



## JOBS FOR THE FUTURE

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### Strengthen the Safety Net of Low Income Workers By Richard Kazis

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When terrorists attacked on Sept. 11, they yanked the economic supports out from under America's poorest workers. Industries hardest hit—travel, hospitality, tourism and entertainment—disproportionately employed people on the country's lowest income rungs.

The attacks pushed our already-weakening economy into recession. In September alone, 415,000 people lost jobs, driving unemployment up to 5.4 percent, the biggest one-month jump in 21 years.

More than 100,000 workers lost their jobs in the hospitality industry, and more than 160,000 jobs vanished from the airline and aircraft industries. The effects of Sept. 11 are just beginning to ripple through retail, financial services and manufacturing sectors.

These stark numbers could pressure the Senate to rush through a stimulus package without much thought to long-term consequences. The Senate should avoid the mistakes the House made last month by passing a stimulus bill that would deliver big-ticket tax breaks to business—such as the repeal of the alternative-minimum tax and accelerated depreciation on property.

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Congress should pay greater attention to the needs of the low-income, unskilled American workers who are least able to weather this economic storm. The House bill does little to support displaced workers who need adequate unemployment-insurance coverage, continuity of health benefits, re-employment assistance and opportunities to develop skills to use when the economy rebounds.

A national poll conducted one month after the attacks showed that an overwhelming majority of Americans want help directed at those most likely to be hurt by an economic downturn—low-wage workers and their families. Most Americans from both major parties want to strengthen the safety net for workers who lose their jobs and create new opportunities for future employment, the survey, conducted by Jobs for the Future, shows.

According to the poll, 91 percent support making it easier for laid-off workers to keep their health coverage, and 84 percent support creating temporary government-work programs for the unemployed in areas such as school and road construction. Seventy-six percent of those surveyed said that they support increasing the amount that people can receive in unemployment benefits, so workers who have lost their jobs can live above the poverty level. And 65 percent support extending the time people can collect unemployment.

Given a choice, the public would prefer to see tax breaks for low-income Americans—such as rebates for the 30 million Americans whose incomes were too low to qualify for last summer's rebate—and businesses hardest hit by the slowdown.

The industries suffering most—travel, hotel, tourism—are among those that absorbed thousands of unemployed, underemployed and new workers in the 1990s. These industries helped move nearly one million welfare recipients into jobs.

Now many former welfare recipients and those who secured a small foothold into the labor market again are out of work. This time, however, they are far more vulnerable as a result of time limits on welfare and unemployment-compensation rules that leave many part-time and low-wage workers ineligible for benefits.

Congress should start by repairing the tattered safety net so that the country's most disadvantaged do not suffer disproportionately. This would require more money for worker protections and supports than the House allocated in its stimulus package.

### **Add 'Trampolines,' Too**

But a strong safety net is not enough. As Robert Litan of the Brookings Institution has argued, we need both a safety net and some "trampolines"—policies that can catapult less-skilled workers into better jobs when the economy recovers.

The Senate should listen to public opinion and adequately fund both short- and long-term programs to help low-income Americans. By doing so, the Senate could help the American work force survive these tough times and prepare it to contribute productively when the economy eventually roars back. •