

Doug Schoen, Contributor

Founding Partner; Penn, Schoen, and Berland

An Unspoken National Crisis

10/12/2010 04:46 pm ET **Updated** May 25, 2011

There is a huge national crisis that America is currently facing that has gotten very little recognition or attention.

That crisis is black teenage unemployment.

Put simply, we are facing something approaching a national emergency that goes well beyond the current unemployment rate in the recession or the more general economic dislocation that Americans have been facing recently. Any objective analysis of the data shows that for the vast majority of African Americans under the age of 21, there are simply no opportunities in our society; not only for advancement, but for any sort of survival.

The implications of this are ominous. Without any real opportunities to participate in American society, the alternatives are truly calamitous for young people and for society at large.

We are very fortunate to have avoided so far any social dislocation or unrest. But given the full dimensions of the problem, it is simply assuming too much to believe that we will be able to stay on the present course without some sort of catastrophic result.

Here is the data.

While our national unemployment rate is at 9.6%, African-American unemployment is notably higher at 15.6%. This is unacceptable and requires national attention.

However, most disturbing is that unemployment among black teenagers is an astounding 40.6%, and was as high as 50% last year. If discouraged workers - that is, those who have given up seeking employment - are also included in this calculation, the number of black teenagers without work rises to 70% - 80%.

This is what creates the national emergency that I speak of.

African Americans have long had the most limited job prospects of any ethnic or racial group in America. The black unemployment rate has been about 6.6% higher than the white unemployment rate since 1972. During a recession, when the likelihood of being unemployed increases 1% for whites, it increases 1.5% for blacks. The fact that the economy is not recovering as quickly as everyone hoped it would makes the situation only worse for blacks, and even worse still for black teenagers.

President Obama, the Democrats and the Republicans have all said nothing about this crisis. They are all participating in a conspiracy of silence regarding one of the central challenges facing our nation. But ignoring the severity of the problem does not make it go away; arguably, it makes it worse.

Having lower-income African Americans without work at the rates we currently see is a national embarrassment and indeed a crisis. Put another way, if there was urgency in bailing out big financial institutions, banks and car companies, how then do we say we cannot bail out our children, people who have had no opportunities for their entire lives? Indeed, with the recent celebration of the 47th anniversary of Martin Luther King's "I have a dream" speech, it is sad to have to realize that for so many African American youths in America, there is no dream, and there is no chance.

America needs a bold, national initiative to combat black teenage unemployment. This initiative has to be broad based and include people of all ideologies and all political persuasions.

What specifically needs to be done to address this national emergency?

It is clear that we have to take off our ideological blinders and consider ideas from the left and the right if we are to succeed.

First, we need a greater commitment to education and job training to better prepare and qualify people to work. The so-called shovel-ready projects that stimulus funds have gone to have not produced real construction work. While the current discussion on improving education is mostly about charter schools and vouchers that emphasize choice, we should instead focus on improving our trade and vocational schools so that people can learn the skills needed to work. Charter schools provide minorities with a better education and put them on a path to continue their education longer, but more importantly, trade and vocational schools would prepare minority teenagers for jobs

that exist in IT, green businesses and other emerging areas. Vocational schools have ties to jobs in the fields for which the students are being trained, and would provide teenagers with an opportunity to have ongoing relationships with future employers. We must also encourage high schools to form private and public partnerships with local businesses specifically to offer job opportunities to minorities.

We should increase funding for minority-serving institutions and universities so that these teens are exposed to quality education beyond high school, which will offer them more job opportunities and make them more qualified for a diverse range of higher-paying jobs. We must develop targeted workforce development programs that place black workers into pipelines that lead to higher-paying industry sectors.

Further, we should provide blacks with opportunities for entrepreneurship and encourage entrepreneurship in minority areas. Business growth centers should be established in minority areas that offer business training, financial literacy instruction, mentoring, management counseling, financing and contract negotiation. Assistance must also be available in minority areas to facilitate access to funding available from Federal government programs and the private sector.

Jack Kemp understood that minorities often don't have as much access to the same opportunities that are available to whites that would allow them to prosper economically. In 2008, Kemp said that "By giving people access to capital and allowing them to take ownership of assets, entrepreneurship will be encouraged and the cycle of poverty can begin to be broken. All persons should have the opportunity to go as high as their merit and determination can carry them."

We need to provide blacks with the opportunities to become entrepreneurial. By encouraging an entrepreneurial ethic and supporting entrepreneurial training and policies that will help blacks use their own skills and aptitudes, jobs will be created and minority unemployment will decrease.

Another way we can get black teenagers working is by reducing the minimum wage so that employers will hire more people. Increasing the minimum wage does not move working families out of poverty. On the contrary, it discourages employers who are trying to meet a payroll from keeping low-wage workers employed, and certainly from hiring new ones. A higher minimum wage impacts those with the fewest skills or least experience the most, which often means teenagers looking for entry-level jobs. By lowering the minimum wage, or at least by establishing a teenage or sub-minimum wage, more young people will be hired and have the opportunity to learn how to be in the workforce in America.

I understand that people on the left will howl at the thought of decreasing the minimum wage. But teenagers who are on a ledge, are heading in the wrong direction, or are involved in unproductive or potentially criminal activity just need to be employed. If it takes reducing the minimum wage to get people hired, then we must do it. Practically, the risk to us of social unrest is too horrific to even consider.

Finally, we should implement policies aimed at encouraging employers to hire workers. We should provide a payroll tax holiday, tax credits, or compensation for businesses that hire new employees from areas with high teenage unemployment. The government should also offer tax credits for businesses that open in minority or low-income areas.

Hopefully, those on the progressive left will see the urgency in addressing this crisis in a multiplicity of ways, and those on the right will recognize that it is not just enough to cut taxes generally or to get rid of regulation. We have to target inner-city areas with high unemployment to prevent social pathology, unrest and social anomie.