Commentary/Op-Ed - August 2004

# The Big Idea: Black Male Unemployment in NYC, 2004

From the latest issue of *City Limits* magazine, CUF project director David Fischer argues that New York must mobilize a crisis response or risk the current high rate of black male unemployment becoming chronic.

by David Jason Fischer

It's not news that the economic damage of the recent recession and subsequent "jobless recovery" was unevenly spread. While employment has ticked upward in 2004, many of the groups hit hardest in the downturn have endured the added injury of a lag in bouncing back. Arguably the most prominent has been African-American men, who are experiencing a severe and ongoing crisis in employment.

Earlier this year, the Community Service Society of New York (CSSNY) released a powerful and disturbing study on this phenomenon. The data suggest that this is a crisis we are entirely unequipped to address through any systems currently in place--and that politics or policy as usual simply won't cut it if we're serious about addressing this problem.

The CSSNY report paints a deeply unsettling picture. Senior Policy Analyst Mark Levitan found that almost half the city's black male population did not work in 2003. Only 51.8 percent of African-American men held jobs, compared to 75.7 percent of white men and 65.7 percent of Hispanic males. (Official government statistics, which offer a less bleak view, fail to include individuals not actively looking for work when measuring unemployment.) Worse still, Levitan found that the percentage of black men working had dropped by 12.2 percent since 2000. Considering the meager growth in black male employment during the sustained economic expansion of the 1990s, black men are substantially worse off in terms of employment now than they were at this point in the last business cycle.

Experts who caution against overreaction to findings such as these generally characterize the cyclical economy as a force of nature, resistant to human intervention. But there's reason to believe that the labor market changes of the last several years are qualitatively different from those of previous downturns. As Federal Reserve Bank economists Erica Groshen and Simon Potter wrote last year, the jobless recovery is largely explained by structural changes in the workforce, both locally and

nationally. Groshen and Potter point to "the predominance of permanent job losses over temporary layoffs and the relocation of jobs from one industry to another. The data suggest that most of the jobs added during the recovery have been new positions in different firms and industries, not rehires."

In other words, there's reason to suspect that recent patterns of job creation and job destruction have strongly militated against black male New Yorkers. If the positions erased in recent years, including many semiskilled jobs in fields like manufacturing and construction, were disproportionately filled by black men--who for a variety of reasons did not migrate into newly created positions in different firms and industries--that indicates a much more serious need for action by the public sector than if we can simply chalk up job losses to the vagaries of the business cycle.

Blatant, Bull Connor-style racism isn't the main problem here, but the legacy of past discrimination is part of the equation--most notably, persistent patterns of segregation in housing and the physical dislocation of minority communities from those in which job growth is taking place. Low levels of education and inadequate job skills also help explain these distressing employment numbers, as does a relative absence of peer networks connected to work--informal connections that help job seekers find out about and pursue openings.

So what's to be done? We can make progress toward solving this problem by improving educational opportunities in poor communities and by forging greater connections between employers and those communities. Postsecondary education has a huge role to play here; earlier this year, the Center for an Urban Future released a report detailing how the City University of New York has taken on a larger role in workforce development, offering a range of programs in adult and continuing education and publicly provided welfare-to-work training. Both offer hope of progress.

But the problem of lagging employment in minority and low-income communities is too large to be solved by a handful of public or private sector initiatives, working in isolation. It's encouraging, for instance, that City Council recently allocated $10 million for emergency re-employment and other worthy causes, but considering the scope of the problem, the gesture amounts to little more than symbolism. This issue embraces workforce policy, economic development, education and community development, and to address it effectively will require government and community leaders in all those fields to transcend turf issues and collaborate in new ways.

This is easy to theorize about, but fiendishly difficult to put into practice. In a report the Center for an Urban Future produced last year in partnership with the Albany-based New York Association of Training and Employment Professionals, we detailed a crying need for coordination in workforce policy. Support comes from 29 distinct funding streams, and authority is shared among a plethora of federal, state and city agencies--but they generally fail to coordinate resources, or even share information. Extrapolate these failures of resource- and information-sharing across several different policy fields, and you start to get a sense of the magnitude of this challenge.

But progress is possible, with political leadership and sustained administrative focus to impose coordination and harness disparate resources toward shared policy goals. Changes to the New York City workforce system under the leadership of Commissioner Rob Walsh and the Department of Small Business Services (DSBS) offer some encouragement. Despite limited resources in the wake of federal and state budget cuts, and the challenges of developing and implementing a workforce policy virtually on the fly, DSBS has shown a willingness to make needed changes and create new linkages--for example, the planned colocation of small business and workforce centers throughout the city.

While deploying our resources to attack the deep roots of this problem, the city and state can and should take several short-term steps:

- **Push for the renewal of federal Temporary Extended Unemployment Compensation**, an issue the 108th Congress has left unaddressed. An economic multiplier effect, as CSSNY cites in its report, will both contribute to our local economy and somewhat ameliorate conditions for the unemployed.

- **Explore transitional employment through wage subsidies**, possibly along the lines of the effort led by the Consortium for Worker Education and Seedco following September 11. This successful initiative used federal funding to subsidize wages, saving jobs at small businesses in Lower Manhattan and other affected communities. Agencies can also launch efforts to assess the skills of workers, using the opportunity of temporary work to attach them to the city workforce system on a more permanent basis. The welfare client assessment program conducted by a number of CUNY campuses, which won praise from both city and university officials before budget cuts forced its early cancellation last year, could serve as a model for this effort.
- **Launch a pilot program targeted toward structural underemployment**, through the governor's discretionary funds under the federal Workforce Investment Act. The Pataki administration has mostly used these funds to serve workers who have lost their jobs through dislocations, such as plant closings. Taking on the fundamental labor market changes arguably at the root of the black male unemployment crisis would represent a logical extension of this philosophy.
- **Collaborate with labor to affirmatively hire for infrastructure projects**. This approach, favored by CSSNY President David R. Jones among others, could utilize mechanisms already in place. Such programs include the Construction Skills 2000 collaboration between the Building Trades Council and Building Trades Employers Association.

The CSSNY study points toward a foreboding trend in New York's economy: the bifurcation of the labor market into high-paying jobs for those with skills and credentials employers demand, and a scuffle at the low end of the service economy for most everybody else. Changing this pattern will require sustained leadership and bold thinking on the part of public officials and an equally strong response among educators, employers, labor leaders and nonprofit service providers.

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