



December 12, 2008

Dear Member of Congress:

We are at the end of an era of discredited, fraudulent economic policies. Our economy is sliding into a severe recession, and millions of families are in distress. The 2 million members of the Service Employees International Union (SEIU), our families, and our leaders stand ready to work with Congress to usher in a new era of “change that works” for all Americans.

The President-Elect has indicated that he wants Congress to work with him to immediately craft an economic recovery plan that can generate 2.5 million jobs, and we strongly support this goal. Our nation needs an immediate economic recovery plan with the scope and vision to address the enormous challenges before us. Our economy has shed almost 2 million jobs this year, and the unemployment rate could reach 10% next year. The underemployment rate, which measures workers who work part-time involuntarily and unemployed workers who are discouraged from job hunting, stands at 12.5% - the highest level since the government began reporting this measure in 1994.

In order to pay for food, housing, health care and education, American households have gone deep into debt. This debt burden weighs heavily on the confidence of consumers, erodes disposable income and represents a future drag on our economy. We must achieve a more balanced model of sustainable growth, based on wage growth, progressive taxation and policies that encourage investments in long-term value creation instead of the illusory wealth of asset bubbles. Through unions, workers gain a voice to share in productivity gains and to participate more fully in workplace and political decisions that affect them. Enactment of the Employee Free Choice Act can provide workers with an immediate and proven mechanism for lifting their workplace standards and giving them a fair shot at reaching the middle class.

SEIU believes the economic recovery plan should be based on the following principles:

- It should arrest job losses and create middle class jobs that restore confidence and buying power, and rebuild neglected infrastructure;
- It should cushion the pain felt by communities and families who have lost jobs, homes, and health care by supporting the vital services delivered by state and local governments;
- It should reshape the health care and energy sectors with technology and workforce investments that put us on a sustainable path and strengthen our nation’s economic competitiveness.

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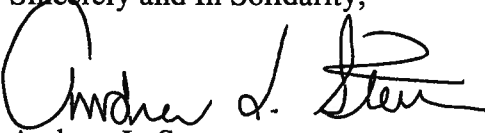
Those principles of economic recovery can best be carried out with the following policies:

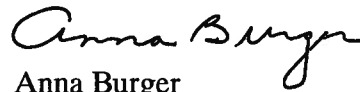
- **Immediate enactment of the Employee Free Choice Act to ensure that jobs saved and created through economic recovery are middle class jobs.**
- **To improve the economy and the lives of working Americans, aid to states and localities through federal entitlement and block grant programs must be tied to responsible contracting and wage and benefit standards.** Wage and benefit standards should be a requirement for government contracting; federal procurement practices must be made more accountable to taxpayers and American workers.
- **Immediate and significant aid to state and local governments (at least \$150 billion over 2 years)** to bolster spending for Medicaid, food stamps, heating assistance, housing, Community Development and Social Service Block Grants, Head Start, Child Care Development Block Grants, school nutrition programs (expansion of breakfast and lunch to meet growing need), and job training.
- **Immediate spending on infrastructure projects (at least \$200 billion over 2 years)** to repair and rebuild schools, hospitals, clinics, and other crumbling public buildings, promote green technology and green construction, smart transportation strategies, the revitalization of cities and inner suburbs, and replacement of outdated technologies.
- **Immediate investments that will generate 21st Century jobs in health care and energy (\$150 billion over 2 years).** For health care, we recommend bringing health information technology to health care and preventive services to communities and individuals at risk of chronic disease, providing affordable health care coverage options for unemployed and other workers struggling to find health coverage. We must invest to educate and train thousands of Americans to provide health care services for an aging population, and to focus on prevention and reduction in health disparities across rural and urban communities. We urge you to support S.2064 which promotes labor-management and state partnership training initiatives in health care.
- **To accelerate our path toward energy independence and a greener economy we must invest in renewable energy technology that simultaneously creates quality jobs.** We need comprehensive conservation measures, such as weatherization, retrofitting, and green building maintenance and auditing training programs for workers. Green jobs must pay living wages and benefits. Our infrastructure projects must promote energy conservation, new energy alternatives, and energy independence. It is imperative that the United States develop a comprehensive approach to climate change, including policies that minimize the impact that high energy prices have on low-income and moderate-income households.
- **Tax cuts should be directed to working families who will spend on necessary goods and services to bolster the economy and relieve the terrible stress on family budgets.** Temporary tax cuts for low and moderate income families should be chosen over corporate tax breaks that don't guarantee job creation. Tax cuts are not a strategy for real and immediate job creation, and not a strategy for restoring real wage growth. The focus of the economic recovery plan must be on the creation of good jobs in the United States.

- **A comprehensive set of financial and education supports to assist workers moving from slowing industries to growing industries and sectors, and to help young workers succeed in tough economic times.**
- **The causes of the financial crisis that have fueled the deepening economic crisis must be carefully and honestly studied. Policies to prevent similar crises must be put in place in the United States and throughout the world, and new regulatory structures must be developed and given the resources and authority necessary to protect assets and promote investment. The United States must set a high standard for transparency, oversight, and investor rights, and we must demand that other nations adopt similar standards.**

SEIU will continue to be a voice in workplaces and communities throughout the nation to mobilize for “change that works” for all Americans. We look forward to working with the 111th Congress to revitalize the American economy. If you have any questions, please contact Alison Reardon at 202-730-7706 or alison.reardon@seiu.org.

Sincerely and In Solidarity,


Andrew L. Stern
International President


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