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NEWS OPINION

Despite the news, it's still the economy

Mike Watson



Judging by the headlines, the state of the economy has taken a back seat to topics like Medicaid, social justice, and immigration. I don't seek to diminish the gravity of these concerns, yet it's important to note that the challenges we face with these and many other issues are symptomatic of the greatest threat to American culture, the growing number of unemployed Americans.

Commonwealth Secretary of Commerce and Trade Maurice Jones spoke recently at a State of the Workforce presentation in Newport News. Citing a just-released report, he touted Washington's success in lowering the nation's unemployment rate to 6.3 percent, proclaiming that job creation is now at pre-recession levels. From his comments, one might construe that our most pressing economic challenges are behind us. As an employer who works with manufacturers and other industries every day, my gut and experience told me otherwise.

This notion was confirmed the following morning at the 2014 Economic Forecast presented by Old Dominion University. Professors Gary Wagner and Vinod Agarwal shed light on these numbers, explaining the two ways to bring the unemployment rate down; increase jobs or decrease the labor pool.

Each month the Bureau of Labor Statistics surveys thousands of households, asking two questions: "Are you currently employed" and if not, "have you actively sought employment within the last 28 days." A simple calculation then provides the unemployment rate. But this formula disregards the millions of chronically unemployed, those who have been jobless for more than 27 weeks; a record 11 million who claim disability; even those who were actively seeking work just one week prior to the 28 day survey period. By this standard, the labor force is at 1978 levels and falling. In theory, this trend could lower the unemployment rate without creating a single new job.

According to the U.S. Bureau of Economic Analysis, the number of working age Americans, those 16 to 65, has increased by more than 8 million since 2007 while the number actually employed has decreased by half a million. Simply put, while our nation's bills rise, fewer people are working to pay them, and it's getting worse. There is no wonder that some politicians want the public's attention elsewhere.

Students are graduating with increased debt and decreased opportunity while many parents hold two or three part-time positions. According to a recent CNN report, the true unemployment rate for 18 – 29 year olds is 15.5 percent, for Hispanics in that age group it's 16.1 percent, and for African Americans, 23.3 percent. As a result, America's income gap is widening at an accelerated and dangerous pace.

Many will understandably blame the recession, but I suggest the unprecedented slow recovery aggravated by misguided policy is the real culprit. Gov. Terry McAuliffe campaigned on the premise of being a businessman who would make jobs a top priority. Since inauguration, his priorities appear to be anything but. President Obama made similar promises in 2008 but rather than encouraging job growth his administration has burdened businesses with unreasonable regulation, increased taxes, and Obamacare, costing the private sector billions while introducing a paralyzing uncertainty for employers. The potential of increasing Virginia's Medicaid roles by 425,000 without reform or a longterm strategy to pay for it has the same effect.

Virginia has a reputation for leadership and we need a leader now. I'm eager to give our governor the benefit of the doubt on his business acumen but he needs to place his focus on the economy today. He can start by agreeing to a clean budget, then begin immediate work with the legislature to develop a series of pro-growth and workforce development initiatives for the next General Assembly session. A strong jobs environment will resolve many of the secondary issues he's focused on to date. I, along with my bipartisan colleagues in the Business Development Caucus will be honored to participate. You can help, too.

Call the governor's office at 804-786-2211. If unemployed, let him know you're ready to get back to work. If you have a job, say you want help paying the government's bills. Most importantly, tell him it's time we start acting like Virginians again.

Watson, a former member of Virginia's House of Delegates, represented the 93rd District.