



COMMUNITY ADVOCATES
Where Meeting Basic Needs Inspires Hope

Public Policy Institute

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To talk with David R. Riemer about the recent U.S. Census Bureau poverty report and ways to reduce poverty, call him at (414) 617-9148.

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RIEMER: SWIFT, DECISIVE GOVERNMENT ACTION CAN REDUCE POVERTY

In Light of Poverty Report, Policymakers Must Create National Transitional Jobs Program

Milwaukee (Sept. 14, 2011)—The United States government must move quickly to reduce the nation’s deepening slide into poverty by enacting policies that could cut poverty in half. Chief among them is creating a national Transitional Jobs Program that gets the unemployed working, according to David R. Riemer, Director of the Community Advocates Public Policy Institute.

“The time for swift, decisive federal action is now,” said Riemer. “The U.S. Census Bureau figures are a disturbing reminder of the huge job shortage and low wages that confront America’s poor. The Census numbers also underscore the inadequacies of our current anti-poverty programs. Transitional Jobs—wage-paying jobs that allow low-income, unemployed men and women to do useful work and support themselves and their families—should be at the forefront of any effort to reduce poverty.”

“Other policies—such as enhanced tax credits for retired seniors, persons with disabilities and low-wage workers—must also be discussed. By implementing the right package of anti-poverty policies, we can significantly reduce poverty in Milwaukee, throughout Wisconsin and across the country,” said Riemer.

Riemer’s call comes in response to the U.S. Census Bureau’s most recent statistics showing that 46 million Americans now live below the poverty line—the largest number in history. Poverty has increased for three consecutive years.

The report states that in Wisconsin, 553,000 people are currently living in poverty—a poverty rate of 9.9 percent. Median income in Wisconsin has dropped about 1.4 percent from 2010.

Additionally, in 2010, 526,000 Wisconsinites lacked health insurance—an increase of 29,000 from 2009, and the largest number of uninsured in Wisconsin since 2004 (551,000). Only 3.47 million people received health insurance through their employer, the lowest figure since at least 1999.

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Massive Employment Gap

According to Riemer, the central problem is that there simply aren't enough jobs to go around.

Currently, the nation and Wisconsin are suffering from a crippling shortage of available jobs. According to the Bureau of Labor Statistics, the U.S. job gap stood at 10.7 million in June, with 13.8 million out-of-work Americans competing for just 3.1 million vacant positions. In other words, if unemployed persons filled every single job vacancy in the country, there would remain 10.7 million jobseekers for whom no job was available.

In Wisconsin, June's job gap was nearly 182,000, with more than 234,000 unemployed persons competing for only 52,541 openings. Wisconsin's job gap has now exceeded 150,000 for 30 consecutive months, according to Public Policy Institute estimates.

Wisconsin is currently operating a modest Transitional Jobs Demonstration Project in which unemployed adults are paid the minimum wage for up to 40 hours of work per week for a maximum of 1,040 hours, or six months.

This \$12 million per year project is funded through the American Recovery and Reinvestment Act, but will run out of funding at the end of June 2012.

"A robust program of Transitional Jobs is the key to getting our nation's unemployed back to work," said Riemer. "Wisconsin's Transitional Jobs Demonstration Project is a valuable step. But in order to reduce poverty on a wide scale, we need a full-fledged, fully funded national program to place our unemployed in wage-paying jobs."

In addition to creating a national Transitional Jobs Program, Riemer calls for the government to:

- Increase the minimum wage to \$8 per hour, indexing it to inflation;
- Create a new tax credit for retired seniors and persons with disabilities who remain impoverished despite Social Security and SSI, which lifts them above the poverty line;
- Reform the federal Earned Income Tax Credit and child tax credits to provide all low-income workers with an earning supplement that encourages work effort, makes full-time work pay more than the poverty line, and reduces the marriage penalty.

"Our leaders must be bold in creating policies that help the poor help themselves," said Riemer. "We have the tools to reduce poverty . . . we just need the leadership to use them."