

Commentary/Op-Ed - April 2003

City's Jobless Need All the Help They Can Get

This op-ed on New York City workforce policy appeared in *Newsday* on April 30, 2003.

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Beyond the budget disaster, New York has a full-blown jobs crisis on its hands. At 9.2 percent, the city is experiencing its highest unemployment level in years. This time the ranks of the jobless include highly skilled workers from Madison Avenue to Wall Street, and their unemployment benefits are dwindling or already gone. Likewise, businesses are suffering one of their worst periods since the 1980s recession.

Our city's employment system can provide a powerful balm. City workforce programs can help the unemployed find new jobs and work with businesses to help them fill openings. Home Depot, Washington Mutual and Toys 'R' Us are just three city employers that have recently used these services to address their hiring needs. Even more important in our current budget jam, these job training and employment programs don't cost the city a dime: The federal government sends approximately $100 million to New York every year to support workforce services for both job-seekers and businesses.

So here's the shocker: Mayor Michael Bloomberg has proposed to eliminate New York City's employment agency.

This proposal, slipped quietly into the mayor's April budget announcement, aims to dissolve the city's 17-year-oldDepartment of Employment and move the majority of the agency's dollars to the Human Resources Administration. The mayor assumes savings of $25 million from "streamlining" services, but aside from some administrative efficiency from consolidating agencies, it's unclear just where the savings will come from since workforce services run on federal money. What's more, eliminating the employment agency carries the risk that these crucial services will get lost in the shuffle--and might not sit well with employers wary of dealing with an agency best known for managing the city's welfare system.

This isn't the first time these funds have changed homes: Job training has been moved back and forth between the welfare

and employment agency three times in the past five years. This game of bureaucratic ping-pong has made it almost impossible for the city to develop a consistent policy for job training; employers and others arguably don't even know whom to call for help with workforce issues.

Even worse, the businessman-turned-mayor took a sharply anti-business approach by moving to eliminate the employment agency without reaching out to the private sector executives he appointed to the city's Workforce Investment Board. This federally mandated group is supposed to set workforce policy priorities for the city, and employers comprise a majority of the membership-a clear sign of the importance of working with business.

Indeed, the experience of cities from Los Angeles to Boston has shown that job training only works when it directly meets businesses' workforce needs and when employers are given the power to substantially shape the programs. Just a year ago, the mayor seemed to grasp this as he recruited top-flight business leaders representing major city firms such as KeySpan Energy, Salomon Smith Barney, Verizon and J.P. Morgan Chase to help energize the workforce system and strengthen the connection to city employers. Failing to consult his erstwhile private sector colleagues who are responsible for the policy in this area could hurt efforts to boost employment.

So, for the potential of saving some funds in the short term, the entire employment system is now in disarray-and with thousands of new unemployment claims coming in each week, at a moment when the city needs these services the most.

Fortunately, not all is lost. The Human Resources Administration is a larger agency with deeper resources and greater administrative efficiency than the apparently doomed employment agency. The key issue at this stage is leadership-something the training field has lacked from Day One. And it has to come from the top.

The first thing the mayor, HRA Commissioner Verna Eggleston and the city's committed business leaders must do is to articulate a clear plan for spending workforce funds. The feds have a simple rule: Spend it or lose it. These workforce dollars are free funds that flow from Washington with few strings attached, but if you don't have a plan and don't spend the funds, they're gone. Right now there is a danger of losing millions of dollars if the city does not act immediately to craft even an interim plan for its youth and adult training programs.

Once a spending plan is in place, the city needs a vision. No program can survive being tossed back and forth between multiple agencies without a sense of its goals. The mayor need not reinvent the wheel, but he has to make the case that this is a priority for city government-and that this latest shift is the last.

In the short term, shuttering the employment agency might improve the city's bottom line. But for New York City's future--to help businesses meet their hiring needs and ensure that more New Yorkers are working, spending money here and paying taxes--a coherent and productive workforce policy is an absolute must.

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