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## **"No New Jobs": The Republican Economic Collapse and the Assault on America's Working Families**

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# “No New Jobs”

## The Republican Economic Collapse and the Assault on America’s Working Families

Labor Day 2003

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*Job insecurity; unemployment; corporate malfeasance; battered retirement savings. For nearly three years, the President and the Republican Congress have failed to take decisive action on behalf of millions of Americans whose jobs, economic security and retirement savings have been ravaged. Instead, unemployment levels, the public debt, and the trade deficit are all at dangerous levels. Here is the real record of the Bush Administration’s failed economic and workplace policies.*

### The Bush Presidency: Devastating To Our Economy

- Worst job creation record in seven decades, and 9.4 million Americans unable to find work
- Over 3 million private sector job losses since Bush took office
- Private pension deficits estimated at \$300 billion, causing potentially devastating instability at the Pension Benefit Guaranty Corporation, which guarantees pensions
- State budget deficits projected at \$60-\$85 billion for FY '04, leading states to make cuts in Medicaid, child care, education/training
- Since the recession was declared “ended” by the Bush Administration, over one million more private sector jobs lost, and over 900,000 more workers have been jobless for 27 weeks
- Unemployment rose to 6.4 percent in June – the highest in 9 years – and the manufacturing sector lost jobs for the third year in a row

“The president has pretty nearly played his cards when it comes to policy moves that can broadly shape the economy by Election Day 2004 ... If the economy still doesn't pick up enough steam to start producing jobs in the next six months, the president isn't well-positioned to undertake another broad economic initiative ... The odds are that we're almost at the point of no return for the next election,” says Kevin Hassett, an economist at the American Enterprise Institute, a conservative think tank.”

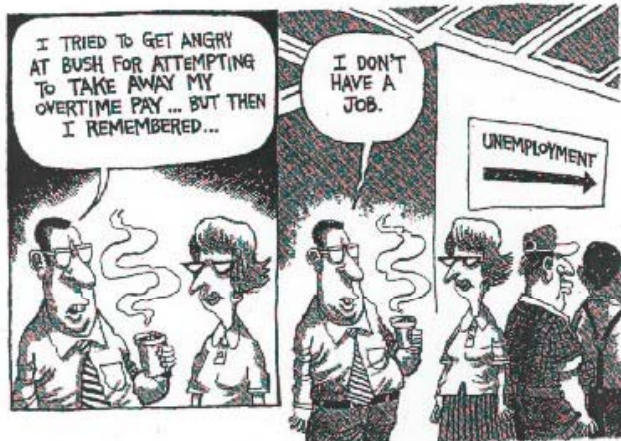
– Economic Riddle Frustrates Bush, *The Wall Street Journal*, 8/8/03

## Bush Administration Policies Punish Working Families

It is tragic enough that millions of Americans – white collar, blue collar, no collar – find themselves without work because of Republican mismanagement. But in addition, President Bush and his Republican congressional allies are pursuing a relentless assault on the men and women still fortunate enough to have jobs. Their top priority, anti-employee initiatives include:

- ❑ Republican plan to **eliminate overtime pay** for at least 8 million hard working Americans – nurses, police, fire fighters, and more – who rely on overtime to make ends meet
- ❑ Republican **refusal to approve an increase in the minimum wage**, the value of which is 24 percent lower today than it was in 1979
- ❑ Republican proposal to allow a **dramatic change in retirement policy** that will cost millions of older workers half their private pension benefits
- ❑ Republican **refusal to grant extended unemployment benefits to millions of workers** who exhausted their federal unemployment benefits
- ❑ Republican legislation to **reduce health care benefits for 8 million employees**
- ❑ Republican **refusal to enact post-Enron reforms** to safeguard 401(k) investments
- ❑ Repeated Republican efforts to **sabotage affirmative action and civil rights**
- ❑ Republican **opposition to providing low -and -middle income working families a fair share of tax cuts** – including the child tax credit – while showering hundreds of billions in tax cuts to the wealthiest Americans.

Is this “*compassionate conservatism*”? Is the President living up to his promise of acting on behalf of all Americans? Or is this Administration, and its Republican majorities in Congress, waging unprecedented, unrelenting, unconscionable attacks aimed at stripping hard-working Americans of basic workplace rights and economic security? Here’s the record.



### Bush - House Republicans Move to Deny Millions of Workers Overtime Pay

At a time when working families are working longer hours for less, the Bush Administration is attempting to repeal the

longstanding right of millions of workers to receive overtime pay – a lifeline to millions of workers, for which overtime constitutes one-fourth of their compensation needed to make ends meet.

**According to the Economic Policy Institute, DOL’s proposed regulations would eliminate overtime pay for at least 8 million workers, including First Responders.**

The Department of Labor has been flooded with more than 75,000 letters on the overtime pay cut proposal, the most letters received for a wage regulation in a decade.

Democrats fought to block the Republicans’ overtime assault but were beaten on the House floor 213-210 as the Bush White House and Republican leaders strong-armed 95 percent of the House Republicans into killing overtime.

**“Mr. Bush knows that politically, the most potent indicator is job growth, and there the numbers remain dismal for him. The U.S. economy has lost more than two million jobs since Mr. Bush took office. In June, the U.S. jobless rate reached 6.4 percent, a nine-year high. Although the rate eased in July to 6.2 percent, that is only because more would-be workers grew discouraged and stopped hunting for jobs.”**

**– Economic Riddle Frustrates Bush, *The Wall Street Journal*, 8/8/03**

### **Republicans’ Fake “Comp Time” Measure**

*And there’s more:* House Republicans are planning to force a vote on legislation (H.R. 1119) that undermines the basic protections of the 40-hour workweek by pretending to substitute “comp time” for overtime pay. The bill leaves *all* the decisions in the hands of employers, and could cost millions of employees the pay they need to support their families.

### **Republicans Block Increase in the Minimum Wage**

House Republicans refuse to consider a Democratic proposal to raise the minimum wage, which would improve the standard of living for 11 million workers, many with children to support. Today, the real value of the minimum wage is *30 percent below its value in 1968*. Without action by the Congress, the value of the minimum wage will soon be at its lowest value in 50 years.

### **Republicans Block Child Tax Credit for Working Families**

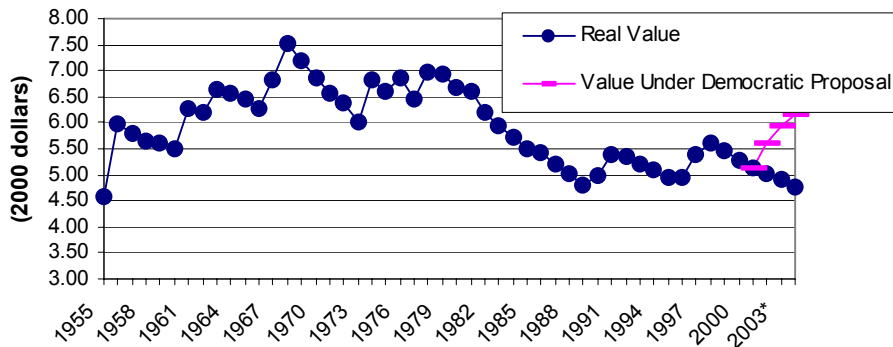
Republicans have refused to pass a child tax credit provision to help close to 12 million children in many of these same families - while passing the credit on to more affluent taxpayers!

### Bush Tax Cuts Favor the Rich over Hard Working Employees

The tax cut bill passed by the Republicans in 2001 was only the beginning of tax giveaways to the rich. The 2001 action, when fully in effect, gives **over a third of its benefits to the top one percent of taxpayers, while the bottom 60 percent of taxpayers receive only one-fourth of the benefits.** The new Republican tax bill passed by Congress in May 2003 provides virtually no tax relief for the nation's hardest working middle income families while granting billions of relief for America's most affluent citizens. Under the bill, the wealthiest one percent of Americans will receive an average of almost \$100,000 tax breaks each year over the next 4 years, **while granting the average middle-income taxpayer less than \$100 a year over the next four years.** That's less than 28 cents a day!

The President's unfair tax policies have become the driving force behind historic federal budget deficits, estimated at almost \$500 billion next year. These irresponsible tax cuts for the wealthy will not only add trillions to the deficit in next decade, but have failed to improve the economy, create jobs, or generate higher revenue as promised by the Bush Administration.

**Real Value of the Federal Minimum Wage  
1956-2004**



### Republicans Want to Repeal 70-Year Old Wage Protections

Members of the House Republican leadership recently introduced legislation (H.R. 2672) to repeal the Davis-Bacon Act that requires firms that receive federal funds for construction projects to pay the prevailing wage level in the community. This provision protects millions of workers from having their wages undercut by federal projects. Republicans have blocked the House from even considering highway and water construction projects, keeping thousands of men and women from good paying jobs, even though a clear majority would pass the bills.

## Republicans Refuse to Protect Retirement Security

Over two years after the Enron and WorldCom scandals, Republicans *still* refuse to take responsible steps to protect the pensions and retirement accounts of millions of Americans. Instead, here is their sorry record of indifference on retirement security:

### Slashing Pension Benefits for Older Workers

**“Business executives call their dodge the ‘cash-balance’ pension. It works something like this: They get the cash, and we get the balance.”**

**– John Balzar, *Los Angeles Times*, 12/18/02**

He’s right! The Bush Administration wants to change the rules and let companies unilaterally slash as much as 50 percent of the pension benefits of millions of workers by switching to “cash balance” pension plans. House Republicans repeatedly rejected Democratic efforts to give employees the choice of retirement plans based on their personal needs. Now even the federal courts have said “no” to IBM’s cash-balance switch, but Republicans continue to endorse the Administration’s plan.

### Blocking Critical Pension Reforms

Republicans won’t even let Congress vote whether employees should have more control over their own retirement savings, or whether to give employees greater protection against corporate fraud and abuse. Republicans repeatedly blocked a Democratic plan to stop giving corporate executives special financial protection for their investments when their company fails. Instead, Republicans forced through a bill allowing conflict of interest on retirement investment advice, a bill that NY Attorney General Eliot Spitzer warned “*puts the interests of Wall Street firms far ahead of the interests of millions of working Americans who simply want a fair shake in making sound decisions about their retirement investments.*”

### No Recoveries for Victims of Corporate Fraud and Abuse

The Bush Administration has let the Enron scandal drag on for over a year and a half *without recovering one cent for millions of employees swindled out of their 401(k) nest eggs!* Under intense pressure from Democrats, the Labor Secretary finally filed suit against Enron, but still has failed to take any action to recover hundreds of millions lost 401(k) investments at companies where employees lost their hard-earned savings like WorldCom, Lucent Technologies, Qwest, Tyco, and Global Crossing.

### Failure to Address the \$300 Billion Deficit in Private Pensions

The Bush Administration has allowed the private pension deficit to swell to an unprecedented **\$300 billion** – a threat to the retirement security of millions of Americans. That record pension deficit is *10 times* the average of the previous two decades.

### Ignoring the Urgent Warnings About Fraud and Abuse

The Bush Administration refuses to support recommendations of the U.S. Department of Labor Inspector General to require accountants to immediately notify law enforcement if

there is fraud and abuse at a pension plan, and to require full audits of pension investments.

## Republicans Undermine Workplace Protections

### Undermining Workplace Safety

One of the first acts of the new Bush Administration was to overturn safeguards designed to prevent the country's leading workplace hazard: ergonomic injuries. But that was just a start. The Bush Administration has stopped action on 30 safety initiatives, and canceled workplace safety and health grants.

**The Bush administration has “advanced very few significant health, safety and environmental protections over the last two years - much fewer than the two previous administrations - and is quietly scuttling work on a host of protective standards in the regulatory pipeline” according to independent OMB Watch.**

### Cutting Health Benefits for Millions of Workers

House Republicans have passed legislation creating Association Health Plans (AHPs) to allow employers to cut health benefits for millions and raise health care costs for many others. The AHP bill could allow health plans to exclude coverage for OB/GYN and pediatrics, screening for cervical, prostate and other cancers, diabetes, mammography, maternity benefits, and well child care. The Republican AHP plan is opposed by over 500 organizations including the Republican *and* Democratic Governors Associations, Attorneys General representing 41 states, and hundreds of labor, consumer, and business organizations across the country.

**AHPs would result in 8 million people suffering health benefit reductions, according to the Congressional Budget Office. A study by Mercer Consultants concluded the Republican plan would increase the number of the uninsured by one million. Health insurance premiums in the non-AHP market were estimated to rise 23 percent due to the exodus of healthier firms to non-regulated AHPs.**

### Cutting Federal Jobs Undermines Labor Rights

The Bush Administration plans to eliminate 850,000 federal jobs and contract out the work to private companies. It recently revised rules to give private companies the advantage over federal workers in the private-public competition process to accomplish its goal. Last year, President Bush forced legislation that allowed the unilateral cancellation of collective bargaining rights in creating the Homeland Security Department. Under the guise of national security, the Bush Administration denied 60,000 airport screeners the right to join a union. Now they are planning to withdraw collective bargaining and other labor rights from tens of thousands of employees of the Department of Defense, and are discussing contracting out the jobs of National Park scientists who protect the environment.

### **Bonuses for Political Appointees-Nothing to Career Federal Workers**

The Bush Administration reversed a restriction on cash bonuses, allowing over 2,100 political appointees to be eligible for up to \$25,000 in bonuses. That decision came just days after the Administration decided to impose tough limits on pay increases to career federal employees.

### **Canceling Mass Layoffs and Plant Closing Reports**

As unemployment worsened, the Bush Administration abruptly terminated the Bureau of Labor Statistics' monthly report on layoffs and plant closings. This anti-worker action by the Bush Administration was strongly repudiated when the Senate voted in May 2003 to force the Administration to continue the report.

### **Harassing Unions**

The Bush Administration and Republicans in Congress want to impose new reporting and disclosure requirements that will cost national and local unions an estimated \$1 billion a year to comply, *but rejected any similar financial disclosures for corporations*, such as requiring executives to disclose when they are dumping company stock.

### **Undermining corporate responsibility**

The Bush Administration repealed rules that required companies receiving contracts from the federal government to have a solid track record on employee health and safety, the environment, civil rights, and responsible corporate practices.

### **Selling out American Jobs in Unbalanced “Free” Trade Agreements**

The Bush Administration and Republicans in Congress continue to support international trade agreements like NAFTA that fail to protect American jobs from unfair foreign competition by providing competitors to meet minimal worker and environmental standards – just as we require trading partners to meet copyright and intellectual property standards. These trade agreements cost hundreds of thousands of American jobs and erode the bargaining power of workers.

### **Allowing Religious Discrimination in Hiring Decisions**

Republicans are ramming through changes in civil rights and employment law that will allow programs that receive taxpayer funding to hire and fire employees based on their religious beliefs. This unprecedented action is the first time Congress has sanctioned employment discrimination with public funds since enactment of the Civil Rights Bill of 1964. At the very same time, the Equal Employment Opportunities Commission has reported that **complaints nationwide for religious discrimination in the workplace jumped 21 percent over the previous year, the single largest increase for all categories of workplace discrimination.**

## **Republicans Deny One Million Unemployment Benefits And Cut Summer Jobs for Students**

### **Delays in Approving Extension of Unemployment Benefits**

After denying extended unemployment benefits to millions of workers during the Christmas-New Year holiday season, and then again this spring, Republicans in Congress bowed to Democratic pressure and approved legislation extending benefits to some.

### **Many Receive Smaller, or No Unemployment Benefits**

The extended unemployment benefits provided in this downturn are considerably less generous than the benefits created in the last downturn where recipients received at least 20 weeks compared to a maximum of 13 weeks under the current program. Over one million workers who have exhausted their federal extended benefits and still cannot find work will receive nothing. According to the Center on Budget and Policy Priorities, from March 2002 through the end of this May, an estimated 3.2 million workers exhausted their TEUC benefits before finding work. Millions who work too few hours, or earn too little – especially women and recent immigrants – are excluded from receiving unemployment benefits at all.

### **Republicans Ignore Millions of Unemployed Teens**

This summer, teenagers faced the worst summer job market in years; the percentage of young people holding summer jobs is the lowest in 55 years, and the unemployment rate for teens is at its highest in a decade. In 1998, Republicans repealed federal funds specifically earmarked for summer employment only, melding it into an overall youth block grant. This year, Republicans are trying to further weaken support for summer jobs by limiting assistance to out-of school youth, and President Bush advocated freezing funding for youth training. Minority youth are especially hard hit by the Republican summer job cuts; last year less than 30 percent of black youth could find summer jobs, only 37 percent of Hispanic youth could find work, compared to 53 percent among white youth.