

Unemployment takes growing toll in New York City

A reporting team
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New York City has been one of the US metropolitan areas hardest hit by skyrocketing unemployment. The city had been somewhat insulated from the destruction of jobs elsewhere in the country, which began early last year. As late as August of 2008, employment was still rising thanks to New York's service sector, tourism and professional services. Now, however, it is being hit by the full force of the crisis.

The unemployment rate in New York City is expected to reach the 10 percent level very soon. The most recent monthly figure showed a jump from 6.9 to 8.1 percent, a record increase for a one-month period in the city.

New York's jobless numbers have nearly doubled in only a year, with 325,700 officially counted as unemployed in March. The collapse of three of the city's big five investment banks in 2008 was accompanied by the mass layoffs of tens of thousands of employees at these institutions as well as elsewhere in the financial services sector. The layoffs quickly spread to the city's huge law firms.

Unemployment is now spreading rapidly from these areas to other sectors of the economy. Hotel and restaurant services are particularly hard hit, as the decline in tourism, entertainment and other discretionary and luxury spending exacts its toll on a mostly lower-paid work force.

According to the US labor department, the city lost 52,300 jobs in the transportation and utilities sector since March of last year; 37,000 in manufacturing; and 30,200 in financial activities. A total of nearly 200,000 workers have suffered layoffs in the past year.

Health care and other public services, including several hundred thousand government workers, have not yet faced large numbers of job cuts, but New York Mayor Bloomberg has already announced that 7,000 layoffs are likely, on top of 8,000 jobs to be lost through attrition.

The city's mass transit system faces a combination of fare increases, service cuts and layoffs. The Metropolitan Transportation Authority has set in motion fare hikes averaging 23 percent, and announced a May 31 deadline for enacting the increases and service cuts, unless New York State comes up with legislation increasing state aid. The MTA gave the Transport Workers Union the names of 600 transit workers who face imminent layoffs. In addition, another 500 subway and bus

workers may lose their jobs by the end of the year.

For those who are laid off, unemployment benefits amount to a maximum of \$430 a week, an amount that is far short of what is needed to survive in the city. It would not even cover the average rental for a studio apartment in Manhattan. And many of the jobless are losing even that. Benefits for 56,000 unemployed in New York state as a whole are set to run out this month, with 8,000 more a week losing benefits every week thereafter.

The unemployed also face continuing efforts to deny them access to welfare assistance. The welfare rolls have been drastically slashed since the bipartisan welfare "reform" legislation enacted under the Clinton administration in 1996. Work rules, time limits and strict sanctions for missed appointments or other procedural infractions have all been used to cut the numbers of those receiving public assistance.

A report issued last week by the Federation of Protestant Welfare Agencies described the current situation. Even as the welfare rolls have continued to decline in the past decade, applications for assistance rose in the city from 221 in 1999 to 341,000 in 2007. The percentage of applications denied or withdrawn has sharply increased. "A lot of the unemployed New Yorkers who have lost their jobs in this recession are going to encounter barriers to social services that are meant for them," said a spokesman for the FPWA.

The growing ranks of the unemployed have turned out by the thousands at job fairs held in the city in recent months, even though they know they have little prospect of finding work under the present conditions. WSWs reporters spoke to some workers who recently attended a job fair at the Radisson Martinique Hotel in midtown Manhattan.

Gerrick, 45, has been out of work for one year. He told the WSWs: "I was working in accounts receivable for a brokerage firm that merged with another one. As a result, most of us got laid off. I have been surviving on unemployment benefits. I think I have about ten weeks of benefits left.

"I have been actively looking for a job for the entire past year, and have been to about 25 job fairs. Every opportunity I get, I go to a job fair. A lot of employers say I have no experience in the kind of work that they are looking for. They are very polite about it, but I am still out of work. The previous job fairs are a lot like

this where you have to stay out in the chilly weather and wait until you can get into the hotel.

“If I do not find a job soon and my unemployment insurance runs out, I really do not know what I will do. Right now, my income is about less than half of what I was earning. I am able to pay my bills because of what I had previously saved.

“I am 45 years old, and I know that it is definitely harder for someone 45 years and older to get a job than it is for someone who is younger.”

Chelsea, 24, said she was working part-time in a restaurant, but had come to the job fair in search of full-time work. “I used to be working for a travel agency for about a year in California,” she said. “Obviously, as the economy was going down, they needed less people and I was one of those who got laid off.

“I then decided to come to New York, which has been a dream of mine since I was ten years old. I have friends here. I have been here for about two months working in a restaurant a couple of nights a week, which really doesn’t pay the bills. I went to one job fair in Orange County, but this is my first in New York. This is a big line. In California, they offered me a lot of sales jobs, but I am not a pushy kind of person. I really am the exact opposite of that. I don’t think I would be good at it and I don’t think I could handle that kind of work.

“When I was laid off from my job in California, I had to become a waitress there. I promised myself that I would never do that kind of work again, but here I am in New York doing the same job.”

Ana, 52, said she had been unemployed for one month. “I was doing retail,” she said. “I was only working 20 hours a week, which is not enough to pay the rent. I was working a year and a half for them. Before that I was a receptionist for only six months.

“I actually have had a lot of jobs. I have been working under a lot of emotional and financial stress because I am a caregiver—I have an elderly mother at home. Right now, I am getting unemployment insurance, food stamps, and housing benefits. However, this does not pay my bills.

“This is my third job fair. They are not going to hire everybody. I already know this. There are simply not enough jobs to go around. It is also a lot harder for many older people to find a job. What are older people supposed to do? If one doesn’t work and build up their Social Security, then there is not enough of a benefit for one to live on.

“Obama’s stimulus package is not doing any good. When it comes to helping ordinary people the government is very slow, very bureaucratic, involving a lot of paper work. The people in Congress and the Senate don’t have a clue as to what working people are going through every day. It is a lot different when it comes to bailing out the financial companies—they have a lot more pull than I do. They are the ones who have the connections.”

Nicole Moore, 40, said that her unemployment benefits had run out in October. “I was an office manager for a small photography company that employed four people,” she said. “With the economy going down, we didn’t get as many contracts as we used to. I was working for them for two years. Before that I was also an

office manager for another company for about four years. I got a masters degree in Germany in business administration that was transferred here.

“It is very difficult to find a job because companies are very, very picky. Even though I have education and work experience and am very qualified and learn quickly, it has been very difficult. If my resume doesn’t fit a hundred percent what the employer is looking for, there is no way to be considered. While I have gotten first interviews and some second interviews, I am the mother of small children, and when this issue comes up I feel the interview is over. It is discrimination against working mothers.

“I send out about 20 job applications a week. I have gone to so many job interviews that I can’t even remember the number. I can say at least two a week. Since I started looking for a job, things have only gotten worse.

“I don’t think that we have reached the bottom yet. So many of my friends have lost their jobs from companies like Lehman Brothers, big banks like Chase and Citibank as well as smaller banks, and insurance companies. Some of my friends are forced to do freelance work which is essentially like working part-time because that is all the companies are willing to pay. This amounts to cutting full-time jobs, which reduces wages and benefits. I am very angry about this because the companies are squeezing all that they can from people. It is not the way work should be. It is not right. People are being squeezed financially and losing their homes.

“My unemployment insurance has run out since October. I am receiving public assistance right now, which just keeps me alive. I have two small children—one is one and a half and the other is three and a half. I left my husband and I am in a domestic violence shelter right now.

“This is a direct result of the economic pressures, I think. He is a carpenter, and because of the economy he hasn’t worked in quite a while, and this caused domestic problems. He used to work ten months out of the year, then six months out of the year, and he did not work at all last year. The way the system works, I have to move from one shelter to another. One saying that is very true today, even though it is kind of a cliché, many of us are just one paycheck away from being homeless.”



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