



January 30, 2008

The Honorable Max Baucus
Chairman
Senate Finance Committee
511 Hart Senate Office Building
Washington, DC 20510

The Honorable Charles Grassley
Ranking Member
Senate Finance Committee
135 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Grassley:

As Catholic organizations united by our common faith and committed to the principles of Catholic social teaching, we urge Congress to act swiftly to enact a stimulus package that will boost our economy and assist low-income families and individuals facing added financial hardship during this economic downturn. A stimulus package that both assists and protects the least among us is also an effective form of economic stimulus. Evidence is strong from the most recent recession that providing an infusion of funds to low- and moderate-income households, and to state and local governments, are the most effective stimulus strategies.

Specifically, we support and call on Congress to include the following provisions:

- Extend Unemployment Insurance: With long-term unemployment on the rise, Congress should enact an extension for those who have exhausted their 26 weeks of benefits. Extending unemployment benefits is generally recognized to be an efficient and quick way to provide economic stimulus through increased consumer spending, and is a common policy choice during economic downturns.
- Increase Food Stamp benefits: Increasing food stamp benefits is also acknowledged to be an effective way to stimulate the economy. An increase in benefits could be dispersed quickly through additions to Food Stamp electronic debit cards. Recipients will spend the additional benefits immediately on food for their family and, at the same time, help prevent childhood illness and developmental delays associated with inadequate nutrition. This policy is also a way to make sure the most economically vulnerable (87% of recipients are below the poverty line) are reached by the stimulus package.

- Protect low-income families from losing Medicaid and social service assistance. During economic downturns, states are often forced to choose between cutting social services or Medicaid benefits and eligibility at a time when the people who rely on these programs need them the most. Temporarily increasing Federal Medicaid matching payments (FMAP) and providing grants to state and local governments for social service programs will help ensure the safety net remains strong.
- Increase home energy assistance: The Low Income Home Energy Assistance Program (LIHEAP) served only 15.6 percent of eligible households in FY 2007 due to limited funding. While we appreciate that Congress increased LIHEAP funding for FY 2008, the unmet need is still great. Increased LIHEAP funding could be distributed quickly and would help low-income families cope with huge increases in home energy costs.
- Provide refundable tax rebate to low- and middle-income individuals and families regardless of actual tax liability: We believe it is important to ensure the lowest income people, including families with children whose situation is most precarious, receive financial assistance through a rebate.

We strongly agree with the view of the U.S. Catholic Bishops, who wrote in their Pastoral Letter, Economic Justice For All, "The impact of national economic policies on the poor and the vulnerable is the primary criterion for judging their moral value. National economic policies that contribute to building [and ensuring] a true commonwealth should reflect this by standing firmly for the rights of those who fall through the cracks of our economy: the poor, the unemployed, the homeless, and the displaced."

We applaud Congressional efforts to work quickly to craft an effective stimulus plan, which is urgently needed. The elements that will provide the most economic gain for the economy will also serve to reduce hardship for low- and middle-income families. We strongly urge Congress to enact a package with the elements outlined above.

Sincerely,



Rev. Larry Snyder
President
Catholic Charities USA



Sr. Carol Keehan, DC
President and CEO
Catholic Health Association of the United States