

**Testimony on Behalf of S2019  
“An Act Mobilizing Economic Recovery in Massachusetts”**

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American Economic Recovery and Reinvestment Act (Stimulus  
Package)

Direction and Rationale for Focus on the Nonprofit Sector  
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1. The funding, both for infrastructure projects and for social spending must be spent on projects and programs that the nonprofit organizations are historically and uniquely positioned to implement.
2. On the infrastructure side we want to express our support for the physical infrastructure projects that are deemed by potential recipients as “shovel-ready” by Johns Hopkins’ Institute for Policy Studies, sixty-five here in Massachusetts, and the many shovel ready projects for which MassDevelopment has received notice.
3. On the social spending side, many elements of the package go toward helping individuals that non-profits serve, and much of this assistance for Massachusetts can and will, when fully allocated, support two key goals of the Act: to create and protect jobs and to protect the vulnerable
4. Nonprofits, like government, are called to meet expanding demand with reduced resources and insufficient reserves and we have the unique ability to get the dollar out on the street in the quickest manner, and in a way that responds most closely to the needs and vicissitudes of each

5. The nonprofit sector brings strongest economic performance benefits. It is the largest single sector;
  - contributes \$87 billion to the Massachusetts economy
  - provides 14% of Massachusetts' jobs, (more than the whole public sector);
  - jobs that are not subject to re-location
  - jobs which produce higher economic multipliers
  - value-added jobs for which the taxpayer return on investment is very high.
  - cost per job created or saved is lower and saving a job is much less expensive than recreating one.
  
6. After the stimulus – we must fix the problem we created
  - in the 90's we had 32 tax cuts – went from 4<sup>th</sup> to 32<sup>nd</sup> in the US for tax burden
  - We need new revenue
  - We put 200 volunteers in the No On 1 campaign.
  - We don't raise taxes in a recession and we cut taxes when there's a surplus. That has resulted in a \$6 billion deficit.