

## **BRIEFING MEMO**

THE WHITE HOUSE

Washington

April 5, 2010

### MEMORANDUM FOR THE PRESIDENT

FROM: JARED BERNSTEIN

SUBJECT: Jobs Ideas from the American People

My office was asked to report back to you on the proposals submitted by the American people regarding ideas on how to create jobs and stimulate economic activity. As you know, groups across the country held community jobs forums sponsored by the White House to mirror the job forum we had here on December 3, 2009.

Most of the ideas from the community forums were much like our own, but there were a few new ones too, and I've highlighted those that may have potential.

### **BACKGROUND**

In December, the Forum for Jobs and Economic Growth at the White House was an opportunity for you and our economic team to hear from CEOs, small business owners, labor leaders, and financial experts about ideas for putting Americans back to work. But we also wanted to hear ideas from local leaders across the country and directly from the American people about what's working in their local communities, what isn't, what obstacles they face and how they felt about the ideas put forth at the White House forum. So folks across the country held community jobs forums mirroring the one at the White House to gather proposals about spurring job creation, and sent them directly to us at [Whitehouse.gov](http://Whitehouse.gov). This memo summarizes those proposals.

### **IDEAS COMMON TO THOSE WE ARE PURSUING**

A participant from Representative Sinema's forum in Arizona suggested we look at Water Security: "The lack of ample water resources threatens the food and job security of the region. Winter melt-off from the Sierras can be better captured to provide water, jobs, and energy for the Central Valley."

Ralph wrote to us about further investments in transportation projects, much like some of those in the Recovery Act. He said we should "Invest federal money in local and interstate transportation systems that will take people to and from work and to visit other states... Jobs will be created to get the light rail and bus system ready as well as to operate and maintain it."

Mayor Abramson from Louisville, Kentucky wrote in that we should launch an “SBA ‘fast track’ lending campaign for start-ups and small businesses and streamlining the lending process...improve SBA’s outreach efforts to small businesses—the products are difficult to understand and access; and most businesses are unaware of the myriad of programs that are offered...[promote more] coordination between SBA and the Workforce Investment Boards so loans and worker training [will] work hand-in-glove to maximize impact.”

While we have done a great deal to expand SBA lending, the mayor’s comments suggest we may need to learn more about their accessibility to potential borrowers.

From a job forum held by Tribal leaders, we received reports about frozen credit decreasing lending, and making it difficult to obtain loans: “Non-lending habits hold up construction and other projects.” Additionally, Kenneth from Tennessee and Linda from Arizona wrote us about extending tax credits for local, small businesses that take on new hires.

As you know, these ideas are consistent with the credits and small business lending ideas we are pursued with the Congress.

Dr. Bryer from Florida wrote in about Government Procurement: Support for Buy American, prohibitions on outsourcing abroad, set asides for small businesses. These policies in the Recovery Act though various firms have legitimately received waivers from Buy American, particularly in buying components of wind turbines, where Europe and to lesser extent China, is a more mature producer than we are. These waivers make economic sense but are leading to some very tough press accounts.

Christopher from Detroit wrote that “age-appropriate green-industry jobs training for high school students, college students and non-student adults can be a long-term boost to the local economy.” And from the Tribes Forum we heard “According to some, societies that develop and master new low costs energy within these demanding environments will thrive and be winners. Invest in building ‘green engineering’ into local ag-school curriculums.” The Recovery Act has programs in these areas that are now well up and running.

## **IDEAS WE HAVE NOT CONSIDERED**

The vast majority of ideas from the community forums were variations on those above. We collected a few of these new ideas and added some commentary re their viability:

- Urban Farming: “...there should be a city department...that encourages both large-scale commercial farming as well as smaller neighborhood-based farming communes;” potentially consistent with First Lady’s agenda but not a big job creator.
- Angel Investment Tax Credit, a program that exists in a handful of states to “...provide up to a 35% tax credit for those ‘angels’ who invest in early-stage technology companies;” a good idea but you’d want some evaluation mechanism to avoid subsidizing wasteful projects.

- Work sharing: Instead of firing a worker, reduce hours so as to maintain employment levels and “spread the pain;” your economic team has been looking into this for awhile and is supportive. Senator Jack Reed has a bill that has some traction in the Senate.
- “Air up America,” a requirement for service-only gas stations (i.e., as in New Jersey, no self-service allowed) along with a mandate that every gas station check tire pressure when folks are filling up; creative idea but will strike many as “make-work,” something we’ve leaned against.
- National service for public exercise initiative. Federal gov’t funds communities to set up exercise centers for free public access. The challenge would be standing up a new program like this, but it’s interesting, “outside-the-box” thinking.
- Save Detroit: A massive WPA-like initiative to rebuild the city’s infrastructure, retool its plants (e.g., to move to clean energy production), rebuild schools, etc. As you know, we have measures to take some of these steps and would not be likely to go any further. Part of the population exodus from Detroit is a necessary, though painful, adjustment to growing economic realities. One interesting idea here was to help Detroit develop a movie production business. In fact, this has been occurring a bit in recent years, incentivized by tax credits and similar sweeteners.