the major steps in fighting poverty.

As for the safety net in New York City, our annual survey of low-income New Yorkers, “The Unheard Third,” reveals that job losses and reductions are still rampant. In the past year, four in 10 blacks and three in 10 Latinos in New York City either lost a job or had their hours, wages, or

tips reduced. Fewer than 3 in 10 unemployed New Yorkers receive unemployment insurance. One in three unemployed low-income New Yorkers has been unemployed for three years or more. Not surprisingly, three in 10 of all New York City residents – four in 10 low-income residents -- feel they have little or no control over their own economic situation.

There is an urgent need to upgrade the skills level of workers, especially young people trying to enter the labor market. Funding should be increased in vocational education that leads to real jobs after school. Apprenticeships for jobs in construction and other trades should be expanded.

We need to concentrate our effort – and our funding – on young people who are not going on to college. In New York City alone, we have nearly 200,000 young people, ages 16 to 24, which are neither in school nor working. Most are black and Latino young men. The same is true of many other large cities.

This has the makings of a permanent underclass, which would be a domestic disaster as well as a danger to our ability to compete in the new global economy. It is, in essence, a matter of national security.