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Goodbye Luis, Welcome to the Jobless Ranks Left Margin By Carl Bloice

BlackCommentator.com Editorial Board

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Approaching touchdown on an international flight on a U.S. air line a couple of weeks ago, the cabin crew had a special announcement: "For one of us this will be the last trip," said the attendant. "As you know the company has been furloughing a number of employees. One of us, Luis, will not be returning. Let's give a big hand to Luis." Most people aboard clapped. I was so taken aback that I couldn't get my hands together in time. What, I wondered, were we applauding? Surely not that Luis joined the growing ranks of the unemployed. Clearly it was an expression of solidarity for someone who suddenly lost his means of earning a living.

Luis is certainly not alone in his new status. Staff reductions in the travel tourism industry have been underway for some time, and since the start of capitalism's latest crisis they have been drastic. Back in April, Air France unveiled plans to eliminate 2,500 jobs over the next two years by not replacing retiring workers and not renewing short-term contracts. Back in July, United Airlines, citing "this challenging economic environment" announced it had avoided layoffs when about 2,100 flight attendants agreed to take voluntary furlough or other steps. Then Continental Airlines announced a cut 1,700 jobs on top of a previous decision to lay off 500 reservations agents and 700 flight attendants. Last month, Japan Airlines Corp., said it was considering slashing

5,000 jobs over three years, or 10 percent of its workforce. In July British Airways announced it was considering cutting 2,000 attendants and 1,500 from its ground crew.

I thought again about Luis the other day when the latest employment figures were released by the labor department. Which one was he? Does he have a family? A mortgage? How did he react to the applause?

While the anticipated decrease in the number of jobs lost in the economy in August was cited as new evidence of a green shoot in the still dark economy terrain, the jump in the overall unemployment rate from 9.4 percent to 9.7 percent was unanticipated by the experts. Nearly seven million jobs have been lost since the recession began in December 2007. There are now about 14.9 million people in the country looking for work and over one third of them have been jobless for over 27 weeks.

One alarming statistic emerges from the latest report. In August there were 758,000 women and men who once actively sought work but, for at least a month, have given up the search in futility. In November 2007, the number of such "discouraged workers," was 349,000.

The August figures mean that the nation is still on track to reach a 10 percent jobless rate by Christmas. And there are suggestions now that even that figure could be exceeded by year's end. The Obama Administration has consistently made it clear that it expects the job situation to go on worsening. Labor Secretary Hilda Solis says that while she is pleased to see some "moderation" she told Fox Business News, that "we know that we are still going to continue to see some more job loss and we know it was predicted to go up."

One thing that can always be anticipated when the jobs statistics are released is the unemployment burden will not fall equally on all segments of the population. When the current economic downturn began the jobless rate among African Americans stood at 8.4 percent; it has risen to 15.1 percent. The rate for Latino workers rose 0.7 percentage points in August to 13 percent, compared with a 0.3 percentage point rise to 8.9 percent for white workers.

According to the August Jobs Report from the Bureau of Labor Statistics:

- The jobless rate for African Americans stands at 15.1 percent, up 6.2 percentage points from in December 2007.
- Over the same period the share of African Americans with a job has decreased 5.0 percentage points to 52.8 percent.
- The unemployment rate for black women age 20 and over has risen 4.8 percentage points over the past year and half.
- The unemployment rate for African American males 20 and over is 17.0 percent, 8.8 percentage points higher than at the start of the recession; more than one in six black men, age 20 or over, is unemployed and actively searching for work. The median duration of unemployment for African American men is 21.8 weeks, much higher than the median duration of 15.6 weeks for white men.

- One in three African American and Hispanic teenagers are unemployed, compared with 1 in 4 for white teens.

"It's a good picture compared to where we were, which was just a free fall," says Dean Baker, a director of the Center for Economic and Policy Research, referring to the August numbers. "But compared to anything else, this is just a horrible report. The rate of decline is slowing, but it's not going to stop. We're likely on a path toward more than 10 percent unemployment."

"The slower rate of job loss is the result of further moderation in the pace of job loss in the sectors that have been the biggest job losers," says Baker. "Construction lost 65,000 jobs in August, down from 119,000 per month between October and March. Most of this job loss is now coming from the non-residential sector. However, Baker observes, while there has been some stabilization in the housing market the non-residential commercial market faces a "sharp contraction."

"These days, the people who buy and sell office buildings, shopping centers, warehouses, apartment buildings and hotels are hardly in a festive mood, despite some recent encouraging signs relating to the job and housing markets and a recent increase in sales of small office buildings," reported the *New York Times* September 1. The article spoke of the market being in an early stage of a crisis that will see "a spate of defaults, foreclosures and bankruptcies that could surpass the devastating real estate crash of the early 1990s."

"It has become commonplace to explain each dismal job report by saying that a resurgence in employment always lags general economic recovery," the *New York Times* said editorially last week. "But with the job market severely wounded, and with consumer spending expected to be weak for a very long time, it could easily take until 2014 for employment to recover. It's safe to say that five years or more of subpar job growth is not what most people have in mind when they think of a 'lag'."

"Everybody is looking around saying, 'Where is a robust recovery going to come from?' and not finding it," said Heidi Shierholz, an economist at Economic Policy Institute. "It's going to be a rocky recovery. We're going to have elevated unemployment for four years to come."

Where to from here?

"American workers are ready to roll up their sleeves and get back to work," President Obama said in a Labor Day address to the AFL-CIO. But it's going to take a lot more than bare arms and his assurances that recovery is just around the corner to make this happen. The financial world may have stabilized a bit and the rate of job loss declined but the need for bold government action remains urgent.

As *Associated Press* Business Writer Christopher Leonard put it last week, "job cuts in August were lower than they've been in recent months. But a deeper look at the data shows why it will take millions of new jobs to dig American workers out of this recession's deep pit. "

"There are three parts to the woes of American workers - falling wages, rising

unemployment, and insecurity about the future,” wrote American Prospect co-editor Robert Kuttner. “More robust policies could improve all three. For starters, we need a second stimulus bill. It could begin with emergency federal aid to state and local governments that are laying off workers and cutting services in a recession. We also need policies to create more jobs and raise wages for the long term.”

“The high unemployment rate has brought increased criticism of U.S. President Barack Obama’s economic strategy,” wrote one foreign wire service reporter last week. Ridiculous, you say. It may not be a widespread sentiment today, however, considering everything else the reactionaries have engaged in its efforts to destroy the Obama Presidency; that charge is just waiting to be trotted out.

“The Obama administration is on the defensive on health care in part because it is promoting an ambiguous and ultimately feeble health reform bill, but partly because health insurance has become a lightning rod for larger economic fears,” writes Kuttner. “Voters are not yet convinced that this president is on their side in the battle for economic security. Major steps to improve job opportunities and wages would be a good place to redeem the popular good wishes that accompanied President Obama as he took office.”

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