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Obama Gets It, But Needs Our Help

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Obama gets it. The State of the Union message on Wednesday showed he understands the problems faced by millions of Americans. He knows that nearly one in five people who want to work can’t find a job or can only find part-time work. He knows that one in nine families cannot make the minimum payment on their credit cards, that one in seven mortgages is either in default or foreclosure, and that one in eight Americans is on food stamps.

The speech also showed that President Obama is continuing to mobilize his administration to tackle the nation’s severe problems. He proposed a number of measures to create jobs, his first priority. He also proposed a new fee on big banks, a revised program to prevent foreclosures, and other measures that will speed the end of the economic crisis and make life easier for many who are suffering.

But the speech also showed that Obama is still too influenced by advisors who promote the failed policies of the past. Currently the most heated debate in Washington is over the size of the federal budget deficit. With sky-high unemployment and interest rates essentially at zero, a large deficit is the only tool that can repair the economy. Once things are somewhat back to normal, which probably won’t be for two to three years, then we can worry about reducing the deficit.

But Obama is already proposing budget cuts starting in the fall of this year. Not only are the cuts premature but what he proposes to cut -- non-security discretionary spending – is also wrong-headed. This category of spending comprises only 14% of the budget but it pays for many things people care about deeply, from education and the environment to air traffic control, nutrition, and the national parks. Entirely excluded from the proposed cuts are the military and homeland security.

Over the next 11 years (2009-2019), the federal government deficit will total an estimated $11.8 trillion. The Stimulus Bill and costs of the bailout are just 14% of this, while 26% is due to the higher costs and lost revenue associated with the economic downturn. But fully 45% of the total is due to the Bush tax cuts of 2001 and 2003, and 15% is the cost of the Iraq and Afghanistan wars. Money to reduce the deficit should come from ending the tax cuts and bringing the wars in the Middle East to an end, not from programs that cost relatively little and serve so many.

For the next few years, the nation and especially the unemployed need a large budget deficit and the jobs it will create. In later years, the burden of reducing the budget deficit should fall on those who benefited from the excesses of recent years.

Obama gets it. But that’s not enough. As he said in his speech Wednesday night, democracy can be noisy, messy, and complicated. Well, it’s time for caring people to get very noisy, jump into the mess, and make life in Washington very complicated. The health of our nation is at stake, as well as the well-being of millions of our friends and neighbors around the country.

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