



WASHINGTON IDEAS FORUM

OCTOBER 4-6, 2011 | WASHINGTON, D.C.

THE FUTURE OF ECONOMY AND JOBS WORKING SUMMIT OVERVIEW

Prepared By: Andrew Joseph, *The Atlantic*

THE CONVERSATION

The session opened with several experts outlining the problems facing the U.S. and global economies. Most argued that the problems were solvable and that there was enough money in the world to restart economic growth.

What is preventing that restart is partisanship, as demonstrated by the inability to solve the European debt crisis and the debt ceiling debate here in Washington this summer. In addition to the partisanship, government officials are often too busy dealing with emergencies to address the fundamental infrastructural problems.

“Political leaders and policy makers are constrained,” Douglas Rediker, United States Alternate Executive Director, International Monetary Fund, said. “They can only focus on what they have to focus on that day and are in crisis mode. So getting us out of stagnation and into growth is effectively taking a backseat to crisis management, in Europe in particular. That does not bode well in the short term.”

Others at the discussion, including Mary Kay Henry, International President Service Employees International Union, brought up the individual impact caused by macroeconomic problems. This launched a discussion of all the social issues plaguing the American people, including a lack of social services, problems with community colleges, and a decline of the middle class. Some warned that the problems may be even worse than people think.

“Everyone’s talking about a declining middle class,” Carl Fillichio Senior Advisor for Communications and Public Affairs, Office of Public Affairs United States Department of Labor, said. “I’m not even sure we have a middle class.”

The experts also addressed underlying problems in the United States that discourage both domestic and foreign investment. One underreported trend is that there are jobs available, but they require skills that American workers simply don’t have. This is especially true in clean technology manufacturing, panelists said. For the first time, technology is destroying more jobs than it is creating.

However, all of these challenges create the opportunity for innovative and trained individuals, and that is something states and the government need to recognize and address.



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"If you have the right set of skills, this is a fantastic world for you to live in," Andrew McAfee, Ph.D., Principal Research Scientist, Center for Digital Business, Sloan Institute of Management Massachusetts Institute of Technology, said.

Many participants said that one thing that government can do is work to restore confidence. The recent recession challenged people's fundamental understanding of economic cycles and violated what people assumed were economic truths. For the first time, the values of peoples' homes dropped. And jobs that people assumed would always be there disappeared.

5 BIG IDEAS

1. America's economic problems are solvable. The challenges lie in politics, fear of taking big risks and unwillingness to embrace new ideas.
2. Social issues are often forgotten in talk about the economy. Income inequality is growing, and the recession is having a dramatically different impact on people with different education levels. Also, people's confidence has been shaken, making them less likely to spend, from working class individuals to CEOs of the largest corporations.
3. Germany can be looked to as a model. German companies didn't lay off workers; they instead reduced hours and supplemented that with social services and retraining programs.
4. The United States has fallen behind in innovation and new technologies. Our infrastructure isn't up to par, and our education system isn't creating enough workers with the high-tech skills necessary for new jobs.
5. The government can play a role in helping the economy, but only when it works with private-sector efficiency and gets over partisanship to keep its eye on the ball.



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ATTENDEE LIST

Moderator: Steve Clemons *Editor-in-Chief AtlanticLIVE and Washington Editor-At-Large* **The Atlantic**

Host: Jamie Miller *Vice President and Director of Public Programs and Editor, The Aspen Idea* **The Aspen Institute**

Stephen Adler *Editor-in-Chief, Reuters News* **Thomson Reuters**

Kathryn Clay, Ph. D. *Executive Director* **American Gas Foundation**

David L. Cohen *Executive Vice President* **Comcast**

Karen Elzey *Director, Skills for America's Future* **The Aspen Institute**

Matt Erskine *United States Deputy Assistant Secretary for Economic Development* **United States**

Department of Commerce

Carl Fillichio *Senior Advisor for Communications and Public Affairs, Office of Public Affairs* **United States**

Department of Labor

Mireille Grangenois *Publisher* **The Chronicle of Higher Education**

Mary Kay Henry *International President* **Service Employees International Union**

Fred P. Hochberg *Chairman and President* **Export-Import Bank of the United States**

Gene Huang *Vice President and Chief Economist* **FedEx Corporation**

Abby Joseph Cohen *Managing Director, Senior Investment Strategist and President, Global Markets Institute* **Goldman, Sachs & Co.**

Jim Mahoney *Corporate Communications and Public Policy Executive* **Bank of America Corporation**

Andrew McAfee, Ph.D. *Principal Research Scientist, Center for Digital Business, Sloan Institute of Management* **Massachusetts Institute of Technology**

Clyde Prestowitz *Founder and President* **Economic Strategy Institute**

Douglas Rediker *United States Alternate Executive Director* **International Monetary Fund**

Faryar Shirzad *Managing Director* **Goldman, Sachs & Co.**

Eric Spiegel *President and Chief Executive Officer* **Siemens Corporation**

John Spratt, Jr. **United States House of Representatives (D-South Carolina, 1983 - 2011)**

Bill Vianisi *Senior Vice President and Deputy General Counsel* **Allstate**

Patrick Von Bargen *Director* **Quinn Gillespie & Associates**

Tracey Wilen-Daugenti, Ph. D. *Vice President and Managing Director* **University of Phoenix Research Institute**