



CENTER for
COMMUNITY CHANGE

Testimony Provided By:

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“Out of Work but Not Out of Hope:

Addressing the Crisis of the Chronically Unemployed”

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I thank the Congressional Black Caucus for the opportunity to provide testimony at this critically important hearing to address the crisis of the chronically unemployed. The mission of the Center for Community Change is to build the power and capacity of low-income people, especially low-income people of color, to change their communities and public policies for the better. We believe that vibrant community-based organizations, led by the people most affected by social and economic injustice, are key to advancing progressive social change.

The labor market is bleak: unemployment remains at its highest levels in 60 years, with roughly 15 million people officially counted as unemployed and over 11 million more who are underemployed or too discouraged to look for work. Tragically, the unemployment rate among African Americans is 15.8%, nearly twice as high as among white workers.

Families and communities are being devastated by the effects of this recession: family incomes are at their lowest levels in a decade; one of every eight mortgages is in foreclosure; and one of every four children in the United States now receives food assistance. Absent bold and immediate action these conditions are projected to persist for several years.

A necessary part of the response to the current crisis is the “Local Jobs for America Act” developed by Education and Labor Committee Chairman George Miller, and co-sponsored by Congressional Black Caucus Chair Barbara Lee, Representative Keith Ellison and many others. We strongly support enactment of this legislation. The central feature of the bill is a direct job creation program modeled in many respects upon the Put America to Work Act, which was introduced by Congressman Ellison and cosponsored by many members, including several of the members of the Congressional Black Caucus. We thank Congressman Ellison and the CBC for your leadership on this issue. Grassroots groups throughout the country with whom we are working on jobs issues have also identified the bill’s Local Community Jobs Program—a direct job creation program that provides targeted relief to low income communities and communities of color—as their top priority in response to the current jobs crisis facing their communities. They developed ideas about direct job creation that have informed the legislation proposed by Congressman Ellison as well as the direct job creation provisions in Chairman Miller’s bill. They have and will continue to generate support for these initiatives.

The Local Community Jobs program that would be established under Chairman Miller’s legislation would provide \$75 billion, primarily to local governments throughout the country, to save and create ¾ of a million jobs in public agencies and community-based organizations providing critically needed services. Saving existing jobs that are at risk because of deteriorating public budgets is critically important, as are the range of services that are at risk if such jobs are lost. Newly created jobs would be temporary, good jobs with benefits and decent wages to help get us through the recession. The income people earn will provide a direct stimulus to the local economy and help the private sector recover.

This program is a key piece of a comprehensive agenda to address joblessness that is inclusive of low-income, minority communities who are being hit hardest by the economic crisis. Components of the legislation that are particularly important to our communities include the following measures:

- The formula developed for the distribution of these funds would target communities with higher than average poverty and unemployment rates.
- In addition, priority for funding community-based organizations would be placed on those CBOs working in communities with poverty rates exceeding 12% and unemployment rates at least 2 percentage points higher than the national average.
- Public agencies and community-based organizations would be required to focus recruitment for new jobs among the long-term unemployed, those who have exhausted unemployment benefits,

those who earned too little to qualify for unemployment before they became unemployed, and veterans.

The goals of these provisions are to focus job creation on the communities and workers hardest hit by the recession, as well as to focus the restoration of needed services in these communities. Because the focus of the program is on creating jobs that will meet community needs, everyone benefits—those who get jobs *and* those in our community who will benefit from the services workers in these jobs will provide.

Over the long term, this proposed investment in a Community Jobs program will (1) create job opportunities that foster participants' readiness to work and impart job-related skills that will make residents more employable once the economy has turned around, sustaining long term local economic development; and (2) strengthen the social and economic infrastructure of low-income communities—filling gaps in public services, providing the resources and workers to rebuild community infrastructure, and expanding the capacity of community-based non-profits, which will contribute to a more productive, stable national economy.

In addition to the Local Community Jobs program, the “Local Jobs for America Act” would provide: \$23 billion for education jobs in elementary, secondary, or post-secondary schools; \$500 million for on-the-job training programs, with half of those funds directed to individuals who live in areas where the poverty rate exceeds 12% or where unemployment is 2% higher than the national average; and \$1 billion to preserve and create jobs for law enforcement officers and firefighters.

Beyond enactment of the Local Jobs for America Act, further measures are needed to help chronically unemployed people get back on their feet and to revitalize our hardest hit communities. Some of our additional priorities in these areas include:

- Extending through FY 2011 the time during which states and localities are allowed to use existing TANF Emergency Contingency Funds and providing an additional \$2.5 billion for this program for FY 2011. This program has been successful in creating subsidized jobs, as well as improving access to cash assistance and other one-time assistance for low-income families.
- Investing \$1 billion to hire workers to maintain and rehabilitate abandoned and foreclosed properties in neighborhoods by appropriating a second round of funds for the Neighborhood Stabilization Program (NSP). Under this proposal, at least 30 percent of new NSP jobs would be required to go to economically disadvantaged job-seekers, prioritizing hiring workers with low-income and low levels of education, and those not currently receiving Unemployment Insurance. At least 30 percent of hires would be required to be low-income residents from the areas in which projects are funded.
- Continuing the extension and improvements to our Unemployment Insurance program and help with COBRA premiums, as enacted in the Recovery Act, must be extended at least through the end of 2010.

Now is the time to invest in our workers and rebuild our communities. Just as we have at other desperate times in our country's history, a government instituted direct job creation program should be part of the solution to extreme unemployment. Such programs put people back to work and provide necessary income, while helping to rebuild and restore our communities. We can see the path forward toward economic recovery and it requires a real investment in people and our communities. We applaud the steps Congress has taken thus far and encourage the next steps to happen quickly and effectively.