

JOBS: THE PROBLEM

A keystone need is for jobs. Even though the overall unemployment rate is less than 4 percent—and should be kept there by well-designed fiscal policies—unemployment is much higher for the poor. There are still 1 million unemployed poor, and at least an equal number of poor who can and should work but are not even counted among the unemployed. They are among the chronically poor. The unemployment rate for poor heads of families is normally 3 times that for the nonpoor, and the unemployment rate for family members other than the head has been $2\frac{1}{2}$ times that for their nonpoor counterparts. In addition, there are about 2 million underemployed poor who need training and job assistance in order to improve their employment potential.

The key to the job problems of the poor is continuation of a high level of aggregate demand and a low level of overall unemployment, but general prosperity will not by itself suffice. It is a necessary but not a sufficient condition. Even with general prosperity, we will need better jobs for the poor, more jobs for the poor, and permanent jobs for the poor—to the extent that the jobs of the poor are based on defense spending, for example, steps must be taken to make the jobs last longer than the emergency.

First of all, there is a need for better jobs for the poor. A high employment economy will create some new jobs for poor people but it will not by itself make poor people capable of holding good or even decent jobs—jobs which can provide a reasonable basis for incomes above the poverty level in either the short or long run. In a tight employment situation, there are frequent shortages of individuals with particular skills. Many of the poor can and should be trained for these skills. This is what the Job Corps does, it is what the out-of-school Neighborhood Youth Corps does, and it is what the work experience program for adults accomplishes. In addition, local community action programs are increasingly getting into the business of planning and coordinating comprehensive training programs for the poor using components financed by the Departments of Labor and HEW—particularly through MDTA—as well as direct OEO financing. This has been happening in New Haven, in Los Angeles, in Chicago, in rural Mississippi and elsewhere.

The second need is for more jobs for the poor. Depending on exactly how tight the economy gets, it still is not likely to create enough jobs for poor people, particularly those in urban ghettos and rural depressed areas. In 1953, a 2.5-percent overall unemployment rate (2.9 percent by today's definition) brought about a 4.1-percent rate for nonwhites. But we do not now know whether unemployment will drop to the levels of 13 years ago, nor do we know whether the relationship between minority group unemployment and total unemployment will be the same as in 1953. Because of this there is a need to create more jobs for the poor—now before the unemployment rate has completed its drop, and later, in greater measure, if the drop does not have the effects we hope for. We are filling a portion of this need by employing people directly under community action programs. These programs include the use of Nelson amendment authority to create jobs in community beautification and better-