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Newsweek



"We could put a
million people to work
retrofitting
buildings all over
America."

**14 WAYS
TO SAVE
AMERICA'S
JOBS**
BY **BILL
CLINTON**



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ECONOMY JOBS

IT'S STILL THE EC

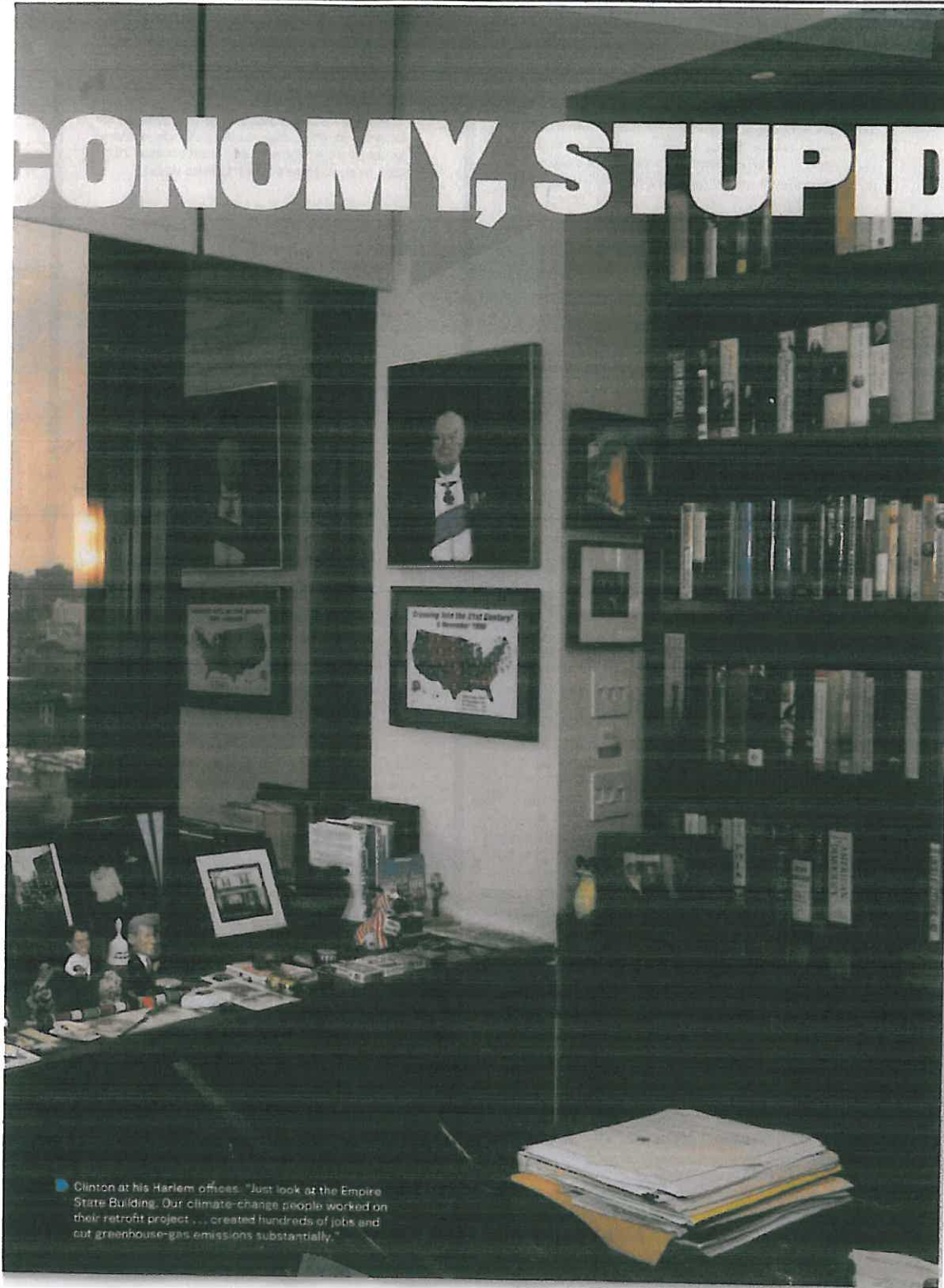
FOURTEEN MILLION AMERICANS REMAIN OUT OF WORK, A WASTE OF OUR GREATEST RESOURCE. THE 42ND PRESIDENT HAS MORE THAN A DOZEN IDEAS ON HOW TO ATTACK THE JOBS CRISIS.

BY BILL CLINTON

PHOTOGRAPH BY
ANDREW HETHERINGTON



ECONOMY, STUPID



Clinton at his Harlem offices. "Just look at the Empire State Building. Our climate-change people worked on their retrofit project ... created hundreds of jobs and cut greenhouse-gas emissions substantially."

ECONOMY JOBS

14 WAYS TO PUT AMERICA BACK TO WORK

Next week in Chicago, the Clinton Global Initiative will focus on America for the first time, inviting business and political leaders to make specific commitments in support of the former president's jobs blueprint, which he details below.

1. SPEED THE APPROVALS

Harry Hopkins had nowhere near the rules and regulations we have now. (In 1933, Hopkins's Civil Works Administration put 4 million to work in a month.) I don't blame the people in the White House for problems in getting shovel-ready projects off the ground; sometimes it takes three years or more for the approval process. We should try to change this: keep the full review process when there are real environmental concerns, but when there aren't, the federal government should be able to give a waiver to the states to speed up start times on construction projects. We gave states waivers to do welfare reform, so by the time I signed the bill, 43 of the 50 states had already implemented their own approaches. We need to look at that.

2. CASH FOR STARTUPS

If you start a business tomorrow, I can give you all the tax credits in the world, but since you haven't made a nickel yet, they're of no use to you. President Obama came in with a really good energy policy, including an idea to provide both a tax credit for new green jobs and for startup companies, to allow the conversion of the tax credit into its cash equivalent for every employee hired. Then last December, in the tax-cut compromise, the Republicans in Congress wouldn't agree to extend this benefit because they said, "This is a spending program, not a tax cut. We're only for tax cuts." It was a mistake. The cash incentive worked. On the day President Obama took office, the U.S. had less than 2 percent of the world market in manufacturing the high-powered batteries for hybrid or all-electric cars. On the day of the congressional elections in 2010, thanks in large part to the cash-incentive policy, we had 20 percent of global capacity, with 30 new battery plants built or under construction, 16 of them in Michigan, which had America's second-highest unemployment rate. We have to convince the Republican Congress that this is a good thing. If this incentive structure can be maintained, it's estimated that by 2015 we'll have 40 percent of the world's capacity for these batteries. We could get lots of manufacturing jobs in the same way. I could write about this until the cows come home.

3. JOBS GALORE IN ENERGY

When I was president, the economy benefited because information technology penetrated every aspect of American life. More than one quarter of our job growth and one third of our income growth came from that. Now the obvious candidate for that role today is changing the way we produce and use energy. The U.S. didn't ratify the Kyoto accords, of course, because Al Gore and I left office, and the next government wasn't for it. They were all wrong. Before the financial meltdown, the four countries that will meet their Kyoto greenhouse-gas emission targets were outperforming America with lower unemployment, more new business formation, and less income inequality.

Plus: Read David M. Kennedy's *Freedom From Fear* for insight into the job-creation machine of Harry Hopkins.

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EMPIRE STATE OF JOBS

The Empire State Building recently received an ecofriendly makeover, which will reduce energy costs by \$4.4 million a year—and created 252 jobs to boot. Here's how it breaks down.*



RADIATORS

Installed barriers behind the building's radiators to prevent heat from escaping.

ESTIMATED ANNUAL COST SAVINGS: \$190,000

JOBS CREATED: 8



COOLING

Rebuilt the electric chiller plant to improve energy efficiency.

ESTIMATED ANNUAL COST SAVINGS: \$675,000

JOBS CREATED: 12

*Fifty-two jobs were created in manufacturing and project development and engineering. About \$1 million will be saved on power generation and updated control systems.



WINDOWS

Refurbished all 6,514 to improve insulation.

ESTIMATED ANNUAL COST SAVINGS: \$410,000

JOBS CREATED: 80



SENSORS

Controlling lighting and air flow limits waste.

ESTIMATED ANNUAL COST SAVINGS: \$1.76 million

JOBS CREATED: 70



TRACKING

Tenants are given energy-use benchmarks.

ESTIMATED ANNUAL COST SAVINGS: \$396,000

JOBS CREATED: 30

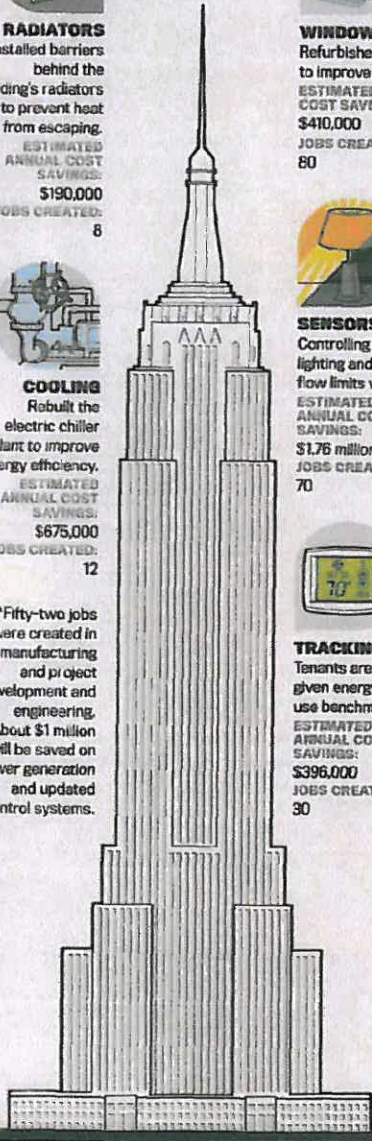


ILLUSTRATION BY CHRIS PHILPOY

4. COPY THE EMPIRE STATE BUILDING

Just look at the Empire State Building—I can see it from my office window. Our climate-change people worked on their retrofit project. They cleared off a whole floor for a small factory to change the heating and air conditioning, put in new lighting and insulation, and cut energy-efficient glass for the windows. Johnson Controls, the energy-service company overseeing the project, guaranteed the building owners their electricity usage would go down 38 percent—a massive saving, which will enable the costs of the retrofits to be recovered through lower utility bills in less than five years. Meanwhile, the project created hundreds of jobs and cut greenhouse-gas emissions substantially. We could put a million people to work retrofitting buildings all over America.

5. GET THE UTILITIES IN ON THE ACTION

Let's suppose you and I go to a blue-collar neighborhood in Rockland County, N.Y., about an hour north of midtown Manhattan. On each house we could do a simple job—in and out in a day—that would almost certainly save 20 percent in energy costs. You wouldn't even need banks if states required the electric companies to let consumers finance this work through utility savings. At least 11 states allow the electric companies to collect the money saved and use it to pay the contractors. So why shouldn't the utilities finance this? To give another example, our climate-change initiative worked with the state of Arkansas, with the support of the governor, to develop a program called HEAL (Home Energy Assistance



CLINTON'S HIRING SQUAD

At next week's CGI jobs summit, business leaders, nonprofit directors, lawmakers, and academics will meet in Chicago to discuss solutions for unemployment. Here are some commitments that have already been made:



Onshore Technology Services

This outsourcing firm will create 1,000 jobs over five years in rural Missouri, with a special focus on Joplin, which was hit hard by the recent tornado.



Civic Justice Corps

A public-private partnership that helps troubled youths acquire life skills, CJC will expand and create 1,500 jobs over the next two years.



The Arthur Guinness Fund and Youth Business America

By the end of June, these two groups will approve five new loans for a total of \$75,000 for young entrepreneurs. By the end of the year, they will approve 30 more.

FINANCIAL GURU Clinton, seen here at Davos, travels the world to promote CGI's programs and ideas.



PHOTO: CHRISTOPHER BOETTCHER



OBAMA'S PRIORITIES

After meeting with his Jobs and Competitiveness Council in North Carolina last week, President Obama said that former president Clinton will help spearhead a national effort to create jobs by offering incentives to building owners to invest in energy-efficient upgrades. The following are other measures the president's council suggested:



Graduate 10,000 new American engineers annually by partnering with firms and universities to encourage students to pursue math- and science-related fields.



Reduce the shortage in skilled manufacturing employees by working with companies and community colleges to get people accredited more quickly.



Speed up the approval process for foreign-born entrepreneurs trying to live and work in the United States.



Streamline the process for approving large infrastructure projects.



Loan), in which a company first creates jobs by making its own building more energy-efficient. Then, with the savings from the utility bill, they establish a fund to offer interest-free loans to their employees to finance the same work on their homes. This could be done with a little government support by companies all over the country. You get 7,000 jobs for every billion dollars in retrofitting. Let's start with the schools and colleges and hospitals, and state, county, and local government buildings. That would keep the construction industry busy for a couple of years, creating a million jobs that would ripple through the whole economy, spurring even more growth.

6. STATE-BY-STATE SOLUTIONS

There may be some things that the states can do to loosen this up. One of the reasons Harry Reid won in Nevada is that, right before the election, two big Chinese companies announced they were moving factories there to make LED lightbulbs and turbines for the big wind farms down in Texas. Nevada is a little state, and it gained more than 4,000 jobs.

The thing I really liked about it was that the Chinese guys played it straight. They said the decision was pure economics. They didn't say, "We're coming here because Harry Reid is the leader of the Senate." They said, "We're coming

here because Nevada has the best state incentives to go with the federal incentives." They were very clinical. They said labor costs in China are still cheaper, but these turbines are big and heavy, and higher transportation costs to the U.S. market would offset the labor gains—and there was a tax credit from the federal government for green-energy manufacturing, and extra credits in Nevada.

7. GUARANTEE LOANS

Before the last presidential election, I tried for a year to get both Congress and the administration to deal with the fact that the banks weren't lending because they were still jittery about the economy, and worried about the regulators coming down on them for bad loans still on the books. It's not much better now. Banks still have more than \$2 trillion in cash uncommitted to loans.

So I suggested that the federal government set aside—not spend—\$15 billion of the TARP money and create a loan-guarantee program that would work exactly the way the Small Business Administration does. Basically, the bank lends money to a business after the federal government guarantees 75 percent of it. Let's say that the SBA fund has about a 20-to-1 loan-to-capital ratio, and it's never come anywhere near bankruptcy. If we capitalized this more con-

PETE EGOUZ/WHITE HOUSE

servatively at 10-to-1, we could guarantee \$150 billion in loans and create more than a million jobs. We should start with buildings we know will stay in use: most state and local government buildings, schools, university structures, hospitals, theaters, and concert halls. We could include private commercial buildings with no debt. Even if many are strapped for cash, allowing the costs of the retrofits to be paid only from utility savings means the building owners won't be out any cash. It's a "just say yes" system.

8. PAINT 'EM WHITE

Look at the tar roofs covering millions of American buildings. They absorb huge amounts of heat when it's hot. And they require more air conditioning to cool the rooms. Mayor Bloomberg started a program to hire and train young people to paint New York's roofs white. A big percentage of the kids have been able to parlay this simple work into higher-skilled training programs or energy-related retrofit jobs. (And, believe it or not, painting the roof white can lower the electricity use by 20 percent on a hot day!)

Every black roof in New York should be white; every roof in Chicago should be white; every roof in Little Rock should be white. Every flat tar-surface roof anywhere! In most of these places you could recover the cost of the paint and the labor in a week. It's the quickest, cheapest thing you can do. In the current environment it's been difficult for the mayors to get what is otherwise a piddling amount of money to do it everywhere. Yet lowering the utility bill in every apartment

house 10 to 20 percent frees cash that can be spent to increase economic growth.

9. DEALS TO MAKE THINGS

Every analysis shows that TARP and the stimulus saved us from a second Great Depression. After the GM and Chrysler bailouts, we have something like 75,000 more jobs in the industry. Closure of the factories and the suppliers with them would have cost a million jobs. The stimulus should have been more vigorously defended in the last election. It did work, but it didn't "fix the economy" because it was an \$800 billion stimulus trying to fix a \$3 trillion hole. Nobody can fill a \$3 trillion hole with \$800 billion, so it didn't make ordinary people feel a lot better, but without it, the unemployment rate would have been 1.5 to 2 percent higher than it is.

I'm sympathetic with the objectives of the Bowles-Simpson commission; we do need to do something about long-term debt. It's a question of timing, really. If we cut a lot of government spending while our economy still has so little private investment, we risk weakening the economy even more and increasing the deficit because tax revenues can fall more than spending is cut. That's why the Bowles-Simpson report recommends we delay big spending cuts until next year. So what should we do? More infrastructure initiatives now would put a lot of people back to work. But President Obama doesn't have the votes in the Congress to get another stimulus package. When asked why he robbed banks, Willie Sutton said, "Because that's where the money is." We have to



THE REAL MINIMUM WAGE

Those without jobs are often willing to work for far less than \$7.25. NEWSWEEK chronicles how low they will go. BY THOMAS E. WEBER

Just as the official unemployment rate doesn't give the whole picture, neither does the \$7.25 minimum wage set by the federal government. While in some parts of the country even menial positions command more, there's also a virtual army of the digitally desperate who will work for less—often far less.

To find out what pay U.S. workers will really accept for an hour's work, and how that stacks up against other countries, NEWSWEEK turned to Mechanical Turk, an online marketplace for freelance work operated by Amazon.com. In a weeks-long experiment, we posted simple, hourlong jobs

(listening to audio recordings and counting instances of a specific keyword) and continually lowered our offer until we found the absolute bottom price that multiple people would accept, and then complete the task.

The results: some Americans settled for a shockingly low 25 cents an hour—while counterparts in nations like India and the Philippines expected multiples more. Of course, the results also partly reflect how many workers in each country compete for work on Amazon's system. But even against other wired places like the U.K. and Canada, Americans desperate to earn even a pittance were the cheapest around.



ECONOMY JOBS

unlock that money and take steps to get U.S. corporations to invest some of the \$2 trillion they have accumulated.

Without regard to their party or their philosophy, Americans have always been great at the art of the deal. The real thing that has killed us in the last 10 years is that too much of our dealmaking creativity has been devoted to expanding the financial sector in ways that don't create new businesses and more jobs and to persuading people to take on excessive debt loads to make up for the fact that their incomes are stagnant. That's one reason why we've been suffering from anemic employment for years. In the seven years and eight months that preceded the meltdown, our economy produced a meager 4 million new jobs, far too few to cope with millions coming into the workforce, and virtually all those jobs were created in housing, finance, and consumer spending.

10. TRAIN ON THE JOB

Andrew Liveris's book on how we can bring manufacturing back to America cites a company that interviewed 3,600 people for 100 jobs and hired 47; the others didn't have the necessary skills. One answer to the skills roadblock comes from the former labor commissioner in Georgia, Michael Thurmond. After job vacancies go unfilled for a certain period of time, the state offers businesses the money to train potential employees themselves. During the training period, the companies don't become employers, so they don't have to start paying Social Security taxes or employer benefits.

They train people their way, then hire those who succeed as regular employees, reducing the time lag between when a job is advertised and when it is filled. With unemployment at 9 percent and the real rate of those without full-time work higher, there are 3 million posted job vacancies. Filling them faster could make a big difference.

11. TEACH SKILLS WE NEED

I'm trying to figure out why job seekers don't have the skills companies need; why the community colleges and vocational programs, which have done such a great job for America, are not providing more people with the skills to fill these vacancies. Do people just not enroll in the right programs or do they drop out because of the economy? I hope we can find out.

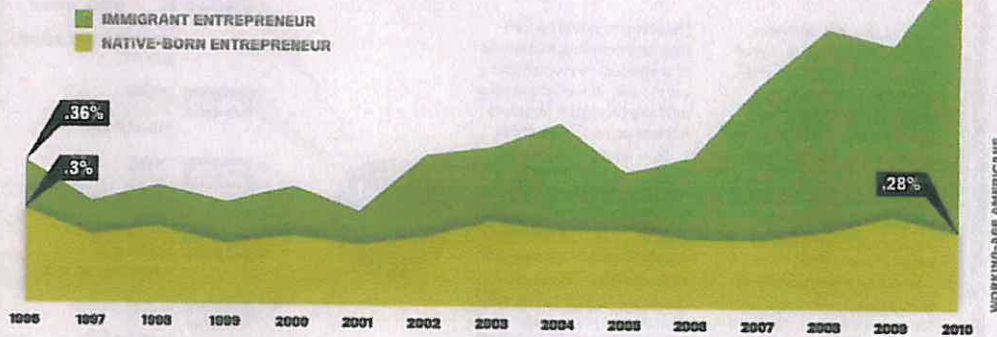
12. CUT CORPORATE TAXES

It's true that our corporate rates are the second-highest in the world. But it's also true that what our corporations actually pay is nowhere near the second-highest percentage of their real income in the world. So I'd be perfectly fine with lowering the corporate tax rates, simplifying the tax code, and saving some money on accountants, but broadening the tax base so that all of them pay a reasonable amount of tax on their profits. That's what the Bowles-Simpson commission recommended, and it's the right policy. Lower the rates to be competitive, but reduce the loopholes that cause unfair

IMMIGRANTS=JOBS

There's a simple way to get Americans back to work: Make it easy for talented foreigners to come here and hire them.

BY CARL J. SCHRAMM



The sluggish recovery has policymakers privately echoing one popular commentator, who said that when it comes to job creation, all the low-hanging fruit has been picked.

While there's no denying the economic and fiscal challenges facing America, a watermelon-size piece of accessible stimulus remains: Immigrant entrepreneurs. For more than

two centuries, the United States has been the top destination for those seeking to start and grow successful businesses. In the 10 years prior to 2006, the most recent period with

SOURCE: KALIFMAN FOUNDATION

Plus! Read a full profile of Andrew Liveris and his book, *Make It in America*, on thedailybeast.com.

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FROM LEFT: CHRISTOPHER DETMERS—DPA/ANDY, ELINA BATION, ROBERT GALEBATH—HUTTEN/ANDY, S. DIPASINI—FLUOR

disparities. We all need to contribute something to help meet our shared challenges and responsibilities, including solving the debt problem.

13. ENFORCE TRADE LAWS

We lost manufacturing jobs in every one of the eight years after I left office. One of the reasons is that enforcement of our trade laws dropped sharply. Contrary to popular belief, the World Trade Organization and our trade agreements do not require unilateral disarmament. They're designed to increase the volume of two-way trade on terms that are mutually beneficial. My administration negotiated 300 trade agreements, but we enforced them, too. Enforcement dropped so much in the last decade because we borrowed more and more money from the countries that had big trade surpluses with us, especially China and Japan, to pay for government spending. Since they are now our bankers, it's hard to be tough on their unfair trading practices. This happened because we abandoned the path of balanced budgets 10 years ago, choosing instead large tax cuts especially for higher-income people like me, along with two wars and the senior citizens' drug benefit. In the history of our republic, it's the first time we ever cut taxes while going to war.

14. ANALYZE THE OPPORTUNITIES

I'm hosting this month's CGI America meeting on the assumption that there will be no federal stimulus and no fur-

ther tax incentives targeted directly toward creating new jobs. Going on these assumptions, we want to analyze America's economy: *What are our assets? What are our liabilities? What are our options?* There must be opportunities to be tapped, given all the cash in banks and corporate treasuries. If we have some success, we might be able to influence the debate in Washington in a nonpartisan way because we'll have economic evidence to show them. I don't have any problem at all if Congress wants to give tax credits to companies that actually hire people. But I think we have to pay for them, so I'd be happy to go back to the tax rates people at my income level paid when I was president in order to pay for the tax incentives to put more people to work.

The whole purpose of CGI America is to highlight good ideas because not everyone is aware of what's out there. I'm going to try to get enough commitments that are representative enough of the circumstances facing diverse industries and different cities and states to persuade people across America to try their own version of them in a discussion of our economic stagnation. There's been a remarkable lack of attention to "microeconomics," the untapped growth potential of American corporations, entrepreneurs, and workers.

Let's be realistic here. This is a massive economy. No matter how many impressive commitments we get, we won't move the numbers. They'll move the numbers only if enough people say, "Wow, I wish I'd thought of that." **EW**

FOREIGN-BORN JOB CREATORS

data available, fully one quarter of technology and engineering businesses started in the United States were founded or cofounded by immigrants, including Sergey Brin (Google) and Jerry Yang (Yahoo), creating tens of thousands of American jobs.

The importance of immigrant entrepreneurs extends well beyond technology. Newcomers have raced ahead of native-born Americans in terms of starting companies—they're now twice as likely, regardless of the sector. And those companies create jobs.

If the U.S. wants to maintain a dynamic future—and remain central to the global economy—it must continue to grab the low-hanging fruit: attracting more immigrant entrepreneurs, and keeping, through visa extensions, the high-tech foreigners who graduate here.

Schramm is CEO of the Kauffman Foundation.



SERGEY BRIN
Google
BIRTHPLACE: Russia
U.S. EMPLOYEES: 15,000

Since cofounding Google in 1998 with Larry Page, Brin has helped transform it from an intuitive algorithm to a search-engine startup to a media behemoth that now ranks among the most famous, admired—and valuable—companies in the world.



WENCES CASARES
Bling Nation
BIRTHPLACE: Argentina
U.S. EMPLOYEES: 7

After founding Argentina's first Internet service provider and turning around a failed brokerage, Casares, the son of a Patagonia sheep rancher, came to America to start Bling Nation, a mobile-payment startup based in Silicon Valley.



K. R. SRIDHAR
Bloom Energy
BIRTHPLACE: India
U.S. EMPLOYEES: 1,000

Once an adviser to NASA, Sridhar came to the U.S. to pursue a doctorate at the University of Illinois and embraced the green-technology boom early. His Silicon Valley-based company uses fuel-cell technology to develop various forms of renewable and affordable energy.



IMAN MOHAMED ABDULMAJID
Iman Cosmetics
BIRTHPLACE: Somalia
U.S. EMPLOYEES: 36

A fashion icon and former supermodel, Iman started her cosmetics line in 1994 after her career on the runway had ended. Since then, the company has gradually grown to become a \$25 million business that caters primarily to women of color.



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