

## **In Support of a Responsible Economic Response to COVID-19**

**Whereas** Washington state is facing twin public health and economic crises due to COVID-19; and

**Whereas** the unemployment rate was 15.1% as of May 2020 compared to 3.6% in May 2019<sup>1</sup>; and

**Whereas** more than 1.2 million Washingtonians have applied for unemployment insurance since March<sup>2</sup>; and

**Whereas** everyday people, not corporations or CEOs, are the real job creators who drive the economy, and the economy cannot simply be ordered reopened; and

**Whereas** leading national and local economists agree that economic recovery will not be quick, and the impacts of COVID-19 on our economy could last years; and

**Whereas** Washington is at risk of becoming trapped in a negative feedback loop of collapsing consumer demand, closing businesses, and lost jobs without economic intervention; and

**Whereas** Washington is expected to have at least an \$8.8 billion revenue shortfall through the 2021-2023 biennium<sup>3</sup>; and

**Whereas** Washington state has the most upside-down tax code in the United States, where lowest-income households pay up to six times more of their income in taxes than the wealthiest; and

**Whereas** Washington depends on the taxes generated by consumers having enough money to spend in their local economies; and

**Whereas** austerity budget cuts do not improve unemployment, participation from the private sector, or increased participation in the states economy,<sup>4</sup> in addition to causing more pain for already-struggling people and families; and

**Whereas** states that cut their budgets during the Great Recession saw a slower recovery and worse long-term results than states that actually increased spending and investments<sup>5</sup>; and

**Whereas** increasing investments in critical services and infrastructure injects capital back into struggling economies, creating jobs and driving spending and economic growth;

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<sup>1</sup> [April 2020 Jobs Report](#), Washington Employment Security Department, 7/2/20

<sup>2</sup> [Initial unemployment insurance claims for week of June 21-27, 2020](#), Washington ESD, 6/18/20

<sup>3</sup> [‘Everything is on the table’ as WA stares down a \\$9B shortfall](#), Crosscut, 6/17/20

<sup>4</sup> [Austerity Is Hammering State Economies](#), Center for American Progress, 6/21/12

<sup>5</sup> Ibid.

**Whereas** over 20 economists and policy experts signed an open letter to the Washington State Legislature that recommends the “best response to the looming recession is to increase long-term investments in education, health care, infrastructure, and economic security”.<sup>6</sup> ;

**Therefore be it resolved** that the X urge the Washington State Legislature to avoid making cuts to the state budget, which are proven to worsen economic recoveries during recessions, and to instead stimulate growth by protecting and increasing investments in critical services, providing relief for workers, families, and small businesses, and saving Washington’s economy by raising taxes on the wealthiest households and corporations.

*Adopted by the X organization June X, 2020*

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<sup>6</sup> [Letter from Washington Economists](#) (Google Drive)