

# AN URGENT CALL FOR ACTION TO STEM THE U.S. JOBS CRISIS

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**AFL-CIO**



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NATIONAL COUNCIL OF LA RAZA

The U.S. unemployment rate exceeded 10% in October for the first time in a quarter century. Nearly 16 million Americans who are able and willing to work cannot find a job. More than one out of every three unemployed workers has been out of a job for six months or more. The situation facing African American and Latino workers is even bleaker, with unemployment at 15.7% and 13.1%, respectively.

These grim statistics don't capture the full extent of the hardship. There are another 9 million people working part time because they cannot find full-time work. Millions of others have given up looking for a job, and so aren't counted in the official unemployment figures. Altogether, 17.5% of the labor force is underemployed—more than 27 million Americans, including one in four minority workers. Last, given individuals moving in and out of jobs, we can expect a third of the workforce, and 40% of workers of color, to be unemployed or underemployed at some point over the next year.

Despite an effective and bold recovery package we are still facing a prolonged period of high unemployment. Two years from now, absent further action, we are likely to have unemployment at 8% or more, a higher rate than that attained even at the worst point of the last two downturns.

Joblessness on this scale creates enormous social and economic problems—and denies millions of families the ability to meet even their most basic needs. It also threatens our nation's future prosperity by casting millions more children into poverty, foreclosing educational opportunities for many, limiting the investment and innovation that will fuel future growth, and dimming long-term labor market prospects, especially for younger workers.

The president and the Congress have already taken significant steps to stop the economy's nosedive. Their efforts have already created over a million jobs and led to renewed economic growth in the third quarter of 2009. But it's clear that much more must be done to generate millions more jobs to assure a robust recovery that reaches *all* Americans.

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We, the undersigned, representing a broad cross-section of Americans, urgently call on President Obama and members of Congress to take action to address this severe job crisis. If we act swiftly and decisively, we can create millions of jobs and provide urgently needed relief to American families.

A first step is to provide relief through continued unemployment benefits and COBRA. This directly helps the state and local governments that are putting the brakes on growth as they curtail programs in order to balance their budgets. Second, extending substantial fiscal relief to state and local governments will not only preserve needed services, but will also provide millions of jobs in both the public and private sectors (as many private firms deliver public services from health to infrastructure).

Third, we can directly create jobs that put people to work helping communities meet pressing needs, especially in distressed communities facing severe unemployment. These initiatives are critically important and can be carefully crafted so they do not displace existing jobs or undermine labor standards.

Fourth, there are opportunities to invest in infrastructure improvements in schools, transportation, and energy efficiency that can provide jobs in the short run and productivity enhancements in the longer run.

Last, we should explore spurring private-sector job growth through innovative incentives and providing credit to small and medium-sized businesses.

These initiatives will cost money, and we will need to tolerate higher deficits in the next few years. However, a jobs initiative can be coupled with a revenue stream, such as a financial transactions tax, that can take effect in the third year and more than pay for these efforts over a 10-year period.

Americans are confronting the worst jobs situation in more than half a century. This is not a situation we must continue to tough out. A robust plan to create jobs in transparent, effective, and equitable ways can put America back to work.

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