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DAVID R. RIEMER

Jobless need government to create jobs

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The United States is suffering from a crippling shortage of available jobs. In September, national unemployment rose to a new high of 15.7 million, while job vacancies came in below the 2.5 million mark for the third month in a row, according to Bureau of Labor Statistics data.

Thus, the job gap - the difference between the number of people looking for work and the supply of jobs available to them - exceeded 13 million in September for the first time in modern memory, rising for the 22nd consecutive month to a new high of 13.2 million. Unemployment in October jumped by more than 325,000 to a record 16 million. It is likely that as soon as the bureau releases its October count of job openings we'll have our 23rd consecutive monthly increase in the job shortage, with a gap surpassing 13.4 million.

Here in Wisconsin, the news is equally grim. The bureau measured 256,058 unemployed people in the Badger State in September. The Community Advocates Public Policy Institute estimates that the number of job vacancies in Wisconsin for September was 40,571. The state's estimated job gap is thus 215,487.

For the seventh straight month, Wisconsin's job shortage has exceeded 200,000. In other words, the state has more than 200,000 unemployed job seekers for whom no employment would be available if every vacant position - part-time or full-time, low-wage or high-wage - were filled. Wisconsin's job shortage is just shy of the population of the entire city of Madison.

As this job gap has grown, so have homelessness and hunger. According to a biannual survey that Community Advocates conducted of Milwaukee's homeless citizens earlier this year, nearly 40% of the 919 adults directly surveyed cited loss of employment and the inability to find work as the primary reason for their homelessness, compared to 28% in 2007. This, despite the fact that 68% of unemployed homeless people - including 60% of unemployed people with disabilities - said they were "willing and able to work."

The homelessness survey was conducted in January. During the past 10 months our economy has grown considerably worse. The deteriorating situation is well illustrated in recent accounts of the rapid growth of food stamp usage in Wisconsin, up 33% since last year to 560,000 people statewide - one out of every 10 Wisconsin residents.

The number of Americans and Wisconsinites with no job, no prospects for finding a job and no (or expiring) unemployment benefits has grown so staggering that it's time to start directly creating a large number of jobs at the lowest cost and in the quickest manner.

The stimulus program enacted by Congress and signed by the president last winter has had some positive effects on the labor market. Without the tax cuts and spending programs that the stimulus package put in place, the unemployment crisis and the job shortage would be far worse.

But the job creation induced by the stimulus efforts so far is too little and too slow. What America and Wisconsin need is a large program of direct job creation that kicks in immediately.

The simplest and most effective way to do this is to create a transitional jobs program akin to the Works Progress Administration of the 1930s.

Remember, the people who need help are not welfare recipients. These are working people, some of whom were thrown out of work only a few months or weeks ago. They don't want welfare - what they want is paying work. They'd prefer above all to get their old jobs back. If we can't give them that, at least we can offer them a "bridge" job that will let them earn a living and support themselves and their families until they can move into a private labor market that's expanding again.

Yes, we must ensure that these temporary jobs are truly transitional. They must be designed so that workers don't get trapped in them and have every incentive to leave them if a regular, permanent job becomes available. Transitional jobs should pay no more than the minimum wage, and last no longer than three or four months per "slot" to achieve these goals.

We must also make sure that transitional jobs produce useful work. The WPA created a rich legacy of improved infrastructure - from post offices to parks to pools. Our needs today are different. That should not paralyze us, however, but rather challenge us to be creative and thoughtful in designing the specific transitional jobs we need.

Some have suggested that, in lieu of a WPA-like transitional job program, we should go with tax credits. Others argue the solution is to have yet another stimulus package along the lines of last winter's to jump-start the economy. Neither of these options should be off the table.

But if we really want to provide work immediately to the massive numbers of unemployed across America and Wisconsin who are (literally) starving for work, and who are coming up empty-handed as they search in the face of a massive job shortage, surely the most effective solution is to re-invent the WPA and create jobs directly.

Otherwise, we will be stranding millions of Americans and hundreds of thousands of Wisconsinites in a no man's land of long-lasting unemployment with no foreseeable escape, as the nation struggles to inject labor market growth into what looks so far like a jobless recovery.

David R. Riemer is director of the Community Advocates Public Policy Institute.



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