

TRANSCRIPT OF AUDIO FILE:

TOWARD SHARED RECOVERY

BEGIN TRANSCRIPT:

COLIN: Hello, and welcome to today's presentation "Toward Shared Recovery," brought to you by the Coalition on Human Needs. I'd like to introduce our moderator for today Ellen Teller. Ellen is the Director of Government Affairs with the Food Research and Action Center and Chair of the Board of the Coalition on Human Needs. Ellen, welcome, and the floor is yours.

ELLEN: Thank you so much, Colin. First I want to welcome all of you, the almost 700 of you that have joined us today. Although you will hear in today's webinar that the provisions, timing, and potential legislative vehicle or vehicles for congressional response to the economic squeeze on low and moderate income families is at best hazy, the economic picture that has emerged across the country is becoming altogether quite clear.

It is almost impossible these days to open a newspaper or to turn on the radio or TV and NOT hear stories of people suffering under an economy that consists of reduced or stagnant earnings and skyrocketing food and energy costs. Just today on the front page of *The New York Times*, there's a story that's titled "Cut Offs and Pleas for Aid Rise with Heat Costs." In the article, *The Times* reports that the escalating costs of heating oil, propane, and kerosene have posed the greatest burdens, but natural gas and electricity prices have also climbed at a time when low incomes are stagnant and prices have also jumped for food and gasoline. In New Hampshire, the article describes LIHEAP – the Low Income Home Energy Assistance Program – grants in recent years covered about 60 percent of heating costs as compared to only about 35 percent this winter. In my own work here at the Food Research and Action Center, we hear from advocates all across the country on the impact that rising food costs have on low income families and how difficult it is for program sponsors to keep up with escalating food and transportation costs. Individuals who just a few months ago took the food stamp challenge lament that the one dollar per person per meal average benefit now wouldn't stretch nearly as far as it did a few months ago. [0:02:10.8]

As a board member of an emergency food center in Montgomery County, Maryland, one of the richest counties in the country, last month the demand for emergency food boxes was the largest in our 25 year history. We hear similar counts from America's Second Harvest and food banks across the country.

All of us want to provide more assistance to people who need it. So we are looking desperately for whatever opportunities there are at the federal level to help people avoid these hardships. But as you'll hear from Jared Bernstein in just a couple minutes, from the economist point of view, helping low and moderate income people doesn't just make life better for them, it helps ALL of us recover from the recession. So we have every reason to demand that this Congress act quickly to provide needed aid and economic stimulus at the very same time.

Our speakers today provide three very important perspectives: the insider's view of what could happen in Congress, the economist's view of what's going on out there in the economy, and the advocate's view of people's needs and how we all can work together to press Congress to address them. Unfortunately, Senator Jay Rockefeller of West Virginia, who had agreed to speak to us today, had a sudden and unavoidable conflict, making it impossible for him to join us. We deeply regret that, but we are very fortunate that his longtime legislative assistant Barbara Pryor, who is a tremendous champion for many human needs issues, will be able to sub for him today.

I'm just going to give a quick overview bio of our three speakers, and then we're going to get right into the webinar.

Barbara Pryor, who as I mentioned is the legislative assistant to Senator Rockefeller, has worked for him since 1985, handling children's policy issues since about 1991. As most of us know, Senator Rockefeller represents the beautiful state of West Virginia. His Senate leadership responsibilities include Chairman of the Senate Select Committee on Intelligence; Chairman of the Healthcare Subcommittee on Finance; Chairman of the Aviation Subcommittee on Commerce, Science, and Transportation; and he also serves on the Committee of Veterans' Affairs. We appreciate Barbara's willingness today to fill in for her boss and her constant willingness and accessibility to meet with those of us in the advocacy community both here in DC and out in the field. Barbara will be focusing her remarks on Senator Rockefeller's [S2819] (ph) – the Economic Health Recovery Act – which is also co-sponsored by others in their attempts to assist the states to cope with rising Medicare ... Medicaid expenses, excuse me. [0:04:51.8]

Jared Bernstein is the Director of the Living Standards Program at the Economic Policy Institute and has been with EPI since 1992. His areas of expertise include labor markets, income inequality, poverty, productivity, technology, and policy analysis. He is the accomplished author of a number of publications, including his latest book *Crunch: Why Do I Feel So Squeezed and Other Unsolved Economic Mysteries* and is the co-author of eight editions of the book *The State of Working America*. Two years ago, as Washingtonians were attempting to escape DC politics and policies at Bethany Beach, beach-goers were probably not amused as I proceeded to read aloud portions of Jared's book *Common Sense for a Fair Economy* to my husband. "Heck, you can take the advocate out of DC, but I guess you can't take the advocate out of her."

And finally we'll hear from Debbie Weinstein. She's the Executive Director of the Coalition on Human Needs. Debbie asked that I simply state that every day is a civics

lesson for her, but I won't let her get off quite that easily. Debbie's bio and commitment to the Human Needs program is extraordinary. Her passion and grounding in our issues took shape in her early years in Massachusetts and then to DC at the Children's Defense Fund and ultimately in 2003 to the Coalition on Human Needs. Through her leadership at CHN, Deb has expanded the reach and influence of this wonderful coalition in DC and as evidenced by today's webinar, out to our state- and community-based allies. Deb also holds the distinction as "queen of clip art," as I'm sure you'll see in today's presentation. [0:06:31.8]

So we'll start with Barbara and then we'll hear from Jared and Debbie and then we'll have some time for questions.

BARBARA: Thanks a whole bunch. This is Barbara Pryor from Senator Rockefeller's office. My boss is incredibly disappointed that he couldn't be with you today because he was really looking forward to talking with so many advocates about the issues that we all hold dear. He is very aware of the Toward Shared Recovery initiative, and quite honestly, almost all of the issues on your list have been on his list for many years. He cares deeply about Medicaid, CHIP (ph), child support, food stamps, and unemployment benefits. And he's really aware of the work of the Coalition on Human Needs and all you do for vulnerable families.

He wanted to participate today because quite honestly, he needs your help. His goal is to make state fiscal relief a real priority for this Congress and to be sure that it is included in any economic stimulus package. We need to push really hard in the next few weeks, even though we don't know what the vehicle is, we need to build momentum to get action on this bill. He believes that you know how important it is to get ... to protect Medicaid and get targeted state dollars to our states because you work in Head Start centers and at community action and other places where you see the needs and the people coming in and asking for help. [0:08:04.4]

It's interesting that when the unemployment rate increases, we have with the unemployment rate of five percent, we have nearly 9,000 more Americans without jobs. And without jobs, that means that they often lose their health insurance. Medicaid is the program that helps to fill the gap for working families and when they lose access to private coverage. For every one percent in the unemployment rate, Medicaid rolls tend to increase by two or three million people. In my boss's view, this makes it absolutely clear that we need to have his state fiscal relief as part of any economic stimulus package. We need to have more programs for ... or more money for Medicaid so that states aren't forced to cut their programs. What we need you to help do is to help us get co-sponsors for his bill. And I have good news, because late last night before I could get ... and I couldn't get it to the slide, but we have one more senator on that list. We now have 30. Senator Harkin of Iowa joined our bill last night. And as Ellen mentioned earlier, the national news is telling us that more and more states are seeking ... or having trouble with economic issues.

In 2003 when we had our last economic downturn, Congress passed legislation that Senator Rockefeller fought for to provide state fiscal relief. And he wants to do the same initiative this time around. The goal of the bill is to be timely, targeted, and temporary but provide a real boost to our states. Half of the money would go into Medicaid to protect health care for families and children, the other half would go into targeted state grants where states could invest in the programs that are most important on their list. [0:10:06.6]

It's interesting. Leading economists have agreed that targeted state aid could generate up to \$1.35 for each dollar invested, and that's the point we want to use to talk about ... to justify putting this in an economic stimulus package. And some of the programs that could be helped by state grants, like child support enforcement, generate over \$4.00 for every dollar invested. The other parts of the bill would block the eight draconian Medicaid regulations, which some of you may be aware of – the programs that make it harder to serve kids on foster care or IDEA students getting their transportation access covered by Medicaid. It would also block the August 17th CHIP (ph) directive, which is going to be a big problem for states and kids. We believe the state wants Congress to act and I hope everyone on the call wants Congress to act. But in order to get action, we need you to play an active role in helping us get more co-sponsors for our bill [S2819] (ph) the Economic Health Recovery Act. And remember, this is a bipartisan bill which is designed to get \$12 billion to states to invest in the programs that you work so hard on each and every day. I'm really sorry my boss couldn't be with you today, but he appreciates everything you do and he would really, really appreciate your help on this one.

ELLEN: Barbara, one quick question. We have a question here as to why there are no Republicans other than Snow sponsoring this legislation?

BARBARA: We need to work harder on that. I think it is a big bill. It's \$12 billion. But we think it's a good investment for our economy as you mentioned at the beginning. Helping low income families also helps our communities and their economies and we are reaching out to other members, including Republicans, and we could appreciate some help. [0:12:11.5]

ELLEN: And actually Debbie, you might know the answer to this question, and that is whether or not there are any state-by-state breakdowns on how any kind of targeted fiscal relief would [be parceled] (ph) out?

DEBBIE: I believe there are some. I think we just today received some information from the organization Families USA. And what we're going to do is put together as comprehensively as we can state-by-state data for all of the different issues that we're going to be talking about today so that will help groups trying to fight for the stimulus that would ... that's in this package.

JOCELYN: And if I could just add ... this is [Jocelyn Morem] (ph) ... Senator Rockefeller's [health L.A.] (ph) ... on the legislation, what the numbers that you will see, we have worked with Families USA, they were putting out a great document ... those

numbers, it is important to remind folks that it's based on data that is being updated constantly. So those are not definitive numbers for all of the states, and some states may be in a deficit situation or be eligible for the fiscal relief under our bill based on more recent data. So it really just depends on how often we're updating that, but we are doing that pretty regularly.

ELLEN: Okay. And just for some folks who have been writing in, if you notice Senator Snow is up at the top as an original sponsor of the legislation, which is why she's not on the list. Any other questions? And for those of you who are asking questions whether you should approach your senators on this bill, the answer is a resounding "yes."

Okay, Barbara, thank you so much for pinch hitting for your boss. We really appreciate it and we welcome you to stay on the line.

BARBARA: Happy to. Thank you guys.

ELLEN: Thank you. And next coming to us from San Francisco, Jared Bernstein. Jared. [0:14:07.2]

JARED: Thank you very much. I believe I have control now and there's my first slide and (chuckling) amazingly so. And I'm going to speak with my economist hat on as to the rationale for what we're talking about here. The fact that a recession has not officially been called mustn't stop or diminish our efforts at all because the official recession call is made well after the fact. The Business Cycle Dating Committee, as they're called – I know that sounds like a lonely heart's club group for econ professors – but they wait for a couple of quarters of data before they make the call. Seventy percent of economists think we probably are in recession, but perhaps more importantly, if you look at one of the exit polls from Pennsylvania, 90 percent, which is just a stratospheric number, think that we are in recession. And I don't need to tell any of the folks on this call the kind of economic stresses that people are facing. I happen to be here in San Francisco on a book tour talking about these very issues and the response and the resonance of the ... I've never heard anything like the kinds of anxieties, really, that are going on vis-à-vis this sort of crunch we're talking about.

So let me begin by taking you quickly, I'm going to talk for about 10 minutes and then take some questions, about the ... some of the indicators that might help you in making this case. What you see here are job gains from the monthly survey that the Bureau of Labor Statistics puts out. And you'll notice those three bars at the end are all negative. These are monthly job gains in thousands over the first three months of this year. We've lost close to 300,000 jobs. [0:16:07.3]

Now every single time since the 1950s, every single time since the 1950s when payrolls have behaved in this manner, we've been in a recession. The ... a very solid, reliable indicator of when the recession gets called is when payrolls start to fall consistently. And three months in a row is pretty consistent.

Next, the unemployment rate. Now as was noted, the unemployment rate is ... and here I'm going to get really groovy and fancy ... it's 5.1. That's what you see right there. And there will be those who ... there are going to be those who say, "Well, that's really too low to invest in another stimulus package." What really matters is not some ... ooo, what happened? I don't know why, but somehow we just went to another slide. What really matters is not the level of the unemployment rate in terms of tracking a recession, it's the change. And here you see that the unemployment rate has gone up half a point from 4.6 percent over a year go to 5.1. That increase is absolutely consistent with a recession. Once again, when you have an increase of unemployment of that magnitude, forgetting about levels, when you have an INCREASE of that magnitude, a recession is probably underway. In fact, and I'd like to get your take on this, you think the 5.1 percent unemployment rate is so low, well what was the unemployment rate when the last recession started in March of 2001? Please go ahead and vote on that and we'll see ... we'll see how that fits into the conversation. While those votes are being tallied, I want to just say a word about the magnitude of the bill we're talking ... I think it was Barbara who talked about \$12 billion, and that's absolutely ... you know, that is not a trivial number. It's also one month in Iraq. [0:18:10.3]

I'm not at all saying anything about the validity of one type of spending over another, but I am saying a lot about budget priorities. And so I don't consider that price tag to be anything that should stop our efforts or our push on this.

Okay, so about half of the respondents ... oh, I see we're still collecting data, but about half of the respondents or so thought it was 4.8. In fact, it was 4.3 percent. The unemployment rate can be really ... I see that number is jumping up now. (chuckling) Insider trading! There's some insider trading going on in this list. The unemployment rate was very low when the last recession began. Unemployment rates don't have to be in the stratosphere for people to experience job market stress. In fact historically, they can start quite low.

You know, I'm going to skip, just in the interest of time. I have other slides that could convince you if you're not convinced yet about this, but this one is particularly germane. This plots the ... this really gets to the heart of the crunch that Ellen was articulating earlier. If you look at the year-over-year change ... this is just the annual growth rate of real hourly and weekly earnings for the 80 percent of the workforce that are either non-managers in services or production workers in manufacturing. So this is blue collar workers and service workers for about six months in a row. Six months in a row their pay has been lagging prices. It's been falling behind inflation. Now the Federal Reserve will get out there and say, "Core inflation is well anchored," meaning that it's not rising too quickly. Well core inflation which leaves out energy and food, is fine if you don't need to eat or drive. But for most people, they're looking precisely at these kinds of negative trends. Their paychecks are lagging inflation at this point. [0:20:05.1]

I mean, I know of no more persuasive ... and it's not a one month blip. It's a trend. One little inside piece of baseball (ph) here is if you look at some of these indicators, you'll see that the bar on the right is more negative than the bar on the left. The dark bar here is

a little bit more negative than the lighter bar here. That's because the dark bar is weekly earnings and the light bar is hourly earnings. So people are ... the reason weekly earnings are falling faster than hourly earnings is because people are both losing ground in terms of their real hourly wages, but they're also having trouble finding enough hours of work. And so their weekly earnings, which is your hourly wage times your weekly hours – their weekly earnings are falling more quickly than their hourly pay, and it's very much a function of the recession, unofficially called yet, but ... okay.

Now, actually on this slide again, in the interest of time, I've covered a lot of this, I want to say something really important about the third bullet point right here. The end of this month, the end of April here, we're going to learn about first quarter GDP. Now first quarter GDP is going to tell us how fast the economy expanded or not in the first quarter of this year, and there is a chance that that could be a positive number. I hope it is a positive number. I'd rather have an expanding than a contracting economy. But if GDP comes in at 0.4, 0.5 percent, maybe even one percent, they're going to be ... our list is going to be a lot harder. There are going to be a lot of policy makers out there who say, "What are you talking about? Why would we want to spend \$12 billion on a stimulus plan when the economy expanded in the first quarter?" I don't want to say too much about this because there's a chance that it could be negative too. There's just ... the data are coming in in a way that makes it really hard to tell. But the point from our perspective is that a little bit ... whether we're on either side of zero by a half a percentage point or so, even a percent, doesn't matter one whit from the perspective of the need for these kinds of programs. As long as the economy is growing as far below trend as it is, folks are going to be as stressed as they are. [0:22:26.9]

Now quickly, I know this might be a little hard to see, but this kind of gets at some of the numbers that Barbara mentioned. This is from the work of Mark Zandy and it looks at the bang for the buck – how much GDP growth you get for every dollar you spend in various areas. My only point is that there is good bang for the buck and lousy bang for the buck. And the good bang for the buck tends to be these spending increases most of which are the focus of ... I mean in fact all of which are the focus of this second plan. Increased infrastructure spending, the aid to state governments, extending unemployment, extending food stamps ... all of these, if you'll note, have big bang for the buck. And the reason is ... and I'll get to this in a second ... let me hold off on the reason for that and just show you this. Refundable tax credits, rebates I should say ... refundable rebates, this tax rebate that's about to go out that ultimately they become refundable, this tax credit that is going out is going to help too. That's kind of in the midrange in terms of these, but there's some problems with that, and I'm going to get to this in the context of why I think the kinds of stimuli that we're talking about for this second bill are really good.

Rebates have a decent bang for the buck. Zandy found about you spend a dollar on that, you get about \$1.25 back. But if they're saved or used to pay off debt, if they end up in your gas tank, they don't stimulate our economy. Now saving and paying off debt is usually a good idea. But in the context of economic stimulus where you're looking for the kind of multiplier effects I showed you in the previous graph, you simply don't get them unless they're spent on domestic consumption. And there's a lot of debt out there and not

a lot of credit. And so more so than in the past, people will use these rebates, they're telling us they're going to do this and I believe them, more so than in the past, people will use these rebates to pay off debt, pay down credit, and to stimulate petro-states in the Middle East more so than our own. [0:24:51.5]

So this time, let's focus less on rebates and more on the other items we've been talking about so far. We haven't talked about a U.I. extension. I'm a big fan of that idea as well, extending unemployment insurance benefits is an important idea in a downturn. I take this from the work of Heidi Shareholtz (ph) this next slide. And all it's doing here ... and I'm not going to go through this. I think ... I'm sure people can get these slides offline. All it's doing is comparing some key economic indicators between March '08, most recent data, and February '02, the last time we triggered extended unemployment insurance benefits and by many key measures, every key measure on here, in fact, except for the unemployment rate, we're worse off now than we were then. So if you think extending benefits was a good idea then, it's a good idea now.

These last two slides I'm not going to go over at all. I just have them there for you to look at if you want to. What they do is they tick off the infrastructure part of the equation. Infrastructure investments that states can and need to make that have a big bang for the buck if you go back to the Zandy table earlier, and they create good jobs and the stuff you've got to do anyway. And we're talking about schools, we're talking about water systems, we're talking about roads and bridges. These are ideas that ... these are investments that we need to make anyway, and making them now is absolutely a good idea both in terms of offsetting the recession, creating some good jobs, and helping states make some needed investments. [0:26:25.5]

I'm going to stop there and take some of your questions.

ELLEN: Thanks, Jared. One question is, what about GDP per capita?

JARED: Well, you mean like what's happening to it right now probably is the question?

ELLEN: Mmm hmm.

JARED: If the economy is ... GDP per capita is growing a lot more slowly now than it was a few quarters ago because GDP is growing more slowly and the population's growth hasn't changed much. The most recent quarter of GDP was 0.6 percent growth, which is in spitting distance of zero. And so you compare that to what was going on a year or two ago when we were in the 2.5 to 3 percent range, no question in my mind that real GDP per capita is flat, real wages are flat ... I don't mean to be the dismal economist here, but that's the story that's out ... that happens to be what the facts are showing right now.

ELLEN: Deb, this may be a question for you. We're getting a lot of questions from people asking if these are going to get posted, these graphs and these slides.

DEBBIE: Yes. We promise utterly that you will very, very shortly be able to get both all the slides that you're seeing now. They'll be on our website and I believe we'll be e-mailing the link to you as well as the entire audio thing for people who weren't able to hear it this time and just want to listen at their own convenience. So we'll have ... (sound of Windows booting up) whoops ... we'll have plenty of ways for people to get this information. [0:28:06.6]

ELLEN: Jared, we have a question. What about inequality? Are the rich still getting richer or are they recession-proof?

JARED: No, the rich are not recession-proof, in fact the last time we had a recession in 2001, it was also the result of a bursting bubble. In that case it was the dot com, in this case it's the housing bubble. And the top income groups took a very big hit largely because they lost so much in terms of their investment and their stock holdings. Their capital gains, for example, really took hits and so inequality initially compressed for a while. We haven't seen that happen yet, and I don't think it's going to happen as much because there are some clever people who took out bets on the right side of this sub-prime meltdown. So we probably will see some income compression, but I doubt that much and just for the record, because of the structural underpinning that's promoting ... that's driving and generating all this inequality, if you go back to 2000 and 2001, you did see a sharp decline in the average incomes of the top groups. But quickly they got back on track and made it all back and more.

ELLEN: Okay. We've gotten a bunch of questions on infrastructure spending and people wanting to know what you think that infrastructure spending would go to and why Congress may be resisting efforts to spend on infrastructure?

JARED: It's a good question, and I don't know exactly ... I mean Congress resists spending on lots of good things. We can have a whole 'nother conference call on that. But what's really important here, and others should chime in if they have other views, the way I'm thinking about this is that state budgets can be pretty fungible about this stuff. And if we take the ideas that have been put forth by other speakers so far, perhaps as we have in past stimulus package changed the [FNAP] (ph) formula such that we ... the federal government does more revenue sharing with the states, states can free up some of their budgetary resources, which in most states right now are quite constrained, and invest them in other areas. So I don't necessarily need to go through here and say, "Okay, there's almost 800 communities and 33 states with a total of 9,000 sewer overflow problems and environmental protection issues in the schools ... this stuff is actually quite well articulated and known at the state levels and if they can free up some money through revenue sharing as we've discussed, they can invest it where they think they should. We don't need Congress to say, "Go ahead, spend it on schools." [0:30:52.2]

ELLEN: I'm going to ask you one more question because many, many questions that are coming in are dealing with strategy, and I know that's what Deb is going to be talking about. But one question we did get is whether a recession affects rural Americans, rural people, any differently than people living in urban areas?

JARED: That's a good question. I guess the only thing I would say ... it's interesting, I've been doing some research on rural ... the differences between rural and urban trends. One thing that's unique, and again, I don't mean to be the bearer of tough news here, but folks know this. One thing that's unique about this recession is that folks are uniquely uneconomically insulated. Middle income families, nationally I'm speaking, really didn't build their income ... have yet to really make up the losses of the last recession. Wages have been relatively stagnant, and households are a lot more indebted than they've been going into past recessions. So people have less insulation. That's a greater problem in rural than it is in urban settings, is what I'm beginning to find. So my concern is that some of the rural economic conditions are even less [kind of] (ph) prepared for this downturn. [0:32:16.2]

ELLEN: Thanks so much, Jared. I know there are a lot of questions, but I'm going to let Debbie go and start talking a little bit more about action plans and strategy and then we'll save some time at the end for more questions. Thank you.

JARED: Thank you.

DEBBIE: Well thank you very much, Jared, that was terrific. So I want to bring this a little bit to the viewpoint of individuals who are directly affected by the downturn. And I really want to read, if you'll bear with me, a statement from a Michigan man with 30 years of job experience who was laid off a year ago. And he says, "I'm in a very humiliating situation and I'm trying to keep positive and confident that things will turn around soon, just as many other people in this mess. Never thought I would be here." He says, "Health benefits ran out in January of '08. No extensions allowed as of now for unemployment. All my life I have worked hard to make ends meet. But now with the economy the way it is, there is a real possibility of foreclosure on my home. My wife is seriously ill with scleroderma. No insurance. Medicaid benefits still pending." So you know that kind of wraps up quite a lot of the problems that we're going to be talking about and that we want to do something about. Another story from the Gleaners Food Bank in Indiana talked about an older woman who was stretching her food box to last a month, even though it was only meant to last about two weeks. She was saving that money so she could pay for her arthritis medication and so she was only getting about half the calories she needed to stay healthy. [0:34:14.8]

ELLEN: Excuse me, Deb, I'm going to ask people to dial ... to hit "*6" to mute their line so we don't get background noise. Thank you.

DEBBIE: Okay. Thanks, Ellen. So what are we seeing? And I'll go through some of this quite fast because Jared touched on a lot of it. People out of work, 3.5 million people are expected to exhaust their unemployment benefits this year. Unless something is done, no extension for them as the gentleman from Michigan was talking about that I just read. And a lot of youth particularly out of work – 3.8 million 18 to 24 year-olds out of school and out of work, 19 percent increase since 2000. People are out of food. And Ellen knows all about this, but it's not just that the cost of food is up. In particular, it's the cost of the

basic staples. Milk up hugely, rice and pasta up hugely. But contributions to emergency food facilities are down. We know the food stamp case load is rising, but the amount for food stamps is still averaging that one dollar per person per meal. That doesn't go very far. Hardships at home. Home energy prices way up and Ellen talked about that article in *The New York Times*. And we're worried now. The moratoria on shutoffs of gas or electric are ending in April in most places. Last year there were a million – 1.2 million shutoffs and we expect more this year. Home energy assistance is down, not actually the federal dollars, but the federal dollars are still so inadequate to the need that the amount per person is going down and the share of the annual utility cost is going down. And of course we know a lot about the foreclosure crisis and home values down. [0:36:28.5]

So at home it's a problem, on the road it's a problem, and I have borrowed this from the wonderful Bob Kramer, this graphic as you go tooling around the streets I'm sure you're seeing things just like this at your gas stations, up 37 percent over the last year.

So here's what we think the federal government should do, and you should have gotten a link to a piece called "Towards Shared Recovery" in the materials you were sent about this. And we'll send the link out again. It gives a lot of details about this package, but yes, we think we ought to extend and improve unemployment insurance at least 13 to 26 weeks because of all the data that we've just shown you. We'd like to improve it too, because only about a third of unemployed people actually qualify for unemployment benefits. If we could cover part time recent workers, those who leave work for compelling family reasons like domestic violence, we would cover more of the people who are jobless, trying to get work and can't right now. We want nutrition assistance to be part of this package. And certainly that needs to be a temporary increase in food stamps. Ellen can tell you about a more long term increase in food stamps. It's vitally needed, but right now we need something in a hurry so that people get more than that average dollar per meal. And we need more emergency food. The Emergency Food Assistance Program or TFAP. We need more money for the Women, Infant, and Children nutrition program so that the increasing cost of food and the increasing case load can be covered. [0:38:30.1]

More things that the federal government ought to do. And Barbara told you a lot about the need for state fiscal relief, so I won't say much about that right now, but it's of course vitally needed. You heard about the need for home energy assistance so there's a dollar amount that would cover at least some of the hugely increased needs now. Child support funds – Barbara mentioned that, but I want to highlight it. There are cuts ... federal cuts in enforcement personnel that are starting to hit states right now. And I just got something in an e-mail about further cuts in Ohio to those personnel. What that's estimated to mean is a billion dollars a year that won't be collected that's owed to families, low income families, struggling families. If they have that money, they'll spend it, and it will help the economy as well as helping them. We also want to prevent reductions in Head Start. There's been about an 11 percent cut in Head Start over the last few years. We also need summer jobs for youth. I already mentioned a statistic about how many students, or excuse me, young people are not students and are not working and they're disconnected from the economy and we need to get them back in. And just one example, people were

asking all those questions about infrastructure, this is an extraordinarily modest figure for school repair. But those are projects that are in the pipeline, could happen right away, and would help to provide some jobs as well as making education better for people.

[0:40:24.0]

So we have problems in Washington. You are well aware of them. The president has threatened to veto domestic recovery packages, stimulus packages that have been talked about. So if it's going to pass, it's going to have ... two things have to happen. Either it will be connected to other things that the president feels he's just got to sign, which might be a war supplemental, or it might be because it is such a popular package that his veto can be overridden. So what we hear about in Washington is that on the House side, at least, probably some time in the next two weeks, there will be some kind of domestic supplemental that will include at least some of the items that we've talked about here. The problem that we've been hearing is that we fear they'll make it a really small package, and they need to hear from you so that more of the items we're talking about now will be included. And that will be most likely initially a separate vote so that it isn't attached to the war. And the people who don't want to vote for war spending can vote for this recovery package. It is likely to be able to pass the House that way. But we wanted to make it the strongest possible package. So we need your help, and we'll talk more in a minute about how you can help. [0:42:05.7]

Are there other ways that recovery items could be enacted? Well, ultimately again, it could be when it gets worked out a deal between the Senate and the House. It may very well be that some of these recovery items will be part of what they would consider "must pass" legislation of continued funding for the troops in Iraq or Afghanistan. Conceivably, there will be a separate recovery package that does have such popular items because people like you have been heard, that it will pass with enough votes to override a veto. And we're starting to get that because there have been ... there was a very strong vote to stop regulations in Medicaid and [inaudible at 0:43:12.5] from taking place and that's what was strong enough that it could override a veto.

But the decision about what in a package whether a veto could be overridden, whether the president will see there's such strong support that he won't veto, all has to do with who Washington will listen to. Is it going to be Wall Street or Main Street? That has a lot to do with you.

So we want some simple actions. We know how busy you are. We know you are working right now because of the difficulties in states fighting against state cuts. We know you might really want to put a paper bag over your head when calls from us come. So we want to make it easy for you. And we're working with the Emergency Campaign for America's Priorities ECAP and many other organizations to develop state organizational sign-on letters, and there are going to be activities in states all around the country starting the week of May 5th and afterwards. If you're a service provider or a community leader who is willing to speak about the need in your community, we can connect you to reporters and if you're interested in doing any of those things, if you see right there on the

screen, contact Maude Bauschard of US Action and ECAP. And there's her e-mail, and she will help you get connected to any of those things. [0:44:58.0]

Later we will send out more information about those things. Here are some more ways that you can be heard. You can send individual e-mails, letters to your rep and senators. We often put out organizational letters, but if you're an individual not particularly authorized to speak to your organization or you've got lists that you could forward this to, we have just put an individual e-mail, easily e-mail-able letter to reps and senators on our website. And that's one thing you can do. So that's a real easy thing. And we, by the way, encourage you most strongly to personalize that letter a little bit and there are instructions for doing that when you get to our website. You can also – and this is just newly as of today – on our website post a story about hardships or needs in your community. And we will use that information. You can also write a letter to the editor and we will be getting to you helpful templates that will make it easy to do that. If you're interested in any of those things, go to our website www.chn.org or reply to an e-mail that we'll be sending out soon. [0:46:21.7]

You know, we have to act because people are hurting in our communities. We thank you so much for taking part in this. We thank [Anne E. Casey] (ph) Foundation for helping us to pay for calls like this, and we thank Bob Kramer for helping with some of those graphics. He's really the king of them, Ellen. I don't get credit.

JARED: You're just the queen. (Debbie chuckles) Hey, this is Jared. Ellen, can I make a comment?

ELLEN: Sure.

JARED: That was just a really great presentation, but I want to challenge one thing you said, Debbie. You mentioned that one can view this as a Wall Street/Main Street kind of split. But actually, and I'm all over that kind of class warfare and happy to go there, but in this case, one can easily imagine the business community behind a lot of these ideas. I mean, small businesses can't do anything if people aren't coming in their doors. A recession hurts them as much as it does us. And we're really pretty much all connected in ways that maybe isn't always the case. That's not to say that there won't be folks who will oppose these things on ideological grounds or whatever, or want to spend the resources in ways that enrich them more, but I think that business could be more of an ally here than is sometimes the case.

DEBBIE: Well we should work for that. Absolutely.

ELLEN: Actually that's very interesting, Jared, because Lisa from Texas asked, "What is the best way to frame the situation to representatives that historically do not support such legislation?" And she writes, "I'm in Texas." So that may be an approach. [0:48:12.2]

DEBBIE: Well that's ...

JARED: I think it would be a very good one. Go ahead, Debbie, sorry.

DEBBIE: Yeah, I mean I certainly agree with that. I think that it was ... wasn't it Henry Ford who wanted the wages for his workers to be high enough so that they could buy his cars? And a lot of business could ... ought to be enlightened in that way. The extent to which people are only able to pay down debt and if that, because of joblessness, lost hours, all those things Jared pointed to, they're not going to be going into stores and buying the things that business in this country wants to sell.

JARED: No, I think that's right. Yeah.

ELLEN: Yeah. We've got a lot of responses about getting allies in the small business community, so there seems to be some resonance with that. One response, someone asked how much of the increase in the food stamp benefit in this package that Debbie talked about and also TFAP. We were basing this on proposals that were floated in the Stimulus One package in the Senate which was a 20 percent boost in allotment, which would go for a specific period in time. And so we're still working off of that model and also we're looking at a \$100 million boost in TFAP spending and then also some additional administrative support because as many of you know, with food stamp participation rising, because it is one of the countercyclical programs out there, there's a need for state agencies to get additional assistance in just processing all of these applications. And TFAP is the administrative funds to help transport the commodities to emergency assistance agencies. So that's what we're looking at for that. [0:50:02.6]

Also Debbie, we're getting questions about timing in terms of when you think people need to start writing to Congress? And someone asked when they should send letters by mail and I think you cautioned them not to do that.

DEBBIE: Yeah, letters by mail are kind of problematic because of all of the security things that they have. They can take a real long time to finally reach Congress. We would encourage to ... you could fax a letter. That would tend to get in. What we are going to do, and I should have mentioned this ... the e-mail the letters that we're encouraging you to send, we know that some congressional offices kind of deflect e-mails and that they don't all get through. We actually have the ability to make a paper copy of the letters that are sent, and we're going to track them around to the offices. So you can be confident if you send this e-mail, the letter, that people will get it in a timely way.

The other thing that I didn't specifically mention, because I don't have a date yet, is calling is really the most effective thing that you can do. We know that it takes a kind of extra effort to do that and so do members of Congress in their offices. So when you call, it makes a difference. We will have a call-in day. We haven't set it yet, but you can ... you'll be getting e-mails about it and we hope you respond. You of course don't have to wait for that. You can call that office any old time. The timetable ... well we think some time within the next two weeks there ought to be votes on a domestic supplemental or some piece of legislation that includes domestic items such as we've been talking about.

ELLEN: And again, we're not sure how each of these various provisions will hook up with various pieces of legislation. So if you hear that there's an emergency supplemental and something didn't make it on, [just bear not] (ph) that there may be another attempt later on and hopefully soon thereafter to put those other provisions on what may be a freestanding economic stimulus package or other vehicle. So this campaign will continue 'til we get the answers we want. [0:52:31.9]

DEBBIE: Right, but that's why we need to be in touch with offices as soon as possible by all of these routes that we've been talking about to convince them that more rather than less ought to go in that package. A number of weeks ago, there was a lot of resistance to putting anything about unemployment insurance in a package. Now we're hearing it'll probably be in there. We still think it's quite touch-and-go about food stamps, but we've heard more encouraging things. We need to make sure it's in there. And we've heard members say, "Well, we want to do it because it sounds like a good thing to do, but it's not stimulus." Well, the economists say, and we have one right here today, yes it is stimulus. So we need to push back on that. That's our point, that yes, it helps people who are in need, and that's the right thing to do, but it also helps everybody and we ought to support it for both reasons.

ELLEN: Meredith, thank you very much, he also suggests that handwriting and faxing that handwritten letter into congressional offices really have a profound impact on getting to the right person quickly, so we throw that out as well.

We have a question on the EITC and whether there's going to be efforts to do some EITC or refundable tax credits, about (ph) tax credits. [0:54:07.3]

DEBBIE: Well, we haven't heard of that in this ... in the next round. They did have a significantly improved refund-ability for the child tax credit in the previous round that when people are getting their checks now, and they still have opportunities to apply, that that was one way they tried to get at the issue of low income people whose incomes are too low to owe income taxes but who need this help. I haven't heard more about the EITC in the near term. It certainly is on our agenda for the longer term.

ELLEN: We also have suggestions here for op-eds and responding to editorials as another effective way of doing follow up.

DEBBIE: Those are terrific ideas and we mention letters to the editor, any of those things work. The one thing that we have now is every single day there's an article about need. And so you ... letters to the editor require this response to need ... well they do require that, but responding to an article that was in the paper. So you could see an article such as *The New York Times* one about threatened utility shut-offs and comment about that about what Congress ought to do about it. Same with rising prices. There's lots of opportunities, and we will have template letters to the editor up as soon as possible.

ELLEN: There's ... we'll take a couple more of these questions, and then we're going to have to let you guys get back to your day jobs. But someone in Massachusetts writes that

both her senators are supportive of this legislation and her representative as well, what else can she do? [0:56:07.3]

DEBBIE: You know, I think in this case, getting stories to those people about community need is helpful to them. We're asked for that all the time and that can either be unmet need in the sense of long lines, trying to get services or benefits, it can also be "here's this very effective program that we can serve a few people, but we can't serve all the other people who need it." Those are things that they use to make the case. So that would be helpful. It's also helpful for them to hear from you just so that they know that there's an active coalition out there. Sometimes they kind of feel like nothing's going on because we're busy targeting everybody else. So don't forget about that.

ELLEN: Yes. And again, we need to recruit champions on the House and Senate floor to speak out on behalf of these programs. And if our likely champions don't get reinforcements and don't get information from back home, you're not giving them all the tools they need to be effective on the floor. And again, a lot of these potential vehicles are going to be leadership-driven, so having members in states and members that are traditionally sympathetic to these kinds of programs, being able to have all these tools that they can then go to the leadership again, helps all of us in the long run.

There's a question here about the WIC program and how it's running at a significant deficit right now. Deb, do you want to take that?

DEBBIE: Well it seems like you would be the better one to, but ...

ELLEN: Just that for many people on the call, they may not be aware that WIC, unlike food stamps, is a discretionary program. It is not a federal entitlement program, so Congress appropriates a certain amount of money for WIC every year, and unfortunately, the amount of money that was appropriated in fiscal year 2008 because of rising demand and of course rising food costs within the WIC food package, WIC is taking a significant hit in this economy. And so Congress has made it quite clear that either probably in a domestic supplemental bill, and we heard that again this morning from House leadership, that there will be some relief for WIC in that. And Representative DeLauro who's Chairman of the Appropriation Subcommittee for Agriculture and others have been saying the same thing. So there appears to be some help for WIC in the very short term. [0:58:55.1]

DEBBIE: So Ellen, I did see ... I know we have to close in a minute ... a question about summer youth employment programs. And I did just want to mention we included a billion dollars for summer youth employment programs in the package that we have been trotting around. We mention that in the e-mail-able letter and in sign-on letters that are for either national groups or the state groups that you'll be ... I hope you will sign on to as soon as we get them out to you. We agree that the problems of unemployed youths out of school, out of work, have worsened dramatically since the year 2000 and so it is absolutely on our list.

ELLEN: And Deb, there's a question here about whether the proposal that you outlined is all embodied in the legislation promoted by Senators Rockefeller, Snow, and Kennedy and I think you need to explain. [1:00:04.4]

DEBBIE: It is not, and that doesn't mean he doesn't support a great many, if not all, of these things. The legislation that was being highlighted takes a piece of it. It takes the piece about states facing hard times, revenue shortfalls, and therefore threatening or starting to do cuts in particularly in Medicaid and in many other programs. So her ... the piece that Senator Rockefeller is sponsoring there would provide money for states increasing amount of money that goes towards Medicaid, would prevent regulations from going into effect that the Bush administration would like to impose that would be restrictive, and would give money for states to fund other programs. That's quite critical and is part of our package, but it's not the whole of the package.

BARBARA: And this is Barbara from Senator Rockefeller's office. He is supporting ... he's taking the lead on those, he's the lead sponsor, but he is supporting Senator Kennedy on UI reform, he has historically always worked hard on food stamps, so he supports the agenda. It's just different members need to lead on different pieces. And we think this piece, we're nervous about this piece not getting the same amount of attention as people have mentioned. You know, we're doing better on UI. People are paying attention there. I think we're going to do better on food stamps and WIC. We also want to do well on healthcare and state fiscal relief.

ELLEN: And I also want to caution people, you may be hearing this weekend about food stamp increases. That is the farm bill that has been very slowly and tortuously going through the House and the Senate. That provides for phased-in permanent improvements in the food stamp program. It is NOT what we are discussing today and that is a quick boost to allotments that would immediately get infused in the US economy. So just a caution that these are very separate items. [1:02:21.2]

I really want to thank our panelists today and again, Barbara, Debbie, and Jared, thank you so much for all this great information. There are lots more questions and I know Debbie and I will go through them and we'll try to respond to them as best we can offline. I believe the slides are now on the website as someone has e-mailed me and said that they are. And so we ask that you continue to check the Coalition on Human Needs website for updates. If you're not receiving the updates, you should sign up and receive their very, very timely updates. And we thank them for taking the lead on getting all the DC groups together to coalesce together on providing for a response to the economic crisis.

DEBBIE: And if you liked any of this and you know, make us happy, go right to chn.org and send that e-mail-able letter. All you have to do is go to the ... click on "take action," you'll see it right there. It's not hard. Do it before you forget about it.

ELLEN: Great. And we thank all of you for your support of the coalition, and you can e-mail ... the website for the Coalition on Human Needs is www.chn.org and we encourage

you to participate and also we encourage you to support, both emotionally and financially, the Coalition on Human Needs. So thank you very much for joining us today and we look forward to talking to you again in the near ... soon. Bye bye.

END TRANSCRIPT