

# The Need for Austerity and Audacity

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When Barack Obama was sworn in as president on Jan. 20, 2009, hope was in the air and audacity was abounding. Today, 32 months later (and two-thirds of the way through the Obama presidency), Hope is just a city in Arkansas, and austerity pervades.

We are in the midst of a jobless economic recovery that is so exceedingly fragile that to even label it as such seems a misnomer. The sad and sorry spectacle that was the debt ceiling debate in Washington, D.C. sent chills through the public and the markets. It drove whatever confidence there was left in the economy and our political leaders into the ditch.

The approval ratings of the President and Congress have fallen to [39 percent](#) and [13 percent](#), respectively. Gallup's Economic Confidence Index for the first six months of 2011 [averaged -28](#) compared to [-26 for the first six months of 2010](#). And, in a release on Aug. 15, Gallup [noted](#) that "[e]conomic confidence has [worsened considerably during recent weeks](#) and, as such, views in the second half of the year may be quite different from those in the first half."

Immediately after the debt ceiling bill was passed, most of the elected officials in our nation's Capitol said that it was time to "pivot" to jobs. The fact is that it was well past time.

The deficit and debt have dominated the discourse and dialogue in and around our nation's Capitol for almost two years. The obsessive focus on these issues for the first eight months of 2011 did the nation and its citizens a tremendous disservice.

Admittedly, it drew attention to a very real problem, runaway government spending. However, it constrained us from focusing in depth on an even more serious problem, our ongoing human tragedy: the disappearance of the middle class, rising economic inequality, and the debilitating conditions of the jobless, underemployed and those with diminished and wasting assets.

Just as Congress needs to implement an austerity agenda targeted on budget cutting and expense reduction, it needs to implement an audacity agenda targeted on growth, revenue generation and individual economic well-being. The first item on the audacity agenda must be development and passage of a concentrated and comprehensive jobs bill.

We first called for such a bill in our book, "[Renewing the American Dream: A Citizen's Guide for Restoring Our Competitive Advantage](#)," released in July 2010. We call for a major jobs bill again now because the need is even greater than when the book was published more than a year ago.

To have maximum impact, the bill must be designed correctly. Much like a strong strategic plan, it must be targeted for speed of implementation and impact. The bill should be structured to:

- Generate the largest number of high-quality jobs in the shortest period of time
- Focus on jobs that will have the greatest multiplier effects on local economies as well as consumer and business spending and confidence
- Ensure that the federal government and state and local governments disburse funds according to an established and accelerated timeline

At a minimum, the bill should include the following near-term employment generating components:

- Small business component featuring targeted jobs tax credits for the creation of new jobs
- Public service component featuring a WPA-CCC type employment program addressing the needs of America's crumbling infrastructure
- Community service component focused on employment to restore and increase social safety net services
- Manufacturing for export component focused on increasing the number of small- and mid-sized businesses engaged in the export market

It should also provide for:

- Establishment of a "jobs bond" program in which both individuals and institutions can invest
- Leveraging unemployment benefits to create new jobs by allowing employers to match or supplement the unemployment payment

made to a worker to be hired

- Reduction in an employer's share of payroll taxes for new jobs created

A [recent \*New York Times\* editorial](#) stated that Congresswoman Jan Schakowsky will be introducing broad-scope jobs-related legislation in the House in the fall. It is also rumored that President Obama will be advancing much more ambitious and robust job-creation plans that go far beyond the originally reported, modest job initiatives related to extending unemployment benefits and payroll tax cuts, patent reform, trade agreements and establishment of an infrastructure bank.

This is good news. What is needed, given our economic circumstances, are substantial, even radical, job proposals.

We are not delusional enough to believe that there will be bipartisan support for a "grand-scale" jobs bill. In fact, given the toxic environment within the Beltway and the upcoming presidential election cycle, we are certain that there won't be.

Nonetheless, it's imperative to switch from the austerity debate to the audacity debate. Our leaders must become bifocal, if not bipartisan. They need to work on constructing an audacity agenda that will put Americans back to work sooner rather than later. By doing so, they will acknowledge the gravity of our situation and begin to restore confidence in our flailing economy and governance process.