# Reading Stories of Crisis and Recovery:
## What Next for the American City?

By Sara Hinkley

Economic crisis makes for compelling stories: coming back from lunch to find the office emptied out, planting backyard vegetable gardens, walking away from their foreclosed homes. The crisis thus becomes a series of tales of individual suffering, resilience, hard luck and fresh starts.

Such narratives of crisis permit certain kinds of discourse to become normalized: discourses about the need for wholesale change, for desperate measures, for painful adjustment, for facing reality. As their plots reveal conventional ideas about the roots of the crisis, they also become stories about particular forms of recovery. Such stories help to justify, frame, and naturalize arguments about what the future holds and what responses are necessary. As a planner, I find myself wondering which pieces of this conventional wisdom will be quoted in urban plans and development pitches. How will these stories shape discourse about what's necessary for American cities to "win"?

Three themes seem to be dominating these popular narratives of crisis and recovery: that economic restructuring is producing a jobless recovery; that a class of "new poor" is emerging; and that the mobility of skilled labor is the key driver of the fates of individual places, and people. I decided to trace this narrative through one of the old standbys of public discourse: the *New York Times*. Despite the much-lamented decline of the printed word, the *Times*, like the *Wall Street Journal*, still has an enormous ability both to influence policy debate and to reflect mainstream expert opinion, particularly about the economy.

The power of the narratives I traced makes what I found particularly troubling: crisis and recovery are not framed as political questions. New poverty is not connected to the politics of urban poverty; jobless recovery is not connected to the economic trends we've witnessed over the past few decades (stagnant wages, increased productivity, declining political power of workers); the political implications of a "post-job" era are masked by continued infatuation with entrepreneurship and individual risk-taking.

## 1. Jobless Recovery: Unemployment and Economic Structure

> *"If jobs aren't the "economy," what the hell is? Why isn't unemployment considered to be a factor in a recovery?"*
> *– New York Times article commenter (Mulligan 2009)*

While economists insist that key indicators are improving, everyone admits that unemployment in the U.S. remains stubbornly high. Meanwhile, millions of Americans drop from official unemployment statistics as they exhaust their benefits and drop out, officially, from the labor market. The idea of a "jobless recovery" is not unique to this recession, and there is growing consensus that it is far worse in this one than the early 2000s, 1980s, or even 1930s. Following yet another grim set of employment statistics in November 2009, the *New York Times* editors wrote that the American economy "comes up short by 10.1 million jobs. . . . At no time in post-World War II America has it been more difficult to find a job, to plan for the future, or—for tens of millions of Americans—to merely get by" ("Jobless Recovery" Editorial 2009). Expert consensus also sees no clear path to job recovery. *The Economist* referred in January to the U.S. having entered "a trap . . . . The curse of long-term unemployment will bedevil the economy." Employment figures from December 1999 and December 2009 show only 400,000 additional Americans employed after a decade in which population grew by more than 30 million (The Economist 2010). The long-term unemployment rate (those out of work for 27 weeks or more) was hovering at 4%, its highest level since World War II. Temporary hiring for U.S. Census jobs has been the only thing keeping job growth in the positive numbers for much of 2010.

The *Times'* editorial board also offers a grim prognosis for job creation:

> *[T]he economy is probably coming up short by 10 million to 11 million jobs. The job growth that would be needed to recoup losses of that magnitude in the next three years—some 400,000 jobs a month—is simply not in the cards. ("Jobs and Politics." Editorial 2010)*

Job loss in a recession is attributed to many things. Lack of credit is shuttering otherwise healthy businesses, dying industries are being put out of their misery as the general economic decline pushes them to the brink, and household spending is plummeting as consumers tighten their belts following the end of the "era of easy money" (Goodman and Healy 2009). And in May 2010: "For the last two years, the weak economy has provided an opportunity for employers to do what they would have done anyway: dismiss millions of people—like file clerks, ticket agents and autoworkers—who were displaced by technological advances and international trade."

(Rampell 2010c). Companies take advantage of the recession to engage in "cleansing:" shedding jobs they needed to anyway (Goodman 2010a).

Of all these explanations, the *Times* has chosen to pursue the narrative that the economy must be "restructuring," a catchall term reminiscent of long-time discourse about the new economy. Because when jobs aren't coming back, but economists and politicians want to tell a story of recovery, some explanation for continued joblessness must be put forth.

> *"As government data revealed that 651,000 more jobs disappeared in February, a sense took hold that growing joblessness may reflect a wrenching restructuring of the American economy." (Goodman and Healy 2009)*

Others agree: "Some labor experts say the basic functioning of the American economy has changed in ways that make jobs scarce" (Goodman 2010b). Compared to previous recessions, the unemployed are disproportionately "permanent job-losers" rather than temporarily laid off (Rampell 2010b). "[C]ompared with previous recessions, many more of the employment gains in this recovery will have to come from *new* jobs" (Rampell 2010c, emphasis original).

What are the implications of framing jobless recovery as a tale of economic restructuring? Restructuring implies progress: rebuilding, a natural evolution, a process that is beneficial in the end. Thus the *New York Times* editorial board has urged unemployment extensions and a federal job stimulus program, but nothing that would challenge our current system or require rethinking how we manage unemployment.

Instead, a story of restructuring puts the focus on the need for laid-off workers to prepare for "new jobs" by obtaining new skills and adapting to whatever comes along. It implies that innovation and entrepreneurship are the primary means of long-term job creation, and puts the burden of employment back on workers to adapt to a changing economy. The problem with being unemployed for a long time, in this narrative, is primarily that one's skills become further outdated: "being unemployed can build on itself as people lose the financial means to apply for jobs or go to job interviews, get worn down by the stress of being jobless and no longer have the most up-to-date skills"(Linn 2010). Any other problems posed by massive long-term unemployment, or the inability of people to find jobs within 2, 3, or even 5 years (a reality openly acknowledged), go unmentioned. The jobless recovery remains a worker's problem, not a social, political, or even economic problem.

The rhetoric about education and skills repeats much of the conventional discourse of the new economy, where the hope for middle-class wages was supposed to lie not in traditional manufacturing but in high-end services (Robert Reich's "symbolic analysts"). But what if the "new" jobs

that will characterize economic recovery are not, in fact, jobs that require new skills but are instead low-paying jobs that require few skills? As with the discourse on the new economy, the prevalence of low-paying service jobs, and of continued wage stagnation despite rising productivity, are left out of the story (Mulligan 2009).

## 2. The New Poor and the Fate of the Welfare State

The unfortunate byproduct of a jobless recovery is a growing pool of long-term unemployed, a population the *New York Times* has dubbed "The New Poor." This idea of "newness" seems to have two meanings, not always overlapping: (1) the formerly middle-class (i.e. those who never imagined they could become poor), and (2) a new, perhaps permanent, pool of long-term unemployed created by a newly-restructured economy.

The *Times'* "New Poor" series began in February of this year: "Millions of Unemployed Face Years Without Jobs" (Goodman 2010b). "[P]eople long accustomed to the comforts of middle-class life . . . are now relying on public assistance for the first time in their lives—potentially for years to come" (Goodman 2010b). The prospect of permanent poverty looms over these unlucky millions. "Without help, say economists, many are at risk of slipping permanently into poverty, even as economic conditions improve" (Goodman 2010d).

The term "new" seems intended to apply not only to the poor themselves but to the nature of their poverty. The homelessness faced by people like Mr. Moore (a former mortgage consultant) is "because of the recession," unlike the "complex, intertwined causes of homelessness of decades past" (Goodman 2010d). What kind of "help" would economists propose for people at risk of slipping into permanent poverty, even homelessness, for the "simple" reason of recession? It's never made clear. If the cause is "simply" the recession, then the solution must be simple recovery. Again, the politics of managing the effects of recession are left untouched.

Rampell argues that these long-term unemployed are forming an underclass. "[T]he longer unemployed workers stay out of work, the less likely they may be to subsequently find work, for two reasons:" skills and stigma. They will have a marketing problem, she argues, because of the "big, gaping hole" on their resumes.

> *But eventually we will have to figure out a way to transition the long-term jobless back into the work force, whether through training or therapy or tax incentives or public service announcements or something more drastic. And for the two reasons above, the longer Washington waits, the tougher the transition for this growing underclass will probably become. (Rampell 2010a)*

So what is to be done about these new poor? "There is no easy policy solution for helping the people left behind" (Rampell 2010c). The only real prospect seems to be training: "People with more education and skills will probably figure something out once the economy picks up. It's the ones with less education and skills: that's the new poor." (Goodman 2010b). But education and training may be less helpful to the "new poor" and more often a way for cities to cater to their elite workforce in an attempt to market themselves during the recovery. The *Times* "New Poor" series ran an article about the exploitation of desperate workers by for-profit education programs: "In hard times, lured into trade school and debt" (Goodman 2010c). Michigan's attempt to retrain workers laid off during the recession was found to produce poor results: "Job Retraining May Fall Short of High Hopes" (Luo 2009). And the *Times* has described the failure of college to bring millions of Americans into the middle class, prompting many economists and educators to rethink higher education as a path to economic security (Steinberg 2010).

So what role does the idea of skill development actually play in recovery strategies? In 2009 New York City allocated $45 million in training money for laid-off financial workers. "We can be certain that cities around the world will compete for the jobs that the next revival of the financial services industry will bring . . . The time to begin winning that competition is right now. A big part of that is encouraging innovation and holding onto the talented people who will make it happen." (Mayor Bloomberg) (Mcgeehan 2009). City officials are "trying to rally the financial community around the idea of New York as a hothouse for entrepreneurs" (Mcgeehan 2009). Meanwhile, Michigan brainstorms ways to retain its highly-skilled and educated white collar workers, now trapped in unsellable suburban homes but expected to leave the state at the first opportunity (Vlasic and Bunkley 2009).

If education and skills training hold ambiguous promise for the new poor, what's to be done in the meantime? Apart from repeated extensions of federal unemployment, the poor are largely on their own. State welfare systems are slashing programs as their own revenues dwindle. "As the American social safety net absorbs its greatest challenge since the Great Depression, state budget cuts are weakening crucial components" (Goodman 2010e).

As the premises of the welfare-to-work model fall apart because of the lack of jobs and the scaling back of support programs, no new vision has emerged. A welfare program premised on forcing its mostly female recipients to accept jobs faces an uncertain fate in an environment where the scarcity of jobs is now described as inevitable and possibly permanent. "'We have a work-based safety net without any work'" says one expert (Goodman 2010b). And the supports that would enable mothers to work

are also disappearing ("Cuts to Child Care Subsidy Thwart More Job Seekers" May 23, 2010 (Goodman 2010e). Welfare assistance is seen as an unaffordable luxury in times of fiscal crisis: Governor Schwarzenegger has proposed ending CalWORKs, California's welfare-to-work program, effectively ending the state's receipt of federal welfare money (Buchanan and Lagos 2010). And the *New York Times* recently ran an online editorial debating whether we are witnessing "The Twilight of the Welfare State?" (The Editors 2010). Is this because the welfare system is still associated with the "old poor," those entrenched in poverty for "complex" reasons? The federal welfare program—TANF—must be reauthorized by Congress by September 30, 2010. Despite its central role in determining the fates of poor families, it has received no mention in the *Times*' series about the recession.

The narrative of the "new poor" is not a discussion of poverty or its solutions. The "old poor" continue to slide into statistical invisibility, even as their numbers grow. This despite the fact that many of the people profiled in the *Times* series on the New Poor are in fact not new to poverty. The disparate impact on personal wealth for whites and blacks, for example, is a story not about the new poor, but about the reemergence of the centuries-old fault-lines of race and poverty, and of the ongoing difficulty of Black Americans to move permanently into the middle-class ("Blacks in Memphis Lose Decades of Economic Gains" May 30, 2010 (Powell 2010)). "Now this city epitomizes something more grim: How rising unemployment and growing foreclosures in the recession have combined to destroy black wealth and income and erase two decades of slow progress" (ibid). The recession is estimated to have driven a 34% drop in median white wealth and a whopping 77% in median black wealth. The dismantling of childcare support for workfare recipients is an old story about the difficulty of poor mothers to climb out of poverty [cite]. Thus despite the popular image of a pool of new poor consisting mostly of white, male blue-collar workers, the old story of poverty in the U.S. continues to dominate the statistics. But whose long-term, and possibly permanent, marginalization will persist more in the public's imagination, and thus compel a stronger policy response? Whose poverty will be kept visible?

## 3. Urban Competition and Labor Mobility

> *What's more certain is that the recession, particularly if it turns out to be as long and deep as many now fear, will accelerate the rise and fall of specific places within the U.S.—and reverse the fortunes of other cities and regions. (Florida 2009)*

The realities of a jobless recovery and long-term unemployment raise many questions for cities. How does this story of persistent unemployment, millions of new poor, and economic restructuring become a local story?

How does it help produce a certain politics of urban recovery? How will cities grapple with widespread unemployment, and what will be the state and federal responses? What will be the local fallout of the end of state public assistance? What might the "new poor" demand from their cities?

The *Times* doesn't ask any of these questions. Instead, it focuses on how cities compare to one another along the dimensions of recovery. Cities—and place in general—become visible only in graphics illustrating the diverging unemployment rates across the country.[1] Edward Glaeser argues in "How some places fare better in hard times" (*NYT* March 24, 2009) that economic restructuring, the change in the set of skills needed to get jobs, best explains differences in urban rates of recovery. "Given the enormous gap in unemployment between skilled and unskilled workers, it isn't surprising that skills best explain today's metropolitan unemployment rates" (Glaeser 2009). Glaeser also finds that a region's historic reliance on manufacturing and decentralization of the metropolitan area also contribute to higher unemployment. These differences in unemployment rates, however, aren't something to worry about, because people will simply move where the jobs are, evening things out. "America has always dealt with regional economic disparities through migration" (Glaeser 2009).

Glaeser's pillars of skills and mobility echo Richard Florida's "Creative Class" idea, which appears regularly in his writings for the *New York Times,* as well as the *Wall Street Journal* and *The Atlantic* (where he is a key contributor to their "Future of the City" series). In his 2009 article "How the Crash Will Reshape America," Florida argues that the economic crisis will restructure the distribution of economic activity within the U.S.: "Which cities and regions can come back strong? And which will never come back at all?" (Florida 2009). He argues that cities will compete with one another for the post-Recession reduced set of spoils, and that the competition will center less on things than on people. Building on his argument that a creative class drives regional economies ("spillovers in knowledge that result from talent-clustering are the main cause of economic growth"), Florida proposes that the recovery in every city will depend on the presence of a certain type of labor (entrepreneurial, innovative). The new urban entrepreneurialism will be the effort to attract such people—with amenities, housing, diversity, and stimulating urban life—and not every city will succeed. "The ability of different cities and regions to attract highly educated people—or human capital—has diverged." Florida recommends that U.S. cities move away from financialization of housing,

1. See for example *New York Times* "Geography of a Recession" May 3, 2010 http://www.nytimes.com/interactive/2009/03/03/us/20090303_LEONHARDT.html mapping unemployment rates by county, And MSNBC.com's "Adversity Index" http://www.msnbc.msn.com/id/29976394/ns/us_news-the_elkhart_project mapping recovery for metro areas.

focus on people, promote innovation, become "efficient, innovative, and productive." This "talent-clustering," he argues, is even more important during recessions, because areas that can accomplish it can "overcome business failures with relative ease, reabsorbing their talented workers, growing nascent businesses, founding new ones" (Florida 2009).

The mobility of labor thus emerges as a key player in both national recovery (people moving where jobs are in order to promote efficiency and productivity) and individual recovery (those who can move where the jobs are will fare better), and it raises the stakes for cities that must struggle now to keep workers, particularly the most mobile workers, happy to be there. But this story about the movement of labor and capital also becomes a story about those left behind. People don't always follow jobs: Detroit remains the 11th largest city in population, despite its faltering economy, simply because many people can't leave. The tension in the role played by labor mobility in these stories relies on the idea of a dual labor force: those workers who are stuck in places that don't have jobs, and those who are free agents for whom cities must compete.

The many reasons why and means by which workers are unable to find jobs, particularly good jobs, are left unexplored. Florida mentions only one obstacle to the mobility of labor: homeownership.

> *Homeownership . . . is a more important predictor of unemployment than rates of unionization or the generosity of welfare benefits. Too often, it ties people to declining or blighted locations, and forces them into work—if they can find it—that is a poor match for their interests and abilities. (Florida 2009)*

Accordingly, he predicts "a more mobile population of renters" in the new urban America, one where the current rigidity of the labor market is replaced by a more nimble labor force, its mobility matching the pace at which "businesses, industries, and regions" rise and fall (Florida 2009).

But Florida and Glaeser's reliance on mobility for their vision of economic recovery—both national and individual—Tonly emphasizes the labor's inability to function as a commodity. When we think of specific places this vision falls apart. There was a labor force stuck in Detroit before this recession, and there will be a labor force stuck in Detroit when it's over. A story that centers on the importance of labor being able to move wherever jobs are, and of the importance of a city's labor pool as a selling point, masks the complexities of local and even national labor markets. What are the politics of ignoring those complexities? If a more mobile labor force becomes a national priority—is seen as important to national recovery—what kind of public investment will be produced? Will we see local governments continue the trend of investing in resources that

appeal to the most mobile workers: high-end amenities (concert venues and refurbished historic buildings), rather than the infrastructure traditionally aligned with economic growth (transportation, public schools)? How will the benefits of such investments be distributed?

The city that recurs most frequently in all of these narratives is Detroit. But instead of using Detroit as grounds for examining the ongoing politics of poverty and recovery, and the ramifications of long-term unemployment and collapsing industries, the city instead features as an arena for imagining a new, somehow post-poverty, post-urban future. In October of 2009 *Time* Magazine's "Assignment Detroit: One year. One city. Endless opportunities" launched a series on Detroit as an "icon of the failed American city" (Altman 2009). The series also imagines the city as a blank slate for urban ideas and experiments. Detroit in this story is: " . . . a laboratory for the sort of radical reconstruction needed to fend off urban decline" (Altman 2009). The region appears in the *New York Times* as an example of the movement toward "shrinking cities." Mayors in Flint and Detroit hope to reduce public services to whole areas of their cities, an approach with obvious efficiency appeal, and equally obvious but unexplored political implications (Streitfeld 2009; Glaeser 2010). Detroit also appears in lyrical visions of America's post-urban future:

> *"Detroit is where change is most urgent and therefore most viable. The rest of us will get there later, when necessity drives us too, and by that time Detroit may be the shining example we can look to, the postindustrial green city that was once the steel-gray capital." (Solnit 2007, 73)*

The final cliché of crisis is that it gives birth to opportunity. But the kind of creativity featured in these stories is that born from being left to one's own devices: from abandonment and the withdrawal of mainstream opportunity. The vision of recovery that emerges most strongly for the poor is that of islands of self-help amid a shrinking government. What is the urban vision that follows from this? How will cities move forward with a loose conception of the importance of skilled labor to regional survival and a national reluctance to discuss the prospect of structural unemployment?

## Conclusion

The story that emerges from the *New York Times* coverage of the recession / recovery centers on the emergence of a new group of the poor, perhaps permanently marginalized by inevitable economic changes. There is no clear policy solution to help these people, other than temporary assistance and waiting for recovery to continue, as this poverty is different from

the poverty that came before it. There is, therefore, no need to refocus attention on the urban poverty that long ago dropped from popular discourse, emerging only in television shows like *The Wire* and tales of urban farming in Detroit.

What is missing from this story? The steady disinvestment of public services that people rely on to get to work and get ahead: transportation, housing assistance, childcare, and public education. The continued stagnation of real wages while productivity rises (or any real discussion of wages period). The city—the urban—is absent as a framework for considering such questions, except as the backdrop for individual stories. Our gaze continues to be directed away from the city as subject.

And for now at least, the political economy of such issues remains unaddressed. "The White House has publicly challenged the idea that structural unemployment is a big problem" (Rampell 2010c). But at least one *Times* author believes that "The administration is likely to have a big labor (and class) problem on its hands, and one that won't be solved merely by an increase in the gross domestic product." (Rampell 2010b). "There is no easy solution to the problem of structural unemployment, as demand for new skills typically changes much faster than workers—especially older and less mobile workers—can retrain" (Rampell 2010d).

So far in this recession, the complex dynamics of poverty, particularly urban poverty, have become less visible, not more, at a time when more and more people are slipping below the poverty line and more Americans than ever before face the prospect of going years without finding enough work to get by. In the story we are being told, crisis and recovery are not framed as political questions. All we are given are tales of woe, unmoored from the real politics of crisis.

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