



Some three and a half years since the worst recession impacted the U.S. economy, the situation is far from relieved. One of the worst effects of the recession is the relentless high unemployment, spurred on by the tightening of bank credit accessible to businesses.

What the economy needs is a strong infusion of cash. When the housing market collapsed in 2008, and the banks tightened credit, businesses lost a significant source of cash, leaving them unable to pay salaries. This created a domino effect, as laid off workers, unable to pay bills or consume the usual goods and services, reduced overall consumer demand, which has for too long been the prime generator of the now vulnerable American economy.

The over \$7 billion economic stimulus plan, approved when the Obama Administration took office in 2009, was intended to revive the economy, but proved misguided. Funding should have been focused on shovel-ready, infrastructural improvement-type jobs, and cash payments to some Americans to replace the extra expenditure sucked up by the tightening of bank credit. This cash was needed to enable consumers to maintain the demand of retail goods and keep the economy afloat.

The Obama administration made the correct decision to drive the economy by creating jobs as laid out in the America Jobs Act submitted to Congress last year. However, because of an

ideological difference in job creation between the Democrats and Republicans the Act failed to be implemented.

As long as millions of Americans are unable to find the cash to support the retail market and pay bills like mortgages, there is little hope of the economy significantly improving.

Jobs must be found for the unemployed. The easiest way to provide these jobs, in any country with high unemployment, is through an infrastructural repair and/or development program – focused on the revamping of roads, building, bridges, airports and seaports throughout the country.

Without the income from jobs, families can do nothing but depend on the state for help in the form of unemployment benefits, food stamps, and similar programs that are placing pressure on state budgets, but show no tangible state or national benefits. The billions paid by government to support the unemployed could serve the economy better in creating jobs that improve the nation's infrastructure, and generate sustained economic growth. Without such government financial boosting, the economy can do little more than putter along.

With more people working and contributing to programs like Social Security and Medicare, these programs would become self sufficient, and insulated from those who seek to dismantle or roll them back.

In addition to pushing a jobs creation program, the government needs to assist banks in alleviating the debt burden created by the millions of tainted mortgages resulting from the mortgage crisis. This does not require another controversial stimulus program to "bail out" the banks with billions of taxpayers' dollars.

Rather, what is required is a government-backed program to help more struggling mortgage borrowers (and student loan borrowers) pay these loans at reduced rates agreed by the banks, as an interim solution, until the revenue generated from the employment program is sufficient to restore the borrowers normal rate of payment. These are policies also proposed by the Obama Administration in the Jobs Act.

Ironically, the many solutions outlined here already enjoy bi-partisan support. These ideas are focused solely on the universal American needs of job creation and oiling the machinery of commerce. These proposals, however, are continually hindered by persistent political posturing. The nation's political leaders must find a way to place the economy before politics, as lack of immediate remedy is going to severely fracture whatever is left of the economy.