NEW YORK, May 7, 2012 – A new report released today by the Human Services Council of New York (HSC), Investing in Human Capital: How Investments in Human Services Support a Strong Economy, shows how human services such as child care and youth services, senior services, and nutrition programs remove barriers to employment and make it possible for people to remain in the workforce.

As the most recent unemployment figures show, many New Yorkers are still out of jobs. As unemployment in New York hovers at 10 percent, the need for human services continues to increase. “Far too many individuals and families rely on programs like child care, afterschool programs, senior services and food pantries to help provide job security,” said Michael Stoller, Executive Director of HSC. “Without these services, working people often find themselves faced with a no-win situation that forces them to leave the workforce.”

Also today, the Fiscal Policy Institute (FPI) released an update to their 2009 report on New York City’s nonprofit sector. The new report, Helping the Helpers Will Help Us All: The Economic Situation of New York City’s Health Care and Social Assistance Sector, provides a profile of the city’s nonprofit sector and presents data about the local economy that shows the increased need for nonprofit services.
"The New York City health care and social assistance sector is by far the largest employer in the city’s private economy," said James Parrott, PhD, Deputy Director and Chief Economist of FPI. “The human services sector in New York City is not only a job creator but a job supporter and cannot withstand additional cuts if the city wants to see continued economic growth.”

The HSC report points out that human services have been a bridge out of poverty for millions of New Yorkers for many years. Not only do these services reduce the effects of poverty, but they also provide paths and supports to employment, preventing people from falling into poverty in the first place. In New York City Mayor Michael Bloomberg's Executive Budget, released last week, the human services sector is facing another $175 million in cuts. "New Yorkers have endured too many continuous years of debilitating cuts that have threatened not only human service programs, but the one critical component of keeping people above the poverty line—employment,” said New York City Council General Welfare Committee Chair Annabel Palma. “I applaud HSC for making the critical connection between the importance of human services to our communities and the continued economic success of New York City.”

According to the HSC report, when parents have access to subsidized or low-cost child care, they are 82 percent more likely to stay employed. Many working families also rely on senior services to care for elderly parents: the report cites studies showing that 29 percent of family caregivers nationally have had to quit their jobs or adjust their work hours to care for an elderly family member.

The FPI report shows that the city’s nonprofit health care and social assistance employs 480,000 people, one of every seven private sector workers. Over the past four years as the city and nation have grappled with recession and a weak recovery, the sector added 31,400 jobs while the rest of the city’s private economy gained only 1,700. Of the workers in this sector, 80 percent are female, 80 percent are black, Latina or Asian, and more than half have attended a college.

The demand for human services has increased in the wake of the Great Recession. The FPI report also details the hardships facing New Yorkers. Many—hundreds of thousands—are unemployed in this third year of a very weak recovery. The city’s poverty rate has jumped to 21 percent. Recession-related job losses and wage reductions have hit low-income city families with children especially hard, eroding their incomes by 12 to 22 percent. Perhaps the most telling indicator of heightened economic hardship since the recession began is the two-thirds increase in the number of New York City residents receiving food stamps.


The Fiscal Policy Institute (FPI) is an independent, nonpartisan, nonprofit research and education organization committed to improving public policies and private practices to better the economic and social conditions of all New Yorkers. Founded in 1991, FPI works to create a strong economy in which prosperity is broadly shared. FPI’s reports are available at www.fiscalpolicy.org.

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