

THE NEED FOR PUBLIC SERVICE EMPLOYMENT

The Urban Coalition Action Council

At the time of the original convocation that created the national Urban Coalition in 1967, the Steering Committee of that convocation stated its position on public service employment. That statement called for immediate legislative action based in part on the following principles:

- 1) "The Federal government must enlist the cooperation of government at all levels and of private industry to assure that meaningful productive work is available to everyone willing and able to work."
- 2) "To create socially useful jobs, the...program should concentrate on the huge backlog of employment needs in parks, streets, slums, countryside, schools, colleges, libraries and hospitals..."
- 3) "The program must provide meaningful jobs--not dead end, make work projects..."
- 4) "Basic education, training and counseling must be an integral part of the program...Funds for training education and counseling should be made available to private industry as well as to public and private nonprofit agencies."
- 5) "Such a program should seek to qualify new employees to become part of the regular work force and to meet normal performance standards."
- 6) "The operation of the program should be keyed to specific localized unemployment problems and focused initially on those areas where the need is most apparent."

On April 1, 1968, in testimony before the Subcommittee on Employment, Manpower and Poverty of the Senate Committee on Labor and Public Welfare, John W. Gardner, chairman of the national Urban Coalition Action Council, reaffirmed the convocation's statement. Mr. Gardner's testimony also made public for the

first time the preliminary conclusions of a study by Dr. Harold Sheppard of the Upjohn Institute.¹ Dr. Sheppard was commissioned by the Urban Coalition to survey the public service needs of a sample of major cities and to examine the general problems of underemployment and unemployment in this country in terms of those needs.

Sheppard's study, released in final form in January of this year, dispelled some myths which have greatly influenced past thinking on unemployment and underemployment; about the poor who do not work and the much larger group of poor who do. For example, 85 to 90 per cent of the poor who do not work are ill, disabled, in school, or in the case of many women, they are unable to enter the labor market at all because of home responsibilities.

Sheppard's analysis emphasized the critical facts about the underemployed, who he defines as those who work and are still poor. In any analysis of what constitutes the poor in this country, underemployment looms as large--if not larger--than unemployment. Sheppard found that, conservatively, almost five million people in this country were underemployed. This is a significant figure since it includes by definition people who work and are still poor, and does not include unemployed as defined by the Federal government.

¹Harold L. Sheppard, The Nature of the Job Problem and the Role of New Public Service Employment, the Upjohn Institute, January 1969

Sheppard advanced an even more startling theory, based on Bureau of the Census statistics, on the number of poor families in the labor force and the per cent having two or more wage earners. Using this method, Sheppard concluded that in 1966 at least six million members of families worked on some basis and were poor. In addition, there were 1.3 million unrelated individuals in the labor force at the same time. Therefore, there are perhaps as many as 7.3 million men and women who are labor force participants and yet are poor. He concludes that most of them are employed but still do not earn enough to raise their families or themselves out of poverty.

Equally significant weight must be given to the quality of the unemployed in terms of age, location, duration, etc. The quality can have serious consequences for the cities. At the time of the Sheppard study, the Office of Economic Opportunity estimated that the central cities contained nearly 1.3 million job seekers or underemployed poor persons of whom 33% were in the 16-21 age group (1966 figures). 1968 figures for Detroit show that the unemployment rate for the city as a whole was 3.8%, but for 16-19 year olds it was 13.6%. Unemployment in the central city, both white and nonwhite, was 11.2%. In round numbers there were almost 22,000 unemployed in Detroit between the ages of 16-19. In the central city there were 34,000 people of all ages unemployed.²

In Los Angeles, 35,000 were between 16 and 19 and the total for the central city was 71,000. One must conclude that the bulk

²The data for Detroit and Los Angeles are from the Supplement to the President's 1969 Manpower Report and are averages for the calendar year 1968. Data is also available for 18 other cities.

of the unemployed are in the central city; and if Sheppard's conservative figures on underemployment are considered, there is today a strong concentration of unemployed and underemployed in the central city, and many are in the 16-19 age group. None of these figures will startle anyone. Yet, measured against achievement much remains to be done.

Sheppard's analysis of the "needs" of the cities was done by a survey of 130 cities with populations of 100,000 or more. Although not done in depth, the general conclusions of the survey established the fact that in these cities there were at least 280,000 potential positions which were needed but not filled and not budgeted. Even more significant was the fact that the city representatives estimated that there were at least 140,000 of these jobs that did not require technical or professional training and could be filled by inner-city residents. Contrary to popular belief that these jobs by definition were make work, 30 per cent were in education of which over 27% were nonprofessional, 12.4% were in health and hospitals of which 13.3% were nonprofessional, and 25% were in police, fire and sanitation of which over 23% could be filled by nonprofessionals. Most people would consider these categories of work to be essential to the efficient and productive operation of a city.

It is the conviction of the Urban Coalition Action Council that the present requirements of the cities and the unfulfilled promises of jobs can be matched. Such a program will have a positive impact on the problems of unemployment and underemployment.

But it cannot be done without some Federal support for city budgets, state budgets, budgets of nonprofit institutions such as hospitals, all of which are shrinking under the pressure of rising costs. Yet the demand for service to the community remains and grows.

The private sector is playing a critical role in the employment of the disadvantaged. The JOBS Program³ has had a substantial impact in the communities where it has been operating for more than a year. Despite excellent organizational and promotional efforts and the dedication of thousands of individual businessmen, the private sector has not been able to attack the total problem. No one can expect the private sector alone to do the job. In fact, the private sector should not be asked to do the whole job. Not only can they not be expected to do it, they cannot do it.

In June 1969 the Secretary of Labor announced that 2,370 employers agreed to hire and train 71,796 disadvantaged workers with Federal assistance. The goal is 238,000 by June 1970 and 614,000 by June 1971. This enormous effort must be continued, but even if we recognize that a much larger group has been employed through the normal channels of companies, Los Angeles alone needs more than 71,000 job opportunities for the central city right now.

Although several bills relating to public service employment were introduced in the 90th Congress, Congress has failed to act in this important area. Independent pieces of legislation and manpower "fall out" from other legislation considered to be

³Job Opportunities in the Business Sector, conducted by the National Alliance of Businessmen

public service employment-oriented are on the books. New Careers and the Work Incentive Program (WIN) are examples. Quite apart from whether the proliferation of programs, both private and public sector oriented, requires a more comprehensive approach and a more efficient delivery system, present programs apparently are not reaching significant numbers of the unemployed and under-employed.

The present Administration is mindful of this. The Department of Labor recently circulated for comment to interested parties a detailed program draft to be called Public Service Careers Program. The program is scheduled to be announced in early August, and one can assume that the recent draft represents the Administration's current thinking on this subject.

The draft paper basically agrees with Dr. Sheppard's statement of the program. The Administration's analysis emphasizes that:

- 1) There is an increasing need for trained manpower in the public sector at all levels of government
- 2) Underemployment is a key problem
- 3) A public service program should not be an 'employer of the last resort program' nor merely another training program
- 4) The Administration proposes to break down a wide range of barriers to employment of the disadvantaged and implement upgrading of current employees
- 5) Federal funds will be made available for supportive services, i.e. training and remediation, transportation and day care facilities, job restructuring, sensitivity

training for supervisors. Fifty million dollars in Title I-B Economic Opportunity Act monies will be requested.

The Secretary of Labor has stated that the Federal government investment per trainee in the JOBS program is \$2,915. Using three thousand dollars per person and not taking into account any additional investment that may have been made by the private sector for each JOBS trainee, the proposed Public Service Careers Program would generate about 16,000 jobs for the entire nation.

The justification that the Labor Department uses for its limited efforts in the public sector is the assumed need for experimentation (For example, will the hire-first train-later principle work in the public sector), and to determine whether or not such programs can succeed without some form of Federal wage subsidy. Representatives of major cities have already indicated to Department representatives that Federal wage subsidies in some form are necessary; that they face continuing deterioration of essential as well as desirable services; that budgetary pressures are such that the recruiting, training, and supplying of supportive services is meaningless if the jobs cannot be sustained in the city system or the hospital, no matter how badly needed.⁴

The Administration's analysis of unemployment and under-employment problems and the imperative and growing need for a public service manpower program supports the analysis of the

⁴This explains the reaction of some city representatives who, although critical of the WIN program, regard at least as realistic in this one respect for it does provide for some form of wage subsidy for two years.

Urban Coalition. But the conclusions from the analyses differ. The Urban Coalition Action Council cannot support the Administration's present approach in this area, and so informed Assistant Secretary of Labor Arnold Weber by letter on July 25, 1969. (See attachment)

The Urban Coalition Action Council is pursuing a vigorous program of support for meaningful public service employment legislation in this session of Congress. The Action Council is coordinating and cooperating with its supporting segments to prepare now for Senate and House hearings. The timetable in the House calls for hearings sometime in early October. This is the first order of business. Particularly because of the Administration's approach at the present time, we must undertake to prove the case for a more rapid and larger effort in the public employment field. We hope that all the varied elements in the Urban Coalition Action Council constituency and all others who have a concern about the commitment of this nation to offer job opportunities to those willing and able to work will assist us in this effort.

In order to prepare carefully for the anticipated hearings, we would welcome any comments or reactions that you might have to this proposed effort. We are particularly interested in critical reactions to the concept of public service employment as well as comments on present or proposed alternative methods in either the public or private sector for dealing with the problems of underemployment and unemployment in 1969.

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