

FAIR Taxes for ALL

Co-chairs: People For the American Way, American Federation of State, County & Municipal Employees, National Women's Law Center, Leadership Conference On Civil Rights, US Action, Campaign for America's Future

RECKLESS TAX CUTS PROVING POOR INVESTMENT IN JOBS

*Modest job growth falls short of promises,
while costly tax cuts explode deficits, threaten priorities*

Belying Bush administration claims about the effectiveness of its reckless tax cuts, today's job growth numbers still are falling short of the number of new jobs promised by the Administration. The 126,000 additional non-farm jobs reported today is far below the 306,000 jobs per month that the President's Council of Economic Advisors projected would be created by this year's tax cuts, and below the 150,000 new jobs per month that are needed just to keep up with the growth in the working age population and other factors [www.jobwatch.org]. The unemployment rate remains essentially unchanged at 6.0 percent.

"It's a relief more jobs weren't lost considering the massive job losses that have already occurred. But the recovery the President keeps touting still hasn't reached working families," said Chuck Loveless, Legislative Director of the American Federation of State, County, and Municipal Employees, a Co-Chair of the Fair Taxes for All coalition.

Even with the jobs added in September and October, there are 2.4 million fewer non-farm jobs than in March 2001, the start of the recession. The number of discouraged workers—those who are not currently looking for work because they believe no jobs are available—was 29 percent higher in October 2003 than it was in October 2002 (462,000 v. 359,000). Jobs in manufacturing declined by 24,000 in October. And earlier this week, Reuters reported that job placement firm Challenger, Gray & Christmas said in their monthly job cut report that the number of job cuts announced by U.S. employers more than doubled in October to the highest level in a year. Planned layoffs at U.S. firms shot up to 171,874 jobs in October, from 76,506 in September. That was the highest amount since 176,010 job cuts were announced in October 2002.

"The President's one-note economic policy of tax breaks for wealthy elites and corporations isn't delivering the promised jobs," said Wade Henderson, Executive Director of the Leadership Conference on Civil Rights, another Fair Taxes for All Co-Chair. "Even worse, these reckless tax cuts are threatening the future of working families."

Over the next 10 years, the federal deficit is projected to total \$5 trillion if current policies continue, according to the Committee for Economic Development, Concord Coalition, and Center on Budget and Policy Priorities. <http://www.cbpp.org/9-29-03bud.pdf> The cost of the tax cuts accounts for the largest share of the increase in the deficit.

On Thursday, Federal Reserve Chairman Alan Greenspan warned that the endless sea of red ink projected under Bush administration economic policies could have 'notable, destabilizing effects' on future growth prospects as increased payout for Social Security and Medicare collide with rising interest payments on the national debt.

"Trickle down economics isn't working," said Nancy Duff Campbell, Co-President of the National Women's Law Center, a Co-Chair of the Fair Taxes for All Coalition. "We need policies that focus on the needs of working families, and that insist that millionaires and corporations pay their fair share to meet our country's needs."