

Moving Forward: Lifting More Americans Into the Middle Class by Modernizing our Transportation System

Note: We're kicking off this series, which explores the connection between a strong middle class and robust transportation system, during the week of Labor Day -- a holiday that celebrates the American worker. While the economy has seen steady improvement -- job numbers are up -- the slow recovery has disproportionately favored the wealthy and left too many people behind. We believe smart policies and strong investments in transportation can help restore balance to our economy and put America's middle class back on a trajectory of growth.

Decades of wrong-headed ideology and public policies backed by the corporate lobby and extremists have dramatically altered America's economic landscape. Advancements made by generations of workers -- including fair wages and decent benefits, safe working conditions and the right to form unions and bargain collectively -- have been beaten down in favor of dangerous austerity policies, a tax code that coddles the rich, rigged trade deals that send good jobs overseas and what seems like free rein by employers to break unions.

These backward policies have led to an intolerable wage gap, the lowest union density since the 1930s and 35 years of wage stagnation for working Americans. By removing union representation, arguably, the most reliable way for working people to demand better, from the equation, upward mobility and economic stability -- characteristics that define the American Dream -- have become increasingly difficult to achieve.

Despite these challenges, there is a smart strategy that can boost our economy and help rebuild the middle class: investing in our failing infrastructure and transportation systems.

Years of neglect and Congressional inaction have left our country with transit and passenger rail systems, airports and an air traffic control system, highways and bridges, ports and maritime networks that are in desperate need of repair, expansion and modernization. Failure to invest in these projects has also resulted in missed opportunities to create millions of long-term, good paying jobs. A study from the Duke Center on Globalization, Governance & Competitiveness shows that underinvestment in transportation costs our country more than 900,000 jobs each year and makes the United States less competitive than 15 of our major trading partners. Yes, you read that right: too many of our elected officials are leaving close to 1 million jobs on the sidelines because they prefer partisan bickering over problem solving.

Improvements to our transportation systems will cement America's status as an economic powerhouse in this century and create good, steady jobs for our country's unemployed and underemployed workers, which together total nearly 15 million people. For every \$1 billion invested in transportation infrastructure, more than 21,000 jobs are created across multiple sectors of the economy, including operations, maintenance, construction and design. When components needed to build transportation projects, including steel, rail cars, and buses, are manufactured in the United States, the economic ripple effect becomes even greater.

Because collective bargaining is strong in the transportation sectors, workers enjoy higher pay, better benefits and more job security than their low-wage counterparts. In fact, at \$38,480, the median annual wage paid by occupations in infrastructure is nearly \$4,000 higher than the national median wage. In the broader economy, there is about a 13 percent wage premium for unionized jobs. For populations that are marginalized, including those without college degrees, single parents and veterans, good-paying, steady employment found in this sector can mean the difference between choosing which bills to pay each month and saving for college or a down payment on a house.

While it makes sense to pair unemployed and underemployed Americans with transportation infrastructure that's in need of repair, funding these projects does more than just put people back to work. Investments in transportation create wealth across the entire economy -- from the small farmer whose livelihood depends on efficient transportation to employers of all sizes that need a reliable freight network and safe and affordable commuter options for their employees, to carless millennials who rely on public transportation. Because every dollar invested in these projects returns \$3.54 in economic impact, entire communities are able to enjoy the bounty from these investments.

The economic growth transportation investments fuel improves quality of life for millions and helps private businesses thrive. That's why transportation has traditionally played a key role in spurring economic activity and building a strong middle class.

Some of the greatest periods of economic growth and job creation our country has seen were aided by the historic -- and yes, massive -- investments in grand and modern infrastructure, from the transcontinental railroad to our complex ground, air and water transportation networks. Few dispute the fact that the growth and eventual dominance of America's economy were synonymous with bipartisan decisions by elected leaders in the last century to build out a transportation system reflective of the ambitions of a nation ready to lead the global economy.

It is time for that mentality to once again take hold. Given the dilapidated state of our transportation system and historically low interest rates that reduce borrowing costs for these projects, there is no better time than the present to use transportation investments as drivers in an economy that needs better direction and more octane.

We've come to a critical point in our history. America's middle class is shrinking, our transportation infrastructure is crumbling and our economic recovery is struggling to kick into high gear. We can stay the course and watch America's working families suffocate, or we can make smart, strategic transportation investments that will boost American competitiveness, re-energize an economy struggling to find its footing and rebuild a middle class that has been in decline for decades.