

La Nueva Mayoría

By David R. Jones



A CSS Proposal to Combat Long-Term Joblessness

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New York City and New York State are in a crisis that affects the rest of the country: the plight of the long-term unemployed. In New York State, at the end of 2011, 765,000 people were unemployed, up from 396,000 in 2006, a 93 percent increase. Over 350,000 of those unemployed have been without a job for six months or longer; 187,000 have been jobless for more than one year.

In response to this situation, the Community Service Society (CSS) has proposed that New York State use unemployment funds to combat joblessness by creating a training and reemployment program for hiring the long-term unemployed. Employers would be given an incentive to hire long-term unemployed in the form of a temporary wage subsidy.

Earlier this year, Congress passed the Middle Class Tax Relief and Job Creation Act. The Act allows states to set up a demonstration project which would facilitate the reemployment of unemployed individuals. States may use Unemployment Insurance funds as a wage subsidy during training or as disbursements to employers who hire people receiving unemployment benefits.

This is an important project because the federal government is cutting off benefits for those long-term unemployed, those who have suffered the most. By now, nearly half a million people nationally will have had their unemployment benefits cut off earlier than they thought.

Under the CSS program, the weekly Unemployment Insurance benefit would be used as the wage subsidy for a period of three months. The employer would make up the difference between the benefit and the position's full wages. After that, the employer would be required to retain the worker for at least another three months.

Cutting off unemployment benefits for long-term jobless New Yorkers would be a disaster. The average duration of unemployment in New York City increased from 29 weeks in 2009 to 41 weeks in 2011, so it took on average about three months longer to find a job last year if you were unemployed than it did in 2009.

For many, this is a disaster from which they will never recover. Not only are they liable to be disconnected from the workforce. They are in danger of being permanently jobless, disconnected from society. Long-term unemployment has a negative effect on an individual's health. Research has shown that a middle age male worker who loses his job will live about one and a half years less than one who maintains employment.

None of this takes into account the millions of Americans who no longer qualify for unemployment benefits, who are not even counted as unemployed because they have either given up looking for work or

exhausted their benefits. If we counted these people, the official figure for long-term unemployed would be 50 percent higher.

Some conservatives think that unemployment benefits just prolong joblessness. They think that people would find work faster without these benefits. Of course, the fact that there are about three unemployed for every job opening is something they don't care to discuss.

The CSS proposal provides an incentive for employers to hire the unemployed. Workers would be employees, not volunteers providing free labor. Employers would have a stake in the program, which would be more likely to lead to permanent employment.

The main impact would be the desired one: providing an incentive to hire the long-term jobless. Hiring the unemployed would strengthen the economy with workers spending most of their paychecks in the local economy. And using Unemployment Insurance benefits to launch a jobs program would address a serious, widespread problem without major state expenditures.

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 168 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.