



NEW AMERICA FOUNDATION

WORKFORCE & FAMILY PROGRAM

NO WORKER LEFT BEHIND

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Why aren't Republican presidential candidates talking more about job training? Wherever they go on the campaign trail, candidates are asked about off-shoring, layoffs, and wages.

Despite the strong U.S. economy and near full employment, middle class anxiety is real.

Hardly a day goes by that some Democratic candidate doesn't speak about the struggles of the middle class family in the age of globalization.

Democrats campaigned last November on responding to working family angst through a minimum wage increase.

Republicans often respond that they would help at-risk workers through job skills, yet they lack specifics.

If they believe skills are the answer, it's time for Republican candidates to offer bold new job skill plans.

Democrats smell blood on the issue of middle class economic anxiety. Senator Charles Schumer (D-N.Y.), head of the Democratic Senatorial Campaign Committee, writes in his new book, "(Americans) are unsure of their footing in the economy....They feel they are alone to navigate the contours of change and that government isn't really helping them where they need it."

Senator Jim Webb (D-Va.) devoted much as his response to the President's State of the Union address last January to the "crisis" of the middle class.

Yet most Republican politicians remain largely quiet on the issue.

When President Bush made his recent statement at the New York Stock Exchange that "Income inequality is real," it was portrayed in the media as a startling admission for a Republican.

Commentators from Newt Gingrich to Gene Sperling have stated that there is a policy void in America between the solutions of the left and the focus of the right on praising the American economy without addressing the insecurity that workers feel.

If Republicans are going to win in 2008 they must address the anxiety of the middle class.

One answer could come from the George W. Bush 2000 campaign playbook.

During the 2000 campaign, candidate Bush saw the anxiety Americans felt over the poor performance of American public schools. He also realized that involvement in the issue of education could help soften his image. Bush campaigned repeatedly on education reform, significantly narrowed the advantage Al Gore enjoyed in voters' minds on the issue of education and won the election.

A Republican could do the same thing now with job training by offering Americans greater access, affordability and quality in the skills training they receive.

As Federal Reserve Bank Chairman Ben Bernanke said February 2007, the way to address the gap between lower and higher income Americans—and to ease the sometimes "pain dislocations" of free markets—is to improve training and education.

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Job skills lead to higher wages. As Bernanke explained in February, wages for better-educated workers grow much faster than their lesser-educated counterparts. The Educational Testing Service reported earlier this year that in 1979 the average college graduate could expect to earn 56% more than his or her counterparts without a college education. Today, college graduates expect to earn 96% more.

Now is the time for candidates to talk about job training as the Workforce Investment Act, the bill that allocates most federal job training dollars, is up for reauthorization.

A GOP candidate could demonstrate his “compassionate” side by showing more care and solutions for those Americans afraid of losing their job.

Many Republicans would not want to add a new large spending program, at least not in the primary season. President Bush already demonstrated that Republicans can spend on social programs, like education and health, and win election. Plus, federal training and employment expenditures peaked a generation ago and have fallen to point that government spending on job training is now lower as a percentage of GDP (0.04% in 2000) than in most industrialized countries.

Part of reason for that decline is concern in Congress about the quality of government employment and training programs. Yet, lack of quality was the very reason candidate Bush got involved in education reform in 2000. If they believe that workers need skills to succeed in a global economy and that workers are anxious and want skills, then the candidate who figures out how to improve the programs that provide the skills will reap the rewards.

Democrats continue to push a series of traditional government solutions that help maintain a worker’s income—minimum wage increases, increased unionization through a “card check” program, trade protectionism, and proposals for “living wages” and risk insurance.

However, most of the funding our government spends to help workers already goes to income maintenance. In its FY2008 budget, the U.S. Department of Labor (DOL) projects Washington will spend \$37.6 billion for income maintenance

programs, such as unemployment insurance and unemployment trust fund benefits. However, DOL projects only \$5.2 billion will be spent in FY2008 on employment and training services that build worker skills.

A Republican could offer to increase significantly the federal investment in job training. If President Bush can expand the federal role in education, where Washington traditionally spends less than 7% of total national education funding, then expanding the federal role in job training, where the federal share is already more than 9%, is perhaps more consistent with what the public sees as an appropriate federal role.

A plan to empower states, increase funding and have dollars follow the worker is consistent with both the Bush Administration’s job training and education plans and could make a difference if candidates would focus on and market such ideas.

There could be greater tax incentives for businesses to provide training and for employees who upgrade their skills, engage in lifelong learning and purchase technology to help them improve their capacities.

While new spending on job training may not help in a GOP primary, the Republican nominee will need to be prepared to respond on the issue of job anxiety in the general election.

Will workers be to the 2008 election what children were to the 2000 race? If a Republican is going to win, they may need to be.