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ARRA AND THE ECONOMIC CRISIS: ONE YEAR LATER

HAS STIMULUS HELPED COMMUNITIES IN CRISIS?



Jason Reece
Senior Researcher

Christy Rogers
Senior Research Associate

Matthew Martin
GIS/Planning Specialist

Stephen Menendian
Senior Legal Associate

john a. powell
Executive Director

Andrew Grant-Thomas
Deputy Director

KIRWAN INSTITUTE

FOR THE STUDY OF RACE AND ETHNICITY

CONTRIBUTORS

Dominique Apollon, *Applied Research Center*

Laura Barret, *Transportation Equity Network*

Jacob Faber, *Center for Social Inclusion*

Dennis Parker, *ACLU*

Anita Sinha, *Advancement Project*

Juhu Thukral, *The Opportunity Agenda*

Philip Tegeler, *Poverty & Race Research Action Council*

Deidre Swesnik, *National Fair Housing Alliance*

Amy Hanauer, *Policy Matters Ohio*

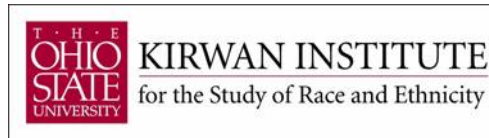
Gihan Perera, *Miami Workers Center*

Sondra Youdelman, *Community Voices Heard*

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ARRA & the Economic Crisis - One Year Later: Has Stimulus Helped Communities in Crisis?

Jason Reece, Matt Martin, Christy Rogers & Stephen Menendian

February 2010

Executive Summary

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 2009.¹ The \$787 billion stimulus bill was designed to create and preserve jobs, spur economic growth, and be administered with a particular focus on transparency and accountability. The stimulus bill made explicit reference to “assist those most impacted” by the recession. Has ARRA provided relief to our hardest-hit communities? Has ARRA worked to promote greater racial and socioeconomic equity in our nation? One year into the implementation of ARRA we find mixed results, and offer critical lessons learned from the ARRA experience. In addition, we provide specific recommendations for achieving the goals of the Recovery Act, generating jobs and broadening prosperity, and reducing our racial and economic divide.

An Uneven Economic Crisis

The brunt of unemployment, layoffs, social service and education budget cuts, foreclosures, and bankruptcies has been borne by groups already marginalized by the mainstream economy. In particular, the racial impacts of the recession and housing crisis have been extreme. One in five children were living in poverty in 2008, and poverty rates for children of color are climbing above 40% in some states.² While one in ten workers are unemployed nationally, one in six Black workers and one in eight Latino workers are unemployed.³ Nearly half of all subprime loans went to African American and Latino borrowers, even though many qualified for prime loans. African American and Latino homeowners are expected to lose \$164 - \$213 billion in assets due to the housing crisis.⁴ While much of our analysis focuses on race, it is important to note that other factors, such as geography and gender, impacted the way in which the recession burdened already vulnerable communities. 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. Neighborhoods and communities are also being reshaped by the detrimental impacts of the housing crisis and recession.

ARRA One Year Later: Protecting Vulnerable Populations from Devastating State Budget Cuts

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 2011.⁵ As a result, the draconian budget cuts predicted for 2009 may loom again in 2010.

ARRA One Year Later: Failing to Address Joblessness for Marginalized Racial Populations

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. 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 2008.⁶ 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%.⁷

Recently released January 2010 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.⁸ 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 continues to rise (from 15.5% to 16.5% during the same time period).⁹ Latino unemployment rates have also decreased slightly but remain very high, decreasing from 13.1% in October 2009 to 12.6% in January 2010.¹⁰ The 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 decline for White workers), Black workers may soon reach the 2010 unemployment rate which was once projected to occur if a stimulus or recovery bill was not enacted. This suggests that many of the employment gains from ARRA are not reaching workers of color.

ARRA One Year Later: Underperforming in Producing Minority Procurement & Contracting

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.¹¹ 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,¹² as of February 1, 2010, they had only received 1.1%, 1.6%, and 2.4% of all federally contracted ARRA funds.¹³ 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.

The Housing Crisis One Year Later: Inadequate Federal Response

The subprime lending and foreclosure fiasco, a key driver of the current economic recession, continues to destabilize families and neighborhoods across the country. The Neighborhood Stabilization Program (NSP), which allocates funds to communities to buy and rehabilitate vacant homes, has been criticized as too little, too late. In many communities, the number of vacant homes is several *thousand* times that of the number of homes potentially salvaged by NSP. Second, because the program directs the funds to be used in hardest-hit neighborhoods (a principle that seems sound on its face), it may be putting its drops in the wrong bucket: rather than trying to salvage a few homes in an overwhelmed neighborhood, it may be better to move foreclosed families into rehabilitated homes in more stable neighborhoods.

In fact, the federal government has addressed the foreclosure crisis primarily outside of the stimulus bill, through the Department of Treasury programs. By all accounts, even Treasury's the programs have not performed well enough. With millions of families facing foreclosure, comparatively few have received permanent loan modifications under Making Home Affordable, which includes both "HARP" and "HAMP." HARP was designed for borrowers who are "underwater," or owe more than their home is worth. Unfortunately, many homeowners are so far underwater they cannot qualify for a refinance; nor do they have the ability to pay closing costs, given that they have exhausted themselves financially trying to keep current on the mortgage. As of October 2009, about 130,000 of the five million potentially eligible loans were modified under HARP.¹⁴ With regards to HAMP, out of the three to four million households targeted by the program, 110,000 have been approved for permanent modifications as of late December, with a great many more in temporary modifications (the Administration reported in January that a total of 850,000 homeowners have received temporary or permanent HAMP modifications¹⁵). Two macro-scale forces are weakening the programs, including continually falling home prices and increasing joblessness. The voluntary nature of the programs, and the fact that mortgage companies can collect lucrative fees from long-term delinquency,¹⁶ has slowed servicer and lender action.

In short, the scale and scope of the crisis has overwhelmed the federal response. The Administration should now consider more significant actions, such as requiring equity write-downs and giving bankruptcy judges the right to amend mortgages. In broader terms, the subprime crisis and resultant economic tsunami requires nothing short of a systemic reconfiguration of federal priorities, including effective bank regulation and consumer protections.

Moving Forward: Responding to Challenges & Promoting Opportunities for Equity

Despite ARRA's inability to fully counter the economic crisis facing marginalized communities, the need for continued federal action, investment and leadership is critical. As documented in this report, indicators for socioeconomic health in many communities are indicating widespread hardship for many marginalized communities, especially communities of color. At the state level, ARRA funds (and future policy efforts to reverse the economic crisis facing marginalized communities) must be refocused in several ways.

- Improve Tracking of ARRA Resources and Outcomes. Rather than scaling back job tracking efforts, there should be additional measures which consider the quality and duration of employment, as well as the race, gender, and zip code of job recipients.
- Increase Small and Minority Business Participation. Unbundle large contracts for small businesses. Breaking up large projects will allow for more small business participation in the recovery. Set and mandate specific, MBE and DBE Goals for every department.
- Ensure That Hard Hit Communities Experience Job Impact. Use targeted reinvestment in hard-hit areas, first source hiring, apprenticeship and job training. Increase employment opportunities for ex-offenders.

In addition, federal reforms are needed to assure that federal agency plans are consistent with all of the goals of ARRA, including its emphasis on those most impacted by the economic crisis. A review of the Agency Plans raises two broad, systemic concerns that require immediate attention. First, it appears that Agency programs funded by ARRA may insufficiently reflect ARRA's priorities. There is a greater need to more carefully align Agency programmatic activities with ARRA's goals, particularly its emphasis on job creation and assistance to those most affected by the crisis. Secondly, the mandate to expend ARRA funds as quickly as possible, with special priority given to 'shovel-ready' projects and projects

receiving private investment, may be giving short-shrift to civil rights compliance, particularly Title VI and Title VIII of the Civil Rights Act of 1964.

Finally, an equitable jobs bill is still required to stem the economic crisis facing marginalized communities. A future jobs bill would ideally support community development in urban and minority-majority 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. Any new federal job creation strategy that invests in our nation's infrastructure should invest in other critical community infrastructure (outside of road investments) as well, such as transit, schools and parks. It should develop new recruitment and training standards that help new workers get into jobs, and help minority- and women-owned businesses get a fair opportunity to win contracts. Finally, measures must be taken to ensure that marginalized communities are brought fully into the green economy, as "green job" initiatives begin to take shape in both federal and state policy.

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The Kirwan Institute for the Study of Race & Ethnicity¹

www.fairrecovery.org and www.kirwaninstitute.org

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¹ The Kirwan Institute would like to thank all guest contributors featured in our reflections from the field for sharing their valuable expertise and experiences for this report. For biographical information on Kirwan staff who authored this report, please visit: <http://www.kirwaninstitute.org/about-us/leadership-staff/>

1. Introduction: The American Recovery and Reinvestment Act - One Year Later

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 2009.¹⁷ The \$787 billion stimulus bill was designed to create and preserve jobs, spur economic growth and be administered with a particular focus on transparency and accountability. Utilizing a combination of tax cuts, grants, loans and direct procurement for new investments, ARRA was designed to both stimulate the economy while generating employment to offset the nation’s growing job losses (See Figure 1). Another aspect of the stimulus bill was an explicit reference to “assist those most impacted” by the recession. The following report explores the impact of ARRA on those communities most impacted by the economic crisis. The recession has not impacted our nation’s communities evenly, and this uneven economic crisis is responsible for widening geographic, racial and socioeconomic divides in our nation.

Has ARRA worked to offset this growing economic divide in our nation, and offered relief to hard hit communities? Has ARRA worked to promote greater racial and socioeconomic equity in our nation? One year into the implementation of ARRA we find mixed results, and offer critical lessons learned from the ARRA experience. The following report examines the disparate impact of the recession and housing crisis, specifically reviewing the impact of ARRA on relieving this unfolding crisis in hardest-hit communities. The report also pulls from the expertise and experience of equity advocates in the broader social justice field, offering reflections from the field by those working directly to produce more equitable outcomes in our response to the economic crisis.

The report closes with a critique of why ARRA has experienced challenges in stemming the unfolding crisis in those communities most devastated by the recession. These poignant lessons should offer us guidance and insight in future policy design and public sector responses to the continuing economic crisis which has devastated many of our nation’s most marginalized and vulnerable communities. The impacts of the recession and the housing crisis on our nation’s marginalized communities are severe and potentially long term; the severity of this challenge requires continued public investment and policy reform to assure a fair recovery for all Americans, and an economically healthy nation for all.

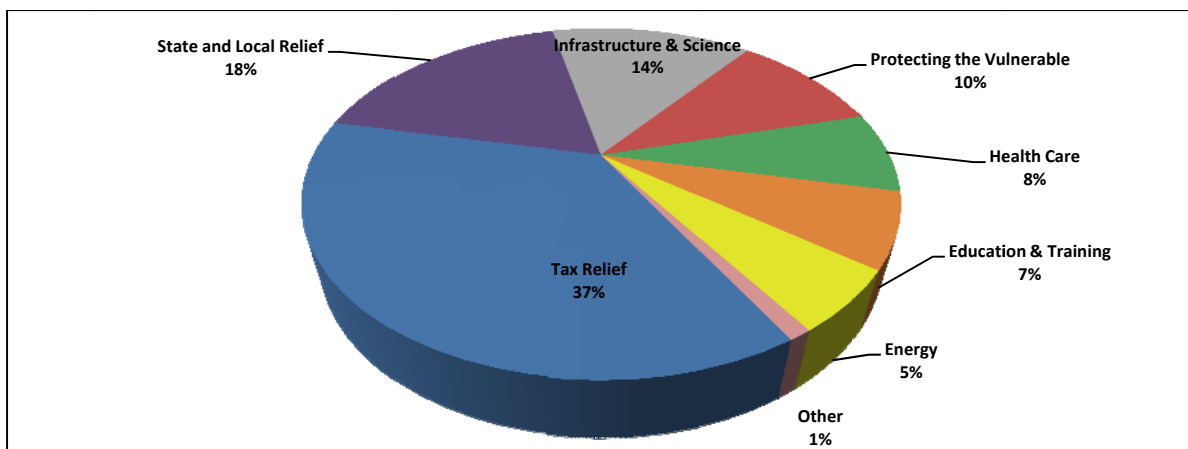


Figure 1: American Recovery and Reinvestment Act Dollar Allocation (Percentage Allocation)

2. The Uneven Economic Crisis

When Hurricane Katrina devastated New Orleans nearly five years ago, it quickly became clear that the storm had an undeniably significant impact on marginalized communities. Wolf Blitzer's September 1, 2005 quote in the CNN Situation Room has since become famous: "You simply get chills every time you see these poor individuals. Almost all of them that we see are so poor, and they are so black. This is going to raise lots of questions for people who are watching the story unfold."¹⁸ Now, in 2010, a tremendous economic downturn has impacted all Americans. However, like Katrina, the most vulnerable populations and communities tended to be the ones hardest hit by the financial disaster. This is not a coincidence. The reality is that all members of our society do not have equal access to social and physical infrastructures that help people "weather the storm."

a. Uneven impacts

The brunt of unemployment, layoffs, social service and education budget cuts, foreclosures, and bankruptcies has been borne by groups already marginalized or undervalued by the mainstream economy. In short, the economic recession has had an uneven impact across various layers of marginalization. In particular, the racial impacts of the recession and housing crisis have been extreme. One in five children were living in poverty in 2008, and poverty rates for children of color are climbing above 40% in some states.¹⁹ While the U.S. has been in a recession for more than two years, people of color have been in a recession for nearly *six* years, and have entered a depression during the current economic crisis.²⁰ While one in ten workers seeking employment is unemployed nationally, one in six Black workers and one in eight Latino workers are unemployed.²¹ Nearly half of all subprime loans went to African American and Latino borrowers, even though many qualified for prime loans. African American and Latino homeowners are expected to lose \$164 - \$213 billion in assets due to the housing crisis.²² While much of the analysis above focuses on race, it is important to note that other factors, such as geography and gender, also have shown uneven impacts during the recession. For example, a rapid loss of manufacturing jobs has created devastating economic impacts in traditional rust belt communities in the Midwest (**See Figures 2 and 3**).

b. Long term consequences

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."²³ Between 2007 and 2008, 744,000 more children became poor, and the numbers are expected to rise as the impacts of the recession continue.²⁴ As *New York Times* columnist Bob Herbert recently stated:

"...there is little doubt that poverty and family homelessness are rising, that the quality of public education in many communities is deteriorating and that legions of children are losing access to health care as their parents join the vastly expanding ranks of the unemployed. This is a toxic mix for children, a demoralizing convergence of factors that have long been known to impede the ability of young people to flourish."²⁵

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.

Neighborhoods and communities are also being reshaped by the detrimental impacts of the housing crisis and recession. This impact is magnified in many communities of color which have been devastated by the foreclosure crisis. Communities which had faced a number of challenges already, such as high poverty, disinvestment or vacant properties prior to the foreclosure epidemic, are now facing extreme conditions. The foreclosure crisis is producing widespread vacant properties, which act like a toxin in the urban environment, poisoning the health of the entire community.²⁶ The growth in vacant properties is further dragging down property values, creating extensive blight and safety risks and in some cases spiraling stable neighborhoods into a permanent state of distress, as well as undermining entire cities.²⁷ For people of color and others isolated in these neighborhoods, the crisis is creating widespread burdens, ensnaring all residents, even those who are not facing foreclosure.

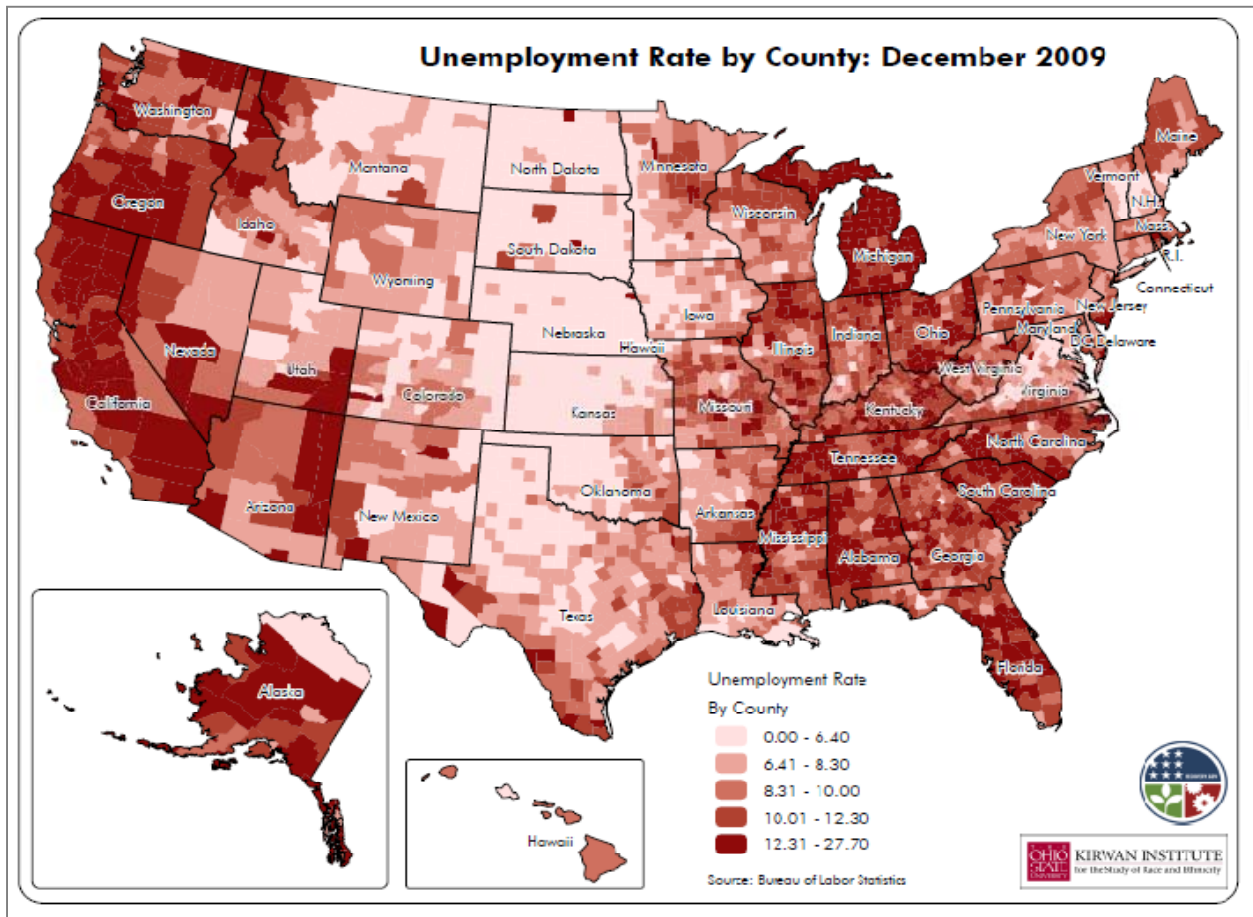


Figure 2: The Uneven Geographic Footprint of the Recession: Unemployment Rate by County December 09

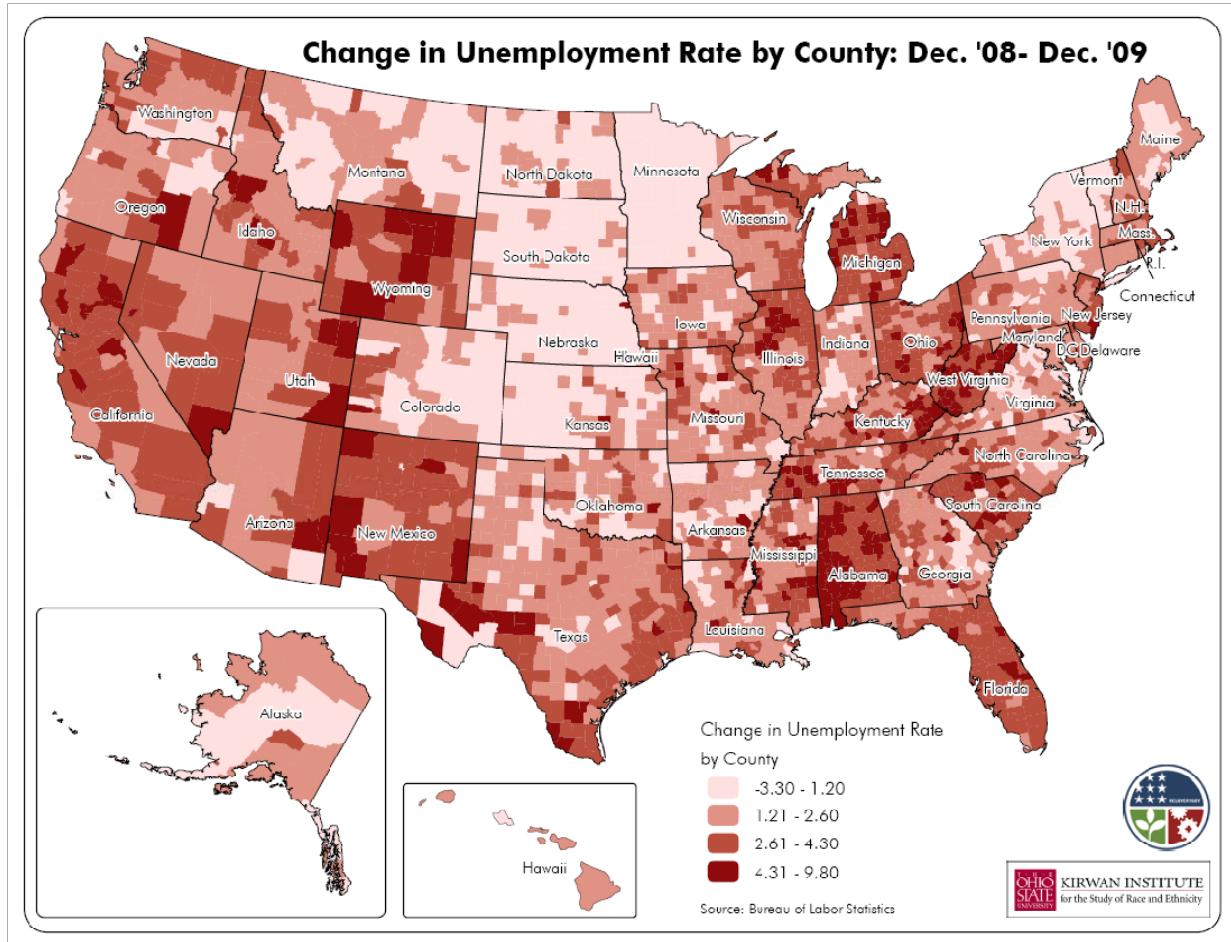


Figure 3: The Uneven Geographic Footprint of the Recession: Change in Unemployment December 08 to December 09

3. Has ARRA Helped Communities in Greatest Need?

To review the impact of ARRA on hard hit and marginalized populations, we assess a few key areas: state budget impacts, jobs production (also accountability & transparency), procurement and the response to the housing crisis. Our evaluation finds mixed results, with ARRA contributing significantly to communities in great need in some areas (stabilizing state budgets and programs for those in need) while coming up short in other domains (job production, procurement and housing). Meanwhile, accountability challenges in data collection make it impossible to judge the job benefits produced by ARRA for hard hit communities.

a. Avoiding Disastrous State Budget Shortfalls

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 was crucial to avoiding massive budget cuts to critical services that would have further isolated vulnerable populations. In the months preceding ARRA's passage, state budgets across the nation were suffering unprecedented revenue shortfalls. Besieged by both the housing crisis and the recession, nearly half of all states faced budget deficits at the end of 2008.²⁸ In response, much of the relief provided in the first year of ARRA was directed to state budget relief, most notably in supporting health and education programs. The GAO reports that 85% of the \$69 billion in federal outlays to States between February and November of 2009 were directed to health, education and training.²⁹ This relief has proven to be critical to protecting state services, as noted by the recent state financial report released by the National Governors' Association.

"By providing nearly \$135 billion in flexible emergency funding through the American Recovery and Reinvestment Act of 2009 (ARRA), the federal government has helped states avoid draconian cuts to state services."³⁰

Analysis of the impact of ARRA suggests that several ARRA programs will help soften the growing poverty across the nation by expanding existing tax credits and financial assistance programs. According to research produced by the Center for Budget & Policy Priorities, several components of ARRA (emergency unemployment provision, earned income tax credit, making work pay tax credit, child tax credit, food stamps and disability assistance) will stem the growth of poverty over the next five years. The CBPP report estimates these provisions helped 6.2 million families avoid falling below the poverty line in 2009, of which they estimate more than 50% of those assisted were Black or Latino (3.3 million).³¹

While these reports show positive results for ARRA's impact on vulnerable populations, concerns are rising in regards to continually increasing poverty and impending state budget deficits. The U.S. poverty rate of 13.2% in 2008 (the most recent national poverty figure), was the highest rate recorded in 11 years.³² 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.³³ While the recent CBPP report estimates ARRA will stem the growth of poverty in 2009, without 2009 poverty data, this estimate is not provable at this time. In contrast, some hard hit states show continued growth in economic distress, despite the implementation of ARRA. For example, Ohio has no updated poverty figures for 2009, but

between the end of December 2008 and December 2009, food stamp participation grew by 14% and unemployment increased by 46%, while the number of children on free and reduced lunch grew by more than 100,000 between 2007 and 2009.³⁴

Looking past the relief provided in 2009 for state budgets, 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 2011.³⁵ As a result, the draconian budget cuts predicted for 2009 may be impending without additional federal assistance. The Center for Budget and Policy Priorities estimates that in response, 43 states have enacted budget cuts which harm our most vulnerable residents, and if continued, such cuts could eliminate another 900,000 jobs.³⁶

b. Jobs, Accountability & Transparency

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. The most recent reported figures for jobs produced or supported by ARRA claim 599,108 jobs supported or created with ARRA funds between October 1st and December 31st 2009.³⁷ Despite the job production claims, national unemployment has continued unabated during 2009. Between February 2009 and December 2009, the national unemployment rate increased from 8.2% to 10%; the number of unemployed increased from 12.7 million to 15.2 million during this time frame (**See Figures 4 to 8**). Despite growth in US gross domestic product (which increased by 5.7% in the further quarter of 2009), joblessness continued to grow in 2009. 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, recorded at the end of 2008.³⁸ 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% during this time (**See Figure 4 to 8**).³⁹

A Growing Racial Divide in Unemployment

Recently released January 2010 unemployment figures indicate some changing trends, with a decline in national unemployment figures, but continuing growth in unemployment for some populations (**See Figure 9**). 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.⁴⁰ 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 continues to rise unabated (from 15.5% to 16.5% during the same time period).⁴¹ Latino unemployment rates have also decreased slightly but remain very high, decreasing from 13.1% in October 2009 to 12.6% in January 2010.⁴² Meanwhile 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%.⁴³ The new divergence in unemployment growth for Black workers is particularly troublesome, suggesting our economy's modest economic gains from late 2009 are not reaching our most economically vulnerable populations and resulting in extreme rates of unemployment for some populations. 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.”⁴⁴

Has ARRA produced the job benefits expected prior to its passage? A review of unemployment figures and projected unemployment (projected to occur without a recovery package) suggests that it has not achieved the job production gains expected of a recovery bill. The Issue Brief “Without Adequate Public Spending, A Catastrophic Recession for Some” prepared by Lawrence Mishel and Heidi Shierholz and published by the Economic Policy Institute, projected 2010 unemployment rates without a economic recovery package to address joblessness.⁴⁵ Their predictions for unemployment in 2010, without an adequate recovery package are strikingly close to recorded unemployment rates for January 2010, especially for workers of color (**See Figure 10**). Mishel and Shierholz predicted Black unemployment to reach 18.2% by 2010 without a recovery package, current unemployment figures for Black workers stand at 16.5% in January 2010 and are steadily increasing. While overall unemployment has started to decline (and decline for White workers), Black workers may soon reach the 2010 unemployment rates expected to occur, if a stimulus or recovery bill was not enacted, suggesting that many of the employment gains from ARRA are not reaching workers of color.

Why haven't the employment gains from ARRA investments reversed unemployment growth? Although ARRA has certainly produced some new employment opportunities, a review of job figures suggests that more of the employment opportunities produced by ARRA were job retention and not new employment. More than two-thirds of the jobs reported during the last quarter of 2009 were reported by the Federal Department of Education, while 40% of jobs reported were produced by state stabilization grants going to State Departments of Education.⁴⁶ It's likely that these state grants primarily supported existing jobs and personnel in public sector agencies and are not representing new job growth. Analysis by the Associated Press indicates that ARRA investments made little impact in reversing local level unemployment trends.⁴⁷ With public support and confidence in ARRA on the decline, ARRA's inability to stem the growing unemployment with new job production may be partially responsible for increasing public doubt concerning ARRA's impact.⁴⁸

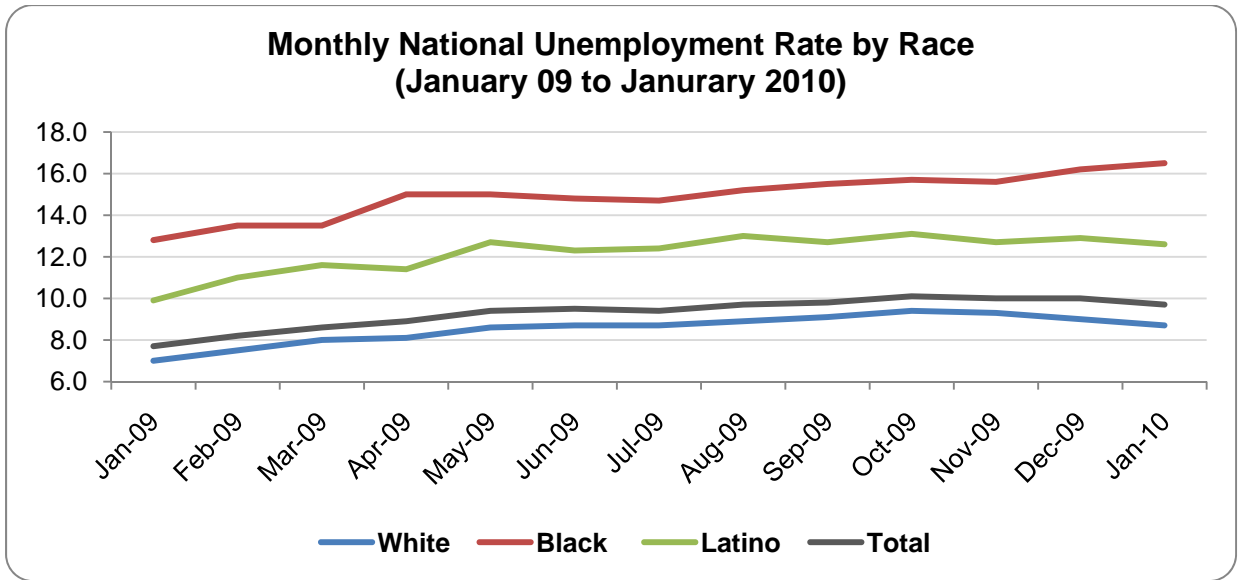


Figure 4: Monthly Unemployment Rates by Race; Source: Bureau of Labor Statistics

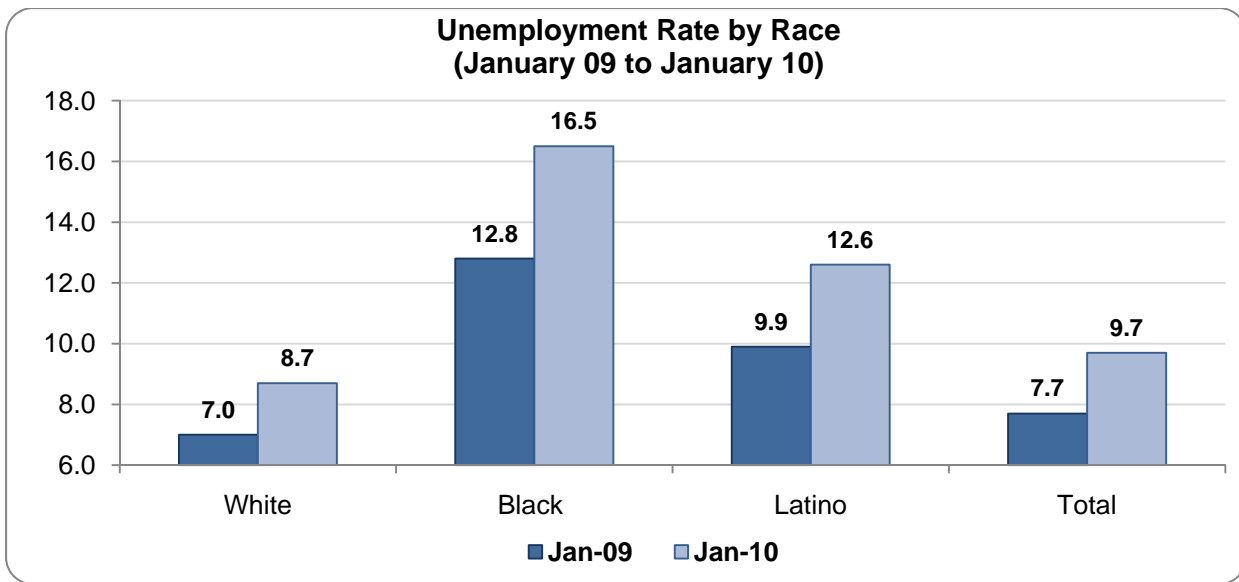


Figure 5: Unemployment by Race (January 2009 and January 2010); Source: Bureau of Labor Statistics

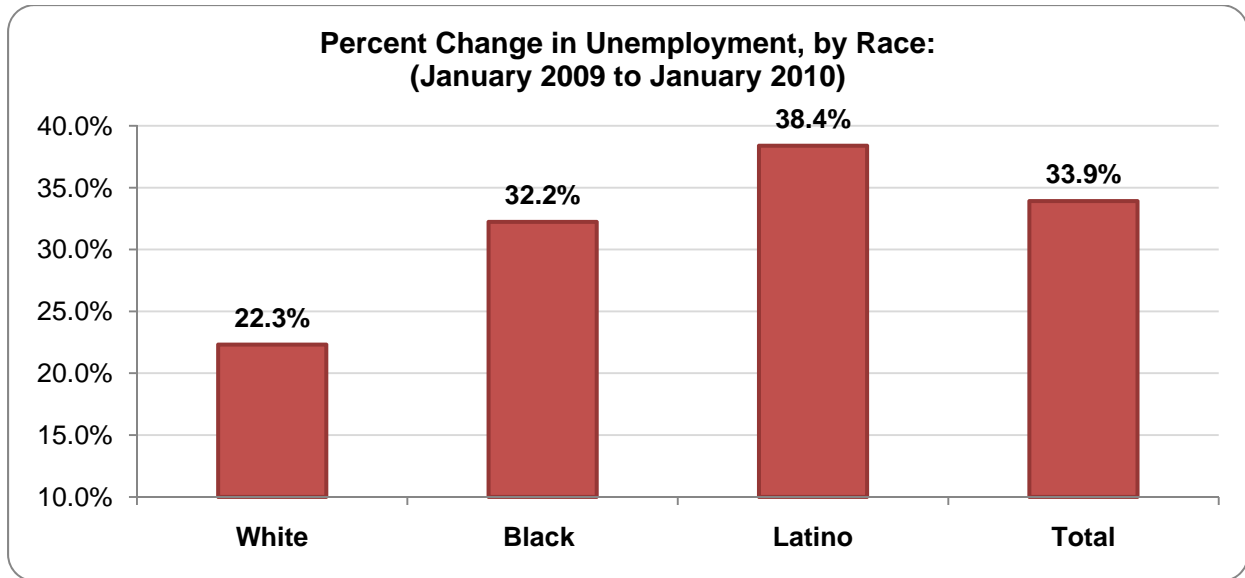


Figure 6: Percent Change in Unemployment by Race 2009; Source: Bureau of Labor Statistics

Count	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10
White	8,458	8,815	9,408	9,996	10,213	10,874	10,986	10,927	11,254	11,366	11,813	11,589	11,266	10,782
Black	2,150	2,278	2,396	2,367	2,676	2,650	2,617	2,600	2,682	2,701	2,754	2,757	2,843	2,929
Latino	2,089	2,186	2,433	2,571	2,548	2,860	2,739	2,792	2,908	2,849	2,939	2,872	2,891	2,848
Total	11,400	11,919	12,714	13,310	13,816	14,518	14,721	14,534	14,993	15,159	15,612	15,340	15,267	14,837

Source: <ftp://ftp.bls.gov/pub/suppl/empsit.cpseea3.txt>, <http://www.bls.gov/news.release/empsit.nr0.htm>

Figure 7: Monthly Unemployment Counts by Race; Source: Bureau of Labor Statistics

Rate	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10
White	6.7	7.0	7.5	8.0	8.1	8.6	8.7	8.7	8.9	9.1	9.4	9.3	9.0	8.7
Black	12.1	12.8	13.5	13.5	15.0	15.0	14.8	14.7	15.2	15.5	15.7	15.6	16.2	16.5
Latino	9.4	9.9	11.0	11.6	11.4	12.7	12.3	12.4	13.0	12.7	13.1	12.7	12.9	12.6
Total	7.4	7.7	8.2	8.6	8.9	9.4	9.5	9.4	9.7	9.8	10.1	10	10	9.7

Source: <ftp://ftp.bls.gov/pub/suppl/empsit.cpseea4.txt>, <http://www.bls.gov/news.release/empsit.nr0.htm>

Figure 8: Monthly Unemployment Rates by Race; Source: Bureau of Labor Statistics

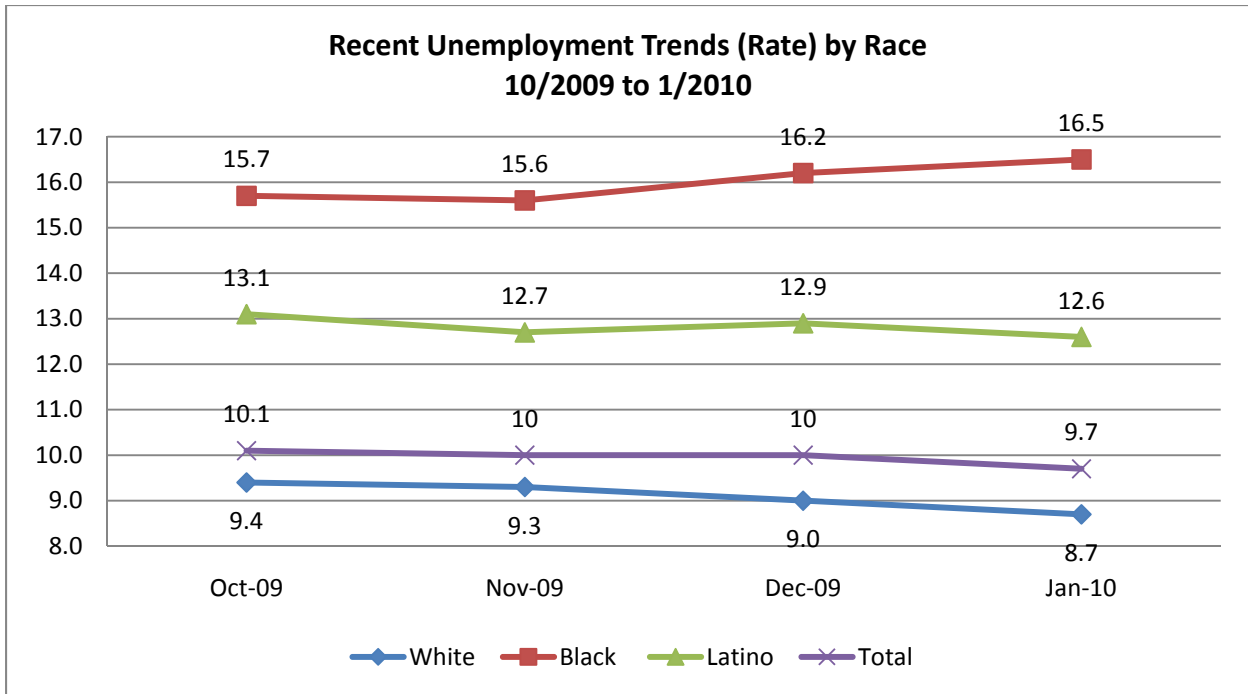


Figure 9: Recent trends in unemployment by race; Source: Bureau of Labor Statistics

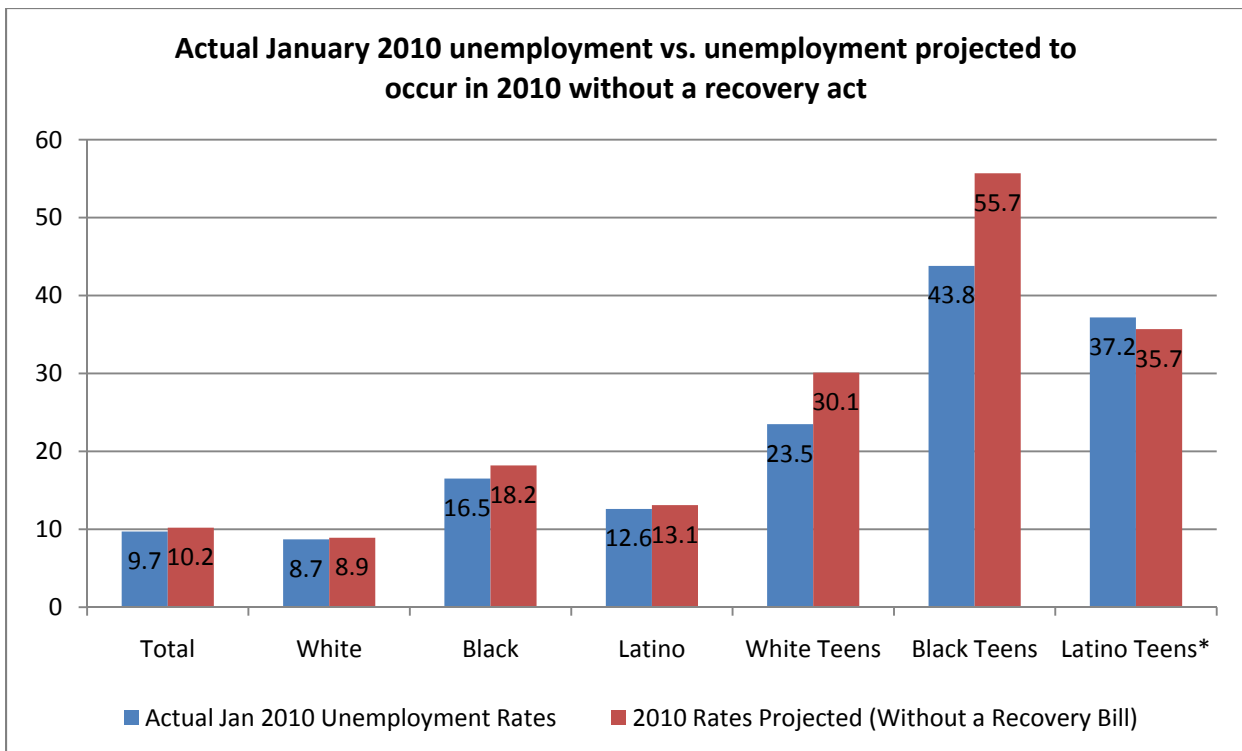


Figure 10: Actual January 2010 unemployment rates compared to projected 2010 unemployment rates (projected to occur in 2010 without a recovery bill). Actual January 2010 unemployment figures from the Bureau of Labor Statistics, projected figures based on analysis in the report “Without Adequate Public Spending, A Catastrophic Recession for Some” prepared by Lawrence Mishel and Heidi Shierholz and published by the Economic Policy Institute (January 2009).⁴⁹ Note: Latino teen January 2010 figure is not seasonally adjusted, no seasonally adjusted figures available for Latino teens in January 2010.

Additionally, the tracking, reporting and accountability methods for ARRA have continued to undermine the ability to gauge the true employment impact of ARRA investments and grants. Although ARRA has many requirements for tracking, accountability and transparency, one of the most significant shortcomings of the tracking efforts thus far is the failure to record data pertaining to the impact of investments and job creation for marginalized groups and communities. Many of the tracking measures fail to consider some basic indicators related to community need and distress, such as geography, race, and gender. The main challenge to tracking the impact of recovery expenditures is the lack of race and gender data at the employee level. According to the July 22, 2009 OMB Guidance memo, ARRA fund recipients are not required to track and report data on either category. Although geographical data are tracked by recipient, recipients are not required to track employee-level data. Failing to track employee-level data by race, gender, and geography will make it very difficult to determine whether ARRA funds are reaching marginalized communities and, more broadly, whether the economic recovery is truly a recovery for all Americans.

The challenges associated with tracking resources and determining their impact upon marginalized communities have been compounded by recent changes. . Following increasing sentiment that ARRA has had no real impact upon local unemployment,⁵⁰ the White House recently made changes to the methodology for how job impact will be reported. While the original methodology was intended to count the number of new jobs, or the number of jobs that would have otherwise been lost without ARRA intervention, beginning with 2010, the tracking measures will only be counting the work hours that have been paid for with ARRA resources, fundamentally dismantling any ability to determine where jobs have genuinely been created or saved.⁵¹

c. Procurement & Contracting

Contracting and procurement are the primary ways ARRA can benefit private businesses and employers. Minority business (and disadvantaged business) contracting is a critical source of job and wealth creation for marginalized groups and communities. Great concerns have been raised about the ability of minority firms to successfully compete for contracts.⁵² While some states (such as Maryland & Colorado) have made efforts to open access to stimulus resources, many minority and small firms are experiencing challenges accessing stimulus contracts, due to poor outreach by states, labor contracts which favor larger White union firms, and limited business capacity. In response, some minority business networks are attempting to collaborate to gain access to stimulus contracts, but progress has been limited.⁵³

Although consistent state level data on ARRA contracting to minority firms is not widely available, figures from federal procurement indicate very troubling and disparate contracting patterns when reviewing data on procurement to minority and women owned businesses. While Black, Latino, and Women owned businesses represent 5.2%, 6.8%, and 28.2% respectively,⁵⁴ as of February 1, 2010, they had only received 1.1%, 1.6%, and 2.4% of all federally contracted ARRA funds (**See Figure 11**).⁵⁵ 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 (**See Figures 11 and 12**).

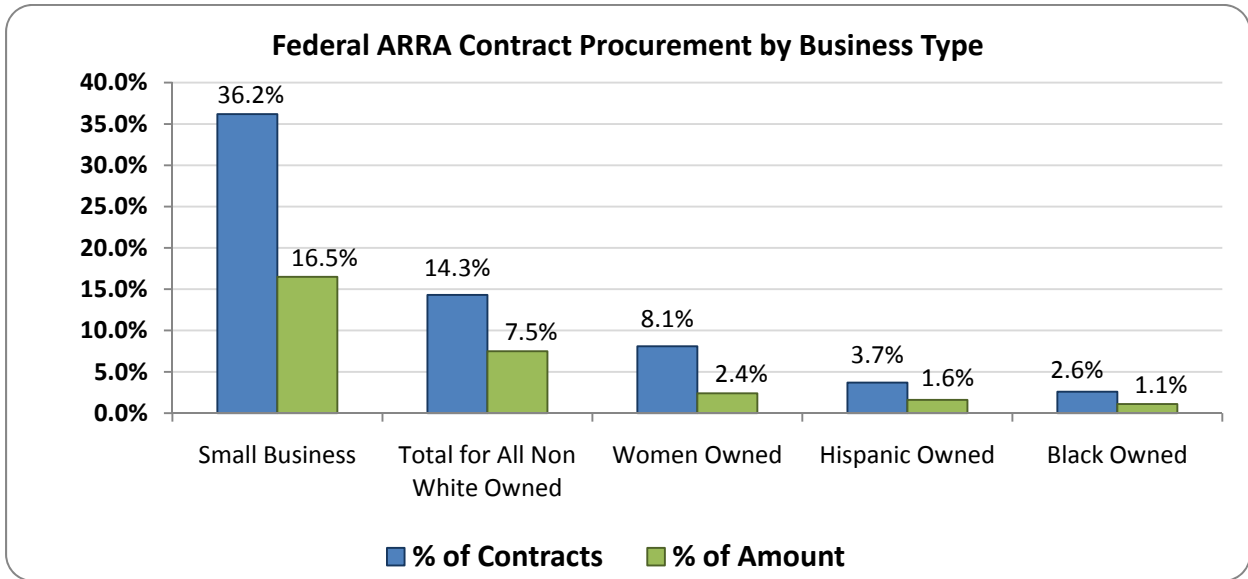


Figure 11: Federal ARRA Contract Procurement by Business Type (As of February 1st 2010)

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

Source: Federal Procurement Data System (www.fpds.gov), Recovery Report; 2/1/2010

Figure 12: Federal ARRA Contract Procurement (Volume of \$'s) by Business Type

Historical challenges in minority contracting at the state level and recent reports from the States suggest similar trends may be happening with State level ARRA contracts. In 2008, the California Department of Transportation only procured \$3.1 million out of \$2.3 billion in state transportation contracts.⁵⁶ Research recently conducted by the Kirwan Institute on Florida Department of Transportation contracting to minority businesses, found few ARRA contracts allocated to minority firms, despite attempts by the State to support minority procurement.⁵⁷

d. Relief from the Housing Crisis?

The subprime lending and foreclosure fiasco, a key driver of the current economic recession, continues to destabilize families and neighborhoods across the country. The Neighborhood Stabilization Program (NSP), which allocates funds to communities to buy and rehabilitate vacant homes, has been criticized as too little, too late. In many communities, the number of vacant homes is several *thousand* times that of the number of homes potentially salvaged by NSP. For example, an estimated 31 to 39 properties can be remediated in Oakland, CA (depending on the sale price of the property). Data from the Oakland Community Land Trust indicates that 10,249 properties were in default in the City as of December 2009, with 936 new defaults in 2009 alone. Second, because the program directs the funds to be used ~~to~~[in](#) hardest-hit neighborhoods (a principle that seems sound on its face), it may be putting its drops in the

wrong bucket: rather than trying to salvage a few homes in an overwhelmed neighborhood, it may be better to move foreclosed families into rehabilitated homes in more stable neighborhoods.

In fact, the federal government has addressed the foreclosure crisis primarily outside of the stimulus bill, through the Department of Treasury programs. By all accounts, even Treasury's programs have not performed well enough. With millions of families facing foreclosure, comparatively few have received permanent loan modifications under Making Home Affordable, which includes both "HARP" and "HAMP." HARP was designed for borrowers who are "underwater," or owe more than their home is worth. Unfortunately, many homeowners are so far underwater they cannot qualify for a refinance; nor do they have the ability to pay closing costs, given that they have exhausted themselves financially trying to keep current on the mortgage. As of October 2009, about 130,000 of the five million potentially eligible loans were modified under HARP.⁵⁸ With regards to HAMP, out of the three to four million households targeted by the program, 110,000 have been approved for permanent modifications as of late December, with a great many more in temporary modifications (the Administration reported in January that a total of 850,000 homeowners have received temporary or permanent HAMP modifications⁵⁹). Two macro-scale forces are weakening the programs, including continually falling home prices and increasing joblessness. The voluntary nature of the programs, and the fact that mortgage companies can collect lucrative fees from long-term delinquency,⁶⁰ has slowed servicer and lender action.

In short, the scale and scope of the crisis has overwhelmed the federal response. The Administration should now consider more immediate significant actions, such as requiring equity write-downs and giving bankruptcy judges the right to amend mortgages. In broader terms, the subprime lending and foreclosure crisis requires nothing short of a large scale, systemic reconfiguration of federal priorities, including effective bank regulation and consumer protection. For example, the new model that banks have developed to serve lower-income and lower-wealth customers depends largely on fees. Mortgage companies first shifted from interest to fee-based income by originating loans to sell, not hold; then banks followed suit with other products. What's significant about this shift -- one that, unsurprisingly, disproportionately burdens people of color -- is that it actually worsens the financial outlook for most families. From subprime mortgage pre-payment penalties, to credit card fees, to insufficient funds fees, to remittance fees, fees dig people deeper into debt. The fee structure is in fact actively hampering loan modification programs; servicers prefer to continue to collect investor fees rather than modify loans.

*For more information on the housing and credit challenges facing communities across the country in the wake of the crisis, please see our recently released report, "**Fair Credit and Fair Housing in the Wake of the Subprime Lending and Foreclosure Crisis: Findings from the Kirwan Institute Initiative**" available at www.kirwaninstitute.org. The report reflects conversations with twenty-five diverse Advisory Board Members, fourteen in-depth commissioned works by leading academics and practitioners, and an in-person look at the fair housing and fair credit landscape in distinctly different regions across the country.*

4. Reflections from the Field

The following section of this report presents reflections by leading experts and advocates who have worked to produce equitable recovery policy and outcomes for marginalized communities. The reflections of these experts in the field illustrate some of the challenges and opportunities, in various domains (education, procurement, housing), and at both the national and state level, associated with ARRA in its first year. In addition, commentators reflect on the ARRA's ability to address the impact of the housing crisis on communities of color, while exploring the role of TARP in addressing fair housing challenges. In closing, organizers and advocates from Ohio, Florida, Minnesota and New York reflect on the impact of ARRA in producing economic relief and equity for marginalized communities. These reflections explore impacts of the green economy of workers of color, contracting challenges and opportunities with ARRA, data and transparency concerns and areas of reform for data collection. These collective reflections paint a compelling view of the critical lessons learned from ARRA, and present insightful commentary of what needs to happen to promote a fair recovery for all.

- a. National Reflections: Social, Racial Equity & ARRA
 - Dominique Apollon, Applied Research Center*
 - Laura Barret, Transportation Equity Network*
 - Jacob Faber, Center for Social Inclusion*
 - Dennis Parker, ACLU*
 - Anita Sinha, Advancement Project*
 - Juhu Thukral, The Opportunity Agenda*
 - Philip Tegeler, Poverty & Race Research Action Council*
 - Deidre Swesnik, National Fair Housing Alliance*

- b. Reports from the States: Organizing, Advocacy, Equity & ARRA
 - Amy Hanauer, Policy Matters Ohio*
 - Gihan Perera, Miami Workers Center*
 - Sondra Youdelman, Community Voices Heard*

NATIONAL REFLECTIONS: SOCIAL, RACIAL EQUITY & ARRA – ONE YEAR LATER

ARRA 1 Year Later: Recovery, Green Jobs and Communities of Color

Dominique Apollon, Applied Research Center

At the Applied Research Center (ARC), we believe that ARRA must not succumb to the myth that the principal reason women and people of color are woefully underrepresented in green jobs is their lack of skills, preparation, and/or desire. What our communities need is job *creation*, not just job training. And even where jobs are created, we must remove structural barriers and discrimination that limit communities of color and women's access to good quality jobs.

ARRA will not live up to President Obama's promise of "helping those hardest hit by the recession," in large part because there are no racial and gender equity standards in place. The Recovery Act is unlikely to alter the status quo of white men dominating green jobs and green entrepreneurship if the focus remains solely or even primarily on job training (according to the Women of Color Policy Network, less than 30% of green jobs are held by POC, and gender disparities are even more stark. ARC analysis of Equal Employment Opportunity Commission data found that less than 9% of energy sector firms are owned/managed by POC). A review of many ARRA grants in the green sector, including Pathways Out of Poverty, Energy Training Partnership, and State Energy Sector Partnership and Training grants, reveal that on the critical matter of job placement, little to no accountability is required of ARRA recipients.

Instead of job training alone, recovery dollars must concentrate on the targeted creation of jobs in the communities that suffer most from unemployment and barriers to employment. More than just the training programs of Pathways Out of Poverty, we need guaranteed Green Career Ladders that screen-in POC/women into family-sustaining, green careers. A true recovery will do more than simply train women and people of color for jobs that do not yet and indeed may never exist in their communities, and it will ensure them access when and where jobs are created.

As part of our Green Equity Toolkit for community organizations, interested in advocating for the *creation* of good-quality green jobs and for equitable outcomes, ARC highlights an example of job creation in a case study on green retrofits of Los Angeles city buildings. SCOPE, the main advocate for the retrofit policy, also identified ways of reducing structural barriers to employment (for example, providing childcare for single mothers so they can participate in a training program).

ARRA is but a first step toward lifting our country out of this recession. Now, we need to insert equity standards in reporting requirements with accountability mechanisms to demand the return of funds if equity isn't practiced. Also known as the 'clawback,' these mechanisms would be similar to those announced by the OMB on December 18th to terminate awards and/or revoke a recipient's ability to receive future funds when they fail to uphold data reporting standards or to correct reporting problems. Without collecting the data on who is receiving jobs that are actually created, ARRA funds for job training are unlikely to truly help those who have been "hardest hit." Again: job creation, not just job training.

Dominique Apollon is Research Director at the Applied Research Center, a racial justice think tank and home for media and activism with offices in Oakland, CA and New York City. www.arc.org



ARRA One Year Later: Transportation, Investment and Equity

Laura Barrett, Transportation Equity Network (TEN)

The stimulus bill was an extraordinary chance to reverse the systematic denial of opportunity to low-income people and people of color. Its significant investments in transportation infrastructure provided a way to begin to reshape our metropolitan centers to spur economic growth, reverse ongoing patterns of *de facto* segregation, and promote sustainable development.

In the rush to get the funds out the door, many of those opportunities were lost. The U.S. Department of Transportation has disclosed that of the \$48 billion in federal stimulus funds committed for highway construction via states as of the end of 2009, only \$986 million (2%) were committed to disadvantaged and minority contractors—in spite of a mandatory minimum of 10%. TEN itself discovered that of the \$163.8 million in contracts the USDOT awarded directly (not via states), \$9.7 million went to women-owned businesses, \$4.7 million to Hispanic-owned businesses, and \$0 to Black-owned businesses.

We have heard from minority contractors and TEN members that minority firms need technical assistance, bonding capacity, and greater access to insurance in order to level the playing field for these contracts. Though Transportation Secretary Ray LaHood has taken steps to expand bonding assistance, states and localities have clearly paid too little attention to these issues. And in spite of the competitive bidding system, minority contractors are struggling with an old boys network that has left them out in the cold for years, and left states falling far short of their disadvantaged business participation goals long before the recession.

The Obama administration needs to ensure, whether by executive order or taking the lead in Congress, that detailed demographic information is recorded and publicized on exactly who is winning these contracts and who is actually performing the work.

We also need to guarantee that future growth is sustainable both economically and ecologically. TEN's Green Construction Careers model, which was included in the American Clean Energy and Security Act of 2009 (ACESA), would achieve this by building mass transit and bridges and repairing existing highways; employing significant numbers of low-income people; and leading to long-term construction careers.

It's not too late for federal action to seize the opportunities missed by the first stimulus. In fact, we need it more than ever.

Laura Barret is the Executive Director of the Transportation Equity Network (TEN). The Transportation Equity Network (TEN) is a grassroots network of more than 350 community organizations in 41 states working to create an equity-based national transportation system. TEN seeks to meet the challenges of current crises in the economy, energy security, and climate change by building healthy, equitable communities and providing equal public transportation access to all. www.transportationequity.org



ARRA 1 Year Later: Where's the data? - The promise of transparency has yet to be fulfilled

Jacob Faber, Center for Social Inclusion

America will come out of this recession stronger if all communities experience recovery. To do that, we need transparency to know if recovery dollars are reaching the hardest hit communities. Tracking the dollars in this way also makes visible when government investment improves lives and strengthens communities, and when it doesn't. We cannot do this without the right data. So far, the promised transparency of the American Recovery and Reinvestment Act (or "Stimulus") has fallen short.

The Great Recession is hitting communities of color hardest.

The subprime lending and foreclosure crisis tore down our whole economy and is affecting every community. A disproportionate number of these preyed-upon borrowers were people of color. Black and Latino borrowers earning *over* \$350,000 were more likely to receive subprime loans than White borrowers earning *under* \$50,000 a year in 2006.⁶¹ Homeownership rates among people of color fell twice as far (-0.9%) between 2007 and 2008 compared to Whites (-0.4%)—and this is only the first half of the recession.⁶² Job loss, while painful across the country, has also had its deepest impact in communities of color. Unemployment for Blacks (16.2%) and Latinos (12.9%) has risen higher and faster than the national average (10.0%) – especially among youth.⁶³ These disparities show us how much race still matters in shaping opportunity.

Transparency efforts are a good start, but they have a long way to go.

Recovery.gov is a step in the right direction, but the site offers no way to measure how equitably stimulus dollars are spent. There's no accurate location listed for many infrastructure improvements. For example, the Housing Authority of New York City is receiving a grant for \$423,284,344. It is unlikely that affordable housing is being built at the address provided by Recovery.gov: New York City Hall. Similarly, job creation estimates are unreliable and they don't tell us who is getting jobs. The same grant mentioned above will only create or save 27.3 jobs at the cost of \$15,504,921 per job. If we don't know where the housing is going up, or who is getting the 27.3 jobs, we don't know whether Stimulus is reaching those who need it most, the hardest-hit communities.

What can be done to improve transparency?

The Office of Management and Budget ("OMB") must require the precise locations for all projects and the race/ethnicity, gender, and zip code of employed individuals. As a first step, this can be done by adjusting the Recipient Reporting Data Model.

Jacob Faber is a senior researcher at The Center for Social Inclusion. The Center for Social Inclusion works to transform structural barriers to opportunity for communities of color, and ensure that we all share in the benefits and burdens of public policy. www.centerforsocialinclusion.org



Figure 13: Sample Data Available from New York Stimulus Tracking Web Site with commentary inserted by author.

ARRA 1 Year Later: Assuring Minority Business Procurement for ARRA Contracts

Dennis Parker, ACLU

From the very beginning of discussions about the American Recovery and Reinvestment Act of 2009 (ARRA), advocates recognized that any efforts to stimulate the economy would have to address the plight of people of color and women who had never been full participants in the nation's economy and who had only been pushed further to the periphery in the current downturn. At the same time, ARRA presented an unparalleled opportunity to counteract the effects of the downturn while promoting inclusion in the national economy for the previously-excluded groups. It was equally clear that the success of such an effort would depend on the efforts of government officials to include racial and gender equality considerations when shaping programs supported by ARRA funds.

One barrier to the proper consideration of race, ethnicity, and gender in shaping government policy was the mistaken notion that the law prohibits government from taking race and gender into consideration. The erroneous notion was only reinforced by misreading of the significance of *Ricci v. DeStefano*, the United States Supreme Court June 2009 decision regarding the use of test scores to determine promotions of white, African-American and Hispanic firefighters in New Haven, Connecticut. In fact, as described in documents contained in the FairRecovery.org website, state and local governments have always been able to employ race and gender-sensitive, or even, in some circumstances, race and gender-based, approaches to the disbursement of ARRA funds. Nothing in the *Ricci* decision changed the ability of governmental bodies to take these approaches. In fact *Ricci* interpreted Title VII of the Civil Rights Act of 1964 and *not* the Equal Protection Clause of the Fourteenth Amendment which governs the consideration of race and gender in governmental decision-making.

Three documents on the www.FairRecovery.org website provide guidance for government officials seeking to design programs which will benefit the people of color and women who have felt the effects of economic problems most harshly. [Expanding Economic Opportunity Through the American Recovery and Reinvestment Act of 2009 – the Legal Landscape](#) sets forth the general rules governing the consideration of race and gender as interpreted by the United States Supreme Court. [Promoting Opportunity and Equality in America: Part II](#) provides an outline of the development of the applicable law in each of the federal circuits in the nation. [Promoting Opportunity and Racial Equality in America: A Guide for Federal, State and Local Governments](#) helps to provide a blueprint for designing programs which further racial and gender equality in ways consistent with the Fourteenth Amendment. Using these tools as a guide, government officials can begin to construct policies which consider racial classifications or are, in some circumstances, explicitly race-conscious in order to assure equal opportunity for participation in an economic recovery and in the nation's economic life in general.

These materials demonstrate that the law is not a barrier to effective efforts to reverse practices which have excluded people of color and women from full participation in the nation's economic life. Without a conscious effort to include principals of racial and gender fairness in the creation of programs supported by ARRA funding, state and local governments would be squandering an unprecedented opportunity to assure fairness while contributing to the economic health of the country as a whole.

Dennis Parker is the Director of the ACLU National Office's Racial Justice Program (RJP). Concentrating on issues of the school-to-prison pipeline which funnels children of color from the educational system into the criminal justice system, racial profiling, affirmative action, indigent representation and felon enfranchisement, the RJP seeks to remove barriers to equal opportunity for communities of color through litigation, public education, community organizing and legislation. www.aclu.org

ARRA 1 Year Later: Working with the grassroots to make ARRA matter for those who need it most

Anita Sinha, Advancement Project

Was the economic stimulus package passed a year ago a teachable moment that passed us by? Not if grassroots groups can help it. A central objective of the stimulus, as expressly stated in ARRA, is “to assist those most impacted by the recession.” But the law did not mandate equity assessments, nor did the government require data reporting to show that stimulus dollars are reaching those most impacted—low-income communities of color. The most talked-about stimulus issue has been jobs, which of course is due to climbing unemployment rates. But even the White House recently admitted that it would not be able to keep a cumulative tally of jobs created and saved by the stimulus.⁶⁴

The racial wealth gap in the United States is stark and real, and to think that stimulus dollars may be lining the pockets of the usual suspects while passing over low-income people of color’s access to job training and placement opportunities is dismaying. There is some evidence to support that this is at least partially true, such as research conducted in Florida by the Kirwan Institute and Florida International University.⁶⁵ Besides jobs, there is another very important way to measure whether stimulus dollars are assisting those most impacted by the recession. This measure requires investigating whether stimulus funds are being used to improve the infrastructure of communities of color: Are stimulus grants for community development, schools, and transportation being allocated equitably to poor communities of color?

Ensuring that such funds are used to improve these communities is a long-term way to fight structural exclusion—stimulus dollars can and should be used to give distressed neighborhoods bus lines, affordable and healthy grocery stores, energy-efficient houses, and high-performing, well-equipped schools. The data is just now becoming available on whether or not this is happening. Obtaining the information requires tedious and time-consuming state public records requests and/or federal Freedom of Information Act (FOIA) requests. But grassroots groups are gearing up to make the effort, so that this historic federal expenditure does not become a teachable moment that passed us by.

Anita Sinha is senior attorney with the Advancement Project, and a member of Advancement Project’s Strategic Initiatives Program. Advancement Project is a policy, communications and legal action group committed to racial justice. www.advancementproject.org



ARRA 1 Year Later: Is ARRA Forging a Path to Economic Recovery for All Americans?

Juhu Thukral, The Opportunity Agenda

Opportunity is one of our country's most cherished ideals and one of our most valuable national assets, particularly at this critical juncture, when we are working to re-shape America's role in the 21st century global economy. However, The Opportunity Agenda's examination of key government indicators for success finds that access to full and equal opportunity is very much a mixed reality, and many groups—especially communities of color and women—are being left behind in ways that hard work and personal achievement alone cannot address.

Economic recovery efforts must address racial and gender gaps in opportunity, focusing on indicators such as employment, wages, poverty, and education:

- While the overall unemployment rate increased 2.6%, from 7.4% in December 2008 to 10% in 2009, the increase in unemployment was significantly higher for African Americans and Latinos. African American unemployment increased 4.1%, from 12.1% to 16.2%, and Latino unemployment increased 3.5%, from 9.4% to 12.9%.⁶⁶
- At the end of 2008, women, with a poverty rate of 14.4%, were 20% more likely than men, with a poverty rate of 12%, to live in poverty. Yet, this staggering gap is actually an improvement from 2007, when women were 24% more likely than men to live in poverty.⁶⁷
- Racial and ethnic gaps in educational attainment, a key tool in surviving an economic downturn, persisted in 2008. African American young people were 55% as likely as white young people to have obtained a bachelor's degree, and Latino young people were 33.3% as likely as white young people to have obtained a bachelor's degree.⁶⁸

Opportunity requires bold leadership, innovative ideas, and public attention. Promoting greater and more equal opportunity must become an important and explicit consideration in future public investments and programs.

To this end, The Opportunity Agenda calls for the use of an Opportunity Impact Statement process to evaluate public expenditures, making the case that all levels of government can and should use this new policy tool as a requirement for publicly funded or authorized projects, especially those tied to economic recovery. An Opportunity Impact Statement would prioritize equitable job creation, small business development, fair lending, and other practices that expand opportunity for all communities.

Juhu Thukral is the Director of Law and Advocacy at The Opportunity Agenda. The Opportunity Agenda works to build public support and public policy for greater and more equal opportunity in the United States. www.opportunityagenda.org



ARRA and Access to Opportunity at HUD and the U.S. Department of Education

Philip Tegeler, Poverty & Race Research Action Council

The American Recovery and Reinvestment Act is designed to stimulate the economy and help families hardest hit by the recession, but it also represents a once-in-a-lifetime opportunity to transform the discriminatory structures that have perpetuated inequality and helped to fuel the recession.

In most areas of the federal budget, targeting specific geographic areas can be an effective way of bringing jobs and other resources to disadvantaged families hit hardest by the recession. But when assessing the deployment of housing and school resources, we also need to recognize that government policies that concentrate poor people of color in particular neighborhoods and schools are also helping to drive inequality and structural disadvantage. In housing and education, poor families need access to high opportunity schools and communities, not more segregation. New opportunities for people, not places, need to be the primary targets of ARRA investment in housing and education.

For example, at HUD and the Department of Treasury, programs like the Public Housing Capital Fund are supporting much-needed improvements in the public housing stock without giving public housing residents any new choices about where to live. Other ARRA housing programs share similar problems: the \$2 billion Neighborhood Stabilization Program needs to be revised to open up rental opportunities in high opportunity communities; and the \$2.25 billion funding program to stimulate the Low Income Housing Tax Credit program should become a vehicle to drive long overdue civil rights reforms in the program, not simply continue business as usual.

Similarly, at the Department of Education, vast sums of ARRA funding are flowing into existing state and local education structures that in most states support separate and unequal schools for poor children of color. Even the two competitive ARRA funds that support education innovation – the Race to the Top Fund (\$4.35 billion) and the Investing in Innovation Fund (\$650 million) – include no incentives or requirements for applicants to reduce racial and economic concentration in K-12 education.

By passing money through existing funding structures for housing and education, HUD and the Department of Education risk reinforcing existing inequalities that are tied to place. These agencies should reexamine their approach in the second year of ARRA, to expand opportunities for families most affected by the recession, rather than just funding housing and schools in disadvantaged places.

Phil Tegeler is the Executive Director of the Poverty & Race Research Action Council (PRRAC). PRRAC's primary mission is to help connect advocates with social scientists working on race and poverty issues, and to promote a research-based advocacy strategy on structural inequality issues. www.prrac.org



Fair Housing and the Recovery: Moving Past ARRA - TARP, Fair Housing and the Housing Crisis

Deidre Swesnik, National Fair Housing Alliance

The federal Fair Housing Act – passed in 1968 – has the dual mission to both eliminate housing discrimination and promote residential integration. In order to promote integration, the Fair Housing Act requires that government agencies spend funds dedicated to housing and community development in a manner that “affirmatively furthers fair housing.” This obligation is not limited to the Department of Housing and Urban Development; rather it applies broadly and means that government agencies spending housing and community development funds – and recipients of government grants – must use those funds in a way that helps create integrated, healthy neighborhoods.

As America struggles to emerge from its current economic struggles, the requirement to affirmatively further fair housing is as important as ever. Government efforts to jumpstart the economy have involved massive spending on housing and community development. For example, the Troubled Asset Relief Program (TARP), the single largest program in place to address the economic crisis, has recapitalized banks with the intention of restoring their ability to lend and has worked to provide homeowners on the brink of foreclosure with opportunities to modify their loans before it is too late. Because the recession has hit communities of color the hardest, and because the recession began in part because of failed discriminatory mortgage loans made in those communities, any attempts to ease the recession must involve explicit plans to increase residential and economic opportunities for the residents of those neighborhoods.

If TARP funds are to be administered in a way that affirmatively furthers fair housing, the federal government must: (1) analyze its own programs for racially disparate impacts and adjust programs to eliminate those impacts; (2) identify ways in which grantees and recipients of its funds can affirmatively further fair housing and evaluate their performance based upon this criteria; and (3) allocate funds to community groups with experience connecting people to economic and residential opportunities. The financial services industry can also take specific steps to meet its fair housing obligations by offering responsible loans that enable community choice, assuring fair marketing of properties, sponsoring non-discriminatory foreclosure prevention efforts, and financing fair economic development opportunities. Advocates play an important role in this equation: they must remind the federal government of the importance of affirmatively furthering fair housing, use publicly available information to evaluate the performance of TARP recipients, challenge TARP recipients that are neglecting their responsibilities, and partner with willing TARP recipients to provide meaningful opportunities for the American public.

Deidre Swesnik is the Director of Public Policy and Communications at the National Fair Housing Alliance. The National Fair Housing Alliance is the voice of fair housing. NFHA works to eliminate housing discrimination and to ensure equal housing opportunity for all people through leadership, education, outreach, membership services, public policy initiatives, advocacy and enforcement.

www.nationalfairhousing.org



Race & Recovery in Ohio: Getting Recovery Right for Black America

Amy Hanauer, Policy Matters Ohio

To update a cliché, if America is sneezing, black America's got swine flu. So the American Recovery and Reinvestment Act (ARRA) was doubly critical for Latino and black Americans. The act channeled relieved need, created jobs, and assisted the poorest, which includes a disproportionate number of people of color. The package was too small, and some spending was poorly targeted, directing precious resources to less needy Americans and less job intensive investments. But it was a civil rights imperative that this money be spent and much of it was spent well.

The fiscal relief in the recovery enabled states to fill part of the gaping holes in their budgets. This was crucial for ensuring at least partial meeting of expenses for schools, health care, poverty relief, and social services. African-Americans and Hispanics are heavily hit when these obligations go unmet.

The ARRA broadened eligibility for and extended unemployment insurance. In Ohio more than one in ten whites are unemployed, but a staggering one in five blacks is technically unemployed, with even higher numbers underemployed, making the unemployment extensions a life raft for minority communities. Workers of color are often ghettoized in low-wage jobs that had historically been excluded from unemployment compensation coverage, making the broadened eligibility a civil rights necessity.

Because the package was too small, it didn't sufficiently stimulate the economy and create jobs. This unduly hurts minority communities. Further, too much went to tax cuts, which are far less stimulative than public spending, and help the wealthy more than the middle and working classes where black and Latino families are often found.

Infrastructure spending in the stimulus went to low-income home weatherization and was well targeted to help economically disadvantaged families of color. It was also focused on road building, an area where stricter federal guidelines could have ensured better targeting to low-income and minority communities.

Civil rights organizations should lead the fight for additional federal recovery spending, which is essential to reverse the devastating unemployment that the black community now faces. The act contained unprecedented levels of transparency, but additional tracking requirements would let us better assess whether minorities got deserved levels of assistance. The next package must be even more tightly tied to state fiscal relief, mass transit, unemployment insurance, and jobs in brownfield remediation, vacant property demolition, urban building weatherization, child care, education, and manufacturing efficiency. Such focus would maximize the economic impact and better assist the communities of color that endure the most during recessions.

Amy Hanauer is executive director of Policy Matters Ohio. Policy Matters Ohio is a non-profit policy research organization founded to broaden the debate about economic policy in Ohio. Our mission is to create a more fair, prosperous, sustainable and inclusive Ohio, through research, media work and policy advocacy. www.policymattersohio.org

Beyond the Quick Fix: Fighting for a Fair Recovery in Florida

Gihan Perera, Miami Workers Center

When the ARRA, (i.e. stimulus) was first announced we knew that there was the possibility that it could right historic wrongs and create long needed opportunity through massive investment. However, we also had experience that the funding pipelines went directly around the communities in most need. The question for us: How do you take advantage of the historic opportunity of government investment without our communities getting left out of it?

Tracking the data-

We decided to track the stimulus money down into the Sunshine State. A year into it, we aren't that surprised by the results, but we know that it's not enough to just whine about it. With the Tea Party generation complaining about everything government does, we have to be smart.

Before we even started our research we knew the data was going to lead us to dead ends. Our government does not have the proper tracking mechanisms in place to ensure tracking of government spending and job creation from the federal down to the local level. To begin making a real argument for targeted investment in our communities we had to be able to have facts that everyone could agree on. Our first demand is for a much deeper and detailed tracking of the money. It is a simple and essential action, and transparency was a bedrock of the Obama presidential campaign.

The Pipelines Aren't Broken-

Simultaneously, we used the data we have and actual examples to see what's happening. In Florida, as big contracts come down to counties and municipalities, smaller "minority owned" firms could not win bids on the work. They rarely even have access to the agencies and processes for applying. This is a huge problem because minority owned firms are far more likely to employ minorities and generally will use linkages within their communities. However, these businesses cannot get in the door. The pipelines for ARRA money are the same ones that have led to the underdevelopment of "minority owned" firms and communities in the first place. The result is the inequitable distribution of opportunity across racial communities.

We need new pipelines-

Currently, there is a universalist approach to the distribution of ARRA funds. The unsaid philosophy is that money that gets injected 'blindly' into the economy will benefit everyone through a general economic resurrection. The problem is that the economy is not universal; it is particularly structured to deny access to marginalized communities. It is only if new pipelines are deliberately directed to those communities that we will see a difference. It must be done in a manner that recognizes and addresses their particular history and structural needs. This is not only important for these communities, but for all of us, because after all, the economic crisis imploded exactly where the general economy met these marginalized communities. To restructure inequality intentionally, is to resurrect the economy fundamentally.

Gihan Perera is the Executive Director of the Miami Workers Center. The Miami Workers Center is a strategy and action center which believes that the collective strength and voice of women, working class, and low-income people can advance humanity. www.miamiworkerscenter.org



Organizing to Ensure that Stimulus Resources and Benefits Reach Low-Income, Communities of Color in New York

Sondra Youdelman, Community Voices Heard

Low-income communities and communities of color in New York State and across the country have long suffered the negative impact brought about by their communities and people being forgotten, overlooked, and bypassed. These communities have been living amidst a recession for far longer than the last two years; rarely does government step up willingly to address the systemic and structural barriers that underlie this reality. The financial crisis that brought on the more widespread recession suddenly made unemployment and underemployment front and center on everyone else's minds. Initially, this sudden interest seemed like a slap in the face. No one had cared about the ongoing economic crisis in targeted communities when it was just felt by them and them alone.

Did it really take the middle class, feeling the squeeze themselves, for the frustrations of low-income communities to be addressed? And, of even more concern, would solutions put forth in this time of increased crisis awareness benefit the middle class while skipping over low-income communities once more? The stimulus package put forth by the federal government one year ago has to date reinforced exactly these concerns.

This is not to say that no benefits from the stimulus have reached low-income families and communities. Members of Community Voices Heard (CVH) have seen some of the benefits of the stimulus coming their way. Particularly, members note the following: Back-to-School grants that parents receiving public assistance received for their children to help them buy clothes and books, increases in Food Stamps that assisted with extra resources to fill up one's cupboard, public housing capital funds that led to new refrigerators being installed in some units and some physical improvement work being underway, and unemployment insurance being extended for those that had been lucky enough to have work prior to the new recession.

What people in communities are really craving are jobs; however, jobs are not reaching anywhere quickly. The stimulus was supposedly going to create jobs and set back in motion the economy. Unfortunately, New Yorkers are not seeing this happen on the scale necessary to turn things around. And where jobs are being created, it is becoming apparent that low-income communities and communities of color are again being bypassed – most new jobs created either fail to be located in low-income communities (geographic divide), fail to be accessible to people in low-income communities (skills divide), or fail to serve the needs of low-income communities (infrastructure divide).

Groups like CVH refuse to let this moment – and the rare public investment and potential for more investment – get away from us. CVH quickly moved to action to figure out ways to tap into stimulus resources to bolster already existent campaign efforts around jobs, housing, and community development. CVH members across the State mobilized to ensure that the State will create a Transitional Jobs Program to provide jobs and wages for welfare recipients and position the State to leverage additional federal Emergency TANF Contingency Funds (at a 4:1 rate match); CVH members in Newburgh organized to get the City to create an oversight committee for new Community Development Block Grant (CDBG) funds with community member participation to ensure that funds were not misspent as they had been before; CVH members in public housing began fighting for Section 3 federal regulations to be enforced so that community members could access jobs created with HUD resources.

While the victories to date have been substantial, they also fail to meet the scale of the need across the State and still leave much work to be done – both in ensuring that existent resources get spent equitably and that additional resources get dedicated where needed. CVH has joined together with partner groups in the New York Stimulus Alliance, made up of six multi-chapter/ affiliate grassroots

organizations/ networks and four research partners, to unite forces and broaden the list of funding streams that we can effectively keep track of and influence. And CVH has engaged with the Center for Community Change and partner groups across the country calling on the federal government to invest \$40 billion immediately to create 1 million jobs through an Emergency Public Jobs Program.

Our members and communities are organizing to ensure the benefits of the stimulus reach the people most – and longest – in need, that existent federal funding streams become more accountable to and equitable for our communities, and that mechanisms for community participation in decision-making around resources get established. Simultaneously, the work around the stimulus is providing us with the opportunity to build new and deeper partnerships with grassroots groups and research allies across our State, and enhance our potential to win direct improvements for our communities. The ultimate outcomes of this government and community experiment will emerge over time, but they will definitely be stronger due to the efforts of grassroots groups and low-income communities committed to making the most of the moment and ensuring that this momentary opportunity contributes towards immediate impact as well as long-term change.

Sondra Youdelman is Executive Director of Community Voices Heard (CVH). Community Voices Heard is an organization of low-income people, predominantly women with experience on welfare, working to build power in New York City and State to improve the lives of our families and communities. CVH is a member of the New York Stimulus Alliance. www.cvhaction.org



More on the New York Stimulus Alliance:

The New York Stimulus Alliance is a statewide alliance of grassroots organizations, networks and researchers dedicated to ensuring that federal stimulus funds allocated via the American Recovery and Reinvestment Act of 2009 (Recovery Act) are distributed in an open and accountable manner that will create good jobs, and workforce and community development opportunities for people of color, immigrants, marginalized persons, the unemployed and for working families in New York State, especially its metro regions. Grassroots groups involved include: Common Cause/New York, Community Voices Heard, Gamaliel New York, Make the Road New York, National People's Action New York,, & the New York Immigration Coalition. Policy and resource allies include: the Advancement Project, the Center for Social Inclusion, the Kirwan Institute, and The Opportunity Agenda.

5. Moving Forward: Responding to Challenges & Promoting Opportunities for Equity

Despite the challenges in utilizing ARRA to counter the recession and ARRA's inability to counter the economic crisis facing marginalized communities, the need for continued federal action, investment and leadership is critical. As documented in this report, indicators for socioeconomic health in many communities are indicating widespread hardship for many marginalized communities, especially communities of color. Given the experiences with ARRA, how do we move forward? First, we must learn from the challenges experienced in the first year of ARRA and reform both state and federal implementation of ARRA. Finally, the need for job production is critical to marginalized communities, and an equitable jobs bill is crucial to alleviating the economic hardship and crisis facing our nation and its most vulnerable communities.

a. Learning from ARRA: Challenges Experienced in 2009

One of the many challenging aspects of implementing ARRA has been that the goal of quickly allocating resources so as to stimulate economic activity and the goal of assisting vulnerable communities have come into conflict. This is because the communities that were in the best shape to put money to work right away on shovel-ready projects tended to be those that have been the least impacted by the recession. While a rapid influx of investment is a good strategy during such a deep recession, thinking strategically about where investments would be most catalytic or be most responsive to need should be a complimentary good. One other reason ARRA has struggled to ensure that resources be equitably allocated among the nation's communities is that prior to the passing of ARRA, no structural changes were made to the way funding is dispersed. This has meant that any inequities that existed before ARRA may only grow as the \$787 billion investment travels down the same pipelines of allocation. In order for ARRA to truly assist vulnerable communities, a change in the way funding is doled out across regions remains necessary.

Despite the clearly uneven impact of the economic crisis on various groups and communities, ARRA and other recovery programs have had a limited impact in targeting investments in hard hit areas. There is already some indication that Recovery Act resources may not be going where they are most needed. According to an analysis by The New York Times, the 100 largest metropolitan areas, which contain most of the nation's hardest hit communities (and three quarters of the African American population), are set to receive less than their share of the first wave of transportation stimulus money, and a similar report published by The Associated Press states that "altogether, the government is set to spend 50 percent more per person in areas with the lowest unemployment than it will in communities with the highest." A Wall Street Journal article also points out that states like Florida, North Carolina, and Oregon, which are battling double-digit unemployment rates, are scheduled to receive relatively low per-capita payouts.

b. What's Next: Critical Needs and Emerging Opportunities

State Reforms and Recommendations:

After a year of ARRA implementation analysis and case study review, recommendations in three broad areas have surfaced. These recommendations are based on having observed the increasing ambiguity

about where funds, contracts, and jobs have gone during the past year. In order to better understand the destination of ARRA resources, and ensure that hard hit communities are receiving assistance, the following installations should be made as ARRA moves forward:

- Improve Tracking of ARRA Resources and Outcomes
 - Track Job Quality and Employee Demographics- Rather than scaling back job tracking efforts, there should be additional measures which consider the quality and duration of employment, as well as the race, gender, and zip code of job recipients.
 - Require Reporting by All Levels of Recipients- In addition to the primary recipient reporting, all sub-contractors and recipients should also be required to submit reports.
 - Report Black, Latino, and Women-Owned Contract Participation- Regular reporting of the share of contracted funds being received by minority-owned businesses would help to encourage equity in procurement.
- Increase Small and Minority Business Participation
 - Unbundle Large Contracts for Small Businesses- Breaking up large projects will allow for more small business participation in the recovery.
 - Set Specific DBE Goals for Every Department and Industry- In addition to the broad procurement goals held by departments and agencies, there should be specific goals for the construction and service industries, in order to ensure that marginalized businesses are able to participate in every aspect of the recovery.
- Ensure That Hard Hit Communities Experience Job Impact
 - First Source Hiring- Strategies like this, to ensure that members of hard hit communities have the opportunity to get jobs, should be used.
 - Apprenticeships and On-the-Job Training- In order to bridge the gap between employer need and employee skills, programs like this should be set up, which will also help ensure employment opportunity in marginalized communities.
 - Increase Employment Opportunities for Ex-Offenders- Bonding programs and other similar efforts must be made to help employ people instead of leaving them vulnerable to recidivism.

Federal Agency Reforms and Recommendations:

The American Recovery and Reinvestment Act very clearly spells out its priorities: First and foremost is job creation/preservation and assistance to those most affected by the recession;⁶⁹ then, investment in technology and infrastructure;⁷⁰ as well as stabilization of state and local government budgets.⁷¹ ARRA then directs the President and the heads of all federal departments and agencies to use the funds made available by the Act to achieve those purposes.⁷² Consequently, twenty-eight federal agencies and departments⁷³ issued annual plans on how they intend to use the recovery funds, and how each agency program serves the purposes of the Act.⁷⁴ In addition, each agency submits weekly financial and activity reports on the amount of money that it paid out during that week, the types of awards, and specific agency activities for that week.

A review of the Agency Plans raises two broad, systemic concerns that require immediate attention. First, it appears that Agency programs funded by ARRA may insufficiently reflect ARRA's priorities. There is a greater need to more carefully align Agency programmatic activities with ARRA's goals, particularly its emphasis on job creation and assistance to those most affected by the crisis. Secondly, the mandate to expend ARRA funds as quickly as possible, with special priority given to 'shovel-ready' projects and projects receiving private investment, may be giving short-shrift to civil rights compliance, particularly Title VI and Title VIII of the Civil Rights Act of 1964.

Agency Plans and Program Areas Must Serve ARRA's Priorities More Clearly and Effectively

As part of each Agency plan, each agency lists its broad recovery goals, and then lists each of the program areas that serve these goals. In some cases, the Agency Plan merely lists the program areas without explaining how these programs serve these broad recovery goals. In other cases, it appears that the Agency goals do not align with the priorities of ARRA. Consider the Department of Housing and Urban Development's Agency Plan. In its plan, HUD has set out three very clear goals for administering ARRA funds: (1) Promoting energy efficiency and creating green jobs; (2) Unlocking the credit markets and supporting shovel-ready projects; and (3) Mitigating the effects of the economic crisis and preventing community decline. HUD states that this last goal is "targeted at stabilizing households at risk of homelessness and communities that have been impacted by the current economic and foreclosure crisis."

According to the Agency Plan, one-third of HUD's ARRA funds are allocated in support of each goal. While the first goal is important, the programs listed in support of this goal, particularly the Public Housing Capital Assistance fund, must also clearly support the goal of targeting those most impacted by the recession. In fact, all of the program areas, insofar as possible, must support this priority, including the Tax Assistance Credit Program and the Section 8 Rental Assistance Program. However, the only programs listed in support of this goal are the Neighborhood Stabilization Program 2 funds, the Community Development Block Grant program, and the Homelessness Prevention Fund.

Moreover, there is a more general concern that although programs are being funded in support of ARRA's priorities, the funding formulas and criteria for grants, whether discretionary or competitive, may not align with ARRA's priorities, in particular job creation and assisting those most impacted by the recession, as fully as they might. More specifically, we are concerned that these programs are following pre-existing funding formulas, even those that are ostensibly targeted.

ARRA was an extraordinary Act responsive to an unprecedented economic and housing crisis. HUD is given a very important role in ARRA, not only because of the nearly \$14 billion the Agency was awarded, but because of its role in addressing the housing crisis, which is the root of our nation's economic crisis. Rather than develop new program formulas that are particularly responsive to the extraordinary crisis, in most cases HUD is employing pre-existing formulas for expending ARRA funds. For example, Community Development Block Grants are being awarded using pre-existing formulas. Given the unique nature of this crisis, we believe that pre-existing formulas are insufficient to match the extraordinary needs of this particular moment, and given HUD's role as a housing agency, HUD plays a

critical role in helping ARRA achieve its goals. HUD, therefore, has a duty to ensure that these goals are being met.

Greater Attention to Agency Civil Rights Compliance Is Needed

ARRA mandates that recovery funds be spent “ as quickly as possible” to help bring about a quick economic recovery. However, in the haste to alleviate unemployment and economic hardship, civil rights laws must not be given short-shrift. Almost \$7 billion was allocated for the Transit Capital Assistance Program, through the Federal Transit Administration, Department of Transportation. This program is designed to support the capital needs of public transportation systems in both urbanized and rural areas. The Federal Transit Administration awarded \$70 million under this program to the Bay Area Rapid Transit District (BART) to construct a rail line that would run to the airport. After a complaint was filed by a number of Bay Area environmental justice and social justice organizations, a review by the FTA confirmed that BART failed to conduct an equity analysis in compliance with Title VI, and that it failed to integrate Title VI into its planning and monitoring activities, among other deficiencies. The Title VI complaint alleges that because of increased fare rates and reduced stops, the airport rail project would have excluded low-income riders from the benefits of the project. In addition, the high cost of the project relative to a low-cost bus transit alternative would have dramatically reduced available resources in the area for other projects.

We are concerned that the example above is an indication of widespread Title VI non-compliance. If not for the assertiveness of a number of local environmental and social justice advocates who filed a well-documented Title VI complaint, the FTA may never have reviewed the airport connector project. These concerns about Civil Rights non-compliance/non-enforcement are not limited to ARRA funds awarded either to the Department of Transportation or to Title VI. The Neighborhood Stabilization Program 2 (NSP 2), administered by HUD, establishes five mechanisms for using funds made available through ARRA. To the extent that the NSP 2 is modeled after NSP 1, we are concerned about compliance with Title VIII, and the duty to affirmatively further fair housing in particular. There does not appear to be a single reference to Title VIII or the Fair Housing Act under the NSP 1 formula.

i. An Equitable Jobs Bill for 2010

An equitable jobs bill would ideally support community development in urban and minority-majority 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. For example, Maya Wiley 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.

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, develops new recruitment and training standards that help new workers get into the jobs, and helps minority and women-owned businesses get a fair opportunity to win contracts.⁷⁵ *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.

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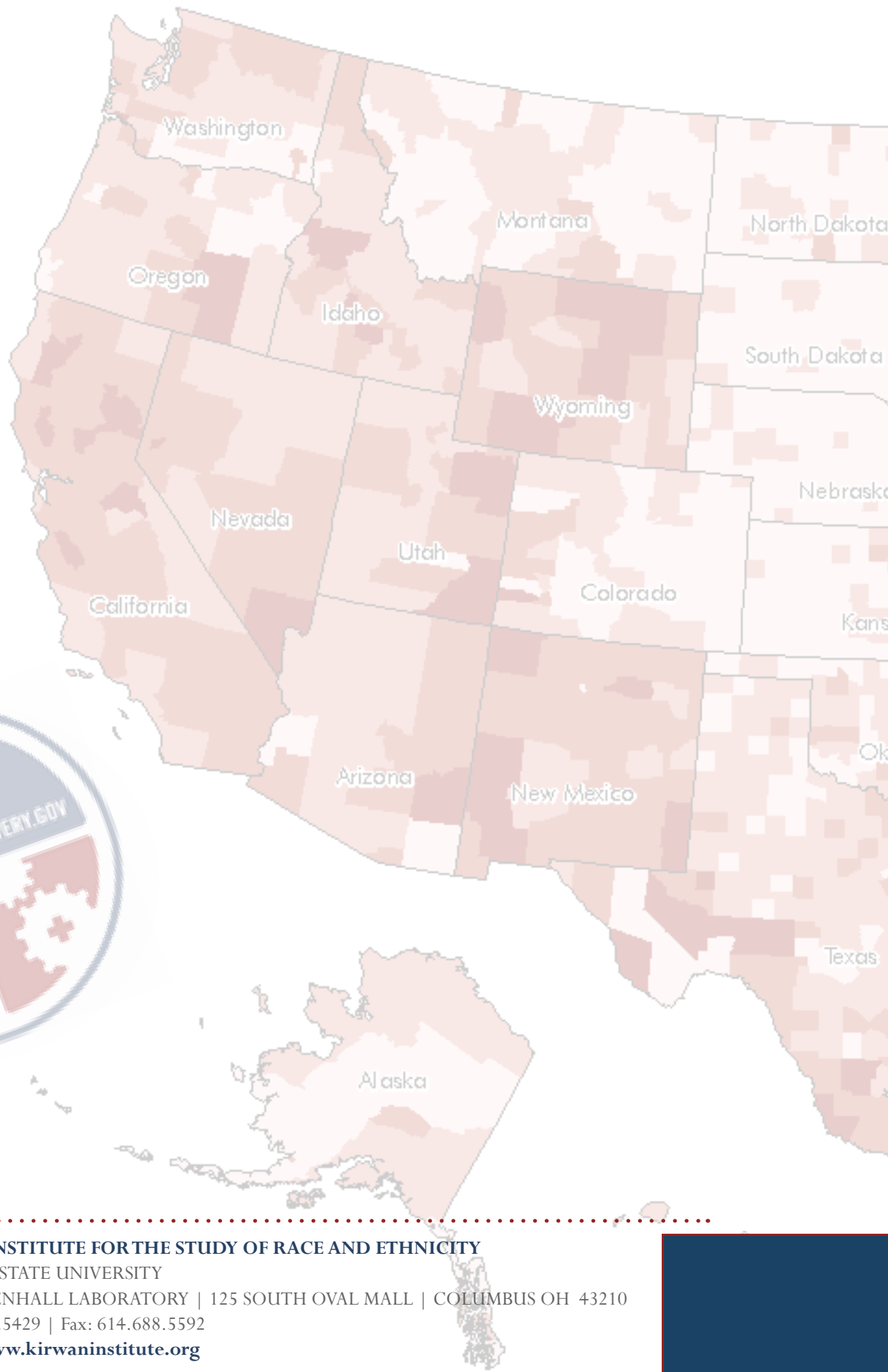
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THE OHIO STATE UNIVERSITY

433 MENDENHALL LABORATORY | 125 SOUTH OVAL MALL | COLUMBUS OH 43210

Ph: 614.688.5429 | Fax: 614.688.5592

Website: www.kirwaninstitute.org