

De Blasio's jobs plan fell short of promises, even before pandemic



BY | 02/01/2021 05:01 AM EST
JANAKI CHA DHA



In his 2017 State of the City speech, Mayor Bill de Blasio called the initiative "the new front line in the battle to keep New York City affordable." [Bryan Thomas/Getty Images]

Four years after Mayor Bill de Blasio pledged to create 100,000 "good-paying" jobs over a decade, the \$1.35 billion effort rolled out by his administration has fallen well short of targets, generating fewer than 10,000 so far — a trend that was lagging well before Covid-19 put a freeze on the city's economy.

In his 2017 State of the City speech, the mayor called the initiative "the new front line in the battle to keep New York City affordable" and framed it as a way to bring well-paying jobs to New Yorkers left out of the long-running economic expansion of the last decade. The full plan, unveiled a few months later, detailed ways the city would help create permanent, private sector jobs paying a salary of at least \$50,000, across industries including cybersecurity, health and life sciences, technology, culture and manufacturing.



So far, the initiative has produced meager results, and many of the jobs the city has counted towards the 100,000 total do not yet exist. With New York's economy now in tatters in the wake of Covid-19, and only months remaining in de Blasio's mayoralty, the future of the initiative looks bleak.

In a recent update on the plan, the administration touted its progress towards reaching the six-figure goal. The city said it has "unlocked" nearly 50,000 good-paying jobs through June 2020, "exceeding the city's target to unlock 40,000 jobs in the plan's first four years." But the "unlocked" figure is based on projections of jobs the city believes will come online, eventually, as a result of its actions. Just 8,700 of them are active jobs that have already materialized.

The intent of the jobs plan is to use city actions to stimulate growth in the private sector. This can include the sale, lease or renovation of city-owned property to support businesses, direct investment in growing industries, financing and tax incentives to specific sectors and businesses, or land use actions such as zoning changes to allow more space for jobs. When the city takes an action it deems will trigger the creation of a job, it's counted in the total.

But since the plan is reliant on the decisions of private businesses, the city can't guarantee that all the jobs it projects coming out of its efforts will materialize.

"[The 100,000 jobs goal] has made it very difficult for them to demonstrate success or to show evidence of success because it's being measured against this number that frankly was not necessarily realistic based on the parameters they set," said one former city official who asked to remain anonymous.

The lackluster progress in reaching the plan's targets predates the coronavirus pandemic. At a contentious City Council oversight hearing in March 2019, two years into the plan, Economic Development Corporation President James Patchett said only about 3,000 jobs had been generated up to that point.

Council members pressed Patchett for details on how the city would ensure jobs created under the plan go to disadvantaged groups, such as people lacking preexisting skills or high school degrees.

"We're not in the Soviet Union, we can't make employers hire people, we have to work with them," Patchett said. "Whether or not I can specify to you today the precise amount of people who will be without a high school degree as part of this plan doesn't undermine the fact that fundamentally it's a plan that's going to create good jobs for people who would otherwise not have access to them."

Observers say the nature of a plan reliant on private sector jobs means it's difficult, by design, to draw a clear link between city actions and job generation.

“I think the city can take credit for creating an environment that was supportive of business expansion and companies that may or may not have had a strong foundation in the city,” said Jose Ortiz, Jr., CEO of the New York City Employment and Training Coalition. “I’m not sure that the city can entirely take credit for that business expansion or creation of those jobs.”

The former city official said, “Really what you’re talking about is catalyzing the private sector to create jobs and when you start actually saying we need to prove that the jobs that are being created are directly linked to a taxpayer dollar spent, it’s near impossible.”

An EDC spokesperson said there can be a few-year lag between when a job is “unlocked” and when it is actually created, and said more jobs will come online over the next few years as buildings are completed, leases are signed and the city makes progress on other initiatives. A City Hall spokesperson said many jobs have been “unlocked” but not yet created because of the impacts of the pandemic, and that without Covid-19, the number of “unlocked” jobs would likely be lower while the number of jobs actually created would be higher.

As experts predict the city’s economy will take years to return to its pre-pandemic state, candidates looking to succeed de Blasio as mayor have rolled out their own job creation plans in recent weeks.

Maya Wiley, a former City Hall attorney and MSNBC legal analyst, rolled out a jobs plan last month that calls for a \$10 billion commitment of capital funding into city infrastructure and public works projects — the development and operation of which would create, she estimates, up to 100,000 public and private sector jobs over five years.

Jobs created under her plan may be less reliant on the actions of private companies, but the proposal would increase debt service costs and require the city to expand its workforce at a time of serious budget constraints.

Former Wall Street executive Ray McGuire, another mayoral candidate, released a plan last week he estimates will bring back 500,000 jobs lost due to the Covid-19 crisis. About 50,000 of those would return through one-time wage subsidies for small businesses, which the campaign estimates would cost about \$900 million.

His plan, like Wiley’s, also seeks to generate jobs through a substantial infrastructure commitment, funding upgrades to roads and bridges, subway elevator repairs, new affordable housing and other improvements. The campaign says it believes federal funding streams will be available to cover a substantial share of the cost, but these resources are not guaranteed.

Some aren’t surprised de Blasio’s plan has fallen short of its projections.

“The most important thing the city can do when it comes to job creation is to create a positive business climate, reduce mandates, enhance affordability, and provide for high quality municipal services and infrastructure,” said Kathy Wylde, president and CEO of the Partnership for New York City. “Responding to employer needs has not been a mayoral priority, so it would be surprising if ambitious job goals had been realized.”

More on this topic

FILTER: RULES NEWS

JUL 2020

16th

FEDERAL
Notice Request for Information; Paid Leave

MAY 2019

16th

Article Cuomo touts new employment numbers
NEWS

OCT 2018

22nd

Article City added 25,200 jobs, unemployment rate 4 percent, in September
NEWS

JUL 2018

19th

Article State added 15,500 jobs, unemployment rate 4.5 percent, in June
NEWS

MAY 2018

17th

Article State added 6,800 jobs in April, unemployment rate 4.6 percent
NEWS

MAR 2018

23rd

Article NYC added 20,800 jobs in February, unemployment rate at 4.2 percent
NEWS

12th

Article New York City lost 3,900 jobs in January
NEWS

JAN 2018

22nd

Article City added 2,200 jobs in December, unemployment rate 4.3 percent
NEWS

AUG 2017

18th

Article New York City added 15,500 jobs, unemployment rate 4.7 percent in July
NE W S

JUN 2017

19th

Article New York City added 29,900 jobs in May, unemployment rate 4.3 percent
NE W S

LOAD MORE