



The Dimensions of Poverty in New York City

Remarks of David R. Jones

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U.S. House of Representatives

Committee on Ways and Means

January 24, 2007

Good morning, Chairman Rangel and members of the Committee. I am president and CEO of the Community Service Society of New York or CSS, an independent, not-for-profit organization. Throughout our more than 160-year history, we have been committed to improving the life chances of New Yorkers living in poverty.

Our legacy of achievement includes such innovations as setting up the prototype for the free school-lunch program; starting the first shelter for homeless men; organizing the Society for the Ruptured and Crippled, now New York City's Hospital for Special Surgery; and organizing courses in social work that evolved into the Columbia University School of Social Work.

Thank you for inviting me to share with you my thoughts on poverty in our nation, in particular what we have witnessed in New York City.

Let me begin by commending you, Congressman Rangel, for your exemplary service to our nation, the passion you bring to this institution, and your lifelong commitment to those in need. We stand ready to assist you and this committee in any way we can to strengthen our national resolve to address poverty.

Forty-two years ago the 88th Congress took the monumental step of supporting President Lyndon Johnson's anti-poverty agenda. It was a hopeful time, as is evident in the 1965 annual report of the Council of Economic Advisers that stated: We have the means to break the bonds that tie today's children to the poverty of their parents. With proper measures, we could eliminate poverty in the next generation.

I appear before you today to suggest while some progress has been made, we must return to the task at hand and reinvigorate our efforts on behalf of the poor. My focus today is on the dimensions of poverty in New York City, what we are facing on the ground. And, while the magnitude of the challenge we face is unique due to the sheer size of our city, I know that similar conditions exist in urban communities across the country.

In 2005, CSS issued a report that revealed 16 percent of young people in our city, ages 16 to 24 years old, are neither enrolled in school nor employed.¹ These nearly 170,000 young people - a number that rivals the total population of Providence, Rhode Island - are what researchers have deemed "disconnected," separated from any opportunities that could lead to a life of self-sufficiency and achievement.

¹ See *Out of School, Out of Work . . . Out of Luck? New York City's Disconnected Youth* at <http://www.cssny.org/pubs/research/poverty.html>.

The report found that the city's Black and Latino youth – particularly young men - are twice as likely as Whites and Asians to be out of school and out of work. This predicament is most pronounced in the Latino community, where four in ten young men are disconnected.

Low-income young men of color are being left out of the city's growing prosperity. And therein lies the problem: Growing the economy is not enough to correct this situation. The presence of so many disconnected young people of color not only endangers families and communities. It also jeopardizes the city's economic growth.

We need a comprehensive policy to address the needs of disconnected youth. It must reflect the realities of today's economy, penetrate populations of young people who are outside of mainstream institutions, and provide targeted investments with measurable outcomes. Ultimately, the goal must be to create a well-defined path to economic security for these young people.

And we need a second chance policy specifically to reach out to young men and women who have dropped out. For those with deep educational deficits, this will not be a cheap, quick fix. Short-term, superficial training programs don't make up for 12 years of inadequate education. It will require a more focused approach, with a series of steps from rigorous skill development in a Job Corps type setting, a renewed emphasis on vocational and technical education, to transitional jobs in public service or emerging sectors of the economy.

Our attention must also focus on individuals who can find no place in our labor market. CSS released a report in 2004 that revealed the magnitude of Black male joblessness in New York City that reverberated through the media and city government.² The report found that nearly half of all Black men were jobless in 2003.

And as the members of this committee know, joblessness is not the same as unemployment. Our jobless figures account for all Black men of working age, including those who have dropped out of the job market, a growing group that the government's unemployment statistics ignores.

Since that initial finding, the situation has improved somewhat. Our latest figures show nearly 40 percent of the city's Black men are jobless, a number that is still unacceptable.³ That's about 250,000 people, more people than in many of the cities and small towns or counties represented by members of this committee. Clearly, in addition to engaging Black men in the labor

² See *A Crisis of Black Male Employment: Unemployment and Joblessness in New York City, 2003* at <http://www.cssny.org/pubs/research/poverty.html>.

³ See *Unemployment and Joblessness in New York City, 2005* at <http://www.cssny.org/pubs/research/poverty.html>.

market, we must also re-commit to nondiscriminatory practices and government oversight and enforcement mechanisms.

This isolation from opportunity is not limited to Black men. Our most recent annual examination of poverty in New York City revealed that single mothers heading households comprise a larger share of families in poverty.⁴ It is another example of why there is not an easy fix or a one-size-fits-all solution that can be applied across the spectrum of crises we are encountering.

CSS is also confronting the problems of the working poor. Working poor ought to be an oxymoron, but in fact it is an ever-expanding group of Americans.

We conduct an annual survey of New York City's low-income residents, aptly named "The Unheard Third" since one-third of the city's residents live in or near poverty. As far as we know, this is the only regular survey of low-income opinion and attitudes in the nation.⁵ It gives us vital information for our work since we get direct feedback from our primary constituency.

Our latest survey found that nearly 60 percent of low-income New Yorkers were working, nearly half working full time. A report CSS produced and commissioned by the Service Employees International Union, Local 32BJ, on New York City's private security guards, reinforced our survey data on the working poor.⁶

New York City's 63,000 private security guards provide the first line of defense for tenants and visitors in office buildings as well as retail stores, schools, and religious institutions. Almost 95 percent are non-union. Over eight in ten are male and mostly men of color. The median hourly wage for guards in the New York City area is only 55 percent of the median for all workers in the New York metropolitan area. Most labor without a single day of paid sick leave and few receive health benefits on the job. The result is a workforce with low morale and high turnover.

What we have learned from the aforementioned example is that unions continue to play an important role in securing livable wages and benefits and raising workplace standards to the benefit of workers and employers. The absence of unions leaves hard-working men and women with little

⁴ See *Poverty in New York City, 2005* at <http://www.cssny.org/pubs/research/poverty.html>.

⁵ See <http://www.cssny.org/research/unheardthird/index.html>.

⁶ See *Shortchanging Security: How Poor Training, Low Pay and Lack of Job Protection for Security Guards Undermine Public Safety in New York City* at <http://www.cssny.org/pubs/research/poverty.html>.

protection from the often-arbitrary actions of employers and the unpredictable nature of market forces.

We also need to reward legitimate, steady work. The Earned Income Tax Credit has been one of our most successful policies in making work pay and especially in drawing more low-income parents into the labor force and enabling them to rise out of poverty. But the EITC leaves out exactly the group with the highest rates of joblessness. The Earned Income Tax Credit should be extended to childless adults ages 18 to 24, comparable to that available to parents of two children.

To their credit, our city's elected leadership has reacted responsibly to what CSS, and other organizations, have identified as a crisis in our city.

Mayor Bloomberg recognized the possibilities for employment in the city's burgeoning construction industry. But it was Chairman Rangel who induced the mayor to create the Commission on Construction Opportunity. And we have seen the results of the commission's work: a new High School for Construction Trades, Engineering, and Architecture that opened last fall; and 40 percent of construction industry apprenticeships earmarked for formerly excluded groups and individuals – an unprecedented agreement with the city's trade unions.

The New York City Council, under the leadership of former Speaker Gifford Miller and continued by Speaker Christine Quinn, has piloted the New York City Works program – a citywide effort to stem the tide of joblessness by identifying prospects for employment, providing job preparation, and connecting individuals to work. So far, nearly \$20 million has been earmarked for this program.

Likewise, Mayor Bloomberg's Commission for Economic Opportunity, on which I served, is a significant milestone for our city.⁷ The commission took a targeted approach, focusing on three distinct groups of the poor in New York City: working poor adults, young adults ages 16 to 24, and children age five and under. The mayor has committed \$150 million to develop policies that address their immediate needs and create avenues for sustained mobility throughout the course of their lifetimes.

This is a start. With the proper political will, we can turn hope into reality. Imagine an America where poverty is not accepted as a permanent condition. I am encouraged that the 110th Congress will, without the rancor of partisan rhetoric, see fit to build upon the tremendous legacy of the men and women who served in this institution four decades ago. Our finest hour has yet to come but the clock is ticking. As was expressed in 1965: we do have the

⁷ See http://www.nyc.gov/html/om/pdf/ceo_report2006.pdf.

means to break the bonds that tie today's children to the poverty of their parents.

I can provide copies of our reports or survey findings to the members of the committee or the committee staff. And I'll be happy to answer questions about our experiences in New York City and the implications across urban communities throughout our nation.

Thank you.

For 160 years, the Community Service Society of New York has been the leading voice on behalf of low-income New Yorkers and continues to advocate for the economic security of the working poor in the nation's largest city.