

The Honorable Barack Obama
c/o David Sepulveda
United States Senate
Hart Building #713
2nd & C Streets, NE
Washington, DC 20510

December 15, 2008

Dear President-Elect Obama,

Congratulations on your well deserved victory. I am proud to have supported your candidacy. The challenges that you face are many, diverse, and leading the list is our own economy. As you know, we've already lost a half million jobs since you were elected, and I'd like to suggest the Universal Living Wage as a bold initiative and a piece of the long term solution adding to your soon to be announced economic stimulus package.

Presently, 3.5 million people will experience homelessness this year. They will come from the nation's work force where the minimum wage will fail to sustain them. By simply "tweaking" the existing Federal Minimum Wage, and indexing it to the local cost of housing using the Universal Living Wage formula, we can end homelessness for at least one million of these workers, perhaps many more. Undoubtedly, it will prevent economic homelessness for all 10.1 million minimum wage workers.

However, adequate affordable housing stock does not exist at this economic level. Until now, there has been no financial incentive to create truly affordable housing in the general market place. However, passage of the Universal Living Wage will create an economic stimulus whereby the local construction industry will respond on a national scale to this need for efficiency level apartments. Because this is predicated on a ten-year ease-in plan, this will be part of the long-term stability re-construction of our economy.

The benefits to our nation are extensive. First is the economic benefit to the construction industry. Then, there is the reality of millions of people realizing that if they work hard and put in their 40 hours, they will be able to afford basic food, clothing, shelter (including utilities), and access to the emergency room. As a result, they can avoid going on the dole: food stamps, general assistance, temporary assistance for needy families, TANF, Earned Income Tax Credit, EITC, etc. This is not to suggest doing away with these programs but rather to allow them to return to the status that Congress had originally intended them...emergency stopgap measures. This is a huge tax savings.

Other benefits include: 1) reduction in small business failures where 64% of all new businesses fail by the fourth year according to Amy Knaupin "Survival Longevity in the Business Employment Dynamics Database," 2) billions of dollars in potential retraining costs savings, and 3) restoration of faith in the system that takes advantage of our people's work ethic and restores their hope.

As always, I remain available to discuss this concept and its possible implementation.

In Unity There is Strength,

Richard R. Troxell, National Chairman
Universal Living Wage Campaign
Livable Incomes Coordinator,
National Coalition for the Homeless

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