Millionaire tax could pay for training to fill waiting job slots

State Senator Chris Larson (D-Milwaukee) and Assembly Representative Cory Mason (D-Racine) have introduced the Wisconsin Jobs Initiative -- a bill to provide technical training for 35,000 Wisconsin workers. The bill allots $34 million for Wisconsin technical school resources and $36 million in grants for dislocated workers and others requiring technical training to secure a job. This investment would be paid for by creating a new top income tax rate for those with an income over $1 million. The cost to millionaires is relatively small and the payoff for the state economy is massive. Rep. Mason and Sen. Larson are looking for other legislators to sign on to the Jobs Initiative.

With unemployment crippling the economy and polls showing that two/thirds of voters support higher taxes on the wealthy, the bill seems like a win-win for Wisconsin leaders.


The Badger State may be dangerous for K-12 students...

Wisconsin may lead the U.S. this year in cuts to state aid for schools. A new report from the Center for Budget and Policy Priorities looked at 24 states and found widespread cuts to the nation's schools, with the Badger State at or near the front of the pack.

This year, Wisconsin cut school aid by $635 per pupil, more than other states including New York, California and Ohio. Over the past four years, the state's annual aid to schools is down $776 per pupil (adjusted for inflation) putting Wisconsin at fourth highest in the country in education cuts.

State schools Superintendent Tony Evers said in a statement that the "historic" cuts could prove costly in the long run.

"High school dropouts are four times more likely to be unemployed than college graduates," Evers said. "To prosper as a state and nation, we need a strong middle class, and public education will help get us there."


...and other living things

The Walker Jobs bill is imaginative. It imagines that jobs drop from the sky when campaign donors are happy. So the new jobs bill is crafted to help his friends, no matter what the cost.

A Few Examples:

1) Cut electrical energy costs for large industrial customers for up to five years and “the electric utility recovers the difference from all of the electric public utility’s customers.” Families and small businesses pay more for electricity so Mercury Marine can pay less.
   Jobs created - ???

2) People who win a lawsuit for injuries earn a 4.25% interest rate on their judgments. Banks and credit card companies who sue customers and succeed in court would earn 12% on settlements. People involved in consumer protection cases would also receive the lower interest rate.
   Jobs created - ???

3) People suffering from damaging drugs or medical devices could not sue if the product was approved by the FDA -- although the FDA recalled 30 drugs from 1980 to 2007.
   Jobs created - ???

4) Weaken environmental rules on wetlands and lake shores so boat owners don’t have to upgrade docks and mining companies can dig anywhere they want.
   Jobs created - ???

5) Relax rules on truck size, weight and product dimensions regardless of the impact on highways.
   Jobs created - ???


Facts Matter: UWM research used to protect bus services

The University of Wisconsin-Milwaukee Center for Economic Development (CED) has been tracking the impact of cuts to the Milwaukee County Transit System for a decade. According to CED at least 40,000 jobs became inaccessible by transit from 2001-2007 due to service cuts by Milwaukee transit system and other local transit providers in the 4-county region. This summer, Governor Walker and the state legislature passed a budget that cut $14 million from the Milwaukee transit system for 2012-13.
Based on this, the Milwaukee transit system proposed cutting $9.8 million from the bus budget. At a minimum, 13,553 jobs in locations currently served by MCTS would become inaccessible by transit. http://www4.uwm.edu/ced/publications/transitjobs_2011update.pdf

Based on this information, Milwaukee County Executive Chris Abele moved to avoid most of the proposed 2012 bus route eliminations by landing up to $15 million in new federal grants to pay for service. Abele said, “What’s more of a priority in a tough economy and low employment than to get people access to jobs and job training?” http://www.bizjournals.com/milwaukee/news/2011/09/28/abele-budget-to-avoid-transit-cuts.html

It's still the economy, stupid! Dean Baker visits Wisconsin

Dean Baker from the Center for Economic and Policy Research in Washington DC predicted that the housing bubble would burst when most people were riding the wave and using their home value as an ATM. In 2005, Bankrate.com wrote, “Dean Baker is so confident that a housing bubble exists that he is performing an experiment on himself. Baker and his wife sold their condominium and rented a similar unit nearby. They had owned their condo for seven years and almost tripled their money but Baker was sure prices would plummet. Baker said, “I've done everything I can to publicize it and warn people.”(Bankrate.com 2005)

Sponsored by IWF, Dean Baker visited Milwaukee, La Crosse and Eau Claire in September talking about the economic slump. He outlined how the housing bubble exploded the economy and why substantial federal aid to states will heal the financial wounds. Money is the oil in the fiscal engine, crucial to the demand for goods and services. Without demand, businesses do not hire people or expand. The federal government is the only player who can break the cycle by sending money into the system through job programs and infrastructure investments which jumpstart the economic machine. He also stressed the need for public oversight of the Federal Reserve which makes the monetary policies critical to national recovery. http://www.cepr.net/index.php/biographies/dean-baker/

Quote of the Month

"Income inequality is destabilizing and undermines the ability of the United States economy to grow sustainably and efficiently. Income inequality is anathema to the social progress that is part and parcel of such growth."

Sarah Bloom Raskin (Federal Reserve Board of Governors)