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<td>16:21:13</td>
<td>TS: Putting together air compressors or something. And the deal was they used to make 22 bucks an hour and now they are making 13. And they’re happy to be there and they have jobs. That’s a declining standard of living. That means the living standards are going down. The benefits aren’t the same as they used to be and so fourth. And that’s a bit scary.</td>
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<td>16:21:36</td>
<td>BF: And they’re grateful?</td>
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<td>16:21:36</td>
<td>TS: They’re grateful for that given where they’ve been. And at the very top it’s out of control. I just can’t believe they allowed the Bush tax cuts to go through.</td>
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<td>16:21:49</td>
<td>BF: Well wait a minute because we are going to talk about that. Are we ready?</td>
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<td>16:22:04</td>
<td>TS: I use this one. Who died from this one? This is from whole Paychecks so be careful. (Referring to water bottle)</td>
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<td>16:22:18</td>
<td>BF: Let’s just start off with an easy question, if you could just tell me who you are.</td>
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<td>16:22:24</td>
<td>TS: I’m Tim Smeeding, I am a professor of public affairs and economics and I am the director of the institute for Research on Poverty at the University of Wisconsin – Madison.</td>
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<td>16:22:30</td>
<td>BF: How long have you been teaching?</td>
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<td>16:22:34</td>
<td>TS: Since 1974, I taught a lot of future rich kids at Bowdoin College. I came to this exact office in 1971, I was looking for a thesis topic. I was a research assistant and I met (inaudible) who was a wonderful guy, who said you oughta do something on poverty. What would you like to do? And I said you know there’s food stamps and public housing and things that are pretty new, but it’s not giving people cash, but its close. And so it’s good to do that because last November the Census Bureau finally published a report with a supplemental poverty measure that actually has it in there so that’s where I started doing it. And then I became aware of inequality. I did a cross-national project called the Luxembourg Income Study, which everyone refers to, which you can actually look across countries and see where poverty and inequality are. And then I came back here in 2008 to be the director of IRP. And I am very happy I did. Wisconsin</td>
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is a great place to be, even if the governor has got his uh hands around the throat of the unions and lots of other people. People are straightforward, they are honest. The sort of things I teach my students, they take objective looks at things and say what’s right with it and what's wrong with it? And so they are very receptive about my ideas that if we want to know who’s poor and who’s rich we gotta look at refundable tax credits, we have to look at food stamps, we have to look at the stuff that we are actually using to fight poverty and not just say ‘oh it’s not in the official measures so it’s not important.’ So.....

16:24:21 BF: Explain to me what the Wisconsin Poverty Measure is...

16:25:12 TS: The Wisconsin Poverty Measure is an adaptation of the National Academy of Sciences poverty measure. In 1995 the National Academy of Sciences said, ‘wait a minute, you know, having a poverty line that was set in 1950 is foolish. In fact, when that began, the poverty line was almost half of the middle person's income. Now in the recession it's down to 28%, so it sank a lot. So why do we have something that reflects what low-income people spend? Okay, then let’s look at the other things that are important in poor peoples’ lives, and Wisconsin has for instance, we are very proud of our Badger Care program. Badger Care is the, essentially it’s what the new Affordable Care Act is, and what the rest of the nation looks like for lower income people. We have the second smallest number of uninsured children, the program works well, we have good childcare facilities and that is in part because in 1995 we decided we didn’t want anybody relying on welfare anymore. So this is the state that is famous for pushing those rules down, but then, somebody came and said ‘If we want single parents to work we have to provide them with some childcare and the jobs they get won’t have health insurance so we have to give them and their kids health insurance,’ so how does that help? And then there are all these new programs, the refundable tax program, and also now, the food stamp program, which we pushed really hard in this state and it made a huge amount of difference. These are benefits that people get. The Earned Income Tax you get if you work. You don’t get it if you are laying around at home. SNAP helps people eat and it doesn’t meet all of their food needs. And all that money gets spent at your local grocery store. It’s just like Florida thinks about elderly people bringing their social security check, come on down with your SNAP, and we give it double at farmers market. So an awful lot of… it promotes healthy food as well. And we did a heck of a job with it in this state, so well that we’ve pretty much insulated this state against
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poverty impacts of the recession, particularly families and children. Now, be careful, child poverty is still higher than overall poverty. There’s still a lot of kids who are poor or near poor who aren’t gonna do very well because of that. Okay? And we’re not talking about the people once or twice above the poverty line, like between $25-50,000, most people got clobbered and they still got clobbered. And that’s what I am working on now, these are people who were where… you know you had two people who were working for $40,000 a year and one of them lost a job. But you know you go $80 to $40,000, you know, that’s a huge cut. Where you can’t pay the mortgage because of it. Or you have to eat up your pension plan you were saving to hold up your house and you were saving some of it to pay the kids’ way through school. And the health insurance isn’t so good because the person who got laid off got the good health insurance and now you are worried about medical illness and so on and so forth. Those are the people getting hurt and those are the people who have the least education and the people who are least able to respond to the labor market. And those are the people by age 30 only got a high school degree. They thought the road to the middle class is easy. I’ll go into manufacturing, I’ll go into construction. Whoops. Those avenues are closed now. We produce manufactured things with machines, with robots and later on you can ask me who owns the robots. The people who… stock holders, people at the top of distribution. And construction, we are way over built, everyone in this country. So those two elements are pretty much closed. So now they have to go back and do some technical training and hope they can find a job. And in Wisconsin this is really hard, because our State has the highest income produced from manufacturing. This was a manufacturing state. In the late 1990s, Harley Davidson, Evinrude, Sub-Zero, Chevy’s and SUVs, we piled those things up. Come the recession everyone got leaner and meaner. The number of people employed in manufacturing, the fraction of employees, has been dropping for the past 30 years. It’s just pushing down a lot more. So employment in this state fell 5% and has been flat for the last year and a half. Manufacturing operations is back, but it takes less workers to produce the same amount of goods. That’s called productivity, that’s probably good for you and me, but it’s probably not good for a guy who’s getting his check in manufacturing and is no longer getting his check. You know, I think unemployment is down in this state, as well because many people had to leave the state to find work. I have two people who work for me here whose husbands were in the Janesville plant, and one of them is in Lansing now and the other is in Indiana. And they are commuting from Janesville where the family still lives, but
they’re commuting because Chevy said if you want to go work for us you go to Lansing and you go to wherever in Indiana and otherwise you’re out a job. And these are people who have been at Chevy for 25 years. And they go okay, so they go. So that’s what makes it hard here.

16:30:05 BF: The institute just came out with a new report about poverty… can you talk us through those numbers?

16:30:11 TS: Well what happened is that we actually found child poverty in particular fell last year in Wisconsin. Now part of the reason is because we really pushed this food stamp and snack program really hard. So our participation went up way faster than the rest of the country. Madison has more non-profits per capita than any other city in the United States. And there’s clusters of people who want to do good and working with elected officials. I was on then Governor Doyle’s poverty task force and they said we want you on the financial security and income area. Okay. So there is no new money. We are not going to get new money. We use the money we got more efficiently. So it is really hard to apply for any benefit aimed at the poor for Wisconsin and not find out about SNAP. The way you can apply for SNAP in Wisconsin, you apply online. Okay? There’s no liquid asset test. We don’t care what you got in the bank. There’s no car test. You used to have to not have a car and less than 4,000 dollars because we certainly wouldn’t want poor people driving around anywhere, like to a job. Okay? And you put in your application and you get a debit card. No more walking up being embarrassed about stamps. You don’t even have to be face to face. At some point somebody will check up on you, so you will, but you get a debit card and you just take that card down to Trader Joe’s and you swipe that card and a little box comes up and you can put employee card, debit card, credit card, or food share. And if you hit food share and all you buy is food it’s just as if you paid with a debit card. If you get toilet paper or tissue or soap then you’re caught and you have to come up with cash, because food stamps doesn’t buy those things. But our food stamp error rate is really low, we served 1.1 million people in this state last year and spent about a billion dollars worth of stamp benefits and they really help. We are feeding people for pete’s sake okay? It’s not. I mean. You can hear Paul Ryan talk about this hammock. This hammock, the average benefit in Wisconsin was $246 a month last year for two people, about $350 for 4, okay? Is that enough for you to say ‘ah put my feet up on a hammock, I got these food stamps for $350, a month. Bologna!’ But it did help these people fight poverty and even with part time work,
the earned income tax credit which Republicans, Democrats, everyone likes. Russell Long began it, you only get it if you work. So if you go out and work and earn let’s say $8, $10 thousand, you end up getting a check from the feds that could be $6, $7 thousand bucks. ‘Cause you get refundable child credits, you got the earned ITC and so forth. And so this made a big difference and so these two programs really helped push down poverty in Wisconsin. Again, when you get above poverty they fade out. So this made a big difference. Once you get above a certain income level, between once and twice the poverty line you know $25-50,000, the tax credits go away. Payroll taxes get to be the biggest thing you can pay, you don’t get stamps anymore, you get less and less as income goes up. It’s really targeted. But the really important thing to know, I don’t care if you are Republican or Democrat, the safety net worked. Attention: the safety net worked. And if you push it hard it can make a big effect and it can do a great job in cushioning poverty caused by the great recession and it’s done a great job in this state. And I am very proud of that and every Wisconsinite should be proud of that.

16:34:03 BF: Did I, I mentioned…I thought I read a report. I mean there was a dramatic increase in the number of people applying for SNAP.

16:34:06 TS: Well the actual enrollment went up about 67%. And you see the other thing that happened in Wisconsin if you looked at poverty just based on the market, meaning what people earned or private pensions or private income, it went up. So market-driven poverty is going like this, but Wisconsin poverty for children is going like that. And the only thing that can explain that difference is the fact they don’t have to pay as much for health care cause they got Badger Care, they don’t have to pay childcare because we subsidize childcare, they got the earned income tax credit, they got SNAP, a few are in public housing, there’s a little low income heating, but those 4 big things, all affected poverty in this state. And we did a great job. We did an absolutely great job I think.

16:34:49 BF: That’s one thing I realize… it seemed to me…okay we know over here we have a big health care problem and over here we have education problems and over here we have other problems… seems they could be interconnected?

10:35:18 TS: They are all interconnected. And at least we’ve made the links, we’ve taken all the programs that serve families and children and put ‘em in one bureau here. So that’s one silo. But there’s still a health care silo, and an education silo. And occasionally they talk to each
other, but it's just the way programs are delivered. The bureau of education does that, the bureau of health runs Badger Care and department of children and families do most of the rest of the stuff, okay? And they do talk to each other some, but it takes somebody like an academic to think about how they all fit together, right? So if you have low education, and you're not well prepared for the labor market, your chances of getting a job versus, not even a good job, are really low. That means your kids are going to be poor. A lot of states, not Wisconsin, if you lose your job, you lose your health insurance and you don't go to the doc till the kid is really sick and then it's really too bad. We have Badger Care for that. So I think we have work support. We value economic independence, I think it's right that you shouldn't be able to sit back forever and you know, receive welfare. Now suppose you are a mother and, who's got a child, that's one or under one, I think we should cut you a little more slack than we do now the way other places do. But you know if your 10 year old or your 7 year old is off from school and everything, then hey you can go to work that's fine, but you need the support. The work has got to pay enough to keep your family from being poor, you gotta have some health insurance with it, and maybe need some flexibility in the job or other things too. So that's the real solution to poverty. It's a job. It's not income support or anything else, it's a job. It's a job that pays enough to support you and your family and usually it takes two earners to do that and juggling childcare and all the rest of the stuff.

16:37:07 BF: Maybe you could walk us through, we talked a little bit about this before... the WPM... because income inequality today is a hot topic... the numbers say this... you didn't factor this in.... can you walk us through the methodologies for measuring?

16:37:32 TS: The official measure just looks at cash before taxes. So in a recession like this you get the effect of unemployment insurance. You also get the effect of social security. But if you ask people what else matters in terms of being poor or not, well what it costs for housing matters, so if you don't have a mortgage, you're better off than your neighbor next door in the same house who has got a mortgage, you should account for that. If you live outside the central city in a rural area, because housing is cheaper and you commute back and forth, you should not only account for the fact that you got cheaper housing in a rural area, you also should take into account the fact that, and people who see the gas pumps these days know it, you have to take account of the fact that transportation and work related costs. You can't come to your income tax credit unless you
count what it costs to get to work and back and for child care. So all of these things have all gone in. Also, we think that low income people, if you have set a poverty line, like the Wisconsin line, which is also what the federal government does, and you look at food, clothes, shelter, and maybe 10 or 15% more there’s no room to pay medical bills. So you want to take account for the fact that people may have big out of pocket medical bills. The elderly for sure, they spend a lot of income on out of pocket, on health care, because it is so expensive. So when you wrap this up you get a pretty good picture. And we got what Wisconsinites told us. We brought in Badger Care, you damn better, if you’re going to talk about how cheap it is to live way out there in the rural area, you better make sure that you got transportation costs in there. We provide childcare so that single mothers can work. You should show how much support they have. We do that, we push these programs. We do that. So it’s guided pretty much by Wisconsin people and Wisconsin priorities. Now the national is not too different. But it’s somewhat different. Because we as you mentioned earlier, we did so much more on SNAP than the rest of the country and we had much bigger effects, because we supplemented. We have one of the biggest state supplements for the earned income tax credit. That helps too. And so those two programs, if you get people to participate in them and we push hard to do that, that can make a heck of a lot of difference.

16:39:51  BF: Well I want to talk about things at the national level. One thing that I keep reading now is this concept of ‘working poor.’ Where you have people who, um, who are working and are still poor in terms of even factoring in all these issues. Is this a new category? Is this a new legitimate category?

16:40:14  TS: It’s been there always, but it’s something that… essentially what welfare reform did in the middle 90’s is it took the welfare poor and turned them into the working poor. Alright? If there’s a lot of work by people like Cathy Ian and others that show that back in the mid-90s, um, if you ask a welfare mother, not how much income do you have, but what do they spend? You find out that only 60 cents of what they bought they got through the government. They got 20 cents under the table from their boyfriends and they got another 20 cents and a dollar doing odd jobs off the books. I’m not talking about prostitution, I’m talking about washing peoples’ clothes, caring for peoples’ kids and so forth. What welfare reform did is say you can’t do that off the books anymore, you’re not gonna stay home anyway, you gotta go out and work. So what it did was pull a whole bunch of mothers into
the labor market. And we have waiting for them a certain income tax credit that said look “if you work at $8 an hour, we’ll make that 8 dollars an hour into $10 an hour through this refundable credit.” You have to wait ‘til next year to get it. And lower income people like that idea. They think gee I can’t save anything all of a sudden I get a check. I can put my kids in a parochial school if the public schools are terrible. I can fix the car or buy insurance for the car so I have reliable transportation. I have the first and last months rent so I can move to a safer place or a better place for my kids. So that’s how these programs work. So everyone’s working poor now, if you’re not elderly. Most all the poor are working poor. Some work more than others, single mothers work less than couples do, but you know, it’s a full time, four year earner, 2000 hours. Okay, 50 weeks, 40 hours a week, who makes 12 bucks an hour and has a wife and kids is still poor. You’re just above the poverty line, but you’re poor. Okay? But if you get some supplement from the ITC, it helps make up for the payroll taxes you have to pay. We subtract taxes too, that’s important. So payroll taxes come out. The refundable taxes come back and so on. This is a much better way of looking at things. It’s hard to say, often, with the official poverty measure, and say with a straight face, and say “okay this is what happened to poverty last year and then say ‘gee, what about refundable tax credits? And what about SNAP program?” Oh, they’re not reflected there! Come on! Poor people pay taxes too. Single people in particular pay more in taxes than they get from any of these refundable benefits and credits. So they pay payroll taxes. I tell them that’s the one you pay that you don’t get back at the end of the year. So this should be reflected. And most important the poverty line isn’t based on something we invented in the 1960’s. It’s based on the last 3 or 5, depending on which measure.

16:43:08 TS (continued): 3 or 5 your average of what low-income people actually spend on food, clothing, shelter, and utilities. The actual expenditures, alright? And so the Wisconsin poverty line this year went down. Consumption for people below the middle income went down. They can’t afford what they used to. Duh, that makes sense. So the conservatives say, ‘oh this is going to be a relative poverty line, it’s going to go up with peoples’ incomes.” Yeah!? But it’s going to do down too if peoples’ incomes go down and it reflects life the way it is and I am proud and happy of the measure. It gets some notoriety here in Wisconsin. Mark Levitan does a great job in New York City on his poverty measure. The census bureau does a very good job too trying to manage the supplemental poverty measure. So I am buying the poverty measure. I think it’s great. I think it’s
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foolish that we haven’t paid attention to the programs that we spend billions on. We spent $75 billion on SNAP last year and $75 billion on the earned income tax credit. And another $40 billion on refundable tax credits, okay? We spent like $2 billion on TAM – on welfare- I mean come on, you’re only counting that? No! You gotta count the programs that are aimed at the poor and in a place like Wisconsin, you should be proud and happy that they are effective.

16:44:30 BF: Well I keep hearing that 47% of Americans don’t even pay taxes, and have no skin in the game, that the Wall Street Journal calls them lucky duckies.

16:44:41 TS: No, I mean, those are people who don’t pay income taxes, okay. It includes all elderly women living alone who just have enough social security, they don’t even declare it, it includes disabled people who don’t have earnings. What they’re talking about is people who get refundable income tax credits. But all those people pay payroll taxes, and in the end it’s good because…by taking low income single mothers and….men and putting them into the labor market and having their earnings registered, they’re going to qualify for social security faster. So if they get disabled, or if something terrible happens to them and they leave survivors they’re going to be supported the same as your kids and my kids would be or your spouse and my spouse would be. So I think that is a good thing but you have to pay this FICA tax to get there so you pay that tax. Sales taxes, property taxes…this is ridiculous to say low income people don’t pay taxes- they do pay taxes, and they pay a lot of them particularly in places like the South where there are sales taxes on food that you eat at home, 8-9% sales tax runs everything- there’s no state income tax, property taxes are really low, and everyone lives off of essentially consumption taxes, and low income people consume more of their income than high income people so they pay a higher percentage, okay? This is, you know...

16:46:05 BF: Let’s talk about inequality. Now, I’ve been reading, okay, inequality has gotten worse over the last thirty years…inequality is bad now, of course, because times are bad, but once the economy comes back, the inequality issue will go away.

16:46:22 TS: Nope. It’s a story of boats, okay. If you think the people at the bottom are in rowboats, the people in the middle are in tugboats, and the people on the top are in yachts. From the post World War period, World War II period, from 1950 to mid to late 1970’s, all the boats rose- and in fact, the row boats rose higher. Everyone was
doing well my father was a union carpenter, he had six kids, got real increases, I mean the standard of living went up for everybody. All of a sudden, after 1980’s and labor markets started to change you rewarded people with more education, and we produced fewer people with higher education so the reward was even bigger for those who had it. Then, a lot of trade, globalization, unions fell apart, and what this lead to from 1979 to 2007 is that the tugboats sank and the row boats sank and the yachts went sailing really high on the water. So that’s the big inequality trend since ’79. Now, I like to use the congressional budget office figures because they include health care benefits for everybody but they also include private pensions, they include capital gains, they include a lot of other preference income items, all the non cash programs we mentioned and so forth- I think that’s the most comprehensive measure. And if you look at them, the bottom 80% of the American population has a lower share of income now…then they did in 1979. A lower share. Which means that those boats relative to the other boats have been sinking. Now if you say “shares are one thing, Professor Smeeding, tell me about levels,” well, the middle income and below has gone up maybe 20%...maybe up to 25% to 2007 over this long period. The very top has gone up 300%. The next rung down…the whole top end of the distribution is doing at least twice as well today as they were in 1979 and in real spendable terms. And that’s to 2007. Now comes the recession and we know particular people in the middle and the bottom- not at the very bottom but at the middle of the income distribution, and the lower middle class- are going to get clobbered, they’ll get unemployed, laid off, people lost work, their wages are going down and so forth. So they’re going to lose part of what they gained, but the top is sailing merrily along. And that’s the big problem right now in America- if you don’t have a middle class, if the middle class is emptying out, particularly downward, you’re in trouble. Now, I must say too, I did a nice study with a colleague, a friend of mine Greg Duncan, where we talked about [unintelligible] the middle class. And if you looked in the 80’s up to the early 90’s, the middle class emptied but it emptied in two directions. Two thirds of the people went up because increasingly women got into the labor force, stayed in the labor force, women got better jobs, and if you put two high paid people’s salaries together, you go up.
doing any better today than at least they did in the 1990’s, and maybe worse. They’re worried about their outlook, they’re worried about paying for their houses, they’re worried about paying for their tuition so the kids can go to college, they’re worried if the next generation will be as well off as their generation is. My dad always wanted me to be better off than he was, so he pushed me kicking and screaming to the Jesuits, and the line was “if he gets out of line” [makes a smacking motion] and that’s what they did. And it was the best thing that ever happened to me, okay. Big Ed the carpenter, right, he didn’t even graduate high school. He had to quit high school to help support the family just at the end of the recession just before he went into World War II and so forth and so on, okay. And I did a lot better, and my brothers did better too, and that was just wonderful. But do I think my kids will do as well as I did? Well I’ve done awfully well, but even the middle class- I wonder, it’s really hard out there. Economic growth is slowing. Wages, unless you’re very well educated or have a professional degree are either flat or falling. The recovery is taking so long that it’s taking people who would cyclically be unemployed, but you know you’re being unemployed for two, three, four, five years and that makes a huge dent in peoples’ lives. [Unintelligible name] has done a great job on this sort of work at Columbia University, and he shows that if you entered the labor market and your period for moving up in the labor market was in the recession, you end up 10-20% worse off than someone who entered the labor market with exactly the same qualifications as you in a boom period. So, that’s it, I have a son who’s found a job, graduating from college. I have another one who’s going to graduate school, and then I have a daughter who works really hard just to keep her head above water- she’s a single mother. She’s got a college degree, but it isn’t doing a lot for her right now. She’s a waitress and she does storm water stuff and I help out- I pay my granddaughter’s tuition and so forth and so on. But I watch her struggle, and her boyfriend struggles too. They wish they could get married, but neither one of them have a good enough foothold to do that. I’m afraid that more and more people are in the situation of my daughter and her boyfriend.

16:52:30 TS (continued): In fact, Charles Murray points out, yes, this is true, and what Charles wants to do about it something different. What he wants to blame it on is something different, but, he has a fact. There’s not a lot of upward mobility in the middle class anymore. And that’s really worrisome. America’s built on opportunity, and inequality fuels this and pushes it harder, if you think about it. I give a talk about going to college. I love to give the talk to people I talk
to- college graduates and professors. And I say, from the conception of your child, did you have any idea that this kid wasn’t going to college? Of course not! Well I said last week they said college isn’t worth it anymore, so you’re not going to send your kid to college? Oh no, that’s stupid! It is stupid, okay, but you have to realize that there are kids who are growing up in families where the parents haven’t gone to college and the parents didn’t know until now that they should go to college. Parents want to do everything they can for their kids. But an older parent who understands all sorts of things for their kid to get ahead will do anything they can. A less capable- I don’t want to say capable- a less well armed mother or father, wants all the same things for their kids but they don’t know how to negotiate the schools, they don’t know how to negotiate this, that, the other thing which helps their kid get a leg up, okay. At the top of our distribution- an estimate I did a few years ago- the average family has $50,000 to spend on a child. Each child- that’s food, clothing, shelter and everything. At the bottom 20% the average person has $9,000 to spend. So there’s a huge difference. Who goes to special ed classes, who gets their SAT stuff, who goes to summer camp, who goes to all the enriching schools, who what who this who that it’s all at the top end and at the bottom end you can’t afford it. And so the kids of low-income parents get behind and stay behind. They find it harder to move on up. Now, bringing good preschools into low-income areas will help. Everyone agrees with that. But, we can’t afford them right now and it’s lagging. If we do that, we’ll make a dent, at least they won’t start out behind when they get to grammar school. But beyond that it’s just really hard. It’s difficult ‘cause you can’t tell parents they can’t do everything they want for their kids, so all my friends here- they have one or two children have the gift of everything, we know enough to read to them. Early on, we know enough about self-discipline. We know how important hard work is and we try and teach our kids these sorts of things. And we have the time and the energy and the capacity to do it. And even though we work hard during the day we still spend a lot of quality time with our kids. Low income families where somebody’s working the night shift, somebody’s working the swing shift, you can afford a dollar an hour child care and that’s it, you don’t have a lot of time at home with the kids- it’s really hard to make those connections, to make those school meetings. And if you’re not well educated yourself, going into the school, you try to tell the teacher what’s going on when you really didn’t do so well in high school either. So that’s the real problem. The biggest cost of inequality I think is the fact that there’s very unequal opportunity for children to get ahead. And it’s becoming, in my opinion, more
unequal in the United States. And that’s very troublesome, worrisome. We believe in equality of opportunity- we don’t all believe in equality of outcome- we believe in equality of opportunity. And we have less unequal opportunity today than we did ten years ago and twenty years ago.

16:56:11 BF: Well I want to pick up on- I know education is the key to that, and we’re now in a time where we’re cutting education from [unintelligible]. And you talked a lot about how SNAP was something that was really a good investment, the way that I would put it. And in terms of education, even though we’re in hard times we can’t afford maybe those [unintelligible, cross-talk]

16:56:36 TS: Well it’s harder now- parents are more aware that they have to do something for education. It isn’t just teachers- you can’t, I mean, if the teacher’s called into a classroom in an intercity like Milwaukee and there’s a lot of violence and people are walking in and out, and nobody’s studying and people are interrupting class and you fear physically for yourself, nobody’s going to learn anything, okay. If that person makes 5 or 8 thousand dollars less because- that’s not going to make a big effect. But if you’ve got people who are really good master teachers in good schools- like of course where the well to do put their kids, specifically, you can still do well, although it makes it harder. And the big investment we need is in early childhood education, and we haven’t been able to make that investment. But we also have to make that investment very wisely, or as my colleague, Katherine Magnuson, says often to me, “gee, we have all this inequality in elementary and secondary schools, what makes you think the preschool won’t be the same? Who do you think is going to be teaching preschool to your kid or somebody in the suburbs or in the right side of town versus somebody on the south side of Madison out near Ally Drive and so forth.” Yeah, I understand- it’s harder. The trouble is, we don’t know- education is frustrating, because we all see that as the way forward, meritocracy, you get by on your merits, you work hard you’ll make it. But it hasn’t worked that way.

16:58:03 TS (continued): We just can’t seem to get the kids through college. The kids on the upper end who get through college will go through college without debt. Other kids are now realizing they’re going through college with debt even after some help from their parents, and it’s a long time to pay off that debt. And many of them are falling prey to schools which promise you a lot- oh, Cordon Bleu, Chef of America- just give me $30 thousand dollars and you’ll get a
piece of paper that says that you’re a master chef. And that piece of paper I could have printed for 38 cents, but they’ll charge you $35 thousand- and they’ll make sure that you’ll borrow every nickel you can and get every bit of Pell Grant you can in order to pay that to them. And then you end up holding the bag- turns out, yeah you can get a job as a sous chef in a restaurant downtown chopping stuff and working really hard and maybe you’ll keep your head above water, but paying that loan back is really hard, and you’re a long way from Guide Michelin or the James Beard award or any of that stuff. That’s part of the problem, and I think we do under-invest in education. Now you have to understand, I’m in academics, so it’s hard to say “spend more money on me!” And not all teachers- some of the unions and some of the things that teachers do- I’m not going to write a letter of recommendation for you, a senior, to go to college until you settle our contract. We had a situation like that back here several years ago. It was on the ten o’clock news- I was livid. If I was a parent of one of those kids- who knows what I would have done. But I know teachers want to be paid, and they deserve to be paid, and good teachers are really important, and so forth and so on. We just need to find a way to do that- to hire good teachers, to bring them in, to keep them on the job, to keep the kids intellectually engaged, that’s what keeps the kid in school, or a young woman or man from not having a baby early on. It’s being intellectually engaged, realizing that if I stick with school there’s a better life out there for me, and if I have a baby now before I finish school, before I’ve got a job, before I’ve found a partner, and I’ve never made a plan, I’m in trouble. And that’s what’s wrong with young out of wedlock childbirth. You’re really in trouble, because you haven’t done any of those other things before you had a baby. I know, my daughter did.

17:00:22 BF: Let’s take it back to Wisconsin. I just want to ask you about Governor Walker’s budget and if you think it’s- you talked about how Wisconsin was able to insulate itself, you know…

17:00:33 TS: We did well with the deferral money- what the governor did, first of all he came in and he said, look, you guys are getting a great deal

17:40:18 BF: Oh, sorry…(somebody just opened the door)…just start again talking about what Governor Walker…
TS: The governor came in and he said, look, you guys got a great deal on your pension, you don’t pay anything on your pension and it’s a good pension so you should pay five percent. Okay, compared to other places that I see, okay. He said you should pay more for your health care, yeah we had a good deal on health care, okay. So we did those things. And then it turns out that, wait a minute, we don’t want any more collective bargaining- wait a minute, stop! You can’t do that! There’s an estimate I’ve heard that a quarter of the households that had one person who voted for Governor Walker had at least one union member, and if he made this known before the election, no chance, okay? And then the governor decided he could create more jobs in manufacturing and by offering more tax breaks at the top. No, this governor has no more control over the national labor force than what’s going on in the economy than any other governor does, okay, none of them do. If it’s good times and employment is going up, you claim credit, and if it’s bad times and you’re losing jobs you say I couldn’t do anything about it. So this governor is no different than other governors like that. But he has also decided to really squeeze higher education here too, and I’m a little sad about that not, because I have a good deal- I’m well paid, I’ve got my 80 hours a week, and I think I do a good job and I’ve been at it for a while- but, when I worry about hiring the brightest young people or people who are leaving here for better jobs and so forth, it’s not me it’s the colleagues I have around me, and it’s the smart people I really enjoy- and then you find out well I’ve got a big raise, I’m going off here or there- and I’m afraid that he and the board of regents has to understand this research university we’re at is different than the other almost purely teaching universities in the rest of the state. And we all know about cutbacks and cutbacks- it’s starting to hurt now, you can see it hurting. Little places you used to be able to go- spousal hire- that money’s not there. New cluster hires- that money’s not there. If you’re going to give Tim a raise or Terry a raise and keep them, what you have to do is take it out of your own department budget- you can’t get it from the dean. So this means- this is- things are tightening, the vice is tightening. And, it’s frustrating to me, even more frustrating for my friends who are deans who have nothing but bad news. I mean academia is still a great deal, and the University of Wisconsin is still a great place, and many of us like it well enough that we’ll stick it out, but if this keeps up for another four or five years you could do a lot of damage here. A lot of damage. Other public universities are in the same situation, I must say, so it isn’t just here and it isn’t just our governor.
BF: Well didn’t the governor, isn’t he creating 250,000 new jobs for the state-

TS: Well that’s what he claimed and that’s where he’s wrong, that’s where he’s created, for the last year and a half virtually no new jobs. In fact, because he cut public sector employment, we’ve actually lost every- [video break]

TS (continued): we gain a few jobs in the private sector, we lose that many jobs in the public sector, and it’s been flat. And it’s because of the manufacturing and because of construction- we’re not building things anymore, manufacturing has gotten lean and mean, they don’t need a whole bunch of new labor, and if they need new labor they want four kids from the engineering school in Madison and not a hundred kids from high school. I mean, we are in the economy now- the epic economy, I call it- we used to produce Harley Davidsons and Sub Zero refrigerators and Mercury outboard motors and Chevy SUVs- we don’t do that anymore- we produce Epics. Epic is the fastest growing private employer in the Madison area. Epic is a company which began ten or fifteen years ago to digitize medical records. The company is growing a thousand workers a year. Virtually anyone who they hire has got a bachelor’s degree- many in computer engineering, and so forth. They spend a lot of time in airplanes- don’t fly out of here on a Monday, Epic Monday, you’re going to be in line for a long time. And, they’re growing like crazy. They have a whole campus with five thousand people out there in Verona. We need ten more Epics here! But the trouble with it is, for every Epic we’ve got, you’ve got a kid who only got through high school- what that kid’s going to end up doing is guarding the parking lot out at Epic, serving food at Epic, being a janitor at Epic, doing landscaping at Epic, and so on. Or, maybe if things get really hot in restaurants and other things that cater to the people who work at Epic and make the money, okay. You can get any carpentry job you want done here really well, really inexpensively, in this town I found out. Do it way better than me for a really reasonable price- that’s because you have so many of these people around. We’re very capable of things but they aren’t things right now that are rewarded greatly. It’s not just China. A lot of the jobs left here for South Carolina and so forth too- it’s not just China. What helps you in the long run is the labor force- the number of workers it takes to build something gets smaller and smaller. The chance you move gets smaller and smaller. So if you’re only- if labor is 20% of your budget and the rest is all in high tech machinery and robotics, for 20% of your budget, it takes an awful good deal in China or India to
move. Or your markets have to be there. So I think manufacturing itself output is recovering- we're becoming more productive, but manufacturing employment...forget about it. We don't have it, it's not gonna come back, and governor- I told Governor Doyle that, I would tell Governor Walker- he's never asked me- a couple of his economists have and I've told them, you're in trouble. We're a manufacturing state in a manufacturing recession, and it's gonna get hard.

17:06:56 BF: Let's talk at the national level, and I'm particularly interested in your thoughts on the Ryan, Paul Ryan's…

17:07:01 TS: Well, I give Paul Ryan some credit for sticking his neck out and he's got a plan. It's not a good plan, it's a plan that I would call morality on the cheap. So you're gonna tell an elderly person, here's a voucher, go out and buy your own health care- you ever go out and try to buy your own health care? It's really hard to do. Here's a voucher, and we're going to increase it with prices every year. Wait a minute, health care's going up 3-4-5 percent a year, so over time- he's changed it to make it go up a little bit, faster- but that is shifting the locus of responsibility and risk from the government or a big third party to the individual. And the idea that we should slash all these programs that keep people from being poor because they provide hammocks is not the truth. SNAP feeds people, the most basic human need, and most of the people who use SNAP also use soup kitchens and food pantries too because there's not enough to eat. Go out- go to a WalMart or somewhere. Midnight, last night- today's the first of the month- midnight last night there were a bunch of people just standing and waiting for their debit cards to get recharged with their May allotment of food stamps. And they went in and they shopped for their families. And you talk to the grocery manager out there at Wal-Mart and they'll tell you, stuff, you can't keep it on the shelves the first two weeks of the month.

17:08:24 TS (continued): Then all of a sudden, all the consumption is down- we're not selling it. It's because people have run out of food stamps. And that's when they start going to food pantries. Or when they start going to soup kitchens, we call them and- the soup kitchen I worked at in Syracuse, NY- there's the street people and the Tupperware crowd. The Tupperware crowd are people who came in and asked for a couple of meals and want you to put it in the Tupperware- I'm taking it home to feed my family. And that's what happens at the end of the month. Feeding people is something that this country can afford to do and should be able to do. That's not a hammock- food
stamps is a right and a necessity. And the other programs like we mentioned- earned income tax credit- you get it by working and you don’t get it if you don’t work. You have to be out there trying. So I just don’t agree with Paul, and the idea that- the trouble in this country is we spend 23 cents on the dollar from the government and we raise 18 cents. You can only borrow for so long, so something has to give. And Paul and his buddies want to hold the line at 18 or push 18 down. And you can’t do that if you’ve got an aging society and you’ve got to provide Medicare and social security and so forth- yes, we should pair those programs, yes, the Democrats should come out with a plan of their own, okay. But Paul Ryan’s plan’s not the right plan. Hopefully after the election they’ll get engaged and something has to happen, and it doesn’t- we need to do changes in social security and Medicare that take effect slowly over the next few years- we need to do something now. We can’t afford to wait anymore . Yes, we should get rid of the Bush tax cuts, people like me should pay more in taxes- we can afford to do so. I think that’s the right thing to do. Unfortunately when the Bush tax cuts go- if nobody changes anything- then those refundable credits I mentioned and the other things for poor people go too, and that’s not so good. But we’re also not going to be able to really right the ship and balance the budget just on the backs of the rich either. There’s got to be some pain. Politicians don’t like to give out pain. There’s going to be some pain, and hopefully in November somebody will say okay we got to do something so, we’ll raise the retirement age out a few years, we will try to have the well to do spend a little more on their Medicare, we’ll push some of the econable {?? INAUDIBLE) care organizations which seem to be working and helping people take better care of themselves, not just waiting for them to go to the hospital, and so on. But we got to do that soon. And when you do that you realize that our standard of living is going to go down a little bit, you know, we’ve built it on borrowing on the next generation- now it’s gotta go down a little bit. And that’s what we’re going to have to face. And the question is how to do that in the fairest and most equitable way, and in a way that doesn’t take it all out of the back of the people who’ve been losing for the last 25 years anyway in this country.

17:11:21 BF: You talked about Paul Ryan- and this is not just Paul Ryan, but on the right- this idea that we need to shift the decisions about health care, onto the individual, it shouldn’t be, you know, everything should be about the individual because government is inefficient, government does a terrible job, people should be allowed to make their own decisions.
TS: Well you can make your own decision within government. I mean, it’s like that guy on the Obama campaign, “government keep your hands off my Medicare.” Well government is your Medicare. By the way this is just an aside- you want to talk to Sue Mettler at Cornell –she’s really good on people who claim the government’s bad and they don’t get anything from the government and then they realize all the ways they’ve been benefiting from the government. I mean another thing that this antipoverty programs in Wisconsin are showing is that government works. It works- we can keep people from being poor. If we can feed them, we can supplement their wages so their families get a more decent standard of living. But the big battle is between personal responsibility and social responsibility. Social security is social insurance. I paid so much in I’m not getting it out and I’m an elderly person. Yeah, but you’ve got disability insurance and survivor’s insurance all the way until now, and when you die your wife and or your kids are going to get some survivor’s benefits too, if they’re not getting their own benefits. And if you get disabled and you really can’t work, you’ve got protection there too. And the idea is this is not a high level protection and the whole message is, social security alone is not going to allow you to have a really comfortable retirement. You may have to work a little longer, you have to save on the side, you have to put some money aside yourself. You have to do all those things if you think you’re going to have a nice retirement. But social security is the bedrock. It is the only inflation protected, joint survivor- meaning it continues for your lifetime or your spouse’s lifetime- it’s inflation protected and it’s there for you. It’s the only benefit we have like that. At age 65 if you were to go onto a website to an insurance company which sells annuities- you’re given a lump sum and you’re given a certain amount of money for as long as you and your wife live- and you had put in exactly the social security parameters, the middle class social security- you’re gonna get so much benefit- it’s going to be inflation adjusted every year, it’s going to continue for my wife or I until we die and so forth. That costs $800,000 today- that’s the equivalent of $800,000 worth of saving. It’s big number so social security wealth is really important- you can’t ignore that wealth. But it’s the bedrock. Look on the other side. If you’re an elderly person today, a couple at the age 65, if you want to pay your own health care bills for the next 20 or 30 years, you should have $200,000 set aside specifically to pay what Medicare won’t pay and what other health care bills won’t pay. Part of the problem is that health care is very expensive- the elderly consume a lot of it, and it’s valuable to them- but how much do you expect them to pay if they’re trying to eat and stay in their homes and things too. Things do have to happen. And they
don't necessarily have to happen the Paul Ryan way and I think, for me, that’s the right message- I don’t think- I think he was a brave man to get up and offer something but it’s not anybody’s solution but his own and some people are ideologically opposed to government at any cost and have decided that we’re just going to shrink the beast, and essentially that’s what will happen.

17:14:57 BF: I just want to take a slight turn a little bit because I read- Trevor had forwarded me a bunch of things that you had written and you had a really nice kind of succinct take on the great recession and the three components really that made it and I’m wondering if you could walk us through that…

17:15:12 TS: Well the great recession was really three recessions. It was a financial recession, which meant that a lot of people who had money invested and things that weren’t very profitable or whose housing is sold- the way housing used to be financed, you know, your local bank held your mortgage. No, they package it together and sell it to somebody now and they sold them the safe assets so anyone who had a pension fund invested in these inflated assets went [noise with mouth]. And it made it harder to get money, to borrow money for people who need it, it made the portfolios of those who’d saved look worse- that’s one part, that’s the financial recession. The second part is the housing recession. Housing is down 30 percent today from its 2006 peak. In the early 2000’s, following President Clinton and Bush, we pushed everyone we could- particularly an emerging black and Latino middle class- buy a house, have a stake in America, that white picket fence, buy a house- and they bought at the top of the market. So let’s say you’re- the housing thing is key because people whose housing was running up in value were spending it- now they don’t have it to spend anymore. So they had to cut back. Not only did they, thought they’d get more for their homes and could sell it and move to someplace nice and warm, or pay for someone’s time in an assisted living facility, found out they could do it but they get much less. But the main problem is somebody- let’s say you’re the epitome of the hard working American, middle class, you’re a Latino, you’re a second generation, and you got a wife and two kids. And you bought your first house- you put twenty percent down, twenty thousand down on about a 100,000 dollar house. Now that house is worth 70,000. You’ve lost your 20,000, you owe about 80,000 still on your mortgage and it’s only worth 70,000- you’re underwater, as they say. And this is continuing to reverberate. So the housing crisis is big because that’s sort of the wealth that a lot of parents were looking to provide
school for their kids and so forth. So you've got that housing crisis as well as the financial crisis. And they meet because mortgage interest rates now- you can get a 15 year mortgage on my home for less than three and a half percent. I can qualify for it- I don't need it, but are you kidding me, and I going to pay three and a half percent mortgage instead of five percent mortgage? Of course! So I qualify and go get it- in fact, tomorrow I'm refinancing again. And I'm not going to pay for thirty years, I'm going to pay for 15 years. But somebody who's just trying to get going, whose job history doesn't look as good, doesn't have a great credit history, and so forth, banks are really reticent to loan to those persons and they're probably not going to get a house and not pick up that housing market, so that's the problem. And then of course on top of it is the job market, the employment recession. We are still down 4 million jobs in this country from our previous from our previous peak, even though we're heading up a little bit. We won't get back to the peak number of jobs we had in 2007 probably for another 4 or 5 years according to the Congressional Budget Office. That is a real long time. It mainly affects young people and undereducated people, people who used to go into manufacturing and construction who can't now. So if you're thirty- I wrote a whole book about fathers- if it turns out that you're thirty and you've only got a high school degree, you're in deep trouble. If you can't find a job, good luck, that job may not last, the job is threatened, your wages may be cut. You can't afford a house. You're worried about paying your kids' way through school and so forth. That's really really tenuous now, so the undereducated. Now if you've got a graduate degree, if you got a professional degree, you're doing fine. Employment of people with college degrees is up in the recession, up. The unemployment rate even for kids leaving college today is only about 6 or 7 percent, for all college graduates it's 4 and a half percent. And if you've got a professional degree above that you're doing really well. So the well educated are doing well. The not so well educated who are trying to catch up are having a hard time catching up, because of the housing, because of the finance, and particularly because of the labor market. So it makes it really hard. And if you're out of work for a long period like a year or so, you start to look bad.  

17:19:48 TS (continued): I was furious last summer. Employers say, we have some jobs, but if you're unemployed don't bother to apply. We only want people who've got jobs. What! How can that be? And it's true. The unemployed are not a protected class- you can't say, we don't want any black people, we don't want any women, we don't want any old guys, we don't want any Catholics, we don't want any
Jewish people- you can’t say that. But to say that if you’re unemployed you shouldn’t apply- you can say that legally in America. They’re not a protected class. That’s so frustrating, ‘cause it just accumulates and builds- you’re not working, you find a little part time work and you get laid off, you work at low wages, all of the sudden your resume looks like, “well you didn’t work for so much” and whatever, and when you’re opening a Target, the French store down here, Tarjé, you want 200 people and 1200 show up, you don’t have to hire anyone who just got out of prison, which is another huge problem for African Americans, you don’t have to hire people who only graduated college, you don’t have to hire people with spotty employment records. You only hire people who maybe should have been doing something better than Target. If you open that same Tarjé store in Wisconsin in 1999 in Madison, when the unemployment rate was 2 percent, you had 200 jobs you’d get 40 people to show up. And if you could walk or talk or chew bubble gum- not all of the three- you’ve got a job. And that’s what tight labor markets do, they give a chance to the people at the bottom to rise, and we don’t have those, and until we have them again it’s gonna be really, really hard in this country to see wages and job stability increasing at the bottom. And, blue-collar jobs aren’t what they used to be. As you know, there’s a lot of pressure on government now- it isn’t just the Wisconsin government that’s being cut back in a lot of different places - there’s a lot of pressure and the states are paying more for health care and they’re cutting education budgets everywhere, which is unfortunate but that’s what’s happening. And it’s gonna be a while till we get back from that. Normally, a financial recession itself takes eight or ten years to recover from and on top of it we’ve got this housing market, where everyone’s getting clobbered, although you do get to live there, so that’s worthwhile, and the job market- it’s just very pessimistic- I have a pessimistic view I guess. At least we’re starting to head in the right direction. But two or three years ago I was saying this is not good and I still- I find it hard to be an optimist right now for people whom I care about and people who the poverty institute care about, people who want to support their families through work and can’t.

17:22:30 BF: I’m going to talk a second about the revenue side. You mentioned earlier, okay, we can’t resolve all this by taxing the rich- this isn’t going to happen on the backs of the rich- but, talk a little bit about the revenue side- you know we’ve talked about the cuts that have happened. What’s the parallel story with revenue?
17:22:48 TS: Well some of the revenue is gonna come- if the economy recovers and more people get jobs they pay more taxes- that’s a positive. So, everything looks better when you’re not getting food stamps, but instead you’re getting a paycheck and you’re paying your payroll taxes and income taxes- that’s the natural recovery of the market. But we aren’t going to get enough out of our current revenue system, which is as convoluted as it is in order to raise adequate money. Now everyone talks about the flat tax- you don’t need a PHD to figure out that a flat tax is something that is going to lower the proportion that many people at the top pay and raise the proportion at the bottom. Also there’s this thing we call the capital gains tax, so if you’re really well to do you define your income as a capital gain. And you only pay 15 percent on it. Versus earnings, where you might pay 30 or 35 percent and Wisconsin takes some, New York takes some and so forth and so on. You know, it’s better to get paid in stock options, or in something that’s taxed at a lower rate. And when you’re talking about millions of dollars it’s well worth finding the lawyer that will do this for you. So we need to get rid of some of those loopholes, and that we definitely need to do- that will create more revenue. If you were to ask me what to do I would say we should take Medicare and create a value added tax, a national sales tax to fund Medicare. And whatever that sales tax generated, and whatever that sales tax generated, that is what Medicare would have to spend each year. The rest would have to be made up somehow by somebody else, by its constituents. There would be a whole new set of batteries that would take the Medicare program off by itself and- but at some point we have to slow down the health care engine in this country- it’s slowing down a little bit now. But people say, it’s slowing, it’s only going up 3 or 4 percent- well no other income is going up at all, so 3 or 4 percent increase in medical care when your income’s not going anywhere- that’s real money, you have to pay for it. And your employer is saying, hey, you’ve got to pay more for it, not just me- you have to pay more, you have more deductibles, and so forth and so on. And that, it’s a very expensive thing, it’s more expensive here than anywhere else in the world. We have to find ways to make it more affordable, or, we just can’t go on with what we’re doing.

17:25:12 TS (continued): So those are some of the problems. But the revenue side- you know, the payroll tax is there and its helped pay for social security- it can be tweaked a little bit. But again, taking that payroll tax off of Medicare and creating its own separate tax- maybe 3 or 4 percent or 5 percent- and it’s totally dedicated to Medicare. It’s a national sales tax, everyone pays it. You buy a
yacht you pay it, you go to McDonalds you pay it, so it affects everybody to some extent- it would exempt food, for sure. And you might find a way to put a low income exemption in for really low income people, but that would be a way to have a tied source of revenue for healthcare that seems to me to be something sensible to do. The other thing of course- you ready for this- is a carbon tax. You mean raise the price of gasoline? I’m not going to run around saying that in rural Wisconsin, I’ll tell you that. But a carbon tax which says it’s expensive to consume the fuels that we consume and you should try to economize, so you should get a smaller car, walk, or take the bus, or ride a bike- which we do a lot of in Madison- only in Madison of course. You have to understand, Madison is 30 square miles surrounded by reality, so things that are true in Madison are not true in the rest of Wisconsin. Wisconsin is a state that brought us Joe McCarthy, as well as the state that brought us Tom Petri, who I think is a fine, wonderful Republican and congressman- Dave Obey- a lot of really good, honest, levelheaded, Midwestern, friendly people who are smart politicians. That came out to Madison, the view is a little different, so if you think we should look outside the beltway, really, if you want to understand Wisconsin then you have to get outside Madison a little bit too.

17:27:16 BF: Let’s end on that note and with Wisconsin, ‘cause I’ve talked to several people who have pointed out, well Wisconsin is a state that elected Tommy Thompson and Russ Feingold and it’s a state that has accommodated a wide range of views but what’s going on right now has actually been pretty divisive. I’ve talked to teachers who’ve said…

17:27:35 TS: It’s very divisive- if you’re a public employee – I have people who have retired here because they were afraid that their pension would be cut, and the governor has control of both houses of the legislature. And all politicians talk out of both sides of their mouths sometimes this one does too, so now suddenly it’s not job creation it’s unemployment that’s important. And the unemployment rate is down- yeah, because people are leaving the state, ‘cause you can’t find work. Or people are discouraged and are not in the labor force. We need jobs- he promised to create 250,000 jobs, he hasn’t done it. I would have told him, don’t promise anything, that’s out of your hands. You can’t do it anymore than any other governor can do it. He’s been, I think, tough on education and tough on things that matter for the state to get ahead, and I’d rather see a more balanced view. I’m not going to vote for him- I’m probably going to vote for Mr. Barrett, the county executive, and the mayor of Milwaukee, is he?
Anyway, Tom Barrett shows you what I know about Wisconsin. Tom Barrett. And there are a lot of mad people in Wisconsin, and he may get recalled. I would probably be happy about that. But on the other hand I also understand that there are a lot of people out there in small town and rural Wisconsin who are mad, who are frustrated because they used to be in manufacturing and they can’t have a job, they’re frustrated that their pension’s disappearing, and frustrated they can’t get their kids in the University of Wisconsin in Madison, and they want to take it out on somebody and they look around and they say, who’s doing well? Well, the firemen, and policemen, and the teachers- they have pensions, they’ve got good health care, they have safe jobs, they oughtta pay something too. And Walsh’s- excuse me- Governor Walker has done some of that. He might have done a little too much but he’s done some of it- it’s enough, though. It’s time to be a little more progressive- I would love to see the state fund more early childhood education and get kids better prepared for school. There are a lot of advocates and well meaning people out there who are ready to make that happen if you’ve got the capacity. But as one state congressman from Wausau told me once, “Tim, we know early childhood education’s important, but to do that we need some money to match what the state or the government will give us, and I’m trying to figure out whether I combine the first and the second grade or the second and the third grade next year, and you want me to come up with more money for early childhood education.” That’s a tough argument. But you could go further, you could make the time now, we could try to promote those sorts of activities I think. So it’s hard to be as comfortable as I am- I don’t think I’m your typical professor- I work my eighty hours a week- c’mon, step in my shoes sometime if you wanna see what professors do. I’m doing well, and I’m very fortunate to be where I am, and I’m really concerned for people who don’t have the same breaks and won’t have the same chances, including some of my own kids. So to me that’s the most upsetting thing about inequality. And it’s something that Wisconsin in its very proud progressive tradition can do. We do the Wisconsin poverty report because of something called the Wisconsin Idea, which says that the university works for the state and the university should give back, so I said the state oughtta know how these programs affect poverty so we created the Wisconsin Poverty Measure it was my way of doing my part and my institution’s part on behalf of the people of the state. They don’t pay for it, at all. And they know now that some programs work and they should be proud of that and I think all Wisconsinites should know that.
17:31:37  BF: I think that’s a good positive note to end on. Thank you so much.

END OF TRANSCRIPT