

La Nueva Mayoría

By David R. Jones



A Struggling Economy Affects Latino New Yorkers

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One year into a “jobless recovery,” the unemployment rate for Latino New Yorkers was 10.7 percent. It had dropped less than one percentage point since the effects of the recession’s low point in 2009. Private employers aren’t hiring because consumers aren’t spending; consumer confidence is down in a time of unsure economic news.

These are findings from the latest report on “The State of Working New York City 2011,” published by the Fiscal Policy Institute (FPI). It is now apparent that the recession and the jobless recovery have wiped out years of economic gains by Latino Americans.

An Associated Press story in *The New York Times* in July stated: “The median wealth of white U.S. households in 2009 was \$113,149, compared with \$6,325 for Latinos, according to the analysis released Tuesday by the Pew Research Center.” The ratio, roughly 18 to 1, far exceeds the low mark of 7 to 1 in 1995. The wealth of Latino families took the hardest hit between 2005 and 2009, with a median wealth decline of 66 percent. A major reason was the freefall in the housing market, but the nation’s dysfunctional immigration policies and the loss of construction jobs only added to the problem.

In the midst of massive unemployment – the worst since the Great Depression of the 1930’s – Washington has been transfixed by the deficit and the battle to increase the debt ceiling. There has been no legislation or even ideas about putting people back to work.

The FPI report reveals that having a college degree makes a world of difference in getting and holding a job in this economy. Among younger New Yorkers – ages 22 to 27 – the unemployment rate over much of the past year for those without a college degree – 13.0 percent – was nearly double of those in this age group with a degree (7.3%). The spread was much greater in the 28 to 34 age group – just 1.9 percent unemployed with a degree, 15.1 percent without a degree.

Sectors of the economy that continue to lose jobs during the recovery include construction and manufacturing, where historically workers without a college education could get well-paid employment. Growth has come in education, health care, and accommodations and food services, all sectors that are characterized by moderate or low-wage employment.

I don’t believe that “nickel and dime” actions by states and localities can make much of a dent in the millions of unemployed, especially since most of these governments must balance their budgets. Only national programs can really address this problem. Unless there is a change in Washington – of minds or of representatives – we are in for a prolonged era where high unemployment will become the norm. Millions of Americans – without jobs, without hope - will inevitably lead to major fiscal and society problems, increased crime, burgeoning welfare rolls, communities – especially urban communities of color – going to decay, and a sense of despair in a time when the nation is facing growing competition from the expanding economy in China.

America once before faced this grim course of events – in the time of the Great Depression. Then, President Roosevelt and Congress took control of the situation, providing public service jobs and propping up small businesses. Most of all, the president provided confidence in the actions of government. This is a hard sell in the midst today's ideological warfare. But it is essential if we are dig ourselves out of this mess anytime soon. Instead, the deal last week to raise the debt ceiling will virtually gut the Roosevelt New Deal and replace it with a shattered safety net and a sick plan to make the U.S. a second-rate economic power.

The Fiscal Policy Institute report can be accessed online at www.fiscalpolicy.org.

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