

Creating Jobs and Raising Wages in San Diego

12/2/2009

By Chuck Flacks, San Diego Workforce Partnership

Join Chuck Flacks, Director of Research and Policy at the San Diego Workforce Partnership, in a dialogue about giving all residents of our region the chance to prosper. Chuck Flacks has worked in the nonprofit sector for the past seventeen years. He welcomes your comments here, or you can reach him directly at 619.228.2935.

- Rebecca Smith, Vice President, San Diego Workforce Partnership.

Recent data show poverty on the rise.

The San Diego Workforce Partnership is spending millions trying to help by funding career centers and job training; however, serving 30,000 people a year doesn't begin to meet the need. What can be done? Are the poor always with us?

In the United States we seem to constantly be at war with the pervasive plight of the underclass. Franklin Roosevelt tried with the New Deal to lift everyone out of poverty; Johnson tried with the Great Society to grow our economy to end poverty, Nixon tried by continuing the War on Poverty to provide enough support through welfare, food stamps, subsidized child care, subsidized health care and other programs to create incentives for work; and, Bill Clinton promised to end the "culture of poverty" by "ending welfare as we know it."

Yet, the statistics remain grim. They grow worse during the Great Recession.

The Center on Policy Initiatives (CPI) released two reports on September 22 and September 29 of this year, showing a 1.5% increase in people living under the federal poverty line (\$10,991 for an individual, and \$21,834 for a family with two adults and two children).

The number of people living at or below this ridiculously low level grew from 320,378 in 2007, to 366,799 in 2008. One expects these numbers to get even worse for 2009. If the federal poverty wages are doubled (still very low income), the numbers cited by CPI are rather staggering.

The number of San Diego County residents living at or below double the federal poverty level went from 787,991 (27.4% of the population) in 2007 to nearly 850,000 (29.3%) of the population in 2008.

These are the worst poverty statistics in this county since the Great Depression.

Graver still is the reality that many (nearly 40%) of full-time jobs do not even meet the bare bones minimum budget required to live in San Diego county. So, not only are more people living below the "official" poverty line, but, many more are nowhere near "making it" on their own. One wonders how they are doing it.

With “welfare” still a dirty word, many people are afraid to ask for help.

San Diego County has one of the lowest percentages of eligible Food Stamp subscribers using Food Stamps in the country, according to a national study from the Food Research Action Center. Critics have claimed that accessing food stamps is burdensome. In fact, a common complaint about social services for the last 50 years has been that getting enough help to live on is a full time job itself!

The reality is that poverty and inequality put a drag on the whole economy.

Much like health care, when people are suffering, they turn to whatever emergency resources they can.

Emergency resources can be costly social services or the illegal “resources” that put people in prison. According to Urban Strategies it costs over \$200,000 a year to house a prisoner.

I’m not suggesting we give poor people \$200,000 each; however, we need to look at the inefficiencies of paying an enormous poverty and prison bureaucracy. If our corrections and social service systems worked, we wouldn’t have poverty.

Tax dollars that could be spent on aid to small businesses, improving the incentives for work and education, faster public transportation, job training, childcare assistance, and a non-humiliating social and food assistance system could be a more efficient use of funds.

A radical proposal might be to increase the minimum wage to the living wage per region.

San Diego’s livable wage was \$16.33 per hour in 2007. It may have dropped now as a result of deflation. What if, instead of paying \$200,000 per year to incarcerate people, we paid businesses to employ people at wages that are high enough to afford the local standard of living?

What better way to kick-start our economy than supporting business creation and employment directly? What if, instead of stigmatizing benefits that support work, we make food stamps, childcare and transportation subsidies readily available when people are getting their job training or are finding work?