

THE WORKING POOR FAMILIES PROJECT

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National Nonprofits Call on Governors and State Legislators to Target Recovery Act Investments to those Most in Need

*More than 20 prominent advocacy and research groups also call for
strong commitment to openness and accountability in state stimulus spending*

With states preparing to allocate billions of dollars through the federal Recovery and Reinvestment Act, a group of national nonprofit organizations is urging state policymakers to target new resources to benefit struggling low-income families and unemployed workers.

The groups outlined seven principles states should embrace to ensure that stimulus money helps stabilize the economy and benefit those hurt most by the recession. Spending should be done openly, efficiently and with accountability.

The 20 national nonprofits have endorsed the **Principles for State Implementation**, a document developed by the Working Poor Families Project, a foundation-driven initiative working in 25 states and the District of Columbia to improve policies affecting the low-income workers and their families. (See list of endorsing organizations below.)

“The Recovery Act funding gives states the opportunity to invest in low-income workers and their families. These are the people who have been hit the hardest by the recession,” said Brandon Roberts, manager of the Working Poor Families Project. “States should make sure to use resources that help workers get the education and experience needed to obtain middle-skill jobs in high-demand sectors such as construction, health care, and “green” industries. If used effectively these funds can foster economic growth and build secure economic futures.”

The principles were developed to guide state policymakers as they move quickly to invest Recovery Act funds in a range of projects and policy areas. The groups have urged states to:

- Create jobs that pay a family-supporting wage and provide critical benefits such as health insurance.
- Ensure that a portion of jobs created go to people with low skills and low incomes, to give them a chance to advance economically.
- Invest in infrastructure projects in distressed communities often overlooked in public works decisions and ensure that residents of those communities are given a chance to work on the projects.
- Support training programs for low-skilled workers, who are far more likely to be out of work in this recession. These programs should be carefully linked to high-growth sectors of the economy.

“States should make it a priority to invest adequately in proven strategies for helping low-income workers, including making training and education programs affordable and accessible,” said Robert P. Giloth, director of the Family Economic Success unit at the Annie E. Casey Foundation, which has supported the Working Poor Families Project. “The Recovery Act funding gives the state an opportunity to strengthen systems and programs that build low-income workers’ skills and give them the tools to move ahead. States can use the funds to make systemic changes that will pay dividends for low-wage workers now and for years to come.”

The principles also call for states to ensure efficiency and accountability by:

- Allocating spending to meet specific goals, including job creation and preservation.
- Using a competitive process in awarding contracts to increase fairness, avoid cronyism, and maximize choice.
- Requiring contractors and agencies to report regularly on how the stimulus funds are being spent and measuring their progress in achieving specific goals.
- Closely coordinating spending among state and local agencies to ensure efficiency.
- Adjusting state policies to take advantage of all federal funds, including expanded aid for unemployed workers; increasing outreach to ensure people who are eligible know about and receive federal benefits such as child care and nutrition assistance.

“The public will be closely watching how states spend the stimulus funds,” said Roberts of the Working Poor Families Project. “To maintain confidence, we need publicly accountable state systems to keep people informed of how the money is being spent and whether we’re meeting the recovery legislation’s critical goals. Openness and accountability should be part of every aspect of this package.”

The principles developed by the Working Poor Families Project have been endorsed by the following national nonprofit groups concerned with the effective use of the Recovery Act resources:

Center for Community Change	Economic Mobility Corporation
Center for Law and Social Policy	Economic Policy Institute
Center for State Innovation	Gamaliel Foundation
CFED	Half in Ten
Coalition on Human Needs	Jobs for the Future
Community Action Partnership	National Employment Law Project
Corporation for a Skilled Workforce	OMB Watch
Council for Adult and Experiential Learning	Transportation Equity Network
Economic Analysis and Research Network	Progressive States Network
	Wider Opportunities for Women
	Workforce Strategy Center

For more information on the Working Poor Families Project, go to:

<http://www.workingpoorfamilies.org>.