

May 21, 2010

Dear Member of Congress:

The National Women's Law Center strongly urges quick passage of the American Jobs and Closing Tax Loopholes Act, H.R. 4213, as amended, which would provide necessary assistance in this continuing economic crisis to unemployed workers, protect vital services, and promote job creation and economic recovery.

Over 15 million Americans are unemployed, and nearly half have been out of work for six months or more. While men's unemployment rate has been, on average, higher than women's through the recession, women have experienced deep and significant job loss, with an unemployment rate of 8.2 percent in April. Women who maintain families, a group already at disproportionate risk of poverty, have an unemployment rate of 11 percent. Unemployment rates for African-American women and Hispanic women are even higher, at 13.7 percent and 11.1 percent, respectively.

While the economy is beginning to add jobs, it will take years to recover the millions of jobs that have been lost. Families and states have exhausted any reserves they had. States have already cut health care, education, child care, domestic violence shelters, and other vital services – and deeper cuts and major layoffs of teachers and others who provide these services are looming. At the same time, additional federal support for struggling families and states provided by the Recovery Act, including extended unemployment insurance benefits, COBRA subsidies for health insurance coverage, additional federal support for Medicaid and Temporary Assistance for Needy Families -- will soon run out.

H.R. 4213 would respond to this urgent need through temporary emergency spending, by:

- Continuing extended unemployment insurance benefits and COBRA subsidies, which will run out at the end of this month, through 2010. Half of unemployed men and nearly half of unemployed women, including many older workers, have been out of work for six months or more. Continuing to make extended unemployment insurance benefits available, along with the COBRA subsidies that allow unemployed workers to afford to maintain their health insurance, mean the difference between destitution and hope for many workers. This assistance also provides an extremely effective stimulus for the economy, as unemployed workers quickly spend this money in their communities. Each dollar spent on unemployment insurance is estimated to yield \$1.63 in economic stimulus.
- Extending an increase in the Federal Medicaid Assistance Percentage (FMAP) for an additional six months so states can protect health care services for women and their

families and ease the pressure on state budgets. Medicaid plays a critical role in providing health coverage for women: one in ten women in the United States receives health care through Medicaid, and women make up about 75 percent of the program's beneficiaries. But states facing enormous budget gaps are cutting Medicaid programs and other state services dramatically, even as more unemployed individuals seek Medicaid assistance. Extending an increase in the FMAP will ease the financial burden on states and help ensure that this financial burden is not shifted to low-income women and families.

- Extending the TANF emergency fund for a year to enable states to continue to create jobs and provide emergency assistance to the increased numbers of poor women and children. The TANF emergency fund, created by the Recovery Act, is being used to create more than 180,000 new subsidized jobs for low-income parents, and has also helped states meet the increased need for cash assistance, short-term emergency help (such as one time payments to avoid eviction), and services for families in crisis, such as food banks and domestic violence shelters. If it is not extended, the TANF emergency fund will expire at the end of September, and most of the more than 180,000 jobs it has created will expire with it, along with the other forms of assistance it has funded. The TANF emergency fund has been a job creator, a lifeline for families in need, and an effective stimulus for the private economy, and must be extended.

H.R. 4213 also will close a number of tax loopholes that have allowed corporations and wealthy individuals to avoid their tax responsibilities. It will reduce the preferential treatment afforded investment fund managers who currently pay low capital gains rates on income that is really compensation for services. The legislation will ensure that service professionals can no longer avoid employment taxes by routing their earnings through an S Corporation, a limited liability corporation, or a limited partnership. It also will increase job opportunities for American workers by eliminating tax preferences that give an advantage to multi-national corporations that use U.S. foreign tax credit rules to subsidize their offshore activities.

Women and families are waiting for Congress to take further action to address the needs of the unemployed and promote a vibrant recovery. We urge you to support immediate passage of H.R. 4213.

Sincerely,



Emily Martin  
Vice President



Joan Entmacher  
Vice President, Family Economic Security