

February 1, 2013

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

Following this morning's disappointing jobs report and the news earlier this week that our nation's fragile economic recovery has come to a virtual halt, it is imperative that the White House and Congress immediately make economic growth and job creation their top priority. While there are many other important issues on the agenda, the most pressing need for the millions of out-of-work American families struggling to put dinner on the table is a job. Even though jobs grew in January, the increase in the unemployment rate showed that many Americans still can't find work.

As the industry that already supports one out of every four U.S. jobs – 42 million working Americans – retail is doing its part to put America back to work. Retailers hired half a million workers during the holiday season, and Walmart, the nation's largest private employer, recently promised to give a job to every honorably discharged returning veteran who asks for one. Other retailers are quietly conducting hiring programs of their own. But we cannot do it alone. We need Washington to embrace policy positions that help with job creation, and to remove barriers that stand in the way.

NRF is forecasting that retail sales – the daily barometer of U.S. economy – will grow 3.4 percent in 2013. But that number could be significantly higher if not for the payroll tax hike that took effect in January, a Medicare tax hike under health care reform, and the decision during the fiscal cliff debate to raise taxes on the “wealthy” that will harm many not-so-wealthy small business owners.

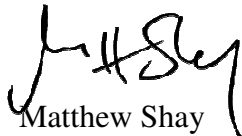
With job creation and the economy in mind and on behalf of the retail industry and the millions of jobs it supports, we respectfully ask that you support the following initiatives:

- Take advantage of the temporary suspension of the debt ceiling to avoid the drama seen during the fiscal cliff debate and instead craft a fiscal plan for the country that provides both a debt ceiling increase and certainty on comprehensive tax reform in 2013. Economic uncertainty helped hold 2012 holiday season retail sales growth a full percentage point lower than forecast, and must not be repeated.
- Avoid the federal spending cuts scheduled to take effect March 1. In the long term, federal spending must be reduced to balance the budget, but poorly timed government spending cuts played a major role in this week's poor GDP showing. Congress should adopt a budget and provide for an orderly process for adopting long-term spending reforms as opposed to the blunt budget ax of sequestration.

- Pass comprehensive tax reform that eliminates tax breaks that benefit only a few industries in return for lower tax rates for all businesses large and small alike. Lower taxes will make U.S. companies more competitive and boost job creation.
- Create an immigration system that is agile and responsive and addresses the needs of employers and today's workforce.
- Remove trade barriers that drive up prices for American consumers while making it difficult to export American goods.
- Delay health care reform mandates that will force employers to cut their payrolls or reduce hours for workers in order to avoid crippling increases in costs for employer-provided health care plans.
- Toss out National Labor Relations Board decisions giving unions an unfair advantage in organizing private workplaces, including "ambush" elections and "micro-unions."

America desperately needs to put its breadwinners back to work, and to rebuild the sound footing that has made our nation the leader of the world's economy throughout its history. The retail industry stands ready to support the work of the White House and Congress in achieving that goal.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew Shay".

Matthew Shay  
President and CEO  
National Retail Federation

cc: The Honorable Harry Reid  
The Honorable Mitch McConnell  
The Honorable John A. Boehner  
The Honorable Nancy Pelosi