

programs and Family and Medical Leave policies are especially urgent because workers are most productive when they do not have to worry about problems at home. Our society should support and honor those who raise the next generation, not punish them.

■ **A Safe and Healthy Workplace:** It is tragic, immoral, and wasteful that American workers still have to risk their lives to earn their livelihoods. Democrats support vigorous and effective enforcement of existing health and safety laws, and providing new protections against new occupational health hazards, from carpal tunnel syndrome that hurts workers from assembly lines to computer keyboards to the radiation hazards and dangers to reproductive health resulting from working with video display terminals.



Helping our workers do the best job possible, helping young people achieve their full potential, helping every family afford a decent home, and helping every community protect its safety — these are ways that government can be the instrument of the shared interests and shared values of the American people. And these are the commitments of the Democratic Party.

## ALTERNATIVE VISION

*Success comes in many forms. Last year, after careful screening, the 'Project Independence' enrolled two welfare recipients, Audrey D. and Helen W., in electrical engineering training at a Southern Maryland vocational training center.*

*This was the first time that adults had taken classes alongside adolescents. This non-traditional approach took courage and creativity but was well worth the effort.*

*The two women were highly motivated, and provided a good example for the younger students. "You'd better pay attention or you'll end up like us, on welfare," they said. The women became in-school parents in many respects, and their classmates began to perform better than those in other classes.*

*In the spring, Audrey and Helen took home silver and bronze medals from the Vocational Industrial Clubs of America competition, a testimony to their hard work and newfound dedication to learning.*

*Both are now involved in on-the-job training with major companies. The employers are pleased with their training and their work.*

## THE SQUEEZE ON AMERICAN FAMILIES

**A**re you better off today than you were in 1980?

Do you believe you will be better off in the year 2000?

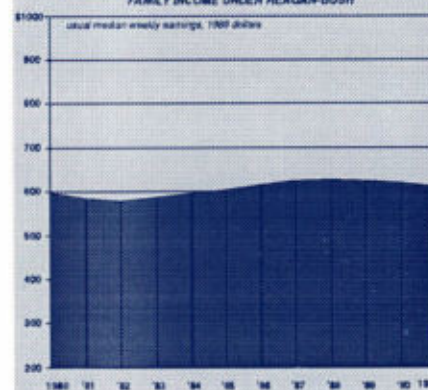
Do you believe your children will be better off then you are today?

The answer is "NO" for all but the wealthiest few Americans.

*The middle class is under siege — squeezed by a stranglehold of stagnant incomes, higher taxes, and the spiraling costs of health care, education, and housing.*

### RUNNING IN PLACE

FAMILY INCOME UNDER REAGAN-BUSH



Source: House Budget Committee

This lasting legacy of the past decade is more subtle but no less corrosive to the social and economic fabric of the nation. Until the 1980s, families that worked hard and played by the rules could expect to benefit from sustained economic growth. This is the American Dream.

Traditionally, middle and lower income families are harder hit by recessions than the wealthy, but they usually experience stronger recoveries during economic expansions. This pattern came to an abrupt end in the 1980s. Middle and lower income families hardhit by the deep recession of 1981-82 had a very difficult time making up lost ground during the rest of the decade. Then, the prolonged recession and anemic economic growth rate under the Bush administration halted the growth of median family earnings.

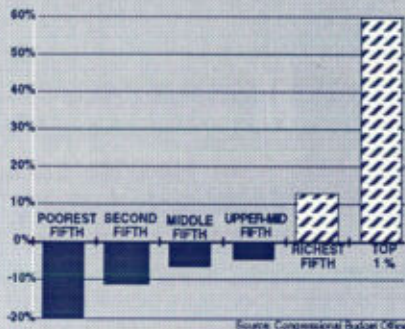
Under Republican rule, the gap between the wealthy and the rest of us grew to be larger than at any time during the past half century, according to Census Bureau data. The growth in inequity from 1979 to 1989 was nearly twice as large as the change between 1969 and 1979.

The wealthiest one fifth now receives as much after-tax income as the remaining 80 percent of Americans. Recent studies conclude that while average real wage and salary incomes more than doubled for the wealthiest one percent during the past decade, rising an average of \$130,000 per household, incomes were stagnant in real terms for the rest of American households.

Republican tax policies have driven Americans further apart. The policies of the past decade have unfairly burdened middle-income Americans with additional taxes, while giving tremendous tax breaks to the wealthiest few. Over four out of five American families now pay more of their incomes in taxes under the Republicans.

Radical tax rate reductions for America's wealthiest, coupled with an unprecedented array of tax loopholes and corporate tax giveaways, mean



**ENCOURAGING DISPARITY**Percent Change In Share Of After-Tax Income  
Caused By Distributional Shifts, 1980-1992

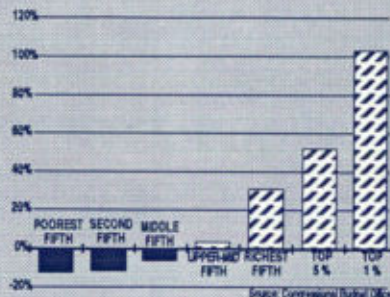
that the richest one million households pay lower taxes on much higher incomes. While the yearly salaries of those earning over \$1 million rose 243 percent in the 1980s, their tax burden plunged 35 percent, giving them an average \$346,673 tax break. Meanwhile, middle class families saw their wages rise an average of just 4 percent a year over the decade as their tax burden grew.

Similarly, capital gains income more than doubled over the past decade for the wealthiest one percent, while falling for the bottom 90 percent of Americans. The wealthiest one percent realized an average \$156,000 in capital gains income in 1988.



The human story behind the facts of our economic problems is the courage of millions of working families who are making it in the face of declining incomes, rising costs of basic necessities, and subsequent mounting debt. Any economic policy must equal their courage.

We must be prepared to think big, to reach beyond the traditional tools of monetary and fiscal policy. We must be prepared to join these families in the battle to secure health care and education, the battle to secure safe and strong communities.

**GROWING DISPARITY**Average Real After-Tax Income Gains And Losses, 1977-1992  
in 1992 Dollars

■ Today, the richest one million families pay 24 percent less of their incomes in taxes than they would have had the tax burden remained as it was in 1977 – an average tax cut of about \$65,000

■ They get 67 percent more of total pre-tax income: 13.4 percent in 1992 compared to 8.7 percent in 1977.

■ And their after-tax income has more than doubled in the past fifteen years.

**YOUNG FAMILIES  
SUFFER MOST**

■ Pre-tax adjusted family income dropped by more than 13 percent for 80 percent of all families with a head of household under 35 years of age.

■ This reflects an especially pernicious trend in our country – it is getting harder to get started in America.

**CIVIL RIGHTS**

*Democrats believe that every American deserves an equal opportunity to pursue the American Dream — and through their success, our communities are strengthened. The true genius of America is that when we protect individual rights, we all benefit. No true community can exist when certain groups or members of the community are excluded, and the benefits of the community must be enjoyed by all. This principle was embodied in the Civil Rights Act and the American With Disabilities Act of 1991.*

*Over the protests and despite the veto threats of the Republican administration, Democrats fought for and passed the Civil Rights Act of 1991 to:*

- strengthen the laws that protect workers from discrimination in the workplace;
- ensure equitable procedures to seek damages when a person has been the victim of discrimination; and
- extend protection to all U.S. citizens.

*The Americans With Disabilities Act extends civil rights protections to 43 million Americans. Democrats believe that we cannot afford to forsake the abilities of Americans challenged by disability.*

*Civil rights are the rules by which we conduct our relations with one another. Therefore, at the heart of a thriving community is the respect and dignity that each individual accords to one another. Democrats believe that civil rights must be cherished and protected for communities to achieve their full potential.*





## The Workplace: Teamwork and Training

The American economy is most successful when employees have a voice in decisionmaking, the opportunity to learn new skills, a safe working environment, and the assurance that conscientious effort will be rewarded.

From the New Deal to the Great Society, Democrats met the challenges of the Industrial Age by championing collective bargaining, occupational safety, protections of pension rights, and job training and retraining. These programs helped lift working people into the middle class, promoting prosperity.

For the past dozen years, the Reagan-Bush Administrations have disrupted the sense of teamwork that makes workplaces more successful. Employers have been encouraged to ride roughshod over their employees. Corporate chief executives have raised their own salaries from 50 to 100 times the average wages of frontline workers, while skimping on urgently needed investments in workers' skills, plant equipment, and new product development. Tax breaks actually encouraged companies to ship American jobs overseas.

While Republicans turn back the clock on workers' rights, our workplaces are being transformed. More women and minorities are entering the work force. International competition requires increased productivity. Technological change—and the demand for more specialized goods and services—creates the need for a better-trained workforce.

But, while the world was changing, Republican Administrations clung to the past. Instead of promoting a more family-friendly workplace, President Bush vetoed the Family and Medical Leave bill. Instead of investing in workers' skills, Republicans have skimped on spending for employee training, particularly the retraining required by job losses caused by foreign competition. And, instead of bringing la-

bor and management together, twelve years of Republican rule have seen costly and destructive strikes, from Eastern Airlines to Caterpillar.

Just as we met the challenges of the Industrial Age, Democrats offer innovative ideas to meet the challenges of the Information Age, offering American workers the opportunity to participate in a high-skill, high-productivity, high-wage economy:

■ **A New Spirit of Teamwork in the American Workplace:** Federal labor law—and the moral authority of the President—should encourage cooperation, not conflict, between labor and management. And, because frontline workers usually know best how to improve their products and services, federal policy should encourage a stronger employee voice in decisionmaking, from the shop floor to the boardroom.

■ **A New National Commitment to Lifelong Job Training and Retraining:** We want to strengthen existing job training programs, especially for workers displaced by foreign competition, and build new partnerships among businesses, governments, unions, and schools to expand apprenticeships and other training programs. And we'll use the full range of government policies, from tax incentives to federal contract requirements, to encourage businesses to expand on-the-job training.

■ **A Workplace that Brings out the Best in Everyone:** Hardworking men and women should be able to go as far as their talents will take them, without being held back by discrimination or harassment. Democrats are for including all capable individuals in our workforce, eliminating all forms of discrimination, and making a new effort to eradicate sexual harassment.

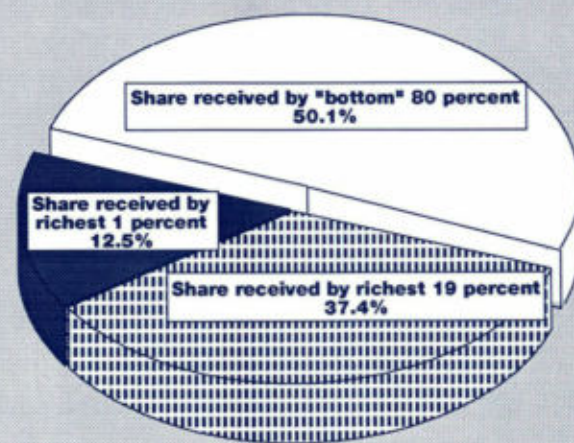
■ **A Family-Friendly Workplace:** American worklife should recognize the new realities of American family life. Child care

## CAUGHT IN THE MIDDLE

- *This year alone, Americans will spend \$817 billion on health care. However, even this huge cost does not buy peace-of-mind. Too many Americans worry that their insurance premiums will continue to rise, and that their benefits will be curtailed.*
- *Housing costs, as a share of income, remain high by all historical standards, despite recessionary dampening. Homeownership in the 25-29 age group fell by nearly a fifth between 1980 and 1989; in the 30-34 age group, homeownership fell by 12 percent.*
- *Over the last decade, while family purchasing power has stagnated, the cost of college education has skyrocketed: the average tuition at public universities rose from \$635 in 1980 to \$1,730 in 1992. Private school tuition rose from an average of \$3,498 to \$10,297 over the same period.*

## HALF AND HALF

Share of After-Tax Income, 1992



Source: Congressional Budget Office



## SOLUTION

*This year, the House has already passed a major reform of our nation's higher education programs. The bill substantially increases the aid available to working- and middle-income families.*

*Not surprisingly, the bill passed by an overwhelming bipartisan vote with just 3 out of 435 Representatives voting against the bill.*

*Nonetheless, President Bush opposes the bill because of the help it extends to working- and middle-income students.*

- And help "nontraditional" students, such as part-time and adult learners.

To ensure that these educational dollars are spent wisely, Democrats passed new procedures to ensure that student loans are repaid, and schools that abuse the program are eliminated altogether.

A college education is not the only way in which individuals can make contributions to the community and our competitiveness. For too long, our society has neglected the large percentage of our young people who will not be going on to a four-year college degree. These young people will become America's front-line workers, and the future of our economy will be in their hands.

Neglecting our frontline workers' skills hurts American companies and American competitiveness. The need for remedial training is cost-

ing U.S. companies an estimated \$300 million every year.

Democrats support innovative ideas to prepare young people not just for their first jobs but for a lifetime of productive and rewarding work in an economy that increasingly values technical expertise. We encourage initiatives such as "Tech-Prep," an emerging education approach that coordinates two years of high school with two years of community college. The students receive state-of-the-art technical preparation in practical fields so that they can work in the most advanced industries where worker shortages are the most acute. Support is also provided for development of advanced technical training courses in our nation's community colleges to respond to the demands of our rapidly chang-

ing workplaces.

Communities cannot thrive and prosper unless everyone can contribute. We must continue to make the Job Corps program available to those individuals who do not finish high school. Job Corps gives those who dropped out of high school skills which will enable them to find long-term employment in the communities in which they live. Seventy-five percent of all Job Corps graduates move on to full-time employment or study. Not only do these graduates stay in their jobs longer, but they earn 15 percent more than their non-Job Corps counterparts.

For America to maintain a world-class economy, we need to provide first class opportunities for education and job training for all our young people.



Overall, this budget would have resulted in one million fewer awards for students in Fiscal 1992, if Democrats had not successfully fought back and saved financial aid for these students.

Federal financial aid programs are supposed to cover the share of college costs that families cannot afford. However, the gap between college costs and family resources has increased steadily. From 1980-81 through 1990-91, the total value of federal student assistance failed to keep pace with increases in college costs for public and private universities. And median family income was stagnant.

Because of the increase in college costs, the federal Pell Grant, which is the cornerstone of the nation's federal student aid programs, declined in purchasing power by fully 50 percent during the past decade. Overall, the first ten years of the Reagan-Bush administrations reduced the share of college costs borne by the federal government by 60 percent. Thus, the percentage of low-income students who attend college has declined by 50 percent.

Meanwhile, there has been a dramatic shift in the type of aid available to students. That burden is now a major factor in decisions by many students to forego a post-secondary education, change their majors and career choices, or skip graduate and professional education. The dream of higher education must be kept alive for all qualified students. Individuals who continue their education can contribute to their families and communities while keeping America competitive. Democrats believe that the government can help those young people who are dedicated and eager to learn.

## PROBLEM

- *In the late '1970s, 64 percent of aid was in the form of grants and work opportunities, and 36 percent was in the form of loans.*
- *After a dozen years of Republican administrations, that proportion has been reversed, burdening students from moderate-income families with massive debt.*
- *During the past decade, student indebtedness has increased by nearly 300 percent — to \$51.4 billion.*

- Simplify the applications process and the administration of financial aid programs, so that parents and students are not tied up in red tape;
- Change eligibility standards to ensure that Americans are not unfairly denied aid because of the value of a home, small business, or farm;
- Increase the amount of aid for eligible families, so that the purchasing power of federal aid is restored;
- Provide more grants, rather than loans, for students from moderate-income families, to reduce the debt that burdens their futures and distorts their decisions about educational and career options;

## NEGLECTING OUR PLATFORM FOR PROGRESS

**A**merica's transportation and environmental infrastructure provides the framework for our dynamic economy. The federal government has a clear role in providing this platform for growth.

Democrats believe that if we renew public investment in our country, America can grow again. Since Republicans took the White House in 1981, federal funding, as a percentage of GNP, has dropped by nearly one half. Failing bridges, crumbling highways, and congested airports are the most visible results of this neglect.

Democrats champion investing in infrastructure because we believe in the values that built America:

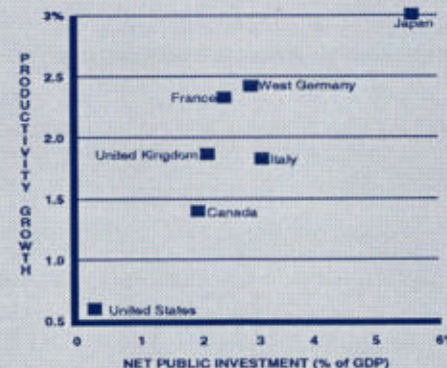
- The economic patriotism that cares about building high-quality products, providing high-quality services, and keeping high-skill, high-wage jobs here in the U.S.A.;
- And the commitment to the future that is the essence of investment, setting aside some of what we earn today to provide a better life for our children, and our children's children.

Yet two consecutive Republican administrations have ignored this track record. Rather than invest in a long-term plan to rebuild our underpinnings, Republicans have let Americans pay for a substandard infrastructure in the form of wasted fuel, wasted money, wasted time, and lost lives. The Reagan-Bush approach failed to keep pace with the demands placed upon our foundations.

**For every 1 percent increase in our stock of capital, we reap a 0.4 percent gain in productivity growth.**

### AN AMERICA VALUE

INCREASED PUBLIC INVESTMENT IN INFRASTRUCTURE PROVIDES A PLATFORM FOR PRODUCTIVITY



1975-1985  
Source: Organisation for Economic Cooperation and Development



# THE COST OF NEGLECT

## ROADS

- There are almost 3.9 million miles of roadway in the United States, much in need of repair.
- Over 205,000 miles of pavement is considered at or below accepted engineering standards for cost-effective maintenance.

## BRIDGES

- Today, over 238,000 of our nation's 578,000 bridges are either structurally deficient or functionally obsolete.

## MASS TRANSIT

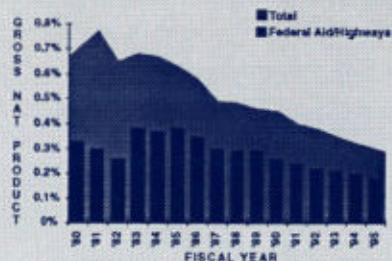
- The Federal Highway Administration estimates that in 1989, congestion on principal highways caused over 8 billion hours of delays.
- The average American will have wasted over two years caught in rush-hour traffic, by the end of his or her career.

## WATER TREATMENT

- Our nation needs almost \$100 billion in investment for water treatment and sewage treatment facilities, according to recent surveys.

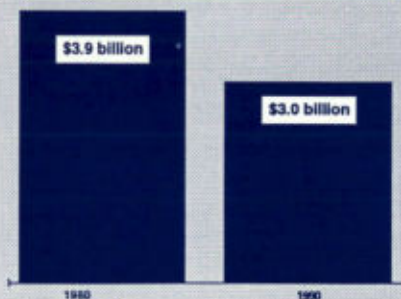
### A REPUBLICAN FAILURE

FEDERAL INVESTMENT IN TRANSPORTATION  
AS A PERCENT OF GNP, 1980-1990



1990-91 = Bush proposal  
SOURCE: President's FY 1991 Budget Proposal

### RETREAT FROM MASS TRANSIT



Figures are in current dollars  
Source: Urban Mass Transit Administration

materials up-to-date, ensuring that curricula better reflect the changing nature of the American and global economies. These efforts must include more experience with computers and other forms of instructional technology, and a strong emphasis on mathematics, science, and foreign-language instruction.

Democrats support national standards for what schools must teach and students must learn. But communities, schools, and teachers need the flexibility to decide how to meet their students' special needs. Serious consideration should also be given to extending the school year. American students typically attend classes 180 days a year — far

below the 240 attendance days for students in our leading economic competitors.

Finally, the community-wide and economic benefits of education should be consistently stressed by parents, teachers, and leaders. Students should be encouraged to stay in school because, the more they learn, the more they will earn.

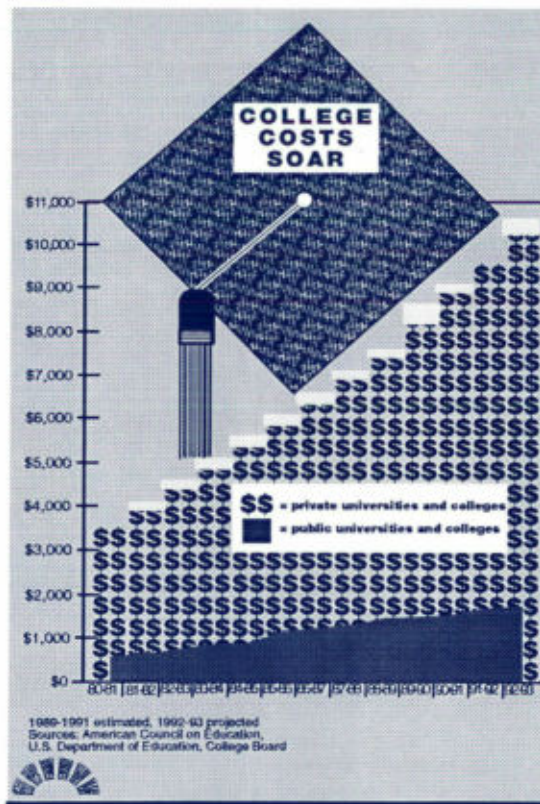
Quality education for every young person is the best investment America can make in our communities, our people, our economy, and our future.

### Higher Education: Opportunity for All

Since the Truman Administration began GI Bill college assistance almost a half century ago, Democrats have strengthened student financial aid programs to expand individual opportunity and sustain economic growth.

For the past dozen years, Presidents Reagan and Bush have kept cutting student aid programs at a time when drastic increases in tuition made it difficult for many students from middle class families to attend college. The result is that qualified middle and low-income students have had a difficult time continuing their education beyond high school.

The Bush Administration's budget for Fiscal 1992 would have eliminated 400,000 needy students from the Pell Grant program. The Bush budget also called for severe reductions in Campus Work Study (CWS) and Supplemental Education Opportunity Grants (SEOG) programs, and the termination of the Perkins and State Student Incentive Grant (SSIG) programs.



1980-1991 estimated, 1992-93 projected  
Sources: American Council on Education,  
U.S. Department of Education, College Board