

Discussions on job creation

Written by Lydia Schwartz, Contributing Writer
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On December 3, President Barack Obama held a forum on Jobs and Economic Growth in Washington D.C. While there were actually many good ideas for businesses and nonprofits to undertake in easing unemployment, the forum consisted of a lot of 'good ole boy' patting on the back for the great job the federal government is doing to bring the nation out of the recession.

So what about our friends and neighbors that are still unemployed? And the struggling 'Mom and Pop' businesses right down the street?

On December 3, the AFL-CIO and its community affiliate Working America held their own roundtable discussion regarding unemployment and the economic situation of Minnesota families. Karen Nussbaum, the Executive Director of Working America, said, "Every night we talk to thousands of people in neighborhoods across the country and they all tell us the same thing; that they need urgent action on jobs and the economy to stay afloat. The job crisis is in every neighborhood, every family. The question we're asking is what do working Americans think of the economy and how it has impacted them. That's just as important as what [investment bank] Goldman Sachs thinks."

The AFL-CIO roundtable discussion is part of a comprehensive initiative pushing for the immediate creation of good jobs. Their plan includes extending the lifeline for jobless workers; rebuilding America's schools, roads, and energy systems; increasing aid to state and local governments to maintain vital services; funding jobs in our communities; and putting TARP funds (Troubled Asset Relief Program) to work for Main Street.

As Liz Freeberg, an unemployed Working America member from Circle Pines, points out, "We need to focus on putting people back to work. Put individuals back into the discussion and equations. We hear the economy is doing better, but people aren't going back to work. People are losing their jobs and not able to support their families. Let's focus on that instead of bank bailouts."

While it is easy to blame bank bailouts for government inaction, we must remember that it is our community banks that drive small, local business. However, giving banks a simple one-time money injection will not solve the credit crunch that America faces. There needs to be a condition that bank bailout funds will go toward expanding their small business lending programs.

Startup business lending programs are the most important service a bank can offer to the community. At the White House forum, in a discussion headed by Treasury Secretary Timothy Geithner, called "Small Businesses and Entrepreneurs and the Engine of Job Growth," one economist noted that the creation of new businesses generates the most job growth.

Another big issue is that stimulus money is not trickling down to the local level as it should be. Stimulus programs are at risk of having a limited effect or even failing if the state and local government fiscal crisis continues.

Stimulus money for local construction jobs has worked well so far but as roads are being fixed contractors are having a hard time finding more projects. As new businesses pop up in our

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communities and neighborhoods, construction contractors should be able to renew vacant business properties using stimulus funds.

Allison Drusch, an independent contractor and member of Working America in White Bear Lake, stresses the importance of unions when workers are not paid fairly. "The economy can only thrive if the middle class is strong. The middle class thrives when unions are strong because they get the benefits they need. If workers earn less wages and benefits, they have to go on welfare and we end up paying for it anyway," she says. Dursch's husband is a union construction worker and it has become increasingly more difficult for him to find work since fewer companies are hiring union workers.

Another issue in the job market is underemployment. "People with excellent experience are desperate for work so they are willing to take jobs at entry level pay," said Phil Ekstand, a Working America member from Minneapolis. According to the Federal Bureau of Labor Statistics, the number of people in part-time jobs who want full-time work, including people in jobs that do not employ their skills, has grown to 9.3 million individuals, the highest on record. Many people who had comfortable full-time jobs with benefits are now forced to rig together several small jobs at low pay. This shift could become permanent for many individuals stuck in the cycle.

Underemployment and unemployment are widely seen as major forces slowing down economic recovery. Local discussions regarding increasing employment opportunities, such as the AFL-CIO's roundtable, are important for every neighborhood and community. Whether facilitated by a public or private organization, these discussions bring together local business and the local labor pool to create solutions for jumpstarting a sustainable, community-based economy and bringing our friends and neighbors back to work.

Working America recently launched an Unemployment Lifeline (unemploymentlifeline.org) that has resources for people in financial strife. For more information on the White House Jobs and Economic Growth Forum, visit www.whitehouse.gov/issues/economy/jobsforum.