

Defining Political Action for the New Economy

Why vote? Really. Think about it a minute. When we do think about it, many of us have to admit we've lost our passion, our reasons for voting. In the shuffle of living our daily lives, we've lost our motivation for participating in political action. The numbers bear this out. We've all but given up.

Nearly two-thirds of American households were interested in and watched the 1960 Kennedy-Nixon debate on TV. By 2000, only one-third watched the Bush-Gore debate. Similarly, voter turnout was 65% in 1960, 51% in 2000, 39% in the 2002 mid-terms, and a mere 18% in the recent congressional primaries. What are the reasons for this alarming voter apathy? What are its consequences? What can we do?

Reasons for Voter Apathy

David Solomitz, a retired teacher from Madison High School in Madison, Wisconsin, points to "too much entertainment" as a cause of the lack of awareness and engagement in political issues that impact our collective future. But is that a cause or is it a symptom?

In *The Vanishing Voter*, Harvard's Thomas Patterson analyzes data from 99 surveys and 98,000 respondents, concluding that voters are vanishing because modern campaign techniques turn people off; attack journalism has eroded trust and interest in partisan politics; political parties are weakening as sources of ideas and vision; election processes from registration to counting are full of mechanical and procedural problems that negatively impact voter participation; and Electoral College strategies and costs, especially in non-battleground states, depress voter engagement and turnout.

Researchers at Maryland's Towson University argue that there might be many reasons for voter apathy, but "uninspiring leaders" running for public office tops their list. What does inspiring leadership mean? The late Peter Drucker and other leadership gurus highlight leadership traits in various ways. Above all, inspiring leaders illuminate people's minds by clearly defining a new, exciting, and possible future that is better than the current reality. Where are our inspirational leaders today? Take a moment to yawn.

Leaders from the 1930s through the 1960s, if we take a moment to think back, engaged voters in powerful economic issues and propelled passage of Franklin Roosevelt's New Deal and Lyndon Johnson's Great Society. In our post-New Deal and Great Society era — and perhaps partially due to their success — economic issues have lost their luster as a central piece in political action, replaced by polarizing, single issues like abortion, non-traditional marriage, school prayer, and gun control. All these issues are important, but they intersect with one another in confounding ways and offer no clear indication that they will move our economic future quickly forward in the new knowledge-based global economy. Building on our nation's past strengths and placing economic issues at center stage of our political arena holds the promise of engaging voters and creating a future that is second to none.

TEF Can End Voter Apathy

With the emergence of the new knowledge-based global economy, our national economic future is at a crossroads. Younger generations are not benefiting from the hard-won successes that benefited earlier generations. For the first time, children of the current generation will be worse off than their parents. As voter apathy persists, we continue to elect leaders who focus on issues that have little to do with our national success in the new economy. We elect officials and support institutions that continue to have low approval ratings. Today, less than a third of Americans approve of the job our president is doing. Congress' ratings are even lower. In the meantime, many of us go home after a long day at work and watch American Idol and Dancing with the Stars to find relief from our uninspiring political reality. This year, American Idol got more voter participation than any governor or senator has ever dared to imagine.

It doesn't have to be like this. Entertainment does have its place in our lives, but our lack of participation in the political process puts our economic future as a nation in jeopardy. It's time for us to once again place economic issues at center stage of political action. It's time to engage voters and create great leaders.

It's time for TEF.

Defining Political Action for the New Economy (*cont.*)

What is TEF?

TEF is a bold new economic idea for the new knowledge-based global economy. Its central premise is that investment in public education pays — always, but now more than ever. TEF is grounded in the human capital theory of economics. TEF is based on painstaking analysis of empirical data garnered from all 50 states over the last 30 years. TEF proposes that if we want to ensure a prosperous future for ourselves and our children, we must have an integrated economic policy consisting of an equitable system of taxation (T), a level economic development playing field for business (E), and an adequate and equitable system of funding for public schools (F).

Political Action Out of the TEF Context

TEF policies are interconnected. But neither candidates nor elected officials nor the American public are aware of this interconnection. Policy makers deal with T, E, and F policies in isolation from one another. How often have you heard a candidate say, “I’ll cut taxes to grow the economy, and at the same time increase funding for education?” This is not only impractical, it’s also illogical. Plus, it’s representative of the type of accounting gimmickry — single-entry bookkeeping — that led to huge federal deficits and the implosion of several major U.S. corporations, like Enron. Due to their lack of understanding of the interconnection between T, E, and F, elected officials make these kinds of assertions all too frequently.

The result of such assertions and policies is a worsening of our national economic future. For example, just in the current economic cycle (since 2001) three million more Americans have fallen into poverty. Wages remain stagnant and the median income of American families has actually gone down while the cost of many vital things has gone up (*e.g.*, energy, college, and health care). Our economy is growing in terms of Gross Domestic Product, but not for everybody. Productivity has gone up and corporate profits have skyrocketed, but wages remain stagnant. Nationwide, the greed level at the top is so high that for every \$100 of corporate income \$70 goes into corporate profits and \$30 into wages. The average of the same figures for the last seven economic cycles was the reverse — \$30 into profits and \$70 into wages.

As a result, there is a massive income shift going on. The rich grow richer and the poor grow poorer. Current tax policies exacerbate the situation. While there’s nothing wrong with the rich getting richer in a free market economy, it creates a drag on our economy in terms of the additional costs of social disorganization and criminal activity. In fact, what is happening in our economy is not just a widening of income and wealth gaps, but an erosion of America’s cherished social mobility — of the American Dream. This is not healthy. An analysis by the United Nations of the rise and fall of seven empires shows that rising income disparities was one of the most important factors and a key indicator in the fall of each. Our lack of economic vision combined with voter apathy is a recipe for economic disaster.

Political Action In the TEF Context

We can do better by applying an integrated, interconnected TEF approach and by investing in public education. Remember the G.I. Bill of Rights and the National Defense Education Act? New empirical evidence using regional economic models (the same models business uses) clearly demonstrates that, dollar for dollar, investing in public education grows the economy — more jobs, higher incomes, and reduced disparities — more than tax cuts and corporate subsidies.

Imagine a future with the three essential, inseparable, interconnected characteristics of TEF. 1) People believe taxes are the collective investment we all make to create and maintain our prosperous, safe, and civilized society. Everyone agrees that a fair and equitable taxation system is the best way to maintain our society. 2) We all believe economic development policies should level the playing field for businesses, large and small, so everybody has a fair shot at success. It’s not government’s job to pick winners over losers using taxpayers’ dollars. 3) People believe the best way to grow local economies is by investing in public education — in our human capital — as opposed to giving away tax cuts and subsidies with no strings attached. They believe adequate and equitable funding for public schools is *the* necessary first step toward building schools’ capacity to provide quality education to all students regardless of their life circumstances. In short, we have a tax system that is fair, equitable, broad-based, stable, and in sync with our economy, economic development policies that level the playing field for business, and a school funding system that is adequate and equitable to ensure equal educational opportunities for all students.

Defining Political Action for the New Economy (*cont.*)

Compare this future with the current reality. State and local taxes are unfair and inequitable. On average, the richest among us pay about \$5 of every \$100 of their income while the poorest pay about \$11. And this gap has been moving in the wrong direction since 1989. In the meantime, the share of taxes paid by corporations as a percentage of profits has declined 50% over the last 20 years. Big business gets tax subsidies — without any accountability or regard for their impact on vital public services such as schools, police and fire, and transportation — while small businesses struggle to compete. State and local governments spend \$50 billion a year in the name of so-called “economic development.” No American state has adequate or equitable funding for schools to ensure equal educational opportunities. Adequacy studies in many states show that it would take about 25% additional investment to meet even the roughest standard of adequacy. Teaching and learning conditions are so bad and teacher salaries are so low that about 50% of all new hires leave the profession within their first five years.

Imagine a political candidate who articulates the TEF vision. “Taxes are our investment in our national future. They should not be too high and they should not be too low. They should be just right, and they should be fair and equitable. Government should not be too big and it should not be too small. It should work effectively to make people’s lives better and protect basic human rights. I’ll make taxes fair and equitable and I’ll make government effective once and for all. I’ll create a pro-business, pro-growth economic climate and level the economic development playing field so all businesses and entrepreneurs have a fair chance to succeed. I’ll invest the necessary resources in public education to build schools’ capacity to deliver quality education to all students regardless of their life circumstances. I’ll grow the economy by making a massive investment in public education and in research and development. Since economies grow through innovation, I’ll protect the intellectual property rights of innovators and create an economic development extension service (modeled after the highly successful agriculture extension service) that will place universities at the center of our national economic development and innovation agenda.”

Compare this with the typical political candidate of today who says, “taxes are a burden and government is too big. I’ve cut taxes 17 times and, if elected, I’ll give you further tax ‘relief.’ I’ll cut government to a size that can be drowned in a bathtub. After all, it’s your money. I’ll attract businesses to our community through incentives. I’ll hold schools accountable for test scores and, if they don’t measure up, I’ll shut them down and hand out school vouchers.” Notice how this candidate, intentionally or unintentionally, overlooks the consequences of such assertions. “I’ve cut our investment in our future 17 times and I’ll do it again. You’re on your own (even as images of Katrina are still fresh in your mind). There will be no regulations for business (even as you recall the Enron and WorldCom debacles and the California electricity crisis). I’ll give you your money back, but you’ll have to build your own roads and your own schools and you’ll have to hire your own police and fire protection. Tax equity is not an issue for me. Fast-increasing income disparities don’t matter to me either. In short, if our society and economy fall apart in the new knowledge-based global economy, it’s not on my agenda. If you worry about social disorganization and crime, use the tax cut I’m giving you to pay for a gated community or an electric fence around your house, like they do in today’s South Africa.”

Which future and which candidate would you rather have? If it’s the first one, we *have* to start engaging voters and training candidates and leaders using TEF. We believe TEF is the key to creating a national economic future for America that is second to none.

For more information contact TEF@nea.org.



*Great Public Schools
for Every Student*