

United States Senate  
WASHINGTON, DC 20510

April 22, 2020

The Honorable Mitch McConnell  
Senate Majority Leader  
317 Russell Senate Office Building  
Washington, DC 20510

The Honorable Charles Schumer  
Senate Democratic Leader  
322 Hart Senate Office Building  
Washington, DC 20510

Dear Leader McConnell and Leader Schumer:

We write in support of Congress enacting legislation to help workers and businesses recover from the economic devastation caused by COVID-19. Congress has taken important steps to stabilize the economy in the near term, but we believe bold initiatives are needed to help workers and businesses recover from the longer-term economic devastation caused by the pandemic. Subsidized employment should be a central part of our efforts to help Americans transition back to work.

While reopening the economy is dependent on the spread and risk of the virus, we must prepare for more lasting impacts on the job market. To that end, it will quickly become necessary to use every tool available to get individuals back to work—particularly those whose places of employment have permanently closed or have been squeezed by lower sales or profit margins. Subsidized employment is one of the most powerful of these tools, because it offsets the cost for employers—both public and private—to hire workers that the employer would not otherwise consider for employment, for new positions that would not otherwise exist.

Transitional subsidized employment is a proven, yet underutilized, policy option to address barriers to employment for unemployed and underemployed individuals in a strong economy, and its ability to help workers and employers is especially critical in a recovering economy. When joblessness is high, subsidized employment can quickly provide a paycheck to workers to help them meet basic needs, while also stimulating economic growth. The effectiveness of subsidized employment is well established. During the Great Recession, subsidized employment programs administered by Democratic and Republican governors funded by the Recovery Act's TANF Emergency Fund rapidly created more than 260,000 jobs as unemployment numbers soared. The funding stream under TANF was in place through September 2010, allowing states to provide subsidized employment opportunities to help families and individuals weather the economic downturn.

Jobless claims have now reached unprecedented levels. The worst may be yet to come. More than 22 million unemployment claims have been filed in the last four weeks. When it is safe for the nation to go back to work, not all workers will have their same jobs waiting for them. Many are likely to continue to be left out of the labor market, despite being willing and able to work. Federal funding for subsidized employment should be available to provide support for workers and employers.

We propose a national subsidized employment program to provide unemployed and underemployed workers wage-paying jobs to reattach them to the labor market. The program would offset employers' cost for wages and any needed on-the-job training or other supportive services. Federal funding would enable states and local organizations to scale up or establish subsidized employment programs that meet the needs of their communities, including by directly employing subsidized workers in public service and infrastructure jobs.

The program should incorporate lasting structural and countercyclical features, including technical assistance to support planning and implementation, in order to lay the groundwork for a permanent program that is flexible enough to expand to meet the needs of unemployed workers when the economy is weak, and to continue to provide necessary employment support when labor demand is stronger. This national subsidized employment proposal is informed by the successful programs that states were able to get up and running quickly during the Great Recession to place individuals in a wage-paying job.

We urge you to consider this proposal and look forward to working with you.

Sincerely,



Tammy Baldwin  
United States Senator



Ron Wyden  
United States Senator

/s/ Chris Van Hollen

Chris Van Hollen  
United States Senator



Michael F. Bennet  
United States Senator



Cory Booker  
United States Senator