



Talking Points

Help for Main Street

Last year Americans suffered through the biggest job losses since 1945, and we have lost more than \$12 trillion in savings, retirement and home values in this economic downturn. The same sense of urgency that motivated a bailout package for Wall Street must now be directed at Main Street, where the pain is real and growing by the day.

Recovering from this nightmare economy isn't about getting back to square one. The pre-recession period saw some of the weakest job growth on record, and that helped fuel this downturn. We need a long-range recovery plan that produces good jobs—one that invests in education and critical public services. The AFT strongly supports a federal stimulus package that mitigates draconian cuts and offers smart investments for the future.

The AFT is launching a national campaign called "Fight for America's Future: It's Dollars and Sense," using the same mobilization strategies that succeeded in last year's election—from meetings with top policymakers to door-to-door activism. This will be an across-the-board effort, marshaling talents at every level of this 1.4 million-member union, and working with every level of government.

Our kids shouldn't be shortchanged now; they won't get a second chance for a better education. And, as the economy wreaks havoc on many children's lives, school offers them stability and a haven. Likewise, patients can't wait for a better economic climate. And deteriorating schools, bridges and other critical infrastructure need to be modernized sooner rather than later.

Another reason we must invest, not disinvest, is purely pragmatic: Strong education, healthcare and public service systems are necessary for a strong economy.

State and local aid

Americans want government to make sure we're getting the most for our dollars, and aid to state and local governments is the place to start. Every dollar spent on state and local services will generate an additional \$1.36 in economic activity. That's because the benefits are multiplied: People who directly receive help, and those who work on public projects, are better able to purchase goods and services in their communities. State and local aid provides the biggest bang for the buck and helps where it's needed most.

State and local tax collections are falling. But, with more than half a million Americans losing their jobs every month, demand for public services is rising. Without federal help, red ink will

swamp services at the state and local level and force deeper cuts in education, healthcare and other areas. That just digs a deeper hole for Americans to climb out of.

This month, computer systems in North Carolina and at least two other states crashed temporarily because so many people were logging in to file unemployment claims or check the status of claims they'd already filed. The demand for state and local services is unprecedented, and the federal government must help states keep the staff necessary to respond to this urgent need.

Areas of federal help

The Medicaid entitlement program is the fastest growing part of most state budgets. And demands for Medicaid assistance are sure to grow at a time when more than a million jobs are lost every two months. Congress must raise the federal contribution for Medicaid. It will provide major, immediate relief to states that would otherwise be forced to cut other vital programs to cover higher Medicaid costs.

There are thousands of school construction and modernization projects around the country that have been put on hold because state and local governments can't borrow at reasonable rates. That means students are forced to learn in outdated, unhealthy, deteriorating buildings. Stimulus funding should invest in these "ready to go" projects. It will provide immediate employment—work on projects that will benefit Americans for decades to come.

The economic downturn is not sparing schools. Across the nation, class sizes are getting larger, courses are being cut, bus routes are being eliminated, and both school libraries and public libraries are closing. We need to give districts immediate and substantial federal help through an economic stabilization fund for schools—money that can help pay for services for at-risk students and children with special needs.

With unemployment rising, millions of Americans are looking to college for the skills they need to find new jobs. But budget deficits have pushed at least 24 states to cut college and university budgets, and many institutions have been forced to raise tuitions and fees. In tough times, colleges must keep their doors open, must keep their classes affordable and must provide high-quality education that leads to good employment. Congress can help this happen by fully funding the Pell Grant program for students who need assistance and by increasing the maximum grant award.