MYRON BELKIND: (Sounds gavel.) Good afternoon, and welcome. My name is Myron Belkind. I'm an adjunct professor at the George Washington University School of Media and Public Affairs, a former international bureau chief with the Associated Press, and the 107th President of the National Press Club. The National Press Club is the world’s leading professional organization for journalists committed to our profession’s future through our programming with events such as this while fostering a free press worldwide. For more information about the National Press Club, please visit our website at press.org.

On behalf of our members worldwide, I’d like to welcome our speaker and those of you attending today’s event. Our head table includes guests of our speaker as well as working journalists who are Club members. And so if you hear applause in our audience, I'd note that members of the general public are attending as well, so it’s not necessarily evidence of a lack of journalistic objectivity. I'd also like to welcome our C-SPAN and Public Radio audiences. You can follow the action on Twitter using the hashtag NPClunch. After our guest’s speech concludes, we'll have a question and answer period. I will ask as many questions as time permits.

Now it’s time to introduce our head table guests. I’d like each of you to stand briefly as your name is announced. From your right, Thomas Sanchez, founder and CEO, Social Driver. Jamila Bey, freelance journalist. Michelle Dramisco, U.S. Economy Reporter at Bloomberg News. Matthew Cutty, Washington Bureau Chief of CNBC and
guest of our speaker. Susan Page, Washington Bureau Chief, USA Today. Tom Trainer, District Supervisor, Market Basket Supermarkets and guest of our speaker. Jerry Zremski, Buffalo News Washington Bureau Chief, Chairman of the NPC Speakers Committee and a former President of the National Press Club.

Skipping our speaker for a moment, Alison Fitzgerald, Senior Investigative Reporter and project manager at the Center for Public Integrity, an NPC Board member, and the organizer of today’s Luncheon. Thank you very much, Alison. Timothy Noah, Labor and Employment Editor at Politico and guest of our speaker. Marilyn Giwax, Senior Business Editor of NPR and an NPC Board member. Sabrina Eaton of the Cleveland Plain Dealer. And Jennifer Lazlo Misrahi, President of RespectabilityUSA.org.

Our guest today has been the subject of rumor and speculation--[laughter]--for the last two weeks, since his name surfaced as a favor to replace Eric Holder as Attorney General. But for now, at least, Thomas Perez is still the Secretary of Labor. Since being confirmed by the Senate in July, 2013, Perez, it seems, has been everywhere. In Houston, eating empanadas with union leaders one day, in Memphis, competing in a nail-driving contest with a carpenter another, and meeting with unemployed workers in Cleveland yet another.

On the first Friday of every month, he’s all over the airwaves talking about the nation’s falling unemployment rate. And when he’s here in town, he’s likely to be spotted at, at least until last month, at Nationals Park.

Perez has been traveling the country, preaching his gospel, that hard work deserves a living wage. As head of the Labor Department, he’s advocated raising the minimum wage to $10.10, pushed for paid parental leave, and worked to reduce the number of workers who are categorized as contractors. And he’s been active on worker protections, often to the dismay of business leaders. In his first three months at Labor, the Department issued new regulations on wages, hiring and chemical exposure.

The son of immigrants from the Dominican Republic who settled in Buffalo, Perez has a long history in Washington as a defender of civil rights. He was an advisor to Senator Ted Kennedy and spent many years in the Justice Department’s Office of Civil Rights. Perez led the division before President Obama appointed him to the Labor Department last year.

Now, according to some press reports, Obama is considering sending Perez back to Justice to replace Holder, who announced last month that he plans to step down. Perez is not without his detractors, however. Before becoming Labor Secretary, he endured a grueling confirmation process in which Mitch McConnell, the leader of the Senate Republican Minority, called him “A committed ideologue.” Ideologue or not, we look forward to hearing Secretary Perez’s thoughts on the economy, the job market, the vacancy of justice, and perhaps the Nets.
Ladies and gentlemen, please give a warm National Press Club welcome to Labor Secretary Tom Perez.

[applause]

THOMAS PEREZ: Good afternoon. Myron, thank you for that generous welcome. I might talk a little bit about the Buffalo Bills. But we’ll save that for another time, Jerry. And thanks to everybody at the Press Club, including my good friend Alison Fitzgerald, who lives in the neighborhood. We’re over-represented in Tacoma Park here today. But that’s okay. And Tim is an ex-Tacoma Park resident. So thank you for having me.

You know, over the summer, something remarkable happened around New England. Thousands of employers of the regional supermarket chain Market Basket walked off the job to protest the firing of their CEO, Arthur T. Demoulas. Workers up and down the chain of command put their jobs on the line. They held rallies and picketed throughout the summer. Eight managers who spearheaded the first rally, some of whom had been with the company for more than 40 years, were fired. Loyal customers held their own rally in support of Arthur T. Merchandise sales started to dwindle. Sales lagged. Vendors began to cut their ties with the company. And the governors of two states stepped in to try and broker a deal.

And, in the end, a deal was reached. And Arthur T. took back control of the company. And, just in time for Labor Day, the Market Basket employees went to work. Now the company employs-- They have 71 full service supermarkets across New England. They employ roughly 25,000 people. And these employees had one simple demand: They were calling for the return of their CEO. And, upon his return, Arthur T. stood on the back of a pickup truck and made a very memorable speech, which I think is very relevant to what we are discussing today.

And this is what he said. You have demonstrated that everyone here has a purpose. You have demonstrated that everyone has meaning. And no one person is better or more important than another. Whether it’s a full-timer, or a part-timer, whether it’s a sacker, a cashier, a grocery clerk, truck driver, warehouse selector, store manager, supervisor, customer, vendor, or a CEO, we are all equal. By working together, and only together, do we succeed.

Now they launched their protest because they wanted to work for a guy like Arthur T., someone who didn’t treat them just like they were another cost of doing business, but rather as a valuable asset, worthy of dignity. He understands that doing right by your employees is a great way to generate loyalty and productivity, adding value for customers and increasing your profit margins. He knows that an economy that works for everyone is an economy where prosperity is shared.

Now, as they were getting up and running again, I had the privilege, along with some of my friends in Labor, to travel with the President on Labor Day weekend to
Milwaukee, where the President gave a speech, in which he said, “By almost every measure, the American economy and American workers are better off than when I took office.” And the data backs him up. September was the 55th straight month of private sector job growth, to the tune of 10.3 million new jobs. That’s the longest uninterrupted streak of private sector job creation on record.

Unemployment is now at its lowest levels since July of 2008. All told, the United States has put more people back to work than Europe, Japan and every advanced economy combined. Manufacturing continues to make a historic comeback. We’re making things here in America again. In-sourcing is in. Out-sourcing is out. Energy production is dramatically up, while the budget deficit is down. U.S. exports are up, reaching record highs. And, for the first time since 2006, the poverty rate is down. Child poverty had its largest one-year decline last year since 1966.

The number of young people graduating high school is up, while the crime and incarceration rates are down. And you know, reforming the healthcare system was-- well, I guess in the words of Joe Biden, we’ll just call it a BD and stick with that, because thanks to the Affordable Care Act, we have reduced the ranks of uninsured adults by 10.3 million since last year.

It’s undeniably true that we’ve made tremendous progress in these six years, since the President inherited the worst economic crisis of our lifetime. Remember, the three months before the President took office, two million jobs were lost. And almost every indicator shows that we’re better off now than we were on January 20th, 2009.

But that’s not enough. Remember what the President said in these remarks. He said, by almost every measure. Almost isn't good enough. It’s not good enough for the President. It’s not good enough for me. And it’s not good enough for America. It’s not good enough for the man I met in New Jersey in one of my meetings with the long-term unemployed, who had a six-figure job in the advertising industry, lost his job, and now he’s struggling to make ends meet. And he told me, “You know, when I had cancer, Tom, fighting cancer was far easier than fighting long-term unemployment.”

Almost isn't good enough for Astro Berta[?], who is a 71 year old woman I met in Houston. She’s been a janitor for over 30 years. And, even though she helped organize her coworkers, she still struggles to keep her head above water. Eight dollars and 85 cents an hour is-- $8.85 an hour just isn't enough to make ends meet. And an increase in the minimum wage would go a long way toward giving her some peace of mind. Almost isn't good enough for the new mom from Texas who wrote to us after we were doing our paid leave campaign. And she had to go without a paycheck for six months in order to take time off to be with her daughter, who was born nine weeks premature, all because we’re the only nation, industrialized nation on the planet that doesn’t have a paid leave law.

Almost isn't good enough for the millions of people who are working hard and falling further behind. Because frankly, there's just no dignity in working 40 to 50 hours a week, and getting your food at the food pantry. For them, and for all these other families
who continue to struggle, the data points don’t mean a whole lot. If the breadwinner in
your house is out of work, then the unemployment rate might as well be 100 percent. And
if every-- even if that breadwinner has been lucky enough to keep her job, chances are
she hasn’t seen a meaningful raise in years, even though she’s contributing to rising
productivity in a growing economy with her-- with her hard work.

Because the fact of the matter is the pie is getting bigger, American workers help
bake it. But they're not getting a bigger slice. Their sweat equity is not translating into
financial equity. We’re on pace, in 2014, for the best year of private sector job growth
since 1998. But the difference between now and then is that, in the late ‘90s, the rising
tide lifted more boats. It lifted the yachts and the rafts. It lifted the cruise liners and the
dinghies.

And the principal unfinished business, it seems to me of this recovery, is to ensure
that prosperity is broadly shared, and that we build an economy that truly works and
meaningfully works for everyone. And some say-- and I hear it with regularity-- that
these challenges are intractable, that the problem is “structural,” whether it’s low wages
or long-term unemployment. And globalization and technological progress create
inherent and intractable inequities and inequalities and opportunity gaps that simply can't
be held at all.

Well I’ll tell you, for one thing, I don’t buy it. Structural unemployment, for me
that amounts to excuse-making, a way to justify inertia, gridlock, and just plain giving up.
And I'm not giving up. This President isn't giving up. Because we recognize that low
wages and lousy benefits, we must remember, are a choice. They're not a necessity. And
that’s why I am confident that we can construct a stairway to shared prosperity in which
everybody has a chance to live their highest and best dreams.

And that’s what I want to talk to you about. This stairway has a number of
important steps, starting with tearing up the talking points and understanding history.
Shared prosperity is not a fringe concept cooked up by socialists. Historically, both
parties have embraced it in both their words and, indeed, their actions. It’s a principle
that’s American as apple pie. And it’s a lynchpin of a thriving middle class.

Now don’t take my word for it. Here is what Teddy Roosevelt said. “Our aim is to
promote prosperity, and then to see that prosperity is passed around, and there is a proper
division of prosperity.” Don’t take my word for it. Listen to one of Wall Street’s most
powerful executives, Lloyd Blankfein, the CEO of Goldman Sachs, who said-- He talked
about the destabilizing impacts of income inequality. This is what he said. You know, too
much of the GDP, over the last generation, has gone to too few of the people.

Standard and Poors recently issued a report explaining that income inequality is
stifling GDP growth at a time when we’re still climbing out of the great recession. A
rising tide lifts all boats, they conclude. But a lifeboat carrying a few, surrounded by
many treading water, risks capsizing.
More recently, actually, just three days ago, this is what Janet Yellen said. “The extent of and continuing increase in inequality in the United States greatly concerned me. It’s no secret that the past few decades of widening inequality can be summed up as significant income and wealth gains for those at the very top and stagnant living standards for the majority.

So people across the ideological spectrum recognize that America works best when we feel the full time and when the entire team shares in the sacrifices and the spoils. Gilded ages are not and never will be golden ages in America. But in today’s political climate, and the polarization, I feel like there are some who have regretfully lost sight of the fact that shared prosperity is a nonpartisan principle that’s a key to long-term success.

Now another step in this stairway to shared prosperity is a very familiar one. We have basic commonsense tools at our disposal, tools that have worked well in the past and can work again. For starters, we need to raise the minimum wage. And, despite what you’ve heard on Capitol Hill, this isn't a radical concept. The Congress led by Newt Gingrich passed it. Every President except two since FDR has signed it into law. But we've been stuck at seven and a quarter for five years. The purchasing power of the minimum wage is 20 percent less than it was 30 years ago. And the U.S. has the lowest minimum wage as a percentage of median wage-- the third lowest, I should say, among OECD countries, the third lowest.

And then meanwhile, if you look across the pond, and you see countries governed by conservative leadership, such as the country of the UK, where they recently announced an increase in the minimum wage to $11.05 an hour. And why did they do this? They did it for the same reason that that flaming liberal Henry Ford did it. He doubled the wages for people on the assembly line because, as he said, countrywide high wages spell countrywide prosperity.

So this is not a fringe idea. Strong majority of folks and a majority of small businesses support increase in the minimum wage to $10.10 because they understand that raising wages generates economic growth. And what businesses need more than anything, as the business owner in Seattle said to me a few months ago, are customers. They understand that 70 percent of GDP growth is consumption. So let’s stimulate consumption in order to strengthen the economy and continue and pick up the pace of recovery.

We also need to have our infrastructure investments. We need to rebuild our roads and bridges and ports and transit systems. And again, these are opportunities to create middle class jobs right away and facilitate commerce for decades and decades to come. Yes, it involves federal spending, but it involved federal spending when Dwight Eisenhower created the interstate highway system as one of his most enduring legacies.

Now, as someone who was a former local elected official, and worked on transportation issues, I can tell you, we can't build a 21st century infrastructure when
we’re living year to year, month to month, on transportation budgets. And so that is why long-term planning is so critically important.

And we also need to fix our broken immigration system. And, as you know, it’s not simply a moral or humanitarian or national security imperative, it’s an economic imperative. The CBO estimates that immigration reform would increase real GDP relative to current projections by 5.4 percent over the next two decades, which translates into an additional $1.4 trillion of economic activity, adding jobs, putting upward pressure on wages, helping to stabilize the Social Security Trust Fund.

So these three ideas, when you think about them, they’ve worked in the past. They have enjoyed strong bipartisan support in the past. And we need to do them again now, because they are critical to our nation’s continued growth. But we shouldn’t stop there, and Congress shouldn’t stop there.

And the third step to shared prosperity is that we need to continue to think big. And we need to continue to think bold. Comprehensive immigration reform is big and bold. And there are other ideas that we should be using and implementing as well. And let me give you one example. Because this example I have seen across the country in my conversations, it is a sleeper issue that will sleep no more. And that is the issue of paid leave.

We stand alone, as the only industrialized nation on the planet where paid leave is not the law of the land. And our dismal record on paid leave, for me, was on prominent display, when I recently traveled to Australia for the meeting of the G-20 Labor Ministers. Because when you look at other countries-- Canada, Australia, UK, Germany, Japan, the Nordics, others, progressive governments, conservative governments, they’re all leaning in, and have been leaning in on leave. But we’re way behind. They all recognize that paid leave is good economic policy and good family policy. They know it is essential to have thriving businesses and flexible workplaces. These aren't mutually exclusive. These are inextricably intertwined and mutually reinforcing.

So why can't we figure it out here in the U.S.? Why are we making people choose between the job that they need and the family that they love? Why aren't we giving people more tools to be attentive parents and productive employees? And how can we say that we continue to be for family values when so many people have to jeopardize their economic security to take a few weeks off to have a kid?

That is not simply-- This issue is not simply a matter of doing the right thing. It’s also an important strategy for reducing labor force participation. Every first Friday of the month, the most frequently asked question I get, “What can you do, Tom, to increase labor force participation?” Well, let’s talk about paid leave. And let’s compare the United States with Canada.

The labor force participation rate of women ages 25 to 54 in the year 2000, in the U.S. and Canada, was virtually identical. Today, Canada is ahead of us by roughly eight
percentage points, in large measure because they have generous paid leave laws, and they provide affordable access to affordable childcare. If we had simply kept pace with Canada over these years, we would have 5.5 million more women in the workforce.

The innovation economy would be enriched by this reservoir of human capital. Sectors that have serious gender gaps, like the Silicon Valley, Wall Street and elsewhere, would have additional talent to tap. I said before, America works best when we feel the full team. And there's a lot of female talent on the bench. And that's not right.

And here is the road. When you get those 5.5 million more women off the bench and into the game, we increase GDP by an estimated 3.5 percent, which translates to more than $500 billion dollars of additional economic activity. So we’re essentially, by our inaction, leaving significant amounts of money on the table, because we’re not leading on leave.

Earlier this summer, the President convened a summit on working families. And this is what he said. At a time when women are nearly half our workforce and primary breadwinners in more families than ever before, anything that makes life harder for women makes life harder for families, and makes life harder for children. When women succeed, America succeeds. And there's no such thing as a women’s issue. This is a family issue and an American issue.

So the bottom line is, for the good of our families and the strength of our economy, we need to lead on leave. And you know what? We can't simply leave talent on the bench. We need to cultivate talent, which brings me to another critical step in our stairway to shared prosperity. And that is the issue of skills.

Just as we need to invest in our physical infrastructure, in our transportation infrastructure, we need to invest in our human capital infrastructure. We built the railroad system. We built the internet. And, just as we have done that, we need to have a skills ecosystem that both meets the needs of our economy, and opens up frontiers for new growth.

Now, there are two very important pieces of good news in this area. First of all, there are millions of good middle class jobs available for the taking right now. And opportunities are growing. Many of them require less than a college degree, although they tend to require more than a high school degree.

And everywhere I go, my life is Groundhog Day. I have the same conversation with employers. And it’s a good conversation. And this is what they tell me. “Tom, you know what? I'm bullish about America. I want to grow my business.” Might be manufacturing, might be healthcare, might be IT. Whatever it is, “I want to grow my business. And my biggest challenge is, I need to make sure that we have a pipeline of skilled talent to make it happen.”
And there are opportunities across sectors. About a quarter of the companies in *Fortune Magazine’s* list of the 100 fastest growing companies are in the energy sector. That means a treasure trove of energy-related jobs, good middle class jobs. And we’re working with the industry to give workers the training they need to fill those jobs.

The same is true in other industries. I meet with utility CEOs across this country. The utilities are in a process of dramatically expanding and modernizing the grid. And what that means is, they will need more workers. And these jobs start at $50,000 dollars and above. I was with Tom Wheeler, the FCC Chair last week. And we can't expand broadband without middle class workers as well. That’s an exciting development that creates opportunities.

And the list goes on and on. We need upwards of 100,000 more computer support specialists in the coming years. Estimates of over 60-65,000 dental hygienists, 30,000 more surgical techs. These are jobs that can support a family, paying between $40 and $70,000 dollars a year. And, in many cases, you get the necessary credentials at a community college and then you build your way up the skills super highway.

And that is the second piece of good news that I want to share with you, is that we are in the middle of a remarkably exciting transformation in the way in which we prepare job seekers of all ages for the middle class jobs of today and tomorrow. We have gotten rid of what I've been calling the old train-and-pray model, where we train widget makers, and we pray someone’s hiring them. That’s yesterday’s paradigm.

Today’s paradigm is, we’re focused on demand-driven or job-driven training. We’re working more closely with industry, with our Bureau of Labor Statistics, with others, than ever before, to understand with precision the needs of employers in granular detail, and then making sure that we design programs to meet those precise needs, so that people can punch their ticket to the middle class and employers can grow their businesses.

So when people ask, “Hey Tom, what do you do for a living?” this is what I tell them. The Department of Labor is Match.com, because what we do is we help make a connection, just the right fit, you know, between ready to work Americans, who want to punch their ticket to the middle class, and jobs and employers who need and want to grow their business. And the secret sauce of this Match.com is very frequently community colleges who provide that critical training that enable people to move up that ladder.

And let me give you an example of this transformation at work. A couple weeks ago, I met a guy named Steve Capshaw who owns an advanced manufacturing business in Western Mass. And they supply critical component parts to the aerospace industry and in the medical device area. His entry level workers start at $20 to $25 dollars an hour and up, with very generous benefits.
And he described his experience during the great recession. Because, in the middle of the recovery, 2010, 2011, as America was struggling to add jobs, Steve’s company was actually turning away large amounts of business for one simple reason: he had a shortage of skilled workers. He did all the things that economists suggest you should do. He raised wages. He increased benefits. He did all of that. But he still couldn’t recruit the right people.

And, as he listened to stories of stagnant wages and persistent unemployment, as Steve said to me, he felt like he was living on another planet. Those weren’t my words, those were his words. And so, you know, DOL as Match.com sprang into action. And the middle skill manufacturing initiative was born in Western Massachusetts. This initiative is a joint venture of local manufacturing businesses, community colleges, the workforce investment system, which includes federal, state and local government working together.

And our grant-making was catalyzing partnerships like this in Western Massachusetts and in various growth sectors across the country. So, as a result, Dana Graves, who is the father of twins, who was stuck in that low wage job cycle during the great recession, successfully completed a training program, and is now a very highly valued and well compensated employee of Steve’s company. This is a win for Steve. It’s a win for Dana and his family. And it’s a win for America.

And this example is not a one-off. We see this, and we’re helping to build these partnerships in communities across the country. We’re not simply tinkering with the workforce system, we’re transforming it. Just as President Eisenhower built the interstate highway system, we are building a modernized refurbished skills super highway that enables workers to get good jobs and businesses to find good workers. We’re doing this in partnership with businesses, with labor unions, with colleges, nonprofits, philanthropy, Republicans and Democrats in Congress, and our partners in state and local government.

The new Workforce Innovation and Opportunity Act, which was passed this summer in a strong bipartisan fashion, will enable us to continue this transformation. This super highway has plenty of onramps and off ramps. The destination is a middle class job. But there are many different routes to get there. Community colleges are one well-traveled path. But we’re putting up, you know, the orange cones, and doing the roadwork, to make that ride much, much smoother.

The Obama administration has made a very bold investment of over—of roughly $2 billion dollars over the past four years to help community colleges develop innovative training programs and curricula that help people launch middle class careers. Technical training and apprenticeship is another important stretch of the highway. And we have been helped in this area by our partnerships with so many labor unions across the country who figured this out for years and get it.

Unfortunately, as a nation, we haven't kept up with the necessary renovations in the apprenticeship area over a period of several decades. And, frankly, we have massively under-invested in apprenticeship. Other countries are really running circles around us.
And that’s why I’m heading to Germany and the UK next week, to learn more about apprenticeship best practices overseas. And that’s why I spend time with the IBEW.

That’s why I spend time at the Finishing Trades Institute in Philadelphia, learning from folks who get it, have done it, and can do it for so many people. And the “it” is train people for the jobs of today and tomorrow that pay middle class wages. Because my folks taught my siblings and me that education is the great equalizer. That continues to be the case today, whether it’s a four-year degree, an associate’s degree, an online learning, on the job training, that IBEW certificate.

I met a guy in San Francisco who said, “Tom, I got the golden ticket. You ever seen Willy Wonka?” And I said, “Not in a while.” But he said, “I got the golden ticket. Because I am a journeyman apprentice, and I can go anywhere in the United States and make a middle class wage, because I got the golden ticket.” We want to make sure everybody has the golden ticket.

And this skills revolution is a critical step in the stairway to shared prosperity for millions of job seekers across America. Now I’ve talked about a lot of steps. And I got two more I want to discuss before I get to your questions. So I want to do that very briefly.

The recent events at Market Basket I think have really illustrated the importance of worker voice, because you know, Arthur T. created an environment where every worker felt empowered, validated and respected. And to him, worker voice wasn’t a threat to the company, it was an indispensible asset. And that’s always been the case in the history of our country. Worker voice can take so many forms. And one of the most important of which is being part of a union.

And the Obama administration continues to be resolute that, when it comes to protective collective bargaining rights in this country, we need to continue to protect these rights. And these rights have, frankly, come under withering attack in recent years. And, when I look at history, as a guy who grew up in Buffalo, New York, there is an absolutely direct relationship between the health of the middle class and the health and vitality of the labor movement, absolutely.

Now, let’s look at the data from the Bureau of Labor Statistics. They report that last year, median weekly income for union members was $200 dollars higher than for non-union members. That ain’t pocket change. And it doesn't even take into account superior benefits enjoyed by union members. I’d much rather work at the Ford Plant in Louisville and make more money than the Nissan Plan in Mississippi, where I'm making less money, and I have less protections.

I grew up in Buffalo, New York, that quintessential 21st century manufacturing town. And I saw, firsthand, that a job in a union shop was a surefire way to punch your ticket to the middle class. And what I saw in Buffalo and continue to see here is that unions don’t succeed at the expense of business. They succeed in partnership with business.
I was at the Ford Plant in Louisville, Kentucky. You know, back in the height of the recession, that plant had an existential crisis. They were down to under 1,000 employees. But they got together. The UAW and Ford shared sacrifice, a good vision, and now they have shared prosperity. Today, over 4,400 workers. And that doesn't include their supply chain.

So I see that. I see partnership in action in so many places, whether it’s the UAW, whether it’s the SEIU in New York with the Health and Hospital System, building a 21st century workforce, whether it’s the folks in the Teamsters and UPS working together to make sure that UPS competes in the global economy of 2014. We see partnership in action all, everywhere across this country.

And we need to create space in America for new forms of collaboration between workers and their employers. One of the reasons I'm going to Germany next week is to look at and study the works council model firsthand. I'm going to be spending the entire afternoon at Volkswagen one day. And that works council model is a wonderful model that we should consider importing into this United States, because works council is all about co-determination.

And you look at what the Volkswagen leadership said about the works council model. They talk about this. And this isn't Tom Perez talking. This is the senior leadership of Volkswagen. Volkswagen considers its corporate culture of works council as a competitive advantage. I’ll learn-- That is Volkswagen speaking. And I think that they have a point.

There are so many other models of success to give voice to workers. There are so many nonprofits emerging. One of the most recent recipients of one of the MacArthur Genius Awards, Ai-jen Poo, who runs the National Domestic Workers Alliance. And she has created remarkable opportunities to advocate on behalf of workers in low wage industries who are doing God’s work in so many different ways, giving voice to marginalized workers.

There are so many other opportunities to give this voice in so many different contexts. I was just recently at a meeting in Vermont of the B corp. movement. And they are remarkably forward-leaning in what they are trying to do in the B corp. movement, because they stand for the proposition that you can do good and do well. And not only do you do good and do well, you have to do good in order to do well.

And so that is why I think worker voice is so important. And worker voice is a function of the last observation I’d like to make, which is simply the importance of leadership. Leadership is an indispensable, indispensible, indispensible characteristic of how we will succeed in this country in bringing shared prosperity to everyone. It has to be leadership from Washington. And President Obama has demonstrated that, if Congress isn't going to act, he will use his Executive regulatory and convening authorities, his pen and his phone to provide that leadership. The phone has been ringing off the hook to
DOL on all of these initiatives. And the pen is running out of ink. And we build more pens so that we can provide more opportunity for people, whether it’s home health workers, two million strong, who will be getting a raise, whether it’s people working overtime, millions of whom may be eligible for raises when we enact the regulation on overtime.

So we’re going to continue to work on those areas. And the President will continue to exert leadership there. We have seen leadership at a state and local level as well, because we see so many states who are not waiting for Congress to act on the minimum wage, paid leave and other issues of that nature, because they recognize that so many people need a raise. And they’re not waiting for congress. And so, we see that leadership.

And I see continued leadership from the labor movement and other nonprofit leaders who are helping, for instance, in the fast food movement, those are great examples of so many people working together. And my friends, I see people who, in the labor movement, they define success, not simply by the size of their membership, by the number of people they help. That’s what shared prosperity is about. It’s about helping your neighbor.

And I see, in my work every day, every week, the inspiring leadership from people in the business community. Employer after employer telling me that income inequality and wage stagnation are defining economic challenges of our time. And they are telling me that investments in their workers is an investment in the strength of their company. They’re rejecting the false choices that are holding us back from shared prosperity, the simplistic notion that paying high wages undermines competitiveness, or collective bargaining hurts the economic growth, or that you can take care of your shareholders or your employees but not both. They understand that treating workers with dignity and respect isn't just a nice thing to do, it’s good for your bottom line.

The B corp. folks understood that. They see themselves as accountable, not simply to their shareholders, but to a broader universe of stakeholders. People who are in employee stock ownership plans see the same thing, a trillion dollars in that area. They understand that the high road is indeed the smart road. And they're taking that high road. The Gap, for instance, has made a commitment to paying above the minimum wage. But they also have been leaders on pay equity and promotion of women. And, by the way, if you looked at the New York Times last week, you would see that, you know, prospective employees are drawn to places like The Gap. And they had a 24 percent increase in their applications since they announced their policies.

And so, we see so many examples, whether it’s the B corp. movement, whether it’s Aesops, whether it’s individual corporations like Gap and so many others, like the—You see it in every single business model around, whether it’s Costco, whether it’s The Gap, whether it’s so many others across this country, they understand that we’ve got to look long-term.
I had one CEO who said to me, he was talking about a renegade shareholder who wasn’t interested in thinking long-term. And this quote really stuck in my head. This renegade shareholder was saying, “You know, I’d rather be rich than right.” Think about that. “I’d rather be rich than right.” This CEO was saying, “No, I want to act long-term.”

And so, we’re going to continue to look long-term as a nation, because that’s what we have to do. And, you know, I want to leave you with a story about where we started, which is our friends from Market Basket. Because they have done remarkable work. And they really have captured the imagination of the nation. They have done really a service. And they have demonstrated that you can do good and do well.

And what we really need are more companies like Market Basket, more partnerships like the UAW and the Ford Motor Company, etcetera, because these guys, they risked everything, because they believe that a Market Basket without Arthur T wasn’t really a Market Basket, wasn’t worth being part of. You know, people like Cindy Whalen, who started working there when she was 17, because she said the company was second family. You know, Mark Owens, 34 years there. And now his son is an assistant manager. And he talks about how Mr. Demoulas would start every day by emphasizing what he called “Our most precious customers.”

You know, Chris Sturzo, who will tell you that Mr. Demoulas always said, “We’re in the people business first and the grocery business second.” Mark Lemieux talked to him about the time when the founder of the company came into his store the first day it opened. And Mark said to him, “Thank you for trusting me to run one of your stores.” And Mr. Demoulas grabbed him, and he said, “Mark, remember, it’s our store. It’s not my store.”

You know, and we can talk to all these folks because they're in the middle of the room here, along with Kevin Fioli and Tom Trainer and Mark Kettenbach, and one of their vendors, Jim Fatini, they're all here, because this is what we are about. They have showed that shared prosperity is indeed a reality in this country. We can do this. It’s our store. Just like it’s our economy. It belongs to all of us. It’s not functioning unless it works for everyone.

And I want you-- I want to leave you, not simply with the words of their boss, Arthur T., but with the words of another boss. His name is Bruce Springsteen, who said, “You know what? Nobody wins unless everybody wins.” And I think we can get there as a nation. So thank you so much.

[applause]

MYRON BELKIND: If you could remain here and join me. We’ll try to do some rapid fire questioning, okay. The unemployment rate has been falling in recent months. But how reflective is it, really, of the real economic situation?
THOMAS PEREZ: Well, for people like Katherine Hackett, whom I met, she introduced the President at one of the long-term unemployed events. She had been unemployed for three years. She has a job now. So it’s a reality for her. She’s punched her ticket again to the middle class. And 10.3 million workers are, indeed, back at work. But all too many other people, as I described in my remarks, are still struggling. Too many long-term unemployed, for instance, although the figures are getting better. And too many people who are working hard and haven't had a raise in years.

And that’s really the challenge for us. We’re moving in the right direction. But what we have to do is pick up the pace of growth and make sure that the prosperity that comes with growth is shared by everyone.

MYRON BELKIND: How happy are you with the quality of the jobs created during this recovery?

THOMAS PEREZ: Well, I’ve heard some who have said that this recovery has been a low-wage recovery. If you actually look— and I see that the Commissioner of our Bureau of Labor Statistics here, if you look at the last year, for instance, the area that had the most growth in jobs was business and professional services. Over 700,000, if my memory serves me. Now these are— You know, the majority of these jobs are accountants and architects, jobs that pay quite well.

So we’ve seen immense growth there. Low wage jobs tend to be the first jobs to be lost. And they have come back as well. And what we need to do is work on these jobs that are the middle class, middle skill jobs. And that’s why our skills agenda and our voice agenda and all these other things that I outlined, I think they can lead to prosperity across the board.

MYRON BELKIND: Sir, you said you haven't given up the push to revive emergency unemployment benefits. At this late stage in the recovery, how many weeks of benefits do you think are the right amount for unemployed job seekers?

THOMAS PEREZ: Well, I haven't given up the fight. And I applaud the efforts of Jack Reed, Senator Heller from Nevada, Senator Collins from Maine. It’s been a bipartisan effort in the Senate. And that’s because, once again, this issue is a bipartisan issue, historically. And never in the history of our nation has Congress, with unemployment— long-term unemployment rates as high as they were in December of last year, failed to extend emergency unemployment compensation. Never, that is, until last December.

And I sure wish that Leader Boehner would do what I do, which is meet with the long-term unemployed, as I try to do about every three months. Because when you understand the human face of this, you understand that we need to extend these benefits, because it’s a lifeline for folks. It’s not a lifestyle.
MYRON BELKIND: The Obama administration hasn’t been able to push through an increase in the minimum wage so far. Is there any reason to think that will change after the midterms? Or are we in for two more years of grinding gridlock?

THOMAS PEREZ: Well, I sure don’t have a crystal ball on that. But I sure can tell you that the American people want results. And I worked in local government, and I worked in state government. And what I liked about working in local government and state government was we could deliver results. We got things done. That’s what the President wants to do. He wants to work with anyone and everyone on immigration reform, transportation infrastructure, minimum wage, any of these issues.

And I think you continue to ignore the will and needs of the American voter at your peril. And so, we’re going to continue to work with anyone and everyone across an ideological spectrum who is interested and willing to come up with commonsense middle ground. Principle compromise is not a dirty word, for me or for this President. But regrettably, for some, it’s a talking point in a campaign.

MYRON BELKIND: Silicon Valley business leaders are demanding immigration reform because they say there aren’t enough workers to fill the demand for high tech engineers. What steps are you taking to make certain that America remains a leader in the tech field?

THOMAS PEREZ: Well, I’ve spent a lot of time with folks in the Silicon Valley. And actually, the Silicon Valley Leadership Group just released about a week ago a book that they have with essays from about 20 different leaders across the ideological spectrum. And I had the privilege of having one of those pieces.

I totally-- What I love about immigration reform, and this is not new, is that the support is bipartisan. I hear from labor unions, “We need immigration reform.” I hear from the Silicon Valley, “We need immigration reform.” I hear from faith groups, even [00:54:24], you know, everybody, that we need immigration reform. And that’s what it was like when I worked for Senator Kennedy. We did 80 amendments or so in the committee when I worked for him. We did 80 amendments or so in the party line votes, because this has never been a partisan issue.

And the stories that I hear from both the Silicon Valley, from people whose families have been broken up, they just tear your heart out. And we can do better. And that’s why we’re going to continue to advocate. And the President isn't waiting. And that's why he’s going to continue to take aggressive executive action. But there is no substitute for a bill, because we can't help everyone by executive action.

MYRON BELKIND: What ideas-- and I know we’re trying to go through rapid fire Q & A. What ideas do you have to fix Detroit, the Rust Belt, and other cities that haven't been able to retool or rebuild in the present day?
THOMAS PEREZ: Well we actually have a Detroit taskforce. And we’ve been out there as a Cabinet. I think some of the most vexing challenges confronting America are challenges that, for their successful and sustainable resolution, require unprecedented levels of interagency collaboration and stove pipe implosion. And that’s why we have been working together as a cabinet in Detroit like never before.

But one of the biggest challenges, for instance, that they have there, is they don’t have a regional transit authority. And so, you know, think about it. We’re trying to bring more jobs back into Detroit. And we’ve been successful thus far, although we need to pick up the pace. But so many of the jobs are out in the suburbs. And, if you can’t get there, how can you work there?

And so, we’re working together on transportation issues. We’re working on the skills infrastructure. Because so many people are not trained for the jobs of today and tomorrow. We’re working to build a seamless structure of education from cradle to grave that will enable people to be prepared for those jobs. And so, those are examples of things that we continue to do. And I think the stove pipe implosion is going to help not only Detroit, but many other cities.

MYRON BELKIND: If Governor Scott Walker wins another term on November 4th, it means he will have successfully taken on the public employee unions. Will that encourage other governors, especially Republican ones, to do the same in their states? What will that mean for public employee unions?

THOMAS PEREZ: Well, I'm not going to speculate on who’s going to win elections on November the 4th. You know, every state has the ability to enact laws in the labor context. I think the efforts that took place in Wisconsin and elsewhere were not in the best interest of workers. And you watched as states like Ohio, you saw remarkable and successful pushback against efforts to limit voice.

I think voice is an indispensible part of shared prosperity. And whether it’s labor unions, collective bargaining, supporting works councils, supporting organizations like the Domestic Workers Alliance, whether it’s supporting B corps., whether it’s supporting AESOPS, the more we can do to support voice in every way, shape or form, the more we can do to build shared prosperity.

MYRON BELKIND: A little personal. What was your first job? And how did it shape your life?

THOMAS PEREZ: Well, growing up in Buffalo, New York, my first jobs-- I had three paper routes as a teenager, because we had-- we used to have a morning paper, Jerry, you may recall, The Courier Express. And I had that. I shagged golf balls at a driving range, with a helmet. Some people thought maybe, as they watched me, I didn’t have a helmet on. And then I worked on the back of a trash truck. I worked at Sears for a number of years. And all those jobs taught me the dignity of work and the value of whatever job you're at, you give your best and you work your hardest.
MYRON BELKIND: Now, to your next job, maybe. Attorney General Holder has been a lightning rod throughout his tenure at the Justice Department. Why is that? And what can his successor do to prevent becoming a lightning rod?

THOMAS PEREZ: Well, Eric Holder stood up for voting rights. Eric Holder stood up for commonsense criminal justice reform. Eric Holder ended up working on issues like reducing the crackpot of disparity in a bipartisan fashion with folks in Congress. And these are many of the defining issues of our day. And whenever you're going to work on some of these defining issues of our day, you will have folks who oppose you.

I do not believe, as we prepare to celebrate the 50th anniversary of Bloody Sunday, I don’t believe that the enduring voting issue fifty years later is in-person voter fraud. I don’t believe that, because I did these cases when I was over there. And that is a phantom problem. And when Eric Holder says things like that, people disagree with him. And I applaud his candor and the movement that they have done in that area.

MYRON BELKIND: What should be the Justice Department’s top priorities?

[laughter]

THOMAS PEREZ: I have not studied that issue since I was at the Department of Labor. And I can tell you, the Department of Labor’s priorities should be putting people back to work, continuing the pace of growth, and making sure we have shared prosperity.

MYRON BELKIND: We do have two more in the area of possible next job. So if you wouldn’t mind?

THOMAS PEREZ: I'm talking about my day job here.

MYRON BELKIND: Attorney General Holder has said he won't send journalists to jail for doing their job, suggesting that New York Times reporter James Risen is unlikely to spend time behind bars. Specifically, he said at a recent interview with MSNBC, when asked about Mr. Risen, “I stand by what I have said. If a reporter is doing that which he or she does as a reporter, no reporter is going to jail as long as I am Attorney General.” Would you maintain that position, should you happen to become Attorney General? Or even if not, do you support that position?

THOMAS PEREZ: Again, my singular focus is on the job of being at the Department of Labor. And I know the Attorney General very much values the role of the press as the fourth branch of government. Remember, he served as the Deputy Attorney General under Janet Reno, and often participated with her in her weekly conferences, whether it was-- there was good news, bad news, or indifferent, she was out there. And he
was often there with her in those press briefings, because he understands the critical importance of the press in so many aspects of our life.

**MYRON BELKIND:** We’ll return to the Labor Department for a few questions. Are employers doing their part to train their own workers? Or has on the job training disappeared?

**THOMAS PEREZ:** Oh, I think one of the biggest aspects and one of the most exciting aspects of the transformation in our workforce system that we’re seeing is the remarkable level of employer engagement in what we’re doing. We cannot succeed, in that the advanced manufacturing initiative I described in Western Massachusetts, the credentials that people are getting are designed by the industry. They are with the input of the industry.

And so, when you hire someone, you know what you're getting. That level of employer engagement is one of the lynchpins of our transformation. And the reason it is, is because too many employers were telling me that they were hiring folks, and they had a credential, but they didn’t know what was behind it. Now that they're actively engaged in the development of that credential, they got skin in the game. And they understand it. And, as a result, they can do so much more.

**MYRON BELKIND:** Union strength and influence continues to decline in this country. So have a number of factors related to worker security and satisfaction. How do we bring about—How do we bring back protections and fair play and benefits—Sorry. How do we bring back protections and fair pay and benefits to workers in this area of corporate rights in diminishing worker esteem, according to this questioner?

**THOMAS PEREZ:** Sure. Well, we start out by studying the experience, once again, of our neighbors to the north. The New York Times had a story, I believe April or so of this year, about how the middle class in the United States is not faring as well as the middle class elsewhere.

And they used Canada as one example. And it’s, for me, as I studied this issue, why is the middle class faring better in Canada? Their union density is over twice of what the union density is here in America. I think it's about 26 percent versus 11 percent and change here in the United States.

You look at places like Germany, where you’ve got very low youth unemployment, very robust economy. And you have robust union density. And so, again, it gets back to this issue of voice. We need to make sure that we have multiple mechanisms to give workers a level playing field. And when we do that, as Volkswagen and so many others have demonstrated, it works to the benefit of workers, employers and communities alike.

**MYRON BELKIND:** How can we close the wage gap without collective bargaining?
THOMAS PEREZ: Well, as I said, I think collective bargaining is a very important part of the mix here. The health of the middle class and the strength of the union movement, when you study history, go hand in hand. The greatest generation, as Tom Brokaw used to talk about, well they not only defended our nation and really defended democracy, but when they came back to the United States, what they ended up doing was, you know, they were our laborers and forepeople. And I use the word forepeople instead of foremen. There were foremen and forewomen.

And they were the folks who helped accelerate the entry of the United States into the middle class. So that greatest generation wasn’t simply great on the battlefield, they were great in the workplace. And one of their major accomplishments was that they helped grow the middle class through the importance of collective bargaining, through standing up for workers.

And again, we see so many examples, whether it's Costco-- And if you bought a thousand dollars worth of Costco stock, you know, 15 years ago, you’d have like $15,000 dollars now. They’ve outperformed the S & P 500 Index significantly. You know, other companies, similar examples, across every business model. You know, airlines. When I go to BWI Airport, you know, the Southwest Airlines, they actually pay their baggage handlers a fair wage. You go up I-95 to Newark, and all too many of them, as a result of a decision by some of the legacy carriers, they're making the minimum wage. And I was up there talking to them with Corey Booker a few months back.

That doesn't have to be that way. Again, you know, low wages are a choice. They're not a necessity. And there are so many examples of that.

MYRON BELKIND: Thank you. We are almost out of time. But before asking the last question, we have a couple of housekeeping matters to take care of. First of all-- One minute. We just have a little issue here. We’ll get you the mug later. Okay. First of all, I’d like to remind you about two upcoming speakers’ luncheons. On October 21, tomorrow, Scott Blackmun, President and CEO of the U.S. Olympic Committee. And on November 7th, Robert McDonald, Secretary of Veterans’ Affairs.

I would like to present you with our traditional mug, and we’ve done it so that it is lightweight and easily portable, just in case you need to move offices. So either way, it will be good.

THOMAS PEREZ: And less than $20 dollars.

MYRON BELKIND: And less than $20 dollars. Next I’d like to ask you the last question. Can the Labor Department do anything about the employment situation of journalists? And we have a short time for you to do that. [laughter]

THOMAS PEREZ: There are few things that keep me up at night more than the employment situation of journalists. So what we do is we hire more journalists so that
they can tell our story. Journalists, like so many others, have similar challenges. And I hope that you continue to do the great work that you are doing to shine a light. Because as I said, when I signed your book, the privilege of signing your book earlier today, you are the fourth branch of government. Thank you for your time.

[applause]

**MYRON BELKIND:** Thank you for coming today. We are adjourned.

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