

New York City's Chronic Jobless Crisis

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When I was a kid, one of the cartoons I was always ambivalent about was the Road Runner. I was always hoping that the coyote would get the bird before he was flattened by the giant boulder that he didn't see falling from a cliff above him.

Getting the bird isn't the focus of this post, but a joblessness "boulder" is and, in my opinion, many New Yorkers are going to be flattened by a form of chronic joblessness never before seen in the United States. Two recent articles, one in [The Atlantic](#) ("How the Jobless Era Will Transform America," March 2010) and the other in [The Economist](#) ("Something's Not Working," May 1, 2010) raised warning flags for the American economy overall, but spell potential disaster for New York City. Both articles assert that the U.S. economy is entering a period of chronically high unemployment, similar to that found in a number of European countries but not seen in the U.S. in our lifetimes. Both articles assert that the end of the recession and the reduction of joblessness won't bring us back to the 5 percent unemployment rates that we saw in past. To make matters worse, both sources suggest dramatic increases in the numbers of long-term unemployed.

Already in this recession, the number of long-term unemployed (defined as persons out of work for more than 27 weeks) has reached an unprecedented 6.5 million, nearly half of all the unemployed. The reason this is unusually serious for New York is because the projections indicate that the worst hit groups in terms of long-term unemployment will be those both young and old who lack skills and credentials.

New York City currently has more than 1.3 million persons of working age who lack a high school diploma or GED (CSS report, "[From Basic Skills to Better Futures](#)," September, 2009). Moreover, in a city with more than 50 percent of the population made up of people of color, the current unemployment rates and labor participation rates are staggering, black unemployment having reached 14.7 percent and Latino unemployment 12 percent. When added to the number of workers who have given up trying to get jobs, those numbers skyrocket to 23 percent and 22 percent, respectively ("New York's Unemployment Crisis," [Fiscal Policy Institute](#), March 2010).

So other than depressing everyone, what should policy makers and elected officials be doing if this is New York's future? The New York City educational system hasn't really been doing much for students who are not on track to higher education. The dropout rate has not moved significantly and we still see tens of thousands of young people leaving the system without a high school diploma, far less a Regents diploma. As I have written before - based on the recent study by CSS cited above, New York City has the worst GED passage rate in the country. Add to that one of the poorest career and technical schools of any big city and the picture of long-term jobs blight seems virtually a certainty. Plainly, while everyone keeps giving lip service to school reform, the latest budgetary disaster in Albany and New York City has led to slashing money for education and the virtual elimination of funding for the GED.

I have a couple of suggestions - what we should be looking to City Hall, Albany, and Washington to get ready for a serious challenge to the city. The first step the Bloomberg administration has to

consider is making sure that benefits to the jobless and the marginally employed are as easily accessible as possible. This will be a reversal of some mayoral policies which have still tended to stigmatize the poor and seek to make things difficult so they'll go to work and fend for themselves.

The city also needs an effective plan of action to make the GED a true gateway to opportunity, whether higher education or a better job. More than one million working-age New Yorkers are without a high school degree or GED - nearly a quarter of the city's working-age population. Very few of those eligible take the GED test and only 47.5 percent passed the test in 2007, the latest figure for the city. In addition, the city should conduct a comprehensive review of its career and technical education system. This is an area which has been largely ignored while the city concentrates on graduating students going on to college. But a strong CTE would provide young New Yorkers with the skills necessary to move directly into the job market.

The federal government should be looking toward providing support along the lines of the WPA in the 1930s. Congressman Gerald Nadler (D-NY) has introduced a bill - H.R. 2497 - that would recruit young people for jobs in the transportation industry. Given the poor state of much of America's transportation infrastructure, a Transportation Corps could furnish many jobs for disconnected youth while providing a safer, more efficient, environmentally sound and sustainable transportation.

There are current revenue streams that could be helpful in providing employment. Section 3 of the 1968 Housing Act requires that HUD funds be used to maximize job and training opportunities for low-income residents. The New York City Housing Authority (NYCHA) receives more than a billion dollars in HUD funds each year, and it received \$423 million in economic stimulus funds. But Section 3 provisions have hardly been affected. With over 20,000 NYCHA residents seeking work -- this year the figure is likely closer to 30,000 -- the authority's track record in linking residents with jobs and training is small compared to the scale of the need. HUD has indicated that funding for Section 3 will be expanded. It needs to be.

As the nation's leading urban center, New York City should take a leading role in garnering support around the country for federal long-term subsidized jobs. These would at least partially alleviate the high levels of long-term unemployment contemplated by many economists.

We have a collective responsibility to see to it that - unlike the coyote - the city gets out of the way of that falling boulder of chronic unemployment.