

America Wants to Work Action Plan

Three decades of Wall Street and corporate-dominated economic policies drove our economy into the ground, and we are still paying a high price for these policy failures. Unemployment and underemployment are projected to remain at crisis levels for years; our trade deficit is growing; the housing market continues its downward slide; millions of Americans are facing foreclosure; and real wages are stagnant. The AFL-CIO calls on Congress and the administration for big, bold, timely action to put America back to work, retain good jobs, and rebuild the U.S. economy.

- 1. Rebuild America's schools and transportation and energy systems.** If we have the will to tackle the jobs crisis, there is no mystery about how to go about doing it. We need to invest at least \$2.2 trillion in repairing our crumbling 20th century infrastructure and another \$2 trillion building a modern clean energy infrastructure for the 21st century. These investments would put millions of people to work while laying the foundation for long-term economic growth and competitiveness. Congress should fund the Surface Transportation Act at \$556 billion over six years, as proposed by President Obama; identify revenues to fund enhanced investment in highways, transit, rail, and ports; allow transit agencies to flexibly use federal funds to save and create jobs; fully fund Amtrak and make it the centerpiece of our high-speed rail program; pass a robust reauthorization bill for the Federal Aviation Administration (FAA) that would sustain or create 300,000 jobs; adopt a national policy to get truly high-speed broadband to every individual, family, business, and community in America; create a government-backed bond program to help state and local governments finance the maintenance and repair of infrastructure, as well as new construction projects; reauthorize and expand the Water Resources Development Act (WRDA), the Clean Water Act, and the Clean Water State Revolving Fund; fund port dredging and maritime investment projects; renew the Building Star program to create jobs through the installation of energy-saving technology; create an adequately financed infrastructure bank to fund good jobs; and ensure that U.S. tax dollars are used to create U.S. jobs by insisting on Buy America safeguards. Sen. Boxer's shorter-term reauthorization of the Surface Transportation Act, which would sustain or create 1.9 million jobs, awaits immediate action by Congress when it returns from the August recess, and Congress must not put thousands of FAA employees and construction workers out of work by allowing the FAA reauthorization to expire yet again.
- 2. Revive U.S. manufacturing and stop exporting good jobs overseas.** We cannot hope to restore our economy to health unless we revive American manufacturing. This will require action on many fronts, including ending currency manipulation, reforming tax policy, enforcing and reforming our trade policies, strengthening government procurement policies, and increasing investment in job training. Congress should take concrete action to stem currency manipulation by passing the Currency Exchange Rate Oversight Reform Act. It should also renew tax incentives for investments in advanced energy (Section 48C); expand Title 17 loan guarantees to include investments in energy efficiency; end tax incentives that encourage the offshoring of good manufacturing jobs; enhance Buy America safeguards; reform our trade agreements to raise global labor and environmental standards and support good jobs at home; enforce our trade laws; reauthorize a robust Trade Adjustment Assistance (TAA) program for workers who lose their jobs due to trade; and oppose free trade deals with Korea, Colombia, and Panama.

- 3. Put people to work doing work that needs to be done.** There are 25 million people in America who need full-time work, and there is plenty of work to be done. Congress should pass legislation to provide for the direct creation of millions of jobs in local communities, such as Rep. Miller’s “Local Jobs for America Act” or Rep. Schakowsky’s “Emergency Jobs to Restore the American Dream Act.” These jobs must pay competitive wages and target distressed communities and must not replace existing jobs.
- 4. Help federal, state, and local governments avoid more layoffs and cutbacks of public services.** Layoffs by federal, state and local government are dragging down the economy and making a double dip recession more likely. Congress should make a commitment not to lay off any more federal employees and prevent additional state and local layoffs by providing for increased federal funding of Medicaid when unemployment is high and by providing additional federal investment directly to local communities to save and create jobs and protect and restore public services.
- 5. Help fill the massive shortfall of consumer demand by extending unemployment benefits and keeping homeowners in their homes.** Over \$12 trillion of wealth was destroyed in 2008 when the housing bubble and stock market collapsed, and our economy continues to suffer from a massive shortfall of consumer demand. This is the primary reason why businesses are not hiring. Extending unemployment benefits for jobless workers and providing relief for homeowners facing foreclosure can help reduce this drag on the economy. If banks lowered the principal balance on all underwater mortgages to their current market value, over \$70 billion per year would be pumped back into the economy, millions of families would be able to stay in their homes, and over one million jobs would be created. Congress and the administration should provide for mandatory reduction of principal for homeowners facing foreclosure—through bankruptcy reform, mandatory mediation, or other means. Congress should also extend the federal unemployment benefits program for another year.
- 6. Reform Wall Street so that it helps Main Street create jobs.** The financial sector should channel capital to productive sectors of the economy, but the financial sector now diverts far too many resources from the productive economy, fails to finance productive investment, and endangers the global economy with its reckless gambling. Congress and the administration should pass legislation to encourage more lending to small businesses; enact a Financial Speculation Tax to discourage harmful speculation and make Wall Street pay to rebuild the economy it helped destroy; and enforce tough safeguards to stop the kind of cheating and massive fraud on Wall Street that precipitated the crisis of 2008.

The solutions we propose must be on the same scale as the problems we face. Half measures will not put America back to work. Nor will the same old Wall Street economic policies that drove our economy into the ground in the first place.