



OFFICE OF SPEAKER NANCY PELOSI

FACT SHEET

October 21, 2008

KEY ACTION TO REBUILD & REINVIGORATE AMERICA'S ECONOMY

America's families are facing an economic crisis, and the New Direction Congress is fighting for real solutions to rebuild our economy, create good-paying jobs, and promote consumer and investor confidence. On September 26th, **the House passed an Economic Recovery and Job Creation package to provide additional relief to families who are struggling to make ends meet.** The bill would:

- Grow our economy and create jobs through investment in our nation's infrastructure;
- Extend unemployment benefits for the growing number of Americans looking for work;
- Help ensure families have adequate nutrition with Food Stamp assistance; and
- Ensure Americans do not lose health coverage as a result of state budget crises

Democratic leaders in Congress urge the Senate and President to support this critical legislation for American consumers, workers and businesses. This is a crucial first step by the New Direction Congress to build a 21st Century economy that will strengthen America's middle class through innovation and energy independence.

Unemployment Benefits

- **Stimulus Benefit:** Extending these benefits would provide a boost to our economy: every \$1 spent on unemployment benefits generates \$1.64 in new economic demand. [[Mark Zandi, chief economist of Moody's Economy.com, 1/22/08](#)]
- Over the past year, jobless rates were up in 47 states and the District of Columbia, and they have increased in 21 states in the last month alone. [[Bureau of Labor Statistics, 10/21/08](#)]
- In September, the number of Americans looking for work climbed to 9.5 million – the highest number since December 1992. Over the past 12 months, the number of unemployed persons has increased by 2.2 million and the unemployment rate has risen by 1.4 percentage points.
- Nearly 800,000 workers are projected to exhaust their current extended unemployment benefits in October and that number will grow to 1.1 million by the end of 2008.
- The New Direction Congress is acting to help millions of Americans looking for jobs. Earlier this year, Congress helped 3.5 million jobless workers – providing up to 13 weeks of extended unemployment benefits to workers exhausting the 26 weeks of regular unemployment benefits.

Food Assistance

- **Stimulus Benefit:** Every \$1 spent on food stamp benefits generates \$1.73 in economic activity. [[Mark Zandi, chief economist of Moody's Economy.com, 1/29/08](#)]
- American families are feeling the squeeze of high prices, flat wages and lost jobs at the kitchen table. Food prices have risen at annual rate of 7.5 percent so far this year, while wages have only grown 2.7 percent.

- Between April 2008 and July 2008, nearly one million more low-income Americans participated in the food stamp program – bringing the total who benefit to more than 29 million people. [[Washington Post, 10/4/08](#)]
- Half of the Americans who receive this food aid are children – one of every five of the nation's kids.
- USA Today reported: *“Since Oct. 1, new federal rules make it easier for households with income from combat pay, retirement accounts or education savings to be eligible for Food Stamps. The rules are part of the 2008 Farm Bill.”* [[USA Today, 10/20/08](#)]

Infrastructure

- **Stimulus Benefit:** Each investment of \$1 billion in transportation infrastructure creates about 35,000 jobs and up to \$6 billion in additional gross domestic product. The Economic Recovery and Job Creation package included \$12.8 billion in highway infrastructure funding. [Department of Transportation]
- More than 3,000 highway projects totaling some \$18 billion could be awarded and start construction within one to three months according to the American Association of State and Highway Transportation Officials. [Letter from the Associated General Contractors of America, 10/13/08]
- New study shows green infrastructure investments have substantial impact on consumer costs and boost jobs. [[New York Times, 10/20/08](#); [Mercury News, 10/20/08](#)]

Prevent Cuts to Crucial Services

- **Stimulus Benefit:** Each investment of \$1 in general aid to state governments generates \$1.36 in economic activity. [Mark Zandi, Moody's Economy.com, January 2008]
- States across the country are experiencing stretched or strained budgets – forcing them to decide between cutting crucial services for residents at the time they are needed most and raising taxes.
- So far at least 14 states have already or are planning cuts that will affect low-income children or families' eligibility for health insurance or reduce their access to health care services;
- At least 17 states have implemented or proposed cuts to public universities and colleges;
- At least 13 states are proposing to cut K-12 and early education; and
- At least 19 states are planning to or have cut their state workforce. [[Center on Budget and Policy Priorities, 10/20/08](#)]