



**Testimony of Boston Mayor Thomas M. Menino  
Vice President of the United States Conference of Mayors  
Before the United States Senate Committee on  
Health, Education, Labor & Pensions  
October 4, 2001**

Senator Kennedy and members of the committee, I want to thank you for inviting me to testify today on the critical issue of workforce development. As our nation works to regain its economic footing, we must continue to build a workforce training and placement system that brings skills to people and people to jobs.

The tragic events of September 11 have highlighted the plight of workers laid off in the airline industry, in the hospitality industry and in all the businesses that support these sectors. Yet, even before that sad day, American workers, young and old, were finding themselves out work as a result of corporate cutbacks.

As Vice President of the United States Conference of Mayors, I can tell you that mayors saw this happening months ago -- that is why we spoke out in the summer against rescinding funds for job training for dislocated workers.

It just didn't make sense to cut funding for dislocated workers at a time when the number of people out of work was rising. And it doesn't make sense now.

Let me express my appreciation, and that of the United States Conference of Mayors, to the 45 senators from both parties who signed a letter to the Senate Appropriations Committee, urging restoration of these critical funds.

You were right then, and you are even more right now.

Over the last year and a half, our national unemployment figure has climbed to more than 6 percent. In Boston for example, the number of unemployed rose from 8,569 in August of 2000 to 13,263 in August of 2001, a jump of over fifty percent. For Massachusetts, the numbers are equally alarming -- 90,700 in August of 2000, 124,600 in August of 2001.

We know that this is not a local or regional phenomenon; pink slips have sprouted up around the country as our economy has slowed. Mayors hear these stories every day from our neighbors and friends.

Yesterday, I met with Mayor Sharon Sayles Belton of Minneapolis along with business and labor leaders from her city. They are facing enormous problems caused by Northwest Airlines' layoffs and they too need help.

This year, I joined mayors from Kansas City, New Orleans, Long Beach, and many other cities to discuss the widening gap between workers who have the skills they need – and those who do not. We worked with the Department of Labor to organize these Skills Summits where business leaders, government leaders, educators, and community organizations came together. Not only to talk about workforce development, but to form a plan of action that puts Americans back to work.

Senator Kennedy, I have faith that the strong and diverse economy of America's cities will bounce back, but we need a jumpstart now. And workforce development is the spark we need to ignite our nation's economy.

Our job training systems are starved for funds. There are good programs and good placement rates in our cities, but the funding is short and the challenge is tall.

We have a good base to build upon thanks to the one-stop career centers created by the Workforce Investment Act, and the partnerships formed between business and local government.

But right now, it takes every resource that a career center has to handle the referrals from a single plant closing.

Senator Kennedy, I want to thank you and your colleagues for supporting these career centers. The system is in place and it works.

Now we need to do more. We have to support these centers by giving them the funding they need to put our people back to work.

One-stop career centers provide a number of important services – not just for workers, but also for **employers**. But, these centers are working at full capacity. They have been for a while – before the economic slowdown, and before the tragedy on September 11<sup>th</sup>.

I can assure you, if you give us the resources, we will help people find new jobs.

We need cooperation across a number of federal agencies to ensure a quick recovery. Job training and assistance in finding a job are only parts of the puzzle. Some people won't get back to work unless we help them learn English. Some will need to get a high school credential. Others need childcare and health care services.

Cities like Boston are doing our part with local dollars. In my State of the City speech, I committed \$2 million in city funds for skills upgrading. In addition, Boston provided another quarter of a million dollars to expand English as a second language programs. That investment was matched three to one by foundations and the private sector so that our new Bostonians can find better jobs and a better life for their families.

This year Boston spent \$5 million - one of the largest amounts spent nationally - to ensure young people had jobs this summer.

Let's not forget our young people -- they are our future workforce and in many places a key part of our economy. Let's not cut their programs and steal their hope for a better future.

We should remember that while these are tough times for our economy and some industries have been hit hard -- there are other industries and occupations in great need of skilled workers.

We are working extensively with the health care industry in Boston. Not only to ensure its long-term fiscal health, but also to provide them with a quality workforce that will continue to draw patients from around the world.

If I can leave you with a few thoughts today about an economic stimulus package, I would recommend the following:

- In addition to providing the immediate benefits that laid off workers need, give cities the funds to provide workers with the skills training necessary for them to find new jobs. Invest in the One-Stop Career Centers - the infrastructure created under WIA. We can put the money to work quickly and we can give you real results.
- Look at job training as something that extends beyond the Workforce Investment Act. English classes help. GED programs for adults help. Computer literacy also helps. We have a program called "Technology Goes Home" that is training families, adults and children, to use computers. I have seen family breadwinners and single parents get better jobs because they became computer literate.
- In fact, if you want to stimulate the economy and improve job skills, I would give a tax credit to every family of modest means that buys a computer. It would boost manufacturing, while expanding technology literacy. I think it's a winner both ways.

And I hope the Senate will consider several other short-term tax incentives as a menu of options, including:

- Credits for moderate and low-income workers who spend their own hard earned money to improve their chances for a better job;
- Short term tax credits for businesses that use the slow down in the economy to retrain their workforce rather than laying them off;
- Incentives and strategies for small business owners and their workers to enable them to fully participate in any workforce recovery strategy;
- Increasing low-income housing tax credits to spur a lagging construction industry;
- Lifting the cap on state and local tax exempt bonds as a means to boost economic development, and;

- Incentives for travel, to get both businesses and families back in the air, on the rails and on the road.

Again, let me thank the committee for inviting me to testify today. In the last few weeks, we have seen our country unite in ways that I don't think many of us could have imagined just one month ago.

We have come together to help New York, and Virginia rebuild.

We are supporting our military as they prepare to defend freedom.

We have reached out to the airline industry so that it can continue to function as an important part of our economy.

And now, it is time for us to come together and support American workers.

We need to put them back to work, and workforce development should be an important part of our economic stimulus package. We need to make the investment now, and we need to continue to do so for generations to come.