



COMMUNITY ADVOCATES
Public Policy Institute

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Media Contacts:

• David Riemer (DRiemerMil@yahoo.com)
Phone: (414) 270-2943

• Conor Williams
(conor.williams@stonedimensions.com)
Cell phone: (262) 442-4646

**IN FACE OF MASSIVE JOBS SHORTAGE, CONGRESS
SHOULD APPROVE *LOCAL JOBS ACT FOR AMERICA*
TO INCREASE EMPLOYMENT IN MILWAUKEE**

Legislation Will Help Grow Private-Sector Employment, Retain Public Jobs

Milwaukee (June 3, 2010)—Congress should quickly enact federal legislation co-sponsored by Rep. Gwen Moore and pending in the United States House of Representatives to create or save 1,630 jobs in Milwaukee, and an additional 530 jobs in greater Milwaukee County.

With unemployment rates and job gap figures hovering at record levels, both locally and nationally, the *Local Jobs for America Act* (HR 4812) would provide a much-needed spark to increase employment opportunities, according to David R. Riemer, Director of the Community Advocates Public Policy Institute.

The legislation, now under consideration in the House Subcommittee on Workforce Protections, calls for just under \$90 million in federal funds to add 1,630 jobs in Milwaukee, and just under \$30 million to add another 530 jobs in greater Milwaukee County. Funds will be used by community-based organizations for new employees for services “not customarily provided by the local government.” A portion of the fund will also be assigned to retain public workers who would otherwise be terminated based on budget shortfalls.

“I commend Rep. Moore and other national leaders for recognizing that we can no longer wait to act on our massive employment gap,” said Riemer. “The *Local Jobs for America Act* (HR 4812) is a crucial bill that would go a long way toward helping unemployed workers get back to work. The legislation will jumpstart job creation in cities across the country like Milwaukee whose workers simply can’t find employment.”

According to the most recent figures from the U.S. Bureau of Labor Statistics (BLS), March unemployment was 10.5 percent for Milwaukee County.

—more—

Local Jobs for America Act / Add One

The most recent data also shows that in Milwaukee County, in 2009, the number of unemployed job seekers was nearly 75,000, the number of job vacancies was just under 10,000, and thus the local job shortage was approximately 65,000. In other words, there were more than seven unemployed men and women in Milwaukee County seeking work for every available job. See “Chart I: Milwaukee Jobseekers vs. Job Vacancies.”

Nationwide, Title I of the *Local Jobs for America Act* would provide \$75 billion in Department of Labor grants over two years to states and localities to subsidize the creation or retention of 750,000 local community jobs. The funding, dispersed to states and localities based on the Community Development Block Grant model, would provide direct federal grants to larger cities and counties, while smaller communities would receive funding through the state’s grant.

In addition, Titles II through IV of the legislation would provide:

- \$23 billion this year to help states support 250,000 education jobs.
- \$1.18 billion to put 5,500 law enforcement officers on the beat.
- \$500 million to retain, rehire and hire firefighters.

Supporters of the legislation estimate that, overall, the *Local Jobs for America Act* will create and save more than 1 million public and private jobs in local communities this year. Jobs created under the legislation must typically be full-time for a 12-month period.

The Job Shortage in the U.S. and Wisconsin

In January 2010, the most recent month for which BLS has released both unemployment and job vacancy data, 15.1 million officially unemployed American workers were competing to fill 2.7 million job openings—a nationwide job shortage of over 12.3 million. In other words, more than 12 million American job seekers would have had no jobs available to them if every single vacant position in the labor market were filled.

The job shortage in Wisconsin is equally grim. BLS only collects unemployment data for Wisconsin and other states, it does not collect job vacancy data on a state-by-state basis. Nonetheless, the Community Advocates Public Policy Institute estimates that in January 2010, there were 263,000 unemployed job seekers in the Badger State, but the economy had no more than 48,000 jobs on offer. The gap—the number of unemployed Wisconsinites for whom no job was available if every job opening in Wisconsin were filled—was 215,000. For more information see Charts II and III below.

Federal Effort Follows Recent Wisconsin Family Jobs Act

The *Local Jobs for America Act* builds on recent state efforts to kick-start employment in Wisconsin. Through the *Wisconsin Family Jobs Act*—a bill co-sponsored by Rep. Tamara Grigsby and Sen. Spencer Coggs, and signed into law by Gov. Jim Doyle on May 13—an employer that hires an eligible participant in the state’s Wisconsin Works (W-2) Trial Jobs program would receive a 100 percent wage subsidy at the minimum wage for the hours worked by that employee up to 40 hours per week for a maximum of 1,040 hours, or six months.

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The bill also expands the Transitional Jobs demonstration project championed last year by Coggs, who sponsored a budget amendment in 2009 directing the Department of Children and Families to create up to 2,500 wage-paying transitional jobs. The Transitional Jobs project will offer minimum-wage jobs not only to custodial parents, but also to non-custodial parents and childless adults who are seeking work, have incomes below 150 percent of the poverty line, have been out of work over four weeks, and don't qualify for Unemployment Insurance.

Chart I: Milwaukee Four-County Metro Area Jobseekers vs. Job Vacancies

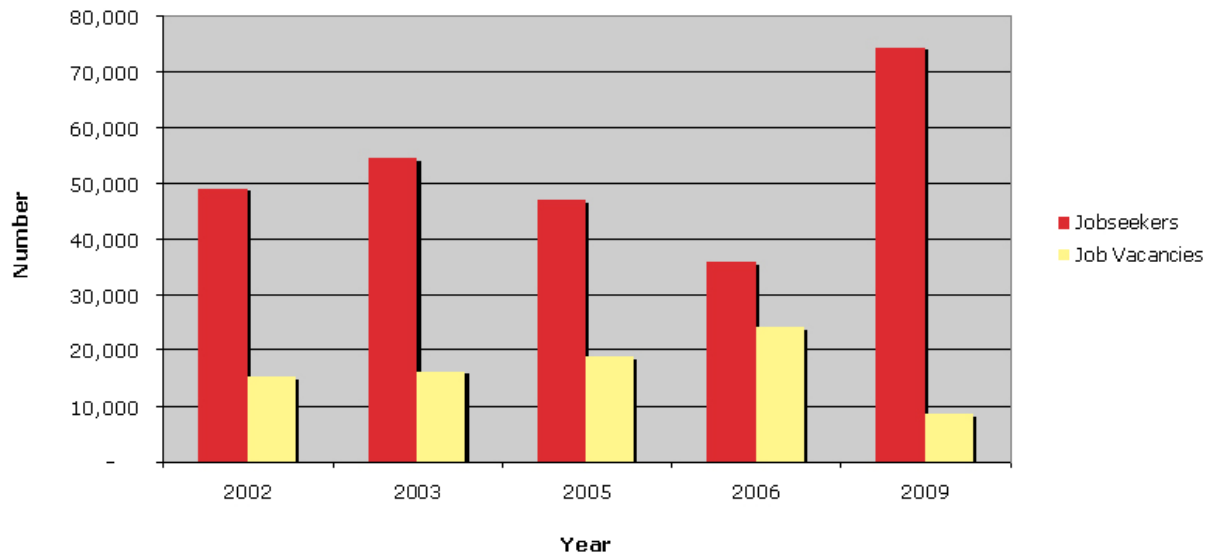


Chart II: US Job Shortage: December 2000-January 2010

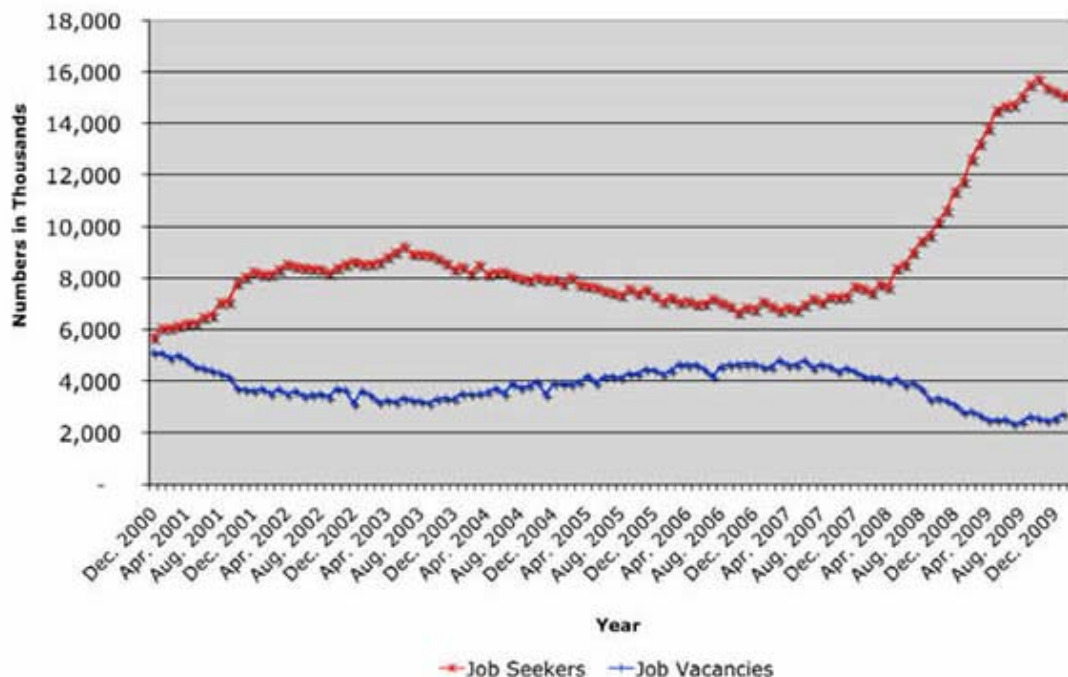
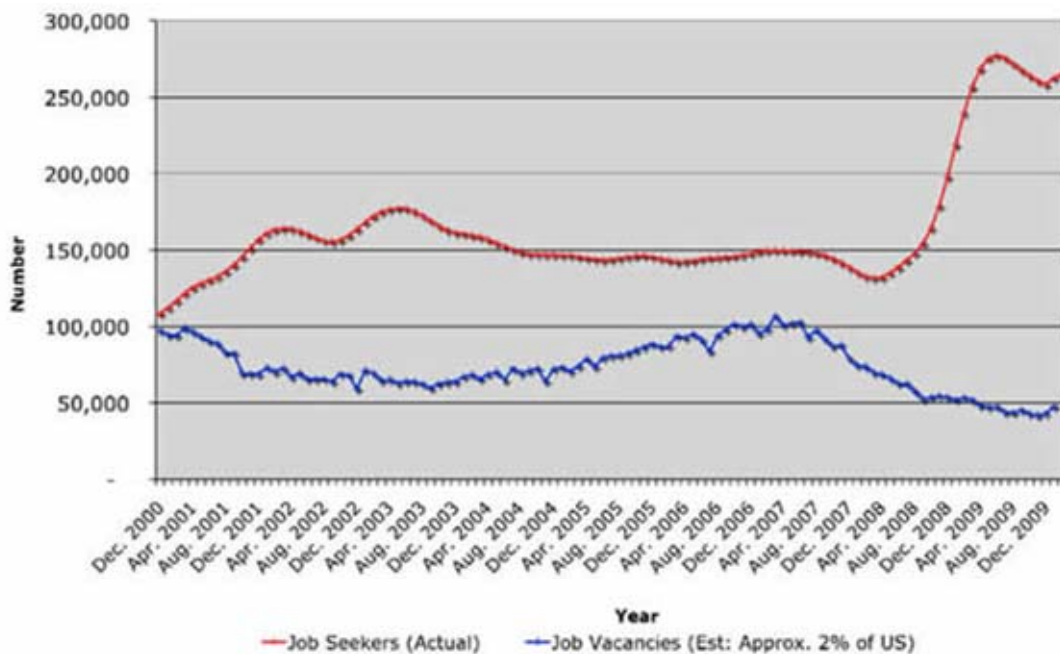


Chart III: Wisconsin Job Shortage: December 2000-January 2010



Technical note:

The data on US unemployment reported here are taken from four separate BLS reports—LNS 13023621, LNS 13023705, LNS 13023557 and LNS 13023569—which measure persons 16 years and over who had no employment during the reference week, were available for work and had made specific efforts to find employment during the four-week period ending with the reference week. The four BLS reports deal, respectively, with: (1) job losers and persons who completed temporary jobs, (2) job leavers; (3) reentrants; and (4) new entrants. See <http://data.bls.gov/cgi-bin/srgate> as of 3/28/10 at 9 AM CT.

The total of these categories differs slightly from the monthly US unemployment levels reported by the BLS in LNS 13000000. Data on US individuals who want a job now, are available to work, and have searched for work during the prior 12 months, but have not made specific efforts to find employment during the four-week period prior to the BLS’ survey, can be found in the following BLS reports: LNU 05026639 (want a job now), LNU 05026642 (searched for work and available to work now), and LNU 05026645 (searched for work, available to work now, discouraged over job prospects—believe no job is available).

The data on US job openings reported here is taken from BLS report JTS 00000000JOL. See: <http://data.bls.gov/cgi-bin/surveymost> as of 3/28/10 at 9 AM CT. The data on WI unemployment reported here are taken from BLS’ report on seasonally adjusted unemployment in Wisconsin, Series ID Number LASST 550000033.

See: http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=latest_numbers&series_id=LASST55000003. The data were extracted pm 3/28/10 at 9:30 AM CT. Data through 12/09 reflects revised population controls, model reestimation, and new seasonal adjustment. Data for 2/10 is preliminary.

Local Jobs for America Act / Add Four

The methodology for estimating Wisconsin job vacancies is to multiply (1) the ratio of Wisconsin unemployed to US unemployed (which has historically ranged from 1.7% to 2.2%) times (2) the US job vacancy figures.

Community Advocates' Public Policy Institute has clear and simple goals: To explain why so many Milwaukeeans are poor, and to develop and implement a practical strategy to reduce poverty throughout Wisconsin.