

The local paper for the Upper East Side



Amazon Won't Save Us

How the post-pandemic return will affect NYC's nonprofits

CHRISTOPHER HANWAY -
GORDON MEHLER -
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After-school tutoring at Jacob A. Riis Settlement. Photo: Eric L. Cooper

As New York City tries to return to partial normalcy amid the worst pandemic in over a century, the most significant social unrest in over half a century, and economic devastation unseen since the Great Depression, its businesses and

nonprofits are trying to do the same. And we've all thought that a miracle or two would be nice.

Our 130-year-old nonprofit, Jacob Riis Neighborhood Settlement located in Long Island City, Queens, though skeptical, once hoped that one of the world's largest companies, Amazon, might ride to the rescue in our neighborhood – boosting overall economic activity and increasing access to technology jobs and training for the lower-income individuals we serve.

Congressional testimony last month by America's four leading tech executives, including Amazon's Jeff Bezos, recalls the hullabaloo over Amazon last year, in which the company chose Long Island City for its second headquarters, promising 25,000 tech jobs and other local amenities. It then abruptly pulled out amid disagreements over tax incentives and development issues.

Fast forward 18 months. Amazon is still going gangbusters. It just posted its most profitable earnings quarter ever. And the pandemic has only increased demand for its e-commerce and cloud-computing services. Mr. Bezos is now worth \$189 billion personally. He earns every second more than twice what the median American worker makes in a week – take away the over 50 million Americans who have filed for unemployment benefits since the pandemic began.

Meanwhile, New York City nonprofits face mounting challenges. Our nonprofit, like many others, is heavily dependent on government funding. New York City's recently-passed budget projects a shortfall of billions. And with the City apparently set to renege on a commitment to fund basic expenses of City human services organizations, and the state completely withholding most reimbursements to us while praying for federal help, the outlook is becoming dire.



Jacob A. Riis Settlement. Photo: Bill Kontzias

Core Missions

While the tech sector is booming, the nonprofit sector is still America's third largest, employing over 12 million people. About 13 percent of those jobs vanished from March through May alone. A doubling of that figure seems quite possible once temporary supports such as Payroll Protection Program money and rainy-day reserves run out.

In truth, with the infatuation worn off, we now realize that Amazon was never going to be a panacea for us. Corporations are businesses, not charities; they worry most about returning value to their shareholders.

Moreover, even if Amazon had moved in down the block, tech jobs would have gone primarily to already highly-trained techies. And the pandemic's likely-permanent shift to more people working remotely means that the streets of Long Island City beyond the Amazon campus may not have received the economic stimulus envisioned.

It's been a lesson in not letting heightened expectations outrun cautious planning. For the foreseeable future, nonprofits will struggle to protect core missions, which in our case involve activities designed to support vulnerable youth, seniors and immigrants.

Because of so much need, foundations and other private donors must be courted in creative ways, given their own financial turmoil and the onset of compassion fatigue. Painful furloughs and layoffs will continue to be necessary, and every program within our budget will continue to be scrutinized in terms of priorities and costs.

There is a bright spot. Nonprofits are committed to and know their communities better than governments ever will. The best ones are loaded with spirit and pluck. These qualities don't necessarily generate lots of revenue, but they're still worth a lot. And crises can make nonprofit employees, donors and boards pull together and redouble their efforts.

We used to wonder what it would be like, through our newly-anticipated proximity, to have Jeff Bezos, America's richest man, become acquainted with America's largest public housing complex, Queensbridge Houses, whose residents we serve.

It took the cold bath of our current troubles to fully understand that neither Amazon nor Bezos will save us. Instead, along with our own efforts, we must convince our City and State governments, under a long-established social contract, to reexamine their priorities and follow through on promises to deliver the crucial support that our human services nonprofits count on to function effectively.

Gordon Mehler is the immediate past board chair and Christopher Hanway is the executive director of Riis Settlement, one of New York's oldest settlement houses.