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### **Assessing the President's Proposals to Help the Long-Term Unemployed**

As we collectively work toward rebuilding the American economy and getting Americans back to work, we must assure the financial security of all long-term unemployed Americans, until such time as the jobs return. It also must be acknowledged, that with so many out-of-work job-seekers and so few available openings, unemployed workers already face a tough job market. But when employers exclude qualified and job ready applicants based upon; credit scores, employment status and age, at a time when we as a country are still trying to gain some form of economic footing, having just exited the most severe economic downturn since the Great Depression, the job of finding a job becomes impossible.

To this end, the American 99ers Union offers into record, The Four Point Plan to a Fair Recovery Proposal. We strongly recommend these measures be considered and integrated into The American Jobs Act or into existing legislation where applicable.

- 1) According to the Department of Labor, in August 2011 (the most recent official data), 6.0 million individuals were classified as long-term unemployed. As President Obama continues to speak of creating jobs by building bridges throughout the country, the time is now to build a bridge that connects the "long-term unemployed", defined by the Department of Labor (DOL) as those individuals unemployed for 27 weeks or longer and who are guaranteed legislative support in this bill via the extension of unemployment insurance, to the estimated 7.0 million individuals who comprise the "longest-term unemployed", defined as those individuals who are unemployed and have exhausted all State and Federal unemployment insurance. These Americans have no legislative support in this bill, as relates to an extension of unemployment insurance.

No matter what side of the aisle, the question that is asked by both Republican and Democrat is, "Where are the jobs?" The data supplied by The Department of Labor (DOL) as relates to job separation and job creation dating from December of 2007, through to August 2011 (the most recent official data) would suggest that this is not a matter of "lazy Americans", but rather a "lazy job market". How are unemployed Americas supposed to afford the costs that are incurred when seeking employment, if they have been without any form of income, in most instances for over eighteen months?

On February 9<sup>th</sup> 2011 H.R. 589 was introduced. This bill would allow for an additional 14 weeks of extended unemployment insurance for all unemployed Americans. As is widely acknowledged, consumer spending accounts for 70% of all economic activity. The National average for an unemployment check is \$303.00 per week. Allowing those dollars to be invested back into the hands of the 7 million longest-term unemployed, as a country we recognize an immediate return of \$2,121,000,000.00 in economic spending each and every week. If we want to create jobs, we need to once again create demand. In August 2011 (the most recent official data) The National Federation of Independent Business (NFIB) has again reported, "Sales remain the largest problem for small firms." Couple this data, coming from small business owners across the country, along with the following data:

- The Non-Partisan Congressional Budget Office (CBO) determined on two separate occasions in 2010 the value of extending unemployment insurance. The most recent being on November 15, 2010, when in the CBO's Fiscal Policy Choices Report, it was stated that, "the single best way to help stimulate the economy and create jobs is to extend unemployment benefits."
- In the November 18th 2010 U.S. Congress Joint Economic Committee (JEC) Report, it was stated that, "extending unemployment insurance is one of the most powerful and effective tools we have for boosting economic growth."

There should be no question as to the need to include a provision providing for the addition of H.R. 589 in The American Jobs Act.

- 2) A provision must be included in The American Jobs Act, or an amendment need be added to The Fair Credit Reporting Act of 1970 (codified at 15 U.S.C. § 1681 et seq.) that would prohibit the use of most employee credit checks.

With the loss of a job and the ensuing loss of income in today's economy, difficult choices need be made as a matter of survival. This can translate into late payments; so long term unemployment can easily mean damaged credit. Should Americans be denied the ability to re-enter the workforce because they chose to pay a bill in 31 days, in order that they put food on their families table, or purchased lifesaving medication for their children?

- 3) A provision must be included in The American Jobs Act that would create tier based tax incentives for business hiring, as relates to the total time an applicant is unemployed through no fault of their own.

Under the President's plan, employers would get a special tax credit of up to \$4,000 for each unemployed person hired who has been out of work for 6 months or more. As previously addressed, this vague terminology creates an environment that allows for discrimination against the longest-term unemployed (those who have exhausted all State and Federal unemployment insurance). By offering graduated tax credits that would correspond to the length of time a new hire was out of work through no fault of their own, incentives would be in place that would create parity for all Americans seeking employment.

- 4) A provision must be included in The American Jobs Act that would create tier based tax incentives for business hiring, as relates to the age of prospective job applicants.

Under the President's plan, employers would get a special tax credit of up to \$4,000 for each unemployed person hired who has been out of work for 6 months or more. Once again, this vague terminology creates an environment that allows for age discrimination against the longest-term unemployed. By offering graduated tax credits that would correspond to the age of a new hire, incentives would be in place that would create parity for all Americans seeking employment.

Creating incentives for businesses to hire the "first waves" who lost their jobs through no fault of their own during the recession of 2007, is preferable than to see Americans who are already suffering, face possible discriminatory hiring practices. It should be assumed that Americans want to return to the workforce as soon as possible, not get involved in lengthy and fruitless legal battles relating to unfair hiring practices. Not at a time when the official estimate is that there are five applicants for every one job and the realities of homelessness and hunger have become the rule rather than the exception.

If both Republicans and Democrats truly want to see all of America's unemployed get back to work, regardless of how they feel this task is best accomplished; the aforementioned obstacles cannot be considered as a matter of debate and need be incorporated into The American Jobs Act to expedite the process of achieving full employment.

Respectfully,

The American 99ers Union