

America and Job Creation: Years 2014 to 2044

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Introduction

Since the Great Recession started somewhere around 2006, America has lost millions of well-paying jobs and replaced them with the lower-paying type. This trend is quite troublesome and will most likely foster a lower overall standard of living for generations to come. For example, a person working in IT making \$60,000 a year as an analyst loses their job because of offshore outsourcing. Consequently, this person is forced to take a job in retail for \$15,000, which ultimately impacts their standard of living in a negative manner. Reduced wages mean fewer taxes paid to the Federal government, along with lower spending on goods and services. It also stands to reason that if children are involved then they may have few higher education options because of cost issues, which in-turn creates a vicious cycle. This report is meant to expose possible scenarios that explore new education options, along with public & private sector funded programs that are meant to create future well-paying jobs for America over the long-term.

Honesty is the Best Policy

Rather than spin doctor the job situation America must deal with the fact that there are 10 to 20 million people currently out of work. It stands to reason the latter number would most likely be the case because the Labor Participation Rate via the Bureau of Labor Statistics has gone from 66.4% in December of 2006 to 62.8% for April 2014. During this time period three important factors must be also weighed into the mix. First over the last seven years America has added millions of people to its population. Second, millions of Americans have stopped looking for work. Third, millions who currently have part-time work would like to work full-time. Hence, our labor problem is structural and not cyclical in nature. As a result, creative and forward thinking measures must be put into place to create new long-term well-paying jobs.

How to Pay for It

How do we as a nation intend on paying for new job creation programs? With a 16 trillion (USD) debt starting 2014 America must be careful on how it spends. Forget creating 200,000 per-month, we as country need to create 300,000 to 350,000 going forward to reduce the national unemployment rate to 5% by 2043. This means investing in our future, and not just throwing money at the problem. Accordingly, America's public and private leaders need to be creative to help solve the job creation problem. We as nation need to take command and not hope long time players like the Eurozone with an unemployment rate of approximately 10% will bail us out. Bottom line, we as a nation must pull together to get out of his economic malaise, and move into a true long lasting growth phase, which will carry us forward for generations to come.

Our Findings are based on Various Perspectives

Rather than writing this report from an Ivory Tower approach the members of this team have tried to leverage information from reputable sources (e.g., Bureau of Labor Statistics, Federal Reserve, etc.) and our own findings at ground level. For clarification, while our team members reside on the East coast and West coast respectively, each travels extensively throughout the country. For example, one team member recently drove from Charlotte to Minneapolis to New York City on one trip speaking to people along the way about their local economic conditions. As a result, we feel this type of firsthand ground level information helps provide a better overall understanding of the national employment landscape.

The Job Creation Models

The primary goal of this report is to explore viable options that could help create jobs for America over the next thirty years. Each is written from a different perspective, but they are all meant to augment one another to help solve the problem of creating well-paying jobs over the long-term. There may be a number of logical and attainable options to the unemployment problem, but we must again bring-up the 16 trillion dollar debt issue as a major impediment to any new large-scale spending program. Accordingly, our leaders in Washington need to come up with a solution to shore-up Social Security, Medicare, and Medicaid. In addition, they must keep a close watch on “checks and balances”, so we can better manage our finances as a nation. We must also not lose sight that we need to invest great sums in areas that include job creation, education, and transportation to better to compete on the global stage. Regarding the problem of job creation, we have presented various models that may be of value concerning this key topic.

The Campus Experiment

At this point in time one does not find it too difficult to come across areas that are economically depressed in America. Case in point: The Amtrak ride from New York City down to Washington D.C. is one that exposes large pockets of depression in cities like Trenton, New Jersey and the enormous swath between Baltimore and our nation’s capital. Block upon block of boarded-up houses are common place, along with the exodus of small to large businesses. High unemployment, along with rising crime rates are the direct result of industries leaving this area over the decades. The objective of The Campus Experiment is to not only create jobs, but to also help people become more self-sufficient and raise their overall standard of living, while also helping resuscitate the local economy. It is a socio-economic effort that is designed to be funded by both the public and private sectors.

Present an Attractive Place to do Business

The Campus Experiment is meant to train people on technologies that are in currently in demand and will be so for years to come. This model is predicated on funding that would come from both the public and private sectors. We need to take a step back and deal on why it would be compelling for the public and private sectors to invest in such an endeavor. The greater good is a fine argument, but at the end of the day politicians have to answer to constituents and business leaders have to answer to shareholders. We need to circle back and look at the word compelling and see how it plays into the picture. For the public sector it means helping people become self-sufficient and not be dependent on programs such as Unemployment Insurance, Medicaid, and Food Stamps. For the private sector it can help train a labor pool that will be proficient in-demand technology solutions. Again, clarification is in order. If there is a shortage of administrators for a specific database across the country, then the company offering this solution would benefit from more properly trained people because additional projects leveraging this solution could be started and, or maintained. Hence, a chance to garner increased revenue because of an expanded and well trained labor pool. Tax credits could be used help to attract the attention of the public sector software and hardware regarding this type of effort.

Create an Attractive Work Environment

The Campus Experiment targets for 250-500 workers to be trained on technologies that include web servers, application servers, databases, which are currently believed to be key technologies. They are also important foundation technologies regarding Cloud Computing Data Centers. In a nutshell, databases are where information is stored, applications are conduit, and web servers server content to the web. All of these technologies are currently in demand and it would seem that they will continue to be for the next decade. Buildings that are currently located in depressed areas could be refurbished and state-of-the-art telecommunications equipment could reside on the premises to enable the workers to not only do in-house work, but also contact work for companies around the world. Training would be in a classroom environment with certified instructors, and classes would be of the certification type. In essence, one does complete the program, and then one would be given a certificate regarding technology studied.

The campus would be one where people would be able to study and work. It would also be a place where essential services such as medical and dental clinics, along with a full-time day care would reside. For example, rather than stay home when children are home from school, a parent could drop their child off to the daycare facility at the campus before going to class and pick them up when class is over. Regarding medical care, a person could go to the clinic and get a flu shot free of charge to guard against this malady. For example, having a dentist on-site would no doubt help improve on the overall quality dental health of participants, but it would also cut down on absenteeism and tardiness.

Transportation is also another key factor in the success of the program. Parking spaces would be located on the premises, but other venues such as shuttle bus service would be offered. We must remember that in depressed areas not everyone can afford or owns an automobile, so a well layout bus route and shuttle service would be a worthwhile consideration.

A safe and clean environment with easy access to transportation are just some of the positive attributes of the campus model. This attractive work environment will be augmented with top quality instructors and courses teaching in-demand technologies, which will go a long way in the success of the program.

More Taxes Paid and Fewer Social Services Tapped

Improved health, along with a well-paying job makes for a powerful one-two combination. The aforementioned objectives could be the result of a well designed and implemented Campus Experiment. However, it will not be an easy effort to successfully launch not only because of severe budget constraints, but also issues dealing with how to choose or select candidates for the program. Additionally, it will also have to deal with a push back from lobbyists representing some services and software firms, along with special interest groups. However, the fight may be worth it, because gainfully employed people are less likely to tap into social programs like Unemployment Insurance, Food Stamps, and Medicaid, which is a financial drain at all levels of government. It also stands to reason that people with well-paying jobs spend more, and help to reinvigorate local merchants and the national economy. Last but not least, people who are gainfully employed their share of pay taxes, which is way to help reduce the national and shore-up social programs.

Why must we outsource jobs to countries like China, India, or Russia or bring-in foreign workers when America has so many capable of performing the task if properly trained? There is no simple answer, but there are some possible ones. First, there is no large-scale program currently available to the general public. Second, America is dealing and escalating debt issue. Third, pushback from powerful sources that feel they would be threatened by such an effort. The Campus Experiment could be used to create a new pool of skilled American worker, who could not only work at a local campus, but could also fill open positions across the country.

Other Viable Options - Clean Energy

When fostering new industries and creating real jobs, consideration for the future must always be a central point of that development. Often times we try to duplicate the success of previous decades by re-imagining old technologies, when perhaps a better option is to create new fields or expand developing fields. The ideas surrounding clean energy are not new by any means, however, they have never reached their full potential in terms of volume and magnitude, and that is what makes clean energy a key possibility for future job creation in America. For the purpose of this study, the term *clean energy* will be used as an umbrella meant to include several different technologies such as solar and wind power, biofuel, electric vehicles, and various other environmentally friendly industries that are beginning to increase in the free market. As public policy increasingly includes laws and regulations that mandate lower emissions, cleaner energy and the industries that surround it are being brought into the center of the business world, opening up an endless potential of job growth and job creation.

Electric Vehicles

The first example of clean energy technology that can lead to significant job creation is electric vehicles. This industry dates back to the 1990's, and many people expected that EV's would control a much larger percentage of the market than they do now. The decline of the U.S. auto industry in recent decades is one reason that there is a place in the market for the growth of electric vehicles. When the U.S. automakers moved out of places like Detroit, they cost jobseekers thousands and thousands of jobs. If demand of EV's increases, American companies like Tesla, Fisker, and Chevy (whose Volt was the top selling plug-in electric vehicle in the world), would be able to create new, permanent jobs. The employment possibilities are vast: engineers, technicians, scientists, sales and marketing, researchers, etc. Although it may be several years before electric vehicles can take a significant portion of the automotive market, the potential is almost endless. Electric vehicles only account for approximately .5 percent of all cars being sold as of May 2014, and this is largely due to outdated perceptions of short battery life. However, as prejudices surrounding the "new" cars are being lifted, EV's are gaining percentage points every month. In addition, the technology is being improved every year. As companies are now just beginning to turn a profit on some EV models, the time has come to really invest in the technology. More investment and research by major car companies as well as smaller manufacturers should result in an increase in nationwide charging stations, which would in turn increase demand, which would lead to permanent job creation. America once led the world's auto market, and with the very real possibility of electric vehicles soon surging to the forefront, the nation should position itself to take a large portion of the market.

Solar Energy

Solar energy and the technologies and products that surround it is another branch of the clean energy tree that is a prime candidate for real, long-term job creation. Not only is this “green” initiative an energy efficient method used to cut energy costs and dependence on oil from other countries, it is also environment-friendly, as solar energy does not have the unwanted side effects such as high emissions and other types of pollution that are common from other energy sources. In fact, many types of solar energy create no pollution at all. It only makes sense to harness some of the sun's energy to help power the planet, and the potential for this industry has yet to be fully projected.

Solar energy still garners a very small percentage of the energy market due to public resistance that is largely based on old facts and outdated myths regarding the technology that surrounds the industry. Many people believe that there are limitations surrounding solar energy that simply do not exist. For example, many people believe that the sun will not provide enough light to create the energy we require. In fact, according to MediaMatters.org just a small percentage of land, 100 miles by 100 miles in Nevada, the nation would have enough solar cells to support our high use of electricity.

Not surprisingly, much like the electric vehicle industry, the source of the myths and misinformation surrounding solar energy is most often the competitors. Powerful electric companies and special interest groups have their hands in much of the legislation that has made it difficult for solar companies to gain a substantial portion of the marketplace. In addition they have helped to fuel the negative public opinions that exist among consumers.

It will take real education and a rebranding in the industry in order for solar energy to gain the respect it deserves. Once that happens, the potential for job creation will be vast. Scientists and engineers will be needed to continue to develop technologies, in addition to construction and administrative jobs in order to develop the networks. As clean energy industries such as electric vehicles and solar energy continue to develop, the U.S. is moving forward toward the future. In the process, these technologies will require new systems and networks that will allow for real job creation, as they gain more substantial portions of the marketplace.

Creating New Industries

Part of what has always made America so successful is tied to innovation and inventions. For many years, the U.S. sat at the top of the chain of nations through ingenuity in science, technology and math, either creating or perfecting new industries from motor vehicles and assembly lines to aviation to computers and the internet. However, in the past few decades, the rest of the world has caught up if not surpassed the U.S. in the development of new, emerging fields. One of the keys to real job creating is to develop new and useful technologies and fields that fill a real need or desire for the world's consumers. America has for decades imported far more than it exports, and that has had a negative impact on employment in our country. When we stopped manufacturing goods, we lost hundreds of thousands, if not millions of jobs. The goal isn't necessarily to become the world manufacturing leader once again, but it is to encourage innovation and the development of new industries that can power America into the future.

Encouraging Entrepreneurship

One key step in encouraging entrepreneurship is to provide tax breaks and other incentives to new and growing business that promise to hire workers here in America. Many U.S. born businessmen have taken their ideas and money to other countries where it is easier to start and maintain a business based on tax laws and the like. Policymakers need to ensure that they are providing the proper incentives to encourage innovation on the home front by implementing tax credits for new hires, giving sufficient grants and loans to new businessmen and women who are looking to hire new workers. We have to ensure that we are doing all that we can to facilitate job creation

Improving Education

The United States lags far behind other developed countries in our education system. As we outlined in The Campus Experiment model, there is a disconnection between education and business, which does not maximize job potential in the marketplace. Similarly, our sub-par education system from grade school, to secondary through colleges and universities are not encouraging the development of new sciences and technologies as it once did in the 20th century. Classroom curriculum is largely based on regurgitated facts and often leaves our most talented and gifted children under-stimulated. This system will require serious reform in order to help build more jobs and industries from the ground up, so to speak.

In the early 20th century, the young Wright Brothers in Ohio had the tools and platform to create a new form of transportation that would change the world forever. Neither had received even a high school diploma. Decades later, a young Bill Gates, gained enough information in his early education to drop out of Harvard University, realizing that he could accomplish more on his own than in his studies, and transformed computer science into what it is today. Gates' move to drop out is quite telling of our modern education system as many successful businessmen in today's market have done the same. Since the 1970's our education system has declined even further, and students at all levels are longing for reform.

It is evident that our education system is at a proverbial standstill. Where are the new forms of transportation? Where are the breakthrough developments in science and medicine? Policymakers, teachers, professors, and sociologists need to come together to improve our education system. We need to learn from the success of other countries, but most of all, we need to do what America has always done best, and lead the charge of innovation. It is true that some of the future's great leaders may be college or even high school drop outs. But the reality is that most will be products of our education system. We must ensure that our schools are of the highest quality, and encourage individualism, creativity, and development in all senses of the term. By ensuring this, we are opening the doors to new exciting fields that will employ our future generations in important new industries.

Policy Action

It's no secret that the state of the U.S. economy has been less than ideal for well over a decade now. We have seen serious issues ranging from stock market and real estate collapses, to slow overall economic growth and extremely high unemployment rates. Although progress has been made over the past few years, there is still a long road ahead, and policymakers must be at the center of change in order for the economy to see real, lasting turnaround.

With the unemployment rate dropping from 6.7 to 6.3 percent in April 2014, it is clear that progress is being made on the job market. Although the number of unemployed people decreased by over 700,000 during the month, only 233,000 jobs were created during that same period. This means that the trend of unemployed workers giving up their search for employment is likely continuing. The long term effect of this trend is that the shrinking middle class, once the backbone of this nation will continue to shrink. In addition, the median income of “working” families will continue to stay stagnant, or worse, decrease. Policymakers must act by enacting policies that will lead either directly or indirectly to job creation. One example of direct policy would be to allocate funding towards public projects, such as rebuilding communities and schools that would create jobs for thousands of people while at the same time fostering a sense of community and education, which will in turn continue the cycle of strengthening the economy. Similar funds could be allocated towards long-term transportation projects, which could give individuals access to different geographical job markets.

In addition, we must pay close attention to policies that encourage the development, maintenance, and upgrades of wireless infrastructure. Such initiatives will have a positive impact from a global IT perspective, strengthening the nation’s place as a leader in technology and solidifying jobs for future generations. Job creation in today’s economy cannot be thought of as one-dimensional. We must attack this task with the future in mind. Technology today is moving at the speed of light every single day. If our cities are not keeping up with the latest wireless trends and breakthroughs, we will be left in the dust. In an increasingly shrinking world, that means that we will lose out on the potential for future job growth.

It is important that tactics are innovative and decisive. With the speed of technology and information, this world has never seen a job market quite like this before, which means that policies that worked in the past may not work in this day in age. Policymakers must make it their main goal to think outside the box in order to formulate policy options that go beyond tax breaks for the wealthy that “may” lead them to create jobs. These trickle down policies have proven ineffective in recent years, as the rich have gotten richer while the poor have gotten poorer, and the middle class is tragically sliding towards the poverty line.

Postscript

What makes America a great country: the people. We are a diverse population that are an amalgamation of races, nationalities, ethnicities, religions, cultures and belief systems, but we all share a common dream: The American Dream. The harsh reality is that the American dream is slowly drifting into a nightmare. Many working families cannot afford to buy their own home, and many more are wondering from where their next meal will come. This report is meant as both a warning and a call to action for lawmakers. If we do not act to formulate meaningful and lasting jobs, our country will continue to fall further behind economically and educationally. If decision makers choose to act now and enact policies that will help create middle class jobs, the future is bright. As outlined, there are options such as the Campus Experiment, clean energy, and creating new industries in science and technology. Other viable alternatives include investing in infrastructure, education and transportation. The centuries-long history of our strong middle class is what made America the country that it is today. It is important that we stop the disappearance

of this important part of our culture by ensuring the creation of new jobs across various industries.

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