

## Study: Tax cuts aren't panacea

By Henry Allen Hurst  
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*"The Jobs and Growth Tax Relief Reconciliation Act of 2003 will deliver substantial tax relief to 136 million American taxpayers by ensuring that Americans have more to spend, to save and to invest. This legislation is adding fuel to an economic recovery. We have taken aggressive action to strengthen the foundation of our economy that every American who wants to work will be able to find a job." — President Bush, May 28, 2003*

WASHINGTON (NNPA) - A recent study conducted by United for a Fair Economy, a Boston, Mass.-based economic policy group, reports that many Americans won't have much to be thankful for this holiday season because of tax cuts that favor the wealthiest Americans.

"As the nation prepares for our annual feast of bounty and thanksgiving, many U.S. families will not be participating," said Anisha Desai, UFE's program director and a co-author of the report. "This is because the multiple breadwinners each family needs these days don't all have jobs. Of those that do, many are not making enough money to pay for turkey and trimmings for everybody in the family."

The nonprofit organization's 2005 study, "Nothing to Be Thankful For: Tax Cuts and the Deteriorating U.S. Job Market," asserts that the president's prediction that the 2001 tax cut would translate into more than 5.5 million jobs has fallen short of its goal. The organization also says the jobs created after the enactment of the cuts are not "quality jobs" paying at least \$16 per hour.

"President Bush's Jobs and Growth Tax Relief Reconciliation Act of 2003, far from delivering on the promises made to create 5.5 million new jobs, has carved out a new low in job recovery after a recession," said Scott Klinger, who also co-authored the report and is director of UFE's tax policy group. "The president's tax-cutting policy is a failure in this regard, and we need to recognize it as such."

UFE also reports that changes in tax rates have no "discernible effect" on employment, which can be proven when cuts proposed by any administration in the past 60 years are examined.

Instead, UFE says, tax cuts are the least of many variables that determine job growth. For example, the group says, economic trends such as strides in computer technology create some jobs and eliminate others.

"A lot of jobs that are lost each year are manufacturing jobs," said Liz Stanton, director of research at UFE and co-author of the report. "As these technologies develop, a computer or robot can replace people."

The group does charge, however, that there is considerable evidence that tax cuts increase budget deficits.

UFE says that the tax cuts lack so much merit that the current weakness in job creation is unprecedented since World War II era. According to the report, Black employment is at 89.6 percent, compared to 95.2 percent for Whites and Latino workers average more than \$10,000 per year less in earnings than Whites. "No workers have really benefited from President Bush's tax policies, but Blacks and Latinos have suffered disproportionately," said Gloribell Mota, a bilingual education specialist at UFE.

UFE also holds tax education programs and says that participants are not only overwhelmingly unknowledgeable about Bush's tax cut package, but they lack information on taxes overall.

"When it comes to Bush's tax cuts," said Mota, "people don't connect it with how it will benefit them in the long run. To a lot of people, a tax cut always sounds good. People don't think about public services like police, fire departments, emergency medical and public schools.

"These things are going to cost more to maintain, and places where there's a lot of poverty and not a lot of tax revenue are going to feel it more. Tax cuts have to come from somewhere, and it's going to come out of your pocket."

Henry Allen Hurst writes for Afro Newspapers.

## Inner cities suffer loss of jobs

WASHINGTON (AP) - Many of America's inner cities continue to hemorrhage jobs despite years of federal programs designed to improve their economies.

Nearly half of the country's 82 largest municipalities lost jobs from 1995 to 2003, according to a new Harvard University study. By comparison, only one of the surrounding metropolitan areas lost jobs during the same period.

A separate analysis by The Associated Press found that most inner cities targeted by the federal government's primary urban economic programs lost jobs as well.

In fact, the best-performing cities were not part of the federal empowerment zone and renewal community programs, which provide businesses with billions of dollars in tax incentives to expand and hire workers.

"It's sobering," said Michael Porter, a Harvard business professor who did the study for the university's

Initiative for a Competitive Inner City. "It suggests that there are relatively few inner cities that are thriving in the sense of job growth."

Porter and his team analyzed how many jobs were added or lost in inner cities with more than 50,000 residents. They found that only 10 added jobs at a higher rate than surrounding metropolitan areas. All 40 inner cities that lost jobs did so faster than surrounding areas.

Among the best performing: Jersey City, N.J.; Long Beach, Calif.; Tulsa, Okla.; and Anaheim, Calif. Among the worst: Detroit; Grand Rapids, Mich.; Rochester, N.Y.; and Miami.

Thirty-two of the inner cities studied also had neighborhoods that were designated federal urban empowerment zones or urban renewal communities.

Of those, 12 showed an increase in jobs from 1995 to 2003. Only one, Mobile, Ala., added jobs at a higher rate than the surrounding

metropolitan area.

"Whatever these programs were, the research and the experience suggests that their impact was marginal at best," said Alan Berube, a fellow at the Metropolitan Policy Program at the Brookings Institution, a think tank.

Brian Sullivan, a spokesman for the Department of Housing and Urban Development, said many businesses and communities have benefited from the programs. He said HUD is trying to better promote the tax incentives, especially among small-business owners.

But, Sullivan said, many communities could do more to remove local barriers to development, such as cumbersome regulations.

"We're not trying to preach to people that you are over-regulating," he said. "But it is true that in some parts of the country the regulatory climate puts out the unwelcome mat."

Examples?

"Take your pick," Sullivan said. "I don't want to point fingers."

Economic development experts agree that tax incentives alone will not revive urban areas with chronically depressed economies.

The cities should improve services and schools, build affordable housing and enact reasonable business regulations, Harvard's Porter said.

"There's no silver bullet," he said. "To get it right you've got to work on the fundamentals."

The Clinton administration launched the urban empowerment zone initiative in 1994, designating six zones, in New York, Chicago, Detroit, Philadelphia, Atlanta and Baltimore.

Each was awarded \$100 million for a host of programs, including job training, social services and tax incentives for businesses. Fifteen more empowerment zones were designated in 1998, each receiving about \$25

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## Your Horoscope Says... Dec. 1-7

### ARIES

Hidden resentments could surface and you'll want to be able to gracefully back away from arguments this week. Appreciate the good vibrations and ignore the negative. You'll be doing the universe's work!

Soul Affirmation: I argue with no one, not even myself.

Lucky Numbers: 1, 20, 30

### TAURUS

Your unique energy is urging you in a new direction. Listen to your inner voice and go! You'll be very happy with the outcome if you give your worries up to the universe. Many blessings are available to you if you let go and let the blessings come.

Soul Affirmation: I am open to the changes my impulses call for.

Lucky Numbers: 3, 45, 46

### GEMINI

A relaxing week at home might be just the cure for what seems to be troubling you this week. Set aside some time to attune yourself to the sound of your truth. You are an extraordinary teacher; teach yourself a new way of being with yourself this week.

Soul Affirmation: My vision of the world is my truth. I rejoice in it.

Lucky Numbers: 6, 17, 29

### CANCER

Surprises are on tap this week, and you may be the messenger, or a new message may come to you. Whatever happens, it's going to be pleasant. Base your sense of reality on the pure vision you have in your head.

Soul Affirmation: I bring spiritual greetings to all I meet this week.

Lucky Numbers: 26, 28, 30

### LEO

This week you need to balance keeping your eyes on the heavens and your head here on Earth. Much work needs to be done before you can accomplish the task before you. If you let yourself, you can get a lot done this week.

Soul Affirmation: I enjoy heaven. I love the earth.

Lucky Numbers: 2, 17, 21

### VIRGO

Details might trouble you early each day, but you don't have to go with that flow of energy. You can choose to focus your attention on the now and work through each task patiently. Things will clear up quickly if you forego daydreams.

Soul Affirmation: The material world is my home this week.

Lucky Numbers: 9, 17, 23

### LIBRA

A slight adjustment in your attitude could create a whole new vista for your outlook. What you think is not in conflict with what you do; it simply describes it. Look for a new way to describe your ideas and thoughts.

Soul Affirmation: The world is good to me, and so I let it be.

Lucky Numbers: 8, 40, 43

### SCORPIO

A very pleasant week is in store as peace seems to be the dominant current. Your experience will tell you how best to proceed with a close relationship. Right words and actions can restore all to the previous beauty.

Soul Affirmation: I plug into peace and let beauty flow.

Lucky Numbers: 21, 25, 36

### SAGITTARIUS

Your ideas are windows into the future. You may be feeling a bit eccentric each day, but all you need to do is refine your presentation. Your truth is sound and solid. You can teach with beautiful words.

Soul Affirmation: Big changes are coming and I am ready.

Lucky Numbers: 7, 16, 19

### CAPRICORN

When friends call, you should answer their requests to join them. You'll have a nice time out if you go, with lots of camaraderie and good fellowship. You'll be creating energy for a very inspiring environment.

Soul Affirmation: Fun is the order of the week.

Lucky Numbers: 2, 34, 51

### AQUARIUS

Authority issues may arise early each day. Who is in charge? You can handle these thoughts by letting someone else think they are in charge. Listen to some music that fills you with positive vibrations.

Soul Affirmation: I let those who want to be boss feel like the boss.

Lucky Numbers: 1, 18, 23

### PISCES

Strong physical energy this week, friend. Make the most of it and get a lot of the work done that you've been meaning to do. This week's a great week to get around to it! You'll be very pleased at the end of the week with what you have created.

Soul Affirmation: I get done what I've needed to do for a long time.

Lucky Numbers: 40, 42, 40