

## Transcript of October 6, 2005 forum:

### *Restoring Economic Opportunity for New York City's Working Poor Families*

Panelists:

**Diane Baillargeon**, President, Seedco

**Lois Blades-Rosado**, Executive Director, SUNY-Brooklyn Educational Opportunity  
Center

**David Jason Fischer**, Project Director, Center for an Urban Future

**David Dyssegaard Kallick**, Senior Fellow, Fiscal Policy Institute

**Dale Peterson**, Director, Bureau of Transitional Programs, New York State Office of  
Temporary and Disability Assistance

Moderator:

**Rae Linefsky**, Consultant

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**Rae Linefsky, Consultant:** David Dyssegaard Kallick is a senior fellow at the Fiscal Policy Institute, a think tank based in Albany and New York City. He has written widely on issues affecting the quality of life and economic well being of New Yorkers. Next to him is Diane Baillargeon, President and CEO of Seedco, which is a national community development intermediary that focuses on workforce development, small business assistance and affordable home ownership in low-asset communities. Next to her is Dale Peterson. Dale currently serves as the Director of Transitional Programs in the Division of Employment and Transitional Supports within the New York State Office of Temporary and Disability Assistance. Then it's David Fischer. David has been Project Director for Workforce Development at the Center for an Urban Future since 2000. His research has included two assessments of the New York City workforce system, union-affiliated job training efforts in New York City, and several other things. And next to me, on my left, is Lois Blades-Rosado, who is the Dean and Executive Director of the State University of New York's Brooklyn Educational Opportunity Center, BEOC, for adult, academic and workforce development.

What we're going to do is, to begin, I will start with some questions that the panelists will respond to. What I hope is, to panelists, please, as people speak, just kind of raise your hand, jump in, because this is a group with an enormous amount of experience that I think you will enjoy listening to.

First, we want to start with David Fischer to talk a little bit about this report and to give you some overview and to set the stage. And for those of you who have not read the report, I strongly encourage you to do it. It will give you some insight and an overview of the circumstances here in New York City. David?

**David Jason Fischer, Center for an Urban Future:** Well, I just want to talk real briefly about the report, which was released not quite a year ago, and I believe a copy of which is in your packet, and I know is on our website at [www.nycfuture.org](http://www.nycfuture.org). The report really had two functions – the first was to try to quantify this question of New York’s working poor families, New York’s low-income families. And the second was to try to offer some normative analysis of how state policy is faring, in terms of addressing the needs of this population. In terms of the first task, we found that more than a quarter of the working families in this state – 26.5% – earn less than 200% of the federal poverty standard. I’m sure it’s not news to anyone in this room that the federal poverty line is a really sort of weak gauge of what need actually is, in terms of families trying to reach toward self-sufficiency, but it’s certainly the most widely-known standard, so the fact that more than a quarter of the families in the state make less than twice that, indicates that we have a serious problem around low income.

The litany of needs connected with this population is also well-known – health care, child care, access to educational opportunities – and so we tried to look, in the report, at how the state is doing in addressing these needs. And here we saw sort of a mixed record. In terms of work supports, in terms of making work pay, as Governor Pataki and others have put it, New York really does a very admirable job, among the best in the country. The state offers a very generous Earned Income Tax Credit, aggressive enrollment around child health insurance and other programs, some other things that I hope Dale Peterson can elucidate a bit for us this morning. New York is also very generous, in terms of offering support for higher educational opportunities, but at the same time, college costs more, here in the state, than just about anywhere, and some of the formulas for providing support are probably a little outdated, given how the student population has changed. One way I think it’s useful to consider this whole set of issues is that low-income working families are really swimming against the tide, given the macro-economic forces at play in our society right now. Public policy helps them a bit, but at this point, I think it’s fair to say that those efforts are not strong enough to really counter the largest current that’s working against them.

Finally, New York City, which is the focus of our conversation this morning, really has certain factors that further exacerbate all these problems. The fact that housing costs so much here, the fact that child care is one, expensive and two, really at a premium in terms of quality service, all this kind of exacerbates the problems of low-income working families. And, finally, I think the city is leading the state, and arguably the country, in a trend towards what we sometimes call an hourglass economy – more jobs at the top, a lot more jobs at the bottom and kind of a hollowing out of the middle. So, I think these are some of the things we can talk about this morning, and now I’m going to pass the mic back to Rae.

**Rae Linefsky:** One of the things that all of us have been taught, and if you work in this business in any kind of way, is the role of education. Everyone says: go do it. If you get that degree, if you get that certificate, that will mean that that’s the door that opens up all kinds of opportunities for

you. Two kinds of statements, and I'm going to ask Lois perhaps if she could talk a little bit about this. One is, is that there needs to be some recognition between what is getting the certificate, the diploma, and the other is getting the education. And where does education fit into what the workforce, what do employers want? What does economic development want? And for any of you who work in the business, it's not unusual – and then I'll give you somewhat of a gross example – is you have in the increased retail business and service industries here in the city, you have an employer when asked: what is it that you want, in terms of background of a potential employee?, will say: well, very clearly a GED or high school diploma, well, actually I really want an A.A. And you say: okay, and what is the job? And they say: well, you see those boxes over there? I want someone efficiently to be able to put those boxes up on the shelves. So you have, in the city at this point, there's clearly a change in what's needed by employers or what they want, and what relationship does that have to really the job itself? And if, in fact, someone does get an education, does it really open up a door? And the last part is, what is the difference between the acquisition of that diploma or that certificate and being educated?

**Lois Blades-Rosado, SUNY-Brooklyn Educational Opportunity Center:** Good morning. I still think, I still think that the pathway to economic and social mobility still lies in education. I still believe that. Maybe it's because I'm an educator, an optimist, a pollyanna, but I still believe that. However, there are certain realities. One is that my institution, the educational opportunity center, actually deals with low-income and the working poor. And what we hear coming from this group is – I need to gain my GED because I've got to get a job. Now, they're not asking what the job is and how much the pay is, they want to get a job to be able to put food on the table and to be able to pay the rent. Unfortunately, the jobs that they will get is insufficient for the reality of living in New York City. So, what one of the things that institutions like mine do is say – you have to continue, you have to go further.

And one of the things that I think would be helpful for talking about low-income, working poor and unemployed, are non-traditional pathways. And by non-traditional pathways, I'm looking at programs in the allied health industry, in leisure, in tourism, in hospitality. There are various 18 month programs, there are various 16 month programs that are very different from what we traditionally expect for allied health, and I think we've opened up different pathways for individuals that we haven't thought about. I think greater emphasis, and I applaud your report, greater emphasis should be placed on adult and continuing education. But, specifically adult education that does target this population. David Brooks this morning in the *New York Times* was saying that part of the problem with poor and working class populations is that they are sometimes fearful of the costs of higher education, that it would burden their family. They are challenged by a college setting, and are very fearful of that and need to work to develop their confidence. The academic issue, a lot of the colleges now are doing programs starting at the 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> grade, to prepare poor and working class youth to go onto higher education and succeed.

Part of the problem is if you're not prepared for higher education, you end up dropping out. And we see that at the Brooklyn EOC. We have an academy program and in that program, the students have failed all three of the entry-level examinations for college. Now, we can't make up for the lack of academic development, but what we try to do is target the academic skills that will build confidence. And then confidence and building that confidence, we find that students are

able to retake the test, pass the test. There are a number of federal grants for incumbent workers to develop workplace programs. So I think there are options. I think the City University specifically has done a tremendous job in reaching out to employers, unions, large corporate employers, in purposes of training incumbent workers. So, that is another means and a pathway to economic mobility. So, I think those are the thing that would enable poor and low-income workers to have some modicum of leverage.

**Rae Linefsky:** One of the things for people who are working in jobs, that are not working for an employer that does not kind of incumbent training or has no interest, what is very, very difficult for that particular person is to be able to handle several things. Number one, to handle their other responsibilities, for many people have families, etc, whether it's children or parents or others they're taking care of. How do they handle both their jobs, still maintaining their income – which may or may not be adequate at this particular point – and be able to go to school and take on all the kinds of pressures that have just been mentioned. The other is those who were not working, clearly we are discussing at the moment the issues of the working poor – notice the word working. And it has changed dramatically in this city, from enormous concern about the public assistance population and people who do not work.

In this whole discussion, what I do hope that all of you will keep in mind – there still remains, in this city, thousands of individuals who haven't made it to be working poor yet. So, although our conversation is around working poor, please do not forget about that side. If I could pass on to David Kallick, could you talk a little bit about what you're seeing, in terms of economic development and jobs? Obviously, what's the point of discussing readying for work unless we have a better understanding of what that means.

**David Dyssegaard Kallick, Fiscal Policy Institute:** Sure. I would maybe try to inject a note of what I think is a kind of realism into what you're saying. I mean, obviously education is the key to surviving in the economy. On the other hand, the hourglass economy that David's describing means that you have a lot of jobs at that low end, where people are moving boxes around, and you have a small number of jobs, proportionately bigger than in the rest of the country, but a small number of jobs at the very top end, and a shrinking number in the middle. So, there's no doubt – if you're talking to your son or daughter or to somebody who comes into your office and says: what can I do to try to do better? Obviously, of course, education is going to be the key. But, what if you have 100,000 people who are somehow coming into your office. You're sending them out into a workforce where there aren't very many jobs in the middle, and there's not much chance of getting to the top, and they're going to be having a pretty high degree for moving boxes around. So, I think somehow we need to be thinking about not just the education side – of course, the educators do need to be thinking about education, that's their job and what they should do. But, I think, also, how do we restructure the labor market so that we have more jobs in the middle? Because I think unless you address that somehow, you have a real problem that education on its own isn't going to solve.

**Rae Linefsky:** Does anyone else want to comment on that before we move onto another piece? Anyone here on the panel?

**David Dyssegaard Kallick:** Should I say something about how?

**Rae Linefsky:** I was going to say – please do.

**David Dyssegaard Kallick:** I mean, in the spirit of dialogue, I'll be short, but I think you can take a job like even the moving around of boxes or there may be opportunities for people to have, especially if their employers are already requiring higher amounts of education. There may be inventory kind of work or interface with customers or management kinds of things that you can move people up to, and I would say that one of the things that we hear about all the time, especially, we share an office with the Employment and Training Coalition, and they talk about all the time, matched training programs. You know, how do you have somebody who's in that position be able to continue to have opportunities to get a further education, but in particular, a further education that's really specifically geared toward the kind of career opportunities that might be there?

And I would say what we don't do very well in the city or state is match our economic development priorities with the workforce training priorities, because it seems to me like it would be even smarter, and I don't know, a better example would probably be tourism where there's obviously lots of focus and an increasing number of jobs. Except for hotel jobs, which tend to be good jobs, most of the tourism-related jobs are not particularly good jobs. But you could try to think about – how would you, especially in a growing market, how would you work with employers to make sure that you do wind up with better jobs there and not just more employment opportunities, and without going into what they are, Las Vegas does it pretty well, actually. So, it's not at all an un-American thing or something that we couldn't figure out how to do. Las Vegas has, the Times did a great little profile of it in the series that they did on the middle class in America. Jobs in hotels, or like jobs in hotels, jobs in restaurants and tourism-related jobs, they tend to be middle class, good jobs, where people send their kids to college and do very well.

**Rae Linefsky:** Just to set the perspective, and I don't know how many of you know, as I look out here, I'm trying to figure out how many of you realize how in fact services get delivered, if you will, and where, in fact, this comes about. Historically, there has been a partnership, an agreement, or however else you want to say that, between and among what amounts to government and government has been, generally speaking, the traditional way that there's been money in the system. Whether the money is in the system for organizations, whether those are educational organizations or not-for-profit organizations, to be able to put out contracts for people to get training. Or whether it's government in the sense of allowing, to the individual, for them to be able to take and get loans to be able to take training, etc, but there's been this relationship, this tri-partite relationship amongst the three and then some others.

In recent times, as many of you know, is that the way that New York City is structured, is you have DSBS – Department of Small Business Services – and the idea around this was to expand and really help to fashion an understanding between what is adult workforce development and economic development. It is really the first time in such a blatant way that there has been a recognition that perhaps those two aspects should have something to do with each other. For organizations that had been in the business for a very long time, in terms of not-for-profits, one of the things that a good organization knew how to do was not only train individuals for certain

jobs, but how to interact with employers. So, when you ask the question about whose job, whose role is it to be able to work with employers to do several things – one, to understand what it is that they want, two, to help them modify what they want and to be able to deal not only in the training aspect and the curriculum development, etc. An employer is not talking about curriculum development, talking about the other side, that partner.

It has been done, it's been a long time since it's been done, but there needs to be a whole kind of reorientation from all of the players, and perhaps new players need to come into this. And I noticed that the other day, the Department of Small Business Services has just awarded several employers to do incumbent training, which is good again, because at least that's become part of the language. If I could ask Dale Peterson to talk a little bit about the role, at this point, in terms of what's been changing. We've gone from a particular kind of mentality. Nothing, as all of you know, in public policy, moves along a mountain. You start over here in the 1940s and then it moves up in the '50s and the '60s, etc. It's up and down and up and down, and there are so many times that we have to reorient, reeducate people, like all of us, about how there were things that happened in prior lives that perhaps we can learn from, despite the fact that the picture of who's out there, who needs help, has changed somewhat. Dale, could you shed some light on that?

**Dale Peterson, New York State Office of Temporary and Disability Assistance:** Thank you. I'm glad to be here this morning, and I'm not so glad that I'm the only government person here, so you'll be looking at me to solve some problems. But, as I thought about this panel and I looked at some of the materials that were noted in the research, it becomes a very overwhelming thing. And I think everybody is here trying to find out – where's the silver bullet? Where is this? And I guess there is no silver bullet. But I can certainly say that from the agency that I've worked for for 27, 28 years and from a county social services longer, I'm getting to that baby boomer retirement part, I really began to think about this over the last few days. How does this, how does a social services department – whether you call it HRA, or the county social services department in the rest of the state, and how do you call our state agency that is really the social services agency, now called the Office of Temporary and Disability Assistance, how have things changed?

And I think some of the data, when you look at the data and you look at the caseload, and as we talked this morning about working, low-income families, it is only recently, in the recent, recent history, in the last ten years or so, that we've really even looked at this issue of people working. So, if you go back to our history, while we've had some work programs and fits and starts of employment programs over the many, many years, it's really only in the last 10, 15, 20 years have we really had serious work programs, with this kind of issue. And probably only, I'd say 10, 12, 15 years ago, we had hardly anyone on our caseload working. We went through some motions, but it was a very, very rare circumstance where we had a person on cash assistance who was working.

When we look at this today, we are sitting here and we have three kinds of caseloads in New York. We have family assistance caseloads, which are receiving the federal TANF benefit. Those are families with children, generally single women with children. That caseload, about 20% of those families are working, compared to what might have been 1% or 2% a few years ago. So, this presents a different way of doing business for us. We also have the single caseload, which

we call safety net now, and again, small numbers of those people working, and many of them also with disabilities and other things that they are currently exempt from work activities. And then we have the caseload that has exceeded the five-year federal time limit. And those are families that have been on federal benefits a minimum of five years, and in many cases, far longer than that. But of that caseload, 30% of those people are working. I talk about it repeatedly, wherever I go, across the state, talking about this as a new phenomenon. Yesterday, we spent time – we’re doing seven regional meetings across the state and our topic this time with our county social services: how are we supporting and working with our cash caseloads that are earned income families? And it is very, very challenging and you have to kind of look at our history – we were pretty good at determining eligibility, figuring out the benefits you’re entitled to and sending out those benefits and the cards and whatever they need.

Supporting people who are working is a very, very different kind of business. We are now talking about people who are working at generally low-wage jobs, often two part-time jobs, you’ve got to remember that a lot of people are not working full-time jobs, a lot of them do not have employer benefits. What kinds of supports do these families need? And this is very, very different, so what we need to do with that portion of the caseload is different. There are people we’re preparing for work, in our caseload. There are people, who are, we are preparing to move them into a federal disability program. We have many people on our caseload who are not engaging in work activities, because they’re a grandmother, caring for grandchildren. So, we have a variety of different families and individuals on assistance, and this working caseload is probably the most challenging because they need far more supports.

And I think New York has done – we view this, we have separate, in 20 of our counties, one of those happens to be in the Bronx, we have established or these counties have established, separate operations for supporting working families, and these, we view as very, very labor intensive, with lots of supports and there are two parts of this. One is making certain these families get all the benefits they are entitled to, particularly as they transition off. If they move up and we can move them off tax benefits, we do not want them to lose their benefits. They need to still have their Medicaid, they need to have food stamps, they need to have child care. And we need to think about that in a different way than how we’ve done business in the past. Those families need to have that service provided without breaks, and they need to have it done without running to ten different offices to get that done.

So, it’s a different way of doing business. So we’ve been challenged in that way. We have seen success. We track these families that have been served in the separate offices. We see higher receipt of transitional benefits, we see less recidivism because often, as you know, jobs don’t hold, things don’t work out, and people return. So, we are doing this, even if you are not, if a county doesn’t have this, we’re challenging counties to think about how you’re serving this caseload. Now we have the other, so that’s the group that’s on cash assistance that we need to do something different with, and we need to hone our skills and our services. They need a variety of supports, not just the benefits, a lot of case management, hand holding, negotiating the system. And then we have the families that are no longer on assistance or who have never been on assistance. And that is a challenge, I’d say, for our system.

Our system, our old welfare system was focused on – people came in, they needed cash benefits. Now we've got to re-look at: how do we support people who are on the edge? They're not on cash, maybe they had an attachment to us in the past. But, how do we give them the benefits they need? And most of these benefits are federal benefits – they're food stamps or energy assistance. They need health care. How do we deliver that service to a very, very large group of people? And how do we do it when they are working and how do we provide access? I think a lot of our issues are about access – how do we do that? How do we get them those services and benefits? Also on the TANF side, let me say: as we talked about working poor, the TANF money in New York, as David pointed out, a huge percentage of New York's block grant in TANF has gone to the Earned Income Tax Credit, the state Earned Income Tax Credit. We view that, certainly at OTDA, as a major anti-poverty program, far larger than any benefit we're providing, in food stamps or anything else. It's huge. So a lot of our money has gone there. Most of our services, in terms of services, whether they're employment and training services, other types of supports for families, are also available in New York to families with income up to 200% of poverty. So that's another piece.

So when we are buying services, I need to say that we're buying services from contractors under state contract or our counties in New York City are buying services that are TANF-funded services. We are buying services for families in this group that are not on cash, and in actuality, most of the services that are being provided via our TANF contracts are not necessarily to our under care caseload. They are to this low-income caseload that needs, whether it's an EOC, we have EOC kinds of services, whether it's ESL, whether it's other kinds of job training things. But I think, quite honestly, this has been in some ways, a very major challenge for our system, to move from this system where we had very few people working, we were really not focused on working poor, and we were focused on a very, very huge public assistance caseload. That caseload has now been reduced, through a number of programs and certainly through welfare reform.

But now we have different challenges, and as I like to say as we go around talking about these things with people, this is now, when we have a cash case on, we provide all those benefits and one case. Now we're talking about – how do we figure out that this family, that's come in or is in the community, we can't just look at them as one single case here. We're looking and saying – what kinds of benefits do you need? If you're in here for an energy assistance payment, what else do you need? We need to look at all the benefits that we can put into this family to support them, and again, I don't think government is going to be able to do everything. We can do what we can do, but there are a lot of other services outside of those benefits that still need to be provided.

**Rae Linefsky:** In the '90s, when TANF was being discussed, shifting from the old AFDC to TANF, and I remember my days at HRA, the legislation, it had been passed, but all the regulations had not been there. And very vivid in my mind is a conversation I had with someone in Washington at that point, arguing for New York City, the concept that if someone is working, but their income is not sufficient to be able to be balancing out what had been sort of the cash assistance, why would you maintain the five year rule on them? They're doing what they're supposed to be doing, they're just not earning enough money. And it's very vivid in my mind, in terms of the people whom I spoke with, and I was very strong about that, in both as a question and as a statement. And there was almost the lack of understanding, about the fact that the goal

around this is – put the politics aside for just a moment – the goal around this is for people to move on with their lives, be able to make enough money to be able to support themselves and their families, and in fact, as all of you know, is that the issue remains, clearly if you're receiving any kind of public assistance, that five year rule still is maintained. Clearly, in New York State, we have Safety Net, which is helpful, but other states do not have this kind of thing, or very few states. But the issue about cash assistance and working, in those days, the two never came together.

Following up on what Dale said, I want to go on to Diane Baillargeon. Seedco has been one of the most vocal, not only voices around the issue of the importance of benefits, but they've put their action where their mouth is, and I would like Diane to talk a little bit from experience that she's had, the importance around the acquisition of benefits that people are eligible for, and then as we move on after that, to talk about what happens even if you're successful, in terms of people taking advantage of all the benefits that are available to them. What happens when you've used up those particular benefits? Diane?

**Diane Baillargeon, Seedco:** Thanks, Rae. I really want to thank the Milano School and the Center for an Urban Future and the United Way for having this very important conversation, because this is a really important conversation to have. Let me just preface my response to Rae's question, first by making a distinction that I think is important, otherwise we get very confused in what we're talking about. I like to think about sort of workforce development and helping people attach to the labor force and move toward self-sufficiency as essentially involving two systems. One is what you might call a first chance system, and that's the one that most of us went through, which is that really it is a very education-based system. We go out, we graduate from high school, we go onto college, and we develop skills and assets, and that is the first chance system. And there's no question that that is what you would advise your child, or the person coming into your office and asking you for advice, which is: succeed in the first chance system. That is where you are going to get ahead and that's where you really have long-term opportunity in this economy.

The second chance system is essentially a system that is targeted to people who didn't succeed in the first chance system. And they didn't succeed because the system failed them sometimes, they didn't succeed because they had certain kinds of serious obstacles and barriers that didn't allow them to take advantage of the first chance system, there are all kinds of reasons. But we do have a significant number of people here in this city and nationally who really are turning to the second chance system. And, it's very simplistic, I think, to say: well, the solution for people in the second chance system is education, that everybody should go to college and so on. That really, in my experience and I know in the experience of others who work in the second chance system every single day, that's part of the solution for some people, but it's not the only solution. That's a very uni-dimensional kind of way of thinking about things.

In my experience, what the second chance system really needs to be about and what is actually evolving in many ways, is thinking about multiple pathways toward ultimately helping someone in that system become self-sufficient. And the multiple pathways are different for different people, depending on their circumstances and sort of what works for them. And, increasingly, we're seeing work being done – Seedco does this work, but other organizations as well, where

training followed by a job is not the only pathway. There are other pathways, some of those pathways are: a job, connected to then training on the job, with an employer, followed by moving up to a more responsible position with the same employer. We currently work with businesses, for example, that will hire someone for a warehousing job and at the same time, you connect that person to get their forklift operators certificate, and then they move on to be a forklift operator at the very same warehouse, making twice as much as they started. It's very concrete, it's very connected and it works for some people. And that creates opportunity.

There are others where that's not exactly the pattern, and, increasingly, we're seeing alternative pathways that can be successful, where you help someone connect to what is viewed as a lousy, entry-level job with a major retailer, and it is a retailer that will hire just about anybody. The expectation of that retailer is that they will not stay for a very long period of time. But if you can help a person connect to that job and maintain continuous employment for six months, you're then in a position to turn that job into an opportunity with a higher-end retailer that will offer better salary, better benefits, and then ultimately, to help that person access a much more sophisticated, say customer service job. So, you can go from CVS to Victoria's Secret to being a 311 operator for the city of New York. And that happens.

So, I think that an important piece of all of this is thinking about what these alternative pathways can be, what they can look like, and there are lots of creative ways to create pathways, ultimately to self-sufficiency. Is it easy? No, it's very hard work. And part of the work, I think, is in – and this gets to sort of what Rae asked about – it really is about sort of having in place what you might call intermediaries. Seedco is one of them, but there are many of them. And I really think of the role of intermediaries as being an integrator. And what an integrator does is that you're pulling a variety of resources, partners together, to be able to create these kinds of pathways. And the partners are community organizations, they're community colleges, they're employers in particular industries and so on.

And one of the important partners that really needs to be pulled into this whole equation, because I think one of the real goals here is helping people achieve continuous employment, so that they can keep moving on up – and they will never do that unless they get traction in the labor market to begin with – is helping people really access a whole range of work supports to which they are entitled. The EITC, food stamps, all the things that Dale talked about. And when we work in our programs with people, we find that one, they really don't know what they are eligible for. They don't understand the financial stakes in what it is they are eligible for, that they have real barriers to accessing the various work supports, and by work supports, I don't just mean government benefits. It can be a free checking account that means that you don't have to go to a check cashing outlet and use some of your resources on paying fees related to that.

People don't have great awareness of this. When you sort of do engage in education, and marketing around those things, then the next challenge is helping them access that, going to a lot of different government offices to apply for benefits and so on, is very difficult on a person in an entry-level job. And, so, having an ability to actually create a convenient form of access and helping people actually maintain those benefits, which is something that we do through a project called Earn Benefits, which we work on with the state, but there are other ways to do it, as well. That becomes really very critical in helping in that kind of less traditional, alternative pathway to

long-term self-sufficiency, helping someone take that entry-level job that may be viewed as a non-destination employer, a teenager's job for many of us, taking that job and converting it into continuous employment that then positions the person to be able to access training at the same time, or other kinds of opportunities that positions them to then begin to move on up some kind of a career ladder and into some of those more attractive jobs.

**Rae Linefsky:** I don't know whether you have at the top of your head, Diane, or David Fischer does – could you give an example to everyone, and I know that it's also in the report, if someone, what it means, how it translates in terms of a job that's paying minimum wage and if you were to add on some of the supports, what that translation is.

**Diane Baillargeon:** Almost no one is successful in obtaining all of the different work supports to which they might be entitled, because this would be a full-time job, to go around and apply for all of these benefits in and of themselves. And so it's a little misleading sometimes to say, well, if a person collected the heat and energy assistance payments and they collected food stamps and they collected Child Health Plus and they collected the EITC and they did that and they did that, essentially what you could do, if you did that successfully, is you could turn a \$6.50 an hour job into income the equivalent of about \$12 to \$14 an hour. It's a big deal. It's worth doing, to help someone connect to all of these benefits. Is it likely that people will connect to all of them? No. It's really a complicated application process and so on. We've been able to do some things to streamline that. We've worked with government partners to simplify the process, but it takes a lot of management of these benefits to actually acquire them, but I do think it is one of those really critical elements of ultimately being able to kind of get to continuous employment, which is the platform, I think, for then having the prospect of someone in the second chance system to really be able to move on up.

**Lois Blades-Rosado:** I think this is really a wonderful, very informative conversation but we're missing something. How many of you have heard any of the candidates or elected officials speaking about or even acknowledging poverty in New York City? How many of you have? We haven't even acknowledged, they have not acknowledged and if we do not acknowledge that we have issues, even the kind of work that Seedco is doing and the kind of work, the benefits that the government is providing, we're still not going to assist anyone to do anything. We have to first get the elected officials, the people who are going to be the ones who make policy decisions, to acknowledge – we have a major problem in this city. In the last four years, in the last four years, and I'll just give you Brooklyn as an example, we've gone from 21.4% poverty level to 22.6%. We're going up. We're going up. And unless we begin to acknowledge that we have a major issue, the jobs in the middle, people may not be able to get. I think that is going to be important, I think it's also important to look at, when we talk about benefits, 24 hour a day child care. Child care is needed 24 hours a day, so even if you can assist an individual to go from one level of employment to another level of employment, if they're still struggling to see about what's going to happen to their child, they're not going to advance. So we have to be a little bit more realistic about what's really happening to poor, underpaid, not working individuals in the city, and we haven't done that.

**David Dyssegaard Kallick:** In a completely non-partisan way, let me just say, I think that the challenge isn't just for candidates to talk about poverty, but to figure out how to talk about it,

because I would say, truly to be fair, I think the whole 2001 Freddy Ferrer campaign was oriented around the idea of two New Yorks and poverty, and he didn't come across very well with it. You don't think it was?

**Lois Blades-Rosado:** I don't think anyone really has.

**David Dyssegaard Kallick:** You don't think that in 2001 he talked about it?

**Lois Blades-Rosado:** I don't think it's been properly talked about, I don't. I don't care who, because I'm not here about partisan politics. I do not think it has been acknowledged to the degree –

**David Dyssegaard Kallick:** I would say that Ferrer is now recasting his current campaign around not talking about it, partly because I think he got beaten down about that. But, I think that was – if you were going to say what the campaign theme was in 2001, I think that, I don't want to say it was sufficient or that I suggest that he did an adequate job of fleshing out what the issues were, and I do think that he's backed away from that pretty strongly now, but I don't know. I think that's what happened.

**Rae Linefsky:** But I do think that the point is, is that the words working poor, five years ago, would not, it's not something that people – what do you mean by that? Very clearly, working poor, both at the – when I say local, I don't mean very specifically in terms of campaign – it's become something people talk about now. Because there's some vague recognition that your next door neighbor is part of working poor and all of the kind of nastiness that came about and was part of our society for so many years, for people on public assistance. Those were those people. Working poor is a little bit different. It's, as I said before, it's your child. How many, I speak for myself, I have a son who lives at home who came back from college temporarily to live at home, luckily enough. And would in fact I consider myself to be part of working poor? No, but the issue is: he can't afford to go get an apartment in this housing...[tape cuts off briefly] ...then the conversation that never really happened or was always negative around those who were or are on public assistance.

Nationally, 53% of people who are considered to be working poor are married. That is a very different view from Joe on the street who says: who do you mean by the working poor? If you get into a black car here in the city, and if you were to actually go check out what their bank account looked like, there's a pretty good chance that they might fit into the working poor. So, I think the point that Lois raises is an extremely important one. I think it's something that should be part of all of our speech, if you care about several things, either because, I suspect that those of you that are here, are here because you either work in the business or you're studying about this, but there's some kind of personal, intellectual connection to this issue.

There should be another reason to care about this, is that if you live in New York City, you want, I would think, that every one of us wants New York City to be the premier economic development, workforce development city, not only in the country but internationally. You come to New York because you've got a fabulous workforce and you're going to do economically really well and you're going to get rich, up here. That's something, at some level, everyone

wants, whether it's expressed that way or not. And I would encourage all of you, in your own conversations, to really think about the fact that the working poor issue is a really big one, and there is not an easy answer to this.

**David Jason Fischer:** Yeah, I mean, I think this kind of is at the core of this whole nexus of issues – how we inject this into debate, how we get people thinking about it, how we get people talking about it, and how at the end of the day, we get policymakers to move towards positive action on the subject. This was why the Center for an Urban Future got involved in the Working Poor Families Project to start with, and I would like to think that we, obviously in conjunction with many, many other actors, some of whom are represented on the panel this morning, have sort of raised the profile, but I mean, I share the frustration of my colleagues that it isn't really in the public discourse. Not only are we not hearing much about poverty in the 2005 New York City mayoral campaign, I don't believe once John Edwards was knocked out of the running for the Democratic nomination, we heard word one about poverty in last year's presidential election. This is a national problem and I don't think it's as hard to talk about as you might guess from the silence of the politicians.

I think there are really three themes that this connects with. One is security, economic security. I mean, I can tell you, I got married earlier this year and my wife and I are both professionals and we make, combined, an income that I think would lead us to be pretty comfortable in most places in this country. We might well have to leave New York City, just because of the housing and you know, if we choose to have children, that creates a whole other set of expenses. It's a terrible, bloodless way to think about it, but I would guess that I'm far from the only one even in this room who kind of worries about these things. I think the concept of self-sufficiency is another powerful way to contemplate this whole set of issues. It really gets to something in the core of the American character, that you want to be able to care for yourself, you want to be able to care for your family without government assistance, and I think that certainly welfare reform, whatever else you think of it, represents a positive step because the idea, among other things, is that government will help you get to self-sufficiency.

And then, finally, I think the third theme, which is something we tried to stress within the report, is that there's a social contract at work here. There's a public morality at work here. The fact that we have all of these very loudly professing moral people in our national discourse right now, and none of them ever say word one about poverty is, to me, a real mind-blower. So, there's a case to be made that this is the right thing to do. I think, also, kind of taking us back from the storytelling that I'm talking about here, there's also a public policy case, because companies are more profitable when you have lower turnover, companies are more profitable when you can promote from within, as Diane talked about a few minutes ago. Someone coming in as someone who moves boxes and then gets a forklift certificate and then maybe becomes a shift manager in a warehouse.

One of the problems, something we haven't talked about yet this morning and I know it's a short period of time and obviously this is a sprawling, sprawling topic, but we haven't talked about unionization and the role that unions can play in making worse jobs, better jobs. Unions – and this is more true in New York City than most other places – unions really do consider career ladders. I think 1199 in the city probably is the greatest example. You can come in as a patient

care associate and within five years, you can be a licensed practitioner nurse. They have really given thought to this question of how you balance work obligations, taking care of family and going to school and sort of moving up. This is something that we've lost as the unionized percentage of the workforce has dropped. There is a vacuum there, and I would love to see – I guess it has to be government and it has to be the private sector – fill this, but I don't think the incentives have lined up really for them to do that yet.

**Diane Baillargeon:** I just want to add one additional thing, and that is that as programs were currently constructed, the workforce development programs, most of them funded by government agencies and so on, the current focus is very much on placing people in jobs, making a job placement, maybe some emphasis on helping people retain employment for three months, for six months, and so on. And I think that part of the, an aspect of a solution here, is to begin to kind of shift the focus of all of this to not about initial job placement, but sort of putting some responsibility on those of us who do work in the second chance system, to construct career ladders for people, that we're focused on some very short-term outcomes and the whole system is oriented toward these much shorter-term outcomes, and I think that part of, if we could figure out a way to really help people construct these alternative career paths, because I do – I'm probably more optimistic than some on the panel, that it is possible to make lemonade out of some lemons, and that there are some creative things to do to sort of put together a variety of what are often times disconnected resources and capacities and really begin to help people construct. Is it always going to be successful? No. But is it something that we really can do in the short run, given the lemons that we have to work with, of a particular economy and so on? Yes.

Then, I think the second sort of very kind of immediate piece that is not necessarily mega-picture is really sort of what employers can do. And that's part of a conversation, I think, that would be very helpful to address. Some of the most interesting things that are going on nationally are things like the big experiments with someone called LiLAs, which are Lifelong Learning Accounts. They're structured as like a 401(k), that are offered by employers and they match an employee's contribution with an employer's contribution, which then the person can use toward ongoing education and skill upgrade and so on. They're very interesting experiments that are happening. There are other ways to engage employers, other than just around the issue of increase your wages. We've been working now with employers who have let us come in and screen people for various kinds of work supports and benefits, to help make that job a more viable job while people are in it, so that they can turn an entry-level job into a platform for careers. And, so, I think that there are some creative things that we can do that are kind of in the short run. They're a small part of the conversation.

**Lois Blades-Rosado:** One of the things that I think local government can do, and I do applaud the benefits that are available as part of the state governments and local governments, but I think local governments need to be a lot more creative with job creation and looking at – what are the possible industries that we can bring into the city? Now, we know that some of those industries that provide sustainable employment are in semi-conductors and fiber optics and they're doing a lot in the city in developing biotech, but biotech also needs a support system and what does that system look like? You also have industrial design services, crafts persons that use professional and other kinds of services, so one of the roles of the local government – and I don't really care who that government is, by the way – is to attract more businesses. And I agree with you that

there is this hollowing out of the middle, and I also very much agree with Diane. And right now, our focus is still on finance and security. Well, guess what? Most of us are not going into finance and security, so we really need the local government, in collaboration with the voters and other agencies that are interested, to really begin to identify new industries for the city.

**Rae Linefsky:** If I could just raise one more issue before we open this up to all of you, and that has to do with, I'm sure there's a more sophisticated way of saying thus, but the lack of integration of services, and I don't mean that at the lowest level, I mean at the highest level. Ultimately, in any place, there are only x number of jobs. And then you hope you can raise it to more, given what Lois just said. But the numbers of jobs that are out there, and the potential, is not related to – are these jobs for welfare recipients? Are these jobs for people who are the working poor? Are these jobs for youth? These are jobs. And, there has been always a conversation for as long as I've been in New York, about the lack of integration, a lack of anyone taking the responsibility and many believe that that needs to come from the top person in government, meaning the mayor. That makes a statement that says – blank is important, and there are many kinds of words that you can say. You can say that it is important that New York City has the best workforce in the country, as I said before. That then, to make that happen, is the role of everyone who operates in the governmental structure. So, talking about, you know, how we're set up at this point, it means DSBS and DYCD and HRA and Economic Development. But there has not been that kind of statement, and one could argue about what statement that is, but basically, it's very difficult to be able to look at a population in this city that presently exists and will exist, without that kind of thing that happens.

And the only way that that integration, whether it be at the local level or the state level, I believe, ever happens – there are two ways. One is that someone puts in some kind of money, in terms of regulations, that blank department and blank department have to work together – national HHS and Department of Labor, and someone kind of runs around and says: what are we going to do? The other way is because of leadership, and no one has taken that leadership and it's not only today. This goes back many, many decades, it's just that I think it's just even that much more important today, for the future of New York City. And then the third part of that is just what you do in work – things happen because of relationships. To rely on relationships because, and that happens at every single level, you get along with the commissioner, you share certain kinds of things in a different department, you say hello: listen, Mary, you know what I was thinking? Why don't your staff and my staff talk?

But literally what I think we're talking about today says you need to raise this so that the public talks about it in the sense of their own family and their next-door neighbor. And no one calls themselves, by the way, working poor. Only people on the outside – hi, I'm Rae, really, I'm part of the working poor – no one says that. What really we're talking about is – you know, Joe and I each have two jobs and the kids and my God, we're having trouble, but no one says that. So, even the use of the word poor, because what does that mean? And, so, I would like to have a couple more statements from several of the people here about some suggestions that you all have, about, I'm calling it integration of services, I'm sure there's a better way to say that.

And one last thing I want to throw in – I can't go anywhere without saying this – and when we're talking about this, I do want to remind everyone that we're talking about today and the future.

And the future means those who are in school, meaning Department of Education and then we're talking also about who are our future adults, our young adults, whatever number you want to buy, 170,000 to 200,000 16, 17, to 22 year olds are unemployed and out of school as we speak today. And that is, like my beginning part about talking about close to 2 million people who are poor, that group of people, unless there is something that happens, and that's not to say that at different parts of the city there's not concern, this way I'm looking at – they are tomorrow's, hopefully working, poor. And, so, although I need to say that to all of you, it needs to continue to be part of our conversation, so clearly we look at adults and our definition of adults, but we also have to say that what is happening in terms of the Department of Education, etc, to begin to move into this new world. Can I ask any members of the panel to kind of talk a little bit about integration of services? You wanted to say something, Dale?

**Dale Peterson:** I think your point about what is the single mission and when you set that out. I think welfare reform, everyone would say, oh my God, how could this have happened? Caseload reduced in the city, in the state, but that took this single giant project. We could have stayed the way we were. But, clearly, I think people are absolutely amazed how we have moved. But it came from that leadership that said – this is where we're going and we're going to get there, but we didn't get there just with one agency doing that. I think from the social services side, for decades and decades and decades, we have been within these four walls, people come here and we look down and we determine eligibility and we don't look up. And, it was always within the four walls, no one else did eligibility, we were doing eligibility. I think welfare reform has dramatically changed that. What we can't do are the things that we need the community, CBOs, employers – that is where this thing has to come.

So, I think if you took this issue and came out of here saying – if somebody leads the charge and says: it's not welfare reform now, but it's this other, I don't know what you're going to call it but this poverty, working poor, whatever. But if you're going to say that, this is where, you know, people have to all pitch in and it's not just going to be government, it's going to be government with a variety of whether it's education or – And I think, clearly, we certainly understand, I don't know that that's our sole mission but certainly we have a lot of kids on our caseload; TANF is for kids, okay. This is about children, but somehow, the kids have kind of lost in the back. But, clearly, there is no question, the kids side of this, all of this is about how do we intervene? How do we provide things that are going to mean that these kids are not going to repeat the pattern? And that's where I think there's a lot of opportunity. And I think there's two things – people will support people who are working, Republican politicians would also support doing things for kids. So, you've got two sympathetic groups.

**David Dyssegaard Kallick:** I don't know if I'm the only one here who is going to be critical of welfare reform, but there's a question of, to me, not just the integration of services, but what was the purpose of what we were doing? And I think, when we look at the 1990s, for example, when we started to first see the big impacts of this, New York City was way ahead of the nation in pushing this work first idea, pushing everybody out the door of welfare and into the labor market, and, of course, into the very low end of the labor market. And you then see, you look at the graphs of the economy in the 1990s and the low-wage workers, and the median wage, by the way, in New York, never caught up to where it was in the beginning. So, the median wage fell. This is during a huge economic boom, right? All the people on the street you're talking about,

well, all the people who read the *New York Times* or something think that things were going really well in the '90s, but the median age – this is middle class people – never caught up to where they were. The low end fell down pretty dramatically, and what you see in New York – and that was different than the country. The country had a similar but a pattern that went in a little bit of a different direction.

Basically, what you saw in New York was the recession, the job loss continued for longer, the loss of people at the low income, at the low wages continued for several years longer, because at the same time, the biggest factor that we can see was welfare reform, was essentially pushing people into the low-wage labor market that throws down wages at that level. And I think, you know, when you look at things – so, that was the '90s. Today, I think, what you see is an economic development policy that's very focused on exactly the kind of jobs you're saying we shouldn't be only focused on. It's very focused on the finance industry, on super high-end jobs and, I would say, on real estate development, without any real attention to – and, with concurrent tourism, which is very low-wage jobs. And, I don't think you hear very much discussion about that being a problem – that's the goal of economic development. They want to see those things come in. And, so, you know, you can have some services to try to help people, and I do think there are things you can do within those industries once they're here, but you need to decide you want to do that and make that a real priority, and I think that we haven't seen that in the city yet.

**David Jason Fischer:** Well, David just stole my point. I was going to say – no one ever asks: what really was the goal of welfare reform? Mayor Giuliani, as we all know, was very proud to tout the drop in the rolls. And I'm not here to gainsay that, I mean, I can say, from a public standpoint, the value of having fewer people on the rolls, but it's sort of like that question that's never been answered – at least to my satisfaction – which is: work first, then what? It generally ends after work first. I mean, if the goal is to get people, as we've done and as David just spoke about very eloquently, I think, is to sort of saturate the low-end of the labor market so that you have a lot of people permanently chasing after jobs that really aren't that good, and then to say: okay, this is it, welfare reform is a success, I wouldn't call that success so much as, to steal a phrase, the soft bigotry of low expectations. So, I would love it if we could somehow re-inject into this debate an idea that low-wage work and reliance on this safety net, as valuable and important as that safety net is, is the end of this conversation. The end of this conversation should be self-sufficiency.

**David Dyssegaard Kallick:** I'm sorry – as a researcher, I'd say: if what the goal was, or if what our goal should be now is to make sure that that works, we should be doing a lot more to track people afterwards to see what's happening, right? And not just saying: how many people are we getting off the rolls?

**Rae Linefsky:** If I could just – I want to give an opportunity to some people to ask questions. We all throw around the word self-sufficiency all the time, but if you've got to go – what do you mean by self-sufficiency? There are many different definitions. But one of the things that I always found quite startling and I hope that all of you are familiar with the Self-Sufficiency Calculator and the latest, in terms of 2004, from the Women's Center for Education and Career Advancement. And I remember when this came out – now, the calculator itself, it includes cost of housing, child care, food, transportation, health care, miscellaneous expenses, clothing, shoes,

household items, etc., and federal, state and local taxes. And if my memory is correct – and someone can correct me here – it did not include cable, cell phone, Christmas presents and some others. And I remember that for 2004 and, again, I think of myself as being quite knowledgeable about this, but there's something about looking at a number.

So, in Brooklyn, for one adult and one preschooler, self-sufficiency at the level that I just said – not talking about other kinds of things – you need to earn, in 2004, \$38,983. It's startling, because then you say to yourself: where is everybody? Because when before we talked of issues of poor, what people, the public reacted to is – you have a lot of homeless on the street, you had issues of crime, and so you said: of course, we better do something about that, not necessarily saying we want to do something because that's good for the people themselves, for their families, for the future of New York, it just makes me safer, it makes me feel more comfortable living here. Today, and when you look at that number of \$38,000 – where is everyone? We do know a lot of people are working, we know a lot about, in fact, how much they're making, how, in fact, are people making it? With this, what I'd like to do, is I'd like to open up to questions. If you could just stand – there is a microphone here. Please, if you could introduce yourself, what your question is, and if you want to direct the question to someone specific, please do, otherwise the panel will figure out how to answer.

**Audience member (Angel Román):** Good morning. My name is Angel Román, I'm the Director of the Small Business Development Center in Brooklyn. I wanted to get a sense from the panel, of looking at cutting-edge, I guess, models that we can look at and some thoughts on maybe there are older concepts that we can look to, like WPA, where are you on that? Living wage – is that an area we want to look to? And in terms of manufacturing, that may not be novel but that's an area where I think blue collar folks who are not necessarily college educated have found opportunities to make a decent wage. And, lastly, what do you think Hurricane Katrina has done for the debates, in terms of looking at poor folks, and is that just going to be a passing story?

**David Jason Fischer:** Thanks for the question. It might not be the most popular sentiment in this room, it might not be a sentiment that my colleagues on the panel share – I actually think that public jobs programs have only limited potential to really address this situation. That comes in part because, right now, given the political and philosophical climate in this country, and more importantly, given the budgetary constraints at every level of government, the money just isn't there to do this on the scale necessary to make an impact and to provide the services necessary to make an impact. Putting people to work is terrific, but, again, I keep coming back to this question of career ladders. It's wonderful to give someone a job in something like the Parks Opportunities Program, and when I think of public works in New York City, I think of something along that template. But, the question is – what do you do after that? What do you do when the funding runs out? Where do those people go? You can try to give them skills training and other services while they're in the program, but I think we have to learn from some of the things that haven't worked in the past, and I don't think it's feasible right now to do on anything more than a demonstration level, and I'm not convinced of the positive long-term impacts anyway and I'll leave it to my colleagues to take on the other aspects of the question, although the Katrina conversation is certainly a worthwhile one to have.

**Rae Linefsky:** Why don't you comment about Katrina?

**David Jason Fischer:** I think it helped shine a spotlight again. I think that – I was talking to Dale before the panel began and I kind of surprised myself by hearing how pessimistic I was about this. I feel like our federal government is contending with so many different things right now, and also, I would say, dealing with a lot of self-inflicted wounds, in terms of some of the decisions that have been made. I'm not even going to get into the politics. I don't know if there is the appetite to really address poverty in the holistic way that we need. The notion of a second war on poverty might be kind of appealing to a lot of us, and the idea of thinking about these problems, the idea of just believing that the public sector has the power to make such a positive impact in people's lives, is tremendously appealing. But, frankly, do you guys really see this bunch doing it? Because I don't.

**Rae Linefsky:** Diane?

**Diane Baillargeon:** I'm not going to answer that, but I do want to get back to your question about doing some kind of WPA or that kind of – creating jobs, a job creation initiative. I think the idea of it has a kernel of real validity, but I think that the way you go about doing it needs to be different than what has been done historically. When you think about – one of the things that has always is so striking to me is that the majority of low-wage workers in this city work for small businesses. They do not work for large corporations. They work for small businesses. 75% of net new jobs in New York City are created by small businesses. Small businesses are the engine of this economy, that's the way it is. And it seems to me that helping lower-wage, lower-skilled workers get opportunity out of the jobs that are in small businesses, that the way to get more of a win-win is to figure out devices through either tax credits, wage subsidies, creating transitional jobs based in small businesses and helping small businesses grow and thrive and get started, that that's sort of what creates some of the foundation that we need for people to then have that important initial first work experience that then gives you something to work with, to help people then – explicit career ladders and so forth. But, I think we really do need to kind of pay attention to the fact that low-wage work is based mostly in small businesses.

**Rae Linefsky:** Anyone else want to comment from the panel?

**David Dyssegaard Kallick:** Well, it's a big topic, this question. In fact, you can see it's a sort of lightning rod topic about public jobs, because you asked a lot of other things besides just that. I think it can be a very good idea, exactly the way that WPA did it, which is to say, in a recession or depression, as a temporary matter. I think that this would not be the time you would be talking about doing it, but in New Orleans today, after Hurricane Katrina is exactly the time you would be talking about it. New York City was a huge beneficiary of the WPA programs. You can look around the city today and if you have any sense of what it was – Mike Wallace, who won the Pulitzer Prize for his great book about New York, wrote a small book, "New Deal for New York," where he has two pages just listing what the WPA did for New York. And it's phenomenal, and it's all around here today, so I would say – that could be something that could happen in a place like New Orleans, I think, where there will be big inflows of public dollars, and where are they going to go and what are they going to do and are they going to create anything permanent and public, I think is one of the big questions.

**Rae Linefsky:** Just from my own opinion of this, I share the concern that David Fischer just said but I do think that it is a model recognizing that there is not money around, I think that it happens to be a very good model, so long as it has comprehensive services attached to it for young adults. And, it may be for so many of those that are now in this disconnected youth and the number that I gave before, it might be an excellent opportunity with then combined very clearly with education and other kinds of support services, be just enough to get someone over the hurdle. I do not believe that there is either the appetite nor does it make sense, particularly for the adult population. Next question, please.

**Audience member (J.C. Dwyer):** Good morning. My name is J.C. Dwyer, I work for the New York Coalition Against Hunger. I have a question about workforce development, but I also wanted to make a really quick comment about getting politicians to talk about poverty. Two weeks ago, Freddy Ferrer had a press conference where all he talked about was poverty and food stamps access, and the only paper to cover it was the *New York Post*, which calls him a flip flopper. On the other side, the *New York Times* has a great national desk which covers things like Katrina, but the metro desk can't be bothered with realizing that poverty exists in New York City. But, we need to pressure our elected officials, we also need to pressure the staff of these papers to cover this stuff. My question is about workforce development. Given the broader realities of globalization and the continuing downward pressure it's going to put on wages and jobs, in the next 20 to 25 years, anything that can be outsourced, will be outsourced. That includes manufacturing, that includes semiconductors. The jobs that are going to be left are going to be service jobs, which aren't traditionally given to good wages or unionization. So, what industries should we be putting our weight behind, in workforce development?

**Rae Linefsky:** Anyone want to give a shot at that?

**David Jason Fischer:** Yeah, sure, I like a challenge. Well, the Center for an Urban Future has done a bunch of industry studies. We were trying to answer this very question. If you're going to make bets, how do you make those bets in a smart way? And I think there are fields like biotechnology, air cargo, information technology, and there are – I mean, I don't think I quite share your assessment in terms of all the manufacturing leaving. There are niches that will have – for a long time to come – really compelling reasons to stay here. Sort of the top end of the apparel industry, there are other ones, there's actually a lot of food processing going on in the outer boroughs. Graphic arts – there's a real big core of printing jobs still left here that people don't often talk about or think about.

I do think the role of the workforce development system, this is something that I would love to get into if we had a little bit more time, it's to make sure that the workforce is here and that the workforce here is so good that companies thinking about relocating because of cost or what have you, really have to ask themselves if they'd ever be able to find a core of workers as good as what's here in New York City. And I think that has to do with making sure the city's career and technical education schools are up to snuff, and in line with industry standards. I think it has to do with better integrating the efforts of the workforce agencies – the Department of Small Business Services, Department of Youth and Community Development – with the Department of Education, which is a point I wanted to make in response to Rae's question about service

integration. These are some of the conversations that are starting to happen. I give the Workforce Investment Board a lot of credit for taking great steps in the right direction here. We have a long way to go. We have a lot of work to do to really make this happen.

**Rae Linefsky:** Just if I could follow on one of the things that David said – historically, in this city, when people have talked about: what are the areas that we should be training people in? – they’ve always been up here. And some of the most successful training, when I say successful, I don’t just mean the training process, but then the results and people move onto jobs that make a decent living and be able to move up, have been niches. This is an enormous, enormous city. Ask anyone – health care, okay. It’s not to say not health care, it’s not to say not tourism, it’s not to say not retail, but there are niches in this city that produce jobs in terms of training, numbers of people that in any other urban area, one would say – my god, look at that, we have 200 jobs, you know, isn’t this wonderful? 200 jobs, given what we need to do, is actually a small number here, so there needs to be a way to look at the macro, but really focus in then on what niches there are that might be able to grow, that maybe everyone doesn’t talk about all the time, but there are good, solid jobs there.

**David Dyssegaard Kallick:** Sure. I would say, you know, I think following what both of you were saying as well – I think there’s an eagerness to look for the next new thing always, and we went from agrarian to manufacturing and said, okay, what else can be better? And then manufacturing to service. I think what you see in places that are more successful, and I would say in a lot of Europe, actually – which is where they do have a much more qualified workforce and we’re never going to compete with that unless we radically change what we’re doing, at the lower and middle levels – is: how do you make sure that as you see these changes coming about, that you maintain the jobs in New York that make sense and let go the ones that make sense to go, and which ones make sense? Well, hopefully, it’s the one that pay better wages, have higher productivity, have higher training requirements and are going to continue to be able to be viable here. That’s not the pattern we’re seeing right now.

The new pattern we’re seeing is a lot of low-end service and tourism-related kind of jobs and that’s not where you’re going to get the higher wages. But something like – manufacturing, I think a lot of people feel like, why are we always talking about that, it’s dead and gone and why should we even bother? The largest job loss of any category in New York in the ‘90s and in the last five years has been manufacturing. We still have a lot of manufacturing jobs. And it’s already pretty much the ones – it’s not big smokestack industries, right? You would know if they were here. That’s a lot of stuff that’s here that makes sense, and we could do more to make sure it makes more sense, rather than continuing to press for: how do we give more tax subsidies and make it a little cheaper for them to do business here? It’s going to be expensive to do business here, that’s because of real estate prices as much as anything. It’s because it’s New York. We have to make it a high value-added place, as well.

**David Jason Fischer:** Yeah, just a super quick point. Diane, a few minutes ago, said something that I thought was tremendously important, which is that, really, small business is the engine of growth in the New York City economy. When we think about small business, maybe the first thing that comes to mind is a little storefront hardware store on Atlantic Avenue out in Brooklyn or something like that. But small business also kind of refers to start-ups in these high-growth

fields that we were talking about a few minutes ago. One of the things that the city can do, one of the things that I think the city needs to always look real hard at is: what sort of policies are most supportive, most nurturing of those small businesses? The Center released a report, which I believe is in your packets, earlier this year called “Beyond the Olympics,” kind of an assessment of the Bloomberg economic development record. And we found a lot of things to like, but I think that there are also a lot of additional steps that can be taken to better nurture those small businesses and to maybe reverse the trend, the very unfortunate trend, which is – at a point when they’re no longer small, they sometimes leave and they take their jobs with them. The idea of reversing this should really be one of the top goals of public policy.

**Rae Linefsky:** Next question, please.

**Audience member (John Dallas):** Good morning. My name is John Dallas and I’m a Program Associate at Urban Agenda. One of the things that’s bothering me about the mayoral election, and city politics in general, is that no one is discussing how affordable housing is a misnomer when it comes to the working poor, and I’d like to give you a concrete example of what I mean. A very low-income, or so-called very low-income development just went up in the Bronx, and the lowest income for a single person is \$19,200, and this is a very low-income development. To be able to afford the rent of \$561 a month, a person working at minimum wage for \$6.00 an hour would have to spend three weeks of his or her pay to make the rent, and I think – this is why I think that we should stop affordable housing in the city, affordable housing, or ask: affordable housing for whom? And we should know that that does not mean the working poor. And that’s my point.

**Lois Blades-Rosado:** When communities that have always existed and the people from those communities that have always been there can no longer afford it, then you see that community transformed. And when that community is in transformed, those particular individuals then become the migrants. So, I think your point is an excellent point, because affordable housing that is being talked about is not being talked about for those that really can afford it.

**Rae Linefsky:** Next question, please.

**Audience member (Jack Koseff):** Thank you. The name is Jack Koseff, I’m doing research on workforce development for council member Gale Brewer’s office. My question is this – a lot of you have said, and Ms. Rosado specifically, that the Workforce Investment Act on paper and intention, structurally tried to resolve a lot of the issues that you’re talking about. I’m wondering what went wrong over the last eight years, in the panel’s opinion that led us so astray?

**Rae Linefsky:** Do you have a month?

**Lois Blades-Rosado:** Part of the problem is tied up in politics. As a model, it’s a viable model, and we have demonstrations of it in other states. It’s in New York that everything becomes so political.

**Rae Linefsky:** I think you also have to separate out what was the intent, the policies that are allowable and how much money. The amount of money that’s come into New York for whether

you call it, in the old days, employment and training or today, workforce development, has in reality been reduced dramatically, so you have a new system which has a different kind of philosophy and part of that philosophy is universality. When you do that, and you reduce the dollars, then you say – well, what can I spend the dollars on, if I have fewer dollars? And once I've opened it up in terms of universality, what does that mean for those most in need? And that's a debatable issue around the issue of most in need. So, your question has to look at both – actual dollars and then the policy and philosophy behind this legislation. Anything else?

**David Jason Fischer:** There's a guy named John Twomey who. I think a lot of you know, is the head of the New York Association of Training and Employment Professionals, and is really kind of a national leader on a lot of these questions. I've known John for about five years, as long as I've been doing this. One of the first things he ever said to me was: in an ideal world, it would take seven to ten years for the Workforce Investment Act to really function the way they drew it up. This is obviously far from an ideal world. In New York City, as Lois said a minute ago, we have unbelievable problems around turf and territoriality and how responsibilities are drawn up.