

Focus Public Policies to Help Low-Income Families

Two-thirds of unemployed, low-income New Yorkers have been out of work for more than a year; 31 percent report they have been jobless for three years or more. Low-income blacks are almost twice as likely as low-income whites to have experienced long stretches of unemployment. These findings from the ninth annual Community Service Society (CSS) survey of low-income New Yorkers, "The Unheard Third," reveal the desperate situation of the city's low-income families in the wake of the worst recession in 80 years.

CSS designed the survey in collaboration with Lake Research Partners, a highly respected polling firm. It was conducted with 1,414 New York City residents age 18 and older from July 7 to August 8, 2010. Low-income New Yorkers – who constitute one-third of the city's population - are those earning less than 200 percent of the official poverty threshold - \$36,620 for a family of three.

In CSS's survey, 46 percent of low-income respondents reported that their households experienced multiple hardships in the past year. Nearly 3 in 10 reported falling behind in the rent or having their health costs increase. More than 1 in 4 reported losing hours, wages or tips, and 23 percent of households experienced a job loss. As if that wasn't enough, half of low-income families have less than \$500 in savings to fall back on in case of an emergency, and 1 in 3 has no savings whatsoever. Among low-income black families, 63 percent have less than \$500 in savings and nearly half have nothing at all.

Feelings of anxiety about what lies ahead are evident in the 6 in 10 low-income New Yorkers who admit to worrying that they or someone in their households will lose a job in the next year. In addition, 40 percent of low-income New Yorkers felt that they had little or no control over their economic future, more than twice the rate of those with higher incomes.

Millions Jobless

In the midst of this crisis, we hear and read reports about increased holiday sales, record corporate profits, and optimism for 2011. But there are more than 14 million Americans out of work. Nearly one in four low-income workers in New York City lost a job last year. Those who have found jobs in the past few months are usually working at low pay with few benefits.

As Bob Herbert wrote in his *New York Times* column last week, "There is a fundamental disconnect between economic indicators pointing in a positive direction and the experience of millions of American families fighting desperately to fend off destitution." Here in New York, homelessness is at an all-time high and food pantries and soup kitchens are seeing more and more families lining up for help.

So where are our political leaders? What has Mayor Bloomberg – or the incoming New York governor Andrew Cuomo – have to say about the grim condition of a third of New York City's residents? Has either gone down to Washington to fight for a job creation bill? Or fight to reverse the right wing notion of cutting spending just when states and localities need an infusion of federal funds?

I recognize that there are fiscal constraints on government, especially cities and states that must balance their budgets. In the current economic climate, getting politicians to commit resources for job creation is a difficult task. But think of the alternative. The recession, and the lack of adequate resources and jobs, has brought the nation to the point of creating a permanent class of the unemployed.

Many older workers who lost jobs are starting to believe that they will never again find work at a salary comparable to their last job. For some of them, it's retirement by recession. Young people who should be gaining a foothold in the labor market are being shut out. Nearly half of young black men ages 16 to 19 are unemployed; one in four ages 20 to 24 is jobless.

This is a dangerous situation for the city and the nation. We cannot compete successfully in the new global economy with a vast underclass of the unemployed. A CSS recent labor report, "Only One in Four Young Black Men in New York City Has a Job," revealed the dire situation of young black men during the period from January 2009 to June 2010. The national consequences of such a situation would produce a number of societal problems, including increased crime, welfare, broken families, and homelessness.

This is a pivotal moment in the economic history of the nation. Even if we start to hire workers in great numbers, we are told that it will take nearly a decade to return to the relatively benign unemployment rates of 2006. In that time, what will happen to those workers – young and old – who are left behind, who are no longer deemed employable? These millions of Americans will not live in a vacuum. Their grim circumstances will adversely affect the quality of life for all of us.

Decision Time

Sometimes the economic upheaval of the last few years seems incomprehensible. But there are reasons for it, and they begin with decisions made by investment firms, government regulators, public officials, and economic forecasters. Just as their decisions caused the recession, other decisions can help to alleviate its worst consequences, especially concerning our most vulnerable populations.

We have a choice. Either we invest now in the millions who want and need to work, or we wait until later when the price of solving this problem will be immensely higher and the problem will be infinitely worse.

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. The views expressed in this column are solely those of the writer. The Urban Agenda is available on CSS's website: www.cssny.org.

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