



New York



New Jersey



Connecticut

November 14, 2008

The Honorable Elaine L. Chao, Secretary
United States Department of Labor
Frances Perkins Building
200 Constitution Avenue, NW
Washington, DC 20210

Dear Secretary Chao:

We ask you to support and approve our tri-state National Emergency Grant application. This joint grant is designed to address the needs of workers who have lost, or who are soon to lose, their jobs due to the financial crises in the financial industry. Preliminary estimates by labor market analysts from our three states – New York, New Jersey, and Connecticut – suggest that by the end of 2009 approximately 82,000 financial services jobs will be lost in the greater metropolitan New York City area. Because the financial industry is integral to the economies of our states and the national economy, we are bracing for an estimated loss of over 160,000 additional private sector jobs by the end of 2008.

Over the last five months alone, the unemployment rate for our tri-state region has increased from 4.5% to 5.8%; an additional 146,000 workers lost their jobs. Given the bearish economic forecasts for the next two to three years, we anticipate the unemployment rate will continue to rise significantly. While states do receive formula funds to serve dislocated workers under the Workforce Investment Act, these funds are inadequate to serve the extraordinary number of workers affected by the near shutdown of the financial markets. It is essential that our states have sufficient resources in place to help support and transition these workers to new employment opportunities. Since the beginning of 2008, each state continues to monitor the financial crisis and is making State Level federal funds available to augment local formula funds to ensure that critical workforce services are available in the tri-state region. Based on current projections, our states will very quickly meet and exceed the U.S. Department of Labor's 70% Funds Utilization Rate target and many local workforce areas are likely to exhaust their federal dislocated worker funds.

While media attention has focused on corporate executives, the majority of workers in the financial industry are in administrative and computer support occupations. These individuals will need to realign their skills with the demands of the current marketplace and, in some cases, will need additional training.

We know you are sensitive to these unparalleled workforce woes since Congress and the President acted to provide 13 weeks of crucial federally-funded Extended Unemployment Compensation benefits last summer - we anticipate a deep, prolonged recession - job opportunities in all economic sectors are scarce. It is imperative that we sustain the skilled workforce most impacted by the financial crisis to help our economy recover. The federal government acted swiftly to implement strategies to stabilize financial institutions; now it is time to act together to support the workers dislocated from those institutions.

Sincerely,

The image shows three handwritten signatures in black ink. From left to right: David A. Paterson, Jon S. Corzine, and M. Jodi Rell. The signatures are fluid and cursive.

David A. Paterson
Governor, New York State

Jon S. Corzine
Governor, New Jersey

M. Jodi Rell
Governor, Connecticut