



EPI Unveils Comprehensive Plan to Stem the Jobs Crisis *American Jobs Plan Would Create At Least 4.6 Million New Jobs in a Year*

With nearly 16 million Americans out of work and the United States experiencing its highest level of unemployment in a quarter century, the Economic Policy Institute today unveiled a comprehensive plan to stem the jobs crisis and create millions of jobs over the next year.

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“Millions of Americans need and want jobs but can’t find them,” said Lawrence Mishel, EPI’s president. “Unless we act boldly to create more jobs, millions of families will fall into poverty, the fragile recovery will falter, and the resulting economic damage will plague us for a very long time.”

EPI estimates that its [American Jobs Plan](#) would create at least 4.6 million jobs in its first year, at a cost of roughly \$400 billion. The plan pays for itself within 10 years by levying a modest tax on the sale of stocks and other financial products, which would take effect three years after the plan’s implementation.

The American Jobs Plan includes five key policy recommendations:

- creating roughly 930,000 jobs by strengthening the safety net (including unemployment compensation and health coverage for unemployed workers), which works by increasing consumer spending in local communities;
- creating over 1 million jobs by providing budget relief to state and local governments, which are facing a \$469 billion cumulative budget shortfall over the next two-and-a-half years and are required to balance their budgets. State and local budget cuts on this scale would reduce employment by millions of jobs in coming years, mostly in the private sector;
- putting roughly 240,000 Americans to work repairing and modernizing school buildings and improving transportation infrastructure;
- putting 1 million Americans to work improving their communities in direct public service jobs; and
- creating at least 1.4 million jobs by giving a tax credit to employers that hire new employees or increase hours in the work schedules of existing employees.

-More-

The American Recovery and Reinvestment Act enacted earlier this year has helped create jobs and slow the economy's descent, according to EPI's research, but the economy still needs to create another 10.7 million jobs just to get back to the 4.9% level of unemployment that prevailed before the start of the recession in 2007.

“A year from now the unemployment rate will likely be higher than it is today unless elected leaders take strong action now to put people back to work,” said Mishel. “Some people have questioned whether we can afford to do more to create jobs, but they’ve got it backwards. We can’t afford *not* to do more.”

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