

We're speaking today with Tom Perez, the Secretary of Labor for the United States Department of Labor. So thank you, Mr. Secretary, for joining us.

Oh, it's a pleasure to be with you.

Maybe you could talk a little bit about what's changed since you and I entered the labor force a number of years ago.

I'm thinking about a good friend of mine whose dad graduated high school, went to work at Bethlehem Steel, and worked there for 42 years. And as we fast forward to today, it is much less frequent to see someone at a job for 30, 40 years like our parents' generation. And once again, you look in the world of manufacturing just to take one example. The jobs of today are quite different than the jobs of yesterday. And frankly, in many cases, a high school degree simply won't suffice. And so my parents always taught me education is the great equalizer. It's what made America a superpower. This commitment to free public elementary and secondary education, and today we need to keep that investment.

Maybe we could focus on some of the current challenges and opportunities. We're coming out of this great recession, the worst since the Great Depression. The economy's been growing, but not everyone is sharing equally in benefits of the growth. What accounts for where we are today?

Well, it's always important to look at where we were, where we are, and where we need to go. The rising tide of progress in the late '90s that we saw lifted more boats. Today, that rising tide isn't lifting as many boats as it needs to. We need to make sure that everybody has that chance, and one of the biggest challenges in this context is addressing the issue of stubbornly stagnant wages.

And that's not simply a phenomenon of the great recession. For decades, productivity growth and real wage growth rose hand in hand. And then starting around 1980, that began to change. And we see productivity increases of over 90% and real wage growth of 2% or 3%. And that's unfair to workers. Workers have helped bake the pie of prosperity, but their sweat equity hasn't translated into financial equity for them. And so too many people haven't gotten a raise in years. Too many people are working two, three jobs. One of the best family values is the value of time spent with your family, and folks just don't have enough time to do that.

We could talk a little bit, perhaps, about how we can get wages and high quality jobs moving in the right direction. And I know you are an ardent advocate for the administration-- for the country-- about the importance of skills and skill development. I wonder if you could say what your thoughts are on what workers might do and what kind of opportunities we need to provide for workers to keep those skills current so that people can adapt over time.

You look at the data and the education dividend is undeniable. The more education you have, the greater the chances are that you can punch your ticket to the middle class and then stay there. It's important to recognize that there are multiple educational pathways to the middle class. Some people graduate high school and go to college, but other people-- especially when I was growing up in Buffalo-- a lot of folks went through the apprenticeship route. And that route, if you go to places like Germany, has equal stature with the four-year route. And here in America, we've devalued that over the course of recent decades. And that's why this president, and we at the Department of Labor, are trying to change that. And I've met so many folks who have completed apprenticeship programs, whether it's the traditional skilled trades, whether it's IT, whether it's in the health sectors. These are alternative pathways to higher ed, and many of these folks who complete apprenticeships then get an associate's degree at a community college and then go to a four-year college.

So it's important as people think about that pathway to upscaling to recognize that there are multiple entry points, and they all lead to core competencies that enable you to compete and thrive, not only in today's economy, but in tomorrow's economy.

Well, I think your work on apprenticeships is so important because the evidence is so clear on how well they pay off.

For every dollar we invest in apprenticeship, the return is something like \$27. I wish every investment we made had that kind of return.

One of the concepts that we use in this course is the term social contract, and you've been an articulate proponent of a strong voice for the American workforce. I wonder if you could speak a bit about the role of voice in our economy, and what it means to workers and what it means to our society.

It's not a coincidence in my mind that the periods in our nation's history-- in the 20th century for instance-- where you had decade after decade of real wage growth didn't just coincide but coexisted with a period of time where workers had a collective voice. Where you had much higher union density. Where people could advocate.

America's greatest generation who fought in World War II-- millions of them came home, and what did they do? They worked collectively once again in the workplace to fight for fair wages. And what we I think have lost today is too many folks have bought into this false choice of you either take care of your shareholder or you take care of your worker, but you can't do both. I categorically reject that, and it is indeed a false choice.

You look at places like the Ford Motor Company, an existential crisis in the great recession. And what happened? The UAW and Ford got together around a plan of shared sacrifice leading to shared prosperity.

So I visited a plant in Louisville, Kentucky, that makes the Ford Escape. And in 2007, they were down to about 700 workers. They weren't sure if they were going to shutter the plant entirely. And as a result of that cooperation, you see shared sacrifice leading to shared prosperity. And today, they're 4,400 employees and growing, and that doesn't include the supply chain.

So when the workers have a voice, America succeeds. There are many ways to give voice to workers. Unions are certainly one way. There are also a number of nonprofits that are working with taxicab drivers and home health workers and fast food workers. Nonprofits that are very agile, and they're really standing up for low wage workers trying to give voice.

There are a lot of headwinds in this issue. There are courts right now that are hostile to efforts to organize. There's hostile state legislatures right now that are making it hard for public sector workers to move forward. There are well-heeled multi-billionaires who are spending a lot of money trying to muzzle voice.

But these forces existed 100 years ago. We've defeated these before. The arc of the moral universe has always bent toward justice and toward those who seek to expand opportunity. But it doesn't bend on its own.

I'm wondering if you would like to conclude with your own advice for the next generation workforce.

First of all, I think education is the great equalizer. So you want to make sure that you have the skills to compete today and tomorrow. Secondly, you need to find your passion. Happiest is the person whose job is his or her hobby because then you never have to work a day in your life. Third, you need to reject these false choices of those who suggest that if you burn out your neighbor's candle, that will make your candle shine brighter.

That's never been who we are as a nation. We've always been a community recognizing that we all succeed only when we all succeed. We rise and fall on the strength of our middle class and the strength of our ladders of opportunity to the middle class. And so I want everyone-- all your students-- to make sure they understand that opportunities abound.

And low wages and no benefits are a choice that companies make, not a necessity born out of globalization or technology advances. These are choices. And you need to make that choice as a student to get involved and to exert leadership.

Well, a very, very powerful statement, Mr. Secretary. Thank you for all you do and for everyone here at the Department of Labor does for the current generation workforce, and for all of those to come.

Well, it's an honor. Take care. Thanks again.