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Job Creation Must Be Our Highest Priority

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The stock market has rebounded to near its pre-recession peak. Corporate profits are at record highs. But for millions of American workers who have lost jobs, health insurance, homes, and financial security, the crisis continues. Congress must make job creation its highest priority.

Many families are caught in a quagmire of financial and emotional pain. Three years into the “Great Recession,” the unemployment rate is 9.0%. But this measure includes only people who are actively searching for work, some 13.9 million. It omits those who have given up looking, decided to be stay-at-home moms since they have no other options, or claim to be “retired” to conceal their fears of never working again. A broader measure that counts everyone who wants a job plus people who want full-time work when they can find only a part-time job is over twice as large: 30 million people or nearly one in five potential workers. There are roughly four job seekers for every job opening and nearly half the unemployed have been without a job for over six months. Among people of color, young adults, and teenagers, the jobless rate is much higher. Workers and their families are in crisis.

To keep pace with growth in the labor force, the number of jobs must rise by 114 thousand each month. But over the past year the U.S. averaged just 82 thousand a month. This is too few to keep joblessness from rising (no matter what the official counts tell us) and does not begin to shrink the backlog of unemployment. Going forward, even if job creation were double the rate of last year, it would take *19 years* for unemployment to fall to its pre-recession level. We cannot wait for corporate decision makers and “the market” to solve this crisis.

Congress and the Obama Administration must intervene to create jobs. Options include a tax credit to encourage firms to boost hiring, funds for state and local governments to ease their budget woes and reduce the need for layoffs, grants to send workers back to school, and a public jobs program where the

government directly hires workers. There is much work that needs to be done, from cleaning up brown fields in our cities to weatherizing homes and making repairs in our national parks. Let’s put people to work doing the things that need to be done.

Creating jobs costs money and critics argue we cannot afford this when the federal deficit is already high. But we cannot afford not to. Most of the deficit is caused by the economic downturn. Unemployed people earn little money and pay few taxes, reducing government revenues. At the same time, government expenses rise as millions of people are forced to rely on safety net programs. Once people are working again, much of the deficit will disappear. (In the longer term, the deficit will return and will need to be addressed.) The time to reduce the deficit is when the emergency is over, when the economy on Main Street, as well as the economy on Wall Street, is sound. Right now, Congress and the Obama Administration must create jobs and put people back to work.

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