

INVESTING IN OUR FUTURE

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Americans have always expected life to be better for the next generation. But now, according to recent polls, they no longer do. Let's take pause: For the majority of Americans, the past is brighter than the future. The American dream is becoming an American memory.

This pessimism reflects an alarming trend: as a country, we have stopped investing our resources in a shared future. In previous eras, a vision of a shared future united the country around great national initiatives. In the mid-1800s, federal legislation spurred the railroad boom, opening the country to a growing population. In the 1930s the Tennessee Valley Authority permanently transformed an entire region, creating a completely new set of industries and opening a new way of life for millions. In the decades following the Great Depression and World War II, encouraged by our victories over great forces, we made even greater investments. Through legislation like the GI Bill and the early Highway Acts, we manifested a sense of collective power and interdependence not matched before or after. In the 1950s and 1960s, federal infrastructure investment peaked at almost two percent of GDP; at the same time, we spent seven percent of our economic output on education and two percent on research and development. The results proved the power of public investment—in the decades that followed, the U.S. enjoyed one of the most remarkable periods of economic growth in world history.

But then a strange myth took hold, propagated by conservative thinkers and politicians, that all private spending was wise and productive, all public spending foolish and wasteful. Beginning in the 1970s the federal government began deregulating industries, lowering taxes and abandoning public investments in favor of the inviolable invisible hand. For the last thirty years, as conservatives are quick to point out, the economy has continued to grow. The market has provided private goods in abundance—as many cars and televisions as we could ask for. But without the hand of government and provision for public goods, we have fallen behind on the

things the market cannot provide, things that secure our shared economic future: our children's education and our physical infrastructure. Today, infrastructure spending as a percentage of GDP has decreased nearly fifty percent since its peak. Education spending as a percentage of GDP has remained stagnant since 1969, while research and development funding has declined by half in the same time period.

Through a self-reinforcing set of public attitudes and government actions, we've largely abandoned our intergenerational responsibilities. The most important distinction isn't between public and private spending. It's between short-term and long-term thinking. We don't need to cut our spending; we need to invest more and more wisely.

The decline in national investments come at a precarious moment as the United States engages an increasingly competitive global economy. The country lost 3.3 million manufacturing jobs in the last ten years and trade imbalances are equally disheartening. Even in areas of strength, the United States lags behind; we have become a net importer of high-technology products. Our national debt—the world's largest—is set to grow to almost \$15 trillion in the next decade. Meanwhile, the economic growth rates of developing countries like China and India are nearly three times that of the U.S.

The engines of the 21st century economy will be made of the most refined materials, built by the strongest tools. America once had both: a fiercely competitive school system and the strongest industrial infrastructure in the world. Today, the situation is different. Many of our high school students never graduate, and too few of those who do are adequately prepared for college level courses. Meanwhile, socioeconomic and racial inequalities remain staggering. When it comes to infrastructure, the situation is equally grim; the American Society of Civil Engineers gives our current infrastructure a failing grade and estimates that it would cost \$1.6 trillion to bring our system back into good condition.

Global competition. Investment gaps. Debt. There are reasons for serious concern. But as Franklin Roosevelt recognized at a time of far greater uncertainty, fear remains our greatest threat. Throughout the 20th century,

America stepped forward to confront the world's greatest challenges and succeeded. The current historical moment is one of great opportunity. If we meet it with a positive vision of the future, a plan for how to get there and the faith and will to invest in ourselves, we will succeed.

Next is a set of proposals that will push our economy forward. Conservatives will argue that our country cannot afford public investments, but our short-term thinking is far more costly. Substantial investments in fundamental public goods—education and infrastructure—sustain a healthy free-market system. A 21st century economy requires a world-class education system, an infrastructure that encourages sustainable development and innovation, and a country committed to its own future.



TEAMING TOGETHER TO IMPROVE K-12 SCHOOLS

Creating a 21st century education system constitutes an enormous undertaking. It means investing capital in our schools and the materials necessary to equip them, increasing access to technology and broadband, developing more intelligent funding and taxation structures, and substantially revising our curricula. Furthermore, to significantly improve educational outcomes for low-income students, we must face up to systemic poverty and the impact it has on the lives of students inside and outside of class.

But our investments will go only as far as the quality of teaching can take them. Teachers have proven time and again to be the most important in-school factor controlling educational outcomes. Our country needs a 21st century teaching corps supported by the best ideas and resources we have to offer, one able to recruit our brightest to serve.

Young people are ready. Programs like Teach for America have proven that many high-performing college graduates are eager to teach. This new generation of educators can redefine education if we can keep them teaching. More than twenty percent of teachers leave within three years of entering, just as they become significantly more effective, while retirees account for less than one in six teacher departures. Each lost teacher costs schools approximately \$50,000 in administration and training; the total annual cost of teacher departure nationwide is estimated at \$4.9 billion. This does not include the cost of decreased educational outcomes, which may be up to three times as high.

AUTHORS

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INVESTMENT IDEAS

The first step toward building the teaching corps of the future is to better train and retain young teachers. Mentorship programs are one important approach with good models already in place. For example, through the University of California at Santa Cruz's New Teacher Program (NTP) experienced educators from around the country train with professionals and then serve as mentors for new teachers over the course of two years. The program costs only \$6,500 per mentored teacher. Research has shown that the program has boosted morale, increased retention rates to ninety-five percent, and significantly improved educational outcomes.

This kind of mentorship program should be expanded. **We propose a national Teacher Education and Mentorship (TEAM) initiative.** The Teacher Education and Mentorship initiative would provide funding to grow and replicate programs like NTP, which would encourage collaboration between regional

universities and K-12 schools, in 150 school districts. The success of the NTP program depends on careful planning and thoughtful training, and legislators must make provisions for careful implementation of TEAM, the total cost of which would be \$150 to \$200 million. However, by allowing for some flexibility in the 150 pilot programs, we could encourage the replication of best practices at a national scale (if and when TEAM results match or exceed those of existing programs).

As young people, we have seen first-hand the role that support networks play in our peers' career choices. Passionate as they may be to enter the teaching profession, recent graduates are anxious and inexperienced. Mentorship programs provide much needed guidance and support. They are the most effective short-term way to increase young teacher retention and thus serve as the crucial first step towards increasing educational outcomes while decreasing unnecessary costs.

ONGOING PUBLIC EDUCATION

Less than a third of today's American workforce holds a college degree. Yet, according to the Bureau of Labor Statistics, forty-two percent of new jobs this decade will require one; less than three in ten did in 2000. We believe that all Americans deserve an education that will prepare them for a successful career, and more and more of those careers will require more than a high school education. It is our responsibility to provide ongoing education.

To significantly increase educational attainment, we must re-orient our education system. Private colleges and state universities serve slightly more than half of those pursuing bachelor degrees and do so at an extremely high per-student cost. While we can and must reduce these costs, expanding this system on a large scale is not economically feasible. We must instead create a system for universal ongoing public education that builds off of and expands our community college structure.

We envision a system in which entrance into community college is the standard course for high school graduates. Today, our system automatically enrolls eighth graders in public high schools, while leaving open private or charter alterna-

tives. We propose expanding that system to automatically enroll graduating seniors in community college, leaving open the choice to enter the workforce, a private institution or a four-year public program instead.

Such a system seems unobtainable by today's standards. But our standards today are outdated—we must redefine our conception of education for the new century. Ongoing public education will not require the costly construction

OPEN

of thousands of new community colleges. Many classes will be held early in the mornings and later in the evenings; we can take advantage of existing institutions like libraries, community centers, and public schools themselves. Instruction does not require intensive one-on-one classroom time. New studies have found that well-designed online learning modules can yield powerful results; the best courses were found to improve test scores in half the standard course time when combined with limited class-



room instruction. Combined with other innovations, like open-source textbooks and improved communication systems, these new tools can change the way we conceive of, and pay for, ongoing education.

We propose an **Ongoing Public Education Network (OPEN) program**. The Ongoing Public Education Network would strengthen ties between community colleges and high schools while simultaneously encouraging innovation and experimentation in online learning by:

1. Creating \$250 million in funding incentives for community colleges to expand continuity-of-learning programs between high school and college;
2. Creating trial programs in 50 school districts to enroll all graduating seniors directly in fully funded continuing public education programs, at an estimated average cost per district of \$325,800.
3. Providing a \$200 million grant to top experts in education and computer science to develop a high-quality, online curriculum of 50 basic courses, which could then be distributed free-of-cost directly to students and throughout the public community college system.

RETHINKING INFRASTRUCTURE

Public investments in infrastructure drive patterns of development, transportation and private spending. In the last century, we invested in highways and roads, encouraging the market to create car-dependent systems. The result: less than 5 percent of our workforce uses mass transit to commute to work and, taking into account the cost of road maintenance per driver, bus riders actually pay more for each mile traveled than do car users. It is becoming increasingly clear that our current transportation patterns are economically and environmentally unsustainable. We need to reform our policies to impose the true cost of driving on drivers while simultaneously creating attractive, viable public transportation options.

Drivers today pay less than half as much for each mile traveled as they did in 1959; more than 15 years have passed since the tax's last nominal increase and federal highway funding is expected to run dry by 2009. The gas tax is not only too low but also indirect. We need to tax drivers for the true social and economic costs of the pollution they cause and the wear and tear they impose on our public road system. We recommend replacing the indirect gas tax with a direct vehi-

cle-miles-traveled fee to be paid by private vehicle users. A tax of 1.2 cents/mile would raise as much as the current gas tax revenue—the federal government must set this as a minimum and allow states to make further increases.

It will take more than higher taxes to get people out of their cars, though. Because of historical underinvestment in public transportation, many buses and metros lack the benefits that attract American consumers; the result is widespread psychological distaste of systems that are perceived as crowded, slow, unreliable and dirty. We need to invest in creating comfortable, appealing transit systems and marketing them as 21st century transportation solutions.

It begins with our buses. Buses currently account for more than 80% of all transit rides. They provide the flexibility of non-fixed routes and can serve existing patterns of development. We need to

improve the speed and reliability of buses, and also highlight and strengthen their natural advantages over cars: they allow users to relax, engage in other activities, and socialize.

We propose the establishment of a national \$1.5 billion Get on the Bus program through the Department of Transportation's Congestion-Reduction Program. This program would fund trials in ten cities to (a) create bus-only lanes and priority at traffic signals, (b) invest in buses with larger, more comfortable seats, (c) provide free wireless Internet for riders, and (d) fund broad advertising programs promoting fresh positive visions of bus systems. Cities around the world have already been successful in similar efforts: London has increased bus ridership by 40 percent through a bus-priority program and Chicago is in the first stages of instituting a similar system.

