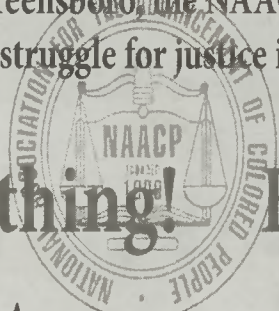


Do Something! Be There!

On Wednesday, August 28th at 5pm
at the corner of Elm and Lee Streets
in downtown Greensboro, the NAACP will host a rally
to continue the struggle for justice in North Carolina.



Do Something! Be There!

As we commemorate
the 50th Anniversary
of the March on Washington
and Demand
the renewal of Section 4 of the Voting Rights Act.

Do Something! Be There!

Forward Together, Not One Step Back



Student Loans and American Skills: Different Times, Two Different Reactions

By William Spriggs

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William E. Spriggs



earning baccalaureates in science, technology, engineering or math; the very skills America lacks. So, does this mean the response from this president and this Congress is that facing a need to increase skilled workers, we will import them and "save" on having to do something to lift American children?

As a nation we are facing the same crossroads faced in 1958, but what a difference 55 years makes in American policy response. Rather than double down our investment on American children and give them every advantage to pull our nation forward to meet the challenges ahead, we would rather "outsource" the skill development and "import" the talent.

On Friday, July 5, right after Independence Day, the Labor Department reported that the unemployment rate for 18- to 19-year-olds-our current crop of high school graduates-was 22.6 percent. For those 20 to 24-including those who would have recently finished college or community college-the unemployment rate was 13.5 percent. For 18- to 19-year-olds, that is an improvement over the record level of 25.3 percent they had in December 2009, but it still is worse than any monthly unemployment rate in history before 2009, except for two months in the 1982-83 downturn, when it peaked at 22.8 percent. These numbers are not acceptable. Four years into a "recovery," we cannot leave our young people with no jobs and turn our back on them in helping to make their investment in education affordable.

Young people are not fooled. The government stepped in to bail out Wall Street when it collapsed of its own folly. The Federal Reserve stepped in to hand money at virtually zero interest to keep banks afloat. So, clearly government is "not the problem" if you are a group that can pay your way to the table; government is "the answer."

To economists, interest rates tell us the price of the future. It is called the "discount rate," letting us know how much you would "discount" getting money in the future rather than today. When we set high interest rates on loans to students, we are saying that now is more important than their future. When we would rather give money to banks or corporations at lower rates we are betting more of our future on them than on our children. Worse, as Sen. Elizabeth Warren (D-Mass.) points out, by charging our children higher rates, the government nets \$51 billion above its cost of obtaining funds.

So, when we are more concerned about keeping the tax rates low for corporations that keep their money offshore and hide behind foreign tax-haven borders than in creating policies to hire our own children, it says even more. And, when our response to a skills shortage is to import people rather than develop our children, we say even more. Two different times, two different policy reactions....says a lot about us.

William Spriggs serves as Chief Economist to the AFL-CIO and is a professor in, and former chair of the Department of Economics at Howard University. Bill is also former assistant secretary for the Office of Policy at the United States Department of Labor.