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The Middle Class in Peril

By Alex Hoyt

A group of economists, congressmen, think tank strategists, university presidents and private-sector executives gathered on Thursday at the Newseum to discuss the fate of the American Middle Class and the 21st century workforce.

The Conversation:

As Rep. Peter Welch (D-VT) put it, the American middle class is trying to make sense of a world in which they are working harder, earning less, and find themselves increasingly burdened by credit card debt and their children's tuition. Moderated by Atlantic editor Scott Stossel, the group discussed the severity of the crisis facing the middle class, the roots of the problem, and the ways in which policy-makers and others can salvage America's dwindling middle class. Participants agreed that one of the largest problems besetting the middle class is a disparity between available jobs and the skill-sets being taught by institutes of higher education and worker retraining programs.

Sen. Sherrod Brown (D-OH) said policy makers crippled the workforce by favoring finance over manufacturing. If America is to rebuild its workforce, the manufacturing industry needs to be portrayed as an attractive profession for recent college graduates, said United Technologies Vice President Thomas Bowler.

"We need to replicate World War II GI bill. We need something like Eisenhower did with the highway program. We have a middle class that is justifiably afraid of losing their job."--
Roderick Hills, former chairman of the U.S. Securities and Exchange Commission

Educators on the panel were equally vocal about reform. University of Georgia President Michael Adams stressed that public universities need more funding to compete with private institutions. For those who can't afford a college education, there needs to be a free, viable alternative, said Shai Reshef, founder and president of University of the People, an online institution that he envisions will one day

educate 100,000 people.

If we don't provide more affordable higher education, the gap between technological innovation and the education of our work-force will continue to grow. As to whether the middle class will ever fully recover, participants were cautious. Arnold Kling, an economics blogger and adjunct scholar at the Cato Institute, asserted that the 21st century was shedding the 20th century workforce in a painful and drawn-out process. Rebecca Blank, Under Secretary for Economic Affairs, suggested that the robust, manufacturing-driven American middle class which emerged from World War II was an anomaly rather than the norm, and that our workforce will have to grow accustomed to a climate in which change--in technology, in education, and perhaps in American economic dominance--is the norm. That shift is why she said education remains so important: because it makes Americans more flexible, both in terms of the careers they can pursue and the class, middle or otherwise, they can attain.

Three Big Ideas from our Roundtable Experts:

1. Manufacturing needs to become a legitimate career option for college graduates. The middle class has a misperception about manufacturing jobs, often confusing them with physical labor. But manufacturing jobs in the engineering and technology sectors are critical for America's future job growth.
2. Affordable education is critical to strengthening the middle class. Public universities need more funding to keep pace with private institutions, which dominate the rankings. The management of government-funded worker retraining programs needs to be revamped.
3. American workers must be "T"-shaped, not "I"-shaped. "T"-shaped workers are trained in educated in ways that allow them to adapt to changing job responsibilities. "I"-shaped workers are only trained for one specific job.

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