

23% of Black New Yorkers Are Living in Poverty

The country is still reeling from the effects of a severe recession and, essentially, a jobless recovery. In New York City, 23 percent of blacks are living in poverty. The most vulnerable among us are suffering the worst: single moms (poverty rate of 41%), children (30% living in poverty), and those without a high school diploma or GED (18.7%).

The missing ingredients needed to turn this economy around are jobs and consumer spending, which go hand in hand. President Obama has sent a \$447 billion plan to Congress that would stimulate the economy and, hopefully, create jobs. So far, the response of most members of Congress has been zero. They're taking their time. After all, they're employed.

Stimulus Plan

The president's plan calls for investing in the nation's crumbling infrastructure – which would create jobs – lowering payroll taxes on both employers and workers – which would help increase consumer spending - and providing assistance for the long-term unemployed. But with conservatives in charge of the House of Representatives, the chances of the president's package being adopted are slim.

The need is dire. Nationally, the official unemployment rate is 9.1 percent. It has been stuck at or about 9 percent for most of this year. The real unemployment rate – including part-time employees who can't find full-time work and those who have given up looking for a job – is 16.2 percent.

The official black unemployment rate increased to 16.7 percent in August, 19.1 percent for black men, the highest since 1984. The real rate in many urban black neighborhoods approaches 50 percent.

This situation will inevitably affect all New Yorkers. If this problem goes untreated, the entire economic engine of New York City will be endangered. The chronic unemployment of young people, especially young people of color, will be devastating for future generations. This is not just a problem here in New York; it's a national problem.

There is something beyond the unemployment rates to consider. I worry about the increase in crime and violence that is the result of a lack of work, a lack of hope. We have seen this in the riots that took place in several British cities this summer, where working class people – who have borne the brunt of their government's austerity program - have been pushed to the brink. This doesn't mean that every unemployed young person will turn to crime. But without hope, we are going to see more violence and a diminished lifestyle for all of us. Mayor Bloomberg recently mentioned

the threat of violence on the John Gambling radio show when the issue of long-term joblessness came up.

We know from our latest survey of New Yorkers, “The Unheard Third,” that people want government to focus on creating jobs, not austerity measures to lower the deficit. This mirrors the results of other, nationwide surveys. There are policies that the city and state could adopt that would help to create jobs locally.

What Can Be Done

Large banks that were bailed out by taxpayer money when there was a threat of their going under should be easing their lending restrictions on small businesses and start up entrepreneurs. These banks are sitting on billions in cash; they should be providing some help just as they were helped during the depths of the recession.

The city could institute its own infrastructure investment program. The low interest rates would help to build new schools, and repair bridges, roads, and parks. This would help generate economic development and increase both spending and tax revenue from those New Yorkers employed in a construction industry that has suffered greatly because of the weak economy.

We should be increasing the outreach of GED programs for the 90,000 young New Yorkers who have dropped out of school and the more than 700,000 working-age adults without a high school diploma. In 2009, only 8,886 people took and passed the GED exam, the worse result in the nation. Also, summer jobs for youth – which have been cut from 52,000 to 26,000 over the last two years - should be increased, and they should be expanded to young-around employment.

The city should work with the federal Department of Housing and Urban Development with regard to the New York City Housing Authority’s implementation of Section 3 of the 1968 Housing Act, which requires that HUD funds be used to maximize job and training opportunities for low-income residents. This section of the law has largely been ignored, although thousands of jobless public housing residents could benefit from full implementation.

Meanwhile, Congress does nothing to help create jobs. Last week, Federal Reserve Chairman Ben Bernanke implored Congress to act on job creation. Maybe we should ignore the gridlock in Washington and try some of these new or unused policies. The Occupy Wall Street young people might have the right idea. They are reflecting the general frustration with the way things are going in this country. Doing nothing is not an option.

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