



Dear President Obama:

Despite a multi-billion-dollar stimulus earlier this year, unemployment has continued to rise and is now double-digit. The Jobs Summit that you are convening is clear recognition of the gravity of this crisis. We write to urge that the Jobs Summit adopt a bold course of action to deal with current mass unemployment and, since unemployment and underemployment afflict millions of Americans, even in better times, to take steps toward assuring a living-wage job to all who want to work.

Your first stimulus appropriated \$787 billion. Your own economic advisors predict that it will create or save only four million jobs. If so, the cost will be \$200,000 per job! But what if that money had instead been spent solely for direct job creation in the cities and towns where it is needed most—to repair bridges, dams and levees, to provide child and elder care, to construct affordable housing, to make existing housing energy efficient... In that case, the cost per job would have been much less. Assume, for example, that these newly employed workers earned the current average weekly wage for full- and part-time workers (\$618) and that there was an additional one-third of the wage bill for materials and supplies (\$207) plus \$140 for benefits: a total of \$966 per week or a yearly cost of \$50,232. Instead of four million jobs, a strategy of direct job creation would have paid for over 15 million jobs, not counting the indirect job creation effect of this spending. This would have been enough to wipe out official unemployment.

Your predecessor President Franklin D. Roosevelt not only undertook unprecedented action to cope with the emergency of a Great Depression. F.D. R. also seized that opportunity to undertake permanent reform: *We cannot be content, no matter how high the general standard of living may be, if some fraction of our people ... is ill-fed, ill-clothed, ill-housed, and insecure* (FDR, 1933).

As a result of full employment during World War II, Roosevelt became convinced that it was desirable and possible for the Federal government to permanently assure a job for everyone who wants one. FDR recognized that "true individual freedom cannot exist without economic security and independence" and, in 1944, called for an Economic Bill of Rights. The list began with the right to a "useful and remunerative job" and included, among others

decent housing, adequate food, medical care and recreation. More than six decades later, these rights continue to elude us.

President Obama, the American people await a big assault on unemployment from your Administration. It is not hard to predict what the mid-term elections will bring if substantial reduction of unemployment does not occur by fall 2010. When you became President official unemployment was 7.6 percent; it was 10.2% in November, an increase of more than a third. The Federal government spent \$700 billion buying "troubled assets" to bail out financial institutions and nearly \$800 billion to stimulate the economy, Why can't we spend another \$800 billion to give every officially unemployed worker the opportunity to work and provide billions of dollars of socially useful output. You have a historic opportunity, President Obama. You can propose a labor intensive stimulus and, having shown that government *can* solve problems, you can lead us toward fulfillment of an Economic Bill of Rights. We can then begin an assault on hidden unemployment, which is typically about as large as the official count. The fulfillment of this economic right would be a giant step toward true democracy.

Endorsed by the Chicago Political Economy Group

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