

Creating Jobs Now

The United States needs a long-term economic strategy to strengthen and grow the middle class, attracting, creating, and retaining the good jobs of the future. But we also face an immediate need to create jobs fast.

The long-term set of policies in this report includes the following aspects that can be implemented now to pull down our stubborn unemployment rate and to productively engage the nation's best resource—its workers—in revitalizing economic growth.

- **Get housing back on track:** As ground zero for the financial crisis and the Great Recession, the nation's troubled housing market still weighs on economic growth. Our proposals stabilize housing markets—and family balance sheets—and retool the nation's housing finance system for the 21st century, supporting safe and sustainable mortgages and ensuring the availability of stable and affordable rental housing. Such policies will reduce the debt overhang that plagues middle-class families and drags on economic recovery, create jobs in the still-underemployed construction

industry, and increase the value of properties across the country.

- **Build tomorrow's infrastructure:** The United States is in dire need of renewed infrastructure investments. Infrastructure investments provide one of the biggest “bangs for the buck” of any government spending because the new or improved structures drive private-sector growth and increase economic productivity by lowering costs for businesses and families. An additional \$58 billion annually in federal infrastructure investment can pull in more than \$70 billion from other sources per year¹ and can help create hundreds of thousands of new jobs.²
- **Improve energy efficiency:** Energy consumption comprises a large share of family budgets and continues to contrib-

ute to America's trade deficits. Efforts to improve energy efficiency will not only create jobs today but also will ease the strain on family's disposable incomes. Three energy-efficiency initiatives—Home Star, Building Star, and Rural Star, which provide incentives for property owners and small businesses to invest in energy-saving technologies—should be part of any short-term jobs plan. These programs would generate 250,000 new private-sector jobs broadly throughout the economy, while also leveraging between \$3 and \$4 in private investment for each \$1 in incentives—all while saving people an estimated \$4 billion per year in energy costs for years to come.³

- **Create a Pathways Back to Work Fund:** We support a \$12.5 billion government fund to subsidize summer and year-round jobs and support services for hundreds of thousands of low-income youth and adults. It would also support a competitive grant program of local initiatives for work-based training and skills development. A similar proposal was included in President Obama's FY 2014 budget proposal.⁴
- **Offer every child ages 3 and 4 the opportunity to participate in a high-quality public preschool program:** Early childhood programs have a high return

on investment and are critical to our economic growth plans. We propose a preschool initiative that enables children whose families are at or below 200 percent of the federal poverty line to enroll free of charge. Children from families above 200 percent of the poverty line should be charged a sliding tuition co-pay. High quality preschool also brings with it the stimulative effect of creating good middle class jobs for early childhood educators.

- **Rehire teachers and other public-service workers:** The labor-market recovery has been hampered by ongoing contraction of state and local public-service workers. More than 700,000 jobs have been lost since late 2008, especially among teachers and other education professionals.⁵ The proposed American Jobs Act of 2011 called for preventing the layoffs of 280,000 teachers and protecting jobs for first responders.⁶ This support for local communities is still needed today and represents a down payment on longer-term education reforms and investments needed for America's 300 million engines of growth.

In total, we calculate that these programs are capable of delivering 2.5 million jobs per year on top of the continued job-market recovery. ■

Endnotes

- 1 Donna Cooper, "Meeting the Infrastructure Imperative" (Washington: Center for American Progress, 2012), available at <http://www.americanprogress.org/issues/2012/02/infrastructure.html>.
- 2 Laura D'Andrea Tyson, "The Infrastructure Twofer: Jobs Now and Future Growth," *The Economix Blog*, comment posted October 21, 2011, available at <http://economix.blogs.nytimes.com/2011/10/21/the-infrastructure-two-fer-jobs-now-and-future-growth/> (last accessed May 2013).
- 3 Michael Ettlinger and others, "Spurring Job Creation in the Private Sector: Three Elements That Any Jobs Plan Should Include" (Washington: Center for American Progress Action Fund, 2011), available at <http://www.americanprogressaction.org/issues/labor/report/2011/08/26/10167/spurring-job-creation-in-the-private-sector/>.
- 4 Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2014* (The White House, 2013), available at <http://www.whitehouse.gov/omb/budget/>.
- 5 Bureau of Labor Statistics, *Current Employment Statistics* (U.S. Department of Labor, 2013).
- 6 The White House, "Fact Sheet: The American Jobs Act," Press release, September 8, 2011, available at <http://www.whitehouse.gov/the-press-office/2011/09/08/fact-sheet-american-jobs-act>.