

**The
BLACK
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Commentary, analysis and investigations
on issues affecting African Americans
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Cover Story
Putting a Smiley Face on the Job Picture
Can't Evade the Growing Tragedy
Left Margin
By Carl Bloice
BlackCommentator.com Editorial Board

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Michael T. Darda, chief economist at the research and trading firm MKM Partners, probably summed up last week's message from Washington best, telling the *New York Times*, "Less bad is always a prelude to good."

The things one learns.

We are being asked to believe that the results of the "stress tests" were "not as bad as some had feared." And, that while the April unemployment figures "remain high," the "freefall may be slowing." Furthermore, one economist says that while a decrease in no-government payrolls "is disastrous," it is "less disastrous than before."

Thank the Lord for small favors, but to a lot of people these observations are not likely to be all that reassuring. Especially to those in the growing ranks of the unemployed, especially African Americans whose jobless rate rose to 15 percent in April. It is little comfort for the 17. 2 percent of black men now officially out of work, or the young African Americans who jobless rate now stands near 35 percent, over 10 points higher than it was last April.

But never mind and stop whining. Last Friday, the *Times* assured us that because the worsening employment situation "was slightly milder than expected," the April jobless stats were "buoying hopes that better days are approaching." "It's just not getting worse at an accelerating rate anymore, and that's often sign of better days ahead," observes economic writer David Leonhard, even though "All in all, this was one of the

worst jobs reports in the last 30 years.”

“April proved to be a dismal month for technology sector jobs and overall employment, but there may be a light at the end of the tunnel,” said the people at TechCrunch.com, but “the pace of layoffs, at least in the tech sector, may be decelerating.”

You’ve got to hand it to President Obama. While he tries to be reassuring, he is seldom Pollyannaish. He said he found the slowing rate of job loss encouraging; still the recovery some people are looking for could take months or years.

Meanwhile, in one month – March to April – the official unemployment rate for Black male workers over 20 years-of-age increased from 15.4 percent to 17.2 percent. For African American women it went from 9.9 percent to 11.5 percent. In New York City, the jobless rate for black men is reported to be somewhere near 50 percent.

Over the past two years joblessness has swelled in all major demographic groups. The jobless rate for white male workers increased from 8 percent to 8.5 percent in April. And for Latino workers the rate is now 11.3 percent

The jobless rate for African American between 16 and 19 years old rose 32.5 percent to 34.7 percent between March and April and the rate for young Latinos went from 24.9 percent to 26.5 percent over the same period.

Actually, economists say, the real over jobless rate for the nation is 15.8 percent if you figure in what the Bureau of Labor Statistics records as people who are “neither working nor looking for work but indicate that they want and are available for a job and have looked for work sometime in the recent past” and those employed part time for economic reasons or those who want and are available for full-time work but have had to settle for a part-time schedule.” Right now 23 million people are unemployed or underemployed.

“For those out of work, this recession has already proven to be the most punishing since the government began tracking the length of unemployment in 1948: Among the officially jobless, 27.2 percent were unemployed for more than six months, the highest figure on record.” reported the *Times* last week.

Referring to the latest government statistics, Dean Baker of the Center for Economic and Policy Research, commented, “While optimists will be inclined to find ‘green shoots’ in this report, on a close examination there is not much good news here. There appears to be some decline in the rate of private sector job loss, but this will largely disappear if the revisions follow the same pattern as in prior months. Furthermore, the slowdown in wage growth (almost zero in April) suggests that workers’ purchasing power will be falling in the months ahead.”

“We have to start facing up to the fact we’re headed for an unemployment rate above 10 percent,” said Lawrence Mishel, president of the Economic Policy Institute, adding that the rate “will stay high for quite a while.” Mishel told Baker last week, that poverty and homelessness are increasing and “There are a whole lot of people who are going to be economically desperate for many years.”

Addressing the rising African American jobless rate, President Obama said April 29,

"Keep in mind that every step we're taking is designed to help all people. But, folks who are most vulnerable are most likely to be helped because they need the most help.

"So when we passed the Recovery Act, for example, and we put in place provisions that would extend unemployment insurance or allow you to keep your health insurance even if you've lost your job, that probably disproportionately impacted those communities that had lost their jobs. And unfortunately, the African-American community and the Latino community are probably overrepresented in those ranks.

"When we put in place additional dollars for community health centers to ensure that people are still getting the help that they need, or we expand health insurance to millions more children through the Children's Health Insurance Program, again, those probably disproportionately impact African-American and Latino families simply because they're the ones who are most vulnerable. They have got higher rates of uninsured in their communities.

"So my general approach is that if the economy is strong, that will lift all boats as long as it is also supported by, for example, strategies around college affordability and job training, tax cuts for working families as opposed to the wealthiest that level the playing field and ensure bottom-up economic growth.

"And I'm confident that that will help the African-American community live out the American dream at the same time that it's helping communities all across the country"

Last week the President announced steps in keeping with his remarks the week before to help those out of work to acquire additional education and training, and retain their jobless insurance while doing so. The Administration, he said, will ask states to make it possible for the unemployed to enroll in community colleges and training programs without giving up their unemployment insurance benefits. Under the proposal, enrollment in college or technical school would be sufficient evidence to qualify for benefits. Additionally, The Education Department will step up efforts to find financial aid packages for the unemployed. For instance a jobless person could receive a Pell education grant while not forfeiting their unemployment check.

"Our unemployment insurance system should no longer be a safety net, but a steppingstone to a new future," Obama said. "It should offer folks educational opportunities they wouldn't otherwise have" and give them skills they need to "get ahead when the economy comes back."

The Administration has not spelled out how big such an undertaking will be and how many in the growing ranks of the jobless will benefit. Of course, anything that will make it possible for those out of work to survive and secure education and training in anticipation of the day – months or years from now – "when the economy comes back" will be a major step forward. But we will still be dealing with a finite number of jobs. Another feature of the government statistics released last week is that while those with minimal education suffer disproportionately, the loss of jobs is affecting those higher up on the educational level at a rising rate. The jobless rate for college graduates is only half the average but it is rising and stands higher than it has for about three decades.

Furthermore, the announced plan is voluntary on the part of the states and considering that some recalcitrant governors are refusing federal stimulus aid it will be interesting

to see how many will be willing to make it easier for the unemployed to go back to school.

"Our safety net in this community is in tatters and we need help. It's wonderful to have job training dollars, but we have to have jobs to train people for. It's important to have unemployment insurance and we thank the administration for the extensions, but what we really need is work," said State Senator Deborah Cherry, who represents the area around Flint Michigan.

Just as ultimately the answer to homelessness is housing, the answer to joblessness is work. For this reason many economic observers are calling for even greater economic stimulus efforts that the Administration and the Congress have undertaken so far. "Every downturn comes to an end," economist Joseph Stiglitz told the *Times*. "The question is, how long and deep this downturn will be? In spite of some spring sprouts, we should prepare for another dark winter: it's time for Plan B in bank restructuring and another dose of Keynesian medicine."


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BlackCommentator.com Editorial Board member Carl Bloice is a writer in San Francisco, a member of the [National Coordinating Committee of the Committees of Correspondence for Democracy and Socialism](#) and formerly worked for a healthcare union. Click [here](#) to contact Mr. Bloice.

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