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Advocates worry that the stimulus will be so busy plugging the city and state's budget holes that it will forget to stimulate the economy.

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New York at a Glance**Unemployment Rate In New York City**

The unemployment rate is determined by the number of individuals *actively* seeking work. Here are the seasonally adjusted unemployment rates for 2007—2008:

Month 2007-2008	NYC	US
December (2007)	5.1%	5.0%
January	5.7%	4.9%
February	4.1%	4.8%
March	4.5%	5.1%
April	4.7%	5.0%
May	5.2%	5.5%
June	5.4%	5.5%
July	5.0%	5.7%
August	5.8%	6.1%
September	5.8%	6.1%
October	5.7%	6.5%
November	6.3%	6.8%
December	7.4%	7.2%

For the first time since January, New York City's unemployment rate was worse than that of the nation a whole—and the shift is happening quickly. While the nation's unemployment rate increased 0.4% last month, New York city's jumped a full 1.1%

Legislative Updates

Stimulus Package Passes, Advocates Cheer. After much nationwide debate, the stimulus package finally passes. The Workforce Investment Act (WIA), workforce development's largest federal funding stream, got an additional \$2.95 billion, with \$1.25 carved out for disconnected youth. New York State made out with \$24.6 billion, \$3 million more than expected. Most of the funds will go to education and Medicaid, but by paying for these things the stimulus will loosen up funds for other projects. Paterson's Office is saying despite the bailout, they are still looking to create a balanced budget, so folks should continue to expect cuts.

State Closes This Year's Deficit. With a \$13 billion budget deficit looming for next year, Gov. David Paterson and leaders of the legislature yesterday agreed on a plan to close this year's \$1.6 billion budget gap. The agreement leans heavily on using money from various government accounts rather than on any major cuts or tax hikes, although it reportedly does raise tuition at the State University of New York, put new fees on the health insurance industry and cut \$50 million from the state's Environmental Protection Fund. The governor and Democrats crafted the package behind closed doors. Once details became available, some Republicans and budget watchdogs faulted the plan for doing little to address the state's fiscal problems. For more, see [Finance Links in the News](#).

Bloomberg Offers Preliminary FY2010 Budget to Close \$4 Billion Deficit. Mayor Michael Bloomberg's proposed \$58.8 billion budget for fiscal 2010, which begins July 1, contains \$955 million in new agency gap closing actions designed to close a \$4 billion budget gap. Some \$1.116 million, or 2.5 percent, in City Council discretionary funding has been restored but the workforce development community is particularly affected by several other key areas of adjustments and spending, including the following: The Department of Youth and Community Development would receive an increase of \$14.263 million in total funding and ten additional staff members for three Center of Opportunity (CEO) programs – Service Learning, Young Adult Internships and Young Adult Literacy.

In the News

If Green Jobs are so Hot, Where are They? In the economic downturn, “green jobs” has become one of the hottest political catchphrases. President Barack Obama has promised 5 million new green jobs as part of his energy and stimulus plans. But the cleantech industry hasn’t proved to be recession-proof, and layoffs and hiring freezes are leading would-be green employees to question just how soon the jobs will arrive, and what kind of cleantech companies will be hiring. [More.](#)

Unemployment expected to creep up, home prices expected to creep down after delay. New York City's economic decline is likely in its early stages - and the unemployment rate may reach 10.5 percent, a level not seen since the mid-1970s administration. The city's residential real-estate market and employment levels have so far held up better than most areas in the nation amid a delayed impact from job and income losses from the financial sector. But home prices, which had declined 14 percent as of November since their peak, may fall another 20 to 25 percent "if not more," according to the report by UBS bank. [More.](#)

Latino Small Businesses are Hit Hard with “Out-of-control” Rent Increases. A survey revealed a precarious situation for many of these small businesses, with a majority predicting imminent closure if something is not done to curb excessive rent increases. Latino small business owners also report laying off employees to compensate for sudden jumps in rent and even report extortion by landlords or their agents whereby money is demanded under the table in exchange for better terms in a lease. [More.](#)

Wall Street Bonuses Hit Historic Low. Wall Street bonuses declined 44 percent last year, dropping from \$33 billion in '07 to \$18.4 billion in '08, according to a report by the state comptroller. It is the largest decline in 30 years. As a result, the state will lose almost \$1 billion in revenue and the city will lose \$275 million. [More.](#)

TV production stalls out in NYC. A state tax credit that brought television production in New York City to a record high last year has run out of money, threatening jobs in the one sector of the city's economy that had been expected to thrive during the recession. said, “Television companies that made 19 pilots for programs last year in New York City thus far have committed to making zero,” said NBC Universal Chief Executive Jeff Zucker. [More.](#)

Resituating Your Career. Down-on-their-luck Wall Street types should trade their pinstripes for swimsuits and become city lifeguards this summer, said officials as they launched a massive recruiting effort. The city has rarely been able to recruit the 1,200 lifeguards needed to monitor the city's 14 miles of beaches and 54 outdoor pools because it was competing with cushy office jobs in boom times. [More.](#)

Layoffs Require More Notice. The old federal law required employers with 100 or more full-time employees to provide written notification of mass layoffs and closings, but the New York law applies to businesses with 50 or more full-time workers. The new law also requires 90-day advance notice to employees and government officials, compared with 60 days in the federal rules. [More.](#)

FreakOutonomics. Few are feeling the city's economic pain as acutely as shopkeepers, restaurant proprietors, and small-business owners. Amid eerily empty sidewalks and race-to-the-bottom sales, the questions are: What will it take for them to survive? And how are you doing out your dollars? [More.](#)

Federalizing Bloomberg's Approach to the Economy. Mayor Michael Bloomberg last month proposed a new poverty-fighting program – not just for New York City, but in cities across the country. Called the Federal Urban Innovation Fund, it would invest \$5 billion in major urban centers, with the aim of creating new workforce development initiatives to build a stronger, greener economy. [More.](#)

Students are Staying Home and Going to Local Colleges. In a recent survey, 54 percent of high school seniors who responded said they are considering in-state, public colleges because the economic downturn had either changed their family's financial situation or had raised enough concern for them to start looking for more economical opportunities. Locally, the College of Staten Island already saw a 5 percent increase in enrollment last September and is expecting an additional 4 percent increase next semester. [More.](#)

In the Neighborhood

No new hotels in Brooklyn. At least according to the McSam Hotel Group. The group already has six projects either built or underway in the Brooklyn area but says their 'bullish' days are over. [More.](#)

YWCA opens its doors to tenants. After over two years on construction, the YWCA has recently obtained its certificate of occupancy for its recently completed low-income housing project on Atlantic Avenue. Approved tenants have already started to move in. OBT would like to commend Martha Kamber, executive director of the YWCA, on a job well done.

Coney Island may be the only Project that isn't Drowning in this Economy. Virtual reality rides and IMAX theaters would join the Wonder Wheel and the Cyclone under the city's latest plan to revitalize Coney Island. The plan, which must go through a lengthy approval process, includes a 27-acre amusement district, 4,500 new apartments -- 900 of them "affordable" -- 800 hotel rooms, a 12-acre park and posher stores for now somewhat seedy Surf Avenue. Under the proposal for the famed Brooklyn beach, a "Wonder Wheel Way" will connect the Ferris wheel, parachute jump and Cyclone rollercoaster. The \$2.5 billion plan will almost certainly attract some opposition, with some Coney Island residents already saying it has too much housing and not enough space for amusements. [More.](#)

Newly Released Studies and Reports

All Indicators Signal a Severe Recession. Comptroller Thompson has released a quarterly financial report which calls the fourth quarter of 2008, the third successive quarter of decline, one of the worst economic periods for New York City in recent memory. The Comptroller predicts further declines in 2009. In total last year the city lost a total of 53,600 jobs from December 2007 to December 2008. Among the other findings are falling sales tax revenues, rising office vacancies. For the full report, visit [here.](#)

Middle Class Squeeze. Center for an Urban Future. February 2009. The report found it is becoming increasingly difficult to afford a middle-class lifestyle in New York City, and as a result, people are leaving the five boroughs. A middle-class lifestyle that costs \$50,000 a year in Houston would cost \$120,000 in Manhattan. New York's other boroughs are becoming almost as expensive, with Queens now the fifth most costly urban area to live in the United States. At least partly as a result, the city saw a net loss of 151,441 people in 2006. For the full report, visit [here.](#) For the Crain's article, click [here.](#)

Before the Bailout of 2008: New York City's Experience with Tax Giveaways to Financial Giants. Good Jobs New York, February 2009. The report profiles taxpayer subsidies to six firms -- American International Group, Bank of America, Bear Stearns, Citigroup, JPMorgan Chase, and Merrill Lynch. It finds that the deals have been plagued by porous contracts that lack accountability, and very poor public disclosure and job losses. For the full report, click [here.](#) For the Daily News Article, click [here.](#)

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