

NATIONAL JOBS FOR ALL COALITION

SHARED PROSPERITY AND THE



DRIVE FOR DECENT WORK

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Highlights on the Road to Full Employment and Economic Security for All

Excerpts from The Economic Bill of Rights,
President Franklin D. Roosevelt's State of the Union Message,
1944:

- The right to a useful and remunerative job...
- The right to earn enough to provide adequate food and clothing and recreation;
- The right of every family to a decent home;
- The right to adequate medical care ...
- The right to adequate protection from the economic fears of old age and sickness and accident and unemployment;
- The right to a good education....

The Employment Act of 1946 The government has an obligation to create “conditions...to promote maximum employment...”

Full Employment and Balanced Growth Act of 1978
— Humphrey-Hawkins

- ...the right of all Americans able, willing and seeking to work to full opportunity for useful paid employment at fair rates of compensation.”
- *Interim* goal of 4% unemployment within 5 years, with an ultimate goal of full employment.

These proposals and laws were a response to economic, social and political conditions different from ours. In today's economy, shaped by corporate-driven responses to technological changes that have made the world smaller, full employment is needed more than ever. Its attainment is economically feasible. But political will has been lacking. This proposal—*Shared Prosperity and the Drive for Decent Work*—advocates a major step toward jobs for all at living wages. And it can inspire the political mobilization to make full employment a reality. This is not a stand-alone program. This booklet describes a giant step forward and also calls attention to essential complementary policies.

A DECENT WORK DEFICIT

Some People Think We Have Full Employment. Do We?

No. In fact, we have a huge deficit of decent work. In 2006, 7 million people on average were officially unemployed at any given time. This is a rate of 4.6%, considered relatively low unemployment. But what lay behind the figures? Another 4.2 million people wanted full-time work but were forced to work part time. Instead of being counted as unemployed or partially unemployed, they were counted as employed. An additional 4.8 million people wanted a job but weren't counted as unemployed because they weren't actively looking for one. So 16 million people were either unemployed or underemployed. And many millions more were working at poverty wages.

In the same year, the average number of job openings was only 4.1 million, according to the Bureau of Labor Statistics. **Thus, there were nearly twice as many officially unemployed workers as job openings, and these were not necessarily living wage jobs.** This is *not* the full employment ideal that was once at the top of the agenda of most Democrats and progressives.

A PUBLIC INVESTMENT DEFICIT

In addition to the decent jobs deficit, the U.S. has another deficit, an underinvestment in vital human and physical resources. Our public investment deficit means:

- Neglect of child, elder and health care, education, housing ...
- Neglect of public transit, bridges, levees, schools and other infrastructure
- Neglect of renewable energy and energy-efficient production.
- Neglect of environmental sustainability.

OUR PROGRAM SHOWS HOW REDUCING THE DECENT JOBS DEFICIT CAN REDUCE THE PUBLIC INVESTMENT DEFICIT, AND REDUCING THE PUBLIC INVESTMENT DEFICIT REDUCES THE DECENT JOBS DEFICIT.

We propose a **DRIVE FOR DECENT WORK: A WIN-WIN SOLUTION**

- Creating jobs that stay in the United States;
- Investing in our physical and human resources;
- Sharing prosperity;
- Building a healthier, happier, more productive society.

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Augustus F. Hawkins, 1907-2007

Dedicated to the memory of Augustus F. Hawkins, member, House of Representatives for three decades, a founder of the Congressional Black Caucus and member of the Advisory Board, National Jobs for All Coalition. An ardent champion of civil rights, working people and the poor, Hawkins co-authored the Full Employment and Balanced Growth Act of 1978 (Humphrey-Hawkins). His vision was a society that guaranteed useful employment for all at fair wages.

“Our infrastructure is being depreciated so badly.... and yet we have unemployed people. Eventually we have to recognize this problem and do something about it.”

— Augustus F. Hawkins, Tape, November 18, 1992

THE DRIVE FOR DECENT WORK

The pages below which summarize the **Drive for Decent Work** can be downloaded as a flyer at <http://www.njfasc.org/whathap.pdf> or obtained from the National Jobs For All Coalition office (see address and telephone number on the back cover).

What is included in the Drive for Decent Work?

- Documentation of the “double deficit” in jobs and public investment to which this initiative is addressed;
- Description of the legislation and other proposals that NJFAC is supporting, including NJFAC’s proposal for a 21st Century PublicInvestment Act;
- Criteria for sustainable and popular public job creation; and policies complementary to the public investment and job creation initiatives we favor.

Please tell us your reactions to the Drive for Decent Work, how to improve and gain widespread support for it. A questionnaire to tap your thoughts is available at <http://www.njfasc.org/questr.htm>. We look forward to hearing and learning from you and most of all to your support. Sign on to the Drive for Decent Work, send us your contribution to carry on this work, and get your organization to do the same.

Our nation’s output per person doubled since 1970. But most of us don’t share this prosperity.

Why? Because most of it goes to the top.

It wasn’t always this way. After World War II, Americans began to expect that growing abundance would be more widely shared.

Progress toward shared prosperity has been reversed.

How? Through an assault on middle- and lower-income people by Corporate America and its political partners. By shipping millions of jobs overseas. By increasing profits at the expense of workers and the environment. Through tax giveaways to corporations and the rich. By a decline in effective political protest and in union density and power.

WHAT DOES SHARED PROSPERITY MEAN?

Secure, living-wage jobs for all • Equal opportunity • A safe workplace • Occupational advancement • A more humane workplace • Increased worker autonomy • Enforceable collective bargaining rights • Paid vacation, family and sick leave • Quality, affordable child care • Reduced work time • More time for family, community and leisure • Public recreational facilities for all • Comprehensive health care for all • Public health protection • Affordable housing • Sustainable energy • A clean environment • Affordable, accessible public transportation • Lifelong education • Decent income and services for the elderly, disabled, ill, and unemployed

HOW CAN WE START BACK TO SHARED PROSPERITY?

**By Reducing the Chronic Jobs and Public Investment Deficits and
By Initiating a Drive for Decent Work**

The Chronic Jobs Deficit: Even with unemployment in the 4-5% range there are millions more unemployed workers than available jobs. And that’s not even counting the underemployed and underpaid. The chronic jobs deficit is especially high and burdensome for minorities and youth.

The Public Investment Deficit: There is massive underinvestment in public transit, bridges, levees, schools and other infrastructure and in child, elder and health care, education, housing and other basics. *A nation that fails to invest in its human, physical and environmental resources is doomed to decline.*

Decent Work through Public Investment Is a Win-Win Solution

A DRIVE FOR DECENT WORK

Every Job Should Be Decent Work.

Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize, and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

—International Labour Organization

How Can We Start?

STEP 1. Support bills introduced in Congress and other proposals to meet urgent, unmet public needs and create millions of living-wage jobs. If all such pending job legislation were enacted, this would substantially reduce unemployment, underemployment and the public investment deficit.

STEP 2. Reduce military spending to genuine defense needs and stop the Bush tax cuts for the rich that increase inequality and cost the Treasury billions. Public investments pay for themselves in the long run, but start-up costs can be met through ending the tax giveaways and wasteful military spending.

STEP 3. Introduce and pass the 21st Century Public Investment Act to provide for high-priority public works and services that aren't currently funded, with emphasis on increasing jobs for the unemployed. Jobs would pay prevailing wages, along with health and other benefits.

Public Investment and Decent Work Cost the Government Less Than Unemployment: Newly employed workers pay more taxes, and government spends less on benefits to cover the heavy social and economic costs of unemployment to jobless workers and their families. Workers are healthier, better educated—hence more productive—and likely to earn higher incomes. Profits rise as consumption and capacity are more fully used. The economic stimulus of direct job creation typically spurs further, indirect job creation.

Establish a National Employment Accounting Office (NEAO) to evaluate progress, assess continuing needs for job creation and public investment, and assure both community involvement and achievement of Decent Work principles.

STEP 4. Make the minimum wage more like a living wage: Bring our inadequate minimum wage up to its 1968 level—or about \$9.25 (2007)—to be phased in and linked to 60% of the average wage thereafter.

DOCUMENTATION AND ELABORATION OF PROPOSALS FOLLOW.

SHARED PROSPERITY: DECENT WORK AND MORE PUBLIC INVESTMENT

The Chronic Jobs Deficit

Millions of Americans are without work and without decent wages in good times as well as bad. These include not only the officially unemployed but also the “hidden unemployed”—involuntary part-time workers and those who want a job but aren’t currently looking for one.

During 2006, according to the Bureau of Labor Statistics, employers in the United States had, on average, only 4.1 million job openings. **But nearly twice as many workers were officially unemployed that year.**

In that same year, an average of 7 million people were officially unemployed, that is, **working less than an hour a week in paid employment and looking for work.**

Another 4.2 million people were working part time because they couldn’t find a full-time job but were not counted as unemployed.

And 4.8 million people wanted jobs but also weren’t counted as officially unemployed because they were not actively looking for work.

Thus, 16 million people wanted more work than the economy provided—and this was nearly 5 years after the recession of 2001 officially ended.

In addition, 17 million more people were working full time, year round but earning less than the official poverty level for a family of four (in 2005, the latest year available). **This means at least 33 million people were either unemployed, underemployed or working at poverty wages.**

Unemployment rates for young workers and African Americans are always much higher than average. In 2006, when overall unemployment was 4.6%, the rate for African Americans was almost double—8.9%. Among all 16 to 19 year olds, 15.4% were unemployed, and three out of 10 African-American teens (29.1%) were unemployed. Unemployment of Hispanic workers was 5.2%.

The Public Investment Deficit

Sound public investment is vital to a well-functioning economy. Productive public investment includes physical infrastructure such as public transportation, bridges and dams and sewage treatment systems. It also includes services such as health, education, child and elder care and homeland security. Sound public investment directly or indirectly enhances the quality of life of individuals. It also makes the economy more productive and thus is partially self-financing.

The United States has a huge public investment deficit. The result is a deficient and deteriorating public infrastructure and public services.

- Thousands of bridges and dams are unsafe or structurally deficient.
- Weak levees await new Katrinas.
- Forty seven million Americans lack health insurance; millions who are insured are poorly covered.
- One in every three American families is unable to rent or buy affordable housing.

- Only about one in eight families eligible for subsidized day care actually get it, and many are financially strained by high child-care costs.
- Three-quarters of schools reported need for repairs, renovations, and modernization, and many classrooms are seriously overcrowded.

For more Facts about The Public Investment Deficit, see Appendix B.

The Budget Deficit: An Obstacle?

Budget deficits can be sound economic policy when they are designed to stimulate consumption and investment or benefit those who need a tax break most. But current deficits were designed to do none of these. Rather, the result was to permit tax reductions for the rich, further worsening income distribution. According to the Center on Budget and Policy Priorities (2007), tax cuts robbed the Treasury of more than \$1 trillion between 2001 and 2006. Another roughly \$300 billion has been spent on the Iraq War (as of July 2006), and total estimates for the war approach \$3 trillion.

The federal budget had *surpluses* of well above \$100 billion in 2000 and 2001. In the succeeding four years the average deficit shot up to the \$300 billion plus range.

Budget-busting tax cuts engorge the wealthy and, along with military spending, create budget deficits that, in turn, create overwhelming pressures and rationales to cut social investment.

The Drive for Decent work is likely, in the long run to pay for itself (see p.12, below). Moreover, the costs of borrowing will buy important investments in human and physical resources. And most of all, they will significantly reduce the chronic jobs and public investment deficits.

PROPOSALS THAT REDUCE THE MULTIPLE DEFICITS

A good start is to support legislation that has been introduced in Congress and other proposals that would meet urgent, unmet public needs and at the same time create jobs.

If all these bills and proposals were enacted, they would create millions of jobs, substantially reduce unemployment and underemployment, reduce the public investment deficit and increase tax revenues.*

***See Appendix C for Principles for Sustainable Job Creation: A Guide to Evaluating Legislation.**

The next section consists of job creation bills and proposals that the Coalition supports in its Drive for Decent Work. They are organized according to type of public investment (Child Care, Housing, etc.). Please note that in some cases, the bills were introduced in previous sessions of Congress and have not been reintroduced. We include them here because they represent important policy proposals that should receive strong consideration from Congress.

CHILD CARE

Increase funding for the federal Child Care and Development Block Grant.

The President's budget for FY 2008 proposes a freeze in discretionary spending for the Child Care and Development Block Grant (CCDBG). This is the sixth consecutive year that the Administration has proposed a freeze in funding for the CCDBG.

In a 2007 report, the Center for Law and Social Policy states:

Years of flat funding have already resulted in 150,000 fewer children receiving assistance. As the costs of providing child care rise each year, a freeze results in fewer children served each year. The President's proposed child care funding freeze will reduce the number of children [served] even further. According to the Administration's own projections, 300,000 fewer children would receive child care assistance by 2010. Additional losses will result in a total decline of an estimated 450,000 children [served] from 2000.

Funding for FY 2008 needs to be increased by at least \$720 million just to offset inflation. However, restoring past program cuts is insufficient to meet current and projected needs. (By 2010 the United States is expected to have 1.2 million more children aged four and under.)

According to a 2002 study, total national child care spending of \$41 billion supports 2.8 million jobs directly in child care and indirectly in other sectors. In addition, dollars spent on the formal child care sector generate additional earnings by parents. By supporting working families, and enabling women, in particular, to participate in the workforce, expanded public investment in child care makes good economic sense and helps pay for itself over the long run.

In addition, a study of child care in New York State has found that each federal dollar spent generates more than \$2 in local economic activity. Each job created by increased local demand for child care generates nearly 1.3 jobs in the broader state economy, and each additional job created by an increase in external demand for child care generates 1.5 jobs.

EDUCATION

Teachers

Hire 100,000 new teachers. In 2001, legislation to reduce class size by hiring 100,000 new teachers was introduced in both the House (First Things First Act) and Senate (Class Size Amendment to the Elementary and Secondary Education Act). The Senate amendment was narrowly defeated. An amendment to the Elementary and Secondary Education Act (HR 2668), introduced in 2007, contains a similar proposal for hiring 100,000 new teachers.

Hire 100,000 new paraprofessionals. HR 209 would finance the recruitment, hiring and training of 100,000 new classroom paraprofessionals in order to provide more special attention for children and improve their educational achievement. We believe both HR 2668 and HR 209 should be enacted.

Head Start

Expand funding for early childhood education through Head Start. The Improving Head Start Act of 2007 (HR 1429) would increase program quality and expand access to this important program for young children. H.R. 1429 increases the federal funding by \$450 million which will allow Head Start to serve more children nationwide. Additional provisions upgrade job quality by increasing funding for teacher and staff salaries and professional development, encouraging full-day and full-year operations, and hiring additional qualified staff. (Introduced by Rep. Dale Kildee, D-MI)

After-school Programs

Increase federal and state funding for afterschool programs. The Afterschool Alliance, a national nonprofit organization, has called for every child in the United States to have access to an after-school program by the year 2010. According to the Alliance, 14.3 million children take care of themselves after the school day ends. Just 6.5 million children are in afterschool programs, but the parents of another 15.3 million children say their children would participate in an after-school program if it were available. Providing additional federal and state funding for afterschool programs to cover all eligible children would create hundreds of thousands new jobs. In addition, studies have shown that afterschool programs help pay for themselves by reducing child-care costs, improving school performance, increasing earnings, and reducing crime and welfare costs.

HOUSING, SCHOOLS, & LIBRARY CONSTRUCTION

Housing

In October 2007, the House of Representatives passed the National Affordable Housing Trust Act to provide for the development, rehabilitation and preservation of decent, safe and affordable housing for low-income families. The Act would create close to 200,000 jobs per year in construction and would leverage many additional jobs.

On December 19, S. 2523, the National Affordable Housing Trust Fund Act of 2007 was introduced in the Senate. The Senate bill is very similar to the House passed version and has been referred to the Senate Banking Committee.

Bringing America Home Act. This bill is designed to end homelessness in the United States. It has housing, health, income and civil rights components, including establishment of a "Homebuild" program for training and apprenticeship. (Introduced by Rep. Julia Carson, D-IN, as HR 4347 in 109th Congress, the bill is expected to be reintroduced.)

School Construction and Repair

Expand and Rebuild America's Schools Act of 2007 (HR 1862). This would encourage new school construction through creation of a new class of bond. (Introduced by Rep. Loretta Sanchez, D-CA)

America's Better Classroom Act would provide \$25.2 billion in interest-free funds over the next two years for public school construction and modernization projects.

(Introduced as HR 1742/S1538 in the 109th Congress by Rep. Charles Rangel, D-NY and Sen. Jay Rockefeller, D-WV)

Libraries

The Andrew Carnegie Public Libraries Act would make \$1 billion in grants available over five years for public library construction and modernization. (Introduced as HR 2922 in 109th Congress by Rep. Maurice Hinchey, D-NY)

REDIRECT BUDGET PRIORITIES

Transfer funds from military to civilian priorities. The Common Sense Budget Act of 2007 (HR 1702, introduced by Rep. Lynn Woolsey, D-CA) would reallocate \$60 billion from the defense and energy department budgets toward improved children's education, increased children's access to health care, expanded job training, and increased energy efficiency and conservation. The bill includes \$10 billion for school construction and renovation, and \$10 billion for investments in conservation and energy efficiency.

RENEWABLE ENERGY

The Apollo Project, a proposal of a coalition of unions, environmental and other organizations, is a crash program to develop renewable energy and conservation over 10 years. This \$300 billion program would create at least 3.3 million jobs over the 10 year period and eventually pay for itself through increased economic activity, related tax and energy savings. The program would require targeted investments of \$30 billion a year in energy diversity, high-performance buildings, future-oriented industries such as hybrid cars, and public infrastructure to overcome sprawl and encourage energy-efficient transportation. Energy efficiency is far more labor intensive than generation, creating 21.5 jobs for every \$1 million invested. (The Apollo Project proposal can be implemented through various federal, state and local legislation. Much activity is already taking place at the municipal and state level.)

TECHNOLOGY, TRANSPORTATION & ENVIRONMENT

Strengthen New Orleans Levees to Withstand a Category 5 Hurricane, and reinvest in public facilities, housing, health care transportation and other infrastructure needs in the Gulf Coast. The Congressional Hurricane Katrina Task Force chaired by Rep. Gene Taylor (D-MS) has recommended that Congress mandate the construction of a Category 5 levee system and corresponding flood control structures to ensure protection for all residents of metropolitan New Orleans. Strengthening the levees to achieve Category 5 protection, and implementing other coastal restoration measures, would greatly improve the physical security of New Orleans against hurricanes and storms, and create many additional jobs. In addition, Congress should provide additional funds and create fast-track procedures to facilitate the construction and restoration of municipal buildings, schools, affordable housing, hospitals and other critical infrastructure in New Orleans and the Gulf Coast communities.

Brownfields Redevelopment Action Grants (BRAG). This proposed federal grants program would help communities clean up former industrial and manufacturing sites known as brownfields so that they can be used for

manufacturing, housing, parks or other purposes. The U.S. Conference of Mayors and the American Society of Civil Engineers have recommended that the United States establish a program within the Environmental Protection Agency to provide investment funds for local governments to leverage private investment in brownfields redevelopment. According to the U.S. Conference of Mayors, redeveloping brownfields sites in 148 cities could create 576,373 new jobs and generate \$1.9 billion in annual tax revenue.

Rebuilding America’s Infrastructure Act (HR 5054). This would create a Federal Bank for Infrastructure Modernization to award \$50 billion in loans to state and local governments to finance infrastructure repairs and upgrading of roads, bridges, rail systems, schools, drinking, wastewater, and many other types of facilities.

Infrastructure Trust Fund. The Center for Strategic and International Studies Commission on Public Infrastructure, led by investment banker Felix Rohatyn, has proposed that Congress authorize a \$100 billion trust fund, to be financed over a 5-year period by special 50-year Treasury bonds created for that purpose. The fund would co-finance high priority state and local investment programs, including physical infrastructure and projects to create intellectual property. The fund could make regional investments to help regions that are being adversely affected by globalization, deindustrialization, and job loss.

Expand Investment in Research and Science Education (S761 and H.Con. Res. 99). The America COMPETES Act authorizes increases in research funding for the National Science Foundation and other federal agencies, strengthens Science, Technology, Engineering and Mathematics (STEM) opportunities from elementary through graduate school, and establishes an innovation infrastructure. A related budget resolution bill in the House calls for educating 100,000 new scientists, engineers, and mathematicians, training more highly qualified teachers in math and science classrooms, and providing funds for development of clean and sustainable energy technologies and basic research. (S761, introduced by Sen. Harry Reid, D-NV, and H.Con.Res.99, introduced by Rep. John Spratt, D-SC)

Fair Wage, Competition and Investment Act of 2005. This would provide federal grants for transportation, water, rail, mass transit, aviation infrastructure. Every \$1 billion invested in federal highway infrastructure directly creates an estimated 47,500 jobs. By investing \$14 billion in highway projects over 2 years, S. 14 would create at least 665,000 jobs. It also includes provisions to raise the minimum wage, prevent outsourcing of jobs, expand broadband internet service and set limits on U.S. foreign debt. (Introduced as S. 14 in 109th Congress by Sen. Debbie Stabenow, D-MI)

Right Time to Reinvest in America’s Competitiveness and Knowledge Act or the “Right Track Act.” This would provide federal tax credits and financial incentives for investments in future-oriented industries, such as high-tech manufacturing, nanotechnology, vaccines, passenger rail systems, energy efficiency and broadband internet. “Widespread use of basic broadband would add \$500 billion to our economy and create 1.2 million jobs.” It also contains provisions to increase the minimum wage, help workers negatively impacted by

international trade and expand opportunities for education and retraining. (Introduced as S. 2357 in the 109th Congress by Sen. Edward Kennedy, D-MA)

YOUTH EMPLOYMENT

Increase funding for the federal YouthBuild Program. YouthBuild, a public-private partnership supported by grants from the U.S. Department of Housing and Urban Development, employs unemployed and at-risk youth, ages 16-25, in building affordable housing for homeless and low-income people. The program helps high school dropouts to work for General Equivalency Diplomas while learning job skills in housing construction and renovation.

Since 1993, more than 47,000 YouthBuild Students have produced over 13,000 units of low-income housing. YouthBuild USA estimates that the \$500 million invested in this program since 1993 will produce a return on investment of approximately \$10 billion of savings to society during the lifetimes of the 47,000 young people who have participated to date.

In 2005, an estimated 2.4 million young, low-income adults in the United States between the ages of 16 and 24 had left high school without a diploma or were unemployed. Currently, there are about 200 YouthBuild programs around the United States that engage approximately 7,000 young adults.

According to Youthbuild USA, the President's Budget Request for Fiscal Year 2008 includes just \$50 million for YouthBuild, perpetuating the 23% cut the program suffered in the FY'06 budget. In 2005, the U.S. Conference of Mayors passed a resolution urging the Congress to increase YouthBuild's funding to a level of \$140 million or more from its previous level of \$65 million

Increase funding for the Youth Conservation Corps (YCC). In the mid-1970s, the United States funded a national Youth Conservation Corps through the federal Comprehensive Employment and Training Act (CETA) at a level of \$60 million each year. Currently, Congress only funds a token set-aside for the program of about \$7 million a year. YCC projects involve young men and women from ages 18 to 25 in building trails and campsites, planting trees, restoring watersheds and monuments, conducting urban beautification projects and eradicating exotic pests and weeds.. Increasing funding for the Youth Conservation Corps would create many high-quality employment opportunities for America's young people, while improving recreational opportunities for everyone and protecting and conserving our natural resources.

The National Park Service director has stated that his agency received \$1.70 in benefits for every \$1 it invested in YCC projects. The Fish and Wildlife Service estimated that it received \$2 for every \$1 invested. Congress could appropriate additional funds for youth and adult conservation job creation as part of the proposed National Park Centennial Initiative.

PLANNING FOR FULL EMPLOYMENT

A Living Wage Jobs for All Act (HR 1050) would establish the right of every adult American "to earn decent wages, to a free choice among opportunities for useful and productive paid employment, or for self-employment." The bill also establishes the right to income security for individuals unable to work for pay. The

bill would create an overall system of planning for full employment and ensure that federal budgets meet specified goals for the annual budget submitted to the Congress. The goals include: (1) quality of life and environment; (2) responsible, sustainable growth; (3) unemployment reduction; and (4) human rights. HR 1050 requires the Joint Economic Committee to submit an annual Concurrent Resolution on Economic Policy setting forth its proposed employment goals. The bill also establishes a military conversion planning fund to cope with declines in military spending by making specific plans for expansion of economic activities in non-military sectors.

The above list of pending legislation and policy proposals addresses many—but certainly not all—of our nation’s unmet needs for infrastructure and services. If all of these bills and proposals were implemented, they would together create over 8 million jobs.

We invite additional ideas and suggestions for ways to address America’s unmet needs and to create good new jobs for unemployed and underemployed workers. The crisis of unmet infrastructure and service needs represents an important opportunity to rebuild a strong progressive coalition. By uniting a wide range of interests around the creation of good jobs, we can begin the reconstruction of a progressive movement. Together we can achieve Decent Work for All and take significant strides toward Shared Prosperity and Economic Justice.

THE NJFAC 21ST CENTURY PUBLIC INVESTMENT PROGRAM

In addition to pending legislation and proposals that meet NJFAC’s Principles for Job Creation (Appendix C), we propose the 21st Century Public Investment Act to create new jobs that address critical workforce and public needs that otherwise would not be adequately funded by the public or private sector.

NJFAC’s 21st Century Public Investment Act has three parts: a Public Works Authority; A Public Investment Fund/Public Service Employment Program (PIF); and a National Employment Accounting Office (NEAO).

Public Works Authority (PWA)

The Public Works Authority (PWA) would provide long-term funding for high priority public works and infrastructure projects that are not currently funded by other branches of government. The American Society of Civil Engineers estimates that the United States needs \$1.6 trillion in public and private investment over the next five years to repair and upgrade our nation’s physical infrastructure.

The PWA would provide financing for projects that can’t be financed through existing public and private sectors because of the long time horizon of the investment or because, however worthy the projects, communities cannot afford them. In the long run, the projects would produce a financial return to the public sector and the economy through increased economic activity and reduced social costs (e.g., less environmental clean-up, lower costs of production, less poverty and reduced unemployment).

The PWA should adopt explicit criteria to ensure that such projects provide employment to the unemployed and underemployed, particularly disadvantaged minorities, the structurally unemployed and people living in regions of high unemployment, wherever possible. In the case of regions of high unemployment, the projects should be in conjunction with development planning by local and state authorities to create permanent jobs.

PWA employment should meet the principles that NJFAC proposes for all job creation (see Appendix B).

Stand-by Public Investment Fund (PIF)

The PIF would finance a Public Service Employment initiative designed to close whatever job gap remained in the economy without adding to inflationary pressures. It would create enough decent public service jobs to employ everyone who wants to work, but it would not compete with private employers who offer decent work. Jobs would be created only in communities where private employers were not prepared to offer employment to all job seekers and only to the extent necessary to close the local economy's job gap.

Most of these public service jobs would provide temporary employment for unemployed individuals, but the duration of the jobs would depend on regular living wage jobs becoming available to replace the PIF employment. Thus, the jobs would last much longer, on average, in economically depressed communities.

The public service jobs would pay prevailing wages for comparable work in the private sector, with collective bargaining rights, labor protections, health benefits and vacation time. These jobs might include after-school programs, libraries, summer jobs for youth, recreation and arts and cultural programs, housing renovation, environmental protection, the beautification and improvement of park lands and other public space, and auxiliary service improvements in a wide range of ongoing public services.

The PIF would develop criteria for selecting proposals for creating jobs and meeting social needs that are submitted by federal, state and local government agencies as well as non-profit organizations. Possible programs are those that enhance the capacity of state and local governments to provide social services. Matching funds or in-kind contributions could be required from state and local governments, depending on their ability to pay.

National Employment Accounting Office (NEAO)

The NEAO would assess the need for jobs and public investment, evaluate progress and judge whether:

- Sufficient jobs have been created to provide employment for everyone who wants to work;
- Training requirements have been satisfied;
- Local deficits in job creation have been addressed without causing excess (inflation-inducing) demand for labor in those local markets;
- Needs created by or made visible by the jobs program have been met; and
- Supply or other cost pressures or problems have been addressed.

The NEAO would oversee the creation of local planning groups, especially in high unemployment areas, to participate in the assessment of needs, development of jobs and maintenance of “decent work” principles.

Paying for Public Investment and Job Creation

The start-up costs for public investment and job creation can be met by ending tax cuts for the wealthy and corporations and cutting wasteful military spending.

Paying for public investment and job creation will require some reallocation of government spending, especially at first, but in the longer run, it shouldn't cost us any more than we already are spending in maintaining a partly-idle workforce and responding to the many social problems joblessness causes. The newly employed will become taxpayers. Less money will have to be spent on income assistance benefits such as unemployment insurance. Both individuals and families will be healthier and more secure — and therefore less likely to experience the many medical, emotional and social problems that end up costing governments money. And the economy will be less prone to recessions.

In the short run, room could be found in public budgets to institute the needed programs by eliminating tax cuts for the wealthy and ending the war in Iraq.

APPENDIX A. ECONOMIC FACTS

In the decades after World War II, Americans began to expect their nation's growing abundance to be more widely shared because, in fact, wages rose along with productivity. But progress towards shared prosperity has been reversed.

Between 1973 and 2006, national output per person soared (a gain of 85.9%) but average hourly wages (accounting for price changes) of ordinary workers fell by nearly one-tenth (8.4%).

Between 1968 and 2006, the value of the minimum wage for a full-time, year-round worker fell by nearly half (46%)—from 120% to 65% of the government's poverty standard for a 3-person family. In 2007, Congress raised the minimum wage in stages to \$7.25 an hour in 2009, still far from a living wage.

Household income has grown more unequal. Between 1973 and 2005, the share of total household income that went to the top quintile—that is, the richest 20%—of households rose from 43.9% to 50.4%. Thus the top 20% of households received half of all income—as much as the total received by the other 80%. The top 5% got 22.2 percent of the total, more than the bottom 40%. (Between 1979 and 2000, the share of the top 1% almost doubled—from 9.3% to 17.8%.)

In 2005, every income quintile but the top received smaller shares of the income pie than in 1973. For example the income share of the middle 20% of households fell from 17.0 to 14.6%, while the share of the poorest households fell from 4.2 to 3.4%. In short, the income gains went to the top!

In 1980, the average CEO earned 40 times as much as the average worker. Even that is high inequality, but by 2004, it was 431 times greater! In 2006, the average CEO earns more before lunch in one day than the average minimum wage worker earns all year. CEO pay continues to climb, while the federal minimum wage remained unchanged from 1997 until it was raised in mid-2007. Before that modest

increase, it was at a 50-year low in real terms—more evidence of our increasingly top-heavy income distribution.

Not surprisingly, from 1973 to 2006, the number of people living in poverty, measured by the U.S. government’s unrealistically low poverty standard, rose from 23 to 37 million, while the poverty rate rose from 11.1 to 12.3%, an increase of 10.8%.

APPENDIX B. THE PUBLIC INVESTMENT DEFICIT

Examples of under-investment are all around us:

Repair and construction of levees to protect coastal areas have been deferred around the country. Prior to Hurricane Katrina, Congress and the White House had reduced the U.S. Army Corps of Engineers’ latest request for levee improvements in New Orleans from \$105 million to \$42.2 million.

2,600 dams are unsafe. 21 dams collapsed in a recent two-year period.

More than one out of four American bridges is structurally deficient or functionally obsolete. American roads are often congested and in poor physical condition, costing motorists an estimated \$54 billion a year in operating costs and adding to fuel consumption and pollution. Public transportation would do much to relieve this problem.

One-third of American families are burdened by the high cost of housing. 7.5 million families are paying over half their incomes for rent. An estimated 1.6 million new units of housing are needed to ease the shortage of affordable rental units

Billions of gallons of untreated sewage are discharged into U.S. surface waters every year because of under-investment in wastewater treatment systems.

Forty seven million Americans lack any health insurance, and millions more are under-insured.

Quality child care is very hard for many parents to find or afford because of a shortage of public funding. Typically, child care workers earn very low wages and have minimal health and other benefits.

The long-term health care sector is plagued by a severe shortage of nursing assistants, home health and home care aides because of low wages and insufficient Medicaid reimbursement.

America’s public health system is ill-equipped for a major pandemic. Funding is far below what is needed.

Despite recent increases in funding for homeland security, many local police and fire departments and emergency medical services are “drastically under-funded and dangerously unprepared,” according to a recent report by the Council on Foreign Relations.

Three-quarters of the nation’s schools need repairs, renovations and modernization.. Based on a nationwide survey of school principals, the National Education Association estimates the need for school construction and modernization at over \$300 billion.

APPENDIX C: PRINCIPLES FOR SUSTAINABLE AND POPULAR PUBLIC JOB CREATION

All of these should be answered in the affirmative:

Does the program address needs such as elder care, child care, health care, arts, transportation, environment, and infrastructure not met by the market?

Is it responsive to workers and communities in times of economic recession and hardship?

Are there mechanisms to calculate costs and long-term savings?

Does it produce useful goods and services that enhance the quality of life?

Does it assure genuine community participation in determining priorities for the nature and type of jobs created and engage local communities in partnerships to improve infrastructure and services?

Is it publicly accountable and financially transparent with protections against private and public conflicts of interest?

Does it bring us closer to the long-range goal of decent work for everyone who wants it?

Does it provide living wage jobs for low-income workers, part-time workers who want full time work and for the structurally unemployed?

Does it offer educational opportunities and skill development for workers who need it?

Does it provide wages comparable to private sector wages paid for similar work?

Does it provide health insurance to all workers and child care to all who need it?

Does it adequately provide for the health and safety of workers and their communities?

Does it sustain and protect the environment?

Does it move the nation closer to a policy of full employment by promoting the concept of a right to a job?

APPENDIX D: OTHER MAJOR POLICIES TO PROMOTE DECENT WORK AND SHARED PROSPERITY

To put infrastructure investment and the resulting direct public job creation in context, there is a range of other policies that are needed to promote full employment and protect worker rights:

- Fiscal and monetary policies targeted at providing jobs at decent wages for everyone who wants to work;
- Modifications of international trade agreements to protect jobs, with a goal toward promoting full employment at home and abroad;
- Protection and expansion of government's ability to regulate corporations for the public interest;
- Restoration of progressive taxation;
- Assurance of collective bargaining rights; and
- Renegotiation of global agreements to include labor rights and environmental protection.

As a society, the United States should avail itself of the full range of tools that are needed to create full employment and economic security. Government job creation through public investment should not be expected to do the whole job, but is an important and essential component of an overall strategy to provide living wage jobs for all.

APPENDIX E: COMPLEMENTARY POLICIES

The Drive for Decent Work emphasizes the creation of jobs at living wages and public investment. NJFAC has spelled out what Shared Prosperity requires (see flyer). Federal legislation required to achieve these components of Shared Prosperity includes:

- Living wages;
- Preservation and improvement of Social Security (Old Age, Survivors' and Disability Insurance);
- Paid family leave;
- Adequate income support for those who are unable to work, unemployed or doing vital work in the home;
- Universal, comprehensive health care;
- Pay equity;
- Affirmative action and protection against discrimination;
- Enforceable health and safety protection in the workplace;
- A shorter work week;
- Equal rights and benefits for temporary and part-time workers;
- Enforceable collective bargaining and labor rights;
- Women's rights;
- Extension of labor rights to agricultural workers and undocumented immigrants;
- Environmental sustainability;
- Tax reform that increases progressivity and cuts corporate welfare;
- State and local revenue sharing;
- Aid for cities and rural areas; and
- Military conversion.

About the National Jobs for All Coalition

The National Jobs for All Coalition is committed to building a new movement for full employment at livable wages. This goal unites a diverse group of otherwise divided, single-issue constituencies. The Coalition includes individuals and organizations with a wide range of interests—workers', women's, children's and seniors' rights, civil rights, and economic justice. Others work on health care, the environment, economic conversion, are academics, social workers and lawyers, artists or simply concerned individuals. The goals of all of us would be easier to reach if there were jobs for all at decent wages.

The Coalition is committed to a sustainable peacetime economy and to a democratic workplace that is supportive of families and communities. We believe in equality for groups traditionally disadvantaged in the workplace: women, minorities, youth, the elderly, the disabled, immigrants, and gay men and women. Coalition policies would also enhance the economic security of a middle class suffering from downsizing and work stress.

Coalition members believe in the dignity of work and in a nation where everyone who wants to work can find a decent-paying job. Although the need for certain government benefits will be reduced when we get jobs for all, some public income support will still be needed. Full employment would be real welfare reform. In the meantime, we must strengthen our safety net.

We welcome both individual and organizational support.



NATIONAL JOBS FOR ALL COALITION

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The National Jobs For All Coalition remembers its late advisers and leaders with gratitude:

Winifred Bell, social policy scholar • **Alice H. Cook**, labor educator; advocate for working women • **Robert Eisner**, Past President, American Economic Assn • **Ossie Davis**, playwright, leading actor, civil rights activist • **John Kenneth Galbraith**, Past Pres., American Economic Assn, noted author • **Bertram Gross**, chief drafter of the Employment Act of 1946 & original version of Humphrey-Hawkins Act of 1978 • **Robert Heilbroner**, author, *The Worldly Philosophers* • **Seymour Melman**, scholar-critic of the Permanent War Economy • **Rudolf Meidner**, architect of Swedish full-employment welfare state • **Sumner M. Rosen**, scholar-activist • **Jack Sheinkman**, President–Emer., Amalgamated, Clothing Workers of America, AFL-CIO • **Robert J. Schwartz**, co-founder, Economists Allied Against the Arms Race • **Herbert Simon**, Nobel Laureate, Economics, pioneer in artificial intelligence • **Sir Hans Singer**, innovator, development economics • **William Vickrey**, Nobel Laureate, Economics, and advocate of “chock-full” employment • **Elizabeth Wickenden**, social welfare and Social Security policy consultant and advocate.

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I [We] want to support the Coalition and endorse its Drive for Decent Work. Enclosed is my tax-deductible contribution of \$_____. To pay by credit card, go to <http://www.njfac.org> and click on "Make a Donation." Email us your affiliation and volunteer interests.

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* While I may not agree with every detail, I believe the Drive for Decent Work points the way toward Shared Prosperity and Secure, Living Wage Jobs for All.

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