TARGETED UNIVERSALISM AND THE JOBS BILL

HELPING COMMUNITIES IN CRISIS THROUGH TARGETED INVESTMENTS

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Targeted Universalism & the Jobs Bill: Helping Communities in Crisis through Targeted Investments

Executive Summary

It is becoming clear that this recession is unlike any other, both in its overall severity and in its disproportionate impacts along gender, race, and geography lines. The Economic Policy Institute notes that “the six months between October 2008 and March 2009 saw the U.S. economy contract more rapidly than during any other half-year since 1958.”1 Further, the economic crisis is falling unevenly across our nation. In some cases, racial and geographic disparities are producing unprecedented and extreme rates of unemployment. Almost all metropolitan areas that are exceeding the national unemployment average are found on the West Coast, the South or in the traditional “Rust Belt” Midwest. The “gender gap” in unemployment now stands at its highest since 1948, with unemployment rates for men surging. Michigan leads the nation in this gender divide, with nearly 1 in 5 men in the State unemployed at the end of 2009. Across racial lines, we see White unemployment starting to decline, but Black unemployment continues to grow, and now exceeds 16%. Even more troubling, the unemployment rate for Black youth is now more than 43%. Latinos experienced the fastest rate of unemployment growth during 2009, with unemployed Latino workers increasing by 38%. 2

The economic crisis is exacerbating long-standing challenges facing many marginalized communities. As one pediatrician has warned, “We are seeing the emergence of what amounts to a ‘recession generation.’” Increases in child poverty, homelessness, and temporary relief indicate that children across the U.S. are experiencing “a quiet disaster.”3 Between 2007 and 2008, 744,000 more children became poor, and the numbers are expected to rise as the impacts of the recession continue.4 Free and reduced lunch participation increased sharply in 2009 across the nation, with 46 states experiencing increasing free and reduced lunch participation.5 In 2008, nine states recorded Black child poverty rates which exceed 40%. The impact of the recession on children has already been severe and will potentially be long-lasting. Twenty-seven percent of children -- 8 million -- will likely have at least one parent not working full time year-round in 2010. Median family income is expected to drop for all families, but especially for single female-headed households.

The disparate impact of this recession, for example the high unemployment rates experienced by young African American men, is not understandable by looking at any single factor. Rather, a net of factors, including racial and economic isolation into segregated neighborhoods, limited educational attainment, high rates of incarceration, and the loss of unionized manufacturing employment all combined to make African American workers more vulnerable to changes in the economy. In effect, the disparate impact on them is not a surprise. As Lani Guinier and Gerald Torrez observed in The Miner’s Canary, racial populations and other marginalized communities are our nation’s most vulnerable communities and are the first to be impacted by changes in our society.6

Vulnerability of workers is also about starting from farther behind and having both more obstacles to overcome and more potential for growth to be cut short by a recession. From 1994 – 2000, black family income grew faster than white family income, but this relative growth meant that by 2000, blacks’ incomes stood at where white incomes were in 1965.7 Additionally, a report from the St. Louis Federal Reserve indicated that expansions close racial disparity gaps slower than recessions widen them.8 For example, between 1972 and 2000, for each year of recession, it took three years of expansion for the racial disparity gap to return to its pre-recession level. For black women, it took four years of expansion to make up each year of recession. In fact, economists are indicating that the 2001 recession halted black progress and reversed the gains of the 1990s; then the jobless recovery of 2001-2007 did not bring any further progress for black Americans.9
Unfortunately, recognition of the uneven nature of the economic crisis is not reflected in much of our federal response and is not addressed in the recent jobs bill. One measure stripped from the jobs bill in recent weeks was a stipulation to target some funds to communities with high unemployment. This type of need-based targeting is critical, or we risk spreading our resources too thin, providing little relief to those communities and populations which have been devastated by the economic crisis. More diligent targeting of federal job and infrastructure investments to hard-hit communities would also provide an efficient use of our public investments. This would not be an unprecedented move – the first phase of the Neighborhood Stabilization program targeted communities with high rates of foreclosure, and the U.S. Department of Transportation runs a program which encourages investment in economically distressed counties.

The next federal economic jobs program must be sensitive to community needs while having universal goals. But these universal goals should not preclude using unique strategies and targeting resources to communities based on their varying needs and economic condition. In fact, in order to actually reach universal goals, policy responses which are sensitive to the needs of varying communities and populations are more likely to be successful. We term this model of universal goals and strategically targeted means or approaches as “targeted universalism.” Utilizing universal means to achieve universal goals assumes a universal norm for all communities across the nation. But so-called universal policy implementation impacts different segments of society according to their location and vulnerability. In fact, programs that assume a one-size-fits-all mentality tend to disadvantage certain populations relative to others.

The proposed jobs bill could do the most good for the people most in need if it expanded job opportunities for all, while directing a portion of its resources to the hardest-hit people and communities. Using geography and indicators of need are critical diagnostic methods for identifying and prioritizing areas for more targeted economic investments. For example, communities with higher-than-average unemployment rates, poverty increases, etc. could get proportional additional resources. Demographics are also an additional indicator to use to assess job creation efforts and potentially target responses to the economic crisis. A resource stream, tax incentive, or matching funds could be targeted to programs or industries that educate, train or employ the people headed fastest to economic crisis, like African American male youth, American Indians in the West, Rust Belt communities hammered by continuing patterns of manufacturing decline, or persistent poverty counties in the South.

One of the greatest challenges in understanding the impact of the Recovery act has been finding adequate and accurate data on its impact for high need areas. As important as targeted efforts may be, we will never know their impact without more effective data collection. Tracking the expenditure impact of investments and programs by race, gender, and geography is necessary for two reasons. First, tracking these data is necessary to comply with applicable civil rights laws. Second, because the current economic crisis disparately impacts marginalized communities, tracking these data ensures accountability in targeting job creation and retention by those who have been most impacted by the crisis. The jobs bill should require that all recipients of federal awards, tax credits or grants report employee-level data on who was hired, and subcontractors must also report this information.

To be responsive to all Americans, new federal jobs legislation and investments should acknowledge the vast diversity of American workers and the different challenges that they face, and recognize the distinct differences in economic opportunity and financial security among various geographic and economic regions in the U.S. These measures would be consistent with a number of targeted programs already in use in federal policy. This is an approach that supports the needs of the particular while acknowledging that we are all part of the same social fabric.
1. Introduction

Given the ongoing economic crisis facing our nation, Congress and President Obama are committed to implementing an additional “jobs” bill intended to address persistently high unemployment rates which are plaguing our nation’s economic recovery. This critical investment is needed to offset high rates of joblessness and unemployment, but it is also crucial for our nation to strategically invest in and be sensitive to hard-hit communities, suffering in the wake of the economic crisis.

The Kirwan Institute has been tracking the impact of federal efforts to alleviate the economic crisis in marginalized communities for the past year. Given our experiences tracking the impact of the American Recovery and Reinvestment Act and other federal relief programs, we are concerned that the new jobs bill will not help those communities or states in greatest need. While the previous federal responses to the economic crisis have helped in many ways, most notably in avoiding catastrophic state budget shortfalls, they have not been sufficient to address the extreme economic hardship facing some communities.

The economic crisis is falling unevenly across our nation, impacting some states, communities and populations more than others. Hard-hit Midwestern states are reeling from foreclosures and from the continued decline of the manufacturing sector. Among some populations, disparities in unemployment by race, age or gender are vast. The “gender gap” in unemployment now stands at its highest since 1948, with unemployment rates for men surging. Michigan leads the nation in this gender divide, with nearly 1 in 5 men in the State unemployed at the end of 2009. Across racial lines, we see White unemployment starting to decline, but Black unemployment continues to grow, and now exceeds 16%. Even more troubling, the unemployment rate for Black youth is now more than 43%.

Recognition of the uneven nature of the economic crisis is not reflected in much of our federal response and is not addressed in the recent jobs bill. One measure stripped from the jobs bill in recent weeks was a stipulation to target some funds to communities with high unemployment. This type of need-based targeting is critical, or we risk spreading our resources too thin, providing little relief to those communities and populations which have been devastated by the economic crisis. More diligent targeting of federal job and infrastructure investments to hard-hit communities would also provide an efficient use of our public investments. This would not be an unprecedented move – the first phase of the Neighborhood Stabilization program targeted communities with high rates of foreclosure, and the U.S. Department of Transportation runs a program which encourages investment in economically distressed counties.

The following report reviews the data on the recession’s disparate impact and the ability of recent federal efforts to reach hard-hit communities. We also discuss the unique nature of the current recession and its devastating impact on marginalized communities; we propose an approach to addressing our nation’s economic crisis through universal goals and targeted means, proposing a “targeted universal” job policy for our nation. As it stands now, the proposed jobs bill is not sufficient to address the deep unemployment facing much of the nation. Even beyond any universal solution devised, with an eye toward fairness, the jobs bill’s impact on marginalized communities should be examined and addressed. Unless the federal jobs program is crafted with special attention toward its impact on high-need areas like the rust belt, racial and ethnic populations, youth and children of color, we put the economic well-being of an entire “recession generation” at risk. We need any final program to provide a combination of targeted solutions to address these special pockets of need that are otherwise being pushed even further behind. While universal goals are necessary to guide federal economic recovery efforts, more targeted measures which are sensitive to the needs of hard-hit communities are needed to spur a robust, fair and equitable economic recovery.
2. Understanding the Uneven Footprint of the Economic Crisis and Recovery

Although the economic recovery has been described as a “jobless” recovery, national unemployment rates have started to decline, but not for many workers of color.

- As recently reported by the Associated Press, there were 6.1 unemployed workers for every available job in December of 2009, a figure which is nearly double the rate of 3.1 unemployed workers for every available job opening at the end of 2008.\(^\text{10}\) Workers of all races experienced increasing unemployment during 2009, with the number of unemployed Black and Latino workers increasing by nearly 1.5 million. Latinos experienced the fastest rate of unemployment growth during 2009, with unemployed Latino workers increasing by 38%.\(^\text{11}\)

- Recent unemployment figures indicate some changing trends, with a decline in national unemployment figures, but continuing growth in unemployment for some populations. While the national unemployment rate declined from 10% to 9.7% (indicating a decrease of 430,000 unemployed workers), unemployment increased for some racial groups.\(^\text{12}\) White unemployment has started to decrease (from a peak of 9.4% in October 2009 to 8.7% in January 2010), while Black unemployment rates continue to rise (from 15.5% to 16.5% during the same time period).\(^\text{13}\) Latino unemployment rates have also decreased slightly but remain very high, decreasing from 13.1% in October 2009 to 12.6% in January 2010.\(^\text{14}\)

![Figure 1: Unemployment by Race (January 2009 and January 2010); Source: Bureau of Labor Statistics](image-url)
Figure 2: Percent Change in Unemployment by Race 2009; Source: Bureau of Labor Statistics

Figure 3: Recent trends in unemployment by race; Source: Bureau of Labor Statistics
The national unemployment figures are masking even greater disparities in underemployment among workers. Unemployment figures are not perfect proxies for economic standing of our nation’s workers; unemployment figures ignore workers who have accepted less than full time work or the long term unemployed, who have quit looking for work after being unable to find employment.

- According to analysis conducted by the Economic Policy Institute, using Bureau of Labor Statistics data, the number of “underemployed” workers is surging, especially among racial populations. As of October 2009, the national estimate for underemployed workers was 17%, while approximately 25% of Latino and Black workers were underemployed and rates for White underemployed workers stood at 14.5%.
- The rates of “underemployment” have risen dramatically since the beginning of the recession, but the sharpest increases have occurred in the Black and Latino communities.

![Underemployment Rate by Race July 2007 to Nov 2009](image)

**Figure 4: Underemployment Rates by Race; Source: Economic Policy Institute**

**Unemployment among certain sub-demographic groups is widespread.**

- Stark unemployment disparities continue within various demographic categories in the recent January unemployment figures. Black men over age 20 are now experiencing unemployment rates of 17.6% (compared to White male unemployment of 9.1%). Black female unemployment is at 13.3%, nearly double the White female unemployment rate of 6.8%. Employment for Black youth (ages 16 to 19) is now at 43.8%, nearly twice the rate found for White youth, whose unemployment rates were 23.5%.
- The gender gap in unemployment is also widening, and as reported in a recent study by the Economic Policy Institute, stands at its largest since 1948, as male workers in some hard-hit manufacturing states experience exceptionally high rates of joblessness. For example, nearly one in five male workers in Michigan was unemployed in late 2009.
Geographic disparities in unemployment are stark and growing worse in many communities.

Unemployment (and the growth of unemployment) is falling unevenly across the nation. In some cases, racial and geographic disparities are producing unprecedented and extreme rates of unemployment. Almost all metropolitan areas that are exceeding the national unemployment average are found on the West Coast, the South or in the traditional “Rust Belt” Midwest (See Maps). The following tables list the top five rates of unemployment found in all states for the third quarter of 2009, and in all states by race, illustrating the extreme concentrations of unemployment among some racial populations in hard-hit communities.
The Kirwan Institute for the Study of Race & Ethnicity - www.kirwaninstitute.org
Targeted Universalism & the Jobs Bill - March 2010

### Top Five States with the Highest Unemployment Rates by Race (Ranked by 2009 3rd Quarter Unemployment)

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</tr>
</thead>
<tbody>
<tr>
<td>Michigan</td>
<td>15.2%</td>
<td>15.7%</td>
<td>23.9%</td>
<td>24.8%</td>
<td>13.7%</td>
<td>14.2%</td>
<td>Nevada</td>
<td>20.1%</td>
<td>19.0%</td>
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<tr>
<td>Nevada</td>
<td>13.0%</td>
<td>12.3%</td>
<td>South Carolina</td>
<td>20.4%</td>
<td>22.7%</td>
<td>Rhode Island</td>
<td>11.2%</td>
<td>11.7%</td>
<td>California</td>
<td>15.6%</td>
<td>16.9%</td>
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<tr>
<td>Rhode Island</td>
<td>12.8%</td>
<td>13.4%</td>
<td>Ohio</td>
<td>19.5%</td>
<td>22.0%</td>
<td>Oregon</td>
<td>11.0%</td>
<td>12.4%</td>
<td>Florida</td>
<td>13.1%</td>
<td>14.3%</td>
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<tr>
<td>California</td>
<td>12.1%</td>
<td>13.1%</td>
<td>Illinois</td>
<td>18.6%</td>
<td>20.2%</td>
<td>Kentucky</td>
<td>10.6%</td>
<td>11.2%</td>
<td>New Jersey</td>
<td>12.0%</td>
<td>12.6%</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Oregon</td>
<td>11.8%</td>
<td>13.3%</td>
<td>Alabama</td>
<td>18.0%</td>
<td>18.8%</td>
<td>Nevada</td>
<td>10.6%</td>
<td>10.0%</td>
<td>Arizona</td>
<td>11.6%</td>
<td>13.1%</td>
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Source: Derived from data tables and analysis conducted by the Economic Policy Institute. Available on the EPI website at: www.epi.org

**Figure 7:** Five states with the highest unemployment rates (ranked by race); Source: Economic Policy Institute

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**Figure 8:** The Uneven Geographic Footprint of the Recession: Unemployment Rate by County December 09; Source: BLS
Figure 9: Metro Areas with Unemployment Rates Higher than the January 2009 National Average; Source: BLS

Figure 10: Counties with Unemployment Rates Higher than the January 2009 National Average; Source: BLS (note: December 2009 is the most recent sub state unemployment available at time of publication).
Poverty is growing nationwide and is growing faster in some states and among some population groups.

- The U.S. poverty rate of 13.2% in 2008 (the most recent national poverty figure), was the highest rate recorded in 11 years. The number of Americans in poverty increased by 2.5 million between 2007 and 2008, of which more than 60% of new people in poverty were non-White or Latino.
- Poverty rates are exceeding 20% in many counties in the South and some “rust belt” and Western counties. Most cities in the Midwest, the South and along both coasts, reported poverty rates greater than 20%.

Figure 11: Cities and counties with poverty rates exceeding 20% (average poverty rate for the 2006-2008 time period); Source: U.S. Census Bureau
Indicators of child well-being suggest a crisis facing some children—especially children of color.

- The economic crisis is exacerbating long-standing challenges facing many marginalized communities. As one pediatrician has warned, “We are seeing the emergence of what amounts to a ‘recession generation.’” Increases in child poverty, homelessness, and temporary relief indicate that children across the U.S. are experiencing “a quiet disaster.”

- In 2008, nine states recorded Black child poverty rates which exceed 40%. The impact of the recession on children has already been severe and will potentially be long-lasting. The percentage of children in poverty is likely to peak at 21% in 2010. Twenty-seven percent of children — 8 million — will likely have at least one parent not working full time year-round in 2010. Median family income is expected to drop for all families, but especially for single female-headed households. Childhood obesity may rise from parents’ reliance on cheap meals, behavioral problems could increase if adolescents who are not in school cannot find jobs, and state and local budget cuts could limit the availability of pre-kindergarten programs.

<table>
<thead>
<tr>
<th>Top Ten States for Child Poverty (By Race) in 2008</th>
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<tbody>
<tr>
<td>Mississippi</td>
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<tr>
<td>Arkansas</td>
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<tr>
<td>Kentucky</td>
</tr>
<tr>
<td>Louisiana</td>
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<tr>
<td>Oklahoma</td>
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<tr>
<td>Wisconsin</td>
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<tr>
<td>Michigan</td>
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<tr>
<td>Ohio</td>
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<tr>
<td>Indiana</td>
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<tr>
<td>Alabama</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau Data (American Community Survey), Analyzed by the Annie E. Casey Foundation Kids Count Database

Figure 12: Ten states with the highest poverty rates (ranked by race); Source: Annie E. Casey Foundation
3. Recovery & Job Production in Hard Hit Communities: Learning from the Implementation of the Recovery Act

Facing an escalating economic crisis, newly inaugurated President Obama signed the historic American Recovery and Reinvestment Act (commonly referred to as “the stimulus”) on February 17th, 2009. One year into the implementation of the American Recovery and Reinvestment Act a number of lessons can be learned from experiences utilizing ARRA to relieve unemployment for our nation’s most marginalized workers and communities. The stimulus bill made explicit reference to “assist those most impacted” by the recession. Has ARRA provided relief to our hardest-hit communities? One year into the implementation of ARRA we find mixed results.

A significant portion of ARRA was dedicated to offsetting state budget shortfalls, many of which could have resulted in drastic cuts to critical services for marginalized populations. In this regard, ARRA prevented massive budget cuts to critical services that would have further harmed vulnerable populations. Analysis of the impact of ARRA suggests that several ARRA programs will help alleviate the growing poverty across the nation by expanding existing tax credits and financial assistance programs. However, more fiscal peril and potential budget cuts could be on the horizon. While the Recovery Act will provide more than $100 billion to offset state budget deficits in 2010 and 2011, even with this funding, States are expecting another $267 billion in additional budget deficits for 2010 and 2011. As a result, the draconian budget cuts predicted for 2009 may loom again in 2010.

While ARRA has been successful in stemming state budget shortfalls and significant social service (and public sector job losses) the bill has been less effective in meeting the employment needs of workers of color and minority businesses. Job production was a primary goal of ARRA, and the ability of ARRA to offset rising unemployment is a critical measuring stick to assess ARRA’s impact. Despite job production claims and growth in the US domestic product, national unemployment has increased during 2009. Between February 2009 and December 2009, the national unemployment rate increased from 8.2% to 10% and the number of unemployed increased from 12.7 million to 15.2 million people. Workers of all races experienced increasing unemployment during 2009, with the number of unemployed Black and Latino workers increasing by nearly 1.5 million. A new divergence in unemployment rates is particularly troublesome, suggesting our economy’s modest economic gains from late 2009 are not reaching our most economically vulnerable populations. While overall unemployment has started to decline (and has been declining for White workers since October of 2009), Black workers may soon reach the 2010 unemployment rate which was once projected to occur if a stimulus or recovery bill was not enacted. As recently stated by DeWayne Wickham in an editorial column in USA Today:

“Even more worrisome, the jobless rate for black men 20 and older rose a full percentage point to 17.6%. That rate is closer to the level of Americans who were unemployed at the height of the Great Depression (24.9%), than to the percentage of white men (9.1%) out of work in January.”

Contracting and procurement are the primary ways ARRA can directly benefit private businesses and employers. Minority and disadvantaged business contracting is a critical source of job and wealth creation for marginalized groups and communities. Many concerns have been raised about the ability of minority firms to successfully compete for contracts. Although consistent state level data on ARRA contracting to minority firms is not widely available, figures from federal procurement indicate troubling and disparate contracting patterns. While Black-, Latino-, and Women- owned businesses represent 5.2%, 6.8%, and 28.2% of all businesses respectively, as of February 1, 2010, they had only received 1.1%, 1.6%, and 2.4% of all federally contracted ARRA funds. Of the $45 billion in direct federal contracts allocated by February 1st, 2010, less than $2.4 billion (5% of the total) were allocated to Black-, Latino-, and Women- owned businesses).
Civil Rights advocates and other researchers have questioned ARRA’s ability to target hard-hit communities, primarily because of its design. Analysis by the Associated Press indicates that ARRA investments made little impact in reversing local level unemployment trends. Recent assessments of state spending by the Advancement Project found that more diverse states were far less likely to receive higher per capita ARRA investments. Much of this disparity is explained by the disproportionate amount of funds sent to low population rural states and the inability to better target economic need. Harvard economics professor Edward Glaeser recently noted the inability of ARRA to target areas of high unemployment in his article *Wasted Stimulus*, published in the NY Times Blog *Economix*. Glaeser’s analysis found that when looking across states, rural states with low levels of unemployment benefited most from the Recovery Act. Glaeser found states that for every percentage point of the labor force that was unemployed, a state was more likely to receive less per capita ARRA funds. Glaeser’s research indicates that low population density is a better indicator for receiving ARRA funds than indicators of need, like unemployment.

![Federal ARRA Contract Procurement by Business Type](image-url)

**Figure 13: Federal ARRA Contract Procurement by Business Type (As of February 1st, 2010)**

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Contracts</th>
<th>Amount</th>
<th>% of Contracts</th>
<th>% of Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Business</td>
<td>11,933</td>
<td>$7,498,160,470</td>
<td>36.2%</td>
<td>16.5%</td>
</tr>
<tr>
<td>Total for All Non White Owned</td>
<td>4,721</td>
<td>$3,409,766,348</td>
<td>14.3%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Women Owned</td>
<td>2,655</td>
<td>$1,100,301,476</td>
<td>8.1%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Hispanic Owned</td>
<td>1,232</td>
<td>$725,105,107</td>
<td>3.7%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Black Owned</td>
<td>864</td>
<td>$496,588,134</td>
<td>2.6%</td>
<td>1.1%</td>
</tr>
<tr>
<td><strong>Total for All Contracts</strong></td>
<td><strong>32,946</strong></td>
<td><strong>$45,505,971,648</strong></td>
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</table>


**Figure 14: Federal ARRA Contract Procurement (Volume of $’s) by Business Type**
4. Race & Recession: Research Review and Reflections

a. What is causing the disparate racial impact of the recession?

It is important to emphasize that the disparate impact of this recession, particularly on African American, young, single men, is not understandable by looking at any one factor. Limited educational attainment, high rates of incarceration, child support arrearages, the loss of unionized manufacturing employment, and racial and economic isolation into segregated neighborhoods all combine to make African American workers more vulnerable to changes in the economy. For example, demographers studying changes in employment concluded that the combination of the decline in manufacturing, especially in the Northeast and Midwest, off shoring, the upgrading of skill requirement for service jobs, and job sprawl all contributed to disadvantage young African American workers.\(^{32}\) It is also important to note that national numbers hide great state-by-state variations in circumstances and in outcomes for communities and people of color. The African American male unemployment rate in Michigan is projected to reach almost 25% -- the peak national unemployment rate experienced during the Great Recession. \(^{33}\) Ironically, the highest black-white unemployment ratio (for states for which data is available) is in DC, where blacks are 4 times as likely to be unemployed as whites. Certain established patterns of vulnerability and marginalization, predicted who would be impacted most by the economic crisis. As Lani Guiner and Gerald Torrez proposed in “The Miner’s Canary,” racial populations and other marginalized communities are our nation’s most vulnerable communities and are the first to be impacted by changes in our society.\(^{34}\)

i. Neighborhood isolation

Five decades of social science research have documented the relationships between racially and economically isolated neighborhoods and employment, health, crime and violence, educational outcomes, and a range of other factors. Housing location is one of the primary mechanisms for accessing opportunity in our society. In the U.S., to live in a neighborhood of high concentrated poverty (40% of the residents below the poverty level) means that you and your family’s life chances will be greatly constrained, even if you yourself are not poor. Although the majority of poor families are white, most people living in concentrated poverty are Black or Latino (roughly 3 out of 4 people living in concentrated poverty were Black or Latino in the 2000 census). A family living in this environment must overcome cumulative factors that expose them to mutually reinforcing constraints. Some factors feed into and exacerbate others. For example, one recent study found that job sprawl makes the “spatial mismatch” worse for blacks, especially in the Midwest and West, and that spatial mismatch correlates with black unemployment outcomes.\(^{35}\)

ii. Increase in incarceration

According to a 2008 report by the Economic Policy Institute, African American ex-offenders have a very difficult time finding work, and their numbers have grown.\(^{36}\) Prior to the 1970s, the U.S. incarceration rate was roughly 100 per 100,000. Today it is about 700 per 100,000. Between 1990 and 2000, black males in state and federal prisons climbed 66.4%, and black females rose 86.1%. According to surveys, more than 60% of businesses are not likely to hire an ex-offender.
iii. Loss of manufacturing employment and decline in unionization

A study from the Center for Economic and Policy Research found that the share of African Americans in manufacturing jobs fell from 23.9% in 1979 to 9.8% in 2007, mirroring the general decline in manufacturing overall.37 Another study that examined the impacts of unionization on the pay and benefits of African-American workers found that unionization raised black workers’ wages about 12% ($2.00/hr).38 The benefits of unionization were even higher in typically low-wage occupations. The effect on health insurance and pension coverage was even bigger. However, unionization has fallen to 12.3% today, compared with 20% in 1983.39 The losses in manufacturing and the shift to service sector employment has often meant a shift in the place of high-paying, entry-level jobs from urban cores to suburban peripheries. Regional differences matter too. Deindustrialization led to significant increases in urban concentrated poverty in northern metropolitan areas, but not as much in the South. Even today, the South has lower union density, with negative implications for black workers. The South also has more legislation which is hostile to unions. So-called ‘right to work’ laws exist in twenty-two states, and the Black work force is larger in ‘right to work’ states. These are also often the states with the weakest benefits, including unemployment insurance and welfare provision.

iv. Widening overall inequality

Since the 1970s, with the exception of the 1990s, worker productivity has not been matched by wage gains. From 2000 – 2007, average productivity went up about 19%, yet the weekly average worker wage dropped by $1 and the weekly average black worker wage dropped 3x as much - $3.
v. Cumulative inequalities, or ‘vulnerability’ during expansions and recessions

Vulnerability of workers is also about starting from farther behind and having both more obstacles to overcome and more potential for growth to be cut short by a recession. For example, from 1994 – 2000, black family income grew faster than white family income, but this relative growth meant that by 2000, blacks’ incomes stood at where white incomes were in 1965.\textsuperscript{40} This study also indicated that the absolute differences between blacks and whites stayed the same during the ‘boom years’ from 1990 to 2000, despite relative income gains by blacks:

The racial difference in family income remained at virtually the same level at the end of the expansion in 2000 as it was at the beginning of the decade (about $21,500), despite strong gains by blacks in family income over this period. In fact, the racial gap in family income widened somewhat during the peak period of the economic expansion, from 1995 to 2000.

Perhaps not surprisingly, a report from the St. Louis Federal Reserve indicated that expansions close the racial disparity gaps slower than recessions widen it.\textsuperscript{41} For example, between 1972 and 2000, for each year of recession, it took three years of expansion for the gap to return to its pre-recession level. For black women, it takes four years of expansion to make up each year of recession.

Economists are indicating that the 2001 recession halted black progress and reversed the gains of the 1990s; then the jobless recovery of 2001-2007 didn’t bring any further progress for black Americans. According to the Economic Policy Institute:

The business cycle that ran from 2001 to the end of 2007 saw essentially every economic indicator except corporate profits turn in its weakest performance since World War II. Most damaging to working and middle-class households was that the percentage of the adults employed did not grow at all even during the expansion phase of the cycle (from November 2001 to December 2007) - the first time this has ever happened.\textsuperscript{42}
People who are vulnerable across several measures are often hardest hit by recessions. The following chart shows the effects of this recession by sex, marital status, and race. When reviewing employment change plus “foregone employment” (employment growth that would have happened in a growing economy), the data indicates that this recession is more severe for all Americans than any other recession, and particularly difficult for Black workers. The loss of foregone employment is also worse for African Americans (and especially bad for African American women).  

**Figure 9**  
Total Effects of 2007–2009 Recessions: White versus Black

**Table 1.**  
Total % Effects of Recessions on Employment

<table>
<thead>
<tr>
<th>Recession</th>
<th>Employment Change</th>
<th>Foregone Employment</th>
<th>Total Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974-75</td>
<td>-2.0</td>
<td>-1.9</td>
<td>-3.9</td>
</tr>
<tr>
<td>1980</td>
<td>-1.0</td>
<td>-1.3</td>
<td>-2.2</td>
</tr>
<tr>
<td>1982-83</td>
<td>-1.7</td>
<td>-4.4</td>
<td>-6.0</td>
</tr>
<tr>
<td>1990-91</td>
<td>-1.2</td>
<td>-2.3</td>
<td>-3.6</td>
</tr>
<tr>
<td>2001</td>
<td>-1.2</td>
<td>-1.3</td>
<td>-2.5</td>
</tr>
<tr>
<td>2007-09</td>
<td>-3.8</td>
<td>-3.0</td>
<td>-6.8</td>
</tr>
</tbody>
</table>

Figures taken from the following U.S. Federal Reserve Report (figures produced by author of report):  

**b. Is this recession different from previous recessions?**

In short, yes, the 2007–2010 recession is much more severe and protracted than other recessions in recent decades. The Economic Policy Institute notes that “the six months between October 2008 and March 2009 saw the U.S. economy contract more rapidly than during any other half-year since 1958.”  

Analysis by the Center for Budget and Policy Priorities indicates the employment changes experienced during this recession are much deeper and continuous than previous recession employment losses (See Figure X). This recession is different also because we are in the throes of economic change. Economists are therefore looking for a fundamentally different policy response. According to EPI, “In short, returning to the status quo that prevailed before the start of the current recession is far too modest a goal - this country needs a fundamentally different policy strategy to generate acceptable economic performance in coming years.”
c. Learning from the Past: Are there lessons to learn from the rapid economic improvements for people of color (especially Black Americans) in the 1990s?

Research assessing the apparent improvements in economic standing among Black Americans during the 1990s provides evidence that a number of factors were involved in this period of economic expansion. Far from the result of one particular policy or event, this time of quantifiable growth appears to have been due to a number of factors, which collectively improved the entire socioeconomic environment throughout the nation and its communities. Even Black churches and Black self-help resources have been cited as having had a positive impact during this era.46 What this shows is that, while there may be some key contributing factors, a broad and systematic approach must be maintained in order to foster sustainable economic development in which all members of society are able to participate, and which closes gaps in access to opportunity and life outcomes across all demographics. In addition, targeted policies, such as procurement initiatives and small business loans were very helpful in aiding the economic growth of communities of color in the 1990s. The following summarizes some of the key factors contributing to the economic growth impacting Black communities during this time.

i. General and Sustained Economic Growth

One of the most common explanations for the growth in Black-owned businesses and Black employment in the 1990s is that it was the result of the general economic growth that occurred during the decade. In an article titled, The Good News About Black America, published in Newsweek in June of 1999, Ellis Cose remarked that “Today's upswing in black fortune is unfolding in a singular context, against the backdrop of a superheated economy that has been booming since April 1991.”47 Additionally, it has been noted that the primary reason for improvement in the relative position of Black employment was that we didn’t have a recession for almost 10 years,48 which has been credited by many to be due to the fact that the 1990s shattered the length of previous peace-time booms.49
ii. Tight Labor Markets

A reason that has been often credited for the improvements in employment, particularly among young Black men, is the tightness of the labor market throughout the 1990s. This relative shortage of workers appears not only to have boosted employment, but also the average earnings of young workers.\(^5^0\) In fact, tight labor markets appear to be at the intersection of several quality of life improvements among Blacks in the 1990s, including poverty and crime. In a briefing titled, Reversal of Fortune, economist Algernon Austin credited the labor market of the 1990s with the largest decline in African American poverty since the 1960s, citing that from 1989 to 2000, Black family poverty decreased by 8.5 percentage points.\(^5^1\)

iii. Affirmative Action and Targeted Business Development Programs

Despite the controversy surrounding the use of affirmative action programs, these and other set-aside programs are often credited as a significant factor in the growth of Black-owned businesses that took place during the 1980s and 1990s. In his book, Affirmative Action and Black Entrepreneurship, economist Thomas D. Boston cites that between 1982 and 1992, Black-owned businesses increased by 7.3 percent annually, and makes the case that this growth was in large part due to the opportunity afforded Black entrepreneurs through targeted and affirmative investments.\(^5^2\) Supporting this argument, Robert W. Fairlie and Alicia M. Robb note the loss in overall economic efficiency resulting from blocked opportunities for minorities to start and grow businesses.\(^5^3\)

In addition to certain programs, the increase in available capital has also been credited for the growth in Black-owned businesses experienced during the 1990s. One example of this is the increase in loans offered by the Small Business Administration (SBA) to minority-owned business. From 1990 to 1999, the percentage of all SBA loans that went to minority-owned businesses increased from 12% (2,367 loans) to 24.6% (12,051 loans), which included a 325% increase in the number of loans that went to Black-owned firms.\(^5^4\)

The relationship between certain programs and growth among Black businesses is also connected to the growth in Black employment during the 1990s. Building upon findings regarding expansion in Black-owned businesses, Boston also cites that those same businesses increased their employment capacity by 11 percent annually, and showed through a case study survey that African Americans made up over 80% of the employees of Atlanta’s Black-owned businesses.\(^5^5\) Such findings show that programs and investments targeted towards Black-owned businesses were at work during the 1990s to grow not only business, but also employment in Black communities.

iv. Lost Gains and Growing Isolation for Some Black Workers

Freeman and Rogers have suggested that despite the gains made by Blacks during the 1990s, the gap between Blacks and Whites has persisted, leaving many to wonder what could close the gap if not such a strong expansion.\(^5^6\) In his Newsweek article, Cose also adds to this by suggesting that “It would be a mistake to assume that today’s good times have brought good tidings to all blacks,” and by citing the record number of Black men who now languish in prisons.\(^5^7\) Algernon Austin summarizes how the growth of the 1990s has failed to result in lasting change for Black America by saying, “The economic condition of African Americans is much worse today than in 2000. Family incomes, wages, and employment are down. Home ownership rates are rapidly declining. Poverty is up, and the number of black ex-offenders struggling to find work is constantly rising.”\(^5^8\) Current statistics on all fronts do suggest that the strides made during the 1990s are rapidly eroding, and that much more needs to be done in order to create an economic environment in which all Americans have access to opportunity and are able to experience better life outcomes.
5. A Framework for Addressing the Uneven Impact of the Recession:
Targeted Universalism – Universal Goals and Targeted Means

The next federal economic jobs program must be sensitive to community needs while having universal goals. But these universal goals should not preclude using unique strategies and targeting resources to communities based on their varying needs and economic condition. In fact, in order to actually reach universal goals, policy responses which are sensitive to the needs of varying communities and populations are more likely to be successful. We describe this model of universal goals and strategically targeted means or approaches as “targeted universalism.”

a. Critique of the universal means (methods) approach

The impulse to craft universal (rather than targeted) public policies is only natural for elected officials accountable to a broad electorate. Conventional wisdom holds that targeted policies generate less support and foster opposition. At a time of strained government budgets, targeted policies may be viewed as favoring some constituent group rather than the public good. If the target group is historically disfavored or considered “undeserving,” targeted policies risk being labeled “preferences” for “special interests.” To avoid alienating voters, policies are packaged for broad appeal. Therefore, utilizing universal goals for public policy is a prudent decision; where this approach falters is when universal goals produce policy which is universal in its implementation, an approach which ignores the unique circumstances facing different communities across the U.S.

Utilizing universal means to achieve universal goals suffers a critical defect; it assumes a universal norm for all communities across the nation. The Social Security Act, often described as the quintessential universal policy approach, was universal only in its impact on white, male, able-bodied workers.59 The Act initially excluded farm workers and maids, occupations most African Americans held. The scale for payments depends upon previous earnings, which for African-Americans and women was far less than their white or male counterparts. Additionally, with less than a quarter of women active in the paid labor force at that time of its inception, women were largely excluded from many of the benefits of the program. Even today, differential rates of employment and wage disparities by race and sex affect social security benefits. Every economic assistance program contains qualification criteria that exclude or disadvantage certain populations, either by design or in effect.

So-called universal policy implementation impacts different segments of society according to their location and vulnerability. Preliminary modeling by the Centers for Disease Control suggests that a universal health care program designed to increase the number of people with health care insurance may actually increase inequality between advantaged and disadvantaged clients. One might assume that since disadvantaged populations are less likely to have insurance, they would be the primary beneficiaries of a program that increased coverage. This assumption fails to consider the relationship between insurance and access to health care providers. Greater insurance coverage would increase the demand for health care services in already underserved areas without a coinciding increase in the supply of providers to meet that demand. This simulation has played out in Massachusetts, and suggests the limits of a one-dimensional universal approach to policy implementation. But if we blindly assume that a policy, project, or program is universal in its effect, we may actually exacerbate inequality and undermine the purposes of a program or policy.

Even ‘universal’ public goods, such as roads, parks or libraries unevenly affect certain populations. Described as one of this country’s greatest accomplishments, the Interstate Highway Act of 1956 used
federal dollars to subsidize the creation of the suburbs. It gave impetus to waves of migrating middle- and upper-class families to abandon the central cities for the suburbs. Private housing discrimination, restrictive covenants, redlining and racist lending criteria locked most African-American families out. At the same time, many downtown regions were surrounded or demolished by massive highway construction, transporting jobs out of urban areas, and the revenue generated by these projects did not return to the communities that were losing their churches, schools, businesses and homes.

Programs that assume a one-size-fits-all mentality tend to disadvantage certain populations relative to others. Universal programs are based on a conception of what is universal. This conception, in fact, reflects a particular, and excludes or disadvantages others by design. Universal approaches also fail to account for the ways in which people are differentially situated in relation to the program, project, or policy, and the disparate impact it may have. Consequently, they risk worsening disparities rather than reducing them.

b. Targeted Policies with Universal Goals

When pressed for the need for targeted policies, President Obama replied, “What I can do is make sure that I am passing laws that help all people, particularly those who are most vulnerable and most in need. That in turn is going to help lift up the African-American community.” An alternative to either a universal program or a strictly targeted approach is to pursue universal goals with targeted processes. Targeting within universalism rejects a blanket universal approach which is likely to be indifferent to the reality that different groups are situated differently relative to the institutions and resources of society. This is an approach that recognizes that the needs of marginalized groups must be addressed in a coordinated and effective manner, while reminding us that we are all part of the same social fabric. It also rejects the claim of formal equality that would treat all people the same as a way of denying difference. For example, a targeted universal solution to the problem of health care would be to focus on both insurance and increasing the number of health care providers likely to service disadvantaged populations. It is universal in the goal of making health care accessible to all but requires a target approach that is sensitive to how populations are situated and to interactions within the health care system.

Targeted universal approaches are neither novel nor unprecedented. A targeted universal approach to the jobs bill might be modeled on one of several existing targeted universal programs.

**HUD Section 3:** HUD Section 3 programs refer to a provision of the HUD Act of 1968, which requires that whenever job or contracting opportunities are generated as a result of HUD projects or activities, that preference is given to low- or very-low income individuals or qualified “business concerns” residing in the community in which the project is located. Also, various forms of support such as job training and job outreach are required. Section 3 is universal in its goal of ensuring that each community in which a job-generating project or activity is being undertaken enjoys the benefit from the federal investment in terms of job creation. At the same time, it ensures that well-financed and successful businesses from outside of the community do not monopolize the job benefits, and helps to create jobs where they are most needed. Communities with the highest levels of unemployment and least skilled workers disproportionately benefit. Similarly, the jobs bill might require that wherever a job is being generated, preference be given to that community in which the project or activity is being conducted and to low and very-low income individuals in particular. As part of this initiative, job training and recruitment are necessary supports to ensuring that the community benefits from the project or activity, and numeric targets of 10% of contracting opportunities and 30% of all new hires must be from that particular community.
Neighborhood Stabilization Program: The HUD NSP programs to date (NSP 1, NSP 2, and NSP-TA) illustrate various approaches to addressing the effects of the subprime lending and foreclosure crisis in both a universal and targeted way. NSP 1 allocates funding on a basis of need, albeit with a minimum allocation to each state. The program looked at foreclosure rates, subprime lending rates, delinquency and default rates to determine areas of high need, and allocated on that basis first. Then the program ensured that each state received a minimum allocation. NSP 2 allocates funding on a competitive basis, citing “[the selection of] target areas, recent past experience, program design and compliance with NSP2 rules” as criteria. NSP – TA allocates funding to national and state-level consulting firms to provide technical assistance to grantees. One could imagine a jobs bill similarly targeting areas of high need, while providing minimum allocations and technical assistance to grantees. For example, tax credits could be allocated through a combination of a minimum “floor,” plus review of need, determining need through a formula basis (data on unemployment rates, poverty, lack of job growth and economic development for the area, etc.), as is done with NSP 1. Or, like NSP 2, some of the tax credits could be allocated on a competitive basis that prioritizes need (geographic zones, targeted hiring within an area of need, W/M/DBE status, etc.), but considers capacity, collaboration, and creativity in meeting the program goals.

U.S. Department of Transportation’s Economically Distressed Areas Provisions: Another targeted but universal approach can be found in the U.S. DOT’s transportation policies. Under the U.S. Department of Transportation’s Highway Infrastructure Investment appropriation of the Recovery Act, states are required to use highway and transit funds in a way that prioritizes economically distressed areas. Under these provisions, states must determine any of their areas that are economically distressed using criteria in the Public Works and Economic Development Act of 1965, which states generally that an economically distressed area is one that has a per capita income of 80 percent or less of the national average. The purpose of this approach is to help the areas that need the most help first, while also providing recovery aid to the country as a whole.

c. Targeted Universal Job Creation Policy – Implications for a Federal Jobs Bill

The need for more targeted job creation policies has been recognized by other researchers and economists. Economic Policy Institute researcher Kai Filion reports that the gap between white and minority unemployment rates has grown dramatically during this recession, and is expected to continue growing. White unemployment is expected to reach a high of 9.0% in the third quarter of 2010, while Hispanic unemployment is projected to hit 13.9% and African American unemployment will reach 17.2%. In at least five states (Alabama, Illinois, Michigan, Ohio and South Carolina), African American unemployment is expected to exceed 20%, with Michigan bracing for a 27% African American unemployment projection. As a result of African American unemployment nationwide, the African American child poverty rate is heading to a catastrophic 50%. Further, Filion calls attention to the fact that we are experiencing the largest unemployment gap between males and females since data collection began in 1948. In short, men are becoming unemployed faster than women. EPI concludes that policymakers should “target job creation efforts in states with the most severe unemployment rates,” and should “target particular demographics.”

As another example, an additional Economic Policy Institute report looks at the intersection of both race and geography in understanding economic need. The economist Algernon Austin, notes that in the first half of 2009, the American Indian unemployment rate averaged 13.6%, 5.4% above the comparable 2009 white rate. Looking at the unemployment rates of American Indians in various geographic regions of the United States, Austin also finds great regional differences. For example, in the first half of 2009, American Indians in the Southern Plains had an unemployment rate of 8.9%, whereas American Indians...
in the West suffered from an unemployment rate of 18.7%. These findings call for targeted action at both demographic and geographic levels.62

Further, the Economic Policy Institute makes the important observation that policy makers should not overlook the need to create good jobs. Austin defines a good job as one that pays a wage that can support a family, and that provides health and retirement benefits. By this standard, Hispanics are less than half as likely as whites to have good jobs, and African Americans are about two-thirds as likely. From 1979 – 2008, the share of good jobs declined 6.9 percentage points overall. Again, this overall drop masks distinct racial disparities. The fastest decline in good jobs was experienced by Hispanic males, who have suffered a 15.5% decline in good jobs. Black males saw good jobs decrease by 9.3%, while white females gained good jobs by a modest 3.1%. At the same time, there has been a 76% increase in productivity overall since 1979. Austin notes that this means that average Americans are working harder and smarter, but have not benefited in pay and benefits from their productivity increases.

Therefore, Austin proposes a two-pronged strategy (what we term a “universal and targeted approach”): (1) increase the number of good jobs for all and (2) eliminate the racial gap in access to good jobs. According to EPI, a “good jobs” policy is not just about job creation: a good jobs policy would set the minimum wage to half the national average wage, and link economic development incentives for private companies to the creation of good jobs. Further, it would encourage the creation of jobs with health insurance and retirement benefits (or provide public options for both), address educational disparities among racial groups, allow for unionization, validate foreign, non-European college degrees of immigrants, and consider a “smart on crime” approach.63

The Economic Policy Institute is not the only organization advocating for a more targeted jobs bill. A recent NY Times Economix blog summarized recent critiques of the current jobs bill, noting four elements which should inform a jobs bill. Targeting was directly referenced as an important consideration for an effective jobs bill, noting that the Economist David Hamermesh at the University of Austin projects that targeting more employment incentives to spur growth of jobs for low wage workers may stimulate more overall hiring than an untargeted approach.64

Several reports have identified the need for an equitable jobs bill that would ideally support community development in areas which have been damaged most severely by the recession and credit crises. The bill should explicitly protect and provide for those who are especially vulnerable to joblessness and lack of access to job markets. Maya Wiley, Executive Director at The Center for Social Inclusion, suggests incentives for inclusion of people of color in jobs creation, prioritizing investment in public transit projects that connect people to jobs, and grants and loans for small and minority-, women-, and community-disadvantaged businesses. 65

Any new federal job creation strategy that invests in our nation’s infrastructure should establish a framework that lifts up job standards in the construction industry, develop new recruitment and training standards that help new workers get into the jobs, and help minority and women-owned businesses get a fair opportunity to win contracts.66 The Ensuring that the Jobs Bill Builds an Inclusive Economy that Lifts Up All Workers and Businesses report suggests five strategies to remedy the disparity in infrastructure jobs: (1) Target jobs to workers shut out of the construction industry; (2) Ensure quality job training opportunities by maximizing use of apprentices; (3) Support quality pre-apprenticeship training programs and recruitment; (4) Utilize Community Workforce Agreements to raise standards and create access; and (5) Facilitate minority participation in contracting opportunities.

The National Urban League encourages utilizing a portion of infrastructure funding to train and place disadvantaged workers in, and prepare disadvantaged workers for construction jobs, and to consider
schools, libraries, and recreation centers as part of a community’s critical infrastructure. Even “green” groups are encouraging an equity lens in infrastructure spending. America 2050 supports a “Five Step Program: Fix, Phase, Green, Train, Count” that calls for prioritizing projects that promote healthy and compact communities, advancing equitable training (“jobs should be accessible to the people in the communities most deeply affected by the current economic crisis”) and monitoring the results of federal investments and their outcomes.

Professor of Public Policy, Economics and African American Studies at Duke University, William Darity, presents similar ideas in his written work “A Direct Route to Full Employment.” Professor Darity notes that the federal government should replicate previous success with the Civilian Conservation Core, by offering employment through a similar program, offering “employment of last resort” to unemployed workers. The new “core” would be utilized to improve the nation’s rapidly deteriorating public infrastructure and public works. This program would provide tremendous benefits to the nation’s most economically marginalized workers, particularly the ex-offender population, while also providing substantial health care and anti-poverty benefits to the nation (reducing the number of uninsured workers and households in poverty). Professor Darity estimates that this program could employ all of the nation’s 15 million unemployed workers at a cost of $750 billion, an amount smaller than the Recovery Act and an action which would eliminate unemployment nationwide.67
6. Conclusion: Design and Characteristics of a Targeted Universal Jobs Bill

The proposed jobs bill could do the most good for the people most in need if it expanded job opportunities for all, while directing a portion of its resources to the hardest-hit people and communities. Using geography and indicators of need are critical diagnostic methods for identifying and prioritizing areas for more targeted economic investments. For example, communities with higher-than-average unemployment rates, poverty increases, etc. could get proportional additional resources. Demographics are also an additional indicator to use to assess job creation efforts and potentially target responses to the economic crisis. A resource stream, tax incentive, or matching funds could be targeted to programs or industries that educate, train or employ the people headed fastest to economic crisis, like African American male youth, American Indians in the West, Rust Belt communities hammered by continuing patterns of manufacturing decline, or persistent poverty counties in the South.

One of the greatest challenges in understanding the impact of the Recovery act has been finding adequate and accurate data on its impact for high need areas. Additional federal investment (and the continued implementation of ARRA) should remedy this challenge. As important as targeted efforts may be, we will never know their impact without more effective data collection. Tracking the expenditure impact of investments and programs by race, gender, and geography is necessary for two reasons. First, tracking these data is necessary to comply with applicable civil rights laws. Second, because the current economic crisis disparately impacts marginalized communities, tracking these data ensures accountability in targeting job creation and retention by those who have been most impacted by the crisis. The jobs bill should require that all recipients of federal awards, tax credits or grants report employee-level data on who was hired, and subcontractors must also report this information.

To be responsive to all Americans, new federal jobs legislation and investments should acknowledge the vast diversity of American workers and the different challenges that they face, and recognize the distinct differences in economic opportunity and financial security among various geographic and economic regions in the U.S. As discussed earlier in this report, these measures would be consistent with a number of “targeted” measures already in use in federal policy. This is an approach that supports the needs of the particular while acknowledging that we are all part of the same social fabric. Targeting within universalism means being proactive and goal oriented about achievable outcomes. As an initial step, an impact assessment could be employed to gauge how a universal policy would impact particular groups. But an impact assessment alone is not enough. In a complex, real world setting, policies have unintended consequences and resistance that thwart policy intentions. It is critical that targeted universal policies set clear goals and use mechanisms to closely monitor and correct for unexpected implementation challenges.68
Endnotes: References and Citations


27 US Economic Census, Survey of Businesses, 2002


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