



Special Report

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Democrats Are Committed to Putting Americans Back to Work

Too many Americans will lie awake tonight and worry about their families' future - that's why Senate Democrats are dedicating this year to creating jobs... Senate Democrats are focused on putting people back to work and keeping our economy on the right track.

-Senator Harry Reid, 2/5/2009

While the economy is starting to show some growth and recover from the worst financial and economic crisis since the Great Depression, a real economic recovery is not possible without long-lasting, meaningful job creation. That's why Senate Democrats are committed to putting America back to work and strengthening our economy. This month, Senate Democrats unveiled a jobs agenda that includes a series of initiatives to create jobs right now:

- Spur Immediate Job Growth and Extend the Safety Net
- Help Small Businesses Grow and Hire More Workers
- Invest in Public Services
- Create Jobs Through Energy Efficiency
- Rebuild Our Nation's Infrastructure

Throughout 2010, Democrats will work to pass legislation that creates jobs and will not stop until every American who wants a job can get one. We'll keep coming back to address job creation again and again because this issue requires a committed effort.

We welcome Republican ideas and hope our Republican colleagues work with us to create jobs for the American people. In fact, many of the ideas within this agenda were initially suggested by Republicans. We will work with them when we can, but we will also not let obstruction stand in the way of creating jobs for the millions of Americans who need them.

Democrats Know that Hard-Working Americans Cannot Find Jobs

The *Recovery Act* has provided needed relief to millions of American families and paved the road to national economic recovery in the wake of the worst economic and financial crises since the Great Depression. It has created or saved over one million jobs, even though only half of the *Recovery Act* funds have been put to work. [Council of Economic Advisors, [1/13/10](#)] Moreover, without

the *Recovery Act*, economists believe that the economy and the unemployment rate would be much worse. [Congressional Budget Office, [8/2009](#); Wall Street Journal, [10/29/09](#)]

As economist Mark Zandi has said: “[T]he Great Recession is over. The solid gain in real GDP during the third quarter and a likely similar gain in the current quarter prove that the longest, broadest and most severe economic downturn since the 1930s has finally given way to an economy recovery. It is no accident that the recession ended just as the fiscal stimulus program began providing its maximum impetus to the economy.” [Testimony of Dr. Zandi, [12/2/09](#)]

That said, many Americans are still suffering. Despite our success in creating a million jobs and saving millions more, the nation’s recovery has been unacceptable with respect to job creation.

Employment has been a lagging indicator in recent recessions. Recovery in the jobs market, however, has been much slower than usual in the wake of the Bush Recession. In spite of the growth in GDP and rising profits, businesses have been slow to end layoffs and begin hiring again. The unemployment rate remains unacceptably high, although the rate of job losses has slowed down (moving from job losses of 741,000 in January 2009 to job losses of 20,000 in January 2010) – an indication that the labor market is poised to begin adding net jobs. [Bureau of Labor Statistics, [2/5/10](#)]

Meanwhile, long-term unemployment has risen and “underemployment” has manifested itself as an increasing problem for the millions of individuals who are employed, but whose hours have decreased. In addition, laid-off workers have become discouraged from actively seeking jobs, although there are signs that many may begin seeking work again.

President Bush’s job creation record was bad to begin with, but this Great Recession has damaged the core of our economy – the housing, financial and credit markets – making it very difficult to rebound easily. For instance, America’s small businesses, which represent more than 99 percent of all employers, produce more than half of our non-farm GDP, have generated nearly two-thirds of new jobs over the past 15 years, and have led the country out of past recessions, are struggling to find the capital they need to operate and thrive. Small business lending has contracted and entrepreneurs are feeling the pain of the credit crunch.

The Senate Jobs Agenda

Our jobs agenda includes proposals to spur job creation right now:

Spur immediate job growth and extend the safety net to workers who have been hit hardest by the recession. Democrats are committed to creating an environment that will improve job growth as soon as possible. We will focus on targeted tax relief for small businesses, tax incentives for infrastructure, and take steps to shore up important components of the safety net like unemployment insurance and health insurance for displaced workers.

Help small businesses grow and hire more workers. Small businesses have been the engine for economic growth and job creation in the United States. Small businesses represent more than 99 percent of all employers, produce more than half of our non-farm Gross Domestic Product (GDP), and have generated nearly two-thirds of new jobs over the past 15 years. Small businesses are also at the cutting edge of innovation, hiring 40 percent of all high-tech workers and producing 13 times more patents per employee than larger companies. At the same time, with small businesses accounting for 85 percent of all job losses in the last year, they have also been bearing the brunt of these difficult economic times

That's why the heart of the Democratic jobs agenda includes proposals to help these businesses prosper and grow right now. We support programs to help small businesses more easily access the credit they need to expand and hire more workers, to export their products to foreign markets and to create a Small Business Lending Pool to help community banks more quickly lend to small businesses.

Invest in public services. The economic crisis has created budget deficits in 41 states as unemployment has grown and state revenues have fallen. [Center for Budget and Policy Priorities, [1/28/10](#)] At least 43 states, including the District of Columbia, made spending cuts in the last two years. [Center for Budget and Policy Priorities, [1/28/10](#)] These budget deficits have led to state spending cuts in important areas like education, law enforcement, and public safety personnel, including firefighters. These cuts to state services weaken the quality of our children's and young adults' education; threaten the safety and health of communities; and put our nation's future economic viability in jeopardy.

Our jobs agenda will include measures that will help states weather the economic storm and prevent devastating cuts to education, law enforcement and safety personnel. These measures would aim to prevent cuts to state budgets and save jobs from being lost due to the depleted state revenues.

In addition, Democrats understand the value of supporting and expanding year-round youth employment and training opportunities. Young adults who have a job gain from the experience through increased training and occupational learning. Although the number of unemployed youth is falling, more must be done to support and encourage youth employment. The Democratic jobs agenda includes proposals to fund and support local job programs for teens and young adults, in targeted communities to support youth employment.

American workers also need the opportunity to learn the necessary skills to perform newly created jobs. On-the-job training programs are a proven mechanism for helping businesses immediately add employees to their payrolls, while helping individuals acquire the skills they need to be successful in a new job. Training investments would support American workers and create new opportunities for the unemployed and unskilled workers.

Create jobs through energy efficiency. Since 2006, the construction industry has lost 1.6 million jobs and the unemployment rate in that sector is hovering around 20 percent. Additionally, the nation's manufacturers and industrial facilities are struggling, in the current capital-constrained environment to make wide spread and significant investments in energy efficiency which can help them reduce their costs and increase their productivity and hire more workers. These challenges could be addressed through the creation and strengthening of mechanisms that help homeowners, manufacturers, and public housing buildings become more energy efficient. Improving our energy efficiency will also put Americans back to work as home builders and contractors make energy efficiency improvements and homeowners, businesses, and industry will save and invest money they would have otherwise spent on their utility bills.

Rebuild our nation's infrastructure. Our nation's infrastructure is in alarming condition and immediate repairs and improvements could be made to all major transportation modes as well as to the nation's water infrastructure, schools and ports that would help to create jobs. Additionally, the demand by state and local governments and agencies to make these types of infrastructure improvements remains very high. For instance, one grant program that received

\$1.5 billion in funding under the *Recovery Act* to upgrade several modes of transportation, attracted approximately 1,400 applications worth \$57 billion from all 50 states.

The demand for additional investment in water infrastructure continues to far outpace the amount of funding that is available at all levels of government. For example, the Environmental Protection Agency's Drinking Water Needs Survey identified a total national need of \$334.8 billion to upgrade the nation's drinking water infrastructure over the next 20 years. The most recent Clean Watersheds Needs Survey, which was conducted in 2004, estimated that \$202.5 billion is needed over the next twenty years for projects and activities eligible for assistance from the Clean Water State Revolving Fund.