

A Common Sense Plan to Reduce Poverty

Jon M. Huntsman Jr. and Joe Lieberman, No Labels, posted on April 26, 2016.

In spite of a recovering economy, economists estimate that close to 10 million working Americans continue to live in poverty; the Bureau of Labor Statistics put the number of “working poor” at 10.5 million in a [2013 report](#).

A combination of insufficient jobs and low wages are largely to blame. But these problems are not without solutions. In fact, many potential answers that could attract bipartisan support can be found in No Labels’ just-released [Policy Playbook for America’s Next President](#), featuring 60 policy ideas designed to make progress toward four key national goals.

One of those goals – to create 25 million jobs over the next 10 years – is perhaps the most singularly important national priority to alleviate poverty. Although many social safety net programs are critically important to American families, a good job with good pay offers a long-term path out of poverty and into the middle class.

America’s employment market is facing a number of difficult headwinds. Our economy [isn’t growing fast enough](#). Many previously good-paying [manufacturing jobs have been lost](#) and [replaced with lower paying service jobs](#). And small businesses – the engine of job creation in America – [are struggling to stay afloat](#).

The *Policy Playbook for America’s Next President* features a number of common sense and popular solutions to deal with these problems. The vast majority of ideas in the *Playbook* – covering areas including taxes, budget, entitlements, infrastructure, immigration, energy, regulation, and education – garnered above 60 percent support overall and above 50 percent among Republicans, Democrats, and independents, respectively.

To alleviate poverty not only for this generation, but the next, America needs to revamp and revitalize both K-12 schools and our systems of higher education. That’s why the *Playbook* features policy ideas focused on preparing our students for the job opportunities of tomorrow. To that end, the proposals include more targeted investment for technical education in K-12 to incorporate courses such as computer programming, engineering, and data analytics to better prepare graduates for the changing workforce. This is an idea that wins 84 percent public support – an undeniably winning concept. Coupled with the strategy of new technical training partnerships, where businesses, high schools, and community colleges create technical education programs and training so that students may earn high school and associate’s degrees in computer science, these policies aim to provide workforce participation opportunities for all of America’s youth.

Of course, there are plenty of educated students who are unemployed or underemployed today, so more attention must be paid to ensuring good jobs are available when they graduate. Significantly, increased infrastructure investment would be a great place to start. The Alliance for American Manufacturing (AAM), a nonpartisan, nonprofit partnership of American manufacturers, [reports that every \\$1 billion of investment in infrastructure creates more than 21,000 new jobs](#). Considering that [U.S. infrastructure received a failing grade](#) by the American Society for Civil Engineers – a wake-up call that our roads and bridges are in need of serious repairs – an investment in infrastructure to update and repair American roads and bridges would create thousands of job opportunities for American workers.

The *Playbook* proposes streamlining infrastructure approvals – at present, an environmental approval for new road projects can take as many as eight years. Additionally, the *Playbook* suggests the creation of an infrastructure bank – managed by a group of bipartisan experts – that would utilize a comparatively small amount of public funding and leverage it to attract significantly more private sector funding. The

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goal is to ensure infrastructure projects receive the financing required to provide steady job opportunities and safe infrastructure across the U.S.

America also needs to empower small businesses, which are responsible for all new net job growth in the U.S. over the past three decades. There are numerous factors behind the continuing lull in small business expansion, including a stagnant economy, the growing burden of regulations and access to credit. Comprehensive tax and regulatory reform would be a big boon for small businesses, and No Labels has ambitious tax and regulatory reform plans in our Playbook. But small businesses also require specialized attention. Consider, for example, that minority-owned businesses have more difficulty accessing credit and usually pay higher interest rates, with loan denial rates [about three times higher than those of nonminority-owned firms](#). This problem could be alleviated by strengthening the Community Reinvestment Act, which provides incentives for banks to meet the credit needs of low- and moderate-income neighborhoods. No Labels recommends that the Act should be broadened to enable more lending to minority small businesses. And this is another policy that makes sense to a majority of Americans, as it received 72 percent total support across Democrats, Republicans, and independents.

Finally, an educated person with a good job still often finds it tough to get ahead due to the exploding cost of child care, which in some states can eat up [about 30 percent or more of a family budget](#). No Labels suggests enhancing funding for early education programs such as Early Head Start and increasing funding to states to improve childcare quality. This idea polled at 79 percent across the partisan spectrum.

If our *Playbook* shows anything, it is that there are many common sense ideas to alleviate poverty and enhance opportunity that enjoy significant support from Democrats, Republicans and independents. This isn't a Democratic issue. Or a Republican issue. It's an American issues. And it's time for Washington to get to work on solving it.

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