

TRANSITIONS

OUR CAREER POLITICIAN PROBLEM

From a business perspective, why is there such a lack of judgment displayed by our Washington politicians? Perhaps the answer is the leaders of both political parties are career politicians. Most have never worked in the private sector, so they have no experience in understanding what business judgment is.

Most of our current political leadership in Washington are in the 70-80 age group. In Corporate America, most executives retire by age 65. Most all these retirees are intellectually sound and are wise enough to understand they should not continue the mental and physical grueling pace needed to run a large entity. As part of the aging process, we all face the prospect of diminished mental capacity. Politicians face these same issues.

This year, the White House will be spending an unprecedented amount of \$6 trillion in fiscal stimulus, much of which will be paid for by future generations. Bernie Sanders, age 79, touts this spending as the most consequential legislation since FDR's New Deal of the 1930s. Back then, we were in the Great Depression with nearly 25% of America unemployed. Today, we have a completely different set of facts with an economy that is solidly recovering from a Pandemic shutdown, with a substantially lower 5.4% unemployment rate.

Where is the business judgment behind all this legislation? The \$3.5 trillion spending plan for the "human needs of people" remains largely undefined. Everyone agrees on the need for infrastructure spending, but significant details are unknown about the bill that passed the Senate. Are we spending too much, or too little, using \$66 billion for Amtrak passenger service; \$55 billion for clean water; \$65 billion for broadband Internet; and \$65 billion for energy transmission? Even the \$110 billion for roads and bridges includes a miscellaneous \$17.5 billion



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for “unspecified major projects”.

Notice the pattern of big round numbers in all this legislation? The sheer size of this spending spree made it impossible to really define how or where they would spend this money. This top-down approach to spending without a detailed plan is not how any business could operate or even survive.

What is noteworthy is the White House fiscal budget forecasts economic growth through next year from their fiscal stimulus, then a stagnation of growth below 1.9% through 2030. This means all their spending will not improve the economy beyond the midterm political elections. In Corporate America, any proposal spending enormous amounts of money to achieve an outcome of stagnated growth would be reworked until it was clear there is a long-term benefit to the company. We should expect similar thinking from our politicians.

We require sharper thinking than we have seen from our politicians. If being electable meant having careers within the private sector before running for office, such knowledge would create commonsense policy decisions. Instead of rushing unread legislation into law, we deserve well thought out legislation that has broad support across the political spectrum. Restoring thoughtful give and take exchanges of ideas would impart knowledge into legislation. These ideas used to exist in Washington, but the current crop of career politicians are focused on the next election. Maybe it is time to bring term limits to Washington politics, so Americans can vote in people capable of better judgment, that understand what it is like to live in America.

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