



## COALITION ON HUMAN NEEDS

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Dear Senator:

American workers need jobs. You have the opportunity to create or save at least a million jobs through the American Jobs Act of 2011. The members of the Coalition on Human Needs urge you to vote to move this legislation forward and to enact it as quickly as possible.

The nearly 26 million unemployed and underemployed need you to act. So do the tens of millions of Americans anxious about whether they will be laid off, increasingly unable to make ends meet, and fearful for their children's future. They need protection and opportunity. [September's unemployment](#) rate, stuck at 9.1 percent, confirms how urgent it is that you use the power of the federal government to provide both.

The providers of human services, faith groups, policy experts and low-income advocates who make up the Coalition on Human Needs see every day the long-term harm to families inflicted because of breadwinners out of work for a year or more. They see the harm to the recession generation – the one in four youth who are unemployed (44 percent of African American youth; 27 percent of Hispanic youth) – many of whom will never fulfill their potential as contributors to our economic future because they are forced down now. They see the pernicious impact of disproportionate unemployment among blacks (16 percent); Hispanics (11.3 percent); and women who head families (12.4 percent). They know what this means to children: the poverty rate for women-headed families with children is over 40 percent. There are more than 16 million children living in [food-insecure households](#). We know that these children are more likely to suffer ill health and to fall behind in school; we also know that there would be even more families unable to afford enough food if SNAP/food stamps and unemployment insurance benefits were not available.

President Obama's American Jobs Act, as introduced in the Senate by Majority Leader Reid, will protect against the devastation caused by joblessness, both by preventing some job loss and by sustaining families when unemployment occurs. Continuation of the federal program of unemployment insurance for the long-term unemployed is essential protection. Provisions to retain or hire teachers and public safety workers protect jobs. The payroll tax cut for employees will add \$179 billion to households across the nation, helping them to buy what they need and infusing income into businesses that need customers.

The American Jobs Act offers opportunity as well, by investing in job creation by modernizing transportation and schools, by renovating foreclosed and blighted properties in low-income communities, and by targeting jobs and training to people who need it most.

Many provisions in this legislation target the job creation to long-term unemployed and low-income people and communities. We strongly support the components in the Pathways Back to Work section, including summer and year-round employment programs for youth (\$1.5 billion), subsidized temporary

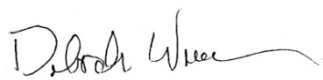
jobs for low-income workers (\$2 billion), and grants to local entities for work-based training (\$1.5 billion). We also favor the use of unemployment compensation funds to subsidize wages when businesses institute job-sharing plans in lieu of lay-offs. Targeted assistance to help veterans find employment is an important part of this legislation. September's unemployment report shows an alarming rise in joblessness among our newest veterans, jumping from 9.2 percent to 14.7 percent over the past year. They deserve better, and you must not delay the help that the American Jobs Act can provide.

The bill before you offsets the cost of these job creation measures by applying a 5.6 percent surtax on annual income in excess of \$1 million, beginning in 2013. We believe that top income individuals and profit-rich corporations should contribute more than this as you take up the larger deficit reduction package. But we strongly support the surtax as a fair source of revenue and a significant first step towards redressing the unfairness of plummeting average tax rates for the wealthiest 1 percent. Since 1979, the average tax rate for the richest 1 percent of households fell by more than one-fifth (from 37 percent to 29.5 percent of income), according to the [Economic Policy Institute](#). The overall average tax rate declined only slightly (from 22.2 percent to 20.4 percent over the same period). [Citizens for Tax Justice](#) analyzed the impact of the millionaires' surtax and found that only two-tenths of 1 percent (0.2 percent) of taxpayers would pay it, and that in only one state would as much as 1 percent of its population be subject to the tax (Connecticut).

Please do not be fooled by those who assert that this surtax will hurt small businesses. According to the [Treasury Department](#), only 1 percent of small businesses earn \$1 million or more. That means 99 percent do not, and will not pay this tax.

Income for the wealthiest Americans has soared while their tax rates have shrunk. This has meant a surge in inequality that hurts us as a nation. We must not continue to fire teachers when we know that people who do not finish high school have a 14 percent unemployment rate. The American Jobs Act recoups a small fraction of the fortune that has been bestowed upon the very richest among us, so that more of us can succeed and our economy can recover. We urge you to vote for it.

Sincerely yours,



Deborah Weinstein  
Executive Director