
POLICY MATTERS OHIO

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TESTIMONY ON THE OHIO WORKS PROGRESS ADMINISTRATION

Press Conference with Representatives Mike Foley and Nicki Antonio

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As joblessness lingers in the wake of the Recession, it is time for a strategy that rebuilds Ohio's and America's economy from the bottom up.

The economic policies aimed at employment for the past 30 years have typically positioned job creation as a secondary or tertiary benefit that trickles down from a primary mission of boosting wealth. That has not worked here.

We are proud to speak today in support of the creation of the Ohio Public Works Administration, a proposal to create a new tool for recovery. Instead of tax cuts, the effect of which seems to evaporate before it ever trickles down to our communities, a Public Works program would lay the groundwork for direct investment in workers, families and communities that have waited too long for the benefits of tax cuts to trickle down.

In Ohio, nearly 16 percent of workers are unemployed, underemployed, or too discouraged to look for work. Some demographic groups – men who worked in construction and manufacturing, young workers under 24, people without a high school degree or post-secondary education, African Americans and Hispanics - are bearing the brunt of the problem. People want to get back to work. In March of this year, Policy Matters Ohio joined with the national think tank, Demos, and called on the federal government to staunch the damage and respond to the urgent need for jobs. An investment of \$46.4 billion federal dollars, smaller than the proposed tax cuts for top earners on the table in 2010 and reduced in time from \$46 to \$28 billion from reduced outlays for safety net services and increased tax revenues, could create a public works million jobs very quickly, boosting business and restoring home values through earned income. This is a trickle-up strategy. Re-employing workers is the best stimulus for the local economy because working families spend their money locally, on household purchases, which pumps through the local shops and stores and strengthens local demand.

This is a stimulus that spirals up through the economy. As re-employed workers pay mortgages and shop, inventories and factories are restocked and factory orders maintained. There is an added benefit in that communities served are left better off: think of all of the benefits we reap today from the public works projects built by our parents, grandparents and great grandparents during the depression of the 1930's.

Ohio needs a jobs-led recovery strategy to stabilize communities and families and help the economy. A federal jobs programs like the Works Progress Administration

(WPA), which pulled America out of the Depression, could put people back to work, rebuild damaged neighborhoods and provide services in communities afflicted by disinvestment.

This is a challenging time to come forth with a new vision for economic development. The pending state biennial budget poses great risk and challenges for families, schools and communities everywhere in the state. The major cuts to K-12 and higher education, local governments and human services need to be reversed. But you have to start where you are, with the needs you have. We have a need for jobs in Ohio; trickle down policies aren't working; a more direct approach is long overdue. The OPWA moves that vision forward.